

Stock Code: 600803

Stock Abbreviation: ENN-NG

ENN Natural Gas Co., Ltd.

2023 Semi-annual Report

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 Semi-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. This Semi-annual Report is unaudited.

IV. The person in charge of the Company, Yu Jianchao, the person in charge of the accounting, Wang Dongzhi, and the chief accountant (accounting officer), Cheng Zhiyan, declare to ensure that the Semi-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

Uninvolved

VI. Prospective statement of risk

☒ Applicable ☐ N/A

The prospective description of future plans, development strategies, etc. in this 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 Semi-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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Directory of files for further reference	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 originals of all corporate documents and original announcements that have been publicly disclosed in the newspapers designated by the CSRC in the Reporting Period.

Section I 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., which is a shareholder of the Company
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, RMB 0.01 Million Yuan, RMB 100 Million Yuan, China's legal currency unit
Reporting Period	Refers to	A period from 1 January 2023 to 30 June 2023

Section II 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	http://www.enn-ng.com
Email	enn-ng@enn.cn
Query index for changes during the Reporting Period	/

IV. Information Disclosure and Preparedness Location

Name of the newspapers disclosing information selected by the Company	China Securities Journal, Shanghai Securities News and Securities Daily
Website address disclosing the Semi-annual Report	http://www.sse.com.cn
Preparedness location of the Company's Semi-annual Report	Shanghai Stock Exchange, Corporate Investor Relations Intellectual Competency Group
Query index for changes during the Reporting Period	/

V. 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

☐ Applicable ☒ N/A

VII. Key accounting data and financial indicators of the Company**(I) Key accounting data**

Unit: RMB'0000 Currency: RMB

Key accounting data	Current Reporting Period (January - June)	Same period of previous year		Increase or decrease over the same period previous year for the current Reporting Period (%)
		After the adjustment	Before the adjustment	
Operating income	6,716,963	7,313,112	7,301,974	-8.15
Net profit attributable to shareholders of listed companies	220,353	169,680	153,543	29.86
Net profit attributable to shareholders of listed companies after deducting nonrecurring profits and losses	138,104	134,900	133,325	2.38
Net cash flow from operating activities	631,108	742,102	676,261	-14.96

Core profit attributable to shareholders of listed companies	316,882	242,031	225,874	30.93
	End of current Reporting Period	End of previous year		Increase or decrease at the end of the Reporting Period over the end of previous year (%)
		After the adjustment	Before the adjustment	
Net assets attributable to shareholders of listed companies	1,833,836	1,757,812	1,757,812	4.32
Total assets	13,902,328	13,619,744	13,619,744	2.07

(II) Key financial indicators

Key financial indicators	Current Reporting Period (January - June)	Same period of previous year		Increase or decrease over the same period previous year for the current Reporting Period (%)
		After the adjustment	Before the adjustment	
Basic earnings per share (yuan/share)	0.71	0.55	0.54	29.09
Diluted earnings per share (yuan/share)	0.71	0.55	0.54	29.09
Basic earnings per share after deducting nonrecurring profits and losses (yuan /share)	0.45	0.48	0.47	-6.25
Weighted average return on equity (%)	11.76	9.95	10.16	Increase by 181 bp
Weighted average return on equity after deducting nonrecurring profits or losses (%)	7.37	8.89	8.88	decrease by 152bp
Basic core profit per share (Yuan/share)	1.03	0.79	0.80	30.38

Descriptions of the Company's key accounting data and financial indicators

√Applicable □ N/A

1. The core profit attributable to shareholders of the listed company increased by 30.93% compared to the same period last year, and the basic core profit per share increased by 30.38% compared to the same period last year. This is mainly due to the increase in the contribution of direct sales gas business profit in the reporting period compared to the same period last year.

VIII. Difference between Accounting Data under Domestic and Overseas Accounting Standards

□ Applicable √ N/A

IX. Items and Amounts of Non-recurring Profits or Losses

√ Applicable □ N/A

Unit: Yuan Currency: RMB

Nonrecurring profit and loss item	Amount	Note (if applicable)
Gains or losses on disposal of non-current assets	1,333	
Government subsidies included in profit or loss for the current period, other than those on-going government subsidies which are	32,997	

closely related to the Company's normal operation, in line with national policies and subject to certain standard quota or quantitative amount		
Gains or losses on debt restructuring	3,310	
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	90,785	
Reversal of the provision for impairment on receivables and contract assets which were tested individually for impairment	674	
Gains or losses from external entrusted loans	443	
Other non-operating income and expenses other than above items	3,643	
Less: Effect of income tax	18,693	
Effect of minority equity (after tax)	32,243	
Total	82,249	

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 — Nonrecurring Profits and Losses* 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 Profits and Losses* as recurring profit and loss items.

☐ Applicable ☒ N/A

X. Others

☐ Applicable ☒ N/A

Section III Management Discussion and Analysis

I. An Overview of the Industry and the Principal Business of the Company During the Reporting Period

(I) Company profile

ENN-NG (stock code: 600803.SH) was listed in 1994.

Adhering to the best industry practices, ENN-NG has built an intelligent operation platform for the

natural gas industry (www.greatgas.cn) as a one-stop platform for demand, resources, delivery and reserve. We have developed innovative digital intelligence services and striven to become an intelligent ecological operator in the natural gas industry to promote its digital intelligence upgrade.

Our principal businesses include direct sales, retail and wholesale of natural gas, construction and operations of an intelligent platform for the natural gas industry, infrastructure operations, integrated energy, value-added business, engineering construction and installation, as well as energy production. We have also reserved technologies and expanded business in new energy sectors such as hydrogen and biomass.

(II) Business Model

1. Natural gas sales

The Company classifies the natural gas sales business into direct sales, retail and wholesale of natural gas based on differences in natural gas procurement, customer structure, business model, and other factors.



Company Gas Plant Station

a) Direct sales of natural gas

The Company sells natural gas online and offline to various customers, including large-scale industries, city gas operators, power plants, transportation energy operators and international traders.

We sourced most of the natural gas overseas, supplemented by domestic self-owned or entrusted LNG liquid plants. Regarding international procurement, the Company purchased natural gas from global producers or traders through long-term agreements and spot contracts. 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.

Pricing under direct sales was more flexible and market-oriented, with floating or fixed prices depending on the type and demand of customers.

b) Retail and wholesale of natural gas

As for natural gas retail, we built pipeline networks in designated areas based on franchises and processed and delivered natural gas to end users such as industrial businesses, residents, and

transportation sectors.

The natural gas supplied to the retail business is mainly purchased from CNPC, Sinopec, CNOOC and other resource providers. The purchase prices of non-pipeline gas (mainly LNG) is primarily determined by the market and is primarily 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 has gradually relaxed 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 in the domestic natural gas industry. Upstream gas suppliers can charge a percentage above or below the base price without any downside limit according to the supply and demand situation.

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 "permitted cost plus reasonable gain" principle, and its calibration cycle should not exceed three years. The sales price adopts the government-guided price. At present, various cities in China have established sales price linkage mechanisms for commercial and industrial users, and some cities have established sales price linkage mechanisms for residents, whereby the Company may apply for a gas sales price adjustment based on the range of the change when upstream gate station prices change.

The wholesale business worked as a way to smooth out peaks for retail sales business. The Company purchased natural gas from domestic upstream gas production and sales entities and then sold it in bulk through its self-owned and third-party gas transportation networks to customers, traders, and other parties not covered by the pipeline network in its operating areas.

c) The GreatGas.cn, Intelligent natural gas operation platform

The GreatGas.cn is our proprietary intelligent natural gas operation platform, and independently developed by the company. It aims to improve the overall capacity and efficiency of the natural gas industry by matching the demand and supply sides of the sector with digital intelligence technologies, providing scenario data, and supporting the creation of intelligent products based on the best innovation practices under every natural gas scenario of ENN-NG and the industry, empowering all parties of the ecosystem and bringing them together in one place. It is committed to becoming the GPT of the industry and meeting customer demands intelligently, and driving the industry's efficient operation based on industry big data and knowledge base as well as general intelligence cap.

2. Infrastructure operation

Natural gas infrastructure consists of LNG terminals, pipelines, and storage facilities. The Company charges service fees for natural gas receiving and unloading, transportation and storage.

LNG terminals receive, unload, store, gasify, and export LNG from ships. Their primary function are to deliver LNG to downstream users in liquid or gaseous states through tanker trucks or pipelines.

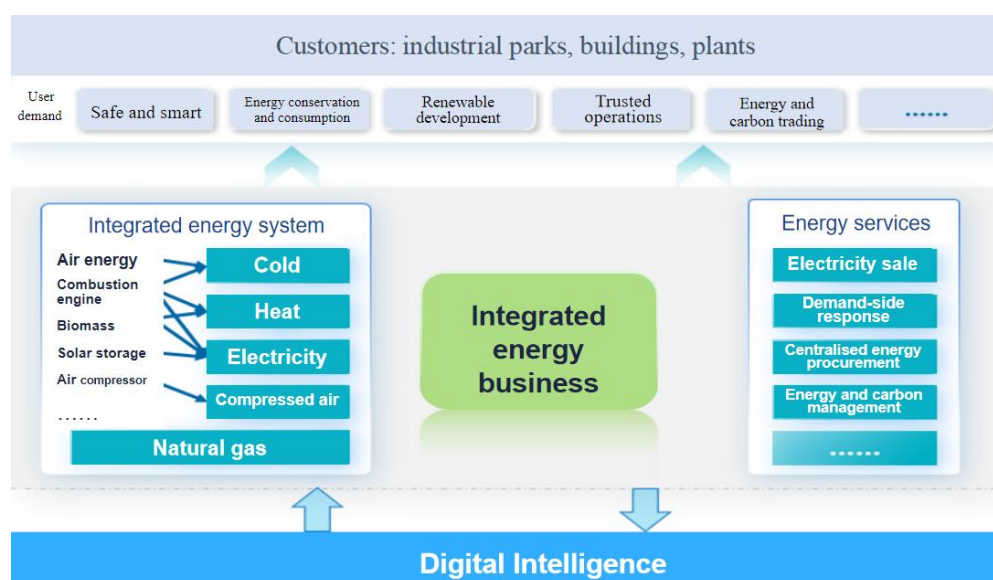
Natural gas pipelines transport natural gas from where it is extracted to city gas distribution centres

or industrial enterprise users. They can be divided into long-distance gas pipelines, city gas pipelines and industrial enterprise gas pipelines according to usage.

Gas storage facilities are essential in regulating the balance between production, transportation, sales and use of natural gas. According to the gas storage method, they can be divided into underground gas storehouses, above-ground storage tanks, and high-pressure pipeline storage.

3. Integrated energy

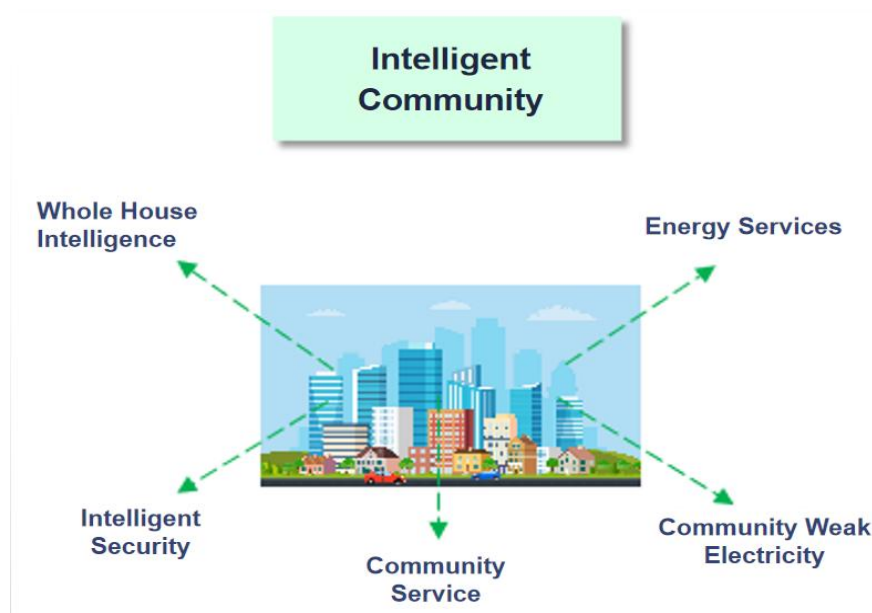
Integrated energy business consists of integrated energy systems and energy services. An integrated energy system refers to building an integrated multi-energy complementary system by combining renewable energy and clean energy according to customer demand and situation. The system can intelligently produce and supply multiple energy sources such as electricity, heat, cooling, gas and water and schedule and operate through a digital intelligence platform, thus realising the development and utility of omni energy value chain. Energy service refers to providing integrated services according to users' demands, including energy procurement, equipment operation, energy and carbon management, finance, and technology, employing digital intelligence tools, thereby promoting clean, low-carbon, safe and efficient energy utilisation.



Schematic diagram of the integrated energy business

4. Value-added business

With an aim to enhance quality of life and adhering to the principle of customer-centricity, we developed a value-added product system that meets customers' diverse and different needs according to the scenarios of "home security, smart kitchen and home environment." Products include Home Guard, 360° kitchen products, concealed installation of pipelines, and environment products and services in relation to heat, cooling, wind, water and light. The Company has also developed professional digital intelligence solutions for the energy, security and health of communities in response to the national call. Under the product and service resources of commercial and industrial enterprise users, the Company has endeavoured to provide quality products and services for family customers with a priority to quality.



Schematic diagram of the value-added business

5. Engineering construction and gas installation

The Company established an electric power design institute, an engineering design institute, a cost centre, an equipment integration company, as well as engineering companies with high qualifications. They carry out business in gas infrastructure planning, design and construction, photovoltaic, power grid, hydrogen and integrated energy projects. The engineering construction and installation business consists of engineering construction and gas installation.

a) Engineering construction

Engineering construction covers four major engineering fields: natural gas infrastructure engineering, municipal engineering, new energy engineering, and digital intelligence. The Company mainly acquires projects through bidding and provides customers with overall solutions for the entire life cycle of projects, including technology, consulting, planning and design, equipment manufacturing and skid-mounted integration, project construction, and digital delivery.

b) Engineering installation

We 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 pipelines and facilities, and after-sales maintenance services. The installation services for residential users target newly-built commodity houses and old residential houses without pipeline gas and specifically include installing and constructing the courtyard pipeline network and equipment, indoor piping, and facilities within the red line of residential buildings with installation charges. The installation services for commercial and industrial users refer to the installation of pipeline gas projects for industrial, commercial, welfare units and other customers. For the engineering installation business, engineering contractors and material suppliers were selected mainly through bidding. In some regions, the pricing of engineering installation business was implemented per relevant policies and regulations of the provincial and municipal development and reform commissions for engineering installation fees. In contrast, other

regions have adopted a market-based pricing mechanism.

6. Energy production

a) Coal

ENN-NG's coal business includes the production and sales of coal. We own the mining right of the Wangjiata Coal Mine in Ordos, Inner Mongolia, which has demonstrated a capacity of 8 million tons annually. The Company has also entrusted a third party with the responsibility of mining and washing the coal. The Wangjiata Coal Mine is characterised by a simple and stable geological structure with good coal quality. Non-stick coal makes up 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. Blended coal is used as steam coal due to its high ash content. In contrast, cleaned coal, featuring low ash content and a relatively high degree of purity, is used as high-quality coal for particular purposes and can be used in coal chemical and steel industries. The Company sells coal to end users in strict accordance with the requirements of national policies.

b) Methanol

The Company's methanol business includes the production and sales of methanol. The primary raw material of the Company's methanol products is coal, which is mainly purchased from Ordos City, Inner Mongolia, and surrounding areas. Currently, the Company has two sets of production units up to 1.2 million tons per year. Most of our customers are large and medium-sized terminal chemical enterprises and the Company has gradually extended to emerging downstream customers such as fine chemicals and methanol fuel.

(III) Company Operations During the Reporting Period

1. Construction and operations of the intelligent platform for natural gas industry

In February 2023, the State Council issued the "Plan for the Overall Layout of Building a Digital China", which encourages significant developments of digital and platform economies. The plan would accelerate the digital transformation of traditional industries and small and medium-sized enterprises and improve high-end and intelligent transformation.

The natural gas industry actively responded to the "Digital China" initiative through the construction of digital intelligence: China Oil & Gas Pipeline Network Corporation is building a smart pipeline network platform, CNOOC launches the proprietary e-commerce platform CNOOCmall, and Towngas Smart Energy forges a smart gas cloud platform; in addition, trading centres in Shanghai, Chongqing are up and running. But in general, the digital and intelligent transformation of the natural gas industry is focused on informatisation, digitalisation, and pure e-commerce trading platforms. It is yet to cut through the upper, middle and lower streams, provide smart solutions to the dynamic needs of customers, and improve the synergy between enterprises and the industry.

Under uncertainties and complexities such as intensified market volatility, frequent extreme weather and geopolitical conflicts, the natural gas industry requires better flexibility and resilience in the supply chain. Stakeholders call on digital technologies to solve these pain points. With the advancement of the unified market and the vigorous development of artificial intelligence, conditions for developing

the industrial internet are ripening. Demand for digitisation is booming in various industry sectors, from commercial customers to resource and facilities providers. By 2030, China's energy industrial internet market is expected to exceed RMB 1 trillion. ENN-NG operates an all-rounded intelligent platform for the natural gas industry. It provides intelligent capabilities to meet customers' customised and flexible demand for gas. It also helps innovate business models, solve demand-supply mismatch, and improve the overall industrial capacity and operational efficiency.

2. Natural gas sales

Domestic Market: After the negative growth of natural gas consumption in 2022, the domestic demand has stabilised and revitalised in 2023. The domestic natural gas market recovered remarkably with the deepening reform of the oil and gas system and the accelerating construction of the new energy system. In the first half of 2023, the domestic natural gas consumption was 194.9 billion cubic metres, up 6.7% year-on-year.

According to a forecast for China's natural gas consumption demand for 2020-2030, the natural gas consumption may reach 600 billion cubic metres by 2030 and may still grow steadily subsequently. Natural gas will still play a significant role in China's energy consumption. Against this background, the Company's potential for direct sales business is set to expand rapidly, with market size expected grow by more than 150 billion cubic metres by 2030.

3. Infrastructure operations

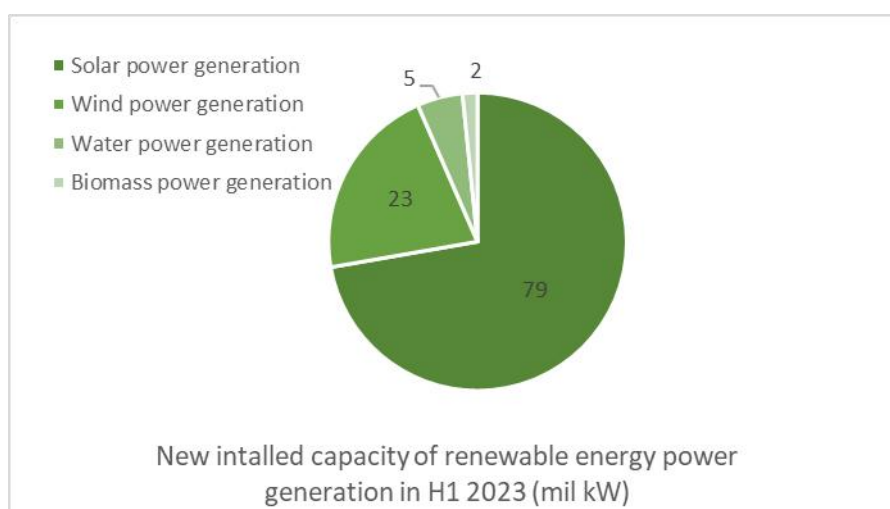
Regarding pipeline network construction, China has accelerated the construction of natural gas pipeline network facilities and enhanced their interconnection to improve the "unified national network". China accelerated the construction and commissioning of major national strategic projects such as the southern section of the China-Russia East Route, the middle section of the third line of the West-East Gas Pipeline, the fourth line of the West-East Gas Pipeline and the second line of the Sichuan-East Gas Pipeline, and supported and guided the integration of provincial pipeline networks into PipeChina on a market-oriented basis. According to the 14th Five-Year Plan for Modern Energy System, China's national oil and gas pipeline network is expected to span 210,000 km by 2025. The Company also played an essential role in constructing the pipeline networks and facilitating their interconnection. Currently, the Company owns 79,272 km of independently operated pipelines and promotes our effective interconnection with national and provincial pipeline networks, which lays a favourable foundation for the direct gas supply to large customers.

As the only channel for China's LNG imports, the LNG terminal is a vital infrastructure along the natural gas industry chain due to its receiving, storage, gasification and peak regulation functions. At present, China has 27 LNG terminals in operation. In the first half of 2023, terminal operations improved as international LNG spot prices dropped significantly and domestic demand recovered gradually, with average utilisation rate at about 60%. As China's economy gradually recovers, new gas demand, mainly from industry, is set to lift the utilisation rate of coastal LNG terminals. In addition, as overseas LNG will be an important source of new natural gas supply in China, LNG terminals will play a more prominent role in natural gas reserve, supply and emergency peak regulation.

Regarding gas storage facilities, the National Energy Administration proposed in the 14th Five-Year Plan for Modern Energy System to improve natural gas storage and regulation capabilities. Underground gas storage of tens of billion cubic metres will be built in Northern, Northeastern, Southwestern, and Northwestern China. For storage groups, priority will be given to promoting LNG terminal projects that have been built, are under construction and planned at important port sites, and a new mechanism for collaboration among gas supply companies, PipeChina, city-gas enterprises, and municipal governments for sharing gas storage responsibilities. To promote the effective implementation of the policy, the government has increased efforts to build LNG storage facilities and new underground storage, chiefly concentrated in Shaanxi, Gansu and Liaoning. More than 25 storages have been completed nationwide, with over 20 billion cubic metres of storage capacity. By 2025, China's gas storage capacity will reach 55 billion to 60 billion cubic metres, accounting for approximately 13% of natural gas consumption.

4. Integrated energy

In the first half of 2023, the integrated energy service market demonstrated strong resilience, with stable growth in installed capacity and power generation. By the end of June, the new installed renewable energy power generation capacity was 109 million kilowatts, accounting for 77% of the new generation capacity. The total installed capacity of renewable energy power generation across the country has reached 1.322 billion kilowatts, up 18.2% year-on-year and accounting for approximately 48.8% of the total installations. In terms of power generation, the national renewable energy power generation reached 1.34 trillion kWh, accounting for about 31% of China's H1 electricity consumption. Renewable energy has further dominated in China's new installation of power generation and its role in ensuring energy supply and promoting clean and low-carbon transformation has only become more prominent.



In recent years, China has introduced a series of policy documents on topics such as dual carbon "1+N", energy consumption control, energy saving and emission reduction, digitisation, establishment of a unified national power market, spot power market, integration of power source, grid, load and storage, new energy storage, auxiliary services and energy trusteeship for public institutions. Governments at all levels highly emphasised integrated energy development and support and encourage multi-energy

complementation and low-carbon smart development, which provides a favourable policy mechanism and market environment for developing an integrated energy service market. The policies can be broadly divided into three categories: the first is to limit traditional high energy consumption, with increasingly stringent policies on energy consumption, carbon emissions, energy conservation and environmental protection, and energy regulation. The second meeting of the Central Committee for Comprehensively Deepening Reform held in July 2023 considered and approved the Opinions on Promoting the Transformation of Energy Consumption Control to Carbon Emission Control, which shows that China's ecological civilisation has entered a critical period focusing on carbon reduction. During this period, China will strengthen the regulation of the total amount and intensity of energy consumption and gradually shift to a dual-control system for the total amount and intensity of carbon emissions. The second is to encourage the development of new ways to accelerate the construction of digital China and develop the circular economy, user-side energy conservation, renewable energy utilisation, and green and low-carbon energy transformation. In April 2023, the National Energy Administration issued the 2023 Guiding Opinions on Energy, which states that it will vigorously promote the construction of distributed photovoltaic power generation projects. The third is to improve supporting mechanisms, including subsidy policies, financial mechanisms, carbon quotas, and carbon trading mechanisms. On August 17th, China Beijing Green Exchange issued the Notice on the Opening of Accounts in the National Greenhouse Gas Voluntary Emission Reduction Trading System and the Notice on the Arrangement of Transaction-related Services in the National Greenhouse Gas Voluntary Emission Reduction Trading System. The National Greenhouse Gas Voluntary Emission Reduction Trading System will now open the account opening function and accept applications from market participants to open registration accounts and trading accounts, and the opening time of the trading function will be announced separately.

With the implementation of these policies, the integrated energy service market has thrived. According to the statistical estimates made by the State Grid Corporation's research organisation, China's integrated energy service market will potentially grow from RMB 0.5~0.6 trillion to RMB 0.8~1.2 trillion from 2020 to 2025, and will reach RMB 1.3~1.8 trillion by 2035.

5.Value-added business

In the first half of 2023, the disposable income per capita of national residents amounted to RMB19,672, representing a nominal growth of 6.5% and, taking out price factor, a real growth of 5.8%. In July 2023, The National Development and Reform Commission issued the Measures on Resuming and Expanding Consumption to promote home decoration consumption and encourage the integration of indoor intelligent assembly: promote smart home appliances, integrated home appliances, functional furniture and other products, and improve the level of smart home greening. As living standards continue to improve and demand for quality of life is higher, the Company created home service solutions to help improve quality of life underpinned by our long-term accumulated advantage in customer stickiness. Meanwhile, with the rapid development of the digital economy and massive demand for value-added business, the government strongly promotes building value-added business and smart communities, thus

bringing new opportunities for developing value-added businesses.

6.Engineering construction and installation

a) Engineering construction

China accelerated building a “unified national network” and gas storage capacity to ensure a safe and stable natural gas supply. Approximately RMB 2 trillion is expected to be invested in key national energy projects in 2023 to boost oil and gas reserve and production.

In July, the second meeting of the Central Committee for Comprehensively Deepening Reform considered and approved *the Guiding Opinions on Deepening the Reform of the Electric Power System and Accelerating the Construction of a New Power System*, which emphasised the design of scientific and rational path for building a new power system and safeguard green energy transformation, indicated that the construction of non-fossil energy power facilities will become a focus of investment. In the first half of 2023, major national power generation enterprises invested RMB 331.9 billion in power generation projects, an increase of 53.8% year-on-year. Among them, RMB 134.9 billion was invested in solar power projects, up 113.6% year-on-year, and RMB 35.9 billion was invested in nuclear projects, up 56.1% year-on-year. They also invested RMB 205.4 billion in power grid projects, an increase of 7.8% year-on-year. In addition, new energy storage projects have proliferated, and its technology has diversified. In the first half of 2023, the new investments amounted to 8.63 million kilowatts of installed capacity, matching the total installed capacity of the previous years.

Hydrogen energy and biomass natural gas, which are vital areas of development for us, also grew rapidly. More than 30 countries and regions have issued national hydrogen energy strategies. China is the world's largest producer of hydrogen energy, with more than 350 hydrogen refuelling stations. China has taken extensive measures to support the development of hydrogen energy since it was included in the 14th Five-Year Plan, driving the rapid growth of hydrogen energy. In 2023, domestic hydrogen production is expected to reach 45.75 million tons. The domestic hydrogen electrolysis equipment market is developing briskly, with 600 MW up for tender in the first half of 2023. Annual demand is expected to double compared to last year. Biogas, as clean energy source, is also of strategic importance. It can emit negative carbon, prevent agriculture non-point source pollution, recycle organic waste, produce organic fertiliser and develop rural industry.

b) Engineering installation

As urbanisation continues, the number of natural gas users is also expected to increase. According to data from the National Bureau of Statistics, the urbanisation rate of China's permanent population was 65.22% at the end of 2022, with the people continuously moving towards areas along the Yangtze River, coastal regions and inland urban areas. The peak of China's urbanisation rate is expected to likely be between 75% and 80% after 2035. The Politburo of the Central Committee held a meeting in July 2023, which emphasised that efforts shall be made to increase the supply of indemnification housing, push forward urban village revocation and emergency infrastructure construction, and revitalise idle properties. In the same month, the Notice on Solidly Promoting the Reconstruction of Old Urban Communities in 2023 and the Guiding Opinions on Steadily Promoting Urban Village Revocation in

Super-Large and Mega Cities were released, requiring that all localities shall solidly promote the reconstruction of old urban communities and urban villages, which will bring more opportunities for engineering installation.

7. Energy production

Coal remains China's primary energy source the country's energy endowment and technology. It accounts for 56% of primary energy, and thermal power accounts for about 69% of the overall power generation. Before achieving carbon neutrality, coal demand will maintain growth driven by power demand. In the first half of 2023, the domestic coal supply was ample, with high mid- and downstream inventories and declining coal prices. The demand side showed little support for coal price as real estate and infrastructure have not shown a significant recovery and the power consumption growth of traditional industries is weak. On the supply side, China's coal imports increased significantly due to the opening of Australian coal and the decline in international coal prices. Domestic production grew steadily, with raw coal production in the first half of 2023 increased 4.4% year-on-year to 2.3 billion tons.

As the world's major basic chemical, methanol is widely used and has excellent development potential in applying automotive and marine fuels. The methanol industry is currently in a weak cycle where the supply and demand growth rate has slowed. But after adjustment and upgrade, its operating situation has gradually improved. In the first half of 2023, the average methanol price in China was RMB 2,476 per ton, down 12.00% year-on-year. On the demand side, China's apparent methanol consumption was approximately 44.8 million tons in the first half of 2023, of which the olefins consumption decreased by 7.4% year-on-year, and formaldehyde and acetic acid consumption decreased by 0.1% year-on-year. On the supply side, China's methanol production capacity was 35.2 million tons in the first half of 2023, a slight decrease of 0.7% year-on-year; methanol imports reached approximately 5.34 million tons, an increase of 8.1% year-on-year. Generally, China's methanol supply and demand remained loose.

(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

ENN-NG has established a diversified and flexible resource pool. On the one hand, we enhanced the contracted gas volume from the three major oil companies to stabilise our principal business while expanding various unconventional resources from Xinjiang Qinghua, Datang Energy, Shanxi coalbed methane and Chongqing shale gas to further reduce the cost of gas. On the other hand, the Company continued to optimise the international resource pool by seizing the window for signing LTAs and strived to build an international LNG capacity pool to obtain long-term LNG vessel capacity resources at a competitive price. Given the significant fluctuations in global natural gas prices, we responded quickly to international and domestic market changes by flexibly deploying resources between both markets.

The Company also optimised international sales business with the help of ETMO – a digital intelligence and risk control product – to create value through the synergy of markets at home and abroad.

We have strategically deployed and optimised our infrastructure to enhance the delivery capability. On the one hand, with Zhoushan as the pivot point, the Company proactively linked up with ecological partners, gave full play to its role as a "strategic pivot point, main business hub and key resource channel", and flexibly utilised the PipeChina window to enable the availability of international resources nationwide and facilitate their sales in high-value markets. On the other hand, the Company has established an extensive delivery network and obtained vital access points to promote the interconnection of pipeline channels across provinces and networks. With a own gas storage capacity of 500 million cubic metres, combined with an additional storage capacity of approximately 62 million cubic metres acquired by digital and physical means from PipeChina Wen 23, Qingshan and Guangzhou, the Company can effectively meet the evolving needs of its customers.

In addition, ENN-NG has a robust downstream distribution capability. Underpinned by 254 city-gas projects, the Company proactively developed neighbouring customers across 20 provinces in China, most of which are located in the southeast economically developed areas with natural gas consumption higher than the national average. With the advancement of China's dual carbon policy, the market share will be further expanded. Moreover, based on the large customer base, the Company diligently developed integrated energy business and value-added business to meet customers' needs for diversified, low-carbon and green energy products and services.

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

Concerning hydrogen energy, the Company has always valued the research and application of clean energy technology. With years of investment in the entire industrial chain of hydrogen energy and active R&D funding, we have made significant progress in developing hydrogen production processes and constructing hydrogen energy. Firstly, upstream of the hydrogen energy industry chain, the Company has researched efficient hydrogen production solutions with different processes driven by technology research and development, process design and equipment manufacturing. Secondly, the Company has completed the single series of tuning and operation of a 500 kg/d skid-mounted natural gas to hydrogen production project. The operation was stable, with a natural gas conversion rate of not less than 80%. Thirdly, the Company has implemented over 50 hydrogen energy projects and accumulated experience in planning, design and construction related to hydrogen energy, truly practising our strategy to become an intelligent low-carbon construction service provider.

Regarding bio-natural gas, the Company has invested in the R&D of high-efficiency dry bio-natural gas technology and completed the design scheme for the pilot project. We jointly drafted the Greenhouse Gas Emission Reduction Methodology for Anaerobic Fermentation of Agricultural Organic Waste to Produce Bio-natural Gas with China Biogas Society and China Agricultural University in April 2023 and reported it to the Ministry of Ecology and Environment of the PRC, which contributed to the compilation of Chinese dual-carbon standards and carbon emission reduction methodology and pushed

the industry to develop in a low-carbon manner.

As for SOFC projects, the Company has led the National Key R&D Programme of the Ministry of Science and Technology — Key Technology Research on Solid Oxide Fuel Cell (SOFC) Cogeneration. We have completed the technology development, construction and performance test of the 30 kW prototype, in which the electric pile output power reached 31.8 kW and the power generation efficiency reached 61.62%, demonstrating a stable operation. The performance assessment and acceptance by the PRC's Ministry of Science and Technology is expected to complete by the end of October. SOFC, as a third-generation advanced fuel cell technology, provides an effective way to utilise the fuel cleanly and efficiently.

3. Comprehensively promote digital intelligence transformation to empower industrial upgrading

While promoting "Green Transformation" and "Carbon Peak and Carbon Neutrality", the Company has also been committed to the construction of "Network Power and Digital China". Backed by extensive industrial experience and data covering all energy scenarios and based on the low-carbon, green and high-quality development requirements and general artificial intelligence's development concept and innovative practices, the Company focused on the pivotal roles of the core scenarios of the natural gas industry and built an intelligence platform for natural gas industry – GreatGas.cn, which meets the needs of customers and drives the efficient operation of the industry. Going forward, the Company will continue to build an intelligent ecosystem for the natural gas industry. To this end, we will accelerate platform aggregation, strengthen intelligent interaction, create an industrial knowledge base, build a natural gas GPT and precipitate more role intelligent capabilities to empower the ecosystem and realise its intelligent synergy. 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 through risk prevention and control systems, strengthen our reputation in the industry as a safe and reliable brand, and empower the safe, stable and efficient operation of the ecosystem.

4. Improve ESG management 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 enhancing the governance structure and implementation system, focusing on continuously improving ESG performance. Regarding the environment, the Company has carried out carbon emission scope III measurement, becoming a leading company in the domestic energy industry to disclose the carbon footprint of the whole life cycle of natural gas products, and started to identify and quantify climate risks and opportunities, and incorporated climate risk management into the Company's overall risk management framework. On the social front, the Company comprehensively pushed forward the construction of the digital intelligence system for safety. We facilitated the safe operation of city gas by adopting intelligent technologies such as IoT and AI. The Company also continued to advance the construction of ESG digital intelligence by building a smart management system for ESG data to realise statistics, tracking and analysing quantitative ESG indicators. The

Company has become the first enterprise among peers in the A-share market to join the UN Global Compact, demonstrating the determination of as a China's gas enterprises to make significant contributions to the construction of a beautiful China and global sustainable development.

The Company's ESG management and long-term investment value have been fully recognised by ESG rating agencies in the capital market. The Company was upgraded to BBB by MSCI. We were added to 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 the initiative to respond to Sustainability and DJSI ratings for the first time, scoring 32.4 and 50, respectively, which are leading levels in the gas industry within the A-share market.

(V) Discussion and Analysis of Operations

In the first half of 2023, global demand weakened and the United States hiked interest rates, which led to a sharp fall in commodity prices and a weak economic recovery. Faced with international complexities and arduous tasks domestically to reform and develop, China adopted effective policies to promote economic and social development. In the first half of 2023, China's macro economy bottomed out and saw a noticeable recovery and growth. Its GDP reached RMB 59,303.4 billion, representing an increase of 5.5% year-on-year. China's natural gas industry has also ushered in new development opportunities as China accelerates the natural gas market-based reform and the green and low-carbon energy transformation by promoting further rationalisation of the natural gas pricing mechanism and supporting the healthy and high-quality development of the natural gas industry.

Against this backdrop, the Company steadily promotes the all-scenario clean energy layout, accelerate the aggregation of demand, resources and facilities, and is supported by the industrial intelligence platform – GreatGas.cn, accumulates the best practices in place and creates more intelligent products to meet customer demands, drive the efficient operation of the industry, and promote the implementation of the strategy to become a smart ecological operator in the natural gas industry. During the Reporting Period, the Company recorded total operating income of RMB 67.213 billion, down 8.15% year-on-year; net profit attributable to shareholders of RMB 2.204 billion, up 29.86% year-on-year; core profit after deducting the impact of non-cash items and one-off items of RMB 3.169 billion, up 30.93% year-on-year.

