



MINGYANG SMART ENERGY
明阳智能

明阳智慧能源集团股份有限公司

MING YANG SMART ENERGY GROUP LIMITED

(a joint stock company established under the laws of the People's Republic of China with limited liability)

**Offering of up to 33,660,500 Global Depositary Receipts representing A Shares
at an Offer Price of US\$21.00 per Global Depositary Receipt**

This document comprises a prospectus (the “**Prospectus**”) relating to Ming Yang Smart Energy Group Limited, a joint stock company established under the laws of the People’s Republic of China (the “**PRC**”) with limited liability (the “**Company**”) and together with its subsidiaries, the “**Group**”), prepared in accordance with the prospectus regulation rules of the United Kingdom Financial Conduct Authority (the “**FCA**”) (the “**Prospectus Regulation Rules**”) made under section 73A of the Financial Services and Markets Act 2000 (the “**FSMA**”) only in relation to the admission to listing and to trading of the global depositary receipts (the “**GDRs**”) representing A shares of the Company with a fully paid nominal value of RMB1.00 each (the “**A Shares**”). The Prospectus has been filed with, and approved by, the FCA and will be made available to the public in accordance with Rule 3.2 of the Prospectus Regulation Rules.

This Prospectus has been approved by the FCA (as competent authority under Regulation (EU) 2017/1129) as it forms part of retained EU law as defined in the European Union (Withdrawal) Act 2018 (“**EUWA**”) (the “**UK Prospectus Regulation**”). The FCA only approves this Prospectus as meeting the standards of completeness, comprehensibility and consistency imposed by the UK Prospectus Regulation; such approval should not be considered as an endorsement of the Company that is, or the quality of the securities that are, the subject of this Prospectus. Investors should make their own assessment as to the suitability of investing in the securities.

Application will be made solely for the admission of the GDRs to the standard segment of the official list maintained by the FCA (the “**Official List**”) and to trading on the Shanghai-London Stock Connect segment of the main market for listed securities (the “**Main Market**”) of the London Stock Exchange plc (the “**London Stock Exchange**”). Admission to trading on the London Stock Exchange’s Main Market constitutes admission to trading on a regulated market. This Prospectus has been prepared in connection with the application for the admission of the GDRs to the Main Market of the London Stock Exchange. Approval of the FCA has not been sought by the Company for this Prospectus in relation to the A Shares and no such A Shares will be listed on the Main Market of the London Stock Exchange.

This Prospectus relates to an offering (the “**Offering**”) by the Company of up to 33,660,500 GDRs (including any Over-allotment GDRs (as defined below)) representing A Shares (the “**Offer GDRs**”) with one GDR representing an interest in five A Shares at an offer price of US\$21.00 per GDR (the “**Offer Price**”). The GDRs are to be issued against the deposit of A Shares (to the extent permitted by applicable laws and regulations) with Citibank, N.A., as depositary (the “**Depositary**”). In connection with the Offering, the Company has granted to the Stabilising Manager (as defined below) an option, exercisable within 30 days after the announcement of the Offer Price to purchase up to 2,380,000 additional Offer GDRs (excluding the Over-allotment GDRs (as defined below)) (the “**Over-allotment Option**”).

Application will be made: (1) to the FCA, in its capacity as competent authority under the FSMA, for a listing of up to 33,660,500 GDRs representing A Shares, and, consisting of the GDRs to be issued on or about 13 July 2022 (the “**Closing Date**”), the GDRs (if any) to be issued pursuant to the Over-allotment Option (if exercised) and additional GDRs to be issued from time to time against the deposit of A Shares (to the extent permitted by applicable laws and regulations) with the Depositary, to be admitted to the standard segment of the Official List; and (2) to the London Stock Exchange, for such GDRs to be admitted to trading on the Shanghai-London Stock Connect segment of the Main Market of the London Stock Exchange through its international order book (the “**IOB**”). Admission to the Official List and to unconditional trading on the London Stock Exchange (together, “**Admission**”) is expected to take place on or about 13 July 2022. The GDRs are expected to be traded on the Shanghai-London Stock Connect segment of the Main Market under the symbol “MYSE”. The Company expects that conditional trading in the GDRs on the Shanghai-London Stock Connect segment of the London Stock Exchange through the IOB will commence on a “when issued” basis on or about 8 July 2022. All dealings in the GDRs prior to the commencement of unconditional dealings will be of no effect if Admission does not take place and will be at the sole risk of the parties concerned.

The Offering is structured as an offering of Offer GDRs outside the United States in offshore transactions in reliance on Regulation S (“**Regulation S**”) under the United States Securities Act of 1933, as amended (the “**Securities Act**”).

The A Shares are listed and traded on the Shanghai Stock Exchange under the stock code 601615. Prices for the A Shares traded on the Shanghai Stock Exchange may not reflect the value of the GDRs.

See “Risk Factors” beginning on page 8 to read about factors you should consider before buying the Offer GDRs. The GDRs are of a specialist nature and should only be bought and traded by investors who are particularly knowledgeable in investment matters.

The Offering does not constitute an offer to sell, or solicitation of an offer to buy, securities in any jurisdiction in which such offer or solicitation would be unlawful. The GDRs have not been and will not be registered under the Securities Act or with any securities regulatory authority of any state or other jurisdiction of the United States and may not be offered or sold within the United States, except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and any applicable state or local securities laws. For a discussion of certain restrictions on transfers of the GDRs in other jurisdictions, see “**Terms and Conditions of the Global Depositary Receipts**” and “**Selling Restrictions and Transfer Restrictions — Transfer Restrictions**”. The Offer GDRs are offered by UBS AG London Branch (“**UBS**”), HSBC Bank plc (“**HSBC**”) and CLSA Limited (“**CLSA**”, and together with UBS and HSBC, the “**Joint Global Co-ordinators**”), China International Capital Corporation (UK) Limited and Haitong International Securities Company Limited (along with the Joint Global Co-ordinators, the “**Joint Bookrunners**”) when, as and if delivered to and accepted by the Joint Bookrunners and subject to their right to reject orders in whole or in part. The GDRs will be issued in global form. The GDRs will be evidenced by a Master Global Depositary Receipt Certificate (the “**Master GDR Certificate**”) registered in the name of Citivic Nominees Limited, as nominee for Citibank Europe plc, as common depositary for Euroclear Bank S.A./N.V., as operator of the Euroclear System (“**Euroclear**”) and Clearstream Banking, société anonyme (“**Clearstream**”). Except as described herein, beneficial interests in the Master GDR Certificate will be shown on, and transfers thereof will be effected only through the records of Euroclear and Clearstream. It is expected that delivery of the GDRs will be made against payment therefor in US Dollars in same day funds through the facilities of Euroclear and Clearstream, on or about the Closing Date. See “**Clearing and Settlement**”.

Joint Global Co-ordinators and Joint Bookrunners

UBS

HSBC

CLSA

Joint Bookrunners

CICC

Haitong International

The date of this Prospectus is 8 July 2022

IMPORTANT INFORMATION ABOUT THIS PROSPECTUS

By accepting delivery of this Prospectus, you agree to the following. This Prospectus is being furnished by the Company solely for the purpose of enabling a prospective investor to consider the subscription for the Offer GDRs. Any reproduction or distribution of this Prospectus, in whole or in part, any disclosure of its contents or use of any information herein for any purpose other than considering an investment in the Offer GDRs is prohibited, except to the extent that such information is otherwise publicly available.

None of the Joint Bookrunners, nor any of their respective affiliates, makes any representation, express or implied, nor accepts any responsibility, with respect to the accuracy or completeness of any of the information contained in this Prospectus. This Prospectus is not intended to provide the basis of any credit or other evaluation and should not be considered as a recommendation by any of the Company, the Joint Bookrunners nor any of their respective affiliates that any recipient of this Prospectus should subscribe for the Offer GDRs. Each potential subscriber of Offer GDRs should determine for itself the relevance of the information contained in this Prospectus, and its subscription for the Offer GDRs should be based upon such investigation, as it deems necessary, including the assessment of risks involved and its own determination of the suitability of any such investment, with particular reference to their own investment objectives and experience and any other factors that may be relevant to such potential subscriber in connection with the subscription for the Offer GDRs.

This Prospectus has been approved by the FCA as a Prospectus issued in compliance with the Prospectus Regulation Rules, which comply with the provisions of the UK Prospectus Regulation, for the purpose of giving information with regard to the Company and the Offer GDRs.

The Company accepts responsibility for the information contained in this Prospectus. To the best of the Company's knowledge, the information contained in this Prospectus is in accordance with the facts and this Prospectus makes no omission likely to affect its import.

This Prospectus does not constitute an offer to the public generally to subscribe for or otherwise acquire the Offer GDRs. In making an investment decision regarding the Offer GDRs, you must rely on your own examination of the Company and the terms of the Offering, including the merits and risks involved. You should rely only on the information contained in this Prospectus. None of the Company or the Joint Bookrunners has authorised any other person to provide you with different information. If anyone provides you with different or inconsistent information, you should not rely on it. You should assume that the information appearing in this Prospectus is accurate only as at its date. The Company's business, financial condition, results of operations, prospects and the information set forth in this Prospectus may have changed since the date of this Prospectus.

You should not consider any information in this Prospectus to be investment, legal or tax advice. You should consult your own counsel, auditor and other advisers for legal, tax, business, financial and related advice regarding purchasing the Offer GDRs. None of the Company, the Joint Bookrunners nor any of their respective affiliates makes any representation to any offeree or subscriber for the Offer GDRs regarding the legality of an investment in the Offer GDRs by such offeree or subscriber under appropriate investment or similar laws.

As the Company's A Shares are listed on the Shanghai Stock Exchange, the Company has been subject to periodic reporting and other information disclosure requirements in the PRC. As a result, from time to time the Group publicly releases information relating to itself on the Shanghai Stock Exchange or other media outlets designated by the China Securities Regulatory Commission (the "CSRC"). However, the information announced by the Company in connection with its A Shares is based on the regulatory requirements of the securities authorities and market practice in the PRC which are different from those which will be applicable to the GDRs following Admission. Such information does not and will not form a part of this Prospectus. As a result, prospective investors in the Offering are reminded that, in making

their investment decision as to whether to purchase the GDRs, they should rely only on the financial, operating and other information included in this Prospectus. By applying to purchase GDRs in the Offering, prospective investors will be deemed to have agreed that they will not rely on any information other than that contained in this Prospectus and any formal announcements made by the Group in the PRC with respect to the Offering.

UBS AG London Branch is authorised and regulated by the Financial Market Supervisory Authority in Switzerland and in the United Kingdom is authorised by the Prudential Regulation Authority (the “PRA”) and subject to regulation by the FCA and limited regulation by the PRA. HSBC Bank plc is authorised by the PRA and regulated by the FCA and PRA in the United Kingdom. CLSA Limited is licensed by the Securities and Futures Commission of Hong Kong. China International Capital Corporation (UK) Limited is authorised and regulated by the FCA in the United Kingdom. Haitong International Securities Company Limited is licensed by the Securities and Futures Commission of Hong Kong. The Joint Bookrunners are acting exclusively for the Company and no one else in connection with the Offering and will not be responsible to any other person as their respective clients in relation to the Offering and for providing the protections afforded to their respective clients or for providing advice in relation to the Offering or any transaction or arrangement referred to herein.

Each investor acknowledges that: (i) it has not relied on the Joint Bookrunners or any person affiliated with the Joint Bookrunners in connection with any investigation of the accuracy of any information contained in this Prospectus or their investment decision; (ii) it has relied only on the information contained in this Prospectus; and (iii) no person has been authorised to provide any information or to make any representation concerning the Company, its subsidiaries or the GDRs (other than as contained in this Prospectus) and, if given or made, any such other information or representation should not be relied upon as having been authorised by the Company, the Joint Bookrunners or any of their respective affiliates.

In connection with the Offering, each of the Joint Bookrunners and/or any of their respective affiliates, acting as an investor for its or their own account(s), may subscribe for Offer GDRs and, in that capacity, may retain, purchase, sell, offer to sell or otherwise deal for its or their own account(s) in such securities, any other securities of the Company or other related investments in connection with the Offering or otherwise. Accordingly, references in this Prospectus to the Offer GDRs being issued, offered, subscribed or otherwise dealt with should be read as including any issue or offer to, or subscription or dealing by, the Joint Bookrunners and/or any of their respective affiliates acting as an investor for its or their own account(s). In addition, certain of the Joint Bookrunners or their affiliates may enter into financing or hedging arrangements (including swaps) with investors in connection with which such Joint Bookrunners (or their affiliates) may from time to time acquire, hold or dispose of GDRs. The Joint Bookrunners do not intend to disclose the extent of any such investment or transactions otherwise than in accordance with any legal or regulatory obligation to do so.

The Company may withdraw the Offering at any time prior to Admission, and the Company and the Joint Bookrunners reserve the right to reject any offer to subscribe for the Offer GDRs, in whole or in part, and to sell to any prospective investor less than the full amount of the Offer GDRs sought by such investor.

This Prospectus does not constitute or form part of an offer to sell, or a solicitation of an offer to buy, any security other than Offer GDRs. The distribution of this Prospectus and the offer and sale of the Offer GDRs may be restricted by law in certain jurisdictions. You must inform yourself about, and observe, any such restrictions. See “*Terms and Conditions of the Global Depositary Receipts*” and “*Selling Restrictions and Transfer Restrictions*” elsewhere in this Prospectus. You must comply with all applicable laws and regulations in force in any jurisdiction in which you subscribe, purchase, offer or sell the Offer GDRs or possess or distribute this Prospectus and must obtain any consent, approval or permission required for your subscription, purchase, offer or sale of the Offer GDRs under the laws and regulations in force in any jurisdiction to which you are subject or in which you make such subscriptions, purchases,

offers or sales. None of the Company, the Joint Bookrunners nor any of their respective affiliates is making an offer to sell the Offer GDRs or a solicitation of an offer to buy any of the Offer GDRs to any person in any jurisdiction except where such an offer or solicitation is permitted or accepts any legal responsibility for any violation by any person, whether or not a prospective investor, of applicable restrictions.

In connection with the Offering, UBS AG London Branch (the “**Stabilising Manager**”) (or persons acting on behalf of the Stabilising Manager) may over-allot GDRs or effect transactions with a view to supporting the market price of the GDRs at a level higher than that which might otherwise prevail in the open market. However, there is no assurance that the Stabilising Manager (or persons acting on behalf of the Stabilising Manager) will undertake stabilisation action and, in particular, the Stabilising Manager’s ability to undertake stabilisation action depends on it being able to agree deferred settlement arrangements with one or more investors in order to allow it to over-allot GDRs. Any stabilisation action may begin on the date of announcement of the Offer Price and, if begun, may be ended at any time but must end no later than 30 calendar days thereafter (the “**Stabilisation Period**”). Any stabilisation action must be undertaken in accordance with applicable laws and regulations. Save as required by law or regulation, the Stabilising Manager does not intend to disclose the extent of any over-allotments made and/or stabilisation transactions concluded in relation to the Offering.

In connection with the Offering, the Stabilising Manager may, for stabilisation purposes and subject to the deferred settlement arrangements described above being agreed with one or more investors, over-allot up to 2,380,000 GDRs sold in the Offering (excluding the Over-allotment GDRs (as defined below)). For the purposes of allowing it to cover short positions resulting from any such over-allotments and/or from sales of GDRs effected by it during the Stabilisation Period, the Stabilising Manager will enter into over-allotment arrangements pursuant to which the Stabilising Manager may purchase or procure purchasers for up to 2,380,000 additional GDRs sold in the Offering (the “**Over-allotment GDRs**”) at the Offer Price. The over-allotment arrangements will be exercisable in whole or in part, upon notice by the Stabilising Manager, at any time on or before the 30th calendar day after the date of announcement of the Offer Price. Any Over-allotment GDRs made available pursuant to the over-allotment arrangements, including for all dividends and other distributions declared, made or paid on the GDRs, will be purchased on the same terms and conditions as the GDRs being issued or sold in the Offering and will form a single class for all purposes with the other GDRs.

Information to distributors

Solely for the purposes of the product governance requirements of Chapter 3 of the FCA Handbook Product Intervention and Product Governance Sourcebook (the “**UK Product Governance Requirements**”) and/or any equivalent requirements elsewhere to the extent determined to be applicable, and disclaiming all and any liability, whether arising in tort, contract or otherwise, which any “manufacturer” (for the purposes of the UK Product Governance Requirements) may otherwise have with respect thereto, the Offer GDRs have been subject to a product approval process, which has determined that such Offer GDRs are (i) compatible with an end target market of retail investors and investors who meet the criteria of professional clients and eligible counterparties, each as defined in Chapter 3 of the FCA Handbook Conduct of Business Sourcebook (“**COBS**”); and (ii) eligible for distribution through all permitted distribution channels (the “**Target Market Assessment**”). Notwithstanding the Target Market Assessment, distributors (for the purposes of the UK Product Governance Requirements) should note that: the price of the Offer GDRs may decline and investors could lose all or part of their investment; the Offer GDRs offer no guaranteed income and no capital protection; and an investment in the Offer GDRs is compatible only with investors who do not need a guaranteed income or capital protection, who (either alone or in conjunction with an appropriate financial or other adviser) are capable of evaluating the merits and risks of such an investment and who have sufficient resources to be able to bear any losses that may result therefrom. The Target Market Assessment is without prejudice to the requirements of any contractual, legal or regulatory selling restrictions in relation to the Offering. Furthermore, it is noted

that, notwithstanding the Target Market Assessment, the Joint Bookrunners will only procure investors who meet the criteria of professional clients and eligible counterparties.

For the avoidance of doubt, the Target Market Assessment does not constitute (a) an assessment of suitability or appropriateness for the purposes of Chapter 9A or 10A respectively of COBS, or (b) a recommendation to any investor or group of investors to invest in, or purchase, or take any other action whatsoever with respect to the Offer GDRs.

Each distributor is responsible for undertaking its own target market assessment in respect of the Offer GDRs and determining appropriate distribution channels.

NOTICE TO CERTAIN INVESTORS

Notice to UK and EEA Investors

This Prospectus and the Offering are only addressed to, and directed at, persons in member states of the European Economic Area (the “**EEA**”) who are “qualified investors” within the meaning of Article 2(e) of the Prospectus Regulation (“**Qualified Investors**”). In the United Kingdom, this Prospectus is only being distributed to, and is only directed at, persons who are “qualified investors” within the meaning of Article 2 of the UK Prospectus Regulation and who (i) have professional experience in matters relating to investments falling within Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 (the “**Order**”); (ii) are high-net-worth entities falling within Article 49(2)(a)-(d) of the Order; and/or (iii) are otherwise persons to whom it may otherwise lawfully be communicated (all such persons together being referred to as “**relevant persons**”). The Offer GDRs are only available to, and any invitation, offer or agreement to subscribe, purchase or otherwise acquire such securities will be engaged in only with: (i) in the United Kingdom, relevant persons; and (ii) in any member state of the EEA, Qualified Investors. This Prospectus and its contents must not be acted upon or relied upon: (i) in the United Kingdom, by persons who are not relevant persons; or (ii) in any member state of the EEA, by persons who are not Qualified Investors.

This Prospectus has been prepared solely for the purpose of Admission of the GDRs and on the basis that all offers of Offer GDRs following approval by the FCA will be made pursuant to an exemption under the UK Prospectus Regulation and the Prospectus Regulation, from the requirement to produce a Prospectus for offers of the Offer GDRs. Accordingly, any person making or intending to make any offer within the United Kingdom or any member state of the EEA of the Offer GDRs should only do so in circumstances in which no obligation arises for the Company or any of the Joint Bookrunners to produce a prospectus for such offer. None of the Company or the Joint Bookrunners has authorised or authorises the making of any offer of the Offer GDRs through any financial intermediary, other than offers made by the Joint Bookrunners which constitute the final placement of the Offer GDRs contemplated in this Prospectus.

Notice to all investors

Investors should be aware that foreign investors are not generally able to hold A shares pursuant to restrictions under PRC law, subject to certain limited exemptions, such as for Qualified Foreign Investors (“**QFIs**”).

However, one of the features of the Shanghai-London Stock Connect scheme is that investors will be able to: (i) buy GDRs by requesting a Designated Broker to buy A shares on the Shanghai Stock Exchange and instruct the Depositary to create GDRs representing such A shares; and (ii) sell GDRs by requesting a Designated Broker to redeem their GDRs and sell the underlying A shares on the Shanghai Stock Exchange. Pursuant to the “Provisions on the Supervision and Administration of Depositary Receipts under the Stock Connect Scheme between Domestic and Overseas Stock Exchanges” (境内外证券交易所互联互通存托凭证业务监管规定) published by the CSRC on 11 February 2022 (the “**DR Provisions**”), the creation and redemption of GDRs in connection with the purchase and sale of underlying A shares may only be facilitated by those Designated Brokers who hold accounts with members of domestic stock exchanges enabling them to create or redeem GDRs by buying or selling the underlying A shares on domestic stock exchanges (subject to certain quotas imposed by relevant regulators) and providing relevant instructions to the Depositary. For further details, see “*Plan of Distribution — Trading GDRs*”.

This mechanism is intended to provide cash fungibility between the GDRs and the A Shares by enabling investors or their brokers to place buy and sell orders with the Designated Brokers who are able to seek the best price for the securities from either market.

It should be noted that, pursuant to the Shanghai-London Stock Connect scheme, GDR holders will not be permitted to redeem their GDRs and hold the underlying A Shares in their on-shore accounts (such as QFI

accounts, if they have such accounts) or have the underlying A Shares held on their behalf by a Designated Broker. GDR holders who are otherwise able to hold A Shares through any permitted channel and wish to hold A Shares (for example, in order to exercise any of the rights that A shareholders have but which GDR holders do not) would need to sell some or all of their GDRs (either on the LSE (or another legitimate trading venue) or by redeeming their GDRs and selling the underlying A Shares on the Shanghai Stock Exchange) and separately buy A Shares outside the Shanghai-London Stock Connect scheme to be held in a separate (existing or newly established) account.

In addition, pursuant to the DR Provisions, GDRs subscribed for by investors in the Offering may not be redeemed within 120 days following the date of Admission. Therefore, for such period, GDR holders will not be able to redeem their GDRs and sell the underlying A Shares on the Shanghai Stock Exchange and will only be able to sell their GDRs through the IOB of the London Stock Exchange or another legitimate trading venue. For the avoidance of doubt, during such period investors will be able to buy GDRs by requesting a Designated Broker to buy A Shares on the Shanghai Stock Exchange and instruct the Depositary to create GDRs representing such A Shares, subject to the cap on the number of GDRs approved by the CSRC.

Investors should also be aware that pursuant to the DR Provisions and the rules of Trading of GDRs under the Stock Connect scheme promulgated by the Shanghai Stock Exchange, the aggregate holding of a single overseas investor of the equities of the Company (including the A Shares and GDRs whether held directly or indirectly) shall not exceed 10% of the total outstanding shares of the Company. In the event an overseas investor's holding of equities exceeds such limit, such investor is required to liquidate the excess portion within five trading days. Furthermore, the DR Provisions also require that the aggregate holdings of A Shares by all overseas investors in the Company (including QFIs) shall not exceed 30% of the total outstanding shares of the Company. In the event the 30% limit is exceeded, overseas investors may be required to liquidate their holdings (in reverse chronological order of when such holdings were acquired). The foregoing restrictions do not apply to overseas investors' strategic investments as defined and regulated by the Measures for the Administration of Strategic Investment in Listed Companies by Foreign Investors (外国投资者对上市公司战略投资管理办法) last amended in October 2015.

Furthermore, investors should note that to the extent stabilisation is undertaken, in order to ensure there is sufficient headroom under the GDR facility, including under the cap on the number of GDRs approved by the CSRC, for the Company to issue new A Shares and sell GDRs representing such A Shares to the Stabilising Manager in order to satisfy its obligations under the Over-allotment Option (if exercised), investors and shareholders of the Company may be prevented from depositing additional A Shares into the GDR facility in order to receive (or sell) GDRs for the duration of the Stabilisation Period.

Pursuant to the Measures for the Administration of Acquisition of Listed Companies (上市公司收购管理办法) promulgated by the CSRC and last amended in March 2020 (the "**PRC Takeover Rules**"), an investor and any persons acting in concert who together hold 5% or more of the outstanding shares in a listed company (including the Company) shall, within three days upon its shareholding in the listed company reaching such percentage: (i) prepare a report on its change of shareholding; (ii) submit the report to the CSRC and the relevant stock exchange; and (iii) notify the listed company and make an announcement on such event. In addition, an investor and any person acting in concert holding 5% or more of a listed company's outstanding shares, (a) shall be subject to the same reporting and announcement obligations as set out above each time its shareholding in the listed company increases or decreases by 5%; and (b) shall notify the listed company and make an announcement each time its shareholding in the listed company increased or decreased by 1%. Such persons will also be subject to trading restrictions before and/or within a period of time after the reporting, filing and disclosure obligations are fulfilled (except in the case of an increase or decrease of its shareholding by 1%). A person holding 5% or more of the outstanding shares in a listed company may file a short-form report if it holds less than 20% of the outstanding shares in the listed company and it is not the largest shareholder or de facto controlling person of the listed company; it will be required to file a long-form report

disclosing its shareholding if it holds 20% or more but no more than 30% of the outstanding shares in the listed company. Pursuant to the DR Provisions, an investor's holding of GDRs will be aggregated with its holding of a listed company's outstanding A shares through other channels, including but not limited to, any direct holding of the Company's A shares, as well as the holding of GDRs and A Shares by persons acting-in-concert with such investor. The listed company is also required to disclose in its annual reports, among other things, information on persons holding 5% of its A shares, together with any changes to their shareholding and any pledge or encumbrance over the A shares held by such persons.

Furthermore, pursuant to the Articles of Association of the Company, persons holding 5% or more of the total equity interests in the Company are also required to:

- notify the Company in writing on the date of any pledge of its shares in the Company; and
- surrender any profit realised from any purchase and sale, or any sale and purchase, of any shares of the Company within any period of less than six months.

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SUMMARY

1. Introduction

(a) Name and ISIN of securities

Name: Global Depositary Receipts (“GDRs”) representing A Shares of Ming Yang

Smart Energy Group Limited

International Securities Identification Number (ISIN): US6034912005

(b) Identity and contact details of the issuer

Name: Ming Yang Smart Energy Group Limited (the “Company”, and together with its subsidiaries, the “Group”)

Address: Ming Yang Industrial Park, No.22, Huoju Avenue, Zhongshan Torch High-tech Industrial Development Zone, Zhongshan City, Guangdong, People’s Republic of China

Tel: +86 010 5081 5010

Legal Entity Identifier (LEI): 300300W76R6UJHEZL847

(c) Identity and contact details of the competent authority

Name: Financial Conduct Authority

Address: 12 Endeavour Square, London E20 1JN, United Kingdom

Tel: +44 (0) 20 7066 1000

(d) Date of approval of the Prospectus

8 July 2022

(e) Warnings

This summary should be read as an introduction to this Prospectus and any decision to invest in the Offer GDRs should be based on consideration of this Prospectus as a whole by the investor. The investor could lose all or part of the invested capital. Civil liability attaches only to those persons who have tabled the summary including any translation thereof, but only where the summary is misleading, inaccurate or inconsistent when read together with the other parts of this Prospectus, or where it does not provide, when read together with the other parts of this Prospectus, key information in order to aid investors when considering whether to invest in the Offer GDRs.

2. Key information on the issuer

(a) Who is the issuer of the securities?

(i) Domicile and legal form, LEI, applicable legislation and country of incorporation

The Company is a joint stock company with limited liability established pursuant to the Company Law of the People’s Republic of China. The Company was established in June 2006 and listed on the Shanghai Stock Exchange under stock code 601615 in January 2019.

The Company’s LEI is 300300W76R6UJHEZL847.

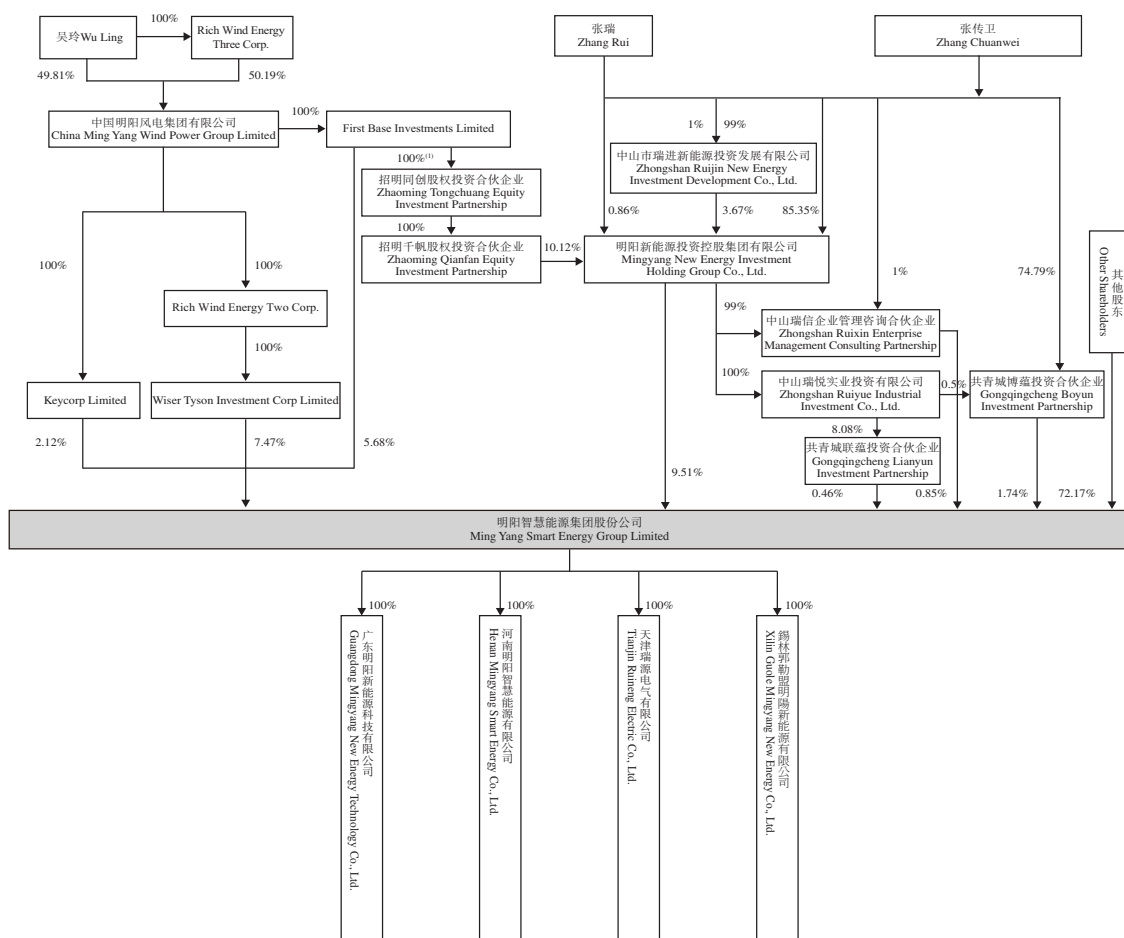
On 7 July 2022, the Company and Citibank, N.A. (the “Depositary”) entered into a deposit agreement in connection with the issuance of the GDRs represented by the Master GDR Certificate (the “Deposit Agreement”). The GDRs will be issued pursuant to the Deposit Agreement.

(ii) Principal activities

Founded in 2006, the Group has maintained a leading position both domestically and globally as a wind turbine manufacturer. The Group’s business is primarily divided into three segments: wind turbine manufacturing and sales, wind and solar farm development and operation, and other renewable energy services. The Group’s mission is to provide accessible green and smart energy, and it aims to become a full lifecycle renewable solutions provider. Through technological and business innovations, the Group has developed into a leading smart energy enterprise in China with global influence, gradually becoming an industry leader in providing integrated wind power, photovoltaics, power storage and hydrogen power solutions.

(iii) Organisation Chart

The Company is the parent company of a group that comprises the Company and its subsidiaries. The following chart illustrates the simplified organisational structure of the Group and its major subsidiaries as at 30 June 2022 (being the latest practicable date prior to the date of this Prospectus (the “Latest Practicable Date”)).



Note:

- (1) Zhaoming Baige (Tianjin) Investment Management Co., Ltd. (招明百舸(天津)投资管理有限公司) (“ZMBG”) holds 0.02% of Zhaoming Tongchuang Equity Investment Partnership (“ZMTC”) and Zhaoming Qianfan Equity investment partnership (“ZMQF”). However, ZMBG has not paid for its shares of the investment, does not collect any management fee or remuneration and does not participate in the profit sharing of either ZMTC or ZMQF. First Base Investments Limited is entitled to 100% of the net profit from ZMTC and ZMQF.

(iv) Major Shareholders

The Administrative Measures for the Disclosure of Information of Listed Companies of the PRC require that an annual report of a listed company shall include, among other things, shareholdings of the top 10 shareholders and information about the shareholders holding 5% or more of the shares.

Shareholders holding 5% or more

The table below sets forth certain information regarding those shareholders of the Company which, as at the Latest Practicable Date and immediately following completion of the Offering and Admission (assuming 33,660,500 GDRs (including the Over-allotment GDRs) representing 168,302,500 A Shares are sold in the Offering), hold or will hold 5% or more of the A Shares of the Company:

Shareholder	A Shares held as at the Latest Practicable Date		A Shares immediately following completion of the Offering ⁽¹⁾ and Admission	
	Number of A Shares	% of total share capital	Number of A Shares	% of total share capital
	(million)		(million)	
Hong Kong Securities Clearing Co., Ltd.	336.7	16.00	336.7	14.82
Mingyang New Energy Investment Holding Group Co., Ltd.	200.1	9.51	200.1	8.80
Wiser Tyson Investment Corp Limited	157.1	7.47	157.1	6.91
First Base Investments Limited	119.5	5.68	119.5	5.26

Note:

- (1) Assuming 168,302,500 new A Shares (including the exercise of the Over-allotment Option) are issued by the Company in connection with the Offering.

Top Ten Shareholders

The table below identifies the top ten shareholders of the Company's A Shares, based on the A Shares outstanding as at the Latest Practicable Date. No shareholder has different voting rights attached to the A Shares to any other shareholder.

Name of Shareholder	Percentage
Hong Kong Securities Clearing Co., Ltd.	16.00
Mingyang New Energy Investment Holding Group Co., Ltd. ⁽¹⁾	9.51
Wiser Tyson Investment Corp Limited ⁽²⁾	7.47
First Base Investments Limited ⁽²⁾	5.68
Keycorp Limited ⁽²⁾	2.12
Gongqingcheng Boyun Investment Partnership (Limited Partnership) ⁽³⁾	1.74
Guangdong Hengkuo Investment Management Co., Ltd.	1.24
Eternity Peace Company Limited	0.99
China Pacific Life Insurance Co., Ltd. — Dividends — Individual Dividends	0.92
Qianhai Life Insurance Co., Ltd. — Participating Insurance Products	0.90

Notes:

- (1) Mingyang New Energy Investment Holding Group Co., Ltd. is 85.35% owned directly by Mr. ZHANG Chuanwei, 3.67% owned by Zhongshan Ruijin New Energy Investment Development Co., Ltd. (which is itself 99% owned by Mr. ZHANG Chuanwei and 1% owned by Mr. ZHANG Rui, Mr. ZHANG Chuanwei's son) and 0.86% owned directly by Mr. ZHANG Rui.
- (2) Wiser Tyson Investment Corp Limited, First Base Investments Limited and Keycorp Limited are indirectly wholly-owned by Ms. WU Ling, Mr. ZHANG Chuanwei's spouse.
- (3) Gongqingcheng Boyun Investment Partnership (Limited Partnership) is 74.79% owned directly by Mr. ZHANG Chuanwei.

As at the Latest Practicable Date, Mr. ZHANG Chuanwei, together with Ms. WU Ling, his spouse, and Mr. ZHANG Rui, his son, are the Controlling Shareholders of the Company.

(v) Key managing directors

Mr. ZHANG Chuanwei	Chairman, Chief Executive Officer and General Manager
Mr. SHEN Zhongmin	Vice Chairman and Chief Strategy Officer
Mr. WANG Jinfa	Director and Chief Administrative Officer
Mr. ZHANG Qiyang	Director, Chief Operating Officer and Chief Technology Officer
Mr. ZHANG Rui	Director
Mr. HAN Yu	Director
Mr. LI Yiming	Director

(vi) Statutory auditors

Grant Thornton Zhitong Certified Public Accountants LLP

(b) What is the key financial information regarding the issuer?

Selected historical financial information

The selected financial information for the Company set out below has, where applicable, been extracted without material adjustment from the consolidated historical financial information of the Group for the three years ended 31 December 2019, 2020 and 2021 and for the three months ended 31 March 2021 and 2022.

Selected consolidated income statement information

	Year ended 31 December			Three months ended 31 March	
	2019	2020	2021	2021	2022
	(Audited)			(Unaudited)	
	(RMB in thousands)				
Operating revenue	10,493,157	22,456,987	27,158,048	4,361,251	7,028,511
Operating costs	8,115,572	18,287,125	21,337,655	3,428,094	5,145,236
Operating profit	738,824	1,578,979	3,623,093	361,045	1,670,266
Total profit	747,510	1,477,100	3,589,394	361,185	1,674,118
Income tax expenses	86,176	172,784	630,009	90,098	268,130
Net profit	661,334	1,304,316	2,959,385	271,087	1,405,988

Selected consolidated balance sheet information

	Year ended 31 December			Three months ended 31 March
	2019	2020	2021	2022
	(Audited)			(Unaudited)
	(RMB in thousands)			
Total assets	34,695,611	51,627,845	61,492,929	60,846,180
Total shareholders' equity	7,091,972	15,084,497	18,494,147	21,962,647

Selected consolidated cash flow statement information

	Year ended 31 December			Three months ended 31 March	
	2019	2020	2021	2021	2022
	(Audited)			(Unaudited)	
	(RMB in thousands)				
Net cash flows from operating activities	5,755,264	3,630,754	5,397,539	(1,544,641)	(3,903,272)
Net cash flows from investing activities	(2,142,709)	(3,763,222)	(6,935,412)	174,830	(92,858)
Net cash flows from financing activities	3,932,757	5,169,363	(635,844)	25,018	1,404,281

(c) What are the key risks that are specific to the issuer?

