



ENN  
新奥

新奥股份  
ENN Natural Gas



Unleash the power of collaboration through an intelligence-enhanced ecosystem

2022 | ANNUAL  
REPORT

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ENN 新奥



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#### Financial Report

Directory of  
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Financial statements containing the signatures and seals of the person in charge of the Company, the person in charge of accounting, and the person of the accounting agency (accounting officer).

The original Auditor's Report containing the seal of the accounting firm, and the signatures and seals of the certified public accountants.

The original Auditor's Report on Internal Control containing the seal of the accounting firm, and the signatures and seals of the certified public accountants.

The originals of all corporate documents and original announcements that have been publicly disclosed in the newspapers designated by the CSRC in the Reporting Period.

## Stable Growth

**36.2** bcm  
Natural gas sales volume

**254**  
City-gas projects

Newly signed long-term  
purchase agreements  
**5.3** mil tons  
per year

LNG  
transportation  
capacity  
**10** vessels


## Financial performance

Total Revenue  
32.9%  
YoY to RMB  
**15.42** bil

Gross Profit  
20.3%  
YoY to RMB  
**23.34** bil

Net Profit Attributable to  
Parent 42.5%  
YoY to RMB **5.84** bil

## ESG performance

  
Carbon emission  
intensity (y-o-y)  
↓ **28.3%**

  
Helped society & clients reduce emission  
**52.88** mil tons  
(2021: 49.07 mil tons)

  
Investment in R&D  
RMB **1.71 bil**  
(2021: RMB1.04 bil)

\* The data for FY2021 on this page were not retroactively adjusted for the acquisition of Zhoushan LNG terminal

## Major ratings

## ESG ratings

 **BBB**

MSCI-ESG Rating  
2021: BB

 **A-** (58.44)

Hang Seng  
Sustainability Index  
2021A-(56.25)



**50**

DJSI Sustainability  
Score First Rating

**32.4**

Sustainalytics Score  
First Rating

## Credit ratings

Rating Agencies	FY2021	FY2022
S&P	–	BBB-
Fitch	BBB-	BBB-
Moody's	Ba1	Ba1 (Positive outlook)
CCX	–	AAA 
CSCI Pengyuan	–	AAA 



### Major indexes



### Awards and rankings

《Fortune》  
2022 Top 500  
Chinese Company  
116th place  
(2021 125th place)

China Enterprise  
Confederation  
“2022 Top 500  
Chinese Companies”  
220th place  
(2021 247th place)

Ernst & Young  
CSO Forum  
Sustainability  
Excellence  
Company Awards

2022 Hong Kong ESG  
Reporting Awards  
(HERA)  
– Outstanding ESG  
Improvement Award  
Commendation,  
Newcomer Award  
Commendation

## To Shareholders

### **Seizing the Opportunity to Create a Bright Future for Smart Ecology in Natural Gas Industry**

Dear shareholders:

In the midst of ups and downs with complicated circumstances, unprecedented global changes intertwined with the once-in-a-century pandemic, and the global energy crisis intensified by the Russia-Ukraine conflict in 2022, the Chinese economy demonstrated its strong resilience. Meanwhile, the State firmly advances the “dual carbon” goal, strengthens and secures energy security and focuses on promoting the integrated development of the industry and digital intelligence. Crisis contains new opportunities and challenge breeds impetus. In the face of the turbulent external situation and challenging market environment, the management team and all partners of the Company worked calmly and tenaciously, overcame difficulties and forge ahead, and gained experience and growth in team spirit and ability of struggle, allowing the Company to make satisfactory achievements in operation. As of 31 December 2022, the Company achieved a turnover increase by 33.04%, amounting to RMB154,044 million, net profits attributable to the parent company of RMB5,844 million and basic earnings per share of RMB1.9. The Board of Directors attached great importance to the returns to its shareholders, deliberated and approved the profit distribution plan whereby cash dividends of RMB5.1 (tax inclusive) were distributed to all shareholders for every 10 shares, leading to the distribution of total cash dividends of RMB1,577 million (tax inclusive). The impressive performance of the Company was recognized by the capital market, with its credit rating of S&P reaching BBB-investment grade for the first time, the domestic credit rating upgraded to AAA as the highest grade, and the rating of ESG upgraded to BBB. ENN-NG was incorporated in the CSI 300 Index for the first time.

Over the last year, we upheld the concept of sustainable development, adhered to the bottom line of safety and compliance, and continuously strengthened intrinsic safety. Remarkable results have been achieved in the digital intelligence-based safety. A total of over 40 intelligent operation centers were built in the past year, and pipe networks and plant stations were connected to enable the intelligent safety management under full scenarios. The Company's efforts in safety were recognized by the government and the society, and many enterprises have been honored on the official documents by the government.

The strategy of “smart ecological operator of the natural gas industry” made steady progresses throughout the past year. With creative gas sale models, more than 2 million households were newly connected, and nearly 6,000 new gas and liquid gas corporate customers increased. Making use of diversified mix of resources and relying on the national pipeline network, we achieved nationwide distribution of pipeline gas, continuously optimized the international resource pool, entered into long-term agreements with international resource dealers offering additional 5.3 million tons of new long-term resources during the year; we built the international LNG shipping capacity starting from scratch, and kept stable the long-term LNG shipping capacity at a competitive price. The successful acquisition of assets from Zhoushan LNG Terminal further demonstrated the value of terminals as a strategic pivot and enhanced the Company's all-scenario connected industry pattern. In terms of the construction of an industrial digital intelligence platform, several intelligent products were made available based on the Company's strategies and business scenarios, not only speeding up the pace of the Company's transformation towards digital intelligence, but also enabling the rapid development of our ecological partners and helping the enhancement of the overall capacity in natural gas industry.

Over the last year, we seized the significant opportunities brought by the “dual carbon” goal, innovated low-carbon products, built low-carbon benchmark and promoted the large-scale development of integrated energy business; we developed new products and expanded channels, achieving rapid growth in value added business; we maintained lean operation of energy production, creating value through integration of industry and trade; the expansion of external market in the construction business achieved remarkable effect, and we great progress was made in the fields of hydrogen energy and integrated energy.

Looking forward to 2023, it will be the beginning year for China to fully implement the spirit of the 20th National Congress of the CPC, and we will embrace positive economic recovery. We will firmly grasp the opportunity of the great development of natural gas and the upgrading of digital intelligence, resolutely promote innovation and upgrading of business and go all out to create a new chapter for our ambitious cause: first, we will continue to advance the all-scenario clean energy layout, accelerate the aggregation of demand, resources and facilities, and, supported by the industrial internet, make the best practices in place to create more intelligent products and promote the implementation of strategy of smart ecological operator in natural gas industry on a sound basis; second, we will speed up business upgrading, improve Smart Home (family high-quality life), support Smart Enterprise (management of energy, carbon, safety for enterprises) and upgrade Smart Infrastructure (urban infrastructure under digital intelligence operation), vigorously promoting the implementation of the strategy of “a smart city solutions provider of quality livelihood and enterprise safety and corporate energy-carbon management”; third, we will strengthen risk control and establish a risk control system covering all businesses, all categories and full life cycle.

Finally, I would like to express sincere gratitude to you on behalf of the Board of Directors of the Company! I believe that, driven by the Company's strategy, backed by the team spirit forged in the difficult environment in 2022, model innovation and industrial digital intelligence platform, and supported by the hard work of our business partners and joint efforts of ecological partners, we will certainly seize the historical opportunity, bravely undertake the mission of the times, and develop a greater and stronger smart ecology for natural gas industry so as to promote the sustainable and healthy development of the Company and make further success!

Chairman: Wang Yusuo  
24 March 2023

## Important Notice

- I. The Board of Directors, the Board of Supervisors and the directors, supervisors and senior managers of the Company ensure that the content of the Annual Report is true, accurate and complete, that there are no false records, misleading statements or major omissions, and bear individual and joint legal liabilities.
- II. All the directors of the Company attend the meeting of the Board of Directors.
- III. ZhongXi CPAs (Special General Partnership) has issued a standard unqualified Auditor's Report for the Company.
- IV. The Chairman of the Company, Wang Yusuo, the person in charge of the accounting, Wang Dongzhi, and chief accountant (accounting officer), Cheng Zhiyan declare to ensure that the annual financial report is true, accurate and complete.
- V. Profit distribution proposal or proposal for capitalization of capital reserve approved by the resolution of the Board of Directors during the Reporting Period

The Sixth Meeting of the Tenth Board of Directors of the Company deliberated and approved the 2022 Profit Distribution Plan of ENN-NG under which the Company proposed to distribute cash dividends of RMB5.1 (tax inclusive) for every 10 shares to all shareholders with 3,092,588,993 shares as the base obtained by deducting 5,808,614 repurchased share not participating in profit distribution on 31 December 2022 and 265,000 restricted shares from its total share capital of 3,098,662,607 shares, with totally distributed cash dividends of RMB1,577,220,386.43 (tax inclusive). The remaining undistributed profits shall be carried forward to the next year. In this profit distribution, no capital reserve will be converted into share capital, nor will bonus shares be given.

Where there is any change in the total share capital or number of shares subject to dividend distribution prior to the date of share registration in respect of dividend distribution, the final dividend distribution plan will be adjusted based on the number of shares available for profit distribution on the date of share registration when the profit distribution plan is implemented in line with the principle that the amount of dividend per share remains unchanged.

- ## VI. Prospective statement of risk

√ Applicable    □ N/A

The forward-looking description of future plans, development strategies, etc. in this Annual Report does not constitute a substantive commitment of the Company to investors, and investors are advised to pay attention to the risk of investment.

- VII. Whether there is any non-operational appropriation of funds by the controlling shareholder and other related parties

No

- VIII. Whether there is any external guarantee in violation of the specified decision-making procedures

No

- IX. Whether more than half of the directors cannot guarantee the authenticity, accuracy and completeness of the Annual Report disclosed by the Company

No

- ## X. Material Risk Warning

In this Report, The Company has elaborated various risks and countermeasures it may face in the course of its production and operation. Please refer to the “Possible risks” of “Section III Management Discussion and Analysis”.

- XI. Others

☐ Applicable    ☒ N/A



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Interpretation

In this Report, unless the context otherwise requires, the following terms have the following meanings:

Interpretation of common terms		
The Company or ENN-NG	Refers to	ENN Natural Gas Co., Ltd.
ENN International	Refers to	ENN Group International Investment Limited, which is the Company's holding shareholder
ENN Zhoushan or Zhoushan Terminal	Refers to	ENN (Zhoushan) LNG Co., Ltd.
ENN Energy	Refers to	ENN Energy Holdings Limited, which is a Listed Company on the Hong Kong Stock Exchange with stock code: 02688. HK
Essential Investment	Refers to	Essential Investment Holding Company Limited
ENN Holdings	Refers to	ENN Holdings Investment Co., Ltd., which is a shareholder of the Company
PipeChina	Refers to	China Oil & Gas Pipeline Network Corporation
Xinneng Mining Industry	Refers to	Xinneng Mining Industry Co., Ltd.
Xinneng Energy	Refers to	Xinneng Energy Co., Ltd.
Xindi Energy Engineering	Refers to	Xindi Energy Engineering Technology Co., Ltd.
Xinneng (Tianjin)	Refers to	Xinneng (Tianjin) Energy Co., Ltd.
ENN Qinshui	Refers to	Shanxi Qinshui ENN Clean Energy Co., Ltd.
Xinneng Hong Kong	Refers to	Xinneng (Hong Kong) Energy Investment Co., Ltd.
ENN Group	Refers to	ENN Group Co., Ltd.
ENN Science and Technology	Refers to	ENN Science and Technology Development Co., Ltd.
SSE	Refers to	Shanghai Stock Exchange
PetroChina	Refers to	PetroChina Company Limited
Sinopec	Refers to	China Petrochemical Corporation
CNOOC	Refers to	China National Offshore Oil Corporation
Yuan, 0.01 Million Yuan, 100 Million Yuan	Refers to	RMB Yuan, RMB0.01 Million Yuan, RMB100 Million Yuan, China's legal currency unit
Reporting Period	Refers to	A period from 1 January 2022 to 31 December 2022





# 02

## Company Profile and Main Financial Indicators

## I. Corporate Information

Chinese name of the Company	新奥天然气股份有限公司
Chinese abbreviation of the Company	新奥股份
Foreign name of the Company	ENN Natural Gas Co., Ltd.
Abbreviation of Company's foreign name	ENN-NG
Legal representative of the Company	Wang Yusuo

## II. Contacts and Contact Information

Secretary of the Board		Representative of Securities Affairs
Name	Liang Hongyu	Ling Yan
Contact address	Block B, 118 Huaxiang Road, Langfang Development Zone, Hebei Province	Block B, 118 Huaxiang Road, Langfang Development Zone, Hebei Province
Tel.	0316-2595599	0316-2597675
Fax	0316-2595395	0316-2595395
Email	enn-ng@enn.cn	enn-ng@enn.cn

## III. Basic Information

Registered address of the Company	No. 383 Heping East Road, Shijiazhuang City, Hebei Province
Historical changes in the Company's registered address	In September 2020, the Company's registered address was changed from No. 393 Heping East Road, Shijiazhuang City, Hebei Province to No. 383 Heping East Road, Shijiazhuang City, Hebei Province
Office address of the Company	No. 383 Heping East Road, Shijiazhuang City, Hebei Province; Block B, No. 118 Huaxiang Road, Langfang Development Zone, Hebei Province
Postal code of the Company's office address	050031, 065001
Company website	<a href="http://www.enn-ng.com">http://www.enn-ng.com</a>
Email	enn-ng@enn.cn

## IV. Information Disclosure and Preparedness Location

Name and website of the media disclosing the Annual Report by the Company	<ol style="list-style-type: none"> <li>1. <i>China Securities Journal</i>, <a href="https://www.cs.com.cn/">https://www.cs.com.cn/</a></li> <li>2. <i>Shanghai Securities News</i>, <a href="https://www.cnstock.com/">https://www.cnstock.com/</a></li> <li>3. <i>Securities Daily</i>, <a href="http://www.zqrb.cn/">http://www.zqrb.cn/</a></li> </ol>
Website of the stock exchange disclosing the Annual Report by the Company	<a href="http://www.sse.com.cn/">http://www.sse.com.cn/</a>
Preparedness location of the Company's Annual Report	Shanghai Stock Exchange, Corporate Investor Relations Intellectual Product Group



## V. Briefing of the Company's Shares

Briefing of the Company's Shares				
Type of stock	Stock exchange where the stock is listed	Short for the stock	Stock code	Stock abbreviation before change
A-share	Shanghai Stock Exchange	ENN-NG	600803	/

## VI. Other Relevant Information

Accounting firm (domestic) employed by the Company	Name	ZhongXi CPAs (Special General Partnership)
	Office address	11/F, Block A, New Town Culture Building, No. 11 Chongwenmenwai Street, Beijing
	Name of signing accountant	Zhang Zenggang, Deng Haifu
Financial adviser performing continuing supervising duties during the Reporting Period	Name	CSC Financial Co., Ltd.
	Office address	Building No. 4, 66 Anli Road, Chaoyang District, Beijing
	Name of signing financial adviser sponsor	Zeng Kunjie, Zhong Ben
	Duration of continuous supervision	16 August 2022 – 31 December 2023
Financial adviser performing continuing supervising duties during the Reporting Period	Name	CITIC Securities Co., Ltd.
	Office address	CITIC Securities Tower, No.8 Zhongxin 3rd Road, Futian District, Shenzhen, Guangdong Province
	Name of financial adviser sponsor for signing	Li Ning, Kang Haoyu
	Duration of continuous supervision	16 August 2022 – 31 December 2023

## VII. Key accounting data and financial indicators of the Company in the past three years

### (I) Key accounting data

Unit: RMB'0000 Currency: RMB

Key accounting data	2022	2021		Year-on-year increase or decrease (%)	2020	
		After adjustment	Before adjustment		After adjustment	Before adjustment
Operating income	15,404,417	11,578,863	11,591,963	33.04	8,731,402	8,809,877
Net profit attributable to shareholders of listed companies	584,391	463,178	410,165	26.17	231,870	210,696
Net profit attributable to shareholders of listed companies after deducting nonrecurring gains or losses	467,089	349,005	353,118	33.83	118,170	130,528
Net cash flow from operating activities	1,500,578	1,416,504	1,351,038	5.94	1,237,010	1,244,768
Core profit attributable to shareholders of listed companies	606,671	409,456	357,207	48.17	243,714	222,116

	End of 2022	End of 2021		Increase/decrease at the end of the current period compared to the same period last year (%)	End of 2020	
		After adjustment	Before adjustment		After adjustment	Before adjustment
Net assets attributable to shareholders of listed companies	1,757,812	1,671,659	1,483,322	5.15	1,003,227	813,229
Total assets	13,619,744	13,431,974	12,793,392	1.40	11,664,305	10,952,385

## (II) Key financial indicators

Key financial indicators	2022	2021		Year-on-year increase or decrease (%)	2020	
		After adjustment	Before adjustment		After adjustment	Before adjustment
Basic earnings per share (Yuan/share)	1.90	1.51	1.46	25.83	0.82	0.82
Diluted earnings per share (Yuan/share)	1.89	1.51	1.46	25.17	0.82	0.82
Basic earnings per share after deducting nonrecurring gains or losses (Yuan/share)	1.60	1.24	1.26	29.03	0.76	0.84
Weighted average return on equity (%)	33.43	31.09	41.11	Increase by 234 bp	16.70	16.51
Weighted average return on equity after deducting nonrecurring gains or losses (%)	27.84	26.85	35.39	Increase by 99 bp	11.34	14.18
Basic core profit per share (Yuan/share)	1.97	1.34	1.27	47.01	0.86	0.86

Descriptions of the Company's key accounting data and financial indicators in the past three years at the end of the Reporting Period

√ Applicable    ☐ N/A

1. The operating income increased by 33.04% in the current period over the same period in the previous year mainly due to the increase in the unit price of natural gas business (retail, wholesale and direct selling) and the growth of comprehensive energy business of the Company's subsidiaries.

2. The net profit attributable to shareholders of listed companies after deducting nonrecurring gains or losses increased by 33.83% in the current period over the same period in the previous year mainly due to significant increase of the net profit attributable to shareholders of listed companies in the Reporting Period over the same period in the previous year.

3. The core profit attributable to shareholders of listed companies increased by 48.17% and the basic core profit per share increased by 47.01% in the current period over the same period in the previous year mainly due to (1) significant increase of the profits contributed by direct selling of natural gas in the current period over the same period in the previous year; and (2) sharp increase in the sale volume, rise of unit price and increased profit contribution of coal business in the current period over the same period in the previous year.

## VIII. Difference in accounting data under domestic and foreign accounting standards

- (I) Difference between the net profits and net assets attributable to shareholders of listed companies in the financial reports disclosed concurrently according to international accounting standards and Chinese accounting standards

☐ Applicable ☒ N/A

- (II) Difference between the net profits and net assets attributable to shareholders of listed companies in the financial reports disclosed concurrently according to overseas accounting standards and Chinese accounting standards

☐ Applicable ☒ N/A

- (III) Descriptions of the differences between domestic and overseas accounting standards:

☐ Applicable ☒ N/A

## IX. Key accounting data by quarters in 2022

Unit: RMB'0000 Currency: RMB

	First quarter (January to March)	Second quarter (April to June)	Third quarter (July to September)	Fourth quarter (October to December)
Operating income	3,539,628	3,773,484	3,345,810	4,745,495
Net profit attributable to shareholders of listed companies	85,644	84,036	146,255	268,456
Net profit attributable to shareholders of listed companies after deducting nonrecurring gains or losses	62,418	72,482	58,436	273,753
Net cash flow from operating activities	-316,498	1,058,600	347,408	411,068

Description of the difference between quarterly data and the data disclosed in periodic reports

☒ Applicable ☐ N/A

The difference between the data disclosed in the first & second quarters and the disclosed data can be attributed to the inclusion of ENN Zhoushan in the scope of consolidation by the Company in the current period. According to the relevant provisions of the Accounting Standards for Business Enterprises, combination of enterprises under common control shall incorporate the income, expense and profit of such enterprises from the beginning of the current period to the end of the Reporting Period into the consolidated financial statements, so adjustments are made to the key financial data of the first quarter and second quarter.

## X. Items and amounts of nonrecurring gains or losses

√ Applicable      □ N/A

Unit: RMB'0000    Currency: CNY

Non-recurring profit and loss items	Amount in 2022	Notes (if applicable)	Amount in 2021	Amount in 2020
Gains or losses on disposal of non-current assets	-7,347		9,905	-7,525
Government subsidies included in profit or loss for the current period, other than those on-going government subsidies which are closely related to the Company's normal operation, in line with national policies and subject to certain standard quota or quantitative amount	38,621		36,251	23,681
Gains or losses on debt restructuring	2,051		-266	-859
Net gains or losses of subsidiaries for the current period from the beginning of the period to the date of combination arising from business combination under common control	17,337		63,578	388,296
Gains or losses on changes in fair value of financial assets held for trading, derivative financial assets, financial liabilities held for trading and derivative financial liabilities except for effective hedging transactions that are related to the Company's normal operations, and return on investment from the disposal of financial assets held for trading, derivative financial assets, financial liabilities held for trading, derivative financial liabilities and other debt investments	174,770		74,899	-415
Reversal of the provision for impairment on receivables and contract assets which were tested individually for impairment	3,170		4,367	
Gains or losses from external entrusted loans	1,002		1,977	
Gains or losses arising from changes in fair value of investment real estate under fair value model on subsequent measurement	-3,466		879	-1,017
Other non-operating income and expenses other than above items	-3,010		-6,314	-15,034
Less: Effect of income tax	38,434		20,871	4,211
Effect of minority equity (after tax)	67,392		50,232	269,216
Total	117,302		114,173	113,700

Reasons shall be specified for defining nonrecurring profit and loss items in accordance with *the Interpretative Announcement on Information Disclosure by Companies that Offer Securities to the Public No. 1 – Nonrecurring Profit and Loss* and defining nonrecurring profit and loss items listed in *the Interpretative Announcement on Information Disclosure by Companies that Offer Securities to the Public No. 1 – Nonrecurring Profit and Loss* as recurring profit and loss items.

□ Applicable    √ N/A

## XI. Items measured at fair value

√ Applicable    □ N/A

Unit: RMB'0000    Currency: RMB

Project name	Opening balance	Closing balance	Current change	Amount of effect on current profit
<b>Transaction financial assets</b>	15,510	2,560	-12,950	
<b>Derivative financial assets</b>				
Including: Non-hedging derivatives	218,144	254,589	36,445	
Hedging derivatives	63,484	35,074	-28,410	
<b>Receivables financing</b>	86,389	91,663	5,274	
<b>Investment in other equity instruments</b>				
Including: ENN (Inner Mongolia) Graphene Material Co., Ltd.	26		-26	
Shenzhen Dapeng Liquefied Natural Gas Sales Co., Ltd.	494	1,610	1,116	
JiaXing Gas Group Co., Ltd.	11,293	8,740	-2,553	
Shanghai Zhongyou Baihe Petroleum Gas Co., Ltd.	1,230	1,071	-159	
Shanghai Petroleum and Gas Exchange Co., Ltd.	4,362	4,411	49	
Chongqing Petroleum and Gas Exchange Co., Ltd.	5,474	5,480	6	
Xiangtan Desheng Energy Distribution Co., Ltd.	144	152	8	
Sanmenxia Swan Power Co., Ltd.	1,177	977	-200	
Nanjing Jiangbei New District Power Distribution Co., Ltd.	464	468	4	
Heilongjiang Electric Power Trading Center Co., Ltd.	356	356	0	
Longchang Ruigao Energy Development Co., Ltd.	1,490	1,490	0	
Jibei Power Exchange Center Co., Ltd.	290	290	0	
Zhejiang Hesun Energy Co., Ltd.	166	139	-27	
Guangxi Power Exchange Center Co., Ltd.	262	264	2	
Dongguan Fengneng LNG Co., Ltd.	25	25		
Dongguan Fengneng LNG Terminal Co., Ltd.	25	25		
<b>Other non-current financial assets</b>				
Including: Non-hedging derivatives	102,441		-102,441	
Hedging derivatives	9,804		-9,804	

Project name	Opening balance	Closing balance	Current change	Amount of effect on current profit
CDB Siyuan (Beijing) Investment Fund Limited	5,445	2,293	-3,152	
Sinopec Marketing Co., Ltd.	417,000	417,000		
Shanghai Dazhong Public Utilities (Group) Co., Ltd.	18,072	13,394	-4,678	
Chenzhou City Jingui Silver Industry Co., Ltd.	38	35	-3	
Investment real estate	28,807	27,632	-1,175	
Derivative financial liabilities				
Including: Non-hedging derivatives	196,935	84,883	-112,052	
Hedging derivatives	12,116	17,033	4,917	
Other non-current liabilities				
Including: Non-hedging derivatives	85,875		-85,875	
Hedging derivatives	49,260	4,841	-44,419	
Investment income				68,734
Income from changes in fair value				116,912
Financing expense				20,276
Principal business revenue				167,783
Principal business cost				-38,467
Total	1,336,598	976,495	-360,103	335,238

## XII. Others

☐ Applicable    ☒ N/A







03

## Management Discussion and Analysis

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## I. Operations Discussion and Analysis

2022 was a challenging year for the global economy: international relations were complex and volatile, the world was in a state of chaos, the Russia-Ukraine conflict sparked geopolitical turmoil and shook the world energy landscape, and commodity prices experienced major fluctuations. Despite many domestic and international complexities, risks and challenges, China reported an annual GDP growth of 3% while carefully coordinating pandemic prevention and control measures with economic and social development. In terms of the economy, China focused on stabilizing economic growth, adjusting its economic structure, and promoting economic transformation. Meanwhile, China continued to advance energy market-oriented reform, facilitate the green and low-carbon transformation of energy, accelerate the investment and construction of facilities, and enhance tech-innovation capacities, ultimately strengthening the resilience and elasticity of industrial chain development.

The evolving external environment, new situation, and new requirements for energy development and reform have brought both challenges and opportunities for the development of China's natural gas sector. The government continued to strengthen the market-oriented development of natural gas by promoting interconnection and interoperability of natural gas pipeline facilities, as well as opening up the facilities to market players to encourage the free flow and flexible deployment of natural gas in the market. All of these factors have laid a foundation for the development of the natural gas industry.

Amid this backdrop, the Company seized the opportunity to resolutely implement its "all-scenario" strategy. It accelerated its digital intelligence transformation to become an "intelligent ecological operator within the natural gas industry". By leveraging the best practices of the natural gas industry, it accelerated the development of the industrial internet platform, which provides an ecosystem for the Company to connect with a diverse range of partners, aggregate high-quality resources and facilities, and expand and deliver better customer service.

## II. Examining Industries with Company Operations During the Reporting Period

### 1. Natural gas

Since the Russia-Ukraine conflict in February 2022, the world has undergone dramatic geopolitical changes that have made a major impact on the global economy and energy prices. With record high prices in major global LNG markets, Europe has proposed the "REPowerEU" energy independence plan, hoping to accelerate its independence from Russia's gas reliance, while Russia's anti-sanctions measures have led to a sharp decline in pipeline gas volumes to Europe. To offset the shortfall in pipeline gas volumes, Europe has been attracting global LNG resources to Europe at a premium price. At the same time, governments have been balancing industrial development with emission control, and introduced targeted energy saving and emission reduction policies to ensure stable energy supply and long-term, healthy economic development.





About **220** Bcm  
domestically produced  
in 2022

Sixth consecutive year of  
production growth above  
**10** Bcm

Global gas production  
is expected to  
increase slightly by  
**0.98%**  
year-on-year in 2023

In 2022, global natural gas consumption slightly dropped by 0.78% to 4.06 trillion cubic meters. On a regional level, North America saw rising demand, Europe had a sharp decline in consumption, and Asia generally remained stable – though China, Japan and South Korea saw a slowdown in demand growth due to pandemic prevention and control, as well as reduced economic activities. Given the strong economic momentum in Asia Pacific, the International Energy Agency, in its *Gas Market Report 2022-2025*, expects Asia Pacific to dominate global gas growth in the future, especially in China, where the industrial sector is the main driver of gas demand. On the supply side, global gas supply was in a state of relative equilibrium due to insufficient upstream investment and low production growth driven by capacity cycles. Although gas supply encountered uncertainties in 2022, the increasing trend of global supply has persisted and global gas production is expected to increase slightly by 0.98% year-on-year in 2023. (Source: International Energy Agency)



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The slowdown in economic growth, coupled with high gas prices, has resulted in a rare negative growth in natural gas consumption in China. In 2022, the apparent consumption was approximately 366.3 billion cubic meters, down 1.7% year-on-year, and industrial gas consumption reduced sharply. However, as socio-economic activities returned to normal, natural gas consumption is expected to rebound. On the supply side, domestic natural gas production maintained steady growth. According to the National Energy Administration, domestic production increased by 6% to approximately 220 billion cubic meters in 2022, achieving a year-on-year increase of over 10 billion cubic meters for the sixth consecutive year. In terms of imported gas, pipeline gas volume – mainly from the Sino-Russia pipeline – surged by 7.8% to 64.127 billion cubic meters. In 2022, China's total gas imports dropped by 9.9% year-on-year to 109.248 million tons due to the abundant supplies of the three major oil companies, domestic unconventional gas resources, and the reduction in domestic demand during the pandemic. (Source: Sia Energy)



Total gas imported

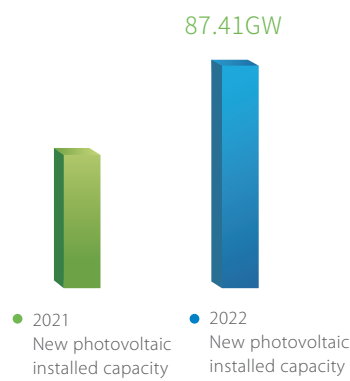
**109.248** MtNational key energy projects  
completed investment of  
aroundRMB **2** trillionThe total mileage of natural  
gas pipelines reached about**116,000** kmNational gas storage  
capacity of around**27** BcmUrban natural gas users  
in China wasover **667** M

## 2. Engineering construction and installation

To ensure a safe and stable supply of natural gas, China accelerated the construction of infrastructure for the natural gas industry, with approximately RMB2 trillion invested in key energy projects throughout the year. No effort was spared to increase oil and gas reserves and production (Source: National Energy Administration). By the end of 2022, the total mileage of domestic natural gas pipelines reached about 116,000 kilometers, initially forming “one national network” of natural gas. According to the *Medium and Long-term Oil and Gas Pipeline Network Plan*, the total mileage of natural gas pipelines in China is expected to increase to 163,000 kilometers by 2025, with promising growth prospects. With respect to gas storage facilities, China’s gas storage capacity stood at approximately 27 billion cubic meters. According to the 14th Five-Year Plan, by 2025, China’s storage capacity will reach 55 billion to 60 billion cubic meters, accounting for approximately 13% of natural gas consumption. Furthermore, hydrogen energy and biomass natural gas, which are key areas of development for the Company, also experienced rapid development. Since September 2021, 10 new countries have issued national hydrogen energy strategies, bringing the total number to 27. China has taken extensive measures to support the development of hydrogen energy since it was included in the 14th Five-Year Plan. As a result, China is now the world’s largest producer of hydrogen, with an annual output of around 33 million tons and 270 hydrogen refueling stations. Biogas, as a clean energy source, is also of strategic importance. It can emit negative carbon, prevent agriculture non-point source pollution, recycle organic waste, produce organic fertilizer and develop rural industry. The National Development and Reform Commission and the Ministry of Agriculture and Rural Affairs continued to invest and have supported the construction of 64 large-scale biogas pilot projects and more than 1,400 large-scale biogas projects.

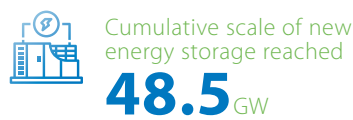
With respect to engineering installations, according to data from the National Bureau of Statistics of the PRC, the urbanization rate of China’s permanent population was 65.22% at the end of 2022, representing an increase of 0.5% from the end of the previous year. The urban permanent population reached 921 million. Meanwhile, people are continuously moving towards areas along the Yangtze River, coastal areas, and inland urban areas. As urbanization continues, the number of natural gas users is also expected to increase. According to data from the Ministry of National Emergency Management of the PRC, the number of urban natural gas users in China was 667 million in 2022. At present, natural gas installation for residential and commercial users has maintained steady growth.

### 3. Integrated energy



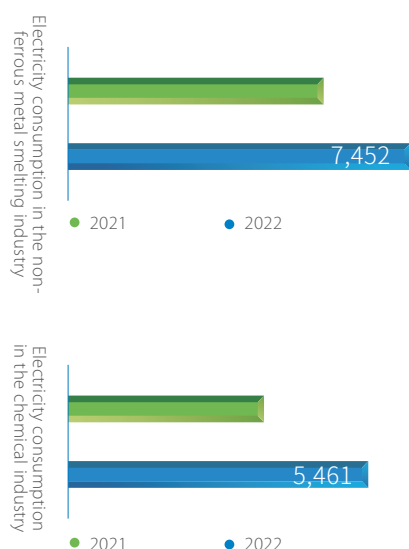
China’s dual carbon policy has resulted in new opportunities for the rapid development of integrated energy business. In August 2022, the Ministry of Industry and Information Technology of the PRC, the National Development and Reform Commission of the PRC, and the Ministry of Ecology and Environment of the PRC issued the *Implementation Plan for Carbon Peaking in the Industrial Sector*, which proposed to strongly promote energy conservation and carbon reduction; encourage the use of clean energy to enterprises and industrial parks in close proximity; enhance the coordination and interaction of power sources, grids, loads and storage; advance the efficient and complementary use of multiple energy sources; and facilitate the nearby large-scale and high proportional consumption of renewable energy.

As for new energy, the *14th Five-Year Plan for Modern Energy Systems* and the *14th Five-Year Plan for Renewable Energy Development* have proposed to strengthen the distributed development of wind power and photovoltaic power generation; coordinate the integrated development of hydropower, wind power and photovoltaic power bases; steadily diversify the development of biomass energy; promote storage and consumption; and increase the proportion of renewable energy usage. In 2022, new photovoltaic installed capacity increased by 60.3% year-on-year to 87.41GW, hitting a record high. (Source: National Energy Administration)



With respect to energy storage, the integration of new energy sources with the large-scale power grid may create imbalances in supply and demand at various times in the future. However, new energy storage technology has the potential to facilitate the extensive and high-quality development of new energy sources and help achieve China’s “double carbon” policy objective. It will also serve as a key technology for future energy reforms, and an important strategic consideration in the years ahead. The *Notice on Further Promoting New Energy Storage to Participate in Electricity Market and Dispatch Application* issued in May 2022 further defined the market positioning of new energy storage and contributed to the maturing and development of relevant industry systems and business models. According to the China Energy Storage Alliance, the cumulative scale of new energy storage is expected to reach 48.5GW in 2026, and the market will show a steady and rapid growth.

#### 4. Energy production



In 2022, China's supply and demand remained in a tight balance and the coal market maintained high levels of demand due to domestic supply constraints in conjunction with the unresolved overseas energy crisis. On the demand side, despite weakening demand for coal in the steel smelting and building materials industries, the demand for coal in the non-ferrous and chemical industries kept growing in response to geopolitical conflicts and domestic policies supporting the new energy industry. In 2022, the non-ferrous metal smelting industry consumed 745.2 billion kWh of electricity, up 3.3% year-on-year; and the chemical industry consumed 546.1 billion kWh of electricity, up 5.2% year-on-year, which boosted the demand for coal. (Source: National Bureau of Statistics) Furthermore, Sichuan province experienced severe droughts and the highest temperatures recorded in 60 years, and the sharp decline in hydropower generation further stimulated the demand for coal power. On the supply side, the total coal production in China increased by 10.5% or 320 million tons year-on-year to 4.5 billion tons in 2022. On the demand side, the total consumption for coal in China reached 3.04 billion tons in 2022, up 4.3% year-on-year. (Source: National Energy Administration)



China's apparent methanol consumption was about

**82.16** Mt

In 2022, China's methanol market presented an irregular "M"-shaped trajectory. In the first half of the year, the market surged and then fell with the Russia-Ukraine conflict as the central axis; In the second half of the year, the rise in interest rates and the tapering by the Federal Reserve, in combination with the Russia-Ukraine conflict, led to a significant increase and decrease in international commodity prices. Notably, the prices of international coal and natural gas were highly volatile, while methanol experienced a spike in October but subsequently declined due to the extensive maintenance of purchased methanol-to-olefin plants located in coastal areas. As for raw materials, the coal market was strong throughout the year, and the double-track system of coal prices increased some varieties' costs, which severely affected the enterprises which made methanol by purchased coal. On the supply side, China's methanol production capacity was 99.275 million tons in 2022, with the growth rate falling to 1% compared to 2021, and the industry still in a state of continuous evolution. Meanwhile, it's expected that the annual import increment was limited to around 12.2 million tons. On the demand side, China's apparent methanol consumption was approximately 82.16 million tons in 2022, with olefin demand still among the top while traditional downstream demand continued to increase steadily. Generally, China's methanol remained in a loose pattern. (Source: [www.315i.com](http://www.315i.com))

Liquefied Natural  
Gas (LNG) imported  
**63.442** Mt

## 5. Infrastructure operation

In 2022, China imported 63.442 million tons of liquefied natural gas (LNG), down 19.5% year-on-year. This is the first year-on-year decline recorded in nearly seven years. (Source: General Administration of Customs of the People's Republic of China). China's LNG imports fell sharply due to high international LNG spot prices, which in turn reduced the average utilization rate of terminals to 62%. (Source: Sia Energy)

LNG terminals are an essential part of China's natural gas industry chain, serving as the only access point for LNG imports. They perform functions such as receiving, gasification, and peak load regulation, making them an important part of the industry's infrastructure. In 2022, two new LNG terminals were put into operation in China, bringing the total number of operating LNG terminals to 24, with a total designed capacity of nearly 110 million tons. Meanwhile, there are 34 LNG terminal projects under construction, including six expansion projects and 28 new projects, which are expected to have an additional receiving capacity of about 140 million tons after commissioning. As China's economy gradually emerges from a state of pandemic-induced uncertainty, natural gas demand from the industrial sector is poised to drive a steady increase in the utilization rate of coastal LNG terminals. Meanwhile, with overseas LNG as an important source for China's rapid natural gas consumption growth in the future, the role of LNG terminals in stabilizing natural gas energy supply will become increasingly prominent.

## III. Company Engaged Business During the Reporting Period

Our principal business includes natural gas sales, engineering construction and installation, energy production, integrated energy business, value-added business, and infrastructure operation.

### 1. Natural gas sales

The Company further divides natural gas sales business into direct sales, retail, and wholesale of natural gas based on differences in natural gas procurement, customer demographic, business model, and other factors.





Company gas plant station

#### *a) Direct sales of natural gas*

The Company purchased most of its natural gas from abroad, supplemented by domestic sources including resources from its own or entrusted domestic LNG liquid plants, unconventional resources, and more. After procurement, it has sold the natural gas to a range of customers including domestic industrial customers, city gas operators, power plants, transportation energy operators, international traders, and more. Regarding international procurement, the Company has purchased natural gas from international natural gas producers or traders through signing long-term purchase agreements and spot contracts. At present, the Company has signed long-term purchase agreements with Total, Origin, Chevron, Cheniere, Novatek, EnergyTransfer, and NextDecade for a total of 7.64 million tons of natural gas per year. With respect to spot procurement strategy, the Company flexibly carried out spot bidding and procurement based on the needs of downstream customers and both local and global natural gas market situations. Our international natural gas resources were linked to international mainstream energy indices such as JCC, Brent, and Henry Hub to prevent and defuse various price risks. In terms of domestic resources, the Company acquired coal-to-gas, coalbed methane, scattered well gas, shale gas, and LNG liquid plant resources through equity investment, OEM and other methods. The pricing of direct gas sales was more flexible and market-oriented, with floating or fixed prices depending on the type and demand of customers.

#### *b) Retail of natural gas*

The Company's retail natural gas business involves purchasing natural gas, which then undergoes processes such as vaporization, pressure regulation, impurity removal, dehydration, and odorization. The natural gas is then typically delivered to end users including industrial businesses, residents, and transportation sectors through the pipeline network.

The Company's existing upstream gas suppliers include CNPC, Sinopec, CNOOC, and unconventional gas and overseas LNG resource providers. It has purchased LNG spot resources for supplementation based on the needs of downstream customers, as well as both local and global natural gas market situations.

The purchase prices of non-pipeline gas (mainly LNG) are determined by the market and are mainly affected by domestic and global supply and demand patterns. The National Development and Reform Commission is formulating and adjusting gate station prices so that pipeline gas prices in each province will transition to a flexible price formation mechanism. Since 2016, China is gradually relaxing gate station price control. Moreover, the gate station base price, as determined by the

National Development and Reform Commission, has been adopted in response to the various market-oriented reforms taking place in the domestic natural gas industry. Upstream gas suppliers will charge a certain percentage above the base price without any downward limit.

In principle, the sales price was determined by the procurement cost + gas distribution prices and the urban gas distribution prices were subject to the *Guiding Opinions on Strengthening the Regulation of Gas Distribution Prices*. The gas distribution price was set based on the principle of “permitted cost plus reasonable gain” and its calibration cycle should not exceed three years. The sales price for commercial and industrial users is adopting the government-guided price. At present, various cities in China have established their own non-residential sales price linkage mechanisms. When upstream gate station prices change, the Company may apply for a sales price adjustment for non-residential users within the set range. The sales price for residential users has been determined by the Chinese government.

### *c) Wholesale of natural gas*

As a supplement to its retail gas business, the Company has purchased natural gas from domestic upstream gas production and sales entities and then sold it in bulk through its own and third-party gas transportation networks to customers, traders, and other parties not covered by the pipeline network in its own operating areas.

## 2. Engineering construction and installation

The Company’s engineering construction and installation business is mainly divided into engineering construction and gas installation businesses.

### *a) Engineering construction*

Engineering construction covers four major engineering fields: natural gas infrastructure engineering, municipal engineering, new energy engineering, and digital intelligence. The Company obtained projects through bidding and provided customers with overall solutions for the entire cycle of projects including



**3** LNG receiving terminals are part of the project

Over **10** LNG liquefaction plants



Hydrogen Projects



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technology development, consulting and planning design, procurement, equipment manufacturing and skid-mounted integration, project construction, and digital delivery. Up till now, engineering projects that the Company participated in include three LNG terminals, over 10 LNG liquefaction plants, more than 30 coke oven gas utilization projects, more than 2,500 kilometers of long-distance pipelines, and more than 8,000 kilometers of medium-and high-pressure pipelines. At the same time, the Company has undertaken engineering projects relating to hydrogen energy since 2011. With more than 10 years of growth, the Company's hydrogen production and hydrogen refueling station project construction businesses are mature. The Company has also participated in more than 40 hydrogen-related engineering projects covering mainstream hydrogen production methods using coal, natural gas, and water electrolysis. Going forward, by leveraging independent R&D and collaborations, the Company's engineering construction business will be empowered by more cutting-edge and low-carbon technologies in terms of green hydrogen production, energy storage, CCUS, geothermal, and so on. The Company utilizes core technologies and intelligent project management and delivery capabilities to offer a range of smart engineering projects to customers. These projects connect the full-cycle carbon chain and include low-carbon engineering design, carbon footprint tracking, carbon trading, smart safety production and operation, and digital twin factories.

***b) Natural gas construction and installation***

The Company provided various construction and installation services relating to gas-use equipment for residential, commercial and industrial users, covering areas such as courtyard pipeline networks, indoor pipeline and facilities, and after-sales maintenance services. The paid installation services are designed for residential users living in newly-built commodity housing or old residential houses without pipeline gas. The Company offered services including installation of the courtyard pipeline network and equipment, as well as indoor piping and facilities within the red line of residential buildings. The installation services for commercial and industrial users refer to the installation of pipeline gas projects for industrial, commercial, welfare units, and other customers. With respect to construction and installation, bidding processes were used to select engineering contractors and material suppliers. In some regions, the pricing of engineering installation businesses were defined by specific policies and regulations set by the provincial and municipal development and reform commissions for engineering installation fees, while other regions adopted a market-based pricing mechanism instead.

### 3. Energy production

#### a) Coal

Wangjiata coal mine  
approved capacity  
**8** Mt

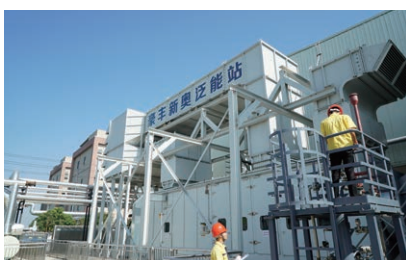


Command Centers in  
Xinneng Mining Industry

The Company owns the mining rights of the Wangjiata Coal Mine, which has demonstrated a capacity of 8 million tons. The Company has also entrusted a third party with the responsibility of mining and washing the coal. Wangjiata Coal Mine is characterized by having a simple and stable geological structure with good coal quality. Non-stick coal makes up the most of the mine's supply, with a small proportion of long-flame coal. The Company's main coal products include blended coal and cleaned coal. The blended coal is usually used as steam coal due to its high ash content, while the cleaned coal, featuring low ash content and a relatively high degree of purity, is used as high-quality coal for special purposes and can be used as in coal chemical and steel industries. The Company sells coal to end users in strict accordance with the *Notice of the National Development and Reform Commission of the PRC on Further Improving the Market Price Formation Mechanism*.

#### b) Methanol

Methanol total designed  
capacity **1.2** Mtpa



The Company's methanol business includes the production and sales of methanol. The main raw material of the Company's methanol products is coal, which is mainly purchased from Ordos City, Inner Mongolia and its surrounding areas. At present, the Company has two sets of production units with a total designed capacity of 1.2 million tons per year. Our customers are mainly concentrated in large and medium-sized terminal chemical enterprises and have gradually extended to emerging downstream customers such as fine chemicals and methanol fuel.

### 4. Integrated energy and value-added business

The Company is committed to integrated energy and is responding to customer demand for energy-saving, cost reduction, and low-carbon transformation. To achieve this, the Company has integrated natural gas with other renewable sources such as biomass, photovoltaic, and geothermal based on local conditions. This means customers have been able to enjoy customized, low-carbon, intelligent solutions for cooling, heating, steam, and electricity. This approach enables the realization of collaborative supply between various energy sources and comprehensive cascade utilization of energy. The company also integrates cutting-edge technology to allocate energy among multiple stations, using optimal strategies for safe, efficient, clean, and cost-effective energy delivery. This approach improves energy efficiency and reduces emissions while meeting the energy demands of users.

Integrated Energy Project

Adhering to the principle of customer-centricity, the Company has been focused on meeting customer demands for improved safety, low-carbon solutions, a high degree of comfort, and individuality. The Company has also strived to establish a value-added service platform that aggregates and empowers ecological partners and provides family customers with three core service products: a safe home, a low-carbon home, and a smart home. These services help the Company meet customers' diversified and personalized demands, thus becoming an ecological operator for "safe, low-carbon, and smart" family life.

## 5. Infrastructure operations



Actual handling capacity can  
exceed **10** Mtpa



Zhoushan LNG terminal

ENN's Zhoushan LNG terminal project is the first large-scale LNG terminal approved by the National Energy Administration to be invested in by private enterprises. The Phase I project was officially put into operation in October 2018 and the Phase II project was put into service in June 2021, with an approved designed capacity of 5 million tons per year, an actual capacity of up to 7.5 million tons per year, and a pipeline transmission and distribution capacity of 8 billion cubic meters/year. The Phase III project, with an additional designed capacity of 3.5 million tons per year, has been approved by the Development and Reform Commission of Zhejiang Province and has started construction. The actual capacity of the terminal can exceed 10 million tons per year after it is completed and put into operation. The Zhoushan LNG terminal will not only increase the Company's share in the natural gas market, but also serve a critical role in supplying and storing natural gas – including for emergency situations. This will ultimately support our transition towards cleaner forms of energy.

Zhoushan LNG terminal is a highly efficient infrastructure that provides LNG receiving and unloading, storage, tanker filling, gasification for outbound transmission, ship refueling/transfer and emergency peaking-regulation guarantee services to users, with processing service fees charged. Meanwhile, the Company studied industry policies, gained insight into market opportunities, and actively promoted diversified innovative businesses to maximize value of all energy scenarios. The Company also proactively linked up with ecological partners and provided resources exchange and processing services to third-party customers to further unleash its infrastructure capacity and give full play to its role as a "strategic pivot point, main business hub and key resource channel".

IV. Analysis of Core Competitiveness During the Reporting Period

√ Applicable    □ N/A

1. Build an all-scenario application for natural gas ecology and amplify the effect of industrial aggregation



Achieved a stable gas supply of around **3** Mcm per day

In terms of resource aggregation, the Company strengthened domestic resources and expanded the scope of cooperation with three major oil companies, while aggregating various unconventional resources from Xinjiang Qinghua, Datang Energy, Shanxi coalbed methane and Chongqing shale gas on a large scale. As a result, the Company’s gas supply stabilized at about 3 million cubic meters per day. With respect to international resources, the Company continued to optimize the international resource pool by seizing the window for signing LTAs for a total of 7.64 million tons of resources with international resource providers such as NextDecade and EnergyTransfer during the year, adding 5.3 million tons of flexible and economical long-term resources linked to Henry Hub. The Company also built an international LNG capacity pool from scratch by accessing 10 LNG vessels at competitive prices. Given the significant fluctuations in global natural gas prices, the Company responded quickly to international and domestic changes by flexibly deploying resources between both markets. The Company also optimized international sales business with the help of ETMO – a digital intelligence risk control product – to create value through effective synergy both at home and abroad.



Facilitated the usage of **21** projects of PipeChina

Expected to achieve a downloadable gas volume of around **500** Mcm

With respect to facility aggregation, the Company firstly accelerated the construction of the nationwide consignment network by breaking through the capacity limitations for core pipeline sections – such as the Xiyi Line and Jining Line to Anhui and Suzhou Province – and planning the counter transmission path to further tighten the delivery network, thereby becoming the only shipper with large-scale onshore pipeline network outside of the three major oil companies. In 2022, the Company facilitated the usage of 21 projects of PipeChina, with be about 500 million cubic meters of first-year gas usage volume expected. Secondly, the Company through. The also took steps to strengthen its reserve capacity, both through digital and physical means. With a gas storage capacity of 500 million cubic meters, combined with an additional storage capacity of approximately 150 million cubic meters from PipeChina’s Wen 23 gas storage, Guangzhou gas storage pass, and PetroChina’s virtual gas storage, the Company has effectively been able to meet the evolving needs and demands of its customers. Thirdly, the Company

operated Zhoushan's infrastructure in a stable and lean way, which played a pivotal role. In 2022, the Company successfully completed the installation of the ENN Zhoushan LNG terminal. This terminal will be upgraded from a conventional loading station to a key digital intelligent hub for the all-scenario application of ENN Natural Gas. This enables the Company to further explore industry best practices and empower the entire industry chain with digital intelligence in an efficient manner, which in turn will enhance the industry's overall capability.

Besides, Zhoushan Terminal Pier 2 was officially opened with LNG ship refueling services provided. The completion of "ENN Putuo" in collaboration with CNPC for ship fuel refueling has led to the realization of the first-ever synchronous LNG refueling operation for oceanic vessel.

With respect to demand aggregation, the Company has a strong downstream distribution capacity. As of 31 December 2022, the Company had carried out 254 city-gas projects across 20 provinces in China, most of which were located in economically developed regions areas, benefitting, 27.92 million residential users and 224,462 industrial and commercial users. In 2022, the total gas sales volume of the Company reached 36.2 billion cubic meters, accounting for 10% of apparent consumption of China. With the advancement of China's dual carbon policy, market share will be further expanded. Moreover, based on its large customer base, the Company diligently developed its integrated energy business and value-added business to meet customers' needs for diversified, low-carbon energy products and services.

## 2. Seize the opportunity of "double-carbon" policies and accelerate the layout of new energy business

 **500** kg/d skid-mounted natural gas hydrogen total solution



Henan Coke oven gas hydrogen production project

With respect to hydrogen energy, the Company has always placed great value on the research and implementation of clean energy technology. With years of effort invested in the entire industrial chain of hydrogen energy and active R&D funding, the company has achieved significant progress in the development of hydrogen production processes, hydrogen storage and transportation, and hydrogen energy project engineering construction. In the upstream of the industry supply chain, the Company has developed efficient hydrogen production solutions at different scales and with different processes, driven by technology research and development, process design, and equipment manufacturing. The Company has also conducted extensive technical explorations in natural gas hydrogen production. Building on the foundation of technology development in 2022, the Company began

the development of a 500kg/d skid-mounted natural gas hydrogen production solution, which was achieved via completing system integration, optimizing design, and developing a high-efficiency reforming reactor and high-strength catalyst. With respect to midstream transmission and storage and downstream application segments, the Company has utilized its pipeline network resources to actively follow up and participate in scientific research and demonstration projects in the field of natural gas pipeline hydrogen blending. The Company aims to establish leading capabilities in natural gas hydrogen blending technology to expand business opportunities in this area. Leveraging our market expertise and competitive advantages in the integrated energy industry, we have been exploring different hydrogen-use scenarios and by-products to deliver comprehensive energy solutions to our customers, including hydrogen and natural gas. The Company's hydrogen blending project in the natural gas pipeline network has been greenlit by the local government, and we are currently in the process of conducting the feasibility study and design planning.

With respect to energy application, the Company, relying on its abundant natural gas resources, has targeted a gap in the domestic technology market – solid oxide fuel cell (SOFC). The Company's lead national key R&D programme of the Ministry of Science and Technology, Key Technology Research on Solid Oxide Fuel Cell (SOFC) Cogeneration, achieved a mid-term breakthrough and completed the technology development, construction, and performance testing aspects of the 8kW SOFC prototype in 2022. The test results show that the system's average power generation was 8.89kW, with a power generation efficiency of 62%, and a total efficiency of 90% for system cogeneration. Overall, the system operated smoothly, and the test data showed better results that exceeded the base requirement outlined by the project mission statement of the Ministry of Science and Technology. Currently, our project team is developing a 30kW SOFC prototype and has completed system integration. In 2023, the system's commissioning, performance assessment, and acceptance processes will be completed. As one of the third-

generation advanced fuel cell technologies, SOFC has various advantages, including high power generation efficiency, a wide range of fuel sources (hydrogen, natural gas, biogas, biomass gas, coke oven gas, coal gas, etc.), and green and low emissions. SOFC technology has great application prospects in the fields of combined cooling, heating, and power supply, distributed energy, ship power, biogas landfill gas power generation, coal gasification power generation, and other areas. It is an effective way to utilise fuel cleanly and efficiently.

### 3. Comprehensively promote digital intelligence transformation to empower industrial upgrading

Backed by extensive industrial experience and data covering all energy scenarios, the Company continues to build a digital intelligence ecological platform for the natural gas industry in line with industry development trends. We create data-driven digital intelligence products with "intelligent trading + delivery" at the core and provide a diversified "energy + carbon + services" product portfolio. We link ecological partners with the best practices of "intelligent trading + industry accumulation" to offer a variety of platform trading services, SaaS products, solutions, information consulting, operation services, and other derivative services. The objective is to improve the operational efficiency of the industry.

During the reporting period, the Company focused on developing and upgrading digital intelligence products such as demand foresight, intelligent matching, intelligent trading, intelligent delivery, greatgas.cn client services, terminal operation, and network design platforms. The Company committed to identifying potential areas for synergy along the industrial ecological supply chain, including end customers, city gas, traders, resource traders, and terminals, to facilitate development and upgrading. The goal of this strategy was to promote efficient synergy within the natural gas industry ecology, and significant progress was achieved. The Company also successfully held the First 11.28

Gas Festival through live streaming. At the event, various innovative trading modes such as LNG and PNG pre-sales and biddings were launched. On that day, the Zhoushan Trading Hall recorded a total LNG transaction volume of more than 3,600 tons, gaining industry-wide attention. Meanwhile, the Company continued to develop its external customer base. In 2022, greatgas.cn attracted over 1,542 registered business users and provided services to a total of 8,270 customers, 8 terminals, 3 liquefaction plants, and over 9,000 IoT tankers, representing about 80% or more of the total tanker capacity of the industry.

Going forward, the Company will continue to build an intelligent ecology for the natural gas industry, accelerate the iteration of digital intelligence products, attract customers to online transactions, and realise intelligent collaboration and optimal value-creation of ecological partners in the natural gas industry through “demand foresight + intelligent matching + intelligent trading + intelligent delivery”. Meanwhile, the Company will also accelerate the implementation of digital intelligence for safety operations. With the support of IoT technology, the Company aims to enhance digital intelligence safety (such as through risk prevention and control systems), strengthen its reputation in the industry as a safe and reliable brand, and empower the safe operations of ecological partners.

#### **4. Improve ESG management and capital market performance to facilitate the sustainable development of the Company**

In line with the national low-carbon energy transition and a commitment to sustainable development, the Company

has been working to enhance its governance structure and implementation system, with a focus on continuously improving ESG performance.

The Company has integrated ESG management into daily operations by linking ESG indicators, such as “safe and stable operation, energy saving and emission reduction, and sustainable development,” with management performance. Safety management processes have been strengthened to realise a safe and intelligent operation management system that can identify, manage, and swiftly handle risks across all business scenarios based on safety digital intelligence. Additionally, the Company carried out Scope 3 carbon emission calculations to consolidate its leading position in carbon emission management and disclosure in the industry. The Company also advanced the construction of ESG digital intelligence and developed and used the ESG digital intelligence app – “Smart ESG” – to visualise ESG objectives and work progress. This lays the foundation for the Company to continuously track, analyse, and improve quantitative ESG indicators.

The Company’s ESG management and long-term investment value have been fully recognised by ESG rating agencies in the capital market. During the year, ENN Natural Gas was upgraded to BBB by MSCI and included in the Hang Seng (China A) Corporate Sustainability Index, ranking among the 30 companies with the best ESG performance in the A-share market. In addition, the Company took initiative to respond to Sustainalytics and DJSI ratings for the first time, scoring 32.4 and 50 respectively, both of which are leading levels in the gas industry within the A-share market.

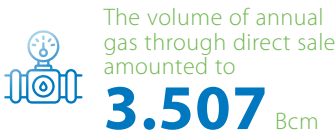


V. Major Operation Achievements during the Reporting Period

(I) Operation analysis

1. Natural gas sales business

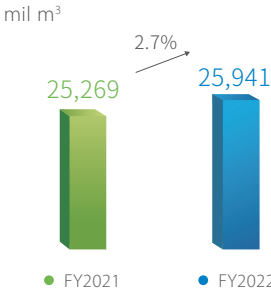
a) Direct sale of natural gas



As the dual carbon policy takes hold, the government has given high priority to green and low-carbon development, deepened prevention and control of air pollution, and accelerated green transformation in all sectors. Amid this backdrop, direct sales customers such as domestic large industrials and power plants have a shown strong demand for cleaner natural gas, flexible gas supply, and resource matches. Throughout the year, the Company implemented a comprehensive upstream and downstream strategic approach, while leveraging all-scenario natural gas services to create value through forward-looking planning and efficient coordination. The Company supplied up to 3.507 billion cubic meters of gas annually through direct sale.

b) Natural gas retail

Retail Gas Sales



Gas Retail Sales Volume of the Company for 2021 – 2022

During the year, ENN Natural Gas consolidated the development of natural gas retail business and achieved growth against the trend. This success can be attributed to the Company’s keen market insights, excellent safety operation management, and flexible project development strategy. By the end of 2022, the Company had 254 city-gas projects in China, covering 20 provinces and autonomous regions including Anhui, Fujian, Guangdong, Guangxi, Hebei, Henan, Hunan, Jiangsu, Jiangxi, Liaoning, Shandong, Zhejiang, Shanghai, and Tianjin. In 2022, the retail sales volume of natural gas reached 25.941 billion cubic meters, with a year-on-year increase of 2.7%. Among them, the retail gas sales volume to commercial and industrial users reached 20.375 billion cubic meters, with a year-on-year increase of 2.4%, accounting for 78.5% of the total retail sales volume of natural gas. The retail gas sales volume to residential users reached 5.15 billion cubic meters, with a year-on-year increase of 9.5%, accounting for 19.9% of the total retail sales volume of natural gas.

c) Wholesale of natural gas

During the Reporting Period, the Company supplied gas of up to 6.756 billion cubic meters through wholesale.





Cumulative signing  
amounted to

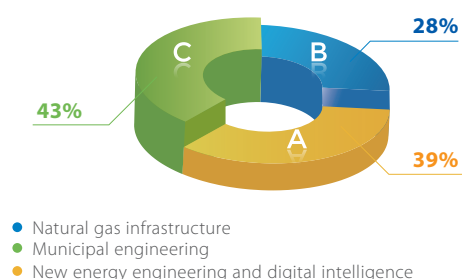
RMB **4.7** billion

## 2. Construction and installation

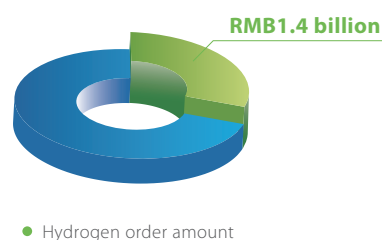
In terms of engineering construction, the Company continued to explore new fast-growing businesses. In 2022, ENN Natural Gas successfully signed contracts with Shanxi Jinye for the EPC general contracting project of producing liquefied natural gas and hydrogen by coke oven gas and carbon capture; with Hebei Xinpengnan for the 2.51 million tons per year coking capacity integration and reduction project, as well as the large-scale integrated project of producing liquefied natural gas (LNG) and hydrogen by surplus coke oven gas; and with Huafeng for the integrated energy service project of hydrogen production, hydrogen refueling, fueling, refueling, and charging. These contracts involved a total contracted amount of RMB4.7 billion, including RMB1.4 billion related to hydrogen energy. Take the Shanxi Jinye project as an example. Once completed, it will produce 148,800 tons of LNG and 16 million cubic meters of hydrogen per year, which will effectively promote the comprehensive use of local coke oven gas. This will be further enhanced by the completion of other major facilities with carbon capture, coke oven gas purification, compression, SNG synthesis, liquefaction, and PSA hydrogen extraction functions. By utilizing useful components such as carbon monoxide and hydrogen in coke oven gas and removing harmful components such as sulfur, the project will achieve “two-way pollution reduction” and be built into a benchmark for the industry of producing hydrogen from coke oven gas.

In terms of gas installation, the Company developed a new base of 22,003 commercial and industrial users in 2022 (gas appliances with a daily designed gas supply of 20.5 million cubic meters installed). By the end of 2022, the total number of commercial and industrial users served by had reached 224,462 (gas appliances with a daily design gas supply of 183 million cubic meters installed). The construction progress of gas installation in our company’s region has slowed down due to real estate policy regulation and the economic downturn in many areas. During the year, the Company completed engineering installations for 2.086 million newly developed residential users. By the end of 2022, the Company had developed a base of 27.92 million residential users, with an average piped gas penetration rate of 62.9%.

**Revenue Structure**



**Total amount of newly contracted projects reached RMB4.7 bil**



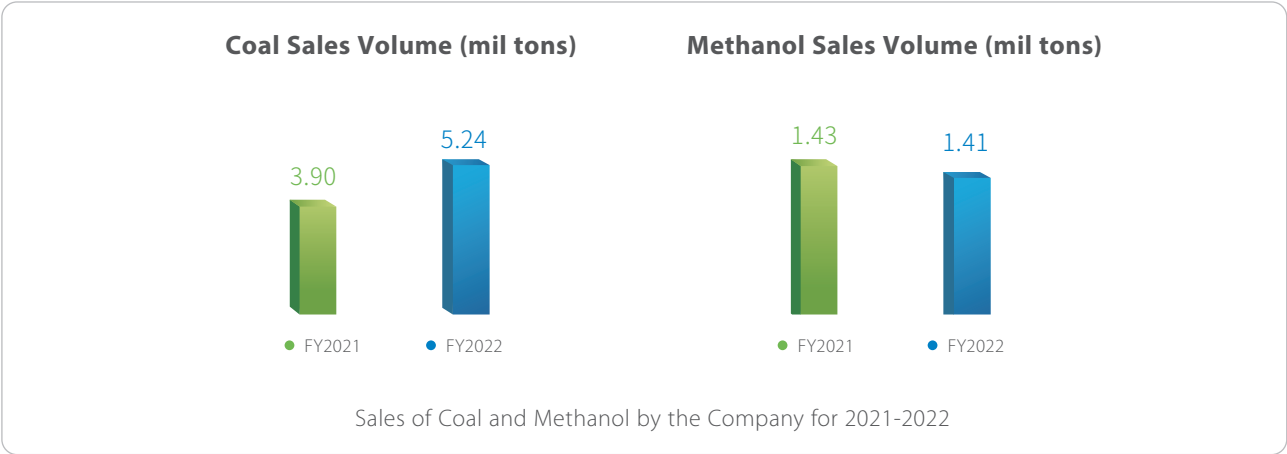
Project Construction of the Company in 2022

3. Energy production

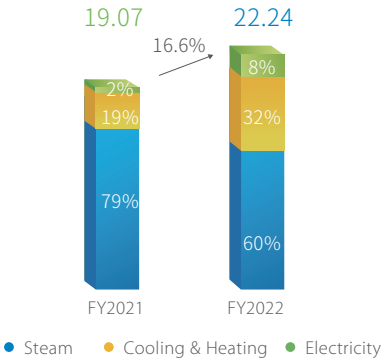


Achieved commercial coal sales of **5.24** Mt during the year

In 2022, the Company maximized the value of its resources through lean operations. Throughout the year, the Company sold 5.24 million tons of commercial coal, 1.41 million tons of methanol.



IE sales vol (bil kWh)



Sales Volume of Integrated Energy of the Company for 2021-2022

4. Integrated energy and value-added business

With respect to the integrated energy business, the Company grasped multiple opportunities in carbon neutrality, industrial transfer, clean heating, and energy system reform promotion. As a result, the Company was able to iteratively upgrade integrated energy products such as photovoltaics, electricity sales, distribution networks, and gas steam boiler operation by making full use of digital intelligence technology. This strengthens the traction of the integrated energy concept. The Company also paid close attention to the green and low-carbon needs of the government and customers with a focus on four customer categories: low-carbon parks, low-carbon factories, low-carbon buildings, and low-carbon transportation. This, in turn, strongly supported the significant growth of the integrated energy business. In 2022, 60 of the Company's integrated energy projects were completed and newly put into operation among a total of 210 integrated energy projects already in operation, which aggregately brought 22.24 billion kWh of integrated energy sales covering cool energy, heat energy, electricity, and others; as a result, the Company saw a year-on-year increase of 16.6%. Furthermore, there are 54 integrated energy projects still under construction, which will meet an integrated energy demand of up to 41.7 billion kWh when they arrive at full capacity. The cumulative annual energy supply of new parks, factories and buildings contracted for the year reached 18 billion kWh. The implementation of these projects will lay a solid foundation for the continued growth of revenue from the integrated energy business in 2023.



Total Enterprise  
WeChat users exceed  
**300,000**

With respect to the value-added business, the Company insisted on a customer-centered approach. On the one hand, the Company continued to deepen awareness and diligently promoted security, insurance, heating, kitchen, and bathroom products closely related to natural gas. On the other hand, the Company established a product innovation mechanism to encourage innovation of enterprises in products according to their conditions. Therefore, a series of products such as safety digital intelligence, gas alarms for industrial and commercial users, clean heating, NFC card, LoRa IOT, etc. were launched and rapidly replicated to address a wide range of IoT needs while ensuring the safety of gas use of customers, thus delivering an intelligent, low-carbon and high-quality family life for customers and further adding to the value of extended services to gas users. In addition, with the advantage of offline channels, the Company focused on promoting private domain operations and online marketplace construction in 2022. The Company established connections with users through Enterprise WeChat, which expanded new channels while reducing costs, and accumulated more than 300,000 Enterprise WeChat users. At present, the penetration rate of value-added business in the company's existing customer base is only 10.1%, while the penetration rate of newly developed customers during the year is 27.2%, and the business growth potential is huge.



Total processing volume  
achieved for the year  
**1.5326** Mt

Provision of gas storage  
capacity services of around  
**200** Mcm

### 5. Infrastructure operation

Zhoushan terminal is located in the developed area of the eastern coast, backed by strong economic provinces such as Zhejiang and Jiangsu. With international gas prices becoming more rational and domestic downstream demand recovering, the robust gas demand in the surrounding areas will strongly support a significant rebound in the processing capacity of Zhoushan terminal. According to the 14th Five-Year Plan, the natural gas consumption in Zhejiang Province will increase from 18 billion cubic meters in 2021 to 31.5 billion cubic meters in 2025.

In 2022, the utilization rate of domestic coastal LNG terminals was generally low due to the combination of multiple factors, such as high overseas natural gas prices and the pandemic inhibiting economic activities domestically. Amid this backdrop, ENN's Zhoushan terminal adjusted its strategy in a timely manner by utilizing the Company's full energy capacity to stabilize its basic functional business and maximize the capabilities of Zhoushan infrastructure, thus recording a total processing volume of 1.5326 million tons for the year. Furthermore, the Zhoushan terminal served ecological partners through various business models including tank capacity leasing, small ship distribution, and international bonded tanks. In 2022, the Zhoushan terminal provided storage services involving about 200 million cubic meters of gas to 23 city-gas enterprises inside and outside the province, promoting the comprehensive and rapid development of our direct sales business.

## (II) Financial performance analysis

The Company's main sources of funds include operating income, financing, investment income and share capital. The main factors influencing the Company's future monetary capital are operating revenue and expense, capital expenditure and repayment of loan.

Cash and financing of the Company are analyzed as follows:

Unit: RMB'0000 Currency: RMB

Item	31 December 2022	31 December 2021	Change
Monetary fund (excluding restricted fund)	810,438	1,019,243	-208,805
Lending funds <sup>Note 1</sup>	285,117	222,099	63,018
Financial assets sold for repurchase	36,519	55,490	-18,971
Short-term borrowings	756,023	797,234	-41,211
Non-current liabilities due within one year	194,933	784,255	-589,322
Long-term borrowings	1,211,218	895,623	315,595
Long-term payables	157,114	166,639	-9,525
Bonds payable	1,437,773	984,096	453,677
Total debts <sup>Note 2</sup>	3,612,277	3,497,996	114,281
Net debts <sup>Note 3</sup>	2,516,722	2,256,654	260,068
Total equity	5,156,222	4,838,338	317,884
Net debts/total equity	48.81%	46.64%	2.17%
Unutilized bank facilities	4,683,227	4,246,041	437,186

Note 1: The Company, by implementing the Interpretation of the Accounting Standards for Business Enterprises No. 15, separately presented the business of financial companies within the consolidation scope of the listed company as per the requirements for financial enterprises on presentation of financial statements, and portions of monetary fund are reclassified to Funds for inter-bank lending, without restrictions thereon.

Note 2: The total debts exclude the portion of long-term payables and non-current liabilities due within one year that are not related to financing activities.

Note 3: Net debts equal to total debts minus unrestricted monetary fund.

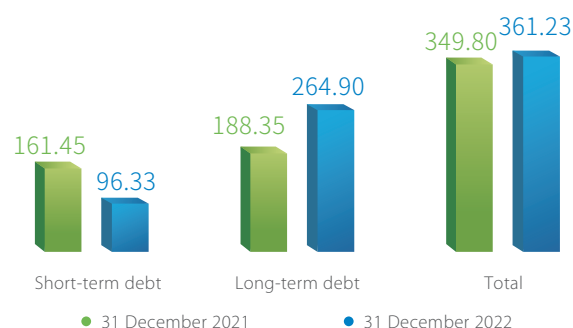
### (1) Liquidity management

As of 31 December 2022, the Company's unrestricted monetary fund totaled RMB10.956 billion mainly from operating income. During the Reporting Period, reasonable and efficient management of the cash flow from operating activities and planned use of bank credit resources by the Company led to continuously satisfactory performance in debt control. The total debts increased by RMB1,143 million compared to the beginning of the year. Excluding the debt of RMB1.4 billion affected by exchange rate fluctuation, the total debts were slightly lower than those at the beginning of the year. Meanwhile, the reserved unutilized bank facilities of RMB46.832 billion increased by RMB4.372 billion compared to the end of 2021, meeting the Company's financing credit needs in all aspects.

The Company seeks to maintain strict control over the debt level and strike a balance between duration of debt and cost of financing. In managing borrowings, the Company will seek to spread the maturity dates evenly over different years in order to reduce short-term liquidity pressure. During the Reporting Period, Xin Ao (China) Gas Investment Limited, a subsidiary of the Company, paid RMB2.1 billion of corporate bonds due within the year; ENN Energy, a subsidiary of the Company, successfully issued five-year offshore dollar bonds of USD550 million to replace short-term dollar debts. By taking these measures, the Company's short-term debts at the end of the period decreased by RMB6.512 billion

compared with the beginning of the year, and the ratio of short-term debts declined from 46.16% at the beginning of the year to 26.67% at the end of the period, achieving remarkable results. Moreover, fixed interest rate was adopted for calculating interests of the Company's new domestic medium and long-term bank loans during the Reporting Period, locking a low interest rate level. In 2023, the Company will continue to use its own funds and bank credit resources to repay the due debts. Therefore, the Company has sufficient capital and credit reserves as well as forward-looking repayment plans to support loan repayments.

**Debt Structure by Maturity**  
RMB100 million



## (2) Debt scale

As of 31 December 2022, the Company's total debts amounted to RMB36.123 billion, with an increase of RMB1.143 billion compared with the beginning of last year. Excluding the debt of RMB1.4 billion affected by exchange rate fluctuation, the total debts were subject to a slight decline from the beginning of the year, reflecting the Company's good performance in debt scale control. The Company was concerned about the rise of interest rate on U.S. dollars and exchange rate fluctuation and actively manages its US dollar borrowings. During the Reporting Period, the Company repaid the US dollar debt in the amount of US \$697 million on net through offshore US dollar revenue and thus effectively controlled the scale and cost of its US dollar debts. The Company will continue to focus on the market changes, avoid exchange rate and interest rate risks, and maintain its debt scale at a reasonable level.

## (3) Currency structure

As of 31 December 2022, the Company's financing amount denominated in foreign currency was US\$2.387 billion (US\$3.084 billion at the beginning of 2021), equivalent to RMB16.589 billion (equivalent to RMB19.661 billion at the beginning of 2021), of which 86.72% (2021: 59.62%) was long-term debt.

The Company used foreign exchange derivatives to manage the foreign exchange risk arising from its bonds payable denominated in USD, so as to hedge the Company's exposure to fluctuation of the exchange rate of RMB against USD. In view of the existence of risk with respect to exchange rate fluctuation, the Company will continue to closely monitor the foreign exchange market and use foreign currency derivatives contracts to mitigate the impact on its operation where appropriate. Also, the US dollar offshore funds were applied to repay its US dollar debts.

**Debt Structure by Currency****RMB100 million****(4) Credit rating**

During the Reporting Period, the international rating of the Company was upgraded. Standard & Poor's assigned first-time international rating of BBB– to the Company with a stable outlook in August 2022; Fitch maintained the Company's international rating of BBB– with a stable outlook; Moody's maintained the Company's international rating of Ba1 with rating outlook adjusted to be positive. The rating of ENN Energy, a subsidiary of the Company was also upgraded. Fitch upgraded the international rating of ENN Energy from BBB to BBB+ with a stable outlook in January 2022; Standard & Poor's also upgraded the international rating of ENN Energy from BBB to BBB+ with a stable outlook in August 2022; Moody's maintained the international rating of ENN Energy of Baa1 with a stable outlook.

For domestic ratings, China Chengxin International Credit Rating Co., Ltd. ("CCXI") assigned first-time AAA (stable) credit rating to the Company, and CSCI Pengyuan Credit Rating Limited ("CSCI Pengyuan") assigned first-time AAA (stable) credit rating to the Company in July 2022; United Credit Ratings Co., Ltd. maintained the AAA (stable) rating of Xin Ao (China) Gas Investment Limited, a subsidiary of the Company.

These ratings reflected the Company's sound financial position, highly predictable and stable operating cash flow and sufficient financial resources from its strong financing capabilities.



*(l) Analysis of principal business**1. Analysis of changes in related items in the income statement and cash flow statement*

Unit: RMB'0000 Currency: RMB

Project	Current period	Same period of previous year	Change (%)
Operating income	15,404,417	11,578,863	33.04
Operating cost	13,070,263	9,562,943	36.68
Selling expenses	148,501	144,678	2.64
Administrative expenses	412,141	359,337	14.69
Financing expense	293,320	69,035	324.89
Research and development expenditure	122,014	107,263	13.75
Investment incomes from associated ventures and joint ventures	13,268	53,844	-75.36
Income from changes in fair values	116,912	45,650	156.11
Credit impairment loss	-30,829	-12,609	–
Assets impairment loss	-24,287	-45,016	–
Assets disposal gains	-7,944	-2,943	–
Non-operating income	9,850	16,465	-40.18
Non-operating expenditure	12,637	22,977	-45.00
Net of tax from other comprehensive income	-13,664	41,385	-133.02
Net cash flow from operating activities	1,500,578	1,416,504	5.94
Net cash flow from investing activities	-688,109	-817,173	–
Net cash flow from financing activities	-965,216	-540,154	–

Other notes:

1. The year-on-year increase in operating income by 33.04% and operating cost by 36.68% was mainly attributable to the rise in unit price of natural gas business (retail, wholesale and direct selling) of the subsidiaries to the Company and growth of the integrated energy business.

2. The year-on-year increase in finance cost by 324.89% was mainly attributable to the exchange loss of the US dollar debts held by the subsidiaries of the Company as a result of RMB depreciation during the Reporting Period.

3. The year-on-year decrease of gains on investments in associates and joint ventures by 75.36% was mainly attributable to the decrease of investment income recognized as a result of the decline of profit of associates and joint ventures of the subsidiaries affiliated to the Company during the Reporting Period.

4. The gains on change in fair value increased by 156.11% year-on-year, mainly driven by the increase in the fair value of the derivative financial instruments held by subsidiaries of the Company during the Reporting Period.

5. The year-on-year increase in credit impairment loss by RMB182 million was mainly caused by the corresponding increase in the provision for impairment made due to the increase in the balance of long-aged receivables of the subsidiaries of the Company in the Reporting Period as compared with the same period of the previous year.

6. The assets impairment loss decreased by RMB207 million year-on-year, mainly due to the provisions for decline in value of inventories made by subsidiaries of the Company during the Reporting Period.

7. The gains on disposal of assets decreased by RMB50 million year-on-year, mainly due to the increase in net losses arising from disposal of fixed assets of the Company's subsidiaries during the Reporting Period.

8. Non-operating income decreased by 40.18% year-on-year, mainly due to the decrease in compensation received by subsidiaries of the Company during the Reporting Period.

9. Non-operating expenditure decreased by 45% year-on-year, mainly due to more donations made by the subsidiaries of the Company over the same period of previous year.

10. Net of tax from other comprehensive income, decreased by RMB550 million year-on-year, mainly due to the realization of the unrealized cash flow hedging reserve of the hedging derivatives of the subsidiaries of the Company in the same period of previous year which were carried forward during the Reporting Period.

11. Net cash flow from financing activities decreased by RMB4.251 billion year-on-year, mainly due to the increase in the payment made by the Company for equity acquisition under common control in the Reporting Period and the receipt by the Company of the supporting funds raised by non-public issuance of shares for major assets restructuring in the same period of previous year.

Detailed description of significant changes in the type of business and profit composition or source of the Company during the current period

☐ Applicable    ☒ N/A

## 2. *Analysis of revenue and cost*

☒ Applicable    ☐ N/A

## Analysis of revenue and cost:

## (1) Principal business by industry, by product, by region and by sales model

Unit: RMB'0000 Currency: RMB

Principal business by industry						
Industry	Operating income	Operating cost	Gross margin (%)	Increase/decrease in operating income year-to-year (%)	Increase/decrease in operating cost year-to-year (%)	Increase/decrease in gross margin year-to-year (%)
Retail of natural gas	7,005,119	6,258,232	10.66	23.44	27.74	decrease by 301 bp
Wholesale of natural gas	3,383,405	3,114,630	7.94	37.75	28.87	increase by 635 bp
Direct sale of natural gas	1,631,376	1,320,699	19.04	182.02	215.22	decrease by 853 bp
Construction and instillation	844,056	493,538	41.53	-16.86	-1.26	decrease by 924 bp
Sales and services of integrated energy	1,205,165	1,039,373	13.76	38.12	45.39	decrease by 431 bp
Value-added business	353,356	133,636	62.18	55.74	174.05	decrease by 1633 bp
Energy production	855,081	642,231	24.89	23.93	17.21	increase by 431 bp
Infrastructure operation	22,656	9,710	57.14	88.68	70.10	increase by 468 bp

Principal business by product						
Product	Operating income	Operating cost	Gross margin (%)	Increase/decrease in operating income year-to-year (%)	Increase/decrease in operating cost year-to-year (%)	Increase/decrease in gross margin year-to-year (%)
Natural gas	12,019,900	10,693,561	11.03	38.01	38.25	decrease by 15 bp
Construction and instillation	844,056	493,538	41.53	-16.86	-1.26	decrease by 924 bp
Sales and services of integrated energy	1,205,165	1,039,373	13.76	38.12	45.39	decrease by 431 bp
Coal and chemical products	855,081	642,231	24.89	23.93	17.21	increase by 431 bp
Infrastructure operation	22,656	9,710	57.14	88.68	70.10	increase by 468 bp
Others	353,356	133,636	62.18	55.74	174.05	decrease by 1633 bp

Principal business by region						
Region	Operating income	Operating cost	Gross margin (%)	Increase/decrease in operating income year-to-year (%)	Increase/decrease in operating cost year-to-year (%)	Increase/decrease in gross margin year-to-year (%)
Domestic	13,053,670	11,233,999	13.94	15.03	19.57	decrease by 327 bp
International	2,246,544	1,778,050	20.85	1,158.19	1,031.92	increase by 883 bp

Principal business by sales model						
Sales model	Operating income	Operating cost	Gross margin (%)	Increase/decrease in operating income year-to-year (%)	Increase/decrease in operating cost year-to-year (%)	Increase/decrease in gross margin year-to-year (%)
Direct sales	9,841,660	8,618,304	12.43	38.11	42.85	decrease by 291 bp
Distribution	4,614,497	3,900,207	15.48	36.32	29.17	increase by 468 bp
Others	844,056	493,538	41.53	-16.86	-1.26	decrease by 924 bp

## (2) Analysis of production and sales

√ Applicable    □ N/A

Main product	Unit	Production	Sales volume	Self consumption	Inventory	Increase/decrease in production year-to-year (%)	Increase/decrease in sales volume year-to-year (%)	Increase/decrease in self consumption year-to-year (%)	Increase/decrease in inventory year-to-year (%)
Self-produced coal	10,000 tons	523	524		3	33.42	34.36	-	
Self-produced methanol	10,000 tons	153	141	11	3	7.75	-0.70	-	50.00
Self-produced LNG	10,000 cubic meter	15,471	15,394		203	-4.52	-4.27	-	27.67
Self-produced stable light hydrocarbon	10,000 tons	3	3			-	-	-	-

### Description of production and sales

The production of self-produced coal increased by 33.42% and the sales increased by 34.36% over the previous year mainly because:

1. The management measures of “overall mining on high and local low-height mining” were implemented strictly with rectification through process monitoring and highly professional coordination to overcome the difficulties in mining of thin coal seam, thick dirt band and compound fault and thus achieve efficient coordinated mining;
2. Plan was prepared in advance for moving, changing workface and electromechanical installation, and major projects including 3-1 coal south 3# pump house, 4-2 coal panel pump house and Division II production system recovery were completed as scheduled to guarantee the continuity of normal production;
3. Linkage of teams was planned in a scientific manner and a drivage tracking management ledger was established for daily tracking, weekly scheduling and monthly analysis on the completion of drilling depth and accident influence, with annual drilling depth for mine laneway exceeding the schedule by 8%.

(3) Performance of major procurement contracts and major sales contracts

☐ Applicable    ☒ N/A

## (4) Cost analysis

Unit: RMB'0000

By industry							
Industry	Cost components	Amount for the current period	Percentage for the current period of total cost (%)	Amount for the same period of previous year	Percentage for the same period of total cost (%)	Change in amount year-to-year (%)	Description
Retail of natural gas	Natural gas	6,146,888	98.22	4,807,054	98.12	27.87	
	Operation cost of natural gas	111,344	1.78	92,141	1.88	20.84	
	Total	6,258,232	100.00	4,899,195	100.00	27.74	
Wholesale of natural gas	Natural gas	3,114,630	100.00	2,416,966	100.00	28.87	
Direct sale of natural gas	Natural gas	1,320,699	100.00	418,981	100.00	215.22	
Construction and installation	Materials	147,819	29.95	153,961	30.80	-3.99	
	Construction cost	345,719	70.05	345,860	69.20	-0.04	
	Total	493,538	100.00	499,821	100.00	-1.26	
Sales and services of integrated energy	Integrated energy business cost	1,039,373	100.00	714,877	100.00	45.39	
Value-added business	Value-added business cost	133,636	100.00	48,764	100.00	174.05	
Energy production	Materials	235,263	36.63	202,224	36.90	16.34	
	Labor	16,035	2.50	14,509	2.64	10.52	
	Depreciation	43,327	6.75	41,464	7.57	4.49	
	Energy	51,843	8.07	55,878	10.20	-7.22	
	Manufacturing cost	59,733	9.30	51,107	9.33	16.88	
	Trading products	236,030	36.75	182,770	33.36	29.14	
	Total	642,231	100.00	547,952	100.00	17.21	
Infrastructure operation	Materials	71	0.73	77	1.34	-7.79	
	Labor	485	4.99	278	4.87	74.46	
	Depreciation	7,043	72.53	3,936	68.96	78.94	
	Energy	639	6.58	348	6.10	83.62	
	Manufacturing cost	1,472	15.17	1,069	18.73	37.70	
	Total	9,710	100.00	5,708	100.00	70.10	



By product							
Product	Cost components	Amount for the current period	Percentage for the current period of total cost (%)	Amount for the same period of previous year	Percentage for the same period of previous year of total cost (%)	Change in amount y-o-y (%)	Description
Natural gas	Natural gas operation and transmission costs	10,693,561	100.00	7,735,143	100.00	38.25	
Construction and installation	Materials	147,819	29.95	153,961	30.80	-3.99	
	Construction cost	345,719	70.05	345,860	69.20	-0.04	
	Total	493,538	100.00	499,821	100.00	-1.26	
Sales and services of integrated energy	Integrated energy business cost	1,039,373	100.00	714,877	100.00	45.39	
Coal and chemical products	Materials	235,263	36.63	202,224	36.90	16.34	
	Labor	16,035	2.50	14,509	2.64	10.52	
	Depreciation	43,327	6.75	41,464	7.57	4.49	
	Energy	51,843	8.07	55,878	10.20	-7.22	
	Manufacturing cost	59,733	9.30	51,107	9.33	16.88	
	Trading products	236,030	36.75	182,770	33.36	29.14	
	Total	642,231	100.00	547,952	100.00	17.21	
Infrastructure operation	Materials	71	0.73	77	1.34	-7.79	
	Labor	485	4.99	278	4.87	74.46	
	Depreciation	7,043	72.53	3,936	68.96	78.94	
	Energy	639	6.58	348	6.10	83.62	
	Manufacturing cost	1,472	15.17	1,069	18.73	37.70	
	Total	9,710	100.00	5,708	100.00	70.10	
Others	Others	133,636	100.00	48,764	100.00	174.05	

## Other notes on cost analysis

1. With respect to the cost for direct sale of natural gas, the year-on-year increase in amount for the current period increased by 215.22% was attributable to the unit price of direct sale of natural gas by the Company's subsidiaries.

2. With respect to the cost for sales and services of integrated energy, the year-on-year increase in amount for the current period increased by 45.39% was mainly attributable to the growth of integrated energy business.

3. With respect to the value-added business cost, the year-on-year increase in amount for the current period increased by 174.05% was mainly attributable to the growth of value-added business.

4. The depreciation of infrastructure operation business increased by 78.94% year-on-year, mainly due to the increased depreciation expenses after the conversion of assets into fixed assets; the year-on-year increase in energy by 83.62% was mainly caused by rise in electricity price; the year-on-year increase in manufacturing cost by 37.70% was mainly attributable to the increased maintenance cost; and the labor cost increased by 74.46% year-on-year mainly due to the increased employee wages and labor outsourcing cost.

(5) Changes in the scope of combination caused by changes in the shareholdings of major subsidiaries during the Reporting Period

☐ Applicable    ☒ N/A

(6) Significant changes or adjustments to the Company's business, products or services during the Reporting Period

☐ Applicable    ☒ N/A

(7) Major customers and suppliers

A. Major customers

☒ Applicable    ☐ N/A

Sales to the top five customers amounted to RMB15,983.68 million, accounting for 10.38% of total annual sales, in which sales to related parties amounted to RMB0, accounting for 0% of total annual sales.

Circumstances where sales to a single customer exceeded 50% of total sales, there were new customers among the top five customers or there was heavy dependence on a few customers during the Reporting Period

☐ Applicable    ☒ N/A

## B. Major suppliers

☒ Applicable ☐ N/A

Purchases from the top five suppliers amounted to RMB40,409.9 million, accounting for 30.92% of total annual purchases, in which purchases from related parties amounted to RMB0, accounting for 0% of total purchases.

Circumstances where purchases from a single supplier exceeded 50% of total purchases, there were new suppliers among the top five suppliers or there was heavy dependence on a few suppliers during the Reporting Period

☐ Applicable ☒ N/A

## Other information

N/A

## 3. Expenses

☒ Applicable ☐ N/A

1. The year-on-year increase in selling expense by 2.64% was mainly attributable to replacement of gas meter on due date during the Reporting Period, greatly increased assets and increase in the provision for depreciation.

2. The year-on-year increase in administrative expense by 14.69% was mainly attributable to the increased management personnel wage, depreciation and amortization and cost for engaging the intermediary.

3. The year-on-year increase in finance cost by 324.89% was mainly attributable to the exchange loss of the US dollar debts held by the subsidiaries of the Company as a result of RMB depreciation during the Reporting Period.

#### 4. Research and Development input

(1). research and development input

√ Applicable    ☐ N/A

Unit: RMB'0000

Expensed research and development input for the current period	134,858
Capitalized research and development input for the current period	36,089
Total research and development input	170,947
Total research and development input as a percentage of operating income (%)	1.11
Proportion of capitalized research and development input (%)	21.11

(2). research and development staff

√ Applicable    ☐ N/A

Number of research and development staff	4,548
Number of research and development staff as a percentage of total headcount (%)	11.67

##### Academic structure of Research and Development staff

Category	Number of staff
PhD	2
Master	166
Bachelor	2,189
Junior college	1,623
High school or below	568

##### Age structure of Research and Development staff

Category	Number of staff
Below 30 (excluding 30)	951
30-40 (including 30 and excluding 40)	2,216
40-50 (including 40 and excluding 50)	979
50-60 (including 50 and excluding 60)	392
60 and above	10

## (3) Notes

√ Applicable ☐ N/A

During the Reporting Period, the subsidiaries of the Company carried out technology R&D and digitalization in the natural gas industry, chemical industry and engineering industry, covering research and application of such projects as ultra-low emission technology, research on upgrading of LNG cold energy power generation system, data integration platform, remote safety monitoring, skid-mounted hydrogen production by natural gas, control technology of hydrogen energy industrialization plant, technical transformation of hydrogasification and LNG demonstration plant and technical transformation of catalytic gasification plant. In terms of clean energy use, safe energy use and smart energy use, we built a clean energy ecosystem through research on ultra-low emission technology, upgrading of LNG cold energy power generation system and other relevant technology systems so as to achieve energy conservation, emission reduction, cost decrease and efficiency improvement; in the areas of remote settlement, remote safety monitoring, digitalization of distribution scenarios and construction of a digital intelligence ecological platform for natural gas industry, we established data integration platform and prediction monitoring system to achieve data integration and optimize resource allocation using big data, artificial intelligence and other technologies in the light of timely offline deployment management; in terms of research on hydrogen production process, hydrogen storage and transportation and implementation of hydrogen energy projects, a series of solutions were formed through the development of skid-mounted hydrogen production plant by natural gas, control of hydrogen energy industrialization plant and other technologies; in terms of coal to natural gas, we maintained a leading position in technology and led the development of the coal to natural gas industry by independent development of technologies such as technical transformation of hydrogasification and LNG demonstration plant and technical transformation of catalytic gasification demonstration plant. The above-mentioned R&D inputs and related achievements have provided a constant impetus for innovation in the development of the Company.

## (4) Reasons for significant changes in the composition of R&amp;D staff and impact on the future development of the Company

☐ Applicable ☒ N/A

## 5. Cash flow

√ Applicable ☐ N/A



Unit: RMB'0000 Currency: RMB

Item	Current period	Same period of previous year	Amount of change	Ratio of change (%)
Cash received from selling goods and providing labor service	17,907,997	13,145,903	4,762,094	36.22
Net increase of the repurchased business capital	–	31,228	-31,228	N/A
Net decrease in customers' loans and advances	33,383	1,448	31,935	2,205.46
Refund of taxes received	226,539	49,351	177,188	359.04
Cash paid for purchasing goods and accepting labor services	15,228,788	10,613,526	4,615,262	43.48
Net decrease of the repurchase business funds	18,971	–	18,971	N/A
Taxes and dues paid	681,615	503,618	177,997	35.34
Cash received from investment return	170,348	48,848	121,500	248.73
Net cash received from disposal of fixed assets, intangible assets and other long-term assets	56,231	22,117	34,114	154.24
Net cash received from disposal of subsidiaries and other business units	7,962	3,247	4,715	145.21
Net cash paid for acquisition of subsidiaries and other business units	7,652	75,591	-67,939	-89.88
Cash received from investment absorption	13,844	335,594	-321,750	-95.87
Other cash received relating to financing activities	79,286	189,608	-110,322	-58.18

1. The year-on-year increase in the cash received from sales of goods and provision of labor service by 36.22% and cash paid for purchase of goods and acceptance of labor service by 43.48% was mainly attributable to the rise in unit price of natural gas business (retail, wholesale and direct selling) of the subsidiaries to the Company and growth of the integrated energy business.
2. The year-on-year decrease of the net increase in repurchased business capital by RMB502 million was mainly attributable to repurchase from the central bank by the finance company of the Company upon the maturity of rediscount notes.
3. The year-on-year net decrease in loans and advances to customers increased by 2205.46% was mainly attributable to the payment due of some finance leases of the Company's subsidiaries during the Reporting Period.
4. The tax refund received increased by 359.04% year-on-year was mainly due to the increased value-added tax credit refund and import VAT refund received by the subsidiaries of the Company during the Reporting Period.
5. The taxes and dues paid increased by 35.34% year-on-year mainly due to the increased income tax and value-added tax paid by the Company's subsidiaries.
6. The cash received from investment return increased by 248.73% year-on-year mainly due to the increased cash received from derivatives settlement by the Company's subsidiaries.
7. The net cash received from disposal of fixed assets, intangible assets and other long-term assets increased by 154.24% year-on-year mainly due to the increased cash received from disposal of plant, equipment and land use right by the Company's subsidiaries.
8. The net cash received from disposal of subsidiaries and other business units increased by 145.21% year-on-year mainly due to the increased share transfer payment made to the Company's subsidiaries.
9. The net cash paid for acquisition of subsidiaries and other business units decreased by 89.88% year-on-year mainly due to the decreased share acquisition payment made by the Company's subsidiaries.
10. The cash received from investment absorption decreased by 95.87% year-on-year mainly due to the receipt by the Company of the supporting funds raised by non-public issuance of shares for major assets restructuring in the same period of previous year.
11. The other cash received relating to financing activities decreased by 58.18% year-on-year mainly due to the decreased current accounts among associates and joint ventures received by the subsidiaries of the Company.

***(II) Description of significant changes in profit from non-principal business***

☐ Applicable    ☒ N/A

*(III) Analysis of assets and liabilities*

√ Applicable    □ N/A

*1. Conditions of assets and liabilities*

Unit: RMB'0000

Item	Closing balance for the current period	Closing balance for the current period as a percentage of total assets (%)	Closing balance for the previous period	Closing balance for the previous period as a percentage of total assets (%)	Change in amount year-on-year (%)	Description
Transaction financial assets	2,560	0.02	15,510	0.12	-83.49	
Other receivables	326,770	2.40	240,014	1.79	36.15	
Non-current assets due within one year	8,417	0.06	12,061	0.09	-30.21	
Loans and advances to customers		0.00	1,097	0.01	-100.00	
Long-term receivables	439	0.00	36,018	0.27	-98.78	
Development expenditure	18,507	0.14	1,437	0.01	1,187.89	
Derivative financial liabilities	101,916	0.75	209,051	1.56	-51.25	
Notes payable	85,737	0.63	126,108	0.94	-32.01	
Financial assets sold for repurchase	36,519	0.27	55,490	0.41	-34.19	
Non-current liabilities due within one year	194,933	1.43	784,255	5.84	-75.14	
Long-term borrowings	1,211,218	8.89	895,623	6.67	35.24	
Bonds payable	1,437,773	10.56	984,096	7.33	46.10	
Other non-current liabilities	289,535	2.13	454,231	3.38	-36.26	
Capital reserve	19,396	0.14	467,150	3.48	-95.85	
Less: Treasury shares	19,182	0.14	12,545	0.09	52.91	
Other comprehensive income	45,835	0.34	27,459	0.20	66.92	
Surplus reserve	33,111	0.24	22,415	0.17	47.72	
Undistributed profits	1,344,725	9.87	860,840	6.41	56.21	

## Other information

1. The year-on-year decrease in financial assets held for trading by 83.49% was mainly attributable to the decreased structured deposits of the subsidiaries of the Company during the Reporting Period.
2. The year-on-year increase in other receivables by 36.15% was mainly attributable to the increase in the settled but unpaid commodities derivative financial instrument contracts of the Company's subsidiaries during the Reporting Period.
3. The year-on-year decrease in non-current assets due within one year by 30.21% was mainly attributable to the recovery of matured factoring fund by the Company's subsidiaries during the Reporting Period.
4. The year-on-year decrease in loans and advances to customers by RMB10 million was mainly attributable to the repayment of loans by the client of the Company's finance company.
5. The year-on-year decrease in long-term receivables by 98.78% was mainly attributable to the recovery of financing lease payment by the Company's subsidiaries during the Reporting Period.
6. The year-on-year increase in development expenditure by 1187.89% was mainly attributable to the increased investment in the projects such as technical R&D and digitalization, ecological platform for safety, management, digital intelligence of integrated energy and aerobic network, and intelligent customer service platform by the Company's subsidiaries during the Reporting Period.
7. The year-on-year decrease in derivative financial liabilities by 51.25% was mainly attributable to the increase in the fair value of commodity derivatives contracts of the company's subsidiaries during the reporting period.
8. The year-on-year decrease in notes payable by 32.01% was mainly attributable to the payment of notes due by the Company's subsidiaries.
9. The year-on-year decrease in financial assets sold for repurchase by 34.19% was mainly attributable to the repurchase from the central bank by the Company's finance company when the rediscount notes become mature during the Reporting Period.
10. The year-on-year decrease in non-current liabilities due within one year by 75.14% was mainly attributable to the repayment of matured bonds by the Company's subsidiaries.
11. The year-on-year increase in long-term borrowings by 35.24% was mainly attributable to the increased long-term borrowings for repayment of short-term debts by the Company's subsidiaries during the Reporting Period.
12. The year-on-year increase in bonds payable by 46.10% was mainly attributable to the issuance of US dollar senior notes by the Company's subsidiaries in exchange for offshore US dollar debts that fall due during the Reporting Period.
13. The year-on-year decrease in other non-current liabilities by 36.26% was mainly attributable to the change of maturity of derivative financial instruments held by subsidiaries of the Company to be within one year from long term during the Reporting Period and the reclassification of derivative financial instruments to be presented under other non-current liabilities as derivative financial liabilities.
14. The capital reserve decreased by 95.85% year-on year mainly because the acquisition of ENN Zhoushan by the Company's subsidiaries during the Reporting Period constituted a business combination under common control, and the amount of acquisition consideration in excess of the net assets of ENN Zhoushan on the date of combination offset the capital premium.
15. The year-on-year increase in treasury stock by 52.91% was mainly attributable to the repurchase of the Company's shares by the Company in transactions subject to centralized competitive pricing during the Reporting Period.
16. The year-on-year increase in other comprehensive income by 66.92% was mainly attributable to the increased in difference arising from the translation of foreign currency financial statements of the Company's offshore subsidiaries.
17. The year-on-year increase in surplus reserve by 47.72% was mainly attributable to the provision of statutory surplus reserve by the Company during the Reporting Period.
18. The year-on-year increase in undistributed profit by 56.21% was mainly attributable to the year-on-year increase in the net profit attributable to owners of parent company during the Reporting Period.