1. Natural gas sales

a) Direct sales of natural gas

During the Reporting Period, the Company signed a new long-term agreement for 1.8 million tons per year of natural gas with Cheniere; The long-term agreement for 2 million tons of natural gas with NextDecade has been made a final investment decision and came into force. Chevron and Total have signed long-term contracts with fixed prices for five years, and signed a medium to long-term purchase and sales agreement and a cooperation agreement for utilising Zhoushan facilities with CNPC. At present, the company's long-term natural gas resources have accumulated more than 10 million tons per year, the acquisition of these LTA resources has increased the Company's resources and further

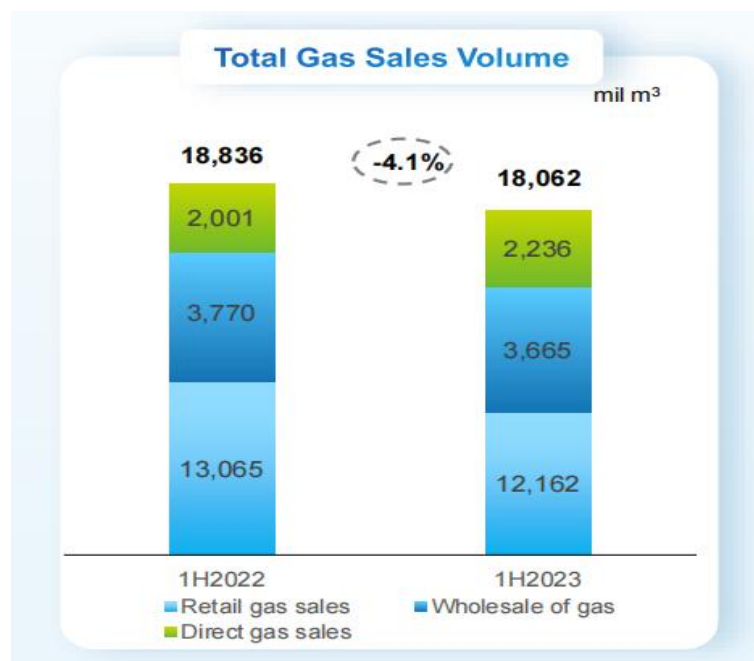
optimised our resource structure.

As the dual carbon policies take hold, the government has prioritised 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 large domestic industrial enterprises, power plants and chemical enterprises strongly demand cleaner natural gas, flexible gas supply and resource matches. 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. During the Reporting Period, the Company sold 2.236 billion cubic metres of gas through direct sales.

b) Retail and wholesale of natural gas

The Company consolidated the development of the natural gas retail business and achieved steady growth by capitalising on the industry consolidation opportunities with our keen market insights, excellent safety operation management and leading integrated energy concepts. At the end of June 2023, the Company has 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. During the Reporting Period, the retail sales volume of natural gas reached 12.162 billion cubic metres, with a year-on-year decrease of 6.9%. Among them, the retail gas sales volume to commercial and industrial users reached 9.075 billion cubic metres, with a year-on-year decrease of 9.9%, accounting for 74.62% of the total retail sales volume of natural gas. The retail gas sales volume to residential users reached 2.911 billion cubic metres, with a year-on-year increase of 5.1%, accounting for 23.94% of the total retail sales volume of natural gas.

During the Reporting Period, the Company wholesaled 3.665 billion cubic metres of gas.



Total Gas Sales Volume of the Company for the H1 2023

c) The GreatGas.cn

During the Reporting Period, the GreatGas.cn acquired 597 new certified users, traded 2.69 billion cubic metres of gas and reported a turnover (GMV) of RMB 9.08 billion. As of the end of June 2023, certified users totalled 2,981, trading 18.9 billion cubic metres of gas and generating a total turnover (GMV) of RMB 52.4 billion.

2. Infrastructure operation

ENN's Zhoushan LNG Terminal is the first large-scale LNG terminal approved by the National Energy Administration to be invested by a private enterprise. Phase I was fully operational in October 2018, and Phase II was put into service in June 2021, with a designed capacity of 5 million tons/year, an actual capacity of up to 7.5 million tons per year and a pipeline transmission and distribution capacity of 8 billion cubic metres per year. Phase III, with an additional designed capacity of 3.5 million tons per year, commenced construction in October 2022. The actual capacity of the terminal can exceed 10 million tons per year after completion.

To promote the supply and use of green energy, Zhoushan Terminal utilises photovoltaic carport and cold energy power generation facilities, striving to build a green low-carbon terminal for demonstrating to the rest of the country. The cold power generation device is China's first LNG gasification-cold energy dual power generation system, which can gasify up to 100 tons of LNG per hour. It is expected to generate 23 million kW of green power annually after commissioning, saving 10 million kW of grey power consumption and reducing carbon emissions of about 18,000 tons of CO₂e.



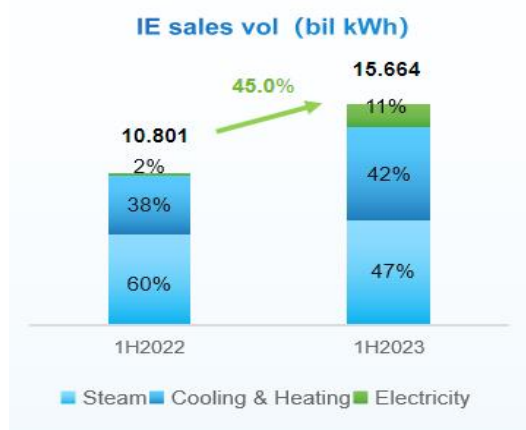
Zhoushan LNG Terminal

During the Reporting Period, with a slump in international LNG spot prices and the recovery of domestic demand, Zhoushan Terminal seized the opportunity. It carried out resource exchange and open-up business while providing terminal users safe, efficient, high-quality services. Therefore, it transmitted 894,300 tons of LNG for the period, representing a year-on-year increase of 14.3%. Meanwhile, the Company achieved cost reduction and efficiency increase through lean operation, management, and tanker pressure relief and recovery. The Company also realised digital intelligent management via greatgas.cn and achieved rapid growth by developing diversified and innovative businesses, such as tank capacity lease, vessel refuelling and digital intelligence products.

3. Integrated energy

During the Reporting Period, the Company completed 42 projects among a total of 252 projects already operational, which together brought 15.664 billion kWh of integrated energy sales covering cool energy, heat energy, electricity and others, representing a year-on-year increase of 45.0%. Furthermore, 62 projects were under construction, whose capacity would be up to 45 billion kWh when completed. As of the end of June 2023, the cumulative annual energy supply for new projects contracted for the year reached 14.6 billion kWh. Implementing these projects will lay a solid foundation for the continuous growth of revenue from the integrated energy business in 2023.

Integrated Energy Project for the Beijing Daxing Economic Zone is operational. As a national airport economic demonstration zone, the project has built an intelligent energy system based on the smart city + "LoRa" IoT technology and digital terminals, which fully taps the potential of renewable energy such as solar energy, geothermal energy and air energy to support the integrated energy management and facilitate the carbon peak and carbon neutrality. According to the general plan, the intelligent energy sub-system of Langfang International Modern Business Logistics CBD has been completed and put into operation. The annual energy consumption is expected to reach 60.72 million kWh after achieving full capacity, saving 2700 tons of standard coal, and reducing carbon dioxide emissions by 18,000 tons annually.



Sales Volume of IE of the Company for the First Half of 2023



IE Project for the Beijing Daxing Economic Zone

4. Value-added business

During the Reporting Period, the Company provided high-quality life service products to the by integrating family recreation services and one-stop tourism services. The Company strengthened brand publicity by developing new marketing channels, with an aim to increase penetration rate of value-added business among existing customers, enhance customer stickiness and further realise the value of gas users. At present, the penetration rate of the value-added business in the Company's existing customer base is only 11.2%, while the penetration rate in newly developed customers during the Reporting Period is 32.3%, indicating a vast potential for business growth.

The Company endeavours to generate value through products based on our gas services. For one real estate project, the Company, offered whole-home solutions featuring heating, kitchen and bathroom facilities + whole-home intelligent control on top of providing simple security and insurance products.

The initiative resulted in a contracted amount of RMB 5.83 million.

5. Engineering construction and installation

The Company's engineering construction and installation business consists mainly of engineering construction and gas installation businesses.

a) Engineering construction

During the Reporting Period, the Company completed the acquisition of Shandong Xinfeng Engineering Design Co., Ltd. and obtained the qualification and professional capacity for the planning, design and consulting of electric power, which strengthened the foundation for the rapid development of our new energy business. In addition, the Company vigorously expanded the external market. The value of outstanding orders on hand was RMB 6.757 billion, including RMB 1.504 billion for hydrogen energy. During the Reporting Period, the Company signed a new contract for the Guanghui green power and hydrogen production integration demonstration project, which can produce 660 tons of green hydrogen per year after its commissioning; signed a contract for the 1 million m³/d natural gas liquefaction and regasification project in Sukh gas field in Kazakhstan; and signed a contract for the carbon dioxide oil repellent pilot project in Shengli oil field, which is the first CCUS project of the Company and has laid the foundation for the subsequent development of our low-carbon business.

As at the end of June 2023, the engineering projects that the Company participated in include three LNG terminals, over 10 LNG liquefaction plants, more than 30 coke projects of oven gas utilisation, some 2,500 kilometres of long-distance pipelines, and medium- and high-pressure pipelines exceeding 9,000 kilometres. At the same time, the Company has undertaken engineering projects relating to hydrogen energy since 2011. With more than ten years of development, the Company has matured experience in the construction of hydrogen production and hydrogen refuelling station projects, and has participated in more than 50 hydrogen-related engineering projects



The Guanghui Green Power and Hydrogen Production Integration Demonstration Project



Engineering Construction Business of the Company in the H1 2023

b) Gas installation

During the Reporting Period, the Company developed 8,233 new commercial and industrial users (gas appliances with a daily designed gas supply of 8,358,600 cubic metres installed). By the end of June 2023, the total number of commercial and industrial users served by the Company has reached 232,510 (gas appliances with a daily designed gas supply of 192 million cubic metres installed). The construction progress of the gas installation in our Company's region has slowed due to real estate policy regulations and the economic downturn. During the Reporting Period, the Company completed engineering installations for 997,800 newly developed residential users. By the end of June 2023, the Company has developed a total of 28,838,700 residential users, with an average piped gas penetration rate of 65.1%.

6. Energy production

The Company is committed to building green mines. During the Reporting Period, the Company completed the construction of an IoT platform and intelligent integrated management and control system, realising dynamic sensing of work safety information, real-time early warning and forecast, emergency response linkage, intelligent scheduling and intelligent auxiliary decision-making in the wells and underground. The 4 MW photovoltaic project has completed the project engineering and construction work and is expected to be connected to the grid in the third quarter.

During the Reporting Period, the Company maximised the value of its resources through lean operations, and sold 1.88 million tons of commercial coal and 0.78 million tons of methanol.



Wangjiata Coal Mine Intelligent Control Center of Xinneng Mining

(6) Ratings and Capital Market Awards

During the reporting period, international rating agencies Standard & Poor's (S&P) and Moody's maintained the Company's respective ratings of "BBB-" and "Ba1 (positive outlook)", while Fitch upgraded from "BBB-" to "BBB- (positive outlook)"; CSCI Pengyuan maintained its "AAA" rating. The above credit ratings reflect the agencies' full affirmation of the Company's solid business foundation, strong financial capabilities and promising prospects.

Both ENN-NG and ENN Energy were named Most Honored Company in the 2023 Asia (ex-Japan) Executive Team rankings by Institutional Investor, the internationally respected financial magazine. They won a number of awards, including Best ESG, Best Company Board, Best IR Team, Best CEO, Best CFO and Best IR Professionals. These honours underpin recognition of the excellence of the Company's governance, management execution and IR management in the capital market.

(The information on the industry is extracted from the National Bureau of Statistics, International Energy Agency, SIA Energy, Wind and other public platforms and is for reference only).

Significant changes in the company's operating conditions during the reporting period, as well as events that have a significant impact on the company's operating conditions and are expected to have a significant impact in the future during the reporting period

□ Applicable ✓ N/A

II. Principal Operation during the Reporting Period

(I) Analysis of principal business

1. Table of analysis on changes in related items in the financial statements

Item	Unit: RMB '0000 Currency: RMB		
	Amount in current period	Amount in the same period of previous year	Change (%)
Operating income	6,716,963	7,313,112	-8.15
Operating cost	5,744,034	6,291,641	-8.70
Selling expense	73,771	68,755	7.30
Administrative expense	209,390	195,255	7.24
Finance cost	119,529	150,996	-20.84
R&D expense	37,475	36,898	1.56
Interest income	4,337	6,635	-34.63
Finance cost - interest revenue	7,909	5,999	31.84
Other income	34,322	16,207	111.77
Investment income (loss expressed with "-")	201,599	72,053	179.79
Income from investment in associates and joint ventures	8,598	14,390	-40.25
Income from change in fair value (loss expressed with "-")	-90,612	-10,486	Not Applicable
Credit impairment losses (loss expressed with "-")	-16,161	-9,185	Not Applicable
Asset impairment losses (loss expressed with "-")	5,776	-1,233	Not Applicable
Income from disposal of assets (loss expressed with "-")	235	-1,288	Not Applicable
Non-operating income	10,336	4,591	125.14
Non-operating expenses	6,691	3,427	95.24
Net amount of other comprehensive	7,932	-122,523	Not Applicable

income, net of tax			
Net cash flow from operating activities	631,108	742,102	-14.96
Net cash flow from investing activities	-380,209	-359,814	Not Applicable
Net cash flow from financing activities	60,828	-51,087	Not Applicable

Other information:

1. Reason for change in interest income: The year-on-year decrease in interest income by 34.63% was mainly attributable to the decline in the scale of factoring and leasing business carried out by the Company's affiliated factoring and leasing companies during the Reporting Period compared with the same period last year.

2. Reason for change in finance cost - interest revenue: The year-on-year increase in finance cost - interest revenue by 31.84% was mainly attributable to the increase in interest income of the Company's subsidiaries during the Reporting Period as a result of the rise in the interest rate on US dollar deposits.

3. Reason for change in other income: The year-on-year increase in other income by 111.77% was mainly attributable to the increase in government subsidies received by the Company's subsidiaries during the Reporting Period.

4. Reason for change in the investment income: The year-on-year increase in the investment income by 179.79% was mainly attributable to the increase in derivative proceeds realized by the Company's subsidiaries during the Reporting Period.

5. Reason for change in the income from investment in associates and joint ventures: The year-on-year decrease in the income from investment in associates and joint ventures by 40.25% was mainly attributable to the decrease in investment income recognized as a result of the decline in profits of associates and joint ventures of the Company's subsidiaries during the Reporting Period.

6. Reason for change in the income from change in fair value: The year-on-year decrease in the income from change in fair value by RMB 801 million was mainly attributable to the settlement upon maturity during the current period of floating income from derivative financial instruments not matured at the end of previous year to offset the income from change in fair value.

7. Reason for change in credit impairment losses: The year-on-year increase in credit impairment losses by RMB 70 million was mainly attributable to the increase in the balance of long-aging receivables of the Company's subsidiaries during the Reporting Period and the corresponding increase in the accrued provision for bad debts.

8. Reason for change in asset impairment losses: The year-on-year decrease in asset impairment losses by RMB 70 million was mainly attributable to the reversal of contract asset impairment of the Company's subsidiaries during the Reporting Period.

9. Reason for change in the income from disposal of assets: The year-on-year increase in the income from disposal of assets by RMB 15 million was mainly attributable to the decrease in the net losses arising from the disposal of fixed assets of the Company's subsidiaries during the Reporting Period.

10. Reason for change in non-operating income: The year-on-year increase in non-operating income by 125.14% was mainly attributable to the increase in compensation received by the Company's

subsidiaries.

11. Reason for change in non-operating expense: The year-on-year increase in non-operating expense by 95.24% was mainly attributable to the increase in the losses arising from external donations and retirement of fixed assets of the Company's subsidiaries during the Reporting Period.

12. Reason for change in net amount of other comprehensive income (net of tax): The year-on-year increase in net amount of other comprehensive income (net of tax) by RMB 1.305 billion was mainly attributable to the decrease in the cash flow hedging reserve of the Company's subsidiaries in the same period last year.

13. Reason for change in the net cash flow from financing activities: The year-on-year increase in net cash flow from financing activities by RMB 1.119 billion was mainly attributable to the repayment of loans and the decrease in cash outflow from bonds in the current period.

Unit: RMB '0000 Currency: RMB			
Item	Amount in current period	Amount in the same period of previous year	Change (%)
Net increase in customer deposits and placements from other banks		1,503	Not Applicable
Cash received from interests, fees and commissions	3,456	5,534	-37.55
Net increase in repurchased business fund		24,710	Not Applicable
Net decrease in loans and advances to customers		6,990	Not Applicable
Tax refund received	33,097	185,652	-82.17
Other cash received relating to operating activities	44,089	27,646	59.48
Net decrease in customer deposits and placements from other banks	60		Not Applicable
Net increase in loans and advances to customers	4,768		Not Applicable
Net decrease in repurchased business fund	16,650		Not Applicable
Cash received from investment return	417,359	655,888	-36.37
Other cash received relating to investing activities	57,434	42,206	36.08
Cash paid for investment	437,972	728,513	-39.88
Net cash paid for acquisition of subsidiaries and other business units	2,946	6,335	-53.50
Cash received from investment absorption	7,481	5,323	40.54
Cash received from subsidiaries for investment absorption by minority interest	5,558	3,090	79.87
Other cash received relating to financing activities	88,718	64,412	37.74
Dividends and profits paid by subsidiaries to minority shareholders	48,263	31,743	52.04
Other cash paid relating to financing activities	28,293	53,759	-47.37
Effect of change in foreign exchange rate on cash and cash equivalents	7,212	13,785	-47.68

Other information:

1. The net increase in customer deposits and placements from other banks decreased by RMB 15.63 million year-on-year mainly due to the decrease in net increase of deposits absorbed by the Company's finance company during the Reporting Period compared with the same period last year.

2. The year-on-year decrease in the cash received from interests, fees and commissions by 37.55% was mainly attributable to the decline in the scale of factoring and finance lease business carried out by the Company's subsidiaries during the Reporting Period compared with the same period last year.

3. The net increase in repurchased business fund decreased by RMB 414 million year-on-year mainly due to repurchasing from the central bank by the Company's finance company for rediscounted bills upon maturity during the Reporting Period.

4. The net decrease in loans and advances to customers decreased by RMB 118 million year-on-year mainly due to the increase in net fund outflow caused by the increase in unmatured portion of factoring operations carried out by the Company's subsidiaries during the Reporting Period.

5. The year-on-year decrease in the tax refund received by 82.17% was mainly attributable to the decrease in the value-added tax credit refund and import value-added tax refund received by the Company's subsidiaries during the Reporting Period.

6. The year-on-year increase in other cash received relating to operating activities by 59.48% was mainly attributable to the increase in government subsidies received by the Company's subsidiaries during the Reporting Period.

7. The year-on-year decrease in the cash received from investment return by 36.37% was mainly attributable to the decrease in recoveries from financial investments by the Company's subsidiaries during the Reporting Period.

8. The year-on-year increase in other cash received relating to investing activities by 36.08% was mainly attributable to the decrease in the Company's restricted funds during the Reporting Period.

9. The year-on-year decrease in the cash paid for investment by 39.88% was mainly attributable to the decrease in wealth management products and the reduced investments in joint ventures of the Company's subsidiaries during the Reporting Period.

10. The year-on-year decrease in the net cash paid for acquisition of subsidiaries and other business units by 53.50% was mainly attributable to the decrease in equity acquisition payments made during the Reporting Period.

11. The year-on-year increase in the cash received from investment absorption by 40.54% was mainly attributable to the increased investments received by the Company's subsidiaries from minority shareholders during the Reporting Period.

12. The year-on-year increase in the cash received from subsidiaries for investment absorption by minority interest by 79.87% was mainly attributable to the increased investments received by the Company's subsidiaries from minority shareholders during the Reporting Period.

13. The year-on-year increase in other cash received relating to financing activities by 37.74% was mainly attributable to the increase in the amount of note discount received by the subsidiaries of the Company's subsidiaries during the Reporting Period.

14. The year-on-year increase in the dividends and profits paid by subsidiaries to minority shareholders by 52.04% was mainly attributable to the increase in dividends paid to minority shareholders by the Company and its subsidiaries during the Reporting Period.

15. The year-on-year decrease in the dividends and profits paid by subsidiaries to minority shareholders by 47.37% was mainly attributable to the decrease in the payment for finance lease by the Company's subsidiaries and the cash for share repurchase paid by the Company during the Reporting Period.

16. The year-on-year decrease in the effect of change in foreign exchange rate on cash and cash equivalents by 47.68% was mainly attributable to the exchange rate fluctuation during the Reporting Period.

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

☐ Applicable ☒ N/A

(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: Yuan

Item	Closing amount of the current period	Closing amount of the current period as a percentage of total assets (%)	Closing amount for the previous period	Closing amount for the previous period as a percentage of total assets (%)	Change in amount year-on-year (%)	Description
Financial assets held for trading	15,542	0.11	2,560	0.02	507.11	
Other receivables	195,003	1.40	326,770	2.40	-40.32	
Non-current assets due within one year	1,896	0.01	8,417	0.06	-77.47	
Loans and advances	1,470	0.01				
Development expenditure	34,737	0.25	18,507	0.14	87.70	
Financial assets sold under repurchase agreements	19,869	0.14	36,519	0.27	-45.59	
Other payables	529,427	3.81	304,457	2.24	73.89	
Dividends payable	350,071	2.52	26,304	0.19	1,230.87	

Non-current liabilities due within one year	292,285	2.10	194,933	1.43	49.94	
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Other information:

1. The financial assets held for trading increased by 507.11% at the end of current period compared with those at the end of previous period mainly due to the increase in structured deposits of the Company's subsidiaries during the Reporting Period.

2. Other receivables decreased by 40.32% at the end of current period compared with those at the end of previous period mainly due to the decrease in the settled but unpaid balance of corresponding contracts caused by the shortened payment period for the commodities derivative financial instrument contracts of the Company's subsidiaries during the Reporting Period.

3. Non-current assets due within one year decreased by 77.47% at the end of current period compared with those at the end of previous period mainly due to the recovery of matured finance lease by the Company's subsidiaries during the Reporting Period.

4. The loans and advances increased by RMB 150 million at the end of current period compared with those at the end of previous period mainly due to the increase in loans made available by the Company's finance company during the Reporting Period.

5. The development expenditure increased by 87.7% at the end of current period compared with that at the end of previous period mainly due to the increased investment in the technological R&D and digital-intelligent construction carried out by the Company's subsidiaries during the Reporting Period.

6. The financial assets sold under repurchase agreements decreased by 45.59% at the end of current period compared with those at the end of previous period mainly due to repurchasing from the central bank by the Company's finance company for rediscounted bills upon maturity during the Reporting Period.

7. Other payables increased by 73.89% at the end of current period compared with those at the end of previous period mainly due to the increase in dividends payable by the Company's subsidiaries during the Reporting Period.

8. Dividends payable increased by 1230.87% at the end of current period compared with that at the end of previous period mainly due to the increase in the dividends payable as declared by the Company and its subsidiaries during the Reporting Period.

9. Non-current liabilities due within one year increased by 49.94% at the end of current period compared with those at the end of previous period mainly due to the increase in the amount of long-term borrowings reclassified into non-current liabilities due within one year of the Company and its subsidiaries during the Reporting Period.

2. Overseas assets

√ Applicable □ N/A

(1) Asset size

Including: RMB 1,032,231 of overseas assets (unit: RMB '0000 currency: RMB), accounting for 7.42% of total assets

(2) Information on the high percentage of overseas assets

☐ Applicable ☒ N/A

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

☒ Applicable ☐ N/A

Unit: RMB '0000 Currency: RMB

Item	30 June 2023	31 December 2022	Reason for restriction
Monetary fund	94,002	113,371	Statutory reserves and various margins deposited in financial institutions
Fixed assets	22,229	14,902	Loan mortgage
Intangible assets	26,214	26,052	Loan mortgage
Financial assets held for trading	15,542	2,560	Structured deposit pledge
Total	157,987	156,885	

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 RMB 474 million and bank acceptance margins amounting to RMB 59 million deposited in financial institutions.

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 investments**1. 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 (%)
152,792	138,035	10.69%

(1). Significant equity investment

□ Applicable √ N/A

(2). Significant non-equity investments

√ Applicable □ N/A

Unit: RMB '0000 Currency: RMB

Project name	Project 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	99.2	19	23,386	Partly under construction	Self-owned fund
Longping High-tech Project	17,695	99.82		15,787	Partly under construction	Self-owned fund
High-pressure Natural Gas Pipeline Project from Taishang Pressure Control Station to Huianmen Station	21,267	85	2,102	19,549	Under construction	Self-owned fund
Integrated Energy Micro-network No. 1 Integrated Energy Main Station Project in Daqing Linyuan Chemical Park	108,928	98.88	182	92,766	Partly under construction	Self-owned fund and bank loans
Phase III LNG Storage Tank and Supporting Facilities for Zhejiang Zhousha LNG Receiving Terminal and Filling Station	292,096	22.81	26,779	29,032	Under construction	Self-owned fund
ENN Science Park R&D Workshop	42,000	22	999	6,265	Under construction	Self-owned fund
Natural Gas Supply Pipeline Works for Ningzhou Gas and Electricity Project	108,569	80.77	12,793	72,227	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	51.25	3,940	13,518	Partly under construction	Self-owned fund
Total	648,155	/	46,814	272,530	/	/

(3). Financial assets measured at fair value

√ Applicable □ N/A

Unit: RMB '0000 Currency: RMB

Asset class	Opening amount	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	Other changes	Closing amount	Impairment provision for the current period
Stock	22,169	1,857	4,685						24,084
Derivative instruments	182,678	-91,994	-23,081		611		217,382		80,416
Futures	228	-386							-158
Finance products									
Structured deposits	2,560				15,222	2,240			15,542
Receivables financing	91,663					7,779			83,884
Other equity instrument investment	16,758		2,027						16,758
Other non-current financial assets	419,293								419,293
Total	735,349	-90,523	-16,369		15,833	10,019	217,382		639,819

Investment in securities

√ 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
Capital securities	01635.HK	DZUG	41,054	Self-owned fund	13,394	1,860					15,254	Other non-current financial assets

Capital securities	002716	Jingui Silver Industry	29	Self-owned fund	35	-3					32	Other non-current financial assets
Capital securities	09908.HK	JiaXing Gas	4,113	Self-owned fund	8,740		4,685			143	8,798	Other equity instrument investment
Total	/	/	45,196	/	22,169	1,857	4,685			143	24,084	/

Description of investment in securities

☐ Applicable ☒ N/A

Private equity investment

☐ Applicable ☒ N/A

Investment in derivatives

☒ 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 Fifth Meeting of the Tenth Board of Directors on 9 December 2022 and the 2022 Sixth Extraordinary General Meeting on 28 December 2022, (1) deliberating and approving the *Proposal on the Estimated Hedging Amount of Commodities in 2023* which specified that the Company may carry out bulk commodity hedging transactions with balance not exceeding RMB 12.6 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 2023* which specified that the balance of hedging size at any time shall not exceed USD 1.5 billion from the date when it was deliberated and approved at the general meeting of shareholders to 31 December 2023; (3) deliberating and approving the *Proposal on Estimated Hedging Amount of Coal Chemical Products for 2023* which specified that in 2023, the accumulated trading volume of methanol futures and options for hedging shall not exceed 200,000 tons; the accumulated trading volume of plastic futures and options for hedging shall

not exceed 200,000 tons. The maximum trading margin shall not exceed RMB 180 million, and the accumulative trading margins shall not exceed RMB 500 million. As of 30 June 2023, 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*.

(V) Sale of major asset and equity

□ Applicable √ N/A

(VI) 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 USD 50 million. As of the end of the Reporting Period, ENN LNG (SINGAPORE) PTE LTD had total assets of RMB 6,077.8 million and net assets of RMB 5,095.81 million; during the Reporting Period, it achieved operating income of RMB 4,966.92 million, operating profit of RMB 1,261.48 million and net profit of RMB 1,144.17 million.

(2) ENN Global Trading Pte. Ltd.

Founded in December 2020, it is a holding company of the Company with a registered capital of USD 1 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 RMB 1,201.77 million and net assets of RMB 857.31 million; during the Reporting Period, it achieved operating income of RMB 3,024.46 million, operating profit of RMB 849.04 million and net profit of RMB 710.27 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 RMB 790 million. As of the end of the Reporting Period, Xinneng Mining had total assets of RMB 7,608.72 million and net assets of RMB 1,274.59 million; during the Reporting Period, it achieved operating income of RMB 820.59 million, operating profit of RMB 218.18 million and net profit of RMB 212.23 million.

(4) 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 RMB 300 million. As of the end of the Reporting Period, Xindi Energy Engineering Technology Co., Ltd. had total assets of RMB 5,863.6 million and net assets of RMB 1,722.15 million; during the Reporting Period, it achieved operating income of RMB 2,089.24 million, operating profit of RMB 324.11 million and net profit of RMB 277.48 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.
Operating income	496,692	302,446
Operating cost	436,009	222,403
Operating profit	126,148	84,904

Net profit	114,417	71,027
Total assets	607,780	120,177
Net assets	509,581	85,731

(VII) Structured entities controlled by the Company

☐ Applicable ☒ N/A

III. Other Disclosures**(I) 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 would 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.

3. Risk of exchange rate fluctuations

As of the date of this Report, the Company had a balance of USD 2.021 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 concluded 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 Henry Hub, TTF, JKM and other indexes to stabilize its future LNG purchase costs and control the price exposure risk arising from mismatch of purchase and sales and some of these contracts are designated as hedging instruments. The Company's derivative products are mainly exposed to market, liquidity, credit, counterparty and operation risks posed by commodity price fluctuations. The Company has established the Risk Control and Compliance Department to control various risks. Regarding the credit and counterparty risks, the Company strictly implements the counterparty risk restrictions and sets up a credit limit tracing & monitoring model to monitor the changes in counterparty risk by analyzing credit defaults and various financial indicators; in response to operation risk, the Company develops the *Hedging System and Working Rules* and transaction authorization system to regulate hedging transactions and define the trading direction and stop-loss quota, monitor the credit change of counterparty and introduce the world's leading energy trading risk management (ETRM) system of bulk commodities and independently develops a mobile risk control

product – ETMO to mark to market and monitor various risk indicators on a daily basis. Based on the whole-process digital-intelligent management of derivatives business, the Company hedges the risks by reducing inappropriate manual intervention and maximizes the precision of risk management.

(II) Other disclosures

☐ Applicable ☒ N/A

Section IV Corporate Governance

I. Brief Introduction of the General Meetings

Meeting	Convening date	Inquiry index of the website designated to publish resolutions	Disclosure date of resolutions	Resolution
2023 First Extraordinary General Meeting	11 April 2023	Website of Shanghai Stock Exchange, www.sse.com.cn Announcement No.: 2023-017	12 April 2023	1. Deliberated and approved the <i>Proposal on the Purchase of Liability Insurance for Directors, Supervisors and Senior Managers</i> ; 2. Deliberated and approved the <i>Proposal on the Change of Registered Capital and Amendment to the Articles of Association of ENN Natural Gas Co., Ltd.</i>
2022 Annual General Meeting	9 June 2023	Website of Shanghai Stock Exchange, www.sse.com.cn Announcement No.: 2023-025	10 June 2023	1. Deliberated and approved the <i>2022 Annual Report</i> and its Summary; 2. Deliberated and approved the <i>2022 Work Report of the Board of Directors</i> ; 3. Deliberated and approved the <i>2022 Work Report of the Board of Supervisors</i> ; 4. Deliberated and approved the <i>2022 Final Accounting Report of the Company</i> ; 5. Deliberated and approved the <i>2022 ENN-NG Profit Distribution Plan</i> ; 6. Deliberated and approved the <i>Proposal on Renewing the Appointment of the Accounting Firm</i> ; 7. Deliberated and approved the <i>Proposal on the Remuneration of Directors in 2022</i> ; 8. Deliberated and approved the <i>Proposal on the Remuneration of Supervisors in 2022</i> .

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

☐ Applicable ☒ N/A

Information on the general meetings

☒ Applicable ☐ N/A

During the Reporting Period, the Company convened a total of 2 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.

The 2022 Annual General Meeting of the Company was held for the first time by live broadcast, and can be watched online by visiting the websites for replay: <https://l.qsh1.cn/activity/4kqNXG> or <https://s.comein.cn/A1vKJ>.

II. Changes in directors, supervisors and senior managers of the Company

√ Applicable □ N/A

Name	Position	Change
Wang Shihong	Vice President	Dimission
Wang Guiqi	Vice President	Dimission
Men Jijun	Assistant to the President	Dimission
Zong Bo	Assistant to the President	Appointment

Description of the changes in directors, supervisors and senior managers of the Company

√ Applicable □ N/A

1. On 2 February 2023, the Company disclosed the *Announcement of ENN-NG on the Resignation of Vice President*. Due to the adjustment of job position, Mr. Wang Shihong resigned as the Company's Vice President and would continue to hold other posts in the Company.

2. On 25 March 2023, the Company disclosed the *Announcement of ENN-NG on the Resignation of Senior Managers*. Due to the adjustment of job position, Mr. Wang Guiqi resigned as the Company's Vice President and Mr. Men Jijun resigned as the Company's Assistant to the President, and both would continue to hold other posts in the Company. Meanwhile, 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 for the term of office from the date when the Proposal was approved until the expiry of the Tenth Board of Directors.

III. Plan for Profit Distribution or Capitalization of Capital Reserve

Semi-annual proposed plan for profit distribution or capitalization of capital reserve

Whether distribution or capitalization is made	No
Number of bonus shares per 10 shares (share)	/
Amount of dividends distributed per 10 shares (yuan) (tax included)	/
Number of shares converted into share capital per 10 shares (share)	/
Information on profit distribution or capitalization of capital reserve	
N/A	

IV. 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
Under the 2021 Restricted Stock Incentive Plan of the Company, five incentive grantees for first grant had an "unsatisfactory" individual performance evaluation result during the first Unrestricted Period, and one incentive grantee retired and therefore was no longer eligible and one grantee had an	Please refer to the <i>Announcement of ENN-NG on Repurchase and Cancellation of Shares for First Grant and Reserved Grant under the 2021 Restricted Stock Incentive Plan</i>

“unsatisfactory” individual performance evaluation result during the first Unrestricted Period for reserved grant. A total of 265,000 shares granted to the above incentive grantees but had not been released from restrictions had been repurchased and canceled by the Company on 6 March 2023.	(Announcement No.: 2023-003) disclosed by the Company at the website of Shanghai Stock Exchange on 2 March 2023 for details.
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(II) Incentives not disclosed in the interim announcement or with follow-up progress

Equity incentive

☐ Applicable ☒ N/A

Other information

☐ Applicable ☒ N/A

Employee stock ownership plan

☐ Applicable ☒ N/A

Other incentive measures

☐ Applicable ☒ N/A

Section V Environmental and Social Responsibilities

I. Environmental Information

(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	Sulfur dioxide	<i>Emission Standards of Air Pollutants for Thermal Power Plants</i> (GB13223-2011)	50mg/m ³	24.8115mg/m ³	51.03233	462.97t/a 50mg/m ³	None
			2	I Plant and east side of Phase II Plant	Smoke and dust		20mg/m ³	5.5975mg/m ³	12.59274	132.28t/a 20mg/m ³	None
			2		Nitrogen oxide		100mg/m ³	78.62mg/m ³	162.12929	661.39t/a 100mg/m ³	None
	General solid waste	Centralized storage	—	Gasifier slagging outlet and boiler slagging outlet	Gasified slag	<i>Standards on Control of General Industrial Solid Waste Storage and Disposal Site Pollution</i> (GB18599-2001)	—	—	131,881.57	—	None
					Boiler ash		—	—	22,119.76	—	None
					Coal slime		—	—	93,601.26	—	None
					Fly ash		—	—	73,017.73	—	None
					Sludge from water purification station		—	—	6,863.58	—	None
					Desulfurized		—	—	10,129.38	—	None

				gypsum						
Hazardous waste	Disposal by itself	—	Recovery tower outlet	Fusel oil	Standards on Control of Hazardous Waste Pollution Storage (GB18597-2001)	—	—	2,295.83		None
	Disposal by agreement	—	Laboratory	Laboratory waste liquid				0.018915		
			Dryer outlet	Carnallite		—	—	75	—	None
			Unit fuel tank	Waste mineral oil		—	—	6.307	—	None
			Substation UPS	Waste storage battery		—	—	0.327		None
			Water supply unit	Waste nanofiltration and reverse osmosis membrane		—	—	20.72		None
			Phases I & II	Waste mineral oil drum				1.356		
	Noise	—	—	Boundary of the Plant		—	Standards on Noise Emissions at the Boundaries of Industrial Plants (GB12348-2008)	Daytime 65 dB (A) Night 55 dB (A)	Daytime 53.225 dB (A) Night 44.94 dB (A)	—

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 Eerduosi Yongsheng Wastewater Treatment Co., Ltd. was adopted to treat the strong brine produced during the process, to achieve “zero discharge” of wastewater, and the industrial salt obtained was recycled for use as the raw material of chlor-alkali industry.