- The Group's historical results of operations may not be indicative of its future performance.
- The Group is subject to customer concentration risk and the loss of, or a significant reduction in purchases from, any of them would significantly reduce the Group's operating income and materially and adversely affect its prospects, business, results of operations and financial condition.

- Failure to fulfil customer orders due to delays in the Group’s production process may have a material and adverse effect on the Group’s prospects, business, results of operations and financial condition.
- If the Group fails to effectively control costs, in particular the costs of parts and components, its business, results of operations and financial condition may be materially and adversely affected.
- The Group’s research and development efforts may not be successful.
- The Group’s efforts in diversifying into other areas of renewable energy may not be successful.
- The Group’s overseas operations and its plans for further overseas expansion are subject to factors such as situations within and practices of the power industry, legal system, political situation and economic development in overseas markets in which it operates, thus the Group’s international marketing and sales plans and strategies may not yield the desired results.

3. Key information on the securities

(a) What are the main features of the securities?

(i) *Type, class and ISIN of the securities being admitted to trading on a regulated market*

The GDRs represent A Shares in the Company with one GDR representing an interest in five A Shares registered in the name of the Depositary.

The ISIN of the Offer GDRs is US6034912005.

(ii) *Currency, denomination, par value, number of securities issued and term of the securities*

The GDRs will be denominated in US Dollars. The Offering is of up to 33,660,500 GDRs (including any GDRs issued pursuant to the over-allotment option (the “**Over-allotment GDRs**”)) representing A Shares (the “**Offer GDRs**”) with one GDR representing an interest in five A Shares registered in the name of the Depositary.

The GDRs will have an infinite term.

(iii) *Rights attached to the securities*

Pursuant to the Deposit Agreement and the Terms and Conditions of the GDRs, holders of GDRs (a “Holder” is the person registered as the holder on the books of the Depositary maintained for such purpose) will, amongst other things, be entitled to:

- (1) the right to request withdrawal of the Deposited Shares (as defined therein) and all rights, securities, property and cash deposited with the Custodian which are attributable to the Deposited Shares;
- (2) the right to receive payment (in US Dollars, if practicable) from the Depositary of an amount equal to the cash dividends or other cash distributions received by the Depositary from the Company in respect of the Deposited Shares;
- (3) the right to receive from the Depositary additional GDRs representing additional A Shares received by the Depositary from the Company by way of dividend or free distribution (or if the issuance of additional GDRs is deemed by the Depositary to be unlawful or not operationally practicable or subject to any tax or other governmental charges which the Depositary is obligated to withhold, or if the distribution of the A Shares and the GDRs representing such A Shares must be registered under the Securities Act or other laws, the net proceeds (in US Dollars, if practicable) of the sale of such A Shares);
- (4) the right to receive from the Depositary any dividend or distribution in the form of property other than A Shares or cash received by the Depositary from the Company (or if such distribution is deemed by the Depositary to be unlawful or not reasonably practicable, the net proceeds (in US Dollars, if practicable) of the sale of such property);
- (5) the right to request the Depositary to exercise subscription or similar rights made available by the Company to holders of A Shares (or if such process is deemed by the Depositary to be unlawful or not reasonably practicable, the right to receive the net proceeds (in US Dollars, if practicable) of the sale of the relevant rights or the sale of the assets resulting from the exercise of such rights);
- (6) the right to instruct the Depositary regarding the exercise of any voting rights notified by the Company to the Depositary, subject to conditions; and
- (7) the right to inspect or receive from the Depositary copies received by the Depositary of notices provided by the Company to holders of A Shares as well as any other material provided by the Company to the Depositary in connection therewith,

in each case subject to applicable law, and the detailed terms set out in the Terms and Conditions of the GDRs (as endorsed on each GDR certificate) and the applicable Master GDR Certificate.

(iv) *Relative seniority of the securities*

A Holder of GDRs has the right to share in profits of the Company and to receive the proceeds of any liquidation surplus. The GDRs shall rank equally with the Company's A Shares.

If the Depositary becomes insolvent, the insolvency proceedings will be governed by US laws applicable to the insolvency of banks. The Conditions state that any cash held by the Depositary for Holders is held by the Depositary as banker. Under current US and English law, it is expected that any cash held for Holders by the Depositary as banker under the Conditions would constitute an unsecured obligation of the Depositary. Holders would therefore only have an unsecured claim in the event of the Depositary's insolvency for such cash that would also be available to general creditors of the Depositary. The Deposit Agreement states that the Deposited Shares and other non-cash assets which are held by the Depositary for Holders are held by the Depositary as bare trustee and, accordingly, the Holders will be tenants in common for such Deposited Shares and other non-cash assets. Under current US and English law, it is expected that any Deposited Shares and other non-cash assets held for Holders by the Depositary on trust under the Conditions would not constitute assets of the Depositary and that Holders would have ownership rights relating to such Deposited Shares and other non-cash assets and be able to request the Depositary's receiver or conservator to deliver such Depositary Shares and other non-cash assets that would be unavailable to general creditors of the Depositary.

(v) *Restrictions on free transferability of the securities*

The GDRs will be freely transferable, subject to certain selling restrictions under the relevant laws in certain jurisdictions applicable to the relevant transferor or transferee and restrictions under the DR Provisions, which are described below.

Pursuant to the DR Provisions, GDRs subscribed for by investors in the Offering may not be redeemed within 120 days following the date of Admission. Therefore, for such period, GDR holders will not be able to sell their GDRs by instructing a Designated Broker to redeem their GDRs and sell the underlying A Shares on the Shanghai Stock Exchange and will only be able to sell their GDRs through the IOB of the LSE or another legitimate trading venue. The DR Provisions also restrict transfers of GDRs by the Company's controlling shareholder, actual controller or entities under their control for a period of 36 months from the date of Admission. As at the Latest Practicable Date, Mr. ZHANG Chuanwei, together with Ms. WU Ling, his spouse, and Mr. ZHANG Rui, his son, are the Controlling Shareholders of the Company.

In addition, pursuant to the DR Provisions and the rules of Trading of GDRs under Stock Connect promulgated by the Shanghai Stock Exchange, the aggregate holding of a single overseas investor of the equities of the Company (including the A Shares and GDRs, whether held directly or indirectly) shall not exceed 10% of the total outstanding shares of the Company. In the event an overseas investor's holding of equities exceeds such limit, such investor is required to liquidate the excess portion within five trading days. Furthermore, the DR Provisions also require that the aggregate holdings of A Shares by all overseas investors in the Company (including QFIs) shall not exceed 30% of the total outstanding shares of the Company. In the event the 30% limit is exceeded, overseas investors may be required to liquidate their holdings (in reverse chronological order of when such holdings were acquired). The foregoing restrictions do not apply to overseas investors' strategic investments as defined and regulated by the Measures for the Administration of Strategic Investment in Listed Companies by Foreign Investors (外国投资者对上市公司战略投资管理办法) last amended in October 2015.

(vi) *Dividend policy*

After completion of the Offering, the Company may distribute dividends in the form of cash or stocks. Any proposed distribution of dividends shall be formulated by the Company's senior management and will be subject to the Board's and shareholders' approval. A decision to declare or to pay any dividends in the future, and the amount of any dividends, will depend on a number of factors, including the Group's results of operations, cash flows, financial condition, payments by its subsidiaries of cash dividends to the Company, business prospects, statutory, regulatory and contractual restrictions on its declaration and payment of dividends and other factors that the Board may consider important.

To the extent that dividends are declared and paid by the Company in the future, holders of GDRs on the relevant record date will be entitled to receive dividends payable in respect of the A Shares underlying the GDRs, subject to the terms of the Deposit Agreement.

(b) Where will the securities be traded?

Application will be made: (i) to the FCA for the GDRs to be admitted to the standard listing segment of the Official List; and (ii) to the London Stock Exchange for the GDRs to be admitted to trading on the Shanghai-London Stock Connect segment of the Main Market of the London Stock Exchange.

(c) **What are the key risks that are specific to the securities?**

- (1) There has been no prior public trading market for the GDRs and an active trading market may not develop or be sustained in the future.
- (2) The market price of GDRs can be highly volatile.
- (3) Future sales of GDRs or A Shares could depress the market price of the GDRs.
- (4) The Company's ability to pay dividends in the future depends, amongst other things, on the Group's financial performance and is therefore not guaranteed.
- (5) Future issues of A Shares may dilute the holdings of shareholders of the Company and/or GDR holders.
- (6) Following the Offering, holders of A Shares may not be able to deposit the A Shares in the Company's GDR facility in order to receive (or sell) GDRs, and changes in regulatory policy in the PRC with respect to the placement and circulation of the A Shares outside the PRC in the form of GDRs or otherwise may negatively affect the market for the GDRs being offered.
- (7) Voting rights with respect to the A Shares represented by the GDRs are limited by the terms of the Deposit Agreement and the relevant requirements of the PRC laws.
- (8) GDR holders will not be able to redeem their GDRs and hold the underlying A Shares in their on-shore accounts or have the underlying A Shares held on their behalf by a Designated Broker. In addition, the fungibility of the GDRs and the A Shares is dependent on the availability of Designated Brokers. Furthermore, GDR holders will not be able to sell their GDRs by instructing a Designated Broker to redeem their GDRs and sell the underlying A Shares for a period of 120 days following the date of Admission or during any period when trading in the A Shares on Shanghai Stock Exchange is suspended and this may give rise to price risk to GDR holders.

4. Key information on the admission to trading on a regulated market

(a) **Under which conditions and timetable can I invest in this security?**

(i) *General terms and conditions*

The Offering consists of an offering of up to 33,660,500 Offer GDRs (including any Over-allotment GDRs), each representing five A Shares, at an offer price of US\$21.00 per GDR (the "Offer Price").

(ii) *Expected Timetable*

Event	Time and Date
Expected date that conditional dealings in the GDRs commence on the London Stock Exchange	9.00 a.m. on or around 8 July 2022
Expected date that Admission and unconditional dealings in the GDRs commence on the London Stock Exchange	9.00 a.m. on or around 13 July 2022

Each of the times and dates set out above is subject to change without further notice. References to a time of day are to London times (unless stated otherwise).

If Admission does not occur, all conditional dealings will be of no effect and such dealings will be at the sole risk of the parties concerned.

(iii) *Details of admission to trading on a regulated market*

Application will be made: (i) to the FCA for the GDRs to be admitted to the standard listing segment of the Official List; and (ii) to the London Stock Exchange for the GDRs to be admitted to trading on the Shanghai-London Stock Connect segment of the Main Market of the London Stock Exchange. Admission to trading on the London Stock Exchange's Main Market constitutes admission to trading on a regulated market. The A Shares are listed on the Shanghai Stock Exchange.

Admission to the Official List and unconditional trading in the GDRs on the Shanghai-London Stock Connect segment of the Main Market of the London Stock Exchange through its IOB is expected to take place on or around the Closing Date. The Company expects that conditional trading in the GDRs on the Shanghai-London Stock Connect segment of the Main Market of the London Stock Exchange through the IOB will commence on a "when issued" basis on or about 8 July 2022. All dealings in the GDRs prior to the commencement of unconditional dealings will be of no effect if Admission does not take place and will be at the sole risk of the parties concerned.

(iv) *Plan for distribution*

The Offering comprises an offering of Offer GDRs outside the United States in "offshore transactions" as defined in, and in reliance on, Regulation S.

(v) *Amount and percentage of immediate dilution resulting from the issue*

Existing shareholders of the Company will experience dilution of between 6.9% (assuming no exercise of the Over-allotment Option) and 7.4% (assuming the Over-allotment Option is exercised in full).

(vi) *Estimate of the total expenses of the issue*

Assuming 33,660,500 GDRs are sold in the Offering (including the Over-allotment GDRs), the total fees (including underwriting commissions, assuming the discretionary fee is paid in full), costs and expenses payable by the Company in connection with the Offering are expected to amount to approximately US\$11.5 million (inclusive of VAT).

(vii) *Estimated expenses charged to the investor*

Investors will not be charged any expenses by the Company. Pursuant to the terms and conditions of the GDRs, the Depository will be entitled to charge certain fees to the holders of the GDRs.

(b) **Why is this Prospectus being produced?**

(i) *Reasons for the admission to trading on a regulated market*

The Company believes the Offering and the Admission will enhance the Group's international profile, further develop its internationalisation strategy and expand its global investment and financing operations.

(ii) *The use and estimated net amount of the proceeds*

Item	Offer Price of US\$21.00
Excluding any Over-Allotment GDRs	
	US\$656.9
Gross proceeds	million
Net proceeds ⁽¹⁾	US\$645.9
	million
Costs and expenses ⁽²⁾	US\$11.0
	million
Including any Over-Allotment GDRs	
	US\$706.9
Gross proceeds	million
Net proceeds ⁽¹⁾	US\$695.4
	million
Costs and expenses ⁽²⁾	US\$11.5
	million

Notes:

- (1) Net proceeds are calculated by deducting the costs and expenses from the gross proceeds of the Offering.
- (2) Costs and expenses include underwriting commissions (assuming the discretionary fee is paid in full) and costs and expenses payable by the Company in connection with the Offering (inclusive of VAT).

The Company intends to use the net proceeds received from the Offering as follows:

- Approximately 60% of the net proceeds will be used to strengthen the Group's wind turbine manufacturing and sales capabilities, which include the research, manufacturing and sales of the Group's wind turbines;
- Approximately 20% of the net proceeds will be used to promote the Group's internationalisation strategies;
- Approximately 10% of the net proceeds will be used to develop the Group's photovoltaics, power storage and hydrogen power capabilities; and
- Approximately 10% of the net proceeds will be used for working capital and general corporate purposes.

The foregoing use of proceeds may change in light of the Group's capital needs for offshore projects, onshore and offshore regulatory requirements and prevailing market conditions and in a way that is consistent with its business strategies and in accordance with applicable laws.

(iii) *Underwriting*

Under the terms of, and subject to, the conditions contained in, the Underwriting Agreement, the Joint Bookrunners have severally agreed to use their reasonable endeavours to procure purchasers for, or failing which, to themselves purchase, at the Offer Price, the Offer GDRs in certain agreed proportions.

(iv) *Material conflicts of interest*

There are no interests, including conflicting interests, that are material to the Offering.

RISK FACTORS

An investment in the GDRs involves a high degree of risk. Accordingly, prospective investors should carefully consider, amongst other things, the risks described below, which address the existing and future material risks to the Group's businesses and industry and to the GDRs, as well as the detailed information set out elsewhere in this Prospectus, and reach their own views before making an investment decision. The risks and uncertainties described below represent the risks inherent in investing in the GDRs but are not the only risks and uncertainties the Group faces. Additional risks and uncertainties not presently known to the Group, or that the Group currently believes are immaterial, could also impair the Group's business operations. If any of the following risks actually materialises, the Group's business, financial condition, results of operations or prospects could be materially and adversely affected. If that were to happen, the trading price of the GDRs could decline and investors may lose all or part of their investment.

Prospective investors should note that the risks relating to the Group, its industry and the GDRs summarised in the section of this Prospectus headed "Summary" are the risks that the Directors believe to be the most essential to an assessment by a prospective investor of whether to consider an investment in the GDRs. However, as the risks that the Group faces relate to events and depend on circumstances that may or may not occur in the future, prospective investors should consider not only the information on the key risks summarised in the section of this Prospectus headed "Summary" but also, amongst other things, the risks and uncertainties described below. Various statements in this Prospectus, including the following risk factors, may constitute forward-looking statements as further described in the section of this Prospectus entitled "Notice to Certain Investors".

RISKS RELATING TO THE GROUP IN GENERAL

The Group's historical results of operations may not be indicative of its future performance

The Group has experienced significant growth in terms of production, operating income and profits in recent years. In the years ended 31 December 2019, 2020 and 2021 and the three months ended 31 March 2021 and 2022, the Group's total operating income was RMB10,493.2 million, RMB22,457.0 million, RMB27,158.0 million, RMB4,361.3 million and RMB7,028.5 million and its net profit for the year/period was RMB661.3 million, RMB1,304.3 million, RMB2,959.4 million, RMB271.1 million and RMB1,406.0 million, respectively, growing at a CAGR of 60.9 per cent. and 111.5 per cent., between 2019 and 2021, respectively. The Group plans to secure further growth by increasing its sales, expanding the geographical coverage of its production bases, researching and introducing more advanced wind turbines, adding new renewable product lines, improving the performance of its products, exploring business opportunities to add to its renewable energy portfolio, and developing its international operations. The success of the Group's plans depends on certain factors, including, but not limited to, the Group's ability to construct or operate new production bases, implement and manage its business plans, secure financing necessary for expansion, operate in an efficient manner, maintain and broaden its existing customer base, manage relationships with suppliers, ensure timely and sufficient supply of parts and components, hire, train and retain qualified personnel and deal with challenges that may arise in new and existing markets and business areas. Some of the above factors are beyond the Group's control. Although the Group focuses on all of the above-mentioned areas, if it fails to successfully implement its growth plans, maintain and enhance its domestic and international presence and market shares, further increase sales and promote newly developed products, or, if it encounters difficulties in any of the foregoing, the Group's prospects, business, results of operations and financial condition may be materially and adversely affected.

The Group is subject to customer concentration risk and the loss of, or a significant reduction in purchases from, any of them would significantly reduce the Group's operating income and materially and adversely affect its prospects, business, results of operations and financial condition

The Group currently derives a substantial portion of its operating income from certain major customers, which are primarily large Chinese national or regional electric power producers. As the wind power

generation industry in China is relatively concentrated with large state-owned electric power producers or their renewable energy subsidiaries, the Group anticipates that the operating income derived from its major customers will continue to represent a significant proportion of its total operating income in the near term. There is no assurance that the Group will be able to maintain its relationships with these customers, or that it will be able to continue to supply products and provide services to these customers at current levels or at all. Dependence on a few significant customers will continue to make it difficult for the Group to satisfactorily negotiate attractive prices for its products, solutions and platforms and will continue to expose us to the risks of substantial losses if a single dominant customer stops conducting business with the Group. Specifically, any one of the following events, among others, may cause material fluctuations or declines in the Group's operating income and have a material and adverse effect on its prospects, business, results of operations and financial condition:

- reduction of the number or in the price of wind turbines purchased from, and related services provided by, the Group by one or more of its significant customers;
- reduction, delay or cancellation of wind farm projects to be or being developed by the Group's customers, due to intense competition in the wind power industry, general decline in the economy or otherwise, which could lead to a decline in wind turbines purchased by the Group's customers;
- the decision by one or more of the Group's significant customers to select one or more of its competitors to supply wind turbines and wind farms;
- the loss of one or more of the Group's significant customers and failure to identify and obtain additional or alternative customers that can replace the lost sales volume at satisfactory pricing or other terms; or
- the failure or inability of any of the Group's significant customers to make timely payment for the Group's products, solutions and platforms.

Failure to fulfil customer orders due to delays in the Group's production process may have a material and adverse effect on the Group's prospects, business, results of operations and financial condition

The manufacturing and sales of the Group's wind turbines involve purchases of parts and components, assembly of the units, and transportation of finished products. Any unexpected delay in the process may affect the Group's ability to deliver products on time. The Group cannot assure you that it can always fulfil customer orders on time. Any failure to fulfil customer orders due to delays in the Group's production process may affect the Group's current sales and undermine its reputation and market position and thus the quantity of future orders. Further, the Group may be subject to substantial contractual penalties or obligations in connection with the letters of guarantee the Group has provided. Any of these may have a material and adverse effect on the Group's prospects, business, results of operations and financial condition.

If the Group fails to effectively control costs, in particular the costs of parts and components, its business, results of operations and financial condition may be materially and adversely affected

In order to maintain its competitiveness and achieve profitability, the Group must effectively control its costs. A significant portion of the Group's business with its customers is conducted pursuant to fixed price contracts, awarded on a competitive bidding basis. The profit margins realised on such fixed price contracts may vary from original estimates as a result of changes in costs and production volume over their term due to factors such as changes in the costs of components, materials or manpower, difficulties in obtaining adequate financing, unanticipated technical problems with parts and components being supplied, project or schedule modifications, delays caused by local weather conditions and suppliers' failure to fulfil their obligations.

Among these, the availability, and the fluctuations in the purchase prices, of parts and components are a key factor affecting the Group's costs. The parts and components used for manufacturing wind turbines require substantial amounts of steel, copper, various other metals and composite materials. Most of the Group's parts and components are purchased domestically. Due to the relatively high technical threshold for the production of quality parts and components for wind turbines, the number of qualified suppliers in the PRC is limited. Although the Group has good relationships with most of its suppliers, the prices and availability of these materials may be affected by factors beyond the Group's control, including global demand for and supply of such materials, inflation and local economic cycles, price control measures imposed by the government or private companies, international geopolitical issues and instability of the government of the exporting countries. There is no assurance that the Group will be able to continue to purchase a sufficient quantity and quality of parts and components at commercially acceptable terms or in a timely manner. In addition, even though the Group's suppliers are generally under fixed price contracts under which they bear most of the risks of raw materials price fluctuations, the Group may still, by way of its agreements with suppliers, be indirectly exposed to the risk of increases in the prices of these raw materials and components and to the extent the Group cannot pass on the price increases in these raw materials and components to its customers fully or in part, the Group's business, results of operations and financial condition could be affected. Furthermore, any significant delay in the supply of parts and components, or any decrease in the quality or unavailability of parts and components from existing or replacement suppliers could severely disrupt the Group's business, which could have a material and adverse effect on its financial condition and results of operations. The Group may not be able to receive compensation from relevant suppliers in such event, and any compensation received may not be sufficient to cover the loss of revenue and reputation suffered.

The Group's research and development efforts may not be successful

The Group's future success highly depends on its ability to keep pace with the rapid technological changes in the renewable energy industry in general and the wind power industry in particular. In order to maintain and enhance its competitive position that the Group currently enjoys and to continue to grow its business, the Group needs to design, develop and market new and more cost-efficient products and introduce new products, solutions and platforms to meet growing market demands and changing technical standards. The development of new products, solutions and platforms requires considerable investment and the Group's significant expenditures on research and development may not yield as much benefit as anticipated. On the other hand, since the industry has shifted its focus from size and speed of wind turbines to quality and efficiency, the Group is required to continuously improve and upgrade its products, solutions and platforms to ensure the reliability and cost-efficiency of its wind power solutions. The Group expects to spend a significant amount on research and development and continue to commit significant investments in research and development personnel over the next few years. However, research and development activities are inherently uncertain and the success of the Group's new products and platforms will depend on a number of factors, including product quality, competition, customer acceptance, price, general market conditions, government incentives, ability to integrate customer feedback into new products, ability to accurately assess technological trends and customer needs and the strength of marketing and distribution capabilities.

The Group's efforts in diversifying into other areas of renewable energy may not be successful

The Group seeks to diversify into other areas of renewable energy, such as photovoltaics and hydrogen. Increasing research and development and diversifying into other areas of renewable energy may have an impact on the Group's profitability. In order to remain competitive, the Group will need to update and develop its technology to most advanced development of the industry to the extent necessary. The process of updating its technology could result in increased costs and the level of the Group's investment may therefore affect the Group's profitability. The renewable energy businesses that the Group develops or invests now and in the future may not be as profitable as expected, or at all, especially considering the pressure faced by China's economic growth, the uncertainties associated with the reforms of the PRC

power industry and the increasing competition in renewable energy globally. Unexpected risks may also result from changes in regulatory policies, human resources, protests or litigation brought by environment protection organisations and authorities and natural disasters during the construction of the Group's projects in other areas of renewable energy. In addition, situations such as unexpected delays in construction, cost overruns and unstable operation may occur during implementation of the projects. Each of the factors may become a challenge to a project's profitability and may cause the investment profits to deviate from those expected, which may adversely affect the Group's business, financial condition and results of operations.

Investments that the Group carries out may also cause the Group to incur liabilities, or result in the impairment of goodwill or other intangible assets, or incur other related expenses. The due diligence work the Group conducts in connection with an investment may not be sufficient to discover unknown liabilities or defects, and any contractual guarantees or indemnities that the Group receives from the sellers of the companies the Group has invested in may not be sufficient to protect the Group from, or compensate the Group for, actual liabilities or defects, and its forecast of potential demand may not meet the actual demand at such locations. Any material liability associated with an investment could adversely affect the Group's reputation and reduce the benefits of the investment. In addition, if any one of the Group's observations or assumptions proves to be inaccurate, the Group's estimated return on investment may not be accurate or may not be materialised at all.

Additionally, further diversifying into other areas of the renewable energy business will bring certain risks to the Group due to the differences between different power generation businesses in terms of technological process and power generation technology. These technologies may be subject to continual evolution and change. The Group cannot assure that it will be able to keep pace with technological changes in a timely manner or at a reasonable cost, which could have a material and adverse effect on the Group's prospects, business, results of operations and financial condition. Furthermore, diversifying into other areas of the renewable energy business will lead to new legal and regulatory risks that are specific to those industries. Failure to meet the relevant legal and regulatory requirements could have a material and adverse effect on the Group's prospects, business, results of operations and financial condition.

The Group's overseas operations and its plans for further overseas expansion are subject to factors such as situations within and practices of the power industry, legal system, political situation and economic development in overseas markets in which it operates, thus the Group's international marketing and sales plans and strategies may not yield the desired results

Although China is the Group's primary market, it has also invested significant resources towards expanding its international presence and network. The Group's efforts abroad include the establishment of a subsidiary in Hamburg, Germany for the sales of its wind turbines and development of wind farm projects. However, overseas operations will have higher requirements on the production, operational and management abilities of the Group.

The Group's overseas operations may encounter situations and practices that are specific to the local power industry. Additionally, the economic development status, economic policy environment, political situation, exchange rate fluctuations and other factors in the region where the project is located will have a direct impact on the operations and performance of the overseas project, thus exposing the Group to certain overseas operational risks. These international operations are subject to special risks that can have a material and adverse effect on the Group's results of operations. These risks include but are not limited to:

- unsettled political conditions, war, civil unrest and hostilities in countries and regions in which the Group operates or seeks to operate;
- undeveloped, uncertain and/or evolving legal systems;

- political and economic instability in foreign markets;
- natural disasters;
- fluctuations and changes in currency exchange rates;
- obligations and limitations imposed by local laws and regulations, such as for the purpose of environmental protection;
- PRC regulations and approval processes relating to overseas investments; and
- governmental actions such as expropriation of assets, general legislative and regulatory environment changes, exchange controls, cancellation of contract rights, and changes in global trade policies imposed by other countries, in particular, sanctions, trade restrictions and embargoes imposed by the United States due to its recent tensions with China.

To date, instability in the overseas political and economic environment has not had a material and adverse effect on the Group's business, financial condition, results of operation and prospects. However, the Group cannot predict the effect that current conditions affecting various foreign economies or future changes in economic or political conditions abroad could have on the economics of the Group's power projects overseas. Any of the factors above may have a material and adverse effect on the Group's international operations and expansion plans and, consequently, the Group's business, results of operations and financial condition.

The Group faces risks related to natural and man-made disasters, health epidemics and other outbreaks

The Group's manufacturing business may be interrupted for reasons beyond its control, which may include natural disasters such as bad weather conditions, flooding, cyclones, typhoons, blizzards, snowstorms, landslides, earthquakes, and fire, as well as labour strikes, union strikes or social turmoil. Any major interruption of the Group's business may have a material and adverse effect on the Group's ability to manufacture and sell products or provide services. The transportation of wind turbines and the construction, operation and maintenance of wind farms may be affected by bad weather conditions; in particular, in remote areas of China, the transportation of wind turbines may be affected by poor infrastructure. If any of such events takes place, there may be a material and adverse effect on the Group's production capacity, business, results of operations and financial condition.

The Group's business operations may be affected by the COVID-19 pandemic

The Group's businesses could be adversely affected by the effects of epidemics and other outbreaks, such as the coronavirus (COVID-19), avian influenza, severe acute respiratory syndrome (SARS), influenza A (H1N1) and Ebola which are beyond their control. In early 2020, COVID-19 has spread globally throughout Asia, Europe, North America and other regions. COVID-19 is highly infectious and has resulted in numerous deaths around the world. The World Health Organization announced in March 2020 that COVID-19 has developed into a pandemic. In an effort to contain the spread of COVID-19, the PRC government has taken a number of measures, including, among other steps, extending the Chinese New Year holidays, and imposing travel, lock down, quarantine and other work or social activity related restrictions. A prolonged outbreak of COVID-19 has had and may continue to have a material and adverse impact on China's economy, the global economy and financial markets in general, which in turn could materially and adversely affect the Group's business, financial condition and results of operations. Furthermore, as there is significant uncertainty relating to future developments of the COVID-19 pandemic, as well as the emergence and rapid spread of new variants of the COVID-19 virus, which could have a material and adverse effect on its business, results of operations and financial condition.

The global outbreak of COVID-19 already had a significant impact on the global wind energy market. For example, demand for electricity decreased in various countries due to the decline of economic activities related to confinement measures in response to the outbreak of COVID-19. Besides the impact on the global electricity market, the outbreak of COVID-19 affected the global wind industry by disruptions on the global supply chain as well as national confinements measures which have affected production and installation activities.

The continued COVID-19 outbreak and the occurrence of other outbreaks could adversely affect the Group's business operations, cause delays in the Group's projects, increase the costs associated with its operations and could in turn, materially and adversely affect its revenue, profit and cash flows and, accordingly, negatively impact its ability to repay any debt. In addition, if any of the Group's employees is infected or affected by any severe communicable disease, it could adversely affect or disrupt the Group's operations, as the Company may be required to close some or all of its facilities or other businesses to prevent the spread of the disease, which in turn would also have an adverse effect on the Group's business operations.

Problems with quality or performance in the Group's products as well as product liability claims could result in negative impact on its relationships with customers and its reputation and cause reduced market demand for its products

The performance, quality and safety of the Group's products are critical to its corporate brand, reputation and ultimately, success. The Group provides customers with contractual warranties for the operating performance of its wind turbines. Generally, the product warranty clauses in the Group's contracts include guarantee of the wind turbine's stable operation in line with the contractual technical specifications and warranty guidelines stated therein. During the warranty period, the Group is accountable for any problems associated with wind turbine defects, operation problems or below-standard performance. If the Group's products fail to meet these quality standards and technical requirements during the warranty period, or if, after expiration of the warranty period, defects occur with the wind turbines' core components that may be attributable to the Company (including the downtime resulted from such defect), or the performance of its products falls below the requisite technical standard, it may be exposed to warranty expenses and costly product liability claims or litigation. Although the Group has purchased product insurance coverage for the warranty period, there may be difficulties in receiving compensation from the insurance companies, the processing time may be lengthy or the Group may not be able to receive sufficient compensation to cover its liability or damages in full. The occurrence of any of the above events and the resulting payment the Group makes to cover any losses, damage or liabilities may have a material and adverse effect on its reputation, business, results of operations and financial condition.

The Group's production and construction processes may cause accidents or significant harm to human health or property, which may have serious consequences

The Group's production and construction processes involve dangerous activities, including aerial and offshore construction works. The Group is required to comply with the necessary safety requirements and standards. Risks associated with the Group's production and construction activities include work injury accidents or geological hazards, which may result in personal injuries or fatalities and damage to property and equipment. Accidents related to any of these may result in personal injury claims, subcontractor claims, cessation of business, or civil and criminal penalties. The Group may also be liable for claims from third-party contractors. Although the Group has maintained public liability insurance which covers personnel casualties and property losses resulting from its operations, if it incurs substantial losses or liabilities due to the above reasons and its insurance coverage is unavailable or inadequate to cover such losses or liabilities, the Group's results of operations and financial condition may be materially and adversely affected.

As the power industry is extensively regulated by the PRC government, if the Group fails to obtain or maintain applicable licenses, or registrations for its products, or if such license or registrations are delayed, the Group will be unable to commercially manufacture, distribute and market its products at all or in a timely manner, which could significantly disrupt its business and materially and adversely affect its sales, results of operations and financial condition

The production, sales and servicing of the Group's wind turbine products and the development, operation and sale of wind and solar farms are subject to regulations in the PRC as well as other countries in which the Group has operations. The Group is currently subject to regulations requiring governmental certificates, permits or licences including without limitations to business licences, electric power business licenses, land use right certificates, property ownership certificates, planning permits, construction permits, environmental impact approvals, environmental protection facilities acceptance upon completion, pollution discharge permits and fire safety permits, which may require regular renewals and inspection. Procedures for granting such permits and approvals vary from region to region, and certain projects may not receive their operational or construction permits in a timely manner for a variety of reasons. Third parties may challenge a decision to grant the Group operational and construction permits in some provinces after local authorities have granted the Group such permits. After receiving the permits, the Group must comply with laws and regulations, as well as the conditions contained in the operational and construction permits. Failure to achieve the above may result in fines, sanctions, and/or the suspension, revocation or non-renewal of approvals, licences or permits. In addition, government authorities may adjust, suspend, withdraw or revoke the permits they have granted to the Group due to various reasons such as change of land use plan. Any adjustment, suspension, withdrawal or revocation of the permits the Group obtained may cause delay to the construction of the projects. Failure to obtain or maintain or a delay in obtaining these certificates, permits or licences may result in fines, penalties or business interruptions which could have a material and adverse effect on the Group's business, results of operations and financial condition.

It is significant for the Group to operate in compliance with regulatory requirements. A breach of laws or regulations to which the Group is subject may result in serious consequences, including, but not limited to, the imposition of fines, penalties, suspension or cessation of production or operation, or suspension or revocation of permits or licences. Complying with the extensive rules and requirements may require the Group to incur significant compliance costs, which could increase the Group's operating and maintenance costs and expenses and materially and adversely affect the Group's business and results of operations.

The Group may not be able to obtain the relevant property right certificates for its wind and solar farms projects and properties in use in a timely manner or at all

The Group may be unable to find and obtain land use rights and/or maritime rights of use for its desirable wind and solar farm projects. Once suitable sites are identified, the ability to obtain the underlying land use rights and/or maritime rights of use with respect to the sites is increasingly subject to competition from other wind and solar farm operators and investors, which may have better access to local government support as well as financial or other resources. If the Group is unable to find, or obtain land use rights and/or maritime rights of use for, suitable project sites, it may be unable to develop new wind and solar farm projects on a timely basis or at all, which could have a material and adverse effect on the Group's business, prospects, results of operations and financial condition.

As at the date of this Prospectus, the Group is in the process of obtaining the land use rights certificates for certain of its wind farm projects that are in operation, which may result in uncertainties of ownerships, and affect the transfer or mortgage, of such properties and may further cause regulatory compliance issues for the operation of such wind farm projects. In the worst case scenario, if the land use rights certificates in respect of the wind farms are not obtained, the relevant wind farms may be required to cease operation or be demolished and the Group may be required to return the land back to the local

government authorities. The revenue of all of the Group's wind and solar farms (including those with and without the land use right certificates) as a result of electricity generation during 2021 is RMB1,410.2 million, accounting for 5.2% of the total revenue of the Group during the same period.

The Group is also in the process of obtaining the real estate title certificates for certain of its self-constructed properties in use which were not obtained due to various reasons such as a lack of or delay in obtaining the relevant construction or completion acceptance formalities. Although the Group has taken active measures to complete all requisite governmental formalities for various certifications, permits and approvals for its wind and solar farm development and construction of properties, there is no assurance that such real estate title certificates will be obtained in a timely manner or at all. Even though Mr. ZHANG Chuanwei has provided an undertaking that, effective upon the Admission of the GDRs, he will indemnify the Group for any losses incurred by the Group as a result of the disruption of the Group's business operations, administrative penalties and economic losses arising from assumption of the corresponding legal liabilities in connection with the land use right certificates and/or real estate title certificates which have not been obtained as at 31 March 2022, the indemnity does not extend to losses incurred by the Group in connection with the lack of land use rights certificates and real estate title certificates which are due to be obtained after 31 March 2022. Thus, any failure to obtain or any delay in obtaining land use rights certificates and real estate title certificates which are due to be obtained after 31 March 2022 could have a material and adverse impact on the Group's business, results of operations and financial positions in the future.

The Group is subject to risks relating to accidents or other hazards which may not be covered by insurance

The Group maintains insurance coverage for risks in most of its businesses, where insurance is available on what it considers to be reasonable commercial terms. The insurance coverage maintained by the Group may not fully indemnify it for all potential losses, damages or liabilities relating to property or business operations, particularly those arising from or as a result of war, civil unrest, terrorism, pollution, fraud, professional negligence and acts of God. If the Group suffers any losses, damage or liabilities in the course of its operations arising from events for which it does not have any or adequate insurance cover, it may not have sufficient funds to cover any such losses, damage or liabilities or to replace any property that has been destroyed.

There may not be any insurance coverage available for certain accidents or liabilities incurred (or may incur) in the course of hazardous operations. Furthermore, the Group may be subject to rising insurance costs for its existing insurance coverage or future insurance needs. In addition, the Group's insurers may become impaired and become unable to meet claims. The occurrence of any of the above events and the resulting payment the Group makes to cover any losses, damage or liabilities may have a material and adverse effect on its reputation, business, results of operations and financial condition. Further, notwithstanding the Group's insurance coverage, any damage to the Group's buildings, facilities, equipment, or other properties as a result of occurrences such as fire, flood, water damage, explosions, power losses, typhoons and other natural disasters may have a material and adverse effect on the Group's business, financial condition and results of operations.

Furthermore, while every care is taken by the Group and its employees in the selection and supervision of its independent contractors, accidents and other incidents, such as theft, may occur from time to time. Such accidents or incidents may expose the Group to liability or other claims by its customers and other third parties. Although the Group believes that it has adequate insurance arrangements to cover such eventualities, it is possible that certain accidents or incidents are not covered by these arrangements, which could adversely affect the business, financial condition and results of operations of the Group. It is also possible that litigants may seek to hold the Group responsible for the actions of its independent contractors.