## 2. Overseas assets

☒ Applicable   ☐ N/A

### (1) Asset size

Including: Offshore assets RMB1,187,568 (unit: RMB'0000 currency: RMB), accounting for 8.72% of total assets

### (2) Explanation of the high percentage of offshore assets

☐ Applicable   ☒ N/A

## 3. Restrictions on major assets as at the end of the Reporting Period

☒ Applicable   ☐ N/A

Item	31 December 2022	Reason for restrictions
Monetary fund	113,371	Statutory reserves and bank acceptance margins deposited in the central bank, etc.
Fixed assets	14,902	Loan mortgage
Intangible assets	26,052	Loan mortgage
Transaction financial assets	2,560	Structured deposit pledge
Total	156,885	

Other information:

1. The restricted monetary capital is mainly represented by reserves and margins of the Company in various financial institutions, primarily including statutory reserves amounting to RMB417 million and bank acceptance margins amounting to RMB226 million deposited in the central bank.

2. The gas charging right of some subsidiaries was pledged by the Company as security for obtaining credit facilities from banks.

## 4. Other information

☐ Applicable   ☒ N/A



**(IV) Analysis of industry operation information**✓ Applicable ☐ N/A

For details, please refer to "II. Industry Where the Company Operates during the Reporting Period" in Section III of this Report.

**(V) Analysis of investments**

Overall analysis of foreign equity investments

✓ Applicable ☐ N/A

Unit: RMB'0000 Currency: RMB

Total external equity investment in the current period	Total external equity investment in the same period of previous year	Year-on-year change (%)
1,128,278	394,220	186.20%

Note: The total external equity investment increased by 186.20% year-on-year mainly due to the acquisition of 90% equity interest in ENN Zhoushan by the Company from ENN Science and Technology, ENN Group and ENN Holdings by way of share issuance and cash payment during the Reporting Period.

## 1. Significant equity investment

✓ Applicable ☐ N/A

Unit: RMB'0000 Currency: RMB

Name of investee	Principal business	Whether the target company mainly engages in investment business	Way of investment	Investment amount	Shareholding ratio	Consolidated	Item in the statement (if applicable)	Source of funding	Partner (if applicable)	Investment horizon (if any)	Progress as of balance sheet date	Projected income (if any)	Effect on current profit or loss	Involvement in litigation	Disclosure date (if any)	Disclosure index (if any)
ENN (Zhoushan) LNG Co., Ltd.	LNG receiving & unloading, storage, liquid transport, gasification, gasified transport, pipeline transport services, etc.	No	Acquisition	855,000	90%	Yes		Share issue and cash payment			Completed		39,532	No	4 August 2022	For details, please refer to the announcement (No. 2022-075) disclosed by the Company on 4 August 2022
Total	/	/	/	855,000	/	/	/	/	/	/	/	0	39,532	/	/	/

## 2. Significant non-equity investments

√ Applicable    □ N/A

Unit: RMB'0000    Currency: RMB

Project name	Amount	Progress (%)	Investment amount in current year	Cumulative actual investment amount	Project income	Details of major change in fund
Langfang LNG gas storage station project	24,000	99.19	1,146	23,367	Partly under construction	Self-owned fund
Longping High-Tech Project	17,695	99.81	602	15,787	Partly under construction	Self-owned fund
High-pressure Natural Gas Pipeline Project from Taishang Pressure Control Station to Huianmen Station	21,267	81	12,697	17,446	Under construction	Self-owned fund
Zhoushan DSIC 8,500m <sup>3</sup> LNG Ship Filling Construction Project	37,480	100	19,901	36,042	Revenue has been included in the project	Self-owned fund
Integrated Energy Micro-network – No. 1 Integrated Energy Main Station Project in Daqing Linyuan Chemical Park	108,928	98.87	5,284	92,584	Partly under construction	Self-owned fund and bank loans
Slurry Gasification Project	21,808	100	602	28,751	Revenue has been included in the project	Self-owned fund and bank loans
Environmental protection technology reform to water system	15,954	99.1	573	16,525	Partly under construction	Self-owned fund and bank loans
Phase III LNG Storage Tank and Supporting Facilities for Zhejiang Zhoushan LNG Receiving Terminal and Filling Station	292,096	5	2,243	2,905	Under construction	Self-owned fund
ENN Science Park R&D Workshop	42,000	14	5,267	5,267	Under construction	Self-owned fund
Natural Gas Supply Pipeline Works for Ningzhou Gas and Electricity Project	108,569	54	59,434	59,434	Under construction	Self-owned fund and bank loans
Dongguang High-pressure Natural Gas Pipeline Network Project along North Ring Road and Zhonghong Branch	33,600	22	9,578	9,578	Partly under construction	Self-owned fund
Total	723,397	/	117,327	307,686	/	/

## 3. Financial assets measured at fair value

√ Applicable ☐ N/A

Unit: RMB'0000 Currency: RMB

Asset class	Beginning balance	Current profit or loss on the change in fair value	Cumulative change in fair value included in equity	Impairment provision for the current period	Current purchase amount	Current sale/redemption amount	Current settlement amount	Other changes	Ending balance
Stock	29,403	-4,681	4,627						22,169
Derivative instruments	49,153	125,967	6,026		594		143,345		182,678
Futures	534	-306							228
Others									
Including: Finance products	350					350			
Structured deposits	15,160				36,860	49,460			2,560
Receivables financing	86,389				5,274				91,663
Other equity instrument investment	15,985		2,027			26			16,758
Other non-current financial assets	422,445	-1,571				1,581			419,293
Total	619,419	119,409	12,680		42,728	51,417	143,345		735,349

## Securities investments

√ Applicable ☐ N/A

Unit: RMB'0000 Currency: RMB

Type	Code	Abbreviation	Initial investment cost	Source of funding	Opening book value	Current profit or loss on change in fair value	Cumulative change in fair value included in equity	Current purchase amount	Current sale amount	Current profit or loss on investment	Closing book value	Accounting item
Stock	01635. HK	DZUG	41,054	Self-owned fund	18,072	-4,678				647	13,394	Other non-current financial assets
Stock	002716	Jingui Silver Industry	29	Self-owned fund	38	-3					35	Other non-current financial assets
Stock	09908. HK	JiaXing Gas	4,113	Self-owned fund	11,293		4,627			173	8,740	Other equity instrument investment
Total	/	/	45,196	/	29,403	-4,681	4,627			820	22,169	/

Private equity investment

☐ Applicable ☒ N/A

Derivatives investment

☒ Applicable ☐ N/A

In order to avoid the adverse impact from such factors as the fluctuation of international energy price and risk of macroeconomic systematization on the Company's operations and effectively prevent the exchange risk caused by the fluctuation of exchange rate and interest rate on the Company's foreign currency financing including offshore US dollar bonds and current loans, the Company conducted bulk commodity hedging, coal chemical product hedging and foreign exchange hedging so as to mitigate the procurement risk, trade risk and foreign exchange risk.

The Company held the 38th Meeting of the Ninth Board of Directors on 9 December 2021 and the 2021 Third Extraordinary General Meeting on 28 December 2021, (1) deliberating and approving the *Proposal on the Estimated Hedging Amount of Commodities in 2022* which specified that the Company may carry out bulk commodity hedging transactions with balance not exceeding RMB9 billion and bulk commodities can adopt the method of rolling position building with reused quota; (2) deliberating and approving the *Proposal on Estimated Hedging Amount of Foreign Exchange for 2022* which specified that the accumulative size of foreign exchange hedging transactions shall not exceed USD1.3 billion from the date when it was deliberated and approved at the general meeting of shareholders to 31 December 2022; (3) deliberating and approving the *Proposal on Estimated Hedging Amount of Coal Chemical Products for 2022* which specified that in 2022, the accumulated trading volume of methanol futures and options for hedging shall not exceed 1.2 million tons; the accumulated trading volume of coal futures and options for hedging shall not exceed 300,000 tons; the accumulated trading volume of ethylene glycol futures and options for hedging shall not exceed 200,000 tons; the accumulated trading volume of polypropylene futures and options for hedging shall not exceed 200,000 tons; and the

accumulated trading volume of plastic futures and options for hedging shall not exceed 200,000 tons. The maximum trading margin shall not exceed RMB180 million, and the accumulative trading margins shall not exceed RMB536 million. As of 31 December 2022, the Company engaged in the commodities and foreign exchange hedging within the above limit.

The Company carried out corresponding accounting and disclosure for hedging in accordance with relevant provisions and guidelines of the Accounting Standards for Business Enterprises No. 22 – Recognition and Measurement of Financial Instruments, the Accounting Standards for Business Enterprises No. 24 – Hedging and the Accounting Standards for Business Enterprises No. 37 – Presentation of Financial Instruments.

#### 4. Progress of major assets restructuring during the Reporting Period

☒ Applicable ☐ N/A

- (1) The Company purchased an aggregate of 369,175,534 shares held by ENN International and Essential Investment in ENN Energy by asset swap, issue of shares, cash payment and raising of supporting funds. The formalities for transfer of the underlying assets of ENN Energy for major assets reconstructing were completed on 10 September 2020, and registration of the additional shares for the issue of shares to ENN International for the purchase of assets was completed on 18 September 2020. The Company completed the registration formalities with China Securities Depository and Clearing Corporation Limited Shanghai Branch for the additional shares under the private placement for raising supporting funds on 1 February 2021. Upon completion of the transaction, ENN Energy was included in the scope of the Company's consolidated statements. ENN Energy has a strong natural gas distribution network and relevant infrastructure in the downstream link of natural gas business, large asset size and strong profitability, forming a considerable synergistic

effect with the Company in the industry chain. So far, the restructuring achieved remarkable results in integration, the Company was in a good condition and the business development met the expectations. For the basic information on ENN Energy and key financial indicators during the Reporting Period, please refer to the Section III “V. Principal business during the Reporting Period – (VII) Analysis of major controlled and invested companies”. The transaction did not involve profit forecast and realization of the profit forecast.

no less than RMB349.67 million. As presented in the Special Audit Report on the Realization of Profit Forecast for ENN (Zhoushan) LNG Co., Ltd. issued by ZhongXi CPAs (Special General Partnership), in 2022, the net profit attributable to owners of parent company after deducting nonrecurring gains and losses of ENN Zhoushan amounted to RMB402.1033 million, and 115% of the performance commitment of RMB349.67 million was actually completed.

#### Opinion of Independent Directors

- (2) During the Reporting Period, the Company purchased 90% shares in ENN Zhoushan held by ENN Science and Technology, ENN Group and ENN Holdings by means of share issue and cash payment. On 2 August 2022, the ownership of 90% shares in ENN Zhoushan was transferred. On 16 August 2022, the share registration formalities for 252,808,988 new shares for purchase of assets by issue of shares to ENN Science and Technology in were completed at China Securities Depository and Clearing Corporation Limited Shanghai Branch. No material difference between the actual situation and the disclosed restructuring plan occurred during the implementation of this major asset restructuring. After transfer of the underlying assets, the Company actively promoted the reorganization and integration with the target company and effectively managed the target company to give full play to the synergistic effect, so there was no integration risk. In respect of performance commitment, the counterparties, ENN Science and Technology, ENN Group and ENN Holdings undertake that the net profit attributable to owners of parent company after deducting nonrecurring gains and losses of ENN Zhoushan in 2022 shall be
- (1) The purchase of an aggregate of 369,175,534 shares held by ENN International and Essential Investment in ENN Energy by asset swap, issue of shares, cash payment and raising of supporting funds further enhances the development potential of the Company and improves the asset quality and continuous profitability of the Company. The restructuring has achieved satisfactory integration results and it is in the interests of the Company and all the shareholders.
- (2) The purchase of 90% shares in ENN Zhoushan held by ENN Science and Technology, ENN Group and ENN Holdings by means of share issue and cash payment is conducted at a fair transaction price and implemented in compliance with the *Measures for the Major Asset Restructuring of Listed Companies* and the *Self-regulatory Guidelines No. 6 of Shanghai Stock Exchange for Listed Companies – Major Asset Restructuring*, and no material difference between the actual situation and the disclosed restructuring plan is found; the measures taken by the Company are active and effective, and none of them damage the interests of the Company and its shareholders.

**(VI) Sale of major asset and equity**

☐ Applicable    ☒ N/A

**(VII) Analysis of major controlled and invested companies**

☒ Applicable    ☐ N/A

**(1) ENN LNG (SINGAPORE) PTE LTD**

Founded on 11 September 2019, it is a wholly-owned subsidiary of the Company mainly engaged in marketing and sale of liquefied natural gas with a registered capital of USD50 million. As of the end of the Reporting Period, ENN LNG (SINGAPORE) PTE LTD had total assets of RMB5,873.29 million and net assets of RMB3,880.99 million; during the Reporting Period, it achieved operating income of RMB19,366.84 million, operating profit of RMB3,435.6 million and net profit of RMB2,840.94 million.

**(2) ENN Global Trading Pte. Ltd.**

Founded in December 2020, it is a holding company of the Company with a registered capital of USD1 million and mainly engaged in procurement and sale of liquefied natural gas. As of the end of the Reporting Period, ENN Global Trading Pte. Ltd. had total assets of RMB2,359.67 million and net assets of RMB1,961.49 million; during the Reporting Period, it achieved operating income of RMB5,950.06 million, operating profit of RMB2,262.55 million and net profit of RMB1,878.00 million.

**(3) Xinneng Mining Industry Co., Ltd.**

Founded in May 2008, it is a wholly-owned subsidiary of the Company mainly engaged in production and sale of coal

with a registered capital of RMB790 million. As of the end of the Reporting Period, Xinneng Mining had total assets of RMB7,384.76 million and net assets of RMB2,502.22 million; during the Reporting Period, it achieved operating income of RMB2,982.48 million, operating profit of RMB1,586.55 million and net profit of RMB1,335.22 million.

**(4) ENN LNG Trading Company Limited**

Founded in November 2014, it is a holding subsidiary of the Company with a registered capital of HKD1,000 and mainly engaged in business. As of the end of the Reporting Period, ENN LNG Trading Company Limited had total assets of RMB3,138.67 million and net assets of RMB1,339.34 million; during the Reporting Period, it achieved operating income of RMB7,230.23 million, operating profit of RMB969.95 million and net profit of RMB829.57 million.

**(5) Xindi Energy Engineering Technology Co., Ltd.**

Founded on 7 April 1999, it is a wholly-owned subsidiary of the Company mainly engaged in research, development, integration and transformation of energy engineering technology; overseas project contracting; general contracting of construction projects; engineering consulting; public design for municipal industry; general contracting of municipal public works; and general contracting of petrochemical works and with a registered capital of RMB300 million. As of the end of the Reporting Period, Xindi Energy Engineering Technology Co., Ltd. had total assets of RMB5,928.16 million and net assets of RMB1,917.83 million; during the Reporting Period, it achieved operating income of RMB3,744.55 million, operating profit of RMB412.85 million and net profit of RMB360.13 million.

## Subsidiaries and Associates Contributing More Than 10% of Profits

Unit: RMB'0000 Currency: RMB

Item	ENN LNG (SINGAPORE) PTE LTD	ENN Global Trading Pte. Ltd.	Xinneng Mining	ENN LNG Trading Company Limited
Operating income	1,936,684	595,006	298,248	723,023
Operating cost	1,665,470	370,231	90,298	738,683
Operating profit	343,560	226,255	158,655	96,995
Net profit	284,094	187,800	133,522	82,957
Total assets	587,329	235,967	738,476	313,867
Net assets	388,099	196,149	250,222	133,934

### (VIII) Structured entities controlled by the Company

☐ Applicable ☒ N/A

## VI. Discussion and Analysis on the Future Development of the Company

### (I) Industry pattern and trend

☒ Applicable ☐ N/A

#### 1. Natural gas

The European Parliament classified natural gas as green energy and released its investment limit in July 2022. This means that the position of natural gas is further strengthened in coping with energy crisis and in the process of green transformation of energy. From the perspective of domestic situation, with the continuous optimization of COVID-19 prevention and control measures

and the restoration of domestic market demands and confidence, in 2023, economic momentum will continue to recover and strengthen, and also drive the growth of energy demand. Given the aggressive pursuit of the dual carbon goal by the country, natural gas is irreplaceable in terms of "replacement for coal" and "integration with new energy" (improving the flexibility of electricity system) and plays a crucial role in balancing energy transformation and energy security in China. According to the forecast towards China's natural gas consumption demand for 2020-2030, the natural gas consumption may reach amount 600 billion cubic meters by 2030 and may still grow steadily subsequently, showing a huge potential. Furthermore, by around 2030, the proportion of combined demand for clean energy such as non-fossil energy and natural gas will



exceed 40%, and natural gas will still play a major role in China's energy consumption structure (Source: Resource and Environmental Policy Research Institute, Development Research Center of the State Council). With the continuous promotion of China's dual carbon policy, the market for direct sale of gas of the Company will grow rapidly in the future, and it is expected that the additional market capacity will exceed 150 billion cubic meters before 2030.

On the supply side, increase in domestic production and finalized import agreements will play an important role in meeting domestic demand growth. According to the 14th Five-Year Plan, domestic gas production will exceed 230 billion cubic meters by 2025; in terms of imported pipeline gas, the main increase is attributed by Russia, and the pipeline natural gas is expected to account for 40%-45% of total imports by 2030; in terms of LNG imports, China has signed a number of long-term LNG contracts in 2021 and 2022, most of which will be fulfilled around 2025. With the deepened market-oriented reform in China and the continuous efforts in construction of a nationwide one network, infrastructure for natural gas will become fairer and more open, and the natural gas industry will still stay in the golden period of development.

## 2. Construction and installation

As China's natural gas demand grows rapidly, it will become particularly important to optimize natural gas-related infrastructure such as natural gas pipeline network and gas storage. In terms of natural gas pipeline network, PipeChina plans to achieve the goal of fully interconnecting gas transmission trunk lines, forming a "fourth large (import) passage" and "five vertical and five horizontal" trunk pipe network structure by 2025. PipeChina also plans to achieve two-way transmission of trunk pipelines between regional gas load centers, dual gas sources and dual channels for municipalities and provincial capitals and dual-channel gas supply for prefecture-level cities with a million people or an annual gas supply of more than 300 million cubic meters. Gas storage facilities constitute an indispensable part of natural gas peak load regulation and supply guarantee. Thus, China will speed up the construction of two gas storage bases with tens of billion cubic meters in Northeast China and North China and LNG storage and transportation projects in key regions such as the Bohai Rim, which create opportunities for the Company's engineering construction business. In terms of hydrogen energy infrastructure, the *Medium-and Long-term Hydrogen Industry Development*



*Plan (2021-2035)* jointly issued by the National Development and Reform Commission and National Energy Administration specified that, during the 14th Five-Year Plan period, China will initially establish a hydrogen energy supply system for industrial by-product hydrogen and hydrogen generated from renewable energy and local utilization of hydrogen; the ownership of fuel cell vehicles will reach about 50,000 and a certain number of hydrogen filling stations will be constructed; by 2030, a relatively complete technological innovation system of hydrogen energy industry, as well as the production and supply system of hydrogen generated from clean energy will be constructed to support the realization of the goal of carbon peak. In terms of bio-natural gas, the National Development and Reform Commission defines objectives in the *Guiding Opinions on Promoting the Industrialization of Bio-natural Gas*. By 2025, an emerging industry of green, low-carbon, clean and renewable natural gas will be established, with annual output of bio-natural gas exceeding 10 billion cubic meters; by 2030, annual output of bio-natural gas will exceed 20 billion cubic meters, with capacity ranking among the world's highest. The high-speed development of hydrogen energy and bio-natural gas industries will continuously bring business opportunities for the Company in the field of new energy infrastructure in the future.

Data serve as an important element of production factor in the new era and digital intelligent transformation has also become the trend within the engineering construction industry. Pursuant to the *"14th Five-Year" Plan for the Development of Big Data Industry* issued by the Ministry of Industry and Information Technology of the PRC, companies working in pipeline networks and hazardous chemicals should be supported to comprehensively use data associated with equipment, production and operations; the analysis models should be built and the level of intelligence in the entire process should be improved to achieve process optimization, energy savings, emission reduction and safe production. Also, according to the *"14th Five-Year" Development Plan for Deep Integration of Informatization and Industrialization* issued by the Ministry of Industry

and Information Technology of the PRC, it is the hope that enterprises will promote the real-time collection and comprehensive integration of data in the entire business chain by using technologies such as intelligent sensing and the IoT, building a digital supply chain management system and guiding enterprises towards building a digital cockpit. The strong guidance of national policies will provide a strong guarantee for the digital transformation and upgrading of the Company's engineering construction business.

In terms of engineering installation, China still has a lot of room for urbanization in the future as specified within the national plans and its level of urbanization will continue to increase gradually driving the steady growth of natural gas consumption population. Meanwhile, the *China Natural Gas Development Report (2021)* shows that China's city-gas will focus over the coming two decades on meeting the city-gas energy gap caused by the construction of new urbanization, the promotion of clean heating in the north and the release of heating demand in the Yangtze River Basin so industrial "coal-to-gas" conversion should be promoted on the basis of the construction of low-carbon industrial parks to help key industrial areas peak carbon dioxide emissions. The needs of the chemical industry should be met and the development of gas for chemical raw materials should be guided in a rational manner. The series of demands will further promote the growth of the Company's engineering installation business.

### **3. Integrated energy and value-added business**

In the overall context of green, clean and low-carbon energy development, integrated energy has become an important development path to achieve the dual carbon goal, improve energy efficiency and reduce energy consumption cost. The *"14th Five-Year" Development Plan for Modern Energy System* specifies that, the "14th Five-Year Plan" period is a key period and a window period for carbon peaking. Green and low-carbon energy development is the key. The priority is to effectively enhance the clean energy supply capacity and reduce carbon emissions in the

energy industry chain so as to promote the formation of green and low-carbon energy consumption mode; it also seeks to vigorously develop wind and photovoltaic power and other renewable energy, and increase the proportion of non-fossil energy consumption to about 20% by 2025. At present, 16 provinces including Jiangsu, Hunan, Anhui and Shandong have formally introduced the action plan for carbon peaking to promote the construction of low-carbon parks, plants, buildings and transportation systems. National and industry associations have also successively issued implementation plans for carbon peaking in industrial fields and key industries such as building materials, non-ferrous metals and coking to encourage enterprises to save energy and reduce carbon emissions. Meanwhile, green electricity, green certificate, carbon trading and other market-oriented energy and carbon mechanisms are being improved constantly to promote the consumption of renewable energy.

With the escalated high-quality family life needs and relying on the long-term accumulated advantages of customer stickiness, the Company creates family service scenario solutions to help improve the family life quality. The report of the 20th National Congress of the Communist Party of China pointed out that constant efforts have been made to meet the people's aspirations for a better life, the consumption level is upgrading and the per capita GDP has exceeded USD10,000, and people pay more attention to the pursuit of high quality life. Meanwhile, With the rapid development of digital economy and huge demand for smart home, the government strongly promotes the building of smart home and smart community, thus bringing new opportunities for the development of value-added business.

#### **4. Energy production**

With respect to the coal demand, the total demand for electricity remains resilient. Coupled with the challenge of extreme weather against energy security, the role of coal

power in supporting the bottom line of economic and social development has become increasingly prominent, so the demand for coal power will keep growing; in the meantime, with the further optimization of COVID-19 prevention and control measures, real estate infrastructure has gone past its dark time, and the coal used for production of property-related consumables such as steel may become the biggest variable for the coal market in 2023. The overall demand side growth rate is expected to recover to 4-5% in 2023, and the structural deficiency between supply and demand at the coal market will continue, stimulating coal price to remain a relatively high level. On the supply side, coal supply-side growth will be maintained in 2023, with coal production capacity expected to increase by 200-250 million tons, mainly from additional capacity, and slight growth is expected for import volume (Source: JLC).

In terms of methanol demand, some domestic projects have been suspended since the fourth quarter of 2022, and the overall operating rate of olefin production projects is expected to be weak in 2023. The olefin market which contributes to half of China's methanol demand, will continue to slow down and affect the demand to some extent. Generally, methanol market will continue to maintain accommodative in 2023. As to supply, it is expected that Chinese methanol industry will continue to deepen adjustment in 2023, and the supply-demand imbalance may become moderate in some phases. On the supply side, the production capacity in China will exceed 100 million tons (Source: JLC). With the implementation of the "dual carbon" strategy during the 14th Five-Year Plan period, methanol industry in China will usher in a key stage of high-quality development in the future. With increasing global concern about carbon emission, the sources for methanol production will become more extensive, and production of methanol from carbon dioxide hydrogenation will start.



## 5. Infrastructure operation

With the decline of overseas gas price and increase of demand in the domestic gas market, combined with the performance of some long-term international natural gas sale and purchase agreements, it is expected that China's LNG imports will restore growth and the throughput of coastal LNG terminals close to major end markets will start to recover steadily. According to the International Energy Agency, natural gas demand in China will rebound significantly in 2023, expected to increase by 5.41% on year-on-year basis. In addition, strong growth in demand for natural gas power generation will further support import of overseas LNG resources. The renowned research institute Bloomberg New Energy Finance estimates that the newly installed natural gas generating capacity in China has reached 29GW. This will lay a sound foundation for continued growth in domestic natural gas demand in the future.

### (II) Development strategy of the Company

☒ Applicable ☐ N/A

The Company seizes the historical opportunities offered by low-carbon development, digital and intelligent upgrading and grand development of natural gas industry to consolidate the industrial foundation in an all-round manner, make full use of digital intelligence technology, forming a new development pattern supported by industrial internet, focused on domestic cycle and allowing

for mutual promotion of international and domestic cycles. Meanwhile, the Company gives full play to the advantage of integrated upstream and downstream of natural gas industry chain, deeply promotes the whole-scenario layout of clean energy, continuously consolidate the foundation of natural gas business, make online and offline efforts and continuously gather demands, resources and infrastructure ecology to create a bigger and stronger intelligent ecology for natural gas industry.

### (III) Business plan

☒ Applicable ☐ N/A

In 2023, the Company will actively seize the opportunity of low-carbon development and natural gas market-oriented reform and accelerate the integration of natural gas industry ecology through digital intelligence technology. The Company will focus on the following aspects in order to ensure the achievement of the above goals:

#### 1. *Realize industrial interconnection, accelerate industrial agglomeration, carry out best practices and build digital intelligence ecology*

In the aspect of demand aggregation, the Company deepens customer cognition, provides creative cooperation model, offers diversified packages to meet the needs of major accounts, and supports regional demand aggregation with resources and facilities.

In terms of resource aggregation, the Company consolidates the foundation, adjusts measures according to local conditions, combines multiple sources and optimizes the international/domestic and nationwide/regional balance to make the region stronger with superior resources; it consolidates the base of three major oil companies and one network to enable all-round ecological cooperation; it gains deep knowledge about the pain spots of resource providers in the region, jointly builds multidimensional cooperation and balance resources dynamically to support the growth of region; in terms of unconventional resources, it expands the availability of unconventional resources in a diversified way and realizes growth on a stepped scale; meanwhile, it integrates offline sales on platform and gradually connects to the network to change its core from traditional sale modes to service link ecology and link the whole ecology with open platforms; in terms of setting up international resource pool, the Company studies and judges the international market change, increases the resources linked to oil price, complements the international resource pool and forms international and domestic linkage to optimize the direct sale of gas;

In terms of transportation and storage, the Company makes a comprehensive layout for coastal import channels through trading on state Grid + ecological cooperation, builds large-scale transportation and storage network with flexible adjustment capacity, and creates low-cost and flexible facility utilization capacity with the digital-intelligent integration to realize efficient matching of resources and facilities; it seizes the negotiation opportunity brought by the low load of receiving terminals to build low-cost and flexible facility utilization capacity, obtain the first-mover advantage, and support the allocation of international high-quality resources to the provincial resource pools; it carries out extensive ecological cooperation, and promotes the joint creation of digital-intelligent products; the Company makes an overall planning for the pipeline network access and combines virtual and actual reservoirs to build a large-scale transportation and storage network at low cost and with flexible adjustment capacity; the Company promotes the

joint creation of products by integrating actual and virtual data to strengthen ecological linkage.

## ***2. Build an intelligent platform for natural gas industry to boost the business transformation and upgrading***

The Company will focus on three core business scenarios such as energy usage service, transaction and supply chain based on customer demand with a view to improving customer experience and continue to iterate core digital and intelligent products in terms of energy customer awareness, intelligent matching of demand, supply, transportation and storage, intelligent transaction delivery, intelligent city-gas pipeline network scheduling, multi-user operation of terminals and safe production. In addition, the Company will, based on the ENN business scenarios and through the application of all-scenario digital-intelligent products, open up the closed loop of business, precipitate the industrial intelligence and enhance the customer experience for energy utilization to boost the transformation and upgrading of natural gas industry.

## ***3. Seize the growth opportunities of integrated energy business to advance large-scale and high-quality development***

China's "dual carbon" policies have been introduced intensively; the Dual Control System of Total Energy Consumption and Energy Intensity is implemented on an increasingly strict basis and the gas, electricity and carbon market-oriented reform has been further promoted. Therefore, the Company will accurately grasp the initiative of the low-carbon industry, seize market window periods and accelerate the expansion of customers from six aspects, including safety, thermal energy, photovoltaics, electric energy, carbon and digital intelligence according to local conditions. We will flexibly expand new customers in many ways, maintain existing customers, focus on the development of low-carbon factory and low-carbon park business, cultivate low-carbon building business and explore low-carbon transportation business.



The low-carbon factory business will focus on manufacturing and energy-consuming enterprises and expand from thermal hosting to electric energy services and from operation and maintenance to hosting to gradually integrate cooling, heating, electricity and gas and optimize the integration of consumption and supply. The Company will regard the industrial parks as the main position for energy conservation and carbon reduction, make different strategies according to local conditions to achieve high-quality growth with the help of low-carbon planning, low-carbon resources and energy-side services. At the same time, the Company will seize the opportunity of low-carbon and green development and quickly implement low-carbon building solutions. Our existing buildings will adopt platforms, schemes and facility leasing, and new buildings will expand from planning and design to energy hosting through energy conservation and low-carbon energy substitution. For low-carbon transportation business, the Company will focus on key cities, continue to promote the layout of battery swap stations and quickly implement a new model of transportation of integrated energy based on battery swaps.

#### **4. *Perform lean operation of energy production business and accelerate the green and digital-intelligent transformation***

From the demand of customers, the Company will enhance the green and digital-intelligent transformation and achieve industry redevelopment by integrating all-scenario and multi-energy supply chain. The Company will strengthen the awareness of global operation, couple all energy scenarios, and continuously improve the lean operation level, stabilize production, save energy, raise efficiency and deeply excavate the value of assets by taking such measures as strengthening operation, implementing intelligent mines and reducing energy consumption by adopting technologies; the Company will increase its efforts in the availability of natural gas, coal and other types of energy, continue to perfect the strategy of integrating procurement, sale, industry and trade, focus on key areas and gather upstream, midstream and downstream

resources to build a nationwide transportation and storage network and maximize the value created via rapid allocation of supply and resource exchange. Meanwhile, the Company will actively explore the potential markets of methanol in transportation, fuel, energy storage and other fields, further expand the supply category and scale of energy products and enhance product value.

#### **5. *Optimize and enhance traditional business scale for project construction, embrace innovate development and actively explore new tracks***

The Company will give full play to its all-scenario energy advantages, combine with the regional natural gas planning and focus on infrastructure projects such as large-scale pipeline network, gas storage and receiving terminals. The Company will seize the opportunity of digital-intelligent IoT and provide low-carbon, digital-intelligent and full-cycle professional construction support to promote the aggregation of resources. We also rapidly explore new tracks of bio-natural gas and hydrogen energy through technical cooperation and acquisition. Based on the needs of customers for low-carbon and digital-intelligent operation, we create low-carbon and digital-intelligent enabling products such as network design platform and workshop to provide customers with full-cycle low-carbon and digital-intelligent construction services.

#### **(IV) Possible risks**

☒ Applicable ☐ N/A

##### **1. *Risk of gas source acquisition and price fluctuation***

Natural gas of the Company mainly sources from international procurement and supplies by CNPC, Sinopec and CNOOC, with higher reliance on upstream suppliers. The operation of the Company will be adversely affected in case of the fluctuation in the supplies from domestic upstream suppliers or any force majeure risk in offshore LNG. As affected by complex economic situations both

abroad and at home, natural gas price has been subject to significant fluctuation over the past years, and the range of adjustments to the Company's natural gas sale prices is lower than or lags behind that of purchase price and cannot cover the changes in raw materials, labor and other costs contributed by the Company for its piped gas and non-piped gas business. The raw material price fluctuation may affect the Company's operating results. For gas source acquisition, the Company continuously deepens its cooperation with CNPC, Sinopec and CNOOC to consolidate the resource base. It also gathers on a large scale various domestic unconventional resources and sets up pricing mechanisms with suppliers of relevant resources including coalbed methane, coal gas and shale gas to achieve stable gas supply and flexible exchange and regulation relying on resilient delivery network. At the same time, the Company continues to optimize the international resource pool, expand the scale of long-term agreements and seek to achieve a diversified combination of resources to reduce the dependence on single supplier. For price fluctuation risk, the Company realizes the procurement-end cost reduction through diversification of resource portfolios and scale operation, and the sales-end companies establish a sound price linkage mechanism, effectively promoting the market-oriented demand ecology.

## **2. Risk of safe operation**

Nature gas is flammable and explosive, so the storage and distribution of natural gas proposes high requirements for safe operation. Although there were no safety incidents such as fires or explosions due to the accidental failure of storage, distribution and transportation equipment or improper operation of employees or suspension or overhaul required by the relevant authorities for the above reasons during the Reporting Period, if safety accidents such as fires or explosions occur due to the accidental failure of storage, distribution and transportation equipment, improper operation of employees or natural disasters and threaten the health and safety of production personnel

in the future, the Company may be required by the safety authorities for suspension or overhaul which will cause losses to production and operations thus affecting the daily operations of the Company. For potential risk of safe operation, adhering to the concept of "noticeable, attended and priority-specific", the Company always gives priority to operation safety and compliance and continuously enhances the safe operation level by establishing a digital-intelligent safety system. Within the year, the Company completed 44 intelligent operation centers, connected over 50,000 pipe networks, plants and stations and put in place 182 standards and guidelines for corporate safety digital intelligence, and three scientific and technological achievements in safety digital intelligence were included in the provincial or ministerial projects or appraised by industrial associations. Remarkable results in safety digital intelligence have been achieved.

## **3. Risk of exchange rate fluctuations**

As of the date of this Report, the Company had a balance of USD2.387 billion in financing facilities denominated in US dollars. With the increasing marketization of the RMB exchange rate regime, the value of RMB is subject to domestic and international economy and politics as well as the supply and demand of currency. The exchange rate of RMB against USD may be significantly different from the current rate in the future; therefore, the Company may be exposed to certain risks of exchange rate fluctuations. In response to the possible exchange rate risk, the Company intends to reduce the adverse impact of exchange rate fluctuations on the Company's performance by researching exchange rate trends, controlling the receipt and payment of funds, matching the currency of receipt and payment, adopting favorable currency and settlement methods and using financial instruments for hedging in a timely manner according to the trend of exchange rate movements and agreeing on protective contract terms.



#### 4. *Interest rate risk*

The Company's interest rate risk arises from interest bearing debt such as bank borrowings. Financial liabilities with floating interest rates expose the Company to cash flow interest rate risk and financial liabilities with fixed interest rates expose the Company to fair value interest rate risk. The Company adjusts the relative proportion of loans with fixed and floating rates according to market conditions and uses derivative products such as interest rate swaps to hedge its exposure.

#### 5. *Derivative product risk*

The Company's derivative products include a number of foreign currency derivative contracts and commodity derivative contracts entered into with certain financial institutions for the purpose of reducing foreign exchange exposure and commodity price risk. The foreign currency derivative contracts allow the Company to purchase US dollars at an agreed RMB/USD exchange rate on the maturity date and the vast majority of these contracts are designated as hedging instruments. The commodity derivative contracts hedge LNG contracts linked to crude oil, HH, TTF, JKM and other indexes to stabilize its future LNG purchase costs and some of these contracts are designated as hedging instruments. The Company's derivative products are mainly exposed to market, liquidity, credit and operation risks posed by commodity price fluctuations. The Company established the Risk Control and Compliance Department to control various risks. Regarding the market and liquidity risks, the Company sets up a market risk study team to strengthen market tracking and judgment, builds positions in batches at

the appropriate time and selects the products to be traded reasonably according to market conditions and the upstream purchase and downstream sale demand of the Company, and adjusts hedging operation in a timely manner in case of any material adverse change; in response to credit and operation risks, the Company developed the Hedging System and Working Rules and transaction authorization system to regulate hedging transactions, clarify the trading limits of counterparty, monitor the credit change of counterparty and define the trading direction and stop-loss quota; as for the operational risk arising from poor internal control systems, the Company introduced the world's leading energy trading risk management (ETRM) system of bulk commodities and independently developed a mobile risk control product – ETMO to mark to market and monitored various risk indicators on a daily basis. Based on the whole-process digital management of derivatives business, the Company hedges the risk by reducing inappropriate manual intervention and maximizes the precision of risk management.

#### (V) Others

☐ Applicable    ☒ N/A

#### VII. Circumstances and reasons for failure to make disclosure in accordance with the standards due to special reasons such as non-application of the standards or state secrets or trade secrets

☐ Applicable    ☒ N/A



# 04

## Corporate Governance



## I. Details on Corporate Governance

√ Applicable    ☐ N/A

In accordance with the requirements of the *Company Law*, the *Securities Law*, the *Code of Corporate Governance for Listed Companies* and other relevant laws and regulations as well as the regulatory documents, the Company has established a corporate governance body and operating mechanism composed of the General Meeting, the Board of Directors, the Board of Supervisors and the management of the Company, and formed a corporate government system with clear powers and responsibilities, compliant operations and mutual cooperation among the decision-making body, supervisory body and the management. The Board of Directors is accountable to the General Meeting, deliberating the major issues in the Company's business activities and making decisions or submitting the same to the General Meeting for deliberation. The Board of Supervisors is the supervisory body of the Company, responsible for supervising the acts of the Company's directors and management and the finance. The Co-CEO, president and other senior managers of the Company are appointed by the Board of Directors, responsible for the Company's daily operation and management activities under the leadership of the Board of Directors.

In accordance with the relevant laws, regulations and regulatory documents, the Company has established and gradually improved the corporate government system based on actual operation demands with the focus on the *Articles of Association* including the *Rules of Procedure for the General Meeting*, the *Rules of Procedure for the Board of Directors*, the *Rules of Procedure for the Board of Supervisors* and the implementing rules of the special committee, providing the institutional guarantee for the Company's compliant operations.

## (I) Operation of the General Meetings

In 2022, the Company convened a total of 7 general meetings, approving the purchase of liability insurance for directors, supervisors and senior managers, major asset restructuring, election of directors and supervisors, registration and issuance of medium-term notes, estimated amount of guarantees and other issues. The Company fully protected its shareholders' legal rights and interests, respected the rights and interests of minority shareholders, and there was no damage to rights and interests of minority shareholders.

## (II) Operation of the Board of Directors

The Board of Directors is composed of eleven directors, including four independent directors, complying with the provisions of laws, regulations and regulatory documents. The Company's directors have different professional backgrounds and relevant experience in the energy industry, finance, law, accounting and corporate governance, giving valuable advice with regard to the growth of the Company. The directors of the Company age from 46 to 60, with an average age of 53. They perform their duties and obligations diligently in accordance with the laws, regulations and the *Articles of Association*.

The Board of Directors consists of six special committees including the Strategy Committee, Nomination Committee, Remuneration and Appraisal Committee, Audit Committee, Related-party Transaction Control Committee, and Environment, Social and Governance Committee (hereinafter referred to as "ESG Committee"), which perform their respective duties to ensure the objectivity and scientificity of the decision-making of the Board of Directors.

In 2022, the Company held 13 Board Meetings passing 77 proposals on such matters as purchase of liability insurance for directors, supervisors and senior managers, major asset restructuring, share buy-back, general election, system revision, repurchase, cancellation and satisfaction of conditions for removal of restrictions on sale of restricted shares under the equity incentive plan, related party transaction, internal control reports and periodic reports. The directors have deliberated the proposals carefully and responsibly, and performed their duties diligently and faithfully in strict accordance with the *Articles of Association* and other relevant provisions to safeguard interests of shareholders.

### (III) Operation of Board of Supervisors

In 2022, the Company convened a total of 9 meetings of the Board of Supervisors passing 32 proposals. The supervisors deliberated the Company's major asset restructuring, nomination of supervisors, repurchase, cancellation and satisfaction of conditions for removal of restrictions on sale of restricted shares under the equity incentive plan, periodic reports and other matters in accordance with the provisions of the *Articles of Association* and the *Rules of Procedure for the Board of Supervisors*.

### (IV) Information disclosure and transparency

The Company has disclosed the Company's important information and maintained the interests of small and medium investors in a truthful, accurate, complete and timely manner in accordance with the relevant provisions of applicable laws, regulations and the *Articles of Association*.

### (V) Insider management

The Company has formulated the *Insider Management System*, and pursuant to the relevant requirements, registered the insiders in the process of reporting, transmission, preparation, approval and disclosure prior to the publicity of inside information, and made the list of relevant insiders for filing in accordance with the regulatory requirements.

Are there any significant differences between the Company's governance status and the provisions of laws, administrative regulations and CSRC on the governance of listed companies? If any, please state the reasons.

☐ Applicable ☒ N/A

## II. Specific Measures Taken by the Controlling Shareholder and the Actual Controller of the Company to Ensure the Independence of the Company's Assets, Personnel, Finance, Institutions and Business, as well as the Solutions, Work Progress and Follow-Up Work Plan Taken due to the Impact on the Independence of the Company

☐ Applicable ☒ N/A

Circumstances where the controlling shareholder, the actual controller and other units under their control engaged in the same or similar business as the Company, and the impact of competition or significant changes in the competition in the same industry on the Company, the measures taken to resolve the situation, the progress of the resolution and the follow-up resolution plan

☐ Applicable ☒ N/A

### III. Introduction to the General Meetings

Meeting	Convening date	Inquiry index of the website designated to publish resolutions	Disclosure date of resolutions	Resolution
2022 First Extraordinary General Meeting	9 February 2022	Website of Shanghai Stock Exchange, <a href="http://www.sse.com.cn">www.sse.com.cn</a> Announcement No.: 2022-007	10 February 2022	1. Deliberated and approved the <i>Proposal on the Purchase of Liability Insurance for Directors, Supervisors and Senior Managers</i>
2022 Second Extraordinary General Meeting	5 May 2022	Website of Shanghai Stock Exchange, <a href="http://www.sse.com.cn">www.sse.com.cn</a> Announcement No.: 2022-032	6 May 2022	<ol style="list-style-type: none"> <li>1. Deliberated and approved the <i>Proposal on the Company's Satisfaction of the Conditions for Issue of Shares and Cash Payment for Assets Purchase</i></li> <li>2. Deliberated and approved the <i>Proposal on the Company's Issue of Shares and Cash Payment for Purchase of Assets &amp; Related-party Transaction</i></li> <li>3. Deliberated and approved the <i>Proposal on the Issue of Shares and Cash Payment for Purchase of Assets by the Company Constituting a Related-party Transaction</i></li> <li>4. Deliberated and approved the <i>Proposal on the Report Regarding Issue of Shares and Cash Payment for Purchase of Assets and Related-party Transaction by ENN Natural Gas Co., Ltd. (Draft) and its Summary</i></li> <li>5. Deliberated and approved the <i>Proposal on the Transaction in Compliance with Article 4 of the Provisions on Several Issues Regulating the Major Asset Restructuring of Listed Companies</i></li> <li>6. Deliberated and approved the <i>Proposal on the Transaction in Compliance with Article 11 of the Administrative Measures for the Major Asset Restructuring of Listed Companies</i></li> <li>7. Deliberated and approved the <i>Proposal on the Transaction in Compliance with Article 43 of the Administrative Measures for the Major Asset Restructuring of Listed Companies</i></li> <li>8. Deliberated and approved the <i>Proposal on the Transaction not Constituting the Restructuring and Listing as Provided in Article 13 of the Administrative Measures for the Major Asset Restructuring of Listed Companies</i></li> <li>9. Deliberated and approved the <i>Proposal on the Execution of the Conditional Agreement on Issue of Shares and Cash Payment for Purchase of Assets by ENN Natural Gas Co., Ltd. and Supplemental Agreement to the Agreement on Issue of Shares and Cash Payment for Purchase of Assets by ENN Natural Gas Co., Ltd.</i></li> <li>10. Deliberated and approved the <i>Proposal on the Independence of the Appraisal Agency for the Transaction, the Reasonableness of the Prerequisite of Assumptions for Appraisal, the Relevance between the Appraisal Method and Appraisal Purpose, and the Fairness of Appraisal and Pricing</i></li> <li>11. Deliberated and approved the <i>Proposal on the Approval of Audit Report, Asset Appraisal Report and Review Report for Reference Related to this Transaction</i></li> <li>12. Deliberated and approved the <i>Proposal on the Diluted Current Return by the Company in the Transaction, Filling Measures and Undertakings of Relevant Personnel</i></li> <li>13. Deliberated and approved the <i>Proposal on the Plan of Distribution of Dividends to Shareholders of ENN Natural Gas Co., Ltd. in the Next Three Years (2022-2024)</i></li> <li>14. Deliberated and approved the <i>Proposal on Requesting the General Meeting to Authorize the Board of Directors to Handle Matters Related to the Transaction</i></li> </ol>

Meeting	Convening date	Inquiry index of the website designated to publish resolutions	Disclosure date of resolutions	Resolution
2021 Annual General Meeting	28 June 2022	Website of Shanghai Stock Exchange, <a href="http://www.sse.com.cn">www.sse.com.cn</a> Announcement No.: 2022-049	29 June 2022	<ol style="list-style-type: none"> <li>1. Deliberated and approved the <i>2021 Work Report of the Board of Directors</i></li> <li>2. Deliberated and approved the <i>2021 Work Report of the Board of Supervisors</i></li> <li>3. Deliberated and approved the <i>2021 Annual Report and its Summary</i></li> <li>4. Deliberated and approved the <i>2021 Final Accounting Report of the Company</i></li> <li>5. Deliberated and approved the <i>2021 Profit Distribution Plan</i></li> <li>6. Deliberated and approved the <i>Proposal on Renewing the Appointment of the Accounting Firm</i></li> <li>7. Deliberated and approved the <i>Proposal on Directors' Remuneration for 2021</i></li> <li>8. Deliberated and approved the <i>Proposal on Supervisors' Remuneration for 2021</i></li> <li>9. Deliberated and approved the <i>Special Report on Deposit and Use of Raised Funds by the Company for 2021 (Allotment of Shares)</i></li> <li>10. Deliberated and approved the <i>Special Report on Deposit and Use of Raised Funds by the Company for 2021 (Non-public Issuance of Shares)</i></li> </ol>
2022 Third Extraordinary General Meeting	25 July 2022	Website of Shanghai Stock Exchange, <a href="http://www.sse.com.cn">www.sse.com.cn</a> Announcement No.: 2022-063	26 July 2022	<ol style="list-style-type: none"> <li>1. Deliberated and approved the <i>Proposal on Repurchase and Cancellation of Some Restricted Shares under the 2021 Restricted Stock Incentive Plan</i></li> <li>2. Deliberated and approved the <i>Proposal on Adjustment of Remuneration of the Tenth Independent Directors in 2022</i></li> <li>3. Deliberated and approved the <i>Proposal on the Election of Non-independent Directors for the Tenth Board of Directors</i></li> <li>4. Deliberated and approved the <i>Proposal on the Election of Independent Directors for the Tenth Board of Directors</i></li> <li>5. Deliberated and approved the <i>Proposal on the Election of Non-employee Representative Supervisors for the Tenth Board of Supervisors</i></li> </ol>
2022 Forth Extraordinary General Meeting	5 September 2022	Website of Shanghai Stock Exchange, <a href="http://www.sse.com.cn">www.sse.com.cn</a> Announcement No.: 2022-086	6 September 2022	<ol style="list-style-type: none"> <li>1. Deliberated and approved the <i>Proposal on Amendment to the Rules of Procedure for the General Meetings of ENN Natural Gas Co., Ltd.</i></li> <li>2. Deliberated and approved the <i>Proposal on Amendment to the Rules of Procedure for the Board of Directors of ENN Natural Gas Co., Ltd.</i></li> <li>3. Deliberated and approved the <i>Proposal on the Amendment to Independent Director System of ENN Natural Gas Co., Ltd.</i></li> <li>4. Deliberated and approved the <i>Proposal on the Amendment to the External Guarantee Management System of ENN Natural Gas Co., Ltd.</i></li> <li>5. Deliberated and approved the <i>Proposal on the Change of Registered Capital and Amendment of the Articles of Association of ENN Natural Gas Co., Ltd.</i></li> </ol>

Meeting	Convening date	Inquiry index of the website designated to publish resolutions	Disclosure date of resolutions	Resolution
2022 Fifth Extraordinary General Meeting	26 September 2022	Website of Shanghai Stock Exchange, <a href="http://www.sse.com.cn">www.sse.com.cn</a> Announcement No.: 2022-093	27 September 2022	1. Deliberated and approved the <i>Proposal on Proposed Registration and Issuance of Medium Term Notes</i>
2022 Sixth Extraordinary General Meeting	28 December 2022	Website of Shanghai Stock Exchange, <a href="http://www.sse.com.cn">www.sse.com.cn</a> Announcement No.: 2022-117	29 December 2022	1. Deliberated and approved the <i>Proposal on the Estimated Amount of Guarantee in 2023</i> 2. Deliberated and approved the <i>Proposal on the Estimated Hedging Amount of Commodities in 2023</i> 3. Deliberated and approved the <i>Proposal on the Estimated Hedging Amount of Foreign Exchange in 2023</i> 4. Deliberated and approved the <i>Proposal on Repurchase and Cancellation of Part of Restricted Shares in 2021 Restricted Stock Incentive Plan</i>

Preferred shareholders whose voting rights have been restored request an extraordinary general meeting

☐ Applicable ☒ N/A

Information on the General Meeting

☒ Applicable ☐ N/A

During the Reporting Period, the Company convened a total of 7 general meetings. The procedures for convening and holding the general meetings, qualification of the convener, qualification of the attendees and procedures for voting resolutions are in compliance with the provisions of relevant laws, regulations, regulatory documents and the *Articles of Association*, and the voting results are legally valid.



#### IV. Information on Directors, Supervisors and Senior Managers

##### (I) Changes in the shareholding by incumbent and resigned directors, supervisors and senior managers during the Reporting Period and their remunerations

√ Applicable    □ N/A

Unit: Share

Name	Title (Note)	Gender	Age	Start date of term of office	End date of term of office	Number of shares held at the beginning of the year	Number of shares held at the end of the year	Increase or decrease of shares for the current year	Reason for increase or decrease	Total pre-tax remuneration received from the company during the Reporting Period (RMB'0000)	Whether the remuneration from the Company's Parties is received
Wang Yusuo	Board Chairman	Male	58	2008-11-26	2025-07-24	1,911,750	1,911,750	0	-	290.00	Yes
Yu Jianchao	Vice Chairman of the Board	Male	54	2017-11-30	2025-07-24	1,400,000	1,400,000	0	-	300.00	No
	Director			2017-02-08	2025-07-24						
	Co-CEO			2020-09-29	2025-07-24						
Han Jishen	Director	Male	58	2020-09-29	2025-07-24	1,400,000	1,400,000	0	-	300.00	No
	Co-CEO			2020-09-29	2025-07-24						
Zheng Hongtao	Director	Male	47	2020-09-29	2025-07-24	1,000,000	1,000,000	0	-	400.00	No
	President			2020-09-13	2025-07-24						
Jiang Chenghong	Director	Male	47	2020-11-30	2025-07-24	910,068	910,068	0	-	0	Yes
Zhang Jin	Director	Female	49	2020-11-30	2025-07-24	600,000	600,000	0	-	50.00	Yes
Wang Zizheng	Director	Male	34	2018-06-26	2025-07-24	0	0	0	-	50.00	Yes
Tang Jiasong	Independent director	Male	48	2019-07-26	2025-07-24	0	0	0	-	16.53	No
Zhang Yu	Independent director	Male	64	2020-11-30	2025-07-24	0	0	0	-	16.53	No
Chu Yuansheng	Independent director	Male	59	2022-07-25	2025-07-24	0	0	0	-	10.00	No
Wang Chunmei	Independent director	Female	58	2022-07-25	2025-07-24	0	0	0	-	10.00	No
Li Lan	Chairman of the Board of Supervisors	Female	53	2022-07-25	2025-07-24	0	0	0	-	21.80	No
Wang Xi	Supervisor	Female	50	2013-06-29	2025-07-24	0	0	0	-	0	No
Liu Jie	Employee Supervisor	Male	45	2022-07-25	2025-07-24	0	0	0	-	21.80	No
Su Li	Executive Vice President	Female	50	2021-12-20	2025-07-24	500,000	500,000	0	-	180.00	No
Wang Dongzhi	Chief Financial Officer	Male	54	2020-09-13	2025-07-24	800,000	800,000	0	-	280.00	No
Huang Baoguang	Vice President	Male	52	2018-12-25	2025-07-24	250,000	250,000	0	-	153.00	No
Zhang Xiaoyang	Vice President	Male	47	2019-12-27	2025-07-24	600,010	600,010	0	-	165.00	No

Name	Title (Note)	Gender	Age	Start date of term of office	End date of term of office	Number of shares held at the beginning of the year	Number of shares held at the end of the year	Increase or decrease of shares for the current year	Reason for increase or decrease	Total pre-tax remuneration received from the company during the Reporting Period (RMB'0000)	Whether the remuneration from the Company's related Parties is received
Zheng Wenping	Vice President	Male	53	2021-12-20	2025-07-24	600,000	600,000	0	–	160.00	No
Liang Hongyu	Board Secretary	Female	43	2021-06-18	2025-07-24	100,000	100,000	0	–	130.00	No
Zhao John Huan	Director (Resigned)	Male	59	2017-12-18	2022-07-25	0	0	0	–	6.53	No
Li Xingang	Independent director (Resigned)	Male	61	2016-10-18	2022-07-25	0	0	0	–	6.53	No
Qiao Gangliang	Independent director (Resigned)	Male	61	2019-07-26	2022-07-25	0	0	0	–	6.53	No
Cai Fuying	Chairman of the Board of Supervisors (Resigned)	Female	56	2013-06-29	2022-07-25	0	0	0	–	0	Yes
Dong Yuwu	Employee Supervisor (Resigned)	Male	60	2013-06-29	2022-07-25	0	0	0	–	21.80	No
Liu Jianjun	Chief Accountant (Resigned)	Male	58	2013-07-01	2022-01-24	400,000	400,000	0	–	7.00	No
Wang Shihong	Vice President (Resigned)	Male	58	2021-02-03	2023-02-01	200,000	200,000	0	–	150.00	No
Wang Guiqi	Vice President (Resigned)	Male	60	2017-12-22	2023-03-24	400,000	400,000	0	–	172.00	No
Men Jijun	Assistant President (Resigned)	Male	43	2019-12-27	2023-03-24	500,000	500,000	0	–	123.00	No
Total	/	/	/	/	/	11,571,828	11,571,828	0	/	3,048.05	/

Note: The remuneration of directors, supervisors, and senior management personnel includes remuneration from various subsidiary companies.



Name	Work Experience
 <p data-bbox="236 713 370 741">Wang Yusuo</p>	<p data-bbox="459 375 1436 1041">Mr. Wang Yusuo, born in 1964, holds a Doctorate Degree. As a founder of ENN Group, he served as the member of the 9th, 10th and 12th National Committee of the Chinese People's Political Consultative Conference, member of the standing committee of the 11th National Committee of the Chinese People's Political Consultative Conference, vice chairman of the 9th All-China Federation of Industry &amp; Commerce, vice chairman of the China Private Chamber of Commerce, member of the Standing Committee of the 12<sup>th</sup> Chinese People's Political Consultative Conference Hebei, vice chairman of Hebei Federation of Industry &amp; Commerce and vice chairman of Langfang Chinese People's Political Consultative Conference. He has more than 30 years of experience in gas business investment and management. Currently, he serves as the Chairman of the Board of Directors of ENN Group, Director of ENN International, Chairman of the Board of Director of ENN Holdings, Chairman of the Board of Directors of ENN Science and Technology Development Co., Ltd., Chairman of the Board of Directors of Langfang Natural Gas Co., Ltd., Chairman of the Board of Directors of Langfang ENN Energy Development Co., Ltd., Chairman of the Board of Directors of ENN Yingchuang Technology Co., Ltd., Chairman of the Board of Directors and Executive Director of ENN Energy and independent Director of DiDi Global Inc.; he has worked as the Chairman of the Board of Directors of the Company since November 2008.</p>
 <p data-bbox="236 1353 367 1381">Yu Jianchao</p>	<p data-bbox="459 1069 1436 1450">Mr. Yu Jianchao, born in 1968, holds an MBA Degree conferred by China Europe International Business School and an EMBA Degree at Tsinghua PBCSF. He was the Deputy Chief Accountant, Chief Accountant, Chairman of the Supervision Committee, Chief Financial Officer, Chairman of the Finance and Audit Committee and Vice President of ENN Group, Vice President of ENN Energy, and Vice President and the CEO of ENN-NG, etc. Mr. Yu Jianchao has extensive experience in company management and capital operation. Currently, he works as the Chairman of the Board of Directors of ENN (Zhoushan) LNG Co., Ltd. He has served as the Director of the Company since February 2017, the Vice Chairman of the Board of Directors of the Company since November 2017, and Co-CEO of the Company since September 2020.</p>
 <p data-bbox="242 1826 360 1854">Han Jishen</p>	<p data-bbox="459 1483 1436 1709">Mr. Han Jishen, born in 1964, holds an EMBA Degree conferred by Nanyang Technological University, Singapore. He joined ENN Energy in 1993, served as a senior executive officer in different subsidiary companies under ENN Energy. He was also the President, CEO, Co-vice Chairman and Executive Director of ENN Energy. He has extensive experience in market research, business development and operation management in energy industry. He has served as the Co-CEO and Director of the Company since September 2020.</p>

Name	Work Experience
 <p data-bbox="220 692 384 720">Zheng Hongtao</p>	<p>Mr. Zheng Hongtao, born in 1975, graduated from Tsinghua University with a Doctorate Degree. He served as the Deputy General Manager and Executive Deputy General Manager at CNOOC Gas &amp; Power Group Co., Ltd. International Trade Branch. He joined ENN Group in January 2019, responsible for international and domestic natural gas trade, and worked as the Chief Gas Business Director of ENN Group. Mr. Zheng Hongtao has extensive experience in international LNG resource procurement and trading, LNG shipping, domestic natural gas sales and related asset M&amp;As. Currently, he works as the Executive Chairman and Executive Director of ENN Energy, and the Director of ENN (Zhoushan) LNG Co., Ltd. He has served as the President and Director of the Company since September 2020.</p>
 <p data-bbox="209 1086 395 1114">Jiang Chenghong</p>	<p>Mr. Jiang Chenghong, born in 1975, holds an EMBA Degree conferred by Xiamen University. He served as the Deputy General Manager and General Manager of the Capital Department and the Director of the Finance Department at Sinochem Group Co., Ltd.; Director of Sinochem Finance Co., Ltd and China Foreign Economy and Trade Trust Co., Ltd. He has extensive experience in the financial management and asset M&amp;As. He joined ENN Group in September 2017 and worked as the Director of ENN International. Currently, he works as the CFO of ENN Group and the Director of Tibet Tourism Co Ltd.; and he has worked as the Director of the Company since November 2020.</p>
 <p data-bbox="248 1481 352 1509">Zhang Jin</p>	<p>Ms. Zhang Jin, born in 1973, graduated from Renmin University of China with a Master's Degree in Management and a Bachelor's Degree in Economics. She served as the Senior Vice President of Shanda Network Group, Vice President of Human Resources of Shanda Group, and Vice President of Human Resources of Lenovo Group. She has extensive experience in talent stimulation and corporate management. She joined ENN Group in September 2016. At present, she works as the Vice Chairman of the Board of Directors and Chief Human Resources Officer of ENN Group, Chief Human Resources Officer of ENN Energy and Director of ENC Digital Technology Co., Ltd. She has worked as the Director of the Company since November 2020.</p>
 <p data-bbox="225 1873 376 1901">Wang Zizheng</p>	<p>Mr. Wang Zizheng, born in 1988, graduated from Tongji University with a Bachelor's Degree in Urban Planning. He served as the President of ENN Group, Executive Chairman of the Board of Directors of ENN Energy, Chairman of the Board of Directors of ENC Digital Technology Co., Ltd., Deputy General Manager of ENN Science &amp; Technology Development Co., Ltd., Director of Green Transportation Energy Strategic Planning of Transfuels. LLC in U.S. and Director of ENN International. He has extensive experience in investment, M&amp;As and operation management of overseas LNG refueling stations. At present, he works as the Director of ENN Group, Non-executive Director of ENN Energy, Director of ENN Science &amp; Technology Development Co., Ltd., deputy to Hebei Provincial People's Congress, member of the Executive Committee of Hebei Federation of Industry and Commerce, member of the Standing Committee of Langfang Chinese People's Political Consultative Conference and Vice Chairman of Langfang Federation of Industry &amp; Commerce. He has worked as the Director of the Company since June 2018.</p>

Name	Work Experience
Tang Jiasong	Mr. Tang Jiasong, born in 1974, is qualified as a Certified Public Accountant. He performed the audits of consolidated statement, A-share and H-share IPO for many state-owned, private and multinational companies. From September 1995 to August 2015, he worked at Deloitte Touche Tohmatsu Certified Public Accountants LLP, and was promoted to equity partner in June 2007. Mr. Tang Jiasong has extensive experience in the audit of statements and financial risk identification and prevention and control, and has provided many valuable suggestions for the Company's audit and internal control. He has worked as the Independent Director of the Company since July 2019.
Zhang Yu	Mr. Zhang Yu, born in 1958, holds an EMBA Degree conferred by Peking University. He has long been engaged in oil production technology research, oil and gas field development, storage, transportation, production and management of oil and gas and natural gas pipeline construction, etc. He served as the Deputy General Manager, Safety Director, General Manager and Director of PetroChina Beijing Gas Pipeline Co., Ltd. Zhang Yu has rich experience in corporate management and project infrastructure management and has obtained the title of Senior Engineer. He has worked as an Independent Director of the Company since November 2020.
Chu Yuansheng	Mr. Chu Yuansheng, born in 1963, graduated from Peking University with a Master's Degree in Law and is qualified to practice law in China. He has 12 years' work experience in the legal departments of Fortune Global 500 foreign companies and is proficient in both continental law system and common law system. He used to serve as a research fellow of the Academy of Military Science and the legal counsel of China Hewlett-Packard Co., Ltd. Now he is a practicing lawyer of Beijing JYC Law Firm and has worked as the Independent Director of the Company since July 2022.
Wang Chunmei	Ms. Wang Chunmei, born in 1964, graduated from Renmin University of China with the Bachelor's Degree of Economics in National Economic Planning and is qualified for the professional title of senior engineer. She served as the Deputy General Manager of Zhejiang Zheneng Natural Gas Co., Ltd. And General Manager of Zhejiang Natural Gas Development Co. Ltd. Wang Chunmei has a senior background in energy industry and 32 years of working experience in the energy industry. She is familiar with the law and trend of market development, and has a good understanding of industrial policies. She has worked as the Independent Director of the Company since July 2022.
Li Lan	Ms. Li Lan, born in 1969, graduated from Beijing College of Mechanical Engineering with a Bachelor's degree in Engineering. She has 21 years of service experience at multinational enterprises and 9 years at local enterprises. She served as the Marketing Director of Acer China, Market Expansion Director for global production line at HP, and Marketing Management Director, Channel Management Director and President of Channel Academy of IBM China. Li Lan has rich experience in the fields of business management, strategic planning, marketing, organization and talent development. She has worked as the Chairman of the Board of Supervisors of the Company since July 2022.



Name	Work Experience
Wang Xi	Ms. Wang Xi, born in 1972, holds an EMBA Degree conferred by Peking University. She served as a senior manager at ENN Group and its subsidiaries, Deputy General Manager of Changsha Xin'ao Gas Co., Ltd., General Manager of Financial Management Department and Chief Financial Officer of ENN Group and the Chairman of the Board of Supervisors of Tibet Tourism Co Ltd. Currently, she works as the Executive Vice President and Director of ENC Digital Technology Co., Ltd. and Supervisor of ENN Holdings; she has worked as the Supervisor of the Company since July 2013.
Liu Jie	Mr. Liu Jie, born in 1977, graduated from North China University of Technology with a bachelor's degree and has been engaged in finance, investment, internal control, market development and risk management for long. He served as the Deputy Performance Director of Xinneng Fenghuang (Tengzhou) Energy Chemical Co., Ltd., Head and Director of Investment Management Department of ENN-NG, and Deputy General Manager of Xinneng (Tianjin) Energy Co., Ltd. Liu Jie has rich experience in financial management, investment management and risk management. He has worked as the Employee Representative Supervisor of the Company since July 2022.
Su Li	Ms. Su Li, born in 1972, holds an EMBA Degree conferred by Shanghai Jiao Tong University. She joined ENN Energy in 2002 and has served as the Deputy General Manager and General Manager of several member companies of ENN Energy. She has extensive experience in energy business operations and market development. Currently, she works as the General Manager of ENN-NG Zhejiang Branch, responsible for development of businesses including terminals, urban gas and comprehensive energy. She has worked as the Executive Vice President of the Company since December 2021.
Wang Dongzhi	Mr. Wang Dongzhi, born in 1968, holds an EMBA Degree from China Europe International Business School and is qualified as a Chinese Certified Public Accountant. He joined ENN Group in August 2000, and served as the Deputy Director of the Finance Department of ENN Group, General Manager of Financial Management Department and CFO of ENN Group, and CFO of ENN Energy. He has extensive experience in finance and financial management. Currently, he works as the Director of ENN International, Director of ENN Holdings and Executive Director of ENN Energy. He has worked as the CFO of the Company since September 2020.
Huang Baoguang	Mr. Huang Baoguang, born in 1970, holds a Master Degree. He served as the Contract Supervisor of Legal Department, Head (Cooperation Manager) of Cooperation Division, Head (Consulting Manager) of Consulting Division of Legal Department of CNOOC, General Manager of Legal Department of CNOOC Gas & Power Group Co., Ltd., General Counsel and General Manager of the Legal Department and General Manager of the Equity Management Department of CNOOC Gas & Power Group Co., Ltd. From July 2016 to December 2018, he served as the Vice President and Executive Vice President of ENN Energy. He has extensive experience in energy project M&As, legal risk control, etc. He has worked as the Vice President of the Company since December 2018.

Name	Work Experience
Zhang Xiaoyang	<p>Mr. Zhang Xiaoyang, born in 1975, graduated from Wuhan University with a Master's Degree in Industrial Engineering. He served as the Assistant to the General Manager and Member of the Party Committee of Shanxi Zhangshan Power Generation Co., Ltd., the Deputy Director and Director of Chemical Market and Strategic Performance Department of ENN Energy, General Manager of Xinneng Mining Industry Co., Ltd. and General Manager of Zhuzhou Xin'ao Gas Co., Ltd., General Manager of Xinneng Fenghuang (Tengzhou) Energy Co., Ltd., and General Manager of Xinneng Energy Co., Ltd. Mr. Zhang Xiaoyang has rich experience in chemical industry research, chemical assets and corporate management. He has worked as the Vice President of the Company since 27 December 2019.</p>
Zheng Wenping	<p>Mr. Zheng Wenping, born in 1969, holds an EMBA Degree conferred by the University of International Business and Economics. He served as the Deputy Director of Project Management Department of Beijing Petrochemical Engineering Co., Ltd., PMC Project Director of Engineering Construction Company under Sinopec Group, Deputy Chief Engineer and General Manager of Project Management Center of Sinopec Engineering (Group) Co., Ltd., Deputy General Manager of Beijing Petrochemical Engineering Co., Ltd. of Yanchang Petroleum Group, and General Manager of Beijing Zhonghui Technology Co., Ltd. Mr. Zheng Wenping has extensive experience in business development, project operations and corporate operations in energy industry. He has worked as the Vice President of the Company since December 2021.</p>
Liang Hongyu	<p>Ms. Liang Hongyu, born in 1979, holds a Master Degree in International Trade and Company Law from Lancaster University, UK and a Master Degree in Business Administration from the Chinese University of Hong Kong, and is qualified in law. She has over 15 years of experience in capital market transactions and legal work. She joined ENN Energy in 2011 and worked as the Deputy General Manager and Legal Director of ENN Finance Limited Liability Company, and the Co-Finance Director and Company Secretary of ENN Energy. She has worked as the Board Secretary of the Company since June 2021.</p>
Zhao John Huan	<p>Mr. Zhao John Huan, born in 1963, graduated from Nanjing University with a Degree in Physics, a Master's Degree in Electrical Engineering and a Master's Degree in Physics from Northern Illinois University in the United States, and a Master's Degree in Business Administration from the Kellogg School of Management at Northwestern University, United States. At present, he works as the Chairman of the Board of Directors of Hony Capital and Non-executive Director of Legend Holdings Corporation. He has extensive experience in project investment and corporate management. He worked as the Director of the Company from December 2017 to July 2022.</p>



Name	Work Experience
Li Xingang	<p>Mr. Li Xingang, born in 1961, holds a Doctorate Degree. He served as a lecturer, associate professor and professor at Tianjin University, and Director of the National Engineering Research Center of Distillation Technology of Tianjin University. He has extensive experience in basic applied research in chemical separation processes and environmental separation technologies, and has published over 600 papers, obtained more than 130 patents which were applied in large-scale projects, and he has won more than 20 technological awards in technological innovation at national and provincial level and trained more than 150 postgraduates. At present, he works as a chair professor at Tianjin University, Director of the National Engineering Research Center of Distillation Technology of Tianjin University, and General Manager of Pei-yang National Distillation Technology Corporation Limited and he is an expert with special allowance from the State Council. He worked as an Independent Director of the Company from October 2016 to July 2022.</p>
Qiao Gangliang	<p>Mr. Qiao Gangliang, born in 1961, graduated from Georgetown University Law Centre in Washington, D.C., U.S. with a Juris Doctor. He is admitted to practice law in Washington, D.C. and China. He serves as a foreign arbitrator of Beijing Arbitration Commission, China International Economic and Trade Arbitration Commission, Shenzhen Court of International Arbitration, Hainan International Arbitration Court and Dalian Arbitration Commission respectively. From 2000 to 2013, he served as the Vice President and General Counsel for General Electric ("GE") Healthcare Greater China and GE Capital Greater China, and the Executive Vice President and General Counsel for Siemens North East Asia. He worked as the Vice President of Danaher Group and the General Counsel of Danaher China and North Asia from November 2013 to November 2019 and the Vice President and General Counsel for Global High Growth Markets of Danaher Group from November 2019 to present. Mr. Qiao Gangliang has extensive experience in legal risk identification and prevention and control, and improvement of anti-corruption mechanism. He worked as the Independent Director of the Company from July 2019 to July 2022.</p>
Cai Fuying	<p>Ms. Cai Fuying, born in 1966, holds an EMBA Degree conferred by China Europe International Business School. She served as the Deputy General Manager and Vice President of ENN Gas Holdings Co., Ltd. and Deputy Chairman of the Supervisory Committee under the Board of Directors at ENN Group. Currently, she works as the Supervisor of ENN Group and Hebei Weiyuan Group Co., Ltd. She has worked as the Chairman of the Board of Supervisors of the Company from July 2013 to July 2022.</p>
Dong Yuwu	<p>Mr. Dong Yuwu, born in 1962, served as the CFO and Deputy General Manager of Xinneng Mining Industry Co., Ltd., and Supervisory Director of Audit &amp; Risk Management Department of ENN-NG. He had extensive experience in internal control audit and operational compliance risk prevention and control. He has served as the Supervisor of the Company from June 2013 to July 2022.</p>

Name	Work Experience
Liu Jianjun	<p>Mr. Liu Jianjun, born in 1964, holds a Bachelor's Degree and is a Senior Accountant. He served as the Deputy Head of the Accounting and Finance Department of Kaifeng Xin'ao Gas Co., Ltd., Chief Accountant and Head of the Accounting and Finance Department of Xinxiang Xin'ao Gas Co., Ltd., Deputy CFO of ENN Energy Service Co., Ltd., Head of Finance Department and Deputy CFO of Energy and Chemical Group under ENN Group. He has extensive experience in the financial management and statement audit. He worked as the Chief Accountant of the Company from July 2013 to January 2022.</p>
Wang Shihong	<p>Mr. Wang Shihong, born in 1964, holds a Bachelor Degree in Industrial and Economic Management from Renmin University of China. He worked in the State Economic Commission Enterprise Administration, General Office of the State Planning Commission and the Advisory Office of the National Development and Reform Commission, and served as the General Manager Assistant of China Gaoxin Investment Group and Deputy General Manager of Shandong Chenming Paper Group. Mr. Wang Shihong has extensive experience in corporate strategic planning and corporate operations. He joined ENN Group in September 2012 and served as the Senior Vice President of ENN Group. He has worked as the Vice President of the Company from February 2021 to February 2023.</p>
Wang Guiqi	<p>Mr. Wang Guiqi, born in 1962, holds an EMBA Degree conferred by Tsinghua University. He served as the Chief Economist of China Light Industry Construction Co., Ltd., and the General Manager of Xindi Energy Engineering Technology Co., Ltd. He has extensive experience in energy engineering market development, engineering project management and business operations. He has worked as the Chairman of the Board of Directors of Xindi Energy Engineering Technology Co., Ltd. since January 2021, and the Vice President of the Company from December 2017 to March 2023.</p>
Men Jijun	<p>Mr. Men Jijun, born in 1979, holds a Bachelor's Degree and has more than 17 years of engineering and project management experience. He served as the Project Manager and Head of Material Management Department of Xin'ao Gas Engineering Co., Ltd., Deputy General Manager of Material Procurement Branch, Deputy General Manager of Chuanyue Branch and Deputy General Manager of Project Management Branch of Xindi Energy Engineering Technology Co., Ltd., General Manager of Hunan Branch of Xin'ao Gas Engineering Co., Ltd., and General Manager of Project Market Development Department of ENN-NG. He has served as the Assistant to the President of the Company from December 2019 to March 2023.</p>

Other information

☐ Applicable ☒ N/A

The Company held the Sixth Meeting of the Tenth Board of Directors on 24 March 2023 to deliberate and pass the *Proposal on Appointment of Senior Manager of the Company*, approving Mr. Zong Bo to be appointed as the Assistant to the President of the Company. The curriculum vitae of Mr. Zong Bo is provided as follows:

Mr. Zong Bo, born in 1983, holds a Master's Degree in Accounting from Tsinghua University. He served as the CFO of ENN Europe Transportation Energy Co., Ltd., the Director of Capital Operation & Investment Management, Senior Director of Finance and CFO of ENN Group Co., Ltd., Value-creation Operation Convener of ENN Energy Holdings Ltd., and the Chief Director of Finance and Value-creation Operation of the Company from February 2022. Mr. Zong Bo has extensive experience in financing and financial management. He has worked as the Assistant to the President of the Company since March 2023.

## (II) Positions held by incumbent and resigned directors, supervisors and senior managers during the Reporting Period

### 1. Positions held at shareholders' companies

☒ Applicable ☐ N/A

Name of personnel	Name of shareholder's company	Position held at shareholder's company	Start date of term of office	End date of term of office
Wang Yusuo	ENN Group International Investment Limited	Director	2000-08-01	—
Wang Dongzhi	ENN Group International Investment Limited	Director	2020-02-28	—
Wang Yusuo	ENN Investment Holdings Co., Ltd.	Board Chairman, General Manager	2000-01-13	—
Wang Zizheng	ENN Investment Holdings Co., Ltd.	Director	2015-07-30	—
Wang Dongzhi	ENN Investment Holdings Co., Ltd.	Director	2020-08-04	—
Wang Xi	ENN Investment Holdings Co., Ltd.	Supervisor	2018-06-25	—
Wang Yusuo	ENN Science and Technology Development Co., Ltd.	Board Chairman	2006-08-02	—
Yu Jianchao	Hebei Weiyuan Group Co., Ltd.	Board Chairman	2010-07-19	—
Cai Fuying	Hebei Weiyuan Group Co., Ltd.	Supervisor	2016-03-04	—
Zhao John Huan	Legend Holdings Corporation	Non-executive Director	2020-01-01	—
Information on the positions held at shareholder's company	None			

## 2. Positions held at other companies

√ Applicable    □ N/A

Name of personnel	Name of other company	Position held at other company	Start date of term of office	End date of term of office
Wang Yusuo	ENN Group Co., Ltd.	Chairman of the Board of Directors	1998-12	—
Wang Yusuo	ENC Digital Technology Co., Ltd.	Director	2010-12-20	2022-04-18
Wang Yusuo	Langfang Natural Gas Co., Ltd.	Board Chairman	1992-12	—
Wang Yusuo	Langfang ENN Energy Development Co., Ltd.	Board Chairman	2010-01	—
Wang Yusuo	ENN Yingchuang Technology Co., Ltd.	Board Chairman	2021-07	—
Wang Yusuo	DiDi Global Inc.	Independent Director	2021-07	—
Yu Jianchao	ENN Insurance Brokerage Co., Ltd.	Board Chairman	2016-05	—
Jiang Chenghong	ENN Group Co., Ltd.	Chief Financial Officer	2017-09	—
Jiang Chenghong	Tibet Tourism Co., Ltd.	Director	2018-07-30	2024-6-21
Jiang Chenghong	ENN Yingchuang Technology Co., Ltd.	Manager	2021-07	—
Zhang Jin	ENN Group Co., Ltd.	Chief Talent Inspiration Officer	2019-01	—
Zhang Jin	ENC Digital Technology Co., Ltd.	Director	2020-03-16	2023-03-15
Wang Zizheng	ENN Group Co., Ltd.	Director	2016-11	—
Wang Zizheng	Xinzhong Holding Investment Co., Ltd.	Director	2015-06	—
Wang Zizheng	E-Cheng E-Jia Network Technology Co., Ltd.	Board Chairman, Manager	2014-10	—
Wang Zizheng	ENN Shuneng Technology Co., Ltd.	Director	2018-03	—
Wang Zizheng	Shanghai 3040 Technology Co., Ltd.	Executive Director, General Manager	2021-04	—
Wang Xi	ENC Digital Technology Co., Ltd.	Director, Executive Vice President	2020-03-16	2023-03-15
Chu Yuansheng	Beijing JYC Law Firm	Practicing Lawyer	2020-09	—
Wang Dongzhi	ENN Group Co., Ltd.	Director	2020-08	—
Wang Dongzhi	ENN Yingchuang Technology Co., Ltd.	Director	2021-07	—
Li Xingang	Tianjin University	Professor	1999	—
Qiao Gangliang	Danaher	Vice President	2013-11	—
Cai Fuying	ENN Group Co., Ltd.	Supervisor	2016-11	—
Cai Fuying	ENC Digital Technology Co., Ltd.	Chairman of the Board of Supervisors	2013-12-19	2022-05-26
Information on the position held at other company	The above only lists the main positions held by directors, supervisors and senior managers.			

## (III) Remuneration of directors, supervisors and senior managers

√ Applicable    ☐ N/A

Decision-making procedure for remuneration of directors, supervisors and senior managers	Pursuant to the relevant provisions of the <i>Articles of Association</i> , the remuneration of directors and supervisors of the Company shall be decided by the Company's General Meeting, and the remuneration of senior managers shall be decided by the Board of Directors.
Basis for determining the remuneration of directors, supervisors and senior managers	<ol style="list-style-type: none"> <li>(1) The salary level of similar enterprises in the main business premises where the Company and its controlled subsidiaries operate;</li> <li>(2) The salary level of similar job responsibilities in the same industry to which their respective job responsibilities belong; and</li> <li>(3) The completion of annual target, including performance indicator achievement, ESG work value assessment (such as low carbon development, safety, anti-corruption, compliance, employee and customer satisfaction).</li> </ol>
Actual payment of the remuneration for directors, supervisors and senior managers	During the Reporting Period, the Company paid remunerations to directors, supervisors and senior managers in accordance with the regulations and has no violation of remuneration management system.
Total remunerations actually received by all directors, supervisors and senior managers at the end of the Reporting Period	RMB 30.4805 million

## (IV) Changes in the directors, supervisors and senior managers of the Company

√ Applicable    ☐ N/A

Name	Position held	Change	Reason for change
Zhao John Huan	Director	Resigned	Resigned upon the expiration of the term of office
Qiao Gangliang	Independent Director	Resigned	Resigned upon the expiration of the term of office
Li Xingang	Independent Director	Resigned	Resigned upon the expiration of the term of office
Cai Fuying	Chairman of the Board of Supervisors	Resigned	Resigned upon the expiration of the term of office
Dong Yuwu	Employee Supervisor	Resigned	Resigned upon the expiration of the term of office
Liu Jianjun	Chief Accountant	Resigned	Work change
Wang Shihong	Vice President	Resigned	Work change
Wang Guiqi	Vice President	Resigned	Work change
Men Jijun	Assistant to the President	Resigned	Work change
Chu Yuansheng	Independent Director	Elected	Newly appoint
Wang Chunmei	Independent Director	Elected	Newly appoint
Li Lan	Chairman of the Board of Supervisors	Elected	Newly appoint
Liu Jie	Employee Supervisor	Elected	Newly appoint
Zong Bo	Assistant to the President	Elected	Newly appoint

## (V) Information on penalties imposed by Securities Regulatory Authorities in the past three years

☐ Applicable    √ N/A

## (VI) Others

☐ Applicable    √ N/A

## V. Information on Board Meetings Held during the Reporting Period

Meeting	Date	Resolution
The 41st Meeting of the Ninth Board of Directors	24 January 2022	<ol style="list-style-type: none"> <li>1. Deliberated and approved the <i>Proposal on the Purchase of Liability Insurance for Directors, Supervisors and Senior Managers</i></li> <li>2. Deliberated and approved the <i>Proposal on Requesting to Convene the First Extraordinary General Meeting in 2022</i></li> </ol>
The 42nd Meeting of the Ninth Board of Directors	18 March 2022	<ol style="list-style-type: none"> <li>1. Deliberated and approved the <i>2021 Work Report of the Board of Directors</i></li> <li>2. Deliberated and approved the <i>2021 Annual Report and its Summary</i></li> <li>3. Deliberated and approved the <i>2021 Report on Internal Control and Evaluation</i></li> <li>4. Deliberated and approved the <i>2021 Final Accounting Report of the Company</i></li> <li>5. Deliberated and approved the <i>2021 Profit Distribution Plan</i></li> <li>6. Deliberated and approved the <i>Proposal on Renewing the Appointment of the Accounting Firm</i></li> <li>7. Deliberated and approved the <i>Proposal on Remuneration of Senior Managers for 2021</i></li> <li>8. Deliberated and approved the <i>Proposal on Remuneration of Directors for 2021</i></li> <li>9. Deliberated and approved the <i>Special Report on Deposit and Use of Raised Funds by the Company for 2021 (Allotment of Shares)</i></li> <li>10. Deliberated and approved the <i>Special Report on Deposit and Use of Raised Funds by the Company for 2021 (Non-public Issuance of Shares)</i></li> <li>11. Deliberated and approved the <i>Proposal on Change in Accounting Policies</i></li> <li>12. Deliberated and approved the <i>Proposal on Share Repurchase by Way of Centralized Price-competitive Transaction</i></li> <li>13. Deliberated and approved the <i>Proposal on Authorizing the Management to Handle Matters related to Share Repurchase</i></li> </ol>



Meeting	Date	Resolution
The 43rd Meeting of the Ninth Board of Directors	6 April 2022	1. Deliberated and approved the <i>2021 Report on Environment, Society and Governance</i>
The 44th Meeting of the Ninth Board of Directors	18 April 2022	<ol style="list-style-type: none"> <li>1. Deliberated and approved the <i>Proposal on the Company's Satisfaction of the Conditions for Assets Purchase by Issue of Shares and Cash Payment</i></li> <li>2. Deliberated and approved the <i>Proposal on the Company's Assets Purchase by Issue of Shares and Cash Payment and Related-party Transaction Scheme</i></li> <li>3. Deliberated and approved the <i>Proposal on the Report Regarding Purchase of Assets by Issue of Shares and Cash Payment and Related-party Transaction by ENN Natural Gas Co., Ltd. (Draft) and its Summary</i></li> <li>4. Deliberated and approved the <i>Proposal on the Transaction in Compliance with Article 4 of the Provisions on Several Issues Regulating the Major Asset Restructuring of Listed Companies</i></li> <li>5. Deliberated and approved the <i>Proposal on the Transaction in Compliance with Article 11 of the Administrative Measures for the Major Asset Restructuring of Listed Companies</i></li> <li>6. Deliberated and approved the <i>Proposal on the Transaction in Compliance with Article 43 of the Administrative Measures for the Major Asset Restructuring of Listed Companies</i></li> <li>7. Deliberated and approved the <i>Proposal on the Explanation on the Completeness and Compliance of the Transaction Implementing Legal Procedures and the Validity of Legal Documents Submitted</i></li> <li>8. Deliberated and approved the <i>Proposal on the Execution of the Conditional Supplemental Agreement to the Agreement on Issue of Shares and Cash Payment for Purchase of Assets by ENN Natural Gas Co., Ltd.</i></li> <li>9. Deliberated and approved the <i>Proposal on the Independence of the Appraisal Agency for the Transaction, the Reasonableness of the Prerequisite of Assumptions for Appraisal, the Relevance between the Appraisal Method and Appraisal Purpose, and the Fairness of Appraisal and Pricing</i></li> <li>10. Deliberated and approved the <i>Proposal on the Approval of Audit Report, Asset Appraisal Report and Review Report for Reference Related to this Transaction</i></li> <li>11. Deliberated and approved the <i>Proposal on the Diluted Current Return by the Company in the Transaction, Filling Measures and Undertakings of Relevant Personnel</i></li> <li>12. Deliberated and approved the <i>Proposal on the Plan of Distribution of Dividends to Shareholders of ENN Natural Gas Co., Ltd. in the Next Three Years (2022-2024)</i></li> <li>13. Deliberated and approved the <i>Proposal on Requesting the General Meeting to Authorize the Board of Directors to Handle Matters Related to the Transaction</i></li> <li>14. Deliberated and approved the <i>Proposal on Requesting to Convene the 2022 Second Extraordinary General Meeting</i></li> </ol>

Meeting	Date	Resolution
The 45th Meeting of the Ninth Board of Directors	28 April 2022	1. Deliberated and approved the <i>2022 First Quarterly Report of the Company</i>
The 46th Meeting of the Ninth Board of Directors	6 June 2022	1. Deliberated and approved the <i>Proposal on Requesting to Convene the 2021 Annual General Meeting</i>
The 47th Meeting of the Ninth Board of Directors	24 June 2022	<ol style="list-style-type: none"> <li>1. Deliberated and approved the <i>Proposal on Adjustment of the Share Repurchase Price for First Grant under the 2021 Restricted Stock Incentive Plan</i></li> <li>2. Deliberated and approved the <i>Proposal on Repurchase and Cancellation of Part of Restricted Shares in the 2021 Restricted Stock Incentive Plan</i></li> <li>3. Deliberated and approved the <i>Proposal on the Satisfaction of Conditions for Removal of Restrictions on Sale during the First Unrestricted Period for First Grant under the 2021 Restricted Stock Incentive Plan</i></li> <li>4. Deliberated and approved the <i>Proposal on Requesting not to Convene an Extraordinary General Meeting</i></li> </ol>
The 48th Meeting of the Ninth Board of Directors	8 July 2022	<ol style="list-style-type: none"> <li>1. Deliberated and approved the <i>Proposal on the Nomination of Non-independent Director Candidates for the Tenth Board of Directors</i></li> <li>2. Deliberated and approved the <i>Proposal on the Nomination of Independent Director Candidates for the Tenth Board of Directors</i></li> <li>3. Deliberated and approved the <i>Proposal on the Adjustment of Remuneration of the Tenth Independent Directors for 2022</i></li> <li>4. Deliberated and approved the <i>Proposal on Requesting to Convene the Third Extraordinary General Meeting in 2022</i></li> </ol>

Meeting	Date	Resolution
The First Meeting of the Tenth Board of Directors	25 July 2022	<ol style="list-style-type: none"> <li>1. Deliberated and approved the <i>Proposal on the Election of the Chairman for the Tenth Board of Directors</i></li> <li>2. Deliberated and approved the <i>Proposal on the Election of the Deputy Chairman for the Tenth Board of Directors</i></li> <li>3. Deliberated and approved the <i>Proposal on the Election of Members of Special Committees for the Tenth Board of Directors</i></li> <li>4. Deliberated and approved the <i>Proposal on the Appointment of Senior Managers for the Company</i></li> <li>5. Deliberated and approved the <i>Proposal on the Appointment of Securities Affair Representative for the Company</i></li> <li>6. Deliberated and approved the <i>Proposal on Amendment to the Rules of Procedure for the General Meetings of ENN Natural Gas Co., Ltd.</i></li> <li>7. Deliberated and approved the <i>Proposal on Amendment to the Rules of Procedure for the Board of Directors of ENN Natural Gas Co., Ltd.</i></li> <li>8. Deliberated and approved the <i>Proposal on Amendment to the Rules of Procedure for the Environmental, Social and Governance Committee under the Board of Directors of ENN Natural Gas Co., Ltd.</i></li> <li>9. Deliberated and approved the <i>Proposal on Amendment to the Rules of Procedure for the Strategy Committee under the Board of Directors of ENN Natural Gas Co., Ltd.</i></li> <li>10. Deliberated and approved the <i>Proposal on the Amendment to Independent Director System of ENN Natural Gas Co., Ltd.</i></li> <li>11. Deliberated and approved the <i>Proposal on the Amendment to Related-party Transaction Management System of ENN Natural Gas Co., Ltd.</i></li> <li>12. Deliberated and approved the <i>Proposal on the Amendment to the External Guarantee Management System of ENN Natural Gas Co., Ltd.</i></li> <li>13. Deliberated and approved the <i>Proposal on Amendment to the Administrative Measures for External Donations of ENN Natural Gas Co., Ltd.</i></li> <li>14. Deliberated and approved the <i>Proposal on Amendment to the Information Disclosure Management System of ENN Natural Gas Co., Ltd.</i></li> <li>15. Deliberated and approved the <i>Proposal on Amendment to the Investor Relations Management System</i></li> <li>16. Deliberated and approved the <i>Proposal on Amendment to the Administrative Measures for Changes in Shareholding of Directors, Supervisors and Senior Managers of ENN Natural Gas Co., Ltd.</i></li> <li>17. Deliberated and approved the <i>Proposal on Amendment to Raised Fund Management System of ENN Natural Gas Co., Ltd.</i></li> <li>18. Deliberated and approved the <i>Proposal on Requesting not to Convene an Extraordinary General Meeting</i></li> </ol>

Meeting	Date	Resolution
The Second Meeting of the Tenth Board of Directors	19 August 2022	<ol style="list-style-type: none"> <li>1. Deliberated and approved the <i>2022 Semi-annual Report of the Company and its Summary</i></li> <li>2. Deliberated and approved the <i>Proposal on the Change of Registered Capital and Amendment of the Articles of Association of ENN Natural Gas Co., Ltd.</i></li> <li>3. Deliberated and approved the <i>Proposal on Requesting to Convene the Forth Extraordinary General Meeting in 2022</i></li> <li>4. Deliberated and approved the <i>Proposal on Establishment of a Consortium Consisting of the Company and Related Parties for Bid Submission of Projects and Related-party Transactions</i></li> </ol>
The Third Meeting of the Tenth Board of Directors	8 September 2022	<ol style="list-style-type: none"> <li>1. Deliberated and approved the <i>Proposal on Proposed Registration and Issuance of Medium Term Notes</i></li> <li>2. Deliberated and approved the <i>Proposal on Requesting to Convene the Fifth Extraordinary General Meeting in 2022</i></li> </ol>
The Forth Meeting of the Tenth Board of Directors	28 October 2022	<ol style="list-style-type: none"> <li>1. Deliberated and approved the <i>2022 Third Quarterly Report of the Company</i></li> <li>2. Deliberated and approved the <i>Proposal on Investment and Construction of Zhoushan Terminal Phase III by Holding Subsidiaries</i></li> <li>3. Deliberated and approved the <i>Proposal on Adjusting the Estimated Amount of Daily Related-party Transactions of the Company for 2022</i></li> </ol>



Meeting	Date	Resolution
The Fifth Meeting of the Tenth Board of Directors	9 December 2022	<ol style="list-style-type: none"> <li>1. Deliberated and approved the <i>Proposal on the Estimated Amount of Guarantee in 2023</i></li> <li>2. Deliberated and approved the <i>Proposal on Estimated Amount of Entrusted Financial Management for 2023</i></li> <li>3. Deliberated and approved the <i>Proposal on the Estimated Hedging Amount of Commodities in 2023</i></li> <li>4. Deliberated and approved the <i>Proposal on Estimated Hedging Amount of Coal Chemical Products for 2023</i></li> <li>5. Deliberated and approved the <i>Proposal on Estimated Hedging Amount of Foreign Exchange for 2023</i></li> <li>6. Deliberated and approved the <i>Proposal on Adjusting the Estimated Amount of Daily Related-party Transactions for 2023</i></li> <li>7. Deliberated and approved the <i>Proposal on Adjustment of Share Repurchase Price for Reserved Grant under the 2021 Restricted Stock Incentive Plan</i></li> <li>8. Deliberated and approved the <i>Proposal on Repurchase and Cancellation of Some Restricted Shares in 2021 Restricted Stock Incentive Plan</i></li> <li>9. Deliberated and approved the <i>Proposal on the Satisfaction of Conditions for Removal of Restrictions on Sale during the First Unrestricted Period for Reserved Grant under the 2021 Restricted Stock Incentive Plan</i></li> <li>10. Deliberated and approved the <i>Proposal on Requesting to Convene the Sixth Extraordinary General Meeting in 2022</i></li> </ol>

## VI. Performance of Duties by Directors

### (I) Attendance by the directors of the meetings of the Board of Directors and General Meetings

Name of Director	Independent Director	Attendance on Board Meetings					Attendance on General Meetings	
		Meetings the director should have attended in the year	Meetings attended in person	Meetings attended by means of communication	Meetings attended by proxy	Meetings from which the director was absent	Whether the director has been absent from two consecutive meetings	General meetings attended
Wang Yusuo	No	13	13	12	0	0	No	0
Yu Jianchao	No	13	13	10	0	0	No	7
Han Jishen	No	13	13	10	0	0	No	1
Zheng Hongtao	No	13	13	11	0	0	No	1
Jiang Chenghong	No	13	13	11	0	0	No	0
Zhang Jin	No	13	13	13	0	0	No	0
Wang Zizheng	No	13	13	13	0	0	No	0
Tang Jiasong	Yes	13	13	12	0	0	No	1
Zhang Yu	Yes	13	13	12	0	0	No	1
Chu Yuansheng	Yes	5	5	4	0	0	No	0
Wang Chunmei	Yes	5	5	4	0	0	No	1
Zhao John Huan	No	8	8	8	0	0	No	0
Li Xingang	Yes	8	8	8	0	0	No	0
Qiao Gangliang	Yes	8	8	8	0	0	No	0

Information on the directors who have been absent from two consecutive meetings of the Board of Directors

☐ Applicable    ☒ N/A

Board meetings held during the year	13
Among which: number of on-site meetings	0
Number of meetings held by teleconference	9
Number of meetings held both on site and via teleconference	4



**(II) Objections of directors to relevant matters of the Company**√ Applicable    ☐ N/A

Name of Director	Content of the relevant matter to which the director raised an objection			
		Content of objection	Adopted	Remark
Qiao Gangliang	The 42nd Meeting of the Ninth Board of Directors, <i>Proposal on Renewing the Appointment of the Accounting Firm</i>	ZhongXi CPAs (Special General Partnership) has rendered audit service for the Company for years, and there is potential risk of independence.	No	

Information on the objection raised by the director to the relevant matters of the Company

At the 42nd Meeting of the Ninth Board of Directors held on March 18, 2022, Mr. Qiao Gangliang raised an objection to the *Proposal on Renewing the Appointment of the Accounting Firm*, believing that ZhongXi CPAs (Special General Partnership) has conducted audit for ENN-NG for a long period and there was independence risk. Upon deliberation by the Board of Directors, it is considered that, ZhongXi CPAs (Special General Partnership) is qualified to act as the agency for financial audit and internal control audit, has the corresponding expertise and performance capability, and is able to meet the requirements regarding audit of the Company. During its performance of audit services for the Company, it replaced the signing accountant on a regular basis and in strict compliance with relevant regulations, and reported audit work to the Audit Committee and the Board of Directors periodically and accepted the supervision of the Audit Committee. No circumstances that may affect its independence existed in the Company. The decision-making procedures for the *Proposal on Renewing the Appointment of the Accounting Firm* are legal and effective, comply with the provisions of the *Rules Governing the Listing of Stocks on the Shanghai Stock Exchange*, the *Articles of Association* and other relevant laws and regulations as well as the Company's policies, and there is no damage to the interests of the Company and shareholders. The Board of Directors therefore deliberated and approved the Proposal.

**(III) Others**☐ Applicable    √ N/A



## VII. Special Committees Affiliated to the Board of Directors

√ Applicable    □ N/A

### (1). Members of special committees affiliated to the Board of Directors

Committee	Member
Audit Committee	Tang Jiasong, Han Jishen, Jiang Chenghong, Wang Chunmei, Zhang Yu
Nomination Committee	Chu Yuansheng, Yu Jianchao, Zhang Jin, Tang Jiasong, Zhang Yu
Remuneration and Appraisal Committee	Wang Chunmei, Yu Jianchao, Zhang Jin, Tang Jiasong, Zhang Yu
Strategy Committee	Zheng Hongtao, Wang Yusuo, Yu Jianchao, Han Jishen, Jiang Chenghong, Zhang Jin, Wang Zizheng
Related-party Transaction Control Committee	Tang Jiasong, Jiang Chenghong, Zhang Yu, Chu Yuansheng, Wang Chunmei
Environmental, Social and Governance Committee (ESG Committee)	Yu Jianchao, Zheng Hongtao, Wang Zizheng, Tang Jiasong, Zhang Yu, Wang Chunmei

Note: The Company held the Sixth Meeting of the Tenth Board of Directors on March 24, 2023, deliberating and approving the *Proposal on the Adjustment of Special Committees and Members and Amendment to the Rules of Procedure for the Audit Committee under the Board of Directors of ENN Natural Gas Co., Ltd.* To improve the operational efficiency of these special committees, the duties of the Related-party Transaction Control Committee were consolidated to the Audit Committee. Meanwhile, for the Tenth Board of Directors, members of the Audit Committee were adjusted to consist of Tang Jiasong, Zhang Yu, Chu Yuansheng and Wang Chunmei, with Tang Jiasong acting as the Chairman of the Committee; members of the Remuneration and Appraisal Committee were adjusted to consist of Wang Chunmei, Tang Jiasong, Zhangyu and Chu Yuansheng, with Wang Chunmei acting as the Chairman of the Committee; and members of the ESG Committee were adjusted to consist of Yu Jianchao, Zheng Hongtao, Wang Zizheng, Tang Jiasong, Zhang Yu, Wang Chunmei and Chu Yuansheng, with Yu Jianchao acting as the Chairman of the Committee.