(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, Xinneng Energy 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 equipments with larger vibration were separately set up to prevent the spread out of noise generated by vibration.

(4) Solid waste treatment measures

The waste nanofiltration and reverse osmosis membrane, carnallite, used mineral oil and waste liquid from laboratory generated during the production process of Xinneng Energy were entrusted to a qualified unit for disposal according to the disposal agreement signed; the gasification slag and boiler ash were comprehensive utilized and the others 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 the *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 and completed change in the pollutant discharge permit on 28 June 2023. 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 formulated and implemented the *Environmental Emergency Response Plan of Xinneng Energy Co., Ltd.* which had been filed with the Dalad Banner Branch of Ordos City Ecological Environment Bureau. Xinneng Energy organized and carried out an emergency drill for waste methanol tanks in raw material tank farm of major hazard sources of fusel oil on 11 April 2023 and an emergency drill for radioactive sources from the incipient fire of hydrogasification high-pressure coal scuttle on 13 June 2023 to enhance the employees' familiarity with emergency disposal procedures and methods and improve their ability to respond to environmental emergencies.

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. In the first half of 2023, self-monitoring was completed twice for underground water and air and once for soil with satisfactory testing results which were in compliance with relevant standards and released to the public through the "Huaduoduo Live Stream".

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

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

√ Applicable □ N/A

(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 at industrial area	Particulate matter	<i>Emission Standard of Air Pollutants for Boilers</i> (GB13271-2014)	80mg/m ³	29.4mg/m ³	0.622	21.673t/a	None
					Sulfur dioxide		400mg/m ³	63mg/m ³	1.168	69.2t/a	None
					Nitrogen oxide		400mg/m ³	188mg/m ³	5.109	108.366t/a	None

	Solid waste	Centralized discharge	—	—	Gangue	<i>Standards on Control of General Industrial Solid Waste Storage and Disposal Site Pollution (GB18599-2001)</i>	—	—	610,111.7	—	None
		Disposal by agreement	—	—	Boiler ash	—	—	—	393.23	—	None
	Noise	—	—	Boundary of the Plant	—	<i>Standards on Noise Emissions at the Boundaries of Industrial Plants (GB12348-2008)</i>	Daytime 65dB(A) Night 55dB(A)	Daytime 52.6dB(A) Night 42.6dB(A)	—	Daytime 65dB(A) Night 55dB(A)	None
	Hazardous waste	Disposal by agreement	—	—	Waste mineral oil	<i>Standards on Control of Hazardous Waste Pollution Storage (GB18597-2001)</i>	—	—	7.465	—	None
			—	—	Waste oil drum		—	—	1.026	—	None
ENN Qins hui	Wastewater	Centralized discharge	1	South west corner of the Plant	COD	DB141928-2019 Comprehensive Wastewater Discharge Standard (Shanxi Province)	40mg/L	Q1: 36 mg/L Q2: 34 mg/L	0.04459	0.077t	None
					Ammonia nitrogen		2.0mg/L	Q1: 0.274 mg/L Q2: 1.28 mg/L	0.000989898	0.021t	None
	Exhaust gas	Centralized discharge	2	Thermal oil furnace	Sulfur dioxide	<i>Emission Standard of Air Pollutants for Boilers (DB14/1929-2019)</i>	35mg/m ³	1H: 11mg/m ³ 2#: 14mg/m ³	0.179272536	—	None
					Nitrogen oxide		50mg/m ³	2H: 31mg/m ³ 2#: 36mg/m ³	0.479981592	1.22t	None
					Particulate matter		5mg/m ³	1H: 2.5mg/m ³ 2#: 2.8mg/m ³	0.0379539624	0.56t	None
	Hazardous waste	Disposal by agreement	—	—	Waste mineral oil	<i>Standards on Control of Hazardous Waste Pollution Storage (GB18597-2001)</i>	—	—	5.47	—	None
	Noise	—	—	Boundary of	—	<i>Standards on Noise</i>	Daytime 60dB(A)	Daytime 52.7dB(A)	—	Daytime 60dB(A)	None

				the Plant		<i>Emissions at the Boundaries of Industrial Plants</i> (GB12348-2008)	Night 50dB(A)	Night 41.9dB(A)		Night 50dB(A)	
ENN Zhoushan	Hazardous waste	Disposal by qualified entity	—	Warehouse for hazardous waste	Waste paint buckets	<i>Standard for Pollution Control in Storage of Hazardous Wastes</i> (GB18597-2001)	No application standards, regular treatment required	—	—	0.843t	None
			—		Waste dilute hydrochloric acid (5%)			—	—	3.0t	None
			—		Waste packing materials			—	—	0.018t	None
			—		Waste lubricating oil			—	—	2.71t	None
			—		Oily waste			—	—	0.228t	None
			—		Waste adhesives and sealants			—	—	0.008t	
			—		Waste paint and diluent			—	—	0.626t	None
			—	Mamufake Station and Zhenhai Terminal	Waste filter elements			—	—	0.502t	None
	Noise	—	—	BOG compressor, nitrogen generation by membrane and water intake	—	<i>Standard on Noise at the Boundaries of Industrial Plants</i> (GB12348—2008)	Daytime 60dB (A) Night 50dB (A)	—	—	Daytime 52.4dB (A) Night 41.6dB (A)	None

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

Wastewater treatment measures

Xinneng Mining: There is a mine water treatment station with the mine water treatment capacity of 13,600m³/d and the reverse osmosis treatment capacity of 9,300m³/d, and the water quality reached the surface Class III standard. The designed domestic wastewater treatment capacity was 954m³/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 arrives at 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 sent to the sludge treatment system for treatment.

Underground dewatering treatment capacity: the pretreatment capacity is $13,600\text{m}^3/\text{d}$; the advanced treatment capacity is $9,300\text{m}^3/\text{d}$. 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 and coagulant 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 $314,000\text{m}^3$.

ENN Qinshui: The sewage of ENN Qinshui mainly comes from domestic water and the sewage treatment facilities are in good condition through technical transformation after completion. Advanced A2O treatment system is used to better remove the chemical oxygen demand and ammonia nitrogen in the water. The designed treatment capacity was 24 t/day (the actual treatment capacity was 5-10 t/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 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. Current the sewage treatment facilities in the plant are normally operating with all indicators in compliance with the operating requirements.

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 are under 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: There are now two-phased thermal oil heater under operation adopting two sets of YY(Q)W-1400(125)Y(Q) gas boilers. Technical transformation of low-nitrogen burner effectively reduced 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 has 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. Ordos Lvyue Environmental Protection Co., Ltd, which was Qualified, were entrusted to comprehensively utilize the slag produced from boilers. 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 garbage.

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.

ENN Zhoushan: The generated hazardous wastes including waste oil paint buckets, waste diluted hydrochloric acid, waste packing materials, waste lubricating oil, oily waste, waste adhesives, sealants, waste oil paint and diluent were regularly transported and disposed of by qualified entities with which a disposal agreement is entered into.

Noise treatment measures

Xinneng Mining: It rationally planned its business strategies, and 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 65 dB(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 operation, 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 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-insulating 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.

ENN Zhoushan: The primary noise sources include BOG compressor, high pressure compressor, sea water pump, gasification equipment and all kinds of pumps. Subject to the satisfaction of process requirements, soundproof sponge is arranged at the pressurized end of expansion machine and silencers at the inlet and outlet of air compressor for noise elimination in addition to use of low-noise products; safety notification boards and safety warning signs of occupational hazardous factors related to noise are managed on the spot, and the employees of all posts are provided with necessary labor protection articles such as ear protector.

(3) Environmental impact assessment and other environmental protection administrative license for construction projects

Xinneng Mining: Xinneng Mining has declared the total permitted amount of air pollutant emissions at the “National Pollutant Discharge Permit Management Information Platform”: 9.242535 t/a of particulate matter, 36.970140 t/a of SO₂ and 46.212674 t/a of NO_x. At present, Xinneng Mining’s boiler flue gas pollutant are monitored by the online monitoring equipment installed at pollutant emission outlets. The pollutant data are monitored in real-time and upload to the management platform of the Environmental Protection Bureau, and pollution tax is paid to the tax authority for the emission load calculated based on emission concentration of pollutants. On 28 September 2022, Xinneng Mining obtained the *Official Reply on the Environmental Impact Report for the Renovation and Expansion Project of Wangjiata Mine and Coal Preparation Plant of Xinneng Mining Industry Co., Ltd.* (Nei Huan Shen [2022] No. 35) issued by the Department of Ecological Environment of Inner Mongolia Autonomous Region, and the Renovation and Expansion Project of Wangjiata Mine and Coal Preparation Plant of Xinneng Mining passed the completion acceptance of environmental protection on 25 March 2023.

ENN Qinshui: Phase I and Phase II projects of ENN Qinshui were in strict compliance with the requirements of laws and regulations concerning environmental protection, with environmental impact assessment and completion acceptance of environmental protection completed and registered at the National Discharge Permit Management Information System Platform with registration number of 9114052167018913XQ001X and term valid until 12 April 2025.

ENN Zhoushan: Phase I and Phase II projects of ENN Zhoushan were in strict compliance with the requirements of laws and regulations concerning environmental protection, with environmental

impact assessment and completion acceptance of environmental protection completed and registered at the National Discharge Permit Management Information System Platform with registration number of 913309000692086510001W and term valid until 26 July 2025.

(4) Emergency plan for environmental contingencies

Xinneng Mining: The *Emergency Plan for Environmental Contingencies* is implemented by Xinneng Mining currently. The Plan has been filed with the Ejina Huoluo Qi Branch of Ordos Ecological Environment Bureau for record. Xinneng Mining established an emergency system for environmental contingencies and equipped itself with relevant emergency materials and equipment. It organized an emergency drill for environmental contingency involving leakage of waste mineral oil on 21 June 2023 and in the process improve the employees' awareness of response to environmental contingencies and their ability to deal with environmental contingencies.

ENN Qinshui: The *Emergency Plan for Environmental Contingencies of Shanxi ENN Qinshui Clean Energy Co., Ltd.* is implemented by ENN Qinshui currently. The Plan was filed with the Ecological Environment Bureau of Jincheng City (Filing No.: 140500-2022-008M). And a comprehensive emergency drill for the leakage of liquid inlet pipelines under storage tank was organized on 14 June 2023.

ENN Zhoushan: The *Emergency Plan for Environmental Contingencies of ENN (Zhoushan) LNG Co., Ltd.* has been filed with Zhoushan Ecological Environment Bureau (filing No.: 330900-2021-004-M) for record, and a fire emergency drill for tank leakage was organized on 21 June 2023.

The *Emergency Plan for Environmental Contingencies of ENN (Zhoushan) Natural Gas Pipelines Co., Ltd.* currently implemented by ENN (Zhoushan) Natural Gas Pipelines Co., Ltd., a subsidiary of ENN Zhoushan, has been respectively filed with Zhoushan Ecological Environment Bureau (filing No.: 330902-2021-033-L), Zhenhai Branch of Ningbo Ecological Environment Bureau (filing No.: 330211-2021-050-L) and Daishan Branch of Zhoushan Ecological Environment Bureau (filing No.: 330921-2021-008-L) for record.

(5) 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 10 t/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 Ecology and Environment Bureau of the Banner and the city. The online monitoring equipment has passed the inspection and acceptance by the Ecological Environmental Bureau of the Banner and city. Xinneng Mining appointed the third party Ordos Environmental Protection Investment Co., Ltd. for the routine maintenance. In the first half of 2023, a third-party qualified company named "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. In the first half of 2023, Shanxi Mengsheng Environmental Technology Co., Ltd. was appointed to complete testing of wastewater and noise at plant boundary for Q1 on 1 March and testing of wastewater, exhaust gas and noise at plant boundary for Q2 on 6 June, with all satisfactory testing results.

ENN Zhoushan: 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 Zhoushan organized transportation and treatment, and conducted self-monitoring and information disclosure of hazardous wastes generated.

3. Reason for not disclosing other environmental information

☐ Applicable ☒ N/A

(III) Information on the subsequent progress or change of the disclosure of environmental information during the Reporting Period

☐ Applicable ☒ N/A

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

☒ Applicable ☐ N/A

1. ENN Energy

In accordance with the *Environmental Protection Law of the People's Republic of China* and other laws and regulations concerning environmental management, ENN Energy has developed several internal management systems including the *Administrative Measures for Civilized Construction*, and gradually improved its whole-process environmental management system. To implement whole-process environmental risk management and control in terms of design, construction and operation, and put in place concepts of energy conservation and environmental protection and initiatives throughout the business chain, the primary measures are taken as follows:

(1) Carry out comprehensive environmental monitoring with digital intelligence technology by upholding the principle of maximizing resources saved and minimizing negative impact on the environment on the premise that quality and safety are guaranteed to accurately identify air pollution, noise pollution, waste pollution, damage to animals and plants and other environmental risks, implement effective management measures and ensure that the discharge of wastewater, exhaust gas, solid waste and other pollutants complies with the national standards.

(2) Actively apply various digital intelligence products to monitor the scene equipment including plant stations, pipeline networks and indoor equipments and reduce the leakage of natural gas; endeavor to recover the boil-off gas (BOG) generated in the process of storage, transportation and distribution of gas and reduce the methane emission; minimize the emission and leakage of natural gas in the course of project execution and operation, and minimize the impact on the surrounding ecological environment while ensuring operational safety.

(3) Promote the application of clean energy, install a large number of PV application projects, and achieve zero carbon emissions for some stations and offices.

(4) Enhance waste management, perform sorting and centralized collection of hazardous wastes which are eventually transferred for recovery and disposal by qualified environmental protection agencies.

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 substances including methanol, ammonia nitrogen, sulfide, cyanide and suspended solid for production and reuse. The recycle technology solely developed by Yongsheng Environmental Protection Co., Ltd. was adopted to treat the brine produced during the process to achieve “zero discharge” of wastewater. The industrial salt produced could be recycled and used as raw materials in chlor-alkali industry.

3. Xinneng Mining

Xinneng Mining was included in the Green Mine List of Inner Mongolia Autonomous Region in 2019. In the first half of 2023, the Company carried out environmental treatment, greening and land reclamation and restoration around the mine area in strict accordance with the *Green Mine Construction Plan of Inner Mongolia Autonomous Region*, 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 significantly reducing the pollutants discharged to the Qinhe River.

5. ENN Zhoushan

To increase the capacity of emergency disposal of oil spill pollution, an material warehouse for oil spill prevention was built and equipped with oil spill prevention equipments and facilities such as oil skimmer and oil containment boom at Zhoushan Terminal; meanwhile, a plan for releasing marine stock enhancement and releasing was also developed to protect the marine fishery resources.

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

√ Applicable □ N/A

During the Reporting Period, with the green development philosophy in mind, ENN-NG has been fully responsive to the Double Carbon Target 3060 and energy transformation strategy, and fully explored the solutions for low-carbon energy and clean energy to make contribution to the harmonious development of energy, economy, society and environment.

Making comprehensive and in-depth layout for whole industrial chain of hydrogen energy and actively exploring the development and utilization of clean energy technology, ENN-NG has devoted much attention to the layout of whole industrial chain of hydrogen energy for many years and actively invested in research and development for certain results. It exerts great efforts in research and development of efficient dry biogas technology, completes the preparation of experimental platform programs, actively makes business layout for green and low-carbon biogas and supports the low-carbon development of natural gas industry. Meanwhile, it leads the Research on *Key Technology for Cogeneration by Solid Oxide Fuel Cell (SOFC) Battery*, a national key research and development plan of the Ministry of Science and Technology.

For utilization of clean energy, in the field of photovoltaics, the Company has been proactive in the layout of ground PV, carport PV and rooftop PV power generation projects, and the entities under the Company have made full use of ground, roofs and carports for the construction of distributed photovoltaic projects. ENN Energy has actively explored self-owned building PV projects and launched the construction of self-owned building PV power generation projects in Henan, Shandong, Jiangsu, Fujian, Shanghai, Zhejiang, Hebei, etc. In terms of cold power generation, the Company takes full advantage of the LNG cold energy in Zhoushan Terminal to independently develop and demonstrate the power generation technology and equipment, and uses two separate cycles for gradient utilization of cold energy and recovery for power generation to avoid cold energy loss.

The Company achieves energy conservation and carbon reduction by technology upgrading and smart operation. In the course of production, technical renovation and technical measures are employed for energy saving and carbon reduction to vigorously recycle waste heat and waste gas resources and allow for efficient use of resources. In May 2023, Xinneng Energy completed the technical renovation project of “micro-gas turbine power generation by vented fuel gas” which may realize the recycling of the vented fuel gas, energy saving and carbon reduction upon implementation, and it is expected to annually reduce the carbon dioxide emission by 18,092 tons. ENN Energy upgraded its means for smart operation and management to make data forecasts for energy consumption and equipment load and allow for all-round improvement in energy consumption overview, energy consumption benchmarking, energy consumption judgment, energy efficiency enhancement, operation and maintenance, and developed integrated energy saving and efficiency improvement optimization plans to build intelligent energy efficiency engine for customers and support the safe, low-carbon and efficient development of the whole industrial chain.

II. Consolidation and Expansion of Our Results in Poverty Alleviation and Rural Revitalization

√ Applicable □ N/A

As a private energy company developing with the reform and opening up of the country, ENN-NG always ponders the source of development with grateful heart, sees it as our mission to build a strong country and deliver a better life for people and deeply integrates the concept of social responsibility and the requirement of sustainable development into daily operations while diligently practicing corporate social responsibilities. Upholding the role in charity and public welfare for “focus on energy conservation and environmental protection, support for education undertakings, and promotion of social harmony”, we actively participate in public charity, provide strong support for the rural revitalization and rejuvenation of the country through education, repay the society with a grateful heart, contribute to the promotion of social harmony, regard the sense of responsibility as our foundation of presence, drive development and realize the promotion of comprehensive value of economy, environment and society.

(I) Support for education undertakings

From difficulty addressing to foundation strengthening and empowerment to joint creation, ENN-NG has been on the move to support the education undertakings by actively participating in public education projects focused on school building, encouragement and quality orientation, developing cooperation in talent cultivation and creating a new model of university-enterprise cooperation to support the development of higher education. During the Reporting Period, the Company and its subsidiaries have donated RMB 24.18 million in total to support rural education, improve teaching environment and carry out university-enterprise cooperation, etc.

(II) Rural revitalization

The implementation of the strategy of rural revitalization is a major decision and arrangement made at the 19th National Congress of the CPC and the key to our efforts concerning agriculture, rural areas and farmers in the new era. ENN-NG closely cooperates with local governments to focus on local needs, explore new measures for assistance, promote the implementation of rural revitalization plans, strengthen assistance and continuously contribute to rural revitalization. During the Reporting Period, the Company and its subsidiaries donated RMB 150, 000 for rural revitalization to support construction of public infrastructure in rural areas, consolidate and expand our results in poverty alleviation, and promote high-quality rural development.

(III) Public welfare

The Company has long maintained sharing the development achievements with the society and enthusiasm in charitable donations to help vulnerable groups. We encourage the employees to contribute to the society, organize the employees to participate in voluntary services and earnestly practice corporate care and responsibility for the society. During the Reporting Period, the Company and its subsidiaries donated RMB 110,000 for social assistance, improvement of local environment and construction of public infrastructure, etc.

Section VI 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 International	The shares of the Listed Company acquired by this restructuring in which the shares of ENN Energy are purchased by means of asset swap, issue of shares and cash payment are subject to a lock-up period of 36 months.	9 December 2019 Term: 36 months upon issue of shares (18 September 2020)	Yes	Yes		
	Others	Wang Yusuo	I will maintain my status as the actual controller of the Listed Company within 60 months upon completion of this restructuring in which the shares of ENN Energy are purchased by means of asset swap, issue of shares and cash payment.	9 December 2019 Term: 60 months upon completion of the restructuring (18 September 2020)	Yes	Yes		
	Solving the defects on ownership of land, etc.	ENN International	For the defects of ENN Energy and its holding subsidiaries in premises, lands, lease, business qualification and administrative penalties, we undertake to urge the obtaining of relevant certificates, and in case of failure to do so, we will bear losses accordingly.	9 December 2019 Term: indefinite	No	Yes		
	Solving the defects on ownership of land, etc.	Essential Investment	For the defects of ENN Energy and its holding subsidiaries in premises, lands, lease, business qualification and administrative penalties, we undertake to urge the obtaining of relevant certificates, and in case of failure to do so, we will bear losses accordingly.	9 December 2019 Term: indefinite	No	Yes		
	Solving the defects on ownership of	ENN Holdings	We ensure that the status quo of Xinneng Mining's housing ownership will not affect its normal production and operation, and will bear legal responsibility for the losses caused by the failure to obtain the aforesaid	21 January 2013 Term: until the housing ownership certificate of	Yes	Yes		

	land, etc.		certificate.	Xinneng Mining has been obtained				
	Solving horizontal competition	ENN International	Upon completion of this restructuring in which 90% shares of ENN Zhoushan are purchased by issue of shares and cash payment, we and the companies under our control will avoid substantive horizontal competition with ENN-NG and its holding subsidiaries.	26 October 2021 Term: indefinite	No	Yes		
	Solving horizontal competition	Wang Yusuo	Upon completion of this restructuring in which 90% shares of ENN Zhoushan are purchased by issue of shares and cash payment, the companies under my control and I, as the actual controller, will avoid substantive horizontal competition with ENN-NG and its holding subsidiaries.	26 October 2021 Term: indefinite	No	Yes		
	Solving horizontal competition	ENN Science and Technology, ENN Group and ENN Holdings	Upon completion of this restructuring in which 90% shares of ENN Zhoushan are purchased by issue of shares and cash payment, we and the companies under our control will avoid substantive horizontal competition with ENN-NG and its holding subsidiaries.	26 October 2021 Term: indefinite	No	Yes		
	Solving related-party transaction	ENN International	We are the controlling shareholder and the related-party transactions concluded by us and persons acting in concert, and companies controlled by us and persons acting in concert with ENN-NG and its subsidiaries will be regulated upon completion of this restructuring in which 90% shares of ENN Zhoushan are purchased by issue of shares and cash payment.	26 October 2021 Term: indefinite	No	Yes		
	Solving related-party transaction	Wang Yusuo	I am the actual controller and the related-party transactions concluded by me and companies under my control with ENN-NG and its subsidiaries will be regulated upon completion of this restructuring in which 90% shares of ENN Zhoushan are purchased by issue of shares and cash payment.	26 October 2021 Term: indefinite	No	Yes		
	Solving related-party transaction	ENN Science and Technology, ENN Group and ENN Holdings	The related-party transactions concluded by us and our affiliates with ENN-NG and its subsidiaries will be regulated upon completion of this restructuring in which 90% shares of ENN Zhoushan are purchased by issue of shares and cash payment.	26 October 2021 Term: indefinite	No	Yes		
	Others	ENN International	Upon completion of this restructuring in which 90% shares of ENN Zhoushan are purchased by issue of shares and cash payment, we will continue to maintain the independence of ENN-NG.	26 October 2021 Term: indefinite	No	Yes		
	Others	Wang Yusuo	Upon completion of this restructuring in which 90% shares of ENN Zhoushan are purchased by issue of shares and cash payment, I will	26 October 2021 Term: indefinite	No	Yes		

			continue to maintain the independence of ENN-NG.					
Others	ENN Science and Technology, ENN Group and ENN Holdings	Upon completion of this restructuring in which 90% shares of ENN Zhoushan are purchased by issue of shares and cash payment, we will continue to maintain the independence of ENN-NG.	26 October 2021 Term: indefinite	No	Yes			
Restrictions on sale of shares	ENN Science and Technology	The shares of the Listed Company acquired by this restructuring in which 90% shares of ENN Zhoushan are purchased by issue of shares and cash payment are subject to a lock-up period of 36 months.	26 October 2021 Term: 36 months upon issue of shares (16 August 2022)	Yes	Yes			
Restrictions on sale of shares	ENN International	We will neither reduce the shares held in ENN-NG during this restructuring in which 90% shares of ENN Zhoushan are purchased by issue of shares and cash payment and nor transfer the shares held previously within 18 months upon completion of this restructuring.	26 October 2021 Term: 18 months upon completion of the restructuring (16 August 2022)	Yes	Yes			
Restrictions on sale of shares	Wang Yusuo	I will neither reduce the shares held in ENN-NG during this restructuring in which 90% shares of ENN Zhoushan are purchased by issue of shares and cash payment and nor transfer the shares held previously within 18 months upon completion of this restructuring.	26 October 2021 Term: 18 months upon completion of the restructuring (16 August 2022)	Yes	Yes			
Solving the defects on ownership of land, etc.	ENN Science and Technology, ENN Group and ENN Holdings	We will urge and assist ENN Zhoushan and its subsidiaries to obtain relevant ownership certificates for premises, buildings, land and sea areas, and in case of failure to do so, we will bear losses accordingly.	26 October 2021 Term: after obtaining the housing ownership certificate of ENN Zhoushan and/or its subsidiaries	Yes	Yes			
Others	Wang Yusuo	I will maintain my status as the actual controller of ENN-NG within 36 months upon completion of this restructuring in which 90% shares of ENN Zhoushan are purchased by issue of shares and cash payment.	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.	26 October 2021 Term: after issue of shares (16 August 2022) until the fulfillment of performance compensation commitment	Yes	Yes			
Profit forecast and compensation	ENN Science and Technology, ENN Group and ENN	We undertake that the net profits attributable to owners of the parent company after deduction of nonrecurring profits or losses of ENN Zhoushan, the Target Company, are not lower than RMB 349.67 million, RMB 639.43 million, RMB 933.48 million and RMB 1,196.43 million respectively in 2022, 2023, 2024 and 2025.	26 October 2021 Term: 2022 - 2025	Yes	Yes			

		Holdings						
Commitment related to refinancing	Solving related-party transaction	ENN Holdings	We will decrease and regulate the related-party transactions made by ENN Holdings and its subsidiaries with ENN-NG and its subsidiaries upon this restructuring in which 90% shares of ENN Zhoushan are purchased by asset swap, issue of shares and cash payment.	9 December 2019 Term: indefinite	No	Yes		
	Solving related-party transaction	Wang Yusuo	I will decrease and regulate the related-party transactions made by me and companies under my control with ENN-NG and its subsidiaries upon this restructuring in which shares of ENN Energy are purchased by asset swap, issue of shares and cash payment.	9 December 2019 Term: indefinite	No	Yes		
	Solving horizontal competition	ENN Holdings	We and our holding subsidiaries will avoid horizontal competition with ENN-NG and its subsidiaries upon this restructuring in which shares of ENN Energy are purchased by asset swap, issue of shares and cash payment.	9 December 2019 Term: indefinite	No	Yes		
	Solving horizontal competition	Wang Yusuo	My holding subsidiaries and I will avoid horizontal competition with ENN-NG and its subsidiaries upon this restructuring in which shares of ENN Energy are purchased by asset swap, issue of shares and cash payment.	9 December 2019 Term: indefinite	No	Yes		
	Solving the defects on ownership of land, etc.	ENN Holdings	We will urge and assist the Company and its subsidiaries to obtain development/construction permits and ownership certificates for the premises and buildings concerned, and in case of failure to do so, we will bear losses accordingly.	17 May 2017 Term: until relevant ownership certificates have been obtained	Yes	Yes		

Note: The Company has consolidated and teased out the commitments made by the actual controller, shareholders, related parties, acquirers, and other committed parties concerned for the major asset restructuring matters in which the shares of ENN Energy and ENN Zhoushan are purchased by the Company. Such commitments are 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. Occupation of Funds by the Controlling Shareholder and Other Related Parties for Non-operational Purposes During the Reporting Period

☐ Applicable ☒ N/A

III. Guarantees in Violation of Applicable Regulations

☐ Applicable ☒ N/A

IV. Audit of the Semi-annual Report

☐ Applicable ☒ N/A

V. Change and Handling of Matters Involved in Non-standard Audit Opinions in the Annual Report of the Previous Year

☐ Applicable ☒ N/A

VI. Matters Related to Bankruptcy Reorganization

☐ Applicable ☒ N/A

VII. Material Litigation and Arbitration

☐ The Company was subject to material litigation or arbitration during the Reporting Period
☒ The Company was not subject to material litigation or arbitration during the Reporting Period

VIII. Suspected Violations of Laws and Regulations by, Penalties on and Rectifications by the Listed Company and its Directors, Supervisors, Senior Managers and Holding Shareholders and Actual Controller

☐ Applicable ☒ N/A

IX. 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 shareholders 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.

X. 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

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*. 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 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*. For details, please refer to the interim announcement titled the *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 the first half of 2023

From January to June 2023, the actual daily related-party transactions between the Company (and its subsidiaries) and the related parties amounted to RMB 487.52 million, accounting for 21.74% of the estimated amount of daily related-party transactions for 2023. The accumulative amount of daily related-party transactions completed from January to June 2023 is presented below:

Comparison of Estimated and Actually Implemented Daily Related-party Transactions in 2023

Unit: RMB '0000 Currency: RMB

Category of daily related-party transaction	Related party	Estimated amount in 2023 (RMB '0000)	Amount actually incurred from January to June 2023 (RMB '0000)
Design, construction and sales of materials and supplies	Subsidiaries controlled by the actual controller of the Company	10,100	664
Subtotal		10,100	664
Provision of technology and comprehensive services	Ennova Holdings Co., Ltd. and its subsidiaries	28,500	8,075
	Subsidiaries controlled by the actual controller of the Company	12,900	1,138
Subtotal		41,400	9,213
Provision of finance lease and commercial factoring	Subsidiaries controlled by the actual controller of the Company	17,000	1,675
	Shanghai 3040 Technology Co., Ltd.	1,000	1,854

Subtotal		18,000	3,529
Sale of gas and other goods	Subsidiaries controlled by the actual controller of the Company	3,400	1,874
Subtotal		3,400	1,874
Subtotal of income		72,900	15,280
Acceptance of project construction services	Subsidiaries controlled by the actual controller of the Company	3,600	219
Subtotal		3,600	219
Acceptance of technology and comprehensive services	Ennova Holdings Co., Ltd. and its subsidiaries	16,900	1,188
	ENC Digital Technology Co., Ltd. and its subsidiaries	31,100	14,742
	Subsidiaries controlled by the actual controller of the Company	57,800	8,352
	Shanghai 3040 Technology Co., Ltd.	900	
	Shanghai Petroleum and Gas Exchange Co., Ltd.	400	4
Subtotal		107,100	24,286
Purchase of equipment, materials and natural gas	ENN Sunshine Yicai Technology Co., Ltd. and its subsidiaries	10,300	10
	Subsidiaries controlled by the actual controller of the Company	13,400	3,689
	Shanghai 3040 Technology Co., Ltd.	17,000	5,268
Subtotal		40,700	8,967
Subtotal of expenditure		151,400	33,472
Total		224,300	48,752

3. Matters not disclosed in the interim announcements

☐ Applicable ☒ N/A

(II) Related-party transactions incurred in connection with acquisition of assets or acquisition or sale of equity interests

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 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 related-party transaction	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 Xinzhi	Subsidiary of	Transfer of shares	Transfer of 49% equity interests in	Appraisal value	67	100	49	Bank transfer	/	N/A	N/A

Technology Co., Ltd.	shareholder		Greatgas E-commerce Co., Ltd.								
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Description of related-party transactions incurred in connection with asset acquisition and sale

On 31 May 2023, Langfang Huayuan Energy Technology Co., Ltd. and ENN Xinzhi Technology Co., Ltd. (hereinafter referred to as “ENN Xinzhi”) entered into the Agreement on *Transfer of Equity Interests in Greatgas E-commerce Co., Ltd.* to acquire 49% equity interests in Greatgas E-commerce Co., Ltd. (hereinafter referred to as “Greatgas”) held by Langfang Huayuan Energy Technology Co., Ltd. Based on the audited consolidated net assets value as of 31 December 2022 and through friendly consultation, the Parties reasonably determined the transfer price for the 49% equity interests in the Target Company to be RMB 490,000. As the Parties further acknowledged and agreed that, considering that the interests in Greatgas were actually held by the Company’s holding subsidiary subsidiary, ENN (China) Gas Investment Limited (hereinafter referred to as “ENN China Investment”) in the form of VIE structure and the holding subsidiary ENN Energy made continuous investment in Greatgas since the establishment of the VIE structure, ENN Xinzhi fully paid the transfer price for the equity interests in Greatgas to ENN China Investment based on the trading substance of transfer of equity transfers. Meanwhile, ENN Xinzhi is a company under control of the Company’s actual controller Mr. Wang Yusuo. As set forth in the *Share Listing Rules of the Shanghai Stock Exchange*, ENN Xinzhi shall be the Company’s affiliated legal person and this transaction shall be a related-party transaction.

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

☒ Applicable ☐ N/A

The Company purchased 90% shares of ENN Zhoushan held in aggregate by ENN Science and Technology, ENN Group and ENN Holdings by means of share issue and cash payment. The counterparties, ENN Science and Technology, ENN Group and ENN Holdings undertook that the net profits attributable to owners of parent company after deducting nonrecurring profits and losses of ENN Zhoushan in 2022 shall be no less than RMB 349.67 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 RMB 402.1033 million, and 115% of the performance commitment of RMB 349.67 million was actually completed.