The Group is exposed to litigation risks

The Group may from time to time be involved in disputes with indigenous residents, contractors, suppliers, employees and other third-party service providers during the course of its daily operations. For

example, the Group is currently involved in certain ongoing litigations which primarily include contract disputes related to the purchase and sale of wind turbines and their installations, operations and maintenance. As at 31 March 2022, the Group had 25 ongoing litigations and the claims of these litigations amounted to RMB276.1 million. In accordance with the relevant accounting rules, for the cases where the Company or its subsidiaries, as the case may be, are involved as defendants, the Company carefully assesses the merit of each claim and makes a provision if, based on its assessment, the plaintiff is likely to prevail in such a claim. The Group made a provision of RMB37.1 million in respect of the pending litigations as at 31 December 2021. Claims may be brought against members of the Group based on a number of causes such as defective or incomplete work, personal injuries, property damages, breach of warranty or delay in completion and delivery of projects. In addition, the Group may bring up claims against project contractors for additional costs incurred as a result of the contractors' underperformance or non-performance, project defects or default by the contractors. If the disputes or claims are not resolved or settled through negotiation or mediation, the Group may be involved in lengthy and costly litigation or arbitration proceedings, which may distract the Group's financial and managerial resources. In the event that the Group prevails in those legal proceedings, there is no assurance that the judgement or awards will be effectively enforced. If a judgment or award is rendered against the Group, the amounts payable by the Group may not be fully covered by the Group's insurance, and the amounts could differ from the provisions made by the Group based on its estimates. Any material charges associated with claims brought against the Group and material write-downs associated with the Group's claims could have a material and adverse impact on its business, reputation, financial condition and results of operations.

Disputes with its joint venture partners or project development partners may adversely affect the Group's business

The Group has developed and is planning to develop projects jointly with other entities through joint ventures or cooperation agreements. The Group's joint venture partners or project development partners may:

- have economic or business interests or goals that are inconsistent with the Group's;
- take actions contrary to the Group's instructions or requests or contrary to its policies or objectives;
- be unable or unwilling to fulfil their obligations under the relevant joint venture or cooperation agreements; or
- have financial difficulties.

Additionally, a disagreement with any of the Group's joint venture partners, project development partners or planned partners in connection with the negotiation and finalisation of the relevant agreements, the scope or performance of the Group's respective obligations under the project or cooperation arrangements could affect its ability to develop or operate a project. The Group's joint venture partners or project development partners may be unable or unwilling to perform their obligations under the relevant agreements, including their obligation to make required capital contributions and loans, whether as a result of financial difficulties or otherwise. A serious dispute with the Group's joint venture partners or project development partners could lead to an early termination of the Group's joint venture or cooperation arrangements or a failure of planned project agreements to materialise, which in turn could adversely affect its business, financial condition and results of operations.

Should a situation arise in which the Group cannot continue or complete a joint development project for any reason, the rights and obligations of each party with respect to the uncompleted project will be determined by the relevant joint venture or cooperation agreements. If such agreements are silent or

inconclusive with regard to such rights and obligations, the resolution of any dispute may require arbitration or, failing that, litigation, which could have an adverse effect on the Group's business, results of operations and financial condition.

The Group's success depends on the stability of its senior management team and successful implementation of its management incentive system and if it fails to retain or hire qualified personnel at reasonable costs, the Group's results of operations may be materially and adversely affected

The experience and leadership of the Group's senior management team have been critical to the Group's success, especially with regard to its development strategy and research and development. The success of the Group's products depends on the Group's ability to retain qualified research and development, production, quality control and after-sales service and operations personnel. Moreover, the Group's management incentive system is one of the key factors that contribute to retaining its senior management team and allowing the Group to gain the most from their talents. The competition for qualified senior management is intense. If the Group loses the services of any of these key management personnel, or fail to recruit and retain new talent, or fail to maintain an attractive management incentive system in the future, its planned growth may not be realised and its business prospects, results of operations and financial condition may be materially and adversely affected.

In addition, due to the Group's relatively complex production process, it generally takes several months to train newly employed workers so that they may acquire the necessary skills, and some skilled workers are not easily or quickly replaceable. Hence, if a significant portion of the Group's technically skilled workers terminate their employment relationships with the Group in a short period of time, the Group may encounter interruption of its production or services, which may substantially impact its operations.

Moreover, in the global context, labour costs in China are relatively low. This is one of the Group's competitive advantages over foreign competitors. In the event of significant increases in the salaries of qualified personnel in the areas the Group operates in the PRC market, the Group's labour costs may significantly increase and the Group's profit margins and market competitiveness may be materially and adversely affected.

The Group's business operations are exposed to risks in relation to environmental laws and regulations

The Group is subject to various environmental protection laws and regulations. The particular environmental laws and regulations that are applicable to each of the Group's business segments vary according to their respective location and the environmental factors associated with their specific business operations. As the governments around the world impose more stringent environmental regulations, the Group's facilities may be more strictly reviewed and inspected by the local authorities, and approval processes for future facilities or any alteration to existing facilities may be prolonged. Compliance with environmental laws and regulations may result in delays of the Group's production schedule which could cause the Group to incur additional compliance costs and restrict or even prohibit its business activities in environmentally-sensitive regions or areas. In addition, as the awareness for environmental protection increases continues to increase in the future, additional and/or stricter environmental laws or regulations will be imposed in the future. There can be no assurance that the Group will be able to comply with all such changed laws and regulations in the future or that it can comply in a cost-efficient manner as compliance with evolving environmental laws and regulations may be more costly and impact profitability. If the Group is unable to effectively and promptly comply with environmental laws or regulations or adapt to these changes or if the Group fails to obtain relevant licenses or approvals required under the relevant laws and regulations, it may incur significant costs and may be subject to fines or be forced to suspend or shut down certain operations, which could have a material and adverse effect on its operations.

The Group's business operations are exposed to risks in relation to health and safety laws and regulations

The Group is subject to various health and production safety standards in relation to its production processes used in its manufacturing of wind turbines and development of wind and solar farms. The Group's production facilities are subject to regular inspections by the regulatory authorities for compliance with the Safe Production Law of the PRC (中华人民共和国安全生产法). Furthermore, under the PRC Labour Law (中华人民共和国劳动法) and the PRC Law on the Prevention and Treatment of Occupational Diseases (中华人民共和国职业病防治法), the Group must ensure that its facilities comply with PRC standards and requirements on occupational safety and health conditions for employees. The Group also provides its employees with labour safety education, necessary protective tools and facilities, and regular health examinations for those who are engaged in work involving risks of occupational hazards. Failure to meet the relevant legal requirements on production safety and labour safety could subject the Group to warnings from the relevant governmental authorities, governmental orders to rectify such non-compliance within a specified time frame and fines according to the Safe Production Law of the PRC, the PRC Labour Law and the PRC Law on the Prevention and Treatment of Occupational Diseases. The Group may also be required to suspend its production temporarily or cease its operation permanently for significant non-compliance, which would have a material and adverse effect on its business, results of operations and financial condition. In addition, the revised Safe Production Law of the PRC (中华人民共和国安全生产法) (2021年修正), which has taken effect since 1 September 2021, has increased fines for particularly serious accidents up to RMB100 million.

The Group may not be able to detect and prevent illegal activities or other misconduct committed by its current or former officers, employees, representatives, agents, customers or other third parties

The Group may be exposed to illegal activities or other misconduct committed by its current or former officers, employees, representatives, agents, customers or other third parties that could subject the Group to financial losses and sanctions imposed by governmental authorities, which in turn affects its reputation. These misconducts could include:

- hiding unauthorised or unsuccessful activities, resulting in unknown and unmanaged risks or losses;
- intentionally concealing material facts, or failing to perform necessary due diligence procedures designed to identify potential risks, which are material to the Group in deciding whether to make investments or dispose of assets;
- improperly using or disclosing confidential information;
- recommending products, services or transactions that are not suitable for the Group's customers;
- misappropriation of funds;
- conducting transactions that exceed authorised limits;
- engaging in misrepresentation or fraudulent, deceptive or otherwise improper activities when marketing or selling products;
- engaging in unauthorised or excessive transactions to the detriment of the Group's customers;

- making or accepting the bribery activities;
- conducting any inside dealing; or
- otherwise not complying with applicable laws or the Group's internal policies and procedures.

The Group's internal control procedures are designed to monitor its operations and ensure overall compliance. However, such internal control procedures may be unable to identify all incidents of non-compliance or suspicious transactions in a timely manner if at all. In addition, it is not always possible to detect and prevent illegal activities and other misconduct, and the precautions undertaken by the Group to prevent and detect such activities may not be effective. There can be no assurance that illegal activities or other misconduct will not occur in the future. If such illegal activities or other misconduct does occur, it may cause negative publicity as a result.

The Group may not be able to adequately protect its intellectual property rights

The Group relies primarily on patents and proprietary technologies to protect its technological know-how, which include designs and technologies for the Group's products and core components. Furthermore, certain know-how cannot be registered, and the Group relies on confidentiality and trade secrets protection obligations of its suppliers and employees to protect this know-how. The Group is also applying for the registration of certain trademarks and patents. The Group cannot assure you that these measures will be sufficient to prevent any infringement of the Group's intellectual property rights or that the Group's competitors will not independently develop alternative technologies that are equivalent or superior to the Group's technologies. Furthermore, the Group cannot assure you that all its registration applications will be successful, or its registered intellectual property rights will not be subject to any objection. In the event that the steps the Group has taken and the protection afforded by law do not adequately safeguard its intellectual property rights, or the Group is not able to register or defend its intellectual property rights, its competitors may exploit the Group's intellectual property in the manufacturing and sale of competing products, which could materially and adversely affect the Group's business, financial condition and results of operations.

The Group may be subject to claims for the infringement of intellectual property rights of others

Intellectual property rights, such as trademarks and patents, are important in the industry as they protect brand images, product formulations and other valuable rights. The Group's competitors or other third parties may have intellectual property rights and interests which could potentially conflict with the Group's. If any trademark or patent infringement or other intellectual property claims against the Group are successful, the Group may not have a legal right to continue to develop, produce, use or sell products that are adjudicated to have infringed third parties' intellectual property rights. The Group may be legally required to expend significant resources to redesign its products so that they do not infringe third parties' intellectual property rights or the Group may be required to obtain relevant licences to avoid further infringements. Intellectual property litigation against the Group could significantly disrupt its business, divert its management's attention or consume much of its financial resources. Any intellectual property disputes could have a material and adverse effect on the Group's business, financial condition, results of operations and prospects.

The Group relies on the effective functioning of information technology systems and any information technology system limitations or failures could adversely affect its business, financial condition, results of operations and prospects

The Group's business depends on the integrity and performance of the business, accounting and other data processing systems at the holding company and at its subsidiaries. If the Group's systems are not be able to effectively address the issues arising from an increased business or otherwise fail to perform, the Group could experience unanticipated disruptions in business, slower response times and limitations on its ability to monitor and manage data and risk exposures, control financial and operation conditions, and keep accurate records. These consequences could result in operating outages, poor operating performance, financial losses, and intervention of regulatory authorities. Although the Group's systems have not experienced major systems failures and delays in the past, there is no assurance that the Group's systems would not experience future systems failures and delays, or that the measures taken by the Group to reduce the risk of system disruptions are adequate. If internet traffic and communication volumes increase unexpectedly or other unanticipated events occur, the Group may need to expand and upgrade the Group's technology, systems and network infrastructure. There is no assurance that the Group will be able to accurately project the rate, timing or cost of any increases, or expand and upgrade the Group's systems and infrastructure to accommodate any increases in a timely manner.

The interests of Controlling Shareholders may not be aligned with those of the Company

As at the Latest Practicable Date, Mr. ZHANG Chuanwei, together with Ms. WU Ling, his spouse, and Mr. ZHANG Rui, his son, are the Controlling Shareholders of the Company and indirectly held 27.04% of the Company's Shares. Upon the completion of the Offering, the Controlling Shareholders will hold an aggregate of between 25.17% of the Company's Shares (assuming the Over-allotment Option is not exercised) and 25.04% of the Company's Shares (if the Over-allotment Option is exercised in full). Subject to the Company's Articles of Association and applicable listing rules and other applicable laws and regulations, the Controlling Shareholders may, by voting its shareholding at general meetings of shareholders, have the ability to influence the Company's major policy decisions, including, among other items, the appointment of executive officers, business strategies and policies, the timing and amount of dividend distributions, material property transactions, major overseas investments, mergers and acquisitions, issuances of securities and adjustments to the Group's capital structure, amendments to the Company's Articles of Association and other actions that require the approval of the Board and shareholders. It is possible that differences in opinion may arise from time to time between the Controlling Shareholders and other shareholders and the interests of the Controlling Shareholders may be inconsistent with the interests of other shareholders or the Company. The Company cannot guarantee that the Controlling Shareholders will influence the Company to pursue actions that are in the best interests of other shareholders.

RISKS RELATING TO THE GROUP'S FINANCIALS AND CAPITAL STRUCTURE

Substantial indebtedness may restrict the Group's business activities and increase the Group's exposure to various operational risks

The Group relies on external financing to satisfy a portion of its capital requirements and it has had a significant amount of outstanding indebtedness. As at 31 March 2022, the Group's total indebtedness (comprising loans, bonds and financial lease payables) was RMB6,434.3 million, of which RMB662.6 million would become due within 12 months. The majority of the Group's indebtedness as at 31 March 2022 was related to the purchase of raw materials and construction of wind farm projects. Substantial indebtedness could impact the Group's business in a number of ways, including:

- requiring the Group to divert its operating cash flow to service its indebtedness;
- increasing the Group's finance costs, thus affecting the overall profits of the Group;

- decreasing the Group's financial flexibility in carrying on its business or responding to unexpected market changes;
- limiting, together with the financial and other restrictive covenants of the Group's indebtedness, among other things, the Group's ability to borrow additional funds; and
- increasing the Group's vulnerability to adverse general economic and industry conditions.

As the Group's business scale continues to grow, its capital requirement and its reliance on external financing may continue to increase. The Group's financial performance and operating results may be materially and adversely affected if its cash flows and capital resources are insufficient to fund its debt service obligations. Failure to service the Group's debt could result in the imposition of penalties, including increases in rates of interest that the Group pays on its legal actions against the Group by its creditors, or bankruptcy.

The Group mortgages some of its assets, primarily fixed project assets, construction in progress and accounts receivables, to secure its bank borrowings for its business development and the Company pledges some of its equity interests in its subsidiaries to secure its loans. Third-party security rights may limit the Group's use of the assets mortgaged or charged and adversely affect its operation efficiency. If the Company and its subsidiaries are unable to service and repay their debts under such loan facilities on a timely basis, the assets mortgaged or charged and the subsidiary equity interests pledged to secure the Group's bank loans may be foreclosed or sold by the relevant lenders, which may adversely affect the Group's prospects, business, results of operations and financial condition.

Failure to obtain sufficient capital resources on acceptable terms or in a timely manner may adversely affect its business and prospects

The Group's business operations require sufficient capital resources. The Group has historically met its capital requirements through a combination of (i) cash flows generated from its operating activities, (ii) proceeds of bank and other borrowings, and (iii) issuance of debt and equity securities. For the years ended 31 December 2019, 2020 and 2021, the Group recorded net operating cash inflow of RMB5,755.3 million, RMB3,630.8 million and RMB5,397.5 million, respectively. For the three months ended 31 March 2022, the Group incurred net operating cash outflow of RMB3,903.3 million. Insufficient cash flow generated from the Group's operating activities will increase the Group's reliance on external financing. As at 31 December 2019, 2020 and 2021 and 31 March 2022, the Group's total outstanding indebtedness (comprising loans, bonds and financial lease payables) was RMB8,968.2 million, RMB8,257.4 million, RMB6,964.5 million and RMB6,434.3 million, respectively. As at 31 March 2022, the Group had credit facilities in a total amount of approximately RMB44,081.4 million, of which approximately RMB22,132.4 million had not been utilised.

The Group's ability to arrange for external financing and the cost of such financing are dependent on numerous factors, many of which are beyond its control, including but not limited to:

- general economic and capital market conditions;
- changes in monetary policies with respect to bank interest rates and lending policy;
- interest rates and credit availability from banks or other lenders;
- investor confidence in the Group and the success of the Group's business;
- ability to obtain the necessary regulatory approvals to access domestic or international financing;

- provisions of tax and securities laws that may be applicable to the Group's efforts to raise capital; and
- political and economic conditions in the PRC and around the world generally.

There is no assurance that the Group will be able to renew its current credit facilities or secure additional financing, either on a short-term or a long-term basis, or that such financing will be obtained on terms favourable to the Group. If the Group is unable to obtain sufficient financing on a timely basis and at a reasonable cost, the Group may not be able to undertake new projects or implement them as planned. This would restrict the Group's ability to grow and, over time, may reduce the quality and reliability of the services the Group provides and adversely affects the Group's prospects, business, results of operations and financial condition. In addition, substantial indebtedness may in turn increase the pressure on the Group's liquidity and cause additional operational risks.

Significant amount of accounts receivables and other receivables may affect the Group's liquidity and restrict the Group's business activities

As at 31 December 2019, 2020 and 2021 and 31 March 2022, the Group's accounts receivables amounted to RMB4,751.5 million, RMB3,714.4 million, RMB5,855.8 million and RMB7,489.2 million, respectively, representing 13.7 per cent., 7.2 per cent., 9.5 per cent. and 12.3 per cent. of the Group's total assets as at the corresponding dates. The Group's accounts receivables primarily comprise receivables from customers.

As at 31 December 2019, 2020 and 2021 and 31 March 2022, the Group's other receivables amounted to RMB298.5 million, RMB566.6 million, RMB507.3 million and RMB590.7 million, respectively, representing 0.9 per cent., 1.1 per cent., 0.8 per cent. and 1.0 per cent. of the Group's total assets as at the corresponding dates. The Group's other receivables primarily comprise short-term loans from related companies and financing deposits.

There are inherent risks associated with the ability of customers and the related companies to make timely payments and any failure to make timely payments by these entities could materially and adversely affect the Group's liquidity and in turn affect its business, results of operations and financial condition.

Inability of the Group's customers to obtain financing for wind farm projects may have a negative impact on the Group's business, results of operations and financial condition

In certain markets, wind turbine manufacturers may be required to provide specific product warranties in order for the relevant wind farm developers to receive financing for their wind farm projects. The Group has provided warranties to its overseas customers, but in the event the Group's warranties are deemed not to be in line with the requirements of financing providers in overseas markets, the Group's customers may not be able to obtain the relevant financing, which would then affect their demand for the Group's products and services. Additionally, if the Group's customers are not able to obtain financing on their own for their wind projects, their demand for the Group's wind turbines and services may decline. If the Group fails to manage the above risks effectively, its global expansion may be hindered, which may in turn result in a material and adverse effect on its business, results of operations and financial condition.

The Group is subject to risks associated with changes in preferential tax treatment

The Group is subject to various PRC taxes, including the current statutory PRC enterprise income tax of 25% as determined in accordance with the relevant PRC tax rules and regulations. However, PRC national and local tax laws provide certain preferential tax treatments applicable to different enterprises, industries and locations. The Company and some of its subsidiaries were taxed at preferential rates due to the nature of their business activities and the location of their projects. For instance, the Company has

been accredited as a high and new technology enterprise and was entitled to the preferential enterprise income tax rate of 15% in accordance with the PRC Corporate Income Tax Law (中华人民共和国企业所得税法). Termination or revision of any such preferential tax treatments may materially and adversely affect the Group's results of operations and financial condition.

Fluctuations in exchange rates could have an adverse effect on the Group's results of operations

The Group conducts its business mainly in Renminbi. However, a portion of its revenue and borrowings is denominated in US dollars, although the Group's functional currency is the Renminbi. As a result, fluctuations in exchange rates, particularly between the Renminbi and the US dollar, could affect the Group's profitability and may result in foreign currency exchange losses of the Group's foreign currency-denominated liabilities.

The exchange rate of the Renminbi against the US dollar and other currencies fluctuates and is affected by, among other things, changes in the PRC's and international political and economic conditions and the PRC government's fiscal and currency policies. The conversion of Renminbi into foreign currencies is based on rates set by the PBOC. The PRC government has been changing its foreign exchange policies and may adopt further reforms of its exchange rate system, including making Renminbi freely convertible. These changes in policy have resulted in fluctuations of Renminbi against US Dollars. There can be no assurance that such exchange rate will remain stable against US Dollars, or other foreign currencies in the market. There remains significant international pressure on the PRC government to adopt a more flexible currency policy, which could result in further and more significant appreciation of the Renminbi against the US dollar. The Group cannot assure you that the Renminbi will not experience significant appreciation against the US dollar in the future.

Currently, the Group has not entered into any hedging transactions to mitigate the exposure to foreign exchange risk. As a result, any significant decrease in the value of the Renminbi against foreign currencies could increase the value of the Group's foreign currency-denominated expenses and liabilities.

The Group's results of operations may fluctuate through the year due to seasonality of business.

The Group's customers are located in different parts of China, and in some of these areas, due to weather conditions, the construction of wind farm projects tends to commence at the beginning of the year, with construction carried out through the year, and installation at the end of the year. Consequently, the quantity of the Group's wind turbines delivered and operating income derived from such sales in the third and the fourth quarters may be generally greater than in the first and second quarters. As the Group's operating income fluctuates seasonally, its interim financial results may not reflect its financial results or performance for the entire year. Comparisons of sales and operating results between different periods in a single financial year for the Group's business segments, or between the same periods in different financial years, are not necessarily meaningful and should not be relied on as indicators of the Group's performance. The Group tries to mitigate the influence of such seasonal factors by increasing sales to different regions in the PRC and managing delivery schedules. The seasonal nature of the Group's operating income requires the Group to control its working capital carefully so as to provide adequate cash for operations throughout the year. Any failure to manage seasonality in the Group's business may cause the Group's revenue and financial condition to be materially and adversely affected.

RISKS RELATED TO THE RENEWABLE ENERGY INDUSTRY

Uncertainties and adverse changes in government initiatives and policies that affect the renewable energy industry in general and the wind power industry in particular may have an adverse effect on the Group's business and results of operations

The Group believes that government initiatives, incentives and other favourable policies have been one of the major growth drivers for the PRC renewable energy industry in general and the wind power industry

in particular. The renewable energy industry faces intense competition from conventional energy technologies. There can be no assurance that government support for the renewable energy industry will continue at the same present level or at all. Any decrease or elimination of government incentives currently available to industry participants may result in increasing operating costs incurred by the Group or its current customers or discourage potential customers from investing in the Group's products, solutions and platforms. The Group and most of its customers are highly dependent on the government initiatives, incentives or other favourable policies to support their operations at a relatively acceptable cost level. These initiatives, incentives and policies include preferential tax treatment, government spending, government financial funds and grants, government incentives for the electricity industry or preferential tariffs on power generated from wind power. Any changes in such governmental initiatives, incentives and policies may require the Group to continuously improve the efficiency of its wind power equipment and wind farm construction and operation, as well as research and development capabilities and therefore decrease the wind power generation costs in general. There is no assurance that the Group will be able to continuously enhance its manufacturing and operational technologies or attain or maintain economies of scale and management efficiency as currently planned. If the Group is not successful in managing and overcoming any risks and uncertainties incurred as a result of changes in governmental initiatives and policies in China by continuously lowering its construction and power generating cost, it might not be able to compete efficiently with thermal power players and other renewable energy players in the market in the future and accordingly, its business, results of operations, financial condition and prospects may be materially and adversely affected. Any uncertainties and adverse changes in government initiatives, incentives or policies will materially and adversely affect the investment plans of the Group's customers and consequently its growth.

The Group may be affected if the PRC government reduces or ceases its support and encouragement of the wind power industry

The power industry is extensively regulated by the PRC government and the PRC government has promulgated a series of laws, regulations and policies to support and encourage the development of wind power. These include The Renewable Energy Law of the PRC (中华人民共和国可再生能源法), Medium-to-Long Term Development Plan for Renewable Energy (可再生能源中长期发展规划), Notice of the NDRC on Perfecting the Policy Governing the Price of Wind Power Sold to the Grid (国家发展改革委关于完善风电上网电价政策的通知), and Notice of the National Energy Administration of the PRC on Relevant Requirements for Regulating Orders in the Wind Power Equipment Market (国家能源局关于规范风电设备市场秩序有关要求的通知). These laws, regulations and policies directly affect the prospects of the domestic wind power industry and wind power equipment manufacturing industry in the PRC and are major factors that affect the demand for the Group's products.

The level of acceptance of wind power as a viable form of clean energy by the government agencies that establish energy policies as well as the general public in markets in which the Group operates has a significant effect on the Group. The direct or indirect reduction or termination of such government support may have a negative impact on the PRC wind power market. In the event of changes in the support by the PRC government of the industry in which the Group operates, or changes to the policies associated with the Group's industry, the Group's operations may be affected. Moreover, changes in government policies and support in those countries to which the Group plans to expand its business may also affect the Group. In the event of changes in these preferential policies by the PRC government and/or the relevant authorities of other markets in which the Group intends to operate or changes in the level of public acceptance for wind power in such markets, wind power may become less attractive, and this could have a material and adverse effect on the Group's business, results of operations and prospects.

Further changes to the on-grid tariffs for wind energy may negatively impact the Group's revenues and profitability

As the renewable energy industry becomes more mature, the PRC government has adopted a more flexible policy of the applicable on-grid tariffs for new projects. For example, from 2015 to 2018, along with the new development of the wind power industry, the NDRC established uniform on-grid tariffs for wind power based on resource zones, and such new on-grid tariffs are lower than those generally available to wind power projects established prior to the change. In May 2019, according to NDRC's notice on Wind Power On-grid Price (《国家发展改革委关于完善风电上网电价政策的通知》), it is required that on-grid price of onshore and offshore wind power projects which are newly approved should be determined through competition and shall not be higher than government-guided prices of wind power in their resource areas. From 1 January 2021, the government ended subsidies for newly approved onshore wind power projects as part of its bid to achieve grid parity.

China is one of the world's largest users of wind energy. China's installed wind power capacity and wind energy production have surpassed those of nuclear power in China. As such, wind power has become China's third largest power source, after thermal power and hydroelectric power. In order for wind power to become cost competitive with thermal power, the wind power on-grid tariffs may be reduced further in the future. Such reductions may cause a decline in investor interest and correspondingly, a drop in demand for wind power solutions. Should the foregoing occur in the future, compounded by the absence of government subsidies for new wind power projects, and if the Group is not successful in controlling its costs, the Group's revenues and profitability may be materially and adversely affected.

The Group faces intense competition in its major markets and the selling prices of the Group's products may continue to fluctuate as a result of the significant downward pricing pressure from its competitors

The Group faces increasingly intense competition from both overseas and domestic competitors, in the markets in which the Group operates. Some of the other manufacturers may have greater financial, sales and marketing, research and development, personnel, or other resources than the Group. In addition, new market entrants may achieve immediate market share through leveraging existing business relationships and acquisition of wind turbine technologies from third parties. All of the foregoing factors have intensified market competition, and the Group may face pressure in product pricing and competition for orders.

In particular, the Group's historical wind turbine average selling price is not necessarily representative of future trends for its product pricing, and the Group may adjust its selling prices downward due to pricing pressure. The price erosion in recent years has been mainly due to, among other factors, intense market competition, rapid capacity expansion of Chinese wind turbine companies, decline in raw material prices, localisation of component manufacturing, decrease in transportation costs, and improvements in economies of scale. The PRC government has also highlighted over-production as an issue encountered by the wind power equipment industry. The average selling price may continue to decrease if any of these persists or if a substantial amount of installed wind power capacity remains or becomes idle and is not connected to the grids. As the Group's wind turbine pricing may be negatively affected by, among other factors, downward pricing pressure from its competitors, there remains a possibility that a decrease in the average selling price of its wind turbines may occur from time to time. Significant downward pricing pressure from its competitors could limit the Group's ability to set higher selling prices or otherwise require the Group to lower the selling prices of its products. Any adverse or unforeseen change in the Group's competitive environment may have a material and adverse effect on the Group's business, prospects, results of operations and financial condition.

Furthermore, the Group's competitors may adopt more advanced technologies or develop products, solutions and platforms that are more effective or commercially attractive at an even lower cost than it. If

the Group encounters delays in technology development, fail to meet changing market demands or introduce newly developed products to the market, and its competitors respond more rapidly than the Group does, its business, financial condition and results of operations may be materially and adversely affected.

The Group faces various risks relating to the development and operation of its wind and solar farm projects

The Group faces various risks relating to the development and operation of its wind and solar farm projects. For example, the Group's wind and solar farm projects may suffer significant construction delays or increases in construction cost as a result of a variety of factors, including:

- failure to secure required regulatory permits or approvals on time
- failure to secure interconnection to transmission lines;
- failure to receive adequate bank borrowings on favourable terms;
- failure to receive wind turbines or other critical components and equipment on schedule and according to design specifications;
- failure to receive quality and timely performance of third-party services;
- failure to relocate incumbent residents and/or demolition of incumbent structures on the sites where the projects are located due to reasons out of the Group's control;
- inclement weather conditions;
- adverse environmental and geological conditions; and
- force majeure or other events beyond the Group's control.

Any of these factors could give rise to construction delays and construction costs in excess of the Group's budgets, which may prevent it from completing construction of a project, or operating such project profitably, and materially and adversely affect its business, prospects, results of operations and financial condition.

The Group may not be able to obtain wind and solar farm projects with suitable wind and solar resources or realise the expected profit from its development of wind and solar farm projects

The sustainable development of the Group's wind and solar farm investment and development business depends on many factors, in particular, its ability to continuously obtain wind and solar farm projects with suitable wind and solar resources. Although the Group is actively engaging in the overseas expansion of its wind and solar farm investment and development business, the majority of its activities remain in the PRC market. The Group believes that, as the development of wind and solar farm projects in the PRC increases and competition for premium quality wind and solar farm projects grows, such premium quality wind and solar farm projects will be more difficult to obtain. Moreover, even if the Group succeeds in obtaining suitable wind and solar farm projects and in developing these projects, there can be no assurance that it will be able to successfully complete construction of its wind and solar farm projects or sell its completed wind and solar farm projects, or that the wind and solar farm projects it develops and sells will generate the expected profits. If the Group fails to obtain suitable wind and solar farm projects or realise the expected profit from its development of wind and solar farm projects, its business, prospects, results of operations and financial condition may be materially and adversely affected.

If major breakthroughs in other clean energy technologies result in these technologies being superior to wind power, or the utilisation of wind power are affected by the unpredictability of local weather conditions, wind power projects may be less competitive

The cost and social effects of wind power may affect the demand for wind power projects. Wind power is currently considered to be the most cost-competitive source of clean energy, with improving technology and decreasing cost. However, in the event of improved cost competitiveness of other forms of clean energy or major breakthroughs in other forms of clean energy, such alternative forms of energy may become more attractive than wind power and, accordingly, demand for wind power may then drop significantly.

Moreover, the amount of wind power generated depends significantly on local weather conditions. As the status of wind resources may change, the effective utilisation of wind power may be affected. This may result in a shift in demand toward other forms of clean energy, such as solar, geothermal and tidal. If any of the above factors takes place, the wind power industry may be affected, and this may have a material and adverse effect on the Group's business, prospects, results of operations and financial condition.

The lack of grid infrastructure may restrict or otherwise affect the development of wind farms and the timing of their development and therefore affect the Group's ability to maintain or increase its historical level of operations, and the timing of revenue recognition from those operations

Although the quantity of wind power consumed in China has increased in recent years, wind power curtailment is still a problem in some areas. There are both technical issues and supply-demand imbalances. On the technical side, the industry faces inadequate regulation of wind and power frequency and the power grid is unstable. On the supply-demand side, there may be imbalances in the supply and demand of wind power. Wind farm sites are selected primarily with reference to wind resources. Many wind farms are far from major cities, making it difficult to transmit electric power to the major markets where demand for electric power is higher. To transmit electric power to areas of high demand in China, it will be necessary to build more grid infrastructure. As such infrastructure is expensive and has a large geographical span, the construction of wind farms requires adequate investment in and centralised planning of supporting grid facilities. The lack of grid infrastructure may restrict or otherwise affect the development of wind farms through preventing or delaying new construction or limiting the size of new wind farms. This may have a material and adverse effect on the Group's ability to maintain or increase its historical level of operations, and the timing of revenue recognition from those operations.

RISKS RELATING TO THE PRC

Changes in the economic, political and social conditions in the PRC and policies adopted by the PRC government could affect the Group's business, financial condition, results of operations and prospects

Most of the Group's assets are located in the PRC, and a substantial part of its income is derived from its businesses in the PRC. Accordingly, the financial condition, results of operations and prospects of the Group are, to a material extent, subject to economic, political and legal developments in the PRC. The PRC economy differs from the economies of developed countries in many respects, including, among others, government involvement, level of economic development, growth rate, foreign exchange control and resources allocation. Although the PRC economy has been transitioning from a planned economy to a more market-oriented economy for more than three decades, a substantial portion of productive assets in the PRC is still owned by the PRC government. The PRC government also exercises significant control over the economic growth of the PRC through allocating resources, controlling payments of foreign currency-denominated obligations, setting monetary policy and providing preferential treatment to particular industries or companies.

In recent years, the PRC government has implemented a series of measures emphasising market forces for economic reform and the establishment of sound corporate governance in business enterprises. The

Group's operations and financial results could also be affected by changes in political, economic and social conditions or the relevant policies of the PRC government, such as changes in laws and regulations (or the interpretation thereof). The Group's operations and financial results could also be materially and adversely affected by changes to or introduction of measures to control changes in the rate or method of taxation and the imposition of additional restrictions on currency conversion.

As a result, any adverse change in government policies or economic conditions in China could have a material and adverse effect on overall economic growth, which in turn could have a material and adverse effect on the Group's business, results of operations and financial position.

China has experienced a slowdown in its economic development and the future performance of China's economy is uncertain

The economy of the PRC experienced rapid growth in the past 30 years. There has been a slowdown in the growth of the PRC's GDP during the past few years and this has raised market concerns that the historic rapid growth of the economy of the PRC may not be sustainable. According to the National Statistics Bureau of the PRC, the annual growth rate of China's GDP in 2020 slowed down to 2.3 per cent. on a year-on-year basis compared to 6.9 per cent. in 2017, representing the slowest growth in the past 30 years. While the PRC registered a GDP growth of 8.1 per cent. in 2021 evidencing its recovery from the COVID-19 outbreak, China's economic growth slows could down again in the future. In addition, the Chinese economy and its performance are also exposed to and affected by material changes in global economic and political environments as well as the performance of certain major developed economies in the world. Developments in other parts of the world could adversely affect China's economy. Any slowdown in the PRC economic growth in turn could adversely impact the Group's business, financial condition and results of operations.

Demand for wind power is closely related to overall demand for electric power. As the economy grows, economic activities such as industrial production and private consumption tend to grow, therefore increasing the demand for electric power. When the economy is in recession, however, activities such as industrial production and consumer demand may reduce or come to a standstill, thereby decreasing the demand for electric power, including electric power generated from renewable energies. If the economy of the PRC, the United States and other major international markets no longer grows, or declines, there may be a reduction in demand for electric power, including power generated from renewable energies such as wind power. This would have a material and adverse effect on the Group's business, results of operations and financial condition.

The PRC legal system is evolving and may have uncertainties that could limit the legal protection available to the Company and investors

As most of the Group's businesses are conducted, and most of the Group's assets are located, in the PRC, its operations are governed principally by PRC laws and regulations. The PRC legal system is based on written statutes while prior court decisions can only be cited as reference. Since 1979, the PRC government has promulgated laws and regulations in relation to economic matters such as foreign investment, corporate organisation and governance, commerce, taxation, foreign exchange and trade, with a view to developing a comprehensive system of commercial law. However, the PRC has not developed a fully integrated legal system and recently enacted laws and regulations that may not sufficiently cover all aspects of economic activities in the PRC. In particular, because these laws and regulations are relatively new, and because of the limited volume of published decisions and their nonbinding nature, the interpretation and enforcement of these laws and regulations involve uncertainties. In addition, the PRC legal system is based, in part, on government policies and internal rules (some of which are not published on a timely basis or at all) that may have a retroactive effect. As a result, the Group may not be aware of its violation of these policies and rules until sometime after the violation. In addition, any litigation in the PRC may be protracted and result in substantial costs and diversion of resources and management attention.

Investors may have limited recourse against the Company or the Company's Directors, Supervisors and executive officers because they generally conduct their operations outside the United Kingdom.

The Company and a number of its subsidiaries are incorporated in the PRC. A substantial portion of the Group's assets are located in the PRC. In addition, most of the Company's directors and executive officers reside within the PRC and the assets of the Company's directors and officers may be located within the PRC. As a result, it may not be possible to effect service of process outside the PRC upon most of the Company's directors and senior management, including for matters arising under applicable securities law.

A judgment of a court of another jurisdiction may be reciprocally recognised or enforced if the jurisdiction has a treaty with China or if judgments of the PRC courts have been recognised before in that jurisdiction, subject to the satisfaction of other requirements. China does not have treaties providing for the reciprocal recognition and enforcement of judgments of courts with many countries, including Japan, the United States and the United Kingdom. Therefore, it may be difficult for investors to enforce any judgments obtained from foreign courts against the Company, any of their respective directors, supervisors or senior management in the PRC. These limitations may deprive investors of effective legal recourse for claims related to their investments in the GDRs.

RISKS RELATING TO THE GDRS AND THIS OFFERING

There has been no prior public trading market for the GDRs and an active trading market may not develop or be sustained in the future

Prior to the Offering, there has been no public market for the GDRs. Further, there can be no assurance that an active trading market for the GDRs will develop or be sustained following the closing of the Offering or that the price at which the GDRs will trade in public markets subsequent to the Offering will not be lower than the Offer Price. If an active trading market is not developed or maintained, the liquidity and trading price of the GDRs could be adversely affected. In addition, there can be no certainty as to the basis on which market makers will provide liquidity in the secondary market, which could negatively affect the terms on which investors are able to transact in the GDRs.