## (2). 5 meetings held by the Audit Committee during the Reporting Period

Date	Content	Important comments and suggestions	Performance of other duties
17 March 2022	<ol style="list-style-type: none"> <li>1. Deliberated the <i>2021 Annual Report and its Summary</i></li> <li>2. Deliberated the <i>2021 Annual Internal Control Evaluation Report</i></li> <li>3. Deliberated the <i>2021 Final Accounting Report</i></li> <li>4. Deliberated the <i>2021 Profit Distribution Plan of the Company</i></li> <li>5. Deliberated the <i>Proposal on Renewing the Appointment of the Accounting Firm</i></li> <li>6. Deliberated the <i>Special Report on Deposit and Use of Raised Funds by the Company for 2021 (Allotment of Shares)</i></li> <li>7. Deliberated the <i>Special Report on Deposit and Use of Raised Funds by the Company for 2021 (Non-public Issuance of Shares)</i></li> <li>8. Deliberated the <i>Proposal on Change in Accounting Policies</i></li> <li>9. Deliberated the <i>2021 Annual Report on Duty-performance of the Audit Committee of the Board of Directors</i></li> </ol>	Review and supervise the audit of the Company's annual report, the engagement of external auditors, and the use of raised funds, and agree and support the Company's development strategy and key work for the next year.	None
27 April 2022	<ol style="list-style-type: none"> <li>1. Deliberated the <i>2022 First Quarterly Report of the Company</i></li> </ol>	Obtain details about the financial situation and operation of the Company, and deliberate and approve the First Quarterly Report of the Company.	None
18 August 2022	<ol style="list-style-type: none"> <li>1. Deliberated the <i>2022 Semi-year Report of the Company and its Summary</i></li> </ol>	Obtain details about the financial situation and operation of the Company, and deliberate and approve the Semi-year Report of the Company.	None
27 October 2022	<ol style="list-style-type: none"> <li>1. Deliberated the <i>2022 Third Quarterly Report of the Company</i></li> </ol>	Obtain details about the financial situation and operation of the Company, and deliberate and approve the Third Quarterly Report of the Company.	None
9 December 2022	<ol style="list-style-type: none"> <li>1. Deliberated the <i>Proposal on Estimated Amount of Guarantee for 2023</i></li> <li>2. Deliberated the <i>Proposal on Estimated Amount of Entrusted Financial Management for 2023</i></li> <li>3. Deliberated the <i>Proposal on Estimated Hedging Amount of Commodities for 2023</i></li> <li>4. Deliberated the <i>Proposal on Estimated Hedging Amount of Coal Chemical Products for 2023</i></li> <li>5. Deliberated the <i>Proposal on Estimated Hedging Amount of Foreign Exchange for 2023</i></li> </ol>	Review the guarantee amount estimate, basis for measurement of the amount of entrusted financial management and hedging amount, and raise the requirements for risk prevention and control of each business.	None

## (3). 2 meetings held by the Nomination Committee during the Reporting Period

Date	Content	Important comments and suggestions	Performance of other duties
8 July 2022	<ol style="list-style-type: none"> <li>1. Deliberated the <i>Proposal on the Nomination of Non-independent Director Candidates for the Tenth Board of Directors</i></li> <li>2. Deliberated the <i>Proposal on the Nomination of Independent Director Candidates for the Tenth Board of Directors</i></li> </ol>	Review the nomination procedure, qualification and appointment procedure of non-independent directors and independent directors to effectively fulfill their responsibilities and obligations, and agree to nominate the tenth non-independent directors and independent directors.	None
25 July 2022	<ol style="list-style-type: none"> <li>1. Deliberated the <i>Proposal on the Appointment of Senior Managers for the Company</i></li> </ol>	Review the qualification and appointment procedure of senior managers and agree to appoint the senior managers.	None

## (4). 4 meetings held by the Remuneration and Appraisal Committee during the Reporting Period

Date	Content	Important comments and suggestions	Performance of other duties
18 March 2022	<ol style="list-style-type: none"> <li>1. Deliberated the <i>Proposal on the Remuneration of Senior Managers for 2021</i></li> <li>2. Deliberated the <i>Proposal on the Remuneration of Directors for 2021</i></li> </ol>	Assess the work of the senior managers and non-independent directors of the Company during the Reporting Period, and make recommendations on the remuneration packages of the non-independent directors and senior managers of the Company based on the appraisal indicators including the Company's operating conditions, the scope of management positions and importance of their duties.	None
24 June 2022	1. Deliberated the <i>Proposal on the Satisfaction of Conditions for Removal of Restrictions on Sale during the First Unrestricted Period for First Grant under the 2021 Restricted Stock Incentive Plan</i>	Verify the satisfaction of conditions for removal of restrictions on sale during the first Unrestricted Period for first grant under equity incentive, and agree to remove restrictions on sale for the corresponding incentive grantees.	None
8 July 2022	1. Deliberated the <i>Proposal on the Adjustment of Remuneration of the Tenth Independent Directors for 2022</i>	After the survey of the market salary level, it is decided to increase the remuneration of independent directors to enhance the motivation of independent directors in performance of their duties.	None
9 December 2022	1. Deliberated the <i>Proposal on the Satisfaction of Conditions for Removal of Restrictions on Sale during the First Unrestricted Period for Reserved Grant under the 2021 Restricted Stock Incentive Plan</i>	Verify the satisfaction of conditions for removal of restrictions on sale during the first Unrestricted Period for reserved grant under equity incentive, and agree to remove restrictions on sale for the corresponding incentive grantees.	None

## (5). 2 meetings held by the Strategy Committee during the Reporting Period

Date	Content	Important comments and suggestions	Performance of other duties
18 March 2022	1. Deliberated the <i>2021 Annual Report and its Summary</i>	Deliberate and approve the <i>2021 Annual Report</i> and its Summary, and accept and support the Company's development strategies.	None
19 August 2022	1. Deliberated the <i>2022 Semi-year Report of the Company</i> and its Summary	Agree to disclose the <i>2022 Semi-year Report of the Company</i> and its Summary after reviewing the operation for the first half of 2022.	None

## (6). 3 meetings held by the Related-party Transaction Control Committee during the Reporting Period

Date	Content	Important comments and suggestions	Performance of other duties
19 August 2022	1. Deliberated the <i>Proposal on Establishment of a Consortium Consisting of the Company and Related Parties for Bid Submission of Projects and Related-party Transactions</i>	Strictly review the reasonableness, price fairness and compliance of procedures for the establishment of a consortium to participate in the bid submission of projects and related-party transactions, and deliberate and approve the bid submission.	None
28 October 2022	1. Deliberated the <i>Proposal on Adjusting the Estimated Amount of Daily Related-party Transactions for 2022</i>	Strictly scrutinize the reasonableness, price fairness and compliance of procedures for daily related-party transactions with increased amount, and agree to adjust the amount of related-party transactions in 2022.	None
9 December 2022	1. Deliberated the <i>Proposal on Adjusting the Estimated Amount of Daily Related-party Transactions for 2023</i>	Review the necessity and fairness of the adjustment of amount for related-party transactions, and deliberate and approve the proposal at the meeting.	None

## (7). 2 meetings held by the ESG Committee during the Reporting Period

Date	Content	Important comments and suggestions	Performance of other duties
17 March 2022	1. Deliberated the <i>2021 Environmental, Social and Governance Report of the Company</i> 2. Deliberated the <i>Report on the Green Action of ENN-NG</i>	Review the <i>2021 Environmental, Social and Governance Report of the Company</i> and <i>Report on the Green Action of ENN-NG</i> , and discuss the future direction of the Company's ESG work and specific issues to be carried out.	None
21 November 2022	1. Deliberated the <i>ESG Work in 2022 and Work Plan for 2023</i>	Review the ESG development for the current year and the work plan for the following year, and promote and supervise the implementation of the Company's ESG work.	None

## (8). Details on objection to relevant events

√ Applicable    ☐ N/A

At the meeting of the Audit Committee held on March 17, 2022, Mr. Qiao Gangliang raised an objection to the *Proposal on Renewing the Appointment of the Accounting Firm*, believing that ZhongXi CPAs (Special General Partnership) has conducted audit for ENN-NG for a long period and there was independence risk. Upon deliberation by the Audit Committee, the Committee considered that, ZhongXi CPAs (Special General Partnership) is qualified to act as the agency for financial audit and internal control audit, has the corresponding expertise and performance capability, and is able to meet the requirements regarding audit of the Company. During its performance of audit services for the Company, it replaces the signing accountant on a regular basis and in strict compliance with relevant regulations, and reports audit work to the Audit Committee and the board of directors periodically and accepts the supervision of the Audit Committee. No circumstances that may affect its independence existed in the Company. The decision-making procedures for the *Proposal on Renewing the Appointment of the Accounting Firm* are legal and effective, comply with the provisions of the *Rules Governing the Listing of Stocks on the Shanghai Stock Exchange*, the *Articles of Association* and other relevant laws and regulations as well as the Company's policies, and there is no damage to the interests of the Company and shareholders. The Proposal was therefore deliberated and approved, and the Committee agreed to submit the Proposal to the Board of Directors for deliberation.

## VIII. Information on the Risks Found in the Company by the Board of Supervisors

☐ Applicable    ☒ N/A

The Board of Supervisors has no objection to the supervision matters during the Reporting Period.

## IX. Employees of Parent Company and Major Subsidiaries at the end of the Reporting Period

### (I) Information on employees

Number of current employees in the Parent Company	381
Number of current employees in the major subsidiaries	38,586
Total number of current employees	38,967
Number of retired employees for which the Parent Company and major subsidiaries have to bear expenses	0

Specialty Composition	
Category	Number
Production personnel	24,044
Sales personnel	2,326
Technician	7,530
Financial personnel	2,246
Administrative personnel	2,821
Total	38,967

Educational Background	
Category	Number (persons)
Master and above	1,026
Undergraduate	12,759
Junior college graduate	13,248
Below junior college	11,934
Total	38,967



**(II) Remuneration policy**√ Applicable   ☐ N/A

The Company has formulated different remuneration policies for personnel at different positions based on the market supply by comprehensively considering development and actual payment capabilities. Through comprehensive assessment of remuneration for directors and senior managers, it formulates the remuneration strategies based on performance indicators and ESG linked indicators (including low-carbon development, safety, anti-corruption, compliance, employee and customer satisfaction, etc.). The Company adopts the market-leading remuneration strategies for core personnel and scarce talents, and market-following strategies for sufficient staff. With these efforts, the Company not only avoids the loss of key talents, but also effectively controls and saves labor costs, providing a strong guarantee for its growth.

**(III) Training plan**√ Applicable   ☐ N/A

The Company has established a hierarchical and classified training system with the focus on internal training supplemented by external training and has developed the training plan suitable for the growth of employees and the enterprise so as to promote the rapid improvement of employee capabilities and the sound and stable development of the enterprise.

**(IV) Outsourced workers**☐ Applicable   √ N/A**X. Proposal for Profit Distribution or Capitalization of Capital Reserve****(I) Formulation, implementation or adjustment of cash dividend policy**√ Applicable   ☐ N/A

As provided for in the *Articles of Association*, save as such circumstances under which the Company may not distribute dividends, the annual cash dividends of the Company shall not be less than 10% of its distributable profits realized in the corresponding year and the accumulated profits distributed in cash in the latest three years shall not be less than 30% of the average annual distributable profits realized in these three years. The Company held the 44th Meeting of the Ninth Board of Directors on 18 April 2022 and the Second Extraordinary General Meeting in 2022 on 5 May 2022, deliberating and approving the *Plan for Return on Dividends of the Company in the Next Three Years (2022-2024)*, whereby it is specified that from 2022 to 2024, the Company can distribute dividends in cash, stock or a combination of both or other ways to the extent permitted by laws and regulations, with the main distribution to be made by cash dividends. Unless circumstances arise where the Company may not distribute dividends, the cash dividends shall, as to the proportion, be subject to the provisions of the *Articles of Association*.

The Company held its 2021 Annual General Meeting on 28 June 2022, at which its *Proposal on Profit Distribution of the Company for 2021* was deliberated and approved to distribute profits on the basis of the shares available for distribution registered on the date of record, and the shares repurchased by way of centralized competitive-price trading and restricted shares to be repurchased and canceled will not participate in the profit distribution. Under the *Proposal on Profit Distribution of the Company for 2021*, RMB3.075 (tax included) per 10 shares based on a total share capital of 2,845,853,619 shares will be distributed as cash dividends to all shareholders, with the retained undistributed profits to be accumulated in the next year. In this profit distribution, no capital reserve will be converted into share capital nor will bonus shares be given.

The Company disclosed the *2021 Annual Announcement on the Implementation of Equity Distribution of ENN Natural Gas Co., Ltd.* on 27 July 2022, and based on the repurchased shares and restricted shares to be repurchased and canceled, under the 2021 Profit Distribution Plan of the Company, a total of RMB873,267,714.0375 will be distributed as cash dividends to all shareholders at RMB3.075 (tax included) per 10 shares based on 2,839,895,005 shares representing the Company's total share capital of 2,845,853,619 shares after deduction of 1,130,068 repurchased shares and 150,000 restricted shares to be repurchased and canceled not participating in profit distribution, with the undistributed profits to be accumulated in the next year. In this profit distribution, no capital reserve will be converted into share capital nor will bonus shares be given.

The accumulated profits distributed by the Company in cash in the past three years have reached 30% of the average annual distributable profits realized in these three years, which is in line with the relevant provisions of the *Articles of Association*.

## (II) Special note on cash dividend policy

☒ Applicable ☐ N/A

Whether it complies with the provisions of the <i>Articles of Association</i> or the resolutions of the general meeting	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
Whether the criteria and percentage of dividends distribution are clear and unambiguous	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
Whether the relevant decision-making procedures and mechanisms are complete	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
Whether the independent directors have performed their duties and played their proper roles	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
Whether minority shareholders have adequate opportunities to express their opinions and demands, and whether their legitimate rights and interests are adequately protected	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No

(III) If the Parent Company is profitable and has positive profits available for distribution to shareholders but has not proposed a cash profit distribution plan during the Reporting Period, the Company shall disclose in detail the reasons and the purpose and plan for the use of the undistributed profits

☐ Applicable ☒ N/A

## (IV) Profit distribution and capitalization of capital reserve during the Reporting Period

☒ Applicable ☐ N/A

Unit: Yuan Currency: RMB

Number of shares giving bonus per 10 shares (share)	
Dividend paid per 10 shares (RMB) (tax included)	5.1
Number of shares converted into share capital per 10 shares (share)	
Amount of cash dividend (tax included)	1,577,220,386.43
Net profits attributable to common shareholders of listed company in the annual consolidated statements of dividend distribution	5,843,911,351.49
Ratio of net profits attributable to common shareholders of listed company in the consolidated statements (%)	26.99
Amount of cash dividends credited to share repurchase in cash	100,647,165.96
Total amount of dividends distributed (tax included)	1,677,867,552.39
Ratio of total amount of dividends distributed to the net profits attributable to the common shareholders of listed company in the consolidated statements (%)	28.71

## XI. Information on and Effects from the Company's Equity Incentive Plan, Employee Stock Ownership Plan or Other Employee Incentive Measures

- (I) The relevant incentive items have been disclosed in the interim announcement and there is no progress or change in the follow-up implementation

√ Applicable    ☐ N/A

Summary	Query Index
On 24 June 2022, the Company held the 47th Meeting of the Ninth Board of Directors and the 26th Meeting of the Ninth Board of Supervisors, deliberating and approving the <i>Proposal on Adjustment of Share Repurchase Price for Reserved Grant under the 2021 Restricted Stock Incentive Plan</i> , the <i>Proposal on Repurchase and Cancellation of Part of Restricted Shares under the 2021 Restricted Stock Incentive Plan</i> , and the <i>Proposal on the Satisfaction of Conditions for Removal of Restrictions on Sale during the First Unrestricted Period for First Grant under the 2021 Restricted Stock Incentive Plan</i> , and the independent directors of the Company gave independent opinions on all of the above proposals.	For details, please refer to the interim announcements including the <i>Announcement on Adjustment of Share Repurchase Price for Reserved Grant under the 2021 Restricted Stock Incentive Plan of ENN-NG</i> (Announcement No.: 2022-046), the <i>Announcement of ENN-NG on Repurchase and Cancellation of Part of Restricted Shares under the 2021 Restricted Stock Incentive Plan</i> (Announcement No.: 2022-047) and the <i>Announcement on the Satisfaction of Conditions for Removal of Restrictions on Sale during the First Unrestricted Period for First Grant under the 2021 Restricted Stock Incentive Plan of ENN-NG</i> (Announcement No.: 2022-048) disclosed by the Company at the website of Shanghai Stock Exchange on 25 June 2022
Upon application made by the Company to Shanghai Stock Exchange and China Securities Depository and Clearing Corporation Limited Shanghai Branch, the restricted shares for which restrictions on sale may be removed for 44 incentive grantees who have satisfied the conditions for restrictions on sale during the first Unrestricted Period for first grant under the 2021 Restricted Stock Incentive Plan were 4,152,500 shares, and such shares were listed and circulated from 8 July 2022.	For details, please refer to the interim announcement titled the <i>Announcement of ENN-NG on the Unlocking and Listing of Shares during the First Unrestricted Period for First Grant under the 2021 Restricted Stock Incentive Plan</i> (Announcement No.: 2022-051) disclosed by the Company at the website of Shanghai Stock Exchange on 5 July 2022
The Company held the 2022 Third Extraordinary General Meeting on 25 July 2022, deliberating and approving the <i>Proposal on Repurchase and Cancellation of Some Restricted Shares under the 2021 Restricted Stock Incentive Plan</i> .	For details, please refer to the interim announcement titled the <i>Announcement of ENN-NG on the Resolution of the 2022 Third Extraordinary General Meeting</i> (Announcement No.: 2022-063) disclosed by the Company at the website of Shanghai Stock Exchange on 26 July 2022

Summary	Query Index
<p>The Company held the Fifth Meeting of the Tenth Board of Directors and the Forth Meeting of the Tenth Board of Supervisors on 9 December 2022, deliberating and approving the <i>Proposal on Adjustment of Share Repurchase Price for Reserved Grant under the 2021 Restricted Stock Incentive Plan</i> and the <i>Proposal on the Satisfaction of Conditions for Removal of Restrictions on Sale during the First Unrestricted Period for Reserved Grant under the 2021 Restricted Stock Incentive Plan</i>, and the independent directors of the Company gave independent opinions on all of the above proposals.</p>	<p>For details, please refer to the interim announcements including the <i>Announcement of ENN-NG on Adjustment of Share Repurchase Price for Reserved Grant under the 2021 Restricted Stock Incentive Plan</i> (Announcement No.: 2022-108), the <i>Announcement of ENN-NG on Repurchase and Cancellation of Part of Restricted Shares under the 2021 Restricted Stock Incentive Plan</i> (Announcement No.: 2022-109) and the <i>Announcement of ENN-NG on the Satisfaction of Conditions for Removal of Restrictions on Sale during the First Unrestricted Period for Reserved Grant under the 2021 Restricted Stock Incentive Plan</i> (Announcement No.: 2022-110) disclosed by the Company at the website of Shanghai Stock Exchange on 10 December 2022</p>
<p>Upon application made by the Company to Shanghai Stock Exchange and China Securities Depository and Clearing Corporation Limited Shanghai Branch, the number of restricted shares for which restrictions on sale may be removed for 8 incentive grantees who are first granted under the 2021 Restricted Stock Incentive Plan and have satisfied the conditions for restrictions on share during the first Unrestricted Period was 242,517, and such shares were listed and circulated from 27 December 2022.</p>	<p>For details, please refer to the interim announcement titled the <i>Announcement of ENN-NG on the Unlocking and Listing of Some Shares First Granted under the 2021 Restricted Stock Incentive Plan during the First Unrestricted Period</i> (Announcement No.: 2022-115) disclosed by the Company at the website of Shanghai Stock Exchange on 5 July 2022</p>
<p>The Company held the 2022 Sixth Extraordinary General Meeting on 28 December 2022, deliberating and approving the <i>Proposal on Repurchase and Cancellation of Some Restricted Shares under the 2021 Restricted Stock Incentive Plan</i>.</p>	<p>For details, please refer to the interim announcement titled the <i>Announcement of ENN-NG on the Resolution of the 2022 Sixth Extraordinary General Meeting</i> (Announcement No.: 2022-117) disclosed by the Company at the website of Shanghai Stock Exchange on 29 December 2022</p>

## (II) Incentives not disclosed in the interim announcement or with follow-up progress

Equity incentive

☐ Applicable ☒ N/A

Other description

☐ Applicable ☒ N/A

Employee stock ownership plan

☐ Applicable ☒ N/A

Other incentive measures

☐ Applicable ☒ N/A

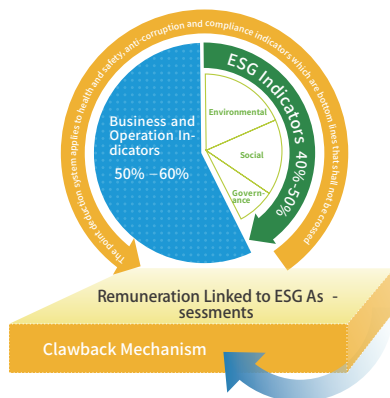
## (III) Equity incentives granted to directors and senior managers during the Reporting Period

☐ Applicable ☒ N/A

## (IV) Establishment and implementation assessment and incentive mechanisms for senior managers during the Reporting Period

☒ Applicable ☐ N/A

During the Reporting Period, the Company's Remuneration and Appraisal Committee of the Board of Directors conducted comprehensive assessment of the performance of senior managers pursuant to the *Code of Corporate Governance of Listed Companies*, the *Articles of Association*, the *Working Rules for the Remuneration and Appraisal Committee of the Board of Directors* and other



provisions. The remunerations for senior managers of the Company disclosed in this Report were evaluated and paid in strict accordance with the relevant performance appraisal standards and procedures.

In 2021, the Company formulated and implemented the Restricted Stock Incentive Plan, and the incentive grantees are directors, senior managers and core management/business personnel serving in the Company (including branches and subsidiaries). The Company also formulated the *Administrative Measures on Evaluation for the Implementation of the 2021 Restricted Stock Incentive Plan of ENN Natural Gas Co., Ltd.*, providing clear performance evaluation indicators and criteria. During the Reporting Period, the Company evaluated the relevant personnel, and released and repurchased the restricted shares they held in three aspects, including performance at the company level, performance at the business level for which the incentive grantees are responsible, and performance at individual level of the incentive grantees in accordance with the *Administrative Measures on Evaluation for the Implementation of the 2021 Restricted Stock Incentive Plan of ENN Natural Gas Co., Ltd.*

## XII. Construction and Implementation of Internal Control System during the Reporting Period

☒ Applicable ☐ N/A

For details, investors can consult the *Appraisal Report on Internal Controls in 2022 of ENN-NG* disclosed on the website of Shanghai Stock Exchange on 25 March 2023.

Information on material defects found in internal control during the Reporting Period

☐ Applicable ☒ N/A

### XIII. Management and Control over Subsidiaries during the Reporting Period

☐ Applicable ☐ N/A

During the Reporting Period, with the principle of risk prevention and for the purpose of improving management effectiveness, the Company enhanced the execution of internal control system and the effectiveness of internal control management and developed a management closed loop of risk prevention and control, monitoring and early warning, and evaluation and optimization, to establish a systematic internal control system and a long-term internal control supervision mechanism from management to business operation. Meanwhile, taking comprehensive budget as the grip, the Company improved financial early-warning capability, focused on financial data analysis, strengthened the supervision of fund use, and established a comprehensive risk management system, so as to further consolidate comprehensive risk management capability. The Company strengthened the selection, appointment, dismissal and assessment of personnel at important positions in subsidiaries and established the *Internal Reporting System for Material Information* and other systems to strengthen the management and synergy of subsidiaries by digital and intelligent means and improve its overall compliance and operational management capability.

### XIV. Details on Audit Report on Internal Control

☒ Applicable ☐ N/A

For details, please refer to the *2022 Audit Report on Internal Control Appraisal of ENN-NG* disclosed by the Company on the website of Shanghai Stock Exchange on 25 March 2023.

Whether the audit report on internal control is disclosed:  
Yes

Type of opinion in the audit report on internal control:  
Standard unqualified opinion

### XV. Rectification of Self-inspected Problems under the Special Action on Governance of Listed Companies

Not involved

### XVI. Others

☐ Applicable ☒ N/A





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## Environmental and Social Responsibilities



## I. Environmental Information

Whether relevant mechanisms on environmental protection are established	Yes
Funds invested in environmental protection during the Reporting Period (Unit: RMB10,000)	6,029

### (I) Information on environmental protection of the Company and its major subsidiaries that are identified as major polluters by the environmental protection authority

√ Applicable    ☐ N/A

#### 1. Information on Pollution discharge

√ Applicable    ☐ N/A

Company name	Pollutant name	Discharge method	Number of discharge outlets	Location of discharge outlets	Name of main pollutants and characteristic pollutants	Pollutant discharge standards implemented	Discharge concentration limited by national or local standards	Discharge concentration	Total discharge (t)	Total verified discharge/discharge concentration	Excessive discharge
Xinneng Energy	Exhaust gas	Centralized discharge	2	West side of Phase I Plant, east side of Phase II Plant	Sulfur dioxide	<i>Emission Standards of Air Pollutants for Thermal Power Plants</i> (GB13223-2011)	50mg/m <sup>3</sup>	18.3395mg/m <sup>3</sup>	76.1999	115.7t/50mg/m <sup>3</sup>	None
			2		Smoke and dust		20mg/m <sup>3</sup>	6.476mg/m <sup>3</sup>	26.32057	46.2t/20mg/m <sup>3</sup>	None
			2		Nitrogen oxide		100mg/m <sup>3</sup>	51.449mg/m <sup>3</sup>	216.19838	231.4t/100mg/m <sup>3</sup>	None
	General solid waste	Centralized storage	—	Gasifier slagging outlet, boiler slagging outlet	Gasified slag	<i>Standards on Control of General Industrial Solid Waste Storage and Disposal Site Pollution</i> (GB18599-2001)	—	—	280,302.98	—	None
					Boiler ash		—	—	39,989.24	—	None
					Coal slime		—	—	173,724.902	—	None
					Fly ash		—	—	119,417.42	—	None
					Desulfurization gypsum		—	—	19,805.84	—	None
					Filter press outlet		—	—	15,916.12	—	None
					Water purification station and mud for reuse of reclaimed water		—	—	—	—	None
					Biochemical sludge		—	—	15	—	None
	Hazardous waste	Disposal by itself	—	Filter press outlet	Phase I biochemical sludge	<i>Standards on Control of Hazardous Waste Pollution Storage</i> (GB18597-2001)	—	—	6	—	None
					Recovery tower outlet		—	—	4,493.9	—	None
		Disposal by agreement	—	Filter press outlet	Phase II biochemical sludge		—	—	55	—	None
					Dryer outlet		—	—	268	—	None
					Unit fuel tank		—	—	17.604	—	None
					Substation UPS		—	—	3.98	—	None
					Ammonia recovery desulfurization tower		—	—	20.88	—	None
					Synthesizer		—	—	65.5	—	None
					Waste desulfurization catalyst		—	—	44.28	—	None
					Waste sulfur recovery catalyst		—	—	37.42	—	None
					Whole plant		—	—	3.726	—	None
					Waste mineral tank		—	—	—	—	None
	Noise	—	—	Boundary of the Plant	—	<i>Standards on Noise Emissions at the Boundaries of Industrial Plants</i> (GB12348-2008)	Daytime 65dB (A) Night 55dB (A)	Daytime 60.96dB (A) Night 52.21dB (A)	—	Daytime 65dB (A) Night 55dB (A)	None

## 2. Construction and operation of pollution prevention facilities

☒ Applicable ☐ N/A

### (1) Air pollution control measures

Xinneng Energy Phase I has 3 sets of 160t/h circulating fluidized bed boilers and uses limestone-gypsum method and out-of-furnace flue gas desulfurization. Xinneng Energy Phase II has 2 sets of 260t/h circulating fluidized bed boilers and uses infurnace limestone method + out-of-furnace ammonia desulfurization. As each boiler of Xinneng Energy Phase I and Phase II are equipped with a high-efficiency electric bag dust remover with low-nitrogen combustion technology control and SNCR denitrification system, and the boiler flue gas emissions can meet the requirements of the *Emission Standards on Air Pollutant for Thermal Power Plants* (GB13223-2011). The emission concentration of substances including particulates and methanol from the production system can meet the requirements of the Level 2 *Standards on Comprehensive Air Pollutant Emissions* (GB16297-1996) through pollution control measures during the production process.

### (2) Water pollutant treatment measures

Xinneng Energy improved water reuse rate by strictly adhering to the principles of “separating clean water from sewage, separating rainwater from sewage, and using water for multiple purposes”. A/O biochemical process was used to treat the wastewater from production, which contains substance including methanol, ammonia nitrogen, sulfide, cyanide and suspended solid for production and reuse. The recycle technology solely developed by Yongxin Environmental Protection was adopted to treat the brine produced during the process, to achieve “zero discharge” of wastewater.

### (3) Noise control measures

The main sources of noise generated by Xinneng Energy included coal mills, air compressors, fans and various kinds of pumps. On the premise of meeting the technological

requirements, in addition to selection of low-noise products, it installed mufflers at the outlets of boiler safety valve vent tube, dust remover fan and blower as well as the inlet and outlet of air compressor. Xinneng Energy placed equipment with greater noise inside the room for sound insulation and used sound insulation and sound-absorbing materials for doors, windows, masonry, etc., to prevent noise from spreading and disseminating. To avoid noise generation by vibration, the fan, mill and other equipment with larger vibration were separately set up to prevent the spread out of noise generated by vibration.

### (4) Solid waste treatment measures

As for the substances generated during the production process of Xinneng Energy such as spent catalysts, carnallite, waste mineral oil, and waste assay liquid, they were entrusted to a qualified unit for disposal according to the disposal agreement signed; the gasification slag and boiler ash were transported to the slag yard designated by Dalad Economic and Technological Development Zone for disposal.

## 3. Environmental impact assessment of construction projects and other environmental protection administrative permits

☒ Applicable ☐ N/A

In strict compliance with the *Environmental Impact Assessment Law* and *Regulations on Environmental Protection Management of Construction Projects*, Xinneng Energy conducted environmental impact assessments on the construction projects and actively completed the approval and acceptance procedures of environmental protection authorities. The environmental protection facilities and main structure were designed simultaneously, constructed simultaneously and commenced simultaneously.

Xinneng Energy verified the initial discharge right of existing pollutants within the autonomous region pursuant to the requirements of *Notice of the Inner Mongolia Autonomous Region's Environmental Protection*

*Department on Verification of Major Pollutant Emission Right* (Nei Huan Ban [2015] No. 242) and was allowed to discharge a certain amount of pollutant after verification and obtained the amount of pollutant discharge through the paid method. It obtained the pollutant discharge permit on 10 September 2021. At present, Xinneng Energy monitors pollutants on real-time basis through online monitoring equipment in pollutant discharge outlets and uploads data to the management platform of the Ecology and Environment Bureau and pay pollution taxes to the taxation authorities based on the discharge amount calculated on the basis of the pollution discharge concentration.

#### 4. *Environmental emergency response plan*

√ Applicable   ☐ N/A

Xinneng Energy completed the registration with the Dalad Banner Branch of Ordos City Ecological Environment Bureau on 2 August 2021 for the *Environmental Emergency Response Plan of Xinneng Energy Co., Ltd.* formulated by Xinneng Energy. The Plan was approved and issued on 3 August 2021 and came into force on the same day. Xinneng Energy conducted an emergency drill for fire accidents of enterprises producing hazardous chemicals jointly with Dalad Banner People's Government, Management Committee of Dalad Banner Economic Development Zone and Dalad Banner Fire & Rescue Brigade on 29 June 2022 to enhance the employees' familiarity with emergency disposal procedures and methods and improve their ability to respond to environmental emergencies through drill.

#### 5. *Environmental self-monitoring program*

√ Applicable   ☐ N/A

Pursuant to the requirements of the *Measures for the Self-monitoring and Information Disclosure by the Enterprises subject to Intensive Monitoring and Control of the State (for Trial Implementation)* (Huan Fa [2013] No. 81) issued

by the Ministry of Environmental Protection, Xinneng Energy entrusted Inner Mongolia Gengtai Environmental Technology Co., Ltd. to carry out self-monitoring.

#### 6. *Administrative penalties imposed for environmental issues during the Reporting Period*

☐ Applicable   ☒ N/A

#### 7. *Other environmental information to be disclosed*

☐ Applicable   ☒ N/A

### (II) *Information on environmental protection of companies other than the major polluters*

√ Applicable   ☐ N/A

#### 1. *Administrative penalties imposed for environmental issues*

√ Applicable   ☐ N/A

On 6 January 2022, when Changsha Xin'ao Gas Storage and Distribution Co., Ltd. was inspected by Xingsha Administrative Law Enforcement Team under the Administrative Law Enforcement Bureau of Changsha County for environmental protection law enforcement, the person in charge of the natural gas station provided the law enforcement officers with business license, gas operation permit and other certificates, but did not provide the proof that the *Emergency Response Plan for Environmental Contingencies* of enterprise or public institution had been filed with the environmental protection authorities. According to the Paragraph 3 of Article 38 of the *Measures for the Emergency Administration of Environmental Contingencies*, Changsha Xin'ao Gas Storage and Distribution Co., Ltd. was fined RMB11,000, and the fine has been paid so far.

## 2. Disclosure of other environmental information with reference to major polluters

√ Applicable    □ N/A

During the Reporting Period, there were discharges from Xinneng Mining and ENN Qinshui, its subsidiaries other than major polluters, and the specific discharge information and prevention and control measures are specified as follows:

### (1) Information on pollution discharge

Company name	Pollutant name	Discharge/disposal method	Number of discharge outlets	Location of discharge outlets	Name of main pollutants and characteristic pollutants	Pollutant discharge standards implemented	Discharge concentration limited by national or local standards	Discharge concentration	Total discharge (t)	Total verified discharge/discharge concentration	Excessive discharge
Xinneng Mining	Exhaust gas	Centralized discharge	1	Boiler room of industrial plant	Particulates Sulfur dioxide Nitrogen oxide	<i>Emission Standards of Air Pollutants for Boilers</i> (GB13271-2014)	80mg/m <sup>3</sup>	9.2mg/m <sup>3</sup>	1.6938	9.242535t	None
							400mg/m <sup>3</sup>	47mg/m <sup>3</sup>	4.8059	36.970140t	None
							400mg/m <sup>3</sup>	199mg/m <sup>3</sup>	15.3662	46.212674t	None
	Solid waste	Centralized disposal	—	—	Gangue	<i>Standards on Control of General Industrial Solid Waste Storage and Disposal Site Pollution</i> (GB18599-2001)	—	—	1,846,052.98	—	None
		Disposal by agreement	—	—	Boiler ash	—	—	—	474.82	—	None
	Noise	—	—	Boundary of the Plant	—	<i>Standard on Noise at the Boundaries of Industrial Plants</i> (GB12348 – 2008)	Daytime 65dB(A) Night 55dB(A)	Daytime 56.9dB(A) Night 47.18dB(A)	—	Daytime 65dB(A) Night 55dB(A)	None
	Hazardous waste	Disposal by agreement	—	—	Waste mineral oil	<i>Standards on Control of Hazardous Waste Storage Pollution</i> (GB18597-2001)	—	—	15.96	—	None
			—	—	Waste oil drum		—	—	2.142	—	None
			—	—	Used lead-acid cell		—	—	3.28	—	None

Company name	Pollutant name	Discharge/disposal method	Number of discharge outlets	Location of discharge outlets	Name of main pollutants and characteristic pollutants	Pollutant discharge standards implemented	Discharge concentration limited by national or local standards	Discharge concentration	Total discharge (t)	Total verified discharge/discharge concentration	Excessive discharge
ENN Qinshui	Wastewater	Centralized discharge	1	Southwest corner of the Plant	COD	DB141928-2019 Comprehensive Wastewater Discharge Standard (Shanxi Province)	40mg/L	Q1: 34mg/L Q2: 17mg/L Q3: 12mg/L Q4: 21mg/L	0.053501	0.077t	None
					Ammonia nitrogen		2.0mg/L	Q1: 1.48mg/L Q2: 1.09mg/L Q3: 0.747mg/L Q4: 0.187mg/L	0.002228226	0.021t	None
	Exhaust gas	Centralized discharge	2	Thermal oil heater	Sulfur dioxide	Emission Standard of Air Pollutants for Boilers (DB14/1929-2019)	50mg/m <sup>3</sup>	1H: 1#: 11mg/m <sup>3</sup> 2#: 13mg/m <sup>3</sup> 2H: 1#: 14mg/m <sup>3</sup> 2#: 11mg/m	0.241686888	—	None
					Nitrogen oxide		35mg/m <sup>3</sup>	1H: 1#: 32mg/m <sup>3</sup> 2#: 30mg/m <sup>3</sup> 2H: 1#: 34mg/m <sup>3</sup> 2#: 38mg/m	0.695321376	1.22t	None
					Particulates		5mg/m <sup>3</sup>	1H: 1#: 2.3mg/m <sup>3</sup> 2#: 3.4mg/m <sup>3</sup> 2H: 1#: 2.1mg/m <sup>3</sup> 2#: 2.3mg/m <sup>3</sup>	0.0424944528	0.56t	None
	Hazardous waste	Disposal by agreement	—	—	Waste MDEA solution	Standards on Control of Hazardous Waste Storage Pollution (GB18597-2001)	—	—	12.44	—	None
	Noise	—	—	Boundary of the Plant	—	Standards on Noise at the Boundaries of Industrial Plants (GB12348 – 2008)	Daytime 60dB(A) Night 50dB(A)	Daytime 51.9dB(A) Night 42.9dB(A)	—	Daytime 60dB(A) Night 50dB(A)	None

## (2) Construction and operation of pollution prevention and control facilities

### Wastewater treatment measures

**Xinneng Mining:** A mine water treatment station was constructed with the mine water treatment capacity of 13,600m<sup>3</sup>/d and the reverse osmosis treatment capacity of 9,300m<sup>3</sup>/d, and the water quality reached the surface Class III standard. The designed domestic wastewater treatment capacity was 954m<sup>3</sup>/d.

Domestic sewage treatment process: Two-stage contact oxidation + two-stage filtration + disinfection treatment process was adopted. The domestic sewage discharged from the industrial site is collected through various septic tanks and then enters into the domestic sewage regulating tank respectively after the mechanical grille retains large impurities and floating materials; then the domestic sewage is automatically lifted by the wastewater lift pump to the A/O biological contact oxidation combination tank according to the liquid level of the inlet tank; the A/O biological contact oxidation combination tank consists of anoxic tank, aerobic tank, sedimentation tank, intermediate tank and disinfection reuse tank. The wastewater flows through the anoxic tank, aerobic tank, sedimentation tank, and finally collects to the intermediate tank; the water stored in the intermediate tank is automatically lifted by the lifting pump to the multi-media filter and activated carbon filter in series according to the liquid level of the inlet tank, and the water from the filter is sent to the disinfection tank, and the disinfected water flows into the reuse tank; the sludge from the sedimentation tank is discharged to the sludge tank, and finally to the sludge treatment system for treatment.

**Underground dewatering:** treatment capacity: the pretreatment capacity is 13,600m<sup>3</sup>/d; the advanced treatment capacity is 9,300m<sup>3</sup>/d. Mine water treatment process: we adopted the pretreatment of advection sedimentation regulating tank + coagulation sedimentation filtration integrated treatment device + self-cleaning filter + ultra-filtration + two-stage reverse osmosis treatment

process. The mine sewage is collected at the sewage treatment station through the pipeline network or underground ditch in the mine, and enters the advection sedimentation regulating tank for homogenization and adjustment, while removing most of the cinder and suspended matter; the effluent from the regulating tank enters the high-efficiency sedimentation filtration integrated water purification device by pipeline pump, and the sewage is flocculated in the pipeline mixer by adding flocculant PAC and coagulant PAM to accelerate the sedimentation and flocculation of sewage. The water after dosing enters into the high efficiency sedimentation and filtration integrated water purification device and is then collected to the intermediate tank after a series of treatment such as sedimentation and filtration.

Both domestic sewage and mine water were treated in compliance with standards with zero discharge. Meanwhile, winter storage and summer irrigation were adopted for mine water. Three ecological reservoirs were built outside the plant with a total capacity of 314,000m<sup>3</sup>.

**ENN Qinshui:** The sewage of ENN Qinshui mainly comes from domestic water and the sewage treatment facility was completed and put into operation in January 2008. In June 2015, the sewage treatment facility was transformed and the advanced A2O treatment system was used to better remove the chemical oxygen demand and ammonia nitrogen in the water. The designed treatment capacity was: 24t/day (the actual treatment situation: 5-10t/day), and wastewater was discharged after reaching the domestic sewage discharge standard as stated in Comprehensive Wastewater Discharge Standard (DB141928-2019) of Shanxi Province. In May 2021, in order to cooperate with the local government to carry out ecological protection of the Qinhe River and achieve "zero discharge" of sewage from the river protection zone, the Company actively responded to the call of the government and completed the renovation project of the sewage connection to the sewage network of Jiafeng Town in time, achieving "zero discharge" of sewage from the plant.

## Exhaust gas treatment measures

**Xinneng Mining:** Xinneng Mining supplies heat to the plant through four sets of coal-fired boilers, including three sets of SZL14-1.0-110/70 20t/h high-temperature hot water chain boilers, in which two sets of the boilers are put into operation while another set is served as a backup, and one set of SZL7-1.0-110/70 10t/h high temperature hot water chain boiler. Four boilers share a chimney with a height of 50m and an upper opening diameter of 1.7m. The dust collectors are all gas box pulse bag dust collectors (the designed dust removal efficiency is 98%) and the desulfurization process is single-alkali desulfurization.

**ENN Qinshui:** The thermal oil heater phase I was completed and put into operation in January 2008 while thermal oil heater phase II was completed and put into operation in June 2011 adopting two sets of YY(Q) W-1400(125)Y(Q) gas boilers in total. In June 2019, the low-nitrogen burner renovation was completed, effectively reducing the environmental air pollution caused by the flue gas pollutants from the boilers.

## Solid waste treatment measures

**Xinneng Mining:** The gangues selected by washing at the Coal Preparation Plant were used for the land restoration project on comprehensive utilization of coal gangue of Wangjiata Coal Mine of Xinneng Mining Industry Co., Ltd. in the northeast of the industrial plant. The project obtained the *Official Reply of Ordos Ecological Environment Bureau to the Environmental Impact Report on Comprehensive Utilization Project of Coal Gangue from Wangjiata Coal Mine of Xinneng Mining Industry Co., Ltd.* (E Huan Shen Zi [2020] No. 302) issued by Ordos Ecological Environment Bureau. Qualified companies were entrusted to dispose of the slag and ash produced from boilers with disposal agreements signed. The hazardous wastes, including waste mineral oil and waste oil drums produced from Xinneng Mining were entrusted to qualified companies for disposal with signed disposal agreements. The third-party qualified company Ordos Meidu Environmental Protection Co., Ltd. was entrusted for disposal of domestic wastes.

**ENN Qinshui:** Disposal agreements were signed with qualified companies for the disposal of hazardous wastes, including waste mineral oil, waste oil drums, waste MDEA solution and mercury-containing active carbon. The total quantity of waste MDEA solution disposed in 2022 reached 12.44 tons.

## Noise treatment measures

**Xinneng Mining:** It rationally planned its business strategies. To control industrial noise, Xinneng Mining selected low-noise equipment and took measures to reduce and insulate noise to ensure the noise at the boundaries of the plant meets the *Standard on Noise at the Boundaries of Industrial Plants*, which requires the noise at the boundaries of the plant lower than Class III standard as stated in the *Standard on Noise at the Boundaries of Industrial Plants* (GB 12348-2008) (Daytime 65dB(A), Night 55dB(A)) under operation. The construction of the sound insulation enclosure for the fans in the south and north wind wells was completed and put into use, greatly reducing the noise of the south and north wind wells at the boundaries of the industrial plaza.

**ENN Qinshui:** The main sources of noise from ENN Qinshui include original compressors, nitrogen compressors, refrigerant compressors, nitrogen generators, air compressors and various pumps. On the premise of meeting the technological requirements, in addition to selection of low-noise products, it equipped silencer cotton at the booster end of the expander and a muffler at the inlet and outlet of air compressor and placed louder equipment indoors for sound insulation and used sound insulation and sound-absorbing materials to make doors, windows, masonry, etc., so as to prevent noise from spreading and dissemination. ENN Qinshui transformed the circulating water-cooling tower and changed the original open cooling water tower to a closed cooling water tower, greatly reducing the impact of noise on the residents around the plant.



### (3) *Emergency plan for environmental contingencies*

**Xinneng Mining:** The *Emergency Plan for Environmental Contingencies* revised by Xineng Mining was approved for execution on 2 February 2021 and formally implemented on the same day; the plan has been filed with the Ejia Huoluo Qi Branch of Ordos Ecological Environment Bureau on 5 February 2021 for record. Xinneng Mining established an emergency system for environmental contingencies and equipped itself with relevant emergency materials and equipment. It organized a comprehensive emergency drill for environmental pollution accidents of waste oil on 24 August 2022 through which, the employees' awareness of response to environmental contingencies was raised and their ability to deal with environmental contingencies was improved.

**ENN Qinshui:** It approved and released the *Emergency Plan for Environmental Contingencies of Shanxi ENN Qinshui Clean Energy Co., Ltd.* on 13 May 2022, and implemented it on the same day; and the Plan was filed with the Qinshui Branch of the Ecological Environment Bureau of Jincheng City (No.: 140500-2022-008M) on 19 May 2022. ENN Qinshui organized a comprehensive emergency drill for the leakage of isopentane tank on 28 June 2022, and a comprehensive emergency drill for the leakage of outer pipelines on 28 December. Through the drills, the employees were more familiar with the emergency response procedures and methods and their ability to respond to environmental contingencies was improved.

### (4) *Environmental self-monitoring program*

**Xinneng Mining:** Pursuant to the requirements of the notice of *Ordos Environmental Protection Bureau on the Rectification Plan for Coal-fired Boilers with over 10t/h* in Ordos City, Xinneng Mining installed four sets (20 tons for three sets and 10 tons for one set) of coal-fired boilers for domestic heating in the plant with online monitoring system of the boiler flue gas, which is connected with the networks of the Banner and the city. The online monitoring

equipment was upgraded in August 2020 and passed the inspection and acceptance by the Ecological Environment Bureau of the Banner and city in November 2020. Xinneng Mining appointed the third party Ordos Environmental Protection Investment Co., Ltd. for the routine maintenance. In 2022, a third-party qualified company "Inner Mongolia Keyuan Environment Inspection Co., Ltd." was entrusted with routine monitoring of boiler fuel gas, and the test results were all qualified. The pollutants discharged were published on the "Pollution Source Monitoring Data Management and Information Sharing Platform of Inner Mongolia".

**ENN Qinshui:** Pursuant to the requirements of the *General Rules for the Self-monitoring Technical Guidelines for Polluters (Release Version)* (HJ819-2017) and the *Measures for the Self-monitoring and Information Disclosure by the Enterprises Subject to Intensive Monitoring and Control of the State (for Trial Implementation)* (Huan Fa [2013] No. 81) issued by the Ministry of Environmental Protection, ENN Qinshui organized self-monitoring and information disclosure of pollutants discharged, and formulated self-monitoring plans. The self-monitoring was conducted by entrusted qualified third parties, and the internal monitoring was carried out by such company's personnel of the laboratory using its own equipment at its own site.

### 3. *Reason for failure to disclose other environmental information*

☐ Applicable    ☒ N/A

### (III) *Information on those conducive to protection of ecology, pollution prevention and fulfillment of environmental responsibilities*

☒ Applicable    ☐ N/A

#### 1. *ENN Energy*

ENN Energy ensures that all companies in which it has a controlling interest conduct biodiversity assessment related to their business operations, implement initiatives to

promote ecosystem restoration, take a series of initiatives to reduce carbon emissions, protect natural resources and reduce harmful chemical substances, etc., and integrate energy conservation and environmental protection concepts and initiatives throughout their business chain. The main measures are as follows:

- (1) Conduct environmental impact assessment in preliminary period of large projects to comprehensively assess the species of flora and fauna around the project site and the possible impact of the project on land, water sources, natural resources and surrounding communities, adopt non-excavation methods for pipeline construction as far as possible to avoid damage to flora, fauna and land, and choose environmental-friendly PE pipes and snap-on plastic coated steel pipes as natural gas pipeline network materials to mitigate potential pollution of land that may be caused by traditional steel pipes and galvanized pipes.
- (2) Endeavour to recover volatile gas (BOG) in the process of storage and transmission and distribution of gas to reduce methane emissions, and minimize the emission and leakage of natural gas during the project and operation to minimize the impact on the surrounding ecological environment.
- (3) Promote the use of renewable energy, develop biomass energy technology, and carry out biomass cogeneration business.
- (4) Implement national and local government policies and requirements on environmental governance and increase investment in environmental protection facilities and environmental technology improvement projects to ensure that all pollutant emission indicators are controlled within the limits of national standards and lead the industry in governance.

## 2. *Xinneng Energy*

Xinneng Energy improves water reuse rate by strictly adhering to the principle of “separating clean water from sewage, separating rainwater from sewage, and using water for multiple purposes”. A/O biochemical process is used to treat the wastewater from production, which contains substance including methanol, ammonia nitrogen, sulfide, cyanide and suspended solid for production and reuse. The recycle technology solely developed by Yongxin Environmental Protection was adopted to treat the brine produced during the process, to achieve “zero discharge” of wastewater.

## 3. *Xinneng Mining*

Xinneng Mining was included in the Green Mine List of Inner Mongolia Autonomous Region in 2019. In 2022, it carried out environmental treatment, greening and land reclamation and restoration around the mine area in strict accordance with the *Green Mine Construction Plan*, and conducted comprehensive treatment and vegetation restoration in the sinkhole area to ensure timely ecological restoration of the sinkhole area.

## 4. *ENN Qinshui*

In order to reduce the impact of drainage on the environment, ENN Qinshui took the initiative to contact the local government and discharged domestic sewage into the sewage network, realizing “zero external discharge” of wastewater and strengthening the ecological environment protection of the Qinhe River.

#### (IV) Measures taken to reduce its carbon emissions during the Reporting Period and their effectiveness

Whether carbon reduction measures are taken	Yes
Reduced emission of carbon dioxide equivalent (unit: t)	
Type of carbon reduction measures (such as use of clean energy for power generation, use of carbon reduction technology during production, R&D and production of new products which help reduce carbon, etc.)	R&D and production of new products which help reduce carbon Use of carbon reduction technology during production Use of clean energy for power generation

Specific information

☒ Applicable   ☐ N/A

With focus on the strategic requirements for the aggregation of energy demand, supply, transmission and storage, and in combination with the low-carbon development of energy structure, the Company actively explores development in the fields of hydrogen energy, biomass energy and energy storage, actively promotes the research on methanol fuel, biomass gas production, green ammonia and green ethanol, scale import of ammonia energy utilization, and feasibility of substitution of imported ethane.

As for hydrogen energy, the Company lays out the entire industrial chain of production, transportation, storage and use. In the upstream link of hydrogen production, the Company starts from project construction, actively develops various hydrogen production projects such as hydrogen production with natural gas, hydrogen production with coke-oven gas, and hydrogen production with electrolysis of water, and accelerates the cultivation of its own core technology for hydrogen production with electrolysis of water. In the midstream link of transportation and storage, the Company takes advantage of its pipeline network resources, actively follows up and participates in the scientific research and demonstration projects in the field of pipelines for hydrogen-enriched compressed natural gas (HCNG), strives to develop leading technical capabilities in HCNG, and seizes the opportunity to expand business channels in connection with hydrogen mixing in pipelines. In the downstream link of application, the Company makes full use of its market advantage and expertise in integrated energy business, excavates customers' hydrogen utilization scenarios and by-product hydrogen resources, and provides customers with comprehensive energy utilization solutions for hydrogen and natural gas. At present, the preliminary study on the demonstration projects for application of HCNG is being carried out. Meanwhile, it actively cooperates with leading investment institutions, enterprises and research institutes in various sectors of the industry to carry out ecological technology cooperation.

During the Reporting Period, the Company actively explores the feasibility of photovoltaic power generation, and applies for photovoltaic construction indicators in light of local policies, and proposes to formulate photovoltaic power generation schemes by maximizing the use of photovoltaic power generation areas such as rooftop PV in the plant, shed PV and available grounds. By the end of 2022, Zhoushan Terminal has carried out the construction of its rooftop and carport PV projects. In the meantime, Zhoushan Terminal has conducted feasibility studies on cold energy power generation and cold energy air separation by using technological cold energy to further reduce energy consumption. It is expected that the cold energy power generation will be put into use in 2023 and can significantly reduce the Company's consumption of purchased power. ENN Qinshui has invested in, constructed and operated 120KW rooftop PV project; Xinneng Mining has applied for 4MW PV grid-connected project with complete self-generation and self-use, and the relevant index has been approved by the Autonomous Region where it is located; the Company and its subsidiaries have respectively set the targets for the proportion of renewable energy use in 2023 and will actively promote the use of renewable energy.

Note: The Company will subsequently disclose the 2022 Environmental, Social and Governance Report (ESG Report), disclosing the carbon reduction by the Company and its customers supported by the Company during the Reporting Period.

## II. Performance of Social responsibilities

### (I) Whether the social responsibility report, sustainable development report or ESG report is separately disclosed

☒ Applicable ☐ N/A

During the Reporting Period, the Company disclosed the *2021 Environmental, Social and Governance Report of ENN Natural Gas Co., Ltd.* and the *Report on Green Actions of ENN Natural Gas Co., Ltd.* at the website of Shanghai Stock Exchange (<http://www.sse.com.cn/>) on 7 April 2022. Meanwhile, the Company will prepare the *2022 Environmental, Social and Governance Report* (ESG Report) based on the true reflection of the performance of economic, social and environmental responsibilities during the Reporting Period, realization of sustainable development, and the responses to the important issues of stakeholders, and conduct follow-up disclosure.

### (II) Performance of social responsibilities

☒ Applicable ☐ N/A

External donation and public welfare programs	Qty/content	Information
Total input (RMB10,000)	2,190	
Including: Fund (RMB10,000)	2,186	
Amount of materials (RMB10,000)	4	Amount of materials including epidemic prevention supplies and edible oil
Number of beneficiaries (person)		

Specific information

☒ Applicable ☐ N/A



During the Reporting Period, the Company continued to fulfill its social responsibility, linked its own development with the State's carbon peaking and carbon neutrality goals, organized a special team for green action plan to lead the formulation of the Company's carbon emission reduction and carbon neutrality targets, developed and released the ENN Green Action Plan and undertook to achieve peak carbon by 2030 and carbon neutrality by 2050. On the basis of its own carbon neutrality target and customers' needs for carbon emission reduction, the Company set its target for emission reduction in a top-down manner, tapped the potential of emission reduction and firmly promoted the green action plan.

Since its foundation, the Company has always adhered to the management philosophy of safe development, actively implemented its main responsibility for work safety, and constantly improved its safety system construction. Meanwhile, it establishes a digital and intelligent safety enabling platform to achieve multi-dimensional safety management. By connecting monitoring data with local governments, the platform exercises accurate and real-time regulation of work safety to improve the safety management and regulation of the Company, and effectively reduce the occurrence rate of accidents caused by hidden dangers and violations.

With respect to the protection of employees' rights and interests, the Company upholds the people-oriented concept of employee development to safeguarded the legitimate rights and interests of its employees, avoids any discrimination in the employment, promotion, training and dismissal of employees, and insists on equal pay for equal work and legal and equal employment. Also, the Company spares no efforts to secure the employment interest of disabled people, actively promotes their employment and provides guarantee for their living. The Company actively organizes the employees to develop "love and mutual aid" activity, helping the families in need to get rid of their living difficulty and building a corporate atmosphere of mutual aid, friendship, unity and harmony. In 2022, 139 employees

eligible for mutual aid received the mutual aid fund of RMB591,874.49, and the hardship of these employees was alleviated in a timely manner.

The Company unceasingly strengthens the protection of customer privacy, improves the customer service level, and insists on delivering safe and quality products and comfortable and satisfactory services by pursuing excellence. The Company sets management authority over customer information and formulates a code of conduct for the collection and use of customer information. The Company actively enters into privacy and confidentiality agreements with its customers to fully protect the privacy and information safety of customers.

The Company resolutely implements the anti-corruption principles, creates a cultural atmosphere that punishes corruption, deters corruption and avoids desire to be corrupt, requires all staff to uphold conscience, and safeguard the Company's bottom line of compliance value. Personnel at all levels of the Company strictly observe relevant laws and regulations as well as various internal system guidelines and regulate various business practices.

Even the smallest deeds can have rippling implications for the wider ecosystem. The Company upholds its mission to focus on energy conservation and environmental protection, support educational undertakings and promote social harmony, public welfare and charity, actively participates in public welfare activities such as donations to schools, COVID-19 prevention and control, earthquake relief and infrastructure construction. During the Reporting Period, the Company and its subsidiaries spent about RMB14.13 million on education-related public welfare activities, RMB3.53 million on COVID-19 prevention and disaster relief, RMB2.97 million on culture-related public welfare activities, RMB1.07 million on public welfare activities involving social assistance such as providing aid to people and employees in straitened circumstances and disabled children, and RMB200,000 on other public welfare activities such as improvement of community environment.

### III. Consolidation and Expansion of the Results in Poverty Alleviation and Rural Revitalization

√ Applicable    ☐ N/A

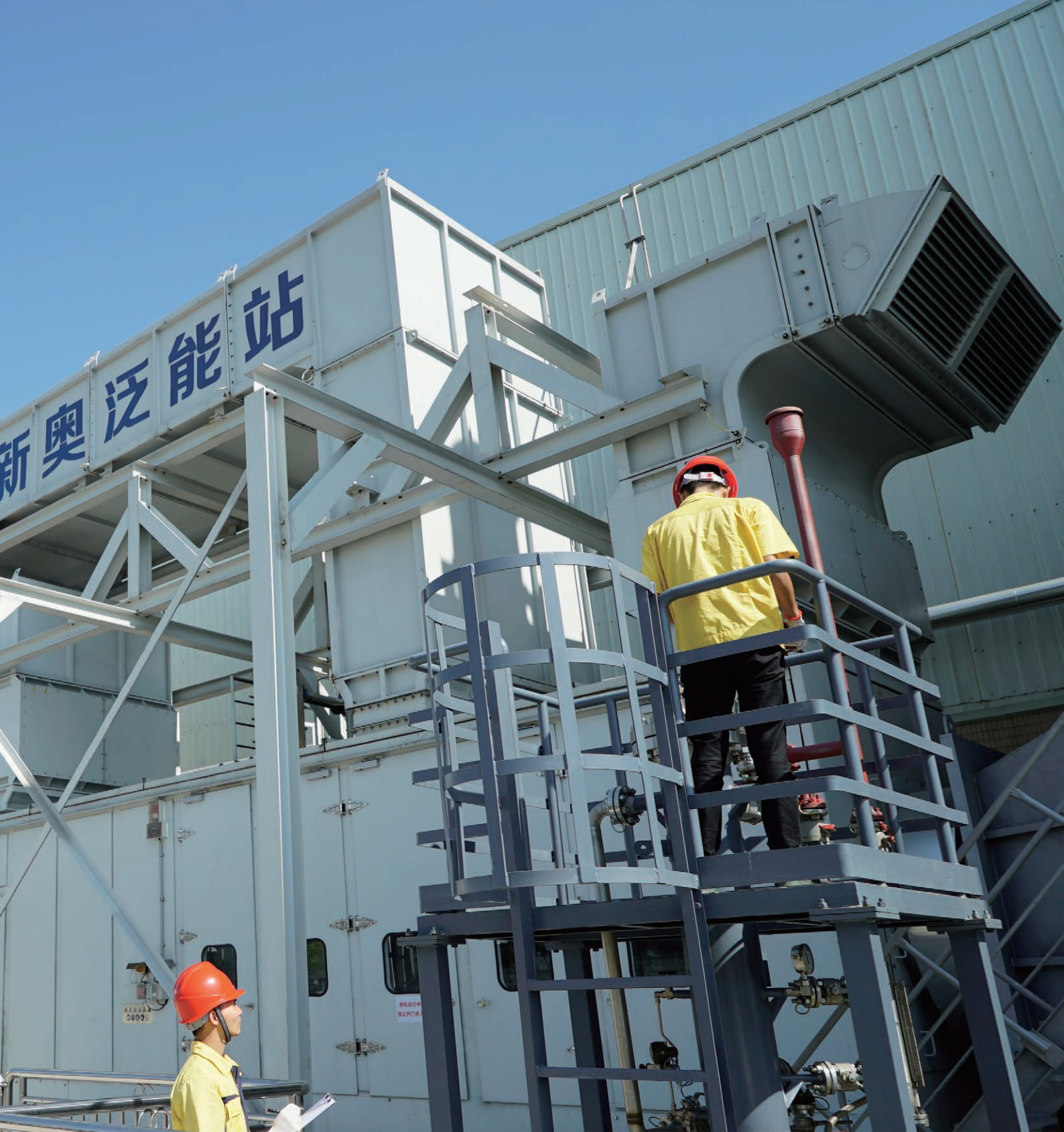
Poverty alleviation and rural revitalization projects	Qty/content	Information
Total input (RMB10,000)	252	
Including: Fund (RMB10,000)	252	
Amount of materials (RMB10,000)		
Number of beneficiaries (person)		
Forms of assistance (such as poverty alleviation by developing industries, employment and education)	Poverty alleviation by developing industries and education, and relief to the vulnerable groups	

Specific information

√ Applicable    ☐ N/A

Adhering to the philosophy for public benefit of sharing development achievements with the society, the Company actively responds to the nation's call, and participates in the consolidation and expansion of the achievements in poverty alleviation and rural revitalization. During the Reporting Period, the Company spent a total of RMB2.52 million in support of poverty alleviation and rural revitalization by taking such measures as building distinctive villages and towns, helping vulnerable groups in rural areas, improving the communication conditions in poor villages, constructing infrastructures, making registration and creating files for the poor students sponsored, and improving drinking water conditions in schools.





# 06

## Major Events



## I. Performance of Commitments

### (I) Commitments of the actual controller, shareholders, related parties, purchasers and other commitment-related parties of the Company during or up to the Reporting Period

√ Applicable    □ N/A

Commitment background	Commitment type	Commitment provider	Commitment content	Time and term of commitment	Time limit for performance	Timely and strict performance	Reasons for failure to perform commitments (if applicable) on a timely basis	Next action plan for failure to perform commitments (if applicable) on a timely basis
Commitment related to major asset restructuring	Restrictions on sale of shares	ENN Holdings	The shares of the Listed Company held by us will not be transferred within 18 months upon completion of this restructuring before the completion of this restructuring in which the shares of ENN Energy are purchased by means of asset swap, issue of share and cash payment.	12 December 2019 Term: 18 months upon completion of the restructuring (18 September 2020)	Yes	Yes		
	Restrictions on sale of shares	Wang Yusuo	The shares of the Listed Company held by me will not be transferred within 18 months after completion of this restructuring before the completion of this restructuring in respect of purchase of ENN Energy shares by means of asset swap, issue of share and cash payment.	12 December 2019 Term: 18 months upon completion of the restructuring (18 September 2020)	Yes	Yes		
	Restrictions on sale of shares	ENN International	1. The shares of the Listed Company acquired by subscription for some shares of the Target Company held by us in connection with this restructuring in which the shares of ENN Energy are purchased by means of asset swap, issue of shares and cash payment, prior to the expiration of 36 months from the completion date of issue or the completion of the compensation obligations as set forth in the <i>Asset Purchase Agreement by Asset Swap, Issue of Shares and Cash Payment</i> and the supplementary agreement thereto executed based on this restructuring, whichever is later, will not be transferred by us in any way, including but not limited to public transfer on securities market or transfer by way of agreement, except for repurchase or gratuitous grant made by the Listed Company due to impairment compensation in the event that we are obliged to provide compensation for impairment.  2. Within 6 months upon the completion of this reconstructing in which the shares of ENN Energy are purchased by means of asset swap, issue of shares and cash payment, if the closing price of the stocks of the Listed Company is lower than the issue price for 20 consecutive trading days, or the closing price of the stocks of the Listed Company at the end of the six-month period upon the completion of this reconstructing is lower than the issue price, the lock-up period of the shares of the Listed Company held by us will be extended for six months automatically.	12 December 2019 Term: 36 months after issue of shares (18 September 2020)	Yes	Yes		
	Others	Wang Yusuo	For this restructuring in which the shares of ENN Energy are purchased by means of asset swap, issue of shares and cash payment, there are no arrangements, commitments, agreements or other matters related to the change of control over the Listed Company. I will, subject to the laws, regulations and normative documents, maintain my status as the actual controller of the Listed Company within 60 months from the date of issuance of the commitment letter until completion of this transaction. If I violate any of the aforesaid commitments and thus cause losses to the Listed Company or investors, I will bear the liability for compensation according to law.	12 December 2019 Term: 60 months upon completion of the restructuring (18 September 2020)	Yes	Yes		

Commitment background	Commitment type	Commitment provider	Commitment content	Time and term of commitment	Time limit for performance	Timely and strict performance	Reasons for failure to perform commitments (if applicable) on a timely basis	Next action plan for failure to perform commitments (if applicable) on a timely basis
	Solving the defects on ownership of land, etc.	ENN International	<ol style="list-style-type: none"> <li>1. ENN Energy and its holding subsidiaries failed to obtain ownership certificates for some premises and buildings, and we will urge and assist ENN Energy and its subsidiaries to obtain relevant ownership certificates for these premises and buildings. In case of failure to obtain such certificates, the competent authorities may at any time require ENN Energy and/or its subsidiaries to complete relevant formalities or make relevant supplementary payment for the premises and buildings, impose penalties on ENN Energy and/or its subsidiaries, claim against ENN Energy and/or its subsidiaries or require ENN Energy and/or its subsidiaries to demolish the relevant premises and buildings, and we will be liable for all costs and expenses resulting from such supplementary payment, penalties or claim as well as the demolition of the premises and buildings in full, and bear any losses caused thereby.</li> <li>2. ENN Energy and its holding subsidiaries had defects in land use, and we undertake to urge and assist ENN Energy and its subsidiaries in completing the formalities for land use; if the land allocated to ENN Energy and its holding subsidiaries is recovered or is required to be converted to transferred land due to future policy adjustments, we undertake to actively cooperate with ENN Energy and its holding subsidiaries in completing the formalities for allocated land converted to transferred land or adopt other practical measures. Where the above formalities or measures cannot be completed, and the competent authorities may at any time require ENN Energy and/or its subsidiaries to complete relevant formalities or make relevant supplementary payment for land use, impose penalties on ENN Energy and/or its subsidiaries, claim against ENN Energy and/or its subsidiaries or require recovery of the land allocated to ENN Energy and/or its subsidiaries, we will be liable for all costs and expenses resulting from such supplementary payment, penalties or claim as well as the recovery of relevant land in full, and bear any losses caused thereby (exclusive of the land transfer fee or rent, land requisition fee, title registration fee, taxes and other relevant fees payable by ENN Energy and its holding subsidiaries in accordance with laws and regulations).</li> </ol>	12 December 2019 Term: indefinite	No	Yes		

Commitment background	Commitment type	Commitment provider	Commitment content	Time and term of commitment	Time limit for performance	Timely and strict performance	Reasons for failure to perform commitments (if applicable) on a timely basis	Next action plan for failure to perform commitments (if applicable) on a timely basis
			<p>3. If non-compliance in the lease the land/premises significantly affect the use of such land/buildings by ENN Energy and its holding subsidiaries for their normal business operations, we undertake to actively take effective measures (including, without limitation, arranging the land/premises with the same or similar conditions for the use by the relevant companies for operation) to procure the continuous and normal operation of the business of relevant companies, so as to mitigate or eliminate the adverse effects; if non-compliance in the lease the land/premises causes ENN Energy and its holding subsidiaries to incur actual additional expenses or losses (such as third-party claim), we undertake to compensate ENN Energy and its holding subsidiaries, thus mitigating or eliminating adverse effects.</p> <p>4. ENN Energy and its holding subsidiaries had defects in business qualification, franchise license and official reply on construction projects, and we undertake to urge and assist ENN Energy and its subsidiaries in obtaining relevant qualification licenses and completing relevant formalities. In case of failure to do so, the competent authorities may at any time require ENN Energy and/or its subsidiaries to complete relevant formalities for qualification or make relevant supplementary payment, impose penalties on ENN Energy and/or its subsidiaries, claim against ENN Energy and/or its subsidiaries or require ENN Energy and/or its subsidiaries to suspend production and business, and we will be liable for all costs and expenses resulting from such supplementary payment, penalties or claim as well as the suspension of production and business in full, and bear any losses caused thereby.</p> <p>5. The subsidiaries of ENN Energy was subject to several administrative penalties during the Reporting Period, and we undertake that if the matters involved in such administrative penalties affect the production and operations of ENN Energy and its subsidiaries at any time, we will bear any losses arising therefrom.</p>					

Commitment background	Commitment type	Commitment provider	Commitment content	Time and term of commitment	Time limit for performance	Timely and strict performance	Reasons for failure to perform commitments (if applicable) on a timely basis	Next action plan for failure to perform commitments (if applicable) on a timely basis
	Solving the defects on ownership of land, etc.	Essential Investment	<ol style="list-style-type: none"> <li>1. ENN Energy and its holding subsidiaries failed to obtain ownership certificates for some premises and buildings, and we will urge and assist ENN Energy and its subsidiaries to obtain relevant ownership certificates for these premises and buildings. In case of failure to obtain such certificates, the competent authorities may at any time require ENN Energy and/or its subsidiaries to complete relevant formalities or make relevant supplementary payment for the premises and buildings, impose penalties on ENN Energy and/or its subsidiaries, claim against ENN Energy and/or its subsidiaries or require ENN Energy and/or its subsidiaries to demolish the relevant premises and buildings, and we will be liable for all costs and expenses resulting from such supplementary payment, penalties or claim as well as the demolition of the premises and buildings in full, and bear any losses caused thereby.</li> <li>2. ENN Energy and its holding subsidiaries had defects in land use, and we undertake to urge and assist ENN Energy and its subsidiaries in completing the formalities for land use; if the land allocated to ENN Energy and its holding subsidiaries is recovered or is required to be converted to transferred land due to future policy adjustments, we undertake to actively cooperate with ENN Energy and its holding subsidiaries in completing the formalities for allocated land converted to transferred land or adopt other practical measures. Where the above formalities or measures cannot be completed, and the competent authorities may at any time require ENN Energy and/or its subsidiaries to complete relevant formalities or make relevant supplementary payment for land use, impose penalties on ENN Energy and/or its subsidiaries, claim against ENN Energy and/or its subsidiaries or require recovery of the land allocated to ENN Energy and/or its subsidiaries, we will be liable for all costs and expenses resulting from such supplementary payment, penalties or claim as well as the recovery of relevant land in full, and bear any losses caused thereby (exclusive of the land transfer fee or rent, land requisition fee, title registration fee, taxes and other relevant fees payable by ENN Energy and its holding subsidiaries in accordance with laws and regulations).</li> <li>3. If non-compliance in the lease the land/premises significantly affect the use of such land/buildings by ENN Energy and its holding subsidiaries for their normal business operations, we undertake to actively take effective measures (including, without limitation, arranging the land/premises with the same or similar conditions for the use by the relevant companies for operation) to procure the continuous and normal operation of the business of relevant companies, so as to mitigate or eliminate the adverse effects; if non-compliance in the lease the land/premises causes ENN Energy and its holding subsidiaries to incur actual additional expenses or losses (such as third-party claim), we undertake to compensate ENN Energy and its holding subsidiaries, thus mitigating or eliminating adverse effects.</li> </ol>	12 December 2019 Term: indefinite	No	Yes		

Commitment background	Commitment type	Commitment provider	Commitment content	Time and term of commitment	Time limit for performance	Timely and strict performance	Reasons for failure to perform commitments (if applicable) on a timely basis	Next action plan for failure to perform commitments (if applicable) on a timely basis
			<p>4. ENN Energy and its holding subsidiaries had defects in business qualification, franchise license and official reply on construction projects, and we undertake to urge and assist ENN Energy and its subsidiaries in obtaining relevant qualification licenses and completing relevant formalities. In case of failure to do so, the competent authorities may at any time require ENN Energy and/or its subsidiaries to complete relevant formalities for qualification or make relevant supplementary payment, impose penalties on ENN Energy and/or its subsidiaries, claim against ENN Energy and/or its subsidiaries or require ENN Energy and/or its subsidiaries to suspend production and business, and we will be liable for all costs and expenses resulting from such supplementary payment, penalties or claim as well as the suspension of production and business in full, and bear any losses caused thereby.</p> <p>5. The subsidiaries of ENN Energy was subject to several administrative penalties during the Reporting Period, and we undertake that if the matters involved in such administrative penalties affect the production and operations of ENN Energy and its subsidiaries at any time, we will bear any losses arising therefrom.</p>					
	Solving the defects on ownership of land, etc.	ENN Holdings	We confirm the status quo of Xinneng Mining's housing ownership will not affect the normal production and operation of Xinneng Mining, and will bear legal responsibility for the losses caused by the failure to obtain the relevant certificate.	21 January 2013 Term: until the completion of Xinneng Mining's relevant housing ownership certificate	Yes	Yes		
	Others	ENN-NG	<p>1. The information and materials provided by the Company for the restructuring in which 90% shares of ENN Zhoushan are purchased by issue of shares and cash payment are true, accurate and complete, and do not contain any false records, misleading statements or material omissions;</p> <p>2. The information provided by the Company to the intermediaries participating in this restructuring are true, accurate and complete original written information or copies, and the copies or photocopies of information are consistent with the original information or originals; the signatures and seals on all documents are true, and there are no false records, misleading statements or material omissions;</p> <p>3. The instructions, statements and commitments given by the Company for the reconstructing in which 90% shares of ENN Zhoushan are purchased by issue of shares and cash payment are true, accurate and complete, and do not contain any false records, misleading statements or material omissions. The Company agrees to be legally liable for the authenticity, accuracy and completeness of the information provided by the Company.</p>	26 October 2021 Term: indefinite	No	Yes		

Commitment background	Commitment type	Commitment provider	Commitment content	Time and term of commitment	Time limit for performance	Timely and strict performance	Reasons for failure to perform commitments (if applicable) on a timely basis	Next action plan for failure to perform commitments (if applicable) on a timely basis
	Others	All directors, supervisors and senior managers of the Company	<ol style="list-style-type: none"> <li>1. The information provided by me to the intermediaries participating in this restructuring in which 90% shares of ENN Zhoushan are purchased by issue of shares and cash payment are true, accurate and complete original written information or copies, and the copies or photocopies of information are consistent with the original information or originals; the signatures and seals on all documents are true, and there are no false records, misleading statements or material omissions, and I will be legally liable for the authenticity, accuracy and completeness of the information provided; if the information provided by me contains false records, misleading statements or material omissions and thus causes losses to ENN-NG or investors, I will bear joint and several legal liabilities according to law.</li> <li>2. I guarantee that the instructions, statements and commitments given by the Company for the reconstructing in which 90% shares of ENN Zhoushan are purchased by issue of shares and cash payment are true, accurate and complete, and do not contain any false records, misleading statements or material omissions, and I will bear joint and several legal liabilities for any false records, misleading statements or material omissions.</li> <li>3. I guarantee that the information disclosure and application documents for this reconstructing do not contain any false records, misleading statements or material omissions; if the information disclosure and application documents for this reconstructing contain false records, misleading statements or material omissions and thus causes losses to ENN-NG or investors, I will bear joint and several legal liabilities according to law.</li> <li>4. If this restructuring is registered and investigated by a judicial authority or China Securities Regulatory Commission due to suspected false records, misleading statements, or material omissions contained in the information provided or disclosed in connection with this restructuring, before clear and definite case investigation conclusion is made, I will suspend the transfer of the shares I have interest in ENN-NG, if any, and submit a written application for transfer suspension and stock account to ENN-NG Board of Directors within two trading days upon receipt of the notice on case filing and investigation, and ENN-NG Board of Directors will, on my behalf, apply for lock-up to the stock exchange and China Securities Depository and Clearing Corporation Limited; in case of failure to submit a lock-up application within two trading days, I authorize the ENN-NG Board of Directors to directly submit my identity information and account information to the stock exchange and China Securities Depository and Clearing Corporation Limited and apply for lock-up after verification; if ENN-NG Board of Directors fails to submit my identity information and account information to the stock exchange and China Securities Depository and Clearing Corporation Limited, I authorize the stock exchange and China Securities Depository and Clearing Corporation Limited to directly lock up relevant shares. If the investigation concludes that there is a breach of laws and regulations, I undertake that the locked shares will be used voluntarily for the compensation arrangements of the investors concerned.</li> <li>5. I guarantee that if I violate the above commitments, I am willing to bear the corresponding legal liabilities.</li> </ol>	26 October 2021 Term: indefinite	No	Yes		

Commitment background	Commitment type	Commitment provider	Commitment content	Time and term of commitment	Time limit for performance	Timely and strict performance	Reasons for failure to perform commitments (if applicable) on a timely basis	Next action plan for failure to perform commitments (if applicable) on a timely basis
	Others	ENN Science and Technology, ENN Group and ENN Holdings	According to the requirements of the <i>Company Law of the People's Republic of China</i> , the <i>Securities Law of the People's Republic of China</i> , the <i>Measures for the Administration of Material Asset Restructurings of Listed Companies</i> , the <i>Provisions on Several Issues concerning Regulating the Material Asset Restructurings of Listed Companies</i> , the <i>Rules Governing the Listing of Stocks on Shanghai Stock Exchange</i> and other laws, regulations and normative documents, we will provide the Listed Company with the information related to this reconstructing in which 90% shares of ENN Zhoushan are purchased by issue of shares and cash payment on a timely basis, guarantee that the information provided is true, accurate and complete, and bear joint and several legal liabilities for the authenticity, accuracy and completeness of the information provided. If the information provided contains false records, misleading statements or material omissions and thus causes losses to the Listed Company or investors, we will bear compensation liability according to law. If this restructuring is registered and investigated by a judicial authority or China Securities Regulatory Commission due to suspected false records, misleading statements, or material omissions contained in the information provided or disclosed in connection with this restructuring, before clear and definite case investigation conclusion is made, we will suspend the transfer of the shares we have interest in the Listed Company, if any.	26 October 2021 Term: indefinite	No	Yes		



Commitment background	Commitment type	Commitment provider	Commitment content	Time and term of commitment	Time limit for performance	Timely and strict performance	Reasons for failure to perform commitments (if applicable) on a timely basis	Next action plan for failure to perform commitments (if applicable) on a timely basis
	Others	ENN International	<p>According to the requirements of the <i>Company Law of the People's Republic of China</i>, the <i>Securities Law of the People's Republic of China</i>, the <i>Measures for the Administration of Material Asset Restructurings of Listed Companies</i>, the <i>Provisions on Several Issues concerning Regulating the Material Asset Restructurings of Listed Companies</i>, the <i>Rules Governing the Listing of Stocks on Shanghai Stock Exchange</i> and other laws, regulations and normative documents, we and persons acting in concert will provide the Listed Company with the information related to this reconstructing in which 90% shares of ENN Zhoushan are purchased by issue of shares and cash payment on a timely basis, guarantee that the information provided is true, accurate and complete, and bear joint and several legal liabilities for the authenticity, accuracy and completeness of the information provided. If the information provided contains false records, misleading statements or material omissions and thus causes losses to the Listed Company or investors, we and persons acting in concert will bear compensation liability according to law.</p> <p>If this restructuring is registered and investigated by a judicial authority or China Securities Regulatory Commission due to suspected false records, misleading statements, or material omissions contained in the information provided or disclosed in connection with this restructuring, before clear and definite case investigation conclusion is made, we will suspend the transfer of the shares we have interest in the Listed Company, and submit a written application for transfer suspension and stock account to the Board of Directors of the Listed Company within two trading days upon receipt of the notice on case filing and investigation, and the Board of Directors will, on the behalf of ENN International and persons acting in concert, apply for lock-up to the stock exchange and CSDC; in case of failure to submit a lock-up application within two trading days, we authorize the Board of Directors to directly submit the identity information and account information of ENN International and persons acting in concert to the stock exchange and CSDC and apply for lock-up after verification; if the Board of Directors fails to submit the identity information and account information of ENN International and persons acting in concert to the stock exchange and CSDC, we authorize the stock exchange and CSDC to directly lock up relevant shares. If the investigation concludes that there is a breach of laws and regulations, we and persons acting in concert undertake that the locked shares will be used voluntarily for the compensation arrangements of the investors concerned.</p>	26 October 2021 Term: indefinite	No	Yes		

Commitment background	Commitment type	Commitment provider	Commitment content	Time and term of commitment	Time limit for performance	Timely and strict performance	Reasons for failure to perform commitments (if applicable) on a timely basis	Next action plan for failure to perform commitments (if applicable) on a timely basis
	Others	Wang Yusuo	<p>According to the requirements of the <i>Company Law of the People's Republic of China</i>, the <i>Securities Law of the People's Republic of China</i>, the <i>Measures for the Administration of Material Asset Restructurings of Listed Companies</i>, the <i>Provisions on Several Issues concerning Regulating the Material Asset Restructurings of Listed Companies</i>, the <i>Rules Governing the Listing of Stocks on Shanghai Stock Exchange</i> and other laws, regulations and normative documents, I will provide the Listed Company with the information related to this reconstructing in which 90% shares of ENN Zhoushan are purchased by issue of shares and cash payment on a timely basis, guarantee that the information provided is true, accurate and complete, and bear joint and several legal liabilities for the authenticity, accuracy and completeness of the information provided. If the information provided contains false records, misleading statements or material omissions and thus causes losses to the Listed Company or investors, I will bear compensation liability according to law.</p> <p>If this restructuring is registered and investigated by a judicial authority or China Securities Regulatory Commission due to suspected false records, misleading statements, or material omissions contained in the information provided or disclosed in connection with this restructuring, before clear and definite case investigation conclusion is made, I will suspend the transfer of the shares we have interest in the Listed Company, and submit a written application for transfer suspension and stock account to the Board of Directors of the Listed Company within two trading days upon receipt of the notice on case filing and investigation, and the Board of Directors will, on my behalf, apply for lock-up to the stock exchange and CSDC; in case of failure to submit a lock-up application within two trading days, I authorize the Board of Directors to directly submit my identity information and account information to the stock exchange and CSDC and apply for lock-up after verification; if the Board of Directors fails to submit my identity information and account information to the stock exchange and CSDC, I authorize the stock exchange and CSDC to directly lock up relevant shares. If the investigation concludes that there is a breach of laws and regulations, I undertake that the locked shares will be used voluntarily for the compensation arrangements of the investors concerned.</p>	26 October 2021 Term: indefinite	No	Yes		

Commitment background	Commitment type	Commitment provider	Commitment content	Time and term of commitment	Time limit for performance	Timely and strict performance	Reasons for failure to perform commitments (if applicable) on a timely basis	Next action plan for failure to perform commitments (if applicable) on a timely basis
	Others	ENN Zhoushan	<ol style="list-style-type: none"> <li>1. The information and materials provided by us for the restructuring in which 90% shares of ENN Zhoushan are purchased by issue of shares and cash payment are true, accurate and complete, and do not contain any false records, misleading statements or material omissions;</li> <li>2. The information provided by us to the intermediaries participating in this restructuring are true, accurate and complete original written information or copies, and the copies or photocopies of information are consistent with the original information or originals; the signatures and seals on all documents are true, and there are no false records, misleading statements or material omissions;</li> <li>3. The instructions, statements and commitments given by us for the reconstructing are true, accurate and complete, and do not contain any false records, misleading statements or material omissions. The Company agrees to be legally liable for the authenticity, accuracy and completeness of the information provided by us.</li> </ol>	26 October 2021 Term: indefinite	No	Yes		
	Solving horizontal competition	ENN International	<ol style="list-style-type: none"> <li>1. We and persons acting in concert and other enterprises wholly owned or controlled by us and the persons acting in concert do not actually engage in any business and activities the same as or similar to the main business of the Listed Company or its holding subsidiaries (including the Target Company).</li> <li>2. We and persons acting in concert will take effective measures in strict accordance with relevant laws, regulations and normative documents to avoid substantial horizontal competition with the Listed Company and its holding subsidiaries, and undertake to procure other enterprises wholly owned or controlled by us and the persons acting in concert to take effective measures to avoid substantial horizontal competition with the Listed Company and its holding subsidiaries.</li> <li>3. If we and persons acting in concert and other enterprises wholly owned or controlled by us and the persons acting in concert obtain the business opportunities that constitute or may constitute substantial horizontal competition with the Listed Company and its holding subsidiaries, we and persons acting in concert will use our best efforts to offer such business opportunities to the Listed Company or its holding subsidiaries. If the Listed Company or its holding subsidiaries fail to obtain such business opportunities, we and persons acting in concert undertake to resolve in a manner permitted by laws, regulations and China Securities Regulatory Commission.</li> </ol>	26 October 2021 Term: indefinite	No	Yes		

Commitment background	Commitment type	Commitment provider	Commitment content	Time and term of commitment	Time limit for performance	Timely and strict performance	Reasons for failure to perform commitments (if applicable) on a timely basis	Next action plan for failure to perform commitments (if applicable) on a timely basis
	Solving horizontal competition	Wang Yusuo	<ol style="list-style-type: none"> <li>1. Other enterprises wholly owned or controlled by me and I do not actually engage in any business and activities the same as or similar to the main business of the Listed Company or its holding subsidiaries (including the Target Company).</li> <li>2. I will take effective measures in strict accordance with relevant laws, regulations and normative documents to avoid substantial horizontal competition with the Listed Company and its holding subsidiaries, and undertake to procure other enterprises wholly owned or controlled by me to take effective measures to avoid substantial horizontal competition with the Listed Company and its holding subsidiaries.</li> <li>3. If Other enterprises wholly owned or controlled by me and I obtain the business opportunities that constitute or may constitute substantial horizontal competition with the Listed Company and its holding subsidiaries, I will use my best efforts to offer such business opportunities to the Listed Company or its holding subsidiaries. If the Listed Company or its holding subsidiaries fail to obtain such business opportunities, I undertake to resolve in a manner permitted by laws, regulations and China Securities Regulatory Commission.</li> </ol>	26 October 2021 Term: indefinite	No	Yes		
	Solving horizontal competition	ENN Science and Technology, ENN Group and ENN Holdings	<ol style="list-style-type: none"> <li>1. We and other enterprises wholly owned or controlled by us do not actually engage in any business and activities the same as or similar to the main business of the Listed Company or its holding subsidiaries (including the Target Company).</li> <li>2. We will take effective measures in strict accordance with relevant laws, regulations and normative documents to avoid substantial horizontal competition with the Listed Company and its holding subsidiaries, and undertake to procure other enterprises wholly owned or controlled by us to take effective measures to avoid substantial horizontal competition with the Listed Company and its holding subsidiaries.</li> <li>3. If We and other enterprises wholly owned or controlled by us obtain the business opportunities that constitute or may constitute substantial horizontal competition with the Listed Company and its holding subsidiaries, we will use our best efforts to offer such business opportunities to the Listed Company or its holding subsidiaries. If the Listed Company or its holding subsidiaries fail to obtain such business opportunities, we undertake to resolve in a manner permitted by laws, regulations and China Securities Regulatory Commission.</li> </ol>	26 October 2021 Term: indefinite	No	Yes		

Commitment background	Commitment type	Commitment provider	Commitment content	Time and term of commitment	Time limit for performance	Timely and strict performance	Reasons for failure to perform commitments (if applicable) on a timely basis	Next action plan for failure to perform commitments (if applicable) on a timely basis
	Solving related-party transaction	ENN International	<ol style="list-style-type: none"> <li>1. Upon the completion of this reconstructing in which 90% shares of ENN Zhoushan are purchased by issue of shares and cash payment, we and persons acting in concert and other enterprises controlled by us and the persons acting in concert excluding the Listed Company will avoid additional unnecessary related-party transactions with the Listed Company. When a related-party transaction that is indeed necessary and cannot be avoided is carried out, we guarantee that the operation will be conducted fairly following the principle of market orientation at a fair price, the transaction approval procedures and information disclosure obligations are fulfilled according to the provisions of relevant laws, regulations, rules and other normative documents, and that the legitimate rights and interests of the Listed Company and other shareholders will not be damaged through the related-party transaction.</li> <li>2. We and persons acting in concert undertake not to take advantage of our status as the shareholders of the Listed Company to damage the legitimate rights and interests of the Listed Company and other shareholders. Upon completion of this reconstructing, we and persons acting in concert will continue to exercise shareholder's rights in strict accordance with the provisions of relevant laws, regulations, normative documents and the Articles of Association of the Listed Company; we will fulfill the obligation to abstain from voting at the general meeting of the Listed Company on the related-party transactions involving us and the persons acting in concert.</li> <li>3. If the breach of this commitment by us and persons acting in concert causes the Listed Company and its holding subsidiaries to suffer any losses upon completion of this reconstructing, we and persons acting in concert will bear the liability for compensation accordingly.</li> </ol>	26 October 2021 Term: indefinite	No	Yes		

Commitment background	Commitment type	Commitment provider	Commitment content	Time and term of commitment	Time limit for performance	Timely and strict performance	Reasons for failure to perform commitments (if applicable) on a timely basis	Next action plan for failure to perform commitments (if applicable) on a timely basis
	Solving related-party transaction	Wang Yusuo	<ol style="list-style-type: none"> <li>1. Upon the completion of this reconstructing in which 90% shares of ENN Zhoushan are purchased by issue of shares and cash payment, other enterprises controlled by me excluding the Listed Company and I will avoid additional unnecessary related-party transactions with the Listed Company. When a related-party transaction that is indeed necessary and cannot be avoided is carried out, I guarantee that the operation will be conducted fairly following the principle of market orientation at a fair price, the transaction approval procedures and information disclosure obligations are fulfilled according to the provisions of relevant laws, regulations, rules and other normative documents, and that the legitimate rights and interests of the Listed Company and other shareholders will not be damaged through the related-party transaction.</li> <li>2. I undertake not to take advantage of my status as the shareholder of the Listed Company to damage the legitimate rights and interests of the Listed Company and other shareholders. Upon completion of this reconstructing, I will continue to exercise shareholder's rights in strict accordance with the provisions of relevant laws, regulations, normative documents and the Articles of Association of the Listed Company; I will fulfill the obligation to abstain from voting at the general meeting of the Listed Company on the related-party transactions involving me.</li> <li>3. If my breach of this commitment causes the Listed Company and its holding subsidiaries to suffer any losses upon completion of this reconstructing, I will bear the liability for compensation accordingly.</li> </ol>	26 October 2021 Term: indefinite	No	Yes		

Commitment background	Commitment type	Commitment provider	Commitment content	Time and term of commitment	Time limit for performance	Timely and strict performance	Reasons for failure to perform commitments (if applicable) on a timely basis	Next action plan for failure to perform commitments (if applicable) on a timely basis
	Solving related-party transaction	ENN Science and Technology, ENN Group and ENN Holdings	<p>1. Upon the completion of this reconstructing in which 90% shares of ENN Zhoushan are purchased by issue of shares and cash payment, we and our affiliates (excluding the Listed Company, the Target Company and the subsidiaries thereof) will avoid additional unnecessary related-party transactions with the Listed Company, the Target Company and the subsidiaries thereof. For the transactions which cannot be avoided or which can be reasonably justified, we will enter into a satisfactory transaction agreement with the Listed Company and the Target Company according to law, and fulfill the approval and disclosure procedures of the Listed Company and the Target Company based on the relevant regulatory requirements of the Listed Company and the Target Company and pursuant to the provisions of relevant laws, regulations, rules, other normative documents and the Articles of Association; the transaction price will be determined based on the price in the same or similar transaction with an unrelated independent third party to guarantee the fairness of the transaction price; we undertake to fulfill the information disclosure obligation for the transaction pursuant to the provisions of relevant laws, regulations and Articles of Association, and the obligation to abstain from voting at the general meeting of the Listed Company on the related-party transactions involving us; we undertake not to damage the legitimate rights and interests of the Listed Company, the Target Company and other shareholders through such transaction.</p> <p>2. If our breach of this commitment causes the Listed Company and the Target Company to suffer any losses upon completion of this reconstructing, we will bear the liability for compensation accordingly.</p>	26 October 2021 Term: indefinite	No	Yes		
	Others	ENN International	Prior to this reconstructing in which 90% shares of ENN Zhoushan are purchased by issue of shares and cash payment, the Listed Company is independent from us and persons acting in concert, and upon the completion of this reconstructing, we and persons acting in concert will continue to maintain the independence of the Listed Company, uphold the principle of five separations in terms of business, assets, personnel, finance and organization, comply with the relevant provisions of China Securities Regulatory Commission, and will not make use of the Listed Company to illegally provide guarantee, occupy the funds of the Listed Company or engage in horizontal competition with the Listed Company.	26 October 2021 Term: indefinite	No	Yes		
	Others	Wang Yusuo	Prior to this reconstructing in which 90% shares of ENN Zhoushan are purchased by issue of shares and cash payment, the Listed Company is independent from me, and upon the completion of this reconstructing, I will continue to maintain the independence of the Listed Company, uphold the principle of five separations in terms of business, assets, personnel, finance and organization, comply with the relevant provisions of China Securities Regulatory Commission, and will not make use of the Listed Company to illegally provide guarantee, occupy the funds of the Listed Company or engage in horizontal competition with the Listed Company.	26 October 2021 Term: indefinite	No	Yes		



Commitment background	Commitment type	Commitment provider	Commitment content	Time and term of commitment	Time limit for performance	Timely and strict performance	Reasons for failure to perform commitments (if applicable) on a timely basis	Next action plan for failure to perform commitments (if applicable) on a timely basis
	Others	ENN Science and Technology, ENN Group and ENN Holdings	Upon the completion of this reconstructing, we will maintain the independence of the Listed Company, uphold the principle of five separations in terms of business, assets, personnel, finance and organization, comply with the relevant provisions of China Securities Regulatory Commission, and will not make use of the Listed Company to illegally provide guarantee, occupy the funds of the Listed Company or engage in horizontal competition with the Listed Company.	26 October 2021 Term: indefinite	No	Yes		
	Others	ENN Science and Technology, ENN Group and ENN Holdings	<ol style="list-style-type: none"> <li>1. We hold the Underlying Equity legally and are qualified to serve as a counterparty to this restructuring.</li> <li>2. We have duly performed our capital contribution obligation to the Target Company, and there are no actions in violation of our obligations and responsibilities as a shareholder such as false capital contribution and illegal withdrawal of capital contribution, nor are there any other circumstances which may affect the legal existence of the Target Company.</li> <li>3. We lawfully have full and complete ownership of the Underlying Equity and undertake that as of the Value Date, there is no contract or agreement restricting the transfer of the Underlying Equity to the Listed Company, nor are there circumstances that may restrict the transfer to the Listed Company such as being sealed up and frozen.</li> <li>4. We acknowledge that there is no pending or threatening major lawsuit, arbitration or dispute that may affect the change in the ownership of the Underlying Equity held by us or prevent the transfer of the Underlying Equity to the Listed Company. We undertake not to, from the date of the issuance of this commitment until the completion of this restructuring, add new pledge or impose other restrictive rights on the Underlying Equity that may prevent the transfer of the Underlying Equity to the Listed Company. If we breach the commitments set forth in this Commitment Letter, we are willing to indemnify the Listed Company for all the losses suffered thereby.</li> </ol>	26 October 2021 Term: indefinite	No	Yes		
	Restrictions on sale of shares	ENN Science and Technology	<p>The shares acquired from the Listed Company during this reconstructing in which 90% shares of ENN Zhoushan are purchased by issue of shares and cash payment will not be transferred within 36 months from the date of completion of share issue (the transfer made between different entities under the control of the same actual controller is not be subject to the lock-up period of such shares). Then we act subject to the relevant provisions of CSRC and stock exchange; the shares which receive interest accrued as a result of bonus issue or conversion of capital reserve into share capital by the Listed Company will also be locked up during the aforesaid lock-up period. If, upon the completion of this reconstructing, the closing price of the stocks of the Listed Company is lower than the issue price for 20 consecutive trading days, or the closing price of the stocks of the Listed Company at the end of the six-month period upon the completion of this reconstructing is lower than the issue price, the lock-up period of the shares of the Listed Company held by us will be extended for six months automatically.</p> <p>If the above arrangements are inconsistent with the latest regulatory rules of securities regulatory authorities, we agree to make adjustments in accordance with such relevant regulatory rules. After the lock-up period, we will act subject to the Agreement on Asset Purchase by Issue of Shares and its supplementary agreement (if any) entered into by and between the Listed Company and us and relevant regulations of China Securities Regulatory Commission and Shanghai Stock Exchange.</p>	26 October 2021 Term: 36 months after issue of shares (16 August 2022)	Yes	Yes		

Commitment background	Commitment type	Commitment provider	Commitment content	Time and term of commitment	Time limit for performance	Timely and strict performance	Reasons for failure to perform commitments (if applicable) on a timely basis	Next action plan for failure to perform commitments (if applicable) on a timely basis
	Restrictions on sale of shares	ENN International	<ol style="list-style-type: none"> <li>Neither we nor persons acting in concert plans to reduce our shareholdings in the Listed Company during the period from the date of resumption of trading for this reconstructing in which 90% shares of ENN Zhoushan are purchased by issue of shares and cash payment until the completion of this reconstructing.</li> <li>We and persons acting in concert undertake not to reduce our shareholdings in the Listed Company during the period from the date of resumption of trading for this reconstructing until the completion of this reconstructing.</li> <li>The shares held by us and persons acting in concert in the Listed Company before the completion of this reconstructing will not be transferred within 18 months upon the completion of this reconstructing.</li> </ol> <p>The shares acquired by us and persons acting in concert from the shares held by us and persons acting in concert before the completion of this reconstructing as a result of the distribution of stock dividends, conversion of capital reserve into share capital and other circumstances will be subject to the above share lock-up arrangement. Transfer of the shares held by us and persons acting in concert in the Listed Company prior to the completion of this reconstructing to other entities controlled by us and persons acting in concert will not be subject to the foregoing restrictions.</p>	26 October 2021 Term: 18 months upon completion of the reconstructing (16 August 2022)	Yes	Yes		
	Restrictions on sale of shares	Wang Yusuo	<ol style="list-style-type: none"> <li>I do not have any plan to reduce my shareholdings in the Listed Company during the period from the date of resumption of trading for this reconstructing in which 90% shares of ENN Zhoushan are purchased by issue of shares and cash payment until the completion of this reconstructing.</li> <li>I undertake not to reduce my shareholdings in the Listed Company during the period from the date of resumption of trading for this reconstructing until the completion of this reconstructing.</li> <li>The shares held by me in the Listed Company before the completion of this reconstructing will not be transferred within 18 months upon the completion of this reconstructing. The shares acquired by us and persons acting in concert from the shares held by me before the completion of this reconstructing as a result of the distribution of stock dividends, conversion of capital reserve into share capital and other circumstances will be subject to the above share lock-up arrangement.</li> </ol>	26 October 2021 Term: 18 months upon completion of the reconstructing (16 August 2022)	Yes	Yes		

Commitment background	Commitment type	Commitment provider	Commitment content	Time and term of commitment	Time limit for performance	Timely and strict performance	Reasons for failure to perform commitments (if applicable) on a timely basis	Next action plan for failure to perform commitments (if applicable) on a timely basis
	Restrictions on sale of shares	All directors, supervisors and senior managers of the Company	<p>1. I do not have any plan to reduce my shareholdings in the Listed Company during the period from the date of resumption of trading for this reconstructing in which 90% shares of ENN Zhoushan are purchased by issue of shares and cash payment until the completion of this restructuring.</p> <p>2. I undertake not to reduce my shareholdings in the Listed Company during the period from the date of resumption of trading for this reconstructing until the completion of this restructuring.</p>	26 October 2021 Term: upon completion of the reconstructing (16 August 2022)	Yes	Yes		
	Others	ENN International	<p>We have not been subject to case filing and investigation or case filing and detection due to involvement in suspected insider trading in connection with this reconstructing in which 90% shares of ENN Zhoushan are purchased by issue of shares and cash payment, administrative penalties imposed by CSRC or investigation for criminal liability by judicial authorities according to law due to any insider trading in connection with major asset restructuring within the latest 36 months.</p> <p>In conclusion, we do not fall under any circumstance where we shall not participate in the major asset restructuring of any listed company pursuant to Article 13 of the <i>Regulatory Guidelines No. 7 for Listed Companies-Supervision on Abnormal Trading of Stocks Related to Major Asset Restructuring of Listed Companies</i>.</p>	26 October 2021 Term: indefinite	No	Yes		
	Others	All directors of ENN International	<p>I have not been subject to case filing and investigation or case filing and detection due to involvement in suspected insider trading in connection with this reconstructing in which 90% shares of ENN Zhoushan are purchased by issue of shares and cash payment, administrative penalties imposed by CSRC or investigation for criminal liability by judicial authorities according to law due to any insider trading in connection with major asset restructuring within the latest 36 months.</p> <p>In conclusion, I do not fall under any circumstance where I shall not participate in the major asset restructuring of any listed company pursuant to Article 13 of the <i>Regulatory Guidelines No. 7 for Listed Companies-Supervision on Abnormal Trading of Stocks Related to Major Asset Restructuring of Listed Companies</i>.</p>	26 October 2021 Term: indefinite	No	Yes		
	Others	ENN-NG	<p>We have not been subject to case filing and investigation or case filing and detection due to involvement in suspected insider trading in connection with this reconstructing in which 90% shares of ENN Zhoushan are purchased by issue of shares and cash payment, administrative penalties imposed by CSRC or investigation for criminal liability by judicial authorities according to law due to any insider trading in connection with major asset restructuring within the latest 36 months.</p> <p>In conclusion, we do not fall under any circumstance where we shall not participate in the major asset restructuring of any listed company pursuant to Article 13 of the <i>Regulatory Guidelines No. 7 for Listed Companies-Supervision on Abnormal Trading of Stocks Related to Major Asset Restructuring of Listed Companies</i>.</p>	26 October 2021 Term: indefinite	No	Yes		