(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) Other major related-party transactions

☐ Applicable ☒ N/A

(VII) Others

☐ Applicable ☒ N/A

XI. Significant Contracts and Performance Thereof

1. Trusteeship, contracting and lease

☐ Applicable ☒ N/A

2. Material guarantees performed or to be performed during the Reporting Period

□ 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	Whether the guarantee is overdue	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.	1,835	2020/10/8	2021/3/8	2025/12/31	Surety guarantee		No	No	0	Yes	No	
Xin'ao (China) Gas Investment Co., Ltd.	Holding subsidiary	Shijiazhuang Kunlun Xin'ao Gas Co., Ltd.	907	2019/9/15	2019/10/15	2029/10/15	Surety guarantee		No	No	0	No	No	
Xin'ao (China) Gas Investment Co., Ltd.	Holding subsidiary	Shijiazhuang Kunlun Xin'ao Gas Co., Ltd.		2019/9/15	2020/4/15	2029/10/15	Surety guarantee		No	No	0	No	No	
Total guarantee amount incurred during the Reporting Period (excluding guarantees for subsidiaries)									0					
Total guarantee balance at the end of the Reporting Period (A) (excluding guarantees for subsidiaries)									2,742					
Guarantees from the Company for its subsidiaries														
Total guarantee amount incurred during the Reporting Period for subsidiaries									728,983					
Total guarantee balance at the end of the Reporting Period for subsidiaries (B)									916,108					
Total amount of guarantees provided by the Company (including those for subsidiaries)														
Total guarantee amount (A+B)									2,918,850					
Proportion of total guarantee amount to net assets of the Company (%)									166.05%					

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)	578,163
Amount of total guarantee in excess of 50% of net assets (E)	1,461,781
Total amount of the above three guarantees (C+D+E)	2,039,944
Information on the outstanding guarantees for which the Company may assume joint and several liability	N/A
Information on guarantees	<p>1. The amount of guarantee incurred during the Reporting Period and the guarantee balance at the end of Reporting Period include the external guarantees provided by a subsidiary, and the amount of guarantee equals to the product of amount of guarantees provided by the subsidiary in favor of external parties multiplied by the Company's shareholding ratio in such subsidiary.</p> <p>2. Guarantees provided by subsidiaries for subsidiaries as at the end of the Reporting Period had a guarantee balance of RMB 7,321.4 million. Specifically:</p> <p>(1) ENN Energy Holdings Limited provided guarantees of up to RMB 433.38 million for ENN Global Trading Pte. Ltd.</p> <p>(2) ENN Energy Holdings Limited provided guarantees of up to RMB 36.13 million for ENN LNG Trading Company Limited.</p> <p>(3) Bengbu Xin'ao Gas Co., Ltd. provided guarantees of up to RMB 20 million for Bengbu Xin'ao Gas Development Co., Ltd.</p> <p>(4) Changzhou Xin'ao Gas Development Co., Ltd. provided guarantees of up to RMB 30 million for Changzhou Xin'ao Gas Engineering Co., Ltd.</p> <p>(5) Changzhou Xin'ao Gas Engineering Co., Ltd. provided guarantees of up to RMB 455 million for Changzhou Xin'ao Gas Development Co., Ltd.</p> <p>(6) Dongguan ENN Gas Co., Ltd. provided guarantees of up to RMB 143 million for Dongguan New Energy Management Co., Ltd.</p> <p>(7) Wenan ENN Mingshun Gas Co., Ltd. provided guarantees of up to RMB 10 million for Wenan County Yutong Gas Co., Ltd.</p> <p>(8) Xin'ao (China) Gas Investment Co., Ltd. provided guarantees of up to RMB 1,861.83 million for 13 subsidiaries including ENN Gas Development Co., Ltd.</p>

	<p>(9) ENN Gas Development Co., Ltd. provided guarantees of up to RMB 51.48 million for Sinopec Zhejiang Xin'ao (Zhoushan) Gas Co., Ltd.</p> <p>(10) Xindi Energy Engineering Technology Co., Ltd. provided guarantees of up to RMB 757.15 million for ENN (Tianjin) Energy Investment Co., Ltd.</p> <p>(11) Xinneng (Hong Kong) Energy Investment Co., Ltd. provided guarantees of up to RMB 2,251.24 million for ENN LNG (Singapore) Pte. Ltd.</p> <p>(12) Xinxiang Xin'ao Gas Engineering Co., Ltd. provided guarantees of up to RMB 100 million for Xinxiang Xin'ao Gas Co., Ltd.</p> <p>(13) Changsha Xin'ao Gas Development Co., Ltd. provided guarantees of up to RMB 248 million for Changsha ENN Gas Co., Ltd.</p> <p>(14) Changsha ENN Gas Co., Ltd. provided guarantees of up to RMB 898 million for Changsha Xin'ao Gas Development Co., Ltd.</p> <p>(15) Changsha ENN Changran Energy Development Co., Ltd. provided guarantees of up to RMB 26.19 million for Changsha ENN Xiangjiang New Energy Development Co., Ltd.</p> <p>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 RMB 8,074.6 million. Specifically:</p> <p>(1) ENN Clean Energy International Investment Limited, an overseas wholly-owned subsidiary of the Company, issued USD 800 million senior unsecured fixed-rate bonds (equivalent to RMB 5,030.78 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.</p> <p>(2) The Company provided its wholly-owned subsidiary Xinneng (Tianjin) Energy Co., Ltd. with a guarantee for the bank acceptance bill of RMB 111.66 million.</p> <p>(3) Bengbu Xin'ao Gas Co., Ltd. provided guarantees of up to RMB 20 million for Bengbu Xin'ao Gas Development Co., Ltd.</p> <p>(4) Changzhou Xin'ao Gas Development Co., Ltd. provided</p>
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	<p>guarantees of up to RMB 30 million for Changzhou Xin'ao Gas Engineering Co., Ltd.</p> <p>(5) Changzhou Xin'ao Gas Engineering Co., Ltd. provided guarantees of up to RMB 455 million for Changzhou Xin'ao Gas Development Co., Ltd.</p> <p>(6) Wenan ENN Mingshun Gas Co., Ltd. provided guarantees of up to RMB 10 million for Wenan County Yutong Gas Co., Ltd.</p> <p>(7) Xin'ao (China) Gas Investment Co., Ltd. provided guarantees of up to RMB 711.68 million for Daqing Gaoxin Boyuan Thermal Power Co., Ltd.</p> <p>(8) Xin'ao (China) Gas Investment Co., Ltd. provided guarantees of up to RMB 1 million for Rongcheng ENN Gas Co., Ltd.</p> <p>(9) Xin'ao (China) Gas Investment Co., Ltd. provided guarantees of up to RMB 39.93 million for Xinxiang ENN Gas Co., Ltd.</p> <p>(10) Xin'ao (China) Gas Investment Co., Ltd. provided guarantees of up to RMB 470 million for Xin'ao Gas Development Co., Ltd.</p> <p>(11) Xin'ao (China) Gas Investment Co., Ltd. provided guarantees of up to RMB 52.62 million for Yangpu ENN Energy Development Co., Ltd.</p> <p>(12) Xin'ao (China) Gas Investment Co., Ltd. provided guarantees of up to RMB 60 million for Yutian ENN Gas Co., Ltd.</p> <p>(13) Xin'ao (China) Gas Investment Co., Ltd. provided guarantees of up to RMB 20 million for Tangshan Fengnan ENN Gas Co., Ltd.</p> <p>(14) Xin'ao (China) Gas Investment Co., Ltd. provided guarantees of up to RMB 27.8 million for Shijiazhuang Kunlun Xin'ao Gas Co., Ltd.</p> <p>(15) ENN Energy Holdings Limited provided guarantees of up to RMB 36.13 million for ENN LNG Trading Company Limited.</p> <p>(16) Xinxiang Xin'ao Gas Engineering Co., Ltd. provided guarantees of up to RMB 100 million for Xinxiang Xin'ao Gas Co., Ltd.</p> <p>(17) Changsha ENN Gas Co., Ltd. provided guarantees of up to RMB 898 million for Changsha Xin'ao Gas Development Co., Ltd.</p> <p>4. Xin'ao (China) Gas Investment Co., Ltd., a subsidiary of the Company, provided guarantees of up to RMB 27.8 million for Shijiazhuang Kunlun Xin'ao Gas Co., Ltd. at the end of the Reporting</p>
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	<p>Period.</p> <p>5. At the end of the Reporting Period, the Company provided RMB 18.35 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.</p>
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3. Other material contracts

□ Applicable √ N/A

XII. Information on other major matters

□ Applicable √ N/A

Section VII 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	1,637,380,719	52.84	0	0	0	-265,000	-265,000	1,637,115,719	52.84
1. Shares held by the State									
2. Shares held by the state-owned legal persons									
3. Other shares held by domestic investors	266,754,039	8.61	0	0	0	-265,000	-265,000	266,489,039	8.60
Including: Shares held by domestic non-state-owned legal persons	252,808,988	8.16	0	0	0	0	0	252,808,988	8.16
Shares held by domestic natural persons	13,945,051	0.45	0	0	0	-265,000	-265,000	13,680,051	0.44
4. Shares held by foreign investors	1,370,626,680	44.23	0	0	0	0	0	1,370,626,680	44.24
Including: Shares held by overseas legal persons	1,370,626,680	44.23	0	0	0	0	0	1,370,626,680	44.24

Shares held by overseas natural persons									
II. Tradable share without conditions on restricted sale	1,461,281,888	47.16	0	0	0	0	0	1,461,281,888	47.16
1. RMB ordinary shares	1,461,281,888	47.16	0	0	0	0	0	1,461,281,888	47.16
2. Foreign shares listed domestically									
3. Foreign shares listed overseas									
4. Others									
III. Total number of shares	3,098,662,607	100.00	0	0	0	-265,000	-265,000	3,098,397,607	100.00

2. Information on changes in shares

☒ Applicable ☐ N/A

Under the 2021 Restricted Stock Incentive Plan of the Company, five incentive grantees had an “unsatisfactory” individual performance evaluation result during the first Unrestricted Period for first grant, and one incentive grantee was no longer eligible due to retirement one incentive grantee had an “unsatisfactory” individual performance evaluation result during the first Unrestricted Period for reserved grant. In accordance with the *2021 Restricted Stock Incentive Plan (Draft) of the Company*, a total of 265,000 restricted shares which have been granted to the above incentive 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. The restricted shares changed from 1,637,380,719 to 1,637,115,719 and the total number of shares changed from 3,098,662,607 to 3,098,397,607.

3. Effect of the changes in shares on the earnings per share, net assets per share and other financial indicators during the period from the end of the Reporting Period to the disclosure date of the Semi-annual Report (if any)

☐ Applicable ☒ N/A

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

☐ Applicable ☒ N/A

(II) Changes in restricted shares

√ Applicable □ N/A

Unit: Share

Name of shareholder	Number of restricted shares at the beginning of the period	Number of restricted shares released during the Reporting Period	Increase in the number of restricted shares during the Reporting Period	Number of unrestricted shares at the end of the Reporting Period	Reasons for restriction	Date of restriction release
Incentive Grantees for Restricted Shares in 2021	13,945,051	0	-265,000	13,680,051	Equity incentive restriction	/
Total	13,945,051	0	-265,000	13,680,051	/	/

Note: Under the 2021 Restricted Stock Incentive Plan of the Company, five incentive grantees had an “unsatisfactory” individual performance evaluation result during the first Unrestricted Period for first grant, and one incentive grantee was no longer eligible due to retirement, one incentive grantee had an “unsatisfactory” individual performance evaluation result during the first Unrestricted Period for reserved grant. In accordance with the *2021 Restricted Stock Incentive Plan (Draft) of the Company*, a total of 265,000 restricted shares which have been granted to the above incentive 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. The restricted shares changed from 1,637,380,719 to 1,637,115,719.

II. Shareholders**(I) Total number of shareholders:**

Total number of ordinary shareholders as of the end of the Reporting Period (household)	18,812
Total number of preferred shareholders with voting rights restored at the end of the Reporting Period (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	Prop ortio n (%)	Number of restricted shares	Pledged, marked or frozen shares		Nature of shareholder
					Share status	Number	
ENN GROUP	0	1,370,626,680	44.24	1,370,626,680	N/A	0	Foreign

INTERNATIONAL INVESTMENT LIMITED							legal person
ENN Investment Holdings Co., Ltd.	0	430,737,451	13.90	0	Pledged	226,310,000	Domestic non-state-owned legal person
ENN Science and Technology Development Co., Ltd.	0	252,808,988	8.16	252,808,988	N/A	0	Domestic non-state-owned legal person
Hong Kong Securities Clearing Company Limited	30,737,239	178,434,018	5.76	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.)	-478,798	78,463,417	2.53	0	N/A	0	Other
National Social Security Fund 106 Portfolio	9,999,463	64,787,719	2.09	0	N/A	0	Other
Basic Endowment Insurance Fund 15022 Portfolio	-2,162,100	26,755,519	0.86	0	N/A	0	Other
CITIC Securities — China Citic Bank — Hybrid Collective Asset Management Plan for Excellent Growth with Two-year Holding Period of CITIC Securities	22,963,572	23,732,872	0.77	0	N/A	0	Other
Shareholding of top 10 shareholders of unrestricted shares							
Name of shareholder	Number of tradable shares without conditions on restricted sale			Category and number of shares			
				Category		Number	

ENN Investment Holdings Co., Ltd.	430,737,451	Ordinary shares in RMB	430,737,451
Hong Kong Securities Clearing Company Limited	178,434,018	Ordinary shares in RMB	178,434,018
Langfang Heyuan Investment Center (LLP)	98,360,656	Ordinary shares in RMB	98,360,656
Hebei Weiyuan Group Co., Ltd.	89,004,283	Ordinary shares in RMB	89,004,283
Hongchuang (Shenzhen) Investment Center (L.P.)	78,463,417	Ordinary shares in RMB	78,463,417
National Social Security Fund 106 Portfolio	64,787,719	Ordinary shares in RMB	64,787,719
Basic Endowment Insurance Fund 15022 Portfolio	26,755,519	Ordinary shares in RMB	26,755,519
CITIC Securities — China Citic Bank — Hybrid Collective Asset Management Plan for Excellent Growth with Two-year Holding Period of CITIC Securities	23,732,872	Ordinary shares in RMB	23,732,872
Huaneng Guicheng Trust Co., Ltd.	18,296,614	Ordinary shares in RMB	18,296,614
Basic Endowment Insurance Fund 807 Portfolio	10,400,000	Ordinary shares in RMB	10,400,000
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	<p>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.</p> <p>2. The couple, Mr. Wang Yusuo and Ms. Zhao Baoju, signed the <i>Share Escrow Agreement in respect of ENN GROUP INTERNATIONAL INVESTMENT LIMITED</i> 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.</p> <p>3. The Company is not aware of whether there is an associated relationship between other shareholders or whether they are acting in concert.</p>		
Information on preferred shareholders	N/A		

with voting rights restored and the number of shares held by them

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

√ Applicable □ N/A

Unit: Share

No.	Name of shareholder of restricted shares	Number of restricted shares held	Tradable conditions of restricted shares		Conditions on restricted sale
			Tradable date	Number of increased tradable shares	
1	ENN GROUP INTERNATIONAL INVESTMENT LIMITED	1,370,626,680	18 September 2023	0	Issue of shares for asset purchase, with lock-up period of 36 months
2	ENN Science and Technology Development Co., Ltd.	252,808,988	18 August 2025	0	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	Zhang Xiaoyang	450,000	Note 1	0	Stock incentive
10	Zheng Wenping	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.*

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

□ Applicable √ N/A

III. Information on Directors, Supervisors and Senior Management

(I) Changes in shares held by incumbent and resigned directors, supervisors and senior managers during the Reporting Period

√ Applicable □ N/A

Unit: Share

Name	Position	Number of shares held at the beginning of the period	Number of shares held at the end of the period	Increase or decrease of shares during the Reporting Period	Reasons for increase or decrease
Yu Jianchao	Director & Co-Chief Executive Officer	1,400,000	1,450,000	+50,000	Increase by centralized competitive pricing
Wang Shihong	Vice President (resigned)	200,000	150,000	-50,000	Increase by centralized competitive pricing
Zhang Jin	Director	600,000	510,000	-90,000	Increase by centralized competitive pricing
Han Jishen	Director	1,400,000	1,050,000	-350,000	Increase by centralized competitive pricing

Other information

√ Applicable □ N/A

1. On 10 December 2022, the Company disclosed the *Announcement on Decreased Shareholding Plan after the Expiry of the Sales Restriction on the Shares Acquired from the Equity Incentives for the Directors and Senior Managers of ENN-NG*, under which some directors and senior managers intended to decrease not more than 2,237,500 shares of the Company by centralized competitive pricing combined with block trading, accounting for not more than 0.0722% of the Company's total share capital and not more than 25% of the total shares held by them respectively.

The Decreased Shareholding Plan expired as at 30 June 2023. Mr. Wang Shihong decreased 50,000 shares held of the Company by centralized competitive pricing, accounting for 0.0016% of the Company's total share capital; Mr. Han Jishen decreased 350,000 shares held of the Company by centralized competitive pricing, accounting for 0.0113% of the Company's total share capital; Mrs. Zhang Jin decreased 90,000 shares held of the Company by centralized competitive pricing, accounting for 0.0029% of the Company's total share capital; the shares held by other shareholders have not been decreased.

2. On 2 February 2023, the Company disclosed the *Announcement of ENN-NG on the Resignation of Vice President*. Due to the adjustment of job position, Mr. Wang Shihong resigned as the Company's Vice President and would continue to hold other posts in the Company. After resignation, Mr. Wang Shihong has not decreased his stake in the Company.

(II) Equity incentives granted to the directors, supervisors and senior managers in the Reporting Period

☐ Applicable ☒ N/A

(III) Other information

☐ Applicable ☒ N/A

IV. Change in controlling shareholder or actual controller

☐ Applicable ☒ N/A

Section VIII Information on Preferred Shares

☐ Applicable ☒ N/A

Section IX Information on Bonds

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

☒ Applicable ☐ N/A

(I) Enterprise bond

☐ Applicable ☒ N/A

(II) Corporate bond

☐ Applicable ☒ N/A

(III) Non-financial corporate debt-financing instruments at the inter-bank bond market

☒ Applicable ☐ N/A

1. Basic information on non-financial corporate debt-financing instruments

Unit: RMB '0000 Currency: RMB

Bond	Short	Code	Dat	Val	Matu	Bon	Inter	Metho	Trad	Investor	Trading scheme	If there is any
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name	name		e of issu e	ue date	urity date	d bala nce	est rate (%)	d of repay ment of princip al with interes ts	ing venu e	suitabili ty arrange ment (if any)		risk from delisting
2023 First Green Medi um-term Note of ENN Natural Gas Co., Ltd.	23 ENN- NG GN00 1	132380 028	25 April 1 202 3	26 April 1 202 3	26 April 2023	500 0	3.30	Interes ts paid annual ly and princip al repaid upon maturi ty	Nati onal inter -ban k bond mark et		Trading by way of competitive pricing, quotation, inquiry and agreement	No

Measures to deal with the risks arising from delisting of bonds taken by the Company

☐ Applicable ☒ N/A

Overdue outstanding bond

☐ Applicable ☒ N/A

Information on Overdue debt

☐ Applicable ☒ N/A

2. Trigger and enforcement of option clause and investor protection provision by the issuer or investor

☐ Applicable ☒ N/A

3. Adjustment of credit rating result

☐ Applicable ☒ N/A

4. Implementation, change and influence of guarantee, debt repayment plan and other debt repayment guarantee measures during the Reporting Period

☐ Applicable ☒ N/A

5. Description of other information on non-financial corporate debt-financing instruments

□ Applicable √ N/A

(IV) Excess of the losses in the scope of consolidated financial statements within the Reporting Period of the Company by 10% of the net assets as at the end of previous year

□ Applicable √ N/A

(V) Key accounting data and financial indicators

√ Applicable □ N/A

Unit: RMB '0000 Currency: RMB

Key indicator	End of the Reporting Period	End of previous year	Increase or decrease at the end of Reporting Period over the previous year (%)	Reason for change
Liquidity ratio	0.77	0.80	-3.75	Increase in short-term borrowings and dividends payable
Quick ratio	0.72	0.75	-4.00	Increase in short-term borrowings and dividends payable
Asset-liability ratio (%)	61.96	62.14	-0.29	Increase in assets and equity
	Current Reporting Period (January - June)	Same period of previous year	Increase or decrease of the Reporting Period over the same period in the previous year (%)	Reason for change
Net profit after deducting nonrecurring gains and losses	138,104	134,900	2.38	Increase in net profits attributable to shareholders of listed companies
Ratio of EBITDA to total debt	0.24	0.24		
Interest coverage ratio	9.57	9.39	1.92	Increase in total profit
Cash interest coverage ratio	13.07	14.66	-10.85	Decrease in net cash flow from operating activities
EBITDA interest coverage ratio	12.55	12.17	3.12	Increase in total profit and depreciation of fixed assets

Loan repayment rate (%)	100.00	100.00		
Interest coverage (%)	100.00	100.00		

II. Convertible Corporate Bonds

☐ Applicable ☒ N/A

Section X Financial Report

I. Auditor's Report

☐ Applicable ☒ N/A

II. Financial Statements

Consolidated Balance Sheet

30 June 2023

Prepared by: ENN Natural Gas Co., Ltd.

Unit: RMB '0000 Currency: RMB

Project	Notes	30 June 2023	31 December 2022
Current assets:			
Monetary fund	VII-1	1,172,939	923,809
Settlement reserve			
Lending funds	VII-2	335,555	285,117
Transaction financial assets	VII-3	15,542	2,560
Derivative financial assets	VII-4	221,440	289,663
Notes receivable	VII-5	25,399	32,507
Accounts receivable	VII-6	575,423	637,603
Receivables financing	VII-7	83,884	91,663
Prepayments	VII-8	401,843	498,758
Premiums receivable			
Reinsured accounts receivable			
Reserves for reinsurance contract receivable			
Loans and Advances (short-term)	VII-9	3,920	4,410
Other receivables	VII-10	195,003	326,770
Including: Interest receivable			
Dividend receivable		27,375	25,912
Buying back the sale of financial assets			
Inventories	VII-11	261,774	241,660
Contract assets	VII-12	346,408	302,998
Assets held for sale			
Non-current assets due within one year	VII-14	1,896	8,417
Other current-assets	VII-15	266,226	232,383
Total current assets		3,907,252	3,878,318
Non-current assets:			
Loans and Advances	VII-16	1,470	
Debt investment	VII-17	280	
Other debt investment			
Long-term receivables	VII-19		439
Long-term equity investment	VII-20	611,414	602,109
Investment in other equity instruments	VII-21	25,556	25,498
Other non-current financial assets	VII-22	439,166	432,722
Investment real estate	VII-23	27,632	27,632
Fixed assets	VII-24	6,755,551	6,612,822
Construction in progress	VII-25	553,745	478,612
Productive biological assets			
Oil-gas assets			
Right-of-use assets	VII-28	42,818	42,442
Intangible assets	VII-29	1,096,312	1,106,248
Development expenditure	VII-30	34,737	18,507

Goodwill	VII-31	57,385	57,385
Long-term prepaid expenses	VII-32	79,451	77,407
Deferred tax assets	VII-33	237,482	225,454
Other non-current assets	VII-34	32,077	34,149
Total non-current assets		9,995,076	9,741,426
Total assets		13,902,328	13,619,744
Current liabilities:			
Short-term borrowings	VII-35	946,861	756,023
Borrowings from central bank			
Borrowing funds			
Transaction financial liabilities			
Derivative financial liabilities	VII-37	123,096	101,916
Notes payable	VII-38	69,315	85,737
Accounts payable	VII-39	1,039,104	1,048,430
Advance receipts			
Contract liabilities	VII-41	1,558,936	1,742,053
Financial assets sold for repurchase	VII-42	19,869	36,519
Deposits from customers and interbank	VII-43	23,624	23,684
Acting trading securities			
Acting underwriting securities			
Payroll payable	VII-44	91,809	124,770
Taxes payable	VII-45	246,099	288,649
Other payables	VII-46	529,427	304,457
Including: Interests payable			
Dividends payable		350,071	26,304
Handling charges and commissions payable			
Cession insurance premiums payable			
Liabilities held for sales			
Non-current liabilities due within one year	VII-48	292,285	194,933
Other current liabilities	VII-49	143,139	159,635
Total current liabilities		5,083,564	4,866,806
Non-current liabilities:			
Reserves for insurance contract			
Long-term borrowings	VII-50	1,109,677	1,211,218
Bonds payable	VII-51	1,489,659	1,437,773
Including: Preferred shares			
Perpetual bonds			
Lease liabilities	VII-52	30,668	30,977
Long-term payables	VII-53	147,192	157,114
Long-term payroll payable			
Anticipation liabilities			
Deferred income	VII-56	109,426	111,884
Deferred tax liabilities	VII-33	347,175	358,215
Other non-current liabilities	VII-57	296,688	289,535
Total non-current liabilities		3,530,485	3,596,716
Total liabilities		8,614,049	8,463,522
Owners' equity (or shareholders' equity):			
Paid-in capital (share capital)	VII-58	309,840	309,866
Other equity instruments			
Including: Preferred shares			
Perpetual bonds			
Capital reserve	VII-60	23,038	19,396
Less: Treasury shares	VII-61	18,304	19,182

Other comprehensive income	VII-62	53,605	45,835
Special reserve	VII-63	6,578	5,222
Surplus reserve	VII-64	33,111	33,111
General risk provisions	VII-65	18,839	18,839
Undistributed profits	VII-66	1,407,129	1,344,725
Total owners' equity (or shareholders' equity) attributable to the parent company		1,833,836	1,757,812
Minority interest		3,454,443	3,398,410
Total owners' equity (or shareholders' equity)		5,288,279	5,156,222
Total liabilities and owners' equity (or shareholders' equity)		13,902,328	13,619,744

Person in charge of the Company: Yu Jianchao Person in charge of the accounting: Wang Dongzhi
Person in charge of accounting organization: Cheng Zhiyan

Balance Sheet of the Parent Company

30 June 2023

Prepared by: ENN Natural Gas Co., Ltd.

Unit: RMB '0000 Currency: RMB

Project	Notes	30 June 2023	31 December 2022
Current assets:			
Monetary fund		30,300	35,233
Transaction financial assets			
Derivative financial assets			
Notes receivable			
Accounts receivable	XVII-1	47	47
Receivables financing			
Prepayments		141	82
Other receivables	XVII-2	1,170,622	823,340
Including: Interest receivable			
Dividend receivable		413,331	170,586
Inventories			
Contract assets			
Assets held for sale			
Non-current assets due within one year			
Other current-assets		289	275
Total current assets		1,201,399	858,977
Non-current assets:			
Debt investment			
Other debt investment			
Long-term receivables		20,007	
Long-term equity investment	XVII-3	1,371,236	1,371,630
Investment in other equity instruments			
Other non-current financial assets			
Investment real estate			
Fixed assets		215	235
Construction in progress			
Productive biological assets			
Oil-gas assets			
Right-of-use assets		100	200
Intangible assets		2,978	3,160
Development expenditure		1,064	688

Goodwill			
Long-term prepaid expenses			
Deferred tax assets			
Other non-current assets			
Total non-current assets		1,395,600	1,375,913
Total assets		2,596,999	2,234,890
Current liabilities:			
Short-term borrowings		90,082	60,020
Transaction financial liabilities			
Derivative financial liabilities			
Notes payable		49,500	14,100
Accounts payable		1,545	961
Advance receipts			
Contract liabilities			
Payroll payable		208	553
Taxes payable		557	51
Other payables		782,675	619,711
Including: Interests payable			
Dividends payable			
Liabilities held for sales			
Non-current liabilities due within one year		40,241	229
Other current liabilities			
Total current liabilities		964,808	695,625
Non-current liabilities:			
Long-term borrowings		19,802	60,061
Bonds payable		50,180	
Including: Preferred shares			
Perpetual bonds			
Lease liabilities			
Long-term payables		488,329	480,537
Long-term payroll payable			
Anticipation liabilities			
Deferred income		670	670
Deferred tax liabilities		25	
Other non-current liabilities			
Total non-current liabilities		559,006	541,268
Total liabilities		1,523,814	1,236,893
Owners' equity (or shareholders' equity):			
Paid-in capital (share capital)		309,840	309,866
Other equity instruments			
Including: Preferred shares			
Perpetual bonds			
Capital reserve		445,872	444,027
Less: Treasury shares		18,304	19,182
Other comprehensive income			
Special reserve			
Surplus reserve		53,167	53,167
Undistributed profits		282,610	210,119
Total owners' equity (or shareholders' equity)		1,073,185	997,997
Total liabilities and owners' equity (or shareholders' equity)		2,596,999	2,234,890

Person in charge of the Company: Yu Jianchao Person in charge of the accounting: Wang Dongzhi
 Person in charge of accounting organization: Cheng Zhiyan

Consolidated Income Statement

January - June 2023

Unit: RMB '0000 Currency: RMB

Project	Notes	Half Year of 2023	Half Year of 2022
I. Gross revenue		6,721,300	7,319,754
Including: Operating income	VII-67	6,716,963	7,313,112
Interest revenue	VII-68	4,337	6,635
Earned premium			
Handling charges and commissions income	VII-69		7
II. Gross operating cost		6,215,576	6,780,665
Including: Operating cost	VII-67	5,744,034	6,291,641
Interest expense	VII-68	736	1,062
Handling charges and commissions expense	VII-69	144	46
Surrender value			
Net payments for insurance claims			
Net Deposit for Duty of Reinsurance			
Expenditures dividend policy			
Amortized Reinsurance expenses			
Taxes and surcharges	VII-70	30,497	36,012
Selling expenses	VII-71	73,771	68,755
Administrative expenses	VII-72	209,390	195,255
Research and development expenditure	VII-73	37,475	36,898
Financing expense	VII-74	119,529	150,996
Including: Interest expense		66,740	65,914
Interest revenue		7,909	5,999
Plus: Other income	VII-75	34,322	16,207
Investment income (losses as in "-")	VII-76	201,599	72,053
Including: Investment incomes from associated ventures and joint ventures		8,598	14,390
Derecognized income of financial assets measured at amortized cost (losses as in "-")			
Exchange gains (losses as in "-")	VII-77	-24	-18
Net exposure hedging gains (losses as in "-")			
Income from changes in fair values (losses as in "-")	VII-79	-90,612	-10,486
Credit impairment loss (losses as in "-")	VII-80	-16,161	-9,185
Asset impairment loss (losses as in "-")	VII-81	5,776	-1,233
Assets disposal gains (losses as in "-")	VII-82	235	-1,288
III. Operating profit (losses as in "-")		640,859	605,139
Plus: Non-operating income	VII-83	10,336	4,591
Less: Non-operating expenditure	VII-84	6,691	3,427
IV. Total profit (Total losses as in "-")		644,504	606,303
Less: Income tax expenses	VII-85	164,622	169,323
V. Net profit (Net loss as in "-")		479,882	436,980
(I) Classified by the continuity of operations			
1. Net profit of going concern (net losses as in "-")		479,882	436,980
2. Net profit of discontinuing operation (net losses as in "-")			
(II) Classified by attribution of ownership			
1. Net profit attributable to shareholders of the		220,353	169,680

parent company (net losses as in "-")			
2. Minority shareholders' profits and losses (net losses as in "-")		259,529	267,300
VI. Net of tax from other comprehensive income		7,932	-122,523
(I) Net after-tax amount of other comprehensive income attributable to owners of the parent company		7,770	-101,624
1. Other comprehensive income that cannot be reclassified into profit and loss		16	-558
(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		16	-558
(4) Changes in fair value of enterprise's own credit risk			
2. Other comprehensive income that will be reclassified into profit and loss		7,754	-101,066
(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		-16,804	-104,834
(6) Conversion difference of foreign currency financial statements		24,558	3,768
(7) Others			
(II) Net income of tax of Other comprehensive income attributable to minority shareholders		162	-20,899
VII. Total comprehensive incomes		487,814	314,457
(I) Total consolidated income attributable to the owner of the parent company		228,123	68,056
(II) Total aggregate income attributable to minority shareholders		259,691	246,401
VIII. Earnings per share:			
(I) Basic earnings per share (yuan/share)		0.71	0.55
(II) Diluted earnings per share (yuan/share)		0.71	0.55

Person in charge of the Company: Yu Jianchao Person in charge of the accounting: Wang Dongzhi
Person in charge of accounting organization: Cheng Zhiyan

Income Statement of the Parent Company

January - June 2023

Unit: RMB '0000 Currency: RMB

Project	Notes	Half Year of 2023	Half Year of 2022
I. Operation income	XVII-4	64	1,766
Less: Operating cost	XVII-4	2	
Taxes and surcharges		143	61
Selling expenses			
Administrative expenses		3,117	4,989
Research and development expenditure			

Financing Expense		8,938	7,471
Including: Interest expense		8,624	7,468
Interest revenue		347	928
Plus: Other income		22	28
Investment income (losses as in "-")	XVII-5	242,351	1,063
Including: Investment incomes from associated ventures and joint ventures		-394	1,063
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 "-")			-1
Asset impairment loss (losses as in "-")			
Assets disposal gains (losses as in "-")			
II. Operation profits (losses as in "-")		230,237	-9,665
Plus: Non-operating income		1	11
Less: Non-operating expenditure			
III. Total profits (total losses as in "-")		230,238	-9,654
Less: Income tax expenses		-25	
IV. Net profits (net losses as in "-")		230,263	-9,654
(I) Net profit of going concern (net losses as in "-")		230,263	-9,654
(II) Net profit of discontinuing operation (net losses as in "-")			
V. Net of tax from other comprehensive income			
(I) Other comprehensive income that cannot be reclassified into gains or losses			
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			
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		230,263	-9,654
VII. Earnings per share:			

(I) Basic earnings per share (yuan/share)			
(II) Diluted earnings per share (yuan/share)			

Person in charge of the Company: Yu Jianchao Person in charge of the accounting: Wang Dongzhi
 Person in charge of accounting organization: Cheng Zhiyan

Consolidated Cash Flow Statement

January - June 2023

Unit: RMB '0000 Currency: RMB

Project	Notes	Half Year of 2023	Half Year of 2022
I. Cash flow from operating activities:			
Cash received from selling goods and providing labor service		8,041,811	8,456,172
Net increase of customer's deposit and deposit from other banks			1,503
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		3,456	5,534
Net increase of borrowing funds			
Net increase of the repurchased business capital			24,710
Net decrease in customers' loans and advances			6,990
Net cash of receivings from vicariously traded securities			
Refund of taxes received		33,097	185,652
Other cash received related to operating activities	VII-87	44,089	27,646
Subtotal cash inflow from operating activities		8,122,453	8,708,207
Cash paid for purchasing goods and accepting labor services		6,658,462	7,209,939
Net decrease in customer deposits and interbank deposits		60	
Net increase of customer lending and money advanced		4,768	
Net increase deposited in central bank and other banks			
Net decrease of the repurchase business funds		16,650	
Cash paid for compensated funds of the original insurance contract			
Net increase of lending funds			
Cash paid for interest, handling charges and commissions			
Cash paid for policy dividends			
Cash payments to and on behalf of employees		365,342	338,436
Other taxes and dues		360,203	322,957
Other cash paid related to operating activities	VII-87	85,860	94,773
Subtotal cash outflow for operating activities		7,491,345	7,966,105
Net cash flow from operating activities		631,108	742,102
II. Cash flow from investing activities:			
Cash received from investment recovery		417,359	655,888
Cash received from investment return		54,259	55,017
Net cash received from disposal of fixed assets, intangible assets and other long-term assets		7,932	9,603
Net cash received from disposal of subsidiaries and other business units		50	

Other cash received related to investment activities	VII-87	57,434	42,206
Subtotal cash inflow of investment activities		537,034	762,714
Cash paid to acquire and construct fixed assets, intangible assets and other long-term assets		412,098	335,605
Cash paid for investments		437,972	728,513
Net increase of pledged loans			
Net cash paid by subsidiaries and other business units		2,946	6,335
Other cash payments related to investment activities	VII-87	64,227	52,075
Subtotal cash outflow for investment activities		917,243	1,122,528
Net cash flow from investing activities		-380,209	-359,814
III. Cash flow from financing activities:			
Cash received from investment absorption		7,481	5,323
Including: Cash received from subsidiaries for investment by minority interest		5,558	3,090
Cash received from loan		952,036	1,028,990
Other cash received related to financing activities	VII-87	88,718	64,412
Subtotal cash inflow from fund-raising activities		1,048,235	1,098,725
Cash paid for debt repayment		840,256	997,607
Cash paid for dividend distribution, profits distribution, or interests payment		118,858	98,446
Including: Dividends, profits paid to minority owners by the subsidiaries		48,263	31,743
Other cash payments related to financing activities	VII-87	28,293	53,759
Subtotal cash outflow for fund-raising activities		987,407	1,149,812
Net cash flow from financing activities		60,828	-51,087
IV. Impact of exchange rate movement on cash and cash equivalents		7,212	13,785
V. Net increase of cash and cash equivalents		318,939	344,986
Plus: Beginning balance of cash and cash equivalents		1,095,554	1,241,341
VI. ending cash and cash equivalents balance		1,414,493	1,586,327

Person in charge of the Company: Yu Jianchao Person in charge of the accounting: Wang Dongzhi
Person in charge of accounting organization: Cheng Zhiyan

Cash Flow Statement of the Parent Company

January - June 2023

Unit: RMB '0000 Currency: RMB

Project	Notes	Half Year of 2023	Half Year of 2022
I. Cash flow from operating activities:			
Cash received from selling goods and providing labor service			389
Refund of taxes received			
Other cash received related to operating activities		47,062	9,127
Subtotal cash inflow from operating activities		47,062	9,516
Cash paid for purchasing goods and accepting labor services			
Cash payments to and on behalf of employees		140	1,059
Other taxes and dues		131	407
Other cash paid related to operating activities		901	1,654
Subtotal cash outflow for operating activities		1,172	3,120
Net cash flow from operating activities		45,890	6,396
II. Cash flow from investing activities:			
Cash received from investment recovery			
Cash received from investment return			40,000
Net cash received from disposal of fixed assets, intangible			

assets and other long-term assets			
Net cash received from disposal of subsidiaries and other business units			
Other cash received related to investment activities		3	
Subtotal cash inflow of investment activities		3	40,000
Cash paid to acquire and construct fixed assets, intangible assets and other long-term assets		38	19
Cash paid for investments			
Net cash paid by subsidiaries and other business units			
Other cash payments related to investment activities			55
Subtotal cash outflow for investment activities		38	74
Net cash flow from investing activities		-35	39,926
III. Cash flow from financing activities:			
Cash received from investment absorption			
Cash received from loan		179,880	118,000
Other cash received related to financing activities		194,716	634,405
Subtotal cash inflow from fund-raising activities		374,596	752,405
Cash paid for debt repayment		99,980	89,590
Cash paid for dividend distribution, profits distribution, or interests payment		2,625	2,913
Other cash payments related to financing activities		322,780	720,585
Subtotal cash outflow for fund-raising activities		425,385	813,088
Net cash flow from financing activities		-50,789	-60,683
IV. Impact of exchange rate movement on cash and cash equivalents		3	4
V. Net increase of cash and cash equivalents		-4,931	-14,357
Plus: Beginning balance of cash and cash equivalents		32,456	139,502
VI. Ending cash and cash equivalents balance		27,525	125,145

Person in charge of the Company: Yu Jianchao Person in charge of the accounting: Wang Dongzhi
Person in charge of accounting organization: Cheng Zhiyan