The market price of the GDRs can be highly volatile

Investors may not be able to resell their GDRs at or above the Offer Price, or at all, as the market price of the GDRs after the Offering may be adversely affected by factors within or outside the Group's control, including variations in the Group's results of operations, market conditions, or changes in government relations or relevant regulations in relevant jurisdictions. Market fluctuations, as well as economic conditions, may adversely affect the market price of the GDRs. In addition, noting that the settlement of redemptions of GDRs through a Designated Broker (where the Designated Broker sells the underlying A Shares on the Shanghai Stock Exchange) may take place on either a two-trading day rolling basis or a three-trading day rolling basis (which may therefore be a slightly longer settlement cycle than the usual two-trading day rolling basis and at times such period may be further prolonged by public holidays in relevant jurisdictions), price volatility (including the limits on the highest and lowest trading prices of A Shares on a particular trading day under the rules of the Shanghai Stock Exchange) may increase the risk of failed trades occurring.

In connection with the Offering, the Stabilising Manager (or persons acting on behalf of the Stabilising Manager) may over-allot GDRs or effect transactions with a view to supporting the market price of the GDRs at a level higher than that which might otherwise prevail. However, there is no assurance that the Stabilising Manager (or persons acting on behalf of the Stabilising Manager) will undertake stabilisation action and, in particular, the Stabilising Manager's ability to undertake stabilisation action depends on it being able to agree deferred settlement arrangements with one or more investors in order to allow it to over-allot GDRs. As such, there is a possibility that no stabilisation activities will be carried out in connection with the Offering, which would entail a greater risk of price volatility following the Offering.

Future sales of GDRs or A Shares could depress the market price of the GDRs

Sales of substantial amounts of GDRs or A Shares (which are listed on the Shanghai Stock Exchange) following the completion of the Offering, or the perception that these sales will occur, could adversely affect the market price of the GDRs.

The Company's ability to pay dividends in the future depends, amongst other things, on the Group's financial performance and is therefore not guaranteed

To the extent that the Company pays dividends, the distribution of dividends will be dependent upon a number of factors, including the future profit, financial position, statutory reserve requirements, the amount of distributable reserves, available credit of the Company and general economic conditions and other factors that the Directors deem significant from time to time. Further, the Company's ability to declare and pay cash dividends on the GDRs may be restricted by, amongst other things, covenants in any credit facilities that the Company may enter into in the future, the recovery of any accumulated losses in the future and provisions of PRC law. Therefore, there can be no assurance that any dividend will be paid, nor can there be an assurance as to the amount, if any, which will be paid in any given year, and GDR holders may not receive any return on their investment in the GDRs unless they sell their GDRs or redeem the GDRs through a Designated broker at a price greater than that which they paid for them.

Further, as a portion of the Company's business is undertaken through its subsidiaries, distributions from these companies contribute to the Company's cash flows. A material decline in revenues generated by one or more of the Company's subsidiaries or the occurrence of a material investment by the Company in relation to any subsidiary could impact the Company's ability to make distributions to its shareholders and GDR holders. In addition, in the event of the insolvency, bankruptcy, liquidation, dissolution or winding-up of a subsidiary, secured and unsecured creditors of the subsidiary will have the right to be paid before any distributions are made to the Company. These factors could have a material and adverse effect on the Company's ability to pay dividends to its shareholders and GDR holders.

Future issues of A Shares may dilute the holdings of shareholders of the Company and/or GDR holders

In order to raise funding in the future, the Company may issue additional new shares, including in the form of A Shares and GDRs. There can be no assurance that any additional new Shares or GDRs of the Company will be issued by way of a rights issue. Holders of the GDRs may not have any pre-emptive rights with respect to any new equity issuances by the Company. Accordingly, if and when the Company issues A Shares in the future, the percentage holding of a shareholder and, indirectly, a GDR holder in the Company (and, therefore, the economic investment made by the shareholder and, indirectly, a GDR holder) will be diluted if such shareholder or, indirectly, GDR holder, does not acquire its proportional entitlement of additional new Shares or GDRs (as the case may be).

Following the Offering, holders of A Shares may not be able to deposit the A Shares in the Company's GDR facility in order to receive (or sell) GDRs, and changes in regulatory policy in the PRC with respect to the placement and circulation of the A Shares outside the PRC in the form of GDRs or otherwise may negatively affect the market for the GDRs being offered

Whenever the Depositary believes that the A Shares deposited with it against issuance of GDRs represent (or, upon accepting any additional A Shares for deposit, would represent) a percentage exceeding any limit established by any applicable law, directive, regulation or permit, or trigger any condition for the making of any filing, application, notification or registration or for obtaining any approval, licence or permit under any applicable law, directive or regulation, or for taking any other action, the Depositary may close its books to deposits of additional A Shares to prevent such thresholds or limits being exceeded or conditions being satisfied.

In its approval dated 4 July 2022, the CSRC stated that the number of new underlying A Shares to be issued by the Company and represented by the GDRs may not exceed 168,302,500, and the total number of GDRs to be issued may not exceed 33,660,500 based on the conversion ratio set by the Company.

Further, to the extent that stabilisation is undertaken, in order to ensure that there is sufficient headroom under the GDR facility, including under the cap on the number of GDRs prescribed by the CSRC (as referred to above), for the Company to issue new A Shares and sell GDRs representing such A Shares to the Stabilising Manager in order to satisfy its obligations under the Over-allotment Option (if exercised), investors and shareholders of the Company may be prevented from depositing additional A Shares into the GDR facility in order to receive (or sell) GDRs for the duration of the Stabilisation Period.

The liquidity of, and market for, the GDRs could be adversely affected in the event that the Depositary closes its books to deposits of additional A Shares.

Voting rights with respect to the A Shares represented by the GDRs are limited by the terms of the Deposit Agreement and the relevant requirements of the PRC laws

The holders of the GDRs (in their capacity as GDR holders) will have no direct voting rights with respect to the A Shares represented by the GDRs. They will be able to exercise voting rights with respect to the A Shares represented by the GDRs only in accordance with the provisions of the terms and conditions of the GDRs and the relevant requirements of the laws of the PRC generally applicable to all shareholders of the Company. There are, therefore, practical limitations upon the ability of the holders of the GDRs to exercise their voting rights due to the additional procedural steps involved in communicating with them.

To exercise their voting rights, the holders of the GDRs must instruct the Depositary on how to vote the A Shares represented by the GDRs they hold. Because of these additional procedural steps involving the Depositary, the process for exercising voting rights may take longer for holders of the GDRs than for holders of the A Shares, and the Company cannot assure the holders of the GDRs that they will receive voting materials in time to enable them to return voting instructions to the Depositary in a timely manner. The GDRs for which the Depositary does not receive timely, legible and clear voting instructions will not be voted and the Depositary will not exercise any discretion as to voting and will not vote or attempt to exercise the right to vote the A Shares, except pursuant to the voting instructions received from holders. However, if the Depositary receives timely voting instructions from a holder that are legible and clear but do not specify the manner in which the A Shares are to be voted, in accordance with customary market practice, the Depositary will deem such holder (unless otherwise specified in the notice distributed to holders) to have instructed the Depositary to vote in favour of the items in such voting instructions. In certain circumstances, the Depositary will represent all the A Shares underlying the GDRs regardless of voting instructions for the sole purpose of establishing a quorum at a meeting of shareholders.

The Depositary is only required to execute the voting instructions of the holders of GDRs insofar as practicable and as permitted under applicable law. Holders of GDRs (in their capacity as GDR holders) will not be able to instruct the Depositary to: (i) introduce proposals for the agenda of shareholders' meetings or request that a shareholders' meeting be called; or (ii) nominate candidates for the Board of Directors or certain other of the Company's governance bodies. However, if holders of GDRs also hold A Shares, they may be able to introduce proposals, request that a shareholder meeting be called or nominate candidates in their capacity as shareholders if their shareholding reaches the required threshold.

GDR holders will not be able to redeem their GDRs and hold the underlying A Shares in their on-shore accounts or have the underlying A Shares held on their behalf by a Designated Broker

Foreign investors are generally not able to hold A shares in Chinese companies pursuant to restrictions under PRC law, subject to certain limited exemptions, such as for QFIs (Qualified Foreign Investors). In addition, pursuant to the Shanghai-London Stock Connect scheme, GDR holders will not be permitted to redeem their GDRs and hold the underlying A Shares in an on-shore account (such as a QFI account, where it has such an account) or have the underlying A Shares held on their behalf by a Designated Broker. GDR holders who are otherwise able to hold A Shares through any permitted channel and wish to hold A Shares (for example, in order to exercise any of the rights that A shareholders have but which GDR holders do not) would need to sell some or all of their GDRs (either on the LSE (or another legitimate trading venue) or by redeeming their GDRs and selling the underlying A Shares on the Shanghai Stock Exchange) and separately buy A Shares outside the Shanghai-London Stock Connect scheme to be held in a separate (existing or newly established) account.

The fungibility of the GDRs and the A Shares is dependent on the availability of Designated Brokers

One of the features of the Shanghai-London Stock Connect scheme is that investors will be able to redeem their GDRs by selling the underlying A Shares through a Designated Broker (although, as noted above, investors will not be able to hold the underlying A Shares in their on-shore accounts or have the underlying A Shares held on their behalf by a Designated Broker). Pursuant to the DR Provisions, the redemption of GDRs and subsequent sale of underlying A Shares may only be facilitated by certain Designated Brokers. In the United Kingdom, Designated Brokers are members of the LSE designated by the Shanghai Stock Exchange who hold accounts with members of the Shanghai Stock Exchange enabling them to create or redeem GDRs by buying or selling the underlying A Shares on the Shanghai Stock Exchange (subject to quotas imposed by relevant regulators, as described below). However, there can be no assurance that any Designated Broker will have sufficient capacity on any given trading day to facilitate the redemption of GDRs.

This mechanism is intended to provide cash fungibility between the GDRs and the A Shares by enabling investors or their brokers to place sell or redemption orders with Designated Brokers who are able to seek the best price for the securities from either market.

The Shanghai Stock Exchange has approved twelve brokers to act as Designated Brokers in the United Kingdom. The PBOC and the SAFE have published the Administrative Measures on Cross-border Funds under Depositary Receipts (For Trial Implementation) (存托凭证跨境资金管理办法(试行)) in May 2019, which requires the Designated Brokers to file certain documents and register with the SAFE. Pursuant to their SAFE registration, each Designated Broker will be subject to restrictions relating to, amongst other things, the types of securities such Designated Broker can deal in (such as the A shares underlying GDRs, money market funds and treasury bills, and other securities as specifically approved by the CSRC), as well as inventory-related quotas on the maximum number and value of cash and securities held by such Designated Broker and foreign exchange-related quotas on the cumulative net inflow of funds into the PRC in connection with the redemption and creation of GDRs executed by such Designated Broker (which are not expected to give rise to any material risk to GDR holders). The CSRC and the FCA jointly published an announcement on 17 June 2019, providing that the cross-border currency flow under the Shanghai-London Stock Connect scheme is managed under a general quota, where the currency flow under west-bound GDR listings shall not exceed RMB300 billion. The joint announcement also provides

that the daily inventory-related quota for each designated broker is RMB500 million. The Shanghai Stock Exchange published a Q&A on 17 October 2019 regarding the calculation of the upper limit of Designated Brokers' domestic asset balance under the Shanghai-London Stock Connect, which further clarified that, where Designated Brokers hold underlying shares and corresponding cash due to taking orders from their clients to carry out cross-border redemption, these underlying shares and corresponding cash are not included in their domestic asset balance. It is expected that additional rules relating to the quotas will be released following expansion of the Stock Connect scheme so that the quotas will be set at a sufficiently high level (both individually and in aggregate) to facilitate GDR holders to create or redeem GDRs through the Designated Brokers in the manner described above.

However, there can be no guarantee that the Designated Brokers will have sufficient capacity to facilitate the creation or redemption of GDRs between the London and Shanghai markets or that the number of Designated Brokers will increase over time and any failure to do so may restrict the ability of GDR holders to redeem their GDRs by selling the underlying A Shares through a Designated Broker to investors in the PRC, thus limiting the available capital pool and, as a result, may mean GDR holders cannot obtain the highest possible cash value for their GDRs. In addition, Designated Brokers will be able to set their own pricing terms and if the number of Designated Brokers fails to increase, or decreases, over time, this may result in the fees payable to Designated Brokers becoming more expensive, potentially increasing costs for GDR holders when either buying GDRs by requesting a Designated Broker to buy A Shares on the Shanghai Stock Exchange and instruct the Depositary to create GDRs representing such A Shares or selling GDRs by requesting a Designated Broker to redeem their GDRs and sell the underlying A Shares on the Shanghai Stock Exchange.

GDR holders will not be able to sell their GDRs by instructing a Designated Broker to redeem their GDRs and sell the underlying A Shares for a period of 120 days following the date of Admission or during any period when trading in the A Shares on the Shanghai Stock Exchange is suspended and this may give rise to price risk to GDR holders

The GDRs and A Shares are separate securities and there may be a price difference between the trading price of the GDRs on the LSE and the trading price of the A Shares on the Shanghai Stock Exchange. Whilst GDR holders will not be able to redeem their GDRs and hold the underlying A Shares through on-shore accounts or have the underlying A Shares held on their behalf by a Designated Broker, pursuant to the Shanghai – London Stock Connect scheme, investors will (subject to the below) be able to sell their GDRs by instructing a Designated Broker to redeem their GDRs and sell the underlying A Shares. However, in accordance with the DR Provisions which apply to the Shanghai-London Stock Connect scheme, GDRs subscribed for by investors in the Offering may not be redeemed (that is, in order to sell the underlying A Shares) within 120 days following the date of Admission.

Trading in the A Shares on the Shanghai Stock Exchange may also be suspended from time to time. The Company may apply to the Shanghai Stock Exchange for a suspension of trading in its A Shares for a number of reasons (such as where the Company forecasts that it would be difficult to maintain the confidentiality of any material and disclosable information, the disclosure of which would have, or already has had, a significant impact on the price of the A Shares). During the period of any such trading suspension, it is expected that trading in the GDRs on the LSE will continue. However, during any such period, the redemption or creation of GDRs through the Designated Brokers may be delayed under the Stock Connect Scheme.

This may give rise to price risk to GDR holders. To the extent that the trading price of the A Shares is higher than the trading price of the GDRs (taking into account that one GDR will represent five A Shares), GDR holders may not be able to take advantage of such higher price for the 120 days following the date of Admission or during any period when trading in the A Shares on the Shanghai Stock Exchange is suspended. For such period, GDR holders will not be able to sell their GDRs by instructing a Designated Broker to redeem the GDRs and sell the underlying A Shares on the Shanghai Stock Exchange and GDR holders will only be able to sell their GDRs through the IOB of the LSE or another legitimate trading venue. The DR Provisions also restrict transfers of GDRs by the Company's controlling

shareholder, actual controller or entities under their control for a period of 36 months from the date of Admission. As at the Latest Practicable Date, Mr. ZHANG Chuanwei, together with Ms. WU Ling, his spouse, and Mr. ZHANG Rui, his son, are the Controlling Shareholders of the Company. On the other hand, to the extent that the trading price of the A Shares is higher than the trading price of the GDRs (taking into account that one GDR will represent five A Shares) upon expiry of the 120 days following the date of Admission, a significant number of GDR holders may wish to sell their GDRs by instructing Designated Broker(s) to redeem the GDRs and sell the underlying A Shares on the Shanghai Stock Exchange. In this case, the liquidity of the trading of GDRs through the IOB of the LSE may be adversely affected, and in a worst case scenario, the GDRs may be delisted from the LSE if the remaining amount of the GDRs is unable to satisfy the relevant thresholds.

Holders of the GDRs may be subject to exchange rate risk

The GDRs are, and any dividends to be paid in respect of them will be, denominated in US Dollars. As dividends of the Company's A Shares are announced and paid in RMB, the final dividend proceeds GDR holders receive, which will be denominated in US Dollars, will be subject to exchange rate risk. An investment in GDRs by an investor whose principal currency is not US Dollars exposes the investor to foreign currency exchange rate risk. Any depreciation of the US Dollar in relation to such foreign currency will reduce the value of the investment in the GDRs or any dividends in foreign currency terms.

PRESENTATION OF FINANCIAL AND OTHER INFORMATION

Presentation of Financial Information

This Prospectus contains:

- Consolidated historical financial information on the Group as at and for the three years ended 31 December 2019, 2020 and 2021 (the “**Annual Historical Financial Information**”) prepared in accordance with Accounting Standards for Business Enterprises (the “**PRC GAAP**”) as issued by the Ministry of Finance of the People’s Republic of China (“**MOF**”), which is the subject of an auditor’s report from Grant Thornton Zhitong Certified Public Accountants LLP; and
- Unaudited consolidated condensed interim financial information on the Group as at and for the three months ended 31 March 2022 with the comparative financial information for the three months ended 31 March 2021 (the “**First Quarter Historical Financial Information**”) prepared in accordance with PRC GAAP, where unaudited consolidated condensed interim financial information on the Group as at and for the three months ended 31 March 2022 has been reviewed by Grant Thornton Zhitong Certified Public Accountants LLP.

The Annual Historical Financial Information and the First Quarter Historical Financial Information are collectively referred to herein as the “Historical Financial Information”.

The MOF issued the Interpretation No. 15 of Accounting Standards for Business Enterprises (“**Interpretation No. 15**”) in December 2021. We adopted the Interpretation No. 15 from 1 January 2022 and adjusted the relevant content of accounting policies for the First Quarter Historical Financial Information. See note III. 36 to the unaudited consolidated condensed interim financial statements in F-pages to this Prospectus as at and for the three months ended 31 March 2022 for further details. However, no retrospective adjustments were made to the Annual Historical Financial Information based on Interpretation No. 15. As a result of the foregoing, our balance information as at 31 December 2021 as set forth in the First Quarter Historical Financial Information may not be directly comparable to our balance information as at 31 December 2021 as set forth in the Annual Historical Financial Information.

EBITDA and EBITDA Margin

EBITDA and EBITDA margin are not PRC GAAP measures and should not be considered as an alternative to net profit, net margin or any other performance measures derived in accordance with PRC GAAP or as an alternative to cash flow from operating activities or as a measure of the Group’s liquidity. The Group believes that inclusion of EBITDA and EBITDA margin is appropriate to provide additional information to investors about the Group’s operating performance and to provide a measure of operating results unaffected by differences in capital structures, capital investment cycles and ages of related assets among otherwise comparable companies. EBITDA and EBITDA margin have limitations as analytical tools, and should not be considered in isolation, or as a substitute for analysis of the Group’s operating results as reported under PRC GAAP.

A reconciliation of profit before tax from continuing operations for the period/year to EBITDA and EBITDA margin can be found in “Operating and Financial Review—Key Performance Indicators and Other Financial Metrics”.

Market data, economic and industry data

This Prospectus contains historical market data and forecasts which have been obtained from industry publications, market research and other publicly available information. Certain information regarding market size, market share, market position, growth rates and other industry data pertaining to the Group

and its business contained in this Prospectus consists of the Company's estimates and conclusions based on their review of internal Group data, external third-party data and reports compiled by professional organisations and other sources, including Frost & Sullivan (Beijing) Inc., Shanghai Branch Co. ("F&S"), an industry consultant firm of Room L235X, 1st Floor, No. 179, Maotai Road, Changning District, Shanghai.

F&S has prepared, at the request of the Group for the purposes of this Prospectus, a report, dated 8 July 2022, on the Group and the markets in which it operates (the "**Industry Report**"). The Industry Report is an instance of expert information, commissioned by the Group. See "*General Information*" for further details.

The Company does not intend, and does not assume any obligation, to update industry or market data set forth in this Prospectus. Because market behaviour, preferences and trends are subject to change, prospective investors should be aware that market and industry information in this Prospectus and estimates based on any data therein may not be reliable indicators of future market performance or the Group's future results of operations. Moreover, future results and events may differ materially from the industry and market data projections and estimates contained in this Prospectus because of a series of reasons, including but not limited to: general market, macro-economic, governmental and regulatory trends; competitive pressures; technological developments; and commercial, managerial, operational or financial factors. Accordingly, there can be no assurance that such projected results or estimates will be attained.

The Company confirms that all third-party data contained in this Prospectus has been accurately reproduced and, so far as the Company is aware and able to ascertain, no facts have been omitted that would render the reproduced information inaccurate or misleading. Where third-party information has been used in this Prospectus, the source of such information has been identified.

No independent verification of certain facts, statistics and information

Facts and statistics in this Prospectus relating to the PRC's economy and the industries in which the Group operate and information relating to the Group are derived from publicly available sources. While the Company has taken reasonable care to ensure that the facts and statistics or information relating to the Group presented are accurately extracted from such sources, such facts, statistics and information have not been independently verified by the Company, the Joint Bookrunners or their respective advisers and, therefore, none of them makes any representation as to the accuracy of such facts and statistics or information, which may not be consistent with other information compiled within or outside the PRC. Due to ineffective calculation and collection methods and other problems, the facts and statistics herein may be inaccurate or may not be comparable to facts and statistics produced for other economies and should not be unduly relied upon.

Currency

In this Prospectus:

- "Renminbi" or "RMB" refers to Renminbi, the lawful currency of the PRC; and
- "US Dollars" or "US\$" refers to the lawful currency of the United States of America.

Rounding

Some numerical figures included in this Prospectus have been subject to rounding adjustments. Accordingly, numerical figures shown as totals in certain tables may not be an arithmetic aggregation of the figures that preceded them.

No incorporation of website information

The contents of the websites of the Company and the Group do not form any part of this Prospectus.

Forward-looking statements

Certain statements in this Prospectus are not historical facts and are “forward-looking”. Forward-looking statements include statements concerning plans, objectives, goals, strategies, economic and regulatory conditions affecting the Group, future events or performance, and underlying assumptions and other statements, which are other than statements of historical facts. The words “believe”, “expect”, “anticipate”, “intend”, “estimate”, “forecast”, “project”, “will”, “may”, “target”, “should” and similar expressions identify forward-looking statements but are not the exclusive means of identifying such statements. Forward-looking statements appear in a number of places in this Prospectus including, without limitation, “*Risk Factors*”, “*Business*” and “*Operating and Financial Review*”.

The forward-looking statements in this Prospectus are based upon various assumptions, many of which are based, in turn, upon further assumptions, including, without limitation, management’s examination of historical operating trends, data contained in its records and other data available from third parties. Although the Company believes that these assumptions were reasonable when made, these assumptions are inherently subject to significant uncertainties and contingencies which are difficult or impossible to predict and which are beyond its control, and the Company may not achieve or accomplish these expectations, beliefs or projections. The occurrence or non-occurrence of an assumption could cause the Company’s actual financial condition and results to differ from or fail to meet expectations expressed or implied by, such forward-looking statements. Important factors that could cause the Group’s actual results to so vary include, but are not limited to, those described in “*Risk Factors*”, which should be read in conjunction with other cautionary statements that are included in this Prospectus.

When reviewing forward-looking statements, investors should carefully consider the foregoing factors and other uncertainties and events, especially in light of the political, economic, social and legal environment in which the Company operates. Such forward-looking statements speak only as at the date on which they are made and are not intended to give any assurances as to future results. To the extent required by the Market Abuse Regulation (Regulation (EU) 596/2014) as it forms part of retained EU law as defined in the EUWA, the listing rules of the FCA (the “**Listing Rules**”), the Prospectus Regulation Rules and the disclosure guidance and transparency rules of the FCA (the “**Disclosure Guidance and Transparency Rules**”), and other applicable regulations, the Company will update or revise the information in this Prospectus. Otherwise the Company undertakes no obligation to update or revise any forward-looking statements made in this Prospectus whether as a result of new information, future events or otherwise and the Company assumes no other obligation to publish additional information. None of the Company, its management, the Joint Bookrunners or any of their respective affiliates can give any assurance regarding the future accuracy of the opinions set forth herein or as to the actual occurrence of any predicted developments. Accordingly, prospective subscribers for the Offer GDRs should not rely on the forward-looking statements in this Prospectus and investors are strongly advised to read this Prospectus in its entirety.

All subsequent written or oral forward-looking statements attributable to the Company, or persons acting on the Company’s behalf, are expressly qualified in their entirety by the cautionary statements contained throughout this Prospectus. As a result of these risks, uncertainties and assumptions, a prospective subscriber for the Offer GDRs should not place reliance on these forward-looking statements and should specifically consider the factors identified in this Prospectus that could cause actual results to differ.

Investors should note that the contents of these paragraphs relating to forward-looking statements are not intended to qualify the statements made as to the sufficiency of working capital in this Prospectus.

Service of process and enforcement of civil liabilities

The Company is a joint stock company incorporated in the PRC with limited liability, and substantially all of its assets and the Group's assets are located outside of the United Kingdom, and all members of the Company's board of directors are resident outside of the United Kingdom. As a result, it may not be possible to effect service of process within the United Kingdom upon the Company or any of its subsidiaries or such persons or to enforce UK court judgements obtained against them in jurisdictions outside the United Kingdom. In addition, it may be difficult to enforce, in original actions brought in courts in jurisdictions outside the United Kingdom, liabilities predicated upon UK securities laws.

The Company has been advised by its PRC legal advisors, Tian Yuan Law Firm, that there is uncertainty as to whether courts of the PRC would: (i) enforce judgements of English courts obtained against the Company or its Directors, Supervisors and executive officers predicated upon English law; or (ii) entertain original actions brought in the courts of the PRC against the Company or its Directors, Supervisors and executive officers predicated upon English law.

THE OFFERING

The Company	<p>Ming Yang Smart Energy Group Limited is a joint stock company with limited liability established pursuant to the Company Law of the People’s Republic of China.</p> <p>The Company’s registered office is located at Ming Yang Industrial Park, No.22, Huoju Avenue, Zhongshan Torch High-tech Industrial Development Zone, Zhongshan City, Guangdong, People’s Republic of China.</p>
The Offering	<p>The Offering consists of an offering of up to 33,660,500 Offer GDRs (including any over-allotment GDRs), each representing five A Shares.</p> <p>The Offering comprises an offering of Offer GDRs outside the United States in “offshore transactions” as defined in, and in reliance on, Regulation S. See “<i>Selling Restrictions and Transfer Restrictions</i>”.</p>
Joint Global Co-ordinators	UBS AG London Branch, HSBC Bank plc and CLSA Limited
Joint Bookrunners	UBS AG London Branch, HSBC Bank plc, CLSA Limited, China International Capital Corporation (UK) Limited and Haitong International Securities Company Limited
Offer Price	US\$21.00 per Offer GDR.
Depositary	Citibank, N.A.
Custodian	Bank of China Limited
The GDRs	<p>One GDR will represent five A Shares held in a CSDC account in the name of the Depositary. The GDRs will be issued by the Depositary pursuant to the Deposit Agreement. The GDRs will be evidenced initially by the Master GDR Certificate which will be issued pursuant to the Deposit Agreement. See “<i>Clearing and Settlement</i>”. The GDRs will have an infinite term.</p> <p>Following the Offering, pursuant to the Deposit Agreement, the A Shares represented by the GDRs will be held in a CSDC account in the name of the Depositary for the benefit of the holders and beneficial owners of the GDRs.</p> <p>The Depositary may deduct per-GDR fees and other fees, charges and expenses as well as taxes and governmental charges from dividend distributions and may otherwise assess other per-GDR fees and other fees, charges and expenses to the GDR holders. See “<i>Terms and Conditions of the Global Depositary Receipts — 19. GDR Fees and Charges</i>”.</p>

The GDRs will be freely transferable, subject to certain selling restrictions under the relevant laws in certain jurisdictions applicable to the relevant transferor or transferee and restrictions under the DR Provisions.

Investors should be aware that pursuant to the DR Provisions, GDRs subscribed for by investors in the Offering may not be redeemed within 120 days following the date of Admission. Therefore, for such period, GDR holders will not be able to sell their GDRs by instructing a Designated Broker to redeem their GDRs and sell the underlying A Shares on the Shanghai Stock Exchange and will only be able to sell their GDRs through the IOB of the London Stock Exchange or another legitimate trading venue. For the avoidance of doubt, during such period investors will be able to buy GDRs by requesting a Designated Broker to buy A Shares on the Shanghai Stock Exchange and instruct the Depositary to create GDRs representing such A Shares, subject to the cap on the number of GDRs approved by the CSRC.

Investors should also be aware that pursuant to the DR Provisions and the rules of Trading of GDRs under the Stock Connect scheme promulgated by the Shanghai Stock Exchange, the aggregate holding of a single overseas investor of the equities of the Company (including the A Shares and GDRs, whether held directly or indirectly) shall not exceed 10% of the Company's outstanding shares. In the event an overseas investor's holding of equities exceeds such limit, such investor is required to liquidate the excess portion within five trading days. Furthermore, the DR Provisions also require that the aggregate holdings of A shares by all overseas investors (including QFIs) in the Company shall not exceed 30% of the total outstanding shares of the Company. In the event the 30% limit is exceeded, overseas investors may be required to liquidate their holdings (in reverse chronological order of when such holdings were acquired). The foregoing restrictions do not apply to overseas' investors strategic investments as defined and regulated by the Measures for the Administration of Strategic Investment in Listed Companies by Investors (外国投资者对上市公司战略投资管理办法).

Over-Allotment Option

The Company has granted to UBS AG London Branch an option, exercisable within 30 calendar days after the announcement of the Offer Price, to purchase up to 2,380,000 additional GDRs sold in the Offering (excluding the Over-allotment GDRs) at the Offer Price, solely to cover over-allotments, if any, in the Offering.

Listing and Trading

Application will be made: (i) to the FCA, in its capacity as competent authority under the FSMA, for admission to listing of the GDRs on the standard segment of the Official List; and (ii) to the London Stock Exchange, for an admission to trading of the GDRs on the Shanghai-London Stock Connect segment of the Main Market of the London Stock Exchange. Admission to trading on the London Stock Exchange's Main Market constitutes admission to trading on a regulated market.

Admission to the Official List and unconditional trading in the GDRs on the London Stock Exchange through its International Order Book (“IOB”) is expected to take place on or around the Closing Date. The Company expects that conditional trading in the GDRs on the London Stock Exchange through the IOB will commence on a “when issued” basis on or about 8 July 2022. All dealings in the GDRs prior to the commencement of unconditional dealings will be of no effect if Admission does not take place and will be at the sole risk of the parties concerned.

Prior to the Offering, the A Shares are listed on the Shanghai Stock Exchange, but there has been no public market for the GDRs.

The GDRs will be evidenced by the Master GDR Certificate.

The security identification numbers of the GDRs offered hereby are as follows:

GDR ISIN: US6034912005
GDR Common Code: 248863153
GDR CUSIP: 603491 200
GDR SEDOL: BLFB8M2

London Stock Exchange trading symbol: “MYSE”

Lock-Up

For a discussion of lock-up arrangements see “*Plan of Distribution — Lock-up Provisions*”.

Dilution

Existing shareholders will experience dilution of their holdings of A Shares and voting rights with respect to such A Shares of between 6.9% (assuming no exercise of the Over-allotment Option) and 7.4% (assuming the Over-allotment Option is exercised in full).

The net asset value per share as at 31 March 2022 was RMB10.39.

Use of Proceeds

For a discussion of the use of proceeds, see “*Use of Proceeds*”.

Taxation

For a discussion of certain US, United Kingdom and PRC tax consequences of purchasing and holding the GDRs, see “*Taxation*”.

Dividend Policy

GDR holders will be entitled to dividends declared, if any, in respect of any record date which falls after the date of Admission. For more details see “*Dividend Policy*”.

Voting Rights

The Deposit Agreement contains arrangements, summarised below, allowing holders of GDRs to vote the underlying A Shares in accordance with PRC law. Holders of A Shares are entitled to one vote per A Share at a shareholders’ meeting. See “*Terms and Conditions of the Global Depositary Receipts*”.

The Company will notify the Depositary of any meeting at which the holders of A Shares are entitled to vote, or of solicitation of consents or proxies from holders of A Shares or other Deposited Property. As soon as practicable after receipt from the Company of such notice, the Depositary shall fix the record date (which shall be as close as possible to the corresponding record date set by the Company) in respect of such meeting or solicitation of consent or proxy. The Depositary shall, if requested by the Company in writing and not prohibited by applicable law, and at the Company’s expense, distribute to Holders as at the record date: (a) such notice of meeting or solicitation of consent or proxy as well as any other material provided by the Company to the Depositary in connection therewith; (b) a statement that the Holders at the close of business in New York on the record date will be entitled, subject to any applicable law, the provisions of the Deposit Agreement, the Articles of Association and the provisions of or governing the Deposited Property (which provisions, if any, shall be summarised in pertinent part by the Company), to instruct the Depositary as to the exercise of the voting rights, if any, pertaining to the A Shares or other Deposited Property represented by such Holder’s GDRs; and (c) a brief statement as to the manner in which such voting instructions may be given.

Voting instructions may be given to the Depositary only in respect of a number of GDRs representing an integral number of A Shares or other Deposited Property. Subject to applicable law, the provisions of the Deposit Agreement, the Conditions, the Articles of Association and the provisions of or governing the Deposited Property, if the Depositary has received voting instructions from a Holder as at the GDR Record Date to vote the Deposited Property on or before the date specified by the Depositary, the Depositary shall endeavour, insofar as practicable and permitted by PRC law and practice, to vote or cause the Custodian to vote the A Shares and/or other Deposited Property represented by such Holder’s GDRs for which timely and valid voting instructions have been received in the manner so instructed by such Holders.

A Holder of GDRs also has the right to share in profits of the Company and to receive the proceeds of any liquidation surplus. Payments of cash dividends and other amounts (including cash distributions) in relation to the GDRs will be made by the Depositary through Euroclear and Clearstream on behalf of persons entitled thereto, upon receipt of funds therefor from the Company, net of the Depositary's fees, taxes, duties and charges.

Settlement and Transfer

Payment for the GDRs is expected to be made in US dollars in same-day funds through the facilities of Euroclear and Clearstream on or around the Closing Date. The Company will apply to Euroclear and Clearstream to have the GDRs accepted for clearing and settlement through the systems of Euroclear and Clearstream. The Master GDR Certificate will be registered in the name of Citivic Nominees Limited, as nominee for Citibank Europe plc, as common depositary for Euroclear and Clearstream. Except in limited circumstances described herein, investors may hold beneficial interests in the GDRs evidenced by the Master GDR Certificate only through Euroclear or Clearstream. Transfers within Euroclear and Clearstream will be in accordance with the usual rules and operating procedures of the relevant system. See "*Clearing and Settlement*".

USE OF PROCEEDS

The Group believes the Offering and the Admission will enhance the Group's international profile, further develop its internationalisation strategy and expand its global investment and financing operations.

The Company expects to receive gross proceeds of between approximately US\$656.9 million (assuming no exercise of the Over-allotment Option) and US\$706.9 million (assuming the Over-allotment Option is exercised in full) and net proceeds of between approximately US\$645.9 million (assuming no exercise of the Over-allotment Option) and US\$695.4 million (assuming the Over-allotment Option is exercised in full), after deducting the total fees (including underwriting commissions, assuming the discretionary fee is paid in full), costs and expenses payable by the Company in connection with the Offering of between approximately US\$11.0 million (assuming no exercise of the Over-allotment Option) and US\$11.5 million (assuming the Over-allotment Option is exercised in full) (inclusive of VAT).

The Company intends to use the net proceeds received from the Offering as follows:

- Approximately 60% of the net proceeds will be used to strengthen the Group's wind turbine manufacturing and sales capabilities, which include the research, manufacturing and sales of the Group's wind turbines;
- Approximately 20% of the net proceeds will be used to promote the Group's internationalisation strategies;
- Approximately 10% of the net proceeds will be used to develop the Group's photovoltaics, power storage and hydrogen power capabilities; and
- Approximately 10% of the net proceeds will be used for working capital and general corporate purposes.

The foregoing use of proceeds may change in light of the Group's capital needs for offshore projects, onshore and offshore regulatory requirements and prevailing market conditions and in a way that is consistent with its business strategies and in accordance with applicable laws.

DIVIDEND POLICY

After completion of the Offering, the Company may distribute dividends in the form of cash or stocks. Any proposed distribution of dividends shall be formulated by the Company's senior management and will be subject to the Board's and shareholders' approval. A decision to declare or to pay any dividends in the future, and the amount of any dividends, will depend on a number of factors, including the Group's results of operations, cash flows, financial condition, payments by its subsidiaries of cash dividends to the Company, the stage of the Company's development, its business prospects, statutory, regulatory and contractual restrictions on its declaration and payment of dividends and other factors that the Board may consider important.

According to the applicable PRC laws and its Articles of Association, the Company will pay dividends out of its profit after tax only after it has made the following allocations:

- recovery of accumulated losses, if any;
- allocations to the statutory reserve equivalent to 10% of its profit after tax, and, when the statutory reserve reaches and is maintained at or above 50% of its registered capital, no further allocations to this statutory reserve will be required;
- allocation, if any, to a discretionary common reserve fund an amount approved by the shareholders of the Company in a shareholders' meeting.

Furthermore, as set forth in its Articles of Association, the Company distributes dividends primarily in the form of cash, but may also distribute dividends in the form of stocks. The Company shall in principle distribute cash dividends every fiscal year, and may declare interim dividends as it considers appropriate, provided that the Company records a positive profit for the year and has positive retained earnings. In principle, the profits for distribution in each fiscal year shall be no less than 10% of the distributable profits realised in the same period. According to its Articles of Association, the Company implements a tiered cash distribution policy: if the Company has reached a mature stage and there is no major capital expenditure expected, cash dividends shall account for no less than 80% of the overall dividend distribution; if the Company has reached a mature stage but there is major capital expenditure expected, cash dividends shall account for no less than 40% of the overall dividend distribution; and if the Company is at a growth stage and there is major capital expenditure expected, cash dividends shall account for no less than 20% of the overall profit distribution. For the years ended 31 December 2019, 2020 and 2021, the Company distributed cash dividend of RMB0.078, RMB0.1100 and RMB0.2211 per share, respectively. However, the Company is allowed to amend its Articles of Association with the approval of more than two thirds of the voting rights held by the shareholders attending the shareholders' meetings and there is no assurance that the Company will distribute the dividends in an amount as specified in the Articles of Association.

To the extent that dividends are declared and paid by the Company in the future, holders of GDRs on the relevant record date will be entitled to receive dividends payable in respect of the A Shares underlying the GDRs, subject to the terms of the Deposit Agreement. For additional information, see "Description of the Company's Share Capital — Rights, Preferences and Restrictions Attaching to Existing Shares — Rights to dividends".