Commitment background	Commitment type	Commitment provider	Commitment content	Time and term of commitment	Time limit for performance	Timely and strict performance	Reasons for failure to perform commitments (if applicable) on a timely basis	Next action plan for failure to perform commitments (if applicable) on a timely basis
	Others	All directors, supervisors and senior managers of the Company	<p>I have not been subject to case filing and investigation or case filing and detection due to involvement in suspected insider trading in connection with this reconstructing in which 90% shares of ENN Zhoushan are purchased by issue of shares and cash payment, administrative penalties imposed by CSRC or investigation for criminal liability by judicial authorities according to law due to any insider trading in connection with major asset restructuring within the latest 36 months.</p> <p>In conclusion, I do not fall under any circumstance where I shall not participate in the major asset restructuring of any listed company pursuant to Article 13 of the <i>Regulatory Guidelines No. 7 for Listed Companies-Supervision on Abnormal Trading of Stocks Related to Major Asset Restructuring of Listed Companies</i>.</p>	26 October 2021 Term: indefinite	No	Yes		
	Others	ENN Science and Technology, ENN Group and ENN Holdings	<ol style="list-style-type: none"> <li>1. We, our directors, supervisors, senior managers, controlling shareholders, actual controller and the institutions it controls do not fall under any circumstance where I shall not participate in the major asset restructuring of any listed company pursuant to Article 13 of the <i>Regulatory Guidelines No. 7 for Listed Companies-Supervision on Abnormal Trading of Stocks Related to Major Asset Restructuring of Listed Companies</i>.</li> <li>2. We undertake that we are qualified as the target of private issue of stocks by the Listed Company, and there are no circumstances under which we shall not be the target of private issue of stocks by the Listed Company as provided in laws, regulations, rules or normative documents.</li> <li>3. We undertake that in case of any violation of the above commitments, we are willing to bear legal liabilities accordingly.</li> </ol>	26 October 2021 Term: indefinite	No	Yes		
	Others	ENN Science and Technology, ENN Group	<ol style="list-style-type: none"> <li>1. We have not been subject to any administrative penalties (other than those apparently unrelated to the securities market), criminal penalties or material civil lawsuits or arbitration in connection with economic disputes in the last five years.</li> <li>2. We have not, in the past five years, failed to repay debts in large amount as scheduled, perform undertakings, and been subject to administrative regulatory measures taken by CSRC or disciplinary punishments by the stock exchange.</li> </ol>	26 October 2021 Term: indefinite	No	Yes		
	Others	ENN Holdings	<ol style="list-style-type: none"> <li>1. We have not been subject to any administrative penalties (other than those apparently unrelated to the securities market), criminal penalties or material civil lawsuits or arbitration in connection with economic disputes in the last five years.</li> <li>2. We received the <i>Decision on Circulating a Notice of Criticism of ENN Ecological Holdings Co., Ltd., Its Controlling Shareholder ENN Investment Holding Co., Ltd. and Persons Acting in Concert, Relevant Shareholders and Relevant Persons in Charge</i> ([2018] No. 21) issued by Shanghai Stock Exchange on 16 April 2018. Save for the circumstance specified above, we have not, in the past five years, failed to repay debts in large amount as scheduled, perform undertakings, and been subject to administrative regulatory measures taken by CSRC or disciplinary punishments by the stock exchange.</li> </ol>	26 October 2021 Term: indefinite	No	Yes		

Commitment background	Commitment type	Commitment provider	Commitment content	Time and term of commitment	Time limit for performance	Timely and strict performance	Reasons for failure to perform commitments (if applicable) on a timely basis	Next action plan for failure to perform commitments (if applicable) on a timely basis
	Others	All directors, supervisors and senior managers of ENN Science and Technology, ENN Group and ENN Holdings except Wang Yusuo	<ol style="list-style-type: none"> <li>I have not been subject to any administrative penalties (other than those apparently unrelated to the securities market), criminal penalties or material civil lawsuits or arbitration in connection with economic disputes in the last five years.</li> <li>I have not, in the past five years, failed to repay debts in large amount as scheduled, perform undertakings, and been subject to administrative regulatory measures taken by CSRC or disciplinary punishments by the stock exchange.</li> </ol>	26 October 2021 Term: indefinite	No	Yes		
	Others	Wang Yusuo	<ol style="list-style-type: none"> <li>I have not been subject to any administrative penalties (other than those apparently unrelated to the securities market), criminal penalties or material civil lawsuits or arbitration in connection with economic disputes in the last five years.</li> <li>I received the <i>Decision on Circulating a Notice of Criticism of ENN Ecological Holdings Co., Ltd., Its Controlling Shareholder ENN Investment Holding Co., Ltd. and Persons Acting in Concert, Relevant Shareholders and Relevant Persons in Charge</i> ([2018] No. 21) issued by Shanghai Stock Exchange on 16 April 2018; I received the <i>Decision on Regulatory Concerns about Tibet Tourism Co., Ltd., Its Actual Controller Wang Yusuo, Its Related Party Xinyi Hotel Management Co., Ltd. and Relevant Persons in Charge</i> (Shang Zheng Gong Jian Han [2021] No. 0051) issued by Shanghai Stock Exchange on 27 April 2018.</li> </ol> <p>In addition to this, I have not, in the past five years, failed to repay debts in large amount as scheduled, perform undertakings, and been subject to administrative regulatory measures taken by CSRC or disciplinary punishments by the stock exchange.</p>	26 October 2021 Term: indefinite	No	Yes		
	Others	ENN-NG	<ol style="list-style-type: none"> <li>We have not been subject to case filing and detection by judicial authorities due to any suspected crime or case filing and investigation by China Securities Regulatory Commission due to any suspected violation of laws and regulations;</li> <li>The administrative penalties imposed on us in the last three years are obviously irrelevant to the securities market, and have no substantial impact on this restructuring in which 90% shares of ENN Zhoushan are purchased by issue of shares and cash payment.</li> </ol>	26 October 2021 Term: indefinite	No	Yes		
	Others	All directors, supervisors and senior managers of the Company	<ol style="list-style-type: none"> <li>I have not been subject to case filing and detection by judicial authorities due to any suspected crime or case filing and investigation by China Securities Regulatory Commission due to any suspected violation of laws and regulations.</li> <li>I have not been subject to administrative penalties (other than those obviously unrelated to the securities market) or criminal penalties in the last three years, and have not been subject to public censure by the stock exchange or committed any other major dishonest behaviors in the past twelve months.</li> </ol>	26 October 2021 Term: indefinite	No	Yes		

Commitment background	Commitment type	Commitment provider	Commitment content	Time and term of commitment	Time limit for performance	Timely and strict performance	Reasons for failure to perform commitments (if applicable) on a timely basis	Next action plan for failure to perform commitments (if applicable) on a timely basis
	Others	ENN International	At the preliminary negotiation stage of this restructuring in which 90% shares of ENN Zhoushan are purchased by issue of shares and cash payment and in the course of this restructuring, we have not been subject to case filing and investigation or case filing and detection due to any suspected insider trading, divulged insider information on this reconstructing and engaged in insider trading by use of the information on this reconstructing. If we violate the above commitment, we will be liable for the losses caused to the Listed Company and other shareholders as a result thereof.	26 October 2021 Term: indefinite	No	Yes		
	Others	All directors of ENN International	At the preliminary negotiation stage of this restructuring in which 90% shares of ENN Zhoushan are purchased by issue of shares and cash payment and in the course of this restructuring, I have not been subject to case filing and investigation or case filing and detection due to any suspected insider trading, divulged insider information on this reconstructing and engaged in insider trading by use of the information on this reconstructing. If I violate the above commitment, I will be liable for the losses caused to the Listed Company and other shareholders as a result thereof.	26 October 2021 Term: indefinite	No	Yes		
	Others	ENN Science and Technology, ENN Group and ENN Holdings	At the preliminary negotiation stage of this restructuring in which 90% shares of ENN Zhoushan are purchased by issue of shares and cash payment and in the course of this restructuring, we have not been subject to case filing and investigation or case filing and detection due to any suspected insider trading, divulged insider information on this reconstructing and engaged in insider trading by use of the information on this reconstructing. If we violate the above commitment, we will be liable for the losses caused to the Listed Company and other shareholders as a result thereof.	26 October 2021 Term: indefinite	No	Yes		
	Others	All directors, supervisors and senior managers of ENN Science and Technology, ENN Group and ENN Holdings	At the preliminary negotiation stage and during implementation of this restructuring in which 90% shares of ENN Zhoushan are purchased by issue of shares and cash payment, I have not been subject to case filing and investigation or case filing and detection due to any suspected insider trading, divulged insider information on this reconstructing and engaged in insider trading by use of the information on this reconstructing. If I violate the above commitment, I will be liable for the losses caused to the Listed Company and other shareholders as a result thereof.	26 October 2021 Term: indefinite	No	Yes		
	Others	ENN-NG	At the preliminary negotiation stage of this restructuring in which 90% shares of ENN Zhoushan are purchased by issue of shares and cash payment and in the course of this restructuring, we have not been subject to case filing and investigation or case filing and detection due to any suspected insider trading, divulged insider information on this reconstructing and engaged in insider trading by use of the information on this reconstructing. If we violate the above commitment, we will be liable for the losses caused to the investors as a result thereof.	26 October 2021 Term: indefinite	No	Yes		
	Others	All directors, supervisors and senior managers of the Company	At the preliminary negotiation stage and during implementation of this restructuring in which 90% shares of ENN Zhoushan are purchased by issue of shares and cash payment, I have not divulged insider information on this reconstructing and engaged in insider trading by use of the information on this reconstructing; to the best of my knowledge, I have not been subject to case filing and investigation or case filing and detection due to any suspected insider trading. If I violate the above commitment, I will be liable for the direct losses caused to the Listed Company and other shareholders based on judicial sentence or decision.	26 October 2021 Term: indefinite	No	Yes		

Commitment background	Commitment type	Commitment provider	Commitment content	Time and term of commitment	Time limit for performance	Timely and strict performance	Reasons for failure to perform commitments (if applicable) on a timely basis	Next action plan for failure to perform commitments (if applicable) on a timely basis
	Others	ENN Zhoushan	At the preliminary negotiation stage and during implementation of this restructuring in which 90% shares of ENN Zhoushan are purchased by issue of shares and cash payment, we have not divulged insider information on this reconstructing and engaged in insider trading by use of the information on this reconstructing; to the best of our knowledge, we have not been subject to case filing and investigation or case filing and detection due to any suspected insider trading. If we violate the above commitment, we will be liable for the direct losses caused to the Listed Company and other shareholders based on judicial sentence or decision.	26 October 2021 Term: indefinite	No	Yes		
	Others	All directors, supervisors and senior managers of ENN Zhoushan	At the preliminary negotiation stage and during implementation of this restructuring in which 90% shares of ENN Zhoushan are purchased by issue of shares and cash payment, I have not divulged insider information on this reconstructing and engaged in insider trading by use of the information on this reconstructing; to the best of my knowledge, I have not been subject to case filing and investigation or case filing and detection due to any suspected insider trading. If I violate the above commitment, I will be liable for the direct losses caused to the Listed Company and other shareholders based on judicial sentence or decision.	26 October 2021 Term: indefinite	No	Yes		
Solving the defects on ownership of land, etc.	ENN Science and Technology, ENN Group and ENN Holdings	<div>1. For the premises and buildings for which the Target Company fails to obtain the ownership certificate, we will urge and assist ENN Zhoushan and its subsidiaries to obtain relevant ownership certificates for these premises and buildings. In case of failure to obtain such certificates, the competent authorities may at any time require ENN Zhoushan and/or its subsidiaries to complete relevant formalities or make relevant supplementary payment for the premises and buildings, impose penalties on ENN Zhoushan and/or its subsidiaries, claim against ENN Zhoushan and/or its subsidiaries or require ENN Zhoushan and/or its subsidiaries to demolish the relevant premises and buildings, and we will be liable for all costs and expenses resulting from such supplementary payment, penalties or claim as well as the demotion of the premises and buildings in full, and bear all losses caused thereby.</div> <div>2. For the land use right for which the Target Company fails to obtain a certificate of title, we will urge and assist ENN Zhoushan and its subsidiaries to complete the formalities for land use. In case of failure to obtain such certificate, the competent authorities may at any time require ENN Zhoushan and/or its subsidiaries to complete relevant formalities or make relevant supplementary payment for land use, impose penalties on ENN Zhoushan and/or its subsidiaries, claim against ENN Zhoushan and/or its subsidiaries or require recovery of land from ENN Zhoushan and/or its subsidiaries, and we will be liable for the costs and expenses resulting from such supplementary payment, penalties or claim as well as recovery of relevant land in full, and bear all losses caused thereby.</div> <div>3. For the administrative penalties in respect of sea area of the Target Company, if failure of the Target Company to obtain the right to use the relevant sea area causes obstacles to the normal operation of the Target Company or its holding subsidiaries in the future or any losses to the Target Company or its holding subsidiaries or the Listed Company as a result thereof, we undertake to coordinate the settlement of such dispute and bear all losses, penalties or liabilities incurred by the Target Company or its holding subsidiaries.</div>	26 October 2021 Term: after obtaining the housing ownership certificate of ENN Zhoushan and/or its subsidiaries	Yes	Yes			



Commitment background	Commitment type	Commitment provider	Commitment content	Time and term of commitment	Time limit for performance	Timely and strict performance	Reasons for failure to perform commitments (if applicable) on a timely basis	Next action plan for failure to perform commitments (if applicable) on a timely basis
	Others	Wang Yusuo	For this restructuring in which 90% shares of ENN Zhoushan are purchased by means of issue of shares and cash payment, there are no arrangements, commitments, agreements or other matters related to the change of control over the Listed Company. I will, subject to the laws, regulations and normative documents, maintain my status as the actual controller of the Listed Company within 36 months from the date of issuance of the commitment letter until completion of this transaction. If I violate any of the aforesaid commitments and thus cause losses to the Listed Company or investors, I will bear the liability for compensation according to law.	26 October 2021 Term: 36 months upon completion of the restructuring (16 August 2022)	Yes	Yes		
	Others	ENN Science and Technology	We undertake that the consideration shares received in connection with this restructuring in which 90% shares of ENN Zhoushan are purchased by means of issue of shares and cash payment will be prioritized for the fulfillment of performance compensation commitment and will not evade the compensation obligation by pledge of shares; when consideration shares (if any) received through this restructuring in future are pledged, the Pledgee will be notified in writing of the potential performance compensation obligation attached with such shares under relevant agreements, and the we will expressly agree with the Pledgee in the Pledge Agreement regarding, among other things, the use of relevant shares for the payment of performance compensation.	26 October 2021 Term: indefinite	No	Yes		
	Profit forecast and compensation	ENN Science and Technology, ENN Group and ENN Holdings	We undertake that the net profits attributable to owners of the parent company after deduction of nonrecurring gains or losses of ENN Zhoushan, the Target Company, are not lower than RMB349.67 million, RMB639.43 million, RMB933.48 million and RMB1,196.43 million respectively in 2022, 2023, 2024 and 2025.  Method of performance compensation: ENN Science and Technology, ENN Group and ENN Holdings shall make compensation by the shares acquired from the reconstructing transaction in which 90% shares of ENN Zhoushan are purchased by means of issue of shares and cash payment, and compensation for any deficiency shall be made in cash. As only ENN Science and Technology obtained the share consideration in the transaction, ENN Science and Technology shall have the priority to make compensation by shares and may seek recovery from ENN Group or ENN Holdings after the compensation is made.	26 October 2021 Term: 2022 – 2025	Yes	Yes		

Commitment background	Commitment type	Commitment provider	Commitment content	Time and term of commitment	Time limit for performance	Timely and strict performance	Reasons for failure to perform commitments (if applicable) on a timely basis	Next action plan for failure to perform commitments (if applicable) on a timely basis
Commitment related to refinancing	Solving related-party transactions	ENN Holdings	<ol style="list-style-type: none"> <li>1. Upon the completion of this reconstructing in which shares of ENN Energy are purchased by asset swap, issue of shares and cash payment, we and the enterprises controlled by us will avoid additional unnecessary related-party transactions with the Listed Company. When a related-party transaction that is indeed necessary and cannot be avoided is carried out, we guarantee that the operation will be conducted fairly following the principle of market orientation at a fair price, the transaction approval procedures and information disclosure obligations are fulfilled according to the provisions of relevant laws, regulations, rules and other normative documents, and that the legitimate rights and interests of the Listed Company and other shareholders will not be damaged through the related-party transaction.</li> <li>2. We undertake not to take advantage of our status as the shareholders of the Listed Company to damage the legitimate rights and interests of the Listed Company and other shareholders. Upon completion of this reconstructing, we will continue to exercise shareholder's rights in strict accordance with the provisions of relevant laws, regulations, normative documents and the Articles of Association of the Listed Company; we will fulfill the obligation to abstain from voting at the general meeting of the Listed Company on the related-party transactions involving us.</li> <li>3. If the breach of this commitment by us causes the Listed Company and its holding subsidiaries to suffer any losses upon completion of this reconstructing, we will bear the liability for compensation accordingly.</li> </ol>	9 December 2019 Term: indefinite	No	Yes		
	Solving related-party transactions	Wang Yusuo	<ol style="list-style-type: none"> <li>1. Upon the completion of this reconstructing in which shares of ENN Energy are purchased by asset swap, issue of shares and cash payment, the enterprises controlled by me and I will avoid additional unnecessary related-party transactions with the Listed Company. When a related-party transaction that is indeed necessary and cannot be avoided is carried out, I guarantee that the operation will be conducted fairly following the principle of market orientation at a fair price, the transaction approval procedures and information disclosure obligations are fulfilled according to the provisions of relevant laws, regulations, rules and other normative documents, and that the legitimate rights and interests of the Listed Company and other shareholders will not be damaged through the related-party transaction.</li> <li>2. I undertake not to take advantage of my status as the shareholders of the Listed Company to damage the legitimate rights and interests of the Listed Company and other shareholders. Upon completion of this reconstructing, I will continue to exercise shareholder's rights in strict accordance with the provisions of relevant laws, regulations, normative documents and the Articles of Association of the Listed Company; I will fulfill the obligation to abstain from voting at the general meeting of the Listed Company on the related-party transactions involving us.</li> <li>3. If my breach of this commitment causes the Listed Company and its holding subsidiaries to suffer any losses upon completion of this reconstructing, I will bear the liability for compensation accordingly.</li> </ol>	9 December 2019 Term: indefinite	No	Yes		

Commitment background	Commitment type	Commitment provider	Commitment content	Time and term of commitment	Time limit for performance	Timely and strict performance	Reasons for failure to perform commitments (if applicable) on a timely basis	Next action plan for failure to perform commitments (if applicable) on a timely basis
	Solving horizontal competition	ENN Holdings	<ol style="list-style-type: none"> <li>1. We and other enterprises wholly owned or controlled by us do not actually engage in any business and activities the same as or similar to the main business of the Listed Company or its holding subsidiaries (including the Target Company).</li> <li>2. We will take effective measures in strict accordance with relevant laws, regulations and normative documents to avoid substantial horizontal competition with the Listed Company and its holding subsidiaries, and undertake to procure other enterprises wholly owned or controlled by us to take effective measures to avoid substantial horizontal competition with the Listed Company and its holding subsidiaries.</li> <li>3. If we and other enterprises wholly owned or controlled by us obtain the business opportunities that constitute or may constitute substantial horizontal competition with the Listed Company and its holding subsidiaries, we will use our best efforts to offer such business opportunities to the Listed Company or its holding subsidiaries. If the Listed Company or its holding subsidiaries fail to obtain such business opportunities, we undertake to resolve in a manner permitted by laws, regulations and China Securities Regulatory Commission (save for voluntary waiver of such business opportunities by the Listed Company or its holding subsidiaries).</li> </ol>	9 December 2019 Term: indefinite	No	Yes		
	Solving horizontal competition	Wang Yusuo	<ol style="list-style-type: none"> <li>1. Other enterprises wholly owned or controlled by me and I do not actually engage in any business and activities the same as or similar to the main business of the Listed Company or its holding subsidiaries (including the Target Company).</li> <li>2. I will take effective measures in strict accordance with relevant laws, regulations and normative documents to avoid substantial horizontal competition with the Listed Company and its holding subsidiaries, and undertake to procure other enterprises wholly owned or controlled by me to take effective measures to avoid substantial horizontal competition with the Listed Company and its holding subsidiaries.</li> <li>3. If Other enterprises wholly owned or controlled by me and I obtain the business opportunities that constitute or may constitute substantial horizontal competition with the Listed Company and its holding subsidiaries, I will use my best efforts to offer such business opportunities to the Listed Company or its holding subsidiaries. If the Listed Company or its holding subsidiaries fail to obtain such business opportunities, I undertake to resolve in a manner permitted by laws, regulations and China Securities Regulatory Commission (save for voluntary waiver of such business opportunities by the Listed Company or its holding subsidiaries).</li> </ol>	9 December 2019 Term: indefinite	No	Yes		
	Restrictions on sale of shares	ENN Holdings	<p>The shares subscribed for by us from the supporting proceeds raised in this reconstructing in which shares of ENN Energy are purchased by means of asset swap, issue of shares and cash payment shall not be transferred within 18 months from the date on which the issue of new shares is completed. The above share lock-up provisions shall also apply to the increased shares due to allotment of shares, bonus issue, conversion of capital reserve into share capital or other reasons upon completion of the raising of supporting proceeds.</p> <p>If CSRC makes policy adjustment of the lock-up period for issue of shares, we agree to act subject to the Agreement on Asset Purchase by Issue of Shares and its supplementary agreement (if any) between the Listed Company and us and the regulations of CSRC and Shanghai Stock Exchange after adjustment of the share lock-up period made according to relevant regulatory regulations.</p>	9 December 2019 Term: 18 months after issue of shares (1 February 2021)	Yes	Yes		

Commitment background	Commitment type	Commitment provider	Commitment content	Time and term of commitment	Time limit for performance	Timely and strict performance	Reasons for failure to perform commitments (if applicable) on a timely basis	Next action plan for failure to perform commitments (if applicable) on a timely basis
	Solving the defects on ownership of land, etc.	ENN Holdings	ENN Holdings will urge and assist the Issuer and its subsidiaries to obtain construction permit/builder's license and ownership certificates for the relevant premises and buildings. In case of failure to obtain the same, if the competent authorities may at any time require the Issuer to complete relevant formalities or make relevant supplementary payment for the premises and buildings, impose penalties on the Issuer, claim against the Issuer or require the Issuer to demolish the relevant premises and buildings, ENN Holdings will be liable for the costs and expenses resulting from such supplementary payment, penalties or claim as well as the demolition of the premises and buildings in full, and bear any economic losses and expected profit loss suffered by the Issuer due to demolition of the premises and buildings.	17 May 2017 Term: until the date when relevant ownership certificate is obtained	Yes	Yes		

Note: The commitments made by the Company's actual controller, shareholders, related parties, acquirer, the Company and other parties concerned to maintaining the independence, resolution of related-party transactions, resolution of horizontal competition, etc. in participating in the major asset restructuring matters in which the shares of ENN Energy and ENN Zhoushan are purchased by the Company are repeated. Such repetition has been consolidated and presented above by the Company based on the latest commitment time of parties making the commitments. For details on all commitments made by the parties concerned, please refer to the *Report of ENN-NG on Asset Purchase by Major Asset Swap, Issue of Shares and Cash Payment, Raising of Supporting Proceeds and Related-party Transaction* and the *Report of ENN-NG on Asset Purchase by Issue of Shares and Cash Payment and Related-party Transaction* disclosed by the Company at the website of Shanghai Stock Exchange.

**(II) Whether there is any profit forecast on the Company's assets or projects and the Reporting Period is still in the profit forecast period, the Company shall indicate whether the original profit forecast has been achieved and the reasons therefor**

☒ Yes ☐ No ☐ N/A

ENN Zhoushan has completed the performance commitment, and for details, please refer to the Section (III) below.

**(III) Completion of commitments on performance and impact thereof on the goodwill impairment test**

☒ Applicable ☐ N/A

The audited net profit (net of nonrecurring gains and losses) achieved by ENN Zhoushan in 2022 amounted to RMB402.1033 million, representing 115% of the performance commitment amount. The party making the performance is not required to compensate for any excess over the performance amount.

**II. Occupation of Funds by the Controlling Shareholder and Other Related Parties for Non-operating Purposes During the Reporting Period**

☐ Applicable ☒ N/A

**III. Guarantees in Violation of Applicable Regulations**

☐ Applicable ☒ N/A

#### IV. Explanation by the Board of Directors for the “Non-standard Opinion Audit Report” Issued by the Accounting Firm

☐ Applicable    ☒ N/A

#### V. The Company’s Analysis and Explanation for the Reasons and Effects of Changes in Accounting Policies, Accounting Estimates or Correction to Significant Accounting Errors

##### (I) The Company’s analysis and explanation for the reasons and effects of changes in accounting policies and accounting estimates

☒ Applicable    ☐ N/A

		Remarks (name and amount of items in financial statements that have been significantly affected)
Content and reason of changes in accounting policies	Approval procedure	
The Company has implemented the “accounting treatment for the external sale of products or by-products produced before the fixed assets reach the expected usable state or in the R&D process by enterprises” and “judgment on onerous contracts” as set out in the <i>Interpretation of Accounting Standards for Business Enterprises No. 15</i> since 1 January 2022.	Deliberated at the 42th Meeting of the Ninth Board of Directors of the Company	No significant effect
The Company has implemented the “accounting treatment of income tax effects from dividends related to financial instruments classified as equity instruments by issuers” and “accounting treatment for modifying the share payment settled by cash to share payment settled by equity by enterprises” as set out in the <i>Interpretation of Accounting Standards for Business Enterprises No. 16</i> since 30 November 2022.	Deliberated at the Sixth Meeting of the Tenth Board of Directors of the Company	No significant effect
The Company has implemented the <i>Administrative Measures for the Withdrawal and Use of Safety Production Costs of Enterprises</i> (Cai Zi [2022] No. 136) since 21 November 2022.	Deliberated at the Sixth Meeting of the Tenth Board of Directors of the Company	No significant effect
The Company has implemented the contents of Part II-1 of the <i>Notice on Effectively Preparing the 2022 Annual Report by Enterprises in Strict Compliance with the Accounting Standards for Business Enterprises</i> since 2022.	Deliberated at the Sixth Meeting of the Tenth Board of Directors of the Company	No significant effect

## (II) The Company's analysis and explanation for the reasons and effects of the corrections to significant accounting errors

☐ Applicable ☒ N/A

## (III) Communication with the previous accounting firm

☐ Applicable ☒ N/A

## (IV) Other explanations

☐ Applicable ☒ N/A

## VI. Appointment and Dismissal of Accounting Firm

Unit RMB'0000 Currency: RMB

Current accounting firm	
Name of domestic accounting firm	ZhongXi CPAs (Special General Partnership)
Remuneration for the domestic accounting firm	588
Service years of the domestic accounting firm	25 years
Name of certified public accountant from the domestic accounting firm	Zhang Zenggang, Deng Haifu
Consecutive service years of certified public accountant from the domestic accounting firm	Zhang Zenggang (2 years), Deng Haifu (3 years)

	Name	Remuneration
Accounting firm for internal control audit	ZhongXi CPAs (Special General Partnership)	150
Financial adviser	CITIC Securities Co., Ltd.	381.6
Financial adviser	CSC Financial Co., Ltd.	600

Explanation on appointment and dismissal of accounting firm

☒ Applicable ☐ N/A

The Company held the 26th Meeting of the Ninth Board of Directors on 18 March 2022, deliberating and approving the *Proposal on Renewing the Appointment of the Accounting Firm* which was submitted for deliberation and approved by the 2021 Annual General Meeting. The Company renewed the appointment of ZhongXi CPAs (Special General Partnership) as the accounting firm for the audit of the Company's 2022 annual financial statements and internal control. The audit service fee estimated to be RMB7.38 million only (excluding the travel and accommodation expenses advanced by accountants in the course of audit) including RMB5.88 million of financial statements audit fee and RMB1.50 million of internal control audit fee which remained unchanged as compared with the expenses actually incurred in 2021. Such expenses are reasonably determined in respect of the professional skills required for the provision of audit services by the accounting firm, nature of work, workload to be completed as well as the number of personnel and days required for the work and the average daily fee per personnel in 2022. The actual audit expenses incurred in 2021 were consistent with the estimated expenses.

Explanation on change in accounting firms during the audit period

☐ Applicable ☒ N/A

**VII. Risk Exposure of Listing Suspension****(I) Reasons for suspension of listing**

☐ Applicable    ☒ N/A

**(II) Countermeasures to be taken by the Company**

☐ Applicable    ☒ N/A

**(III) Risk exposure for delisting and associated reasons**

☐ Applicable    ☒ N/A

**VIII. Matters related to Bankruptcy and Reorganization**

☐ Applicable    ☒ N/A

**IX. Material Litigation and Arbitration**

☐ The Company was subject to material litigation or arbitration this year

☒ The Company was not subject to material litigation or arbitration this year

**X. Suspected Violations of Laws and Regulations by, Penalties on and Rectifications by the Listed Company and Its Directors, Supervisors, Senior Managers and Controlling Shareholders and Actual Controller**

☐ Applicable    ☒ N/A

**XI. Information on the Credit Status of the Company and its Controlling Shareholder and Actual Controller during the Reporting Period**

☒ Applicable    ☐ N/A

During the Reporting Period, the Company and its controlling shareholder and actual controller were in good faith, without material breach of faith or failure to fulfill effective court judgments or to repay debts in large amount on schedule.



## XII. Major Related-party Transactions

### (I) Related-party transactions in connection with daily operation

#### 1. *Matters that have been disclosed in the interim announcement without progress or changes in the follow-up implementation*

√ Applicable    ☐ N/A

Summary	Query Index
<p>Xindi Energy Engineering Technology Co., Ltd. (hereinafter referred to as "Xindi Engineering"), a wholly-owned subsidiary of the Company, ENC Data Service Co., Ltd. (hereinafter referred to as "ENC Data Service") and Bokang Intelligent Information Technology Co., Ltd. (hereinafter referred to as "Bokang Intelligent") formed a consortium to jointly participate in the bid submission for EPC Project of Renovation of Fuel Gas Pipe Network (Package I) from 2019 to 2022 in Huludao (hereinafter referred to as the "EPC Project"). Both ENC Data Service and Bokang Intelligent are wholly-owned subsidiaries of ENC Digital Technology Co., Ltd. (hereinafter referred to as "ENC") controlled by Mr. Wang Yusuo who is the actual controller of the Company. Pursuant to the provisions of Paragraph 2 of Article 6.3.3 of the <i>Rules Governing the Listing of Stocks on Shanghai Stock Exchange</i>, this transaction constituted a related-party transaction.</p> <p>The EPC Project has been deliberated and approved at the Second Meeting of the Tenth Board of Directors held on 19 August 2022. The above consortium received the Notification of Award (EPC) from the Bid Inviter on 29 August 2022.</p>	<p>For details, please refer to the <i>Announcement of ENN-NG on Publication of the Consortium Formed by the Company and Its Related Parties for Bid Submission of Project as the Successful Candidate and Related-party Transaction</i> (Announcement No.: 2022-084) and the <i>Announcement of ENN-NG on Contract Award to the Consortium Formed by the Company and Its Related Parties for Bid Submission of Project and Progress on Related-party Transaction</i> (Announcement No.: 2022-085) disclosed by the Company on 25 August 2022 and 30 August 2022 respectively at the website of Shanghai Stock Exchange.</p>

**2. Matters that have been disclosed in the interim announcement with progress or changes in the follow-up implementation**

√ Applicable    ☐ N/A

**I. Related-party transaction estimate and deliberation of new related-party transactions**

- (1) The Company held the 37th Meeting of the Ninth Board of Directors on 17 November 2021, deliberating and approving the *Proposal on the Annual Estimate of Daily Related-party Transactions of the Company for 2022-2023*. The Company's independent directors gave their pre-approval to the Proposal and expressed their independent opinion constructed as consent. For details, please refer to the interim announcement titled the *Announcement of ENN-NG on the Annual Estimate of Daily Related-party Transactions for 2022-2023* (Announcement No.: 2021-083) disclosed by the Company on 18 November 2021 at the website of Shanghai Stock Exchange;
- (2) The Company held the 2021 Third Extraordinary General Meeting on 28 December 2021, deliberating and approving the *Proposal on the Annual Estimate of Daily Related-party Transactions of the Company for 2022-2023*. For details, please refer to the interim announcement titled the *Announcement of ENN-NG on the Resolution of the 2021 Third Extraordinary General Meeting* (Announcement No.: 2021-102) disclosed by the Company on 29 December 2021 at the website of Shanghai Stock Exchange;
- (3) The Company held the Forth Meeting of the Tenth Board of Directors on 28 October 2022, deliberating and approving the *Proposal on*

*Adjusting the Estimated Amount of Daily Related-party Transactions of the Company for 2022*. The amount of related-party transactions for 2022 increased by RMB96.15 million, and the total increased amount of related-party transactions was RMB130.55 million (including RMB34.4 million which was the amount of related-party transactions conducted by the Company with the same controller in the last 12 months that were not expected to meet the threshold for review by the Board of Directors). For details, please refer to the interim announcement titled *Announcement of ENN-NG on Adjusting the Estimated Amount of Daily Related-party Transactions of the Company for 2022* (Announcement No.: 2022-096) disclosed by the Company on 29 October 2022 at the website of Shanghai Stock Exchange;

- (4) The Company held the Fifth Meeting of the Tenth Board of Directors on 9 December 2022, deliberating and approving the *Proposal on Adjusting the Estimated Amount of Daily Related-party Transactions of the Company for 2023*. The amount of related-party transaction conducted between ENN Zhoushan and ENN (Zhoushan) LNG Co., Ltd. for the period from 2023 to 2028 decreased by RMB2,420.6 million, the amount of related-party transactions with part of related parties for 2023 decreased by RMB820.5 million and the amount of related-party transactions with part of related parties for 2023 increased by RMB729.7 million. For details, please refer to the interim announcement titled *Announcement of ENN-NG on Adjusting the Estimated Amount of Daily Related-party Transactions of the Company for 2023* (Announcement No.: 2022-107) disclosed by the Company on 10 December 2022 at the website of Shanghai Stock Exchange;

## II. Implementation of related-party transactions in 2022

In 2022, the actual daily related-party transactions between the Company (and its subsidiaries) and its related parties amounted to RMB1,504.15 million, which was RMB3,573.50 million less than the estimated amount thereof in 2022.

### Comparison of Predicted and Actually Implemented Daily Related-party Transactions in 2022

Unit: RMB'0000 Currency: RMB

Category of related-party transaction	Related party	Estimated amount in 2022	Actual amount in 2022
Design, construction and sales of materials and supplies	ENN (Zhoushan) LNG Co., Ltd. and its subsidiaries	74,500	1,783
	Other subsidiaries controlled by the actual controller of the Company	13,280	6,423
	Hebei Financial Leasing Co., Ltd.	20,000	
	Shanghai 3040 Technology Co., Ltd.	300	
Subtotal		108,080	8,206
Provision of technology and comprehensive services	E-Cheng E-Jia Network Technology Co., Ltd. and its subsidiaries	11,150	16,719
	Other subsidiaries controlled by the actual controller of the Company	10,650	2,243
Subtotal		21,800	18,962
Provision of commercial factoring	Subsidiaries controlled by the actual controller of the Company	7,000	3,080
	Shanghai 3040 Technology Co., Ltd.		628
Subtotal		7,000	3,708
Sale of gas and other goods	Subsidiaries controlled by the actual controller of the Company	3,440	2,523
Subtotal		3,440	2,523
Subtotal of income		140,320	33,399

Category of related-party transaction	Related party	Estimated amount in 2022	Actual amount in 2022
Purchase of equipment, materials and natural gas	Xin'ao Sunshine Yicai Technology Co., Ltd. and its subsidiaries	55,470	1,636
	Other subsidiaries controlled by the actual controller of the Company	8,420	10,149
	Shanghai 3040 Technology Co., Ltd.	13,170	8,006
	Shanghai Petroleum and Gas Exchange Co., Ltd.	5,730	
Subtotal		82,790	19,791
Acceptance of project construction	Subsidiaries controlled by the actual controller of the Company	3,350	1,209
Subtotal		3,350	1,209
Acceptance of technology and comprehensive services	ENC Digital Technology Co., Ltd. and its subsidiaries	27,615	21,874
	Xinzhi Holding Investment Co., Ltd. and its subsidiaries	13,990	9,106
	E-Cheng E-Jia Network Technology Co., Ltd. and its subsidiaries	7,680	977
	Other subsidiaries controlled by the actual controller of the Company	30,670	25,072
	Ordos Xinneng Logistics Co., Ltd.	1,650	
	Hebei Financial Leasing Co., Ltd.	920	567
	Shanghai Petroleum and Gas Exchange Co., Ltd.	120	179
Subtotal		82,645	57,775
Acceptance of terminal use services	ENN (Zhoushan) LNG Co., Ltd. and its subsidiaries	198,660	38,241
Subtotal		198,660	38,241
Subtotal of expenditure		367,445	117,016
Total		507,765	150,415

### 3. Matters not disclosed in the interim announcements

☐ Applicable    ☒ N/A

## (II) Related-party transactions arising from acquisition and sales of assets or equity

1. *Matters that have been disclosed in the interim announcement without progress or changes in the follow-up implementation*

☐ Applicable    ☒ N/A

2. *Matters that have been disclosed in the interim announcement with progress or changes in the follow-up implementation*

☒ Applicable    ☐ N/A

- (1) The Company proposes to purchase 90% shares of ENN (Zhoushan) LNG Co., Ltd. held in aggregate by ENN Science and Technology Development Co., Ltd., ENN Group Co., Ltd. and ENN Investment Holdings Co., Ltd. By means of share issue and cash payment (hereinafter referred to as the "Transaction"). The progresses made during the Reporting Period are specified as follows:

Description	Query Index
The Company held the 44th Meeting of the Ninth Board of Directors on 18 April 2022, deliberating and approving the proposals related to the Transaction including the <i>Proposal on the Company's Satisfaction of the Conditions for Assets Purchase by Issue of Shares and Cash Payment</i> , the <i>Proposal on the Company's Assets Purchase by Issue of Shares and Cash Payment and Related-party Transaction Scheme</i> , and the <i>Proposal on the Report Regarding Purchase of Assets by Issue of Shares and Cash Payment and Related-party Transaction by ENN Natural Gas Co., Ltd. (Draft) and its Summary</i> . The Company's independent directors gave their pre-approval to these proposals and expressed their independent opinion constructed as consent.	For details, please refer to the <i>Announcement of ENN-NG on the Resolution of the 44th Meeting of the Ninth Board of Directors</i> (Announcement No.: 2022-026) and the <i>Report on Purchase of Assets by Issue of Shares and Cash Payment and Related-party Transaction of ENN-NG (Draft)</i> and its Summary disclosed by the Company on 19 April 2022 at the website of Shanghai Stock Exchange.
The Company received the <i>Form of China Securities Regulatory Commission on Acceptance of Application for Administrative License</i> (Acceptance No.:220960) on 17 May 2022 issued by China Securities Regulatory Commission. China Securities Regulatory Commission examined the application materials for administrative license submitted by the Company for the <i>Approval of Issue of Shares for Purchase of Assets by Listed Companies</i> according to law, considered that the application materials were complete and complied with the legal form and decided to accept the administrative license application.	For details, please refer to the <i>Announcement of ENN-NG on the Receipt of the Form of China Securities Regulatory Commission on Acceptance of Application for Administrative License</i> (Announcement No.: 2022-034) disclosed by the Company on 18 May 2022 at the website of Shanghai Stock Exchange.

Description	Query Index
On 6 June 2022, The Company received the <i>Circular of China Securities Regulatory Commission on the Primary Comments for the Examination of Administrative License Items</i> (No. 220960) which examined the application materials for administrative license in respect of the <i>Approval of Issue of Shares for Purchase of Assets by Listed Companies for ENN Natural Gas Co., Ltd.</i> submitted by the Company and required the Company to provide written statement and explanation on the relevant issues; the Company responded to the comments on 16 June 2022. The Company and intermediaries disclosed the supplemented and revised comment response on 24 June 2022.	For details, please refer to the <i>Announcement of ENN-NG on the Receipt of the Circular of China Securities Regulatory Commission on the Primary Comments for the Examination of Administrative License Items</i> (Announcement No.: 2022-037), the <i>Announcement of ENN-NG on the Response to the Comments on the Circular of China Securities Regulatory Commission on the Primary Comments for the Examination of Administrative License Items</i> (Announcement No.: 2022-038), the <i>Response of ENN-NG to the Comments on the Purchase of Assets by Issue of Shares and Cash Payment &amp; Related-party Transaction</i> , and the <i>Announcement of ENN-NG on the Response to the Comments on the Circular of China Securities Regulatory Commission on the Primary Comments for the Examination of Administrative License Items (Revision)</i> (Announcement No.: 2022-043) and the <i>Response of ENN-NG to the Comments on the Purchase of Assets by Issue of Shares and Cash Payment &amp; Related-party Transaction (Revision)</i> disclosed by the Company at the website of Shanghai Stock Exchange.
On 13 July 2022, the CSRC Examination Committee for M&A and Reorganization of Listed Companies held the 11th Working Meeting in 2022, examining the matters on issue of shares and cash payment by the Company for purchase of assets and related-party transaction. According to the examination results of the Meeting, this restructuring of the Company was conditionally approved.	For details, please refer to the <i>Announcement of ENN-NG on Conditional Approval of Issue of Shares and Payment of Cash for Purchase of Assets and Related-Party Transaction by the CSRC Examination Committee for M&amp;A and Reorganization of Listed Companies and Resumption of Trading of the Company's Stock</i> (Announcement No.: 2022-059) disclosed by the Company at the website of Shanghai Stock Exchange.
On 18 July 2022, according to the examination opinions of the Committee for M&A and Reorganization and relevant requirements, the Company organized the intermediaries to conduct careful study on relevant issues, supplement and revise the materials in relation to the matters in question and disclose the same.	For details, please refer to the <i>Announcement of ENN-NG on the Response to the Examination Opinions of the CSRC Examination Committee for M&amp;A and Reorganization of Listed Companies</i> (Announcement No.: 2022-061) and the <i>Response of ENN Natural Gas Co., Ltd. to the Examination Opinions of the CSRC Examination Committee for M&amp;A and Reorganization of Listed Companies</i> disclosed by the Company on 19 July 2022 at the website of Shanghai Stock Exchange.

Description	Query Index
On 29 July 2022, the Company received the <i>Official Reply on Approval of Issue of Shares by ENN Natural Gas Co., Ltd. for ENN Science and Technology Development Co., Ltd. for Purchase of Assets</i> (CSRC License [2022] No. 1660) approved and issued by CSRC.	For details, please refer to the <i>Announcement of ENN-NG on the Official Reply for Approval of Issue of Shares and Cash Payment for Purchase of Assets and Related-party Transaction by CSRC</i> (Announcement No.: 2022-070) disclosed by the Company on 30 July 2022 at the website of Shanghai Stock Exchange.
On 2 August 2022, the ownership of the Underlying Asset, 90% shares of ENN Zhoushan, involved in the Transaction has been transferred. According to the <i>Notice of Registration and Registration of Changes</i> ("Zhou Shi Jian) Deng Ji Wai Bian Zi [2022] No. 000082") approved and issued by Zhoushan Municipal Administration for Market Regulation, the Company has directly held 90% shares of ENN Zhoushan through its wholly-owned subsidiary ENN Tianjin.	For details, please refer to the <i>Announcement of ENN-NG on the Completion of Ownership Transfer of the Underlying Assets for the Issue of Shares and Cash Payment for Purchase of Assets and Related-party Transaction</i> (Announcement No.: 2022-075) disclosed by the Company on 4 August 2022 at the website of Shanghai Stock Exchange.
On 16 August 2022, the share registration formalities for 252,808,988 new shares for purchase of assets by issue of shares to ENN Science and Technology in the Transaction has been completed at China Securities Depository and Clearing Corporation Limited Shanghai Branch.	For details, please refer to the <i>Announcement of ENN-NG on Result of Issue and Change in Share Capital for the Issue of Shares and Cash Payment for Purchase of Assets and Related-party Transaction</i> (Announcement No.: 2022-078) and the <i>Announcement on the Implementation of Issue of Shares and Cash Payment for Purchase of Assets and Related-party Transaction and Listing of New Shares</i> disclosed by the Company on 18 August 2022 at the website of Shanghai Stock Exchange.

- (2) The Company held the 37th Meeting of the Ninth Board of Directors on 17 November 2021, deliberating and approving the *Proposal on Purchase of Equity by Holding Subsidiary and Related-party Transaction* by which ENN Energy Trading Co., Ltd., the Company's holding subsidiary, proposed to purchase 100% shares of Langfang Xin'ao Gaobo Science and Technology Co., Ltd. held by ENN Gaoke Industry Co., Ltd. (hereinafter referred to as "Gaoke Industry"). Based on the appraised value, the Parties agreed that the Transaction Value shall be RMB61.77 million. The counterparty Gaoke Industry is an enterprise controlled by Mr. Wang Yusuo who acts as the Company's Chairman. In accordance with the relevant provisions of the *Rules Governing the Listing of Stocks on the Shanghai Stock Exchange*, Gaoke Industry shall be the affiliated legal person of the Company and this transaction shall be considered as a related-party transaction and shall not constitute a major asset reconstructing. On 26 April 2022, Langfang Xin'ao Gaobo Science and Technology Co., Ltd. completed the change of shareholding with the Administration for Industry and Commerce. ENN Energy Trading Co., Ltd. was registered as its shareholder and has legally held 100% shares of Langfang Xin'ao Gaobo Science and Technology Co., Ltd.



### 3. Matters not disclosed in the interim announcements

√ Applicable    □ N/A

Unit: RMB'0000    Currency: RMB

Related party	Associated relationship	Type of related-party transaction	Content of related-party transaction	Pricing principle of related-party transaction	Book value of assets transferred	Appraisal value of assets transferred	Transfer price	Settlement method of affiliated transactions	Proceeds from transfer of assets	Impact of the transaction on operating results and financial status of the Company	Reason for significant difference between the transaction value and the book value or appraised value or fair market value
ENN Juneng Science and Technology (Langfang) Co., Ltd.	Subsidiary of shareholder	Acquisition of shares	Acquisition of 50% shares of E-Cheng E-Jia Network Technology Co., Ltd. held by ENN Juneng Science and Technology (Langfang) Co., Ltd.	50% of audited net assets value	65	/	65	Bank transfer	/	N/A	N/A

#### Description of Related-party transactions occurred for asset acquisition and sale

On 20 July 2022, Langfang Xin'ao Enterprise Management Co., Ltd., the Company's holding subsidiary entered into the *Agreement on Transfer of Shares in E-Cheng E-Jia Network Technology Co., Ltd.* with ENN Juneng Science and Technology (Langfang) Co., Ltd. under which, 50% shares held by ENN Juneng Science and Technology (Langfang) Co., Ltd. in E-Cheng E-Jia Network Technology Co., Ltd. shall be acquired. The Parties took 50% of audited net assets value (equivalent to RMB650,000) determined as of 30 June 2022 as the Transaction Value. The counterparty ENN Juneng Science and Technology (Langfang) Co., Ltd. is an enterprise controlled by Mr. Wang Yusuo who acts as the Company's Chairman. In accordance with the relevant provisions of the *Rules Governing the Listing of Stocks on the Shanghai Stock Exchange*, ENN Juneng Science and Technology (Langfang) Co., Ltd. shall be the affiliated legal person of the Company and this transaction shall be considered as a related-party transaction. On 21 July 2022, E-Cheng E-Jia Network Technology Co., Ltd. completed the change of shareholding with the Administration for Industry and Commerce. Langfang Xin'ao Enterprise Management Co., Ltd. was registered as its shareholder and has legally held 50% shares of E-Cheng E-Jia Network Technology Co., Ltd.

4. *Disclosure of performance achievement during the Reporting Period in case of performance agreements*

☐ Applicable ☐ N/A

The audited net profit attributable to parent company after deducting nonrecurring gains and losses achieved by ENN Zhoushan in 2022 amounted to RMB402.1033 million, actually fulfilled 115% of the promised RMB349.67 million. Higher than the performance commitment amount, the performance commitment party is not required to fulfill the compensation obligation..

(III) **Major related-party transactions involving joint external investments**

1. *Matters that have been disclosed in the interim announcement without progress or changes in the follow-up implementation*

☐ Applicable ☒ N/A

2. *Matters that have been disclosed in the interim announcement with progress or changes in the follow-up implementation*

☐ Applicable ☒ N/A

3. *Matters not disclosed in the interim announcement*

☐ Applicable ☒ N/A

(IV) **Related credits and liabilities**

1. *Matters that have been disclosed in the interim announcement without progress or changes in the follow-up implementation*

☐ Applicable ☒ N/A

2. *Matters that have been disclosed in the interim announcement with progress or changes in the follow-up implementation*

☐ Applicable ☒ N/A

3. *Matters not disclosed in the interim announcement*

☐ Applicable ☒ N/A

(V) **Financial business between the Company and its related financial companies, or between the Company's controlled financial companies and related parties**

☐ Applicable ☒ N/A

(VI) **Others**

☐ Applicable ☒ N/A

XIII. **Significant Contracts and Performance Thereof**

(I) **Trusteeship, contracting and lease**

1. *Trusteeship*

☐ Applicable ☒ N/A

2. *Contracting*

☐ Applicable ☒ N/A

3. *Lease*

☐ Applicable ☒ N/A

☐ Applicable ☐ N/A

Unit: RMB'0000 Currency: RMB

Guarantees for External Parties (excluding those for subsidiaries)															
Guarantor	Relation between the Guarantor and the Listed Company	Guaranteed party	Guarantee amount	Date of occurrence (signing date of agreement)	Guarantee start date	Guarantee maturity date	Type of guarantee	Collateral (if any)	Whether the guarantee has been fully executed			Overdue amount	Counter guarantee	Guarantee for a related party	Associated relationship
ENN Natural Gas Co., Ltd.	The Company	Chongqing Fuling Energy Industry Group Co., Ltd.	1,957	2020-10-08	2021-03-08	2025-12-31	Surety guarantee		No	No		Yes	No		
Xin'ao (China) Gas Investment Co., Ltd.	Holding subsidiary	Shijiazhuang Kunlun Xin'ao Gas Co., Ltd.	1,038	2019-09-15	2019-10-15	2029-10-15	Surety guarantee		No	No		No	No		
Xin'ao (China) Gas Investment Co., Ltd.	Holding subsidiary	Shijiazhuang Kunlun Xin'ao Gas Co., Ltd.		2019-09-15	2020-04-15	2029-10-15	Surety guarantee		No	No		No	No		
Jinhua Xin'ao Gas Company Limited	Holding subsidiary	Jinhua City Gaoya Natural Gas Co., Ltd.	66	2012-12-24	2013-10-14	2023-06-29	Surety guarantee		No	No		No	No		
Jinhua Xin'ao Gas Company Limited	Holding subsidiary	Jinhua City Gaoya Natural Gas Co., Ltd.		2012-12-24	2013-12-06	2023-06-29	Surety guarantee		No	No		No	No		
Jinhua Xin'ao Gas Company Limited	Holding subsidiary	Jinhua City Gaoya Natural Gas Co., Ltd.		2012-12-24	2013-12-09	2023-06-29	Surety guarantee		No	No		No	No		
Jinhua Xin'ao Gas Company Limited	Holding subsidiary	Jinhua City Gaoya Natural Gas Co., Ltd.		2012-12-24	2013-12-11	2023-06-29	Surety guarantee		No	No		No	No		
Jinhua Xin'ao Gas Company Limited	Holding subsidiary	Jinhua City Gaoya Natural Gas Co., Ltd.		2012-12-24	2014-03-28	2023-06-29	Surety guarantee		No	No		No	No		
Jinhua Xin'ao Gas Company Limited	Holding subsidiary	Jinhua City Gaoya Natural Gas Co., Ltd.		2012-12-24	2014-04-23	2023-06-29	Surety guarantee		No	No		No	No		
Jinhua Xin'ao Gas Company Limited	Holding subsidiary	Jinhua City Gaoya Natural Gas Co., Ltd.		2012-12-24	2014-04-24	2023-06-29	Surety guarantee		No	No		No	No		
Jinhua Xin'ao Gas Company Limited	Holding subsidiary	Jinhua City Gaoya Natural Gas Co., Ltd.		2012-12-24	2014-09-19	2023-06-29	Surety guarantee		No	No		No	No		
Jinhua Xin'ao Gas Company Limited	Holding subsidiary	Jinhua City Gaoya Natural Gas Co., Ltd.		2012-12-24	2014-09-19	2023-06-29	Surety guarantee		No	No		No	No		
Jinhua Xin'ao Gas Company Limited	Holding subsidiary	Jinhua City Gaoya Natural Gas Co., Ltd.		2012-12-24	2015-01-28	2023-06-29	Surety guarantee		No	No		No	No		
Jinhua Xin'ao Gas Company Limited	Holding subsidiary	Jinhua City Gaoya Natural Gas Co., Ltd.		2012-12-24	2015-04-02	2023-06-29	Surety guarantee		No	No		No	No		
Jinhua Xin'ao Gas Company Limited	Holding subsidiary	Jinhua City Gaoya Natural Gas Co., Ltd.		2012-12-24	2015-12-23	2023-06-29	Surety guarantee		No	No		No	No		
Jinhua Xin'ao Gas Company Limited	Holding subsidiary	Jinhua City Gaoya Natural Gas Co., Ltd.		2012-12-24	2016-06-30	2023-06-29	Surety guarantee		No	No		No	No		
Jinhua Xin'ao Gas Company Limited	Holding subsidiary	Jinhua City Gaoya Natural Gas Co., Ltd.		2012-12-24	2016-07-27	2023-06-29	Surety guarantee		No	No		No	No		
Total guarantee amount incurred during the Reporting Period (excluding guarantees for subsidiaries)															
Total guarantee balance at the end of the Reporting Period (A) (excluding guarantees for subsidiaries)															
0															
3,061															

Guarantees from the Company and its subsidiaries for subsidiaries	
Total guarantee amount incurred during the Reporting Period for subsidiaries	3,155,253
Total guarantee balance at the end of the Reporting Period for subsidiaries (B)	2,815,089
Total amount of guarantees provided by the Company (including those for subsidiaries)	
Total guarantee amount (A+B)	2,818,150
Proportion of total guarantee amount to net assets of the Company (%)	160.32
Among which:	
Amount of guarantees for shareholders, actual controller and their related parties (C)	0
Amount of direct or indirect debt guarantees for guaranteed party whose asset-liability ratio exceeds 70% (D)	756,857
Amount of total guarantee in excess of 50% of net assets (E)	1,810,237
Total amount of the above three guarantees (C+D+E)	2,567,095
Information on the outstanding guarantees for which the Company may assume joint and several liability	N/A
Information on guarantees	<p>1. The guarantee balance of a subsidiary during the Reporting Period equals to the product of total amount of the guarantees provided by the subsidiary in favor of external parties multiplied by the Company's shareholding ratio in such subsidiary.</p> <p>2. Guarantees from subsidiaries for subsidiaries as at the end of the Reporting Period had a balance of RMB7,900.99 million. Specifically:</p> <ol style="list-style-type: none"> <li>ENN Energy Holdings Limited granted guarantees of up to RMB972.5 million for ENN Global Trading Pre. Ltd.</li> <li>Changzhou Xin'ao Gas Development Co., Ltd. granted guarantees of up to RMB30 million for Changzhou Xin'ao Gas Engineering Co., Ltd.</li> <li>Changzhou Xin'ao Gas Engineering Co., Ltd. granted guarantees of up to RMB554.71 million for Changzhou Xin'ao Gas Development Co., Ltd.</li> <li>Dongguan ENN Gas Co., Ltd. granted guarantees of up to RMB117.00 million for Dongguan New Energy Management Co., Ltd.</li> <li>Shijiazhuang Xin'ao Gas Company Limited granted guarantees of up to RMB150.00 million for Shijiazhuang Xin'ao Energy Development Co., Ltd. and Zhengding Xin'ao Gas Co., Ltd.</li> <li>Xindi Energy Engineering Technology Co., Ltd. granted guarantees of up to RMB800 million for ENN (Tianjin) Energy Investment Co., Ltd.</li> <li>Xin'ao (China) Gas Investment Co., Ltd. granted guarantees of up to RMB1,741.63 million in total for 13 subsidiaries including ENN Gas Development Co., Ltd.</li> <li>ENN Gas Development Co., Ltd. granted guarantees of up to RMB50.34 million for ENN Zhejiang Petrochemical (Zhoushan) Natural Gas Co., Ltd.</li> <li>Xinmeng (Hong Kong) Energy Investment Limited granted guarantees of up to RMB2,270.98 million for ENW LING (SINGAPORE) PTE LTD.</li> <li>Changsha Xin'ao Gas Development Co., Ltd. granted guarantees of up to RMB268.00 million for Changsha ENN Gas Co., Ltd.</li> <li>Changsha ENN Gas Co., Ltd. granted guarantees of up to RMB700 million for Changsha Xin'ao Gas Development Co., Ltd.</li> </ol>

Guarantees from the Company and its subsidiaries for subsidiaries										
										(12) Changsha ENN Changran Energy Development Co., Ltd. granted guarantees of up to RMB25.83 million for Changsha Xin'ao Xiangjiang New Energy Development Co., Ltd.
										(13) Xinxiang Xin'ao Gas Engineering Co., Ltd. granted guarantees of up to RMB100 million for Xinxiang Xin'ao Gas Co., Ltd.
										(14) Zhuzhou Xin'ao Gas Co., Ltd. granted guarantees of up to RMB100 million for Zhuzhou Xin'ao Gas Development Co., Ltd.
										(15) Bengbu Xin'ao Gas Co., Ltd. granted guarantees of up to RMB20 million for Bengbu Xin'ao Gas Development Co., Ltd.
										3. Debt guarantees directly or indirectly granted for guaranteed parties with an asset-liability ratio of more than 70% as at the end of the Reporting Period had a balance of RMB10,596.32 million. Specifically:
										(1) ENN Clean Energy International Investment Limited, an overseas wholly-owned subsidiary of the Company, issued USD800 million senior unsecured fixed-rate bonds (equivalent to RMB5,362.74 million) on 12 May 2021; the Company provides a cross-border joint liability surety guarantee which was deliberated and approved at the Sixteenth Meeting of the Ninth Board of Directors held on 21 July 2020 and the 2020 Second Extraordinary General Meeting held on 7 August 2020.
										(2) The Company provided its wholly-owned subsidiary Xinmeng (Tianjin) Energy Co., Ltd. with a guarantee for the bank acceptance bill of RMB176.97 million.
										(3) The Company granted guarantees of up to RMB671.14 million for its wholly-owned subsidiary ENN (Singapore) Trading Pte. Ltd.
										(4) The Company provided its wholly-owned subsidiary ENN Xinmeng (Zhejiang) Energy Trading Co., Ltd. with guarantees for the customhouse guarantee insurance of RMB402 million.
										(5) ENN Energy Holdings Limited granted guarantees of up to RMB972.50 million for ENN Global Trading Pte. Ltd.
										(6) Xin'ao (China) Gas Investment Co., Ltd. granted guarantees of up to RMB724.86 million for Daqing Hi-tech Boyuan Thermal Power Co., Ltd.
										(7) Xin'ao (China) Gas Investment Co., Ltd. granted guarantees of up to RMB50 million for Rongcheng Xin'ao Gas Co., Ltd.
										(8) Xin'ao (China) Gas Investment Co., Ltd. granted guarantees of up to RMB69.96 million for Xinxiang Xin'ao Gas Co., Ltd.
										(9) Xin'ao (China) Gas Investment Co., Ltd. granted guarantees of up to RMB470 million for ENN Gas Development Co., Ltd.
										(10) Xin'ao (China) Gas Investment Co., Ltd. granted guarantees of up to RMB53.44 million for Yangou Xin'ao Energy Development Co., Ltd.
										(11) Changsha ENN Gas Co., Ltd. granted guarantees of up to RMB700 million for Changsha Xin'ao Gas Development Co., Ltd.

Guarantees from the Company and its subsidiaries for subsidiaries									
								(12)	Xin'ao Gas Development Co., Ltd. granted guarantees of up to RMB268 million for Changsha ENN Gas Co., Ltd.
								(13)	Shijiazhuang Xin'ao Gas Company Limited granted guarantees of up to RMB90 million for Zhengding Xin'ao Gas Co., Ltd.
								(14)	Changzhou Xin'ao Gas Engineering Co., Ltd. granted guarantees of up to RMB554.71 million for Changzhou Xin'ao Gas Development Co., Ltd.
								(15)	Changzhou Xin'ao Gas Development Co., Ltd. granted guarantees of up to RMB30 million for Changzhou Xin'ao Gas Engineering Co., Ltd.
							4.		Jinhua Xin'ao Gas Company Limited, a subsidiary of the Company, granted guarantees of up to RMB2.01 million for Jinhua City Gaoya Natural Gas Co., Ltd. during the Reporting Period.
							5.		Xin'ao (China) Gas Investment Co., Ltd., a subsidiary of the Company, granted guarantees of up to RMB31.8 million for Shijiazhuang Kunlun Xin'ao Gas Co., Ltd. during the Reporting Period.
							6.		During the Reporting Period, the Company granted RMB19.57 million counter guarantee for joint and several liability guarantee for Chongqing Fuling Energy Industry Group Co., Ltd., an enterprise invested by the Company, in favor of Chongqing Longlan Energy Technology Co., Ltd. The counter guarantee has been deliberated and approved at the Seventeenth Meeting of the Ninth Board of Directors held on 28 August 2020 and the 2020 Third Extraordinary General Meeting held on 29 September 2020.

(III) **Entrusted cash asset management**1. *Entrusted wealth management*(1) *General conditions of entrusted wealth management*√ Applicable   ☐ N/A

Unit: RMB'0000   Currency: RMB

Type	Source of funding	Amount incurred	Undue balance	Overdue outstanding amount
Bank wealth management products	Self-owned fund	102,560	2,560	
Securities trader product	Self-owned fund	13,000		
Others				
Public offering fund product		276,511		

Other information

√ Applicable   ☐ N/A

The Company held the 38th Meeting of the Ninth Board of Directors on 9 December 2021, approving through deliberation the *Proposal on the Estimated Amount of Entrusted Wealth Management* in 2022, whereby the Company and its subsidiaries were allowed to use the temporarily idle self-owned fund with a balance of up to RMB5.5 billion of a single day for the entrusted wealth management provided that such use shall be subject to fund safety without prejudice to the normal operating fund demand. For details, please refer to the *Announcement of ENN-NG on Estimated Amount of Entrusted Wealth Management in 2022* (Announcement No.: 2021-093) published on the website of the Shanghai Stock Exchange on the same day. During the Reporting Period, the Company used the self-owned fund for entrusted wealth management in a compliant manner within the scope of the aforesaid resolution of the Board of Directors, improving the use efficiency of idle fund and return on cash assets.

(2) *Single entrusted wealth management*☐ Applicable   √ N/A

Other information

☐ Applicable   √ N/A(3) *Provision for impairment of entrusted wealth management*☐ Applicable   √ N/A



## 2. *Entrusted loans*

### (1) *General conditions of entrusted loans*

☒ Applicable ☐ N/A

Unit: RMB'0000 Currency: RMB

Type	Source of funding	Amount incurred	Undue balance	Overdue outstanding amount
Short term	Self-owned fund	5,541	1,541	
Medium and long term	Self-owned fund		300	

Other information

☐ Applicable ☒ N/A

### (2) *Single entrusted loan*

☐ Applicable ☒ N/A

Other information

☐ Applicable ☒ N/A

### (3) *Provision for impairment of entrusted loans*

☒ Applicable ☐ N/A

Unit: RMB'0000 Currency: RMB

	Book balance	Provision for bad debt
Short-term entrusted loan	1,541	825
Medium- and long-term entrusted loan	300	300
Total	1,841	1,125

## 3. *Other information*

☐ Applicable ☒ N/A

### (IV) *Other material contracts*

☐ Applicable ☒ N/A

## XIV. *Other information on major matters significantly affecting the value judgment and investment decisions of investors*

☐ Applicable ☒ N/A



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## Change in Shares and Information on Shareholders

## I. Changes in Share Capital

### (I) Table of Changes in Shares

#### 1. Table of Changes in Shares

Unit: share

	Before change		Increase or decrease (+ or -)					After change	
	Number of shares	Proportion (%)	New shares issued	Bonus shares	Capitalization of capital reserves	Other	Subtotal	Number of shares	Proportion (%)
I. Restricted shares	1,413,553,864	49.67	+252,808,988	0	0	-28,982,133	+223,826,855	1,637,380,719	52.84
1. Shares held by the State									
2. Shares held by the state-owned legal persons									
3. Other shares held by domestic investors	42,927,184	1.51	+252,808,988	0	0	-28,982,133	+223,826,855	266,754,039	8.61
Including: Shares held by domestic non-state-owned legal persons	24,587,116	0.86	+252,808,988	0	0	-24,587,116	228,221,872	252,808,988	8.16
Shares held by domestic natural persons	18,340,068	0.65	0	0	0	-4,395,017	-4,395,017	13,945,051	0.45
4. Shares held by foreign investors	1,370,626,680	48.16	0	0	0	0	0	1,370,626,680	44.23
Including: Shares held by overseas legal persons	1,370,626,680	48.16	0	0	0	0	0	1,370,626,680	44.23
Shares held by overseas natural persons									
II. Tradable share without conditions on restricted sale	1,432,299,755	50.33	0	0	0	+28,982,133	+28,982,133	1,461,281,888	47.16
1. RMB ordinary shares	1,432,299,755	50.33	0	0	0	+28,982,133	+28,982,133	1,461,281,888	47.16
2. Foreign shares listed domestically									
3. Foreign shares listed overseas									
4. Others									
III. Total number of shares	2,845,853,619	100.00	+252,808,988	0	0	0	+252,808,988	3,098,662,607	100.00

## 2. Information on changes in shares

√ Applicable    ☐ N/A

- (1) The Company held the 47th Meeting of the Ninth Board of Directors and the 26th Meeting of the Ninth Board of Supervisors on 24 June 2022, deliberating and approving the *Proposal on the Satisfaction of Conditions for Removal of Restrictions on Sale during the First Unrestricted Period for First Grant under the 2021 Restricted Stock Incentive Plan*. Some conditions for removal of restrictions on sale during the first period of removal of restrictions on sale firstly granted under the Incentive Plan have been satisfied. The restricted shares for which restrictions on sale may be removed during the first Unrestricted Period of 44 grantees who satisfied the conditions for restrictions on sale for first grant were 4,152,500 shares, and such restricted shares were listed and circulated on 8 July 2022. The total number of shares of the Company remained unchanged, being 2,845,853,619 shares;
- (2) The Company received the *Official Reply on the Approval of Issue of Shares by ENN Ecological Holdings Co., Ltd. to ENN Group International Investment Limited for Purchase of Assets and Raising Supporting Funds* (CSRC License [2020] No. 806) on 13 May 2020 approved and issued by CSRC by which the Company was approved to issue 245,871,156 non-public shares to 35 eligible specific investors including ENN Holdings, and 24,587,116 shares subscribed for by ENN Holdings were listed and circulated on 9 August 2022. The total number of shares of the Company remained unchanged, still being 2,845,853,619 shares;
- (3) The Company purchased 90% shares of ENN Zhoushan held by ENN Science and Technology, ENN Group and ENN Holdings through a combination of share issue and cash payment, and received the *Official Reply on the Approval of Issue of Shares by ENN Natural Gas Co., Ltd. to ENN Science and Technology Development Co., Ltd. for Purchase of Assets* (CSRC License [2022] No. 1660) on 29 July 2022. The formalities of share registration for 252,808,988 new shares issued to ENN Science and Technology for purchase of assets were completed on 16 August 2022 at China Securities Depository and Clearing Corporation Limited Shanghai Branch. The total number of shares of the Company was changed from 2,845,853,619 shares to 3,098,662,607 shares.
- (4) The Company held the Fifth Meeting of the Tenth Board of Directors and the Forth Meeting of the Tenth Board of Supervisors on 9 December 2022, deliberating and approving the *Proposal on the Satisfaction of Conditions for Removal of Restrictions on Sale during the First Unrestricted Period for Reserved Grant under the 2021 Restricted Stock Incentive Plan*. The conditions for removal of restrictions on sale during the first Unrestricted Period for reserved grant under the Incentive Plan have been satisfied. The restricted shares for which restrictions on sale may be removed during the first Unrestricted Period of 8 grantees who satisfied the conditions for restrictions on sale for reserved grant were 242,517 shares, and such restricted shares were listed and circulated on 27 December 2022. The total number of shares of the Company remained unchanged, still being 3,098,662,607 shares.



**3. Effect of the changes in shares on the earnings per share, net assets per share and other financial indicators of the most recent year and the most recent Reporting Period (if any)**

☒ Applicable ☐ N/A

The Company purchased 90% shares of ENN Zhoushan held by ENN Science and Technology, ENN Group and ENN Holdings through a combination of share issue and cash payment, and issued shares to ENN Science and Technology for purchase of 45% shares of ENN Zhoushan held by it. The Company received the *Official Reply on the Approval of Issue of Shares by ENN Natural Gas Co., Ltd. to ENN Science and Technology Development Co., Ltd. for Purchase of Assets* (CSRC License [2022] No. 1660) on 29 July 2022. The formalities of share registration for 252,808,988 new shares issued to ENN Science and Technology for purchase of assets were completed on 16 August 2022 at China Securities Depository and Clearing Corporation Limited Shanghai Branch. The total number of shares of the Company was changed to 3,098,662,607 shares.

For details on the financial indicators such as earnings per share and net assets per share during the Company's Reporting Period calculated based on the effect of changes in the above shares, please refer to the "Main Accounting Data and Financial Indicators in the Past Three Years" under the "Section II Company Profile and Main Financial Indicators".

**4. Other contents that the Company considers necessary, or are required by the securities regulatory authorities to be disclosed**

☒ Applicable ☐ N/A

Under the 2021 Restricted Stock Incentive Plan of the Company, five grantees had an "unsatisfactory" individual performance evaluation result during the first Unrestricted Period among the grantees eligible for first grant, and one grantee left office due to retirement and was no longer eligible for such grant and one grantee had an "unsatisfactory" individual performance evaluation result during the first Unrestricted Period among the grantees eligible for reserved grant. In accordance with the 2021 Restricted Stock Incentive Plan (Draft) of the Company, all or part of 265,000 restricted shares in total, which have been granted to the above grantees but have not been released from restrictions on sale, shall not be released from restrictions on sale and had been repurchased and canceled by the Company on 6 March 2023, and the total number of shares of the Company changed from 3,098,662,607 to 3,098,397,607.

Since such share cancellation occurred during the period from the end of the Reporting Period to the disclosure date of the Annual Report, the change in shares made during the Reporting Period and relevant explanations as set forth in this Section shall not include the information on the share cancellation.

## (II) Changes in restricted shares

√ Applicable ☐ N/A

Unit: share

Name of shareholder	Number of shares for				Reason for restrictions on sale	Date of removal of restrictions on sale
	Number of restricted shares at the beginning of the year	Number of restricted shares which restrictions on sale are removed during the year	Number of restricted shares increased during the year	Number of restricted shares at the end of the year		
ENN Investment Holdings Co., Ltd.	24,587,116	24,587,116	0	0	Non-public issue of shares to raise supporting funds, with lock-up period of 18 months	9 August 2022
ENN Science and Technology Development Co., Ltd.	0	0	252,808,988	252,808,988	Issue of shares to purchase assets, with lock-up period of 36 months	18 August 2025
Grantee of restricted shares in 2021	18,340,068	4,395,017	0	13,945,051	Restrictions on sale of stock option incentive	Note 1
Total	42,927,184	28,982,133	252,808,988	266,754,039	/	/

Note 1: The restricted shares granted under the Stock Incentive Plan executed in 2021 shall be unlocked in batches according to the relevant provisions of the 2021 Incentive Plan for Restricted Shares of ENN Natural Gas Co., Ltd. (Draft).

## II. Issue and Listing of Securities

## (I) Issue of securities during the Reporting Period

√ Applicable ☐ N/A

Unit: share Currency: RMB

Type of shares and derivative securities	Date of issue	Issue price (or interest rate)	Number of shares issued	Date of listing	Number of shares listed	Transaction termination date
Ordinary shares						
A-share	16 August 2022	RMB16.91/share	252,808,988	18 August 2025	252,808,988	/

Information on the issue of securities during the Reporting Period (for bonds with different interest rates within the duration, please specify separately):

√ Applicable ☐ N/A

The Company purchased 90% shares of ENN Zhoushan held by ENN Science and Technology, ENN Group and ENN Holdings through a combination of share issue and cash payment, and issued shares to ENN Science and Technology for purchase of 45% shares of ENN Zhoushan held by it. The Company received the *Official Reply on the Approval of Issue of Shares by ENN Natural Gas Co., Ltd. to ENN Science and Technology Development Co., Ltd. for Purchase of Assets* (CSRC License [2022] No. 1660) on 29 July 2022. The formalities of share registration for 252,808,988 new shares issued to ENN Science and Technology for purchase of assets were completed on 16 August 2022 at China Securities Depository and Clearing Corporation Limited Shanghai Branch. The total number of shares of the Company was changed to 3,098,662,607 shares. The new shares issued are restricted shares and ENN Science and Technology shall not transfer such shares within 36 months from the date of completion of the issue of shares.

## (II) Changes in total number of shares, shareholder structure and the assets and liabilities structure of the Company

☒ Applicable   ☐ N/A

The Company purchased 90% shares of ENN Zhoushan held by ENN Science and Technology, ENN Group and ENN Holdings through a combination of share issue and cash payment, and issued shares to ENN Science and Technology for purchase of 45% shares of ENN Zhoushan held by it. In accordance with the *Certificate of Registration of Change in Securities* issued by China Securities Depository and Clearing Corporation Limited Shanghai Branch, the Company completed the formalities for registration of new shares for purchase of assets by share issue on 16 August 2022. The number of new non-public shares issued by the Company under the Transaction for purchase of assets by share issue was 252,808,988 shares, and the transaction price for purchase of assets by share issue totaled RMB4,275 million. The shares issued were tradable shares subject to restrictions on sale. Upon the completion of this issue, the number of shares of the Company was changed to 3,098,662,607 shares.

The shares issued were included in the share capital, and net assets increased by RMB253 million. Acquisition of the target ENN Zhoushan constituted a business combination under common control and thus it was incorporated in the scope of consolidation at the beginning of the period.

## (III) Existing shares held by internal employees of the Company

☐ Applicable   ☒ N/A



### III. Shareholders and Actual Controller

#### (I) Total number of shareholders

Total number of ordinary shareholders as of the end of the Reporting Period (household)	23,915
Total number of ordinary shareholders at the end of the month immediately preceding the disclosure date of the Annual Report (household)	19,003
Total number of preferred shareholders with voting rights restored at the end of the Reporting Period (household)	0
Total number of preferred shareholders with voting rights restored as of the end of the month immediately preceding the disclosure date of the Annual Report (household)	0

#### (II) Table of shareholdings by top 10 shareholders and top 10 holders of tradable shares (or holders of unrestricted shares) as of the end of the Reporting Period

Unit: share

Shareholding of top 10 shareholders							
Name of shareholder (full name)	Increase or decrease of shares during the Reporting Period	Number of shares held at the end of the Reporting Period	Proportion (%)	Number of restricted shares	Pledged, marked or frozen shares Share status	Number	Natural of shareholder
ENN GROUP INTERNATIONAL INVESTMENT LIMITED	0	1,370,626,680	44.23	1,370,626,680	N/A	0	Foreign legal person
ENN Investment Holdings Co., Ltd.	0	430,737,451	13.90	0	Pledged	245,600,000	Domestic non-state-owned legal person
ENN Science and Technology Development Co., Ltd.	252,808,988	252,808,988	8.16	252,808,988	N/A	0	Domestic non-state-owned legal person
Hong Kong Securities Clearing Company Limited	12,981,042	147,696,779	4.77	0	N/A	0	Other
Langfang Heyuan Investment Center (LLP)	0	98,360,656	3.17	0	Pledged	67,300,000	Other
Hebei Weiyuan Group Co., Ltd.	0	89,004,283	2.87	0	Pledged	61,200,000	Domestic non-state-owned legal person
Hongchuang (Shenzhen) Investment Center (L.P.)	-27,958,605	78,942,215	2.55	0	N/A	0	Other
National Social Security Fund 106 Portfolio	20,879,456	54,788,256	1.77	0	N/A	0	Other
Basic Endowment Insurance Fund 15022 Portfolio	28,917,619	28,917,619	0.93	0	N/A	0	Other
Huaneng Guicheng Trust Co., Ltd.	835,070	15,668,284	0.51	0	N/A	0	Domestic non-state-owned legal person

Shareholding of top 10 shareholders of unrestricted shares			
Name of shareholder	Category and number of shares		
	Number of tradable shares without conditions on restricted sale	Category	Number
ENN Investment Holdings Co., Ltd.	430,737,451	RMB ordinary shares	430,737,451
Hong Kong Securities Clearing Company Limited	147,696,779	RMB ordinary shares	147,696,779
Langfang Heyuan Investment Center (LLP)	98,360,656	RMB ordinary shares	98,360,656
Hebei Weiyuan Group Co., Ltd.	89,004,283	RMB ordinary shares	89,004,283
Hongchuang (Shenzhen) Investment Center (L.P.)	78,942,215	RMB ordinary shares	78,942,215
National Social Security Fund 106 Portfolio	54,788,256	RMB ordinary shares	54,788,256
Basic Endowment Insurance Fund 15022 Portfolio	28,917,619	RMB ordinary shares	28,917,619
Huaneng Guicheng Trust Co., Ltd.	15,668,284	RMB ordinary shares	15,668,284
New China Life Insurance Co., Ltd. — Bonus — Individual Bonus —018L — FH002 Hu	13,083,500	RMB ordinary shares	13,083,500
National Social Security Fund 106 Portfolio 504 Portfolio	11,262,179	RMB ordinary shares	11,262,179
Information on special repurchased shareholders among top 10 shareholders	N/A		
Information on voting trust, entrusted voting right and waiver of voting right of the shareholders above	N/A		
Information on associated relationship or concerted action between the aforesaid shareholders	<ol style="list-style-type: none"> <li>1. ENN GROUP INTERNATIONAL INVESTMENT LIMITED, ENN Investment Holdings Co., Ltd., ENN Science and Technology Development Co., Ltd., Langfang Heyuan Investment Center (LLP) and Hebei Weiyuan Group Co., Ltd. are controlled by Mr. Wang Yusuo, the actual controller of the Company.</li> <li>2. The couple, Mr. Wang Yusuo and Ms. Zhao Baoju, signed the Share Escrow Agreement in respect of ENN GROUP INTERNATIONAL INVESTMENT LIMITED with ENN Holdings on 30 November 2018, under which Mr. Wang Yusuo and Ms. Zhao Baoju respectively entrusted all shares held by them in ENN International (including the rights and interests corresponding to such shares) to ENN Holdings for management, and the term continues on 31 December 2040.</li> <li>3. The Company is not aware of whether there is an associated relationship between others shareholders or whether they are acting in concert.</li> </ol>		

## Shareholding of top 10 shareholders of unrestricted shares

		Category and number of shares	
Name of shareholder	Number of tradable shares without conditions on restricted sale	Category	Number
Information on preferred shareholders with voting rights restored and the number of shares held by them	N/A		

Number of shares held by top 10 shareholders of restricted shares and conditions on restricted sale

√ Applicable    ☐ N/A

Unit: share

Tradable conditions of restricted shares					
No.	Name of shareholder of restricted shares	Number of restricted shares held	Tradable date	Number of increased tradable shares	Conditions on restricted sale
1	ENN GROUP INTERNATIONAL INVESTMENT LIMITED	1,370,626,680	18 September 2023	1,370,626,680	Issue of shares for asset purchase, with lock-up period of 36 months
2	ENN Science and Technology Development Co., Ltd.	252,808,988	16 August 2025	252,808,988	Issue of shares for asset purchase, with lock-up period of 36 months
3	Yu Jianchao	1,050,000	Note 1	0	Stock incentive
4	Han Jishen	1,050,000	Note 1	0	Stock incentive
5	Zheng Hongtao	750,000	Note 1	0	Stock incentive
6	Jiang Chenghong	682,551	Note 1	0	Stock incentive
7	Wang Dongzhi	600,000	Note 1	0	Stock incentive
8	Zhang Jin	450,000	Note 1	0	Stock incentive
9	Zheng Wenping	450,000	Note 1	0	Stock incentive
10	Zhang Xiaoyang	450,000	Note 1	0	Stock incentive
Information on associated relationship or concerted action between the aforesaid shareholders		ENN GROUP INTERNATIONAL INVESTMENT LIMITED and ENN Science and Technology Development Co., Ltd. are controlled by Mr. Wang Yusuo, the actual controller of the Company.			

Note 1: The restricted stocks granted under the 2021 stock incentive plan implemented shall be unlocked in batches in accordance with the relevant provisions of the *2021 Restricted Stock Incentive Plan (Draft)* of ENN Natural Gas Co., Ltd.

In June 2022, the conditions for removal of restrictions on sale during the first Unrestricted Period for first grant under the Company's 2021 Restricted Stock Incentive Plan have been satisfied. The restricted shares for which restrictions on sale may be removed during the first Unrestricted Period of 44 grantees who satisfied the conditions for removal of restrictions on sale for first grant were 4,152,500 shares, and such restricted shares were listed and circulated on 8 July 2022. For the number of new tradable shares and details, please refer to the *Announcement on the Unlocking and Listing of Shares Granted for First Grant under the 2021 Restricted Stock Incentive Plan of ENN-NG* (Announcement No.: 2022-051) disclosed by the Company on 5 July 2022 at the website of Shanghai Stock Exchange (<http://www.sse.com.cn/>).

In December 2022, the conditions for removal of restrictions on sale during the first Unrestricted Period for reserved grant under the Company's 2021 Restricted Stock Incentive Plan have been satisfied. The restricted shares for which restrictions on sale may be removed during the first Unrestricted Period of 8 grantees who satisfied the conditions for removal of restrictions on sale for reserved grant were 242,517 shares, and such restricted shares were listed and circulated on 27 December 2022. For the number of new tradable shares and details, please refer to the *Announcement of ENN-NG on the Unlocking and Listing of Shares for Reserved Grant under the 2021 Restricted Stock Incentive Plan* (Announcement No.: 2022-115) disclosed by the Company on 22 December 2022 at the website of Shanghai Stock Exchange (<http://www.sse.com.cn/>).

### (III) Strategic investor or general legal persons that become the top 10 shareholders as result of placement of new shares

☐ Applicable    ☒ N/A

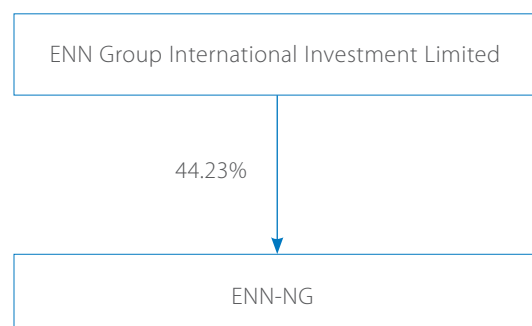
## IV. Information on Controlling Shareholder and Actual Controller

### (I) Information on controlling shareholder

#### 1 Legal person

☒ Applicable    ☐ N/A

Name	ENN GROUP INTERNATIONAL INVESTMENT LIMITED
Principal or legal representative	Wang Yusuo and Zhao Baoju
Date of establishment	18 July 2000
Main business	Investment holding
Shareholding in other domestic or foreign listed controlled or participating companies during the Reporting Period	A total of 109,995,778 shares in Santos Limited (listed on the Australian Securities Exchange, stock code: STO.AX), representing 3.32% of shares
Other information	N/A

2 *Natural person*☐ Applicable ☒ N/A3 *Special explanation if the Company does not have a controlling shareholder*☐ Applicable ☒ N/A4 *Description of changes in the controlling shareholder during the Reporting Period*☐ Applicable ☒ N/A5 *Block diagram of ownership and controlling relationship between the Company and the controlling shareholder*☒ Applicable ☐ N/A(II) **Information on actual controller**1 *Legal person*☐ Applicable ☒ N/A2 *Natural person*☒ Applicable ☐ N/A

Name	Wang Yusuo
Nationality	China
Right of residence in other countries or regions	No
Main occupation and post	Chairman of the Board of Directors of ENN Group and the Chairman of ENN-NG
Description of domestic and foreign-listed companies controlled in the past 10 years	<ol style="list-style-type: none"> <li>1. ENN Energy Holdings Limited Listed on: The Stock Exchange of Hong Kong Stock abbreviation: ENN Energy Stock code: 02688 Legal representative: Wang Yusuo Date of establishment: 20 July 2000</li> <li>2. ENC Digital Technology Co., Ltd. Listed on: Shanghai Stock Exchange Stock abbreviation: ENC Stock code: 603869 Legal representative: Zhang Yuying Date of establishment: 10 May 1986</li> <li>3. Tibet Tourism Co., Ltd. Listed on: Shanghai Stock Exchange Stock abbreviation: Tibet Tourism Stock code: 600749 Legal representative: Hu Xiaofei Date of establishment: 27 June 1996</li> </ol>

### 3 Special explanation if the Company does not have the actual controller

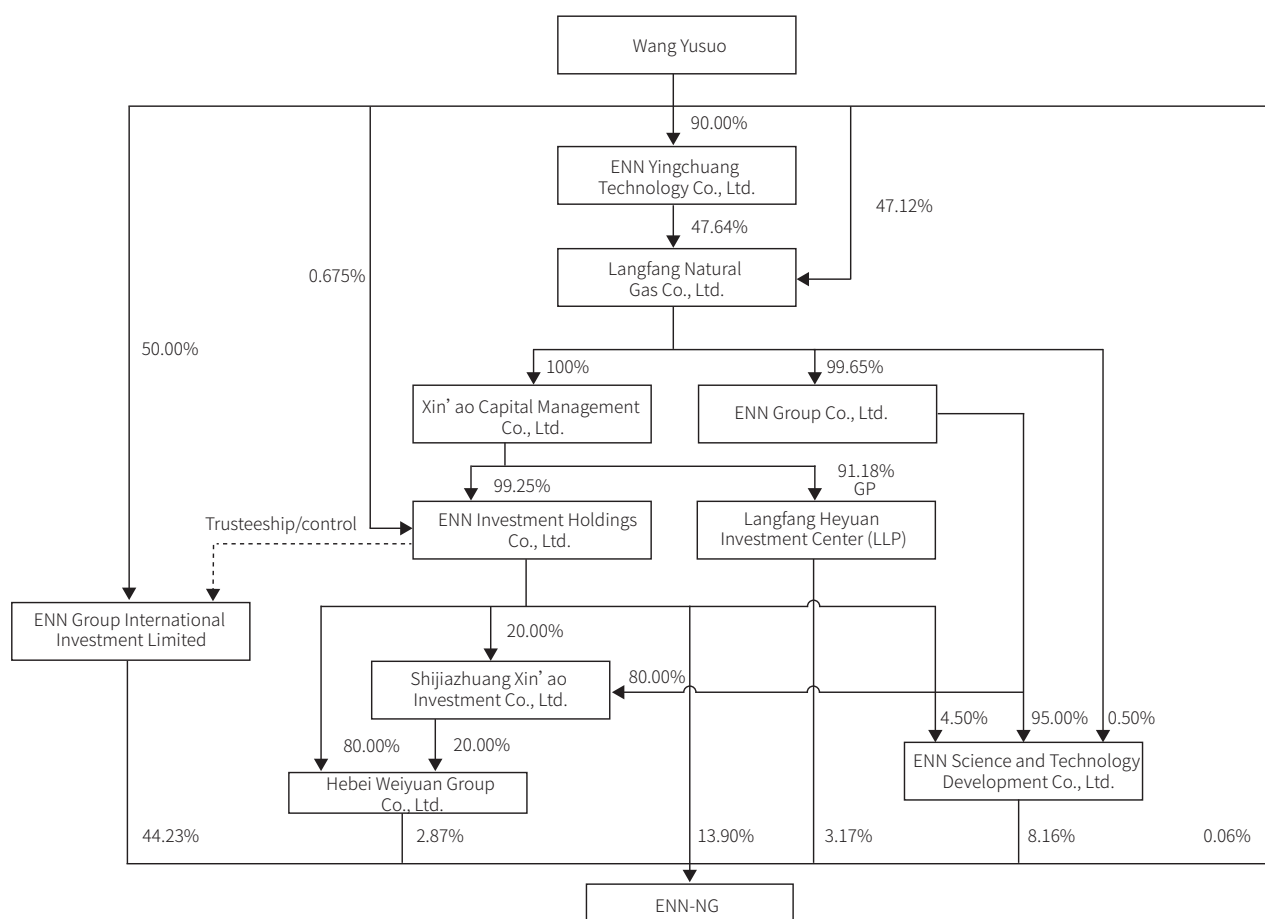
☐ Applicable ☒ N/A

### 4 Description of changes in the actual controller during the Reporting Period

☐ Applicable ☒ N/A

### 5 Block diagram of ownership and controlling relationship between the Company and the actual controller

☒ Applicable ☐ N/A



### 6 Control over the Company by the actual controller by trust or other asset management methods

☐ Applicable ☒ N/A

## (III) Other information on the controlling shareholder and actual controller

☐ Applicable ☒ N/A

## V. The Company's controlling shareholder or the largest shareholder and its persons acting in concert pledged more than 80% of the Company's shares held by them

☐ Applicable ☒ N/A

## VI. Other Corporate Shareholders with More than 10% Shareholding

☒ Applicable ☐ N/A

Unit: Yuan Currency: RMB

Name of corporate shareholder	Principal or legal representative	Date of establishment	Organization code	Registered capital	Principal operations or management activities
ENN Investment Holdings Co., Ltd.	Wang Yusuo	13 January 2000	91131001721660105E	80 billion	Investment in urban infrastructure construction, energy development, municipal engineering construction, tourism, catering, electronic machinery manufacturing, chemicals, building materials manufacturing and other industries, and information technology consulting services; sales of engineering equipment, engineering materials, chemical equipment, environmental protection equipment, steel, wire and cable, instrument and apparatus, electronic products, electrical equipment, lighting appliances, building materials, hardware materials, decoration materials, pipe fittings, doors and windows, office equipment, fuel oil, lubricants, diesel, chemical raw materials and products (other than dangerous chemicals and flammable and explosive chemicals)
Description of fact	As of 31 December 2022, ENN Holdings directly held 430,737,451 shares in ENN-NG, representing 13.90% of shares.				



## VII. Restrictions on Shareholding Reduction

☐ Applicable ☒ N/A

## VIII. Specific Implementation of Share Repurchase During the Reporting Period

☒ Applicable ☐ N/A

Unit: Yuan Currency: RMB

Name of share repurchase scheme	Scheme for Share Repurchase through Centralized Competitive-price Transaction
Disclosure date of share repurchase scheme	19 March 2022
Number of shares to be repurchased and their proportion to the total capital stock (%)	4,000,000-8,000,000; 0.14-0.28
Amount of proposed repurchase	RMB 100 million (inclusive) - RMB200 million (inclusive)
Duration of proposed repurchase	18 March 2022 to 17 March 2023
Use of repurchased shares	For stock option incentive
Number of shares repurchased (share)	5,808,614
Proportion of the repurchased shares to the underlying shares involved in the stock incentive plan (%) (if any)	N/A
Progress on reduction of repurchased shares by the Company through centralized competitive-price transaction	N/A

Note: On 10 August 2022, the company disclosed on the website of Shanghai Stock Exchange the *Announcement of ENN-NG on the Result of Share Repurchase and Change in Shares* (Announcement No.: 2022-077). The Company has completed the share repurchase plan under which, the Company repurchased 5,808,614 shares in aggregate through centralized competitive-price transaction at the highest price of RMB17.99 per share and the lowest price of RMB16.06 per share. The total payment of RMB100,647,165.96 was made (excluding the transaction cost). The repurchase implementation process complied with the share repurchase scheme of the Company.



08

Information on  
Preferred Shares

☐ Applicable   ☒ N/A





09

Information on Bonds

## I. Enterprise Bonds, Corporate Bonds and Non-Financial Corporate Debt-Financing Instruments

☐ Applicable    ☒ N/A

## II. Convertible Corporate Bonds

☐ Applicable    ☒ N/A





10

## Financial Report

## I. Auditor's Report

√ Applicable    ☐ N/A

### Auditor's Report

Zhongxi Financial Auditing No. 2022S00355

All shareholders of ENN Natural Gas Co., Ltd.:

#### I. Audit Opinions

We have audited the financial statements of ENN Natural Gas Co., Ltd. (hereinafter referred to as "ENN-NG"), including the consolidated balance sheet and balance sheet of parent company as at 31 December 2022, the 2022 consolidated income statement and income statement of parent company, the consolidated cash flow statement and cash flow statement of parent company, the consolidated statement of changes in shareholders' equity and the statement of changes in shareholders' equity of parent company and notes to the financial statements.

In our opinion, the attached financial statements are prepared in accordance with the provisions of the Accounting Standards for Business Enterprises in all material respects, and fairly reflect the consolidated and parent company financial position of ENN-NG as at 31 December 2022 and the consolidated and parent company operating results and cash flow in 2022.

#### II. Basis for opinion

We conducted our audit in accordance with the provisions of the Auditing Standards for Certified Public Accountants of China. Our responsibilities under those standards are further described in the "Auditor's responsibilities for the audit of the financial statements" section of our report. We are independent of ENN-NG in accordance with the China Code of Ethics for Certified Public Accountants, and we have fulfilled our ethical responsibilities. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### III. Key Audit Matters

Key audit matters are those matters that, in our professional judgment, are considered to be most significant in our audit of the financial statements of the current period. These matters are addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

##### (I) *Revenue recognition*

###### 1. *Description of matters*

The total operating income of ENN-NG in 2022 amounted to RMB154.169 billion, as shown in Note III of 34. Income and Note V, 57, 58 and 59 of the financial statements for details. The revenue of ENN-NG mainly comes from retail, wholesale and direct sale of natural gas, construction and installation, sales and services of integrated energy, value-added business, energy production and infrastructure operation. Since the operating income is one of the key performance indicators of ENN-NG and there is an inherent risk that the management will operate the revenue recognition time point in order to reach a specific target, we identify the revenue recognition of ENN-NG as a key audit matter.



## I. Auditor's Report (Continued)

### III. Key Audit Matters (Continued)

#### (I) *Revenue recognition (Continued)*

##### 2. *Audit response*

In view of this key audit matter, our audit procedures mainly include:

- (1) We understand and evaluate the design of internal control in the sales process by the management layer of ENN-NG and test the effectiveness of key control implementation.
- (2) We verify the key contract terms and performance obligations related to revenue recognition through sampling inspection of sales contracts and interviews with management in order to determine whether the revenue recognition policy conforms to the requirements of the Accounting Standards for Business Enterprises and has been consistently implemented;
- (3) We perform analytical review procedures on revenue and gross profit based on business types to determine the reasonableness of changes in sales revenue and gross profit margin for the current period;
- (4) We select samples according to the schedule of income, check the supporting documents related to the operating income revenue, including contract, order, sales invoice, notice of payment for meter reading, statement of settlement, customer receipt form, completion report, etc., and check the accuracy of the project income calculation recognized according to the progress of project performance;
- (5) Combined with accounts receivable audit, we select major customers to confirm their sales revenue and accounts receivable balance by letter to check the authenticity of the revenue;
- (6) We perform a cut-off test on sales revenue recorded before and after the balance sheet date to assess whether sales revenue is recognized in the appropriate period.

#### (II) *Business combination under common control*

##### 1. *Description of matters*

In August 2022, ENN-NG and its wholly-owned subsidiary ENN (Tianjin) Energy Investment Co., Ltd. acquired 90.00% shares in ENN (Zhoushan) LNG Co., Ltd. (hereinafter referred to as "ENN Zhoushan") held by ENN Science and Technology Development Co., Ltd., ENN Group Co., Ltd. and ENN Investment Holdings Co., Ltd. in an amount of RMB8,550 million by way of share issue and cash payment. As both ENN-NG and ENN Zhoushan were controlled by the same actual controller before and after the acquisition, and such control was not transitory, the combination constituted a business combination under common control. Since the transaction had large amount and extensive effect, and the business combination under common control involved retroactive adjustment to relevant items in the comparative financial statements, we identify it as a key audit matter. See 2. Business Combinations Under Common Control of Note 6. Changes in the Scope of Consolidation to the Financial Statements for details.

## I. Auditor's Report (Continued)

### III. Key Audit Matters (Continued)

#### (III) *Business combination under common control (Continued)*

##### 2. *Audit response*

Our audit procedures for the business combination under common control mainly include:

- (1) We obtain and review the documents related to the acquisition including agreements and supplementary agreements, resolutions of the Board of Directors, valuation reports issued by the appraisal firm on the underlying assets and approval documents, determine the combination date when the assets are purchased in this transaction and assess the management's judgment regarding the combination date;
- (2) We examine whether the assets and liabilities acquired by ENN-NG in the business combination are measured at the book value of the combined party, recheck the accounting treatment of the difference between the book value of the net assets acquired by ENN-NG in the combination and the combination consideration paid, and examine the accounting treatment of the business combination under common control on the combination date;
- (3) We examine whether the consolidated financial statements have retrospectively restated the comparative financial data in accordance with the relevant provisions on business combination under common control;
- (4) We check the relevant disclosures of the business combination in the financial statements and notes thereto.

### IV. Other Information

The management of ENN-NG is responsible for the other information. The other information comprises the information included in the 2022 Annual Report, but does not include the financial statements and our auditor's report.

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

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

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

## I. Auditor's Report (Continued)

### V. Responsibilities of Management and those Charged With Governance for the Financial Statements

The management of ENN-NG is responsible for the preparation and fair presentation of the financial statements in accordance with the Accounting Standards for Business Enterprises and for design, implementation and maintenance of necessary internal control to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the management is responsible for assessing the ability of ENN-NG to continue as a going concern, disclosing, if applicable, matters related to going concern and using the going concern assumptions unless the management either intends to liquidate ENN-NG or to cease operations, or have no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the financial reporting process of ENN-NG.

### VI. Certified Public Account's Responsibilities for the Audit of the Financial Statements

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

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

- (1) Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to these risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- (2) Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate.
- (3) Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.

## I. Auditor's Report (Continued)

### VI. Certified Public Account's Responsibilities for the Audit of the Financial Statements (Continued)

- (4) Conclude on the appropriateness of the management's use of the going concern assumptions and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of ENN-NG to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to issue our modified 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 ENN-NG to cease to continue as a going concern.
- (5) Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- (6) Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within ENN-NG to express an opinion on the financial statements. We are responsible for the direction, supervision and performance of the group audit and remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope, 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 communicate with them all relationships and other matters that may reasonably be deemed to bear on our independence, and safeguards applied.

From the matters communicated with those charged with governance, we determine those matters that are of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about these matters 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.

ZhongXi CPAs (Special General Partnership)

Certified Public Accountant of China:  
(Project Partner) Zhang Zenggang

Beijing, China

Certified Public Accountant of China: Deng Haifu

24 March 2022

## II. Financial Statements

### Consolidated Balance Sheet

31 December 2022

Prepared by: ENN Natural Gas Co., Ltd.

Unit: RMB'0000 Currency: RMB

Project	Notes	31 December 2022	31 December 2021
Current assets:			
Monetary fund	VII-1	923,809	1,150,604
Settlement reserve			
Lending funds	VII-2	285,117	222,099
Transaction financial assets	VII-3	2,560	15,510
Derivative financial assets	VII-4	289,663	281,628
Notes receivable	VII-5	32,507	32,535
Accounts receivable	VII-6	637,603	653,428
Receivables financing	VII-7	91,663	86,389
Prepayments	VII-8	498,758	395,275
Loans and Advances	VII-9	4,410	5,586
Premiums receivable			
Reinsured accounts receivable			
Reserves for reinsurance contract receivable			
Other receivables	VII-10	326,770	240,014
Including: Interest receivable			
Dividend receivable		25,912	21,708
Buying back the sale of financial assets			
Inventories	VII-11	241,660	316,967
Contract assets	VII-12	302,998	270,466
Assets held for sale			
Non-current assets due within one year	VII-14	8,417	12,061
Other current-assets	VII-15	232,383	299,218
Total current assets		3,878,318	3,981,780
Non-current assets:			
Loans and Advances	VII-16		1,097
Debt investment	VII-17		293
Other debt investment			
Long-term receivables	VII-19	439	36,018
Long-term equity investment	VII-20	602,109	599,550

Project	Notes	31 December 2022	31 December 2021
Investment in other equity instruments	VII-21	25,498	27,278
Other non-current financial assets	VII-22	432,722	552,800
Investment real estate	VII-23	27,632	28,807
Fixed assets	VII-24	6,612,822	6,243,693
Construction in progress	VII-25	478,612	449,233
Productive biological assets			
Oil-gas assets			
Right-of-use assets	VII-28	42,442	42,568
Intangible assets	VII-29	1,106,248	1,093,930
Development expenditure	VII-30	18,507	1,437
Goodwill	VII-31	57,385	57,385
Long-term prepaid expenses	VII-32	77,407	60,872
Deferred tax assets	VII-33	225,454	216,905
Other non-current assets	VII-34	34,149	38,328
Total non-current assets		9,741,426	9,450,194
Total assets		13,619,744	13,431,974
Current liabilities:			
Short-term borrowings	VII-35	756,023	797,234
Borrowings from central bank			
Borrowing funds			
Transaction financial liabilities			
Derivative financial liabilities	VII-37	101,916	209,051
Notes payable	VII-38	85,737	126,108
Accounts payable	VII-39	1,048,430	1,199,520
Advance receipts			
Contract liabilities	VII-41	1,742,053	1,658,380
Financial assets sold for repurchase	VII-42	36,519	55,490
Deposits from customers and interbank	VII-43	23,684	19,308
Acting trading securities			
Acting underwriting securities			
Payroll payable	VII-44	124,770	111,667
Taxes payable	VII-45	288,649	276,457
Other payables	VII-46	304,457	238,800
Including: Interests payable			
Dividends payable		26,304	24,669
Handling charges and commissions payable			
Cession insurance premiums payable			
Liabilities held for sales			



Project	Notes	31 December 2022	31 December 2021
Non-current liabilities due within one year	VII-48	194,933	784,255
Other current liabilities	VII-49	159,635	150,009
Total current liabilities		4,866,806	5,626,279
Non-current liabilities:			
Reserves for insurance contract			
Long-term borrowings	VII-50	1,211,218	895,623
Bonds payable	VII-51	1,437,773	984,096
Including: Preferred shares			
Perpetual bonds			
Lease liabilities	VII-52	30,977	32,325
Long-term payables	VII-53	157,114	166,639
Long-term payroll payable			
Anticipation liabilities			
Deferred income	VII-56	111,884	96,747
Deferred tax liabilities	VII-33	358,215	337,696
Other non-current liabilities	VII-57	289,535	454,231
Total non-current liabilities		3,596,716	2,967,357
Total liabilities		8,463,522	8,593,636
Owners' equity (or shareholders' equity):			
Paid-in capital (share capital)	VII-58	309,866	284,585
Other equity instruments			
Including: Preferred shares			
Perpetual bonds			
Capital reserve	VII-60	19,396	467,150
Less: Treasury shares	VII-61	19,182	12,545
Other comprehensive income	VII-62	45,835	27,459
Special reserve	VII-63	5,222	4,291
Surplus reserve	VII-64	33,111	22,415
General risk provisions	VII-65	18,839	17,464
Undistributed profits	VII-66	1,344,725	860,840
Total owners' equity (or shareholders' equity) attributable to the parent company		1,757,812	1,671,659
Minority interest		3,398,410	3,166,679
Total owners' equity (or shareholders' equity)		5,156,222	4,838,338
Total liabilities and owners' equity (or shareholders' equity)		13,619,744	13,431,974

Person in charge of the Company:  
Wang Yusuo

Person in charge of accounting:  
Wang Dongzhi

Person in charge of accounting organization:  
Cheng Zhiyan

## Balance Sheet of the Parent Company

31 December 2022

Prepared by: ENN Natural Gas Co., Ltd.