Consolidated Statement of Changes in Owners' Equity

January - June 2023

Unit: RMB '0000 Currency: RMB

Project	Half Year of 2023														Minorit y interest	Total owners , equity
	Attributable to the owner's equity of the parent company															
	Paid-in capital (share capital)	Other equity instruments			Capita l reserv e	Less : Trea sury share s	Other compreh ensive income	Spe cial reser ve	Sur plus reser ve	Gener al risk prepar ation	Undistri buted profits	Other s	Subtotal			
Prefe rred share s		Perp etual bond s	O t h e r s													
I. Ending balance of last year	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	
Plus: Change in accounting policies											-227		-227		-227	
Early error correction																
Business combination under the Same Control																
Others																
II. Beginning balance of current year	309,866				19,396	19,182	45,835	5,222	33,111	18,839	1,344,498		1,757,585	3,398,410	5,155,995	
III. Increase or decrease of current period (decrease expressed with “-”)	-26				3,642	-878	7,770	1,356			62,631		76,251	56,033	132,284	

(I) Total comprehensive income							7,770					220,353		228,123	259,691	487,814
(II) Capital invested and reduced by the owner					3,796	-698								4,494	10,428	14,922
1. Common stock invested by the owner															4,818	4,818
2. Capital invested by other interest tool holders																
3. Amount of share-based payment included in the owner's equity					1,999	-698								2,697		2,697
4. Others					1,797									1,797	5,610	7,407
(III) Profit distribution												-157,722		-157,722	-214,278	-372,000
1. Extraction of surplus reserve																
2. Extraction of general risk reserve																
3. Distribution to the owner (or shareholder)												-157,722		-157,722	-214,278	-372,000
4. Others																
(IV) Internal carry-over of	-26				-154	-180										

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	-26				-154	-180									
(V) Appropriate reserve								1,356					1,356	192	1,548
1. Extraction of current period								13,936					13,936	880	14,816
2. Use of current period								12,580					12,580	688	13,268

(VI) Others															
IV. Ending balance of current period	309,840				23,038	18,304	53,605	6,578	33,111	18,839	1,407,129		1,833,836	3,454,443	5,288,279

Project	Half Year of 2022														
	Attributable to the owner's equity of the parent company													Minority interest	Total owners' equity
	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												
I. Ending balance of last year	284,585				285,538	12,545	27,459	4,291	22,415	17,464	854,115		1,483,322	3,133,232	4,616,554
Plus: Change in accounting policies															
Early error correction															
Business combination under the Same Control					181,612						6,725		188,337	33,447	221,784
Others															
I. Beginning balance of current year	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
III. Increase or decrease of current period (decrease expressed with “-”)					2,314	6,795	-101,624	-669			82,356		-24,418	80,313	55,895
(I) Total comprehensive income							-101,624				169,680		68,056	246,401	314,457
(II) Capital invested					2,314	6,795							-4,481	-1,457	-5,938

and reduced by the owner															
1. Common stock invested by the owner														-47	-47
2. Capital invested by other interest tool holders															
3. Amount of share-based payment included in the owner's equity					3,772	-3,269							7,041		7,041
4. Others					-1,458	10,064							-11,522	-1,410	-12,932
(III) Profit distribution											-87,324		-87,324	-164,996	-252,320
1. Extraction of surplus reserve															
2. Extraction of general risk reserve															
3. Distribution to the owner (or shareholder)											-87,324		-87,324	-164,996	-252,320
4. 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								-669					-669	365	-304
1. Extraction of current period								11,010					11,010	1,108	12,118
2. Use of current period								11,679					11,679	743	12,422
(VI) Others															
IV. Ending balance of current period	284,585				469,464	19,340	-74,165	3,622	22,415	17,464	943,196		1,647,241	3,246,992	4,894,233

Person in charge of the Company: Yu Jianchao

Person in charge of the accounting: Wang Dongzhi

Person in charge of accounting organization: Cheng Zhiyan

Statement of Changes in Owners' Equity of the Parent Company

January - June 2023

Unit: RMB '0000 Currency: RMB

Project	Half Year of 2023										
	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
		Preferr ed shares	Perpetua l bonds	Others							
I. Ending balance of last year	309,866				444,027	19,182			53,167	210,119	997,997
Plus: Change in accounting policies										-50	-50
Early error correction											
Others											
II. Beginning balance of current year	309,866				444,027	19,182			53,167	210,069	997,947
III. Increase or decrease of current period (decrease expressed with "-")	-26				1,845	-878				72,541	75,238
(I) Total comprehensive income										230,263	230,263
(II) Capital invested and reduced by the owner					1,999	-698					2,697
1. Common stock invested by the owner											
2. Capital invested by other interest tool holders											
3. Amount of share-based payment included in the owner's					1,999	-698					2,697

equity											
4. Others											
(III) Profit distribution										-157,722	-157,722
1. Extraction of surplus reserve											
2. Distribution of the owner (or shareholder)										-157,722	-157,722
3. Others											
(IV) Internal carry-over of ownership interests	-26				-154	-180					
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	-26				-154	-180					
(V) Appropriate reserve											
1. Extraction of current period											

2. Use of current period											
(VI) Others											
IV. Ending balance of current period	309,840				445,872	18,304			53,167	282,610	1,073,185

Project	Half Year of 2022										
	Paid-in capital (share capital)	Other equity instruments			Capital reserve	Less: Treasury shares	Other comprehensive income	Special reserve	surpluses reserve	Undistributed profit	Total owners' equity
		Preferr ed shares	Perpetu al bonds	Other s							
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										1	1
II. Beginning balance of current year	284,585				35,554	12,545	-1,085		42,471	202,298	551,278
III. Increase or decrease of current period (decrease expressed with "-")					3,773	6,795				-96,975	-99,997
(I) Total comprehensive income										-9,651	-9,651
(II) Capital invested and reduced by the owner					3,773	6,795					-3,022
1. Common stock invested by the owner											

2. Capital invested by other interest tool holders											
3. Amount of share-based payment included in the owner's equity					3,773	-3,269					7,042
4. Others						10,064					-10,064
(III) Profit distribution										-87,324	-87,324
1. Extraction of surplus reserve											
2. Distribution of the owner (or shareholder)										-87,324	-87,324
3. Others											
(4) 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				39,327	19,340	-1,085		42,471	105,323	451,281

Person in charge of the Company: Yu Jianchao

Person in charge of the 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 Weiyan 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 Weiyan 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 RMB 52.1257 million of state-owned legal person shares and RMB 66.096 million of social public shares. The state-owned legal person shares were held by Hebei Weiyan 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 Weiyan 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 Weiyan Group Co., Ltd. Due to the acquisition of equity of Hebei Weiyan 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.

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 RMB 610,200,364, 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 RMB 30 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, bio-chemical 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 RMB 227.23 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.

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 RMB 1 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 RMB 161.383 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 RMB 68.6070 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 RMB 90 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.

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 RMB 56.1 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 RMB 22.0028 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 RMB 1,060.8 million, and was granted 40% equity of Xindi Energy Engineering Technology Co., Ltd. held by ENN Photovoltaic Energy Co., Ltd. for RMB 707.2 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.

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 RMB 80 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 RMB 80 million and as of December 31, 2019, the actual investment of the company is RMB 80 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 RMB 4,981.8152 million to Xinneng Hong Kong.

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 RMB 55.4532 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 RMB 9.33 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 RMB 33,684,570.74 (including tax); and actually recruited funds net amount of RMB 2,238,830,433.46, among them: Included in the equity of RMB 243,570,740.00 and included in capital reserve of RMB 1,997,166,367.26. Meanwhile, the registered capital of the Company has been changed to RMB 1,229,355,783.00.

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 Jiaxing Jinyu Xinwei Equity Investment Limited Partnership for the price of RMB 758,557,800. On March 12, 2019, the Company and Limin Chemical Co., Ltd., Xinjiang Xinrong Renhe Equity Investment Limited Partnership, Jiaxing 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”).

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 RMB 5 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 RMB 1,370,626,680.00, which shall be subscribed by ENN International with its corresponding shareholding in ENN Energy. The registered capital after the change shall be RMB 2,599,982,463.00.

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 RMB 1.00 each at an issue price of RMB12.50 per share to specific recipients by way of private offering raising gross proceeds of RMB 3,073,389,450.00, and after deducting the issuance fee of RMB 45,029,544.86 (excluding taxes), the actual net amount of funds raised is RMB 3,028,359,905.14. The Company has used RMB 245,871,156.00 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 RMB 2,845,853,619.00.

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 RMB 7.03 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 RMB 17,210,000.00 in the share capital of equity incentive restricted shares and a decrease of RMB 17,210,000.00 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 RMB 6.84 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 RMB 252,808,988.00 in total. The registered capital after change amounted to RMB 3,098,662,607.00.

As at December 31, 2022, the registered capital of the Company was RMB 3,098,662,607.00; 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).

In accordance with the Motion on the Repurchase and Cancellation of Some Restricted Shares of the 2021 Restricted Stock Incentive Plan approved by the 47th meeting of the Ninth Board of Directors held on June 24, 2022 and the Third Extraordinary General Meeting of shareholders held on July 25, 2022, The resolution adopted at the fifth meeting of the tenth Board of Directors held on December 9, 2022, and the resolution adopted at the sixth Extraordinary General Meeting of Shareholders held on December 28, 2022, on the Proposal to repurchase and cancel some Restricted Shares of the 2021 Restricted Stock Incentive Plan, According to the provisions of the Company's 2021 Restricted Stock Incentive Plan (Draft), whereas the personal performance evaluation results of the first five incentive objects of the Company's 2021 restricted Stock incentive Plan granted for the first time during the release of the restricted stock incentive period are "unqualified", If one of the reserved grant incentive objects leaves the company due to retirement and no longer meets the conditions of the incentive object, and the personal performance evaluation result of the first release of the restriction period of one incentive object is "unqualified", all or part of the 265,000 restricted shares of the above incentive object that have been granted but have not been lifted shall not be lifted. The buyback cancellation was completed by the Company on March 6, 2023, reducing the total number of shares from 3,098,662,607 to 3,098,397,607.

As of June 30, 2023, the Company's registered capital was RMB 3,098,397,607; Unified Social credit code: 91130100107744755W; Legal representative: Wang Yusuo; Address: No. 383, Heping East Road,

Shijiazhuang City; The company's main business scope: clean energy project construction, clean energy management services, natural gas clean energy technology research and development, technical consulting, technical services, technology transfer, enterprise management consulting, business consulting services (except securities, investment, futures, education, training). (For projects subject to approval according to law, business activities can only be carried out after approval by relevant departments).

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.	USD 32,516		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.	USD 77,818	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	USD 5,000		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	USD 2,000		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	HKD 30,000		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
Xinao Xineng (Hebei) Natural Gas Co., LTD	USD 3,000		100.00
Xinao Xineng (Shandong) Energy Trading Co., LTD	USD 5,000		100.00
Xinao Xineng (Fujian) Energy Trading Co., LTD	5,000		100.00
Xinao Xineng (Jiangsu) Energy Trading Co., LTD	5,000		100.00
Great gas e-commerce Co., LTD	12,800		51.00
Xinao Xineng (Langfang) Natural Gas Co., LTD	USD 3,500		100.00

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”.

IV. 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 “Accounting Standards for Business Enterprises”), 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

√Applicable □ N/A

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.

V. Significant Accounting Policies and Accounting Estimates

Specific accounting policies and accounting estimates indicate that:

☒ 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.

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.

(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.

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.

(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.

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 equivalents refer to investments held by enterprises with a short term (generally within three months from the date of purchase), strong liquidity, easy to convert into known amounts of cash, and little risk of value changes.

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.

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.

(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.

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.

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.

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.

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.

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.

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.

(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 s,

the accumulated gains or losses previously included in other comprehensive earnings are transferred out of other comprehensive earnings and included in retained earnings.

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.

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.

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.

(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.

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.

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.

(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.

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.

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.

(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.

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.

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.

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.

(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.

(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.

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.

(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.

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.

(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.

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.

②Accounting 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.

(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.

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.

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.

(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.

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.

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

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).

(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.

(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.

(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”.

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.

(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”.

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.

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) RMB 30 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 RMB 9.50 per ton of coal based on the actual raw coal output (including RMB 2.50 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.

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 RMB 10 million and below;
- 2) 2.25% if the portion of actual sales revenue throughout the year falls within the range from RMB 10 million to RMB 100 million (inclusive);
- 3) 0.55% if the portion of actual sales revenue throughout the year falls within the range from RMB 100 million to RMB 1,000 million (inclusive);
- 4) 0.2% if the portion of actual sales revenue throughout the year exceed RMB 1,000 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.

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

(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)
In accordance with the implementation date stipulated in the Interpretation of Accounting Standards for Business Enterprises No. 16, the content of "Deferred income tax related to assets and liabilities arising from single transactions does not apply to the accounting treatment of	The sixth meeting of the tenth Board of Directors	For details, see (3). The first implementation of the new accounting standards or the interpretation of the standards from 2023, which involves adjusting the financial statements at the beginning of the year in which the new accounting standards were first implemented

initial recognition exemption" will be implemented from January 1, 2023		
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(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 2023

☒ Applicable ☐ N/A

Reason for adjustment to the financial statements at the beginning of current year

Consolidated Balance Sheet

Unit: RMB'0000 Currency: RMB

Project	31 December 2022	1 January 2023	Adjustment
Current assets:			
Monetary fund	923,809	923,809	
Settlement reserve			
Lending funds	285,117	285,117	
Transaction financial assets	2,560	2,560	
Derivative financial assets	289,663	289,663	
Notes receivable	32,507	32,507	
Accounts receivable	637,603	637,603	
Receivables financing	91,663	91,663	
Prepayments	498,758	498,758	
Premiums receivable			
Reinsured accounts receivable			
Reserves for reinsurance contract receivable			
Loans and Advances (short-term)	4,410	4,410	
Other receivables	326,770	326,770	
Including: Interest receivable			
Dividend receivable	25,912	25,912	
Buying back the sale of financial assets			
Inventories	241,660	241,660	
Contract assets	302,998	302,998	
Assets held for sale			

Non-current assets due within one year	8,417	8,417	
Other current-assets	232,383	232,383	
Total current assets	3,878,318	3,878,318	
Non-current assets:			
Loans and Advances			
Debt investment			
Other debt investment			
Long-term receivables	439	439	
Long-term equity investment	602,109	602,109	
Investment in other equity instruments	25,498	25,498	
Other non-current financial assets	432,722	432,722	
Investment real estate	27,632	27,632	
Fixed assets	6,612,822	6,612,822	
Construction in progress	478,612	478,612	
Productive biological assets			
Oil-gas assets			
Right-of-use assets	42,442	42,442	
Intangible assets	1,106,248	1,106,248	
Development expenditure	18,507	18,507	
Goodwill	57,385	57,385	
Long-term prepaid expenses	77,407	77,407	
Deferred tax assets	225,454	235,754	10,300
Other non-current assets	34,149	34,149	
Total non-current assets	9,741,426	9,751,726	10,300
Total assets	13,619,744	13,630,044	10,300
Current liabilities:			
Short-term borrowings	756,023	756,023	
Borrowings from central bank			
Borrowing funds			
Transaction financial liabilities			
Derivative financial liabilities	101,916	101,916	
Notes payable	85,737	85,737	
Accounts payable	1,048,430	1,048,430	
Advance receipts			
Contract liabilities	1,742,053	1,742,053	
Financial assets sold for repurchase	36,519	36,519	
Deposits from customers and interbank	23,684	23,684	
Acting trading securities			

Acting underwriting securities			
Payroll payable	124,770	124,770	
Taxes payable	288,649	288,649	
Other payables	304,457	304,457	
Including: Interests payable			
Dividends payable	26,304	26,304	
Handling charges and commissions payable			
Cession insurance premiums payable			
Liabilities held for sales			
Non-current liabilities due within one year	194,933	194,933	
Other current liabilities	159,635	159,635	
Total current liabilities	4,866,806	4,866,806	
Non-current liabilities:			
Reserves for insurance contract			
Long-term borrowings	1,211,218	1,211,218	
Bonds payable	1,437,773	1,437,773	
Including: Preferred shares			
Perpetual bonds			
Lease liabilities	30,977	30,977	
Long-term payables	157,114	157,114	
Long-term payroll payable			
Anticipation liabilities			
Deferred income	111,884	111,884	
Deferred tax liabilities	358,215	368,742	10,527
Other non-current liabilities	289,535	289,535	
Total non-current liabilities	3,596,716	3,607,243	10,527
Total liabilities	8,463,522	8,474,049	10,527
Owners' equity (or shareholders' equity):			
Paid-in capital (share capital)	309,866	309,866	
Other equity instruments			
Including: Preferred shares			
Perpetual bonds			
Capital reserve	19,396	19,396	
Less: Treasury shares	19,182	19,182	
Other comprehensive income	45,835	45,835	
Special reserve	5,222	5,222	
Surplus reserve	33,111	33,111	
General risk provisions	18,839	18,839	

Undistributed profits	1,344,725	1,344,498	-227
Total owners' equity (or shareholders' equity) attributable to the parent company	1,757,812	1,757,585	-227
Minority interest	3,398,410	3,398,410	
Total owners' equity (or shareholders' equity)	5,156,222	5,155,995	-227
Total liabilities and owners' equity (or shareholders' equity)	13,619,744	13,630,044	10,300

Balance Sheet of the Parent Company

Unit: RMB'0000 Currency: RMB

Project	31 December 2022	1 January 2023	Adjustment
Current assets:			
Monetary fund	35,233	35,233	
Transaction financial assets			
Derivative financial assets			
Notes receivable			
Accounts receivable	47	47	
Receivables financing			
Prepayments	82	82	
Other receivables	823,340	823,340	
Including: Interest receivable			
Dividend receivable	170,586	170,586	
Inventories			
Contract assets			
Assets held for sale			
Non-current assets due within one year			
Other current-assets	275	275	
Total current assets	858,977	858,977	
Non-current assets:			
Debt investment			
Other debt investment			
Long-term receivables			
Long-term equity investment	1,371,630	1,371,630	
Investment in other equity instruments			
Other non-current financial assets			
Investment real estate			
Fixed assets	235	235	
Construction in progress			

Productive biological assets			
Oil-gas assets			
Right-of-use assets	200	200	
Intangible assets	3,160	3,160	
Development expenditure	688	688	
Goodwill			
Long-term prepaid expenses			
Deferred tax assets			
Other non-current assets			
Total non-current assets	1,375,913	1,375,913	
Total assets	2,234,890	2,234,890	
Current liabilities:			
Short-term borrowings	60,020	60,020	
Transaction financial liabilities			
Derivative financial liabilities			
Notes payable	14,100	14,100	
Accounts payable	961	961	
Advance receipts			
Contract liabilities			
Payroll payable	553	553	
Taxes payable	51	51	
Other payables	619,711	619,711	
Including: Interests payable			
Dividends payable			
Liabilities held for sales			
Non-current liabilities due within one year	229	229	
Other current liabilities			
Total current liabilities	695,625	695,625	
Non-current liabilities:			
Long-term borrowings	60,061	60,061	
Bonds payable			
Including: Preferred shares			
Perpetual bonds			
Lease liabilities			
Long-term payables	480,537	480,537	
Long-term payroll payable			
Anticipation liabilities			
Deferred income	670	670	

Deferred tax liabilities		50	50
Other non-current liabilities			
Total non-current liabilities	541,268	541,318	50
Total liabilities	1,236,893	1,236,943	50
Owners' equity (or shareholders' equity):			
Paid-in capital (share capital)	309,866	309,866	
Other equity instruments			
Including: Preferred shares			
Perpetual bonds			
Capital reserve	444,027	444,027	
Less: Treasury shares	19,182	19,182	
Other comprehensive income			
Special reserve			
Surplus reserve	53,167	53,167	
Undistributed profits	210,119	210,069	-50
Total owners' equity (or shareholders' equity)	997,997	997,947	-50
Total liabilities and owners' equity (or shareholders' equity)	2,234,890	2,234,890	

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
The company and its domestic subsidiaries		
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 ²
Overseas subsidiaries		
Hong Kong profits tax	Profits and gains generated in Hong Kong	16.5%
British Virgin Islands	Tax has not been levied on profits, capital gains, wages of offshore companies incorporated in the British Virgin Islands	0%
Cayman Islands	There is currently no tax on profits, capital gains, wages, etc. of offshore companies established in the Cayman Islands	0%
Corporate income tax (Singapore)	Income from Singapore	17%、10%
Corporate income tax (USA)	Income from USA	21%

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
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 Xinao Jinggu 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
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
Tongliao Xinao Gas 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、10
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 [2023] No. 6), From January 1, 2023 to December 31, 2024, for small low-profit enterprises with an annual taxable income of no more than 1 million yuan, a reduction of 25% will be included in the taxable income, and the enterprise income tax will be paid at a 20% tax rate. According to the Announcement of the Ministry of Finance and the State Administration of Taxation on Further Supporting the Development of Small and Micro Enterprises and Individual Industrial and Commercial Households regarding Taxation Policies (Announcement No. 12 of 2023), this policy will continue to be implemented until December 31, 2027. The above-mentioned small and micro profit enterprises refer to those engaged in industries that are not restricted or prohibited by the state, and also meet the requirements of an annual taxable income of no more than 3 million yuan and no more than 300 employees Enterprises with total assets not exceeding 50 million yuan and other three conditions.

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: Huaihua Xinao Gas Co., LTD., Guilin Xinao Gas Development Co., LTD, Xindi Energy Engineering Technology Co., Ltd. Shanxi Qinshui Xin'ao Clean Energy Co., Ltd. and Xinao (Zhoushan) Liquefied Natural Gas 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 [2023] No. 6), From January 1, 2023 to December 31, 2024, for small low-profit enterprises with an annual taxable income of no more than 1 million yuan, a reduction of 25% will be included in the taxable income, and the enterprise income tax will be paid at a 20% tax rate. According to the Announcement of the Ministry of Finance and the State Administration of Taxation on Further Supporting the Development of Small and Micro Enterprises and Individual Industrial and Commercial Households regarding Taxation Policies (Announcement No. 12 of 2023), this policy will continue to be implemented until December 31, 2027. The above-mentioned small and micro profit enterprises refer to those engaged in industries that are not restricted or prohibited by the state, and also meet the requirements of an annual taxable income of no more than 3 million yuan and no more than 300 employees Enterprises with total assets not exceeding 50 million yuan and other three conditions.

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	103	926
Bank deposits	1,086,923	804,426
Other monetary capital	38,538	76,780
Statutory reserves deposited with the central bank	47,375	41,677
Total	1,172,939	923,809
Including: Total amount deposited overseas	288,380	192,765

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	47,375	41,677
Bank acceptance margin	5,904	22,607
Other margins	15,990	19,026
Special fund for gas purchase	540	11,475
Franchise margin	4,619	3,747
Electricity sales agent margin	2,200	3,372
Guarantee margin	2,986	2,834
Fund for geological environment restoration and governance of mines	8,596	2,166
Futures margin	426	2,055
Project construction bond	3,151	1,361
Borrowing margin deposit		1,149
Fixed deposit receipt pledge		1,000
Margin for payment of farmers	2,215	899
Cash in investment account		3
Total	94,002	113,371

2. Lending funds

Unit: RMB '0000 Currency: RMB

Item	Closing balance	Opening balance
Due from interbank deposits	335,555	285,117
Including: Domestic banks	335,555	285,117
Total	335,555	285,117

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	15,542	2,560
Including:		
Structured deposits	15,542	2,560
Financial assets that are designated to be measured at fair value through current profit and loss		
Including:		
Total	15,542	2,560

Other information:

√ Applicable □ N/A

The transaction financial assets increased by 507.11% at the end of the current period compared to the end of the previous period, mainly due to an increase in structured deposits of subsidiaries of the company during the reporting period.

4. Derivative financial assets

√ Applicable □ N/A

Unit: RMB '0000 Currency: RMB

Item	Closing balance	Opening balance
Non-hedging derivatives	189,417	254,589
Including: Commodity derivative contracts	186,546	254,589
Foreign exchange derivative contracts	2,871	
Hedging derivatives	32,023	35,074

Including: Commodity derivative contracts	32,023	35,074
Foreign exchange derivative contracts		
Total	221,440	289,663

5. Notes receivable

(1). Notes receivable by category

√ Applicable □ N/A

Unit: RMB '0000 Currency: RMB

Item	Closing balance	Opening balance
Bank acceptance notes	24,128	30,006
Commercial acceptance notes	1,271	2,501
Total	25,399	32,507

(2). Notes receivable pledged by the company at the end of the period

□ Applicable √ N/A

(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		17,334
Commercial acceptance notes		1,150
Total		18,484

(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	2,037

Total	2,037
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(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 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										
Bad debt provision made by portfolio	25,412	100.00	13	0.05	25,399	32,532	100.00	25	0.08	32,507
Including:										
Commercial acceptance notes	1,284	5.05	13	1.00	1,271	2,526	7.76	25	1.00	2,501
Bank acceptance notes	24,128	94.95		0.00	24,128	30,006	92.24		0.00	30,006
Total	25,412	/	13	/	25,399	32,532	/	25	/	32,507

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	1,284	13	1.00
Total	1,284	13	1.00

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

(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	25	-12			13
Total	25	-12			13

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	469,040
One to two years	128,179
Two to three years	32,373
Three to five years	24,585

More than five years	17,619
Total	671,796

(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	14,400	2.14	14,400	100.00		14,978	2.08	14,978	100.00	
Bad debt provision made by portfolio	657,396	97.86	81,973	12.47	575,423	704,352	97.92	66,749	9.48	637,603
Total	671,796	/	96,373	/	575,423	719,330	/	81,727	/	637,603

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	14,400	14,400	100	Receivables that are difficult to recover and are likely to become bad debts
Total	14,400	14,400	100	/

Bad debt provision made individually:

□ Applicable √ N/A

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	467,710	11,696	2.50
One to two years	125,185	27,148	21.69
Two to three years	25,392	7,653	30.14
Three to five years	21,556	17,923	83.15
More than five years	17,553	17,553	100.00
Total	657,396	81,973	12.47

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 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	14,978	96	674			14,400
Bad debt provision made by portfolio	66,749	15,463	1,232	239	1,232	81,973
Total	81,727	15,559	1,906	239	1,232	96,373

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	239

Write-off of important accounts receivable

□ Applicable √ N/A

Write-off of 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	Closing amount of bad debt provision	Proportion in the total closing balance of accounts receivable (%)
Top 1	29,584	7,402	4.40
Top 2	20,399	12	3.04
Top 3	17,122	35	2.55
Top 4	11,158	203	1.66
Top 5	11,104	218	1.65
Total	89,367	7,870	13.30

(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

7. Receivables financing

√ Applicable □ N/A

Unit: RMB '0000 Currency: RMB

Item	Closing balance	Opening balance
Notes receivable measured at fair value through other comprehensive income	83,884	91,663
Total	83,884	91,663

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

Notes receivable which are not matured as at the balance sheet date but have been endorsed or discounted:

Item	Amount derecognized at the end of the period	Amount not derecognized at the end of the period
Bank acceptance bills	103,092	
Total	103,092	

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	388,828	96.76	483,619	96.96
One to two years	3,926	0.98	10,457	2.10
Two to three years	6,075	1.51	2,031	0.41
More than three years	3,014	0.75	2,651	0.53
Total	401,843	100.00	498,758	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	459	It hasn't reached the settlement period
Top 2	410	It hasn't reached the settlement period
Top 3	403	It hasn't reached the settlement period
Top 4	365	It hasn't reached the settlement period
Top 5	317	It hasn't reached the settlement period
Total	1,954	

(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	82,569	20.55
Top 2	31,793	7.91
Top 3	23,495	5.85
Top 4	16,462	4.10
Top 5	12,575	3.13
Total	166,894	41.54

Other information

□ Applicable √ N/A

9. Loans and advances to customers

Unit: RMB '0000 Currency: RMB

Item	Closing balance	Opening balance
Corporate loans	4,000	4,500
Total loans and advances to customers	4,000	4,500
Less: provision for loan loss	80	90
Book value of loans and advances to customers	3,920	4,410

10. Other receivables**Presentation of items**

√ Applicable □ N/A

Unit: RMB '0000 Currency: RMB

Item	Closing balance	Opening balance
Dividends receivable	27,375	25,912
Other receivables	167,628	300,858
Total	195,003	326,770

Other information:

√ Applicable □ N/A

Other accounts receivable decreased by 40.32% at the end of the current period compared to the end of the previous period, mainly due to the shortened collection period of commodity derivative financial instrument contracts during the reporting period, resulting in a decrease in the settled outstanding balance of corresponding contracts.

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

Dividends receivable**(1). Dividends receivable**

√ Applicable □ N/A

Unit: RMB '0000 Currency: RMB		
Project (or investee)	Closing balance	Opening balance
Sinopec ENN (Tianjin) Energy Co., Ltd.	541	541
Guangxi Beibu Gulf ENN Gas Development Co., Ltd.	4,874	2,383
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
Huzhou Nanxun Xin'ao Gas Co., Ltd.	821	2,282
Huzhou Nanxun Xin'ao Gas Development Co., Ltd.	1,539	1,308
Changsha Xinneng Automobile Gas Co., Ltd.	50	50
Huzhou Gas Co., Ltd.	7,107	7,107
Guangzhou Ganghua Gas Co., Ltd.		1,000
Sinopec Marketing Co., Ltd.	7,238	5,164
Xinxiang ENN Lihua Energy Development Co., Ltd.	878	878
Shandong Luxin Natural Gas Co., Ltd.	120	120
Shanghai Kunlun ENN Clean Energy Co., Ltd.		872
Total	27,375	25,912

(2). Significant dividends receivable due beyond one year

☐ Applicable ☒ N/A

(3). Provision for bad debts

☐ Applicable ☒ N/A

Other information:

☐ Applicable ☒ N/A

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	91,996

One to two years	21,599
Two to three years	20,955
Three to five years	22,801
More than five years	19,709
Total	177,060

(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	49,152	178,774
Performance bond or deposit	59,971	64,083
Current account	43,100	39,141
Asset disposal proceeds	10,180	11,507
Employee borrowings and reserves	4,533	2,812
Others	10,124	11,787
Total	177,060	308,104

(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, 2023	1,784		5,462	7,246
In the current period, the balance on January 1, 2023				
-- Transfer to the second stage				
-- Transfer to the third stage				
-- Reversal to the second stage				
-- Reversal to the first stage				
Provision in current period	480		1,864	2,344
Reversal in current period				
Charge-off in current period				
Write-off in current period	158			158
Other changes				

Balance on June 30, 2023	2,106	7,326	9,432
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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

(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	7,246	2,344		158		9,432
Total	7,246	2,344		158		9,432

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	158

Write-off of other receivables which are significant:

☐ Applicable ☒ N/A

Write-off of other receivables:

☐ 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	Settled but uncollected derivative contracts	13,269	Within one year	7.49	
Top 2	Settled but uncollected derivative contracts	10,633	Within one year	6.01	
Top 3	Transaction funds, performance bonds or deposits	8,021	Within 1 year, 1-2 years, 2-3 years, over 5 years	4.53	15
Top 4	Transaction funds, performance bonds or deposits	8,019	Within 1 year, 1-2 years	4.53	190
Top 5	Settled but uncollected derivative contracts	7,890	Within one year	4.46	
Total	/	47,832	/	27.02	205

(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

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	129,467		129,467	141,486		141,486
Products in process	6,130		6,130	4,359		4,359
Finished goods	122,979		122,979	93,684		93,684
Goods shipped	2,156		2,156	1,798		1,798
Materials for consigned processing	1,026		1,026	315		315
Other	16		16	18		18
Total	261,774		261,774	241,660		241,660

(2). Provision for decline in value of inventories and impairment provision for contract performance cost

□ Applicable √ N/A

(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	350,598	4,190	346,408	319,422	16,424	302,998
Total	350,598	4,190	346,408	319,422	16,424	302,998

(2). Amount and reason for significant changes in the book value during the Reporting Period

□ Applicable √ N/A

(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	425	12,659		
Total	425	12,659		/

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	545	
Loans and advances due within one year		38
Long-term receivables due within one year	1,351	8,379
Total	1,896	8,417

Other instructions

Non-current assets maturing within one year at the end of the current period decreased by 77.47% compared with the end of the previous period, mainly due to the recovery of financial lease payments due by the Company's subsidiaries during the reporting period.

Significant debt investment and other debt investments at the end of the period:

□ Applicable √ N/A

(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, 2023	2,371			2,371
In the current period, the balance on January 1, 2023				
-- Transfer to the second stage				
-- Transfer to the third stage	-2,286		2,286	
-- Reversal to the second stage				
-- Reversal to the first stage				
Provision in current period	11			11
Reversal in current period	74			74
Charge-off in current period				

Write-off in current period				
Other changes	3			3
Balance on June 30, 2023	25		2,286	2,311

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	197,383	185,328
Prepaid corporate income tax	46,320	35,659
Prepaid business tax	3,763	4,009
Prepaid social security and provident fund	446	352
Entrusted loan	1,071	684
Factoring receivable	15,664	5,433
Financing lease receivable	990	644
Other	589	274
Total	266,226	232,383

(2) Impairment provision for other current assets

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, 2023	942			942
In the current period, the balance on January 1, 2023				
-- Transfer to the second stage				
-- Transfer to the third stage				
-- Reversal to the second stage				
-- Reversal to the first stage				
Provision in current period	236			236
Reversal in current period	21			21
Charge-off in current period				

Write-off in current period				
Other changes				
Balance on June 30, 2023		1,157		1,157

16. Loans and advances

Unit: RMB '0000 Currency: RMB

Item	Closing balance	Opening balance
Corporate loans	1,500	
Total loans and advances	1,500	
Less: provision for loan loss	30	
Book value of loans and advances	1,470	

Other instructions

Loans and advances increased by RMB 15 million at the end of the current period compared with the end of the previous period, mainly due to the increase in loans issued by the Company's finance company during the reporting period.