CAPITALISATION AND INDEBTEDNESS

The tables below set out the Group’s capitalisation and indebtedness as at 30 April 2022. This statement of capitalisation and indebtedness has been prepared under PRC GAAP using policies which are consistent with those used in preparing the Historical Financial Information as set out in the F-pages of this Prospectus.

These tables do not reflect the effect of the Offering, and the following tables should be read together with “Operating and Financial Review” and the F-pages of this Prospectus.

Capitalisation and indebtedness

Indebtedness

	As at 30 April 2022 (Unaudited) (RMB in millions)
Loans	
Long-term loans	
Pledge loans	1,352.7
Mortgage loans	50.4
Guaranteed loans	1,980.1
Subtotal	3,383.2
Short-term loans	
Pledge loans	8.5
Guaranteed loans	–
Unsecured loans	–
Subtotal	8.5
Subtotal	3,391.7
Bonds	
Bonds payable	1,309.9
Subtotal	1,309.9
Financial lease payables	
Subtotal	1,061.7
Total Indebtedness	5,763.3

Capitalisation

	As at 30 April 2022
	(Unaudited)
	(RMB in millions)
Shareholders' equity	
Share capital	2,104.3
Capital reserve	12,528.4
Less: Treasury shares	136.6
Other comprehensive income.	38.9
Surplus reserve	488.7
Undistributed profits	7,338.0
Minority interests	39.9
Total	22,674.8

There has been no material change in the Group's capitalisation or the Group's indebtedness since 30 April 2022.

As at 30 April 2022, the Company had indirect and contingent liabilities and indebtedness in relation to (i) pending arbitration and litigation of RMB98.5 million and (ii) the provision of guarantee in relation to certain financial lease to a third party of RMB304.5 million.

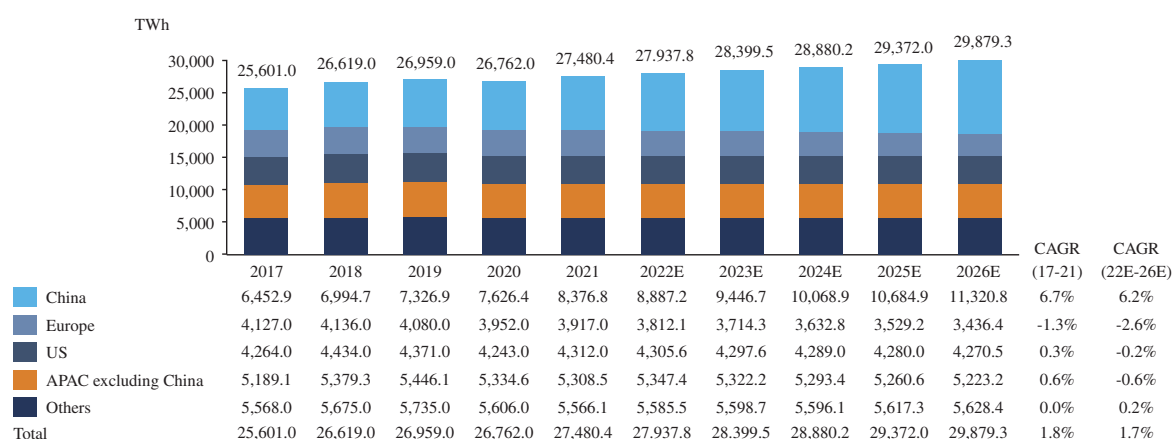
INDUSTRY OVERVIEW

OVERVIEW OF POWER MARKET

Power Generation

China is the largest and fastest-growing power generation market globally. In 2021, China's total power generation amounted to 8,376.8 TWh, accounting for 30.5% of total power generation globally. China's power generation also increased from 6,452.9 TWh in 2017 to 8,376.8 TWh in 2021, representing a CAGR of 6.7%, and is expected to increase from 8,887.2 TWh in 2022 to 11,320.8 TWh in 2026, representing a CAGR of 6.2%.

Power Generation (by region), Global, 2017-2026E



Source: IEA, NEA, EIA, WindEurope, Frost & Sullivan

Installed Power Capacity

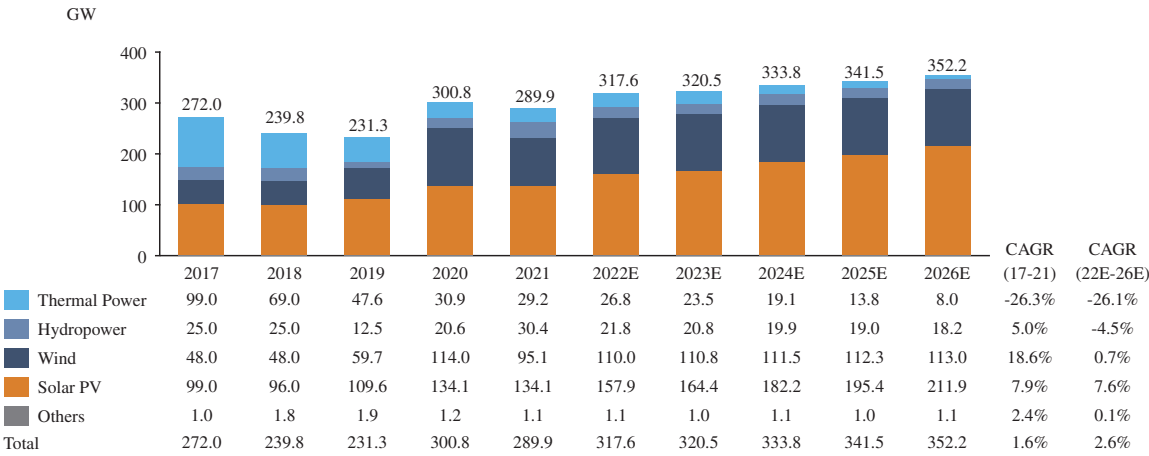
Countries have put forward goals and commitments of reducing carbon emissions and accelerating development of renewable energy power. For example, China has a commitment of reaching carbon neutrality by 2060; the European Union has set a target that by 2030, renewable energy is expected to account for 40% of energy end use; while the United Kingdom (the "UK") UK government has set a target that by 2035, electricity generation in the UK will be fossil fuel free and 100% from renewable sources. As a result of favourable policies issued by governments of different countries, in terms of newly installed power capacity, the share of renewable energy of the total energy market, primarily consisting of solar photovoltaic ("Solar PV") power, wind power and hydropower, has increased from 63.2% in 2017 to 89.5% in 2021, and is expected to increase from 91.2% in 2022 to 97.4% in 2026.

Currently, in the era of grid parity, the development of the solar PV industry is mainly driven by the cost reduction and technological advancement. China is the largest producer of Solar PV cells with total production volume of 198 GW in 2021. It is expected that the production volume of Solar PV cells will reach 450 GW in 2026. Among different types of Solar PV cells, N-type HJT (heterojunction technology) cell is of the highest solar conversion efficiency and is expected to be the fastest growing category with production volume growing from approximately 7 GW in 2021 to 93 GW in 2026 at a CAGR of 69%. As for wind power industry, in addition to favourable government policies, leading wind turbine manufacturers have been investing in R&D of wind turbines with higher unit power capacity and lower manufacturing costs, which would further drive sustainable development of the industry. Global newly installed wind power increased from 48.0GW in 2017 to 95.1 GW in 2021, representing a CAGR of 18.6%, and it is expected to further grow from 110.0 GW in 2022 to 113.0 GW in 2026, representing a CAGR of 0.7%. The share of wind power increased from 17.6% in 2017 to 32.8% in 2021, and wind

power is expected to continue to be a major power source, contributing over 30% of total newly installed power capacity during the forecast period. The development of hydropower industry is entering a relatively stable stage and the focus of the industry is to improve efficiency.

In order to reduce the instability of wind and solar power, and make full use of hydrogen energy for long-term and large capacity energy storage, recently the Chinese government has issued relevant policies to encourage enterprises to develop new application models of wind and solar power generation with hydrogen energy storage. Hydrogen is poised to play an increasingly important role in the decarbonization of energy in the upcoming decades, especially the green hydrogen, which is produced by electrolysis of water powered by renewable electricity. The hydrogen market in China is of great potential and is expected to reach approximately RMB1.1 trillion in 2030. The integration of wind-solar-storage-hydrogen is an important development model in renewable energy sector and will play an increasingly important role in realizing the national target of “carbon neutrality” by 2060.

Newly Installed Power Capacity (by power source), Global, 2017-2026E



Note: Wind power capacity refers to the capacity of grid-connected wind turbines, which have been connected to power grid.

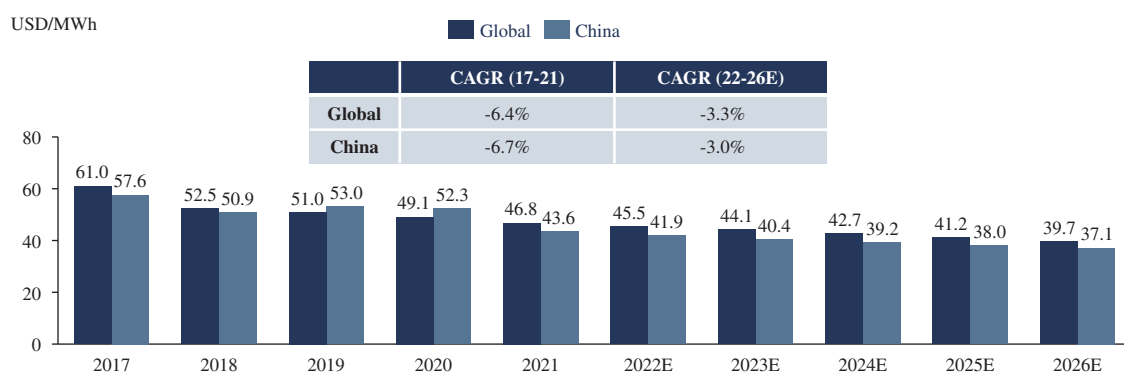
Source: IEA, NEA, EIA, WindEurope, Frost & Sullivan

Levelized Cost of Electricity (LCOE) Analysis of Wind Power

Levelized Cost of Electricity (LCOE) represents the net present value of the unit cost of electricity, i.e., to generate one MWh electricity, over the total lifecycle of a power generating asset. It allows a comparison between different power generation stations on a consistent basis which makes it a significant indicator of power generation projects. Given the rapid development of technology and acceleration of industry scale expansion, the LCOE of wind power is witnessing a downward trend.

The LCOE of onshore wind power in the global market decreased from US\$61.0 per MWh in 2017 to US\$46.8 per MWh in 2021. During the same period, the LCOE of onshore wind power in China decreased from US\$57.6 per MWh to US\$43.6 per MWh. Because of the phase out of subsidies for onshore wind power in 2020, newly installed onshore wind power capacity in China increased dramatically in 2019 and 2020. Increased demand influenced the price of turbines and other equipment, leading to a temporary increment of LCOE of onshore wind power. It is expected that the LCOE of onshore wind power will further decrease to US\$37.1 per MWh in China and US\$39.7 per MWh in global market in 2026.

LCOE of Onshore Wind Power, Global and China, 2017-2026E

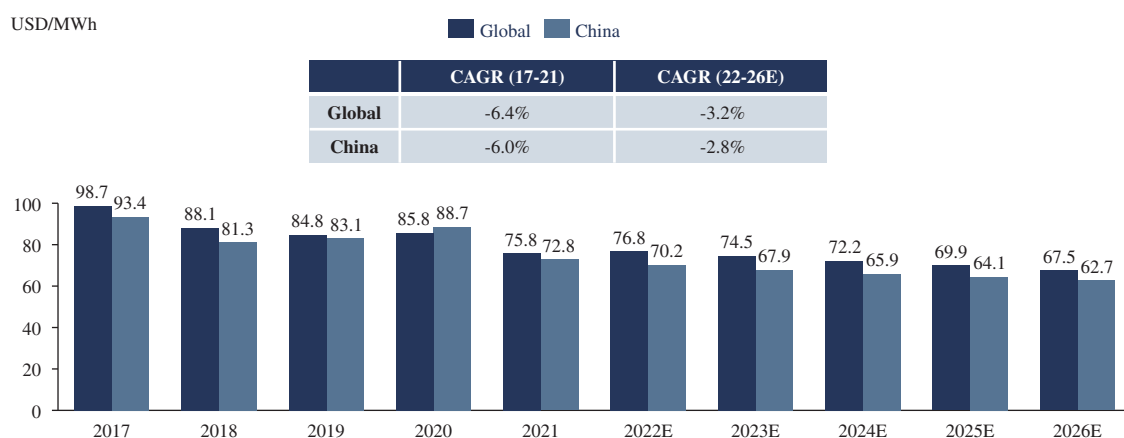


Source: Frost & Sullivan

Offshore wind power turbines are of higher cost compared to onshore wind turbines because of the required specifications in response to corrosive and wet climatic environments which led to an increase in LCOE of offshore wind power farms. In 2021, the LCOE of offshore wind power was US\$72.8 per MWh in China and US\$75.8 per MWh in the global market.

Due to the phase-out of central level subsidies for offshore wind in China, there was a rush in installations of offshore wind power which led to a temporary increase in LCOE of offshore wind power in 2019 and 2020. It is expected that the LCOE of offshore wind power will further decrease to US\$62.7 per MWh in China and US\$67.5 per MWh in the global market in 2026.

LCOE of Offshore Wind Power, Global and China, 2017-2026E



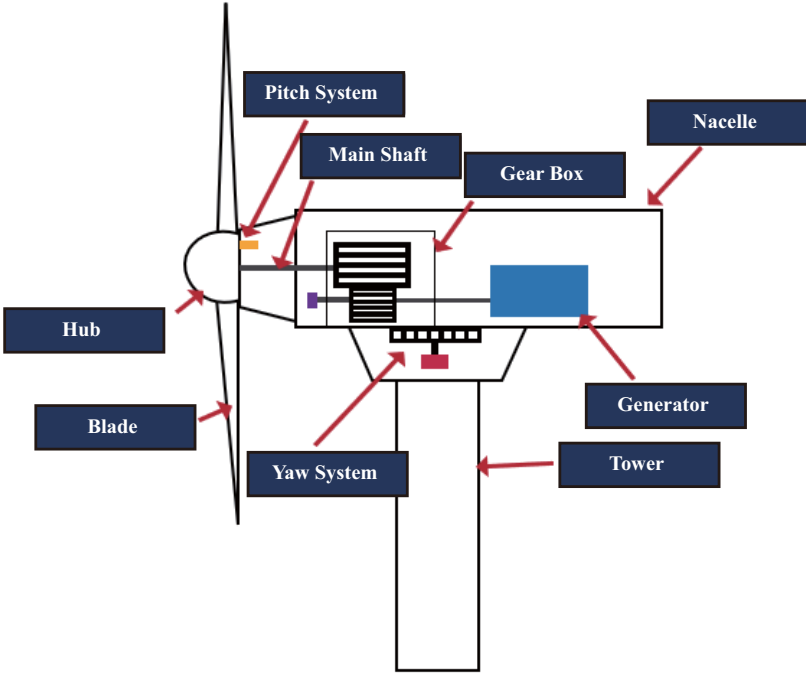
Source: Frost & Sullivan

OVERVIEW OF WIND TURBINE MARKET

Definition and Value Chain of Wind Turbine Market

The key components of a wind turbine generator system primarily include tower, wind turbine, integrated circuit equipment and booster station equipment.

Graph of WTG Core Parts and Components

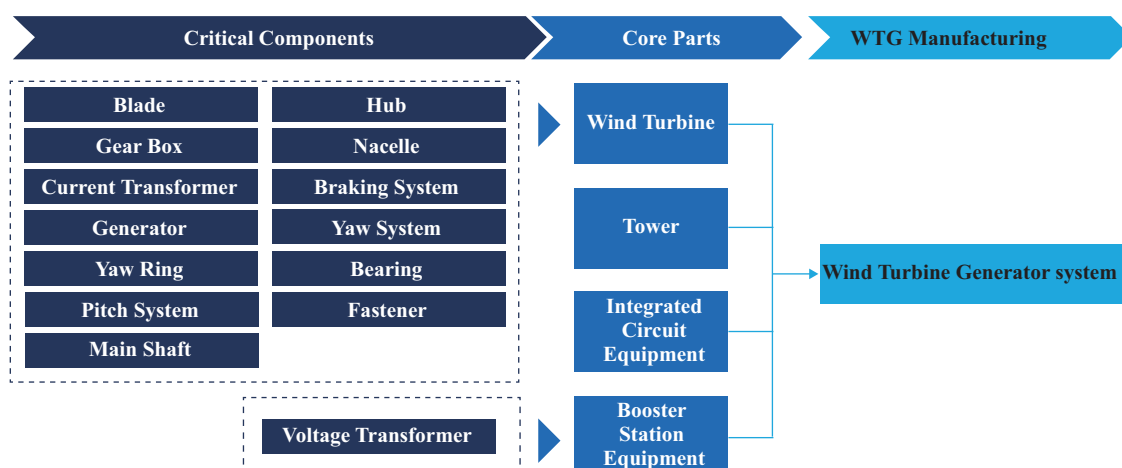


Source: Frost & Sullivan

A wind turbine converts wind energy into electricity using the aerodynamic force from the rotor blades, which is driven by the force of the lift created by difference in air pressure across the two sides of the blade when wind flows across the blade. The rotor connects to the generator, either directly or through a shaft and a series of gears (a gearbox) that speed up the rotation and allow for a physically smaller generator. This translation of aerodynamic force to rotation of the generator creates electricity. The tower is a critical component to support the main components of the wind turbine to a certain height from the ground. The integrated circuit equipment is designed for the transmission of electricity. The booster station equipment mainly consists of the voltage transformer, which increases the output voltage of electricity to a higher level and then sends the electricity out.

The cost of a wind turbine accounts for majority (approximately 50-60%) of total cost of the wind turbine generator system. The wind turbine is the most important group of components of the wind turbine generator system. The top three core components of the wind turbine (in terms of cost proportion) are blade (20-25% of total cost), gear box (12-15% of total cost) and current transformer (4-6% of total cost). Traditional wind turbine manufacturers outsource most of the core components, while some wind turbine manufacturers have the in-house manufacturing capabilities to produce these core components, leading to a reduction in production cost and increase in profit margin.

Value Chain of Wind Turbine Generator and its Core Components

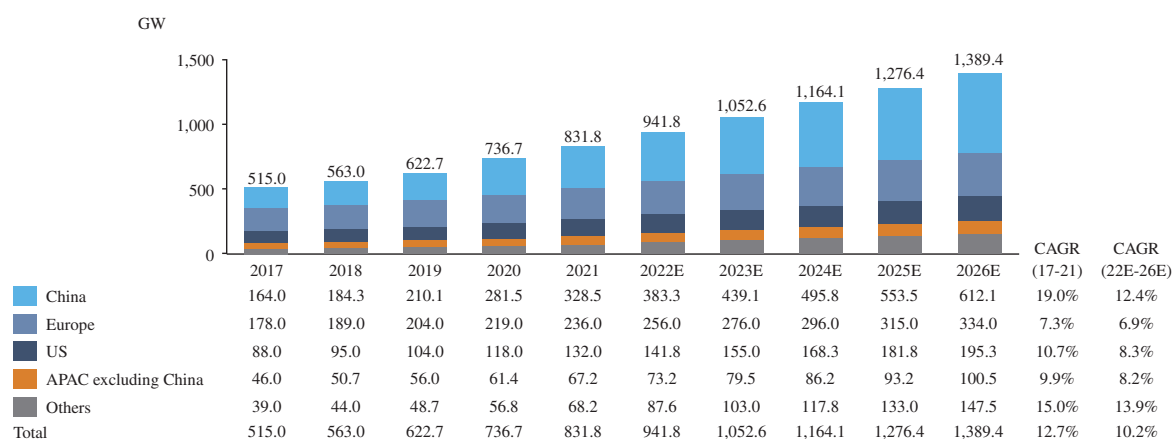


Source: Frost & Sullivan

Market Size Analysis of Global Wind Turbine Market

China has the largest amount of cumulative installed wind power capacity globally. This is mainly due to the issuance of various favourable policies in the country. China's cumulative installed wind power capacity increased from 164.0 GW in 2017 to 328.5 GW in 2021, with a CAGR of 19.0%, and is expected to further grow from 383.3 GW in 2022 to 612.1 GW in 2026, representing a CAGR of 12.4%. China's contribution of total cumulative installed wind power capacity globally grew rapidly from 31.8% in 2017 to 39.5% in 2021, and is expected to further increase to 44.1% in 2026.

Cumulative Installed Wind Power Capacity* (by region), Global, 2017-2026E



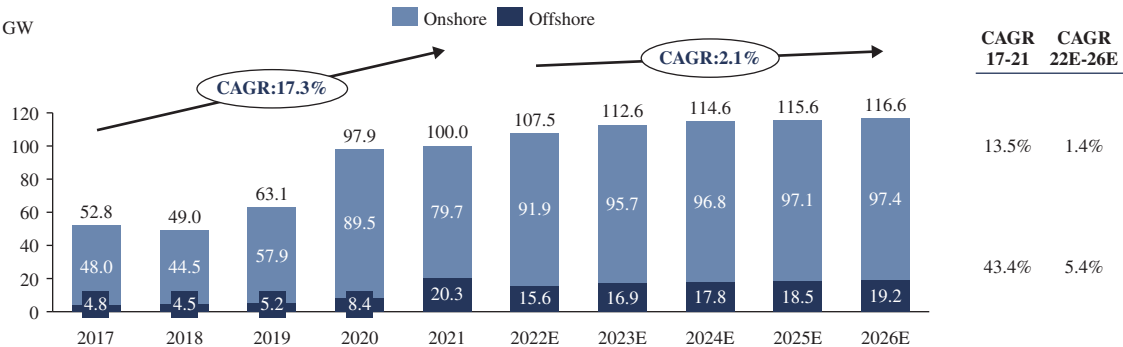
Note: Wind power capacity refers to the capacity of grid-connected wind turbines, which have been connected to power grid.

Source: Frost & Sullivan

Global newly installed wind power capacity increased significantly from 52.8 GW in 2017 to 100.0 GW in 2021, representing a CAGR of 17.3%. The growth of global newly installed wind power capacity is mainly driven by the significant growth of onshore wind installations, particularly in China. Although China's onshore wind power market entered into grid parity in 2021, global newly installed onshore wind power capacity is expected to sustain growth in order to support net zero/carbon neutrality targets set by different countries in the coming years. Global newly installed onshore wind power capacity is expected to increase from 91.9 GW in 2022 to 97.4 GW in 2026, representing a CAGR of 1.4% in the forecast period.

In recent years, advances in technologies, such as the development of hybrid drive wind turbine and high unit capacity wind turbines, have led to the rapid development of offshore wind power. Compared with onshore wind turbine, offshore wind turbine has the advantages of higher power generation efficiency and requires less land usage. Governments have set offshore wind power as a long-term strategy of wind power. For example, US Energy, Commerce, and Transportation Departments announced the establishment of a target of employing about 77,000 workers for offshore wind power to deploy 30 GW of offshore wind by 2030. The European Commission adopted a strategy for offshore wind power, which is targeted to increase Europe’s total offshore wind capacity to at least 60GW by 2030, and to 300 GW by 2050. From 2017 to 2021, global newly installed offshore wind power capacity increased from 4.8 GW in 2017 to 20.3 GW in 2021, representing a CAGR of 43.4%. In 2021, offshore wind capacity installations accounts for over 15% of total global newly installed wind capacity. In 2026, global newly installed offshore wind power capacity is expected to reach 19.2 GW, representing a CAGR of 5.4% from 2022 to 2026.

Newly Installed Wind Power Capacity (onshore and offshore), Global, 2017-2026E



Note: Wind power capacity in the following sections refers to the capacity of commissioned wind turbines, which have been correctly installed and are ready for energy production.

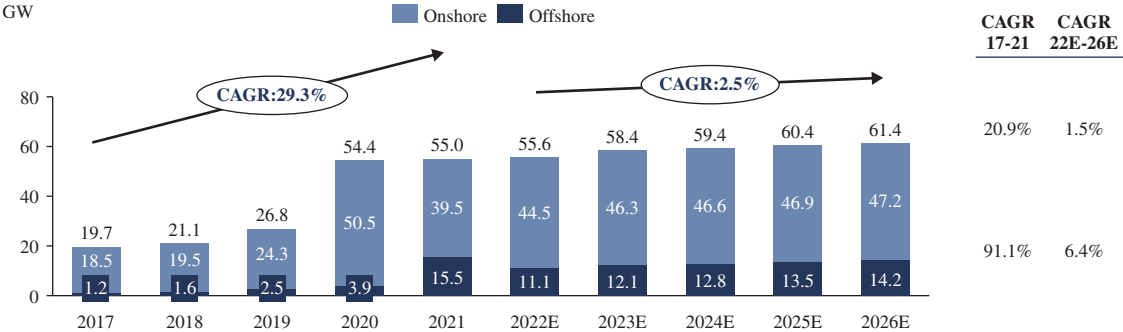
Source: Frost & Sullivan

Market Size Analysis of China Wind Turbine Market

According to NDRC’s notice on Wind Power On-grid Price released in May 2019 (《国家发展改革委关于完善风电上网电价政策的通知》), the Chinese government will no longer provide subsidies on newly approved onshore wind power projects starting from 2021. Newly installed onshore wind power capacity in China amounted to 50.5 GW in 2020, compared with 24.3 GW in 2019 and 18.5 GW in 2017, in light of China entering into grid parity for onshore wind projects. Newly installed onshore wind power capacity is expected to maintain steady growth and increase from 44.5 GW in 2022 to 47.2 GW in 2026. Although China has entered into grid parity for onshore wind projects, newly installed capacity is expected to maintain steady growth in the forecast period, driven by declining LCOE of wind power (due to improvements in wind power technology and power generation efficiency) and carbon neutrality target of 2060 set by the Chinese government.

According to NDRC’s opinion on the Promotion of Sustainable Development of Renewable Energy (《关于促进非水可再生能源发电健康发展的若干意见》) released in September 2020, the Chinese government will no longer provide subsidies to offshore wind power projects that become grid-connected starting from 2022. As China has entered into grid parity for offshore wind projects after the end of 2021, newly installed offshore wind power capacity in China amounted to 15.5 GW in 2021, compared with 3.9 GW in 2020 and 1.2 GW in 2017. Post the peak installation year in 2021, China’s newly installed offshore wind power capacity is expected to slightly decline. Regional governments such as Guangdong, Zhejiang, and Shandong have been releasing supportive policies to facilitate construction of offshore wind power projects. For example, in June 2021, Government of Guangdong Province released Implementation Plan to Promote the Development of Offshore Wind Power (《促进海上风电有序开发和相关产业可持续发展的实施方案》), which stated that it would continue to provide subsidies to newly installed offshore wind power projects in Guangdong. Driven by favorable policies from local governments, newly installed offshore wind power capacity in China is expected to reach 14.2 GW in 2026 from 11.1 GW in 2022, representing a CAGR of 6.4% during the period.

Newly Installed Wind Power Capacity (onshore and offshore), China, 2017-2026E



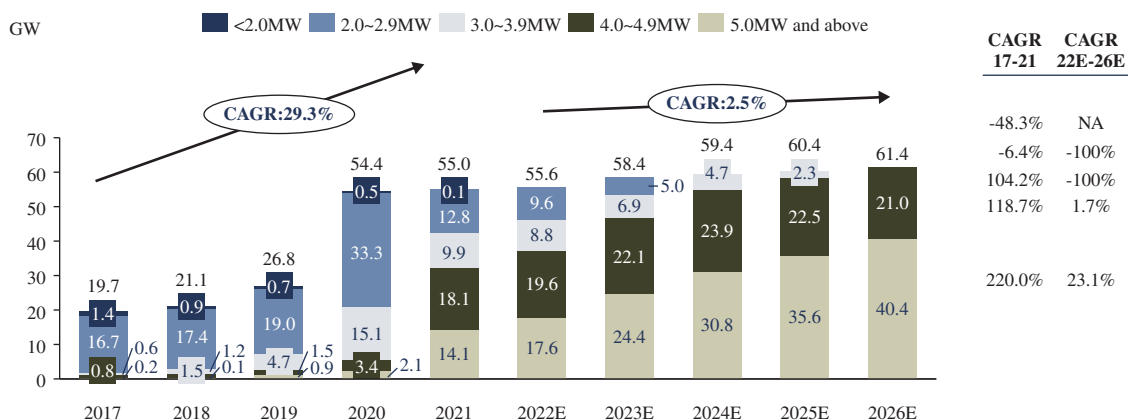
Note: Wind power capacity in the following sections refers to the capacity of commissioned wind turbines, which have been correctly installed and are ready for energy production.

Source: Frost & Sullivan

With the phase out of subsidies on wind power and the arrival of wind power grid parity in China, the wind turbine market in China is expected to become increasingly competitive in terms of price, production cost and unit capacity of the turbine. The increase in unit capacity of wind turbines is expected to further reduce average manufacturing cost per power capacity. From 2017 to 2020, the average capacity of onshore wind turbines installed increased from 2.1 MW to 2.6 MW, and the average capacity of offshore wind turbines installed increased from 3.7 MW to 4.9 MW. Wind turbine manufacturers have been investing heavily in larger unit capacity wind turbine to reduce the unit manufacturing cost and establish their competitive advantages in the market.

By unit capacity, newly installed wind power capacity of 4.0~4.9 MW wind turbine in China is expected to increase from 19.6 GW in 2022 to 21.0 GW in 2026 representing a CAGR of 1.7%; and newly installed wind power capacity of 5.0 MW and above wind turbine in China is expected to increase from 17.6 GW in 2022 to 40.4 GW in 2026, representing a CAGR of 23.1%. 5.0 MW and above wind turbine is expected to become the fastest growing segment in the forecast period.

Newly Installed Wind Power Capacity (by unit capacity), China, 2017-2026E



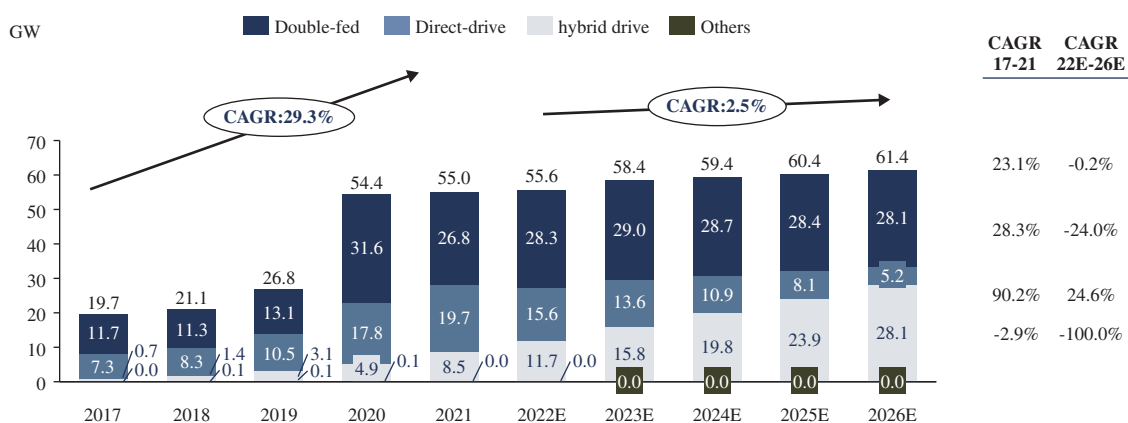
Note: Wind power capacity in the following sections refers to the capacity of commissioned wind turbines, which have been correctly installed and are ready for energy production.

Source: Frost & Sullivan

Wind turbine can be classified into double-fed, direct-drive and hybrid drive wind turbines. Traditionally, the wind turbine market has been dominated by double-fed and direct drive wind turbines. Double-fed and direct-drive turbines have maintained their respective advantages. Double-fed turbine's competitive advantages include manufacturing costs and weight, which makes the turbine more affordable and accessible; direct-drive turbine's competitive advantages include power efficiency, maintenance cost and reliability, especially for high-capacity wind turbine. Hybrid drive wind turbines have the competitive advantages of both double-fed and direct-drive wind turbines, and as a result, the cost of the semi-direct turbines are lower, while maintaining comparable power efficiency and reliability.

The wind turbine market in China is expected to become increasingly competitive in terms of price, efficiency and reliability of the turbine. Certain leading wind turbine manufacturers have successively announced their implementation of hybrid drive wind turbine, while other manufacturers have also initiated the development of hybrid drive wind turbines since 2021. Newly installed wind power capacity of hybrid drive wind turbine in China is expected to reach 28.1 GW in 2026 from 11.7 GW in 2022, and the market share of hybrid drive wind turbine is expected to reach 45.8% in 2026.

Newly Installed Wind Power Capacity (by type), China, 2017-2026E



Note: Wind power capacity in the following sections refers to the capacity of commissioned wind turbines, which have been correctly installed and are ready for energy production.

Source: Frost & Sullivan

Market Trends of Wind Turbine Market

Accelerated Development of Offshore Wind Power. Offshore wind power has the advantages of abundant resources, high utilization hours of power generation, no land occupation and suitability for large-scale development. The total deep-sea wind resources in China with depth over 50m are estimated to be over 1,200 GW. Approximately 60% of deep-sea wind resources of China is located in waters with over 70km offshore distance. The global aggregate installed capacity of deep-sea floating wind power projects is estimated to exceed 6.0 GW by 2030.

In addition, a large proportion of global population live in major coastal cities, and the establishment of offshore wind farms can effectively meet the demand for energy and electricity in nearby coastal areas. With the decline in construction and maintenance costs powered by technological advancements, the shares of offshore wind power will continue to increase in the future. It is estimated that the global offshore cumulative installed wind power capacity will increase to 144.8 GW in 2026 from 56.8 GW in 2021 and 13.6 GW in 2017.

Digitalization and Intelligentization of Wind Power. With continuous technological innovations, wind turbines will embark on the path of digitalization and intelligentization. Based on advanced technologies such as IoT gateways, real time analysis and robotic process automation, smart features, including real-time monitoring of wind turbines, remote fault diagnosis and predictive analytics are realized. Through comprehensive smart data analysis, it will improve the management of wind farms significantly, which will effectively improve power generation efficiency and reduce operating costs.

Accelerated Development of Distributed Wind Power. Distributed wind power projects are typically located near densely populated areas and the power generated is connected to the nearby power grids and consumed locally, which can effectively reduce the disparity between wind power and electricity load in time and geography. Distributed wind power is one of the fastest-growing segments of the wind power industry, the development of which is driven by both policy and technology. For example, in January 2022, the National Energy Administration in China issued the “Implementation Opinions on Accelerating Rural Energy Transformation and Development to Drive Rural Revitalization” to further support and promote the development of distributed wind power in rural areas. The increased capacity of wind turbine and improvements in efficiency also improved the availability of distributed wind power, and an increasing number of operators have been invested in the development of distributed wind power. Following this trend, the wind turbine manufacturers are increasingly focused on the development of products for distributed wind power.

Integration of Wind Turbine Supply Chain. Intensified competition in the wind power industry has increased the need for cost control in the wind turbine market. Backed by the continuous enhancement of technical capabilities, wind turbine manufacturers, in order to maintain profits and increase the controllability of the supply chain, have further integrated the supply chain and enhanced their own capabilities in developing and producing core components. It is estimated that wind turbine manufacturers that produce blades and generators independently could reduce their production cost by approximately 10-20% and increase their profit margin by around 5-10%.

Gradual Transformation to Aftersales Service. Currently the continuous growth of installed capacity and average age of wind turbine generators has contributed to significantly increasing demand for the aftersales service market. Compared with the operation and maintenance service providers, wind turbine manufacturers possess more competitive advantages in industrial resources, which enables them to carry out vertical extension in industrial chains and provide clients with aftersales service solutions. In the future, wind turbine manufacturers will play a more important role in the wind turbine generator aftersales service market, effectively improving the efficiency of wind turbine generator operation and maintenance.

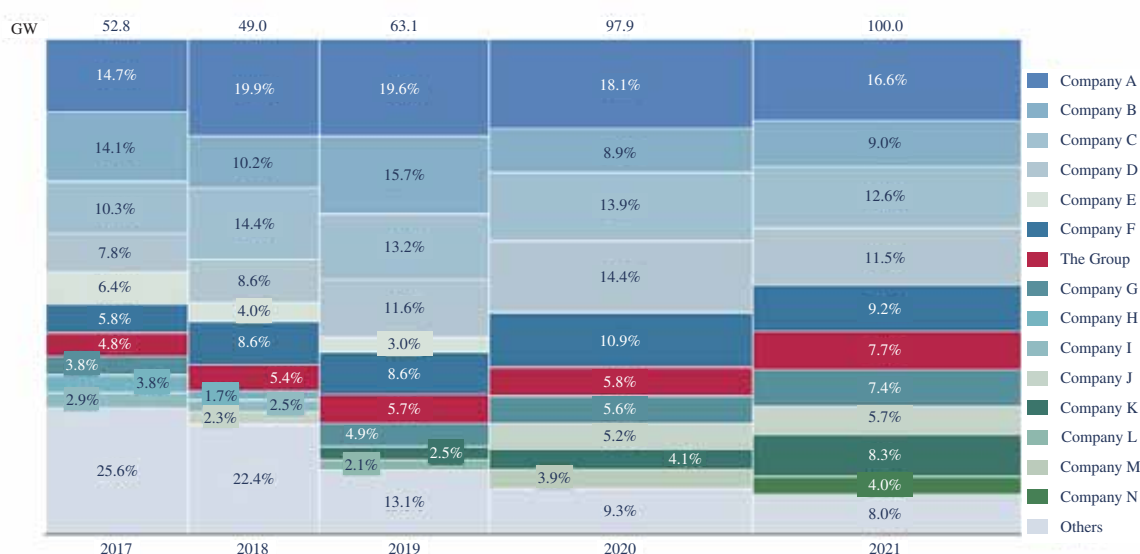
Development of Hybrid Drive Technology. The hybrid drive wind turbine is designed with both magnet and gearbox, which combines the advantages of double-fed and direct-drive wind turbines. Compared to direct-drive technology, the hybrid drive technology employs a gearbox to increase the speed of wind turbine. At the same time, the manufacturing costs and weight of the turbine are reduced. Compared to double-fed technology, the hybrid drive technology effectively improves the operational efficiency of the wind turbines and reduce the loss of the gearbox at low wind speed. At the same time, the manufacturing costs and weight of the turbine are reduced. Following the phase out of subsidies on wind power and the arrival of wind power grid parity in China’s wind power market, the wind turbine market in China is expected to become increasingly competitive in terms of price, efficiency and reliability of the turbines. Combing advantages of double-fed and direct-drive wind turbine, hybrid drive technology can greatly reduce cost of the turbine, while maintaining comparable power efficiency and reliability.