Unit: RMB'0000 Currency: RMB

Project	Notes	31 December 2022	31 December 2021
Current assets:			
Monetary fund		35,233	139,502
Transaction financial assets			
Derivative financial assets			
Notes receivable			
Accounts receivable	XVII-1	47	
Receivables financing			
Prepayments		82	35
Other receivables	XVII-2	823,340	576,851
Including: Interest receivable			
Dividend receivable		170,586	131,500
Inventories			
Contract assets			
Assets held for sale			
Non-current assets due within one year			15,025
Other current-assets		275	77
Total current assets		858,977	731,490
Non-current assets:			
Debt investment			
Other debt investment			
Long-term receivables			123,883
Long-term equity investment	XVII-3	1,371,630	1,360,345
Investment in other equity instruments			26
Other non-current financial assets			
Investment real estate			
Fixed assets		235	398
Construction in progress			2,230
Productive biological assets			
Oil-gas assets			
Right-of-use assets		200	69
Intangible assets		3,160	1,872
Development expenditure		688	191

Project	Notes	31 December 2022	31 December 2021
Goodwill			
Long-term prepaid expenses			
Deferred tax assets			
Other non-current assets			
Total non-current assets		1,375,913	1,489,014
Total assets		2,234,890	2,220,504
Current liabilities:			
Short-term borrowings		60,020	89,658
Transaction financial liabilities			
Derivative financial liabilities			
Notes payable		14,100	15,000
Accounts payable		961	935
Advance receipts			
Contract liabilities			31
Payroll payable		553	547
Taxes payable		51	258
Other payables		619,711	1,064,679
Including: Interests payable			
Dividends payable			
Liabilities held for sales			
Non-current liabilities due within one year		229	20
Other current liabilities			
Total current liabilities		695,625	1,171,128
Non-current liabilities:			
Long-term borrowings		60,061	30,008
Bonds payable			
Including: Preferred shares			
Perpetual bonds			
Lease liabilities			71
Long-term payables		480,537	467,350
Long-term payroll payable			
Anticipation liabilities			
Deferred income		670	670

Project	Notes	31 December 2022	31 December 2021
Deferred tax liabilities			
Other non-current liabilities			
Total non-current liabilities		541,268	498,099
Total liabilities		1,236,893	1,669,227
Owners' equity (or shareholders' equity):			
Paid-in capital (share capital)		309,866	284,585
Other equity instruments			
Including: Preferred shares			
Perpetual bonds			
Capital reserve		444,027	35,554
Less: Treasury shares		19,182	12,545
Other comprehensive income			-1,085
Special reserve			
Surplus reserve		53,167	42,471
Undistributed profits		210,119	202,297
Total owners' equity (or shareholders' equity)		997,997	551,277
Total liabilities and owners' equity (or shareholders' equity)		2,234,890	2,220,504

Person in charge of the Company:  
Wang Yusuo

Person in charge of accounting:  
Wang Dongzhi

Person in charge of accounting organization:  
Cheng Zhiyan

## Consolidated Income Statement

January – December 2022

Unit: RMB'0000 Currency: RMB

Project	Notes	2022	2021
I. Gross revenue		15,416,881	11,589,999
Including: Operating income	VII-67	15,404,417	11,578,863
Interest revenue	VII-68	12,454	11,051
Earned premium			
Handling charges and commissions income	VII-69	10	85
II. Gross operating cost		14,127,096	10,309,325
Including: Operating cost	VII-67	13,070,263	9,562,943
Interest expense	VII-68	2,135	1,784
Handling charges and commissions expense	VII-69	311	170
Surrender value			
Net payments for insurance claims			
Net Deposit for Duty of Reinsurance			
Expenditures dividend policy			
Amortized Reinsurance expenses			
Taxes and surcharges	VII-70	78,411	64,115
Selling expenses	VII-71	148,501	144,678
Administrative expenses	VII-72	412,141	359,337
Research and development expenditure	VII-73	122,014	107,263
Financing expense	VII-74	293,320	69,035
Including: Interest expense		137,166	122,531
Interest revenue		13,618	17,005
Plus: Other income	VII-75	42,219	39,557
Investment income (losses as in "-")	VII-76	84,651	117,887
Including: Investment incomes from associated ventures and joint ventures		13,268	53,844
Derecognized income of financial assets measured at amortized cost (losses as in "-")			
Exchange gains (losses as in "-")	VII-77	-41	3
Net exposure hedging gains (losses as in "-")			
Income from changes in fair values (losses as in "-")	VII-79	116,912	45,650
Credit impairment loss (losses as in "-")	VII-80	-30,829	-12,609
Asset impairment loss (losses as in "-")	VII-81	-24,287	-45,016
Assets disposal gains (losses as in "-")	VII-82	-7,944	-2,943

Project	Notes	2022	2021
III. Operating profit (losses as in "-")		1,470,466	1,423,203
Plus: Non-operating income	VII-83	9,850	16,465
Less: Non-operating expenditure	VII-84	12,637	22,977
IV. Total profit (Total losses as in "-")		1,467,679	1,416,691
Less: Income tax expenses	VII-85	360,272	304,275
V. Net profit (Net loss as in "-")		1,107,407	1,112,416
(I) Classified by the continuity of operations			
1. Net profit of going concern (net losses as in "-")		1,107,407	1,112,416
2. Net profit of discontinuing operation (net losses as in "-")			
(II) Classified by attribution of ownership			
1. Net profit attributable to shareholders of the parent company (net losses as in "-")		584,391	463,178
2. Minority shareholders' profits and losses (net losses as in "-")		523,016	649,238
VI. Net of tax from other comprehensive income		-13,664	41,385
(I) Net after-tax amount of other comprehensive income attributable to owners of the parent company		17,265	598
1. Other comprehensive income that cannot be reclassified into profit and loss		-603	1,282
(1) Re-measurement of the amount of changes in the defined benefit plans			
(2) other comprehensive income that cannot be transferred to profit or loss under the equity method			
(3) Changes in fair value of other equity instrument		-603	1,282
(4) Changes in fair value of enterprise's own credit risk			
2. Other comprehensive income that will be reclassified into profit and loss		17,868	-684
(1) Other comprehensive income of convertible profit or loss under equity method			
(2) Changes in the fair value of other creditor's rights investments			
(3) Amount of financial assets reclassified into Other comprehensive income			
(4) Preparation for credit impairment of other creditor's rights investment			
(5) Cash flow hedging reserve		-4,097	9,104
(6) Conversion difference of foreign currency financial statements		21,888	-9,788
(7) Others		77	
(II) Net income of tax of Other comprehensive income attributable to minority shareholders		-30,929	40,787

Project	Notes	2022	2021
VII. Total comprehensive incomes		1,093,743	1,153,801
(I) Total consolidated income attributable to the owner of the parent company		601,656	463,776
(II) Total aggregate income attributable to minority shareholders		492,087	690,025
VIII. Earnings per share:			
(I) Basic earnings per share (yuan/share)		1.90	1.51
(II) Diluted earnings per share (yuan/share)		1.89	1.51

Where business combination under common control occurs in the current period, the net profit of the combined party realized before the combination is RMB173.37 million, and the net profit of the combined party realized in the previous period is RMB635.78 million.

Person in charge of the Company:  
Wang Yusuo

Person in charge of accounting:  
Wang Dongzhi

Person in charge of accounting organization:  
Cheng Zhiyan



## Income Statement of the Parent Company

January – December 2022

Unit: RMB'0000 Currency: RMB

Project	Notes	2022	2021
I. Operation income	XVII-4	1,859	17,198
Less: Operating cost	XVII-4	9	11
Taxes and surcharges		72	457
Selling expenses			
Administrative expenses		10,708	12,388
Research and development expenditure			
Financing Expense		15,272	15,972
Including: Interest expense		15,340	16,422
Interest revenue		1,656	2,189
Plus: Other income		28	
Investment income (losses as in "-")	XVII-5	131,206	235,784
Including: Investment incomes from associated ventures and joint ventures		2,120	3,558
Derecognized income of financial assets measured at amortized cost (losses as in "-") losses as in "-")			
Net exposure hedging gains (losses as in "-") losses as in "-")			
Income from changes in fair values (losses as in "-")			
Credit impairment loss (losses as in "-")			6
Asset impairment loss (losses as in "-")			
Assets disposal gains (losses as in "-")		-94	
II. Operation profits (losses as in "-")		106,938	224,160
Plus: Non-operating income		15	
Less: Non-operating expenditure			7
III. Total profits (total losses as in "-")		106,953	224,153
Less: Income tax expenses			
IV. Net profits (net losses as in "-")		106,953	224,153
(I) Net profit of going concern (net losses as in "-")		106,953	224,153
(II) Net profit of discontinuing operation (net losses as in "-")			
V. Net of tax from other comprehensive income		-26	-106
(I) Other comprehensive income that cannot be reclassified into gains or losses		-26	-106
1. Re-measurement of the amount of changes in the defined benefit plans			

Project	Notes	2022	2021
2. other comprehensive income that cannot be transferred to profit or loss under the equity method			
3. Changes in fair value of other equity instrument		-26	-106
4. Changes in fair value of enterprise's own credit risk			
(II) Other comprehensive income can reclassified into gains and losses			
1. Other comprehensive income of convertible profit or loss under equity method			
2. Changes in the fair value of other creditor's rights investments			
3. Amount of financial assets reclassified into Other comprehensive income			
4. Preparation for credit impairment of other creditor's rights investment			
5. Cash flow hedging reserve			
6. Conversion difference of foreign currency financial statements			
7. Others			
VI. Total comprehensive income		106,927	224,047
VII. Earnings per share:			
(I) Basic earnings per share (yuan/share)			
(II) Diluted earnings per share (yuan/share)			

Person in charge of the Company:  
Wang Yusuo

Person in charge of accounting:  
Wang Dongzhi

Person in charge of accounting organization:  
Cheng Zhiyan

## Consolidated Cash Flow Statement

January – December 2022

Unit: RMB'0000    Currency: RMB

Project	Notes	2022	2021
I. Cash flow from operating activities:			
Cash received from selling goods and providing labor service		17,907,997	13,145,903
Net increase of customer's deposit and deposit from other banks		4,376	4,604
Net increase of borrowings from central bank			
Net increase of funds borrowed from other financial institutions			
Cash gained from the received premium of original contract			
Net cash received from reinsurance operations			
Net increase of the deposit of the insured and the investment funds			
Cash of the received interest, handling charges and commissions		10,019	9,182
Net increase of borrowing funds			
Net increase of the repurchased business capital			31,228
Net decrease in customers' loans and advances		33,383	1,448
Net cash of receivings from vicariously traded securities			
Refund of taxes received		226,539	49,351
Other cash received related to operating activities	VII-86	82,390	75,881
Subtotal cash inflow from operating activities		18,264,704	13,317,597
Cash paid for purchasing goods and accepting labor services		15,228,788	10,613,526
Net increase of customer lending and money advanced			
Net increase deposited in central bank and other banks			
Cash paid for compensated funds of the original insurance contract			
Net increase of lending funds			
Net decrease of the repurchase business funds		18,971	
Cash paid for interest, handling charges and commissions			
Cash paid for policy dividends			
Cash payments to and on behalf of employees		597,407	540,398
Other taxes and dues		681,615	503,618
Other cash paid related to operating activities	VII-86	237,345	243,551
Subtotal cash outflow for operating activities		16,764,126	11,901,093
Net cash flow from operating activities		1,500,578	1,416,504

Project	Notes	2022	2021
II. Cash flow from investing activities:			
Cash received from investment recovery		1,073,761	1,199,649
Cash received from investment return		170,348	48,848
Net cash received from disposal of fixed assets, intangible assets and other long-term assets		56,231	22,117
Net cash received from disposal of subsidiaries and other business units		7,962	3,247
Other cash received related to investment activities	VII-86	42,941	37,207
Subtotal cash inflow of investment activities		1,351,243	1,311,068
Cash paid to acquire and construct fixed assets, intangible assets and other long-term assets		871,924	855,321
Cash paid for investments		1,107,630	1,129,131
Net increase of pledged loans			
Net cash paid by subsidiaries and other business units		7,652	75,591
Other cash payments related to investment activities	VII-86	52,146	68,198
Subtotal cash outflow for investment activities		2,039,352	2,128,241
Net cash flow from investing activities		-688,109	-817,173
III. Cash flow from financing activities:			
Cash received from investment absorption		13,844	335,594
Including: Cash received from subsidiaries for investment by minority interest		9,070	10,933
Cash received from loan		2,443,775	2,723,460
Other cash received related to financing activities	VII-86	79,286	189,608
Subtotal cash inflow from fund-raising activities		2,536,905	3,248,662
Cash paid for debt repayment		2,487,819	2,873,484
Cash paid for dividend distribution, profits distribution, or interests payment		497,839	481,778
Including: Dividends, profits paid to minority owners by the subsidiaries		261,699	282,287
Other cash payments related to financing activities	VII-86	516,463	433,554
Subtotal cash outflow for fund-raising activities		3,502,121	3,788,816
Net cash flow from financing activities		-965,216	-540,154
IV. Impact of exchange rate movement on cash and cash equivalents		6,960	-5,137
V. Net increase of cash and cash equivalents		-145,787	54,040
Plus: Beginning balance of cash and cash equivalents		1,241,341	1,187,301
VI. ending cash and cash equivalents balance		1,095,554	1,241,341

Person in charge of the Company:  
Wang Yusuo

Person in charge of accounting:  
Wang Dongzhi

Person in charge of accounting organization:  
Cheng Zhiyan

## Cash Flow Statement of the Parent Company

January – December 2022

Unit: RMB'0000    Currency: RMB

Project	Notes	2022	2021
I. Cash flow from operating activities:			
Cash received from selling goods and providing labor service		109	152
Refund of taxes received			
Other cash received related to operating activities		3,579	173,748
Subtotal cash inflow from operating activities		3,688	173,900
Cash paid for purchasing goods and accepting labor services			
Cash payments to and on behalf of employees		1,387	3,392
Other taxes and dues		426	893
Other cash paid related to operating activities		11,011	4,824
Subtotal cash outflow for operating activities		12,824	9,109
Net cash flow from operating activities		-9,136	164,791
II. Cash flow from investing activities:			
Cash received from investment recovery			58,460
Cash received from investment return		90,835	108,355
Net cash received from disposal of fixed assets, intangible assets and other long-term assets		85	
Net cash received from disposal of subsidiaries and other business units			
Other cash received related to investment activities			
Subtotal cash inflow of investment activities		90,920	166,815
Cash paid to acquire and construct fixed assets, intangible assets and other long-term assets		20	141
Cash paid for investments		10,000	513,156
Net cash paid by subsidiaries and other business units			
Other cash payments related to investment activities		318	224
Subtotal cash outflow for investment activities		10,338	513,521
Net cash flow from investing activities		80,582	-346,706

Project	Notes	2022	2021
III. Cash flow from financing activities:			
Cash received from investment absorption			315,570
Cash received from loan		238,000	335,998
Other cash received related to financing activities		1,175,594	3,224,703
Subtotal cash inflow from fund-raising activities		1,413,594	3,876,271
Cash paid for debt repayment		237,590	483,438
Cash paid for dividend distribution, profits distribution, or interests payment		92,870	62,493
Other cash payments related to financing activities		1,261,633	3,036,244
Subtotal cash outflow for fund-raising activities		1,592,093	3,582,175
Net cash flow from financing activities		-178,499	294,096
IV. Impact of exchange rate movement on cash and cash equivalents		8	-2
V. Net increase of cash and cash equivalents		-107,045	112,179
Plus: Beginning balance of cash and cash equivalents		139,502	27,323
VI. Ending cash and cash equivalents balance		32,457	139,502

Person in charge of the Company:  
Wang Yusuo

Person in charge of accounting:  
Wang Dongzhi

Person in charge of accounting organization:  
Cheng Zhiyan

## Consolidated Statement of Changes in Owners' Equity

January – December 2022

Unit: RMB'0000    Currency: RMB

[illegible]



	2022															
	Attributable to the owner's equity of the parent company															Total owners' equity
Project	Paid-in capital (share capital)	Other equity instruments			Capital reserve	Less: Treasury shares	Other comprehensive income	Special reserve	Surplus reserve	General risk preparation	Undistributed profits	Others	Subtotal	Minority interest		
		Preferred shares	Perpetual bonds	Others												
(IV) Internal carry-over of ownership interests							1,111				-1,111					
1. Capital reserve converted into capital (or share capital)																
2. Surplus reserve converted into capital (or share capital)																
3. Surplus reserve makes up for losses																
4. Carried forward retained earnings from changes in defined benefit plans																
5. Other comprehensive income carried forward to retained earnings							1,111				-1,111					
6. Others																
(V) Appropriate reserve								931					931	431		1,362
1. Extraction of current period								24,130					24,130	3,055		27,185
2. Use of current period								23,199					23,199	2,624		25,823
(VI) Others																
IV. Ending balance of current period	309,866				19,396	19,182	45,835	5,222	33,111	18,839	1,344,725		1,757,812	3,398,410		5,156,222

[illegible]

2021													
Project	Attributable to the owner's equity of the parent company												
	Paid-in capital (share capital)	Other equity instruments			Capital reserve	Less: Treasury shares	Other comprehensive income	Special reserve	surplus reserve	General risk preparation	Undistributed profit	Others	Subtotal
		Preferred shares	Perpetual bonds	Others									
3. Surplus reserve makes up for losses													
4. Carried forward retained earnings from changes in defined benefit plans													
5. Other comprehensive income carried forward to retained earnings							-2,733				2,733		
6. Others													
(V) Appropriate reserve								-4,370					-4,370
1. Extraction of current period								18,869					18,869
2. Use of current period								23,239					23,239
(VI) Others													
IV. Ending balance of current period	284,585				467,150	12,545	27,459	4,291	22,415	17,464	860,840		1,671,659
													3,166,679
													4,838,338

Person in charge of the Company:  
Wang Yusuo

Person in charge of accounting:  
Wang Dongzhi

Person in charge of accounting organization:  
Cheng Zhiyan

## Statement of Changes in Owners' Equity of the Parent Company

January – December 2022

Unit: RMB'0000 Currency: RMB

Project		2022										
		Paid-in capital (share capital)	Other equity instruments			Capital reserve	Less: Treasury shares	Other comprehensive income	Special reserve	surplus reserve	Undistributed profit	Total owners' equity
			Preferred shares	Perpetual bonds	Others							
I.	Ending balance of last year	284,585			35,554	12,545	-1,085			42,471	202,297	551,277
	Plus: Change in accounting policies											
	Early error correction											
	Others											
II.	Beginning balance of current year	284,585			35,554	12,545	-1,085			42,471	202,297	551,277
III.	Increase or decrease of current period (decrease expressed with "-")	25,281			408,473	6,637	1,085			10,696	7,822	446,720
(I)	Total comprehensive income						-26				106,953	106,927
(II)	Capital invested and reduced by the owner	25,281			408,473	6,637						427,117
1.	Common stock invested by the owner	25,281			402,219							427,500
2.	Capital invested by other interest tool holders											
3.	Amount of share-based payment included in the owner's equity				6,254	-3,427						9,681
4.	Others					10,064						-10,064
(III)	Profit distribution									10,696	-98,020	-87,324
1.	Extraction of surplus reserve									10,696	-10,696	
2.	Distribution of the owner (or shareholder)										-87,324	-87,324
3.	Others											
(IV)	Internal carry-over of ownership interests						1,111				-1,111	
1.	Capital reserve converted into capital (or share capital)											
2.	Surplus reserve converted into capital (or share capital)											
3.	Surplus reserve makes up for losses											
4.	Carried forward retained earnings from changes in defined benefit plans											
5.	Other comprehensive income carried forward to retained earnings							1,111			-1,111	
6.	Others											
(V)	Appropriate reserve											
1.	Extraction of current period											
2.	Use of current period											
(VI)	Others											
IV.	Ending balance of current period	309,866			444,027	19,182				53,167	210,119	997,997

Project		2021										
		Paid-in capital (share capital)	Other equity instruments			Capital reserve	Less: Treasury shares	Other comprehensive income	Special reserve	surplus reserve	Undistributed profit	Total owners' equity
			Preferred shares	Perpetual bonds	Others							
I.	Ending balance of last year	259,998				13,131	19,958	-979		20,056	54,609	326,857
	Plus: Change in accounting policies											
	Early error correction											
	Others											
II.	Beginning balance of current year	259,998				13,131	19,958	-979		20,056	54,609	326,857
III.	Increase or decrease of current period (decrease expressed with "-")	24,587				22,423	-7,413	-106		22,415	147,688	224,420
(I)	Total comprehensive income							-106			224,153	224,047
(II)	Capital invested and reduced by the owner	24,587				22,423	-7,413					54,423
1.	Common stock invested by the owner	24,587				278,249						302,836
2.	Capital invested by other interest tool holders											
3.	Amount of share-based payment included in the owner's equity					-146	-7,413					7,267
4.	Others					-255,680						-255,680
(III)	Profit distribution									22,415	-76,465	-54,050
1.	Extraction of surplus reserve									22,415	-22,415	
2.	Distribution of the owner (or shareholder)										-54,050	-54,050
3.	Others											
(IV)	Internal carry-over of ownership interests											
1.	Capital reserve converted into capital (or share capital)											
2.	Surplus reserve converted into capital (or share capital)											
3.	Surplus reserve makes up for losses											
4.	Carried forward retained earnings from changes in defined benefit plans											
5.	Other comprehensive income carried forward to retained earnings											
6.	Others											
(V)	Appropriate reserve											
1.	Extraction of current period											
2.	Use of current period											
(VI)	Others											
IV.	Ending balance of current period	284,585				35,554	12,545	-1,085		42,471	202,297	551,277

Person in charge of the Company:  
Wang Yusuo

Person in charge of accounting:  
Wang Dongzhi

Person in charge of accounting organization:  
Cheng Zhiyan

### III. General Information of the Company

#### 1. Company Profile

√ Applicable    ☐ N/A

ENN Natural Gas Co., Ltd. (hereinafter referred to as “Company”, “the Company” or “ENN-NG” for short) was established in July 1992 under the approval document of No. 1 (1992) and No. 40 by Hebei Sports Reform Commission and Yiji Sports Reform Commission. The original name of ENN Natural Gas Co., Ltd. is Hebei Weiyuan Industrial Co., Ltd. In December 1993, the letter No. 52 [1993] of the China Securities Regulatory Commission (hereinafter referred to as the “CSRC” for short) passed the re-approval of the CSRC, 20 million ordinary shares were issued in RMB to the public, listed and traded on the Shanghai Stock Exchange on January 3, 1994 with the stock code of 600803. In March 1999, it was changed into Hebei Weiyuan Biochemical Co., Ltd. and the business license of enterprise legal person was changed. With registration number of 1300001000524. On October 18 of the same year, with the approval of document [1999] No. 117 of the China Securities Regulatory Commission, the Company implemented a share allotment based on the total share capital at the end of 1998. The total share capital after the allotment was RMB118.2217 million including RMB52.1257 million of state-owned legal person shares and RMB66.096 million of social public shares. The state-owned legal person shares were held by Hebei Weiyuan Group Co., Ltd.

On 12 May 2004, the State-owned Assets Supervision and Administration Commission of the State Council approved the change plan of the property rights of the controlling shareholder of Hebei Wei Group Co., Ltd. and the change of the property rights of the state-owned shares of the company by the State-owned Assets Equity Document [2004] No. 365, and ENN Group Co., Ltd. and Shijiazhuang Xinao Investment Co., Ltd. realized the change of the actual controller of the company through the purchase of Hebei Weiyuan Group Co., Ltd. as a whole. On 28 December 2004, the China Securities Regulatory Commission approved the exemption of obligation to tender offer of ENN Group Co., Ltd. and Shijiazhuang Xinao Investment Co., Ltd. for controlling 52.1257 million shares in Hebei Weiyuan Group Co., Ltd. Due to the acquisition of equity of Hebei Weiyuan Group Co., Ltd. with the approval of China Securities Regulatory Commission in document No. 116 of Securities Regulatory Company [2004]. ENN Group Co., Ltd. has become an indirect controlling shareholder of Hebei Weiyuan Biochemical Co., Ltd. because of the purchase of 80% equity in Hebei Weiyuan Group Co., Ltd.

On 4 April 2006, the shareholders’ meeting regarding the stock split reform of the Company deliberated and approved the Scheme on Reform of Stock Split of Hebei Weiyuan Biochemical Co., Ltd. under which Hebei Weiyuan Group Co., Ltd., the non-tradable shareholder, should be granted with circulation right for the non-tradable shares held by it and offer 2.5 shares to tradable shareholders for every 10 shares, with a total of 16,524,000 shares offered. After the implementation of the Scheme, the Company’s total share capital remained unchanged.

On 30 May 2006, the Company’s 2005 Annual General Meeting considered and approved the Profit Distribution and Capital Provident Fund Transfer Scheme. Based on the total share capital at the end of 2005, the Company increased 10 shares per 10 shares to all shareholders, a total of 118,221,713 shares. After the implementation of the plan, the company’s total share capital was changed to 236,443,426 shares.

### III. General Information of the Company (Continued)

#### 1. Company Profile (Continued)

On 27 December 2010, China Securities Regulatory Commission issued to the company license [2010] No. 1911 approval document, approving that Hebei Weiyuan Biochemical Co., Ltd. issued 75,388,977 shares in total to ENN Holdings Investment Limited (referred to as "ENN Holdings" for short) to buy the 75% equity of Xinneng (Zhangjiagang) Energy Co., Ltd. and 100% equity of Xinneng (Bengbu) Energy Co., Ltd. On 6 January 2011, the Company completed the procedures for the securities registration change of the new-added shareholders, and on January 28, the registration procedures for the industrial and commercial change of the new-added capital of ENN Holdings Investment Limited were completed. The total amount of the company's equity was changed to 311,832,403 shares.

According to the resolution of the Second Extraordinary General Meeting of Shareholders of 2012 and the approval of China Securities Regulatory Commission [2013] No. 211, of "the approval of Hebei Weiyuan Biochemical Co., Ltd. to purchase assets from ENN Holdings Investment Limited and other issued shares", the company non-publicly issued 229,872,495 shares to ENN Holdings Investment Limited; issued 98,360,656 shares to Beijing ENN-Jianyin Energy Development Equity Investment Fund (Limited Partnership) (short for "ENN Fund"); issued 78,688,525 shares, to Langfang Heyuan Investment Center (Limited Partnership) (short for Heyuan Investment); issued 100,182,149 shares, to Stone Capital Energy Equity Investment Fund (Shanghai) (Limited Partnership) (short for Taoshi Fund); issued 63,752,277 shares to Shenzhen Ping'an Innovation Capital Investment Co., Ltd. (short for "Ping'an Capital"); issued 19,672,131 shares to Legend Holdings (short for "Legend Holdings"), and issued 19,672,131 shares to Oceanwide Energy Investment Co., Ltd. (short for "Oceanwide Investment") to acquire Xinneng Mining Industry Co., Ltd. (short for "Xinneng Mining") which is totally held by seven companies. The company acquired 100% equity of the Xinneng Mining Industry Co., Ltd. and 75% equity indirectly of Xinneng Energy Co., Ltd. Through Xinneng Mining on July 4, 2013, the Company completed the registration and alteration procedures in the Shanghai Branch of China Securities Registration and Settlement Co., Ltd. On August 12, 2013, the Company completed the registration procedures for the industrial and commercial changes of a total capital increase of RMB610,200,364, to ENN Holdings, ENN Fund, He Investment, Taoshi Fund, Ping An Capital, Legend Holdings and Fanhai Investment, and the Company's equity changed to 922,032,767 shares.

After deliberation and approval of the 25th Meeting and the 26th Meeting of the sixth board of directors, on July 24, 2013, the Company invested RMB30 million to establish a wholly-owned subsidiary namely Hebei Weiyuan Biochemical Pesticide Co., Ltd. (hereinafter referred to as "Pesticide Company"). After deliberation and approval of the First Extraordinary General Meeting of Shareholders, the company injected "pesticide production and sales, biochemical products, fine chemical products production and sales and other related business" and other agrochemical business (including subordinate No. 3 Bio-Pharmaceutical Plant, Luquan Preparations Branch and Branch of Chemical Park) and other related operational assets, liabilities and related qualifications into the pesticide company; increased capital to Hebei Weiyuan Biochemical Co., Ltd., with an audited net assets face value of RMB227.23 million; and Hebei Weiyuan Biochemical Co., Ltd. shall be responsible for the R&D, production, operation and other related activities of the agrochemical business by undertaking a series of production qualifications such as production fixed-point and production license for the original agrochemical business. In December 2013, the pesticide company completed the registration of industrial and commercial changes, and the registered capital was changed to 257.23 million. The headquarters of the company no longer engaged in agricultural business R&D, production, operation and other related activities.



### III. General Information of the Company (Continued)

#### 1. Company Profile (Continued)

According to the approval of the Reply to Approval of the Acquisition of Issued Shares of ENN Holdings Investment Limited by Hebei Weiyuan Biochemical Co., Ltd. by the resolution of Second Extraordinary General Meeting of Shareholders of 2012 and the China Securities Regulatory Commission Regulatory License [2013] No. 211, the Company non-publicly issued a total of 63,752,276 ordinary shares (A shares) on December 26, 2013 with a face value of RMB1 per share and an issue price of RMB10.98 per share. On December 31, 2013, the procedures for the registration and alteration of non-public shares and the registration procedures of industrial and commercial changes in registered capital were completed, and the equity was changed to 985,785,043 shares.

According to the Resolution on the Related Transactions of the Acquisition of LNG Plants Equity by Xinneng Mining Industry Co., Ltd., which was considered and approved by the First Extraordinary General Meeting of Shareholders in September, 2014, the Company's subsidiary company, namely, Xinneng Mining Industry Co., Ltd., was granted 100% equity of Shanxi Qinshui ENN Gas Co., Ltd.(hereinafter referred to as Qinshui ENN for short) held by ENN (China) Gas Investment Co., Ltd. for RMB161.383 million. In October, 2014, the equity transfer registration procedures was completed in Shanxi Province Qinshui County Administration Bureau for Industry and Commerce; Xinneng Mining Industry Co., Ltd. was granted 45% equity of Cnooc ENN (North Sea) Gas Co., Ltd. (CNOOC ENN for short) for RMB68.6070 million held by ENN (China) Gas Investment Co., Ltd. As of June 30, 2016, CNOOC ENN (North Sea) Gas Co., Ltd. had completed the registration of the equity transfer in Beihai City Administration for Industry and Commerce and had changed its name to Beihai Gas Co., Ltd. of CNOOC Gas and Power. Moreover, the new Business License of Enterprise Legal Person was used. On July 1, 2016, Beihai Gas Co., Ltd. of CNOOC Gas and Power became the joint venture of the Company.

According to the Resolution on the Acquisition of a Partial Share of Xinneng Fenghuang (Tengzhou) Energy Co., Ltd. by Xinneng Mining Industry Co., Ltd., which was considered and approved by the First Extraordinary General Meeting of Shareholders in September, 2014, Xinneng Mining Industry Co., Ltd., a subsidiary of the Company, was granted 17.5% equity of Xinneng Fenghuang (Tengzhou) Energy Co., Ltd.(hereinafter referred to as "Xinneng Fenghuang") held by Legend Holdings Co., Ltd. for RMB160.0083 million. The acquisition of 12.5% equity of Xinneng Fenghuang held by Legend Holdings (Tianjin) Co., Ltd. for RMB114.2916 million. The acquisition of 10% equity of Xinneng Fenghuang held by Shandong Tengzhou Chenlong Energy Group Co., Ltd. for RMB90 million. As of October 16, 2014, Xinneng Fenghuang had completed the registration of 40% equity transfer in Shandong Province Tengzhou Administration for Industry and Commerce.

After deliberation and approval by the Second Extraordinary General Meeting of Shareholders in 2014, the name of the Company was changed to "ENN Ecological Holdings Co., Ltd." on December 24, 2014, and the Company obtained a new "Business License for Enterprise Legal Person" issued by Shijiazhuang Administration for Industry and Commerce. Approved by the Shanghai Stock Exchange, the Company securities abbreviation shall be changed from "Weiyuan Biochemical" to "ENN-NG" since January 16, 2015, and the securities code remained unchanged.

### III. General Information of the Company (Continued)

#### 1. Company Profile (Continued)

According to the deliberation and approval of the twelfth meeting of the Seventh Board of Directors of the Company on December 3, 2014, the Resolution on the Approval of the Preliminary Operation of Related LNG Project of the Management Layer was passed, and the relevant preliminary operation of projects of coke oven gas to LNG and other unconventional natural gas to LNG was approved. On March 25, 2015, the 14th Meeting of the Seventh Board of Directors of the Company considered and approved the Resolution on the Establishment of Xuzhou Xinneng Longshan Clean Energy Co., Ltd., as a controlling subsidiary company, and approved the Company to jointly invest in the establishment of Xuzhou Xinneng Longshan Clean Energy Co., Ltd. with Xuzhou Longshan Coke-making Co., Ltd. Xinneng Longshan has a registered capital of RMB110 million and the company has invested RMB56.1 million in currency, with the shareholding ratio of 51%. Due to changes in cooperation conditions, at the 19th meeting of the Seventh Board of Directors on August 18, 2015, the Company considered and approved the Resolution on the Cancellation of the Controlling Subsidiary, namely Xuzhou ENN Longshan Clean Energy Co., Ltd., and approved to cancel and liquidate the controlling subsidiary, namely Xuzhou Xinneng Longshan Clean Energy Co., Ltd.

On June 8, 2015, at the 18th Meeting of the Seventh Board of Directors of the Company considered and approved the Resolution on the Establishment of a Holding Subsidiary Qian'an ENN Clean Energy Co., Ltd., and approved that the Company would jointly invest in the establishment of Qian'an ENN Clean Energy Co., Ltd. with Tianjin Wuchan Qian'an Logistics Co., Ltd. and Qian'an Yiwang Investment Co., Ltd., and the registered capital is RMB110 million. In November 2018, the company signed an equity transfer agreement with Tiandao Warehouse Logistics (Qian'an) Co., Ltd. The company transferred all equity of Qianan ENN Clean Energy Co., Ltd. to Tiandao Warehouse Logistics Co., Ltd. for RMB22.0028 million, and completed the registration of industrial and commercial changes in the month.

According to the Resolution on the Acquisition of 100% Equity of Xindi Energy Engineering Technology Co., Ltd. (hereinafter referred to as "Xindi Engineering") by Xinneng Mining Industry Co., Ltd. which was considered and approved by the company at the 17th Meeting of the Seventh Board of Directors in April 2015 and the First Extraordinary General Meeting of Shareholders of May 2015, the Company's subsidiary company, namely Xinneng Mining Industry Co., Ltd. was granted 60% equity of Xindi Energy Engineering Technology Co., Ltd. (hereinafter referred to as "Xindi Engineering") held by ENN Group Co., Ltd. for RMB1,060.8 million, and was granted 40% equity of Xindi Energy Engineering Technology Co., Ltd. held by ENN Photovoltaic Energy Co., Ltd. for RMB707.2 million. On May 14, 2015, the Xidi Project completed the registration procedures of 100% equity change in Langfang Development Zone Administration for Industry and Commerce and exchanged for the new Business License of Enterprise Legal Person.

### III. General Information of the Company (Continued)

#### 1. Company Profile (Continued)

According to the Resolution on the Establishment of a Wholly-owned Subsidiary of Tianjin Free Trade Zone ENN Xinneng Trading Co., Ltd., considered and approved at the 19th Meeting of the Seventh Session of the Board in August 2015, the Company decided to establish a wholly-owned subsidiary of Tianjin Free Trade Zone ENN Xinneng Trading Co., Ltd. with registered capital of RMB80 million. Due to changes in the operating environment and regulatory policies of dangerous chemicals in the registered place, the safety production and operation supervision department has suspended the issuance of hazardous chemicals operation and production license within its jurisdiction, thus making the operation purpose of Tianjin Free Trade Zone impossible to achieve. According to the approval by the 21st Meeting of the Eighth Board of Directors on March 28, 2018, on the Resolution on the Cancellation of the Subsidiary of ENN Xinneng Trading Co., Ltd. of Tianjin Free Trade Zone, it was approved to cancel and liquidate the subsidiary company, namely ENN Xinneng Trading Co., Ltd. of Tianjin Free Trade Zone.

According to the Resolution on the Establishment of a Wholly-owned Subsidiary, Xinneng (Tianjin) Energy Co., Ltd. which was considered and approved by the Company at its 23rd Meeting of the Seventh Section of the Board of Directors on March 22, 2016 and the First Extraordinary General Meeting of Shareholders of Shareholders held in April 2016, the Company decided to establish a wholly-owned subsidiary, Xinneng (Tianjin) Energy Co., Ltd., whose registered capital is RMB80 million and as of December 31, 2019, the actual investment of the company is RMB80 million.

Based on the Proposal on the Major Assets Purchase Scheme of the Company, Proposal on Signing Conditional Effective Equity Transfer Agreement with Robust Nation Investments Limited, and Proposal on Proposed Designation of Xinneng (Hong Kong) Energy Investment Limited, a Wholly-Owned Overseas Subsidiary of the Company to be the Subject of the Implementation of the Major Asset Acquisition approved at the 23rd Meeting of the Seventh Board of Directors held in March 2016, the 25th Meeting of the Seventh Board of Directors held in April 2016, as well as the 1st Extraordinary General Meeting and 2nd Extraordinary General Meeting held in 2016, Xinneng (Hong Kong) Energy Investment Limited (hereinafter referred to as "Xinneng Hong Kong"), a wholly-owned subsidiary of the Company, acquired 100% of the equity interest in United Faith Ventures Limited (hereinafter referred to as "United Faith Ventures") held by Robust Nation Investments Limited for cash, thereby indirectly holding 11.82% of the equity interest in Santos Limited (hereinafter referred to as "Santos"), an Australian listed company (209,734,518 shares). Xinneng Hong Kong's purchase of 100% equity of United Faith Ventures Limited is a business merger not under common control. The actual payment of the equity purchase price is US \$754,809,895. On April 29, 2016, the shares delivery was completed and the date of merger was determined to be April 30, 2016. As at December 31, 2016, the company had completed a capital increase of RMB1.6 billion in Xinneng Hong Kong. On May 11, 2018, the board of directors of Xinneng Hong Kong Company decided to add US\$532,367,984 to Xinneng Hong Kong. On May 16, Xinneng Hong Kong Company received the capital increase of US\$532,367,984 and the registration procedures for capital change were completed. As of December 31, 2019, the Company had contributed RMB4,981.8152 million to Xinneng Hong Kong.

### III. General Information of the Company (Continued)

#### 1. Company Profile (Continued)

According to the Resolution on the Transfer of 100% equity of Xinneng (Bengbu) Energy Co., Ltd., which was considered and approved at the 17th Meeting of the Eighth Board of Directors on November 30, 2017, the Company transferred 100% equity of its wholly-owned subsidiary, namely, Xinneng (Bengbu) Energy Co., Ltd. to Anhui Hongrun Petrochemicals Sales Co., Ltd. at the price of RMB55.4532 million. On December 11, 2017, the Company and Anhui Hongrun Petrochemicals Sales Co., Ltd., and Xinneng (Bengbu) Energy Co., Ltd. signed the Equity Transfer Agreement. In January 2018, the above-mentioned transfer of the industrial and commercial registration procedures was completed, and the transfer payment of equity has been fully accounted. After the transfer of equity was completed, the company no longer owned shares of Xinneng (Bengbu) Energy Co., Ltd.

According to the Resolution on the Allotment Security Issuance Plan of the Company for 2017 and the Resolution on Adjusting the Allotment Security Issuance Plan of the Company for 2017, which were considered and approved by the Eighth Meeting of the Eighth Board of Directors held by the Company on April 17, 2017 and the Third Extraordinary General Meeting of Shareholders held by the Company on May 3, 2017 and the 13rd Meeting of the Eighth Board of Directors held on August 2, 2017, on August 30, 2017, At its Fifteenth Meeting of the Eighth Board of Directors, the Resolution on Determining the Proportion of Company Allotments was considered and approved. On January 19, 2018, the Company received the approval document (Securities Regulatory [2018] No. 115) of the China Securities Regulatory Commission (CSRC) on Approval of the Allotment of Shares of ENN Ecological Holdings Co., Ltd. The shares allotment was based on a total of 985,785,043 shares after the closing of the Shanghai Stock Exchange on February 1, 2018, shares were allotted to all Shareholders at 2.5 shares per 10 shares and at a price RMB9.33 per share. As of February 12, 2018, the Shareholders of all the tradable shares with unlimited conditions actually acquired 243,570,740 shares of RMB common shares, and the company actually received the acquisition amount of RMB2,272,515,004.20; the company deducted various issuance charges of RMB33,684,570.74 (including tax); and actually recruited funds net amount of RMB2,238,830,433.46, among them: Included in the equity of RMB243,570,740.00 and included in capital reserve of RMB1,997,166,367.26. Meanwhile, the registered capital of the Company has been changed to RMB1,229,355,783.00.

According to the Resolution on the Agreement with relevant subjects of "Limin shares" etc. on the Transfer of Equity on the Sale of the Assets of Agricultural and Veterinary Drugs which was discussed and approved by the 40th Meeting of the Eighth Board of Directors of the Company on March 12, 2019, the Company shall transfer the equity of the wholly-owned subsidiaries of 100% equity of Hebei Weiyuan Biochemical Co., Ltd., 100% equity of Hebei Weiyuan Animal Pharmaceutical Co., Ltd., and 100% equity of Inner Mongolia New Veyong Biochemical Co., Ltd. To 60% equity of Limin Chemical Co., Ltd., 25% equity of Xinjiang Xinrong Renhe Equity Investment Limited Partnership, and 15% equity of Jiaying Jinyu Xinwei Equity Investment Limited Partnership for the price of RMB758,557,800. On March 12, 2019, the Company and Limin Chemical Co., Ltd., Xinjiang Xinrong Renhe Equity Investment Limited Partnership, Jiaying Jinyu Xinwei Equity Investment Limited Partnership (Limited Partnership) signed the equity transfer agreement. In June 2019, the above-mentioned transfer of the industrial and commercial registration procedures were completed, the transfer of shares had been all accounts, and after the transfer of shares was completed, the company no longer owned shares of Hebei Weiyuan Biochemical Co., Ltd., Hebei Weiyuan Animal Pharmaceutical Co., Ltd., Inner Mongolia New Veyong Biochemical Co., Ltd. (hereinafter referred to as "Three Agriculture and Veterinary and Pharmaceutical Companies").

### III. General Information of the Company (Continued)

#### 1. Company Profile (Continued)

According to the Second Meeting of the Ninth Board of Directors held on August 15, 2019, the Resolution on the Establishment of a Wholly-owned Subsidiary Company was considered and approved at the 2019 Fourth Extraordinary General Meeting of Shareholders of Shareholders held in September 2019. It was approved to establish a wholly-owned subsidiary of ENN (Tianjin) Energy Investment Co., Ltd. with a registered capital of RMB5 billion.

According to the Resolution on Replacement of Major Assets, Issuance of Shares and Payment of Cash for Purchase of Assets and Matching Fund-Raising Plan which was considered and approved at the Fourth Meeting of the Ninth Board of Directors of the Company, the Resolution on Revising the Plan on Replacement of Major Assets, Issuance of Shares and Payment of Cash for Purchase of Assets and Matching Fund-Raising Plan, which was considered and approved at the Eighth Meeting of the Ninth Board of Directors, the Concerning Approval of the Issuance of Shares to ENN Group International Investment Limited to Buy Assets and Raise Matching Funds (Securities Regulatory Commission [2020] No. 806) and the Notice on the Adjustment of the Issuance Price and Issuance Quantity of the Issued Assets after the Assignment of Equity in 2019, issued by ENN Ecological Holdings Co., Ltd. China Securities Regulatory Commission, the Company issued 1,370,626,680 common shares (A shares) in RMB to ENN International Co., Ltd to purchase assets. The Company applies for an increase of the registered capital of RMB1,370,626,680.00, which shall be subscribed by ENN International with its corresponding shareholding in ENN Energy. The registered capital after the change shall be RMB2,599,982,463.00.

After deliberation and approval of the 4th Extraordinary General Meeting in 2020, the name of the company was changed to ENN Natural Gas Co., Ltd. on December 2, 2020, and the new Business License issued by Shijiazhuang Market Supervision Bureau was obtained.

As resolved at the 4th meeting of the 9th Session of the Board of Directors held on September 9, 2019, the 8th Meeting of the Ninth Board of Directors held on November 21, 2019, the 6th Extraordinary General Meeting held on December 9, 2019, the 11th Meeting of the Ninth Board of Directors held on March 12, 2020, as well as at the first extraordinary general meeting held on March 30, 2020, and the Approval for ENN Ecological Holdings Co., Ltd. to Issue Shares to ENN Group International Investment Limited to Purchase Assets and Raise Matching Funds (CSRC [2020] No. 806) issued by China Securities Regulatory Commission, the Company has issued 245,871,156.00 ordinary shares (A shares) with a par value of RMB1.00 each at an issue price of RMB12.50 per share to specific recipients by way of private offering raising gross proceeds of RMB3,073,389,450.00, and after deducting the issuance fee of RMB45,029,544.86 (excluding taxes), the actual net amount of funds raised is RMB3,028,359,905.14. The Company has used RMB245,871,156.00 of the capital raised from this non-public issuance of shares to increase the registered capital, and the remaining part has been added to the Company's capital surplus as issue premium after deducting issue expenses. The registered capital after the renewal is RMB2,845,853,619.00.

### III. General Information of the Company (Continued)

#### 1. Company Profile (Continued)

As resolved at the 23rd Meeting of the Ninth Board of Directors held on January 20, 2021, the First Extraordinary General Meeting held on March 26, 2021, as well as at the 27th Meeting of the Ninth Board of Directors held on March 26, 2021, the Proposal on the <Draft Restricted Share Incentive Scheme 2021> of the Company and its Summary, and the Proposal on Adjustments to Matters of the Restricted Stock Incentive Plan 2021 were approved. The Company has intended to make an initial grant of 17,210,000 restricted shares to 49 incentive recipients at a price of RMB7.03 per share, and the source of the shares is the Company's repurchase of ordinary A shares of the Company from the secondary market. As the issuance of shares was the ordinary A shares of the Company repurchased from the secondary market, the total share capital of the Company remained unchanged, with an increase of RMB17,210,000.00 in the share capital of equity incentive restricted shares and a decrease of RMB17,210,000.00 in the share capital of unrestricted shares in circulation.

As resolved at the 23rd Meeting of the Ninth Board of Directors held on January 20, 2021, the First Extraordinary General Meeting held on March 26, 2021, as well as at the 27th Meeting of the Ninth Board of Directors held on March 26, 2021, the Proposal on the <Draft Restricted Share Incentive Scheme 2021> of the Company and its Summary, and the Proposal on Adjustments to Matters of the Restricted Stock Incentive Plan 2021 were approved. And the 34th meeting of the 9th Session of Board of Directors held on September 22, 2021 approved the Proposal on Adjustment of the Reserved Grant Price under the Restricted Share Incentive Scheme 2021 and the Proposal on the Grant of Reserved Partial Restricted Shares to Incentive Recipients. The Company has intended to grant 1,130,068 restricted shares to 10 incentive recipients with a price of RMB6.84 per share, and the source of the shares is the Company's repurchase of ordinary A shares of the Company from the secondary market. As the issuance of shares was the ordinary A shares of the Company repurchased from the secondary market, the total share capital of the Company remained unchanged, with an increase of RMB1,130,068.00 in the share capital of equity incentive restricted shares and a decrease of RMB1,130,068.00 in the share capital of unrestricted shares in circulation.

According to the Proposal on the Company's Assets Purchase by Issue of Shares and Cash Payment and Related-party Transaction Scheme deliberated and approved at the 44th Meeting of the Ninth Board of Directors, the approval documents of the Official Reply on Approval of Issue of Shares by ENN Natural Gas Co., Ltd. to ENN Science and Technology Development Co., Ltd. for Purchase of Assets (CSRC License [2022] No. 1660) issued by CSRC and the Company's Announcement on Adjusting the Issue Price and Number of Shares Issued and Cash Payment for Purchase of Assets or Related-party Transactions after the Implementation of Equity Distribution in 2021, the Company issued 252,808,988 RMB ordinary shares (A-share) for assets purchase, and applied for the increased registered capital of RMB252,808,988.00 in total. The registered capital after change amounted to RMB3,098,662,607.00.

As at December 31, 2022, the registered capital of the Company was RMB3,098,662,607.00; Uniform Social Credit Code: 91130100107744755W; Legal representative: Wang Yusuo; Company domicile: No. 383, Heping East Road, Shijiazhuang City, China; The Company's main business scope: Natural gas-based clean energy project construction, clean energy management services, natural gas clean energy technology research and development, technical advice, technical services, technology transfer, business management consulting, business advisory services (except securities, investment, futures, education, training). (For projects subject to the approval according to law, operational activities can be carried out only after the approval of relevant departments).

### III. General Information of the Company (Continued)

#### 2. Scope of Consolidated Financial Statements

√ Applicable    □ N/A

Unit: RMB'0000    Currency: RMB

Full name of subsidiary	Registered capital	Shareholding (%)	
		Direct	Indirect
Major subsidiaries			
Xinneng Mining Industry Co., Ltd.	79,000	100.00	
Xinneng Energy Co., Ltd.	USD32,516		79.90
Shanxi Qinshui Xin’ao Clean Energy Co., Ltd.	9,000		100.00
Xindi Energy Engineering Technology Co., Ltd.	30,000		100.00
Xinneng (Hong Kong) Energy Investment Co., Ltd.	USD77,818	100.00	
Xinneng (Tianjin) Energy Co., Ltd.	8,000		100.00
ENN (Tianjin) Energy Investment Co., Ltd.	500,000	100.00	
Chongqing Xin’ao Longxin Clean Energy Co., Ltd.	1,000	51.00	
Shanghai International Engineering Construction Consulting Co., Ltd.	1,000	64.00	
ENN LNG(SINGAPORE) PTE.LTD	USD5,000		100.00
Xinneng Capital Management Limited	USD 0.01		100.00
ENN Natural Gas Investment Inc	USD 0.01		100.00
ENN Clean Energy International Investment Limited	USD 0.01		100.00
Xin’ao (Hainan) Energy Trading Co., Ltd	USD2,000		100.00
Xin’ao Xinneng (Zhejiang) Energy Trading Co., Ltd.	5,000		100.00
Xin’ao Xinneng (Guangdong) Energy Trading Co., Ltd.	5,000		100.00
ENN Energy Holdings Limited	HKD30,000		32.64
ENN Xinneng (Hunan) Natural Gas Co., Ltd.	5,000		100.00
ENN (Langfang Airport FTZ) Natural Gas Sales Co., Ltd.	10,000	100.00	
ENN (Zhoushan) LNG Co., Ltd.	205,600		90.00
Tianjin Lianhe Energy Center Co., Ltd.	5,000		70.00

The specific changes in the scope of consolidation are detailed in "Note VIII. Changes in the Scope of Consolidation", and "Note IX. Interests in Other Entities".

## VI. Basic of Preparation of Financial Statements

### 1. Basis of preparation

The financial statements have been prepared on a going-concern basis subject to the actual transactions and matters and in accordance with the Accounting Standards for Business Enterprises – Basic Standards issued by the Ministry of Finance and specific accounting standards, guidance on the application of the Accounting Standards for Enterprises, interpretation of the Accounting Standards for Enterprises and other relevant regulations (hereinafter collectively referred to as “ASBE”), as well as the provisions on disclosure of the Preparation Rules for Information Disclosures by Companies Offering Shares to the Public No. 15 – General Provisions on Financial Reports issued by China Securities Regulatory Commission.

### 2. Going concern

The Company has evaluated the going concern ability within 12 months since the end of the Reporting Period and has not found any event or circumstance causing substantial doubt about the going concern ability. These financial statements were therefore prepared on the basis of going concern assumption.

### 3. Accounting basis and valuation principle

The Company’s accounting is based on accrual basis accounting. In addition to certain financial instruments, investment real estate is measured at fair value, this financial statement is based on historical costs. In the case of impairment of assets, a provision for the impairment shall be made accordingly.

Under historical cost measurement, assets are measured at the fair value of the cash or cash equivalents paid at the time of purchase or the corresponding price paid. The liabilities shall be measured in terms of the amount of money or assets actually received as a result of the current obligation, or the contract amount of the current obligation, or in terms of the amount of cash or cash equivalent expected to be paid for the repayment of the liabilities in daily activities.

## V. Significant Accounting Policies and Accounting Estimates

Indication of specific accounting policies and accounting estimates:

☒ Applicable   ☐ N/A

The following disclosures have covered the specific accounting policies and accounting estimates formulated by the Company based on actual production and operation characteristics.

### 1. Statement of Compliance with Accounting Standards for Business Enterprises

The financial statements prepared by the Company comply with the requirements of the Accounting Standards for Business Enterprises, and give a true and complete reflection on the Company’s financial position, operating results, changes in shareholders’ equity, cash flow and other relevant information.



## V. Significant Accounting Policies and Accounting Estimates (Continued)

### 2. Accounting Period

The fiscal year of the Company begins on 1 January and ends on 31 December of a calendar year.

### 3. Operating Cycle

☒ Applicable   ☐ N/A

The Company treats 12 months as one operating cycle.

### 4. Recording Currency

The Company uses RMB as its recording currency.

### 5. Accounting Treatment Method of Business Combination under Common Control and Different Control

☒ Applicable   ☐ N/A

- (1) Business combination under common control: A business combination under common control is a business combination in which all the combining enterprises are ultimately controlled by the same party or parties both before and after the combination, and that control is not transitory. Assets and liabilities that are obtained by the Company in a business combination under common control shall, except for adjustments made due to different accounting policies, be measured at the book value of the assets and liabilities of the combined party (including the goodwill arising from the acquisition of the combined party by the final controller) in the consolidated financial statements of the final controller on the combination date. Assets and liabilities that are acquired in a business combination by the Company shall be measured at their book values as recorded by the combined party on the combination date. The difference between the book value of the net assets acquired and the book value of the consideration paid for the combination (or the aggregate face value of shares issued) shall be adjusted to the capital reserve. If the capital reserve is not sufficient to offset the difference, excess shall be adjusted against retained earnings. The intermediary fees of auditing, legal services, evaluation and consultation and other directly relevant expenses incurred for the business combination shall be charged against profit or loss in the period in which the cost is incurred; the transaction costs of issuing equity securities for the purpose of business combination shall be deducted from the proceeds of issuance of equity securities, and shall be deducted from the premium income when the equity instruments are issued at a premium, or shall be deducted from the surplus reserve and undistributed profits when the equity securities are issued without a premium or the amount of the premium is insufficient to be deducted.

## V. Significant Accounting Policies and Accounting Estimates (Continued)

### 5. Accounting Treatment Method of Business Combination under Common Control and Different Control (Continued)

- (2) Business combination not under common control: The Company's assets paid as consideration for a business merger, liabilities incurred or assumed on the purchase date are measured at fair value. The balance between the fair value and its book value shall be recorded in the profits and losses of the current period. The difference between the combination cost and the fair value shares of the identifiable net assets of the acquiree acquired in the combination shall be recognized as goodwill by the company; Where the combination cost is less than the fair value shares of the identifiable net assets of the acquiree acquired in the combination, the difference between them shall be included in the profits and losses of the current period after reexamination. The intermediary expenses, such as auditing, legal services, consultation on evaluation, and other management expenses incurred for the merger of an enterprise are used to be included in the current profit and loss when it occurs. The transaction costs of the purchaser for equity securities or debt securities issued as the consideration in the business combination shall be recorded as the initial confirmed amount of the equity securities or debt securities.

The fair value of the identifiable net assets of the purchased party refers to the balance after the fair value of the identifiable assets obtained in the merger of the acquiree is deducted from the fair value of the liabilities and contingent liabilities; at the end of the current period of business combination, if the fair value of the identifiable assets, liabilities and contingent liabilities obtained during the enterprise merger or the cost of the enterprise merger can only be determined temporarily, the purchaser shall confirm and measure the business combination on the basis of the temporarily determined value. If the temporarily determined value is adjusted within 12 months after the purchase date, it shall be deemed to be confirmed and measured on the purchase date.

## V. Significant Accounting Policies and Accounting Estimates (Continued)

### 6. Preparation Method for Consolidated Financial Statements

√ Applicable    ☐ N/A

#### (1) *Determination of the scope of consolidation*

The scope of the consolidated financial statements is determined on the basis of control, not only includes subsidiaries determined based on voting rights (or similar voting rights) themselves or in conjunction with other arrangements, but also includes the structured entities as determined by one or more contract arrangements.

Control means that the investor has power over the investee, enjoying a variable return by participating in the relevant activities of the investee, and has the ability to use the power over the investee to affect the amount of the return. The term "relevant activities" refers to activities that have a significant impact on the returns of the investee. The relevant activities of the investee shall be judged according to the specific circumstances, usually including the sale and purchase of commodities or services, the management of financial assets, the purchase and disposal of assets, research and development activities and financing activities. Subsidiary refers to a subject controlled by the company (including the divisible part of the enterprise and the invested unit, and the structured subject controlled by the enterprise, etc.). The structured subject refers to the structured subject designed without voting rights or similar rights as a decisive factor when determining its controlling party (Note: it is also known as the subject with a special purpose sometimes).

#### (2) *Method for preparation of consolidated financial statements*

Based on its own financial statements and those financial statements of its subsidiaries, the Company shall prepare consolidated financial statements on the basis of other relevant information. The company prepares consolidated financial statements, regarding the whole enterprise group as an accounting subject, and reflecting the overall financial situation, operating results and cash flow of the enterprise group according to the confirmation, measurement and reporting requirements of relevant enterprise accounting standards and according to unified accounting policies.

- ① Consolidate the items including assets, liabilities, shareholders' equity, income, expenses and cash flows of the parent company and subsidiaries.
- ② Offset the long-term equity investment of the parent company in the subsidiary company and the share of the parent company in the owners' equity of subsidiaries.
- ③ Offset the impact of internal transactions between parent company and subsidiary company and between subsidiary companies. If the internal transaction indicates that the relevant assets have suffered impairment losses, the partial loss shall be fully confirmed.
- ④ Adjust the special transaction from the point of view of the enterprise group.

## V. Significant Accounting Policies and Accounting Estimates (Continued)

### 6. Preparation Method for Consolidated Financial Statements (Continued)

#### (3) *Special considerations in consolidation offset*

If there is a temporary difference between the book value of the assets and liabilities in the consolidated balance sheet and the tax base of the tax payers due to the offset of the unrealized internal sales gains and losses, the deferred income tax assets or deferred income tax liabilities shall be determined in the consolidated balance sheet and the income tax expenses in the consolidated profit statement shall be adjusted simultaneously, except for the deferred income tax related to the merger of enterprises and the transactions or matters directly recorded into the shareholders' equity.

The profit or loss on unrealized internal transactions incurred by the Company in selling assets to a subsidiary shall be fully offset by the "net profit attributable to owners of parent company". The profit or loss on unrealized internal transactions incurred by the sale of assets from the subsidiary company to the company shall be offset based on the company's distribution ratio to the subsidiary between the "net profit attributable to owners of parent company" and the "minority interest". Any unrealized internal transaction profit or loss incurred by the sale of assets between the subsidiaries shall be set off based on the Company's distribution ratio to the seller subsidiary between "net profit attributable to owners of parent company" and the "minority interest".

If the current loss shared by the minority shareholder of a subsidiary exceeds the equity enjoyed by the minority shareholder in the minority shareholder's initial equity of the subsidiary, the balance shall still be used to reduce the shareholders' equity.

For the purchase of subsidiary minority equity or the disposal of a partial equity investment without losing control over the subsidiary, as an equity transaction accounting, adjust the book value of the owners' equity attributable to parent company and minority interest to reflect the change of the parent company's relevant interest in the subsidiary. The capital reserve is adjusted according to the balance between the adjustment of minority interest and the fair value of the payment/receipt of the consideration. If the capital reserve is insufficient to be reduced, the retained earnings shall be adjusted.

If, through multiple transactions, the purchased party's equity is acquired step by step, and an business combination not under common control is finally formed, it shall be processed separately according to the fact whether or not it belongs to the "package transaction": In the case of "package transactions", the transactions shall be treated as a transaction in which control is obtained. If it does not belong to the "package transaction", it shall be treated as an accounting transaction obtained control on the date of purchase, and the equity held by the purchased party prior to the date of purchase shall be re-measured according to the fair value of the equity on the date of purchase, and the balance between the fair value and the book value shall be recorded in the profits and losses of the current period; The equity of the purchased party held by the purchaser before the date of purchase relates to other comprehensive income of equity method accounting, and other owner's equity changes of equity method accounting. It shall be transferred to current income on the date of purchase.

## V. Significant Accounting Policies and Accounting Estimates (Continued)

### 6. Preparation Method for Consolidated Financial Statements (Continued)

#### (3) *Special considerations in consolidation offset (Continued)*

If the control over the original subsidiary is lost due to the disposal of part of the equity investment or in other reasons, the remaining equity shall be re-measured according to its fair value on the date of loss of control. The sum of the consideration obtained from the disposal of the equity and the fair value of the remaining equity, minus the balance between the share of the original subsidiary's net assets calculated continuously from the date of purchase based on the original shareholding ratio, which shall be included in the investment income of the current period of loss of control while shall reduce goodwill at the same time. Other original comprehensive returns related to the equity investment of subsidiaries will be converted into current investment returns when control is lost.

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

☒ Applicable    ☐ N/A

Joint arrangements include joint operations and joint ventures. The joint operation means the joint arrangement in which the joint venture party enjoys the relevant assets and assumes the relevant liabilities of the arrangement. The joint enterprise refers to a joint arrangement in which the joint venture party has the right only to the net assets of the arrangement.

The parties to the joint venture shall recognize the following items relating to their share of profits in joint operations: recognize the assets held separately and of the assets held jointly at their share; recognize the liabilities to be assumed separately and the liabilities to be assumed jointly according to their respective shares; recognize the revenue generated from the sale of the share of common operating output it enjoys; recognize revenue generated from the sale of outputs of joint venture according to their shares; recognize the costs incurred separately and the costs incurred in joint venture according to their shares.

### 8. Recognition Criteria for Cash and Cash Equivalents

Cash refers to the cash on hand and deposits that can be readily used for payment. Cash equivalents refer to short-term and highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of change in value.

## V. Significant Accounting Policies and Accounting Estimates (Continued)

### 9. Foreign Currency Transaction and Translation of Foreign Currency Financial Statements

√ Applicable    ☐ N/A

#### **(1) Method for determining the exchange rate for translation in foreign currency transactions**

The approximate exchange rate of the spot exchange rate or spot exchange rate at the date of the transaction shall be converted into the book currency when the initial recognition of the foreign currency transaction of the Company is made.

#### **(2) Methods for translation of monetary items and in foreign currency on balance sheet date**

As for monetary items in foreign currency on the balance sheet date, the spot rate on the balance sheet date shall be adopted. The difference between the spot exchange rate at the balance sheet date and the spot exchange rate at the initial recognition date or at the previous balance sheet date recognized through current profit or loss.

#### **(3) Translation method of financial statements denominated in foreign currency**

Before the conversion of the financial statements of an enterprise's overseas operations, the accounting period and the accounting policy of the overseas operation shall be adjusted so as to be consistent with the accounting period and the accounting policy of the enterprise, and the financial statements of the corresponding currency (currencies other than bookkeeping base currency) shall be prepared according to the adjusted accounting policy and the accounting period, and then the financial statements of the overseas operation shall be converted according to the following methods:

- ① The items of assets and liabilities in the balance sheet shall be converted at the spot exchange rate on the balance sheet date, and the items of shareholders' equity shall be converted at the spot exchange rate at the time of occurrence in addition to the item of "undistributed profits".
- ② The income and expense items in the profit statement shall be converted by the spot exchange rate on the date of the transaction or by the approximate exchange rate of the spot exchange rate
- ③ When preparing the consolidated financial statements, the resulted foreign currency financial statements translation difference shall be included in "other consolidated income" separately under the items of shareholders' equity in the consolidated balance sheet.
- ④ Foreign currency cash flow and cash flow of overseas subsidiaries shall be converted by the spot exchange rate on the date of cash flow or by the approximate exchange rate of the spot exchange rate on the date of cash flow. The impact of exchange rate changes on cash shall be regarded as an adjustment item and shall be reported separately in the cash flow statement.

## V. Significant Accounting Policies and Accounting Estimates (Continued)

### 10. Financial Instruments

√ Applicable    ☐ N/A

Financial instruments refer to contracts that form financial assets of one party and financial liabilities or equity instruments of the other party. The Company recognizes a financial asset or financial liability when it becomes one party to a financial instrument contract.

Financial assets and financial liabilities are measured at fair value when they are initially recognized. For financial assets and financial liabilities measured at fair value and whose changes are recorded in the profits and losses of the current period, the related transaction costs are directly recorded into the profits and losses of the current period; for other types of financial assets and financial liabilities, the transaction costs are included in the initial determination amount. Accounts receivable or notes receivable arising from the sale of goods or the provision of services that do not contain or do not consider significant financing components shall be initially measured according to the amount of consideration expected to be entitled to receive.

The amortization cost of a financial asset or financial liability is the initially determined amount of the financial asset or financial liability deducted by the principal that has been repaid, plus or minus the accumulated amortization amount formed by amortizing the difference between the initial determined amount and the amount on maturity by the effective interest rate method, and then deducting the accumulated loss reserve (applicable only to financial assets).

The effective interest rate method refers to the method of calculating the amortization cost of financial assets or financial liabilities and apportioning interest income or interest expenses into each accounting period.

Effective interest rate refers to the interest rate used to convert the estimated future cash flow of a financial asset or financial liability into the book balance of the financial asset or the amortization cost of the financial liability. In determining the effective interest rate, the expected cash flow is estimated on the basis of consideration of all contract terms (such as advanced repayment, rollover, call options or other similar options) of financial assets or financial liabilities, without considering the expected credit loss.

## V. Significant Accounting Policies and Accounting Estimates (Continued)

### 10. Financial Instruments (Continued)

#### (1) *Classification and measurement of financial assets*

Financial assets are initially recognized at fair value. After initial recognition, according to the business model of managing financial assets and the contractual cash flow characteristics of financial assets, the Company divides the financial assets into: (1) Financial assets measured at amortized cost; (2) Financial assets measured at fair value and with changes included in other consolidated income; (3) Financial assets that are measured at fair value and whose variations are included in the current profits and losses.

#### *Debt instrument*

Financial assets measured at amortized cost

The contract terms of a financial asset stipulate that the cash flow generated at a specified date is only the payment of principal and interest based on the unpaid principal amount, and the business model of the financial asset management by the company is to collect contract cash flow as the goal. The company classifies the financial asset as a financial asset measured at amortization cost.

For such financial assets, the effective interest rate method is adopted for subsequent measurement according to the amortized cost. The profit or loss generated by the amortization or impairment shall be recognized in the current profit and loss. The profit or loss when the impairment occurs or terminates the determination should be included into the current profit and loss. Such assets of the Company comprise monetary capital, loan funds, loans and advances granted, notes receivable, accounts receivable, other receivables, debt investments and long-term receivables, etc. The Company presents its debt investments and long-term receivables due within one year (including one year) from the balance sheet date as non-current assets due within one year; Debt investments with a maturity of one year (including one year) or less at the time of acquisition are listed as other current assets.

The Company recognizes interest income for financial assets classified as amortization costs according to the effective interest rate method. The Company shall calculate and determine interest income by multiplying the book balance of the financial assets by the actual interest rate, except as follows: a) the financial asset becomes a credit impairment financial asset during the follow-up period, and the interest income of the company shall be calculated and determined according to the amortization cost and the actual interest rate of the financial asset during the follow-up period; b) If, during the follow-up period, the financial instrument ceases to have credit impairment due to an improvement in credit risk, and this improvement may be associated with an event following the application of the above-mentioned provision, the Company shall calculate and determine interest income at the actual interest rate multiplied by the book balance of the financial asset.



## V. Significant Accounting Policies and Accounting Estimates (Continued)

### 10. Financial Instruments (Continued)

#### (1) *Classification and measurement of financial assets (Continued)*

##### *Debt instrument (Continued)*

Financial assets measured at fair value through other comprehensive income

The contract term of a financial asset stipulates that the cash flow generated at a specific date is only for the payment of principal and interest based on the amount of unpaid principal, and that the business mode of the Company in charge of the financial asset is both to collect the contract cash flow and to sell the financial asset, the financial asset is classified as a financial asset measured at fair value and its changes are included in other comprehensive income.

The relevant profits and impairment losses, the interest income and exchange profits and losses calculated by the effective interest rate method of the financial asset measured at fair value and whose changes are included in other comprehensive income. Are recorded in the current profit and loss. In addition, the fair value changes of the financial assets are recorded in other comprehensive income. When the financial asset terminates its determination, the accumulated profits or losses previously recorded in the other comprehensive income shall be transferred out from the other comprehensive income and shall be recorded in the current profit or loss. The Company's financial assets mainly include receivables financing, other debt investment and so on. The Company presents its debt investments and long-term receivables due within one year (including one year) from the balance sheet date as non-current assets due within one year; debt investments with a maturity of one year (including one year) or less at the time of acquisition are listed as other current assets.

Financial assets measured at fair value through profit or loss for the current period

Financial assets measured at fair value and whose changes are included in current profit or loss include financial assets classified as being measured at fair value and whose changes are included into current profit or loss and financial assets designated as being measured at fair value and whose changes are included into current profit or loss.

The Company classifies the debt instruments held by the company that are not classified as measured at amortization cost and measured at fair value with changes included in other comprehensive income, as financial assets measured at fair value with changes included in current profit and loss, and lists them as trading financial assets. Those which will mature in more than one year from the balance sheet date and are expected to be held more than one year are listed as other non-current financial assets.

The Company shall carry out follow-up measurements of such financial assets at fair value and shall include the profits or losses resulting from changes in fair value and the dividends and interest income related to such financial assets into the current profit or loss.

## V. Significant Accounting Policies and Accounting Estimates (Continued)

### 10. Financial Instruments (Continued)

#### (1) *Classification and measurement of financial assets (Continued)*

##### *Equity instrument investment*

The equity instrument investments that are not controlled, jointly controlled and significantly affected by the Company shall be measured at fair value and its changes shall be recorded in the profits and losses of the current period, and shall be listed as trading financial assets; Those which will mature in more than one year from the balance sheet date and are expected to be held more than one year are listed as other non-current financial assets.

In addition, at the time of initial determination, the Company may, on the basis of a single financial asset, irrevocably designate a non-trading equity instrument as a financial asset measured at fair value and whose changes are included in other comprehensive income, and display it as an investment in other equity instruments.

After the financial asset has been designated, the fair value change of the financial asset shall be determined in the other comprehensive income. When the financial asset terminates the determination, the accumulated profits or losses previously included in the other comprehensive income shall be transferred from the other comprehensive income and shall be included in the retained income. During the investment period when the Company holds the equity instrument, its right to collect dividends has been established, and the dividend-related economic benefits are likely to flow to the Company. When the amount of the dividend can be measured reliably, the income from the dividend is determined and included in the current profit or loss.

#### (2) *Impairment of financial instruments*

The Company recognizes loss provision on the basis of expected credit losses for debt instrument investments and financial guarantee contracts that are classified as measured by the amortization cost, measured by fair value and included changes in other comprehensive income.

The Company measures its reserve for loss of accounts receivable formed by transactions regulated by income standards that do not contain significant financing components at an amount equivalent to thought credit losses during the entire duration.

## V. Significant Accounting Policies and Accounting Estimates (Continued)

### 10. Financial Instruments (Continued)

#### (2) *Impairment of financial instruments (Continued)*

For other financial instruments, the Company evaluates the changes of the credit risk of the relevant financial instruments from the initial recognition on each balance sheet date. If the credit risk of the financial instrument has increased significantly from the initial recognition, the Company shall measure its reserve for loss at the amount equivalent to the thought credit loss of the financial instrument during the entire duration. If the credit risk of the financial instrument has not increased significantly from the initial recognition, the Company shall measure its reserve for loss at the amount equivalent to the thought credit loss of the financial instrument over the next 12 months. The increase or return amount of the reserve for credit loss shall be recorded as impairment loss or gain in the current profit or loss, and the Company shall offsets the credit loss provision against the book balance of related financial assets with the exception of financial assets which are classified as being measured at fair value and whose changes are included in other comprehensive income; for a financial asset which is classified as being measured at fair value and whose changes are included in other comprehensive income, the Company confirms its reserve for credit loss in other comprehensive income and the book value of the financial asset listed in the balance sheet is not reduced.

The Company has measured its reserve for losses during the previous accounting period at the amount of the expected credit loss of the financial instrument in the entire duration. However, on the current balance sheet day, the financial instrument is no longer subject to a significant increase in credit risk since the initial recognition. On the current balance sheet day, the Company measured its reserve for losses at the amount of the expected credit loss of the financial instrument over the next 12 months, and the reversion of the resulting loss reserve is credited to the current profit and loss as impairment gains.

#### *Significant increase of credit risk*

The Company uses reasonable and sound forward-looking information available to determine whether the credit risk of financial instruments has increased significantly since the initial determination by comparing the risk of default on the balance sheet date with the risk of default on the initial recognition date. For a financial guarantee contract, the Company shall, when applying the financial instrument impairment provision, make the date on which the Company becomes the party making the irrevocable undertaking as the initial recognition date.

## V. Significant Accounting Policies and Accounting Estimates (Continued)

### 10. Financial Instruments (Continued)

#### (2) *Impairment of financial instruments (Continued)*

##### *Significant increase of credit risk (Continued)*

The Company will take into account the following factors when assessing whether there is a significant increase in credit risk:

- Whether the external market indicators of credit risk of the same financial instrument or similar financial instrument with the same expected duration have changed significantly;
- Whether the external credit rating of financial instruments changes significantly in real or expected terms;
- The expected adverse changes in business, financial or economic conditions that will result in significant changes in the debtor's ability to perform its debt service obligations;
- Whether the actual or expected performance of the debtor's business has changed significantly;
- Whether there are significant adverse changes in the supervision, economic or technical environment of the debtor;
- Whether a contractual payment is overdue for more than 30 days (inclusive), provided that the Company can obtain, without undue cost or effort, reasonable and substantiated information to demonstrate that, although the contractual payment terms have been exceeded by 30 days, there has been no significant increase in credit risk since initial recognition.

On balance sheet date, if the Company determines that a financial instrument has only a lower credit risk, the Company assumes that the credit risk of the financial instrument has not increased significantly since the initial recognition. If the default risk of a financial instrument is low, and the borrower's ability to fulfill his contractual cash flow obligation is very strong, and even if there are unfavorable changes in the economic situation and operating environment over a long period of time, it may not necessarily reduce the borrower's performance of its contractual cash obligations, the financial instrument is considered to have lower credit risk.

## V. Significant Accounting Policies and Accounting Estimates (Continued)

### 10. Financial Instruments (Continued)

#### (2) *Impairment of financial instruments (Continued)*

##### *Financial assets that have suffered credit impairment*

When one or more events that are expected to adversely affect the future cash flow of a financial asset occur, the financial asset becomes a financial asset that has suffered credit impairment. Evidence of credit impairment in financial assets includes the following observable information:

- Major financial difficulties occurred to the issuer or debtor;
- The debtor violates the contract, such as paying interest or defaulting on the principal or being overdue;
- The creditor gives the debtor no concessions under any other circumstances due to the economic or contractual considerations relating to the debtor's financial difficulties;
- The debtor is likely to go bankrupt or undertake other financial restructuring;
- The financial difficulties of issuer or debtor cause the disappear of active market of the financial assets.

The Company believes that if a financial instrument is overdue for more than 90 days, it has breached the contract; unless the Company has reasonable and reliable information indicating that it is more appropriate to take longer overdue time as the default standard.

##### *Determination of expected credit loss*

The Company considers the expected credit loss according to a single item of accounts receivable that has been credit-impaired, and the company uses an impairment matrix to determine the relevant credit losses on a combination basis for other accounts receivable. Based on the common risk characteristics, the Company divides the accounts receivable considered by the combination into different groups. The common credit risk characteristics adopted include: the business type and business channel corresponding to the accounts receivable, debtor's geographical location, etc.

For other receivables (including loans and advances, notes receivable, receivables financing, other receivables, non-current assets due within one year, other current assets, long-term receivables, etc.) and other creditor's rights investments, the Company has considered expected credit losses based on individual items.

## V. Significant Accounting Policies and Accounting Estimates (Continued)

### 10. Financial Instruments (Continued)

#### (2) *Impairment of financial instruments (Continued)*

##### *Determination of expected credit loss (Continued)*

The Company determines the expected credit loss of relevant financial instruments according to the following methods:

- For financial assets, credit loss is the present value of the difference between the contract cash flow and the expected cash flow.
- In case of a financial security contract, the credit loss shall be the amount of the expected payment made by the company to the holder of the contract in respect of the loss of credit incurred, minus the present value of the difference between the amount that the company expects to receive from the contract holder, debtor, or any other party.
- For a financial asset whose credit impairment has occurred on the balance sheet date, but which has not been acquired or which has occurred at the source, the credit loss is the difference between the book balance of the financial asset and the present value of estimated future cash flows discounted at the original effective interest rate.

Factors reflected in the Company's method for measuring expected credit losses of financial instruments include: The weighted average amount of unbiased probability determined by evaluating a series of possible results; Time value of money; reasonable and reliable information about past events, current conditions and future economic conditions can be obtained on the balance sheet date without paying unnecessary additional costs or efforts.

##### *Write-down of financial assets*

When the Company no longer reasonably expects the cash flow of a financial asset contract to be recoverable in whole or in part, it shall directly write down the book balance of the financial asset. Such write-down constitute the derecognition of the financial asset.

## V. Significant Accounting Policies and Accounting Estimates (Continued)

### 10. Financial Instruments (Continued)

#### (3) *Transfer of financial assets*

Financial assets meeting one of the following conditions shall be derecognized: ① The contractual right to receive the cash flow of the financial asset is terminated; the financial asset has been transferred and almost all the risks and rewards in the ownership of the financial asset have been transferred to the transferee; the financial asset has been transferred. Although the Company has neither transferred nor retained almost all the risks and rewards in the ownership of the financial asset, the Company has not retained its control over the financial asset.

If the Company has neither transferred nor retained almost all of the risks and rewards of the ownership of the financial asset, but the company has retained control over the financial asset, the company shall continue to determine the transferred financial asset according to its continuing involvement in the transferred financial asset and shall determine the relevant liabilities accordingly.

The Company shall measure the relevant liabilities in the following manner:

Where a transferred financial asset is measured at amortized cost, the book value of the relevant liability shall be equal to the book value of the transferred financial asset, minus the amortized cost of the rights reserved by the Company (if the Company retains the relevant rights' fair value due to the transfer of the financial asset) and plus the amortized cost of the Company's obligations (if the Company assumes the relevant obligations due to the transfer of the financial asset). The relevant liabilities are not designated as financial liabilities measured at fair value and whose changes are included in the profits and losses of the current period.

Where a transferred financial asset is measured at fair value, the book value of the relevant liabilities shall be equal to the book value of the continued to be transferred financial asset, minus fair value of the rights reserved by the Company (if the Company reserves the relevant rights due to the transfer of the financial asset) and the fair value of the Company's obligations (if the Company assumes the relevant obligations due to the transfer of the financial asset), the fair value of the rights and obligations is the fair value measured on an independent basis.

Where the overall transfer of a financial asset meets the conditions for derecognition, the book value of the transferred financial asset and the difference between the corresponding value received as a result of the transfer and the accumulated amount of changes in the fair value originally included in other comprehensive income shall be included in the profits and losses of the current period. For non-trading equity instruments designated to be measured at fair value and whose changes are included in other comprehensive income, the accumulated gains or losses previously included in other comprehensive earnings are transferred out of other comprehensive earnings and included in retained earnings.

## V. Significant Accounting Policies and Accounting Estimates (Continued)

### 10. Financial Instruments (Continued)

#### *(3) Transfer of financial assets (Continued)*

If a partial transfer of a financial asset satisfies the conditions for derecognition, the carrying amount of the financial asset as a whole before the transfer is apportioned between the derecognized portion and the continuing recognized portion based on their respective relative fair values at the date of transfer, and the difference between the consideration received for the transfer and the sum of the cumulative amount of changes in fair value previously recognized in other comprehensive income to be apportioned to the derecognized portion and the previously apportioned carrying amount is recognized in profit or loss for the current period. If the financial assets transferred by the Company are non-transmission equity instruments investment designated to be measured at fair value and whose changes are included in other comprehensive income, the accumulated gains or losses previously included in other comprehensive income shall terminate. The determined portion shall be transferred from other comprehensive income and be included in retained earnings.

If the overall transfer of financial assets fails to meet the conditions for derecognition, the Company shall continue to determine the transferred financial assets as a whole, and the consideration received by the transfer of assets shall be recognized as liabilities upon receipt.

#### *(4) Classification, recognition and measurement of financial liabilities*

The Company classifies the financial instruments or its components as financial liabilities or equity instruments at the time of initial recognition, according to the terms of the contract of the financial instrument issued and the economic substance reflected therein, rather than in the form of law alone, combining the definitions of financial liabilities and equity instruments.

Financial liabilities are classified, at the time of initial recognition, into financial liabilities at fair value through profit or loss and other financial liabilities.

① *Financial liabilities which are measured at fair value and whose variations are included in the current profits and losses*

Financial liabilities measured at fair value and included in profits and losses of the current period, including trading financial liabilities (including derivatives of financial liabilities) and financial liabilities designated to be measured at fair value and whose changes are included in profits and losses of the current period.



## V. Significant Accounting Policies and Accounting Estimates (Continued)

### 10. Financial Instruments (Continued)

#### (4) *Classification, recognition and measurement of financial liabilities (Continued)*

① *Financial liabilities which are measured at fair value and whose variations are included in the current profits and losses (Continued)*

At the time of initial recognition, financial liabilities which meet any of the following conditions may be irrevocably designated as financial liabilities to be measured at fair value and whose changes are included in the profits and losses of the current period: (a) the designation may eliminate or significantly reduce the inconsistency in the recognition and measurement of relevant gains or losses due to the difference in the measurement basis of the financial liability; (b) according to such risk management or investment strategies as are set out in the formal written document, manage and evaluate financial liabilities or financial assets on a fair value basis and to report to key managers; and (c) eligible hybrid instruments containing embedded derivatives.

Trading financial liabilities are subsequently measured at fair value, and profits or losses resulting from changes in fair value as well as dividends or interest expenses related to such financial liabilities are included in the profits and losses of the current period.

Financial liability which is designated to be measured at fair value and whose changes are included in the profits and losses of the current period, the changes in the fair value arising from changes in the Company's credit risk shall be included in other comprehensive income, and when the financial liability is derecognized, the accumulated changes at fair value caused by changes in the own credit risk included in other comprehensive income shall be transferred to retained earnings.

Profits or losses resulting from other changes in fair value and dividends or interest expenses related to such financial liabilities are included in profits and losses of the current period. If dealing with the impact of the changes in the credit risk of such financial liabilities in the aforementioned manner will result in or enlarge the accounting mismatch in the profits and losses, the Company shall include all the gains and losses (including the amount affected by the changes in the enterprise's own credit risk) of such financial liabilities into the current profits and losses.

## V. Significant Accounting Policies and Accounting Estimates (Continued)

### 10. Financial Instruments (Continued)

#### *(4) Classification, recognition and measurement of financial liabilities (Continued)*

##### *Other financial liabilities*

Except for the financial liabilities formed by continuing to be involved in the transferred financial assets, other financial liabilities outside the financial guarantee contract are classified as financial liabilities measured at amortization cost. The effective interest method is adopted and subsequent measurement is performed at amortization cost. The profits or losses from derecognition or amortization are included in profits and losses of the current period.

A financial guarantee contract is a contract whereby the issuer of a financial guarantee pays a specified sum to the contract holder who has suffered losses in the event that the debtor is unable to pay its liabilities as they fall due in accordance with the terms of any of the original or any modification thereto. Financial guarantee contracts which are not designated as financial liabilities at fair value through current profit or loss shall, after initial recognition, be measured based on the balance of the provision for losses or the amount of initial recognition less the accumulative amortization amount within the guarantee period, whichever is higher.

#### *(5) Derecognition of financial liabilities*

If the current obligations of a financial liability have been discharged in whole or in part, such financial liability or a part thereof shall be derecognized. The Company (borrower) signs an agreement with the lender to replace the original financial liability by assuming the new financial liability. If the contract terms of the new financial liability and the original financial liability are substantially different, the company shall derecognize the original financial liability and simultaneously recognize a new financial liability.

Where a financial liabilities are derecognized in whole or in part, the Company shall recognize the difference between the book value and consideration paid (including the transferred non-cash assets or new financial liabilities assumed) of the derecognized portions into the current profit and loss.

#### *(6) Equity instruments*

Equity instruments are contracts that prove ownership of the residual interest in the Company's assets after deducting all liabilities. The issuance (including refinancing), repurchase, sale or cancellation of the equity instruments of the Company shall be treated as changes in the equity. The Company does not recognize changes in the fair value of equity instruments. The transaction fees related to the equity transactions shall be deducted from the equity.

The distribution to the holders of equity instruments by the Company shall be treated as profit distribution. The share dividend issued by the Company shall not affect the total shareholder equity.

## V. Significant Accounting Policies and Accounting Estimates (Continued)

### 10. Financial Instruments (Continued)

#### *(7) Derivatives and hedging instruments*

The Company's related derivative financial instruments include option contracts, swaps, forwards, etc. Derivatives are initially measured at fair value on the date of signing the relevant contract, and are measured subsequently at fair value. Changes in the fair value of derivatives are included in the profits and losses of the current period.

For a hybrid contract composed of embedded derivatives and a principle contract, if the principal contract belongs to financial assets, the Company does not separate the embedded derivatives from the hybrid contract, and the hybrid contract as a whole applies to the accounting standards on the classification of financial assets.

If the principal contract contained in the hybrid contract does not belong to financial assets and meets the following conditions, the Company shall separate the embedded derivatives from the hybrid instruments and treats them as separate derivative financial instruments: Embedded derivatives are not closely related to the principle contract in terms of economic characteristics and risks; A separate instrument with the same terms as the embedded derivatives meets the definition of the derivatives; The hybrid contract is not measured at fair value and its changes are included in the profits and losses of the current period.

The embedded derivative is separated from the hybrid contract, and the Company shall perform accounting treatment to the principle contract of the hybrid contract according to the applicable accounting standards. If the Company cannot reliably measure the fair value of the embedded derivative according to the terms and conditions of the embedded derivative, the fair value of the embedded derivative shall be determined based on the difference between the fair value of the hybrid contract and the fair value of the principle contract. If, after using the above method, the fair value of the embedded derivative on the acquisition date or the subsequent balance sheet date still cannot be measured separately, the Company shall designate the hybrid contract as a financial instrument as a whole measured at fair value and whose changes shall be included in the profits and losses of the current period.

The hedging accounting method refers to the method by which the Company includes the profits or losses generated by the hedging instrument and the hedged item into profits and losses of the current period (or other comprehensive income) in the same accounting period to reflect the impact of risk management activities. The Company uses a cash-flow hedging, specifying certain derivatives to hedge specific risks associated with the cash flows of expected transactions with determined assets or liabilities which are very likely to occur.

## V. Significant Accounting Policies and Accounting Estimates (Continued)

### 10. Financial Instruments (Continued)

#### (7) *Derivatives and hedging instruments (Continued)*

The hedged item refers to the item which can be measured reliably; can make the Company to face the risk of cash flow change and is designated as the hedged object. The Company is designated as the hedged item. There is the expectation that the company will face the risk of changes in cash flow and the purchases or sales, etc. may be conducted at a future market price that has not yet been determined.

A hedging instrument is a financial instrument designated by the Company for hedging or a financial instrument whose cash flow changes are expected to offset the cash flow changes of the hedged item.

If the hedging meets the following conditions at the same time, the Company determines that the hedging relationship meets the requirements for the hedging validity:

There is an economic relationship between hedged items and hedging instruments. This economic relationship causes the value of the hedging instrument and the hedged item to change in the opposite direction due to the facing of the same risk of being hedged.

The credit risk does not play a dominant role in the change of value caused by the economic relationship between hedged items and hedging instruments.

The hedging ratio of the hedging relationship is equal to the ratio of the number of hedged items actually hedged by the Company to the actual number of hedging instruments used to hedge the hedged items. But it does not reflect the imbalance of the relative weights of the hedged items and the hedging instruments.

#### *Cash flow hedging*

Cash flow hedging refers to the hedging of risk exposure to changes in cash flow. The cash flow changes arise from transactions very likely to occur with determined assets or liabilities, or specific risks associated with the above-mentioned components of the project, and will affect the profits and losses of the Company. The Company shall, as a cash flow hedging reserve, include in other comprehensive income the part of the gain or loss generated by the hedging instrument that is the effective part of the hedging. The amount of the cash flow hedging reserve is the absolute amount of the following two items, whichever is lower:

- Accumulated gains or losses from the start of the hedging of the hedging instruments;
- The cumulative change in the present value of the expected future cash flow of the hedged item since the beginning of the hedging.

## V. Significant Accounting Policies and Accounting Estimates (Continued)

### 10. Financial Instruments (Continued)

#### (7) *Derivatives and hedging instruments (Continued)*

##### *Cash flow hedging (Continued)*

The amount of cash flow hedging reserves included in each period is considered as the change of current cash flow hedging reserves.

The portion of the gains or losses generated by hedging instruments that is ineffective in hedging is included in the profits and losses of the current period.

The hedged item is an expected transaction, and the expected transaction causes the company to subsequently recognize a non-financial asset or non-financial liability, or when the expected transaction of non-financial assets or non-financial liabilities forms a definite commitment applicable to fair value hedge accounting, the Company shall transfer the amount of the cash flow hedging reserves previously determined in other comprehensive income into the initial determination amount of the asset or liability.

For cash flow hedging which does not belong to the above-mentioned situation, the Company shall transfer the cash flow hedging amount originally determined in other comprehensive income to the profits and losses of the current period during the same period in which the expected cash flow to be hedged affects profit and loss.

When the hedging relationship no longer meets the risk management objectives due to changes in risk management objectives (i. e., the subject no longer seeks to achieve the risk management objectives); when the hedging instrument is expired, sold; when the contract is terminated or has been exercised; when the economic relationship between the hedged item and the hedging instruments ceases to exist; when the impact of the credit risk begins to dominate the value change caused by the economic relationship between the hedged item and the hedging instrument; or if the hedging no longer meets the requirements of the hedging accounting method, the Company shall terminate the hedging accounting. If the hedged future cash flow is still expected to occur, the amount of accumulated cash flow hedging reserves determined in other comprehensive income shall be retained and be dealt with according to the above-mentioned accounting policy for cash flow hedging. If the hedged future cash flow is expected to no longer occur, the amount of the accumulated cash flow hedging reserves shall be transferred from other comprehensive income to the profits and losses of the current period. If the hedged future cash flow is no longer highly likely to occur but may still be expected to occur, in the expect of still occurring, the amount of accumulated cash flow hedging reserves shall be retained and be dealt with according to the above-mentioned accounting policy for cash flow hedging.

## V. Significant Accounting Policies and Accounting Estimates (Continued)

### 10. Financial Instruments (Continued)

#### *(8) Fair value of financial instruments*

The fair value of a financial asset or a financial liability with an active market shall be determined by the quoted price in the active market. Where there is no active market, the Company uses valuation techniques to determine its fair value. When evaluating the fair value of a financial asset or a financial liability, the Company uses valuation techniques that are applicable under current circumstances and are supported by sufficient data and other information to select input values consistent with the features of the asset or liability considered by market participants in the transactions of related asset or liability and uses relevant observable input values as possible. Non-observable input values are used if relevant observable input values cannot be obtained or are impracticable.

The valuation techniques the Company adopts including reference prices used in recent orderly transactions by market participants, reference current fair value of other financial instruments that are substantially the same, discounted cash flow and option pricing models. When using DCF analysis, the estimated future cash flows are based on the management's best estimate, and the discount rate used is the market discount rate for similar tools. For certain financial instruments (including derivative financial instruments) are valued using pricing models that take into account contract and market prices, correlation coefficient, the time value of money, credit risk, yield curve factors and/or prepayment ratios. The use of different pricing models and assumptions can lead to significant differences in fair value estimates.

For financial instruments that significant unobservable input values are used in their valuation methods, their fair values are classified as level 3 fair values.

#### *(9) Offset of financial assets and financial liabilities*

When the Company has a legal right to offset recognized financial assets and financial liabilities and such legal rights are currently executable, and the Company plans to settle on a net basis or to cash the financial assets and pay off the financial liabilities at the same time, the financial assets and financial liabilities shall be presented in the balance sheet at the amount offset by each other. In addition, financial assets and financial liabilities shall be separately presented on the balance sheet and should not be offset each other.

## V. Significant Accounting Policies and Accounting Estimates (Continued)

### 11. Notes receivable

#### *Determination and accounting treatment methods of expected credit losses on notes receivable*

√ Applicable   ☐ N/A

See the Note “V-10. Financial Instruments (2) Impairment of financial instruments” for details on the determination and accounting treatment methods of expected credit loss on notes receivable.

### 12. Accounts receivable

#### *Determination and accounting treatment methods of expected credit losses on accounts receivable*

√ Applicable   ☐ N/A

See the Note “V-10. Financial Instruments (2) Impairment of financial instruments” for details on the determination and accounting treatment methods of expected credit loss on accounts receivable.

### 13. Receivables financing

√ Applicable   ☐ N/A

The characteristics of contractual cash flow are consistent with the basic borrowing and lending arrangement, and the business model of the company for managing such financial assets is the bills receivables and accounts receivables which is aimed at both collecting the contractual cash flow and selling, so the company classifies it as receivables financing, which is measured at fair value and its changes are included in other comprehensive income. By termination of confirmation, the accumulated gains or losses previously recorded as other comprehensive income shall be transferred out and reckon in current profit or loss.

### 14. Other receivables

#### *Determination and accounting treatment methods of expected credit losses on other receivables*

√ Applicable   ☐ N/A

See the Note “V-10. Financial Instruments (2) Impairment of financial instruments” for details on the determination and accounting treatment methods of expected credit loss on other receivable.

## V. Significant Accounting Policies and Accounting Estimates (Continued)

### 15. Inventories

☒ Applicable   ☐ N/A

- (1) Inventories refer to the finished goods or commodities held for sale in its daily activities, work in process and materials consumed during the course of production or in the course of providing services, etc. Inventories are classified into raw materials, goods in stock, finished products, goods in transit and low-cost consumables, etc.
- (2) Valuation of inventories: Inventories are measured at their initial costs according to their compositions and the way to obtain them. Weighted average method is adopted for the valuation of raw materials and goods in stock.
- (3) The perpetual inventory system is adopted for inventories.
- (4) The basis to determine the net realizable value of inventories: As at balance sheet date, inventories are stated at the lower of the cost or net realizable value. When its net realizable value is lower than the cost, the provision for inventory depreciation should be accounted. Net realizable value refers to the amount of the estimated selling price of the inventory in the day-to-day activities minus the estimated cost to be incurred at completion, the estimated selling cost, and related taxes. In determining the net realizable value of the inventory, the purpose of holding the inventory and the impact of the future balance sheet matters shall be taken into account on the basis of conclusive evidence obtained. The difference between the cost and the net realizable value of a single inventory item is recorded as the provision for the inventory. In the event that the impact of the previous write-down on the value of the inventory has disappeared, and the net realizable value of the stock is higher than its book value, the amount to be returned shall be recorded into the profit or loss for the current period.

### 16. Contract assets

#### *(1). Method and criteria for recognition of contract assets*

☒ Applicable   ☐ N/A

The Company lists the contract assets in the balance sheet in accordance with the relationship between the performance of the contract obligations and the payment by the customer. The consideration which the Company is entitled to charge from customers for the transfer of goods or services provided to them (and such right is subject to factors other than the passage of time) is listed as contract assets.



## V. Significant Accounting Policies and Accounting Estimates (Continued)

### 16. Contract assets (Continued)

#### (2). *Determination and accounting treatment methods of expected credit losses on contract assets*

☒ Applicable   ☐ N/A

See the Note “III-10. Financial Instruments (2) Impairment of financial instruments” for details on the determination and accounting treatment methods of expected credit loss on contract assets.

Contract assets and contract liabilities are presented separately in the balance sheet. The contract assets and contract liabilities under the same contract are presented on a net basis. If the net amount is a debit balance, it is presented under the item “Contract Assets” or “Other Non-current Assets” according to its liquidity; if the net amount is a credit balance, it is presented under the “Contract Liabilities” or “Other Non-Current Liabilities” according to its liquidity. Contract assets and contract liabilities under different contracts cannot be set off against each other.

### 17. Held-for-sale assets

☒ Applicable   ☐ N/A

The determining conditions for classification of non-current assets held for sale and disposal portfolios: ① In line with the conventional practice of selling such assets or disposal portfolios in similar transactions, an immediate sale would be reached under current conditions; ② Where the sales plan needed to be approved by relevant authorities or supervision department before selling, approved; ③ A sale is most likely to occur, that is, the Company has decided on the sale plan and purchase commitment has been reached, the sale is to be completed within one year.

The Company separately presents the non-current assets or disposal portfolios which meet the held-for-sale conditions as “Held-for-sale Assets” in current assets on balance sheet date, and the liabilities directly related to the assets are presented as the “Held-for-sale Liabilities” in current liabilities.

### 18. Debt investment

#### (1). *Determination and accounting treatment methods of expected credit losses on debt investment*

☒ Applicable   ☐ N/A

See the Note “V-10. Financial Instruments (2) Impairment of financial instruments” for details on the determination and accounting treatment methods of expected credit loss on debt investment.

## V. Significant Accounting Policies and Accounting Estimates (Continued)

### 19. Other debt investments

*(1). Determination and accounting treatment methods of expected credit losses on other debt investments*

☐ Applicable ☒ N/A

### 20. Long-term receivables

*(1). Determination and accounting treatment methods of expected credit losses on long-term receivables*

☒ Applicable ☐ N/A

See the Note "V-10. Financial Instruments (2) Impairment of financial instruments" for details

### 21. Long-term equity investments

☒ Applicable ☐ N/A

Long-term equity investment refers to the equity investment in which the investor controls and has significant influence over the invested entity, as well as the equity investment in the Company's joint venture.

*(1) Determination of investment cost*

For a long-term equity investment formed from business combination, its investment cost is determined in accordance with the following standards:

A. In case of business combination under common control, if the Company pays the consideration by cash payment and transfer of non-cash assets or assumption of debts, the cost of long-term equity investments is the share of the book value of the owners' equity of the merged party in the consolidated financial statement of the ultimate controller on the merger date. Capital reserve is adjusted according to the difference between the cost of long-term equity investment and the book value of the cash paid, the non-cash assets transferred and the liabilities assumed; where the capital reserve is insufficient for write-down, the retained earnings shall be adjusted.