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
Factoring accounts receivable	286	6	280			
Total	286	6	280			

(2). Significant debt investments at the end of the period

□ Applicable √ N/A

(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, 2023				
In the current period, the balance on January 1, 2023				
-- Transfer to the second stage				
-- Transfer to the third stage				
-- Reversal to the second stage				
-- Reversal to the first stage				
Provision in current period	6			6
Reversal in current period				
Charge-off in current period				
Write-off in current period				
Other changes				
Balance on June 30, 2023	6			6

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

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

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	7.2%-9.2 %
Including: Unrealized financing income				23		23	
Total				443	4	439	/

(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, 2023	4			4
In the current period, the balance on January 1, 2023				
-- 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	2			2
Charge-off in current period				
Write-off in current period				
Other changes	-2			-2
Balance on June 30, 2023				

Description of significant changes in the book value of long-term receivables 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

(4). Amount of assets and liabilities formed by transfer of long -term receivables with continuous involvement

☐ Applicable ☒ N/A

Other information

☐ Applicable ☒ N/A

20. Long-term equity investments

√ Applicable □ N/A

Unit: RMB '0000 Currency: RMB

Unit Invested	Opening balance	Current increase or decrease changes								Closing balance	Closing balance of impairment provision
		Additi onal invest ment	Red uced inve stme nt	Investme nt gains and losses recognize d under the equity method	Adjus tment to other comp rehen sive incom e	Chang es in other equity	Declar e to issue cash dividen ds or profit	Provis ion for impair ment	Other s		
I. Joint Venture											
Dongguan Xinde Gas Engineering Project Management Co., Ltd.	257									257	1,307
Chongqing Changdian Fuxin Gas Co., Ltd.	763			70						833	
Yancheng ENN Compressed Natural Gas Co., Ltd.	2,242			-46						2,196	
Luquan Fuxin Gas Co., Ltd.	15,348			1,248						16,596	
Ningbo ENN Gas Co., Ltd.	6,494			-1,786						4,708	
Yantai ENN Gas Development Co., Ltd.	57,093			2,400						59,493	
Kaifeng ENN Yinhai Automobile Gas Co., Ltd.	158			-3						155	
Yunnan Yuntou Xin'ao Gas Co., Ltd.	13,757			448						14,205	
Haining Xinxin Natural Gas Co., Ltd.	2,604		2,409	-195							
Tangshan ENN Yongshun Clean Energy Co., Ltd.	3,189			-345						2,844	
Hebei PetroChina Kunlun Natural Gas Co., Ltd.	29,114			2,819			1,576			30,357	
Henan Jingbao ENN New Energy	6,076			358						6,434	

Co., Ltd.											
Hangzhou Xiaoshan Huanneng Industrial Co., Ltd.	464			-44						420	
Quzhou ENN Sinopec Automobile Gas Co., Ltd.	963			98			51			1,010	
Shanghai Kunlun ENN Clean Energy Co., Ltd.	18,111			31						18,142	
Jiaxing Sinopec ENN Gas Co., Ltd.	445			-10						435	
Baoding ENN Gas Co., Ltd.	8,611			-8,611							
Langfang ENN Longyu Clean Energy Co., Ltd.	136			-136							
Jinhua Sinopec ENN Automobile Natural Gas Co., Ltd.	489			-8						481	
Liaocheng Shihua Natural Gas Co., Ltd.	11,981			1,733			1,078			12,636	
Guangxi Xijiang ENN Clean Energy Co., Ltd.	361			-361							
Anhui Wanneng ENN Natural Gas Co., Ltd.	6,091			704						6,795	
Xuzhou Guotou ENN Energy Co., Ltd.	2,174			-82						2,092	
Qingdao International Airport New Energy Development Co., Ltd.	6,680			133						6,813	
Jiangxi Poyang Lake LNG Co., Ltd.	3,589			19						3,608	
Dongguan Haofeng ENN Energy Co., Ltd.	2,686			-166						2,520	
Yunnan Natural Gas Xuanwei ENN Gas Co., Ltd.	4,191			55						4,246	
Chenzhou Sanxiang ENN Clean Energy Co., Ltd.	1,190			-203						987	
Wulian Run'ao Energy Development Co., Ltd.	1,393			-1						1,392	
Xuancheng Hezhong Natural Gas Pipeline Network Co., Ltd.	3,245			474			400			3,319	
Dongguan Zhongdian ENN Heating	4,248			316						4,564	

Co., Ltd.											
Zhuzhou Tai'ao Energy Co., Ltd.	294			6						300	
Dongguan Changping Haofeng ENN Energy Development Co., Ltd.	45									45	
Lianyungang Chengxin Gas Co., Ltd.	4,026	1,671		236						5,933	
Bengbu ENN PetroChina Sales Co., Ltd.	631			59			87			603	
Sinopec Yuexi Pipeline Network Co., Ltd.	8,505	2,257		-1,805						8,957	
Huai'an Zhongyou Tianhuai Gas Co., Ltd	686			55						741	
Henan Zhongyuan Natural Gas Development Co., Ltd.	48,184			2,174						50,358	
Shanxi Heng Gallery energy Co., LTD		255		716						971	
Shenzhen ENN Shipping Co., Ltd.	6,932			677						7,609	
Beijing Xinzhi Shuxin Digital Technology Co., Ltd.	10			-10							
Changsha Xinao Great Wall Energy Co., LTD		500		8						508	
Xinxiang ENN Lihua Energy Development Co., Ltd.	358			-358							
Haining Guangyao Thermoelectric Co., LTD		5,000		-251						4,749	
Subtotal	283,814	9,683	2,409	416			3,192			288,312	1,307
II. Associates											
CNOOC Gas and Electricity North Sea Gas Co., Ltd.	2,058			-12						2,046	1,563
Beijing Zhongnong Big Biotechnology Incorporated Company	631			-21						610	
Chongqing Longran Energy Technology Co., Ltd.	4,143			-373						3,770	
Linyi Zhongfu Natural Gas Development and Utilization Co., Ltd.	7,315			413						7,728	

Changsha Xinneng Automobile Gas Co., Ltd.	616			-152						464	
Zhanjiang Xinyi Real Estate Development Co., Ltd.	2,500			-508						1,992	
Zhanjiang Zhongyou ENN Natural Gas Co., Ltd.	2,056			-78						1,978	
Liaoning Liaoyou ENN Shengyu Natural Gas Co., Ltd.	1,462			-745						717	
Shijiazhuang Kunlun ENN Gas Co., Ltd.	50,014			2,546						52,560	
Taizhou City Natural Gas Co., Ltd.	2,987			-30						2,957	
Guangzhou Ganghua Gas Co., Ltd.	3,025			424						3,449	
Taizhou Yinxingshu Gas Co., Ltd.	495			41			93			443	
CNOOC Xinrun Liaoning Gas Co., Ltd.	1,058			194						1,252	
Changzhou Meilu ENN Energy Co., Ltd.	500			-2						498	
Suzhou Wanneng Natural Gas Co., Ltd.	3,287			-30						3,257	
Guangxi Beibu Gulf ENN Gas Development Co., Ltd.	9,205			859			2,490			7,574	
Wuzhou PetroChina Kunlun ENN Gas Co., Ltd.	4,764			185						4,949	
Shantou Huarun ENN Gas Co., Ltd.	18,380			1,520						19,900	
Enniu Chengfu (Langfang) Public Service Technology Co., Ltd.	43			-43							
Ningbo ENN Gas Development Co., Ltd.	3,750			541						4,291	
Guangxi Yilongyuan Electricity Distribution Co., Ltd.	1,116			-48						1,068	
Shanghai Zhuoxiao Energy Technology Co., Ltd.	497			-26						471	
Shijiazhuang Blue Sky ENN Natural Gas Pipeline Network Co., Ltd.	4,659			48						4,707	
Zhoushan Lanyan Gas Co., Ltd.	53,931			370						54,301	

Hunan Yiwei Power Distribution Co., Ltd.	3,160			73						3,233	
Zhejiang Xinyongzhou Logistics Co., Ltd.	372			-124						248	
Guangxi Daren Energy Co., Ltd.	3,765			-221						3,544	
Luoyang Natural Gas Storage and Transportation Co., Ltd.	3,189			-376						2,813	
Huzhou Gas Co., Ltd.	34,809			1,159			1,816			34,152	
Huzhou Nanxun Xin'ao Gas Co., Ltd.	20,496			1,086			821			20,761	
Huzhou Nanxun Xin'ao Gas Development Co., Ltd.	5,839			932			1,538			5,233	
Shandong Airport Intelligent Energy Development Co., Ltd.	531			-36						495	
Bengbu Ruiyuan Power Distribution Co., Ltd.	540									540	
Lianyungang Zhongxin Gas Co., Ltd.	15,335			-484						14,851	
Kaifeng Xingsong City Trade Co., Ltd.	71			-14						57	
Ningbo ENN Xinrui Energy Development Co., Ltd.	1,909			409						2,318	
Bozhou Xinglv New Energy Co., Ltd.	99			2						101	
Shandong Luxin Natural Gas Co., Ltd.	1,925			202						2,127	
Jinhua Gaoya Natural Gas Co., Ltd.	1,097	630		3						1,730	
Changzhou Zhongwu Power Distribution Co., Ltd.	367			6						373	
Changshu China Petroleum Kunlun Natural Gas Development Co., Ltd.	350			5						355	
Danjiangkou ENN Energy Development Co., Ltd.	55			-12						43	
Xuyi Guolian ENN Natural Gas Pipeline Network Co., Ltd.	5,387			2						5,389	
Minshang (Guangdong) Investment Partnership (Limited Partnership)	4,830			-19						4,811	
Beijing Shanjing Huisheng Pipeline	585			-15						570	

Technology Development Co., Ltd.											
Changzhou Gas Storage Co., Ltd.	872	375		-11						1,236	
Chizhou Qianjiang Gas Co., Ltd.	2,537			30			63			2,504	
Xinsheng Natural Gas Sales Co., Ltd.	794			-21						773	
Yancheng National Investment Natural Gas Pipeline Network Co., Ltd.	21,530									21,530	
Haian Huihai Natural Gas Pipeline Network Co., Ltd.	700									700	
Qinzhou PetroChina Kunlun Gas Co., Ltd.	2,379			404						2,783	
Shijiazhuang ENN City Gas Development Co., Ltd.	6,280			137						6,417	
Suqian heating pipe network Co., LTD		2,441		-8						2,433	
Subtotal	318,295	3,446		8,182			6,821			323,102	1,563
Total	602,109	13,129	2,409	8,598			10,013			611,414	2,870

21. Other equity instrument investments**(1). Information on other equity instrument investments**

☑ Applicable ☐ N/A

Item	Unit: RMB '0000 Currency: RMB	
	Closing balance	Opening balance
Jiaxing Gas Group Co., Ltd.	8,798	8,740
Chongqing Petroleum and Gas Exchange Co., Ltd.	5,480	5,480
Shanghai Petroleum and Gas Exchange Co., Ltd.	4,411	4,411
Longchang Ruigao Energy Development Co., Ltd.	1,490	1,490
Shanghai Zhongyou Baihe Petroleum Gas Co., Ltd.	1,071	1,071
Sanmenxia Swan Power Co., Ltd.	977	977
Shenzhen Dapeng Liquefied Natural Gas Sales Co., Ltd.	1,610	1,610
Nanjing Jiangbei New District Power Distribution Co., Ltd.	468	468
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	264
Zhejiang Hesen Energy Co., Ltd.	139	139
Xiangtan Desheng Energy Distribution Co., Ltd.	152	152
Dongguan Fengneng LNG Co., Ltd.	25	25
Dongguan Fengneng LNG Terminal Co., Ltd.	25	25
Total	25,556	25,498

(2). Information on non-trading equity instrument investments

☑ Applicable ☐ N/A

Item	Dividend revenue recognized in the current period	Accumulated profits	Accumulated losses	Unit: RMB '0000 Currency: RMB		
				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.	143	4,685			Strategic investment	
Chongqing Petroleum and Gas Exchange Co., Ltd.		231			Strategic investment	
Shanghai Petroleum and Gas Exchange Co., Ltd.		211			Strategic investment	
Longchang Ruigao Energy Development Co., Ltd.		90			Strategic investment	
Shanghai Zhongyou Baihe		621			Strategic	

Petroleum Gas Co., Ltd.					investment	
Sanmenxia Swan Power Co., Ltd.			-523		Strategic investment	
Shenzhen Dapeng Liquefied Natural Gas Sales Co., Ltd.		1,485			Strategic investment	
Nanjing Jiangbei New District Power Distribution Co., Ltd.		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 Hesun Energy Co., Ltd.			-101		Strategic investment	
Xiangtan Desheng Energy Distribution Co., Ltd.			-8		Strategic investment	
Dongguan Fengneng LNG Co., Ltd.					Strategic investment	
Dongguan Fengneng LNG Terminal Co., Ltd.					Strategic investment	
Total	143	7,345	-633		Strategic investment	

Other information:

☐ Applicable ☒ N/A**22. Other non-current financial assets**☒ Applicable ☐ N/A

Unit: RMB '0000 Currency: RMB

Item	Closing balance	Opening balance
Derivative financial assets included in Other non-current financial assets		
Non-hedging derivatives		
Including: Commodity derivative contracts	1,821	
Foreign exchange derivative contracts		
Hedging derivatives		
Including: Commodity derivative contracts	82	
Foreign exchange derivative contracts	2,684	
Financial assets measured at fair value through current profit or loss	434,579	432,722
Total	439,166	432,722

Other information:

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.	15,254	13,394
Guokai Siyuan (Beijing) Investment Fund Co., Ltd.	2,293	2,293
Chenzhou Jingui Silver Industry Co., Ltd.	32	35
Total	434,579	432,722

Other instructions:

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.

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	27,632			27,632
II. Changes in the current period				
Add: Outsourcing				
Transfer from inventories/fixed assets/construction in process				
Increase in business combinations				
Less: Disposal				
Other transfer out				
Changes in fair value				
III. Closing balance	27,632			27,632

(2). Investment real estate of which title certificates have not been obtained:☐ 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	6,755,551	6,612,822
Total	6,755,551	6,612,822

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	1,432,028	1,519,140	238,939	63,469	5,260,949	8,514,525
2. Current increase	23,291	103,082	17,867	2,257	179,533	326,030
(1) Purchase	1,024	42,263	9,381	2,223	48,868	103,759
(2) Transferred from construction in progress	21,317	60,792	8,484	34	130,665	221,292
(3) Increase in business combinations	950	27	2			979
3. Current decrease	2,037	6,775	2,851	5,631	3,662	20,956
(1) Disposal or scrap	2,037	6,775	2,851	5,631	3,662	20,956
4. Closing balance	1,453,282	1,615,447	253,955	60,095	5,436,820	8,819,599
II. Accumulated depreciation						
1. Opening balance	235,607	509,083	159,854	35,663	947,520	1,887,727
2. Current increase	19,607	56,700	13,087	3,322	80,084	172,800
(1) Provision	19,607	56,700	13,087	3,322	80,084	172,800
3. Current decrease	526	4,503	2,731	4,391	1,239	13,390
(1) Disposal or scrap	526	4,503	2,731	4,391	1,239	13,390
4. Closing balance	254,688	561,280	170,210	34,594	1,026,365	2,047,137
III. Impairment provision						
1. Opening balance	999	6,349			6,628	13,976
2. Current increase	856	1,992	53		373	3,274
(1) Provision	856	1,992	53		373	3,274
3. Current		339				339

decrease						
(1) Disposal or scrap		339				339
4. Closing balance	1,855	8,002	53		7,001	16,911
IV. Book value						
1. Closing book value	1,196,739	1,046,165	83,692	25,501	4,403,454	6,755,551
2. Opening book value	1,195,422	1,003,708	79,085	27,806	4,306,801	6,612,822

(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
Machinery & equipment	554
Automobile	39
Office equipment	16
Total	609

(5). Fixed-assets of which title certificate has not been obtained

☒ Applicable ☐ N/A

Unit: RMB '0000 Currency: RMB

Item	Book value	Reason for uncompleted property rights certificate
Production & office premises	159,013	The Company is communicating with the local government departments on this matter
Total	159,013	

Other information:

☐ Applicable ☒ N/A

Disposal of fixed assets

☐ Applicable ☒ N/A

25. Construction in progress**Presentation of items**

☒ Applicable ☐ N/A

Unit: RMB '0000 Currency: RMB

Item	Closing balance	Opening balance
------	-----------------	-----------------

Construction in progress	529,346	453,165
Project materials	24,399	25,447
Total	553,745	478,612

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	97,881		97,881	78,686	66	78,620
Gas engineering	355,450		355,450	345,423		345,423
Fully enclosed coal yard project	255		255	244		244
Public works (park integration)	1		1	9		9
Zhoushan project phase III	38,795		38,795	2,253		2,253
Environmental protection technology reform for water system				10,392		10,392
Other projects	38,274	1,310	36,964	17,534	1,310	16,224
Total	530,656	1,310	529,346	454,541	1,376	453,165

(2). Current changes in major 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 budge (%)	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		19			19	97.44	99.20%				Self-financing
Longping High-tech Project	17,695	2,901		161		2,740	89.21	99.82%				Self-financing
High-pressure Natural Gas Pipeline Project from Taishang Pressure Control Station to Huianmen Station	21,267	17,446	2,103			19,549	91.92	85.00%				Self-financing
Integrated Energy Micro-network - No. 1 Integrated Energy Main Station Project in Daqing Linyuan	108,928	5,853	182			6,035	85.16	98.88%	2,817			Self-financing and loan

Chemical Park												
Phase III LNG Storage Tank and Supporting Facilities for Zhejiang Zhoushan LNG Receiving Terminal and Filling Station	292,096	2,253	26,779			29,032	9.94	22.81%				Self-financing
ENN Science Park R&D Workshop	42,000	5,267	998			6,265	14.92	22.00%				Self-financing
Natural Gas Supply Pipeline Works for Ningzhou Gas and Electricity Project	108,569	59,434	12,793			72,227	66.53	80.77%	613	363	4.50	Self-financing and loan
Dongguan High-pressure Natural Gas Pipeline Network Project along North Ring Road and Zhonghong Branch	33,600	9,444	3,940			13,384	40.23	51.25%				Self-financing
Total	648,155	102,598	46,814	161		149,251	/	/	3,430	363	/	/

(3). Provision for the impairment of construction in progress in the current period

☐ Applicable ☒ N/A

Other information

☐ Applicable ☒ N/A

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	23,928		23,928	24,962		24,962
Special-purpose equipment	471		471	485		485
Total	24,399		24,399	25,447		25,447

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**27. Oil and 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	21,023	44,977	648	589	755	67,992
2. Current increase	692	8,061	89		105	8,947
3. Current decrease	2,391	63	19			2,473
4. Closing balance	19,324	52,975	718	589	860	74,466
II. Accumulated depreciation						
1. Opening balance	6,031	18,472	388	564	95	25,550
2. Current increase	1,405	4,689	36	23	98	6,251
(1) Provision	1,405	4,689	36	23	98	6,251
3. Current decrease	130	13	10			153
(1) Disposal	130	13	10			153
4. Closing balance	7,306	23,148	414	587	193	31,648
III. Impairment provision						
1. Opening balance						

2. Current increase						
(1) Provision						
3. Current decrease						
(1) Disposal						
4. Closing balance						
IV. Book value						
1. Closing book value	12,018	29,827	304	2	667	42,818
2. Opening book value	14,992	26,505	260	25	660	42,442

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	324,241	26,687	305,803	158,126	9,670	583,767	23,556	1,431,850
2. Current increase	23,585	29		3,785	33	107	164	27,703
(1) Purchase	22,614	28		800	33	107	164	23,746
(2) Increase in business combinations	971	1						972
(3) Transferred from development expenditure				2,985				2,985
3. Current decrease	201			1,141			64	1,406
(1) Disposal	201			1,141			64	1,406
(2) Other decrease								
4. Closing balance	347,625	26,716	305,803	160,770	9,703	583,874	23,656	1,458,147
II. Accumulated amortization								
1. Opening balance	56,823	12,760	13,537	62,244	623	162,031	12,652	320,670
2. Current increase	4,449	1,235	1,141	10,950	87	15,257	863	33,982
(1) Provision	4,328	1,234	1,141	10,950	87	15,257	863	33,860
(2) Increase in business combinations	121	1						122
3. Current decrease	4			929				933
(1) Disposal	4			929				933
4. Closing balance	61,268	13,995	14,678	72,265	710	177,288	13,515	353,719
III. Impairment provision								

1. Opening balance				1,623		3,309		4,932
2. Current increase						3,184		3,184
(1) Provision						3,184		3,184
3. Current decrease								
(1) Disposal								
4. Closing balance				1,623		6,493		8,116
IV. Book value								
1. Closing book value	286,357	12,721	291,125	86,882	8,993	400,093	10,141	1,096,312
2. Opening book value	267,418	13,927	292,266	94,259	9,047	418,427	10,904	1,106,248

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.

(2) Land use right of which title certificate has not been obtained☒ Applicable ☐ N/A

Unit: RMB '0000 Currency: RMB

Item	Book value	Reason for failure to obtain the title certificate
Land use right	11,768	In progress
Total	11,768	/

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	77		3,715	2,456		1,336
Digital-intelligent management project	8,391	282	13,132			21,805
Great Gas ecological platform project	5,528	680	141			6,349
Digital-intelligent integrated energy project	379		7			386
Intelligent customer service platform project	991					991
Other projects	3,141	681	577	529		3,870
Total	18,507	1,643	17,572	2,985		34,737

Other information:

The year-on-year increase in development expenditure by 87.7% was mainly attributable to the increased investment in the projects such as technical R&D and digitalization.

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
Harbin Xinao 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

(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

(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

(5). Effect of goodwill impairment test

☐ Applicable ☒ N/A

Other information:

☐ Applicable ☒ N/A

32. Long-term prepaid 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	8,835	1,144	2,413	2	7,564

Road construction	2,989		180		2,809
Compensation for demolition and ecological environment restoration	32,502	4,911	855		36,558
Maintenance and renovation expenses	15,715	1,990	2,027	726	14,952
Costs for periodic tests and inspection	4,659	2,796	1,098		6,357
Power supply route project	964		18		946
Others	11,743	189	1,404	263	10,265
Total	77,407	11,030	7,995	991	79,451

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	102,935	24,173	97,889	21,646
Unrealized profits from internal transactions	459,350	97,940	447,992	95,588
Deductible losses	1,485	371		
Deferred income	413,894	102,585	432,070	106,152
Long-term account current	6,746	1,075	6,746	1,075
Trial run revenue of construction in progress	6,618	993	6,618	993
Lease liabilities	41,655	10,345	41,541	10,300
Total	1,032,683	237,482	1,032,856	235,754

(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	313,170	78,292	323,823	80,955
Effect on one-time pretax deduction of fixed assets	826,620	203,578	771,872	189,733
Right of Use Assets	42,362	10,523	42,442	10,527
Capitalized interest	119,779	29,945	115,148	28,788
Tax on dividends	384,401	19,220	403,532	20,177
Changes in fair value of financial assets	9,564	2,113	205,092	35,013
Others	17,096	3,504	17,396	3,549
Total	1,712,992	347,175	1,879,305	368,742

Deferred income tax assets or liabilities presented by net value after offset
☐ Applicable ☒ N/A

(3). Details of unrecognized deferred income tax assets☒ Applicable ☐ N/A

Unit: RMB '0000 Currency: RMB

Item	Closing balance	Opening balance
Deductible losses	1,133,066	872,787
Provision for assets impairment	39,863	34,095
Total	1,172,929	906,882

(4). 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
2023	53,406	54,155	
2024	69,463	73,393	
2025	74,018	84,959	
2026	156,791	166,148	
2027	456,074	494,132	
2028	323,314		
Total	1,133,066	872,787	/

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	129		129	998		998
Margins paid on fixed assets and land use rights	1,007		1,007	7,336		7,336
Prepayment for equipment works	14,183		14,183	11,721		11,721
Value Added Tax to be deducted, certified or prepaid	13,708		13,708	13,868		13,868
Others	3,050		3,050	226		226
Total	32,077		32,077	34,149		34,149

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	152,137	109,910
Mortgage loan	1,000	
Guaranteed loan	264,370	230,977
Loan on credit	529,354	415,136
Total	946,861	756,023

Description of the classification of short-term borrowings:

1. Pledged loan: The loan of RMB 386 million was obtained by the subsidiaries, Dongguan Xin'ao Gas Co., Ltd., Huaihua Xin'ao Gas Co., Ltd. and Weifang ENN Natural Gas Pipeline Network Co., Ltd., with gas charging rights pledged; RMB 1,135.37 million arose from the notes discounted.

2. Mortgage loan: The loan of 10 million was obtained by Zouping Xinao Gas Co., Ltd., a subsidiary of the company, by mortgaging its land use rights and property ownership.

3. Guaranteed loan: The loan of RMB 550.49 million was guaranteed by ENN (Hainan) Energy Trading Co., Ltd.; the loan of RMB 897.21 million was guaranteed by Changsha ENN Gas Co., Ltd.; the loan of RMB 198 million was guaranteed by Changsha Xin'ao Gas Development Co., Ltd.; The loan of RMB 455 million was guaranteed by Changzhou Xinao Gas Engineering Co., LTD; the loan of RMB 30 million was guaranteed by Changzhou Xin'ao Gas Development Co., Ltd.; the loan of RMB 220 million was guaranteed by Xin'ao (China) Gas Investment Co., Ltd.; the loan of RMB 100 million was guaranteed by Xinxiang Xi'nao Gas Engineering Co., Ltd.; the loan of RMB 143 million was guaranteed by Dongguan ENN Gas Co., Ltd.; the loan of RMB 20 million was guaranteed by Bengbu ENN Gas Co., Ltd.; the loan of RMB 10 million was guaranteed by Feidong County MSMEs Guarantee Co., Ltd.; the loan of RMB 10 million was guaranteed by Hefei Xingtai Technology Financing Guarantee Co., Ltd.; and the loan of RMB 10 million was guaranteed by Wen'an Xinao Mingshun Gas Co., Ltd.

(2). Overdue and outstanding short-term borrowings

☐ Applicable ☒ N/A

Other information:

☐ Applicable ☒ N/A

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	101,342	84,883
Including: Commodity derivative contracts	101,342	84,883
Foreign exchange derivative contracts		
Hedging derivative instruments	21,754	17,033
Including: Commodity derivative contracts	21,754	17,033
Foreign exchange derivative contracts		
Total	123,096	101,916

38. Notes payable

☒ Applicable ☐ N/A

Unit: RMB '0000 Currency: RMB

Type	Closing balance	Opening balance
Commercial acceptance bills	140	
Bank acceptance bills	69,175	85,737
Total	69,315	85,737

The total amount of notes payable due and outstanding at the end of the current period is 0.

39. Accounts payable

(1). Presentation of accounts payable

☒ Applicable ☐ N/A

Unit: RMB '0000 Currency: RMB

Item	Closing balance	Opening balance
Accounts payable	1,039,104	1,048,430
Total	1,039,104	1,048,430

(2). Significant accounts 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	4,225	Payment terms unsatisfied
Top 2	2,652	Payment terms unsatisfied
Top 3	2,268	Payment terms unsatisfied
Top 4	2,225	Payment terms unsatisfied
Top 5	2,153	Payment terms unsatisfied
Total	13,523	/

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

41. Contract liabilities

(1). Information on contract liabilities

☒ Applicable ☐ N/A

Unit: RMB '0000 Currency: RMB

Item	Closing balance	Opening balance
Deferred income	30,454	31,688
Sale of natural gas	1,210,222	1,339,071
Payment received on settled but uncompleted project	318,260	371,294
Total	1,558,936	1,742,053

(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	20,000	36,800

Accrued interest	-131	-281
Total	19,869	36,519

Other information:

The year-on-year decrease in Financial assets sold for repurchase by 45.59% 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.

43. Deposits from customers and interbank

Unit: RMB '0000 Currency: RMB

Item	Closing balance	Opening balance
Demand deposit	20,000	19,337
- Corporate	20,000	19,337
- Individual		
Fixed deposit	3,206	3,184
- Corporate	3,206	3,184
- Individual		
Other deposits	418	1,163
Subtotal	23,624	23,684
Accrued interest		
Total	23,624	23,684

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	122,905	299,363	333,215	89,053
II. Post-employment benefits - defined contribution plan	1,860	32,171	31,275	2,756
III. Dismission benefits		848	848	
IV. Other benefits due within one year	5		5	
Total	124,770	332,382	365,343	91,809

(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	110,129	231,688	274,710	67,107
II. Employee welfare	3	19,932	13,939	5,996
III. Social insurance	795	14,776	14,756	815
Including: Medical insurance	624	13,460	13,430	654
Industrial injury insurance	96	1,058	1,054	100
Maternity insurance	75	258	272	61
IV. Housing provident fund	3,443	25,658	25,575	3,526
V. Union fund and staff education fund	8,535	7,303	4,229	11,609
VI. Short-term paid absence				
VII. Short-term profit-sharing scheme				

VIII. Others		6	6	
Total	122,905	299,363	333,215	89,053

(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	1,580	30,932	30,037	2,475
2. Unemployment insurance	273	1,236	1,236	273
3. Enterprise annuity contribution	7	3	2	8
Total	1,860	32,171	31,275	2,756

Other information:

☐ Applicable ☒ N/A
45. Taxes payable
☒ Applicable ☐ N/A

Unit: RMB '0000 Currency: RMB

Item	Closing balance	Opening balance
Value added tax (VAT)	34,636	37,538
Business tax	655	690
Corporate income tax	208,064	229,425
Individual income tax	1,508	1,695
Urban maintenance and construction tax	332	786
Education surcharge	167	302
Property tax	38	106
Resource tax	155	6,881
Stamp duty	101	252
Environmental protection tax	3	13
Water resources tax	52	184
Farming land occupation tax		2,237
Consumption tax		7,780
Others	388	760
Total	246,099	288,649

46. Other payables**Presentation of items**
☒ Applicable ☐ N/A

Unit: RMB '0000 Currency: RMB

Item	Closing balance	Opening balance
Dividends payable	350,071	26,304
Other payables	179,356	278,153
Total	529,427	304,457

Interests payable
☐ Applicable ☒ N/A
Dividends payable
☒ Applicable ☐ N/A

Unit: RMB '0000 Currency: RMB

Item	Closing balance	Opening balance
Ordinary stock dividends	349,373	26,304
Dividends payable - restricted stock dividends	698	
Total	350,071	26,304

Other payables**(1). Presentation of other payables by nature of payment**
☒ Applicable ☐ N/A

Unit: RMB '0000 Currency: RMB

Item	Closing balance	Opening balance
Current accounts	83,912	86,432
Margin and deposit	33,212	31,322
Equity transfer payment	15,598	18,001
Payment collected and deducted for other party	3,856	9,047
Restricted share repurchase obligation	8,532	9,343
Settled but outstanding derivative contracts	3,099	107,047
Payables for bond repurchase	13,714	
Others	17,433	16,961
Total	179,356	278,153

(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	18,749	Payment terms unsatisfied
Top 2	15,844	Payment terms unsatisfied
Top 3	5,270	Payment terms unsatisfied
Top 4	4,867	Payment terms unsatisfied
Top 5	3,751	Payment terms unsatisfied
Total	48,481	/

Other information:

☐ Applicable ☒ N/A
47. Held-for-sale liabilities
☐ Applicable ☒ N/A
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	267,906	170,744
Long-term payables due within one year	13,393	13,416
Lease liabilities due within one year	10,987	10,773
Total	292,285	194,933

Other information:

The year-on-year increase in non-current liabilities due within one year by 49.94% was mainly attributable to increase in the amount of non current liabilities reclassified from long-term loans to maturity within one year.

49. Other current liabilities
☒ Applicable ☐ N/A

Unit: RMB '0000 Currency: RMB

Item	Closing balance	Opening balance
Output tax to be carried forward	138,890	154,938
Others	4,249	4,697

Total	143,139	159,635
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Increase/decrease in short-term bonds payable:

☐ Applicable ☒ N/A

Other information:

☐ Applicable ☒ N/A

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	20,851	5,734
Mortgage loan	969	
Guaranteed loan	688,531	730,510
Loan on credit	276,791	311,409
Mortgage and pledged loans	3,200	3,400
Mortgage and guaranteed loans	115,295	155,763
Pledged and guaranteed loans	4,040	4,402
Total	1,109,677	1,211,218

Information on classification of long-term borrowings:

1. Guaranteed loan: The loan of RMB 3,586.23 million was guaranteed by ENN Natural Gas Co., Ltd.; the loan of RMB 74.34 million was guaranteed by ENN Gas Development Co., Ltd. (60%) and Zhejiang Rongsheng Holding Group Co., Ltd. (40%); the loan of RMB 1,450.20 million was guaranteed by Xin'ao (China) Gas Investment Co., Ltd.; the loan of RMB 43 million was guaranteed by Changsha Xin'ao Gas Development Co., Ltd.; the loan of RMB 671.45 million was guaranteed by Xindi Energy Engineering Technology Co., Ltd. The loan of RMB 1,060.09 million was guaranteed by ENN Holding Investment Co., Ltd., Xin'ao Juneng Technology (Langfang) Co., Ltd., and Wang Yusuo and his wife.

2. Mortgage and guaranteed loans: The loan of RMB 5.80 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.; the loan of RMB 1,147.15 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.

3. Pledged and guaranteed loans: The loan of RMB 40.40 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.

4. Pledged loan: The loan of RMB 208.51 million was obtained by the subsidiaries, Dongguan Xin'ao Gas Co., Ltd. and Dingzhou Fuyuan Natural Gas Co., Ltd., with gas charging rights pledged.

5. Mortgage and pledged loans: The loan of RMB 32 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.

6. Mortgage loan: The loan of RMB 9.69 million was obtained by Binzhou Xinao Gas Engineering Co., Ltd., a subsidiary of the company, by mortgaging its pipeline assets and mortgaging the land and equipment of Zouping Xinao Gas Co., Ltd.

Other information including the information on interest rate range:

☐ Applicable ☒ N/A

51. Bonds payable

(1). Bonds payable

☒ Applicable ☐ N/A

Unit: RMB '0000 Currency: RMB

Item	Closing balance	Opening balance
Bonds issued overseas	1,439,478	1,437,773
Medium-term note	50,180	
Total	1,489,659	1,437,773

(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
23 ENN Natural Gas GN01	RMB 100	2023/4/25	3 years	RMB 500 million		50,000	293	-113		50,180
VEYONG 3.375% 2026	USD 100	2021/5/12	5 years	USD 800 million	535,172		9,234	19,245	51,996	502,479
2030 Senior Notes	USD 100	2020/9/17	10 years	USD 750 million	520,431		6,941	19,703		540,242
2027 Senior Notes	USD 100	2022/5/17	5 years	USD 550 million	382,170		8,813	14,557		396,758
Total	/	/	/	USD 2.1 billion RMB 500 million	1,437,773	50,000	25,281	53,392	51,996	1,489,659

Information on bonds payable:

1. 23 ENN Natural Gas GN01

On April 25, 2023, the Company issued green medium-term notes with a total face value of RMB 500 million and a coupon rate of 3.30% at par value, with a net proceeds of RMB 498.8 million after deducting the issuance cost. The term is three years, the interest payment date is April 26 of each year, and the principal is due on April 26, 2026.

2. VEYONG 3.375% 2026

On May 12, 2021, ENN Clean Energy International Investment Limited, a wholly-owned subsidiary of the Company, issued USD 800 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. During the reporting period, the company repurchased the principal amount of USD 73.775 million in the open market.

3. 2030 Senior Notes

On September 17, 2020, the subsidiary ENN Energy Holdings Limited issued senior notes with a total face value of USD 750 million and an interest rate of 2.625% (“2030 Senior Notes”) and the net amount after deducting the issue cost was USD 739 million. 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 but not more than 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.

4. 2027 Senior Notes

On May 17, 2022, the subsidiary ENN Energy Holdings Limited issued senior notes with a face value of USD 550 million and an interest rate of 4.625% (“2030 Senior Notes”) and the net amount after deducting the issue cost was USD 545 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

52. Lease liabilities

☒ Applicable ☐ N/A

Unit: RMB '0000 Currency: RMB

Item	Closing balance	Opening balance
Lease liabilities	30,668	30,977
Total	30,668	30,977

53. Long-term payables**Presentation of items**

☒ Applicable ☐ N/A

Unit: RMB '0000 Currency: RMB

Item	Closing balance	Opening balance
Long-term payables	147,192	157,114
Total	147,192	157,114

Long-term payables

☒ Applicable ☐ N/A

Unit: RMB '0000 Currency: RMB

Item	Closing balance	Opening balance
Installment payable for M&A consulting fee	330	385

Installment payable for acquisition of intangible assets	146,862	156,729
Total	147,192	157,114

Special payables

☐ 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	111,884	3,436	5,894	109,426	Asset-related and income-related government subsidies
Total	111,884	3,436	5,894	109,426	/

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	2,211			27		2,184	Asset-related
Government subsidy on induced draft fan and integral electric	219			15		204	Asset-related

bag hybrid dust removing device							
Special subsidy on power demand side	21			5		16	Asset-related
Water pollution prevention and treatment fund	91			18		73	Asset-related
Industrial internet innovation and development demonstration project	12			2		10	Asset-related
Subsidies on replacing coal with gas	23,327			427		22,900	Asset-related
Subsidies on pipeline network demolition and construction	6,505			132		6,373	Asset-related
Subsidies on emergency gas storage facilities	9,632			62		9,570	Asset-related
Subsidies on pipeline modification	20,797	2,321		598		22,520	Asset-related
Subsidies on land	2,681			42		2,639	Asset-related
Subsidies on distributed energy project of natural gas	3,487			91		3,396	Asset-related
Energy station projects	688			70		618	Asset-related
Xinchaoyang integrated microenergy network demonstration project	941			21		920	Asset-related
Subsidies on new passenger station project	601			60		541	Asset-related
Subsidies on phasing out coal-fired heating boilers	3,192			69		3,123	Asset-related
Renovation of old urban residential communities	8,707			1,991		6,716	Asset-related
Subsidies on guaranteed supply	1,397			0	-1,397		Income-related

Subsidy for change from bottle to pipe	1,740	214		20		1,934	Asset-related
SOFC co-generation project	670					670	Asset-related
Natural gas receiving terminal project	2,369			60		2,309	Asset-related
Others	22,596	901		787		22,710	Asset-related
Total	111,884	3,436		4,497	-1,397	109,426	

Other information:

☐ Applicable ☒ N/A

57. Other non-current liabilities

☒ Applicable ☐ N/A

Unit: RMB '0000 Currency: RMB

Item	Closing balance	Opening balance
Derivative financial liabilities included in other non-current liabilities:	22,673	4,841
Commodity derivative contracts	7,827	
Including: Foreign exchange derivative contracts	417	4,841
Commodity derivative contracts	14,429	
Contract liabilities included in other non-current liabilities	274,015	284,694
Total	296,688	289,535

58. Share capital

☒ Applicable ☐ N/A

Unit: RMB '0000 Currency: RMB

	Opening balance	Current increase or decrease (+, -)					Closing balance
		Issue of new shares	Share donation	Reserved fund conversed into share capital	Other	Subtotal	
Total number of shares	309,866				-26	-26	309,840

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 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)	2,522		154	2,368
Other capital reserves	16,874	3,796		20,670
Total	19,396	3,796	154	23,038

Other information including current increase or decrease and reason for such change:

1. The decrease in capital premium (capital stock premium) during this reporting period is due to the company's repurchase and cancellation of 265000 shares of the 2021 restricted stock incentive plan, which were first granted and reserved for grant, offsetting the corresponding capital reserve.

2. The main increase in other capital reserves in the current period is:

(1) The company allocates and confirms the cost of restricted stock;

(2) The increase in capital reserves recognized due to changes in equity of subsidiaries of the company;

(3) The subsidiary of the company, ENN Holdings Company, allocated and recognized the expenses for stock option as well as the stock option exercised.