COMPETITIVE ANALYSIS OF GLOBAL AND CHINA WIND TURBINE MARKET

Ranking Analysis of Global Top 10 Wind Turbine Manufacturers

The global wind turbine market is becoming increasingly concentrated, and leading wind turbine manufacturers have been strengthening their competitive advantages in the market by focusing on R&D and technological innovation of its wind turbine models. The market share of the top 10 wind turbine manufacturers increased from 74.4% in 2017 to 92.0% in 2021, in terms of newly installed capacity.

Market Share of Top 10 Wind Turbine Manufacturers (by newly installed capacity), Global, 2017-2021

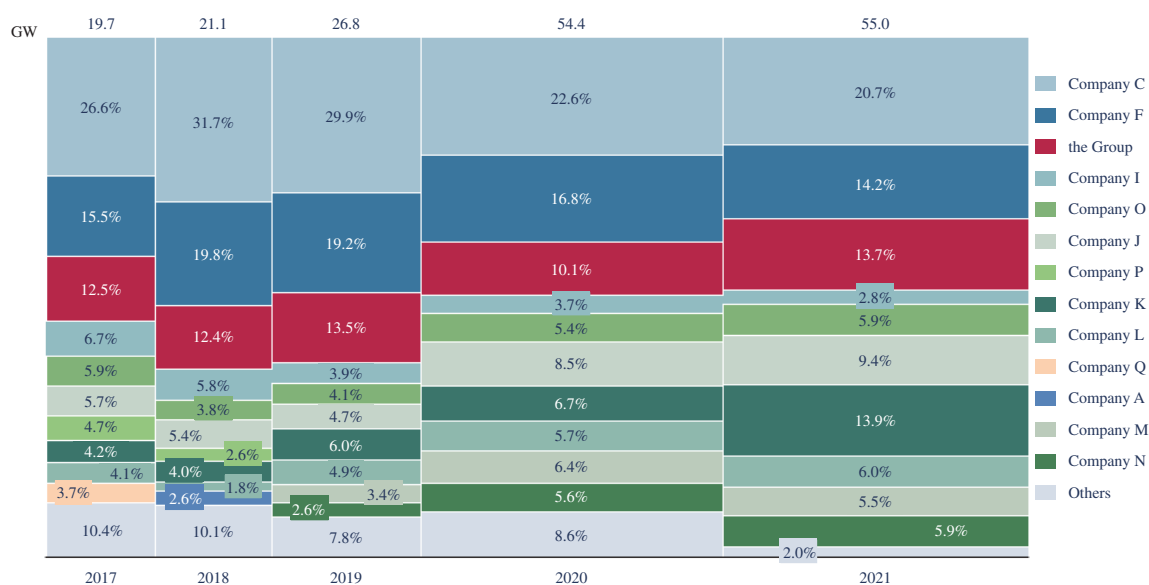


Source: Frost & Sullivan

Ranking Analysis of China Top 10 Wind Turbine Manufacturers

Downstream customers of wind turbine manufacturers are generally large state-owned energy enterprises, which have strict bidding requirements related to wind turbine suppliers in terms of product quality, manufacturing capacity and reputation. As the top 10 wind turbine manufacturers in China have established strong business relationships with downstream customers and established strong technological innovation capabilities, the concentration of the wind turbine market in China has rapidly increased, with the top 10 wind turbine manufacturers’ market share increasing from 89.6% in 2017 to 98.0% in 2021.

Market Share of Top 10 Wind Turbine Manufacturers (by newly installed capacity), China, 2017-2021



Source: Frost & Sullivan

Ranking Analysis of Global Top 5 Offshore Wind Turbine Manufacturers

In terms of newly installed offshore capacity, the Group remained among the top ten wind turbine manufacturers in the global market during the past five years, the market share of the Group increased from 0.6% in 2017 to 10.7% in 2021. The Group is the forerunner in the field of large-scale offshore wind turbines, with advantages including quick product updates, lower cost, and higher power generation efficiency. The Group has already achieved mass productions of various offshore wind turbine models such as MySE 3.0MW, MySE 4.0MW and MySE 6.0MW. In 2021, the Group achieved a market share of 10.7% in 2021, ranking the third in terms of newly installed offshore capacity.

Top 5 Wind Turbine Manufacturers (by newly installed offshore capacity), Global, 2021

Rank	Manufacturer	Newly Installed Offshore Capacity (GW)	Market Share
1	Company J	3.4	16.5%
2	Company B	3.1	15.3%
3	The Group	2.2	10.7%
4	Company F	1.5	7.3%
5	Company A	1.4	6.9%
	Others	8.7	43.3%
	Total	20.3	100.0%

Source: Frost & Sullivan

Ranking Analysis of China Top 5 Offshore Wind Turbine Manufacturers

In terms of newly installed offshore capacity, the Group remained among the top five wind turbine manufacturers in China during the past five years, the market share of the Group increased from 2.6% in 2017 to 14.0% in 2021. The Group dominated the 5.0MW and above offshore wind turbine market in 2021, with offshore wind turbine model such as MySE6.0. The Group was the largest wind turbine manufacturer in China, in terms of newly installed offshore wind capacity of 5.0MW and above wind turbine in 2021. Additionally, the Group released MySE 11MW-203 in July 2020 and has become the largest wind turbine manufacturer in China, in terms of production volume of 11.0MW wind turbine in 2021.

Top 5 Wind Turbine Manufacturers (by newly installed offshore capacity), China, 2021

Rank	Manufacturer	Newly Installed Offshore Capacity (GW)	Market Share
1	Company J	3.4	21.7%
2	The Group	2.2	14.0%
3	Company F	1.5	9.6%
4	Company C	1.4	8.7%
5	Company O	0.7	4.5%
	Others	6.3	41.5%
	Total	15.5	100.0%

Source: Frost & Sullivan

Ranking Analysis of China Top 3 Hybrid Drive Wind Turbine Manufacturers

The Group is the forerunner in the field of hybrid drive wind turbine, which helped the Group establish its competitive advantage in the market. In terms of newly installed capacity in 2021, the Group was the largest hybrid drive wind turbine manufacturer in China, with a market share of 88.6% in 2021.

Top 3 Hybrid drive Wind Turbine Manufacturers (by newly installed capacity), China, 2021

Rank	Manufacturer	Newly Installed Capacity (GW)	Market Share
1	The Group	7.5	88.6%
2	Company J	0.5	5.9%
3	Company A	0.3	3.7%
	Others	0.2	1.8%
	Total	8.5	100%

Source: Frost & Sullivan

Ranking Analysis of Global Wind Turbine Manufacturers by Order Backlog

As at 31 December 2021, the Group ranked third globally in terms of the total capacity of wind turbine order backlog.

Top 5 Wind Turbine Manufacturers (by order backlog), Global, 2021

Rank	Manufacturer	Wind Turbine Order Backlog (GW)
1	Company A	22.0
2	Company D	20.6
3	The Group	19.1
4	Company C	16.9
5	Company B	14.8

Note: The order backlog amounts of peers are from their public disclosure or estimated based on their annual reports and public information.

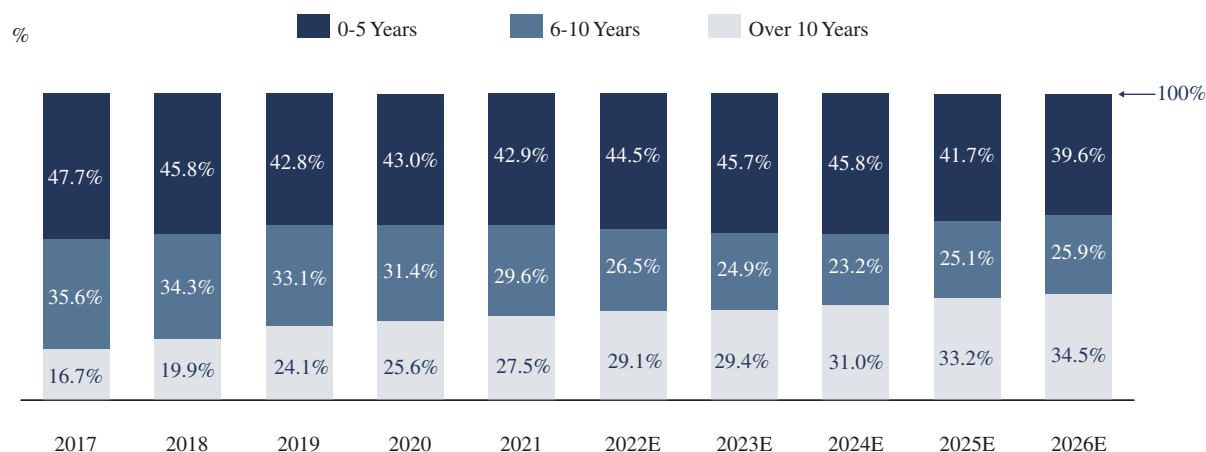
Source: Frost & Sullivan

OVERVIEW OF WIND TURBINE GENERATOR AFTERSALES SERVICE MARKET

Wind turbine generator aftersales service mainly includes maintenance and repairs, providing spares and consumables, upgrades and replacements. In recent years, some of the leading wind turbine manufacturers have launched intelligent and digital aftersales service solutions, covering the whole life cycle of wind turbine generators, which can provide wind turbine generators with detailed management, effectively improve the efficiency and reduce the costs for wind turbine generator operation and maintenance.

Currently, there are many wind turbines with over 10 years of age and small capacity that are still in operation. For example, in China, there are more than 11,000 aged wind turbines with capacity of smaller than 1MW. The generating efficiency and availability of these wind turbines are at relatively low levels. These wind turbines are usually located in areas with high-quality wind resources. The proportion of over 10-year wind turbines in the global market increased from 16.7% in 2017 to 27.5% in 2021, and is expected to reach 34.5% in 2026. The increasing share of aged wind turbines and continuous development of larger unit capacity wind turbines increases the demand for upgrade and replacement of aged wind turbines. As a result, an increasing number of wind turbine manufacturers are providing customized solutions to the market, which will further drive the development of the aftersales service market. In the future, with the broad application of wind turbines in power generation, it is estimated that the proportion of over 10-year wind turbines in the global market will continue to increase to 34.5% in 2026.

Distribution of Age of Wind Turbine, Global, 2017-2026E



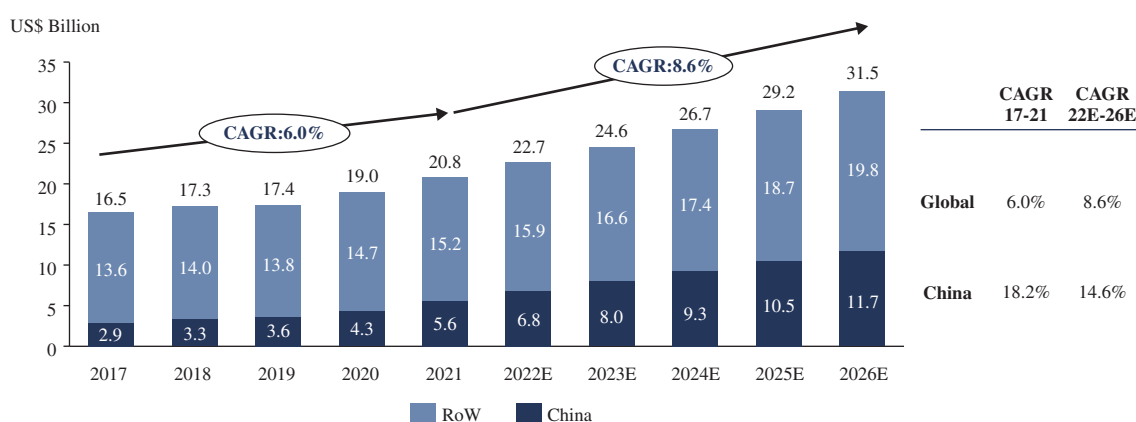
Source: Frost & Sullivan

From 2017 to 2019, the average age of China's wind turbines increased from 4.6 years per MW to 5.5 years per MW. In 2020, China's newly installed wind power capacity connected to power grid increased significantly by 177.2% from 2019 which led to a slight decrease in the average age of China's wind turbines. In the future, with the large-scale application of wind power generation, the average age of China's wind turbines is forecasted to increase to 6.7 years per MW in 2026.

There are a large number of wind turbines which have been utilized for more than 10 years (18.2% of total turbines in China by 2021). We estimate that wind farms in China with an operation period of over 20 years will reach approximately 1.1 GW by 2025, and wind farms with operation period of over 15 years will reach approximately 44.6 GW by 2025. With the trend of ageing wind turbines, there is an increased demand for wind turbine generator aftersales service.

As China continues to focus on the application of renewable energy and rapidly increase installed wind power capacity, the growth potential of China's wind turbine generator aftersales service market is significant and is expected to increase rapidly in the future. From 2017 to 2021, the revenue from China's wind turbine generator aftersales service increased from US\$2.9 billion to US\$5.6 billion at a CAGR of 18.2% and is estimated to increase to US\$11.7 billion in 2026 at a CAGR of 14.6% from 2022.

WTG Aftersales Service Revenue, Global and China, 2017-2026E



Source: Frost & Sullivan

BUSINESS DESCRIPTION

Investors should read this “Business Description” in conjunction with the more detailed information contained elsewhere in this Prospectus, including the financial and other information appearing in the F-pages of this Prospectus. Where stated, financial information in this section has been extracted without material adjustment from the financial information in the F-pages of this Prospectus.

OVERVIEW

As a leading wind turbine manufacturer, the Group’s mission is to provide accessible green and smart energy, and it aims to become a full lifecycle renewable solutions provider. Through technological and business innovations, the Group has developed into a leading smart energy enterprise in China with global influence, gradually becoming an industry leader in providing integrated wind power, photovoltaics, power storage and hydrogen power solutions.

Founded in 2006, the Group has maintained a leading position both domestically and globally as a wind turbine manufacturer. According to Frost & Sullivan, as at 31 December 2021, the Group ranked third globally in terms of the total capacity of wind turbine order backlog. In 2021, the Group ranked third globally and second in China in terms of newly installed offshore wind power capacity. During the same year, the Group ranked seventh globally and fourth in China in terms of newly installed total wind power capacity.

As a leading wind turbine manufacturer in China, the Group has strong independent and platform-based R&D capabilities. It independently developed various core technologies such as ultra-compact hybrid drive technology, ultra-large offshore wind turbine technology, anti-typhoon technology and deep-sea floating technology. In 2021, the Group launched the self-developed 16MW MySE16.0-242 offshore wind turbine, which is currently the largest offshore wind turbine in the world. The MySE7.X onshore wind turbine was the largest onshore wind turbine when the product was first launched. In addition to wind turbine manufacturing, the Group has also expanded into other parts of the renewable industry and has focused on developing technologies in fields such as intelligent wind farm operation and maintenance, photovoltaics, energy storage and hydrogen power. As at 31 December 2021, the Group has participated in the formulation of 180 international and domestic technical standards and has been granted more than 1,000 patents and more than 300 copyrights. As at the same date, the Group employed 2,088 R&D personnel, accounting for 20.7% of the Group’s total headcount. The Group has established international research centres for technological and product innovations.

The Group’s business is primarily divided into three segments: wind turbine manufacturing and sales, wind and solar farm development and operation, and other renewable energy services:

- **Wind turbine manufacturing and sales:** The Group focuses on the manufacturing of wind turbines with high efficiency and reliability. To improve quality and reduce cost, the Group also engages in the R&D and manufacturing of core components of wind turbines such as rotor blades. The Group has one of the most comprehensive wind power product portfolios in the industry in China in terms of range of unit capacity. The Group’s main products include 1.5-7.0MW series onshore wind turbines and 5.5-11MW series offshore wind turbines. These wind turbines are adaptable to different wind and climatic conditions, such as low temperature, dust, typhoon, salt fog, high altitude and other harsh environments. At the same time, the Group focuses on developing deep-sea floating wind turbines and ultra-large offshore wind turbines of over 16MW, leading the trend of larger wind turbines. Benefiting from the Group’s strict quality control and continuous investment in R&D, the Group’s products have been widely recognised by the market and industry as highly efficient and reliable, having low maintenance costs and achieving reliable power coordination with the rest of the grid. The total capacity of wind turbines sold by the Group amounted to 6.03GW in 2021, representing a year-on-year increase of 57.2% from 2019; the total

capacity of offshore wind turbines sold by the Group amounted to 2.89GW in 2021, representing a year-on-year increase of 156.1% from 2019.

- **Wind and solar farm development and operation:** As an integrated renewable solutions provider, the Group is also engaged in the development and operation of wind and solar farms. Based on the asset-light “rolling development” operating philosophy, the Group has different wind and solar farms that are under different stages of development, operations and sales. The wind and solar farm development and operation business creates valuable synergies with the Group’s other businesses: (i) the wind farms sold are equipped with the Group’s wind turbines, contributing to the sales of the Group’s wind turbines, and (ii) its customers are inclined to engage the Group for the provision of services in respect of the wind and solar farms, which enhances the Group’s overall branding and market position as an integrated renewable solutions provider. As at 31 December 2021, the Group’s wind and solar farms had an installed capacity of 1.19GW connected to the grid and an installed capacity of 1.79GW under construction. The Group applies digital and smart technology to design, develop and optimize its wind farms and provide these wind farms with centralized operation, maintenance and management. The customized solutions and smart operation services enable the Group to transparently manage the wind farms throughout their life cycle covering equipment transportation, installation, commissioning, operation and maintenance, which helps to shorten the installation and trial time and reduce unexpected equipment failures and improve utilisation of the wind turbines. As a result, the Group’s wind and solar farms are highly efficient. In 2021, the average time available of the Group’s renewable farms are 2,583 hours, compared to the national average of 2,246 hours for wind farms and 1,163 hours for solar farms. Since 2020, the Group completed the sales of 11 projects with an aggregate capacity of 578.1MW.
- **Other renewable energy services:** The Group has engaged in other renewable energy services including renewable EPC services, sales of photovoltaic products and distribution and sales of electricity. As a full life cycle renewable solutions provider, the Group has strategically expanded into other renewable energy businesses such as photovoltaics, energy storage, hydrogen power and other related businesses. For example, in the area of photovoltaics, the Group has focused on solutions and applications related to building-integrated photovoltaics. The Group is constantly researching and developing advanced solar and hydrogen technologies as well as renewable energy storage solutions. In the future, the Group will tap into multiple complementary energy sources to develop more energy storage facilities in its wind and solar farms and further increase their electricity utilisation.

The Group has established a solid customer base with large power producers and other enterprises investing in clean energy, including central and local state-owned enterprises and listed companies. The Group has nationwide production capabilities. The Group currently has 13 production bases covering the markets of its major customers.

Over the years, the Group has experienced significant growth in revenues and net profit. For the years ended 31 December 2019, 2020 and 2021 and the three months ended 31 March 2021 and 2022, the Group’s total operating revenue was RMB10,493.2 million, RMB22,457.0 million, RMB27,158.0 million, RMB4,361.3 million and RMB7,028.5 million, representing a CAGR of 60.9% between 2019 and 2021. During the same period, the Group’s total net profit was RMB661.3 million, RMB1,304.3 million, RMB2,959.4 million, RMB271.1 million and RMB1,406.0 million, representing a CAGR of 111.5% between 2019 and 2021. The return on equity from 2019 to 2021 was 12.1%, 15.7% and 18.4%, respectively, providing a good return to the Group’s shareholders.

HISTORY

The Company's predecessor, Guangdong Mingyang Wind Power Technology Co., Ltd. ("**Guangdong Mingyang**"), was incorporated on 2 June 2006 in the PRC as a company with limited liability. From 2007 to 2017, the Company went through several shareholding restructurings and capital injections. In March 2017, the Company converted into a joint stock limited company and also changed its name to "Ming Yang Smart Energy Group Limited (明阳智慧能源集团股份公司)". The Company became listed on the Shanghai Stock Exchange on 23 January 2019 under the stock code of 601615.

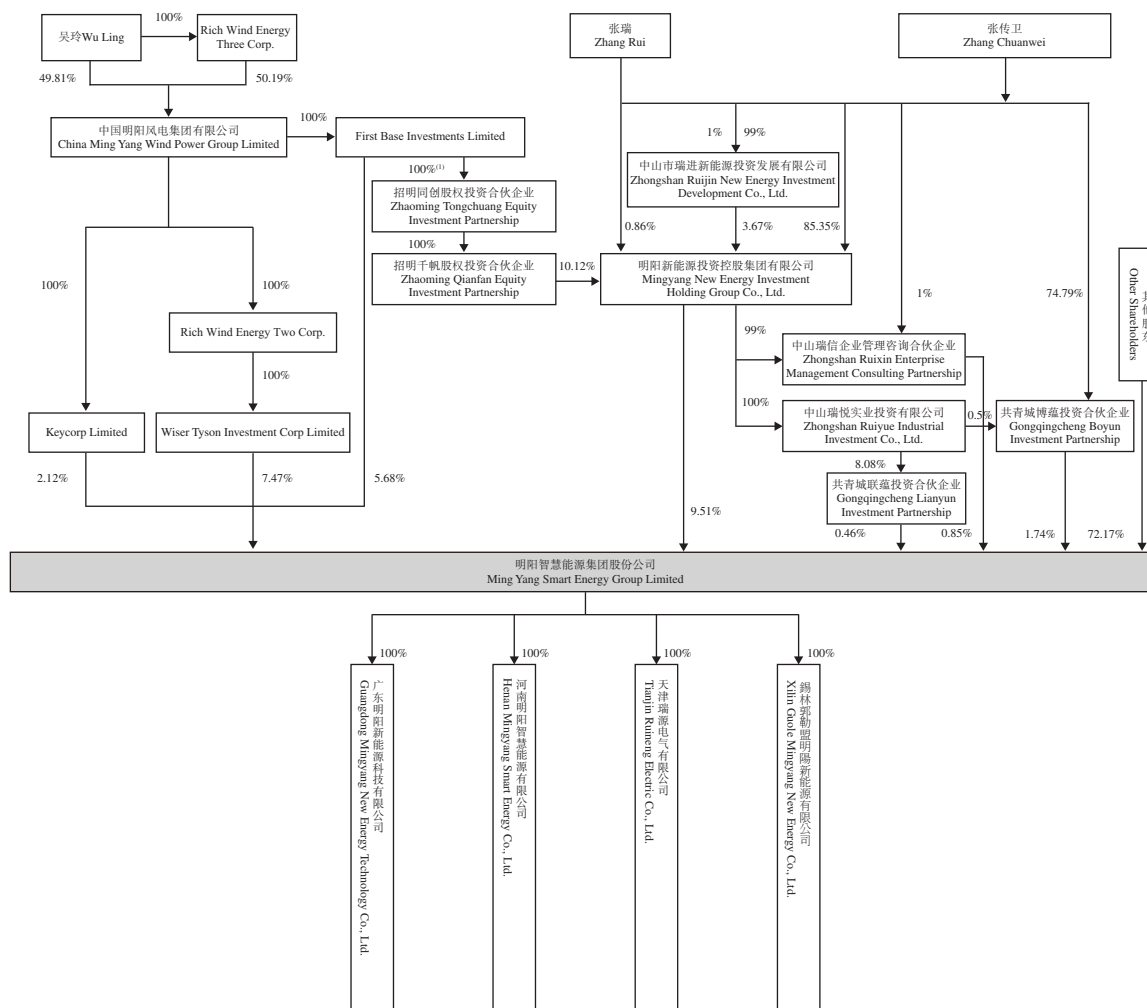
The following sets forth some of the Group's key corporate milestones:

- | | |
|------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 2006 | <ul style="list-style-type: none">• In June 2006, Guangdong Mingyang, the Company's predecessor, was established. |
| 2007 | <ul style="list-style-type: none">• The first anti-typhoon-type 1.5MW wind turbine with independent intellectual property rights was produced by the Group, which at the time was representative of the advanced technological innovation in the PRC wind power industry. |
| 2009 | <ul style="list-style-type: none">• In August 2009, the Group signed a cooperation agreement with one of the world's top wind energy key laboratories, Risoe Wind Energy Laboratory, in Denmark, to establish a European R&D centre. This marked a major breakthrough in the Group's internationalisation strategy. |
| 2010 | <ul style="list-style-type: none">• Guangdong Mingyang became a subsidiary of China Ming Yang. The latter was then listed on the New York Stock Exchange. |
| 2012 | <ul style="list-style-type: none">• In March 2012, the Group set up its North American R&D centre at North Carolina State University in the United States. |
| 2014 | <ul style="list-style-type: none">• In July 2014, the Group's MY1.5-89 wind turbine obtained the world's first GL2010 type certification certificate issued by DNV GL. This demonstrated that the design, manufacturing, operation and testing of the Group's 1.5MW wind turbine model were all of an international leading level.• In November 2014, the Group's SCD 6.5MW ultra-compact offshore wind turbine was successfully hoisted and installed at the Rudong National Experimental Wind Farm in Jiangsu Province.• The Group was ranked top 3 in China by newly installed capacity for the first time. |
| 2016 | <ul style="list-style-type: none">• In June 2016, the Group held the inauguration and opening ceremony of Mingyang University, the first enterprise university in Zhongshan.• In October 2016, the Group released the MySE3.0MW platform, which had the world's largest rotor diameter at the time.• In December 2016, the Group was ranked 32nd among the "Top 500 Global New Energy Enterprises (全球新能源企业500强)" by China Energy News and the China Energy Economic Research Institute.• China Ming Yang was delisted from the New York Stock Exchange following the completion of a going private transaction. |

- 2017
- In January 2017, according to the Global Offshore Wind Innovation Trends Report for the year released by Totaro & Associates, the Group was ranked first for offshore wind power innovation.
 - In March 2017, the Group’s MySE series of wind turbines was given the “Top 10 Technological Innovation Awards in the Low Wind Speed Era” by the Energy magazine, an authoritative media organised under the SASAC.
 - By April 2017, Guangdong Mingyang had converted into a company limited by shares and also changed its name to “Ming Yang Smart Energy Group Limited”.
- 2018
- In April 2018, the Group’s MySE5.5/7.0MW wind turbine model, which was at the time the anti-typhoon wind turbine with the largest blade diameter in the world, was successfully installed. It represented then the most advanced anti-typhoon technology for offshore wind power in China.
- 2019
- In January 2019, the Company was listed on the Shanghai Stock Exchange (stock code: 601615).
 - In February 2019, the Group’s MySE7.25MW offshore wind turbine model, which was at the time the largest offshore wind turbine in China, was successfully installed.
- 2020
- The Group’s first MySE5.2MW onshore wind turbine was successfully hoisted, setting the record for the largest onshore unit capacity hoisted in Asia.
 - In October 2020, the Group released MySE11MW-203, the world’s largest hybrid onshore-offshore semi-direct drive model at the time.
 - The Group established the MySE European Business and Engineering Centre in Hamburg, Germany, with an aim to introduce its latest offshore wind turbine products into the European market.
 - In November 2020, the Group was named among “Top 50 Technology Innovation Enterprises (科技创新企业50强)”.
 - The Group became the latest board member of the Global Wind Energy Council.
- 2021
- The Group’s MySE8.3MW ultra-large offshore wind turbine was successfully hoisted in the second phase of Fujian Xinghua Bay Offshore Wind Farm and commenced operation in January 2021.
 - In December 2021, the Group signed a memorandum of understanding with the UK Department of International Trade on the Group’s investment plan in the UK.
 - The Group ranked 18th among the “Top 500 Global New Energy Enterprises (全球新能源企业500强)”. As at 31 December 2021, the Group’s cumulative installed capacity was 33.2GW.

ORGANISATIONAL STRUCTURE

The following chart illustrates the simplified organisational structure of the Company and its major subsidiaries as at the Latest Practicable Date:



Note:

- (1) Zhaoming Baige (Tianjin) Investment Management Co., Ltd. (招明百舸(天津)投资管理有限公司) (“ZMBG”) holds 0.02% of Zhaoming Tongchuang Equity Investment Partnership (“ZMTC”) and Zhaoming Qianfan Equity investment partnership (“ZMQF”). However, ZMBG has not paid for its shares of the investment, does not collect any management fee or remuneration and does not participate in the profit sharing of either ZMTC or ZMQF. First Base Investments Limited is entitled to 100% of the net profit from ZMTC and ZMQF.

For details of the Group’s subsidiaries, see “General Information – 12. Subsidiaries”.

COMPETITIVE STRENGTHS

The Group is a pioneer in the rapidly developing wind power industry and a globally leading wind turbine manufacturer based in China, the largest and fastest-growing wind power market in the world.

Founded in 2006, the Group has maintained a leading position in wind turbine manufacturing both domestically and globally and has experienced rapid growth in the past decade. According to Frost & Sullivan, in terms of the total capacity of wind turbine order backlog, the Group ranked third globally as at 31 December 2021; in terms of newly installed total wind power capacity, the Group's global ranking has remained in the top seven for the past five years, and its global market share has grown from 4.8% in 2017 to 7.7% in 2021. In China, the Group has remained in the top four for the past five years in terms of newly installed total wind power capacity, and its market share has grown from 12.5% in 2017 to 13.7% in 2021. With regard to offshore wind power, the Group's global ranking has remained in the top ten for the past five years, and its market share of newly installed offshore wind power capacity has increased from 0.6% in 2017 to 10.7% in 2021. In China, the Group's ranking has remained in the top five for the past five years, and its market share in terms of newly installed offshore wind power capacity has grown from 2.6% in 2017 to 14.0% in 2021, ranking second in China.

With strong innovation capabilities and industry insights, the Group is an industry leader. Wind turbines have evolved in the following three dimensions: the motor and drives have developed from double-fed or direct drive to hybrid drive; wind turbine size has grown from small to large with longer blades and larger swept area; and unit material consumption in terms of weight per MW of wind turbines has decreased. According to Frost & Sullivan, the Group was the first among its main competitors to develop the semi-direct drive technology in 2008. The same source states that among the newly installed wind power capacity in China, the proportion of wind turbines using the hybrid drive technology increased from 3.3% in 2017 to 15.5% in 2021, and is expected to further increase to 45.8% in 2026. The Group is currently the largest manufacturer of hybrid drive wind turbines in China. In 2021, the Group ranked first in China in terms of newly installed capacity of hybrid drive wind turbines, with a market share of 88.6%. At a time when the industry was dominated by small turbines, the Group took the initiative in manufacturing large wind turbines. The rotor diameter of the Group's wind turbines has increased to 242 metres in the Group's latest model. The Group has achieved a leading position in the offshore wind turbine market segments of 5.0MW and above, ranking first in the segment in 2021 according to Frost & Sullivan. In 2021, the Group launched the self-developed 16MW MySE16.0-242 offshore wind turbine, which is currently the largest offshore wind turbine in the world. In addition, with technological innovations, the Group has greatly reduced the unit material consumption of its wind turbines. The unit weight for 5.XMW onshore wind turbines is 46.28 tons per MW as compared to 65.46 tons per MW for 1.5MW wind turbines, representing a decrease of 29.3%; and the unit weight for 11MW offshore wind turbines is 57.45 tons per MW as compared to 80.55 tons per MW for 5.5 MW offshore wind turbines, representing a decrease of 28.7%.

The Group's brand, industry leading position and first-mover advantage have enabled it to capture opportunities in China, the largest and fastest-growing wind power market. Under the backdrop of the carbon peaking and carbon neutrality goals, the Group expects that the utilization rate of wind power will further increase and the cost of wind power will further decrease as the wind power technologies continue to evolve. Similarly, the wind power industry is expected to continue to flourish. According to Frost & Sullivan, the cumulative installed capacity of global wind power is expected to grow from 957.5GW in 2022 to 1,416.8GW in 2026, at a CAGR of 10.3%. The cumulative installed capacity of global offshore wind power is expected to grow from 72.4GW in 2022 to 144.7GW in 2026, at a CAGR of 18.9%. The cumulative installed capacity of wind power in China is expected to grow from 401.4GW in 2022 to 641.0GW in 2026, at a CAGR of 12.4%, of which the cumulative installed capacity of offshore wind power in China is expected to grow from 37.5GW in 2022 to 90.3GW in 2026, at a CAGR of 24.5%.

The Group's strong R&D and commercialization capabilities drive product and service innovations to meet changing market demands.

The Group's strong innovation capabilities have led it to independently develop leading core technologies such as ultra-compact hybrid drive technology, ultra-large wind turbine technology, anti-typhoon technology and deep-sea floating technology. The Group possesses platform-based R&D capabilities. It has independently developed blade segmentation technologies and carbon/glass fibre-hybrid composites for its rotor blades and set up intelligent operating systems for its wind farms. Specifically, the Group's strong R&D and commercialization capabilities are evidenced by the following achievements:

- **Breakthrough in ultra-compact hybrid drive technology:** the Group started the development of ultra-compact hybrid drive technology in 2008, ahead of other major wind turbine manufacturers. The Group's strong R&D capabilities gave the Group the foresight to select hybrid drive technology over direct drive and double-fed technologies. Hybrid drive technology combines the advantages of traditional direct drive and double-fed technologies and helps turbines to be smaller, lighter and more reliable.
- **Advances in ultra-large wind turbines:** to increase the economic return of wind turbines, the Group has set the industry trend in developing larger wind turbines, including the ultra-large wind turbines, which can reduce the overall cost of electricity generation. After a decade of research and experiments, the Group launched the 16MW MySE16.0-242 offshore wind turbine in 2021, which is currently the world's largest offshore wind turbine. The MySE7.X onshore wind turbine was also the largest onshore wind turbine when the product was first launched.
- **Development of anti-typhoon wind turbines:** in order to utilise wind resources in Guangdong Province and other typhoon-prone areas, the Group conducted comprehensive analyses of the effect of wind speed and direction, turbulence, wind shear and gust on wind turbine operations and integrated the findings into the design of anti-typhoon wind turbines. In 2018, the Group successfully installed China's first greater-than-5MW anti-typhoon wind turbine, which was also at the time the largest anti-typhoon wind turbine in the world in terms of its rotor diameters. The Group also launched the world's first anti-typhoon floating wind turbine in 2021.
- **Commercialisation of deep-sea floating technologies:** relying on its strength in deep-sea floating technologies, the Group has introduced the first floating wind turbine in China and achieved grid connection. The deep-sea floating technology will allow the Group's powerful wind turbines to function in the deep seas and provide safe and reliable wind power at affordable cost, enabling the construction of wind turbines from coastal oceans to deep seas.

The R&D facilities set up by the Group include national-level enterprise technology centres, national and local joint engineering laboratories, a wind power technology engineering laboratory and an engineering centre and post-doctoral research station. The Group has also consolidated its global resources and established an R&D platform with "one headquarters and five centres", comprising its headquarters in Guangdong, China and five R&D centres in Beijing, Shanghai, Shenzhen, North Carolina in the United States and Hamburg in Germany. The Group utilizes an equity incentive plan to mobilize the management team, key employees and R&D personnel and to promote the Group's long-term development. As at 31 December 2021, the Group has participated in the formulation of 180 international and domestic technical standards and has been granted more than 1,000 patents and more than 300 copyrights. The Group's R&D expenditure in 2021 was RMB1,054.6 million, accounting for about 3.9% of its operating revenue during the same period. The Group's R&D-to-revenue ratio in 2021 is higher than average among its peers globally. As at 31 December 2021, the Group had 2,088 R&D personnel, accounting for 20.7% of its total headcount.

The Group has established long-term and stable cooperative relationship with leading institutions such as the National Energy Laboratory ECN of the Netherlands, Lloyd's Register DNVGL of Germany, Fraunhofer Institute Fraunhofer of Germany and the world's top transmission chain designers such as Romax and AeroDyn.

With a full range of products and production bases nationwide with platform-based and flexible production lines, the Group can cater to different needs quickly and flexibly.

The Group believes that it has one of the most comprehensive and forward-looking product portfolios among wind turbine manufacturers in China. The Group has designed onshore and offshore wind turbines that are catered to wind and climatic conditions in China, including 1.5/2.XMW, 3.XMW, 4.XMW, 5.XMW, 6.XMW and 7.XMW series onshore wind turbines and 5.XMW, 6.XMW, 7.XMW, 8-10MW and 11-16MW series offshore wind turbines. Each series of wind turbines can also be fitted with impeller of different sizes depending on local wind conditions and environments. For example, the 3.0MW series can be fitted with impellers of diameters of 112 metres, 121 metres, 135 metres, 145 metres and 156 metres. For wind turbines of the same impeller diameter, the Group has introduced different types of impellers for different climatic and environmental conditions such as normal temperature, low temperature, ultra-low temperature, high altitude, coastal and typhoon.

The Group has platform-based R&D capabilities and flexible production capabilities. For example, the Group has R&D capabilities for wind turbines of 3-5MW and 5-7MW. With modularized and platform-based R&D and manufacturing, 80% of the key components of the Group's wind turbines have the same interface and are interchangeable, which helps to effectively reduce R&D costs, shorten R&D cycles and improve R&D efficiency. At the same time, the Group has developed smart production lines with a quality control system that can seamlessly connect different stages of the production processes, enable customized production processes and establish quality control digitally throughout the entire production process, effectively improving the Group's production efficiency.

The Group has 13 production bases located in Guangdong, Tianjin, Henan, Inner Mongolia and Qinghai, providing nationwide coverage for the Group. The geographic distribution of the Group's production bases is primarily driven by the demand from its surrounding target markets.

The Group has independent production capabilities for core components and has established in-depth cooperation with suppliers to vertically integrate the supply chain to achieve cost efficiency and production stability.