Where the Company issues equity securities as the consideration, the cost of long-term equity investment is the share of the book value of the owners' equity of the merged party in the consolidated financial statement of the ultimate controller on the merger date. The total par value of the issued shares is recorded as capital stock, and capital reserve is adjusted according to the difference between the cost of long-term equity investment and the total par value of the issued shares; where the capital reserve is insufficient for write-down, the retained earnings shall be adjusted.

## V. Significant Accounting Policies and Accounting Estimates (Continued)

### 21. Long-term equity investments (Continued)

#### *(1) Determination of investment cost (Continued)*

B. In case of business combination not under common control, the investment cost is the assets paid, the liabilities occurred or assumed and the fair value of the issued equity securities on acquisition date. If the fair value of the acquisition cost is greater than the share of the fair value of the identifiable net assets of the merged party, the difference is recorded into goodwill; If the fair value of the acquisition cost is lower than the share of the fair value of the identifiable net assets of the merged party, the difference is recorded into the current profit or loss.

Where a long-term equity investment is not formed with a merger but paid by cash, the cost of the investment is the actual price paid by the acquirer; where the merger is acquired with issuing equity securities of the acquirer, the cost of investment is the fair value of the issued equity securities. Where the long-term equity investment is formed from investors' investment, the cost of investment is the agreed price in the investment contract or agreement, unless the value agreed upon in the investment contract or agreement is unfair; the cost of long-term equity investment obtained from the exchange of non-monetary assets with commercial substance is measured at the fair value of the assets traded out and related tax and surcharges, and the difference between the book value of the assets traded out and its fair value is recorded into current profit or loss; the cost of long-term equity investment obtained from debt restructuring is measured at fair value, and the difference between the fair value and the book value of the debt is recorded into current profit and loss.

#### *(2) Subsequent measurement and recognition method of profits and losses*

Where the Company can exercise control over the invested entity, the long-term equity investment is accounted using cost method. A long-term equity investment with common control or significant impact on the invested entity should be accounted by the method of rights and interests; Where the equity investment in associated enterprises is indirectly held through venture capital institutions, mutual funds, trust companies or similar entities including equity-linked insurance funds, it is measured at fair value and its change is recorded in current profit or loss.

The long-term equity investment calculated by cost method is priced at the initial investment cost. Additional or withdrawn investment adjusts the cost of long-term equity investment. Cash dividends or profits distributed by investee announced as a confirmed current investment income.

If the initial investment cost of a long-term equity investment calculated by the method of rights and interests is greater than the fair value of the identifiable net assets of the invested entity, the initial investment cost of the long-term equity investment should not be adjusted; Where the initial investment cost of a long-term equity investment is less than that the share of the fair value of the identifiable net assets of the invested entity, the difference between the initial cost and the share of fair value is recorded into "Non-operating Income" and the cost of long-term equity investment is adjusted accordingly.

## V. Significant Accounting Policies and Accounting Estimates (Continued)

### 21. Long-term equity investments (Continued)

#### (2) *Subsequent measurement and recognition method of profits and losses (Continued)*

After obtaining the long-term equity investment, the investment income and other comprehensive income should be recognized separately according to the share of the net profit and loss and other comprehensive income realized by the invested unit, and the book value of the long-term equity investment should be adjusted at the same time; the book value of long-term equity investment should be reduced according to the portion of the profit or cash dividend declared by the invested unit; the book value of the long-term equity investment is adjusted according to the changes in the owners' equity of the invested equity other than net profit or loss, other comprehensive income and profit distribution and is included in "Capital Reserve – Other Capital Reserve". When confirming the share of the investee's net profit or loss, based on the fair value of the identifiable net assets of the investee when the investment was obtained, the net profit of the investee is adjusted and confirmed.

Where the accounting policy and accounting period adopted by the invested entity are inconsistent with that of the parent company, the financial statements of the invested entity shall be adjusted in accordance with the accounting policy and accounting period of the parent company, and the investment income and other comprehensive income are recognized in the same manner. The Company shall recognize the net loss incurred by the invested entity until the book value of the long-term equity investment and other long-term interests which substantially constitute the net investment in the invested entity are reduced to zero, unless the parent company is obliged to bear additional loss. If the invested entity realizes any net profit afterward, the parent company shall, after the amount of its attributable share of profits offsets its attributable share of the unrecognized losses, resume recognizing its attributable share of profits.

The Company shall write off the part of incomes from internal unrealized transactions between the Company and associates and joint ventures which are attributable to the Company according to the corresponding ratio and recognize the profit and loss on investments on such basis. Where the losses from internal transactions between the Company and the invested entities fall into assets impairment loss, the full amount of such losses shall be recognized.

#### (3) *Disposal of long-term equity investments*

For disposal of long-term equity investments, the difference between the book value and the actual price shall be included into the current profit or loss. The long-term equity investment accounted for by the equity method should be treated by accounting on the same basis as the assets or liabilities directly disposed of by the invested entity when the investment is disposed, and the portion originally included in the other comprehensive income should be treated according to the corresponding proportion.

## V. Significant Accounting Policies and Accounting Estimates (Continued)

### 21. Long-term equity investments (Continued)

#### *(4) The basis for determining the common control and significant impact on the invested units*

Common control refers to the joint control of an arrangement in accordance with the relevant agreement, and the relevant activities of the arrangement must be agreed by the participants who share control to make the decision. Where the Company exercises common control over the invested entity together with other parties and enjoys the right on the net assets of the invested entity, such investment constitutes an investment in a joint venture.

Significant impact means that the investor has the right to participate in the decision-making of the financial and operational policies of the invested unit, but cannot control or jointly control the formulation of these policies with other parties. In determining whether or not the Company can exert significant influence over the invested entity, the potential voting factors such as convertible corporate bonds and current exercisable warrants, held by the Company and other parties shall be taken into account. Where the investor is able to exert significant influence on the invested entity, the invested entity shall be the Company's associate.

### 22. Investment real estates

#### *(1) If the fair value measurement model is adopted:*

##### *Basis for selecting fair value measurement*

Investment real estates are properties held to earn rentals or for capital appreciation or both. The investment real estates of the Company include the land use rights and buildings which have been rented.

#### *(1) Recognition of investment real estates*

Investment real estates can be recognized only if the following conditions are satisfied: the economic benefits associated with investment real estates are likely to flow into the Company; and the cost of investment real estates can be measured reliably.

#### *(2) Initial measurement of investment real estates*

The costs of purchased investment property include the purchase price, related taxes and surcharges and other expenses directly attributable to the asset.

The cost of self-built investment property consists of the expenditure necessary to build the asset until it reaches its intended usable state.

The cost of investment property acquired by other means shall be determined in accordance with the relevant accounting standards.

Subsequent expenditures related to investment property which meet the recognition standards of investment property shall be included in the cost of the investment property; Those do not satisfy the recognition standards are included in current profit or loss.

## V. Significant Accounting Policies and Accounting Estimates (Continued)

### 22. Investment real estates (Continued)

#### (1) *If the fair value measurement model is adopted: (Continued)*

##### *Basis for selecting fair value measurement (Continued)*

#### (3) Subsequent measurement of investment real estates

The Company subsequently measures the investment real estates in a fair value model on the balance sheet date.

If the Company has conclusive evidence that the fair value of the investment real estates can be obtained continuously and reliably, the fair value model shall be adopted for subsequent measurement of the investment real estates.

To make a measurement through the fair value model, the following conditions shall be met simultaneously:

There is an active real estate market where the investment property locates;

The Company has access to the market price and other related information of the same or similar property from the real estate market, so as to make a reasonable estimate of the fair value of investment property.

When the fair value model is adopted, depreciation or amortization of the investment property is not accounted, the book value of the investment property shall be adjusted on the basis of the fair value of the investment property on the balance sheet date, and the difference between the fair value and the original book value shall be included in current profit or loss.

#### (4) Conversion of investment real estates

The Company has conclusive evidence that the use of property changes, the investment property converts into other assets, investment property that is measured at fair value converts into self-use property, the book value of then self-use property shall be the fair value of the property on the date of conversion, and the difference between the fair value and the original book value is included into current profit or loss.

When self-use property or inventory is converted to investment property measured at fair value, the investment property shall be priced at its fair value on the conversion date. If the fair value on the conversion date is less than the original book value, the difference shall be recorded into the current profit and loss. If the fair value on the conversion date is greater than the original book value, the difference shall be recorded in the owners' equity.

## V. Significant Accounting Policies and Accounting Estimates (Continued)

### 23. Fixed assets

#### (1). Recognition criteria

☒ Applicable ☐ N/A

Fixed assets are tangible assets that are held for production of goods, provision of services, rental or administrative purposes, and have service life of more than one fiscal year. A fixed asset is recognized only when it is probable that economic benefits associated with the asset will flow to the Company and its cost can be measured reliably.

#### (2). Depreciation method

☒ Applicable ☐ N/A

Category	Depreciation method	Depreciation period (year)	Residual rate	Annual depreciation rate
Houses and buildings	Straight-line depreciation method (excluding mine structures)	30~40 years	5%-10%	2.38%~3.17%
Machinery and instruments	Straight-line depreciation method	6~30 years	5%-10%	3.17%~15.83%
Office and electronic communication equipment	Straight-line depreciation method	6~8 years	5%-10%	11.88%~15.83%
Means of transportation	Straight-line depreciation method	6~8 years	5%-10%	11.88%~15.83%
Gas pipeline	Straight-line depreciation method	20~30 years	10%	3.00%~4.50%

Starting from the next month when the fixed assets reach the predetermined serviceable state, the straight-line method is adopted to extract the depreciation(except mine buildings), and the depreciation rate is determined according to the expected service life and estimated net salvage value rate of the fixed assets category.

According to the provisions of the document (89) Cai Gong Zi No. 302 issued by the Ministry of Finance, the depreciation of mine buildings is accrued according to the production, and the accrual ratio is RMB2.5/ton.

## V. Significant Accounting Policies and Accounting Estimates (Continued)

### 23. Fixed assets (Continued)

#### *(3). Basis of determination and methods of valuation and depreciation of fixed assets under financial lease*

☒ Applicable   ☐ N/A

The Company recognizes the lease of the fixed assets as a finance lease when the leased fixed assets substantially transfer all the risks and rewards related to the assets.

The cost of the fixed assets obtained by the company under finance lease shall be determined according to the lower of the fair value of the leased assets and the present value of the minimum lease payment on the lease.

The depreciation policy for the fixed assets acquired under finance lease is consistent with that of the accrued depreciation of its own fixed assets. If it can be reasonably determined that the ownership of the leased assets is obtained upon the expiration of the lease term, the depreciation shall be accrued within the remaining useful life of the leased assets; If it is impossible to reasonably determine that the ownership of the leased assets can be obtained upon the expiration of the lease term, the depreciation shall be accrued within the shorter of the lease term and the useful life of the leased assets.

### 24. Construction in progress

☒ Applicable   ☐ N/A

- (1) Construction in progress refers to capital assets under construction and is recorded at actual cost. Costs include construction works, installation works, purchase price of machinery and equipment, construction expenses and other indirect expenses, as well as capitalized interest and exchange profit or loss.
- (2) Time limit on transferring construction in progress to fixed assets: The fixed assets purchased and constructed shall be transferred to fixed assets on the date of reaching the working condition for their intended use, and depreciation of the asset shall start from the following month. If the final accounting procedures for the completion of the project have not been completed, it shall be transferred into fixed assets at an estimated value and depreciation is accounted according to such value. After the final accounting procedures for the completion of the project completed, the original estimated value shall be adjusted according to the actual cost, but the originally accounted depreciation shall not be adjusted.



## V. Significant Accounting Policies and Accounting Estimates (Continued)

### 25. Borrowing costs

☒ Applicable   ☐ N/A

- (1) Borrowing costs refer to interest and other related costs incurred as a result of borrowing, including interest on borrowing, amortization of discount or premium, surcharges (including service charges) and exchange differences arising from foreign currency borrowings.
- (2) Borrowing costs incurred that can be directly attributable to the acquisition and construction or production of assets eligible for capitalization should be capitalized and included in the costs of related assets. Other borrowing costs are recognized as expenses according to the amount incurred when incurred and recorded into current profit or loss. Assets eligible for capitalization refer to fixed assets, investment property, inventories and other assets which may reach their intended use or sale status only after long-time acquisition and construction or production activities.
- (3) The borrowing costs can be capitalized when the following conditions are met at the same time:
 

The expenditures for the asset are being incurred, including the payment of cash, the transfer of non-cash assets, or the payment of interest-bearing debts for acquiring and constructing or producing assets eligible for capitalization;

The borrowing costs have already occurred;

The acquisition and construction or production activities which are necessary to prepare the asset for its intended use or sale have commenced.
- (4) Borrowing costs incurred during capitalization for the acquisition, construction or production of assets eligible for capitalization that meet the above capitalization conditions and incurred before the assets reach the intended use or saleable state shall be included in the cost of the assets. Borrowing costs incurred afterward shall be directly included into the current finance costs.
- (5) If asset eligible for capitalization is abnormally interrupted during the acquisition, construction or production process, and the interruption lasts for more than 3 months, the capitalization of borrowing costs is suspended. The loan expenses incurred during the interruption are recognized as expenses and are recorded in the profit and loss of the current period until the purchase and construction of the assets or the resumption of production activities. The capitalization of the borrowing expenses continues if the interruption is necessary for the acquisition or production of a capitalized asset to reach the intended usable or saleable state. Borrowing costs cease to be capitalized when the assets purchased or constructed or produced that meet the capitalization conditions reach the intended use or sale. Subsequent borrowing costs are recognized as expenses in the period in which they are incurred.

## V. Significant Accounting Policies and Accounting Estimates (Continued)

### 25. Borrowing costs (Continued)

- (6) The capitalized amount of the borrowing costs shall be determined in accordance with the following methods: Where a special loan is borrowed for the purpose of purchasing or producing an asset which meets the capitalization conditions, the amount of interest actually incurred for the current period of the special loan should be determined by deducting the amount of interest income derived from the deposit of the outstanding loan funds into the bank or from the investment income derived from the temporary investment; If a general borrowing is occupied for the purpose of purchasing or producing an asset that meets the capitalization requirements, the amount of interest to be capitalized for the general borrowing should be calculated on the basis of the weighted average of the expenses of the assets that have been spent over the part of the particular loan multiplied by the capitalization rate of the general borrowing. The capitalization rate is calculated on the basis of the weighted average interest rate of general borrowings.

### 26. Biological assets

☐ Applicable    ☒ N/A

### 27. Oil – gas assets

☐ Applicable    ☒ N/A

### 28. Right-of-use assets

☒ Applicable    ☐ N/A

Right-of-use assets are the right of the corporation, as a lessee, to use the leased assets during the term of the lease. Except for short-term lease and low value assets lease, the company recognizes the Right-of-use assets on the beginning date of the lease. Right-of-use assets are recognized when it is probable that economic benefits will flow in and the cost can be measured reliably. The Company's Right-of-use assets categories mainly include buildings and facilities, machinery and equipment, land and transportation equipment.

Right-of-use assets are initially measured at cost. This cost includes:

- (1) The initial measurement amount of the lease liabilities;
- (2) For the lease payment made on or before the commencement date of the lease term, if there is a lease incentive, the relevant amount of the lease incentive already enjoyed shall be deducted;
- (3) Initial direct costs incurred by the Company;
- (4) Costs expected to be incurred by the Company in dismantling and removing the leased assets, restoring the premises where the leased assets are located, or restoring the leased assets to its agreed condition under the terms of the lease.

## V. Significant Accounting Policies and Accounting Estimates (Continued)

### 28. Right-of-use assets (Continued)

The Company subsequently adopts cost model to depreciate the right-of-use assets. If it can be reasonably determined to obtain the ownership of the leased asset when the lease term expires, the company shall accrue depreciation for the remaining useful life of the leased asset. If it cannot be reasonably determined to obtain the ownership of the leased asset when the lease term expires, the company shall set aside depreciation during the shorter period between the lease term and the remaining life of the leased asset.

The Company determines whether the right-of-use assets has been impaired and carried out accounting treatment in accordance with the relevant provisions of *Accounting Standards for Business Enterprises No.8 – Asset Impairment*.

When the Company re-measures the lease liability according to the present value of the lease payment after the change, and adjusts the book value of the right-of-use asset accordingly, if the book value of the right-of-use asset has been reduced to zero, but the lease liability still needs to be further reduced, the remaining amount shall be recorded in the profits and losses of the current period.

### 29. Intangible assets

#### (1). Valuation method, service life and impairment test

☒ Applicable    ☐ N/A

- (1) Accounting contents: The Company's intangible assets refer to the identifiable non-monetary assets owned or controlled by the Company that have no physical form. Including patent right, non-patent technology, trademark right, copyright, concession, land use right, production capacity index, franchise right, technology, customer base, etc.
- (2) Measurement: The Company's intangible assets are initially measured at costs. Intangible assets with definite service lives shall be reasonably amortized within their service life in accordance with the expected realization of economic benefits; Intangible assets with uncertain service life shall not be amortized. Including:
  - ① Expenses incurred during the research stage of the Company's internal research and development projects shall be included in the current profit or loss. Expenses incurred in the development state and meet the conditions of capitalization shall be included in intangible assets. The conditions for capitalization are as follows: ①Technically speaking, it is feasible to complete the intangible assets so that it can be used or sold; ② the intention to complete the intangible asset and use or sell it; ③ the intangible asset can generate possible future economic benefits; ④ it is able to finish the development of the intangible assets, and able to use or sell the intangible assets, with the support of sufficient technologies, financial resources and other resources; and ⑤ expenses attributable to the development stage of the intangible asset can be measured reliably.

## V. Significant Accounting Policies and Accounting Estimates (Continued)

### 29. Intangible assets (Continued)

#### (1). *Valuation method, service life and impairment test (Continued)*

##### (2) *(Continued)*

- ② Accounting and amortization of land use right: The land use right purchased by the company or acquired by paying the land transfer fee shall be initially measured according to the cost. For self-development and construction of buildings such as plant, the relevant land use right shall not be included in the cost of the building, but shall be separately accounted for as intangible assets and amortized according to the transfer period of the land use right.
- ③ Accounting and amortization of mining rights: The mining right purchased by the Company shall be initially measured based on the acquisition cost. Where the payment for the mining right is delayed beyond the normal credit conditions, it shall be determined on the basis of the present value of the purchase price. The difference between the actually price paid and the present value of the purchase price shall be amortized over the credit period to current profit or loss. The Company's mining right shall be amortized by the production method based on the recoverable reserves obtained.
- ④ Replacement capacity index and amortization: The capacity indicators replaced by the Company for capacity expansion shall be initially measured at acquisition cost and amortized over the effective period approved by the competent department.
- ⑤ Intangible assets acquired by business combination not under common control

The intangible assets and goodwill acquired from business combination not under common control shall be recognized separately. Intangible assets such as franchise right, technology and customer base shall be initially recognized at their fair value on the acquisition date. Intangible assets with fixed useful life shall be accounted for at the value of cost less accumulated amortization and impairment, and shall be amortized with straight line method according to the expected useful life.

##### (3) *Review of service life of intangible assets*

The Company reviews the service life of the intangible assets at the end of each year. If there is evidence that the service life of the intangible assets is different from the previous estimates, the amortization period of the intangible assets with limited service life shall be changed; For intangible assets with uncertain service life, if there is an evidence that their service life is limited, they shall be treated by the principle of intangible assets with limited service life.

## V. Significant Accounting Policies and Accounting Estimates (Continued)

### 29. Intangible assets (Continued)

#### (1). *Valuation method, service life and impairment test (Continued)*

##### (4) *Recognition standard and accrual method of impairment provision for intangible assets*

At the end of the year, the company inspects the ability of various intangible assets to be expected to bring future economic benefits to the enterprise. If the estimated recoverable amount is lower than its book value, an impairment provision shall be made based on the difference between the individual's estimated recoverable amount and the book value. Once an intangible assets impairment loss is confirmed, it cannot be reversed in subsequent accounting periods.

#### (2). *Accounting policy for internal research and development expenditures*

☒ Applicable   ☐ N/A

See the "Accounting policy for internal research and development expenditures" under V-29. Intangible Assets (1) Valuation Method, Service Life and Accounting policy for internal research and development expenditures in impairment testing.

### 30. Long-term asset impairment

☒ Applicable   ☐ N/A

On each balance sheet date, the Company inspects long-term equity investment, fixed assets, construction in progress, intangible assets with limited service life and other items, and conducts impairment tests when there are signs of impairment. Impairment tests shall be conducted to goodwill and intangible assets with uncertain service life at the end of each year, regardless whether there are signs of impairment or not.

There may be an impairment of assets when one of the following signs occurs: (1) The current market price of asset falls, and its decrease is obviously higher than the expected drop over time or due to the normal use; (2) The economic, technological or legal environment in which the enterprise operates, or the market where the assets are situated will have any significant change in the current period or in the near future, which will cause adverse impact on the enterprise; (3) The market interest rate or any other investment market return rate has increased in the current period, and thus the discount rate of the enterprises for calculating the expected future cash flow of the assets will be affected, which will result in great decline of the recoverable amount of the assets; (4) Any evidence shows that the assets have become obsolete or have been damaged substantially; (5) The assets have been or will be left unused, or terminated for use, or disposed ahead of schedule. (6) Evidence from the internal report of the Company indicates that the economic performance of the assets has been or will be lower than expected, for example, the net cash flow or operating profit (or loss) generated from the assets falls far below the expected amount; (7) Other evidence indicates that the impairment of assets has been occurred.

## V. Significant Accounting Policies and Accounting Estimates (Continued)

### 30. Long-term asset impairment (Continued)

The Company tests the recoverable amount of a single asset, and the recoverable amount is the higher of the net value of the asset's fair value less the disposal costs and the present value of the asset's expected future cash flow. If it is difficult to conduct impairment test of recoverable amount of a single asset, then the test shall be conducted to the asset group or portfolio to which the asset belongs.

After the impairment test, if the book value of the asset exceeds its recoverable amount, the difference shall be recognized as impairment loss. Once the impairment loss of the asset is recognized, it shall not be reversed during the subsequent accounting period.

### 31. Long-term prepaid expenses

☒ Applicable ☐ N/A

Long-term prepaid expenses refer to all the expenses that have been incurred by the Company and are supposed to be amortized in current period and future period of more than one year. The long-term prepaid expenses are measured at actual cost and shall be amortized evenly during the benefit period of the project.

### 32. Contractual liabilities

#### (1). Recognition method of contractual liabilities

☒ Applicable ☐ N/A

The Company shall present contractual liabilities according to the relationship between performance obligations and customer payments. The obligations of the Company to transfer goods or provide services to customers for which consideration has been received or receivable are presented as contractual liabilities.

### 33. Employee compensation

#### (1). Accounting treatment method of short-term compensation

☒ Applicable ☐ N/A

Basic remuneration (wages, bonuses, allowances and subsidies) for employees: During the accounting period when employees serve the Company, the actual short-term compensation is recognized as liabilities and included in current profit and loss, except other accounting standards required or permitted to be included in the cost of assets.

Employee benefits: The employee benefits incurred by the Company shall be recorded into the current profit or loss or the cost of relevant assets according to the actual amount when incurred. Where the employee benefits are non-monetary benefits, it shall be measured at fair value.

## V. Significant Accounting Policies and Accounting Estimates (Continued)

### 33. Employee compensation (Continued)

#### *(1). Accounting treatment method of short-term compensation (Continued)*

Social insurance premiums such as medical insurance premiums, work injury insurance premiums, birth insurance premiums and housing provident funds, labour union funds and employee education funds: The Company pays medical insurance premiums, work injury insurance premiums, birth insurance premiums and other social insurance premiums and housing provident funds, as well as labour union funds and employee education funds for our employees. During the accounting period in which the employee provides services, the employee compensation shall be calculated and determined according to the stipulated basis and proportion, and the corresponding liabilities shall be recognized and recorded into the current profit and loss or the cost of relevant assets.

Short-term paid absence: When the employees provide services and increase compensated absence in the future, the Company recognizes employee compensation related to cumulative paid absence which is measured at the increased expected payment amount of accumulated non-exercise of rights. The Company recognizes employee compensation related to non-cumulative paid absences during the accounting period in which the employee's absence actually occurs.

#### *(2). Accounting treatment method for post-employment benefits*

☒ Applicable   ☐ N/A

The post-employment benefit plans include defined contribution plans and defined benefit plans. Among them, defined contribution plan refers to the after-service benefit plan which the Company assumes no more payment obligations after paying fix amount to an independent fund. A defined benefit plan refers to after-service benefit plans other than a defined contribution plan.

Defined contribution plan: The Company shall, in accordance with the relevant regulations of the local government, pay the basic endowment insurance and unemployment insurance for its employees. During the accounting period for which the employees provide services, the amount payable calculated according to the payment base and ratio stipulated by the local government shall be recognized as liabilities and be recorded into current profit and loss or the cost of related assets.

Defined benefit plan: Welfare obligations arising from defined benefit plans will be attributed to the periods when employees provide services in accordance with a formula established by the method of expected cumulative welfare units, and recorded into current profit and loss or the cost of relevant assets.

## V. Significant Accounting Policies and Accounting Estimates (Continued)

### 33. Employee compensation (Continued)

#### (3). Accounting treatment method for dismissal benefits

☒ Applicable   ☐ N/A

Dismissal benefits refer to the compensation paid to employees by the Company for the early termination of labor relations before the expiration of the labor contract, or to encourage employees to accept layoff voluntarily. If the Company provides dismissal benefits to employees, the employee compensation liabilities arising from the dismissal benefits shall be recognized earlier in either of the following categories and shall be recorded into the profit and loss of the current period: when an enterprise cannot unilaterally withdraw the dismissal benefits provided by the plan for the labor relationship termination or a layoff proposal; when the Company recognizes the costs or expenses related to the payment of the dismissal benefits.

#### (4). Accounting treatment method for other long-term employee benefits

☐ Applicable   ☒ N/A

### 34. Lease liabilities

☒ Applicable   ☐ N/A

At the start date of the lease, the company recognizes the present value of the unpaid lease payments as lease liabilities, except for short-term leases, and low-value asset leases. When calculating the present value of lease payment, the interest rate implicit in the lease is used as the discount rate. If it is impossible to determine the inherent interest rate of leasehold, the company's incremental borrowing interest rate is used as the discount rate. The difference between the amount of lease payments and the present value of leases shall be taken as unconfirmed financing expenses, and the interest expenses shall be recognized in accordance with the discount rate of the present value of the confirmed lease payments during each period of the lease term, and shall be included in the profits and losses of the current period. The amount of variable lease payments not included in the measurement of lease liabilities shall be included in the current profit or loss at the time of actual occurrence.

Lease payments are payments made by the company to the lessor in relation to the right to use the leased assets during the lease term, including:

- (1) Fixed payment and substantial fixed payment, if there is lease incentive, the relevant amount of lease incentive shall be deducted;
- (2) The exercise price of call to purchase reasonably determined by the Company;
- (3) The amount payable for termination of lease option if the lease term reflects the exercise of lease termination option by the Company.



## V. Significant Accounting Policies and Accounting Estimates (Continued)

### 34. Lease liabilities (Continued)

After the commencement date of the lease term, the company calculates the interest expense of the lease liability in each period of the lease term at the fixed periodic interest rate, and records it into the current profit and loss or relevant asset cost.

After the commencement of the lease term, when there is a change in the actual fixed payment amount, the expected amount payable for the guarantee residual value, the index or ratio used to determine the lease payment amount, the evaluation result of the purchase option, the renewal option or the termination option or the actual exercise situation, the Company shall re-measure the lease liabilities according to the present value of the lease payment after the change, and adjust the corresponding right-of-use assets. If the book value of the Right-of-use assets has been reduced to zero; however, if the lease liabilities still need to be further reduced, the Company shall include the difference in current profits and losses.

### 35. Anticipation liabilities

☒ Applicable   ☐ N/A

The Company's obligations related to the contingent events are recognized as Anticipation liabilities when the following conditions are met: The obligation is the current obligation of the company; The performance of this obligation is likely to result in the outflow of economic benefits from the company; The amount of the obligation can be measured reliably.

The Company initially measures the liability at the best estimate of the payment for performing related current obligations, reviews Anticipation liabilities on balance sheet date and adjusts the book value according to the current best estimate.

### 36. Share-based payment

☒ Applicable   ☐ N/A

#### (1) *Equity settled share-based payment*

In order to obtain the services provided by employees, the Company offers its employees (including directors) with an equity-settled share-based stock option plan. For equity-settled share-based payments in exchange for services rendered by employees, the Company measures the equity instruments invested to employees at fair value on the date of awarding. The amount of the fair value shall, during the waiting period, be accounted into the relevant costs or expenses according to the straight-line method on the basis the best estimate of the number of the number of viable equity instruments, and the capital reserve shall be increased accordingly.

## V. Significant Accounting Policies and Accounting Estimates (Continued)

### 36. Share-based payment (Continued)

#### (1) *Equity settled share-based payment (Continued)*

On each balance sheet day during the waiting period, the Company shall, according to the assessment on relevant non-market conditions, correct the number of equity instruments that are ultimately expected to be vested. The impact of the above estimates shall be recorded in the relevant costs or expenses of the current period, and the capital reserve shall be adjusted accordingly.

When the share option is exercised, the previously recognized share option reserve shall be transferred to capital stock and capital stock premium; if the option is forfeited after the vesting date or is not exercised on the expiration date, the originally recognized option reserve is transferred to retained earnings.

#### (2) *Cash settled share-based payment*

Cash settled share-based payments are measured at the fair value of liabilities calculated and determined based on shares or other equity instruments assumed by the company.

For cash settled share-based payments that are exercisable immediately after the grant, the fair value of the liabilities assumed by the company on the grant date is included in the relevant costs or expenses, and the liabilities are increased accordingly.

For cash-settled share-based payments that cannot be exercised until the services within the waiting period have been completed or the prescribed performance conditions have been met, on each balance sheet date within the waiting period, based on the best estimate of the vesting situation, the services obtained in the current period are included in costs or expenses and corresponding liabilities at the fair value of the liabilities assumed by the company.

On the balance sheet date, if subsequent information indicates that the fair value of the debt assumed by the company in the current period is different from previous estimates, adjustments should be made and adjusted to the actual exercisable level on the vesting date.

The Company remeasures the fair value of the liabilities on each balance sheet date and settlement date before the settlement of the relevant liabilities, and the changes are included in the current profit and loss.

### 37. Other financial instruments such as preferred stock and perpetual bond

☐ Applicable    ☒ N/A

## V. Significant Accounting Policies and Accounting Estimates (Continued)

### 38. Revenue

#### *(1). Accounting policies for revenue recognition and measurement*

☒ Applicable   ☐ N/A

The Company's revenue mainly comes from businesses such as natural gas retail, natural gas wholesale, natural gas direct sale, project construction and installation, integrated energy sales and services, value-added businesses, energy production, infrastructure operation. When the Company has fulfilled its obligations under the contract, that is, upon the transfer of control of promised products or services to customers, the Company recognizes revenue according to the transaction price apportioned to the performance obligations. Performance obligations refer to the contractual commitment of which the Company shall transfer goods or provide services that can be clearly distinguished to the customer.

The Company assesses the contract on the contract commencement date to identify the separate performance obligations contained in the contract and to determine whether the separate performance obligations are performed within a certain period of time or at a certain point of time. If one of the following conditions is met and the performance obligation belongs to the category that shall be performed within a certain period of time, the Company shall recognize revenue according to the performance progress during a certain period of time: (1) The customer acquires and consumes the economic benefits while the Company deliver its performance; (2) The customer is able to control the goods in process when the Company is performing its obligation; (3) The goods produced by the Company during its performance of contract are irreplaceable use and the Company has the right to receive payments for the accumulated performance it has delivered during the contract period. Otherwise, the Company shall recognize revenue at the point when the customer gains control over relevant goods or services.

The performance obligations and timing of revenue recognition for different business contracts of the Company:

#### *(1) Retail of natural gas*

The Company sells natural gas to customers through pipelines, including residential, commercial and industrial customers. Revenue is recognized when the pipeline natural gas is delivered to customers and is consumed by customers, that is, when customers take control of the products. The volume of gas sold is calculated according to the gas meter installed at the customers' premises.

The Company also operates a gas filling station for vehicles to fuel them with LNG and CNG. Revenue is recognized after gas filled in vehicles (namely, LNG or CNG is transferred to the customer).

## V. Significant Accounting Policies and Accounting Estimates (Continued)

### 38. Revenue (Continued)

#### *(1). Accounting policies for revenue recognition and measurement (Continued)*

##### *(2) Wholesale of natural gas*

The Company supplies LNG to wholesale customers. Revenue is recognized when the control of LNG is transferred (i.e., LNG has been delivered in bulk to the Customer at a specified location).

##### *(3) Direct sale of natural gas*

The Company sells natural gas to customers such as domestic industrial customers, city gas operators, power plants, transportation energy operators and international traders. Revenue is recognized when the control of the natural gas is transferred (i.e., the natural gas is delivered to the customer at a specified location).

##### *(4) Integrated energy sales and services*

The Company supplies a variety of energy products, such as gas, electricity, cold energy, heat energy and steam, etc. When the energy is delivered to customers and is consumed by the customers, i.e., the customer acquires control of the products, the Company recognizes revenue. Revenue from energy services is recognized according to the progress of services delivered during contract period.

##### *(5) Energy production*

The Company engages in the production and sale of the products such as coal and methanol. Revenue is recognized when the control of commodity is transferred to the purchaser depending on the nature of specific business and contractual provisions.

##### *(6) Construction and installation*

Construction and installation services include project design, equipment manufacturing and integration, project construction and installation services related to natural gas, new chemical industry and energy conservation and environment protection. The project construction and installation businesses of the Company are mainly performance obligations performed within a certain period of time, and the revenue is recognized according to the performance progress during the contract period.

##### *(7) Value-added business*

The Company provides various value-added services to the customers, including but not limited to kitchen products, heating products and security products. In case of installation service, the revenue shall be recognized at the time point when the customer accepts the service. In addition, the Company sells building materials and other energy products to commercial and industrial customers. Revenue is recognized when customers take control of the goods.

## V. Significant Accounting Policies and Accounting Estimates (Continued)

### 38. Revenue (Continued)

#### (1). *Accounting policies for revenue recognition and measurement (Continued)*

##### (8) *Infrastructure operation*

The Company operates natural gas receiving terminals to provide LNG liquid loading and unloading services, LNG liquid warehousing services, LNG gaseous external transportation services and natural gas pipeline transportation services to its customers. Relevant revenue will be recognized when those services have been provided and confirmed by the customers.

The transaction price refers to the amount of consideration the Company is expected to be entitled to receive as a result of the transfer of goods or services to the customers, but the payments received on behalf of a third party and the payments expected to be refunded to the customers by the Company are not included. Where a contract contains two or more performance obligations, the Company, on the commencement date of the contract, assigns the transaction price to each individual performance obligation according to the relative ratio of the individual selling price of the committed products or services under each individual performance obligation.

Where there is a significant financing component in the contract, the Company shall determine the transaction price based on the assumption that the customer pays in cash at the time of acquiring control of the goods or services. The difference between the transaction price and the contract consideration shall be amortized using the real interest rate method during the contract period. If, on the date of commencement of the contract, the Company expected the customer would pay the consideration within one year after acquiring control over the goods or services, significant financing elements are not taken into account.

For a sale with a quality assurance clause, if the quality assurance provides a separate service in addition to assuring the customer that the goods or services sold meet established standards, the quality assurance constitutes a separate performance obligation. Otherwise, the Company shall conduct accounting treatment for the quality assurance liability according to the *Accounting Standards for Business Enterprises No. 13 — Contingency*.

The Company determines whether it is the principal responsible person or the agent at the time of the transaction based on whether it has control over the goods or services prior to the transfer of such goods or services to customers. Where the Company is able to control the goods or services before transferring them to customers, the Company shall be the principal responsible person, and revenue shall be recognized according to price received or receivable. Otherwise, the Company acts as an agent and shall recognize revenue according to the amount of commission or service charges it expected to be entitled to charge. The amount is recognized at the net of the total consideration received or receivable less the amount payable to other relevant parties or the agreed commission amount or rate.

## V. Significant Accounting Policies and Accounting Estimates (Continued)

### 38. Revenue (Continued)

*(2). Situation where different revenue recognition accounting policies is adopted for the same business due to different business patterns*

☐ Applicable    ☒ N/A

### 39. Contract cost

☒ Applicable    ☐ N/A

Contract cost is divided into contract performance cost and contract acquisition cost.

The cost incurred by the Company for the performance of contract shall be recognized as an asset when the following conditions are met: ① The cost is directly related to a current contract or a contract expected to be awarded, including direct labor, direct materials, manufacturing expenses (or similar costs), costs clearly assumed by the customer and other costs incurred solely in connection with this contract. ② The cost increases the Company's future resources to perform its performance obligations. ③ The cost is expected to be recovered.

The incremental costs incurred by the Company to acquire a contract that are expected to be recovered are recognized as an asset as contract acquisition cost. Assets related to contract costs are amortized on the same basis as revenue recognition of goods or services related to the asset; However, if the amortization period for contract acquisition cost is shorter than one year (including one year), the Company shall include it in the current profit or loss when it occurs.

When the book value of the assets related to the contract cost is greater than the difference between the following two items, the Company shall make provision for impairment of the excess part, and shall recognize the impairment loss of the assets, as well as further considers whether estimated liabilities related to onerous contract should be accounted: ① The remaining consideration expected to be received as a result of transferring goods or services related to the asset; ② Estimated cost to be incurred for the transfer of goods or services related to the asset.

If the aforementioned asset impairment provision is subsequently reversed, the book value of the asset after reversion shall not exceed the book value of the asset on the reversion date assuming no impairment provision is made.

Contract performance costs recognized as assets shall be included in "Inventories" if they are amortized within one year or within one normal operating cycle at initial recognition; those are amortized beyond one year or one normal operating cycle at initial recognition shall be included in "Other Non-current Assets".

Contract acquisition costs recognized as assets shall be included in "Other Current Assets" if they are amortized within one year or within one normal operating cycle at initial recognition; those are amortized beyond one year or one normal operating cycle at initial recognition shall be included in "Other Non-current Assets".

## V. Significant Accounting Policies and Accounting Estimates (Continued)

### 40. Government subsidies

☒ Applicable   ☐ N/A

Government subsidies are monetary and non-monetary assets obtained free of charge by the Company from the government. Which are divided into assets-related government subsidies and revenue-related government subsidies.

Assets-related government subsidies refer to government subsidies obtained by the Company to purchase, construct or acquire long-term assets with other means. Assets-related government subsidies received by the Company shall be recognized as Deferred Income upon receiving, and shall be included in "Other Income" in a reasonable and systematic manner during the service life of the relevant assets. Where the relevant assets are sold, transferred, scrapped or damaged before the end of their useful lives, the balance of the relevant deferred income which has not been distributed shall be transferred to the profit or loss of the current period of asset disposal.

Government subsidies related to the Company's daily activities shall be treated according to the following circumstances: (1) if it is used to compensate relevant expenses or losses of the Company in subsequent periods, it shall be recognized as deferred income and shall be included into "Other Income" during the period of recognition of relevant expenses; (2) those used to compensate related expenses or losses incurred by the Company shall be directly recorded into "Other Income" of the current period; (3) the government subsidies for comprehensive projects shall be decomposed into assets-related parts and revenue-related parts, which should be accounted separately; if it is difficult to distinguish between assets-related and revenue-related subsidies, the government subsidies as a whole shall be classified as revenue-related government subsidies, or included into "Other Income" during the project period.

Government subsidies unrelated to the daily activities of the Company shall be recorded in non-operating income.

### 41. Deferred tax assets/deferred tax liabilities

☒ Applicable   ☐ N/A

- (1) The Company adopts the balance sheet liability approach for the accounting treatment of income tax.
- (2) Basis for recognition of deferred tax assets/deferred tax liabilities:

On balance sheet date, where there is a deductible temporary difference or taxable temporary difference between the book value of an asset or liability and its tax base, the temporary difference shall be calculated in accordance with the applicable tax rate during the period of expected recovery of the asset or repayment of the liability, and the deferred tax asset or deferred tax liability shall be recognized accordingly.

## V. Significant Accounting Policies and Accounting Estimates (Continued)

### 41. Deferred tax assets/deferred tax liabilities (Continued)

- (3) At the end of each financial year, the Company reviews the book value of deferred tax assets and liabilities. If the applicable tax rate changes during the period of expected recovery of the asset or repayment of the liability, the Company shall re-measure the recognized deferred tax asset and deferred tax liability. Except for the deferred tax assets and deferred tax liabilities arising from transactions or events directly recognized in the equity, the impact thereof shall be included in the income tax expense of the current period of change. If it is probable that sufficient taxable profit will not be available against which the deductible benefits of deferred tax assets, the Company shall write down the book value of the deferred tax assets. In the event that sufficient taxable income is likely to be obtained, the write-down amount shall be reversed.

### 42. Lease

#### (1). Accounting treatment method for operating lease

☐ Applicable    ☒ N/A

#### (2). Accounting treatment method for financing lease

☐ Applicable    ☒ N/A

#### (3). Determination and accounting treatment methods of lease under new lease standards

☒ Applicable    ☐ N/A

Lease refers to a contract in which the lessor assigns the right to use the asset to the lessee for a certain period of time to obtain a consideration.

#### ① The Company as the lessor

On the commencement date of the lease term, the Company shall recognize right-of-use assets and lease liabilities for the lease. For details, please refer to the Note "25. Right-of-use Assets" and "31. Lease Liabilities".



## V. Significant Accounting Policies and Accounting Estimates (Continued)

### 42. Lease (Continued)

#### *(3). Determination and accounting treatment methods of lease under new lease standards (Continued)*

##### *② The Company as the lessee*

The Company divides the lease into financing lease and operating lease on the lease commencement date. The lease that substantially transfers almost all the risks and rewards related to the ownership of the leased assets is finance leases, and leases other than finance leases are operating leases.

##### *Financing lease*

On the commencement date of the lease term, the company recognizes the finance lease receivables and derecognizes the finance lease assets. The company conducts initial measurement based on the sum of the unguaranteed residual value and the present value of the lease receipts that have not been received on the lease commencement date, discounted at the interest rate implicit in the lease. The subsequent measurement is calculated at the fixed periodic interest rate and the interest income of each period within the lease term is recognized.

##### *Operating lease*

During each period of the lease term, the company recognizes lease receipts from operating leases as rental income by using the straight-line method. The initial direct expenses related to operating leases incurred by the Company shall be capitalized when incurred, and shall be amortized on the same basis as the recognition of rental income during the lease term and included in the current profit and loss by stages.

The variable lease receipts obtained by the company related to operating leases that are not included in the lease receipts are included in the current profit and loss when they actually occur.

## V. Significant Accounting Policies and Accounting Estimates (Continued)

### 43. Other significant accounting policies and accounting estimates

√ Applicable    □ N/A

#### (1) *Provision and utilization of work safety costs*

The Company shall, in accordance with the Administrative Measures for the Withdrawal and Utilization of Enterprise Work Safety Costs (Cai Zi [2022] No. 136) jointly promulgated by the Ministry of Finance and the State Administration of Work Safety, collect work safety funds. The collection and utilization of work safety funds for relevant businesses are as follows:

##### A. *Project construction*

In accordance with the provisions of Article 17 of Cai Zi [2022] No. 136, the construction projects subsidiaries of the Company shall, on the basis of the construction project price, make provision for work safety costs subject to the project progress at the end of the month by applying the criteria "(II) 3% for railway projects, housing construction projects and urban rail transit projects; (IV) 2% for smelting, mechanical and electrical installation, chemical petroleum and communication projects; (V) 1.5% for municipal public works, harbor and waterway projects as well as highway projects".

The work safety costs for which provisions are made by project construction entities shall be used for the expenses incurred directly in connection with work safety and protection during project construction.

##### B. *Coal mining*

Pursuant to the *Notice on Issuing and Distributing the Administrative Measures on the Deposit and Use of the Expenses for Safety Production of Coal Mine and the Several Provisions on the Issues concerning Regulating the Management of Coal Mine Maintenance Fee* (Cai Jian [2004] No. 119) issued by the Ministry of Finance, the State Development and Reform Commission and the State Administration of Coal Mine Safety and the Article 7 of the *Administrative Measures for the Withdrawal and Utilization of Enterprise Work Safety Costs* (Cai Zi [2022] No. 136) promulgated by the Ministry of Finance and the State Administration of Work Safety, the Company shall, based on the raw coal production mined for the current month, make provision for work safety costs at the end of the month by applying the criteria "(II) RMB30 per ton of coal for highly gassy mines, mines with complicated and extremely complicated hydrogeological types and spontaneously ignitable coal bed mines. The work safety costs for which provisions are made shall be used to cover ten expenditure items including coal mine safety facilities and "two 4-in-1" outburst prevention measures for coal and gas outburst and highly gassy mines; the Company withdraws coal mine maintenance fee from the costs as per RMB9.50 per ton of coal based on the actual raw coal output (including RMB2.50 per ton of coal for mine working) to be primarily used for ordinarily continued expansion and extension as well as technical retrofitting for coal mine production.

## V. Significant Accounting Policies and Accounting Estimates (Continued)

### 43. Other significant accounting policies and accounting estimates (Continued)

#### (1) Provision and utilization of work safety costs (Continued)

##### C. Production of hazardous goods

In accordance with the provisions of Article 21 of Cai Zi [2022] No. 136, the manufacturers of hazardous goods under the Company shall make provision for the work safety costs on the basis of the actual operating income from the previous year and in an excess regressive manner according to the following criteria:

- 1) 4.5% if the actual sales revenue throughout the year amounts to RMB10 million and below;
- 2) 2.25% if the portion of actual sales revenue throughout the year falls within the range from RMB10 million to RMB100 million (inclusive);
- 3) 0.55% if the portion of actual sales revenue throughout the year falls within the range from RMB100 million to RMB1,000 million (inclusive);
- 4) 0.2% if the portion of actual sales revenue throughout the year exceed RMB1,000 million.

The work safety costs for which provisions are made by the manufacturers of hazardous goods under the Company shall be used for the expenses incurred directly in connection with work safety and protection during production of hazardous goods.

##### D. Transportation of hazardous goods

In accordance with the provisions of Article 24 of Cai Zi [2022] No. 136, the transportation entities of hazardous goods under the Company shall make provision for the work safety costs on the basis of the actual operating income from the previous year and by applying the proportion of "1.5% for passenger transportation, pipeline transportation, transportation of dangerous goods and other special cargo transportation operations".

The work safety costs for which provisions are made by the transportation entities of hazardous goods under the Company shall be used for the expenses incurred directly in connection with safety and protection during transportation of hazardous goods.

## V. Significant Accounting Policies and Accounting Estimates (Continued)

### 43. Other significant accounting policies and accounting estimates (Continued)

#### (1) *Provision and utilization of work safety costs (Continued)*

##### *D. Transportation of hazardous goods (Continued)*

The work safety costs for which provisions are made by the Company in accordance with the above regulations shall be included in the current profit or loss and special reserve. When the use of work safety funds belongs to expense expenditure, special reserve shall be directly written off. If a fixed asset is formed by the use of work safety funds, the expenditures of such use shall be included in "Construction in Progress" and shall be transferred to fixed-assets when the safety project reaches its working conditions for intended use. At the same time, special reserve shall be deducted by the amount of the cost of the fixed asset constructed and accumulated depreciation of the same amount shall be recognized. The fixed assets are no longer subject to depreciation during subsequent periods. The "Special Reserve" item under the owners equity in the balance sheet is set to reflect the closing balance of work safety costs separately.

#### (2) *Information on division*

The Company determines the operating division based on the internal organizational structure, management requirements and internal reporting system, and determines the reporting division based on the operating division and discloses the information of the division.

An operating division is a segment that simultaneously meets the following conditions: 1) The segment is capable of generating revenue and incurring expenses in its daily activities; 2) Management is able to periodically evaluate the operating results of the segment in order to determine the allocation of resources to it and to evaluate its performance; 3) The accounting information such as the financial position, operating results and cash flow of such segment is available. Where two or more operating divisions have the similar economic characteristics and meet certain conditions, they may be merged into one operating division.

#### (3) *Profit distribution*

For a subsidiary with foreign shareholders, after-tax profit shall be distributed in accordance with the resolution of its Board of Directors. The profits of other subsidiaries shall be distributed in the following order after making up the losses of the previous years:

Item	Proportion
Provision for statutory reserve fund	10%
Provision for discretionary surplus reserve	Decided by the General Meeting
Payment of dividends on ordinary shares	Decided by the General Meeting

## V. Significant Accounting Policies and Accounting Estimates (Continued)

### 43. Other significant accounting policies and accounting estimates (Continued)

#### (4) Discontinued operations

Discontinued operations refer to the segments that satisfy the following conditions that have been disposed or have been classified into held-for-sale by the Company and can be distinguished separately when operating or preparing financial statements: The segment represents an independent major business or a major business area; the segment is part of a proposed disposal plan for an independent major business or a major business area.

### 44. Changes in significant accounting policies and accounting estimates

#### (1). Changes in significant accounting policies

☒ Applicable   ☐ N/A

Content and reason of changes in accounting policies	Approval procedure	Remarks (name and amount of items in financial statements that have been significantly affected)
The Company has implemented the “accounting treatment for the external sale of products or by-products produced before the fixed assets reach the expected usable state or in the R&D process by enterprises” and “judgment on onerous contracts” as set out in the <i>Interpretation of Accounting Standards for Business Enterprises No. 15</i> since 1 January 2022.	Deliberated at the 42th Meeting of the Ninth Board of Directors of the Company	No significant effect
The Company has implemented the “accounting treatment of income tax effects from dividends related to financial instruments classified as equity instruments by issuers” and “accounting treatment for modifying the share payment settled by cash to share payment settled by equity by enterprises” as set out in the <i>Interpretation of Accounting Standards for Business Enterprises No. 16</i> since 30 November 2022.	Deliberated at the Sixth Meeting of the Tenth Board of Directors of the Company	No significant effect
The Company has implemented the <i>Administrative Measures for the Withdrawal and Use of Safety Production Costs of Enterprises</i> (Cai Zi [2022] No. 136) since 21 November 2022.	Deliberated at the Sixth Meeting of the Tenth Board of Directors of the Company	No significant effect
The Company has implemented the contents of Part II-1 of the <i>Notice on Effectively Preparing the 2022 Annual Report by Enterprises in Strict Compliance with the Accounting Standards for Business Enterprises</i> since 2022.	Deliberated at the Sixth Meeting of the Tenth Board of Directors of the Company	No significant effect

## V. Significant Accounting Policies and Accounting Estimates (Continued)

### 44. Changes in significant accounting policies and accounting estimates (Continued)

#### *(2). Changes in significant accounting estimates*

☐ Applicable    ☒ N/A

#### *(3). Adjustment to the financial statements at the beginning of year of initial implementation due to initial implementation of new accounting standards of interpretations on the standards since 2022*

☐ Applicable    ☒ N/A

### 45. Others

☐ Applicable    ☒ N/A

## VI. Taxation

### 1. Main tax categories and tax rates

Main tax categories and tax rates

√ Applicable    □ N/A

Tax category	Taxation basis	Tax rate
<b>The company and its domestic subsidiaries</b>		
Value added tax (VAT)	Taxable income for VAT	13%, 9%, 6%, 3%
Urban maintenance and construction tax	Turnover tax payable	7% and 5%
Corporate income tax	Taxable income	25%, 15%, 20%
Local education surcharge	Turnover tax payable	5%
Property tax	Rental income of rental property and 70% of the original value of self-use property	12% and 1.2%
Resource tax	Self-produced coal sales revenue and 90% of the self-produced coal sales revenue	10%
Tax on farmland occupation	Based on the land area occupied by the subsidence area of coal mining	RMB 27/m <sup>2</sup>
<b>Overseas subsidiaries</b>		
Hong Kong profits tax	Profits and gains generated in Hong Kong	16.5%
Tax on dividends	Dividend income derived in mainland China by a Hong Kong resident enterprise	10% or 5%
British Virgin Islands	Tax has not been levied on profits, capital gains, wages of offshore companies incorporated in the British Virgin Islands	0%
Corporate income tax (Singapore)	Income from Singapore	17%
Corporate income tax (USA)	Income from USA	28%

Disclosure of situations where there are different tax payers with different corporate income tax rates

√ Applicable    □ N/A

Name of taxpayer	Income tax rate (%)
Hunan Yintong Science and Technology Co., Ltd.	15
Langfang ENN Intelligent Technology Co., Ltd.	15
Shanghai ENN New Energy Technology Co., Ltd.	15
Qingdao ENN Clean Energy Co., Ltd.	15
Huludao ENN Gas Development Co., Ltd.	15
Xiangtan ENN Gas Co., Ltd.	15
Changsha ENN Gas Co., Ltd.	15
Zhuzhou ENN Gas Co., Ltd.	15

## VI. Taxation (Continued)

### 1. Main tax categories and tax rates (Continued)

Name of taxpayer	Income tax rate (%)
Yongzhou ENN Gas Co., Ltd.	15
Huaihua ENN Gas Co., Ltd.	15
Kaifeng ENN Gas Co., Ltd.	15
Kaifeng ENN Gas Engineering Co., Ltd.	15
Shangqiu ENN Gas Engineering Co., Ltd.	15
Luoyang ENN Energy Development Co., Ltd.	15
Guilin ENN Gas Development Co., Ltd.	15
Guangzhou ENN Gas Co., Ltd.	15
Zhanjiang ENN Gas Co., Ltd.	15
Huaiji ENN Gas Co., Ltd.	15
Zhaoqing Xin'ao Clean Energy Co., Ltd.	15
Dongguan ENN Gas Co., Ltd.	15
Guangzhou Panyu ENN Gas Co., Ltd.	15
ENN New Energy Engineering Technology Co., Ltd.	15
Langfang ENN Fanneng Network Technology Services Co., Ltd.	15
Xinxiang ENN Gas Engineering Co., Ltd.	15
Zhoukou Yisheng Thermal Supply Co., Ltd.	15
Guigang ENN Gas Engineering Co., Ltd.	15
ENN (Guangxi) Energy Sales Co., Ltd.	15
Shijiazhuang Xin'ao Energy Development Co., Ltd.	15
Beijing Xin'ao Gas Co., Ltd.	15
Beijing ENN Gas Development Co., Ltd.	15
Fujian Xinyuan Energy Development Co., Ltd.	15
Changsha Xingsha ENN Gas Co., Ltd.	15
Luoyang ENN Huayou Gas Co., Ltd.	15
Luoyang ENN Gas Development Co., Ltd.	15
Ningxiang ENN Gas Co., Ltd.	15
Liaocheng Dongchangfu ENN Energy Co., Ltd.	15
Yancheng ENN Energy Development Co., Ltd.	15
Haining ENN Gas Co., Ltd.	15
Longyou ENN Intelligent Energy Co., Ltd.	15
Xin'an ENN Gas Co., Ltd.	15
Xindi Energy Engineering Technology Co., Ltd.	15
Shanxi Qinshui Xin'ao Clean Energy Co., Ltd.	15
Xinneng (Langfang) Chemical Technology Services Co., Ltd.	15



## VI. Taxation (Continued)

### 1. Main tax categories and tax rates (Continued)

Name of taxpayer	Income tax rate (%)
ENN (Zhoushan) LNG Co., Ltd.	15
Guangzhou Xinrui New Energy Development Co., Ltd.	15
Guigang ENN Gas Co., Ltd.	15
Guilin ENN Gas Co., Ltd.	15
Longchang Zhong'ou Oil and Gas Energy Co., Ltd.	15
Tongliao ENN Gas Development Co., Ltd.	15
Inner Mongolia Huayi Energy Co., Ltd.	15
Beihai ENN Huaheng Logistics Co., Ltd.	15
Xinneng Mining Industry Co., Ltd.	15
Xinneng Energy Co., Ltd.	15
Chongqing Xin'ao Longxin Clean Energy Co., Ltd.	15
ENN Clean Energy International Investment Limited	0
ENN LNG (SINGAPORE) PTE LTD	17
ENN Global Trading Pte. Ltd.	17
ENN LNG Trading Co., Ltd.	16.5
ENN Gas North America Investment Co., Ltd.	16.5
Jiangsu Energy Holdings Co., Ltd.	16.5

The preferential tax policy that the Company enjoys according to the preferential income tax for small low-profit enterprises issued by the State Taxation Administration:

Some subsidiaries of the Company: the subsidiaries including Chaohu Huairan Gas Co., Ltd. and Huaian ENN Huaiyin Automotive Gas Co., Ltd. were applicable to the provisions of the *Announcement of the State Administration of Taxation of the Ministry of Finance on the Implementation of Preferential Income Tax Policies for Small and Micro Enterprises and Individual Industrial and Commercial Households* (Announcement of the State Administration of Taxation of the Ministry of Finance [2021] No. 12), the *Announcement of the State Administration of Taxation on Matters Related to the Implementation of Preferential Income Tax Policies for Supporting Small Enterprises with Small Profits and Individual Industrial and Commercial Households* (Announcement of the State Administration of Taxation [2021] No. 8), the *Announcement of the State Administration of Taxation on Issues concerning the Collection and Administration of Corporate Income Tax Preferential Policies for Small Low-profit Enterprises* (Announcement of the State Administration of Taxation [2021] No. 5) and the *Announcement of the State Administration of Taxation of the Ministry of Finance on the Further Implementation of Income Tax Preferential Policies for Small Low-profit Enterprises* (Announcement of the State Administration of Taxation of the Ministry of Finance [2022] No. 13): From January 1, 2021 to December 31, 2022, the portion of annual taxable income of small low-profit enterprises not exceeding RMB1 million shall be included in the taxable income at 12.5% and subject to a reduced corporate income tax rate of 20%; from January 1, 2022 to December 31, 2024, the portion of annual taxable income of small low-profit enterprises that exceeds RMB1 million but does not exceed RMB3 million shall be included in the taxable income at 25% and subject to a reduced corporate income tax rate of 20%.

## VI. Taxation (Continued)

### 2. Tax preference

☒ Applicable   ☐ N/A

- (1) According to the *Announcement on the Extension of Enterprise Income Tax Policies for Western Development* (Announcement of the Ministry of Finance, the State Administration of Taxation and the National Development and Reform Commission [2020] No.23), the *Catalogue for Guidance of Industrial Structure Adjustment* (2019 Edition) and the *Catalogue of Encouraged Industries in Western Regions* (2020 Edition), from January 1, 2021 to December 31, 2030, the enterprises in encouraged industries located in western regions shall be subject to a reduced corporate income tax rate of 15%. Xinneng Mining Industry Co., Ltd., Xinneng Energy Co., Ltd. and Chongqing ENN Longxin Clean Energy Co., Ltd. of the Company shall be subject to a reduced corporate income tax rate of 15%.
- (2) Some subsidiaries of the Company: Huludao Langfang Xin'ao Gas Development Co., Ltd., Hunan Yintong Science and Technology Co., Ltd., Xindi Energy Engineering Technology Co., Ltd. and Shanxi Qinshui Xin'ao Clean Energy Co., Ltd. were awarded the high-tech enterprise certificates, and are subject to a preferential corporate income tax rate of 15% for high-tech enterprises within three years.
- (3) Some subsidiaries of the Company: Chaohu Huairan Gas Co., Ltd. and Huaian ENN Huaiyin Automotive Gas Co., Ltd. were applicable for the provisions of the *Announcement of the State Administration of Taxation of the Ministry of Finance on the Implementation of Preferential Income Tax Policies for Small and Micro Enterprises and Individual Industrial and Commercial Households* (Announcement of the State Administration of Taxation of the Ministry of Finance [2021] No. 12), the *Announcement of the State Administration of Taxation on Matters Related to the Implementation of Preferential Income Tax Policies for Supporting Small Enterprises with Small Profits and Individual Industrial and Commercial Households* (Announcement of the State Administration of Taxation [2021] No. 8), the *Announcement of the State Administration of Taxation on Issues concerning the Collection and Administration of Corporate Income Tax Preferential Policies for Small Low-profit Enterprises* (Announcement of the State Administration of Taxation [2021] No. 5) and the *Announcement of the State Administration of Taxation of the Ministry of Finance on the Further Implementation of Income Tax Preferential Policies for Small Low-profit Enterprises* (Announcement of the State Administration of Taxation of the Ministry of Finance [2022] No. 13): From January 1, 2021 to December 31, 2022, the portion of annual taxable income of small low-profit enterprises not exceeding RMB1.00 million shall be included in the taxable income at 12.5% and subject to a reduced corporate income tax rate of 20%; from January 1, 2022 to December 31, 2024, the portion of annual taxable income of small low-profit enterprises that exceeds RMB1 million but does not exceed RMB3 million shall be included in the taxable income at 25% and subject to a reduced corporate income tax rate of 20%.

### 3. Others

☐ Applicable   ☒ N/A

## VII. Notes to the Items in the Consolidated Financial Statements

### 1. Monetary fund

√ Applicable    □ N/A

Unit: RMB'0000    Currency: RMB

Item	Closing balance	Opening balance
Cash on hand	926	1,130
Bank deposits	804,426	1,029,431
Other monetary fund	76,780	75,753
Statutory reserves deposited with the central bank	41,677	44,290
Total	923,809	1,150,604
Including: Total amount deposited overseas	192,765	188,828
Deposits with financial companies		

Other information

The details of use of restricted monetary capital as a result of mortgage, pledge or lock-up are listed as follows:

Unit: RMB'0000    Currency: RMB

Item	Closing balance	Opening balance
Statutory reserves deposited with the central bank	41,677	44,290
Bank acceptance margin	22,607	33,612
Other margins	19,026	7,415
Special fund for gas purchase	11,475	
Franchise margin	3,747	3,734
Electricity sales agent margin	3,372	4,459
Guarantee margin	2,834	212
Fund for geological environment restoration and governance of mines	2,166	6,597
Futures margin	2,055	1,437
Project construction bond	1,361	3,707
Borrowing margin deposit	1,149	1,562
Fixed deposit receipt pledge	1,000	5,232
Margin for payment of farmers	899	2,418
Cash in investment account	3	39
Import agent margin		16,647
Total	113,371	131,361

## VII. Notes to the Items in the Consolidated Financial Statements (Continued)

### 2. Lending funds

Unit: RMB'0000 Currency: RMB

Item	Closing balance	Opening balance
Domestic bank	285,117	222,099
<b>Total</b>	<b>285,117</b>	<b>222,099</b>

### 3. Transaction financial assets

☒ Applicable ☐ N/A

Unit: RMB'0000 Currency: RMB

Item	Closing balance	Opening balance
Financial assets measured at fair value through current profit and loss	2,560	15,510
Including:		
Structured deposits	2,560	15,160
Finance products		350
Financial assets that are designated to be measured at fair value through current profit and loss		
Including:		
<b>Total</b>	<b>2,560</b>	<b>15,510</b>

Other information:

☒ Applicable ☐ N/A

The financial assets held for trading decreased by 83.49% year-on-year mainly due to the decrease of structural deposits of subsidiaries of the Company during the Reporting Period.

## VII. Notes to the Items in the Consolidated Financial Statements (Continued)

### 4. Derivative financial assets

☒ Applicable   ☐ N/A

Unit: RMB'0000   Currency: RMB

Item	Closing balance	Opening balance
Non-hedging derivatives	254,589	218,144
Including: Commodity derivative contracts	254,589	218,139
Foreign exchange derivative contracts		5
Hedging derivatives	35,074	63,484
Including: Commodity derivative contracts	35,074	63,484
Foreign exchange derivative contracts		
<b>Total</b>	<b>289,663</b>	<b>281,628</b>

Other information:

1. The Company's exposure to commodity price risk arises primarily from LNG sale and purchase contracts linked to indexes such as crude oil and natural gas. To manage and mitigate commodity price risk, the Company has signed multiple commodity derivative contracts with several financial institutions, some of which are designated as hedging instruments.
2. The Company's exposure to foreign exchange risk arises primarily from various bonds and bank loans denominated in USD. To manage and mitigate the foreign exchange exposure, the Company has signed multiple foreign currency derivative contracts with several financial institutions, majority of which are designated as hedging instruments.

### 5. Notes receivable

#### (1). Notes receivable by category

☒ Applicable   ☐ N/A

Unit: RMB'0000   Currency: RMB

Item	Closing balance	Opening balance
Bank acceptance notes	30,006	30,775
Commercial acceptance notes	2,501	1,760
<b>Total</b>	<b>32,507</b>	<b>32,535</b>

#### (2). Notes receivable pledged by the company at the end of the period

☐ Applicable   ☒ N/A

## VII. Notes to the Items in the Consolidated Financial Statements (Continued)

### 5. Notes receivable (Continued)

(3). Notes which are not matured as at the balance sheet date but have been endorsed or discounted at the end of the period

☒ Applicable ☐ N/A

Unit: RMB'0000 Currency: RMB

Item	Amount derecognized at the end of the period	Amount not derecognized at the end of the period
Bank acceptance notes		14,259
Commercial acceptance notes		1,408
Total		15,667

(4). Notes transferred to accounts receivable by the Company due to failure non-performance by the drawers at the end of the period

☒ Applicable ☐ N/A

Unit: RMB'0000 Currency: RMB

Item	Amount transferred to accounts receivable at the end of the period
Commercial acceptance notes	1,891
Total	1,891

## VII. Notes to the Items in the Consolidated Financial Statements (Continued)

### 5. Notes receivable (Continued)

#### (5). Disclosure by the methods of provision for bad debt

☒ Applicable ☐ N/A

Unit: RMB'0000 Currency: RMB

Category	Closing balance					Opening balance				
	Book balance		Provision for bad debt			Book balance		Provision for bad debt		
	Amount	Proportion (%)	Amount	Proportion of accrual (%)	Book value	Amount	Proportion (%)	Amount	Proportion of accrual (%)	Book value
Bad debt provision made individually										
Bad debt provision made by portfolio	32,532	100.00	25	0.08	32,507	32,553	100.00	18	0.05	32,535
Including:										
Commercial acceptance notes	2,526	7.76	25	1.00	2,501	1,778	5.46	18	1.00	1,760
Bank acceptance notes	30,006	92.24			30,006	30,775	94.54			30,775
Total	32,532	/	25	/	32,507	32,553	/	18	/	32,535

Bad debt provision made individually:

☐ Applicable ☒ N/A

Bad debt provision made by portfolio:

☒ Applicable ☐ N/A

Item subject to provision made by portfolio: Commercial acceptance notes

Unit: RMB'0000 Currency: RMB

Name	Closing balance		
	Notes receivable	Provision for bad debt	Proportion of accrual (%)
Commercial acceptance notes	2,526	25	1.00
Total	2,526	25	

Recognition criteria and description of bad debt provision made by portfolio:

☐ Applicable ☒ N/A

If bad debt provision is made according to the general model of expected credit loss, please refer to the disclosure of other receivables:

☐ Applicable ☒ N/A

## VII. Notes to the Items in the Consolidated Financial Statements (Continued)

### 5. Notes receivable (Continued)

#### (6). Information on provision for bad debts

☒ Applicable ☐ N/A

Unit: RMB'0000 Currency: RMB

Category	Opening balance	Amount of change in the current period			Closing balance
		Accrual	Recovered or reversed	Charge-off or write-off	
Bad debt provision of notes receivable	18	7			25
Total	18	7			25

Major bad debts that tend to be recovered or reversed in the current period thereof:

☐ Applicable ☒ N/A

#### (7). Notes receivable actually written-off during the period

☐ Applicable ☒ N/A

Other information

☐ Applicable ☒ N/A

### 6. Accounts receivable

#### (1). Disclosure by aging

☒ Applicable ☐ N/A

Unit: RMB'0000 Currency: RMB

Aging	Closing book value
Within one year	
Including: Sub-item due within one year	
Subtotal of accounts receivable due within one year	545,455
One to two years	103,964
Two to three years	25,214
Three to five years	30,976
More than five years	13,721
Total	719,330



## VII. Notes to the Items in the Consolidated Financial Statements (Continued)

### 6. Accounts receivable (Continued)

#### (2). Disclosure by methods of bad debt provision

☒ Applicable   ☐ N/A

Unit: RMB'0000   Currency: RMB

Category	Closing balance					Opening balance				
	Book balance		Provision for bad debt		Book value	Book balance		Provision for bad debt		Book value
	Amount	Proportion (%)	Amount	Proportion of accrual (%)		Amount	Proportion (%)	Amount	Proportion of accrual (%)	
Bad debt provision made individually	14,978	2.08	14,978	100.00		7,862	1.10	7,862	100.00	
Bad debt provision made by portfolio	704,352	97.92	66,749	9.48	637,603	709,801	98.90	56,373	7.94	653,428
Total	719,330	/	81,727	/	637,603	717,663	/	64,235	/	653,428

Bad debt provision made individually:

☒ Applicable   ☐ N/A

Unit: RMB'0000   Currency: RMB

Name	Closing balance			
	Book value	Provision for bad debt	Proportion of accrual (%)	Reason for accrual
Provision made separately for bad debts which are not significant in an individual amount	14,978	14,978	100.00	Receivables that are difficult to recover and are likely to become bad debts
Total	14,978	14,978	100.00	/

Bad debt provision made individually:

☐ Applicable   ☒ N/A

## VII. Notes to the Items in the Consolidated Financial Statements (Continued)

### 6. Accounts receivable (Continued)

#### (2). Disclosure by methods of bad debt provision (Continued)

Bad debt provision made by portfolio:

☒ Applicable ☐ N/A

Unit: RMB'0000 Currency: RMB

Name	Closing balance		
	Accounts receivable	Provision for bad debt	Proportion of accrual (%)
Within one year	544,483	11,358	2.09
One to two years	95,019	17,908	18.85
Two to three years	21,439	6,990	32.60
Three to five years	29,819	16,901	56.68
More than five years	13,592	13,592	100.00
Total	704,352	66,749	9.48

Recognition criteria and description of bad debt provision made by portfolio:

☐ Applicable ☒ N/A

If bad debt provision is made according to the general model of expected credit loss, please refer to the disclosure of other receivables:

☐ Applicable ☒ N/A

## VII. Notes to the Items in the Consolidated Financial Statements (Continued)

### 6. Accounts receivable (Continued)

#### (3). Information on provisions for bad debt

☒ Applicable   ☐ N/A

Unit: RMB'0000   Currency: RMB

Category	Opening balance	Amount of change in the current period				Closing balance
		Accrual	Recovered or reversed	Charge-off or write-off	Other change	
Bad debt provision made individually	7,862	10,260	3,063	81		14,978
Bad debt provision made by portfolio	56,373	16,631		6,255		66,749
<b>Total</b>	<b>64,235</b>	<b>26,891</b>	<b>3,063</b>	<b>6,336</b>		<b>81,727</b>

Major bad debts that tend to be recovered or reversed in the current period thereof:

☐ Applicable   ☒ N/A

#### (4). Accounts receivable actually written-off for the current period

☒ Applicable   ☐ N/A

Unit: RMB'0000   Currency: RMB

Item	Write-off amount
Accounts receivable actually Written-off	6,336

Write-off of important accounts receivable

☐ Applicable   ☒ N/A

Write-off of accounts receivable:

☐ Applicable   ☒ N/A

## VII. Notes to the Items in the Consolidated Financial Statements (Continued)

### 6. Accounts receivable (Continued)

#### (5). Accounts receivable in the top five ending balances collected by the debtor

☒ Applicable ☐ N/A

Unit: RMB'0000 Currency: RMB

Name of entity	Closing balance	Proportion in the total closing balance of accounts receivable (%)	Closing amount of bad debt provision
Top 1	67,829	9.43	36
Top 2	32,723	4.55	4,752
Top 3	27,991	3.89	2,961
Top 4	25,126	3.49	13
Top 5	18,169	2.53	36
Total	171,838	23.89	7,798

#### (6). Derecognized accounts receivable as a result of transfer of financial assets

☐ Applicable ☒ N/A

#### (7). Amount of assets and liabilities formed by transfer of accounts receivable with continuous involvement

☐ Applicable ☒ N/A

Other information:

☐ Applicable ☒ N/A

## VII. Notes to the Items in the Consolidated Financial Statements (Continued)

### 7. Receivables financing

☒ Applicable   ☐ N/A

#### (1) Classification of receivables financing

Unit: RMB'0000   Currency: RMB

Item	Closing balance	Opening balance
Notes receivable measured at fair value through other comprehensive income	91,663	86,389
<b>Total</b>	<b>91,663</b>	<b>86,389</b>

Increase/decrease in receivables financing and change in fair value for the current period:

☐ Applicable   ☒ N/A

If bad debt provision is made according to the general model of expected credit loss, please refer to the disclosure of other receivables:

☐ Applicable   ☒ N/A

Other information:

☐ Applicable   ☒ N/A

#### (2) Notes receivable which are not matured as at the balance sheet date but have been endorsed or discounted

Unit: RMB'0000   Currency: RMB

Item	Amount derecognized at the end of the period	Amount not derecognized at the end of the period
Bank acceptance bills	81,804	
Commercial acceptance bills		
<b>Total</b>	<b>81,804</b>	

## VII. Notes to the Items in the Consolidated Financial Statements (Continued)

### 8. Advances to suppliers

#### (1). Advances to suppliers by aging

☒ Applicable ☐ N/A

Unit: RMB'0000 Currency: RMB

Aging	Closing balance		Opening balance	
	Amount	Proportion (%)	Amount	Proportion (%)
Within one year	483,619	96.96	386,329	97.74
One to two years	10,457	2.10	6,197	1.57
Two to three years	2,031	0.41	1,196	0.30
More than three years	2,651	0.53	1,553	0.39
Total	498,758	100.00	395,275	100.00

Reasons for the overdue settlement of advances to suppliers with significant amount and due more than one year:

Name of entity	Amount	Reason for outstanding settlement
Top 1	894	It hasn't reached the settlement period
Top 2	661	It hasn't reached the settlement period
Top 3	646	It hasn't reached the settlement period
Top 4	574	It hasn't reached the settlement period
Top 5	555	It hasn't reached the settlement period
Total	3,330	

## VII. Notes to the Items in the Consolidated Financial Statements (Continued)

### 8. Advances to suppliers (Continued)

(2). *Advances to suppliers with top five closing balances collected as per the suppliers*

☒ Applicable ☐ N/A

Name of entity	Closing balance	Proportion in total closing balance of advances to suppliers (%)
Top 1	113,643	22.79
Top 2	51,057	10.24
Top 3	19,926	4.00
Top 4	19,488	3.91
Top 5	17,403	3.49
Total	221,517	44.43

Other information

☐ Applicable ☒ N/A

### 9. Loans and advances to customers

Unit: RMB'0000 Currency: RMB

Item	Closing balance	Opening balance
Corporate loans	4,500	5,700
Total loans and advances to customers	4,500	5,700
Less: provision for loan loss	90	114
Book value of loans and advances to customers	4,410	5,586

## VII. Notes to the Items in the Consolidated Financial Statements (Continued)

### 10. Other receivables

#### *Presentation of items*

☒ Applicable ☐ N/A

Unit: RMB'0000 Currency: RMB

Item	Closing balance	Opening balance
Interests receivable		
Dividends receivable	25,912	21,708
Other receivables	300,858	218,306
<b>Total</b>	<b>326,770</b>	<b>240,014</b>

Other information:

☒ Applicable ☐ N/A

Other receivables increased by 36.15% year-on-year mainly due to the increase in the settled but unpaid derivative financial instrument contracts of the subsidiaries of the Company during the Reporting Period.

#### *Interests receivable*

##### (1). Classification of interests receivable

☐ Applicable ☒ N/A

##### (2). Significant overdue interest

☐ Applicable ☒ N/A

##### (3). Provision for bad debts

☐ Applicable ☒ N/A

Other information:

☐ Applicable ☒ N/A



## VII. Notes to the Items in the Consolidated Financial Statements (Continued)

### 10. Other receivables (Continued)

#### *Dividends receivable*

##### (1). Dividends receivable

☒ Applicable   ☐ N/A

Unit: RMB'0000   Currency: RMB

Project (or investee)	Closing balance	Opening balance
Yantai ENN Gas Development Co., Ltd.		6,900
Sinopec ENN (Tianjin) Energy Co., Ltd.	541	541
Guangxi Beibu Gulf ENN Gas Development Co., Ltd.	2,383	5,171
Shantou Huarun ENN Gas Co., Ltd.	240	240
Luquan Fuxin Gas Co., Ltd.	2,007	2,007
Ningbo ENN Gas Co., Ltd.	1,960	1,960
Shanghai Petroleum and Natural Gas Trading Center Co., Ltd.		131
Huzhou Nanxun Xin'ao Gas Co., Ltd.	2,282	3,249
Huzhou Nanxun Xin'ao Gas Development Co., Ltd.	1,308	1,266
Chenzhou Sanxiang ENN Clean Energy Co., Ltd.		243
Changsha Xinneng Automobile Gas Co., Ltd.	50	
Huzhou Gas Co., Ltd.	7,107	
Guangzhou Ganghua Gas Co., Ltd.	1,000	
Sinopec Marketing Co., Ltd.	5,164	
Xinxiang ENN Lihua Energy Development Co., Ltd.	878	
Shandong Luxin Natural Gas Co., Ltd.	120	
Shanghai Kunlun ENN Clean Energy Co., Ltd.	872	
<b>Total</b>	<b>25,912</b>	<b>21,708</b>

##### (2). Significant dividends receivable due beyond one year

☐ Applicable   ☒ N/A

##### (3). Provision for bad debts

☐ Applicable   ☒ N/A

Other information:

☐ Applicable   ☒ N/A

## VII. Notes to the Items in the Consolidated Financial Statements (Continued)

### 10. Other receivables (Continued)

#### *Other receivables*

##### (1). Disclosure by aging

☒ Applicable ☐ N/A

Unit: RMB'0000 Currency: RMB

Aging	Closing book value
Within one year	
Including: Sub-item due within one year	
Subtotal of accounts receivable due within one year	227,812
One to two years	26,013
Two to three years	19,371
Three to five years	15,958
More than five years	18,950
Total	308,104

##### (2). Classification by the nature of payments

☒ Applicable ☐ N/A

Unit: RMB'0000 Currency: RMB

Nature of payment	Closing book value	Opening book value
Settled but unpaid derivative contracts	178,774	71,919
Performance bond or deposit	64,083	69,413
Current account	39,141	58,046
Asset disposal proceeds	11,507	5,497
Employee borrowings and reserves	2,812	1,777
Others	11,787	15,471
Total	308,104	222,123

## VII. Notes to the Items in the Consolidated Financial Statements (Continued)

### 10. Other receivables (Continued)

#### *Other receivables (Continued)*

##### (3). Provision for bad debts

☒ Applicable   ☐ N/A

Unit: RMB'0000   Currency: RMB

Provision for bad debts	Stage 1	Stage 2	Stage 3	Total
	Expected credit loss in the next 12 months	Expected credit loss in the whole duration (no credit impairment)	Expected credit loss in the whole duration (with credit impairment)	
Balance on January 1, 2022	2,179		1,638	3,817
In the current period, the balance on January 1, 2022				
— Transfer to the second stage				
— Transfer to the third stage	-86		86	
— Reversal to the second stage				
— Reversal to the first stage				
Provision in current period			5,646	5,646
Reversal in current period	309			309
Charge-off in current period				
Write-off in current period			1,908	1,908
Other changes				
Balance on December 31, 2022	1,784		5,462	7,246

Significant changes in the book value of other receivables with changes in impairment provisions:

☐ Applicable   ☒ N/A

Amount of provision made for bad debts and the basis adopted to evaluate whether the credit risk of financial instruments have increased significantly in current period:

☐ Applicable   ☒ N/A

## VII. Notes to the Items in the Consolidated Financial Statements (Continued)

### 10. Other receivables (Continued)

#### *Other receivables (Continued)*

##### (4). Provision for bad debts

☒ Applicable ☐ N/A

Unit: RMB'0000 Currency: RMB

Category	Opening balance	Amount of change in the current period				Closing balance
		Accrual	Recovered or reversed	Charge-off or write-off	Other change	
Bad debt provision for other receivables	3,817	5,646	309	1,908		7,246
Total	3,817	5,646	309	1,908		7,246

Bad debt provisions with significant reserved or recovered amount:

☐ Applicable ☒ N/A

##### (5). Other receivables actually written-off during the current period

☒ Applicable ☐ N/A

Unit: RMB'0000 Currency: RMB

Item	Write-off amount
Other receivables actually written-off	1,908

Write-off of other receivables which are significant:

☒ Applicable ☐ N/A

Unit: RMB'0000 Currency: RMB

Name of entity	Natural of other receivables	Write-off amount	Write-off reason	Write-off procedure performed	Whether the payment arises from related party transactions
Top 1	Current payment	1,502	Expected to be unrecoverable	Approved by the management	No
Total	/	1,502	/	/	/

Write-off of other receivables:

☐ Applicable ☒ N/A

## VII. Notes to the Items in the Consolidated Financial Statements (Continued)

### 10. Other receivables (Continued)

#### *Other receivables (Continued)*

#### (6). Other receivables with top five closing balances collected by the debtor

☒ Applicable   ☐ N/A

Unit: RMB'0000   Currency: RMB

Name of entity	Nature of payment	Closing balance	Aging	Proportion in total closing balance of other receivables (%)	Closing balance of bad debt provision
Top 1	Settled but uncollected derivative contracts	45,521	Within one year	14.77	
Top 2	Settled but uncollected derivative contracts	43,423	Within one year	14.09	
Top 3	Settled but uncollected derivative contracts	42,673	Within one year	13.85	
Top 4	Settled but uncollected derivative contracts	16,532	Within one year	5.37	
Top 5	Settled but uncollected derivative contracts	12,147	Within one year	3.94	
Total	/	160,296	/	52.02	

#### (7). Receivables related to government subsidies

☐ Applicable   ☒ N/A

#### (8). Other receivables derecognized due to transfer of financial assets

☐ Applicable   ☒ N/A

#### (9). Amount of assets and liabilities formed by transfer of other receivables with continuous involvement

☐ Applicable   ☒ N/A

Other information:

☐ Applicable   ☒ N/A

## VII. Notes to the Items in the Consolidated Financial Statements (Continued)

### 11. Inventories

#### (1). Classification of inventories

√ Applicable    ☐ N/A

Unit: RMB'0000    Currency: RMB

Item	Closing balance			Opening balance		
	Book balance	Provision for decline in value of inventories/ impairment provision for contract performance cost	Book value	Book balance	Provision for decline in value of inventories/ impairment provision for contract performance cost	Book value
Raw material	141,486		141,486	133,936		133,936
Products in process	4,359		4,359	7,271		7,271
Finished goods	93,684		93,684	212,580	39,110	173,470
Goods shipped	1,798		1,798	1,663		1,663
Materials for consigned processing	315		315	610		610
Other	18		18	17		17
Total	241,660		241,660	356,077	39,110	316,967

#### (2). Provision for decline in value of inventories and impairment provision for contract performance cost

√ Applicable    ☐ N/A

Unit: RMB'0000    Currency: RMB

Item	Opening balance	Increased amount in current period		Decreased amount in current period		Closing balance
		Accrual	Other	Reversed or charged-off	Other	
Raw material						
Products in process						
Finished goods	39,110			39,110		
Materials in transit						
Self-manufactured semi-finished product						
Goods shipped						
Materials for consigned processing						
Other						
Total	39,110			39,110		

## VII. Notes to the Items in the Consolidated Financial Statements (Continued)

### 11. Inventories (Continued)

(3). *Description of inventory closing balance including capitalized amount of borrowing costs*

☐ Applicable    ☒ N/A

(4). *Description of amortization amount of contract performance cost in the current period*

☐ Applicable    ☒ N/A

Other information

☐ Applicable    ☒ N/A

### 12. Contract assets

(1). *Information on contract assets*

☒ Applicable    ☐ N/A

Unit: RMB'0000    Currency: RMB

Item	Closing balance			Opening balance		
	Book balance	Impairment provision	Book value	Book balance	Impairment provision	Book value
Contract assets	319,422	16,424	302,998	275,271	4,805	270,466
Total	319,422	16,424	302,998	275,271	4,805	270,466

(2). *Amount and reason for significant changes in the book value during the Reporting Period*

☐ Applicable    ☒ N/A

## VII. Notes to the Items in the Consolidated Financial Statements (Continued)

### 12. Contract assets (Continued)

#### (3). Impairment provision for contract assets during the current period

☒ Applicable ☐ N/A

Unit: RMB'0000 Currency: RMB

Item	Provision in current period	Reversal in current period	Charge-off/write-off in current period	Reason
Impairment provision for contract assets	12,669	1,050		
Total	12,669	1,050		/

If bad debt provision is made according to the general model of expected credit loss, please refer to the disclosure of other receivables:

☐ Applicable ☒ N/A

Other information:

☐ Applicable ☒ N/A

### 13. Held-for-sale assets

☐ Applicable ☒ N/A

### 14. Non-current assets due within one year

☒ Applicable ☐ N/A

#### (1) Information on non-current assets due within one year

Unit: RMB'0000 Currency: RMB

Item	Closing balance	Opening balance
Debt investment due within one year		9,398
Loans and advances due within one year	38	
Long-term receivables due within one year	8,379	2,663
Total	8,417	12,061

Significant debt investment and other debt investments at the end of the period:

☐ Applicable ☒ N/A



## VII. Notes to the Items in the Consolidated Financial Statements (Continued)

### 14. Non-current assets due within one year (Continued)

#### (2) Impairment provision for non-current assets due within one year in the current period:

Unit: RMB'0000 Currency: RMB

Provision for bad debts	Stage 1	Stage 2	Stage 3	Total
	Expected credit loss in the next 12 months	Expected credit loss in the whole duration (no credit impairment)	Expected credit loss in the whole duration (with credit impairment)	
Balance on January 1, 2022	1,067			1,067
In the current period, the balance on January 1, 2022				
— Transfer to the second stage				
— Transfer to the third stage				
— Reversal to the second stage				
— Reversal to the first stage				
Provision in current period	1,020			1,020
Reversal in current period	101			101
Charge-off in current period				
Write-off in current period				
Other changes	385			385
Balance on December 31, 2022	2,371			2,371

Note:

The year-on-year decrease in non-current assets due within one year by 30.21% was primarily attributable to the recovery of matured factoring fund by the subsidiary of the Company during the Reporting Period.

## VII. Notes to the Items in the Consolidated Financial Statements (Continued)

### 15. Other current assets

√ Applicable    □ N/A

#### (1) Information on other current assets

Unit: RMB'0000    Currency: RMB

Item	Closing balance	Opening balance
Value Added Tax to be deducted, certified or prepaid	185,328	208,929
Prepaid corporate income tax	35,659	82,103
Prepaid business tax	4,009	4,516
Prepaid social security and provident fund	352	350
Entrusted loan	684	1,692
Factoring receivable	5,433	601
Financing lease receivable	644	
Other	274	1,027
Total	232,383	299,218

#### (2) Impairment provision for other current assets

Unit: RMB'0000    Currency: RMB

	Stage 1	Stage 2	Stage 3	
	Expected credit loss in the next 12 months	Expected credit loss in the whole duration (no credit impairment)	Expected credit loss in the whole duration (with credit impairment)	Total
Provision for bad debts				
Balance on January 1, 2022	64		107	171
In the current period, the balance on January 1, 2022				
— Transfer to the second stage				
— Transfer to the third stage				
— Reversal to the second stage				
— Reversal to the first stage				
Provision in current period	883			883
Reversal in current period	5		107	112
Charge-off in current period				
Write-off in current period				
Other changes				
Balance on December 31, 2022	942			942

## VII. Notes to the Items in the Consolidated Financial Statements (Continued)

### 16. Loans and advances

Unit: RMB'0000 Currency: RMB

Item	Closing balance	Opening balance
Corporate loans		1,119
Total loans and advances		1,119
Less: provision for loan loss		22
Book value of loans and advances		1,097

### 17. Debt investments

#### (1). Information on debt investments

☒ Applicable   ☐ N/A

Unit: RMB'0000 Currency: RMB

Item	Closing balance			Opening balance		
	Book balance	Impairment provision	Book value	Book balance	Impairment provision	Book value
Entrusted loans				305	12	293
Total				305	12	293

#### (2). Significant debt investments at the end of the period

☐ Applicable   ☒ N/A

## VII. Notes to the Items in the Consolidated Financial Statements (Continued)

### 17. Debt investments (Continued)

#### (3). Impairment provision

☒ Applicable   ☐ N/A

Unit: RMB'0000   Currency: RMB

Provision for bad debts	Stage 1	Stage 2	Stage 3	Total
	Expected credit loss in the next 12 months	Expected credit loss in the whole duration (no credit impairment)	Expected credit loss in the whole duration (with credit impairment)	
Balance on January 1, 2022	12			12
In the current period, the balance on January 1, 2022				
— Transfer to the second stage				
— Transfer to the third stage				
— Reversal to the second stage				
— Reversal to the first stage				
Provision in current period	288			288
Reversal in current period				
Charge-off in current period				
Write-off in current period				
Other changes	-300			-300
Balance on December 31, 2022				

Description of significant changes in the book value of debt investments subject to changes in loss provisions in the current period:

☐ Applicable   ☒ N/A

Amount of provision and the basis adopted to evaluate whether the credit risk of financial instruments has increased significantly:

☐ Applicable   ☒ N/A

Other information

☐ Applicable   ☒ N/A

## VII. Notes to the Items in the Consolidated Financial Statements (Continued)

### 18. Other debt investments

#### (1). Information on other debt investments

☐ Applicable    ☒ N/A

#### (2). Other debt investments which are significant at the end of the period

☐ Applicable    ☒ N/A

#### (3). Impairment provision

☐ Applicable    ☒ N/A

Amount of provision and the basis adopted to evaluate whether the credit risk of financial instruments has increased significantly

☐ Applicable    ☒ N/A

Other information:

☐ Applicable    ☒ N/A

### 19. Long-term receivables

#### (1). Information on long-term receivables

☒ Applicable    ☐ N/A

Unit: RMB'0000    Currency: RMB

Item	Closing balance			Opening balance			Discount rate interval
	Book balance	Provision for bad debts	Book value	Book balance	Provision for bad debts	Book value	
Financing lease receivable	443	4	439	36,382	364	36,018	7.2%-9.2%
Including: Unrealized financing income	23		23	2,742		2,742	
Total	443	4	439	36,382	364	36,018	/

## VII. Notes to the Items in the Consolidated Financial Statements (Continued)

### 19. Long-term receivables (Continued)

#### (2). Provision for bad debts

☒ Applicable ☐ N/A

Unit: RMB'0000 Currency: RMB

Provision for bad debts	Stage 1	Stage 2	Stage 3	Total
	Expected credit loss in the next 12 months	Expected credit loss in the whole duration (no credit impairment)	Expected credit loss in the whole duration (with credit impairment)	
Balance on January 1, 2022	364			364
In the current period, the balance on January 1, 2022				
— Transfer to the second stage				
— Transfer to the third stage				
— Reversal to the second stage				
— Reversal to the first stage				
Provision in current period				
Reversal in current period	275			275
Charge-off in current period				
Write-off in current period				
Other changes	-85			-85
Balance on December 31, 2022	4			4

Description of significant changes in the book value of debt investments subject to changes in loss provisions in the current period:

☐ Applicable ☒ N/A

Amount of provision and the basis adopted to evaluate whether the credit risk of financial instruments has increased significantly

☐ Applicable ☒ N/A

#### (3). Long-term receivables derecognized due to transfer of financial assets

☐ Applicable ☒ N/A

## VII. Notes to the Items in the Consolidated Financial Statements (Continued)

### 19. Long-term receivables (Continued)

*(4). Amount of assets and liabilities formed by transfer of long -term receivables with continuous involvement*

☐ Applicable    ☒ N/A

Other information

☒ Applicable    ☐ N/A

The year-on-year decrease in long-term receivables by 98.78% was mainly attributable to the recovery of financing lease payment by the Company's subsidiaries during the Reporting Period.

### 20. Long-term equity investments

☒ Applicable    ☐ N/A

Unit: RMB'0000    Currency: RMB

Unit Invested	Current increase or decrease changes									Closing balance	Closing balance of impairment provision
	Opening balance	Additional investment	Reduced investment	Investment gains and losses recognized under the equity method	Adjustment to other comprehensive income	Changes in other equity	Declare to issue cash dividends or profit	Depreciation provision withdrawal	Others		
I. Joint Venture											
Dongguan Xinde Gas Engineering Project Management Co., Ltd.	196			61						257	1,307
Chongqing Changdian Fuxin Gas Co., Ltd.		675		88						763	
Yancheng ENN Compressed Natural Gas Co., Ltd.	1,778			464						2,242	
Luquan Fuxin Gas Co., Ltd.	12,800			2,548						15,348	
Ningbo ENN Gas Co., Ltd.	10,095			-3,601						6,494	
Yantai ENN Gas Development Co., Ltd.	52,388			8,955			4,250			57,093	
Kaifeng ENN Yin Hai Automobile Gas Co., Ltd.	225			-67						158	
Yunnan Yuntou Xin'ao Gas Co., Ltd.	13,665			92						13,757	
Haining Xinxin Natural Gas Co., Ltd.	2,983			-379						2,604	
Tangshan ENN Yongshun Clean Energy Co., Ltd.	5,232		1,160	-883						3,189	
Hebei PetroChina Kunlun Natural Gas Co., Ltd.	27,849			2,787			1,522			29,114	
Henan Jingbao ENN New Energy Co., Ltd.	5,484			592						6,076	

## VII. Notes to the Items in the Consolidated Financial Statements (Continued)

### 20. Long-term equity investments (Continued)

Unit Invested	Current increase or decrease changes									Closing balance	Closing balance of impairment provision
	Opening balance	Additional investment	Reduced investment	Investment gains and losses recognized under the equity method	Adjustment to other comprehensive income	Changes in other equity	Declare to issue cash dividends or profit	Depreciation provision withdrawal	Others		
Hangzhou Xiaoshan Huanneng Industrial Co., Ltd.	669			-205						464	
Quzhou ENN Sinopec Automobile Gas Co., Ltd.	1,004			76			117			963	
Shanghai Kunlun ENN Clean Energy Co., Ltd.	20,594			-1,611			872			18,111	
Jiaying Sinopec ENN Gas Co., Ltd.	467			-22						445	
Langfang Huagang ENN Gas Investment Co., Ltd.	2,041		2,049	8							
Baoding ENN Gas Co., Ltd.	23,648			-15,037						8,611	
Langfang ENN Longyu Clean Energy Co., Ltd.	856			-720						136	
Jinhua Sinopec ENN Automobile Natural Gas Co., Ltd.	511			-22						489	
Liaocheng Shihua Natural Gas Co., Ltd.	8,998			2,983						11,981	
Guangxi Xijiang ENN Clean Energy Co., Ltd.	1,573			-1,212						361	
Anhui Wanneng ENN Natural Gas Co., Ltd.	4,677			1,414						6,091	
Luoyang Hongxin Gas Co., Ltd.	880			-880							
Xuzhou Guotou ENN Energy Co., Ltd.	2,383			-209						2,174	
Qingdao International Airport New Energy Development Co., Ltd.	6,489			191						6,680	
Jiangxi Poyang Lake LNG Co., Ltd.	3,432			157						3,589	
Dongguan Haofeng ENN Energy Co., Ltd.	3,196			-510						2,686	
Yunnan Natural Gas Xuanwei ENN Gas Co., Ltd.	3,920			271						4,191	
Chenzhou Sanxiang ENN Clean Energy Co., Ltd.	1,458			-268						1,190	
Wulian Run'ao Energy Development Co., Ltd.	1,468			-75						1,393	
Xuancheng Hezhong Natural Gas Pipeline Network Co., Ltd.	3,372			533			660			3,245	
Dongguan Zhongdian ENN Heating Co., Ltd.	3,614			678			44			4,248	
Zhuzhou Tai'ao Energy Co., Ltd.	226			68						294	
Dongguan Changping Haofeng ENN Energy Development Co., Ltd.	49			-4						45	
Lianyungang Chengxin Gas Co., Ltd.	3,899			127						4,026	



## VII. Notes to the Items in the Consolidated Financial Statements (Continued)

### 20. Long-term equity investments (Continued)

Unit Invested	Current increase or decrease changes									Closing balance	Closing balance of impairment provision
	Opening balance	Additional investment	Reduced investment	Investment gains and losses recognized under the equity method	Adjustment to other comprehensive income	Changes in other equity	Declare to issue cash dividends or profit	Depreciation provision withdrawal	Others		
Bengbu ENN PetroChina Sales Co., Ltd.		510		121						631	
Sinopec Yuexi Pipeline Network Co., Ltd.	10,495			-1,990						8,505	
Huai'an Zhongyou Tianhuai Gas Co., Ltd.	680			107			101			686	
Henan Zhongyuan Natural Gas Development Co., Ltd.	44,000			4,184						48,184	
Shenzhen ENN Shipping Co., Ltd.		6,500		432						6,932	
Beijing Xinzhi Shuxin Digital Technology Co., Ltd.		10								10	
Xinxiang ENN Lihua Energy Development Co., Ltd.		2,511		-1,062			1,091			358	
Subtotal	287,294	10,206	3,209	-1,820			8,657			283,814	1,307
II. Associates											
CNOOC Gas and Electricity North Sea Gas Co., Ltd.	4,454			-2,396						2,058	1,563
Beijing Zhongnong Big Biotechnology Incorporated Company	675			-44						631	
Chongqing Longran Energy Technology Co., Ltd.	2,814			2,164			835			4,143	
Linyi Zhongfu Natural Gas Development and Utilization Co., Ltd.	6,934			381						7,315	
Changsha Xinneng Automobile Gas Co., Ltd.	1,601			-974			11			616	
Zhanjiang Xinyi Real Estate Development Co., Ltd.	3,520			-1,020						2,500	
Zhanjiang Zhongyou ENN Natural Gas Co., Ltd.	2,614			-558						2,056	
Liaoning Liaoyou ENN Shengyu Natural Gas Co., Ltd.	1,481			-19						1,462	
Shijiazhuang Kunlun ENN Gas Co., Ltd.	42,617			7,443			46			50,014	
Sinopec ENN (Tianjin) Energy Co., Ltd.	3,721			-3,721							
Taizhou City Natural Gas Co., Ltd.	3,369			-120		-262				2,987	
Guangzhou Ganghua Gas Co., Ltd.	4,509			-484			1,000			3,025	
Taizhou Yinxingshu Gas Co., Ltd.	483			103			91			495	

## VII. Notes to the Items in the Consolidated Financial Statements (Continued)

### 20. Long-term equity investments (Continued)

Unit Invested	Opening balance	Additional investment	Reduced investment	Current increase or decrease changes						Closing balance	Closing balance of impairment provision
				Investment gains and losses recognized under the equity method	Adjustment to other comprehensive income	Changes in other equity	Declare to issue cash dividends or profit	Depreciation provision withdrawal	Others		
CNOOC Xinrun Liaoning Gas Co., Ltd.	1,308			95			345			1,058	
Xinyu ENN Clean Energy Co., Ltd.	462		462								
Changzhou Meilu ENN Energy Co., Ltd.	523			-23						500	
Suzhou Wanneng Natural Gas Co., Ltd.	3,331			54			98			3,287	
Guangxi Beibu Gulf ENN Gas Development Co., Ltd.	6,202			3,003						9,205	
Wuzhou PetroChina Kunlun ENN Gas Co., Ltd.	4,622			264			122			4,764	
Shantou Huarun ENN Gas Co., Ltd.	16,313			3,047			980			18,380	
Enniu Chengfu (Langfang) Public Service Technology Co., Ltd.	41			2						43	
Ningbo ENN Gas Development Co., Ltd.	2,793			957						3,750	
Guangxi Yilongyuan Electricity Distribution Co., Ltd.	1,255			-139						1,116	
Shanghai Zhuoxiao Energy Technology Co., Ltd.	465			32						497	
Shijiazhuang Blue Sky ENN Natural Gas Pipeline Network Co., Ltd.	4,588			71						4,659	
Shandong Lule Natural Gas Co., Ltd.	773			-773							
Zhoushan Lanyan Gas Co., Ltd.	53,783			424			276			53,931	
Hunan Yiwei Power Distribution Co., Ltd.	2,992			168						3,160	
Zhejiang Xinyongzhou Logistics Co., Ltd.	731			-359						372	
Guangxi Daren Energy Co., Ltd.	3,696			69						3,765	
Luoyang Natural Gas Storage and Transportation Co., Ltd.	3,255			-66						3,189	
Hechi Yizhou Huazhi Clean Energy Co., Ltd.	151		151								
Tengzhou Huazhi Clean Energy Co., Ltd.	73		73								

## VII. Notes to the Items in the Consolidated Financial Statements (Continued)

### 20. Long-term equity investments (Continued)

Unit Invested	Current increase or decrease changes									Closing balance	Closing balance of impairment provision
	Opening balance	Additional investment	Reduced investment	Investment gains and losses recognized under the equity method	Adjustment to other comprehensive income	Changes in other equity	Declare to issue cash dividends or profit	Depreciation provision withdrawal	Others		
Huzhou Gas Co., Ltd.	38,606			3,724		-415	7,106			34,809	
Huzhou Nanxun Xin'ao Gas Co., Ltd.	22,443			335			2,282			20,496	
Huzhou Nanxun Xin'ao Gas Development Co., Ltd.	6,223			924			1,308			5,839	
Shandong Airport Intelligent Energy Development Co., Ltd.	634			-103						531	
Bengbu Ruiyuan Power Distribution Co., Ltd.	540									540	
Lianyungang Zhongxin Gas Co., Ltd.	12,433			2,902						15,335	
Kaifeng Xingsong City Trade Co., Ltd.	94			-23						71	
Yancheng Guoneng ENN Energy Development Co., Ltd.	91			-91							
Ningbo ENN Xinrui Energy Development Co., Ltd.	1,482			427						1,909	
Bozhou Xinglv New Energy Co., Ltd.	96			3						99	
Shandong Luxin Natural Gas Co., Ltd.	1,654			271						1,925	
Jinhua Gaoya Natural Gas Co., Ltd.	1,290			-193						1,097	
Changzhou Zhongwu Power Distribution Co., Ltd.	363			4						367	
Changshu China Petroleum Kunlun Natural Gas Development Co., Ltd.	314			57			21			350	
Danjiangkou ENN Energy Development Co., Ltd.	91			-36						55	
Xuyi Guolian ENN Natural Gas Pipeline Network Co., Ltd.	5,379			8						5,387	
Minshang (Guangdong) Investment Partnership (Limited Partnership)	5,466			-636						4,830	

## VII. Notes to the Items in the Consolidated Financial Statements (Continued)

### 20. Long-term equity investments (Continued)

Unit Invested	Current increase or decrease changes									Closing balance	Closing balance of impairment provision
	Opening balance	Additional investment	Reduced investment	Investment gains and losses recognized under the equity method	Adjustment to other comprehensive income	Changes in other equity	Declare to issue cash dividends or profit	Depreciation provision withdrawal	Others		
Beijing Shanjing Huisheng Pipeline Technology Development Co., Ltd.	582			3						585	
Changzhou Gas Storage Co., Ltd.	875			-3						872	
Chizhou Qianjiang Gas Co., Ltd.	2,475			62						2,537	
Xinsheng Natural Gas Sales Co., Ltd.	797			-3						794	
Yancheng National Investment Natural Gas Pipeline Network Co., Ltd.	21,520			10						21,530	
Haian Huihai Natural Gas Pipeline Network Co., Ltd.		700								700	
Qinzhou PetroChina Kunlun Gas Co., Ltd.	2,659			-280						2,379	
Shijiazhuang ENN City Gas Development Co., Ltd.		6,135		145						6,280	
Subtotal	312,256	6,835	686	15,088		-677	14,521			318,295	1,563
Total	599,550	17,041	3,895	13,268		-677	23,178			602,109	2,870

## VII. Notes to the Items in the Consolidated Financial Statements (Continued)

### 21 Investment in other equity instruments

#### (1). Information on Investment in other equity instruments

☒ Applicable ☐ N/A

Unit: RMB'0000 Currency: RMB

Item	Closing balance	Opening balance
Jiaxing Gas Group Co., Ltd.	8,740	11,293
Chongqing Petroleum and Gas Exchange Co., Ltd.	5,480	5,474
Shanghai Petroleum and Gas Exchange Co., Ltd.	4,411	4,362
Longchang Ruigao Energy Development Co., Ltd.	1,490	1,490
Shanghai Zhongyou Baihe Petroleum Gas Co., Ltd.	1,071	1,230
Sanmenxia Swan Power Co., Ltd.	977	1,177
Shenzhen Dapeng Liquefied Natural Gas Sales Co., Ltd.	1,610	494
Nanjing Jiangbei New District Power Distribution Co., Ltd.	468	464
Heilongjiang Electric Power Trading Center Co., Ltd.	356	356
Jibei Electric Power Trading Center Co., Ltd.	290	290
Guangxi Power Exchange Center Co., Ltd.	264	262
Zhejiang Hesun Energy Co., Ltd.	139	166
Xiangtan Desheng Energy Distribution Co., Ltd.	152	144
ENN (Inner Mongolia) Graphene Material Co., Ltd.		26
Dongguan Fengneng LNG Co., Ltd.	25	25
Dongguan Fengneng LNG Terminal Co., Ltd.	25	25
Total	25,498	27,278

## VII. Notes to the Items in the Consolidated Financial Statements (Continued)

### 21 Investment in other equity instruments (Continued)

#### (2). Information on non-trading equity instrument investments

☒ Applicable ☐ N/A

Unit: RMB'0000 Currency: RMB

Item	Dividend revenue recognized in the current period	Accumulated profits	Accumulated losses	Amount of other comprehensive income transferred to retained earnings	Reason for designation to be measured at fair value through other comprehensive income	Reason for transfer of other comprehensive income to retained earnings
Jiaxing Gas Group Co., Ltd.	173	4,627			Strategic investment	
Chongqing Petroleum and Gas Exchange Co., Ltd.	75	231			Strategic investment	
Shanghai Petroleum and Gas Exchange Co., Ltd.	117	211			Strategic investment	
Longchang Ruigao Energy Development Co., Ltd.		90			Strategic investment	
Shanghai Zhongyou Baihe Petroleum Gas Co., Ltd.	45	621			Strategic investment	
Sanmenxia Swan Power Co., Ltd.			-523		Strategic investment	
Shenzhen Dapeng Liquefied Natural Gas Sales Co., Ltd.	305	1,485			Strategic investment	
Nanjing Jiangbei New District Power Distribution Co., Ltd.	2	18			Strategic investment	
Heilongjiang Electric Power Trading Center Co., Ltd.					Strategic investment	
Jibei Electric Power Trading Center Co., Ltd.			-1		Strategic investment	
Guangxi Power Exchange Center Co., Ltd.		4			Strategic investment	
Zhejiang Hesen Energy Co., Ltd.			-101		Strategic investment	
Xiangtan Desheng Energy Distribution Co., Ltd.			-8		Strategic investment	
ENN (Inner Mongolia) Graphene Material Co., Ltd.			-1,111	-1,111	Strategic investment	Disposal of assets
Dongguan Fengneng LNG Co., Ltd.					Strategic investment	
Dongguan Fengneng LNG Terminal Co., Ltd.					Strategic investment	
Total	717	7,287	-1,744	-1,111	Strategic investment	

Other information:

☐ Applicable ☒ N/A

## VII. Notes to the Items in the Consolidated Financial Statements (Continued)

### 22. Other non-current financial assets

√ Applicable    □ N/A

Unit: RMB'0000    Currency: RMB

Item	Closing balance	Opening balance
<b>Derivative financial assets included in Other non-current financial assets</b>		
Non-hedging derivatives		
Including: Commodity derivative contracts		102,442
Foreign exchange derivative contracts		
Hedging derivatives		
Including: Commodity derivative contracts		9,804
Foreign exchange derivative contracts		
<b>Financial assets measured at fair value through current profit or loss</b>	432,722	440,554
<b>Total</b>	<b>432,722</b>	<b>552,800</b>

Other information:

√ Applicable    □ N/A

The details of financial assets measured at fair value through current profit or loss are listed as follows:

Unit: RMB'0000    Currency: RMB

Name of investee	Closing balance	Opening balance
Sinopec Marketing Co., Ltd.	417,000	417,000
Shanghai Dazhong Public Utilities (Group) Co., Ltd.	13,394	18,072
Guokai Siyuan (Beijing) Investment Fund Co., Ltd.	2,293	5,444
Chenzhou Jingui Silver Industry Co., Ltd.	35	38
<b>Total</b>	<b>432,722</b>	<b>440,554</b>

1. Please refer to "Note VII-4 Derivative Financial Assets" for the foreign exchange derivative contracts and commodity derivative contracts.
2. The Company holds 1.13% equity stake in the non-listed company Sinopec Marketing Co., Ltd. The Company holds 4.38% shares in the listed company Shanghai Dazhong Public Utilities (Group) Co., Ltd. The Company holds 0.01% shares in the listed company Chenzhou Jingui Silver Industry Co., Ltd.