61. Treasury shares

√ Applicable □ N/A

Unit: RMB '0000 Currency: RMB

Item	Opening balance	Current increase	Current decrease	Closing balance
Treasury shares	19,182		878	18,304
Total	19,182		878	18,304

Other information including current increase or decrease and reason for such change:

The decrease in inventory equity period is mainly due to:

1. During this reporting period, the company has made provision for the first grant and reserved partial share dividends of the 2021 restricted stock incentive plan.

2. During this reporting period, the company repurchased and cancelled 265000 shares of the 2021 restricted stock incentive plan, which were granted for the first time and reserved for partial grants.

62. Other comprehensive income

√ Applicable □ N/A

Unit: RMB '0000 Currency: RMB

Item	Opening balance	Amount incurred in current period						Closing balance
		Incurred amount before current income tax	Less: Comprehensive income transferred to profit or loss which previously recognized as other comprehensive income	Less: Recorded in other comprehensive income in previous periods and transferred into retained earnings in current period	Less: Income tax expenses	Amount attributable to parent company, net of tax	Amount attributable to minority shareholders, net of tax	
I. Other comprehensive income that cannot be reclassified into profit or loss	1,440	58			9	16	33	1,456
Changes in fair value of other	1,440	58			9	16	33	1,456

equity instrument								
II. Other comprehensive income can reclassified into profits or loss	44,395	58,275	53,483		-3,091	7,754	129	52,149
Cash flow hedging reserve	3,793	24,124	53,483		-3,091	-16,804	-9,464	-13,011
Conversion difference of foreign currency financial statements	39,777	34,151				24,558	9,593	64,335
Others	825							825
Total other comprehensive income	45,835	58,333	53,483		-3,082	7,770	162	53,605

63. Special reserve

√ Applicable □ N/A

Unit: RMB '0000 Currency: RMB

Item	Opening balance	Current increase	Current decrease	Closing balance
Work safety costs	5,222	12,165	10,809	6,578
Coal mine maintenance fee		1,771	1,771	
Total	5,222	13,936	12,580	6,578

64. Surplus reserve

√ Applicable □ N/A

Unit: RMB '0000 Currency: RMB

Item	Opening balance	Current increase	Current decrease	Closing balance
Statutory surplus reserve	33,111			33,111
Total	33,111			33,111

65. General risk provision

Unit: RMB '0000 Currency: RMB

Item	Opening balance	Current provision	Current decrease	Closing balance
General risk provision	18,839			18,839
Total	18,839			18,839

66. Undistributed profit

√ Applicable □ N/A

Item	Unit: RMB '0000 Currency: RMB	
	Current period	Previous period
Undistributed profit at the end of last period before adjustment	1,344,725	854,115
Total undistributed profits at the beginning of the adjustment period (+ for increase, - for decrease)	-227	6,725
Undistributed profit at the beginning of the period after adjustment	1,344,498	860,840
Add: Net profit attributable to owners of parent company during the current period	220,353	584,391
Less: Appropriation of statutory surplus reserve		10,696
Provision for general risk		1,375
Payable dividends on ordinary shares	157,722	87,324
Others		1,111
Undistributed profit at the end of the period	1,407,129	1,344,725

Details of the adjustment to the undistributed profit at the beginning of the period:

The beginning undistributed profit of RMB -2.27 million was affected due to the changes in accounting policies.

67. Operating income and operating cost**(1). Information on operating income and operating cost**

√ Applicable □ N/A

Item	Unit: RMB '0000 Currency: RMB			
	Amount incurred in the current period		Amount incurred in the previous period	
	Income	Cost	Income	Cost
Primary business	6,642,104	5,696,134	7,175,035	6,278,051
Other business	74,859	47,900	138,077	13,591
Total	6,716,963	5,744,034	7,313,112	6,291,641

(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	3,314,574	3,314,574
Wholesale of natural gas	1,315,353	1,315,353
Direct sale of natural gas	321,102	321,102

Construction and installation	418,825	418,825
Sale and services of integrated energy	741,612	741,612
Energy production	282,444	282,444
Value-added business	187,944	187,944
Infrastructure operation	60,250	60,250
Total	6,642,104	6,642,104

(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 RMB 9,945.29 million.

Other information:

The revenue from trial operation and sale during the Reporting Period was RMB 40 thousand and the cost was RMB 10 thousand.

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	4,337	6,635
Including: Loan interest revenue	99	201
Discount interest revenue		30
Revenue from interests on transactions among financial institutions	1,574	921
Lease interest revenue	383	1,229
Factoring interest revenue	2,281	4,254
Interest expense	736	1,062

69. Fee and commission revenue and fee and commission expense

Unit: RMB '0000 Currency: RMB

Item	Amount incurred in the current	Amount incurred in the
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	period	previous period
Fee and commission revenue		
Including: Entrusted loan		4
Others		3
Total		7
Fee and commission expense	144	46

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
Consumption tax	1,164	-
Urban maintenance and construction tax	4,761	5,513
Education surcharge	3,637	3,994
Resources tax	7,346	12,567
Property tax	2,848	2,540
Land use tax	2,672	2,549
Stamp duty	6,359	4,904
Charges collected by the local government	654	1,196
Environmental protection tax	42	18
Water resources tax	141	279
Farming land occupation tax		1,745
Others	873	707
Total	30,497	36,012

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	46,114	41,386
Travel expense	925	677
Advertising, publicity and promotion fees	742	784
Entertainment expense	323	243
Tenancy expense	887	646
Maintenance fee	8,952	11,649
Depreciation expense	10,569	8,847
Commission fee for products commissioned to sell	279	276
Communication expense	229	145
Others	4,751	4,102

Total	73,771	68,755
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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	127,207	115,202
Repair cost	4,676	5,248
Depreciation and amortization	34,308	27,618
Office & travel expenses	8,667	6,858
Entertainment expense	12,375	12,511
Vehicle cost	2,812	2,514
Fees for intermediaries	5,106	8,220
Water and electricity expenses	1,344	1,149
Property insurance premium	949	852
Tenancy expense	761	764
Amortization of share option	2,857	4,200
Others	8,328	10,119
Total	209,390	195,255

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	18,133	19,759
Depreciation expense	5,942	5,077
Materials	10,441	9,890
Experiment and test fee	111	70
Water and electricity expenses	1,282	1,323
Consultation expense	169	69
Others	1,397	710
Total	37,475	36,898

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	66,740	65,914

Add: Interest revenue	-7,909	-5,999
Exchange loss (or gain)	56,899	86,029
Bank charges	3,644	4,428
Others	155	624
Total	119,529	150,996

Other information:

The year-on-year increase in interest revenue by 31.84% was mainly attributable to the increase in interest income generated by the increase in US dollar deposit interest rates of the subsidiaries 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	25,923	11,259
Value Added Tax refund	2,348	2,207
Amortization of deferred income	4,497	2,126
Others	1,554	615
Total	34,322	16,207

Other information:

Other income increased by 111.77% compared to the same period last year, mainly due to an increase in government subsidies received by subsidiaries of the company during the reporting period.

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	8,598	14,390
Investment income from disposal of long-term equity investments	130	-37
Investment income of transaction financial assets during the holding period		
Dividend revenue from other equity instrument investments during the holding period	143	109
Interest revenue from debt investment during the holding period		

Interest revenue from other debt investment during the holding period		
Investment income from disposal of transaction financial assets	1,971	1,125
Investment income from disposal of other equity instrument investments		
Investment income from disposal of debt investment		
Investment income from disposal of other debt investment		
Income from debt restructuring		
Settlement gains and losses arising from derivative financial instruments	179,241	49,816
Gain or loss from re-measurement of previously held equity	968	
Gains or losses from debt restructuring	3,310	
Investment income from other non-current financial assets during the holding period	7,238	6,650
Total	201,599	72,053

Other information:

The investment income in this period increased by 179.79% compared to the same period last year, mainly due to the increase in income from derivatives realized by the subsidiary of the company during the reporting period.

77. Exchange gain

Item	Unit: RMB '0000	Currency: RMB
	Amount incurred in the current period	Amount incurred in the previous period
Exchange gain	-24	-18

78. Net exposure hedging income

☐ Applicable ☒ N/A

79. Income from changes in fair values

☒ Applicable ☐ N/A

Source of gains on changes in fair value	Unit: RMB '0000	Currency: RMB
	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	1,953	-1,606
Income from changes in fair value generated by derivative financial instruments	-89,861	-4,358
Investment real estate measured at fair value		184
Gains on changes in fair value arising from cash-settled share-based payment in liabilities	-185	-1,289

Unrealized gains on ineffective portion of cash flow hedge	-2,519	-3,417
Total	-90,612	-10,486

Other information:

The income from changes in fair value decreased by RMB 801 million compared to the same period last year, mainly due to the floating income generated by derivative financial instruments that did not mature in the previous year being settled at maturity in the current period, offsetting the income from changes in fair value.

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	12	-11
Bad debt loss on accounts receivable	-13,653	-8,263
Bad debt loss on other receivables	-2,344	-1,039
Impairment loss on debt investments	-6	5
Bad debt loss on long-term receivables	2	-35
Bad debt loss on other current assets	-215	26
Bad debt loss on non-current assets due within one year	63	110
Bad debt loss on loans and advances	-20	22
Total	-16,161	-9,185

Other information:

The credit impairment loss increased by RMB 70 million compared to the same period last year, mainly due to an increase in the balance of long-term accounts receivable of the company's subsidiary during the reporting period, and a corresponding increase in the provision for bad debts.

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		-203

III.Impairment loss on contract assets	12,234	832
IV.Provision for impairment of held-to-maturity investments		
V. Impairment loss on long-term equity investments		
VI.Impairment loss on investment real estate		
VII.Impairment loss on fixed-assets	-3,274	-1,862
VIII.Impairment loss on project materials		
IX.Impairment loss on construction in progress		
X. Impairment loss on productive biological assets		
XI. Impairment loss on oil and gas assets		
XII.Impairment loss on intangible assets	-3,184	
XIII.Impairment loss on goodwill		
XIV.others		
Total	5,776	-1,233

Other information:

The loss on asset impairment decreased by RMB 70 million compared to the same period last year, mainly due to the reversal of contract asset impairment in the subsidiary 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	-127	-3,129
Gain on the disposal of intangible assets	362	1,841
Total	235	-1,288

Other information:

The gains on disposal of assets increased by RMB 15 million year-on-year, mainly due to the decrease in net losses arising from disposal of fixed assets of the Company's subsidiaries during the Reporting Period.

83. Non-operating income

☒ Applicable ☐ N/A

Unit: RMB '0000 Currency: RMB

Item	Amount incurred	Amount	Amount included
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	in the current period	incurred in the previous period	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			
Gains from debt restructuring			
Gain on non-monetary assets exchange			
Donations accepted			
Government subsidies			
Gains on inventory profit	385	196	385
Income from default	374	409	374
Unpayable accounts payable	1,052	1,315	1,052
Gain on disposal of waste and old materials	557	553	557
Compensation income	3,746	1,035	3,746
Takeover premium			
Others	4,222	1,083	4,222
Total	10,336	4,591	10,336

Government subsidy included in current profit or loss

☐ Applicable ☒ N/A

Other information:

☒ Applicable ☐ N/A

Non-operating income increased by 125.14% year-on-year, mainly due to the increase in compensation received by subsidiaries of the Company during the Reporting Period.

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	1,383	53	1,383
Including: Loss on disposal of fixed assets	1,176	53	1,176
Loss on disposal of intangible assets	207		207
External donations	2,344	518	2,344
Penalty expense	355	481	355
Loss on disposal of waste and old materials	848	1,092	848
Compensation expense	876	541	876

Others	885	742	885
Total	6,691	3,427	6,691

Other information:

Non-operation expense increased by 95.24% year-on-year, mainly due to the increase in external donations and fixed asset scrapping losses of the company's subsidiaries during the reporting period.

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	164,106	156,447
Deferred income tax expense	516	12,876
Total	164,622	169,323

(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	644,504
Income tax expense calculated at statutory/applicable tax rate	161,126
Effect from the application of different tax rates by subsidiaries	-40,744
Effect from adjustment to the income tax of previous periods	-7,177
Effect from non-taxable income	-4,100
Effect from non-deductible costs, expenses and losses	3,836
Effect from use of deductible losses of deferred income tax assets not recognized in the previous period	-13,183
Effect from deductible temporary differences or deductible losses of deferred income tax assets not recognized during the current period	66,553
Others	-1,689
Income tax expense	164,622

Other information:

☐ Applicable ☒ N/A

86. Other comprehensive income

√ Applicable □ N/A

See the “Note VII-62 Other Comprehensive Income” for details.

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	7,832	5,999
Government subsidy income	31,113	18,589
Performance bond and deposit received	5,144	3,058
Total	44,089	27,646

Information on other cash received related to operating activities

Cash received related to other operating activities increased by 59.48% compared to the same period last year, mainly due to an increase in government subsidies received by subsidiaries of the company during the reporting period.

(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	45,018	58,907
Selling expenses paid in cash	17,087	20,082
Research and development expenses paid in cash	13,400	4,133
Charges from financial institutions	3,644	4,425
Performance bond and deposit paid in cash	6,711	7,226
Total	85,860	94,773

(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	5,309	7,300

Third party entity repayments	1,984	303
Decrease in restricted bank deposits	49,562	34,240
Others	579	363
Total	57,434	42,206

Information on other cash received related to investment activities

Cash received related to other investment activities increased by 36.08% compared to the same period last year, mainly due to a decrease in the company's restricted funds during the reporting period.

(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	33,749	26,946
Advance payments to third-party entities	286	
Option proceeds		1,000
Increase in restricted bank deposits	30,191	24,129
Others	1	
Total	64,227	52,075

(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	15,805	13,314
Received bill discounts, bills maturity acceptance, bank acceptance bill deposit	71,728	49,615
Financing lease received		1,483
Others	1,185	
Total	88,718	64,412

Information on other cash received relating to financing activities

Cash received related to other financing activities increased by 37.74% compared to the same period last year, mainly due to an increase in discounted bills received by subsidiaries of the company during the reporting period.

(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	18,710	12,655
Share repurchase	185	10,067
Acquisition of shares under common control		6,177
Principal, rent rate and charges from financial lease	6,377	21,897
Others	3,021	2,963
Total	28,293	53,759

Information on other cash paid relating to financing activities

The cash payments related to other financing activities decreased by 47.37% compared to the same period last year, mainly due to a decrease in financing lease payments by subsidiaries of the company and a decrease in cash payments for share repurchases during the reporting period.

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	479,882	436,980
Add: Assets impairment provision	-5,776	1,233
Credit impairment loss	16,161	9,185
Depreciation of fixed assets, loss of oil-gas assets, depreciation of Productive biological assets	172,800	156,886
Amortization of right-of-use assets	6,251	5,570
Amortization of intangible assets	33,860	30,140
Amortization of long-term prepaid expenses	7,995	6,381
Loss on disposal of fixed assets, intangible assets and other long-term assets (gain expressed with "-")	-235	1,288
Loss on scrapping of fixed assets (gain expressed with "-")	1,675	584
Loss on changes in fair value (gain expressed with "-")	90,612	10,486
Financing cost (gain expressed with in "-")	123,639	151,943
Investment loss (gain expressed with "-")	-201,599	-72,053
Decrease in deferred income tax assets (increase expressed with "-")	-12,028	-24,183
Increase in deferred income tax liabilities (decrease expressed with "-")	-11,040	7,461

Decrease in inventories (increase expressed with “-”)	-20,114	7,807
Decrease in operating receivables items (increase expressed with “-”)	257,664	243,015
Increase in operating payables items (decrease expressed with “-”)	-308,639	-230,621
Others		
Net amount of cash flow from operating activities	631,108	742,102
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	1,414,493	1,586,327
Less: Opening balance of cash	1,095,554	1,241,341
Add: Closing balance of cash equivalents		
Less: Opening balance of cash equivalents		
Net increase in cash and cash equivalents	318,939	344,986

(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	
Less: Cash and cash equivalents held by subsidiaries on the date of purchase	
Add: Cash or cash equivalents paid in current period for business combinations incurred in previous periods	2,946
Shuangcheng Zhongqing Gas Co., Ltd	2,946
Net cash paid to acquire subsidiaries	2,946

(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	50
Lanzhou Xinao Zhicheng Gas Co., Ltd	50
Less: Cash and cash equivalents held by subsidiaries on the date of losing control	
Lanzhou Xinao Zhicheng Gas Co., Ltd	

Add: Cash or cash equivalents received in current period from disposal of subsidiaries incurred in previous periods	
Net cash received from disposal of subsidiaries	50

(4). Composition of cash and cash equivalents

√ Applicable □ N/A

Unit: RMB '0000 Currency: RMB

Item	Closing balance	Opening balance
I. Cash	1,414,493	1,095,554
Including: Cash on hand	103	926
Bank deposits readily available for payment	1,067,187	787,400
Other monetary capital readily available for payment	11,648	22,111
Deposits with central bank available for payment		
Inter-bank deposits	335,555	285,117
Inter-bank offers		
II. Cash equivalents		
Including: Bond investment due within three months		
III. Closing balance of cash and cash equivalents	1,414,493	1,095,554
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

90. Assets with restricted ownership or use right

√ Applicable □ N/A

Unit: RMB '0000 Currency: RMB

Item	Closing book value	Reasons for restriction
Monetary fund	94,002	Legal reserves deposited in the central bank, bank acceptance bill margin, etc.
Fixed assets	22,229	Loan mortgage
Intangible assets	26,214	Loan mortgage
Trading financial assets	15,542	Pledge of structural deposits

Total	157,987	/
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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 RMB 474 million and bank acceptance margins amounting to RMB 59 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.

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	44,685	7.2258	322,887
EUR	32	7.8771	251
HKD	7,204	0.9220	6,643
AUD	19	4.7992	93
CAD	150	5.4721	822
GBP	2	9.1432	21
SGD	163	5.3442	870
Accounts receivable			
Including: USD	482	7.2258	3,484
Other receivables			
Including: USD	6,391	7.2258	46,182
Accounts payable			
Including: USD	9,469	7.2258	68,421
Other payables			
Including: USD	1,907	7.2258	13,783
Short-term borrowings			
Including: USD	2,500	7.2258	18,065
Bonds payable			
Including: USD	199,214	7.2258	1,439,478

(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

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 RMB 347.89 million, and the fair value of the liabilities for foreign exchange derivative contracts and commodity derivatives contracts was RMB 366.00 million. The pre-tax loss of cash flow hedge reserve included in other comprehensive revenue in the current period was RMB 230.81 million and expected to be progressively transferred to the income statement after the balance sheet date.

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	2,184	Other income	27
Government subsidy on induced draft fan and integral electric bag hybrid dust removing device	204	Other income	15
Special subsidy on power demand side	16	Other income	5
Water pollution prevention and treatment fund	73	Other income	18
Industrial internet innovation and development demonstration project	10	Other income	2
Subsidies on replacing coal with gas	22,900	Other income	427
Subsidies on pipeline network demolition and construction	6,373	Other income	132
Subsidies on emergency gas storage facilities	9,570	Other income	62
Subsidies on pipeline modification	22,520	Other income	598
Subsidies on land	2,639	Other income	42
Subsidies on distributed energy project of natural gas	3,396	Other income	91
Energy station projects	618	Other income	70
Xinchaoyang integrated microenergy network demonstration project	920	Other income	21
Subsidies on new passenger station project	541	Other income	60
Subsidies on phasing out coal-fired heating boilers	3,123	Other income	69
Renovation of old urban residential communities	6,716	Other income	1,991
Subsidies on guaranteed supply	22,263	Operating cost	23,660
Subsidy for change from bottle to pipe	1,934	Other income	20
SOFC co-generation project	670	Other income	
Natural gas receiving terminal project	2,309	Other income	60
Government interest subsidies	201	Financing cost	201
Value Added Tax refund	2,348	Other income	2,348
Government subsidies directly included in profit or loss	25,923	Other income	25,923
Refund of import Value Added Tax	20,184	Operating cost	20,184
Others	22,710	Other income	787
Total	180,345		76,813

(2). Return of government subsidies

□ Applicable √ N/A

94. Others

□ 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 acquisition	Criteria for determining the date of acquisition	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
Tianjin United Chemical Commodity Trading Center Co., Ltd.	November 28, 2022	2,625	80	Acquisition	January 5, 2023	Complete handover and actually constitute control		
Haining Xinxin Natural Gas Co., Ltd	May 17, 2023	8,442	100	Acquisition	May 17, 2023	Complete registration of equity change		-12

(2). Combination cost and goodwill

√ Applicable □ N/A

Unit: RMB '0000 Currency: RMB

Cost of combination	Tianjin United Chemical Commodity Trading Center Co., Ltd.	Haining Xinxin Natural Gas Co., Ltd
-- Cash	1	
-- Fair value of non-cash assets		5,065

-- Fair value of debt issued or assumed	2,624	
-- Fair value of equity securities issued		
-- Fair value of contingent consideration		
-- Fair value of shares on the date of acquisition that are held by the Company prior to the date of acquisition		3,377
-- Others		
Total combination costs	2,625	8,442
Less: Share of fair value of identifiable net assets acquired	2,625	8,442
Goodwill/amount of combination cost lower than the share of fair value of identifiable net assets acquired		

(3). Identifiable assets and liabilities of the acquiree at the date of acquisition

√ Applicable □ N/A

Unit: RMB '0000 Currency: RMB

	Tianjin United Chemical Commodity Trading Center Co., Ltd.		Haining Xinxin Natural Gas Co., Ltd	
	Fair value on date of acquisition	Book value on date of acquisition	Fair value on date of acquisition	Book value on date of acquisition
Assets:	3,281	3,281	11,811	10,861
Monetary fund			583	583
Prepayments			137	137
Other receivables	3,281	3,281	6	6
Inventories			1	1
Other current assets			340	340
Long-term equity investment			5,000	5,000
Fixed assets			1,439	917
Construction			3,460	3,460

in progress				
Intangible assets			845	417
Liabilities:			3,369	3,369
Accounts payable			64	64
Advance receipts			191	191
Other payables			3,114	3,114
Net assets	3,281	3,281	8,442	7,492
Less: Minority interest	656	656		
Net assets acquired	2,625	2,625	8,442	7,492

Methods for determining the fair value of identifiable assets and liabilities:

No

Contingent liabilities of the acquiree assumed in a business combination:

No

Other information:

No

(4). Gains or losses arising from the re-measurement of the equity interest held before the date of acquisition 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

Unit: RMB '0000 Currency: RMB

Name of acquiree	Book value on the date of acquisition of equity held prior to the date of acquisition	Fair value on the date of acquisition of equity held prior to the date of acquisition	Gains or losses arising from the re-measurement of the equity held prior to the date of acquisition according to the fair value	Method for determination of the fair value on the date of acquisition of equity held prior to the date of acquisition and main assumptions	Amount of investment income converted from other comprehensive income related to the equity held prior to the date of acquisition
Haining Xinxin Natural	2,409	3,377	968	The fair value determined by this equity acquisition	

Gas Co., Ltd					
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(5). Description of the situation where it is impossible to reasonably determine the combination consideration or the fair value of the identifiable assets and liabilities of the acquiree on the date of acquisition or at the end of the combination period

☐ Applicable ☒ N/A

(6). Other information

☐ Applicable ☒ N/A

2. Business combination under common control

☐ Applicable ☒ N/A

3. Reverse acquisition

☐ Applicable ☒ N/A

4. Disposal of subsidiaries

Whether the Company lost its control over a subsidiary through one disposal

√ Applicable □ N/A

Unit: Yuan Currency: RMB

Name of subsidiary	Proceeds from equity disposal	Disposed share ratio (%)	Way of disposal	Time of control loss	Criteria for determining the time of control loss	Difference between the proceeds from disposal and the share of net assets of the subsidiary entitled to the consolidated financial statements corresponding to the disposal investment	Ratio of remaining equity on the date of control loss (%)	Book value of remaining equity on the date of control loss	Fair value of the remaining equity on the date of control loss	Gains or losses from remeasuring the remaining equity with fair value	Method for determining the fair value of the remaining equity on the date of control loss and main assumptions	Amount of other comprehensive income related to the original subsidiary that is transferred to investment income
Yancheng Tinghu New Town smart home Co., Ltd.	133	100	Transfer of shares	January 9, 2023	Complete registration of equity change	80						
Yongdeng Xin'ao Energy Development Co., Ltd.	50	100	Transfer of shares	April 11, 2023	Complete registration of equity change	50						

Other information:

√ Applicable □ N/A

1. ENN (China) Gas Investment Co., Ltd., a subsidiary of the Company, entered into the *Equity Transfer Agreement of Yancheng Tinghu New City Smart Home Co., Ltd.* with Yancheng Mingren Smart Home Co., Ltd, selling 100% of the equity of Yancheng Tinghu New City Smart Home Co., Ltd. at a transaction price of 1.33 million yuan. Yancheng Tinghu New Town Smart Home Co., Ltd. completed the industrial and commercial change registration on January 9, 2023, and the Company received the equity transfer price paid by the counterparty of 1.33 million yuan. The Company no longer holds the equity of Yancheng Tinghu New City Smart Home Co., Ltd., and no longer includes Yancheng Tinghu New City Smart Home Co., Ltd., within the scope of consolidation.

2. Tianjin ENN Gas Development Co., Ltd., a subsidiary of the Company, entered into the *Equity Transfer Agreement of Yongdeng ENN Energy Development Co., Ltd.* with Gansu Xinkong Energy Group Co., Ltd., selling 100% of the equity of Yongdeng ENN Energy Development Co., Ltd. at a transaction price of 0.5

million yuan. Yongdeng ENN Energy Development Co., Ltd. completed the industrial and commercial change registration on April 11, 2023, and the Company received the equity transfer price of 0.5 million yuan paid by the counterparty. The Company no longer holds equity in Yongdeng ENN Energy Development Co., Ltd. and no longer includes Yongdeng ENN Energy Development Co., Ltd. in the scope of consolidation.

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

ENN New Energy (Hebei) Natural Gas Co., Ltd.	ENN New Energy (Jiangsu) Energy Trading Co., Ltd.
ENN New Energy (Shandong) Energy Trading Co., Ltd.	ENN New Energy (Langfang) Natural Gas Co., Ltd.
ENN New Energy (Fujian) Energy Trading Co., Ltd.	Xinan County Xinrui Photovoltaic Energy Co., Ltd.
Qinzhou ENN Clean Energy Co., Ltd.	Rudong ENN Pipeline Natural Gas Co., Ltd.
Ningxiang Xinrui New Energy Co., Ltd.	Tonglu ENN Rui Energy Development Co., Ltd.
Boai Xinrui Energy Development Co., Ltd.	Qingdao Xinrong Energy Development Co., Ltd.
Shangrao ENN Energy Development Co., Ltd.	Haining ENN Smart City Technology Co., Ltd.
Yunfu ENN Energy Development Co., Ltd.	Haiyan ENN Smart City Technology development Co., Ltd.
Jiangsu ENN Natural Gas Pipeline Network Co., Ltd.	Quanjiao ENN Smart City Technology Co., Ltd.
Ruyang Xinrui Energy Development Co., Ltd.	Suqian ENN City Energy Development Co., Ltd.
Longyou ENN Xinrui Energy Development Co., Ltd.	Lishui Xinrui Photovoltaic Energy Co., Ltd.
Luoding ENN Energy Development Co., Ltd.	Linying Xinrui Energy Development Co., Ltd.
Fuyang Fuao New Energy Development Co., Ltd.	Shenzhen ENN Energy Sales Co., Ltd.
Shenyang Shenbei New District Xinheng Energy Development Co., Ltd.	Wenling ENN Rui Energy Development Co., Ltd.
Ningling Xinrui Energy Development Co., Ltd.	

(2) Subsidiaries canceled during the year

Taizhou ENN Energy Development Co., Ltd.	Bozhou Chuangzhi New Energy Co., Ltd.
Jinchang ENN Energy Development Co., Ltd.	Shanghai Xinsheng Cultural Products Co., Ltd.
Lianyungang Xinaogang Clean Energy Co., Ltd.	

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	Place of registration	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

Description of the situation where the shareholding ratio in the subsidiary is different from the proportion of voting rights:

No

Basis for holding half or less of the voting rights but still controlling the invested entity, and holding more than half of the voting rights but not controlling the invested entity:

No

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	Shareholding 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	310,573	155,217	291,030
ENN (China) Gas Investment Co., Ltd.	67.36	19,350	133,688	813,361

Description of situation where the minority shareholders of subsidiaries enjoy voting rights different from their shareholding ratio:

□ Applicable √ N/A

Other information:

□ Applicable √ N/A

(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	300,589	1,665,908	1,966,497	597,446	937,000	1,534,446	12,549	1,562,053	1,574,602	587,560	902,601	1,490,161
ENN (China) Gas Investment Co., Ltd.	1,280,105	1,969,219	3,249,324	1,507,403	534,436	2,041,839	1,278,640	1,966,768	3,245,408	1,381,447	485,836	1,867,283

Name of subsidiary	Amount incurred in current period				Amount incurred in previous period			
	Operating income	Net Profit	Total comprehensive income	Cash flow from operating activities	Operating income	Net Profit	Total comprehensive income	Cash flow from operating activities
ENN Energy Holdings Limited		461,064	455,520	-675	386	-50,258	-50,258	-788
ENN (China) Gas Investment Co., Ltd.	31,861	28,726	28,726	4,956	31,309	37,756	37,756	-2,117

(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

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 of the changes in the share of the owner's equity in the subsidiary

√ Applicable □ N/A

Order Number	Corporate Name	Original shareholding ratio (%)		Original shareholding ratio (%)		Reason for change
		Direct	Indirect	Direct	Indirect	
1	ENN Energy Holdings Limited		32.64		32.64	Exercise of stock incentive objects
2	Guangdong Xinzhi Energy Service Co., Ltd.		21.22		32.64	Acquisition of minority shareholders' equity
3	Changzhou ENN Tongren Gas Equipment Co., Ltd.		15.67		19.58	Acquisition of minority shareholders' equity
4	Haining ENN Gas Co., Ltd.		26.11		24.25	Passive dilution of shares and disposal of partial equity
5	Good Buy Gas E-commerce Co., Ltd.		32.64		51.00	Internal equity transfer and disposal of partial equity

(2). Effect from the transaction on minority interest and equity attributable to the parent company

√ Applicable □ N/A

Unit: RMB' 0000 Currency: RMB

	ENN Energy Holdings Limited	Guangdong Xinzhi Energy Service Co., Ltd.	Changzhou ENN Tongren Gas Equipment Co., Ltd.	Haining ENN Gas Co., Ltd.	Good Buy Gas E-commerce Co., Ltd.
Purchase cost/disposal consideration					
-- Cash		498	40	733	49
-- Fair value of non-cash assets					
Total purchase cost/disposal consideration		498	40	733	49
Less: Share of net assets of the subsidiary calculated according to acquired/disposed equity ratio	628	477	43	2,746	-779
Difference	-628	21	-3	-2,013	828
Including: Adjusted capital reserve	-628	21	-3	-2,013	828
Adjusted surplus reserve					
Adjusted undistributed profit					

Other information

□ Applicable √ N/A

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
Joint ventures:		
Total book value of investments	288,312	283,814
Sum of the following items according to share proportion		
-- Net profit	415	1,907
-- Other comprehensive income		
-- Total comprehensive income	415	1,907
Associates:		
Total book value of investments	323,102	318,295
Sum of the following items according to share proportion		
-- Net profit	8,183	12,483
-- Other comprehensive income		
-- Total comprehensive income	8,183	12,483

(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.	395	-29	366
Luoyang Tongyu ENN CBM Transmission and Distribution Co., Ltd	1,942		1,942
Weichang Manchu and Mongolian Autonomous	276	25	301

County ENN Automobile Gas Co., Ltd.			
Yancheng Guoneng ENN Energy Development Co., Ltd.	602	330	932
Xinxiang ENN Lihua Energy Development Co., Ltd.		334	334
Total	3,215	660	3,875

(7). Unrecognized commitments related to investment in joint ventures

☐ Applicable ☒ N/A

(8). Contingent liabilities related to the investment in joint ventures or associates

☐ Applicable ☒ N/A

4. Significant joint operations

☐ Applicable ☒ N/A

5. Equity in structured entities that is not included in the consolidated financial statements

Description of structured entities that is not included in the 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, domestic and foreign 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 payables.

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

Item	Closing balance	Opening balance
Financial assets		
Financial assets measured at fair value through current profit or loss	676,148	724,945
Financial assets measured at fair value through other comprehensive income	109,439	117,161
Financial assets measured at amortized value	2,329,610	2,225,833

Financial liability		
Financial liabilities measured at fair value through current profit or loss	145,770	106,757
Other financial liabilities	5,656,028	5,245,115

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 party. 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 June 30, 2023, 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.

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-5/6/9/10/12/15/16/17/19" 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.

(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 June 30, 2023, 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 June 30, 2023, 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 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			
	Level 1 fair value measurement	Level 2 fair value measurement	Level 3 fair value measurement	Total
I. Continuous fair value measurement				
(I) Financial assets held for trading	15,287	226,027	434,835	676,149
1. Financial assets measured at fair value through current profit or loss		226,027	15,542	241,569
(1) Debt instrument investment			15,542	15,542
(2) Equity instrument investment				
(3) Derivative financial assets		226,027		226,027
2. Financial assets that are designated to be measured at fair value through current profit and loss	15,287		419,293	434,580

(1) Debt instrument investment				
(2) Equity instrument investment	15,287		419,293	434,580
Including: Shanghai Dazhong Public Utilities (Group) Co., Ltd.	15,255			15,255
Sinopec Sales Co., Ltd.			417,000	417,000
Chenzhou Jingui Silver Industry Co., Ltd.	32			32
Other non-listed equity investments - measured at fair value through profit and loss			2,293	2,293
(II) Other debt investments				
(III) Other equity instrument investments	8,798		16,758	25,556
Jiaxing Gas Group Co., Ltd.	8,798			8,798
Other non-listed equity investments measured at fair value through other comprehensive income			16,758	16,758
(IV) Accounts receivable financing			83,884	83,884
(V) Investment properties			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				
(VI) Biological assets				
1. Consumable biological assets				
2. Productive biological assets				
Total assets continuously measured at fair value	24,085	226,027	563,109	813,221
(VII) Financial liabilities held for trading	158	145,611		145,769
1. Financial liabilities measured at fair value through current profit and loss	158	145,611		145,769
Including: Trading bonds issued				
Derivative financial liabilities	158	122,938		123,096
Others				
Derivative financial liabilities that are included in other non-current liabilities		22,673		22,673
2. Financial liabilities that are designated to be measured at fair value through profit and loss				
Total liabilities continuously measured at	158	145,611		145,769

fair value				
II. Non-continuous fair value measurement				
(I) Held-for-sale assets				
Total assets not continuously measured at fair value				
Total liabilities not continuously measured at fair value				

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 stock market quotes
Derivative financial liabilities-futures	Fair value is determined on the basis of stock 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	(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.
	(2) Options are valued with the BlackScholes model: Fair value is estimated at exercise price, commodity price, maturity, volatility and risk-free interest rate.
Other derivative financial liabilities	(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.
	(2) Options are valued with the BlackScholes model: Fair value is estimated at exercise price, commodity price, maturity, volatility and risk-free interest rate.

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 price multiples of similar assets traded in the market
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

8. Fair value of financial assets and financial liabilities not measured at fair value

☐ Applicable ☒ N/A

9. Others

☐ Applicable ☒ N/A

XII. Related Party and Related Party Transactions

1. Parent company of the Company

☒ Applicable ☐ N/A

Unit: USD '0000 Currency: USD

Name of the Parent Company	Place of registration	Nature of business	Registered capital	Ratio of the parent company's shareholding in the Company (%)	Proportion of voting rights of the parent company to the Company (%)
ENN GROUP INTERNATIONAL INVESTMENT LIMITED	British Virgin Islands	Controlling investment	5	44.24	44.24

The ultimate controller of the Company is Wang Yusuo.