The Group has developed independent R&D and manufacturing capabilities for core components of wind turbines such as blades, gear boxes, current transformers, pitch control systems and electrical control systems, as well as the capability to conduct integrated modelling and model verification and validation research. The Group has production bases in Guangdong, Tianjin, Henan, Inner Mongolia and Qinghai. The Group's capability to research, design and produce core components has enabled it to not only better control its costs and improve the Group's profitability, but also to optimise the design of wind turbines from a holistic perspective, improve the operating efficiency and reliability of wind turbines and thus enhance the overall competitiveness of the Group's wind turbine products.

The Group promotes a vertical integration of its supply chain. The Group's continuous investment and R&D on the core components have enabled the Group to export technology to its suppliers, which in return allows the suppliers to better serve the Group's technical needs and meet its ongoing demand for model upgrades. At the same time, the Group's in-depth integration of its supply chain can further reduce costs as the cost of these core components make up a large percentage of the cost of the wind turbine, while at the same time maintaining effective quality control and ensuring on-time product delivery.

The Group has established a leading warehousing and logistics system. Together with the production bases that are strategically located nationwide, the Group relies on self-operated and third-party warehousing and logistics network to achieve cost-effective storage and transportation and on-time delivery of its wind turbines.

The Group’s leading intelligent wind and solar farm development and operation solutions provide full life cycle services and its rolling development model brings the Group strong resource development capabilities.

The Group applies digital and smart technology to design, develop and optimize its wind farms. The customized solutions and smart operation services enable the Group to transparently manage the wind farms throughout their life cycle covering equipment transportation, installation, commissioning, operation and maintenance. To that end, the Group has established a big data platform and a wind farm monitoring system to conduct real-time monitoring and analysis of the wind turbines that can provide predictive maintenance alerts. The Group has also invested in technologies such as the Internet of Things, cloud storage and big data analysis to develop systems such as wind turbine remote status monitoring, remote diagnosis and repair, wind power prediction, video monitoring to enable centralized operation, maintenance and management of its wind farms. These technologies allow convenient scheduling of corrective maintenance, reduce unexpected equipment failures and improve utilisation of the wind turbines. As a result, the Group’s wind and solar farms are highly efficient. In 2021, the average time available of the Group’s renewable farms are 2,583 hours, compared to the national average of 2,246 hours for wind farms and 1,163 hours for solar farms.

Based on the asset-light “rolling development” operating philosophy, the Group has different wind and solar farms that are under different stages of development, operations and sales. With the “rolling development” of its wind and solar resources, the Group believes that it can realise value from equipment sales, premium related to resource development and its EPC contracts. The Group believes that the asset-light “rolling development” development model can greatly enhance its capital efficiency and promote the sustainable development of its wind and solar farms.

Strong cost control, vertical supply chain integration capabilities and a wind and solar farm development and operation model enable the Group to have industry-leading profit margin and shareholder return level.

In the years ended 31 December 2019, 2020 and 2021, the Group’s comprehensive gross profit margin was 22.7%, 18.6% and 21.4%, EBITDA profit margin was 14.9%, 11.3% and 18.0%, net profit margin was 6.3%, 5.8% and 10.9%, return on equity was 12.1%, 15.7% and 18.4% and return on assets was 2.3%, 3.0% and 5.2%, respectively.¹ In 2020, the Group’s gross profit margin, EBITDA profit margin, net profit margin and return on equity all ranked first among comparable A-share listed wind turbine manufacturing companies, and outperformed other listed wind turbine manufacturing companies in the world.

¹ EBITDA and EBITDA margin are not PRC GAAP measures and should not be considered as an alternative to net profit, net margin or any other performance measures derived in accordance with PRC GAAP or as an alternative to cash flow from operating activities or as a measure of the Group’s liquidity. A reconciliation of profit before tax from continuing operations for the period/year to EBITDA and EBITDA margin can be found in “Operating and Financial Review—Key Performance Indicators and Other Financial Metrics”.

Compared to its peers, the Group's R&D and production capabilities of core components including blades, gear boxes, current transformers, pitch control systems and electrical control systems have enabled the Group to have stronger cost control capabilities and higher profit margins. In the years ended 31 December 2019, 2020 and 2021, the gross profit margin of the wind turbine and components business was 19.2%, 16.9% and 19.2%, respectively.² According to Frost & Sullivan, wind turbine manufacturers that produce their own blades typically have a 2%-3% higher gross profit margin than its peers in China who purchase blades. At the same time, as a result of the Group's strong resource development capabilities and efficient wind and solar farm operation capabilities and the strong performance of the Group's wind turbines, the Group's gross profit margin from the wind and solar farm development and operation segment for the years ended 31 December 2019, 2020 and 2021 reached 64.5%, 61.7% and 65.4%, respectively. The Group's "rolling development" model not only greatly shortens the investment recovery period, but also brings a considerable premium from the disposal of wind and solar farms.

In addition, the Group prioritises efficiency, emphasizes systematic operation capabilities with efficient resources allocation and has a result-oriented agile and lean operation. For the years ended 31 December 2019, 2020 and 2021, the Group's period expense ratio (including sales, management, R&D and financial expenses) was 17.9%, 11.0% and 11.0%, respectively, which was lower than the average of 17.1%, 14.1% and 13.8% for A-share listed comparable companies. While ensuring a relatively stable investment in R&D expenses, the overall expense ratio has been decreasing in recent years, demonstrating the Group's strong ability to control its period expenses.

The Group leverages its advantages in technological innovations and resources to synergistically provide integrated wind, photovoltaics, power storage and hydrogen solutions.

In addition to the wind turbine manufacturing and wind and solar farm operation and maintenance businesses, the Group actively develops photovoltaics, energy storage, hydrogen power and other related businesses. The Group has transformed from a service-oriented manufacturer to a full life cycle renewable solutions provider with a matrix of high-end equipment manufacturing businesses in providing integrated wind, photovoltaics, power storage and hydrogen solutions. With a strong R&D team and more than ten years of R&D experience, the Group has accomplished the following in the fields of photovoltaics, power storage and hydrogen:

- **Photovoltaics:** Zhongshan Ruike New Energy Co., Ltd., one of the Company's subsidiaries engaged in the development of solar photovoltaic products has accumulated a deep understanding of the advanced coating technology after years of independent R&D. The Group has achieved globally leading conversion efficiency with its cadmium telluride thin film battery module and its small area conversion efficiency has reached 19%;
- **Power storage:** the Group has three R&D centres that are focused on power storage related research. The Group possesses the capability to independently develop and manufacture power conversion systems ("PCS"), energy management systems ("EMS"), battery management systems and battery packs. The Group's 1,250KW PCS improved the voltage level from 1,000V to 1,500V and the energy conversion efficiency by 1% while reducing the unit cost by 15% compared to the 630KW PCS. The Group is currently working on the development of the 3,450KW PCS. In 2021, the Group established the back-end management platform for resource, network, load and storage management and applied neural network-based load forecasting and battery abnormality diagnosis in its EMS. The Group independently established the 960MWh power storage station in Tongliao, Inner Mongolia, which is among the top ten largest power storage stations in the world in terms of standalone installed capacity (excluding pumped power storage stations), according to Frost & Sullivan.

² The decrease in the gross profit margin between the year ended 31 December 2019 and the year ended 31 December 2020 was primarily due to a reclassification of the transportation and loading fees to operating costs in line with the change in the relevant accounting standards that became effective in 2020. For the years ended 31 December 2019, 2020 and 2021, the transportation and loading fees were RMB265.6 million, RMB695.2 million and RMB869.0 million, respectively.

- **Hydrogen:** the Group has developed advanced alkaline water electrolysis technology, which can greatly increase hydrogen production and reduce overall energy consumption.

Leveraging its advantages in technological innovations and resources, the Group enjoys strong synergies across its business segments. The Group has a solid and diverse customer base with large power producers and other enterprises investing in clean energy, including central and local state-owned enterprises and listed companies. The Group believes that it will be able to expand its sources of income by providing diversified solutions integrating wind, photovoltaics, energy storage, hydrogen and other products and services to its existing customers. On the other hand, cost efficiency can be greatly improved through the Group's nationwide network of production bases and logistics systems which can be used to transport large equipment such as electrolyzers.

The Group is committed to green, low-carbon and sustainable product development life cycle and supply chain management.

As an integrated renewable solutions provider, the Group is committed to sustainable development and has integrated sustainable development concepts into its product development and supply chain management. When compared with its industry peers' wind turbines with diameters ranging from 150 metres to 180 metres, the Group's wind turbines of the same diameter range can generate up to 20% more power on average under the same conditions in the PRC. As a result of technological innovations, the levelized cost of electricity ("LCOE") of wind power has decreased from US\$64.4 MWh in 2017 to US\$52.7 MWh in 2021 globally. The LCOE of wind power has reached a similar level to that of photovoltaics, which was approximately US\$50.0 MWh globally in 2021, conducive to large-scale promotion and application of wind power. In addition, in 2021, the Group successfully implemented the world's first integrated offshore wind power development project that combined offshore wind power generation, sea water hydrogen production and marine farming.

In addition, the Group has applied sustainability concepts in its manufacturing and logistics processes. On 1 June 2021, the Group released its first carbon neutrality report with an aim to create the largest renewable energy supply system under the 3060 Goal. The Group has committed to making its operational activities carbon neutral by the end of 2023. The Group uses advanced digital energy management technologies to manage emissions and continuously optimizes its manufacturing processes, facilities and packaging and logistics processes to minimise their impact on the environment. The Group places heavy emphasis on environmental considerations when specifying its supply chain standards. The Group also strives to use electricity from a low-carbon energy source at its own production bases and office buildings, favours regions with abundant green resources in its business planning and takes the lead in realizing its own carbon neutrality goal.

The Group has a dynamic culture and a visionary management team with extensive industry experience.

The Group has a stable management team with an average industry experience of over 25 years with Mr. ZHANG Chuanwei, the Group's Chairman, Chief Executive Officer and General Manager, Mr. SHEN Zhongmin, the Group's Vice Chairman and Chief Strategy Officer, and Mr. ZHANG Qiying, the Group's Chief Operating Officer and Chief Technology Officer, at its core. The management team has diverse experience in both domestic and overseas markets and exceptional strategic management capabilities and possesses deep insights and in-depth understanding of the renewable industry. Benefiting from the foresight of the management team and their relentless pursuit of innovation, the Group has taken a lead in developing and deploying leading core technologies such as the compact hybrid drive technology, ultra-large offshore wind turbine technology, anti-typhoon technology and deep-sea floating technology amongst the industry peers. Under their leadership, the Group has established an integrated supply chain and is capable of providing integrated wind, photovoltaics, power storage and hydrogen solutions.

The Group has a dynamic, open and motivated corporate culture with an emphasis on talent retention. The Group provides equity incentives to core personnel to further incentivise them and to align their interest with that of the Company. The Group believes that its “each employee is a partner” culture is conducive to attracting outstanding talents and promoting employees’ motivation and creativity, which are crucial to the long-term success of the Group.

BUSINESS STRATEGIES

The Group will continue to advance its wind turbine technology and solidify its leading position in the wind power industry.

The Group believes that the wind power industry will continue to evolve towards larger and lower-cost wind turbines. Deep-sea floating wind turbines will also become more popular. Therefore, the Group will continue to invest in the R&D of core technologies such as ultra-large offshore technology, anti-typhoon technology and deep-sea floating technology. Based on its strong independent and platform-based R&D capabilities, the Group will continue to launch new onshore and offshore wind turbines that can better adapt to different environments to meet the rapidly changing customer needs.

The Group will further accelerate the commercialization of offshore and deep-sea floating wind turbines. Offshore and deep-sea floating wind turbines have strong growth potential. According to Frost & Sullivan, the global cumulative installed capacity of offshore wind power is expected to increase to 144.7GW in 2026, representing a CAGR of 18.9% from 72.4GW in 2022. Total deep-sea wind resources in China located in waters with depth of over 50 metres are estimated to be over 1,200GW. Approximately 60% of deep-sea wind resources in China is located in waters of over 70 kilometres offshore. It is an inevitable trend for wind power projects to go from offshore to deep-sea. The global aggregate installed capacity of deep-sea floating wind power projects is estimated to exceed 6.0GW by 2030. As the Group continues to invest in offshore and deep-sea floating wind turbine technologies, it will take the lead in the transition from coastal oceans to deep sea wind power development, further solidify its leading position in the wind power industry.

The Group will continue to integrate vertically and improve its operational efficiency.

The Group will continue to integrate its supply chain and further improve its independent R&D capabilities for wind turbine components such as blades and current transformers. The Group believes that such independent research capabilities will improve the availability of the components and enable the Group to better control their costs, which will in turn ensure the on-time delivery of the products and stabilize and improve the Group’s gross profit margin.

The Group will continue to strengthen the R&D of new materials to further reduce the cost of wind turbines.

The Group will continue to invest in the R&D of new materials to further reduce the weight and cost of wind turbines while ensuring stable performance. The Group plans to promote the use of carbon/glass fibre-hybrid composite material in wind turbine blades, which can effectively reduce weight and the relevant material costs. At the same time, the Group will seek to innovate the design of gearboxes, which will further reduce costs of wind turbines.

The Group will continue to explore further opportunities with its existing business and continue to improve the Group's capability as an integrated solutions provider.

With the increased popularity of renewable energy, the aftermarket businesses for renewable energy will also become more important. Frost & Sullivan predicts that the average age of wind turbines will increase to 8.2 years per MW globally in 2026, an increase from 6.9 years per MW in 2021. Frost & Sullivan also predicts that, from 2017 to 2021, the percentage of wind turbines of over 10 years in China will increase from 3.2% to 18.2%. By 2026, 25.8% of wind turbines will be over 10 years, which will bring ample market opportunities for wind turbine upgrading and other businesses. The Group has deployed resources to carry out businesses such as renovating and upgrading obsolete wind turbines, and will seek to expand the business and provide comprehensive aftermarket services and integrated solutions to explore further opportunities.

As at 31 December 2021, the cumulative capacity of wind turbines that the Group provided operational and maintenance services on exceeded 33GW. Intelligent operational and maintenance services help wind farm operators to increase the availability of their wind turbines and prevent unexpected equipment failures, thereby increasing the operating revenue of these wind farms. With the development of technologies such as AI and big data, the Group will further improve its intelligent operational and maintenance service capabilities by, for example, further improving its predictive maintenance capabilities based on the gathered data.

The Group will continue its development and operation of wind and solar farms and expand its international business to provide diversified sources of income.

As at 31 December 2019, 2020 and 2021, the aggregate installed capacity of the Group's grid-connected wind and solar farms amounted to 741MW, 1.08GW and 1.19GW, respectively, and the wind and solar farm development and operation business generated a significant amount of revenue and profit for the Group during the same period. The Group's wind and solar farm development operation business has benefited from its advanced wind turbine technologies, intelligent operational and maintenance services and the liquidity support brought by the rolling development model. With the Group's resource reserves continue to rise, The Group will leverage on its rising resource reserves to promote its wind and solar farm development and operation business in a sustainable manner.

The Group will continue to explore the international market. With the help of R&D and services centres in Hamburg, North Carolina and Copenhagen, the Group will seek to expand to more international markets with its outstanding wind turbine performance and cost advantages. The Group's target market currently includes Southeast Asia (Vietnam in particular), Northeast Asia (Japan and South Korea in particular) and Europe (Germany in particular) and South America (Brazil in particular).

The Group will continue to promote a development strategy integrating wind, photovoltaics, power storage and hydrogen.

Backed by its success in the wind turbine manufacturing and wind and solar farm development and operation businesses, the Group will continue to invest in the R&D of energy storage, hydrogen power and other fields to further develop itself as an integrated renewable solutions provider. For example, the Group's self-developed building-integrated photovoltaics glass has been used as the glass curtain wall of the National Speed Skating Oval and the Capital Museum in Beijing. In the future, the Group will continue to expand the application of related technologies and products. With regard to the energy storage business, the Group will promote the large-scale application of clean energy by increasing the grid compatibility of various complementary energy sources. The Group will also develop more energy storage facilities in its wind and solar farms to increase the consumption ratio. In the future, the Group will combine the R&D of hydrogen power technologies such as electrolyzers to further enhance the continuous output and flexibility of renewable energy generation.

The Group will continue to advance its sustainable development and carbon neutrality goal.

As a global integrated renewable solutions provider, the Group is committed to providing smart and green energy. The Group has incorporated carbon neutrality and sustainable development philosophy into its business model and is committed to the mission of “innovating clean energy for the benefit of the society”. Through technological innovations, the Group will provide accessible green and smart energy to the whole society.

The Group will incorporate the carbon neutrality goal into the products’ entire life cycle, further optimise the product design, production, packaging and logistics processes, promote the use of advanced digital management platforms, and manage the carbon emissions more precisely during the product life cycle. In addition, the Group will place more environmental considerations when specifying its supply chain standards.

The Group will continue to promote the carbon neutrality of its operations. It will formulate a carbon emission reduction plan according to local conditions and gradually achieve clean energy consumption at its production bases. The Group has committed to making its operational activities carbon neutral by the end of 2023. The carbon neutrality goal further demonstrates the Group’s ambition and confidence in technological innovation and solutions as a leader in smart energy.

BUSINESS SEGMENTS

As a world-leading wind turbine manufacturer, the Group has historically focused on the design, production and sale of high-performance smart wind turbines. Leveraging its expertise in wind turbine design and know-how of wind turbine operation and maintenance, the Group has expanded its business scope along the renewable industry value chain to construct and operate wind and solar farm to deliver a combination of strong returns and long-term stable cash flows. In addition, the Group has strategically expanded into other renewable energy businesses such as photovoltaics, energy storage, hydrogen and other related businesses to further develop itself as an integrated renewable solutions provider.

As part of its international expansion plan, the Group has established strategic global footprints and expanded its product, solutions and platform offerings into international markets, including Europe, Southeast Asia, Northeast Asia and South America, and intend to continue to expand its international presence in these areas.

The table below sets forth the Group’s operating revenue by business segment for the periods indicated:

Operating revenue

	For the year ended 31 December						For the three months ended 31 March			
	2019		2020		2021		2021		2022	
	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%
	(RMB in millions, except for percentages)									
Primary Business:										
Wind turbine and related accessories	9,237.6	88.0	20,947.4	93.3	25,247.3	93.0	3,923.4	90.0	6,528.7	92.9
Power generation	754.2	7.2	990.1	4.4	1,410.2	5.2	353.7	8.1	310.3	4.4
Renewable EPC services	317.8	3.0	336.7	1.5	121.2	0.4	41.2	0.9	157.6	2.2
Sales of Photovoltaic products	3.4	0.03	24.0	0.1	16.5	0.1	0.5	0.01	3.4	0.05
Electricity distribution and sales	5.5	0.1	14.6	0.1	2.1	0.0	1.9	0.04	–	–
Other business:										
Others	174.5	1.7	144.3	0.6	360.8	1.3	40.6	0.9	28.6	0.4
Operating revenue	10,493.2	100.0	22,457.0	100.0	27,158.0	100.0	4,361.3	100.0	7,028.5	100.0

Wind Turbine Manufacturing and Sales

Overview




The Group focuses on the manufacturing of premium quality wind turbines with high efficiency and reliability as well as the R&D and manufacturing of major core components such as rotor blades. In response to China's wind and climatic conditions, such as low temperature, dust, typhoon, salt fog, high altitude and other harsh environments, the Group has developed and designed onshore and offshore wind turbines that adapt to different special climatic conditions, including 1.5/2.XMW, 3.XMW, 4.XMW, 5.XMW, 6.XMW and 7.XMW series onshore wind turbines, and 5.XMW, 6.XMW, 7.XMW, 8-10MW and 11-16MW series offshore wind turbines. Having accumulated substantial expertise in developing the PRC wind power market, the Group believes that it has derived significant competitive strengths in terms of R&D, production process technologies and quality standards of wind turbine products and services. The Group's products and services coverage spans across the PRC and various continents in the world, having provided wind turbines for more than 500 wind farm projects in China and worldwide. The total capacity of wind turbines sold by the Group amounted to 6.03GW in 2021, representing a year-on-year increase of 57.2% from 2019; the total capacity of offshore wind turbines sold by the Group amounted to 2.89GW in 2021, representing a year-on-year increase of 156.1% from 2019.

For the years ended 31 December 2019, 2020 and 2021, the Group's operating revenue generated from this business segment was RMB9,237.6 million, RMB20,947.4 million and RMB25,247.3 million, respectively, representing a CAGR of 65.3 per cent from 2019 to 2021. For the three months ended 31 March 2021 and 2022, the Group's operating revenue generated from this business segment was RMB3,923.4 million and RMB6,528.7 million, respectively.

Product Portfolio

The Group has one of the most comprehensive wind power product portfolios in the industry in China in terms of range of unit capacity, according to Frost & Sullivan. Through continuous technological innovation, the Group has taken a leading position in the development of diversified offshore and onshore wind turbine products. The Group's wind turbines are fully adaptable and suitable for different geographical regions and climates, including high and low temperature, high altitude, low wind velocity and coastal areas.

The following table sets forth certain information of the Group's current product portfolio:

Onshore wind turbines		Offshore wind turbines		
 Equipped with anti-typhoon technology Suitable for areas with medium to high wind speed	MySE3.0-112/121	MySE4.0-156	Suitable for Jiangsu, Hebei and other areas north of the Yangtze River with low wind speed and low risk of typhoon	
	MySE3.0/3.6-135	MySE6.25-180		
	MySE2.5/3.0/3.2-145	MySE9.0-230		
	 Suitable for areas with low to medium wind speed	MySE3.2/4.0/5.0-156	MySE5.5-155	Suitable for Guangdong, Zhejiang, Hainan and other areas with low wind speed and typhoon risk
MySE3.6/4.0-166		MySE6.45-180		
MySE3.6/4.0-173		MySE8.0-195		
MySE4.0/5.0/5.56-182		11-230/12-242		
 Suitable for areas with high wind speed		MySE5.0/5.56-193	MySE7.0/7.25-158	Suitable for Fujian, Taiwan Strait and other areas with high wind speed and typhoon risk
		MySE5.0/5.56-200	MySE8.0/8.3-180	
	MySE5.0/5.2-166	14-16MW wind turbines	Domestic and overseas market	
	MySE6.25-172	20MW wind turbines (still under R&D)		
	MySE6.0/6.25/6.7/7.0-182			
	MySE6.0/6.25/6.7/7.0-193			
MySE6.0/6.25/6.7/7.0-200				

The table below sets out the production-and-sales data of the Group's main wind turbine product categories for the periods indicated.

Model Category	For the year ended 31 December					
	2019		2020		2021	
	Units Produced	Units Sold	Units Produced	Units Sold	Units Produced	Units Sold
1.5MW-2.XMW	497	440	224	209	34	52
3.XMW-5.XMW	499	399	1,910	1,449	1,294	1,094
Above 6.XMW	68	67	226	161	387	286
Total	1,064	906	2,360	1,819	1,715	1,432

As at 31 December 2021, the Group had a combined backlog of wind power orders amounting to a total capacity of 19.07 GW.

In particular, the Group has consistently performed well in wind power biddings. In 2021, the Group's wind power orders amounted to a total capacity of 11.2GW. During the same period, the Group's offshore wind power shipment scale amounted to a total capacity of 2.89 GW, an increase of 217.6% compared to 2020.

Wind Turbine Design, Development and Technologies

The Group has comprehensive wind turbine design and development capabilities and owns numerous proprietary technologies and patents, which it has utilised effectively and efficiently to develop distinct series of wind turbines. The Group leveraged its global presence and integrated resources both domestically and overseas, which culminated in a team of professionals with extensive industry expertise in all aspects of wind turbine design and development, from rotor blade design, gearbox design, generator design, core R&D simulation, complete machine R&D testing, hydraulic lubrication cooling system design, smart energy R&D to intelligent operation and maintenance.

Recognising the importance of designing wind turbines that are able to meet the requirements of different market segments, the Group prides itself on having continuously introduced to the market a wide range of wind turbine models that are catered to wind and climatic conditions in China, including 1.5/2.XMW, 3.XMW, 4.XMW, 5.XMW, 6.XMW and 7.XMW series onshore wind turbines and 5.XMW, 6.XMW, 7.XMW, 8-10MW and 11-16MW series offshore wind turbines. Each series of wind turbines can also be fitted with impeller of different sizes depending on local wind conditions and environments. For example, the 3.0MW series can be fitted with impellers of diameters of 112 metres, 121 metres, 135 metres, 145 metres and 156 metres. For wind turbines of the same impeller diameter, the Group has introduced different types of impellers for different climatic and environmental conditions. For example, in order to supply wind turbines to be installed and operated at a wind farm located in the high altitudes of Yunnan Province, the Group customised the electric circuit designs to enhance protection against lightning. Further, it selected special components and parts for these wind turbines to reduce the damage from the humid air and extreme low temperatures of high-altitude areas.

The key wind turbine technologies of the Group are as follows:

Hybrid Drive Technology

The Group's "MySE" wind turbines adopt hybrid drive technology, which combines the advantages of both direct drive and double-fed technology. The transmission chain is composed of a two-stage transmission gearbox and a medium-speed permanent magnet generator. This technology uses a two-stage transmission gearbox to appropriately increase the speed of the permanent magnet generator. Hybrid drive technology combines the advantages of traditional direct drive and double-fed technologies and helps turbines to be smaller, lighter and more reliable. In addition, through the use of the ultra-compact transmission technology, the load transmission path of the wind turbine is shortened, which effectively reduces the load experienced by the gearbox and generator and thus greatly improves the reliability of the wind turbines' operation, and effectively reduce the overall cost of electricity.

Ultra-large High-capacity Wind Turbines

Leveraging the inherent advantages of the hybrid drive technology, the Group has continuously achieved breakthroughs in developing ultra-large high-capacity wind turbines. The Group's onshore wind turbine models were rapidly upgraded from 3.0MW to higher-capacity models and to date, the Group has successfully produced the 6.0MW onshore wind turbine models. In addition, the Group's customised large-capacity MySE5.5-11.0MW offshore anti-typhoon wind turbine is now a mature product that has been put into mass production and delivery, and the Group has commenced development of its 15.0-20.0MW ultra-large offshore anti-typhoon wind turbines. In 2021, the Group launched the self-developed 16MW MySE16.0-242 offshore wind turbine, which is currently the largest offshore wind turbine in the world. The MySE7.X onshore wind turbine was the largest onshore wind turbine when the product was first launched. The Group believes that, the advantages of the hybrid drive technology adopted by the Group's wind turbines will become more distinctive and prominent with the release of larger and more powerful wind turbines in terms of both power generation efficiency and weight and cost per KW.

Anti-typhoon Technology

Guangdong Province, where the Group's headquarters is located, is prone to typhoons. The Group's anti-typhoon wind turbines were developed with an aim to enable wind resources in typhoon-prone areas that were difficult to develop to become developable and also fully utilisable during a typhoon. To ensure its wind turbines are capable of resisting the extreme typhoon winds, the Group conducted comprehensive analyses of the effect of wind speed and direction, turbulence, wind shear and gust on wind turbine operations and integrated the findings into the design of anti-typhoon wind turbines. The Group's R&D team carries out actual simulation of a typhoon's environmental conditions and calculates the load of the wind turbine then, in order to ensure the final products can withstand the typhoon weather. Through years of significant efforts, the Group is widely recognised in the market as the brand of choice for anti-typhoon wind turbines. Since the successful development of the first large-megawatt anti-typhoon turbine in 2006, the Group has sold more than 1,000 wind turbines in typhoon-prone areas, where the wind turbines have withstood the tests from multiple typhoons every year. In 2018, the Group successfully installed China's first greater-than-5MW anti-typhoon wind turbine, which was also at the time the largest anti-typhoon wind turbine in the world in terms of its rotor diameters. The Group also launched the world's first anti-typhoon floating wind turbine in 2021. The Group has accumulated abundant experience in operating wind turbines in typhoon-prone areas and has collected a large amount of operational data for typhoon-prone wind farms, which may be used to help the Group to further improve its wind turbine designs. The Group has cooperated with internationally renowned institutions to formulate the world's first design standard of anti-typhoon wind turbines.

Deep-sea Floating Technology

The Group has amassed significant technical achievements and experience in wind and wave data collection, innovative research and development of offshore wind turbines, and offshore wind power construction. It has conducted extensive research in deep-sea floating technology, which will enable the Group’s powerful wind turbines to function in the deep-sea areas and provide safe and reliable wind power at affordable cost. Following successful R&D efforts, the Group has introduced the first floating wind turbine in China and achieved grid connection.

Ultra-low Wind Speed Technology

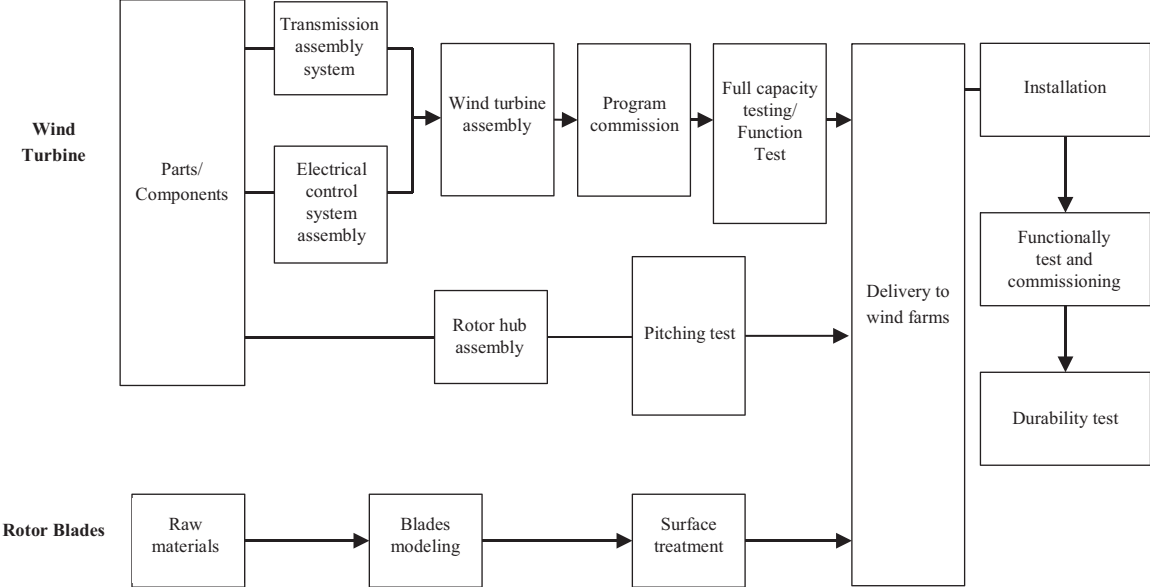
With the ushering in of the grid-parity era for wind power, increasing the power generation efficiency of wind turbines is critical, in addition to controlling the cost of wind farm construction, to achieve better cost efficiency in low wind speed areas. This is achieved through lengthening the diameter of the fan impeller to increase the swept area, as well as improving the tower structure and increasing the tower height. The Group’s ultra-low wind speed technology enables ultra-low wind speed resources to become exploitable.

Enhanced Rotor Blade Technology

Owing to complete in-house design and development capabilities in rotor blade aerodynamics, rotor blade structure and rotor blade load, the Group’s wind turbines are equipped with enhanced rotor blades. The longer blades provide wind turbines a larger swept area and a lower cut-in wind speed, which is the minimum speed at which the turbine can start rotating and generating power. This feature increases the output of the wind turbine under low wind conditions, which means more electricity may be generated compared to wind turbines with shorter rotor blades under the same wind conditions. The Group has a rotor blade technology R&D team of nearly 100 personnel, and believes that it is an industry frontrunner especially in rotor blade segmentation technology and carbon glass hybrid technology.

Production

The following diagram depicts the key stages in our production process:



Production Bases

The Group's main production base is located at its headquarters in Zhongshan, Guangdong Province and it has established 12 other production facilities in, among others, Tianjin municipality and the provinces of Henan, Inner Mongolia and Qinghai. The geographic distribution of the Group's production bases is primarily driven by the surrounding target markets, and they are generally located in close proximity to areas with abundant wind resources and concentration of parts and components suppliers. The Group's production network currently covers most of the major wind power markets in the PRC. In addition, the Group also takes full advantage of local resources and established strategic supply-chain relationships with suppliers near its production facilities for direct sourcing of critical parts and components. The Group's production capacity utilisation rate for the years ended 31 December 2019, 2020 and 2021 and the three months ended 31 March 2022 are 67.2%, 73.0%, 73.3% and 70.7%, respectively.

Sales and Marketing

The Group's wind turbines are primarily sold through direct sales to its customer base. The majority of the Group's sales are derived from the PRC domestic market and its customers are primarily large power producers and other enterprises investing in clean energy, including central and local state-owned enterprises and listed companies and other customers with sufficient cash flow and high credit ratings. With a substantial product line-up and competitive advantage in services, the Group has maintained a stable cooperative relationship with its customers. The Group's current customer base covers most major investors in the wind power industry, and it continues to steadily expand such customer base. The Group has established a marketing department and a sales department with a sales force of approximately 458 employees as at 31 December 2021, many of whom have technical backgrounds and extensive industry experience. The sales department is directly responsible for sales and customer management and maintenance.

The table below sets out the sales income generated from the sales of the Group's main wind turbine product categories for the periods indicated.

Model Category	For the year ended 31 December					
	2019		2020		2021	
	Sales Income	%	Sales Income	%	Sales Income	%
	(RMB in millions, except for percentages)					
1.5MW-2.XMW	2,811.7	31.4	1,312.5	6.5	345.6	1.4
3.XMW-5.XMW	4,003.2	44.6	13,981.0	68.9	14,129.1	57.3
Above 6.XMW	2,153.3	24.0	5,004.2	24.7	10,197.5	41.3
Total	8,968.2	100.0	20,297.7	100.0	24,672.3	100.0

International Operations

The Group has benefited from the "Belt and Road Initiative" of the PRC. The Group's target overseas markets include Southeast Asia (Vietnam in particular), Northeast Asia (Japan and South Korea in particular) and Europe (Germany in particular) and South America (Brazil in particular). Although China is the Group's primary market, it has also invested significant resources towards expanding its international presence and network. The Group's efforts abroad include the establishment of sales offices and service networks in Germany, the United States and Denmark for the sales of its wind turbines and development of wind farm projects. The Group has successfully obtained wind turbine orders and wind farm projects in Bulgaria, India, Italy, Japan, Romania, Pakistan, South Africa, Spain and Vietnam, and is actively pursuing other potential opportunities. The Group's international expansion is part of its overall growth strategy – "international cooperation and sharing (全球合作、全球共享)" — and aligned with its objective of enhancing and cementing its position as a world class leading renewable solutions provider.

Motivated by the growth of the offshore wind market in Europe, the Group set up the MySE European Business and Engineering Centre in Hamburg, Germany in 2020 with an aim to introduce its latest offshore wind turbine products into the European market and deepen the technical and commercial cooperation with the European market participants. In January 2021, the Group won the order of the Italian company Renexia in Project Taranto to equip the 30MW Beleolico offshore wind farm off the coast of Taranto. According to Frost & Sullivan, this is the first commercialized offshore wind farm in the Mediterranean Sea and the first offshore wind turbine order obtained by a Chinese manufacturer in Europe. The order also includes a 25-year full operations and maintenance service contract. In addition, in late 2021, the Group won another European order for 11MW hybrid drive offshore wind turbines for a floating wind farm, which the Group believes will further showcase its capabilities in the area of offshore wind turbines.

In December 2021, the Group signed a memorandum of understanding with the UK Department of International Trade (DIT) on the Group's investment plan in the UK. The investment plan includes the construction of a blade manufacturing plant, a service centre and a wind turbine assembly plant in the UK. The Group and DIT will also explore other cooperation options together, including the construction of a wind turbine testing centre, offshore wind power demonstration projects and pre-commercial wind farms.

Sales Model

As the climate, region, and grid connection conditions of wind farm projects in different regions of the PRC can vary to a large degree, the Group's wind turbines need to satisfy a broad spectrum of technical and quality requirements and business terms set by its customers. Power companies in the PRC generally purchase wind turbines through public bidding. Therefore, the Group primarily obtains sales orders through such process, and directly signs wind turbine sales contracts with these customers.

In recent years, the bidding process has changed from pure product bidding to an "overall solution" bidding for wind farm construction project services. Interested equipment manufacturers which desire to participate in the bidding are required to provide wind resource evaluation and development, wind farm micro-site selection, wind farm model selection and scheme design, wind turbine supply, wind turbine installation and technical guidance, commissioning, operation and maintenance services, and wind farm intelligent operation management and technological transformation and upgrades for the whole life cycle of the relevant wind farms.

Product Warranty

The Group provides comprehensive product warranties for its wind turbines, and all sales contracts contain appropriate warranty clauses. Generally, main product warranty clauses in the Group's contracts include guarantee of the wind turbine's stable operation in line with the contractual technical specifications and warranty guidelines stated therein. During the warranty period, the Group is accountable for issues associated with wind turbine defects, operation problems or below-standard performance.

Aftersales Services

As a full lifecycle renewable solutions provider, the Group continues to look after the wind turbines after they are successfully installed by providing operational and maintenance services to ensure their smooth operation. During 2019, 2020 and 2021, the cumulative capacity of wind turbines for which the Group provided operational and maintenance services exceeded 33GW. The Group's intelligent operational and maintenance services help wind farm operators to increase the availability of their wind turbines and prevent unexpected equipment failures, thereby increasing the operating revenue of these wind farms. See " – Wind and Solar Farm Development and Operation — Operational and Maintenance Capabilities" for more details regarding the Group's operational and maintenance capabilities.

With the increased popularity of renewable energy, the aftermarket businesses for renewable energy will also become more important. The Group has deployed resources to carry out businesses such as renovating and upgrading obsolete wind turbines and will seek to expand the business and provide comprehensive aftermarket services and integrated solutions to explore further opportunities.

Wind and Solar Farm Development and Operation

Overview

The Group invests in and develops wind and solar farms either for self-operation from which it generates electricity revenue or for sales to wind farm operators and investors. This business creates valuable synergies with its other businesses: (i) the wind farms sold are equipped with the Group's wind turbines, contributing to the sales of the Group's wind turbines, and (ii) its customers are inclined to engage the Group for the provision of services in respect of the wind and solar farms, which greatly enhances the Group's overall branding and market position as an integrated renewable solutions provider.