## VII. Notes to the Items in the Consolidated Financial Statements (Continued)

### 23. Investment real estate

#### *Measurement model of Investment real estate*

##### (1) Investment real estate using fair value measurement model

Unit: RMB'0000 Currency: RMB

Item	Houses and buildings	Land use rights	Construction in progress	Total
I. Opening balance	28,807			28,807
II. Changes in the current period	-1,175			-1,175
Add: Outsourcing				
Transfer from inventories/fixed assets/construction in process	2,291			2,291
Increase in business combinations				
Less: Disposal				
Other transfer out				
Changes in fair value	-3,466			-3,466
III. Closing balance	27,632			27,632

##### (2) Investment properties with property rights certificate uncompleted

☐ Applicable ☒ N/A

Other information

☐ Applicable ☒ N/A

### 24. Fixed assets

#### *Presentation of items*

☒ Applicable ☐ N/A

Unit: RMB'0000 Currency: RMB

Item	Closing balance	Opening balance
Fixed assets	6,612,822	6,243,693
Disposal of fixed assets		
Total	6,612,822	6,243,693

Other information:

☐ Applicable ☒ N/A



## VII. Notes to the Items in the Consolidated Financial Statements (Continued)

### 24. Fixed assets (Continued)

#### Fixed assets

#### (1). Information on fixed assets

√ Applicable    □ N/A

Unit: RMB'0000    Currency: RMB

Item	Houses and buildings	Machinery & equipment	Office & electronic communication equipment	Means of transportation	Gas pipeline	Total
I. Original book value						
1. Opening balance	1,346,069	1,392,436	203,362	64,560	4,846,972	7,853,399
2. Current increase	101,700	177,853	41,814	6,450	436,392	764,209
(1) Purchase	13,352	47,173	31,813	6,355	24,836	123,529
(2) Transferred from construction in progress	86,931	129,199	9,870	94	408,536	634,630
(3) Increase in business combinations	1,417	1,481	131	1	3,020	6,050
3. Current decrease	15,741	51,149	6,237	7,541	22,415	103,083
(1) Disposal or scrap	15,579	51,149	6,237	7,541	22,415	102,921
(2) Transferred to Investment real estate	162					162
4. Closing balance	1,432,028	1,519,140	238,939	63,469	5,260,949	8,514,525
II. Accumulated depreciation						
1. Opening balance	202,185	418,981	141,062	34,552	808,243	1,605,023
2. Current increase	35,905	102,534	22,716	7,632	151,305	320,092
(1) Provision	35,905	102,534	22,716	7,632	151,305	320,092
3. Current decrease	2,483	12,432	3,924	6,521	12,028	37,388
(1) Disposal or scrap	2,408	12,432	3,924	6,521	12,028	37,313
(2) Transferred out investment properties	75					75
4. Closing balance	235,607	509,083	159,854	35,663	947,520	1,887,727
III. Impairment provision						
1. Opening balance	577	4,106				4,683
2. Current increase	422	2,243			6,628	9,293
(1) Provision	422	2,243			6,628	9,293
3. Current decrease						
(1) Disposal or scrap						
4. Closing balance	999	6,349			6,628	13,976
IV. Book value						
1. Closing book value	1,195,422	1,003,708	79,085	27,806	4,306,801	6,612,822
2. Opening book value	1,143,307	969,349	62,300	30,008	4,038,729	6,243,693

## VII. Notes to the Items in the Consolidated Financial Statements (Continued)

### 24. Fixed assets (Continued)

#### *Fixed assets (Continued)*

##### (2). Temporarily idle fixed assets

☐ Applicable ☒ N/A

##### (3). Fixed assets rent through financing lease

☐ Applicable ☒ N/A

##### (4). Fixed assets leased out through operating leases

☒ Applicable ☐ N/A

Unit: RMB'0000 Currency: RMB

Item	Closing book value
Leased out through operating leases	644
Total	644

##### (5). Fixed-assets with property right certificate uncompleted

☒ Applicable ☐ N/A

Unit: RMB'0000 Currency: RMB

Item	Book value	Reason for uncompleted property rights certificate
Production & office premises	158,437	The Company is communicating with the local government departments on this matter
Total	158,437	

Other information:

☐ Applicable ☒ N/A

#### *Disposal of fixed assets*

☐ Applicable ☒ N/A

## VII. Notes to the Items in the Consolidated Financial Statements (Continued)

### 25. Construction in progress

#### *Presentation of items*

☒ Applicable   ☐ N/A

Unit: RMB'0000   Currency: RMB

Item	Closing balance	Opening balance
Construction in progress	453,165	421,038
Project materials	25,447	28,195
<b>Total</b>	<b>478,612</b>	<b>449,233</b>

Other information:

☐ Applicable   ☒ N/A

#### *Construction in progress*

##### (1). Information on construction in progress

☒ Applicable   ☐ N/A

Unit: RMB'0000   Currency: RMB

Item	Closing balance			Opening balance		
	Book balance	Impairment provision	Book value	Book balance	Impairment provision	Book value
Distributed energy project	78,686	66	78,620	43,101		43,101
Gas engineering	345,423		345,423	315,152		315,152
Powder slurry gasification project				28,149		28,149
Fully enclosed coal yard project	244		244	228		228
Public works (park integration)	9		9	1,216		1,216
Zhoushan project phase III	2,253		2,253	10		10
Environmental protection technology reform for water system	10,392		10,392	10,986		10,986
Other projects	17,534	1,310	16,224	23,506	1,310	22,196
<b>Total</b>	<b>454,541</b>	<b>1,376</b>	<b>453,165</b>	<b>422,348</b>	<b>1,310</b>	<b>421,038</b>

## VII. Notes to the Items in the Consolidated Financial Statements (Continued)

### 25. Construction in progress (Continued)

#### Construction in progress (Continued)

#### (2). Current changes in important construction in progress

√ Applicable    □ N/A

Unit: RMB'0000    Currency: RMB

Name of project	Budget	Opening balance	Current increase	Amount transferred to fixed assets in the current period	Other current decreases	Closing balance	Accumulated investment as a percentage of budget (%)	Project progress	Accumulated capitalized amount of interest	Including: Capitalized amount of interest in current period	Capitalization rate of interest in current period (%)	Sources of funding
Langfang LNG Gas Storage Station Project	24,000	2,714	1,145	3,859			97.36	99.19%				Self-financing
Longping High-tech Project	17,695	3,021	602	548	174	2,901	89.21	99.81%				Self-financing
High-pressure Natural Gas Pipeline Project from Taishang Pressure Control Station to Huianmen Station	21,267	4,749	12,697			17,446	82.04	81.00%				Self-financing
Zhoushan DSIC 8,500m <sup>3</sup> LNG Ship Filling Construction Project	37,480	12,388	19,901	32,289			96.16	100.00%				Self-financing
Integrated Energy Micro-network - No. 1 Integrated Energy Main Station Project in Daqing Linyuan Chemical Park	108,928	569	5,284			5,853	85.00	98.87%	2,817	6	4.78	Self-financing and loan
Slurry Gasification Project	21,808	28,149	602	28,751			131.84	100.00%				Self-financing and loan
Environmental Protection Technology Reform for Water System	15,954	10,986	573	1,158	9	10,392	103.58	99.10%	438	37	4.61	Self-financing and loan
Phase III LNG Storage Tank and Supporting Facilities for Zhejiang Zhoushan LNG Receiving Terminal and Filling Station	292,096	10	2,243			2,253	0.99	5.00%				Self-financing
ENN Science Park R&D Workshop	42,000		5,267			5,267	12.54	14.00%				Self-financing
Natural Gas Supply Pipeline Works for Ningzhou Gas and Electricity Project	108,569		59,434			59,434	54.74	54.00%	249	249	4.50	Self-financing and loan
Dongguan High-pressure Natural Gas Pipeline Network Project along North Ring Road and Zhonghong Branch	33,600		9,578	134		9,444	28.51	22.00%				Self-financing
Total	723,397	62,586	117,326	66,739	183	112,990	/	/	3,504	292	/	/

## VII. Notes to the Items in the Consolidated Financial Statements (Continued)

### 25. Construction in progress (Continued)

#### *Construction in progress (Continued)*

##### (3). Provision on the impairment of construction in progress in the current period

☒ Applicable ☐ N/A

Unit: RMB'0000 Currency: RMB

Item	Amount of provision for the current period	Reason for provision
Distributed energy project	66	The idle assets may lead to uncertainty of future economic benefits to the enterprise
Total	66	/

Other information

☐ Applicable ☒ N/A

#### *Project materials*

##### (1). Information on project materials

☒ Applicable ☐ N/A

Unit: RMB'0000 Currency: RMB

Item	Closing balance			Opening balance		
	Book balance	Impairment provision	Book value	Book balance	Impairment provision	Book value
Special-purpose materials	24,962		24,962	27,786		27,786
Special-purpose equipment	485		485	409		409
Total	25,447		25,447	28,195		28,195

### 26. Productive biological assets

#### (1). *Productive biological assets using cost measurement model*

☐ Applicable ☒ N/A

#### (2). *Productive biological assets using fair value measurement model*

☐ Applicable ☒ N/A

Other information

☐ Applicable ☒ N/A

## VII. Notes to the Items in the Consolidated Financial Statements (Continued)

### 27. Oil-gas assets

☐ Applicable    ☒ N/A

### 28. Right-of-use assets

☒ Applicable    ☐ N/A

Unit: RMB'0000    Currency: RMB

Item	Land	Houses and buildings	Equipment	Means of transportation	Other	Total
I. Original book value						
1. Opening balance	20,865	31,703	3,042	614	4	56,228
2. Current increase	414	13,575	48	25	751	14,813
(1) Increase in leases	414	13,575	48	25	751	14,813
3. Current decrease	256	301	2,442	50		3,049
(1) Decrease in leases	256	301	2,442	50		3,049
4. Closing balance	21,023	44,977	648	589	755	67,992
II. Accumulated depreciation						
1. Opening balance	2,981	9,156	1,045	476	2	13,660
2. Current increase	3,099	9,507	699	138	93	13,536
(1) Provision	3,099	9,507	699	138	93	13,536
3. Current decrease	49	191	1,356	50		1,646
(1) Disposal	49	191	1,356	50		1,646
4. Closing balance	6,031	18,472	388	564	95	25,550
III. Impairment provision						
1. Opening balance						
2. Current increase						
3. Current decrease						
4. Closing balance						
IV. Book value						
1. Closing book value	14,992	26,505	260	25	660	42,442
2. Opening book value	17,884	22,547	1,997	138	2	42,568

## VII. Notes to the Items in the Consolidated Financial Statements (Continued)

### 29. Intangible assets

#### (1). Information on intangible assets

√ Applicable    □ N/A

Unit: RMB'0000    Currency: RMB

Item	Land use right	Patent right	Mining right	Software	Capacity index	Right of management	Others	Total
I. Original book value								
1. Opening balance	302,100	26,681	305,803	112,859	9,670	571,509	23,033	1,351,655
2. Current increase	26,902	16		46,901		12,943	523	87,285
(1) Purchase	25,876	16		16,845		3,139	523	46,399
(2) Increase in business combinations	1,026			8,360		9,804		19,190
(3) Transferred from development expenditure				2,461				2,461
(4) Transferred from construction in progress				19,235				19,235
3. Current decrease	4,761	10		1,634		685		7,090
(1) Disposal	4,761	10		1,634		685		7,090
4. Closing balance	324,241	26,687	305,803	158,126	9,670	583,767	23,556	1,431,850
II. Accumulated amortization								
1. Opening balance	48,410	10,092	10,312	41,477	449	135,621	11,364	257,725
2. Current increase	10,046	2,676	3,225	20,819	174	26,728	1,288	64,956
(1) Provision	9,396	2,676	3,225	18,330	174	26,728	1,288	61,817
(2) Increase in business combinations	650			2,489				3,139
3. Current decrease	1,633	8		52		318		2,011
(1) Disposal	1,633	8		52		318		2,011
4. Closing balance	56,823	12,760	13,537	62,244	623	162,031	12,652	320,670
III. Impairment provision								
1. Opening balance								
2. Current increase				1,623		3,309		4,932
(1) Provision						3,309		3,309
(2) Increase in business combinations				1,623		-		1,623
3. Current decrease								
(1) Disposal								
4. Closing balance				1,623		3,309		4,932
IV. Book value								
1. Closing book value	267,418	13,927	292,266	94,259	9,047	418,427	10,904	1,106,248
2. Opening book value	253,690	16,589	295,491	71,382	9,221	435,888	11,669	1,093,930

At the end of the period, intangible assets formed through internal R&D accounted for 0.39% of the balance of intangible assets of the Company.

## VII. Notes to the Items in the Consolidated Financial Statements (Continued)

### 29. Intangible assets (Continued)

#### (2). Land use right with property right certificate uncompleted

☒ Applicable ☐ N/A

Unit: RMB'0000 Currency: RMB

Item	Book value	Reason for uncompleted property right certificate
Land use right	9,300	In progress
Total	9,300	

Other information:

☐ Applicable ☒ N/A

### 30. Development expenditure

☒ Applicable ☐ N/A

Unit: RMB'0000 Currency: RMB

Item	Opening balance	Current increase		Current decrease		Closing balance
		Internal development expenditure	Other	Recognized as intangible assets	Included in current profit or loss	
Digital-intelligent safety project	65		947	935		77
Digital-intelligent management project		187	10,197	1,526	467	8,391
GreatGas ecological platform project	1,090	549	3,889			5,528
Digital-intelligent integrated energy project		3	376			379
Intelligent customer service platform project			991			991
Other projects	282	1,494	1,365			3,141
Total	1,437	2,233	17,765	2,461	467	18,507

Other information

The year-on-year increase in development expenditure by 1187.89% was mainly attributable to the increased investment in the projects such as technical R&D and digitalization, ecological platform for safety, management, digital intelligence of integrated energy and GreatGas ecological platform, and intelligent customer service platform by the Company's subsidiaries during the Reporting Period.



## VII. Notes to the Items in the Consolidated Financial Statements (Continued)

### 31. Goodwill

#### (1). Original book value of goodwill

√ Applicable    ☐ N/A

Unit: RMB'0000    Currency: RMB

Name of investee or events forming goodwill	Opening balance	Current increase	Current decrease	Closing balance
		Resulted from business combination	Disposal	
Anhui Anran Gas Co., Ltd.	3,363			3,363
Guangzhou ENN Gas Co., Ltd.	2,064			2,064
Guigang ENN Gas Co., Ltd.	756			756
Hangzhou Xiaoshan Pipeline Gas Development Co., Ltd	3,701			3,701
Kaifeng ENN Gas Co., Ltd.	1,583			1,583
Langfang ENN Gas Co., Ltd.	425			425
Lianyungang ENN Gas Co., Ltd.	1,763			1,763
Pingxiang ENN Changfeng Gas Co., Ltd.	1,275			1,275
Linyi Xin'ao Energy Development Co., Ltd	1,549			1,549
Liaocheng Jinao Gas Development Co., Ltd.	1,369			1,369
Liaocheng Development Zone Jinao Energy Co., Ltd.	1,071			1,071
Luoyang ENN LPG Co., Ltd.	678			678
Qingdao ENN Jiaonan Gas Co., Ltd.	589			589
Quzhou ENN Gas Co., Ltd.	441			441
Quanzhou Gas Co., Ltd.	985			985
Xiangtan ENN Gas Co., Ltd.	498			498
Xinxiang ENN Gas Co., Ltd.	919			919
Xuancheng Natural Gas Co., Ltd.	10,024			10,024
Jiangsu Datong PNG Co., Ltd.	1,183			1,183
Dongguan ENN Gas Co., Ltd.	2,462			2,462
Dehua Guang'an Natural Gas Co., Ltd.	1,266			1,266
Zhejiang Pujiang Gaofeng PNG Co., Ltd.	2,748			2,748
Inner Mongolia Huayi Energy Co., Ltd.	2,066			2,066
Shanghai International Engineering Construction Consulting Co., Ltd.	283			283
Jiangsu Energy Holdings Co., Ltd.	5,184			5,184
Shuangcheng Zhongqing Gas Co., Ltd.	1,914			1,914
Shanghai Zhongfen Pyroelectricity Co., Ltd.	2,958			2,958
Shuangmin Gas (Jiangsu) Co., Ltd.	974			974
Others	3,294			3,294
Total	57,385			57,385

## VII. Notes to the Items in the Consolidated Financial Statements (Continued)

### 31. Goodwill (Continued)

#### (2). *Provision for impairment of goodwill*

☐ Applicable    ☒ N/A

#### (3). *Information relating to the asset group or asset group portfolio in which the goodwill lies*

☒ Applicable    ☐ N/A

The composition of asset group or asset combination is a long-lived assets associated with goodwill, and the recognized asset group or combination of asset groups are determined to be capable of generating cash flow independently.

#### (4). *Description of the testing process of goodwill impairment, key parameters (e. g. growth rate during the forecast period, growth rate during stable period, profit margin, discount rate and forecast period used to expect the present value of future cash flow, if applicable) and the recognition method of impairment loss of goodwill*

☒ Applicable    ☐ N/A

The Company shall carry out impairment test on each asset group related to goodwill at the end of the period. The goodwill and goodwill attributable to minority shareholders shall first be included to adjust each asset group to its carrying value, and then the adjusted carrying value of each asset group shall be compared with its recoverable amount to determine whether each asset group (including goodwill) has been impaired.

In performing the goodwill impairment test, the recoverable amount of the asset group is calculated as the present value of the estimated future cash flows, and the estimated cash flow is based on the 5-year cash flow projections, and the cash flow after the projection period remains unchanged at the net cash flow of the previous year of the projection period.

Other key data used in impairment test shall include: estimated selling price, sales volume, costs and other related expenses of the expenses of the product. The Company shall determine the above key data based on historical experience and forecasts of market development. The discount rate adopted by the Company is a pre-tax interest rate that reflects the current market time value of the currency and the specific risk of the relevant asset group.

#### (5). *Effect of goodwill impairment test*

☒ Applicable    ☐ N/A

After testing, the goodwill has not been impaired.

Other information

☐ Applicable    ☒ N/A

## VII. Notes to the Items in the Consolidated Financial Statements (Continued)

### 32. Long-term unamortized expenses

√ Applicable    □ N/A

Unit: RMB'0000    Currency: RMB

Item	Opening balance	Current increase	Amortization amount at the current period	Other decreases for the current period	Closing balance
Decoration	6,250	6,345	3,760		8,835
Road construction	3,351		362		2,989
Compensation for demolition and ecological environment restoration	22,463	12,182	2,143		32,502
Maintenance and renovation expenses	13,198	5,861	3,344		15,715
Costs for periodic tests and inspection	4,654	1,545	1,540		4,659
Power supply route project	1,000		36		964
Others	9,956	4,341	2,554		11,743
Total	60,872	30,274	13,739		77,407

### 33. Deferred income tax assets/deferred income tax liabilities

#### (1). Deferred income tax asset without offset

√ Applicable    □ N/A

Unit: RMB'0000    Currency: RMB

Item	Closing balance		Opening balance	
	Taxable temporary difference	Deferred income tax assets	Taxable temporary difference	Deferred income tax assets
Provision for assets impairment	97,889	21,646	64,168	14,576
Unrealized profits from internal transactions	447,992	95,588	414,266	88,840
Deductible losses			500	75
Deferred income	432,070	106,152	448,081	111,517
Long-term account current	6,746	1,075	6,118	918
Trial run revenue	6,618	993	6,529	979
Total	991,315	225,454	939,662	216,905

## VII. Notes to the Items in the Consolidated Financial Statements (Continued)

### 33. Deferred income tax assets/deferred income tax liabilities (Continued)

#### (2). Deferred income tax liability without offset

☒ Applicable ☐ N/A

Unit: RMB'0000 Currency: RMB

Item	Closing balance		Opening balance	
	Taxable temporary difference	Deferred income tax liabilities	Taxable temporary difference	Deferred income tax liabilities
Value-added assessment on assets from business combination not under common control	323,823	80,955	336,085	84,021
Effect on one-time pretax deduction of fixed assets	771,872	189,733	680,068	166,340
Capitalized interest	115,148	28,788	108,101	27,025
Tax on dividends	403,532	20,177	746,514	37,326
Changes in fair value of financial assets	205,092	35,013	91,696	19,120
Others	17,396	3,549	18,896	3,864
Total	1,836,863	358,215	1,981,360	337,696

#### (3). Deferred income tax assets or liabilities presented at net value after offset

☐ Applicable ☒ N/A

#### (4). Details of unrecognized deferred income tax assets

☒ Applicable ☐ N/A

Unit: RMB'0000 Currency: RMB

Item	Closing balance	Opening balance
Deductible losses	872,787	431,403
Provision for assets impairment	34,095	58,600
Total	906,882	490,003

## VII. Notes to the Items in the Consolidated Financial Statements (Continued)

### 33. Deferred income tax assets/deferred income tax liabilities (Continued)

(5). *Unrecognized deductible losses on deferred income tax assets will mature in the following years*

☒ Applicable   ☐ N/A

Unit: RMB'0000   Currency: RMB

Year	Closing balance	Opening balance	Remark
2022		26,585	
2023	54,155	49,134	
2024	73,393	88,171	
2025	84,959	79,099	
2026	166,148	188,414	
2027	494,132		
Total	872,787	431,403	/

Other information:

☐ Applicable   ☒ N/A

### 34. Other non-current assets

☒ Applicable   ☐ N/A

Unit: RMB'0000   Currency: RMB

Item	Closing balance			Opening balance		
	Book balance	Impairment provision	Book value	Book balance	Impairment provision	Book value
Investment in prepaid equity and equity acquisition	998		998			
Margins paid on fixed assets and land use rights	7,336		7,336	1,357		1,357
Prepayment for equipment works	11,721		11,721	12,630		12,630
Value Added Tax to be deducted, certified or prepaid	13,868		13,868	23,558		23,558
Others	226		226	783		783
Total	34,149		34,149	38,328		38,328

## VII. Notes to the Items in the Consolidated Financial Statements (Continued)

### 35. Short-term borrowings

#### (1). Classification of short-term borrowings

☒ Applicable ☐ N/A

Unit: RMB'0000 Currency: RMB

Item	Closing balance	Opening balance
Pledged loan	109,910	95,678
Mortgage loan		200
Guaranteed loan	230,977	229,917
Loan on credit	415,136	469,939
Mortgage and guaranteed loans		1,500
Total	756,023	797,234

Description of the classification of short-term borrowings:

1. Pledged loan: The loan of RMB681 million was obtained by the subsidiaries, Dongguan Xin'ao Gas Co., Ltd. and Weifang ENN Natural Gas Pipeline Network Co., Ltd., with gas charging rights pledged; RMB418.1 million arose from the notes discounted.
2. Guaranteed loan: The loan of RMB300.06 million was guaranteed by ENN (Hainan) Energy Trading Co., Ltd.; the loan of RMB700 million was guaranteed by Changsha ENN Gas Co., Ltd.; the loan of RMB218 million was guaranteed by Changsha Xin'ao Gas Development Co., Ltd.; The loan of RMB504.71 million was guaranteed by Changzhou Xinao Gas Engineering Co., LTD; the loan of RMB30 million was guaranteed by Changzhou Xin'ao Gas Development Co., Ltd.; the loan of RMB60 million was guaranteed by Xin'ao (China) Gas Investment Co., Ltd.; the loan of RMB150 million was guaranteed by Shijiazhuang Xin'ao Gas Company Limited; the loan of RMB100 million was guaranteed by Xinxiang Xin'ao Gas Engineering Co., Ltd.; the loan of RMB117 million was guaranteed by Dongguan ENN Gas Co., Ltd.; the loan of RMB100 million was guaranteed by Zhuzhou Xin'ao Gas Co., Ltd.; the loan of RMB20 million was guaranteed by Bengbu ENN Gas Co., Ltd.; and the loan of RMB10 million was guaranteed by Feidong County MSMEs Guarantee Co., Ltd.

#### (2). Overdue and outstanding short-term borrowings

☐ Applicable ☒ N/A

Overdue and outstanding short-term borrowings which are significant are specified as follows:

☐ Applicable ☒ N/A

Other information

☐ Applicable ☒ N/A

## VII. Notes to the Items in the Consolidated Financial Statements (Continued)

### 36. Transaction financial liabilities

☐ Applicable ☒ N/A

### 37. Derivative financial liabilities

☒ Applicable ☐ N/A

Unit: RMB'0000 Currency: RMB

Item	Closing balance	Opening balance
Non-hedging derivatives	84,883	196,935
Including: Commodity derivative contracts	84,883	196,935
Foreign exchange derivative contracts		
Derivatives designated as hedging instrument	17,033	12,116
Including: Commodity derivative contracts	17,033	2,443
Foreign exchange derivative contracts		9,673
<b>Total</b>	<b>101,916</b>	<b>209,051</b>

Other information:

1. See "Notes VII-4 Derivative Financial Assets" for the description of foreign exchange derivative contracts and commodity derivative contracts.
2. The year-on-year decrease in derivative financial liabilities by 51.25% was mainly attributable to the increase in the fair value of commodity derivative contracts of subsidiaries during the reporting period.

### 38. Notes payable

#### (1). Presentation of notes payable

☒ Applicable ☐ N/A

Unit: RMB'0000 Currency: RMB

Type	Closing balance	Opening balance
Bank acceptance bills	85,737	126,108
<b>Total</b>	<b>85,737</b>	<b>126,108</b>

The total amount of notes payable due and outstanding at the end of the current period is 0.

## VII. Notes to the Items in the Consolidated Financial Statements (Continued)

### 39. Accounts payable

#### (1). Presentation of accounts payable

☒ Applicable ☐ N/A

Unit: RMB'0000 Currency: RMB

Item	Closing balance	Opening balance
Accounts payable	1,048,430	1,199,520
Total	1,048,430	1,199,520

#### (2). Significant account payable aging over one year

☒ Applicable ☐ N/A

Unit: RMB'0000 Currency: RMB

Item	Closing balance	Reason for failure of repayment or carry-over
Top 1	3,972	Payment terms unsatisfied
Top 2	3,582	Payment terms unsatisfied
Top 3	3,110	Payment terms unsatisfied
Top 4	2,618	Payment terms unsatisfied
Top 5	2,225	Payment terms unsatisfied
Total	15,507	/

Other information

☐ Applicable ☒ N/A

### 40. Advances from customers

#### (1). Presentation of advances from customers

☐ Applicable ☒ N/A

#### (2). Significant advances from customers aging over one year

☐ Applicable ☒ N/A

Other information

☐ Applicable ☒ N/A



## VII. Notes to the Items in the Consolidated Financial Statements (Continued)

### 41. Contract liabilities

#### (1). Information on contract liabilities

☒ Applicable ☐ N/A

Unit: RMB'0000 Currency: RMB

Item	Closing balance	Opening balance
Deferred income	31,688	30,647
Sale of natural gas	1,339,071	1,231,161
Payment received on settled but uncompleted project	371,294	396,572
Total	1,742,053	1,658,380

#### (2). Amount of and reason for the significant changes in book value during the Reporting Period

☐ Applicable ☒ N/A

Other information:

☐ Applicable ☒ N/A

### 42. Financial assets sold for repurchase

Unit: RMB'0000 Currency: RMB

Item	Closing balance	Opening balance
Notes	36,800	55,785
Accrued interest	-281	-295
Total	36,519	55,490

Other information:

The year-on-year decrease in Financial assets sold for repurchase by 34.19% was mainly attributable to the repurchase from the central bank by the Company's finance company when the rediscount notes became mature during the Reporting Period.

## VII. Notes to the Items in the Consolidated Financial Statements (Continued)

### 43. Deposits from customers and interbank

Unit: RMB'0000 Currency: RMB

Item	Closing balance	Opening balance
Demand deposit	19,337	12,666
– Corporate	19,337	12,666
Fixed deposit	3,184	4,156
– Corporate	3,184	4,156
Other deposits	1,163	2,486
Subtotal	23,684	19,308
Total	23,684	19,308

### 44. Payroll payable

#### (1). Presentation of Payroll payable

√ Applicable ☐ N/A

Unit: RMB'0000 Currency: RMB

Item	Opening balance	Current increase	Current decrease	Closing balance
I. Short-term salary	110,571	543,483	531,149	122,905
II. Post-employment benefits – defined contribution plan	1,076	60,993	60,209	1,860
III. Dismissal benefits	11	2,234	2,245	
IV. Other benefits due within one year	9	367	371	5
Total	111,667	607,077	593,974	124,770

## VII. Notes to the Items in the Consolidated Financial Statements (Continued)

### 44. Payroll payable (Continued)

#### (2). Presentation of short-term salary

☒ Applicable ☐ N/A

Unit: RMB'0000 Currency: RMB

Item	Opening balance	Current increase	Current decrease	Closing balance
I. Wages, bonuses, allowances and subsidies	100,175	421,647	411,693	110,129
II. Employee welfare	11	32,966	32,974	3
III. Social insurance	593	27,480	27,278	795
Including: Medical insurance	435	24,942	24,753	624
Industrial injury insurance	93	1,918	1,915	96
Maternity insurance	65	620	610	75
IV. Housing provident fund	1,391	52,454	50,402	3,443
V. Union fund and staff education fund	8,400	8,878	8,743	8,535
VI. Short-term paid absence				
VII. Short-term profit-sharing scheme				
VIII. Others	1	58	59	
Total	110,571	543,483	531,149	122,905

#### (3). Presentation of defined contribution plan

☒ Applicable ☐ N/A

Unit: RMB'0000 Currency: RMB

Item	Opening balance	Current increase	Current decrease	Closing balance
1. Basic endowment insurance	810	58,286	57,516	1,580
2. Unemployment insurance	263	2,382	2,372	273
3. Enterprise annuity contribution	3	325	321	7
Total	1,076	60,993	60,209	1,860

Other information:

☐ Applicable ☒ N/A

## VII. Notes to the Items in the Consolidated Financial Statements (Continued)

### 45. Taxes payable

☒ Applicable ☐ N/A

Unit: RMB'0000 Currency: RMB

Item	Closing balance	Opening balance
Value added tax (VAT)	37,538	53,392
Business tax	690	748
Corporate income tax	229,425	204,180
Individual income tax	1,695	544
Urban maintenance and construction tax	786	1,158
Education surcharge	302	372
Property tax	106	212
Resource tax	6,881	10,147
Stamp duty	252	107
Environmental protection tax	13	15
Water resources tax	184	264
Farming land occupation tax	2,237	4,660
Consumption tax	7,780	
Others	760	658
Total	288,649	276,457

### 46. Other payables

#### *Presentation of items*

☒ Applicable ☐ N/A

Unit: RMB'0000 Currency: RMB

Item	Closing balance	Opening balance
Interests payable		
Dividends payable	26,304	24,669
Other payables	278,153	214,131
Total	304,457	238,800

Other information:

☐ Applicable ☒ N/A

## VII. Notes to the Items in the Consolidated Financial Statements (Continued)

### 46. Other payables (Continued)

#### *Interests payable*

##### (1). Presentation by categories

☐ Applicable   ☒ N/A

#### *Dividends payable*

##### (1). Presentation by categories

☒ Applicable   ☐ N/A

Unit: RMB'0000   Currency: RMB

Item	Closing balance	Opening balance
Ordinary stock dividends	26,304	24,669
Total	26,304	24,669

#### *Other payables*

##### (1). Presentation of other payables by nature

☒ Applicable   ☐ N/A

Unit: RMB'0000   Currency: RMB

Item	Closing balance	Opening balance
Current accounts	86,432	77,596
Margin and deposit	31,322	31,765
Equity transfer payment	18,001	67,807
Payment collected and deducted for other party	9,047	4,723
Restricted share repurchase obligation	9,343	12,545
Settled but outstanding derivative contracts	107,047	
Others	16,961	19,695
Total	278,153	214,131

## VII. Notes to the Items in the Consolidated Financial Statements (Continued)

### 46. Other payables (Continued)

#### *Other payables (Continued)*

(2). Other payables which are significant aging over one year

☒ Applicable ☐ N/A

Unit: RMB'0000 Currency: RMB

Item	Closing balance	Reason for failure of repayment or carry-over
Top 1	21,500	Payment terms unsatisfied
Top 2	15,844	Payment terms unsatisfied
Top 3	5,096	Payment terms unsatisfied
Top 4	3,900	Payment terms unsatisfied
Top 5	2,450	Payment terms unsatisfied
Total	48,790	/

Other information:

☐ Applicable ☒ N/A

### 47. Liabilities held for sales

☐ Applicable ☒ N/A

## VII. Notes to the Items in the Consolidated Financial Statements (Continued)

### 48. Non-current liabilities due within one year

☒ Applicable ☐ N/A

Unit: RMB'0000 Currency: RMB

Item	Closing balance	Opening balance
Long-term borrowings due within one year	170,744	162,314
Bonds payable due within one year		581,217
Long-term payables due within one year	13,416	31,513
Lease liabilities due within one year	10,773	9,211
<b>Total</b>	<b>194,933</b>	<b>784,255</b>

Other information:

The year-on-year decrease in non-current liabilities due within one year by 75.14% was mainly attributable to the repayment of matured bonds by the Company's subsidiaries.

### 49. Other current liabilities

#### *Information on other current liabilities*

☒ Applicable ☐ N/A

Unit: RMB'0000 Currency: RMB

Item	Closing balance	Opening balance
Output tax to be carried forward	154,938	150,009
Others	4,697	
<b>Total</b>	<b>159,635</b>	<b>150,009</b>

Increase/decrease in short-term bonds payable:

☐ Applicable ☒ N/A

Other information:

☐ Applicable ☒ N/A

## VII. Notes to the Items in the Consolidated Financial Statements (Continued)

### 50. Long-term borrowings

#### (1). Classification of long-term borrowings

☒ Applicable   ☐ N/A

Unit: RMB'0000   Currency: RMB

Item	Closing balance	Opening balance
Pledged loan	5,734	7,500
Guaranteed loan	730,509	456,353
Loan on credit	311,410	213,768
Mortgage and pledged loans	3,400	
Mortgage and guaranteed loans	155,763	212,878
Pledged and guaranteed loans	4,402	5,124
Total	1,211,218	895,623

Information on classification of long-term borrowings:

1. Pledged loan: The loan of RMB57.34 million was obtained by the subsidiaries, Dongguan Xin'ao Gas Co., Ltd. and Dingzhou Fuyuan Natural Gas Co., Ltd., with gas charging rights pledged.
2. Guaranteed loan: The loan of RMB3,923.78 million was guaranteed by ENN Natural Gas Co., Ltd.; the loan of RMB80.07 million was guaranteed by ENN Gas Development Co., Ltd. (60%) and Zhengjiang Rongsheng Holding Group Co., Ltd. (40%); the loan of RMB1,398.05 million was guaranteed by Xin'ao (China) Gas Investment Co., Ltd.; the loan of RMB50 million was guaranteed by Changsha Xin'ao Gas Development Co., Ltd.; RMB50 million was guaranteed by Changzhou Xin'ao Gas Development Co., Ltd.; and the loan of RMB702.7 million was guaranteed by Xindi Energy Engineering Technology Co., Ltd. The loan of RMB1,100.49 million was guaranteed by ENN Holding Investment Co., Ltd., Xin'ao Juneng Technology (Langfang) Co., Ltd., and Wang Yusuo and his wife.
3. Mortgage and pledged loans: The loan of RMB34 million was obtained by the subsidiary Zouping ENN Gas Co., Ltd. with its gas charging right pledged and with pipeline assets of Binzhou ENN Gas Engineering Co., Ltd. mortgaged.
4. Mortgage and guaranteed loans: The loan of RMB11.6 million was obtained by the subsidiary Shanghai Zhongfen Pyroelectricity Co., Ltd. with the residential property (located at Room 1702, No. 23, Lane 879, Zhong'an Road, Xinchang Town, Pudong New Area, Shanghai) mortgaged, and was guaranteed by Xin'ao (China) Gas Investment Co., Ltd.; RMB1,546.03 million was obtained by the subsidiary ENN (Zhoushan) LNG Co., Ltd. with its land, sea area use right and fixed assets mortgaged, and was guaranteed by ENN Investment Holdings Co., Ltd., ENN Group Co., Ltd, and Mr. Wang Yusuo and his wife.
5. Pledged and guaranteed loans: The loan of RMB44.02 million was guaranteed by Changsha ENN Changran Energy Development Co., Ltd. (55%) and Hunan Xiangjiang New Area Investment Group Co., Ltd. (45%), and a portion of accounts receivable was pledged.

Other information including the information on interest rate range:

☐ Applicable   ☒ N/A



## VII. Notes to the Items in the Consolidated Financial Statements (Continued)

### 51. Bonds payable

#### (1). Bonds payable

☒ Applicable ☐ N/A

Unit: RMB'0000 Currency: RMB

Item	Closing balance	Opening balance
Bonds issued overseas	1,437,773	984,096
Total	1,437,773	984,096

#### (2). Increase or decrease in bonds payable: (excluding other financial instruments such as preferred share and perpetual bonds classified as financial liabilities)

☒ Applicable ☐ N/A

Unit: RMB'0000 Currency: RMB

Name of bond	Face value	Date of issue	Term of bond	Amount of issue	Opening balance	Issue in current period	Interest at par	Amortization of premium and discount	Amount repaid in current period	Closing balance
VEYONG 3.375% 2026	USD100	2021/5/12	5 years	USD800 million	508,284		17,916	48,067	21,202	535,172
2030 Senior Notes	USD100	2020/9/17	10 years	USD750 million	475,812		13,312	44,284		520,431
2027 Senior Notes	USD100	2022/5/17	5 years	USD550 million		357,936	11,333	22,069		382,170
Total	/	/	/	USD2.1 billion	984,096	357,936	42,561	114,420	21,202	1,437,773

Information on bonds payable:

#### 1. VEYONG 3.375% 2026

On May 12, 2021, ENN Clean Energy International Investment Limited, a wholly-owned subsidiary of the Company, issued USD800 million of senior notes at an interest rate of 3.375% ("VEYONG 3.375% 2026"); the interest payment dates fell on May 12 and November 12 of each year commencing on November 12, 2021; the interest accrual dates fell on April 27 and October 28, until the notes mature in 2026. The bonds will be unconditionally guaranteed by ENN Natural Gas Co., Ltd. According to terms and conditions of these senior notes, from May 12, 2024, the issuer may choose to redeem all or any part of the notes at any time within a period of 12 months commencing on May 12 of each year, and the redemption price will be at 101.688% of the price in 2024 and 100.844% of the price in 2025; the issuer may redeem all, but not any part, of the bonds at its option at any time prior to May 12, 2024 at a redemption price equivalent to 100% of the principal amount of the notes to be redeemed, plus a insurance premium for accrued and unpaid interest (if any) applicable to, but not including, the date of redemption. In September 2022 and October 2022, the Company repurchased the principal amount of USD18.95 million and USD11.05 million (equivalent to RMB133 million and RMB78 million) at the open market and canceled the bonds in December 2022.

## VII. Notes to the Items in the Consolidated Financial Statements (Continued)

### 51. Bonds payable (Continued)

*(2). Increase or decrease in bonds payable: (excluding other financial instruments such as preferred share and perpetual bonds classified as financial liabilities) (Continued)*

**2. 2030 Senior Notes**

On September 17, 2020, the subsidiary ENN Energy Holdings Limited issued senior notes with a total face value of USD750 million (equivalent to about RMB5.137 billion) and an interest rate of 2.625% ("2030 Senior Notes") and the net amount after deducting the issue cost was USD739 million (equivalent to about RMB5.065 billion). The senior notes will expire on September 17, 2030. Subject to the terms and conditions of these notes, the issuer may, by not less than 30 days or 60 days' notice to the holders of the notes, redeem all (but not part) of the bonds at any time or from time to time at the aggregate price of the bonds to the date of redemption (excluding the date of redemption) and pay the full amount of early redemption plus unpaid interest calculated up to but excluding the date of redemption.

**3. 2027 Senior Notes**

On May 17, 2022, the subsidiary ENN Energy Holdings Limited issued senior notes with a face value of USD550 million and an interest rate of 4.625% ("2030 Senior Notes") and the net amount after deducting the issue cost was USD545 million. The senior notes will expire on May 17, 2027. Subject to the terms and conditions of these notes, the issuer may, by not less than 30 days but not more than 60 days' notice to the holders of the notes, redeem all (but not part) of the unsecured bonds at any time or from time to time at the aggregate price of the bonds to the date of redemption (excluding the date of redemption) and pay the full amount of early redemption plus unpaid interest calculated up to but excluding the date of redemption.

*(3). Conditions and time of conversion of convertible corporate bonds*

☐ Applicable    ☒ N/A

*(4). Other financial instruments that are classified into financial liabilities*

Basic information on other outstanding financial instruments such as preferred share and perpetual bond at the end of the period

☐ Applicable    ☒ N/A

Statement of changes in other outstanding financial instruments such as preferred share and perpetual bond at the end of the period

☐ Applicable    ☒ N/A

Basis for classification of other financial instruments into financial liabilities:

☐ Applicable    ☒ N/A

Other information:

☐ Applicable    ☒ N/A

## VII. Notes to the Items in the Consolidated Financial Statements (Continued)

### 52. Lease liabilities

☒ Applicable ☐ N/A

Unit: RMB'0000 Currency: RMB

Item	Closing balance	Opening balance
Lease liabilities	30,977	32,325
Total	30,977	32,325

### 53. Long-term payables

#### *Presentation of items*

☒ Applicable ☐ N/A

Unit: RMB'0000 Currency: RMB

Item	Closing balance	Opening balance
Long-term payables	157,114	166,639
Special payables		
Total	157,114	166,639

Other information:

☐ Applicable ☒ N/A

## VII. Notes to the Items in the Consolidated Financial Statements (Continued)

### 53. Long-term payables (Continued)

#### *Long-term payables*

##### (1). Presentation of long-term payables by nature of payment

☒ Applicable ☐ N/A

Unit: RMB'0000 Currency: RMB

Item	Closing balance	Opening balance
Financing lease		3,769
Installment payable for M&A consulting fee	385	
Installment payable for acquisition of intangible assets	156,729	162,870
Total	157,114	166,639

#### *Special payables*

##### (1). Presentation of long-term payables by nature of payment

☐ Applicable ☒ N/A

### 54. Long-term Payroll payable

☐ Applicable ☒ N/A

### 55. Anticipation liabilities

☐ Applicable ☒ N/A

### 56. Deferred income

#### *Information on deferred income*

☒ Applicable ☐ N/A

Unit: RMB'0000 Currency: RMB

Item	Opening balance	Current increase	Current decrease	Closing balance	Reason
Government subsidies	96,747	21,926	6,789	111,884	Asset-related and income-related government subsidies
Total	96,747	21,926	6,789	111,884	/

## VII. Notes to the Items in the Consolidated Financial Statements (Continued)

### 56. Deferred income (Continued)

#### Information on deferred income (Continued)

Projects involving government subsidies:

√ Applicable    □ N/A

Unit: RMB'0000    Currency: RMB

Liability item	Opening balance	Amount of newly granted subsidies during this period	Amount included in non-operating income during current period	Amount included in other income during current period	Other changes	Closing balance	Asset-related/ income related
Refund on land	2,264			53		2,211	Asset-related
Government subsidy on induced draft fan and integral electric bag hybrid dust removing device	249			30		219	Asset-related
Special subsidy on power demand side	30			9		21	Asset-related
Water pollution prevention and treatment fund	126			35		91	Asset-related
Industrial internet innovation and development demonstration project	17			5		12	Asset-related
Subsidies on replacing coal with gas	24,106	60		839		23,327	Asset-related
Subsidies on pipeline network demolition and construction	6,770			265		6,505	Asset-related
Subsidies on emergency gas storage facilities	9,757			125		9,632	Asset-related
Subsidies on pipeline modification	16,170	5,144		517		20,797	Asset-related
Subsidies on land	2,771			90		2,681	Asset-related
Subsidies on distributed energy project of natural gas	2,860	791		164		3,487	Asset-related
Energy station projects	828			140		688	Asset-related
Xinchaoyang integrated microenergy network demonstration project	983			42		941	Asset-related
Subsidies on new passenger station project	721			120		601	Asset-related
Subsidies on phasing out coal-fired heating boilers	3,244	61		113		3,192	Asset-related
Renovation of old urban residential communities	731	7,976				8,707	Asset-related
Subsidies on guaranteed supply	1,143	2,835			-2,581	1,397	Income-related
Subsidy for change from bottle to pipe	1,406	368		34		1,740	Asset-related
SOFC co-generation project	670					670	Asset-related
Natural gas receiving terminal project		2,379		10		2,369	Asset-related
Others	21,901	2,312		1,617		22,596	Asset-related
Total	96,747	21,926		4,208	-2,581	111,884	

Other information:

□ Applicable    √ N/A

## VII. Notes to the Items in the Consolidated Financial Statements (Continued)

### 57. Other non-current liabilities

√ Applicable    □ N/A

Unit: RMB'0000    Currency: RMB

Item	Closing balance	Opening balance
<b>Derivative financial liabilities included in other non-current liabilities:</b>		
Non-hedging derivatives		
Including: Foreign exchange derivative contracts		
Commodity derivative contracts		85,875
Derivatives designated as hedging instrument		
Including: Foreign exchange derivative contracts	4,841	530
Commodity derivative contracts		48,729
<b>Contract liabilities included in other non-current liabilities</b>	284,694	319,097
<b>Total</b>	<b>289,535</b>	<b>454,231</b>

Other information:

1. Please refer to "Note VII-4 Derivative Financial Assets" for details on the foreign exchange derivative contracts and commodity derivative contracts.
2. The year-on-year decrease in other non-current liabilities by 36.26% was mainly attributable to the change of maturity of derivative financial instruments held by subsidiaries of the Company to be within one year from long term during the Reporting Period and the reclassification of derivative financial instruments to be presented under other non-current liabilities as derivative financial liabilities.

## VII. Notes to the Items in the Consolidated Financial Statements (Continued)

### 58. Share capital

☒ Applicable ☐ N/A

Unit: RMB'0000 Currency: RMB

	Opening balance	Current increase or decrease (+, -)				Subtotal	Closing balance
		Issue of new shares	Share donation	Reserved fund converted into share capital	Other		
Total number of shares	284,585	25,281				25,281	309,866

### 59. Other equity instruments

(1). *Basic information on other outstanding financial instruments such as preferred share and perpetual bond at the end of the period*

☐ Applicable ☒ N/A

(2). *Statement of changes in outstanding financial instruments such as preferred share and perpetual bond at the end of the period*

☐ Applicable ☒ N/A

Increase or decrease in other equity instruments, reason for such changes change and relevant accounting treatment basis:

☐ Applicable ☒ N/A

Other information:

☐ Applicable ☒ N/A

### 60. Capital reserve

☒ Applicable ☐ N/A

Unit: RMB'0000 Currency: RMB

Item	Opening balance	Current increase	Current decrease	Closing balance
Capital premium (share capital premium)	452,774	406,764	857,016	2,522
Other capital reserves	14,376	7,363	4,865	16,874
Total	467,150	414,127	861,881	19,396

## VII. Notes to the Items in the Consolidated Financial Statements (Continued)

### 60. Capital reserve (Continued)

Other information including current increase or decrease and reason for such change:

1. The current increase in the capital premium (share capital premium) was attributable to the inclusion of the capital premium amounting to RMB4,022.19 million in the non-public offering by the Company into the capital reserve during the Reporting Period.
2. The current decrease in the capital premium (share capital premium) was attributable to the acquisition of 90% shares in ENN Zhoushan by the Company via combination under common control during the Reporting Period. The business combination under common control was realized in the current period, the increased capital reserve incurred from the adjustment of the data in the comparable statements was reversed in the current period, leading to the corresponding decrease in capital reserve by RMB1,795.95 million. The recovery of retained earnings before the date of combination with ENN Zhoushan decreased the capital reserve by RMB997.75 million. The balance between the initial investment cost for long-term equity investments and the cash paid at the time of combination decreased the capital reserve by RMB5,756.3 million.
3. The current increase in other capital reserves was mainly attributable to the expenses for restricted shares allocated and recognized by the Company during the Reporting Period, the expenses for stock option allocated and recognized by the Company's subsidiary ENN Holdings Company as well as the exercise of stock option.
4. The current decrease in other capital reserves was mainly attributable to the transfer of stock option incentive included in other capital reserves to the capital premium resulted from the satisfaction of conditions for removal of restrictions on sale during the first Unrestricted Period for first grant and reserved grant under the 2021 Restricted Stock Incentive Plan.

### 61. Treasury shares

√ Applicable    ☐ N/A

Unit: RMB'0000    Currency: RMB

Item	Opening balance	Current increase	Current decrease	Closing balance
Treasury shares	12,545	10,064	3,427	19,182
Total	12,545	10,064	3,427	19,182

Other information including current increase or decrease and reason for such change:

1. The current increase in treasury stock was attributable to repurchase of the Company's shares by the Company through centralized competitive-price transaction during the Reporting Period.
2. The current decrease in treasury stock was attributable to the write-off of repurchase obligation recognized resulted from the satisfaction of conditions for removal of restrictions on sale during the first Unrestricted Period under the 2021 Restricted Stock Incentive Plan.



## VII. Notes to the Items in the Consolidated Financial Statements (Continued)

### 62. Other comprehensive income

√ Applicable    □ N/A

Unit: RMB'0000    Currency: RMB

Item	Amount incurred in current period							Closing balance
	Opening balance	Incurred amount before current income tax	Less:	Less: Recorded	Less: Income tax expenses	Amount attributable to parent company, net of tax	Amount attributable to minority shareholders, net of tax	
			Comprehensive income transferred to profit or loss which previously recognized as other comprehensive income	in other comprehensive income in previous periods and transferred into retained earnings in current period				
I. Other comprehensive income that cannot be reclassified into profit or loss	932	-1,781		-1,111	-414	508	-764	1,440
Including: Re-measurement of the amount of changes in the defined benefit plans								
Other comprehensive income that cannot be transferred to profit or loss under the equity method								
Changes in fair value of other equity instrument	932	-1,781		-1,111	-414	508	-764	1,440
Changes in fair value of enterprise's own credit risk								
II. Other comprehensive income can reclassified into profits or loss	26,527	185,337	201,958		-4,324	17,868	-30,165	44,395
Including: Other comprehensive income that can be included in profit or loss under equity method								
Changes in the fair value of other debt investments								
Amount of financial assets reclassified into other comprehensive income								
Provision for credit impairment of other debt investments								
Cash flow hedging reserve	7,890	155,970	201,958		-4,478	-4,097	-37,413	3,793
Conversion difference of foreign currency financial statements	17,889	28,166				21,888	6,278	39,777
Others	748	1,201			154	77	970	825
Total other comprehensive income	27,459	183,556	201,958	-1,111	-4,738	18,376	-30,929	45,835

Other information including the adjustment to the effective part of the cash flow hedge gain or loss converted into the amount initially recognized for the hedged item:

The year-on-year increase in other comprehensive income by 66.92% was mainly attributable to the increased difference arising from the translation of foreign currency financial statements of the Company's overseas subsidiaries.

## VII. Notes to the Items in the Consolidated Financial Statements (Continued)

### 63. Special reserve

√ Applicable    □ N/A

Unit: RMB'0000    Currency: RMB

Item	Opening balance	Current increase	Current decrease	Closing balance
Work safety costs	4,291	19,124	18,193	5,222
Coal mine maintenance fee		5,006	5,006	
<b>Total</b>	<b>4,291</b>	<b>24,130</b>	<b>23,199</b>	<b>5,222</b>

### 64. Surplus reserve

√ Applicable    □ N/A

Unit: RMB'0000    Currency: RMB

Item	Opening balance	Current increase	Current decrease	Closing balance
Statutory surplus reserve	22,415	10,696		33,111
<b>Total</b>	<b>22,415</b>	<b>10,696</b>		<b>33,111</b>

Information on surplus reserve including current increase or decrease and reason for such change:

The year-on-year increase in surplus reserve by 47.72% was mainly attributable to the provision of statutory surplus reserve by the Company during the Reporting Period.

### 65. General risk provision

Unit: RMB'0000    Currency: RMB

Item	Opening balance	Current provision	Current decrease	Closing balance
General risk provision	17,464	1,375		18,839
<b>Total</b>	<b>17,464</b>	<b>1,375</b>		<b>18,839</b>

Other information:

The general provision was made pursuant to the provisions of the *Administrative Measures for the Provision of Reserves of Financial Enterprises* (Cai Jin [2012] No. 20) issued by the Ministry of Finance.

## VII. Notes to the Items in the Consolidated Financial Statements (Continued)

### 66. Undistributed profit

√ Applicable    □ N/A

Unit: RMB'0000    Currency: RMB

Item	Current period	Previous period
Undistributed profit at the end of last period before adjustment	854,115	535,146
Total undistributed profits at the beginning of the adjustment period (+ for increase, - for decrease)	6,725	-61,312
Undistributed profit at the beginning of the period after adjustment	860,840	473,834
Add: Net profit attributable to owners of parent company during the current period	584,391	463,178
Less: Appropriation of statutory surplus reserve	10,696	22,415
Appropriation of discretionary surplus reserve		
Provision for general risk	1,375	2,440
Payable dividends on ordinary shares	87,324	54,050
Dividends on ordinary shares transferred to share capital		
Others	1,111	-2,733
Undistributed profit at the end of the period	1,344,725	860,840

#### 1. Details of the adjustment to the undistributed profit at the beginning of the period:

- (1) The undistributed profit of RMB150.24 million at the end of previous period was affected due to the changes in accounting policies.
- (2) The undistributed profit of RMB67.25 million at the beginning of current period and undistributed profit of RMB462.88 million at the beginning of previous period were affected due to the change in scope of combination resulted from common control.

#### 2. The year-on-year increase in undistributed profit by 56.21% was mainly attributable to the year-on-year increase in the net profit attributable to owners of parent company during the Reporting Period.

## VII. Notes to the Items in the Consolidated Financial Statements (Continued)

### 67. Operating income and operating cost

#### (1). Information on operating income and operating cost

☒ Applicable ☐ N/A

Unit: RMB'0000 Currency: RMB

Item	Amount incurred in the current period		Amount incurred in the previous period	
	Income	Cost	Income	Cost
Primary business	15,300,214	13,012,048	11,526,156	9,552,265
Other business	104,203	58,215	52,707	10,678
Total	15,404,417	13,070,263	11,578,863	9,562,943

Other information:

The year-on-year increase in operating income by 33.04% and operating cost by 36.68% was mainly attributable to the rise in unit price of natural gas business (retail, wholesale and direct selling) of the subsidiaries to the Company and growth of the integrated energy business.

#### (2). Revenue generated from contracts

☒ Applicable ☐ N/A

Unit: RMB'0000 Currency: RMB

Classification of contracts	ENN Natural Gas Co., Ltd.	Total
Type of goods		
Retail of natural gas	7,005,119	7,005,119
Wholesale of natural gas	3,383,405	3,383,405
Direct sale of natural gas	1,631,376	1,631,376
Construction and installation	844,056	844,056
Sale and services of integrated energy	1,205,165	1,205,165
Energy production	855,081	855,081
Value-added business	353,356	353,356
Infrastructure operation	22,656	22,656
Total	15,300,214	15,300,214

Information on revenue generated from contracts:

☐ Applicable ☒ N/A

## VII. Notes to the Items in the Consolidated Financial Statements (Continued)

### 67. Operating income and operating cost (Continued)

#### (3). Information on performance obligations

☐ Applicable ☒ N/A

#### (4). Information on apportionment to the remaining performance obligations

☒ Applicable ☐ N/A

At the end of the Reporting Period, the revenue attributable to the performance obligations that have been contracted for but not yet performed or have not been performed in full was RMB9,029.83 million.

Other information:

The revenue from trial operation and sale during the Reporting Period was RMB4.85 million and the cost was RMB3.29 million.

### 68. Interest revenue and interest expense

Unit: RMB'0000 Currency: RMB

Item	Amount incurred in the current period	Amount incurred in the previous period
Interest revenue	12,454	11,051
Including: Loan interest revenue	327	803
Discount interest revenue	30	28
Revenue from interests on transactions among financial institutions	2,789	2,726
Lease interest revenue	2,399	1,870
Factoring interest revenue	6,909	5,624
Interest expense	2,135	1,784

### 69. Fee and commission revenue and fee and commission expense

Unit: RMB'0000 Currency: RMB

Item	Amount incurred in the current period	Amount incurred in the previous period
Fee and commission revenue	10	85
Including: Entrusted loan	5	5
Lease		70
Others	5	10
Fee and commission expense	311	170

## VII. Notes to the Items in the Consolidated Financial Statements (Continued)

### 70. Taxes and surcharges

√ Applicable    □ N/A

Unit: RMB'0000    Currency: RMB

Item	Amount incurred in the current period	Amount incurred in the previous period
Urban maintenance and construction tax	10,942	10,500
Education surcharge	8,211	8,403
Resources tax	26,663	19,767
Property tax	5,109	4,699
Land use tax	5,269	5,247
Stamp duty	9,588	8,549
Charges collected by the local government	1,796	3,451
Environmental protection tax	47	56
Water resources tax	463	544
Farming land occupation tax	967	1,427
Consumption tax	7,780	
Others	1,576	1,472
Total	78,411	64,115

### 71. Selling expenses

√ Applicable    □ N/A

Unit: RMB'0000    Currency: RMB

Item	Amount incurred in the current period	Amount incurred in the previous period
Employee compensation	86,228	86,678
Travel expense	1,808	2,005
Advertising, publicity and promotion fees	1,950	3,084
Entertainment expense	779	661
Tenancy expense	1,427	1,576
Maintenance fee	27,719	27,668
Depreciation expense	18,720	14,003
Commission fee for products commissioned to sell	599	487
Communication expense	539	379
Others	8,732	8,137
Total	148,501	144,678

## VII. Notes to the Items in the Consolidated Financial Statements (Continued)

### 72. Administrative expenses

√ Applicable    ☐ N/A

Unit: RMB'0000    Currency: RMB

Item	Amount incurred in the current period	Amount incurred in the previous period
Employee compensation	226,736	197,092
Repair cost	11,876	12,411
Depreciation and amortization	60,912	52,285
Office & travel expenses	15,892	15,336
Entertainment expense	20,878	20,866
Vehicle cost	6,989	6,893
Fees for intermediaries	19,409	16,537
Water and electricity expenses	2,903	2,405
Property insurance premium	3,599	3,305
Tenancy expense	3,065	751
Amortization of share purchase right	9,230	12,665
Others	30,652	18,791
Total	412,141	359,337

### 73. Research and development expense

√ Applicable    ☐ N/A

Unit: RMB'0000    Currency: RMB

Item	Amount incurred in the current period	Amount incurred in the previous period
Employee compensation	43,318	38,674
Depreciation expense	13,242	10,883
Materials	55,096	36,889
Experiment and test fee	616	106
Water and electricity expenses	2,456	2,825
Consultation expense	962	1,379
Others	6,324	16,507
Total	122,014	107,263

## VII. Notes to the Items in the Consolidated Financial Statements (Continued)

### 74. Financing expense

√ Applicable    ☐ N/A

Unit: RMB'0000    Currency: RMB

Item	Amount incurred in the current period	Amount incurred in the previous period
Interest expense	137,166	122,531
Add: Interest revenue	-13,618	-17,005
Exchange loss (or gain)	159,780	-47,136
Bank charges	8,139	10,535
Others	1,853	110
Total	293,320	69,035

Other information:

The year-on-year increase in finance cost by 324.89% was mainly attributable to the exchange loss of the US dollar debts held by the subsidiaries of the Company as a result of RMB depreciation during the Reporting Period.

### 75. Other income

√ Applicable    ☐ N/A

Unit: RMB'0000    Currency: RMB

Item	Amount incurred in the current period	Amount incurred in the previous period
Government subsidies directly included in profit or loss	28,661	26,616
Value Added Tax refund	5,952	8,090
Amortization of deferred income	4,208	3,882
Others	3,398	969
Total	42,219	39,557



## VII. Notes to the Items in the Consolidated Financial Statements (Continued)

### 76. Investment income

☒ Applicable   ☐ N/A

Unit: RMB'0000   Currency: RMB

Item	Amount incurred in the current period	Amount incurred in the previous period
Income from long-term equity investment calculated by equity method	13,268	53,844
Investment income from disposal of long-term equity investments	385	12,847
Dividend revenue from other equity instrument investments during the holding period	717	736
Interest revenue from debt investment during the holding period		365
Investment income from disposal of trading financial assets	3,002	4,144
Settlement gains and losses arising from derivative financial instruments	52,357	26,902
Gain or loss from re-measurement of previously held equity	213	168
Investment income from other non-current financial assets during the holding period	12,658	19,749
Investment income from disposal of other non-current financial assets		-603
Income from debt restructuring	2,051	-266
Others		1
Total	84,651	117,887

### 77. Exchange gain

Unit: RMB'0000   Currency: RMB

Item	Amount incurred in the current period	Amount incurred in the previous period
Exchange gain	-41	3

### 78. Net exposure hedging income

☐ Applicable   ☒ N/A

## VII. Notes to the Items in the Consolidated Financial Statements (Continued)

### 79. Income from changes in fair values

√ Applicable    □ N/A

Unit: RMB'0000    Currency: RMB

Source of gains on changes in fair value	Amount incurred in the current period	Amount incurred in the previous period
Gains on changes in fair value of financial assets measured at fair value	116,912	38,706
Investment real estate measured at fair value	-3,466	879
Unrealized gains on ineffective portion of cash flow hedge	2,498	5,749
Gains on changes in fair value arising from cash-settled share-based payment in liabilities	968	316
Total	116,912	45,650

Other information:

The gains on change in fair value increased by 156.11% year-on-year, mainly due to the increase in the fair value of the derivative financial instruments held by subsidiaries of the Company during the Reporting Period.

### 80. Credit impairment loss

√ Applicable    □ N/A

Unit: RMB'0000    Currency: RMB

Item	Amount incurred in the current period	Amount incurred in the previous period
Bad debt loss on notes receivable	-7	17
Bad debt loss on accounts receivable	-23,828	-13,670
Bad debt loss on other receivables	-5,337	-13
Bad debt loss on long-term receivables	275	139
Impairment loss on debt investments	-288	-3
Bad debt loss on loans and advances	46	25
Bad debt loss on other current assets	-771	878
Bad debt loss on non-current assets due within one year	-919	18
Total	-30,829	-12,609

Other information:

The year-on-year increase in credit impairment loss by RMB182 million was mainly caused by the corresponding increase in the provision for impairment made due to the increase in the balance of long-aged receivables of the subsidiaries of the Company in the Reporting Period as compared with the same period of the previous year.

## VII. Notes to the Items in the Consolidated Financial Statements (Continued)

### 81. Assets impairment loss

√ Applicable    ☐ N/A

Unit: RMB'0000    Currency: RMB

Item	Amount incurred in the current period	Amount incurred in the previous period
I. Bad debt loss		
II. Loss of decline in value of inventories and impairment loss on contract performance cost		-39,110
III. Impairment loss on long-term equity investments		-1,563
IV. Impairment loss on fixed-assets	-9,293	-1,768
V. Impairment loss on project materials		
VI. Impairment loss on construction in progress	-66	-1,310
VII. Impairment loss on intangible assets	-3,309	
VIII. Impairment loss on goodwill		
IX. Impairment loss on contract assets	-11,619	-1,265
X. Others		
<b>Total</b>	<b>-24,287</b>	<b>-45,016</b>

Other information:

The assets impairment loss decreased by RMB207 million year-on-year, mainly due to the provisions for decline in value of inventories made by subsidiaries of the Company during the Reporting Period.

### 82. Gains on disposal of assets

√ Applicable    ☐ N/A

Unit: RMB'0000    Currency: RMB

Item	Amount incurred in the current period	Amount incurred in the previous period
Gain on the disposal of fixed assets	-14,765	-6,308
Gain on the disposal of intangible assets	6,821	3,365
<b>Total</b>	<b>-7,944</b>	<b>-2,943</b>

Other information:

The gains on disposal of assets decreased by RMB50 million year-on-year, mainly due to the increase in net losses arising from disposal of fixed assets of the Company's subsidiaries during the Reporting Period.

## VII. Notes to the Items in the Consolidated Financial Statements (Continued)

### 83. Non-operating income

#### Information on non-operating income

☒ Applicable ☐ N/A

Unit: RMB'0000 Currency: RMB

Item	Amount incurred in the current period	Amount incurred in the previous period	Amount included in current nonrecurring gain or loss
Total gains on disposal of non-current assets			
Including: Gain on disposal of fixed assets			
Gain on disposal of intangible assets			
Gain on non-monetary assets exchange			
Donations accepted			
Government subsidies			
Gains on inventory profit	347	447	347
Income from default	742	2,162	742
Unpayable accounts payable	4,000	3,759	4,000
Gain on disposal of waste and old materials	1,200	1,886	1,200
Compensation income	1,862	5,500	1,862
Others	1,699	2,711	1,699
Total	9,850	16,465	9,850

Government subsidy included in current profit or loss

☐ Applicable ☒ N/A

Other information:

☒ Applicable ☐ N/A

Non-operating income decreased by 40.18% year-on-year, mainly due to the decrease in compensation received by subsidiaries of the Company during the Reporting Period.

## VII. Notes to the Items in the Consolidated Financial Statements (Continued)

### 84. Non-operating expense

√ Applicable    ☐ N/A

Unit: RMB'0000    Currency: RMB

Item	Amount incurred in the current period	Amount incurred in the previous period	Amount included in current nonrecurring gain or loss
Total losses on disposal of non-current assets	440	1,239	440
Including: Loss on disposal of fixed assets	440	1,239	440
Loss on disposal of intangible assets			
Loss on non-monetary assets exchange			
External donations	2,442	11,039	2,442
Penalty expense	3,790	1,504	3,790
Loss on disposal of waste and old materials	2,439	3,010	2,439
Compensation expense	1,755	2,979	1,755
Others	1,771	3,206	1,771
Total	12,637	22,977	12,637

Other information:

Non-operation expense decreased by 45% year-on-year, mainly due to more donations made by the subsidiaries of the Company over the same period of previous year.

### 85. Income tax expenses

#### (1). Schedule of income tax expenses

√ Applicable    ☐ N/A

Unit: RMB'0000    Currency: RMB

Item	Amount incurred in the current period	Amount incurred in the previous period
Current income tax expense	344,255	273,012
Deferred income tax expense	16,017	31,263
Total	360,272	304,275

## VII. Notes to the Items in the Consolidated Financial Statements (Continued)

### 85. Income tax expenses (Continued)

#### (2). Adjustment process of accounting profit and income tax expense

☒ Applicable ☐ N/A

Unit: RMB'0000 Currency: RMB

Item	Amount incurred in the current period
Gross profit	1,467,679
Income tax expense calculated at statutory/applicable tax rate	366,920
Effect from the application of different tax rates by subsidiaries	-82,299
Effect from adjustment to the income tax of previous periods	-5,806
Effect from non-taxable income	-6,640
Effect from non-deductible costs, expenses and losses	4,240
Effect from use of deductible losses of deferred income tax assets not recognized in the previous period	-10,771
Effect from deductible temporary differences or deductible losses of deferred income tax assets not recognized during the current period	97,875
Others	-3,247
Income tax expense	360,272

Other information:

☐ Applicable ☒ N/A

### 86. Other comprehensive income

☒ Applicable ☐ N/A

See the "Note VII-62 Other Comprehensive Income" for details.

## VII. Notes to the Items in the Consolidated Financial Statements (Continued)

### 87. Items in cash flow statement

#### (1). Other cash received relating to operating activities

☒ Applicable ☐ N/A

Unit: RMB'0000 Currency: RMB

Item	Amount incurred in the current period	Amount incurred in the previous period
Interest income from bank deposits	13,618	13,709
Government subsidy income	54,049	41,312
Performance bond and deposit received	14,723	20,860
Total	82,390	75,881

#### (2). Other cash paid relating to operating activities

☒ Applicable ☐ N/A

Unit: RMB'0000 Currency: RMB

Item	Amount incurred in the current period	Amount incurred in the previous period
Administration expenses paid in cash	115,338	128,063
Selling expenses paid in cash	43,553	45,641
Research and development expenses paid in cash	65,454	56,988
Charges from financial institutions	8,225	9,645
Performance bond and deposit paid in cash	4,775	3,214
Total	237,345	243,551

## VII. Notes to the Items in the Consolidated Financial Statements (Continued)

### 87. Items in cash flow statement (Continued)

#### (3). Other cash received relating to investing activities

☒ Applicable ☐ N/A

Unit: RMB'0000 Currency: RMB

Item	Amount incurred in the current period	Amount incurred in the previous period
Cash received as borrowings from related parties	20,324	35,863
Third party entity repayments	312	1,344
Decrease in restricted bank deposits	17,990	
Others	4,315	
Total	42,941	37,207

#### (4). Other cash paid relating to investing activities

☒ Applicable ☐ N/A

Unit: RMB'0000 Currency: RMB

Item	Amount incurred in the current period	Amount incurred in the previous period
Cash paid as borrowings to related parties	43,722	35,610
Option proceeds	6,824	995
Increase in restricted bank deposits		31,593
Others	1,600	
Total	52,146	68,198



## VII. Notes to the Items in the Consolidated Financial Statements (Continued)

### 87. Items in cash flow statement (Continued)

#### (5). Other cash received relating to financing activities

☒ Applicable ☐ N/A

Unit: RMB'0000 Currency: RMB

Item	Amount incurred in the current period	Amount incurred in the previous period
Cash received from affiliates relating to financing	21,182	137,643
Received bill discounts, bills maturity acceptance, bank acceptance bill deposit	41,810	19,385
Financing lease received	1,483	
Transfer of equity under common control		32,580
Others	14,811	
<b>Total</b>	<b>79,286</b>	<b>189,608</b>

Information on other cash received relating to financing activities

The other cash received relating to financing activities decreased by 58.18% year-on-year mainly due to the decreased current accounts among associates and joint ventures received by the subsidiaries of the Company.

#### (6). Other cash paid relating to financing activities

☒ Applicable ☐ N/A

Unit: RMB'0000 Currency: RMB

Item	Amount incurred in the current period	Amount incurred in the previous period
Cash paid to affiliates relating to financing	13,821	76,815
Share repurchase	10,067	
Acquisition of shares under common control	433,677	284,455
Principal, rent rate and charges from financial lease	34,866	59,497
Payment of bank acceptance bill due	19,385	10,843
Others	4,647	1,944
<b>Total</b>	<b>516,463</b>	<b>433,554</b>

## VII. Notes to the Items in the Consolidated Financial Statements (Continued)

### 88. Supplementary information on cash flow statement

#### (1). Supplementary information on cash flow statement

√ Applicable    ☐ N/A

Unit: RMB'0000    Currency: RMB

Supplementary information	Amount incurred in the current period	Amount incurred in the previous period
1. Adjusting the net profit to cash flow from operating activities:		
Net profit	1,107,407	1,112,416
Add: Assets impairment provision	24,287	45,016
Credit impairment loss	30,829	12,609
Depreciation of fixed assets, loss of oil-gas assets, depreciation of Productive biological assets	320,092	282,256
Amortization of right-of-use assets	13,536	14,531
Amortization of intangible assets	61,817	49,438
Amortization of long-term prepaid expenses	13,739	10,755
Loss on disposal of fixed assets, intangible assets and other long-term assets (gain expressed with "-")	7,944	2,943
Loss on scrapping of fixed assets (gain expressed with "-")	1,679	2,363
Loss on changes in fair value (gain expressed with "-")	-116,912	-45,650
Financing cost (gain expressed with "-")	296,946	75,394
Investment loss (gain expressed with "-")	-84,651	-117,888
Decrease in deferred income tax assets (increase expressed with "-")	-8,549	-17,464
Increase in deferred income tax liabilities (decrease expressed with "-")	18,452	53,109
Decrease in inventories (increase expressed with "-")	74,158	-155,664
Decrease in operating receivables items (increase expressed with "-")	-189,433	-447,076
Increase in operating payables items (decrease expressed with "-")	-70,763	539,416
Others		
Net amount of cash flow from operating activities	1,500,578	1,416,504
2. Major investing and financing activities that do not involve cash receipt and payment:		
Conversion of debt to capital		
Convertible corporate bonds maturing within one year		
Fixed assets under financing lease		
3. Net change in cash and cash equivalents:		
Closing balance of cash	1,095,554	1,241,341
Less: Opening balance of cash	1,241,341	1,187,301
Add: Closing balance of cash equivalents		
Less: Opening balance of cash equivalents		
Net increase in cash and cash equivalents	-145,787	54,040

## VII. Notes to the Items in the Consolidated Financial Statements (Continued)

### 88. Supplementary information on cash flow statement (Continued)

#### (2). Net cash paid to acquire subsidiaries in current period

☒ Applicable ☐ N/A

Unit: RMB'0000 Currency: RMB

	Amount
Cash or cash equivalents paid in current period for business combination incurred in current period	1,730
Ruzhou Yurun Natural Gas Co., Ltd.	1,730
Less: Cash and cash equivalents held by subsidiaries on the date of purchase	1
Ruzhou Yurun Natural Gas Co., Ltd.	1
Add: Cash or cash equivalents paid in current period for business combinations incurred in previous periods	5,923
Shouning County Zhongqi New Energy Co., Ltd.	120
Gutian County Zhongqi New Energy Co., Ltd.	738
Nanfeng County Zhongqi New Energy Co., Ltd.	245
Xiapu County Zhongqi New Energy Co., Ltd.	249
Luoyang Shunhe Energy Co., Ltd.	1,480
Harbin ENN Gas Co., Ltd.	2,714
ENN Biomass Energy (Tianjin) Co., Ltd.	100
Shangshui ENN Energy Development Co., Ltd.	201
Langfang Hengsheng Heating Supply Co., Ltd.	76
Net cash paid to acquire subsidiaries	7,652

#### (3). Net cash received from disposal of subsidiaries in the current period

☒ Applicable ☐ N/A

Unit: RMB'0000 Currency: RMB

	Amount
Cash or cash equivalents received in current period from disposal of subsidiaries incurred in current period	8,180
Dingyuan Runran Gas Co., Ltd.	2,234
Shijiazhuang ENN City Gas Development Co., Ltd.	5,746
Jiande ENN Energy Development Co., Ltd.	200
Less: Cash and cash equivalents held by subsidiaries on the date of losing control	218
Dingyuan Runran Gas Co., Ltd.	210
Jiande ENN Energy Development Co., Ltd.	8
Add: Cash or cash equivalents received in current period from disposal of subsidiaries incurred in previous periods	
Net cash received from disposal of subsidiaries	7,962

## VII. Notes to the Items in the Consolidated Financial Statements (Continued)

### 88. Supplementary information on cash flow statement (Continued)

#### (4). Composition of cash and cash equivalents

☒ Applicable ☐ N/A

Unit: RMB'0000 Currency: RMB

Item	Closing balance	Opening balance
I. Cash	1,095,554	1,241,341
Including: Cash on hand	926	1,130
Bank deposits readily available for payment	787,400	1,016,786
Other monetary capital readily available for payment	22,111	1,326
Deposits with central bank available for payment		
Inter-bank deposits	285,117	222,099
Inter-bank offers		
II. Cash equivalents		
Including: Bond investment due within three months		
III. Closing balance of cash and cash equivalents	1,095,554	1,241,341
Including: Restricted cash and cash equivalents used by the parent company or subsidiaries within the group		

Other information:

☐ Applicable ☒ N/A

### 89. Notes on the statement of changes in owners' equity

Name and amount of "Others" item for which adjustment have been made to the balance at the end of previous year:

☐ Applicable ☒ N/A

## VII. Notes to the Items in the Consolidated Financial Statements (Continued)

### 90. Assets with restricted ownership or use right

√ Applicable    □ N/A

Unit: RMB'0000    Currency: RMB

Item	Closing book value	Reasons for restriction
Monetary capital	113,371	Legal reserves deposited in the central bank, bank acceptance bill margin, etc.
Fixed assets	14,902	Loan mortgage
Intangible assets	26,052	Loan mortgage
Trading financial assets	2,560	Pledge of structural deposits
Total	156,885	/

Other information:

1. The restricted monetary capital is mainly represented by reserves and margins of the Company in various financial institutions, primarily including statutory reserves amounting to RMB417 million and bank acceptance margins amounting to RMB226 million deposited in the central bank.
2. The gas charging right of some subsidiaries was pledged by the Company as security for obtaining credit facilities from banks.

## VII. Notes to the Items in the Consolidated Financial Statements (Continued)

### 91. Monetary items in foreign currency

#### (1). Monetary items in foreign currency

√ Applicable    ☐ N/A

Unit: RMB'0000

Item	Closing balance in foreign currency	Exchanged rate for conversion	Closing balance converted to RMB
Monetary capital			
Including: USD	23,025	6.9646	160,360
HKD	7,864	0.8933	7,025
EUR	3	7.4229	22
AUD	19	4.7138	90
GBP	2	8.3941	17
SGD	54	5.1831	280
Accounts receivable			
Including: USD	9,535	6.9646	66,407
Other receivables			
Including: USD	25,678	6.9646	178,837
SGD	10	5.1831	52
Accounts payable			
Including: USD	10,930	6.9646	76,123
Other payables			
Including: USD	15,459	6.9646	107,666
Short-term borrowings			
Including: USD	31,700	6.9646	220,778
Bonds payable			
Including: USD	206,440	6.9646	1,437,773

## VII. Notes to the Items in the Consolidated Financial Statements (Continued)

### 91. Monetary items in foreign currency (Continued)

(2). *Information on overseas business entity, including disclosure of overseas principal place of business, recording currency and basis for choice for an important overseas business entity, and reasons for any change in recording currency*

☒ Applicable   ☐ N/A

Overseas business entity	Principal place of business	Recording currency
Xinneng (Hong Kong) Energy Investment Co., Ltd.	Hong Kong	RMB
Jiapi Holdings Co., Ltd.	Hong Kong	RMB
ENN Gas Investment Group Co., Ltd.	Hong Kong	RMB
ENN Energy China Investment Co., Ltd.	Hong Kong	RMB
ENN LNG Trading Company Limited	Hong Kong	USD
ENN Energy Holdings Limited	Hong Kong	RMB

Notes:

1. The recording currency of Xinneng (Hong Kong) Energy Investment Co., Ltd. was changed from USD to RMB in the current period for the reason that its income was mainly sourced from the dividends paid by ENN Energy Holdings Co., Ltd. whose income was mainly generated from domestic sources and all assets were denominated in RMB. In accordance with the *Accounting Standards for Business Enterprises*, the Company believed that the change of recording currency from USD to RMB may facilitate the provision of more reliable accounting information, which can reflect the operation results and financial conditions of the Company in a more objective and fair manner, thus providing the investors with more reliable and accurate accounting information.
2. The recording currency of ENN LNG Trading Company Limited was changed from RMB to USD in the current period for the reason that its income was mainly generated from overseas sources and all assets were denominated in USD. In accordance with the *Accounting Standards for Business Enterprises*, the Company believed that the change of recording currency from RMB to USD may facilitate the provision of more reliable accounting information, which can reflect the operation results and financial conditions of the Company in a more objective and fair manner, thus providing the investors with more reliable and accurate accounting information.

## VII. Notes to the Items in the Consolidated Financial Statements (Continued)

### 92. Hedging

☒ Applicable    ☐ N/A

According to the hedge category, the Company discloses the qualitative and quantitative information related to the hedged project, related hedging instruments and hedging risks.

The Company uses foreign exchange derivatives to hedge the foreign exchange risks faced by the Company for its dollar-denominated bonds payable and bank loans, so as to avoid the risks arising from the fluctuations of expected future cash flows when repaying dollar-denominated bonds and bank loans resulted by the fluctuations of RMB/USD exchange rate. The pricing of LNG is linked to the crude oil price, natural gas price, and the Company uses commodity derivatives to hedge the Company's exposure to commodity price risks to avoid the risk of arising from the fluctuations of expected future cash flows when purchasing LNG resulted by the fluctuations in crude oil market price. The Company designated those transactions as cash-flow hedging.

As of the balance sheet date, the fair value of the assets of the position hedge foreign exchange derivative contracts and commodity derivatives contracts was RMB350.74 million, and the fair value of the liabilities for foreign exchange derivative contracts and commodity derivatives contracts was RMB218.74 million. The pre-tax profit of cash flow hedge reserve included in other comprehensive revenue in the current period was RMB60.26 million and expected to be progressively transferred to the income statement after the balance sheet date.



## VII. Notes to the Items in the Consolidated Financial Statements (Continued)

### 93. Government subsidies

#### (1). Basic information on government subsidies

☒ Applicable   ☐ N/A

Unit: RMB'0000   Currency: RMB

Type	Amount	Item presented	Amount included in current profit or loss
Refund on land	2,211	Other income	53
Government subsidy on induced draft fan and integral electric bag hybrid dust removing device	219	Other income	30
Special subsidy on power demand side	21	Other income	9
Water pollution prevention and treatment fund	91	Other income	35
Industrial internet innovation and development demonstration project	12	Other income	5
Subsidies on replacing coal with gas	23,327	Other income	839
Subsidies on pipeline network demolition and construction	6,505	Other income	265
Subsidies on emergency gas storage facilities	9,632	Other income	125
Subsidies on pipeline modification	20,797	Other income	517
Subsidies on land	2,681	Other income	90
Subsidies on distributed energy project of natural gas	3,487	Other income	164
Energy station projects	688	Other income	140
Xinchaoyang integrated microenergy network demonstration project	941	Other income	42
Subsidies on new passenger station project	601	Other income	120
Subsidies on phasing out coal-fired heating boilers	3,192	Other income	113
Renovation of old urban residential communities	8,707	Other income	
Subsidies on guaranteed supply	19,516	Operating cost	20,700
Subsidy for change from bottle to pipe	1,740	Other income	34
SOFC co-generation project	670	Other income	
Natural gas receiving terminal project	2,369	Other income	10
Government interest subsidies	66	Financing cost	66
Value Added Tax refund	5,952	Other income	5,952
Government subsidies directly included in profit or loss	28,661	Other income	28,661
Refund of import Value Added Tax	76,224	Operating cost	76,224
Others	22,596	Other income	1,617
Total	240,906		135,811

#### (2). Return of government subsidies

☐ Applicable   ☒ N/A

## VII. Notes to the Items in the Consolidated Financial Statements (Continued)

### 94. Other

☐ Applicable ☒ N/A

## VIII. Changes in Scope of Consolidation

### 1. Business combination not under common control

☒ Applicable ☐ N/A

#### (1). Business combination not under common control incurred in the current period

☒ Applicable ☐ N/A

Unit: RMB'0000 Currency: RMB

Name of acquiree	Time of equity acquisition	Equity acquisition cost	Share ratio acquired (%)	Way of acquisition	Date of purchase	Criteria for determining the date of purchase	Income of the acquiree from date of purchase to the end of the period	Net profit of the acquiree from date of purchase to the end of the period
Ruzhou Yurun Natural Gas Co., Ltd.	June 23, 2022	2,383	100	Acquisition	June 23, 2022	Complete registration of equity change	1,017	-48
Pingshan Zhongcheng Gas Co., Ltd.	March 28, 2022	5,950	100	Acquisition	March 28, 2022	Complete registration of equity change	1,386	1,553

#### (2). Acquisition cost and goodwill

☒ Applicable ☐ N/A

Unit: RMB'0000 Currency: RMB

Combination cost	Ruzhou Yurun Natural Gas Co., Ltd.	Pingshan Zhongcheng Gas Co., Ltd.
— Cash	2,383	5,950
— Fair value of non-cash assets		
— Fair value of debt issued or assumed		
— Fair value of equity securities issued		
— Fair value of contingent consideration		
— Fair value of shares on the date of purchase that are held by the Company prior to the date of purchase		
— Others		
Total acquisition cost	2,383	5,950
Less: Share of fair value of identifiable net assets acquired	2,383	5,950
Goodwill/the amount of acquisition cost lower than the share of fair value of identifiable net assets acquired		

## VIII. Changes in Scope of Consolidation (Continued)

### 1. Business combination not under common control (Continued)

#### (3). Identifiable assets and liabilities of the acquiree at the date of purchase

☒ Applicable   ☐ N/A

Unit: RMB'0000   Currency: RMB

	Ruzhou Yurun Natural Gas Co., Ltd.		Pingshan Zhongcheng Gas Co., Ltd.	
	Fair value on purchase date	Book value on purchase day	Fair value on purchase date	Book value on purchase date
Properties:	3,549	1,529	15,191	7,753
Monetary fund	1	1	363	363
Receivables			4	4
Prepayments			22	22
Other receivables			1,503	1,503
Inventories	24	24	19	19
Other current assets			1	1
Fixed assets	1,504	1,504	4,416	4,416
Construction in progress			439	439
Intangible Assets	2,020		8,424	986
Liabilities:	1,166	661	9,241	7,382
Accounts payable	33	33	444	444
Advance receipts			823	823
Payroll payable			142	142
Tax payable	107	107		
Other payables	503	503	5,973	5,973
Deferred income	18	18		
Deferred income tax liabilities	505		1,859	
Net assets	2,383	868	5,950	371
Less: Minority interest				
Net assets acquired	2,383	868	5,950	371

#### (4). Gains or losses arising from the re-measurement of the equity held before the purchase date according to the fair value

Whether the merger is realized through multiple transactions and the power to control is acquired during the reporting period

☐ Applicable   ☒ N/A

## VIII. Changes in Scope of Consolidation (Continued)

### 1. Business combination not under common control (Continued)

(5). *Description to the situation where it is impossible to reasonably determine the merger consideration or the fair value of the identifiable assets and liabilities of the acquiree on the date of purchase or at the end of the merger period*

☐ Applicable ☒ N/A

(6). *Other information*

☐ Applicable ☒ N/A

### 2. Business combination under common control

☒ Applicable ☐ N/A

(1). *Business combination under common control during the current period*

☒ Applicable ☐ N/A

Unit: RMB'0000 Currency: RMB

Name of combined party	Equity ratio acquired in business combination	Basis for constituting business combination under common control	Date of combination	Basis for determining the date of combination	Income of combined party from the beginning of period of combination to the date of combination	Net profit of combined party from the beginning of period of combination to the date of combination	Income of combined party during the comparison period	Net profit of combined party during the comparison period
Langfang ENN Gaobo Technology Co., Ltd.	100%	Same actual controller	April 26, 2022	Complete registration of equity change				
ENN (Zhoushan) LNG Co., Ltd.	90%	Same actual controller	August 2, 2022	Complete registration of equity change	55,791	17,337	137,737	63,578

(2). *Cost of combination*

☒ Applicable ☐ N/A

Unit: RMB'0000 Currency: RMB

Cost of combination	Langfang ENN Gaobo Technology Co., Ltd.	ENN (Zhoushan) LNG Co., Ltd.
— Cash	6,177	427,500
— Book value of non-monetary assets		402,219
— Book value of liabilities issued or assumed		
— Face value of equity securities issued		25,281
— Contingent consideration		

## VIII. Changes in Scope of Consolidation (Continued)

### 2. Business combination under common control (Continued)

#### (3). Book value of assets and liabilities of the combined party at date of combination

√ Applicable    □ N/A

Unit: RMB'0000    Currency: RMB

	Langfang ENN Gaobo Technology Co., Ltd.		ENN (Zhoushan) LNG Co., Ltd.	
	Date of combination	End of the previous period	Date of combination	End of the previous period
Properties:	6,177	6,177	728,110	732,394
Monetary fund			34,714	6,583
Receivables			13,608	111
Advances to suppliers			232	225
Other receivables			3,597	1,743
Other current assets				8,986
Inventories			3,249	3,395
Fixed assets			640,250	656,113
Construction in progress			2,061	1,708
Right-of-use assets			464	265
Intangible assets	6,177	6,177	27,175	27,548
Long-term prepaid expenses			1,466	1,177
Deferred income tax assets			1,294	983
Other non-current assets				23,557
Liabilities			417,699	439,527
Accounts payable			23,876	26,022
Contract liabilities			18,793	12,302
Payroll payable			430	798
Tax payable			10,629	10,187
Other payables			2,976	1,753
Non-current liabilities due within one year			61,949	57,100
Other current liabilities			978	1,537
Long-term borrowings			296,776	325,795
Lease liabilities			184	265
Long-term payables			1,108	3,768
Net assets	6,177	6,177	310,411	292,867
Less: Minority interest			31,041	29,287
Net assets acquired	6,177	6,177	279,370	263,580

## VIII. Changes in Scope of Consolidation (Continued)

### 3. Reverse purchase

☐ Applicable ☒ N/A

### 4. Disposal of subsidiaries

Whether the Company lost its control over a subsidiary through one disposal

☒ Applicable ☐ N/A

Unit: RMB'0000 Currency: RMB

Name of subsidiary	Consideration of equity disposal	Disposed share ratio (%)	Way of disposal	Time of losing control	Criteria for determining the time of losing control	Difference in share of the subsidiary's net assets in the consolidated financial statement level					Method for determining the fair value of the remaining equity on the date of losing power of control and main assumptions	Amount of other comprehensive income related to the original subsidiary that is transferred to investment income
						corresponding to the disposal price and disposal investment separately	Remaining equity ratio on the date of losing power of control (%)	Book value of remaining equity on the date of losing power of control	Fair value of the remaining equity on the date of losing power of control	Gains or losses generated from remeasuring the remaining equity with fair value		
Henan Shengzhong New Energy Technology Development Co., Ltd.	36,873	99	Transfer of shares	February 16, 2022	Complete registration of equity change							
Liyang ENN Baimaisi Technology Development Co., Ltd.	50	51	Transfer of shares	August 16, 2022	Complete registration of equity change	-125						
Laiwu ENN Gas Co., Ltd.	0	66	Transfer of shares	August 22, 2022	Complete registration of equity change	272						
Dingyuan County ENN Gas Co., Ltd.	2,629	100	Transfer of shares	August 29, 2022	Complete registration of equity change	401						
Shijiazhuang ENN City Gas Development Co., Ltd.	6,385	51	Transfer of shares	October 14, 2022	Complete registration of equity change	81	49	6,058	6,135	77	Fair value determined by the disposal of equity	0
Jiande ENN Energy Development Co., Ltd.	2,188	100	Transfer of shares	December 30, 2022	Complete registration of equity change	-1,325						

## VIII. Changes in Scope of Consolidation (Continued)

### 4. Disposal of subsidiaries (Continued)

Other information:

√ Applicable    ☐ N/A

1. Xin'ao (China) Gas Investment Co., Ltd., a subsidiary of the Company, entered into the Equity Transfer Agreement of Henan Zhongyuan Natural Gas Development Co., Ltd. and the Equity Transfer Agreement of Henan Shengzhong New Energy Technology Development Co., Ltd. with Justrite, an American company. According to the agreements, Xin'ao (China) Gas Investment Co., Ltd. acquired 51% equity interest in Henan Zhongyuan Natural Gas Development Co., Ltd. by paying 99% equity interest in Henan Shengzhong New Energy Technology Development Co., Ltd. at the price of RMB368.73 million and in cash of RMB39.27 million, with total amount of RMB408 million. Henan Shengzhong New Energy Technology Development Co., Ltd. completed the registration of industrial and commercial changes on February 16, 2022. Meanwhile, the Company received the 51% equity interest transferred by the counterparty. The Company no longer held the shares in Henan Shengzhong New Energy Technology Development Co., Ltd., and no longer included Henan Shengzhong New Energy Technology Development Co., Ltd. into the Company's scope of consolidated financial statements.
2. ENN Biomass Energy (Tianjin) Co., Ltd., a subsidiary of the Company, entered into the Equity Transfer Agreement of Liyang Baimaisi Technology Development Co., Ltd. with Jiangsu Tongtu Transportation Safety Facility Co., Ltd. to sell 51% equity in Liyang Baimaisi Technology Development Co., Ltd. at a transaction price of RMB500,000. Liyang Baimaisi Technology Development Co., Ltd. completed the registration of industrial and commercial changes on August 16, 2022 and the Company received the equity transfer payment of RMB500,000 from the counterparty. The Company no longer held the shares in Liyang Baimaisi Technology Development Co., Ltd., and no longer included Liyang Baimaisi Technology Development Co., Ltd. into the Company's scope of consolidated financial statements.
3. Tianjin ENN Clean Energy Co., Ltd., a subsidiary of the Company, entered into the Equity Transfer Agreement of Laiwu ENN Gas Co., Ltd. with Jinan Gangcheng District Mengnengliang Energy Co., Ltd. to sell 66% equity in Laiwu ENN Gas Co., Ltd. at a proposed transaction price of RMB1. Laiwu ENN Gas Co., Ltd. completed the registration of industrial and commercial changes on August 22, 2022 and the Company received the equity transfer payment of RMB1 from the counterparty. The Company no longer held the shares in Laiwu ENN Gas Co., Ltd., and no longer included Laiwu ENN Gas Co., Ltd. into the Company's scope of consolidated financial statements.