2. Subsidiaries of the Company

Please refer to the Notes IX. Rights and Interests in Other Entities for details of the subsidiaries of this enterprise

☐ Applicable ☒ N/A

3. Joint ventures and associates of the Company

Please refer to the Notes IX. Rights and Interests in Other Entities for details of important joint ventures or associates of the enterprise

☐ Applicable ☒ N/A

The information on 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 Company
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
Chizhou Qianjiang Gas Co., Ltd.	Associate
Dingzhou Kunlun ENN Energy Development Co., Ltd.	Associate
Dongguan Haofeng ENN Energy Co., Ltd.	Joint venture
Guangxi Beibu Gulf ENN Gas Development Co., Ltd.	Associate
Guangxi Yilongyuan Electricity Distribution Co., Ltd.	Associate
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
Henan Zhongyuan Natural Gas Development Co., Ltd.	Joint venture
Huzhou Nanxun Xin' ao Gas Co., Ltd.	Associate
Huzhou Gas Co., Ltd.	Associate

Huai' an Zhongyou Tianhuai Gas Co., Ltd.	Joint venture
Jiangxi Poyang Lake LNG Co., Ltd.	Joint venture
Jinhua Gaoya Natural Gas Co., Ltd.	Joint venture
Langfang ENN Longyu Clean Energy Co., Ltd.	Joint venture
Lianyungang Chengxin Gas Co., Ltd.	Joint venture
Lianyungang Zhongxin Gas Co., Ltd.	Associate
Liaocheng Shihua Natural Gas Co., Ltd.	Joint venture
Linyi Zhongfu Natural Gas Development and Utilization Co., Ltd.	Associate
Luoyang Hongxin Gas Co., Ltd.	Joint venture
Ningbo ENN Automobile Energy Co., Ltd.	Joint venture
Qinzhou PetroChina Kunlun Gas Co., Ltd.	Associate
Quzhou ENN Sinopec Automobile Gas Co., Ltd.	Joint venture
Shandong Luxin Natural Gas Co., Ltd.	Associate
Shanxi Hengjing Energy Co., Ltd.	Joint venture
Shantou Huarun ENN Gas Co., Ltd.	Associate
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
Shanghai Zhuoxiao Energy Technology Co., Ltd.	Associate
Shenzhen ENN Shipping Co., Ltd.	Joint venture
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 City Gas Development 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
Wenshan Yuntou ENN Gas Co., Ltd.	Joint venture
Xinsheng Natural Gas Sales Co., Ltd.	Associate
Xuyi Guolian ENN Natural Gas Pipeline Network Co., Ltd.	Associate
Yantai ENN Gas Development Co., Ltd.	Joint venture
Yantai ENN Industry Co., Ltd.	Joint venture
Yancheng Guoneng ENN Energy Development Co., Ltd.	Associate
Yancheng Guotou Natural Gas Pipeline Network Co., Ltd.	Associate

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
Zhanjiang Zhongyou ENN Natural Gas Co., Ltd.	Associate
Changsha Xinneng Automobile Gas Co., Ltd.	Associate
Changsha Xinao Great Wall Energy Co., Ltd.	Joint venture
Zhejiang Xinyongzhou Logistics Co., Ltd	Associate
Chongqing Longran Energy Technology Co., Ltd.	Associate
Chongqing Changdian Fuxin Natural Gas 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

Haining Xinxin Natural Gas Co., Ltd. was changed from a joint venture to a subsidiary of the Company on May 17, 2023.

4. Other related parties

√ Applicable □ N/A

Name of other related parties	Relationship between other related parties and the Company
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
Kaixin Real Estate Development Management Co., Ltd.	Same actual controller
Langfang ENN Real Estate Development Co., Ltd.	Same actual controller
Langfang ENN Construction and Installation Engineering Co., Ltd.	Same actual controller
Langfang Yitongcheng Business Services Limited	Same actual controller
Shijiazhuang ENN Environmental Protection Technology Co., Ltd.	Same actual controller
Tianjin Xinzhi Sensing Technology Co., Ltd.	Same actual controller
ENN Gaoke Industry 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
Xin'ao 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
Xindi (Langfang) Landscaping Engineering 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
Xinyi Zhiye (Beihai) Co., Ltd.	Same actual controller
Xinzhi Cognitive Data Services 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

5. Related-party transactions

(1). Related-party transactions involving purchase or sale of goods and provision or acceptance of services

Table of purchase of goods/acceptance of 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
Anhui Wanneng ENN Natural Gas Co., Ltd.	Purchase of equipment, materials and gas		N/A	N/A	1,896
Baoding ENN Gas Co., Ltd.	Purchase of equipment, materials and gas	1,802	N/A	N/A	733
Guangxi Beibu Gulf ENN Gas Development Co., Ltd.	Purchase of equipment, materials and gas	4,665	N/A	N/A	
Haining Xinxin Natural Gas Co., Ltd.	Purchase of equipment, materials and gas	34,889	N/A	N/A	65,882
Hebei PetroChina Kunlun Natural Gas Co., Ltd.	Purchase of equipment, materials and gas	69,128	N/A	N/A	71,497
Henan Jingbao ENN New Energy Co., Ltd.	Purchase of equipment, materials and gas	5,386	N/A	N/A	7,028

Jinhua Gaoya Natural Gas Co., Ltd.	Purchase of equipment, materials and gas	205	N/A	N/A	7,631
Lianyungang Zhongxin Gas Co., Ltd.	Purchase of equipment, materials and gas	21,792	N/A	N/A	15,633
Liaocheng Shihua Natural Gas Co., Ltd.	Purchase of equipment, materials and gas	18,428	N/A	N/A	18,536
Linyi Zhongfu Natural Gas Development and Utilization Co., Ltd.	Purchase of equipment, materials and gas	3,565	N/A	N/A	921
Shandong Luxin Natural Gas Co., Ltd.	Purchase of equipment, materials and gas	1,539	N/A	N/A	1,225
Shanxi Hengjing Energy Co., Ltd.	Purchase of equipment, materials and gas	24,988	N/A	N/A	
Shijiazhuang Kunlun Xin'ao Gas Co., Ltd.	Purchase of equipment, materials and gas	18,636	N/A	N/A	19,449
Taizhou City Natural Gas Co., Ltd.	Purchase of equipment, materials and gas	9,773	N/A	N/A	10,878
Zhanjiang Zhongyou ENN Natural Gas Co., Ltd.	Purchase of equipment, materials and gas	1,017	N/A	N/A	1,582
Changsha Xinao Great Wall Energy Co., Ltd.	Purchase of equipment, materials and gas	3,782	N/A	N/A	
Zhoushan Lanyan Gas Co., Ltd.	Purchase of equipment, materials and gas	1,558	N/A	N/A	
Shanghai 3040 Technology Co., Ltd.	Purchase of equipment, materials and gas	5,268	17,000	No	2,646
Shanghai Petroleum and Natural Gas Trading Center Co., Ltd.	Purchase of equipment, materials and gas			No	6
Subsidiary controlled by the Company's actual controller	Purchase of equipment, materials and gas	3,699	23,700	No	434
Subsidiary controlled by the Company's actual controller	Acceptance of project construction	218	3,600	No	180
Anhui Wanneng ENN Natural Gas Co., Ltd.	Acceptance of technology and integrated services	2,933	N/A	N/A	
Zhejiang Xinyongzhou Logistics Co., Ltd	Acceptance of technology and integrated services	1,442	N/A	N/A	1,597

Shenzhen ENN Shipping Co., Ltd.	Acceptance of technology and integrated services	2,119	N/A	N/A	
Shanghai Petroleum and Natural Gas Trading Center Co., Ltd.	Acceptance of technology and integrated services	4	400	No	8
Subsidiary controlled by the Company's actual controller	Acceptance of technology and integrated services	21,905	98,725	No	28,502
Others-Amount of transactions of which detail items are not listed		6,064	N/A	N/A	3,645

Table of sale of goods/provision of services

√ 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	737	4,210
Guangxi Beibu Gulf ENN Gas Development Co., Ltd.	Design, construction and sale of materials and supplies	2,345	171
Huzhou Nanxun Xin' ao Gas Co., Ltd.	Design, construction and sale of materials and supplies	1,535	
Taizhou City Natural Gas Co., Ltd.	Design, construction and sale of materials and supplies		2,314
Subsidiary controlled by the Company's actual controller	Design, construction and sale of materials and supplies	664	1,348
Subsidiary controlled by the Company's actual controller	Provision of technology and integrated services	9,011	6,846
Anhui Wanneng ENN Natural Gas Co., Ltd	Sale of gas and other goods	853	2,185
Baoding ENN Gas Co., Ltd.	Sale of gas and other goods	8,955	5,441
Chenzhou Sanxiang ENN Clean Energy Co., Ltd.	Sale of gas and other goods		1,977
Dingzhou Kunlun ENN Energy Development Co., Ltd.	Sale of gas and other goods	1,027	348
Dongguan Haofeng ENN Energy Co., Ltd.	Sale of gas and other goods	4,317	3,339
Guangxi Beibu Gulf ENN Gas Development Co., Ltd.	Sale of gas and other goods	1,047	2,836
Haining Xinxin Natural Gas Co., Ltd.	Sale of gas and other goods	1,624	2,040
Huzhou Nanxun Xin' ao Gas Co., Ltd.	Sale of gas and other goods	23,478	1,539
Huzhou Gas Co., Ltd.	Sale of gas and other goods	57	46,959
Huai'an Zhongyou Tianhuai	Sale of gas and other goods	8,399	6,232

Gas Co., Ltd.			
Jiangxi Poyang Lake LNG Co., Ltd.	Sale of gas and other goods	3,134	417
Lianyungang Chengxin Gas Co., Ltd.	Sale of gas and other goods	2,092	257
Lianyungang Zhongxin Gas Co., Ltd.	Sale of gas and other goods	21,029	22,059
Linyi Zhongfu Natural Gas Development and Utilization Co., Ltd.	Sale of gas and other goods	1,158	935
Ningbo ENN Automobile Energy Co., Ltd.	Sale of gas and other goods	348	1,324
Shandong Luxin Natural Gas Co., Ltd.	Sale of gas and other goods		1,735
Shanxi Hengjing Energy Co., Ltd.	Sale of gas and other goods	23,102	
Shantou Huarun ENN Gas Co., Ltd.	Sale of gas and other goods	3,668	7,465
Shijiazhuang Kunlun ENN Gas Co., Ltd.	Sale of gas and other goods	17,683	19,617
Shijiazhuang Gaocheng District Zhongran Xiangke Gas Co., Ltd.	Sale of gas and other goods	2,944	1,409
Shijiazhuang Luquan District Kunlun ENN Gas Co., Ltd.	Sale of gas and other goods	299	1,560
Shijiazhuang ENN Zhonghong Gas Co., Ltd.	Sale of gas and other goods	1,711	2,740
Wenshan Yuntou ENN Gas Co., Ltd.	Sale of gas and other goods	1,690	8,638
Yantai ENN Gas Development Co., Ltd.	Sale of gas and other goods	8,130	8,333
Yantai ENN Industry Co., Ltd.	Sale of gas and other goods	704	1,663
Yunnan Yuntou Xin' ao Gas Co., Ltd.	Sale of gas and other goods	2,057	2,563
Zhanjiang Zhongyou ENN Natural Gas Co., Ltd.	Sale of gas and other goods	598	2,080
Changsha Xinneng Automobile Gas Co., Ltd.	Sale of gas and other goods	305	1,885
Chongqing Longran Energy Technology Co., Ltd.	Sale of gas and other goods	938	
Zhoushan North Lanyan Island Gas Co., Ltd.	Sale of gas and other goods	13,685	5,795
Zhoushan Lanyan Qiandao Industrial Gas Co., Ltd.	Sale of gas and other goods	5,180	11,535
Zhoushan Lanyan Gas Co., Ltd.	Sale of gas and other goods	1,147	9,687
Subsidiary controlled by the Company's actual controller	Sale of gas and other goods	1,874	1,235
Others - The amount of transactions of which detail items are not listed		6,778	13,113

Description of related-party transactions involving purchase or sale of goods and provision or acceptance of services

☐ Applicable ☒ N/A

(2). Related trusteeship/contracting and entrusted management/outsourcing

Table of trusteeship/contracting of the Company:

☐ Applicable ☒ N/A

Information on related trusteeship/contracting

☐ Applicable ☒ N/A

Table of the Company's entrusted management/outsourcing:

☒ Applicable ☐ N/A

Unit: RMB' 0000 Currency: RMB

Name of principal/outsourcer	Name of trustee/contractor	Type of entrusted/contracted assets	Starting date of trusteeship/contracting	End date of trusteeship/contracting	Basis for determining trustee fee/contracting fee	Trustee fee/contracting fee recognized in the current period
Xinneng Energy Co., Ltd.	BeijingYongxin Environmental Protection Co., Ltd.	Other trusted assets	2023/1/1	2023/12/31	Trusteeship contract	1,886

Information on related management/outsourcing

☐ Applicable ☒ N/A**(3). Information on related-party lease**

The Company as a lessor:

☒ Applicable ☐ N/A

Unit: RMB' 0000 Currency: RMB

Name of lessee	Type of asset for lease	Rental income recognized in current period	Rental income recognized in previous period
Subsidiary controlled by the Company's actual controller	Houses / Equipment	198	368
Quzhou ENN Sinopec Automobile Gas Co., Ltd.	Houses	33	33
Wenshan Yuntou ENN Gas Co., Ltd.	Houses		9
Changsha Xinao Great Wall Energy Co., Ltd.	Houses	2	
Chizhou Qianjiang Gas Co., Ltd.	Houses	1	

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
Henan Zhongyuan Natural Gas Development Co., Ltd.	Houses	19									
Lianyungang Zhongxin Gas Co., Ltd.	Equipment	92									
Guangxi Beibu Gulf ENN Gas Development Co., Ltd.	Houses	1									
Hebei Financial Leasing Co., Ltd.	Equipment						330		32		
Subsidiaries actually controlled by the Company	Houses / Equipment	261	253		14	232	353	3	22		398

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	Amount 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	1,835	2021/3/8	2025/12/31	No
Shijiazhuang Kunlun Xin'ao Gas Co., Ltd.	8,000	2,780	2019/10/15	2029/10/15	No
Jinhua City Gaoya Natural Gas Co., Ltd.	1,875		2012/12/24	2023/6/29	Yes

The Company as a guaranteed party

☒ Applicable ☐ N/A

Unit: RMB' 0000 Currency: RMB

Guarantor	Contract amount	Amount of guarantee	Starting date of guarantee	Expiration date of guarantee	Whether the guarantee has been fulfilled
Mr. Wang Yusuo and his wife	40,000	11,314	2020/9/27	2023/9/27	No
ENN Group Co., Ltd., ENN Investment Holdings Co., Ltd. and Mr. Wang Yusuo and his wife	241,000	111,148	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	50,200	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	112,400	2020/8/19	2035/12/31	No

Information on related-party guarantee

☐ Applicable ☒ N/A

(5). Related-party inter-bank borrowing and lending

√ Applicable □ N/A

Unit: RMB' 0000 Currency: RMB

Related party	Amount	Starting date	Due date	Description
Borrowing				
Yunnan Yuntou Xin'ao Gas Co., Ltd.	2,504	2020/9/15	2023/9/14	
Shanghai Kunlun ENN Clean Energy Co., Ltd.	2,554	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	
Guangxi Yilongyuan Electricity Distribution Co., Ltd.	1,104	2022/1/21	2023/2/28	
Yancheng Guotou Natural Gas Pipeline Network Co., Ltd.	21,884	2021/10/15	2024/10/14	
Shijiazhuang Blue Sky ENN Natural Gas Pipeline Network Co., Ltd.	3,489	2022/7/8	2023/7/7	
Lianyungang Chengxin Gas Co., Ltd.	1,512	2023/4/17	2024/3/21	
ENN Xinzhi Technology Co., Ltd.	5,018	2023/5/26	2024/5/25	
Lending				
Zhaoqing PetroChina Kunlun ENN Gas Co., Ltd.	446	2022/3/24	2023/3/23	
Zhaoqing PetroChina Kunlun ENN Gas Co., Ltd.	448	2023/3/24	2024/3/23	
Liaoning Liaoyou ENN Shengyu Natural Gas Co., Ltd.	96	2022/11/29	2023/11/28	
Liaoning Liaoyou ENN Shengyu Natural Gas Co., Ltd.	209	2022/11/29	2023/4/20	
Luoyang Hongxin Gas Co., Ltd.	824	2022/12/18	2023/12/18	
Weichang Manchu and Mongolian Autonomous County ENN Automobile Gas Co., Ltd.	301	2020/1/17	2023/1/16	
Weichang Manchu and Mongolian Autonomous County ENN Automobile Gas Co., Ltd.	306	2023/1/17	2024/1/16	
Weichang Manchu and Mongolian Autonomous County ENN Automobile Gas Co., Ltd.	1,340	2022/7/1	2023/6/30	
Yancheng Guoneng ENN Energy Development Co., Ltd.	819	2021/3/10	2024/3/10	
Yancheng Guoneng ENN Energy Development Co., Ltd.	1,024	2020/7/23	2023/7/22	
Shanghai Zhuoxiao Energy Technology Co., Ltd.	1,025	2022/9/16	2023/9/15	
Baoding ENN Gas Co., Ltd.	7,800	2022/12/1	2023/11/30	
Dongguan Haofeng ENN Energy Co., Ltd.	1,238	2022/3/29	2023/3/28	
Dongguan Haofeng ENN Energy Co., Ltd.	991	2023/3/29	2025/3/28	
Shijiazhuang Kunlun Xin'ao Gas Co., Ltd. Wuji Branch	1,500	2023/1/1	2023/12/31	

Related party	Amount	Starting date	Due date	Description
Shijiazhuang Kunlun Xin' ao Gas Co., Ltd. Shenze Branch	4,305	2023/1/1	2023/12/31	
Qinzhou PetroChina Kunlun Gas Co., Ltd.	1,906	2023/1/16	2028/1/15	
Qinzhou PetroChina Kunlun Gas Co., Ltd.	1,373	2023/1/16	2026/1/15	

(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 Xinzhi Technology Co., Ltd.	Sale of 49% equity in Good Buy Gas E-commerce Co., Ltd. held by ENN (China) Gas Investment Co., Ltd.	49	
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
Total		49	6,177

(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	1,004	1,302

(8). Other related-party transactions

√ Applicable □ N/A

Unit: RMB' 0000 Currency: RMB

Related party	Content of transaction	Amount	Start date	End date
Kaixin Real Estate Development Management Co., Ltd.	Provision of commercial factoring	39	2023/3/29	2023/4/3
Langfang ENN Real Estate Development Co., Ltd.	Provision of commercial factoring	132	2023/3/30	2023/6/14
Langfang ENN Real Estate Development Co., Ltd.	Provision of commercial factoring	23	2023/4/28	2023/6/30
Langfang ENN Real Estate Development Co., Ltd.	Provision of commercial factoring	26	2023/4/26	2023/6/1
Langfang ENN Real Estate Development Co., Ltd.	Provision of commercial factoring	41	2023/4/25	2023/7/10
Langfang ENN Real Estate Development Co., Ltd.	Provision of commercial factoring	89	2023/6/12	2023/11/29
Langfang ENN Construction and Installation Engineering Co., Ltd.	Provision of commercial factoring	104	2023/1/4	2023/3/16
Langfang ENN Construction and Installation Engineering Co., Ltd.	Provision of commercial factoring	8	2023/2/15	2023/4/16
Langfang ENN Construction and Installation Engineering Co., Ltd.	Provision of commercial factoring	18	2023/2/15	2023/4/16
Langfang ENN Construction and Installation Engineering Co., Ltd.	Provision of commercial factoring	19	2023/2/20	2023/5/18

Langfang ENN Construction and Installation Engineering Co., Ltd.	Provision of commercial factoring	91	2023/4/27	2023/7/17
Langfang ENN Construction and Installation Engineering Co., Ltd.	Provision of commercial factoring	48	2023/5/30	2023/6/29
Langfang Yitongcheng Business Services Limited	Provision of commercial factoring	35	2023/2/13	2023/2/16
Shijiazhuang ENN Environmental Protection Technology Co., Ltd.	Provision of commercial factoring	314	2023/1/17	2024/1/12
Shijiazhuang ENN Environmental Protection Technology Co., Ltd.	Provision of commercial factoring	56	2023/6/12	2023/6/28
ENN Technology Development Co., Ltd.	Provision of commercial factoring	41	2023/1/6	2023/6/12
ENN Technology Development Co., Ltd.	Provision of commercial factoring	92	2023/6/29	2023/7/12
ENN Shuneng Technology Co., Ltd.	Provision of commercial factoring	15	2023/4/27	2023/5/5
Xindi (Langfang) Landscaping Engineering Co., Ltd.	Provision of commercial factoring	257	2023/3/20	2023/9/11
Xinyi Zhiye (Beihai) Co., Ltd.	Provision of commercial factoring	227	2023/6/21	2023/12/18
Shanghai 3040 Technology Co., Ltd.	Provision of commercial factoring	98	2023/1/30	2023/2/6
Shanghai 3040 Technology Co., Ltd.	Provision of commercial factoring	7	2023/4/4	2023/4/17
Shanghai 3040 Technology Co., Ltd.	Provision of commercial factoring	15	2023/4/4	2023/4/17
Shanghai 3040 Technology Co., Ltd.	Provision of commercial factoring	452	2023/4/4	2023/4/17
Shanghai 3040 Technology Co., Ltd.	Provision of commercial factoring	262	2023/4/27	2023/5/15
Shanghai 3040 Technology Co., Ltd.	Provision of commercial factoring	1020	2023/4/27	2023/5/15

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.	1,183	11	443	4
Receivables	Baoding ENN Gas Co., Ltd.	19,177	393	17,507	210
Receivables	Bokang Intelligent Information Technology Co., Ltd.	875	2	334	
Receivables	Dingzhou Kunlun ENN Energy Development Co., Ltd.	1,260	15	839	34
Receivables	Dongguan Haofeng ENN Energy Co., Ltd.	1,786	195	2,064	201
Receivables	Guangxi Beibu Gulf ENN Gas Development Co., Ltd.	1,303	10	2,721	15
Receivables	Haining Xinxin Natural Gas Co., Ltd.			6,969	12

Receivables	Hebei PetroChina Kunlun Natural Gas Co., Ltd.	2,441	22	17,765	143
Receivables	Huai'an Zhongyou Tianhuai Gas Co., Ltd.	1,158		5	
Receivables	Jinhua Gaoya Natural Gas Co., Ltd.	996	9	979	
Receivables	Kaixin Real Estate Development Management Co., Ltd.	415	45	1,306	40
Receivables	Langfang ENN Real Estate Development Co., Ltd.	889	48	726	19
Receivables	Langfang ENN Construction and Installation Engineering Co., Ltd.	1,143	10	614	5
Receivables	Lianyungang Chengxin Gas Co., Ltd.	1,860	16	3,797	30
Receivables	Lianyungang Zhongxin Gas Co., Ltd.	169	7	1,268	12
Receivables	Liaocheng Shihua Natural Gas Co., Ltd.	2,638	4	2,340	
Receivables	Linyi Zhongfu Natural Gas Development and Utilization Co., Ltd.	808	9	351	3
Receivables	Luoyang Hongxin Gas Co., Ltd.	808	800	808	800
Receivables	Qinzhou PetroChina Kunlun Gas Co., Ltd.	3,225	64		
Receivables	Shanxi Hengjing Energy Co., Ltd.	5,298	42		
Receivables	Shanghai Kunlun ENN Energy Development Co., Ltd.	440	15	840	29
Receivables	Shanghai Petroleum and Natural Gas Trading Center Co., Ltd.	905	12	1,232	21
Receivables	Shanghai Zhuoxiao Energy Technology Co., Ltd.	1,000	20	1,000	20
Receivables	Shijiazhuang Airport Gas Co., Ltd.	858	49	782	167
Receivables	Shijiazhuang Kunlun ENN Gas Co., Ltd.	17,431	423	29,663	2,971
Receivables	Shijiazhuang Luquan District Kunlun ENN Gas Co., Ltd.	546	15	2,682	187
Receivables	Shijiazhuang ENN City Gas Development Co., Ltd.	515	5		
Receivables	Shijiazhuang ENN Zhonghong Gas Co., Ltd.	572	6	598	6
Receivables	Tianjin Xinzhi Sensing Technology Co., Ltd.	829	2	1,421	3
Receivables	Weichang Manchu and Mongolian Autonomous County ENN Automobile Gas Co., Ltd.	1,833	1,833	1,833	1,833
Receivables	Wenshan Yuntou ENN Gas Co., Ltd.	1,431	72	1,730	61
Receivables	ENN Science and Technology Development Co., Ltd.	1,314	5	8,010	85

Receivables	Xin'ao Cultural Industry Development Co., Ltd.	3,463	277	2,743	141
Receivables	Xinsheng Natural Gas Sales Co., Ltd.	1,258	3	800	2
Receivables	Xinyijia Insurance Surveyors & Loss Adjusters Co., Ltd.	768	7		
Receivables	Ennova Seven-Cultivations Hotel Management Co., Ltd.	882	32	454	6
Receivables	Xinzhi Cognitive Digital Technology Co., Ltd.	2,430		2,448	
Receivables	Yantai ENN Gas Development Co., Ltd.	1,788	19	1,576	18
Receivables	Yancheng Guoneng ENN Energy Development Co., Ltd.	1,809	54	1,802	50
Receivables	Yunnan Natural Gas Xuanwei ENN Gas Co., Ltd.	325	55	1,272	165
Receivables	Zhanjiang ENN Gas Highpressure Pipeline Network Co., Ltd.	789	17	789	17
Receivables	Changsha Xinao Great Wall Energy Co., Ltd.	955			
Receivables	Chongqing Longran Energy Technology Co., Ltd.	1,110	3	1,287	3
Receivables	Chongqing Changdian Fuxin Natural Gas Co., Ltd.	504		5	
Total of Other related parties that are not listed separately		8,949	410	8,345	440
Total		100,136	5,036	132,148	7,753

(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.	638	842
Payables	Baoding ENN Gas Co., Ltd.	1,992	1,990
Payables	Beijing Yongxin Environmental Protection Co., Ltd.	2,582	2,715
Payables	Bokang Intelligent Information Technology Co., Ltd.	11,466	4,368
Payables	Chenzhou Sanxiang ENN Clean Energy Co., Ltd.	988	604
Payables	Guangxi Beibu Gulf ENN Gas Development Co., Ltd.	7,576	1,367
Payables	Guangxi Yilongyuan Electricity Distribution Co., Ltd.	1,323	1,442
Payables	Huzhou Nanxun Xin'ao Gas Co., Ltd.	4,018	107
Payables	Huzhou Gas Co., Ltd.	952	1,017
Payables	Huai'an Zhongyou Tianhuai Gas Co., Ltd.	1,934	643
Payables	Langfang ENN Longyu Clean	1,119	1,170

	Energy Co., Ltd.		
Payables	Lianyungang Chengxin Gas Co., Ltd.	4,403	6,784
Payables	Liaocheng Shihua Natural Gas Co., Ltd.	17	1,096
Payables	Linyi Zhongfu Natural Gas Development and Utilization Co., Ltd.	4,393	877
Payables	Shantou Huarun ENN Gas Co., Ltd.	3,521	3,336
Payables	Shanghai Kunlun ENN Clean Energy Co., Ltd.	3,310	4,828
Payables	Shanghai 3040 Technology Co., Ltd.	3,241	2,691
Payables	Shanghai Sunshine Jiuhuan Energy Development Co., Ltd.		1,804
Payables	Shenzhen ENN Shipping Co., Ltd.	2,777	662
Payables	Shijiazhuang Kunlun ENN Energy Development Co., Ltd.	748	1,307
Payables	Shijiazhuang Kunlun ENN Gas Co., Ltd.	9,230	10,861
Payables	Shijiazhuang Blue Sky ENN Natural Gas Pipeline Network Co., Ltd.	3,486	3,486
Payables	Shijiazhuang Luquan District Kunlun ENN Gas Co., Ltd.	2,002	1,360
Payables	Shijiazhuang ENN Zhonghong Gas Co., Ltd.	793	1,283
Payables	Taizhou City Natural Gas Co., Ltd.	1,993	1,399
Payables	Tianjin Xinzhi Sensing Technology Co., Ltd.	3,578	2,463
Payables	Wenshan Yuntou ENN Gas Co., Ltd.	2,254	1,682
Payables	ENN Gaoke Industry Co., Ltd.	4,686	4,686
Payables	ENN Investment Holdings Co., Ltd.	5,575	5,575
Payables	ENN Shuneng Technology Co., Ltd.	6,671	6,522
Payables	Xin'ao Xinzhi Technology Co., Ltd.	6,171	1,161
Payables	Xinao Sunshine Yicai Technology Co., Ltd.	1,637	791
Payables	Xinzhi Cognitive Digital Technology Co., Ltd.	1,078	1,234
Payables	Xinzhi Wolai Network Technology Co., Ltd.	1,505	1,521
Payables	Xinzhi Cloud Data Services Co., Ltd.	5,647	4,410
Payables	Xuyi Guolian ENN Natural Gas Pipeline Network Co., Ltd.	6,209	6,944
Payables	Yantai ENN Gas Development Co., Ltd.	334	1,897
Payables	Yancheng Guotou Natural Gas Pipeline Network Co., Ltd.	18,749	21,500

Payables	Yancheng ENN Compressed Natural Gas Co., Ltd.	1,018	1,019
Payables	Yunnan Yuntou ENN Gas Co., Ltd.	3,023	3,071
Payables	Zhoushan Lanyan Gas Co., Ltd.	866	1,044
Total of other related parties that are not listed separately		11,158	13,093
Total		154,661	136,652

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	
Total amount of equity instruments exercised by the Company during the current period	295,600
Total amount of the Company's equity instruments expired during the current period	889,541
Scope of exercise price of the stock option issued by the Company at the end of the period and the remaining period of contract	HKD 40.34/till December 8, 2025 HKD 76.36/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	RMB 6.84-7.03/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 HKD 40.34 per share. As of the end of this period, the cumulative number of 6722150 shares in the batch equity plan

have been cancelled, 4594715 shares have been exercised, and 683135 shares have not been exercised yet.

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 HKD 76.36 per share. As of the end of this period, a total of 2424367 shares have been exercised, 4183167 shares have been invalidated, and 5720466 shares have not been exercised.

(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 the end of this period, 928,600 shares were awarded to designated board members and staff at the grant price of HKD 76.36 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 the end of this period, a total of 188,500 share options had been exercised under the cash-settled share incentive plan and 740,100 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.

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	16,639
Total amount of expenses recognized from equity-settled share-based payments	2,921

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	2,811
Total amount of expenses recognized in cash-settled share payments in the current period	185

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

Capital commitment

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	60,731	81,965
- Commitment on external investments	66,404	96,023
Including: Unrecognized commitments relating to investments in joint ventures and associates	66,244	68,275
Total	127,135	177,988

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

3. Sales return

□ Applicable √ N/A

4. Other post balance sheet events

√ Applicable □ N/A

As of the end of the reporting period, the pipeline gas franchise rights of the subsidiary of the company in the urban planning area of Changsha City, Hunan Province will expire at the end of August 2023. The company has submitted an application for the extension of franchise rights in accordance with the regulations of relevant government departments in Changsha City, Hunan Province, and as of the date of this announcement, the extension has not been completed.

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

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	3,314,574	1,315,353	321,102	418,825	741,612	187,944	282,444	60,250		6,642,104
Primary operation income from inter-division transactions	2,374,106	1,456,088	506,210	163,486	4,472	381,454	51,632	43,217	4,980,665	
Primary operation income of reporting division	5,688,680	2,771,441	827,312	582,311	746,084	569,398	334,076	103,467	4,980,665	6,642,104
Subtotal of primary operation cost from external transactions	2,952,059	1,234,963	254,150	234,975	647,530	67,079	257,295	48,083		5,696,134
Primary operation cost from inter-division transactions	2,426,512	1,438,753	516,090	149,900	6,531	375,545	51,787	17,451	4,982,569	
Primary operation cost of reporting division	5,378,570	2,673,716	770,241	384,875	654,062	442,624	309,082	65,533	4,982,569	5,696,134
Gross profit of reporting division	310,110	97,725	57,071	197,436	92,022	126,774	24,994	37,934	-1,904	945,970
Gross profit from external transactions	362,515	80,390	66,952	183,850	94,082	120,865	25,149	12,167		945,970
Classified assets	5,190,702	308,953	682,720	2,130,396	1,355,174	403,996	1,499,452	767,196	1,088,867	11,249,722
Classified liabilities	2,203,639	34,873	162,624	2,012,601	521,383	212,540	1,241,632	408,234	361,044	6,436,482

(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

According to the "2021 Restricted Stock Incentive Plan" announced by the company on January 21, 2021, the company's performance evaluation is based on the 2020 assessed profit. The net profit attributable to the parent company generated from operating activities is RMB 2,203.53 million, net of foreign currency asset liability exchange gains and losses, changes in the fair value of hedging products, provision for asset impairment, and amortization of stock incentive costs, totaling 1000.68 million yuan. The estimated profit for the company for the half year of 2023 is RMB 3,204.21 million.

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 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										
Bad debt provision made by portfolio	86	100	39	46	47	86	100	39	46	47
Total	86	/	39	/	47	86	/	39	/	47

Bad debt provision made individually:

☐ Applicable ☒ N/A

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		
More than five years	39	39	100
Total	86	39	46

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
Total	39					39

Major bad debt provisions 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

(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	54	
Top 2	39	46	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**2. Other receivables****Presentation of items**☒ Applicable ☐ N/A

Unit: RMB '0000 Currency: RMB

Item	Closing balance	Opening balance
Dividends receivable	413,331	170,586
Other receivables	757,291	652,754
Total	1,170,622	823,340

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**Dividends receivable****(1). Dividends receivable**☒ Applicable ☐ N/A

Unit: RMB '0000 Currency: RMB

Project (or investee)	Closing balance	Opening balance
Xinneng Mining Industry Co., Ltd.	237,320	91,500
ENN (Tianjin) Energy Investment Co., Ltd.	79,086	79,086
Xinneng (Hong Kong) Energy Investment Ltd	96,925	
Total	413,331	170,586

(2). Significant dividends receivable due beyond one year

√ Applicable □ N/A

Unit: RMB '0000 Currency: RMB

Project (or invested unit)	ending balance	Aging	Reason for non recovery	Whether impairment has occurred and its judgment basis
Top 1	41,500	1-2 years		no
Total	41,500	/	/	/

(3). Provision for bad debts

□ Applicable √ N/A

Other information:

□ Applicable √ N/A

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	302,656
One to two years	452,995
Two to three years	1,640
Three to five years	
More than five years	
Total	757,291

(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	757,134	652,601
Others	157	153
Total	757,291	652,754

(3). Provision for bad debts

□ Applicable □ √ N/A

(4). Accrual of bad debt provision

□ Applicable √ N/A

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

Write-off other receivables

☐ 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	425,309	Within one year, 1-2 years	56	
Top 2	Incoming and outgoing payments	127,511	Within one year, 1-2 years	17	
Top 3	Incoming and outgoing payments	61,880	Within one year	8	
Top 4	Incoming and outgoing payments	43,954	Within one year	6	
Top 5	Incoming and outgoing payments	34,888	Within one year	5	
Total	/	693,542	/	92	

(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	1,367,006		1,367,006	1,367,006		1,367,006

subsidiaries						
Investment in associates and joint ventures	4,230		4,230	4,624		4,624
Total	1,371,236		1,371,236	1,371,630		1,371,630

(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
Shanghai International Engineering Construction Consulting Co., Ltd.	871			871		
Xinneng Mining Industry Co., Ltd.	254,320			254,320		
Xinneng (Hong Kong) Energy Investment Co., Ltd.	498,182			498,182		
ENN (Langfang Airport FTZ) Natural Gas Sales Co., Ltd.	10,000			10,000		
ENN (Tianjin) Energy Investment Co., Ltd.	603,123			603,123		
Chongqing Xin'ao Longxin Clean Energy Co., Ltd.	510			510		
Total	1,367,006			1,367,006		

(2). Investment in associates and joint ventures

√ Applicable □ N/A

Unit: RMB '0000 Currency: RMB

Unit: RMB 0000 Currency: RMB

Investee	Open ing balan ce	Current increase or decrease changes								Closi ng balan ce	Closi ng balan ce of impai rment provi sion
		Addit ional inves tment	Redu ced inves tmen t	Investme nt gains and losses recogniz ed under the equity method	Adju stme nt to other comp rehen sive income	Cha nges in othe r equit y	Decl are to issue cash divid ends or profit	Accru al of impair ment provis ion	Oth ers		
I. Joint Venture											
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	

Other information

☐ Applicable ☒ N/A**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	242,745	
Income from long-term equity investment calculated by equity method	-394	1,063
Total	242,351	1,063

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	1,333	
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	32,997	
Gains or losses on debt restructuring	3,310	

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	90,785	
Reversed impairment provisions for receivables and contract assets subject to separate impairment tests	674	
Profits and losses obtained from external entrusted loans	443	
Other non operating income and expenses other than the above	3,643	
Other profit or loss items that meet the definition of non-recurring profit or loss		
Less: Effect of income tax	18,693	
Effect of minority stockholders' equity (after tax)	32,243	
Total	82,249	

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

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	11.76	0.71	0.71
Net profit attributable to common shareholders of the Company after deducting non-recurring gains and losses	7.37	0.45	0.45

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: August 24, 2023

Revision Information

☐ Applicable ☒ N/A