## VIII. Changes in Scope of Consolidation (Continued)

### 4. Disposal of subsidiaries (Continued)

4. ENN Gas Development Co., Ltd., a subsidiary of the Company, entered into the Equity Transfer Agreement of Dingyuan County ENN Gas Co., Ltd. with Dingyuan Huarun Chuanyou Gas Co., Ltd. to sell 100% equity in Dingyuan County ENN Gas Co., Ltd. at a transaction price of RMB26.29 million. Dingyuan County ENN Gas Co., Ltd. completed the registration of industrial and commercial changes on August 29, 2022 and the Company received the equity transfer payment of 22.34 million from the counterparty. The Company no longer held the shares in Dingyuan County ENN Gas Co., Ltd., and no longer included Dingyuan County ENN Gas Co., Ltd. into the Company's scope of consolidated financial statements.
5. Shijiazhuang ENN Gas Co., Ltd., a subsidiary of the Company, entered into the Equity Transfer Agreement of Shijiazhuang ENN City Gas Development Co., Ltd. with Hebei Natural Gas Co., Ltd. to sell 51% equity in Shijiazhuang ENN City Gas Development Co., Ltd. at a proposed transaction price of RMB63.85 million. Shijiazhuang ENN City Gas Development Co., Ltd. completed the registration of industrial and commercial changes on October 14, 2022 and the Company received the equity transfer payment of RMB57.47 million from the counterparty. The Company no longer held the shares in Shijiazhuang ENN City Gas Development Co., Ltd., and no longer included Shijiazhuang ENN City Gas Development Co., Ltd. into the Company's scope of consolidated financial statements.
6. ENN Gas Development Co., Ltd., a subsidiary of the Company, entered into the Equity Transfer Agreement of Jiande ENN Energy Development Co., Ltd. with Hangzhou Xinqu Energy Co., Ltd. to sell 100% equity in Jiande ENN Energy Development Co., Ltd. at a proposed transaction price of RMB21.88 million. Jiande ENN Energy Development Co., Ltd. completed the registration of industrial and commercial changes on December 30, 2022 and the Company received the equity transfer payment of RMB2 million from the counterparty. The Company no longer held the shares in Jiande ENN Energy Development Co., Ltd., and no longer included Jiande ENN Energy Development Co., Ltd. into the Company's scope of consolidated financial statements.



## VIII. Changes in Scope of Consolidation (Continued)

### 5. Changes in the scope of consolidation for other reasons

Description of changes in scope of consolidation for other reasons (e. g., newly established subsidiaries and liquidation of subsidiaries) and relevant information:

√ Applicable    □ N/A

#### (1) *New subsidiaries established within the year*

Fuzhou Xinrui Energy Development Co., Ltd.	Xinxiang County Xinrui Energy Development Co., Ltd.
Langfang Guangpei Energy Technology Co., Ltd.	Kaifeng Xinrui Energy Development Co., Ltd.
Hunan ENN Intelligent Energy Co., Ltd.	Luoyang Mengjin District Xinrui Energy Development Co., Ltd.
Huitong ENN Gas Co., Ltd.	Guangxi Pingguo Xinrui Solar Technology Co., Ltd.
Zijin ENN Hengxin Gas Co., Ltd.	Anqing Xinheng New Energy Development Co., Ltd.
Zhaoqing ENN Hengxin Gas Co., Ltd.	Donghai County Xinrui Energy Development Co., Ltd.
Yichang Xinrui New Energy Co., Ltd.	Ningjin County Xinrui Energy Development Co., Ltd.
Yangpu Xinrui Energy Development Co., Ltd.	Suihua Xinrui Energy Development Co., Ltd.
Yangjiang Xinrui Solar Energy Technology Co., Ltd.	Jinan Xinrui Energy Development Co., Ltd.
Quzhou Aohong Solar Energy Co., Ltd.	Zhangzhou Xinrui Energy Development Co., Ltd.
Dezhou Xinrui Energy Development Co., Ltd.	Huludao Xinrui Energy Development Co., Ltd.
Zhongmu County Xinrui Energy Development Co., Ltd.	Shijiazhuang Xinrui Energy Development Co., Ltd.
Langfang Xinguang Energy Co., Ltd.	Tianjin ENN Intelligent Technology Co., Ltd.
Henan Zhitan Energy Services Co., Ltd.	Fujian ENN Haijian Energy Development Co., Ltd.
ENN Xinneng (Hunan) Natural Gas Co., Ltd.	ENN (Langfang Airport FTZ) Natural Gas Sales Co., Ltd.
Tianjin United Energy Center Co., Ltd.	Zunhua Xinrui Energy Development Co., Ltd.
Guangxi Liuzhou Xinrui Mingtai Solar Technology Co., Ltd.	Jinzhou Hengxin Energy Development Co., Ltd.
Guangxi Guilin Xinrui Solar Technology Co., Ltd.	Pan'an ENN Energy Development Co., Ltd.
Anshan Xinrui Energy Development Co., Ltd.	Nanpi County Xinrui New Energy Development Co., Ltd.
Shenyang Xinrui Energy Development Co., Ltd.	ENN Zhijia Zhicheng Langfang Airport FTZ Technology Co., Ltd.
Bozhou Xinrui New Energy Development Co., Ltd.	Zhengding ENN Energy Development Co., Ltd.
Guangxi Guigang Xinrui Solar Technology Co., Ltd.	Panjin Xinrui Energy Development Co., Ltd.
Wenling ENN Hengxi Gas Co., Ltd.	Shijiazhuang Xinzhi Energy Development Co., Ltd.
Zhaoqing Gaoxin District Xinrui Energy Development Co., Ltd.	Xingtang County Xinrui Energy Development Co., Ltd.
Huaiji Xinrui Energy Co., Ltd.	Yantai Xinrui Solar Energy Co., Ltd.
Zhaoqing ENN Hengran Gas Co., Ltd.	Xuancheng Xinheng Energy Development Co., Ltd.

## VIII. Changes in Scope of Consolidation (Continued)

### 5. Changes in the scope of consolidation for other reasons (Continued)

#### (1) New subsidiaries established within the year (Continued)

Zhuji Xinrui New Energy Co., Ltd.	Liuan Xincheng ENN Energy Development Co., Ltd.
Mudanjiang Xinrui Energy Development Co., Ltd.	Henan Xinrui Huaying Energy Development Co., Ltd.
Xiamen Xinrui Beichen Energy Storage Technology Co., Ltd.	Jiaxing Xinqirui Solar Energy Co., Ltd.
Huaian ENN Energy Technology Co., Ltd.	Beijing ENN Clean Energy Co., Ltd.
Shijiazhuang Guangyida New Energy Technology Co., Ltd.	Tangshan Fengnan District Xinrui New Energy Development Co., Ltd.
Baoding Xinrui Energy Development Co., Ltd.	Pujiang ENN Hengxin Energy Development Co., Ltd.
Xindi Shuan (Hebei) Pipeline Testing Co., Ltd.	Sanming ENN Energy Development Co., Ltd.

#### (2) Subsidiaries canceled during the year

Yunnan ENN Electricity Sales Co., Ltd.	Hechi Yizhou District Integrated Energy Enterprise Management Partnership (Limited Partnership)
Zhumadian ENN Energy Development Co., Ltd.	Jincheng Aowei Energy Development Co., Ltd.
Langxi ENN Energy Development Co., Ltd.	Tangshan Lantian Gas Co., Ltd.
Yancheng Mingsheng Oil & Gas Sales Co., Ltd.	Weifang Zerun Natural Gas Co., Ltd.
Shangqiu ENN Transportation Clean Energy Co., Ltd.	Zhoushan Jieao Enterprise Management Service Partnership (Limited Partnership)
Changshu Deshan Enterprise Management Consulting Partnership (Limited Partnership)	Qingyuan ENN Jiafu Energy Development Co., Ltd.
Baotou Huaxin Thermal Energy Co., Ltd.	Jiangyin ENN Huahong Energy Development Co., Ltd.
Daqing Zhongju Xincheng Enterprise Management Service Center (Limited Partnership)	Shanghai Lvhuan Gas Co., Ltd.

## VIII. Changes in Scope of Consolidation (Continued)

### 5. Changes in the scope of consolidation for other reasons (Continued)

#### *(3) Subsidiaries suffering loss of its control due to capital increase by minority shareholders*

Beijing ENN New Energy Investment Co., Ltd., a subsidiary of the Company, entered into the Agreement on Capital Increase of Xinxiang ENN Lihua Energy Development Co., Ltd. with Xinxiang Innovative Investment Co., Ltd., under which it was agreed that the registered capital of Xinxiang ENN Lihua Energy Development Co., Ltd. shall be increased from RMB20 million to RMB28.98 million and the increased registered capital of RMB8.98 million shall be subscribed for by Xinxiang Innovative Investment Co., Ltd. After the capital increase, the equity interest held by Beijing ENN New Energy Investment Co., Ltd. in Xinxiang ENN Lihua Energy Development Co., Ltd. decreased from 71% to 49%. Xinxiang ENN Lihua Energy Development Co., Ltd. completed the registration of industrial and commercial changes on December 2, 2022. The Company lost its control over Xinxiang ENN Lihua Energy Development Co., Ltd., and no longer included Xinxiang ENN Lihua Energy Development Co., Ltd. into the Company's scope of consolidated financial statements.

#### *(4) Subsidiaries with increased scope of consolidation due to acquisition of assets*

In order to acquire the E-cheng E-jia platform, Langfang ENN Enterprise Management Co., Ltd., a subsidiary of the Company, entered into the Equity Transfer Agreement of E-Cheng E-Jia Network Technology Co., Ltd. with ENN Juneng Technology (Langfang) Co., Ltd., under which it was agreed that, 50% equity in E-Cheng E-Jia Network Technology Co., Ltd. shall be acquired at price of RMB650,000. E-Cheng E-Jia Network Technology Co., Ltd. completed the registration of industrial and commercial changes on July 21, 2022. The Company has made equity transfer payment of RMB650,000 to the counterparty for acquisition of assets and control of E-Cheng E-Jia Network Technology Co., Ltd. and its subsidiary E-Cheng E-Jia (Langfang) Intelligent Equipment Co., Ltd., and included E-Cheng E-Jia Network Technology Co., Ltd. and its subsidiary E-Cheng E-Jia (Langfang) Intelligent Equipment Co., Ltd. into the scope of consolidated financial statements.

### 6. Others

☐ Applicable    ☒ N/A

## IX. Rights and Interests in Other Entities

### 1. Rights and interests in subsidiaries

#### (1). Composition of enterprise group

☒ Applicable ☐ N/A

Name of subsidiary	Principal place of business	Registered place	Nature of business	Shareholding ratio (%)		Way of acquisition
				Direct	Indirect	
ENN (Tianjin) Energy Investment Co., Ltd.	Tianjin	Tianjin	Energy investment; Asset management (except for financial assets); Clean energy management services; Research and development of natural gas and clean energy technologies, technical consulting and technical services; Sales of chemical products (except for dangerous chemicals); Coal businesses	100		Investment for establishment
ENN (China) Gas Investment Co., Ltd.	Hebei	Beijing	Investment holding		32.64	Business combination under common control
ENN Energy Trading Co., Ltd	Hebei	Langfang	Wholesale and retail of gas, gas pipeline facilities, gas equipment and appliances, etc.		32.64	Business combination under common control
ENN Energy Holdings Limited	Hong Kong, China	British Cayman Islands	Investment holding		32.64	Business combination under common control

A description of the proportion of shares in the subsidiary that differs from the proportion of voting rights:

No

Basis for holding half or less of the voting rights but still controlling the invested entity, or holding more than half of the voting rights but not controlling the invested entity:

Tianjin United Energy Center Co., Ltd., a subsidiary of the Company, signed the resolution of shareholder meeting with the former shareholders of Tianjin United Chemical Goods Trading Center Co., Ltd. on November 15, 2022 to acquire 80% equity in Tianjin United Chemical Goods Trading Center Co., Ltd. held by Tianjin Haihui Chemical Trading Market Management Co., Ltd. On November 28, 2022, Tianjin United Chemical Goods Trading Center Co., Ltd. completed the registration of industrial and commercial changes and changed the business license, but as of December 31, 2022, the Company has not yet paid for the acquisition, handled various hand-over procedures and actually obtained the control over Tianjin United Chemical Goods Trading Center Co., Ltd., so Tianjin United Chemical Goods Trading Center Co., Ltd. was not included in the scope of consolidation for the current period.

## IX. Rights and Interests in Other Entities (Continued)

### 1. Rights and interests in subsidiaries (Continued)

#### (1). Composition of enterprise group (Continued)

Basis for control of important structured entities that is included in the scope of the consolidation:

No

Basis for determining whether the Company is the agent or the principal:

No

Other information:

No

#### (2). Important non-wholly-owned subsidiaries

☒ Applicable ☐ N/A

Unit: RMB'0000    Currency: RMB

Name of subsidiary	Share ratio held by minority shareholders	Profit or loss attributable to minority shareholders in the current period	Dividends declared to minority shareholders in the current period	Balance of minority stockholders' equity at the end of the period
ENN Energy Holdings Ltd.	67.36%	247,081	178,395	56,879
ENN (China) Gas Investment Co., Ltd.	67.36%	96,070	300,307	928,305

Situation where the minority shareholders of subsidiaries enjoy voting rights different from their shareholding ratio:

☐ Applicable ☒ N/A

Other information:

☐ Applicable ☒ N/A

## IX. Rights and Interests in Other Entities (Continued)

### 1. Rights and interests in subsidiaries (Continued)

#### (3). Major financial information of important non-wholly-owned subsidiaries

☒ Applicable   ☐ N/A

Unit: RMB'0000   Currency: RMB

Name of subsidiary	Closing balance						Opening balance					
	Current assets	Non-current assets	Total assets	Current liabilities	Non-current liabilities	Total liabilities	Current assets	Non-current assets	Total assets	Current liabilities	Non-current liabilities	Total liabilities
ENN Energy Holdings Limited	12,549	1,562,053	1,574,602	587,560	902,601	1,490,161	193,447	1,470,830	1,664,277	1,186,119	490,175	1,676,294
ENN (China) Gas Investment Co., Ltd.	1,278,640	1,966,768	3,245,408	1,381,447	485,836	1,867,283	1,416,480	1,985,072	3,401,552	1,219,041	494,838	1,713,879

Name of subsidiary	Closing balance				Opening balance			
	Operating income	Net Profit	Total comprehensive income	Cash flows from operating activities	Operating income	Net Profit	Total comprehensive income	Cash flows from operating activities
ENN Energy Holdings Limited	880	366,807	354,826	-1,208	889	98,030	98,030	-1,169
ENN (China) Gas Investment Co., Ltd.	65,199	142,622	142,625	-15,994	67,409	151,224	151,221	5,758

#### (4). Major restrictions on the use of enterprise group assets and on the repayment of enterprise group

☐ Applicable   ☒ N/A

#### (5). Financial or other supports provided to structured entities included in the scope of consolidated financial statements

☐ Applicable   ☒ N/A

Other information:

☐ Applicable   ☒ N/A

## IX. Rights and Interests in Other Entities (Continued)

### 2. The Company's transactions that led to significant change in the share of owner's equity in a subsidiary but still takes control of the subsidiary

√ Applicable    ☐ N/A

#### (1). Description to the changes in the share of the owner's equity in the subsidiary

√ Applicable    ☐ N/A

Order Number	Corporate Name	Original shareholding ratio(%)		Current shareholding ratio(%)		Reason for change
		Direct	Indirect	Direct	Indirect	
1	ENN Energy Holdings Limited		32.67		32.64	Exercise of stock incentive objects
2	Changshu Copper Industry Corporation Limited		32.42		32.64	Acquisition of minority shareholders' equity
3	Daqing Gaoxin Boyuan Thermal Electricity Co., Ltd		16.23		16.65	Acquisition of some minority shareholders' equity
4	Shaoxing ENN Energy Development Co., Ltd		21.24		32.64	Withdrawal of minority shareholders
5	ENN Biomass Energy (Tianjin) Co., Ltd		24.58		32.64	Acquisition of minority shareholders' equity
6	Henan ENN Zhongyu Gas Pipeline Co., Ltd.		24.50		21.22	Disposal of partial equity
7	Hangzhou Linping ENN Energy Development Co., Ltd.,		24.83		16.65	Disposal of partial equity
8	Cangzhou Nandagang Management Zone Shengde Gas Co., Ltd		21.24		32.64	Acquisition of minority shareholders' equity
9	Mengcun Hui Autonomous County Shengde Gas Co., Ltd		21.24		31.95	Acquisition of some minority shareholders' equity
10	Yutian ENN Gas Co., Ltd		17.97		32.64	Acquisition of minority shareholders' equity

## IX. Rights and Interests in Other Entities (Continued)

### 2. The Company's transactions that led to significant change in the share of owner's equity in a subsidiary but still takes control of the subsidiary (Continued)

#### (2). Effect of the transaction on minority interest and equity attributable to the parent company

☒ Applicable   ☐ N/A

Unit: RMB'0000   Currency: RMB

	ENN Energy Holdings Limited	Changshu Copper Industry Corporation Limited	Daqing Gaoxin Boyuan Thermal Electricity Co., Ltd.	Shaoxing ENN Energy Development Co., Ltd.	ENN Biomass Energy (Tianjin) Co., Ltd.	Henan ENN Zhongyu Gas Pipeline Co., Ltd.	Hangzhou Linping ENN Energy Development Co., Ltd.	Cangzhou Nandagang Management Zone Shengde Gas Co., Ltd.	Mengcun Hui Autonomous County Shengde Gas Co., Ltd.	Yutian ENN Gas Co., Ltd.
Purchase cost/disposal consideration										
— Cash		4	289	910	250	6,061	8,750	5,160	1,697	655
— Fair value of non-cash assets										
Total purchase cost/disposal consideration		4	289	910	250	6,061	8,750	5,160	1,697	655
Less: Share of net assets of the subsidiary calculated according to acquired/disposed equity ratio	475	24	311	1,415	170	5,800	10,110	2,784	3,109	2,861
Difference	-475	-20	-22	-505	80	261	-1,360	2,376	-1,412	-2,206
Including: Adjusted capital reserve	-475	-20	-22	-505	80	261	-1,360	2,376	-1,412	-2,206
Adjusted surplus reserve										
Adjusted undistributed profit										

Other information

☐ Applicable   ☒ N/A



## IX. Rights and Interests in Other Entities (Continued)

### 3. Rights and interests in joint ventures or associates

☒ Applicable   ☐ N/A

#### (1). Significant joint venture or associate

☐ Applicable   ☒ N/A

#### (2). Major financial information of significant joint venture

☐ Applicable   ☒ N/A

#### (3). Major financial information of significant associates

☐ Applicable   ☒ N/A

#### (4). Summarized financial information of insignificant joint ventures and associates

☒ Applicable   ☐ N/A

Unit: RMB'0000   Currency: RMB

	Closing balance/ amount incurred in current period	Opening balance/ amount incurred in previous period
Associates:		
Total book value of investments	283,814	287,294
The sum of the following items according to share proportion		
— Net profit	-1,820	24,259
— Other comprehensive income		
— Total comprehensive income	-1,820	24,259
Joint ventures:		
Total book value of investments	318,295	312,256
The sum of the following items according to share proportion		
— Net profit	15,088	29,585
— Other comprehensive income		
— Total comprehensive income	15,088	29,585

## IX. Rights and Interests in Other Entities (Continued)

### 3. Rights and interests in joint ventures or associates (Continued)

(5). *Description of restrictions for the joint ventures or associates to transfer financial resources to the Company*

☐ Applicable ☒ N/A

(6). *Excess losses incurred in joint ventures or associates*

☒ Applicable ☐ N/A

Unit: RMB'0000 Currency: RMB

Name of joint venture or associate	Accumulated unrecognized losses accumulated in the early periods	Unrecognized losses for the current period (or net profit shared in the current period)	Accumulated unrecognized losses at the end of the current period
Zhaoqing PetroChina Kunlun ENN Gas Co., Ltd.	410	-15	395
Luoyang Tongyu ENN CBM Transmission and Distribution Co., Ltd	1,942		1,942
Weichang Manchu and Mongolian Autonomous County ENN Automobile Gas Co., Ltd.	172	104	276
Yancheng Guoneng ENN Energy Development Co., Ltd.		602	602
Total	2,524	691	3,215

(7). *Unrecognized commitments related to investment of joint ventures*

☐ Applicable ☒ N/A

(8). *Contingent liabilities related to the investment of a joint venture or an associate*

☐ Applicable ☒ N/A

### 4. Significant joint operations

☐ Applicable ☒ N/A

### 5. Equity in structured entities that is not included in the consolidated financial statements

Descriptions of structured entities that are not included in the scope of consolidated financial statements:

☐ Applicable ☒ N/A

### 6. Others

☐ Applicable ☒ N/A

## X. Risk Associated with Financial Instruments

√ Applicable    □ N/A

In addition to derivative products, the company's financial instruments mainly include bank loans, company bonds, other interest-bearing loans, monetary funds and so on. The main purpose of these financial instruments is to provide financial support for the operation of the company. In addition, the company has a variety of other financial assets and liabilities directly arising from its operations, such as notes receivable and accounts receivable, other receivables, accounts payable and other receivables.

At the end of the Reporting Period, the book value of the Company's financial assets and financial liabilities is as follows:

Unit: RMB'0000    Currency: RMB

	Closing balance	Opening balance
<b>Financial assets</b>		
Financial assets measured at fair value through current profit or loss	724,945	849,938
Financial assets measured at fair value through other comprehensive income	117,161	113,667
Financial assets measured at amortized value	2,225,833	2,356,028
<b>Financial liability</b>		
Financial liabilities measured at fair value through current profit or loss	106,757	344,185
Other financial liabilities	5,245,115	5,257,862

The main risks that the Company's financial instruments cause are credit risk, liquidity risk and market risk.

### 1. Credit Risk

Credit risk refers to the risk that one party of a financial instrument fails to perform its obligations and causes financial losses to the other. The Company's credit risk mainly comes from monetary funds, accounts receivable, other receivables and notes receivable. The maximum credit risk exposure to the Company is the book value of such financial assets. Except for financial assets whose book value represents the greatest credit risk exposure, the maximum credit risk exposure to the Company is the financial guarantee contract it entered into. The Company does not hold any collateral or other credit enhancement measures to guarantee the credit risk related to its financial assets, except that the credit risk related to loans receivable is secured by equipment, receivables and the equity of other entities, and the repayment of certain receivables is guaranteed by notes issued by reputable financial institutions with good credit. The management will continue monitoring the credit risk exposure.

The monetary funds of the Company includes cash on hand, bank deposits and other monetary funds. The Company's credit risk management policy requires that monetary funds be deposited primarily in international and Chinese banks with high credit ratings. As of December 31, 2022, the Company's management believes that the credit risk to which the monetary funds are exposed is low and highly liquid, and that expected credit loss over the next 12 months considered minimal.

## X. Risk Associated with Financial Instruments (Continued)

### 1. Credit Risk (Continued)

In order to minimize the credit risk of accounts receivable and contract assets arising from contracts with customers, the management of the Company has assigned a team to determine credit limits and credit approvals. Additionally, the Company has set monitoring procedures to ensure follow-up actions on the recovery of overdue debts. In addition, after the implementation of the new standards for financial instruments, the Company shall conduct impairment assessment to accounts receivable according to the impairment matrix based on the expected credit loss model. The Company uses maturities of the debtors to assess operational-related impairments for its customers, because such customers include a large number of small customers with common risk characteristics that reflect the customers' ability of the to pay the full amount due under the terms of the contracts.

In order to minimize the impairment risk of other receivables and receivables from related parties, the Company shall conduct impairment assessment to other receivables and receivables from related parties according to the expected credit loss model after the implementation of new standards for financial instruments.

Please refer to the "Note V-10 Financial Instruments" for the specific method to evaluate whether the credit risk has increased significantly since initial recognition, the basis to determine the credit impairment of financial assets, the combination method of financial instruments evaluated with expected credit risk and the policies on direct write-downs of financial instruments. Please refer to the "Note VII-5/6/9/10/12/15/16/17" for the disclosure of credit risk exposure of notes receivable, accounts receivable, loans and advances, other receivables, contract assets, debt investment and long-term receivables.

### 2. Liquidity Risk

Liquidity risk refers to the risk of shortage of funds that occurs when an enterprise performs its obligations to pay cash or other financial assets.

In managing liquidity risk, the management considers that adequate cash and cash equivalents are maintained and monitored to meet the operational needs of the company and to reduce the impact of cash flow fluctuations. The Company's management monitors the use of bank loans and ensures compliance with the loan agreement.

### 3. Market Risk

Market risk refers to the risk that the fair value or the future cash flow of a financial instrument fluctuates due to changes in market prices. Market risk mainly includes foreign exchange risk, interest rate risk and commodity price risk.

## X. Risk Associated with Financial Instruments (Continued)

### 3. Market Risk (Continued)

#### (1) *Foreign exchange risk*

Foreign exchange risk refers to the risk of loss due to exchange rate fluctuations. The Company's main business activities are settled in RMB. On December 31, 2022, some bank loans, priority notes, unsecured bonds, receivables and payable, and some bank deposits were valued in foreign currency.

For details of foreign currency financial assets and foreign currency financial liabilities held by the Company as at December 31, 2022, see the disclosure of the "Note VII-91 Foreign Currency Monetary Items".

To reduce its foreign exchange exposure, the company has signed several foreign currency derivative products contracts with a number of financial institutions. The Company pays attention to the risk of exchange rate fluctuation in time, and will decide whether to adopt hedging measures to reduce exchange rate risk according to the trend of exchange rate fluctuation, and try to match foreign currency income with foreign currency expenditure so as to reduce foreign exchange risk.

#### (2) *Interest rate risk*

Interest rate risk refers to the risk that the fair value or the future cash flow of a financial instrument fluctuates due to changes in market interest rates. The net profit of a company is affected by interest rate changes, that is, the interest income and expenses of short-term deposits, other interest-bearing financial assets and liabilities are all affected by interest rate changes.

The interest rate risk of the company is mainly floating interest rate bank loans. Management believes that there is no significant cash flow interest rate risk associated with short-term bank deposits at basically stable market interest rates. The sensitivity of the company to cash flow interest rate risk is determined according to the interest rate risk of floating rate bank loans.

The company has signed some interest-rate contracts to appropriately reduce the risk of interest rates and will regularly monitor market interest rates to seize potential opportunities to reduce borrowing costs.

#### (3) *Commodity price risk*

In the daily business process, the company imports LNG to meet the demand of downstream customers according to the long-term "take or pay" purchase agreement. As a result, the company is at risk of price fluctuations in the commonly used crude oil/natural gas market (used to determine the price of LNG). The company uses derivative financial instruments to manage this exposure. The profits and losses of such Derivative products depend on the return of commodity prices on any given range of contracts.

Derivative products are used only for financial risk management purposes, and companies do not hold or issue Derivative products for speculative purposes. Management regularly monitors commodity price risks and will consider hedging their commodity price risks if necessary.

## XI. Disclosure of Fair Value

### 1. Fair value of assets and liabilities measured at fair value at the end of the period

√ Applicable    □ N/A

Unit: RMB'0000    Currency: RMB

Item	Fair value at the end of the period			Total
	Level 1 fair value measurement	Level 2 fair value measurement	Level 3 fair value measurement	
I. Continuous fair value measurement				
(I) Transaction financial assets	13,673	289,419	421,853	724,945
1. Financial assets measured at fair value through profit or loss of the current period	244	289,419	2,560	292,223
(1) Debt instrument investment			2,560	2,560
(2) Equity instrument investment				
(3) Derivative financial assets	244	289,419		289,663
2. Financial assets that are designated to be measured at fair value through profit and loss	13,429		419,293	432,722
(1) Debt instrument investment				
(2) Equity instrument investment	13,429		419,293	432,722
Including: Shanghai Dazhong Public Utilities (Group) Co., Ltd.	13,394			13,394
Sinopec Sales Co., Ltd.			417,000	417,000
Chenzhou Jingui Silver Industry Co., Ltd.	35			35
Other non-listed equity investments – fair value through profit and loss			2,293	2,293
(II) Other debt investments				
(III) Other equity instrument investments	8,740		16,758	25,498
Jiaxing Gas Group Co., Ltd.	8,740			8,740
Other non-listed equity investments-measured at fair value through other comprehensive income			16,758	16,758

## XI. Disclosure of Fair Value (Continued)

### 1. Fair value of assets and liabilities measured at fair value at the end of the period (Continued)

Item	Fair value at the end of the period			Total
	Level 1 fair value measurement	Level 2 fair value measurement	Level 3 fair value measurement	
(IV) Accounts receivable financing			91,663	91,663
(V) Investment real estate			27,632	27,632
1. Land use right for rent				
2. Buildings for rent			27,632	27,632
3. Land use right held for transfer after appreciation				
Total amount of assets continued to be measured at fair value	22,413	289,419	557,906	869,738
(VI) Transactive Financial Liabilities	15	106,742		106,757
1. Financial liabilities measured at fair value through current profit or loss	15	106,742		106,757
Including: Tradable bonds issued				
Derivative financial liabilities	15	101,901		101,916
Other				
Derivative financial liabilities that are included in other non-current liabilities		4,841		4,841
2. Financial liabilities designated to be measured at fair value through current profit or loss				
Total liabilities continued to be measured at fair value	15	106,742		106,757
II. Non-continuous fair value measurement				
(I) Held-for-sale assets				
Total amount of assets non – continuously measured at fair value				
Total amount of liabilities non-continuously measured at fair value				

## XI. Disclosure of Fair Value (Continued)

### 2. Basis for determining the market value of continuous and non-continuous items measured at Level 1 fair value

√ Applicable    ☐ N/A

Item	Basis for determination
Shanghai Dazhong Public Utilities (Group) Co., Ltd.	Fair value is determined on the basis of stock market quotes
Jiaying Gas Group Co., Ltd.	Fair value is determined on the basis of stock market quotes
Chenzhou Jingui Silver Industry Co., Ltd.	Fair value is determined on the basis of stock market quotes
Derivative financial assets-futures	Fair value is determined on the basis of the futures market quotes
Derivative financial liabilities-futures	Fair value is determined on the basis of the futures market quotes

### 3. Qualitative and quantitative information on the valuation techniques and important parameters for continuous and non-continuous items measured at Level 2 fair value

√ Applicable    ☐ N/A

Item	Valuation information
Other derivative financial assets	<p>(1) The discounted cash flow method is adopted to value swaps: Future cash flows are estimated on the basis of forward commodity prices and forward exchange rates, contract exercise rates, cap rates and premiums on the delivery date and discounted by the expected yield curve of each trading party.</p> <p>(2) Options are valued with the Black-Scholes model: Fair value is estimated at exercise price, commodity price, maturity, volatility and risk-free interest rate.</p>
Other derivative financial liabilities	<p>(1) The discounted cash flow method is adopted to value swaps: Future cash flows are estimated on the basis of forward commodity prices and forward exchange rates, contract exercise rates, cap rates and premiums on the delivery date and discounted by the expected yield curve of each trading party.</p> <p>(2) Options are valued with the Black-Scholes model: Fair value is estimated at exercise price, commodity price, maturity, volatility and risk-free interest rate.</p>



## XI. Disclosure of Fair Value (Continued)

### 4. Qualitative and quantitative information on the valuation techniques and important parameters for continuous and non-continuous items measured at Level 3 fair value

☒ Applicable   ☐ N/A

Item	Valuation information
Sinopec Sales Co., Ltd.	Estimates based on the P/B ratio and liquidity discount of comparable listed companies
Other non-listed equity investments – fair value through profit or loss	Fair value is based on the price multiples of similar assets traded in the market
Other non-listed equity investments – measured at fair value through other comprehensive income	Fair value is based on the fair value of the underlying assets and liabilities held by the investee
Receivables financing	Discounted cash flow method: It is estimated by discounting the future cash flow and discount rate, it can be simplified as the best estimate of the book value as fair value because of the shorter duration of the bill
Investment properties	Fair value is determined by independent appraisers. The fair value is determined according to the income approach. The market rentals of all rentable units in the properties are assessed and discounted according to the market return expected by investors in respect of that type of property.
Debt instrument investment	Discounted cash flow method: It is estimated by discounting the future cash flow and discount rate, it can be simplified as the best estimate of the book value as fair value because of the shorter duration of the investment

### 5. Adjustment information between beginning and ending book value of continuous items measured at Level 3 fair value and sensitivity analysis of unobservable parameters

☐ Applicable   ☒ N/A

### 6. For continuous items measured at fair value which converted from one level to another, the reasons for the conversion and the policy for determining the time of conversion

☐ Applicable   ☒ N/A

### 7. Changes in valuation techniques and the reasons for such changes during the current period

☐ Applicable   ☒ N/A

## XI. Disclosure of Fair Value (Continued)

### 8. Fair value of financial assets and financial liabilities not measured at fair value

☒ Applicable   ☐ N/A

Unit: RMB'0000   Currency: RMB

Item	Closing balance		Opening balance	
	Book value	Fair value	Book value	Fair value
Fixed rate bank loans and other loans	696,366	672,551	483,440	470,447
Senior Notes	902,601	792,669	475,812	476,289
Unsecured Bond	535,172	472,565	873,540	872,263
Corporate bonds			215,961	210,702

The fair values disclosed in the table above are Level 2 fair values, except for the fair values disclosed for bank loans which are Level 3 fair values. The fair value of senior notes and unsecured bonds is based on quoted prices at over-the-counter market, and the fair value of corporate bonds is based on inactive quotations from the Shanghai Stock Exchange. The fair value of the remaining financial liabilities at amortized cost is calculated using the discounted cash flow technique with reference to the market interest rate on loans with similar maturities at the end of the Reporting Period and the credit risk of relevant group entities.

### 9. Others

☐ Applicable   ☒ N/A

## XII. Related Party and Related Party Transactions

### 1. Parent company of the enterprise

☒ Applicable ☐ N/A

Unit: USD'0000 Currency: USD

Name of the Parent Company	Place of registration	Nature of business	Registered capital	Proportion of the parent company's shareholding in the enterprise (%)	Proportion of voting rights of the parent company to the enterprise (%)
ENN GROUP INTERNATIONAL INVESTMENT LIMITED	British Virgin Islands	Controlling investment	5	44.23	44.23

The ultimate controller of the Company is Wang Yusuo

### 2. Subsidiary of the enterprise

Please refer to Notes for details of subsidiaries of this enterprise

☐ Applicable ☒ N/A

### 3. Information on the Company's joint ventures and associates

Please refer to Notes for details of the important joint ventures or associates of the Company.

☐ Applicable ☒ N/A

The situation of other joint ventures or associates that have related party transactions with the company during the current period or incurred related party transactions with the company and formed balances in the previous period is as follows.

☒ Applicable ☐ N/A

Name of joint venture or associate	Relationship with the enterprise
Anhui Wanneng ENN Natural Gas Co., Ltd.	Joint venture
Bengbu ENN PetroChina Sales Co., Ltd.	Joint venture
Baoding ENN Gas Co., Ltd.	Joint venture
Chenzhou Sanxiang ENN Clean Energy Co., Ltd.	Joint venture
Dongguan Haofeng ENN Energy Co., Ltd.	Joint venture
Guangxi Xijiang ENN Clean Energy Co., Ltd.	Joint venture

## XII. Related Party and Related Party Transactions (Continued)

### 3. Information on the Company's joint ventures and associates (Continued)

Name of joint venture or associate	Relationship with the enterprise
Haining Xinxin Natural Gas Co., Ltd.	Joint venture
Hebei PetroChina Kunlun Natural Gas Co., Ltd.	Joint venture
Henan Jingbao ENN New Energy Co., Ltd.	Joint venture
Jiangxi Poyang Lake LNG Co., Ltd.	Joint venture
Langfang ENN Longyu Clean Energy Co., Ltd.	Joint venture
Lianyungang Chengxin Gas Co., Ltd.	Joint venture
Liaocheng Shihua Natural Gas Co., Ltd.	Joint venture
Luquan Fuxin Gas Co., Ltd.	Joint venture
Luoyang Hongxin Gas Co., Ltd.	Joint venture
Ningbo ENN Automobile Energy Co., Ltd.	Joint venture
Qijing Yuntou ENN Energy Development Co., Ltd.	Joint venture
Quzhou ENN Sinopec Automobile Gas Co., Ltd.	Joint venture
Shanghai North Jiuhuan Automobile Natural Gas Sales Co., Ltd.	Joint venture
Shanghai Kunlun ENN Clean Energy Co., Ltd.	Joint venture
Shanghai Kunlun ENN New Energy Development Co., Ltd.	Joint venture
Shanghai Sunshine Jiuhuan Energy Development Co., Ltd.	Joint venture
Shenzhen ENN Shipping Co., Ltd.	Joint venture
Wenshan Yuntou ENN Gas Co., Ltd.	Joint venture
Yantai City Honesty Gas Engineering Co., Ltd.	Joint venture
Yantai ENN Gas Development Co., Ltd.	Joint venture
Yantai ENN Industry Co., Ltd.	Joint venture
Yancheng ENN Compressed Natural Gas Co., Ltd.	Joint venture
Yunnan Natural Gas Xuanwei ENN Gas Co., Ltd.	Joint venture
Yunnan Yuntou Xin'ao Gas Co., Ltd.	Joint venture
Zhanjiang ENN Gas High Pressure Pipe Network Co., Ltd.	Joint venture
Dingzhou Kunlun ENN Energy Development Co., Ltd.	Associate
Guangxi Beibu Gulf ENN Gas Development Co., Ltd.	Associate
Guangxi Yilongyuan Electricity Distribution Co., Ltd.	Associate
Huzhou Nanxun Xin'ao Gas Co., Ltd.	Associate

## XII. Related Party and Related Party Transactions (Continued)

### 3. Information on the Company's joint ventures and associates (Continued)

Name of joint venture or associate	Relationship with the enterprise
Huzhou Gas Co., Ltd.	Associate
Huai'an Zhongyou Tianhuai Gas Co., Ltd.	Associate
Jinhua Gaoya Natural Gas Co., Ltd.	Associate
Lianyungang Zhongxin Gas Co., Ltd.	Associate
Linyi Zhongfu Natural Gas Development and Utilization Co., Ltd.	Associate
Shandong Luxin Natural Gas Co., Ltd.	Associate
Shantou Huarun ENN Gas Co., Ltd.	Associate
Shanghai Zhuoxiao Energy Technology Co., Ltd.	Associate
Shijiazhuang Airport Natural Gas Co., Ltd.	Associate
Shijiazhuang Kunlun ENN Energy Development Co., Ltd.	Associate
Shijiazhuang Kunlun ENN Gas Co., Ltd.	Associate
Shijiazhuang Gaocheng District Zhongran Xiangke Gas Co., Ltd.	Associate
Shijiazhuang Blue Sky ENN Natural Gas Pipeline Network Co., Ltd.	Associate
Shijiazhuang Luquan District Kunlun ENN Gas Co., Ltd.	Associate
Shijiazhuang ENN Zhonghong Gas Co., Ltd.	Associate
Taizhou City Natural Gas Co., Ltd.	Associate
Weichang Manchu and Mongolian Autonomous County ENN Automobile Gas Co., Ltd.	Associate
Xinsheng Natural Gas Sales Co., Ltd.	Associate
Xuyi Guolian ENN Natural Gas Pipeline Network Co., Ltd.	Associate
Yancheng Guoneng ENN Energy Development Co., Ltd.	Associate
Yancheng Guotou Natural Gas Pipeline Network Co., Ltd.	Associate
Zhanjiang Zhongyou ENN Natural Gas Co., Ltd.	Associate
Changsha Xinneng Automobile Gas Co., Ltd.	Associate
Zhaoqing PetroChina Kunlun ENN Gas Co., Ltd.	Associate
Zhejiang Xinyongzhou Logistics Co., Ltd.	Associate
Chongqing Longran Energy Technology Co., Ltd.	Associate
Zhoushan North Lanyan Island Gas Co., Ltd.	Associate
Zhoushan Lanyan Qiandao Industrial Gas Co., Ltd.	Associate
Zhoushan Lanyan Gas Co., Ltd.	Associate

Other information

☐ Applicable    ☒ N/A

## XII. Related Party and Related Party Transactions (Continued)

### 4. Other related parties

√ Applicable    □ N/A

Name	Relationship between other related parties and the enterprise
Shanghai 3040 Technology Co., Ltd.	Other related party
Shanghai Petroleum and Natural Gas Trading Center Co., Ltd.	Other related party
Hebei Financial Leasing Co., Ltd.	Enterprise with equity participation by the actual controller
Beijing Yongxin Environmental Protection Co., Ltd.	Same actual controller
Bokang Intelligent Information Technology Co., Ltd.	Same actual controller
ENN Group Co., Ltd.	Same actual controller
Kaixin Urban Development and Construction Co., Ltd.	Same actual controller
Langfang ENN Real Estate Development Co., Ltd.	Same actual controller
Tianjin Xinzhi Sensing Technology Co., Ltd.	Same actual controller
ENN Insurance Brokers Co., Ltd.	Same actual controller
ENN Gaoke Industry Co., Ltd.	Same actual controller
ENN Juneng Technology (Langfang) Co., Ltd.	Same actual controller
ENN Science and Technology Development Co., Ltd.	Same actual controller
ENN Investment Holdings Co., Ltd.	Same actual controller
ENN Shuneng Technology Co., Ltd.	Same actual controller
Xinao Cultural Industry Development Co., Ltd.	Same actual controller
Xin'ao Xinzhi Technology Co., Ltd.	Same actual controller
Xin'ao Sunshine Yicai Technology Co., Ltd.	Same actual controller
Xinzhi Cognitive Data Services Co., Ltd.	Same actual controller
Xinzhi Cognitive Data Operation Co., Ltd.	Same actual controller
Xinzhi Cognitive Digital Technology Co., Ltd.	Same actual controller
Xinzhi Wolai Network Technology Co., Ltd.	Same actual controller
Xinzhi Cloud Data Services Co., Ltd.	Same actual controller
Langfang Natural Gas Co., Ltd.	Same actual controller

## XII. Related Party and Related Party Transactions (Continued)

### 4. Other related parties (Continued)

Name	Relationship between other related parties and the enterprise
Langfang ENN Construction & Installation Engineering Co., Ltd.	Same actual controller
Langfang ENN Longhe Environmental Technology Co., Ltd.	Same actual controller
Beihai ENN Sunshine Intelligent Technology Co., Ltd.	Same actual controller
Langfang Yitongcheng Business Services Limited	Same actual controller
Enniu Chengfu (Langfang) Public Service Technology Co., Ltd.	Same actual controller
Nanjing ENN Environmental Protection Technology Co., Ltd.	Same actual controller
Tianjin Xinyijia Intelligent Technology Co., Ltd.	Same actual controller
Tibet Shengdi International Travel Agency Co., Ltd.	Same actual controller
ENN Power Technology (Langfang) Co., Ltd.	Same actual controller
ENN Solar Energy Co., Ltd.	Same actual controller
ENN Power Technology (Shanghai) Co., Ltd.	Same actual controller
Xinyijia Insurance Surveyors & Loss Adjusters Co., Ltd.	Same actual controller
Ennova Seven-Cultivations Hotel Management Co., Ltd.	Same actual controller

Other information:

ENN (Zhoushan) LNG Co., Ltd. and ENN (Zhoushan) Natural Gas Pipeline Co., Ltd. were changed from the same actual controller to a subsidiary of the Company on August 2, 2022, and E-Cheng E-Jia Network Technology Co., Ltd. was changed from the same actual controller to a subsidiary of the Company on July 21, 2022.

## XII. Related Party and Related Party Transactions (Continued)

### 5. Related-party transactions

#### (1). Related-party transactions of purchasing and selling products, providing and receiving services

Statement of purchasing products/receiving services

√ Applicable    ☐ N/A

Unit: RMB'0000    Currency: RMB

Related party	Content of related-party transactions	Amount incurred in the current period	Amount limit of transaction approved (if applicable)	Excess of the transaction amount limit (if applicable)	Amount incurred in the previous period
Baoding ENN Gas Co., Ltd.	Purchase of equipment, materials and gas	5,956	N/A		1,471
Guangxi Beibu Gulf ENN Gas Development Co., Ltd.	Purchase of equipment, materials and gas	3,166	N/A		2
Haining Xinxin Natural Gas Co., Ltd.	Purchase of equipment, materials and gas	134,985	N/A		98,674
Hebei PetroChina Kunlun Natural Gas Co., Ltd.	Purchase of equipment, materials and gas	109,210	N/A		91,650
Henan Jingbao ENN New Energy Co., Ltd.	Purchase of equipment, materials and gas	13,212	N/A		10,016
Jinhua Gaoya Natural Gas Co., Ltd.	Purchase of equipment, materials and gas	9,328	N/A		9,567
Lianyungang Zhongxin Gas Co., Ltd.	Purchase of equipment, materials and gas	45,983	N/A		34,460
Liaocheng Shihua Natural Gas Co., Ltd.	Purchase of equipment, materials and gas	38,736	N/A		27,616
Shandong Luxin Natural Gas Co., Ltd.	Purchase of equipment, materials and gas	3,147	N/A		2,039
Shijiazhuang Kunlun Xin'ao Gas Co., Ltd.	Purchase of equipment, materials and gas	30,019	N/A		21,272
Taizhou City Natural Gas Co., Ltd.	Purchase of equipment, materials and gas	25,861	N/A		14,521
Xuyi Guolian ENN Natural Gas Pipeline Network Co., Ltd.	Purchase of equipment, materials and gas		N/A		3,028
Zhanjiang Zhongyou ENN Natural Gas Co., Ltd.	Purchase of equipment, materials and gas	2,714	N/A		1,609
Anhui Wanneng ENN Natural Gas Co., Ltd.	Purchase of equipment, materials and gas	1	N/A		28,021
Chongqing Longran Energy Technology Co., Ltd.	Purchase of equipment, materials and gas	1,322	N/A		13,442
Subsidiary controlled by the Company's actual controller	Purchase of equipment, materials and gas	4,787	63,890	No	4,614
Shanghai 3040 Technology Co., Ltd.	Purchase of equipment, materials and gas	8,006	13,170	No	1,939
Subsidiary controlled by the Company's actual controller	Acceptance of project construction	1,166	3,350	No	860
Anhui Wanneng ENN Natural Gas Co., Ltd.	Acceptance of technology and integrated services	3,706	N/A		
Zhaoqing PetroChina Kunlun ENN Gas Co., Ltd.	Acceptance of technology and integrated services	4,934	N/A		
Zhejiang Xinyong Logistics Co., Ltd.	Acceptance of technology and integrated services	2,892	N/A		4,745
Shanghai Petroleum and Natural Gas Trading Center Co., Ltd.	Acceptance of technology and integrated services	179	120	Yes	
Subsidiary controlled by the Company's actual controller	Acceptance of technology and integrated services	50,270	72,216	No	42,021
Others-Amount of transactions of which detail items are not listed		13,399	N/A		21,005



## XII. Related Party and Related Party Transactions (Continued)

### 5. Related-party transactions (Continued)

#### (1). Related-party transactions of purchasing and selling products, providing and receiving services (Continued)

Fact sheet of sales/services provided

☒ Applicable   ☐ N/A

Unit: RMB'0000   Currency: RMB

Related party	Content of related-party transactions	Amount incurred in the current period	Amount incurred in the previous period
Baoding ENN Gas Co., Ltd.	Design, construction and sale of materials and supplies	7,018	25,489
Guangxi Beibu Gulf ENN Gas Development Co., Ltd.	Design, construction and sale of materials and supplies	1,135	3,724
Lianyungang Zhongxin Gas Co., Ltd.	Design, construction and sale of materials and supplies	986	5,102
Shijiazhuang Kunlun Xin'ao Gas Co., Ltd.	Design, construction and sale of materials and supplies	2,968	4,671
Taizhou City Natural Gas Co., Ltd.	Design, construction and sale of materials and supplies	2,316	1,009
Subsidiary controlled by the Company's actual controller	Design, construction and sale of materials and supplies	6,423	7,144
Subsidiary controlled by the Company's actual controller	Provision of technology and integrated services	18,121	14,599
Anhui Wanneng ENN Natural Gas Co., Ltd.	Sale of gas and other goods	2,062	28,761
Baoding ENN Gas Co., Ltd.	Sale of gas and other goods	12,339	11,827
Chenzhou Sanxiang ENN Clean Energy Co., Ltd.	Sale of gas and other goods	4,053	3,447
Dingzhou Kunlun ENN Energy Development Co., Ltd.	Sale of gas and other goods	467	2,313
Dongguan Haofeng ENN Energy Co., Ltd.	Sale of gas and other goods	7,266	7,999
Guangxi Beibu Gulf ENN Gas Development Co., Ltd.	Sale of gas and other goods	4,072	2,506
Guangxi Xijiang ENN Clean Energy Co., Ltd.	Sale of gas and other goods	988	2,234
Haining Xinxin Natural Gas Co., Ltd.	Sale of gas and other goods	4,380	
Hebei PetroChina Kunlun Natural Gas Co., Ltd.	Sale of gas and other goods	3	8,834
Huzhou Nanxun Xin'ao Gas Co., Ltd.	Sale of gas and other goods	2,730	1,460
Huzhou Gas Co., Ltd.	Sale of gas and other goods	47,066	110,202
Huai'an Zhongyou Tianhuai Gas Co., Ltd.	Sale of gas and other goods	13,802	8,912
Jiangxi Poyang Lake LNG Co., Ltd.	Sale of gas and other goods	2,691	1,801
Lianyungang Chengxin Gas Co., Ltd.	Sale of gas and other goods	3,930	

## XII. Related Party and Related Party Transactions (Continued)

### 5. Related-party transactions (Continued)

#### (1). Related-party transactions of purchasing and selling products, providing and receiving services (Continued)

Related party	Content of related-party transactions	Amount incurred in the current period	Amount incurred in the previous period
Lianyungang Zhongxin Gas Co., Ltd.	Sale of gas and other goods	40,845	43,137
Linyi Zhongfu Natural Gas Development and Utilization Co., Ltd.	Sale of gas and other goods	2,128	1,257
Ningbo ENN Automobile Energy Co., Ltd.	Sale of gas and other goods	2,357	2,763
Shantou Huarun ENN Gas Co., Ltd.	Sale of gas and other goods	10,743	13,047
Shijiazhuang Kunlun ENN Gas Co., Ltd.	Sale of gas and other goods	31,908	12,747
Shijiazhuang Gaocheng District Zhongran Xiangke Gas Co., Ltd.	Sale of gas and other goods	3,222	496
Shijiazhuang Luquan District Kunlun ENN Gas Co., Ltd.	Sale of gas and other goods	4,832	3,274
Shijiazhuang ENN Zhonghong Gas Co., Ltd.	Sale of gas and other goods	7,380	1,667
Wenshan Yuntou ENN Gas Co., Ltd.	Sale of gas and other goods	16,694	8,106
Xuyi Guolian ENN Natural Gas Pipeline Network Co., Ltd.	Sale of gas and other goods	7	3,025
Yantai ENN Gas Development Co., Ltd.	Sale of gas and other goods	14,249	10,050
Yantai ENN Industry Co., Ltd.	Sale of gas and other goods	2,537	3,268
Yunnan Yuntou Xin'ao Gas Co., Ltd.	Sale of gas and other goods	4,231	4,905
Zhanjiang Zhongyou ENN Natural Gas Co., Ltd.	Sale of gas and other goods	3,928	3,327
Changsha Xinneng Automobile Gas Co., Ltd.	Sale of gas and other goods	3,088	1,114
Chongqing Longran Energy Technology Co., Ltd.	Sale of gas and other goods	13,152	5,405
Zhoushan North Lanyan Island Gas Co., Ltd.	Sale of gas and other goods	15,936	8,984
Zhoushan Lanyan Qiandao Industrial Gas Co., Ltd.	Sale of gas and other goods	20,971	10,627
Zhoushan Lanyan Gas Co., Ltd.	Sale of gas and other goods	10,511	8,662
Subsidiary controlled by the Company's actual controller	Sale of gas and other goods	2,523	3,209
Others – The amount of transactions of which detail items are not listed		19,778	14,346

Description of related-party transactions related to the purchase and sale of products, and the provision and acceptance of services

☐ Applicable ☒ N/A

XII. Related Party and Related Party Transactions (Continued)

5. Related-party transactions (Continued)

(2). Information on related trusteeship/contracting and entrusted management/outsourcing

Statement of trusteeship/contracting of the Company

☐ Applicable    ☒ N/A

Description of related trusteeship/contracting

☐ Applicable    ☒ N/A

Statement of entrusted management/outsourcing of the Company

☒ Applicable    ☐ N/A

Unit: RMB'0000    Currency: RMB

			Starting date	End date of		Trustee fee/ outsourcing fee
Name of principal/outsourcer	Name of trustee/outsourcer	Type of entrusted/ outsourced assets	of trusteeship/ outsourcing	trusteeship/ outsourcing	Basis for determining trustee fee/outsourcing fee	recognized in the current period
Xinneng Energy Co., Ltd.	Beijing Yongxin Environmental Protection Co., Ltd.	Other trusted assets	2022-1-1	2022-12-31	Trusteeship contract	5,464

Information on related management/outsourcing

☐ Applicable    ☒ N/A

## XII. Related Party and Related Party Transactions (Continued)

### 5. Related-party transactions (Continued)

#### (3). Information on related-party lease

The Company as a lessor:

☒ Applicable ☐ N/A

Unit: RMB'0000 Currency: RMB

Name of lessee	Type of leasing asset	Rental revenue recognized in current period	Rental revenue recognized in previous period
Bengbu ENN PetroChina Sales Co., Ltd.	Equipment	142	
Baoding ENN Gas Co., Ltd.	Houses		4
Guangxi Beibu Gulf ENN Gas Development Co., Ltd.	Vehicles		4
Hebei PetroChina Kunlun Natural Gas Co., Ltd.	Houses		7
Henan Jingbao ENN New Energy Co., Ltd.	Vehicles		74
Luquan Fuxin Gas Co., Ltd.	Vehicles		6
Quzhou ENN Sinopec Automobile Gas Co., Ltd.	Houses	33	
Wenshan Yuntou ENN Gas Co., Ltd.	Houses	14	
Yantai City Honesty Gas Engineering Co., Ltd.	Houses		41
Yantai ENN Industry Co., Ltd.	Vehicles		51
Subsidiary controlled by the Company's actual controller	Vehicles		37
Subsidiary controlled by the Company's actual controller	Houses	430	360
Subsidiary controlled by the Company's actual controller	Equipment		435

## XII. Related Party and Related Party Transactions (Continued)

### 5. Related-party transactions (Continued)

#### (3). Information on related-party lease (Continued)

The Company as a lessee:

☒ Applicable ☐ N/A

Unit: RMB'0000 Currency: RMB

Name of lessor	Type of asset for lease	Rental expenses for short-term lease and lease of low-value assets in a simplified treatment (if applicable)		Variable lease payments not included in the measurement of lease liabilities (if applicable)		Rent paid		Assumed interest expense for lease liabilities		Increased right-of-use assets	
		Amount incurred in current period	Amount incurred in previous period	Amount incurred in current period	Amount incurred in previous period	Amount incurred in current period	Amount incurred in previous period	Amount incurred in current period	Amount incurred in previous period	Amount incurred in current period	Amount incurred in previous period
Hebei Financial Leasing Co., Ltd.	Equipment					567	733				
Yantai ENN Gas Development Co., Ltd.	Houses/equipment		4								
Yunnan Yuntou Xin'ao Gas Co., Ltd.	Houses/equipment		2								
Subsidiaries actually controlled by the Company	Houses/equipment	313	428			508	462	27	41	460	67

Information on related-party lease

☐ Applicable ☒ N/A

#### (4). Information on related-party guarantee

The Company as a guarantor

☒ Applicable ☐ N/A

Unit: RMB'0000 Currency: RMB

Guaranteed party	Contract amount	Balance of guarantee	Starting date of guarantee	Expiration date of guarantee	Whether the guarantee has been fulfilled
Chongqing Fuling Energy Industry Group Co., Ltd.	4,200	1,957	2021/3/8	2025/12/31	No
Shijiazhuang Kunlun Xin'ao Gas Co., Ltd.	8,000	3,180	2019/10/15	2029/10/15	No
Jinhua City Gaoya Natural Gas Co., Ltd.	1,875	201	2012/12/24	2023/6/29	No

## XII. Related Party and Related Party Transactions (Continued)

### 5. Related-party transactions (Continued)

#### (4). Information on related-party guarantee (Continued)

The Company as a guaranteed party

☒ Applicable ☐ N/A

Unit: RMB'0000 Currency: RMB

Guarantor	Amount of guarantee contract	Balance of guarantee	Starting date of guarantee	Expiration date of guarantee	Whether the guarantee has been fulfilled
Mr. Wang Yusuo and his wife	40,000	19,322	2020/9/27	2023/9/27	No
ENN Group Co., Ltd., ENN Investment Holdings Co., Ltd. and Mr. Wang Yusuo and his wife	321,000	155,630	2015/9/29	2026/12/31	No
ENN Group Co., Ltd., ENN Investment Holdings Co., Ltd. and Mr. Wang Yusuo and his wife	117,000	54,700	2019/8/30	2031/12/31	No
ENN Investment Holdings Co., Ltd., ENN Juneng Technology (Langfang) Co., Ltd. and Mr. Wang Yusuo and his wife	181,000	114,900	2020/8/19	2035/12/31	No
ENN Investment Holdings Co., Ltd.	15,300		2020/9/10	2023/9/10	Yes
ENN Investment Holdings Co., Ltd.	37,000		2020/6/15	2022/5/25	Yes
ENN Investment Holdings Co., Ltd. and Mr. Wang Yusuo and his wife	4,624		2021/3/10	2022/3/31	Yes
ENN Investment Holdings Co., Ltd. and Mr. Wang Yusuo and his wife	5,090		2021/3/11	2022/3/2	Yes
ENN Investment Holdings Co., Ltd. and Mr. Wang Yusuo and his wife	4,901		2021/6/30	2022/3/30	Yes
ENN Investment Holdings Co., Ltd. and Mr. Wang Yusuo and his wife	5,877		2021/6/30	2022/3/30	Yes

Information on related-party guarantee

☐ Applicable ☒ N/A

## XII. Related Party and Related Party Transactions (Continued)

### 5. Related-party transactions (Continued)

#### (5). Related-party borrowings

√ Applicable    ☐ N/A

Unit: RMB'0000    Currency: RMB

Related party	Amount borrowed	Starting date	Due date	Description
Borrowing				
Yunnan Yuntou Xin'ao Gas Co., Ltd.	2,558	2020/9/15	2023/9/14	
Shanghai Kunlun ENN Clean Energy Co., Ltd.	3,565	2021/5/27	2022/5/20	
Shanghai Kunlun ENN Clean Energy Co., Ltd.	2,556	2022/6/30	2023/6/29	
Shanghai Kunlun ENN Clean Energy Co., Ltd.	736	2022/6/30	2023/6/29	
Shanghai Kunlun ENN Clean Energy Co., Ltd.	1,533	2022/6/30	2023/6/29	
Yunnan Yuntou Xin'ao Gas Co., Ltd.	2,558	2020/8/14	2023/8/13	
Guangxi Yilongyuan Electricity Distribution Co., Ltd.	1,121	2022/1/21	2023/2/28	
Yancheng Guotou Natural Gas Pipeline Network Co., Ltd.	22,274	2021/10/15	2024/10/14	
Shijiazhuang Blue Sky ENN Natural Gas Pipeline Network Co., Ltd.	3,487	2022/7/8	2023/7/7	
Lending				
Zhaoqing PetroChina Kunlun ENN Gas Co., Ltd.	446	2021/3/24	2022/3/23	
Zhaoqing PetroChina Kunlun ENN Gas Co., Ltd.	460	2022/3/24	2023/3/23	
Liaoning Liaoyou ENN Shengyu Natural Gas Co., Ltd.	312	2021/11/29	2022/11/28	
Liaoning Liaoyou ENN Shengyu Natural Gas Co., Ltd.	301	2022/11/29	2023/11/28	
Luoyang Hongxin Gas Co., Ltd.	847	2021/12/18	2022/12/18	
Luoyang Hongxin Gas Co., Ltd.	802	2022/12/18	2023/12/18	
Wuzhou PetroChina Kunlun ENN Gas Co., Ltd.	299	2019/5/22	2022/1/24	

## XII. Related Party and Related Party Transactions (Continued)

### 5. Related-party transactions (Continued)

#### (5). Related-party borrowings (Continued)

Related party	Amount lent	Starting date	Due date	Description
Weichang Manchu and Mongolian Autonomous County ENN Automobile Gas Co., Ltd.	313	2020/1/17	2023/1/16	
Wuzhou PetroChina Kunlun ENN Gas Co., Ltd.	220	2021/1/12	2022/1/11	
Henan Zhongyuan Natural Gas Development Co., Ltd.	2,019	2022/4/15	2022/6/28	
Henan Zhongyuan Natural Gas Development Co., Ltd.	2,042	2022/7/1	2022/12/16	
Weichang Manchu and Mongolian Autonomous County ENN Automobile Gas Co., Ltd.	1,340	2021/7/1	2022/6/30	
Weichang Manchu and Mongolian Autonomous County ENN Automobile Gas Co., Ltd.	1,340	2022/7/1	2023/6/30	
Wuzhou PetroChina Kunlun ENN Gas Co., Ltd.	304	2019/5/22	2022/5/20	
Wuzhou PetroChina Kunlun ENN Gas Co., Ltd.	220	2021/1/12	2022/1/11	
Guangxi Beibu Gulf ENN Gas Development Co., Ltd.	5,077	2021/5/8	2022/5/7	
Yancheng Guoneng ENN Energy Development Co., Ltd.	839	2021/3/10	2024/3/10	
Yancheng Guoneng ENN Energy Development Co., Ltd.	1,048	2020/7/23	2023/7/22	
Baoding ENN Gas Co., Ltd.	3,039	2021/3/25	2022/3/25	
Shanghai Zhuoxiao Energy Technology Co., Ltd.	1,015	2022/9/16	2023/9/15	
Shijiazhuang Gaocheng District Zhongranke Gas Co., Ltd.	1,029	2021/7/27	2022/7/22	
Shijiazhuang Gaocheng District Zhongranke Gas Co., Ltd.	1,013	2022/9/27	2022/12/27	
Guangxi Beibu Gulf ENN Gas Development Co., Ltd.	3,039	2022/1/19	2022/5/6	
Guangxi Beibu Gulf ENN Gas Development Co., Ltd.	2,023	2022/1/29	2022/5/6	
Shanghai Zhuoxiao Energy Technology Co., Ltd.	1,554	2021/9/17	2022/9/16	
Haining Xinxin Natural Gas Co., Ltd.	837	2022/1/25	2023/1/25	
Haining Xinxin Natural Gas Co., Ltd.	412	2022/6/2	2023/6/2	
Baoding ENN Gas Co., Ltd.	7,800	2022/12/1	2023/11/30	
Dongguan Haofeng ENN Energy Co., Ltd.	1,238	2021/12/21	2022/3/28	
Dongguan Haofeng ENN Energy Co., Ltd.	1,266	2022/3/29	2023/3/28	
Shijiazhuang Luquan District Kunlun Xin'ao Gas Co., Ltd.	3,921	2022/1/1	2022/12/31	
Shijiazhuang Kunlun Xin'ao Gas Co., Ltd. Shenzhe Branch	5,179	2022/1/1	2022/12/31	



## XII. Related Party and Related Party Transactions (Continued)

### 5. Related-party transactions (Continued)

#### (6). Assets transfer and debt restructuring with related parties

☒ Applicable ☐ N/A

Unit: RMB'0000 Currency: RMB

Related party	Content of related-party transactions	Amount incurred in current period	Amount incurred in previous period
ENN Science and Technology Development Co., Ltd.	Acquisition of 70% equity in ENN (Zhoushan) LNG Co., Ltd. held by ENN Science and Technology Development Co., Ltd.	665,000	
ENN Group Co., Ltd.	Acquisition of 15% equity in ENN (Zhoushan) LNG Co., Ltd. held by ENN Group Co., Ltd.	142,500	
ENN Investment Holdings Co., Ltd.	Acquisition of 5% equity in ENN (Zhoushan) LNG Co., Ltd. held by ENN Investment Holdings Co., Ltd.	47,500	
ENN Gaoke Industry Co., Ltd.	Acquisition of 100% equity in Langfang ENN Gaobo Technology Co., Ltd. held by ENN Gaoke Industry Co., Ltd.	6,177	
ENN Juneng Technology (Langfang) Co., Ltd.	Acquisition of 50% equity in E-Cheng E-Jia Network Technology Co., Ltd. held by ENN Juneng Technology (Langfang) Co., Ltd.	65	
Shenzhen ENN Shipping Co., Ltd.	Sale of LNG refueling vessel of Shenzhen ENN Shipping Co., Ltd.	29,800	
Xinzhi Cognitive Data Operation Co., Ltd.	Sale of 51% equity in Nanjing ENN Sanxin Transportation Technology Co., Ltd.		510

#### (7). Remuneration of key managers

☒ Applicable ☐ N/A

Unit: RMB'0000 Currency: RMB

Item	Amount incurred in current period	Amount incurred in previous period
Remuneration of key managers	3,040	3,305

## XII. Related Party and Related Party Transactions (Continued)

### 5. Related-party transactions (Continued)

#### (8). Other related-party transactions

☒ Applicable ☐ N/A

Information on the commercial factoring provided by the Company:

Related party	Content of transaction	Amount	Start date	End date
Shanghai 3040 Technology Co., Ltd.	Provision of commercial factoring	169	2022/2/25	2022/5/25
Shanghai 3040 Technology Co., Ltd.	Provision of commercial factoring	274	2022/1/24	2022/4/26
Shanghai 3040 Technology Co., Ltd.	Provision of commercial factoring	186	2022/1/24	2022/6/24

### 6. Receivables and payables of related parties

#### (1). Items receivable

☒ Applicable ☐ N/A

Unit: RMB'0000 Currency: RMB

Name of item	Related party	Closing balance		Opening balance	
		Book balance	Provision for bad debts	Book balance	Provision for bad debts
Receivables	Anhui Wanneng ENN Natural Gas Co., Ltd.	443	4	1,965	24
Receivables	Baoding ENN Gas Co., Ltd.	17,507	210	22,813	406
Receivables	Chenzhou Sanxiang ENN Clean Energy Co., Ltd.			851	9
Receivables	Dingzhou Kunlun ENN Energy Development Co., Ltd.	839	34	1,382	29
Receivables	Dongguan Haofeng ENN Energy Co., Ltd.	2,064	201	4,278	60
Receivables	Guangxi Beibu Gulf ENN Gas Development Co., Ltd.	2,721	15	2,951	38
Receivables	Haining Xinxin Natural Gas Co., Ltd.	6,969	12	5,402	54
Receivables	Hebei Financial Leasing Co., Ltd.			1,681	36
Receivables	Hebei PetroChina Kunlun Natural Gas Co., Ltd.	17,765	143	18,489	338
Receivables	Jinhua Gaoya Natural Gas Co., Ltd.	979		149	1
Receivables	Kaixin Urban Development and Construction Co., Ltd.	1,306	40	676	11
Receivables	Langfang ENN Real Estate Development Co., Ltd.	726	19	233	2
Receivables	Lianyungang Chengxin Gas Co., Ltd.	3,797	30		

## XII. Related Party and Related Party Transactions (Continued)

### 6. Receivables and payables of related parties (Continued)

#### (1). Items receivable (Continued)

Name of item	Related party	Closing balance		Opening balance	
		Book balance	Provision for bad debts	Book balance	Provision for bad debts
Receivables	Lianyungang Zhongxin Gas Co., Ltd	1,268	12	3,149	33
Receivables	Liaocheng Shihua Natural Gas Co., Ltd.	2,340		1,064	11
Receivables	Luquan Fuxin Gas Co., Ltd.	468	14	942	28
Receivables	Luoyang Hongxin Gas Co., Ltd.	808	800	806	28
Receivables	Qujing Yuntou ENN Energy Development Co., Ltd.			2,322	2,322
Receivables	Shanghai North Jiuhuan Automobile Natural Gas Sales Co., Ltd.			1,040	36
Receivables	Shanghai Kunlun ENN Energy Development Co., Ltd.	840	29		
Receivables	Shanghai Petroleum and Natural Gas Trading Center Co., Ltd.	1,232	21	1,084	11
Receivables	Shanghai Zhuoxiao Energy Technology Co., Ltd.	1,000	20	1,500	15
Receivables	Shijiazhuang Airport Gas Co., Ltd.	782	167	1,162	34
Receivables	Shijiazhuang Kunlun ENN Gas Co., Ltd.	29,663	2,971	33,471	881
Receivables	Shijiazhuang Gaocheng District Zhongran Xiangke Gas Co., Ltd.	30		1,039	20
Receivables	Shijiazhuang Luquan District Kunlun ENN Gas Co., Ltd.	2,682	187	4,572	78
Receivables	Shijiazhuang ENN Zhonghong Gas Co., Ltd.	598	6	1,434	22
Receivables	Taizhou City Natural Gas Co., Ltd.	182		908	9
Receivables	Tianjin Xinzhi Sensing Technology Co., Ltd.	1,421	3		
Receivables	Weichang Manchu and Mongolian Autonomous County ENN Automobile Gas Co., Ltd.	1,833	1,833	1,729	56
Receivables	Wenshan Yuntou ENN Gas Co., Ltd.	1,730	61	1,415	14
Receivables	ENN Insurance Brokers Co., Ltd.	500	4	842	8
Receivables	ENN Science and Technology Development Co., Ltd.	8,010	85	7,895	87
Receivables	Xin'ao Cultural Industry Development Co., Ltd.	2,743	141	2,092	42
Receivables	Xinsheng Natural Gas Sales Co., Ltd.	800	2	48	
Receivables	Xinzhi Cognitive Data Services Co., Ltd.	2,448		1	
Receivables	Xuyi Guolian ENN Natural Gas Pipeline Network Co., Ltd.			936	9
Receivables	Yantai ENN Gas Development Co., Ltd.	1,576	18	3,717	50
Receivables	Yancheng Guoneng ENN Energy Development Co., Ltd.	1,802	50	1,800	41
Receivables	Yunnan Natural Gas Xuanwei ENN Gas Co., Ltd.	1,272	165	2,102	58
Receivables	Zhanjiang ENN Gas High-pressure Pipeline Network Co., Ltd.	789	17	892	16
Receivables	Chongqing Longran Energy Technology Co., Ltd.	1,287	3	2,057	46
Total of other related parties that are not listed separately		8,928	436	10,616	197

## XII. Related Party and Related Party Transactions (Continued)

### 6. Receivables and payables of related parties (Continued)

#### (2). Items payable

√ Applicable    ☐ N/A

Unit: RMB'0000    Currency: RMB

Name of item	Related party	Closing book balance	Opening book balance
Payables	Bengbu ENN PetroChina Sales Co., Ltd.	842	
Payables	Baoding ENN Gas Co., Ltd.	1,990	2,620
Payables	Beijing Yongxin Environmental Protection Co., Ltd.	2,715	3,199
Payables	Bokang Intelligent Information Technology Co., Ltd.	4,368	9,499
Payables	Chenzhou Sanxiang ENN Clean Energy Co., Ltd.	604	1,268
Payables	Guangxi Beibu Gulf ENN Gas Development Co., Ltd.	1,367	900
Payables	Guangxi Yilongyuan Electricity Distribution Co., Ltd.	1,442	1,806
Payables	Hebei Financial Leasing Co., Ltd.	577	645
Payables	Huzhou Gas Co., Ltd.	1,017	3,173
Payables	Langfang ENN Real Estate Development Co., Ltd.	234	583
Payables	Langfang ENN Longyu Clean Energy Co., Ltd.	1,170	1,246
Payables	Lianyungang Chengxin Gas Co., Ltd.	6,784	3,960
Payables	Lianyungang Zhongxin Gas Co., Ltd.	68	4,069
Payables	Liaocheng Shihua Natural Gas Co., Ltd.	1,096	6
Payables	Linyi Zhongfu Natural Gas Development and Utilization Co., Ltd.	877	438
Payables	Shantou Huarun ENN Gas Co., Ltd.	3,336	4,302
Payables	Shanghai Kunlun ENN Clean Energy Co., Ltd.	4,828	3,554
Payables	Shanghai 3040 Technology Co., Ltd.	2,691	1,614
Payables	Shenzhen ENN Shipping Co., Ltd.	662	
Payables	Shijiazhuang Kunlun ENN Energy Development Co., Ltd.	1,307	310
Payables	Shijiazhuang Kunlun ENN Gas Co., Ltd.	10,861	7,706
Payables	Shijiazhuang Blue Sky ENN Natural Gas Pipeline Network Co., Ltd.	3,486	
Payables	Shijiazhuang Luquan District Kunlun ENN Gas Co., Ltd.	1,360	388
Payables	Shijiazhuang ENN Zhonghong Gas Co., Ltd.	1,283	131
Payables	Taizhou City Natural Gas Co., Ltd.	1,399	953

## XII. Related Party and Related Party Transactions (Continued)

### 6. Receivables and payables of related parties (Continued)

#### (2). Items payable (Continued)

Name of item	Related party	Closing book balance	Opening book balance
Payables	Tianjin Xinzhi Sensing Technology Co., Ltd.	2,463	
Payables	Wenshan Yuntou ENN Gas Co., Ltd.	1,682	1,356
Payables	ENN Gaoke Industry Co., Ltd.	4,686	100
Payables	ENN Investment Holdings Co., Ltd.	5,575	
Payables	ENN Shuneng Technology Co., Ltd.	6,522	343
Payables	Xin'ao Xinzhi Technology Co., Ltd.	1,161	138
Payables	Xinao Sunshine Yicai Technology Co., Ltd.	791	1,334
Payables	Xinzhi Cognitive Data Services Co., Ltd.	431	1,005
Payables	Xinzhi Cognitive Digital Technology Co., Ltd.	1,234	363
Payables	Xinzhi Wolai Network Technology Co., Ltd.	1,521	1,628
Payables	Xinzhi Cloud Data Services Co., Ltd.	4,410	2,358
Payables	Xuyi Guolian ENN Natural Gas Pipeline Network Co., Ltd.	6,944	7,634
Payables	Yantai City Honesty Gas Engineering Co., Ltd.	69	644
Payables	Yantai ENN Gas Development Co., Ltd.	1,897	1,089
Payables	Yancheng Guotou Natural Gas Pipeline Network Co., Ltd.	21,500	21,500
Payables	Yancheng ENN Compressed Natural Gas Co., Ltd.	1,019	1,019
Payables	Yunnan Yuntou ENN Gas Co., Ltd.	3,071	2,887
Payables	Zhoushan Lanyan Qiandao Industrial Gas Co., Ltd.	562	1,560
Payables	Zhoushan Lanyan Gas Co., Ltd.	1,044	2,979
Payables	Shanghai Sunshin Jiuhuan Energy Development Co., Ltd.	1,804	
Total of other related parties that are not listed separately		11,902	8,636

### 7. Related-party commitment

☐ Applicable    ☒ N/A

### 8. Others

☐ Applicable    ☒ N/A

## XIII. Share-based Payment

### 1. General information on share-based payment

√ Applicable    ☐ N/A

Unit: Share    Currency: RMB

Total amount of equity instruments granted by the Company during the current period	0
Total amount of equity instruments exercised by the Company during the current period	5,260,517
Total amount of the Company's equity instruments expired during the current period	1,157,084
Scope of exercise price of the stock option issued by the Company at the end of the period and the remaining period of contract	HKD40.34/till December 8, 2025 HKD76.36/till March 27, 2029
Scope of exercise price of other equity instruments issued by the Company at the end of the period and the remaining period of contract	RMB6.84-7.03/till March 25, 2025

#### Other information

The details are as follows: In accordance with a general resolution adopted at the annual general meeting of the Company's subsidiary Company, ENN Energy Holdings Limited on June 26, 2012 adopts the Stock Purchasing Scheme ("Scheme 2012"); In accordance with the resolution of the Board of Directors on November 30, 2018, ENN Energy Holdings Limited, a subsidiary of the Company, adopted the Share Award Scheme ("Share Award Scheme"); In accordance with the resolution of the Board of Directors dated on January 20, 2021, the Company adopted a Restricted Stock Incentive Scheme ("Scheme 2021").

#### (1) Plan 2012

On December 9, 2015, ENN Energy granted 12,000,000 shares options, with a face value of HK \$0.1 per share, to directors and a number of employees (i. e., "2015 grantees") under the 2012 Plan; The grant of share options is subject to the fulfillment of certain terms set forth in the relevant offer letter, which may involve performance evaluation. The exercise price of the granted shares was HKD40.34 per share. As of December 31, 2022, a cumulative number of 6,717,550 share options had been exercised, 4,594,715 share options had been annulled and 687,735 share options had not been exercised.

On March 28, 2019, ENN Energy granted 12,328,000 shares options, with a face value of HK \$0.10 per share, to directors, employees and business advisers who had contributed to the company (i. e., "2019 grantees") under the 2012 Plan. The grant of share options was subject to the fulfillment of certain terms set forth in the relevant offer letter, which may involve performance evaluation. The exercise price of the granted shares was HKD76.36 per share. As of December 31, 2022, a cumulative number of 2,140,367 share options had been exercised, 3,293,626 share options had been annulled and 6,894,007 share options had not been exercised.

## XIII. Share-based Payment (Continued)

### 1. General information on share-based payment (Continued)

#### (2) *Share incentive plan*

Under the Share Award Scheme, ENN Energy entered into a trust contract with the trustees on March 12, 2019. The Board of Directors of ENN Energy can from time to time during the validity term of the plan (ten years from the date of adoption of the plan or during the period of early termination) contribute capital to Trust and instruct the Trustee to repurchase the Shares of ENN Energy in Stock Exchange or OTC. Such shares, nontransferable and binding no voting right, will be granted free of charge to employees selected by the Board of Directors. The selected employees are required to perform relevant services or meet performance requirements set by the Board of Directors.

The trust purchased 2,415,100 shares of ENN Energy off-market on May 3, 2019 through total swap contract, and reacquired 270,000 shares of ENN Energy on March 18, 2020. The repurchase cost of the share should be determined as treasury stock.

As of December 31, 2022, 928,600 shares were awarded to designated board members and staff at the grant price of HKD76.36 depending on the corresponding performance and continued service prior to the date of availability. Accordingly, the waiting period for the grant of shares in the batch is from the grant to the feasible date. The redemption of the shares may take place as early as April 1, one year after the financial year in which the corresponding performance was achieved.

During the period of exercise beginning on a feasible date, if the grantee sells the redeemed award shares to exercise the right, the nominal proceeds of the fair value of the shares on the exercise date exceeding the grant price will be settled in cash. The expiration date of the Option is March 27, 2029. As of December 31, 2022, a total of 181,500 share options had been exercised under the cash-settled share incentive plan and 747,100 share options had not been exercised.

#### (3) *Plan 2021*

On March 26, 2021, ENN-NG granted 17.21 million restricted shares to 49 eligible incentive objects and granted 1.13 million restricted shares to 10 eligible incentive objects on September 22, 2021 according to the Plan 2021. The term of validity of this incentive plan shall not exceed 72 months from the date of completion of the first grant of restricted share registration until the date on which the restricted share granted to the object of the incentive lifted from the restriction or repurchase cancellation. The restricted share period granted by this incentive plan is 12 months, 24 months, 36 months and 48 months respectively from the date of completion of registration of restricted stock grant. Restricted shares granted under this incentive plan shall not be transferred to guarantee or repay debts until they have been discharged from sale. Incentives will be locked in accordance with this incentive plan at the same time that the incentive object obtains shares of capital reserve converted to share capital, stock dividends, stock splits, etc., as a result of the granted restricted stocks that have not been lifted. After the expiration of the sales restriction period, the company handles the cancellation of the sales restriction for the incentive objects that meet the conditions for lifting the restriction. The restricted stocks held by the incentive objects that do not meet the conditions for the restriction are repurchased and canceled by the company, and the restricted stocks are released from the restriction. If it is not achieved, the relevant rights and interests shall not be deferred to the next period. During the current period, 4,395,017.00 restricted shares have been granted for unlocking, 265,000.00 shares have expired, and 13,680,051.00 shares have not been unlocked.

### XIII. Share-based Payment (Continued)

#### 2. Equity-settled share-based payment

☒ Applicable ☐ N/A

Unit: RMB'0000 Currency: RMB

Method for determining the fair value of the equity instruments on the grant date	For stock options: The fair value of share options priced by the binomial model on the basis of the best estimate conditions of assumed spot price, strike price, risk-free interest rate, expected volatility, expected dividend yield and early strike behavior. For restricted share: The fair value of the share on the date of grant is adopted.
Basis for determining the number of exercisable equity instruments	Only after the performance conditions agreed upon between the company and the grantee can the power be exercised, which may involve the achievement of goals and changes in the number of employees who exercise their rights.
Reason for the material difference between the current estimates and the previous estimates	No material difference
Accumulated amount of equity-settled share-based payments included in capital reserves	14,523
Total amount of expenses recognized from equity-settled share-based payments	8,564

#### 3. Cash-settled share-based payment

☒ Applicable ☐ N/A

Unit: RMB'0000 Currency: RMB

Method for determining the fair value of liabilities determined on the basis of shares or other equity instruments assumed by the Company	Binomial option pricing model
Accumulated amount of liabilities arising from the payment of liabilities in cash-settled shares	2,647
Total amount of expenses recognized in cash-settled share payments in the current period	-30

#### 4. Modification and termination of share-based payment

☐ Applicable ☒ N/A

#### 5. Others

☐ Applicable ☒ N/A



## XIV. Commitments and Contingencies

### 1. Important commitments

☒ Applicable   ☐ N/A

Important external commitments, nature and amount on the balance sheet date

Unit: RMB'0000   Currency: RMB

Contracted but unrecognized in the financial statements	Closing balance	Opening balance
– Commitment on acquisition and construction of long-term assets	81,965	89,836
– Commitment on external investments	96,023	119,592
Including: Unrecognized commitments relating to investments in joint ventures and associates	68,275	67,854
<b>Total</b>	<b>177,988</b>	<b>209,428</b>

### 2. Contingencies

(1). *Important contingencies on balance sheet date*

☐ Applicable   ☒ N/A

(2). *Specify the important contingencies which are not required to be disclosed by the Company:*

☐ Applicable   ☒ N/A

### 3. Others

☐ Applicable   ☒ N/A

## XV. Post Balance Sheet Events

### 1. Important non-adjustment matters

☐ Applicable    ☒ N/A

### 2. Profit distribution

☒ Applicable    ☐ N/A

Unit: RMB'0000    Currency: RMB

Proposed profits or dividends to be distributed	157,722
Profits or dividends declared to be paid after deliberation and approval	157,722

Note:

As resolved at the Sixth Meeting of the Tenth Board of Directors, the Company proposed to distribute cash dividends of RMB5.1 (tax inclusive) per 10 shares to all shareholders with 3,092,588,993 shares as the base obtained by deducting 5,808,614 repurchased shares not participating in profit distribution on 31 December 2022 and 265,000 restricted shares that were canceled on 6 March 2023 from its total share capital of 3,098,662,607 shares, with totally distributed cash dividends of RMB1,577,220,386.43 (tax inclusive). Where there is any change in the total share capital or number of shares subject to dividend distribution prior to the date of share registration in respect of dividend distribution, the final dividend distribution plan will be adjusted based on the number of shares available for profit distribution on the date of share registration when the profit distribution plan is implemented in line with the principle that the amount of dividend per share remains unchanged. The profit distribution plan shall be submitted to the General Meeting of the Company for deliberation and approval before implementation.

### 3. Sales return

☐ Applicable    ☒ N/A

### 4. Other post balance sheet events

☐ Applicable    ☒ N/A

## XVI. Other Important Events

### 1. Correction of previous accounting errors

#### (1). Retrospective restatement

☐ Applicable    ☒ N/A

#### (2). Prospective application

☐ Applicable    ☒ N/A

### 2. Debt restructuring

☐ Applicable    ☒ N/A

### 3. Asset swap

#### (1). Non-monetary asset exchange

☐ Applicable    ☒ N/A

#### (2). Other assets swap

☐ Applicable    ☒ N/A

### 4. Annuity plan

☐ Applicable    ☒ N/A

### 5. Discontinued operations

☐ Applicable    ☒ N/A

## XVI. Other Important Events (Continued)

### 6. Information on divisions

#### (1). Basis of determination and accounting policy for reporting division

☒ Applicable ☐ N/A

Based on the internal organizational structure, management requirements and internal reporting system, the Company has identified the following eight reporting divisions: natural gas retail, natural gas wholesale, natural gas direct sale, project construction and installation, integrated energy sales and services, value-added businesses, energy production and infrastructure operation. Each reporting division is a separate business segment providing different products and services. Each division needs to be managed separately because it requires different technologies and marketing strategies. At the same time, the price of products sold and transferred between divisions of the Company shall be determined according to the sales or transfer price to an independent third party, i.e., the prevailing market price. The management of the Company will regularly review the financial information of different divisions to determine the allocation of resources and evaluate performance.

#### (2). Financial information of reporting divisions

☒ Applicable ☐ N/A

Unit: RMB'0000 Currency: RMB

Item	Retail of natural gas	Wholesale of natural gas	Direct sale of natural gas	Construction and installation	Sale and services of integrated energy	Value-added business	Energy production	Infrastructure operation	Inter-division offset	Total
Subtotal of primary operation income from external transactions	7,005,119	3,383,405	1,631,376	844,056	1,205,165	353,356	855,081	22,656		15,300,214
Primary operation income from inter-division transactions	4,149,232	3,346,266	626,090	360,955	11,376	593,866	155,531	91,362	9,334,678	
Primary operation income of reporting division	11,154,351	6,729,671	2,257,466	1,205,011	1,216,541	947,222	1,010,612	114,018	9,334,678	15,300,214
Subtotal of primary operation cost from external transactions	6,258,232	3,114,630	1,320,699	493,537	1,039,373	133,636	642,231	9,710		13,012,048
Primary operation cost from inter-division transactions	4,187,062	3,351,564	657,512	320,412	18,257	587,054	155,960	39,763	9,317,584	
Primary operation cost of reporting division	10,445,294	6,466,194	1,978,211	813,949	1,057,630	720,690	798,191	49,473	9,317,584	13,012,048
Gross profit of reporting division	709,057	263,477	279,255	391,062	158,911	226,532	212,421	64,545	17,094	2,288,166
Gross profit from external transactions	746,887	268,775	310,677	350,519	165,792	219,720	212,850	12,946		2,288,166
Classified assets	4,757,353	397,372	699,198	1,924,104	988,859	452,022	1,476,244	723,720	951,439	10,467,433
Classified liabilities	1,871,640	21,234	282,440	1,873,928	452,088	279,210	1,058,188	392,588	239,742	5,991,574

## XVI. Other Important Events (Continued)

### 6. Information on divisions (Continued)

(3). *Specify the reason if the Company has no reporting divisions, or it is unable to disclose the total assets and total liabilities of each reporting division*

☐ Applicable    ☒ N/A

(4). *Other information*

☐ Applicable    ☒ N/A

### 7. Other important transactions and events that have impact on decision-making by investors

☒ Applicable    ☐ N/A

The Company has derived a evaluated profit of RMB6,058.11 million for the year 2022 based on the calculation of the valuation profit under the Restricted Share Incentive Plan 2021 announced on January 21, 2021. The evaluated profit of RMB6,058.11 million for 2022 was obtained by deducting a total of RMB214.2 million of effects from gain or loss on foreign currency assets and liabilities, changes in fair value of hedge products, provision for assets impairment and amortization of stock incentive cost on the net profit attributable to parent company from the net profit of RMB5,843.91 million attributable to parent company generated from operating activities (extracted from the financial statements audited by the auditors of the Company).

### 8. Others

☐ Applicable    ☒ N/A

## XVII. Notes to Major Items in the Financial Statements of the Parent Company

### 1. Accounts receivable

#### (1). Disclosure by aging

☒ Applicable ☐ N/A

Unit: RMB'0000 Currency: RMB

Aging	Closing book value
Within one year	
Including: Sub-item due within one year	
Subtotal of accounts receivable due within one year	47
One to two years	
Two to three years	
Three to five years	
More than five years	39
Total	86

#### (2). Disclosure by methods of bad debt provision

☒ Applicable ☐ N/A

Unit: RMB'0000 Currency: RMB

Category	Closing balance					Opening balance				
	Book balance		Provision for bad debt			Book balance		Provision for bad debt		
	Amount	Proportion (%)	Amount	Proportion of accrual (%)	Book value	Amount	Proportion (%)	Amount	Proportion of accrual (%)	Book value
Bad debt provision made individually										
Bad debt provision made by portfolio	86	100.00	39	45.35	47	39	100	39	100	
Total	86	/	39	/	47	39	/	39	/	

Bad debt provision made individually:

☐ Applicable ☒ N/A

## XVII. Notes to Major Items in the Financial Statements of the Parent Company (Continued)

### 1. Accounts receivable (Continued)

#### (2). Disclosure by methods of bad debt provision (Continued)

Bad debt provision made by portfolio:

☒ Applicable ☐ N/A

Unit: RMB'0000 Currency: RMB

Name	Closing balance		
	Accounts receivable	Provision for bad debt	Proportion of accrual (%)
Within one year	47		
One to two years			
Two to three years			
Three to five years			
More than five years	39	39	100
<b>Total</b>	<b>86</b>	<b>39</b>	<b>45.35</b>

Recognition criteria and description of bad debt provision made by portfolio:

☐ Applicable ☒ N/A

If bad debt provision is made according to the general model of expected credit loss, please refer to the disclosure of other receivables:

☐ Applicable ☒ N/A

#### (3). Information on provision for bad debts

☒ Applicable ☐ N/A

Unit: RMB'0000 Currency: RMB

Category	Opening balance	Amount of change in the current period				Closing balance
		Accrual	Recovered or reversed	Charge-off or write-off	Other change	
Provision for receivable bad debts	39					39
<b>Total</b>	<b>39</b>					<b>39</b>

Major bad debt provisions that tend to be recovered or reversed in the current period thereof:

☐ Applicable ☒ N/A

## XVII. Notes to Major Items in the Financial Statements of the Parent Company (Continued)

### 1. Accounts receivable (Continued)

#### (4). Accounts receivable actually written-off for the current period

☐ Applicable ☒ N/A

Write-off of important accounts receivable

☐ Applicable ☒ N/A

#### (5). Accounts receivable in the top five ending balances collected by the debtor

☒ Applicable ☐ N/A

Unit: RMB'0000 Currency: RMB

Name of entity	Closing balance	Proportion in the total closing balance of accounts receivable (%)	Closing amount of bad debt provision
Top 1	47	55	
Top 2	39	45	39
Total	86	100	39

#### (6). Derecognized accounts receivable as a result of transfer of financial assets

☐ Applicable ☒ N/A

#### (7). Amount of assets and liabilities formed by transfer of accounts receivable with continuous involvement

☐ Applicable ☒ N/A

Other information:

☐ Applicable ☒ N/A



## XVII. Notes to Major Items in the Financial Statements of the Parent Company (Continued)

### 2. Other receivables

#### *Presentation of items*

☒ Applicable   ☐ N/A

Unit: RMB'0000   Currency: RMB

Item	Closing balance	Opening balance
Interests receivable		
Dividends receivable	170,586	131,500
Other receivables	652,754	445,351
<b>Total</b>	<b>823,340</b>	<b>576,851</b>

Other information:

☐ Applicable   ☒ N/A

#### *Interests receivable*

##### *(1). Classification of interests receivable*

☐ Applicable   ☒ N/A

##### *(2). Significant overdue interest*

☐ Applicable   ☒ N/A

##### *(3). Provision for bad debts*

☐ Applicable   ☒ N/A

Other information:

☐ Applicable   ☒ N/A

## XVII. Notes to Major Items in the Financial Statements of the Parent Company (Continued)

### 2. Other receivables (Continued)

#### *Dividends receivable*

##### *(4). Dividends receivable*

☒ Applicable ☐ N/A

Unit: RMB'0000 Currency: RMB

Project (or investee)	Closing balance	Opening balance
Xinneng Mining Industry Co., Ltd.	91,500	131,500
ENN (Tianjin) Energy Investment Co., Ltd.	79,086	
<b>Total</b>	<b>170,586</b>	<b>131,500</b>

##### *(5). Significant dividends receivable due beyond one year*

☐ Applicable ☒ N/A

##### *(6). Provision for bad debts*

☐ Applicable ☒ N/A

Other information:

☐ Applicable ☒ N/A

## XVII. Notes to Major Items in the Financial Statements of the Parent Company (Continued)

### 2. Other receivables (Continued)

#### *Other receivables*

##### (1). Disclosure by aging

☒ Applicable ☐ N/A

Unit: RMB'0000 Currency: RMB

Aging	Closing book value
Within one year	
Including: Sub-item due within one year	
Subtotal of accounts receivable due within one year	409,679
One to two years	243,075
Two to three years	
Three to five years	
More than five years	
Total	652,754

##### (2). Classification by the nature of payments

☒ Applicable ☐ N/A

Unit: RMB'0000 Currency: RMB

Nature of payment	Closing book value	Opening book value
Current account	652,601	445,352
Others	153	
Total	652,754	445,352

## XVII. Notes to Major Items in the Financial Statements of the Parent Company (Continued)

### 2. Other receivables (Continued)

#### *Other receivables (Continued)*

#### (3). Provision for bad debts

☒ Applicable ☐ N/A

Unit: RMB'0000 Currency: RMB

	Stage 1	Stage 2	Stage 3	
	Expected credit loss in the next 12 months	Expected credit loss in the whole duration (no credit impairment)	Expected credit loss in the whole duration (with credit impairment)	Total
Provision for bad debts				
Balance on January 1, 2022	1			1
In the current period, the balance on January 1, 2022				
— Transfer to the second stage				
— Transfer to the third stage				
— Reversal to the second stage				
— Reversal to the first stage				
Provision in current period				
Reversal in current period	-1			-1
Charge-off in current period				
Write-off in current period				
Other changes				
Balance on December 31, 2022				

Description of significant changes in the book balance of other receivables with changes in loss reserves in the current period:

☐ Applicable ☒ N/A

Amount of provision made for bad debts and the basis adopted to evaluate whether the credit risk of financial instruments have increased significantly in current period:

☐ Applicable ☒ N/A

## XVII. Notes to Major Items in the Financial Statements of the Parent Company (Continued)

### 2. Other receivables (Continued)

#### *Other receivables (Continued)*

##### (4). Accrual of bad debt provision

☒ Applicable   ☐ N/A

Unit: RMB'0000   Currency: RMB

Category	Opening balance	Amount of change in the current period				Closing balance
		Accrual	Recovered or reversed	Charge-off or write-off	Other change	
Bad debt provision for other receivables	1		-1			
<b>Total</b>	<b>1</b>		<b>-1</b>			

Bad debt provisions with significant reserved or recovered amount:

☐ Applicable   ☒ N/A

##### (5). Other receivables actually written-off during the current period

☐ Applicable   ☒ N/A

##### (6). Other receivables with top five closing balances collected by the debtor

☒ Applicable   ☐ N/A

Unit: RMB'0000   Currency: RMB

Name of entity	Nature of payment	Closing balance	Aging	Proportion in total closing balance of other receivables (%)	Closing balance of bad debt provision
Top 1	Incoming and outgoing payments	404,809	Within one year, 1-2 years	62.02	
Top 2	Incoming and outgoing payments	129,411	Within one year, 1-2 years	19.83	
Top 3	Incoming and outgoing payments	43,954	Within one year	6.73	
Top 4	Incoming and outgoing payments	20,962	Within one year	3.21	
Top 5	Incoming and outgoing payments	15,651	Within one year	2.40	
<b>Total</b>	<b>/</b>	<b>614,787</b>	<b>/</b>	<b>94.19</b>	

## XVII. Notes to Major Items in the Financial Statements of the Parent Company (Continued)

### 2. Other receivables (Continued)

#### *Other receivables (Continued)*

(7). Receivables related to government subsidies

☐ Applicable ☒ N/A

(8). Other receivables derecognized due to transfer of financial assets

☐ Applicable ☒ N/A

(9). Amount of assets and liabilities formed by transfer of other receivables with continuous involvement

☐ Applicable ☒ N/A

Other information:

☐ Applicable ☒ N/A

### 3. Long-term equity investment

☒ Applicable ☐ N/A

Unit: RMB'0000 Currency: RMB

Item	Closing balance			Opening balance		
	Book balance	Impairment provision	Book value	Book balance	Impairment provision	Book value
Investment in subsidiaries	1,367,005		1,367,005	1,357,006		1,357,006
Investment in associates and joint ventures	4,624		4,624	3,339		3,339
Total	1,371,630		1,371,630	1,360,345		1,360,345

## XVII. Notes to Major Items in the Financial Statements of the Parent Company (Continued)

### 3. Long-term equity investment (Continued)

#### (1). Investment in subsidiaries

√ Applicable    □ N/A

Unit: RMB'0000    Currency: RMB

Investee	Opening balance	Current increase	Current decrease	Closing balance	Current accrual of impairment provision	Closing balance of impairment provision
Xinneng Mining Industry Co., Ltd.	254,320			254,320		
ENN (Langfang Airport FTZ) Natural Gas Sales Co., Ltd.		10,000		10,000		
Xinneng (Hong Kong) Energy Investment Co., Ltd.	498,182			498,182		
ENN (Tianjin) Energy Investment Co., Ltd.	603,123			603,123		
Chongqing Xin'ao Longxin Clean Energy Co., Ltd.	510			510		
Shanghai International Engineering Construction Consulting Co., Ltd.	871			871		
Total	1,357,006	10,000	0	1,367,006		

#### (2). Investment in associates and joint ventures

√ Applicable    □ N/A

Unit: RMB'0000    Currency: RMB

Investee	Current increase or decrease changes								Closing balance	Closing balance of impairment provision
	Opening balance	Additional investment	Reduced investment	Investment gains and losses recognized under the equity method	Adjustment to other comprehensive income	Changes in other equity	Declare to issue cash dividends or profit	Accrual of impairment provision		
I. Joint Venture										
Subtotal										
II. Associates										
Beijing Zhongnong Big Biotechnology Incorporated Company	525			-44					481	
Chongqing Longran Energy Technology Co., Ltd.	2,814			2,164			-835		4,143	
Subtotal	3,339			2,120			-835		4,624	
Total	3,339			2,120			-835		4,624	

## XVII. Notes to Major Items in the Financial Statements of the Parent Company (Continued)

### 4. Operating income and operating cost

#### (1). Information on operating income and operating cost

☒ Applicable ☐ N/A

Unit: RMB'0000 Currency: RMB

Item	Amount incurred in the current period		Amount incurred in the previous period	
	Income	Cost	Income	Cost
Primary business				
Other business	1,859	9	17,198	11
Total	1,859	9	17,198	11

#### (2). Revenue generated from contracts

☐ Applicable ☒ N/A

#### (3). Information on performance obligations

☐ Applicable ☒ N/A

#### (4). Information on apportionment to the remaining performance obligations

☐ Applicable ☒ N/A

### 5. Investment income

☒ Applicable ☐ N/A

Unit: RMB'0000 Currency: RMB

Item	Amount incurred in the current period	Amount incurred in the previous period
Income from long-term equity investment calculated by cost method	129,086	224,135
Income from long-term equity investment calculated by equity method	2,120	3,558
Investment income from disposal of long-term equity investment		8,091
Total	131,206	235,784

### 6. Others

☐ Applicable ☒ N/A



## XVIII. Supplementary Information

### 1. Statement of current non-recurring gains or losses

☒ Applicable   ☐ N/A

Unit: RMB'0000   Currency: RMB

Item	Amount	Description
Gains or losses on disposal of non-current assets	-7,347	
Government subsidies included in profit or loss for the current period, other than those on-going government subsidies which are closely related to the Company's normal operation, in line with national policies and subject to certain standard quota or quantitative amount	38,621	
Gains or losses on debt restructuring	2,051	
Net gains or losses of subsidiaries for the current period from the beginning of the period to the date of combination arising from business combination under common control	17,337	
Gains or losses on changes in fair value of financial assets held for trading, derivative financial assets, financial liabilities held for trading and derivative financial liabilities and return on investment from the disposal of financial assets held for trading, derivative financial assets, financial liabilities held for trading, derivative financial liabilities and other debt investments except for effective hedging transactions that are related to the Company's normal operations	174,770	
Reversed impairment provisions for receivables and contract assets subject to separate impairment tests	3,170	
Profits and losses obtained from external entrusted loans	1,002	
Profits and losses generated by the change of the fair value of investment real estate are measured by the fair value model for subsequent measurement	-3,466	
Other non operating income and expenses other than the above	-3,010	
Less: Effect of income tax	38,434	
Effect of minority stockholders' equity	67,392	
<b>Total</b>	<b>117,302</b>	

Reasons shall be specified for defining non-recurring profit and loss items in accordance with the *Interpretative Announcement on Information Disclosure by Companies that Offer Securities to the Public No. 1 — Non-recurring Gain and Loss* and defining non-recurring gain and loss items listed in the *Interpretative Announcement on Information Disclosure by Companies that Offer Securities to the Public No. 1 — Non-recurring Gain and Loss* as recurring gain and loss items.

☐ Applicable   ☒ N/A

## XVIII. Supplementary Information (Continued)

### 2. Return on equity and earnings per share

☒ Applicable   ☐ N/A

Profit in the reporting period	Weighted average return on equity (%)	Earnings per share	
		Basic earnings per share	Diluted earnings per share
Net profit attributable to common shareholders of the Company	33.43	1.90	1.89
Net profit attributable to common shareholders of the Company after deducting non-recurring gains and losses	27.84	1.60	1.60

### 3. Differences between accounting data under domestic and overseas accounting standards

☐ Applicable   ☒ N/A

### 4. Others

☐ Applicable   ☒ N/A

Chairman: Wang Yusuo

Date of submission to the Board for approval: March 24, 2023

Revision Information

☐ Applicable   ☒ N/A