The Group derives revenue from the electricity generated from the wind and solar farms it owns and operates. For the years ended 31 December 2019, 2020 and 2021, the Group's operating revenue from power generated from its wind and solar farms that are sold to the grid was RMB754.2 million, RMB990.1 million and RMB1,410.2 million, respectively, representing a CAGR of 36.7 per cent from 2019 to 2021. For the three months ended 31 March 2021 and 2022, the Group's operating revenue from power generation of the wind and solar farms investment and operation segment was RMB353.7 million and RMB310.3 million, respectively.

Project Development

In the years ended 31 December 2019, 2020 and 2021, the Group had developed and put into operation wind and solar farms with total installed capacity of 0.74GW, 1.08GW and 1.19GW, respectively. As at the same periods, the Group had wind and solar farms under construction with total installed capacity of 1.00GW, 2.65GW and 1.79GW, respectively.

The Group uses public data such as wind power rating, light conditions, land attributes, access conditions, construction conditions, and restrictive factors, and perform ratings and classifications to determine resource capacity and development areas. After communication and negotiation with the relevant local government, a development agreement is executed and the project is then included in the Group's annual wind power and solar project construction plan for internal review and approval to commence construction. Before construction, the Group needs to obtain necessary zoning and environmental permissions, applicable construction permits and project funding. Once the relevant approvals have been obtained, the Group will conduct detailed site selection and analysis, and evaluate carefully, among others, wind resource data, light resource data, meteorological data, survey data and construction conditions, to determine the final plan and layout.

Based on the asset-light "rolling development" operating philosophy, the Group has different wind and solar farms that are under different stages of development, operations and sales. With the "rolling development" of its wind and solar resources, the Group believes that it can realise value from equipment sales, premium related to resource development and its EPC contracts. The Group believes that the asset-light "rolling development" development model can greatly enhance its capital efficiency and promote the sustainable development of its wind and solar farms.

Operational and Maintenance Capabilities

The Group applies digital and smart technology to design, develop and optimize its wind farms. The customized solutions and smart operation services enable the Group to transparently manage the wind

farms throughout their life cycle covering equipment transportation, installation, commissioning, operation and maintenance. The Group has established a big data platform and a wind farm monitoring system to conduct real-time monitoring and analysis of the wind turbines that can provide predictive maintenance alerts. The Group has also invested in technologies such as the Internet of Things, cloud storage and big data analysis to develop systems such as wind turbine remote status monitoring, remote diagnosis and repair, wind power prediction, video monitoring to enable centralized operation, maintenance and management of its wind farms. These technologies allow convenient scheduling of corrective maintenance, reduces unexpected equipment failures and improves utilisation of the wind turbines. As a result, the Group's wind and solar farms are highly efficient. In 2021, the average time available of the Group's renewable farms are 2,583 hours, compared to the national average of 2,246 hours for wind farms and 1,163 hours for solar farms.

Electricity Sales and Pricing

The Group's electricity is sold to the grid network connected to the wind and solar farms.

Starting from 2021, the PRC government no longer provided subsidies for newly approved onshore wind farms. The on-grid tariffs of the Group's newly approved onshore wind and solar farms will be the same as the local benchmark on-grid tariff for electricity generated by coal-fired power plants. From 2021 onwards, the on-grid tariff for newly approved offshore wind power projects and solar thermal power projects will be set by the local provincial price authorities, or through competitive allocation if conditions are met. See "Regulations — Pricing of Electric Tariffs" for further details. The Group's on-grid tariffs are generally set individually by the relevant authorities on a project-by-project basis.

According to the relevant regulations, electricity generated from renewable sources enjoys the highest dispatching priority. The grid companies are generally required to acquire the full amount of electricity generated by renewable energy sources such as the Group's wind and solar farms. In 2019, 2020 and 2021, the electricity generated by the Group's wind and solar farms amounted to 1.6 billion kWh, 2.0 billion kWh and 3.1 billion kWh, respectively.

Wind and Solar Farm Sales

The Group may choose to sell its completed wind and solar farms for investment gain from time to time. After a project completes construction, the Group typically commences operation and on-grid electricity generation. In the meanwhile, to continuously optimise asset quality and its asset portfolio, the Group also selectively sells certain projects to interested purchasers. The Group will assess its overall asset management strategy to determine its annual sales target and formulate a transaction plan for each specific project. Once in contact with potential purchasers, basic information regarding the project assets is exchanged and depending on preliminary negotiations, a memorandum of intent is signed between the Group and such potential purchaser. Due diligence will follow, and the parties begin negotiations regarding the project transaction structure and the relevant terms and conditions before entering into a definitive agreement. The Group mainly sells its wind and solar farms to large and smaller local state-owned enterprises, listed companies and other customers with sufficient cash flows and good credit ratings.

There are various factors that the Group takes into consideration when determining projects for sale, including benchmark on-grid tariffs, renewable energy subsidies received, electricity generation hours, demand and requirements of potential purchasers, and most importantly, ensuring balanced management of its capital and liquidity. In the years ended 31 December 2020 and 2021, the Group's completed sales of four and seven projects with an aggregate capacity of 198.0MW and 380.1MW, respectively, growing at 91.9 per cent. The Group records the sales of its wind and solar farms as part of its investment gains.

Renewable Energy Services

Renewable EPC Services

During the Track Record Period, the Group also derived revenue from renewable EPC services in relation to wind and solar farm construction. Under the EPC contracts, the Group is engaged as an entity to act as the main contractor to undertake the entire project process covering surveying, site selection and designing, procurement of materials and equipment, site construction, equipment installation, equipment testing and project commissioning. The Group believes that the EPC contracts give the Group more control over the overall construction process, which allow the Group to leverage its wealth of experience to achieve the best possible outcome for its customers. For the years ended 31 December 2019, 2020 and 2021, the Group's operating revenue from renewable EPC services was RMB317.8 million, RMB336.7 million and RMB121.2 million, respectively. For the three months ended 31 March 2021 and 2022, the Group's operating revenue from renewable EPC services was RMB41.2 million and RMB157.6 million, respectively.

Sales of Photovoltaic Products

Leveraging its track record and experience in the wind power industry, the Group has strategically expanded into the sales of photovoltaic products. The Group has focused on solutions and applications related to building-integrated photovoltaics. For example, the Group's self-developed building-integrated photovoltaics glass has been used as the glass curtain wall of the National Speed Skating Oval in Beijing. Revenue from the Group's sales of photovoltaic products for 2019, 2020, 2021 and the three months ended 31 March 2021 and 2022 amounted to RMB3.4 million, RMB24.0 million, RMB16.5 million, RMB0.5 million and RMB3.4 million, respectively. The Group will continue to invest in photovoltaics and other renewable businesses such as energy storage, hydrogen power and other related businesses.

Distribution and Sales of Electricity

The Group also generates revenue from distribution and sales of electricity. For the years ended 31 December 2019, 2020 and 2021, the Group's operating revenue from electricity distribution and sales was RMB5.5 million, RMB14.6 million and RMB2.1 million, respectively. For the three months ended 31 March 2021 and 2022, the Group's operating revenue from electricity distribution and sales was RMB1.9 million and nil, respectively.

Others

The Group also derives revenue from other sources such as sales of miscellaneous materials and technical support. Revenue from these sources for 2019, 2020, 2021 and the three months ended 31 March 2021 and 2022 amounted to RMB174.5 million, RMB144.3 million, RMB360.8 million, RMB40.6 million and RMB28.6 million, accounting for 1.7%, 0.6%, 1.3%, 0.9% and 0.4%, respectively, of its total revenue for the same period.

QUALITY ASSURANCE

In recent years, customers have placed more emphasis on product quality and after-sales services. The Group has always focused on quality as a core competitive strength and has been committed to producing advanced and reliable wind turbines. Accordingly, the Group has established and maintained stringent quality assurance standards and inspection procedures that cover both the parts and components purchased from external suppliers and in-house product design procedures. The Group's quality control system has achieved the ISO 9001:2015 certification and it has developed quality control systems for its product design procedures to monitor and evaluate each stage of product design and ensure the designed capabilities of its products are safe and reliable. In addition, the Group has also developed an Approved Supplier Quality Credit Rating system to monitor the quality of parts and components provided by the suppliers.

The Group's quality control teams are responsible for the setting of quality standards, product testing and measurement, and quality promotion, process control and quality information management throughout the product lifespan. Besides having a specific supplier quality control team to carry out quality review and control throughout the entire production process, the Group also has in place a dedicated team of quality control personnel to supervise the general assembly and production of complete wind turbines and project sites. Further, the Group has set up an after-sales quality management unit to supervise the quality of its after-sales service team and build its service brand.

The Group also endeavours to analyse and predict its quality risk on a periodic and ad-hoc basis, allocate resources and align incentives to manage quality control issues. The Group has moved from a reactive response to prevention management, cultivating a culture that values quality.

RESEARCH AND DEVELOPMENT

Since its establishment, the Group has been committed to the development of new products, the upgrading of existing technologies, the meeting of changing market requirements, and the introduction of advanced international technologies into the PRC wind power industry. The Group's highly regarded R&D team possesses considerable wind power industry experience, and the Group has established a superior technology development platform. With the Group's wealth of wind power industry experience, a deep understanding of the environmental and wind resource conditions in China, and through its continuous innovation and improvement of advanced technologies, the Group has accomplished significant achievements in wind turbine R&D. This is clearly demonstrated by the wind turbine series developed by the Group, which are fully adapted to the diverse operating conditions in the PRC.

The R&D facilities set up by the Group include national-level enterprise technology centres, national and local joint engineering laboratories, a wind power technology engineering laboratory and an engineering centre and post-doctoral research station. The Group has also consolidated its global resources and established an R&D platform with "one headquarters and five centres", comprising its headquarters in Guangdong Province and five R&D centres in Beijing, Shanghai, Shenzhen, North Carolina in the United States and Hamburg in Germany. In addition, the Group cooperates with well-known domestic and foreign institutions for scientific research to strive for and achieve breakthroughs in the development of wind power cutting-edge technology fields such as aeroelasticity research, gearbox design, transmission chain system design, complex terrain wind resource calculation, and advanced control strategy development.

Through its R&D network, the Group has developed a complete system from design, research, development and testing to the commencement of production and succeeded in building an integrated international/domestic R&D network. As a result, the Group was accredited as a National Intellectual Property Advantage Enterprise (国家知识产权优势企业) by the China National Intellectual Property Administration ("CNIPA") and a National High-tech Enterprise (国家级高新技术企业) under the Administrative Measures for the Determination of High and New Technology Enterprises (高新技术企业认定管理办法) as recognition of its more than 30 certifications in respect of the design and model of its wind turbines. The Group believes that its strong capabilities in R&D, high level of technical expertise and its ability to customise its wind turbines are well recognised by various authorities.

The Group has received numerous awards for its R&D achievements, which includes:

Award	Issuing authority	Year
Best Offshore Wind Turbines in the World	Windpower Monthly	2021
Best Offshore Wind Turbines in the World	Windpower Monthly	2020
Best Onshore Wind Turbines in the World (4.5MW+)	Windpower Monthly	2020
Best Driveline in the World	Windpower Monthly	2020
Best Blade in the World	Windpower Monthly	2020
Top 10 Technology Innovation Award in Low Wind	Energy Magazine	2017
Speed Era		
Most Innovative in Offshore Wind Turbines	Totaro & Associates	2017

The Group continues to invest in the R&D of large capacity wind turbine models in anticipation of future demand for larger capacity units, especially for offshore wind farms. Currently, the Group owns several proprietary technologies relating to wind turbine manufacturing and controlling systems, and it will continue to promote its forward-looking research and development of core technologies in wind energy industry.

Product Certifications

The Group pursues certification of its existing products to improve its overall competitiveness, and it has received several domestic and international industry certifications in recent years. For example, the Group has completed the sample verification of 58.8M blades in 2017 for its independently developed segmented blade design technology and obtained the DNV GL certification, making it the only domestic wind turbine manufacturer with such technology in the PRC as at March 31, 2022. In addition, the Group has also received 37 wind turbine product certifications including design certifications for its MySE8.0-195, MySE4.0-166 and MySE6.25-182 wind turbine series and product type certifications for its MySE5.0-156, MySE5.2-166 and MySE8.0-180 wind turbine series.

The Group also participated in establishing international and domestic technical standards in relation in wind power industry and participated in different associations or standards committees.

INTELLECTUAL PROPERTY

Intellectual property rights are essential for the Group's business. As at 31 December 2021, the Group participated in the formulation of 180 international and domestic technical standards and has been granted more than 1,000 patents and more than 300 copyrights.

The Group has taken the following measures to protect its intellectual property rights:

- applying for patent protection for its core technologies;
- conducting the international registration and expanded-scope registration of its registered trademarks;
- obtaining other proprietary legal rights for its technologies and products;
- signing of confidentiality agreements with suppliers to protect its trade secrets; and
- signing of trade secret protection agreements with employees.

As at the Latest Practicable Date, except for certain trademarks owned by the Group that are pending review for cancellation, the Group is not aware of any lawsuit that has been brought against it, nor has the Group initiated any lawsuits for intellectual property rights infringement, which may have a material adverse impact on the Group's business, financial condition or results of operations.

SUPPLIERS AND CUSTOMERS

The Group's main raw components and materials include gearboxes, generators and bearings, as well as resin, glass fibre and sandwich materials for its production of rotor blades. The Group has developed in-house design and manufacturing capabilities of core components including wind turbines including blades, gear boxes, current transformers, pitch control systems and electrical control systems and the Group collaborates with carefully selected reputable suppliers for other parts and components. Most of the core components are manufactured in-house. The outsourced parts and components are also produced based on the Group's designs, drawings, technical parameters and quality standards. The Group's supply contracts generally include exclusivity clauses prohibiting sales by the relevant suppliers of the same parts and components to the Group's competitors. To ensure quality, the pool of suppliers for the Group's requisite main parts and components is kept relatively concentrated. Nonetheless, the Group recognises the critical importance of a stable supply of key components and as such, has been actively developing and improving its in-house capabilities in respect of certain parts and components.

The Group has established stringent quality management mechanisms for the selection and retention of suppliers as well as the procurement and usage of raw materials and components. When selecting new suppliers, the Group will conduct a thorough review and evaluation based on criteria, such as technology, quality, service, delivery, and cost. Only after the shortlisted supplier is deemed qualified will the Group sign a cooperation framework agreement with such supplier. The Group has existing framework agreements with its major suppliers and continues to conduct dynamic performance evaluation to ensure that its quality and technical standards are met.

The majority of the Group's sales are derived from the PRC domestic market and its customers are primarily large power producers and other enterprises investing in clean energy, including central and local state-owned enterprises and listed companies.

WEATHER AND SEASONALITY

The amount of wind power generated depends significantly on local weather conditions. As the status of wind resources may change, the effective utilisation of wind power may be affected. The Group sells its wind turbines to many places with extreme weather conditions. The Group closely monitors the weather in the regions where it operates and works with weather forecast agencies to be prepared for changes in climatic conditions.

The majority of the Group's customers are located in different parts of China, and in some of these areas, due to weather conditions, the construction of wind farm projects tends to commence at the beginning of the year, with construction carried out through the year, and installation at the end of the year. Consequently, the quantity of the Group's wind turbines delivered and operating revenue derived from such sales in the third and the fourth quarters may be generally greater than in the first and second quarters. The Group tries to mitigate the influence of such seasonal factors by increasing sales to different regions in the PRC and managing delivery schedules. The seasonal nature of the Group's operating revenue requires the Group to control its working capital carefully so as to provide adequate cash for operations throughout the year.

COMPETITIVE LANDSCAPE

The Group is a pioneer in the rapidly developing wind power industry and a globally leading wind turbine manufacturer. However, competition among clean energy companies has always been intense, and the PRC wind power industry is particularly characterised by increasing competition among domestic and overseas players. The Group's main domestic competitors in the PRC include state-owned enterprises and leading private companies. The Group's main foreign competitors include global market players. The Group has maintained a leading position in wind turbine manufacturing both domestically and globally

and has experienced rapid growth in the past decade. For further details on the Group’s competitive landscape, see “Industry Overview”.

EMPLOYEES

As at 31 December 2021, the Group employed a total of 10,089 employees, of which approximately 20.7 % is R&D and technical staff. The employees are classified as follows:

Competency	Number of Employees
Production	4,002
Sales and marketing	458
R&D and technical	2,088
Finance	211
Management	1,387
Operation and maintenance	1,943
Total	10,089

The Group has provided management personnel and employees with on-the-job education, training and other opportunities to improve their skills and knowledge. The Group has signed individual employment agreements with its employees, covering, among other things, salaries, benefits, training, workplace safety and hygiene, confidentiality obligations relating to trade secrets and grounds for termination. The remuneration package of the Group’s employees includes salary, bonuses and allowances. The Group’s employees also receive welfare benefits including paid annual leave, basic pension insurance, basic medical care, workplace injury insurance, unemployment insurance, maternity insurance and housing provident funds.

The Group has not experienced any strikes or other material labour disturbances that have interfered with its operations to date, and the Group believes that its management and employees have maintained good relationships with each other.

ENVIRONMENT AND SUSTAINABILITY

The Group’s operations are currently subject to environmental laws and regulations relating to construction and operation of clean energy generation facilities, noise control, air and water emissions, water and ground protection, hazardous substances and waste management. As the industry in which the Group operates is not a major source of environmental pollution, the Group believes that the impact of its operations on the environment is minor and it has taken all necessary internal environmental protection measures. As at the Latest Practicable Date, the Group has been in compliance with relevant environmental protection rules and regulations in all material aspects, not subject to any fines or administrative actions involving non-compliance with any relevant regulations, and has not experienced any environmental pollution accident that may have a material adverse impact on the Group’s business, financial condition or results of operations.

The 2033 Carbon Neutrality Plan

In September 2020, the Chinese government announced that the country is committed to hit peak emissions by 2030 and carbon neutrality in 2060 (the “3060 Goal”). In March 2021, the ninth meeting of the Central Finance and Economics Committee officially provided that one of the main measures to achieve the 3060 Goal is to build a new power system with new energy. The Group believes that, wind power, as a major sustainable energy source, enjoys huge political and societal support and development potential. As a global integrated clean energy solutions provider, the Group is committed to providing smart and green energy. In January 2017, according to the Global Offshore Wind Innovation Trends

Report for the year released by Totaro & Associates, the Group was ranked first for offshore wind power innovation. In 2021, the Group ranked 18th among the “Top 500 Global New Energy Enterprises (全球新能源企业500强).”

The Group has begun in 2020 to monitor the carbon emission status of all of its subsidiaries and production bases and formulated emission reduction action plans according to local conditions. On 1 June 2021, the Group released its first carbon neutrality report with an aim to create the largest renewable energy supply system under the 3060 Goal. The Group has committed to making its operational activities (Scope 1 and 2 emissions) carbon neutral by the end of 2023. The 2023 carbon neutrality goal further demonstrates the Group’s ambition and confidence in technological innovation and solutions as a leader in smart energy.

HEALTH AND SAFETY COMPLIANCE

The Group’s business operations involve risks and hazards that are inherent in such activities. These risks and hazards could result in damage to property or production facilities, personal injury or death, business interruption and possible legal liability. In 2019, 2020 and 2021 and the three months ended 31 March 2022, the Group has complied with applicable laws and regulations concerning health and safety in respect of its operations in the PRC and overseas in all material aspects; the Group had not encountered any material accidents related to production safety or any material business interruption. The Group conducts regular inspection and monitors compliance with related local health and safety laws and regulations of the jurisdictions in which its operations are located. Where necessary, the Group appoints local legal advisors to provide advice concerning relevant regulations.

INSURANCE

The Group has purchased insurance coverage for its products, certain properties, machinery and equipment, automobiles and other assets owned, operated or deemed important by itself. For instance, the Group has purchased product quality insurance and equipment insurance coverage for its wind turbines. The scope of product quality insurance covers equipment damage due to defects, and the scope of equipment damage insurance covers damage caused by centrifugal force, short-circuits, over-voltage and other physical reasons. The Group has also purchased public liability insurance which covers personnel casualties and property losses caused by accidents occurred during its operations. The Group believes that its insurance coverage is adequate and is consistent with market practice in the PRC wind power companies.

LEGAL PROCEEDINGS

The Group may from time to time become involved in various legal proceedings arising out of the ordinary course of its business, mainly including claims with its contractors. See “Risk Factors – Risks Relating to the Group’s Business – The Group is exposed to litigation risks”.

CURRENT TRADING AND PROSPECTS

The Company continues to manufacture and sell its products in line with management expectations, and there has been no unforeseeable material change to the costs and selling prices since 31 March 2022. There has been no significant change in the financial position or financial performance of the Group since 31 March 2022, being the end of the last financial period for which financial information has been published. Similarly, the Company’s business operations have not experienced any material adverse changes since 31 March 2022.

REGULATORY ENVIRONMENT

The Group's business operations are subject to the applicable PRC laws, administrative regulations, departmental regulations and other regulatory documents. This section sets out (i) an introduction to the major PRC government authorities with jurisdiction over the Group's current operations; and (ii) a summary of the major laws, regulations and policies to which the Group is subject. For the laws and regulations relating to taxation in the PRC, see "*Taxation*" in this Prospectus.

PRINCIPAL REGULATORS

The NDRC and Local Investment Approval Authorities

The NDRC is responsible for (i) formulating and implementing major policies relating to China's economic and social development; (ii) planning the major construction projects and distribution of productive forces; (iii) reviewing and approving investment projects with expenditure exceeding certain amounts or in special industrial sectors, including the power generation sector; and (iv) formulating industrial policies and investment guidelines for all industries.

The competent investment departments of all levels of local governments are responsible for (i) implementing the specific policies formulated by the NDRC; (ii) reviewing and approving investment projects in accordance with the authorisation by the NDRC; and (iii) receiving the filing of other enterprise investment projects that do not require prior approvals.

The NEA

The NEA, which is currently managed by the NDRC, integrated the previous responsibilities of the SERC, is responsible for, among other things, (i) formulating regulations, planning, national standards, policies and strategies relating to the development of energy sector; (ii) reviewing and approving investment projects in the energy sector within its authority; (iii) promoting the preservation and comprehensive utilisation of energy and the research, development and innovations of energy sector; (iv) supervising the operation of the electric power market; and (v) overseeing the production safety, reliability and contingency management of the electric power sector.

PRC LAWS AND REGULATIONS RELATING TO THE POWER INDUSTRY

Renewable Energy

According to the Renewable Energy Law of the PRC (《中华人民共和国可再生能源法》) (the "**Renewable Energy Law**"), which was promulgated on 28 February 2005, became effective on 1 January 2006, and was amended on 26 December 2009 with effect from 1 April 2010, renewable energy includes wind power, solar power, hydropower, bioenergy, geothermal energy, ocean energy and other types of non-fossil energy. Pursuant to the Renewable Energy Law, all electricity power generated from clean and renewable energy shall be purchased in full amount, provided that on-grid technical standards have been complied with and the related power generation entities have obtained relevant administrative approvals or been filed for record. A grid company shall purchase the full amount of on-grid electricity generated by approved clean and renewable power plants that meet the grid connection technical standards in the areas covered by the grid company's power grids.

The NDRC issued the Guidance Catalogue for the Development of the Renewable Energy Industry (《可再生能源产业发展指导目录》) on 29 November 2005 to guide policy, research and investment in support of the renewable energy industry. The document sets out 88 renewable energy projects (including wind and solar power generation and relevant equipment manufacturing projects) which, if other requirements are met, will be entitled to preferential policies in technology research and development, project demonstration, fiscal and taxation, product pricing, marketing and sales, and import and export.

Pursuant to the Provisions on the Administration of Power Generation from Renewable Energy (《可再生能源发电有关管理规定》), which was promulgated and became effective on 5 January 2006, the renewable energy power-generating projects shall implement central and local hierarchical management. The NDRC shall make plans and develop policies for the national renewable energy power-generating projects, and manage the projects that require the verification and approval or examination and approval of the State. The energy departments of the provincial governments shall manage the renewable energy power-generating projects within the local authority under their jurisdiction.

Pursuant to the Medium and Long-Term Development Plan for Renewable Energy (《可再生能源中长期发展规划》) issued by the NDRC on 31 August 2007, China will strive to achieve the goal of 15% of the total energy consumption in the PRC being generated from renewable energy (including wind and solar power) by 2020, and renewable energy technologies being significantly competitive in the market and renewable energy becoming an important source of energy after 2020. Moreover, the plan generally establishes that the government will adopt a variety of measures to encourage and stimulate the development and use of renewable energy. These include preferential fiscal and tax policies, including specialised funds subsidising the development of renewable energy sources, and the reduction or elimination of taxes for certain qualified renewable energy development activities.

Pursuant to the Opinions of the NDRC and the NEA on Improving Institutional Mechanisms and Policy Measures for Green and Low-carbon Energy Transition (《国家发展改革委、国家能源局关于完善能源绿色低碳转型体制机制和政策措施的意见》), which was promulgated and implemented on 30 January 2022, the main aim of the transition is (i) during the 14th Five-Year Plan period, to basically establish an institutional framework for promoting green and low-carbon energy development, form a relatively comprehensive policy, standard, market and regulatory system, and build a promotion mechanism led by the “double control” of energy consumption and a target system for non-fossil energy; and (ii) by 2030, to basically establish a complete foundation system and policy system for green and low-carbon energy development, and form an energy production and consumption pattern in which non-fossil energy sources can basically meet the incremental energy demand and replace fossil energy stocks on a large scale, and the capacity for energy security was comprehensively enhanced.

According to the 14th Five-Year Plan for a Modern Energy System (《“十四五”现代能源体系规划》) promulgated on 29 January 2022 by the NDRC and the NEA, part of the main goals for the construction of a modern energy system during the 14th Five-Year period are: (i) carbon dioxide emissions per unit of GDP will be reduced by 18% cumulatively in five years, (ii) by 2025, the proportion of non-fossil energy consumption will be increased to about 20%, and the proportion of non-fossil energy power generation will reach around 39%, (iii) the digitisation of the energy industry will achieve initial results and important progress will be made in the construction of smart energy systems, and (iv) by 2035, the proportion of non-fossil energy consumption will increase significantly on the basis of reaching 25% by 2030, and renewable energy generation will become the main source of power.

Wind and Solar Power Generation

According to the Catalogue of Investment Projects Subject to Governmental Approval (Version 2016) (《政府核准的投资项目目录(2016年本)》), which was promulgated and became effective on 12 December 2016, projects of wind power plants shall be approved by the local government within the construction plan and annual development guidelines set by the State based on total control. Investments in fixed-asset projects not listed in this catalogue are subject to administration by record-filing.

Pursuant to the Guidance Catalogue for Adjustment of the Industrial Structure (Version 2019) (《产业结构调整指导目录(2019年本)》), which became effective on 1 January 2020 and was amended on 30 December 2021, China encourages technology development and application of complementary systems of hydrogen energy, wind power and photovoltaic power generation, technology development and equipment manufacturing of offshore wind turbines of 5MW and above, offshore wind farm construction and equipment and submarine cable manufacturing.

Pursuant to the Interim Measures for the Administration of Wind Power Development and Construction (《风电开发建设管理暂行办法》), which was promulgated by the NEA on 25 August 2011 and took effect on the same day, the administration of wind power development and construction includes the construction planning of wind farm project, preliminary work of the project, project approval, completion acceptance and operation supervision. The local planning of wind farms is required to be filed with the competent department of energy under the State Council for record, and projects within the annual development plan of local wind farms are eligible for price subsidies granted to renewable energy development projects only after they are filed with the competent department of energy under the State Council. Before starting preparation work for the construction, developers of wind power projects must apply to and obtain from a competent energy administration authority an approval for carrying out the preparation work.

Pursuant to the Measures for the Administration of Offshore Wind Power Development and Construction (《海上风电开发建设管理办法》), which became effective on 29 December 2016, the administration of offshore wind power development and construction includes the administrative organization management and technical quality management in such links as the development planning, project approval, sea and island use, environmental protection, construction and operation. The NEA is responsible for the administration of offshore wind power development and construction nationwide. The competent marine administrative departments are responsible for the administration and supervision of the use of sea areas and islands and environmental protection in the development and construction of offshore wind power.

Pursuant to the Notice of the NEA on Relevant Requirements on Regulating the Order of the Wind Power Equipment Market (《国家能源局关于规范风电设备市场秩序有关要求的通知》), which became effective on 5 September 2014, the quality of wind power equipment is an important foundation for the sustainable and healthy development of the wind power industry. More importance should be attached to the testing and certification system, as it is an important measure to ensure the quality of equipment. The warranty period acceptance is an important part of wind power equipment quality management, the technical specifications of which are required to be unified. A fair, just and open bidding procurement market is required to be built, and the information disclosure and regulation of wind power equipment market is required to be strengthened.

Pursuant to the Interim Measures for the Administration of Photovoltaic Power Station Projects (《光伏电站项目管理暂行办法》) published by the NEA on 29 August 2013 and the Notice on Further Improving the Administration on the Construction and Operation of Photovoltaic Power Stations (《国家能源局关于进一步加强光伏电站建设与运行管理工作的通知》) published by the NEA on 9 October 2014, development and operation of photovoltaic power stations are subject to the supervision of the NEA and local energy administration authorities at provincial levels. The NEA is responsible for the formulation of national annual development plans for photovoltaic power generation, and the energy administration authorities at provincial levels are responsible for the formulation of local development plans and local implementation plans in consultation with the local branches of the NEA and in accordance with the national annual development plan and the indicative size for photovoltaic power station development for the respective region set by the NEA. The development and construction of photovoltaic power stations are required to be filed with the local energy administration authority at the provincial level, and should be within the indicative size for photovoltaic power station development formulated by the NEA. Local power grids are required to connect the photovoltaic power stations so registered and developed to the power grid upon the application by such photovoltaic power stations, unless the photovoltaic power station does not meet the criteria for connection.

Electric Power Business Licence

According to the Electric Power Law of the PRC (《中华人民共和国电力法》) (the “**Electric Power Law**”) promulgated on 28 December 1995 and amended on 27 August 2009, 24 April 2015 and 29 December 2018, respectively, the administrative department of the electric power industry under the State Council is responsible for the supervision and control of the electric power industry throughout the PRC. The departments concerned under the State Council are responsible for the supervision and control of the electric power industry within their own limits of authorities. The administrative department of comprehensive economy under the local government at county level or above is the administrative department of electric power within its own administrative region, which is responsible for the supervision and control of the electric power industry. Meanwhile, the electricity price is based on the principle of unified policy and unified pricing and managed at different levels. One of the principles of the Electric Power Law is to protect the legitimate interests of investors, operators and users and to ensure the safety of power operations. The Electric Power Law also states that the government encourages domestic and foreign investment in the power industry.

The Electricity Regulatory Ordinance (《电力监管条例》), which became effective on 1 May 2005, is formulated by the State Council to strengthen the supervision over the electricity industry and improve the electricity supervisory system. It sets forth the regulatory requirements for a number of aspects of the electricity industry, including, among others, the granting of electric power business licence (电力业务许可证), the regulatory inspections of power plants and grid companies and the legal liabilities resulting from violation of the regulatory requirements.

Pursuant to the Administrative Regulations on Electric Power Business Licences (《电力业务许可证管理规定》) (the “**Electric Power Business Licence Regulations**”), which was promulgated by the SERC on 13 October 2005 and became effective on 1 December 2005 and was amended on 30 May 2015, the PRC power industry adopts the market-access permit system. Pursuant to the Electric Power Business Licence Regulations, unless otherwise provided by the SERC (currently known as the NEA), it is illegal in the PRC to engage in any electric power business (including power generation, transmission, distribution and sales) without obtaining an electric power business licence. The electric power business license is classified into three types: power generation, power transmission, and power supply. Applicants for the electric power business licence for power generation business must submit relevant evidence documents in respect of the power generation project’s construction, generation capacity and environmental compliance. The NEA will issue the electric power business licence to the applicants after the application materials pass the review.

Pursuant to the Implementing Plan of the NEA for Fully Promoting the Notification and Commitment System for the Electric Power Business Licence (《国家能源局全面推行电力业务资质许可告知承诺制实施方案》) issued on 19 August 2021, all matters relating to the electric power business licence and the licence for installation (repairing and testing) of electric power facilities are subject to a notification and commitment system. While applying for the electric power business licence or the licence for installation (repairing and testing) of electric power facilities, the applicant may independently choose whether to adopt the notification and commitment system. If the applicant is unwilling to commit or unable to commit, the application will be handled in accordance with the general procedures. If the applicant has a particularly negative credit record or has made false promises, the notification and commitment system is not applicable to the applicant until the credit is restored.

Pricing of Electric Tariffs

The Electric Power Law sets forth the general principles for the pricing of electric tariffs. Electric tariffs are to be formulated based on a costs (and taxes) plus reasonable returns basis, based on the principle of a fair share of costs with the aim to promote the development of the electric power industry. The Power Tariff Reform Plan (《电价改革方案》) approved by the State Council on 9 July 2003 sets forth a

long-term objective for the reform of electric tariff, being to establish a standardised and transparent electric tariff managing mechanism on the basis of consistently deepening the reform of the electricity power system.

According to the Certain Opinions of the CPC Central Committee and the State Council on Further Implementation of System Reform in Electric Power Industry (《中共中央、国务院关于进一步深化电力体制改革的若干意见》), which became effective on 15 March 2015, except for electricity consumption for public welfare purposes, the determination of selling prices and on-grid tariff for electricity shall gradually become market-based. The opinions further state that the on-grid tariff for power generation enterprises that participate in power market trading shall be determined independently by the power generation enterprises with the end users or the electricity trading institutions through arms' length negotiations or market bidding. Furthermore, the price of electricity traded on the electricity market consists of three parts, namely, (i) the market tariff; (ii) power transmission and distribution price (including line loss); and (iii) governmental fund contributions. On-grid electricity that does not participate in direct trading and bidding transactions and electricity consumption for residential, agriculture, important public utilities and public welfare purposes shall remain subject to controlled pricing.

Pursuant to the Notice of the NDRC on Improving the On-grid Tariff Policy for Wind Power (《国家发展改革委关于完善风电上网电价政策的通知》) and the Notice of the NDRC on Improving the On-grid Tariff Mechanism for Photovoltaic Power Generation (《国家发展改革委关于完善光伏发电上网电价机制有关问题的通知》), both of which became effective on 1 July 2019, the benchmark on-grid tariff for onshore wind power was changed to a guide price. The on-grid tariff for any newly approved centralised onshore wind power project should be determined through a competitive process and may not be higher than the guide price of the resource area in which the project is located. The benchmark on-grid tariff for offshore wind power was changed to a guide price and the on-grid tariff for any newly approved offshore wind power project should be determined through a competitive process. The benchmark on-grid tariff for centralised photovoltaic power stations was changed to a guide price. The on-grid tariff for a new centralised photovoltaic power station should in principle be determined through market competition and may not be higher than the guide price of the resource area in which it is located.

Pursuant to the Catalogues of Price Set by the Central Government (《中央定价目录》) issued by the NDRC on 13 March 2020, the sales prices for electricity sold through market-oriented transactions will be determined by market-based method, and for electricity not sold through market-oriented transactions shall be determined by the NDRC using the existing methods, which will be transitioned to more market-based methods depending on the progress of the marketization reform of the power generation industry.

Pursuant to the Notice of the NDRC on Matters Relating to the New Energy On-grid Tariff Policy in 2021 (《国家发展改革委关于2021年新能源上网电价政策有关事项的通知》) (the “**Notice of the New Energy On-grid Tariff Policy**”), which became effective on 1 August 2021, from 2021 onwards, the central government will no longer provide subsidies to newly filed centralised photovoltaic power plants, commercial and industrial distributed photovoltaic projects and newly approved onshore wind power projects (the “**New Projects**”), which will implement an equal price on-grid tariff. The on-grid tariff for New Projects will be based on the local benchmark price for coal-fired power generation. From 2021 onwards, the on-grid tariffs for newly approved (filed) offshore wind power projects and solar thermal power projects will be set by the local provincial price authorities, or through competitive allocation if conditions are met. The Notice of the New Energy On-grid Tariff Policy also encourages local governments to issue policies to support the sustainable and healthy development of the new energy industry including photovoltaic power generation, onshore and offshore wind power and solar thermal power generation.

Mandatory Purchase

The Administrative Measures for the Guaranteed Purchase of Renewable Energy-generated Power in Full Amount (《可再生能源发电全额保障性收购管理办法》) issued by NDRC on 24 March 2016 provides for details relating to full amount guaranteed purchase of wind power generation, solar power generation, biomass power generation, geothermal power generation, and ocean power generation. The electricity grid enterprises (including the power dispatching agencies) will, in accordance with the benchmark on-grid tariff determined by the State and guaranteed acquisition utilization hours, combining with the market competition mechanism and through the implementation of the priority power generation system, acquire the full amount of on-grid electricity of renewable energy generation projects within the planning scope on the precondition of ensuring the safety of power supply.

Pursuant to the Notice of the NDRC and the NEA on the Administration of Full Guaranteed Acquisition of Wind Power and Photovoltaic Power Generation (《国家发展改革委、国家能源局关于做好风电、光伏发电全额保障性收购管理工作的通知》), which became effective on 27 May 2016, relevant provinces (autonomous regions and municipalities) are encouraged to propose and implement higher guaranteed objectives, and the relevant departments of provinces (autonomous regions and municipalities), in the processing of formulating power generation plans and power trading schemes, should reserve sufficient electricity space for guaranteed acquisition of wind power and photovoltaic power generation.

Pursuant to the Notice of the NDRC and the NEA on Establishing the Safeguard Mechanism for the Consumption of Renewable Energy Power (《国家发展改革委、国家能源局关于建立健全可再生能源电力消纳保障机制的通知》), which became effective on 10 May 2019, a minimum percentage of the annual electricity consumption by each province should be generated from renewable energy to promote the development and the use of renewable energy.

PRC LAWS AND REGULATIONS ON PRODUCTION

Product Quality

The Product Quality Law of the PRC (《中华人民共和国产品质量法》), which was promulgated by the Standing Committee of the National People's Congress of the PRC (the "SCNPC") on 22 February 1993 and latest amended on 29 December 2018, applies to all production and sale activities of any product within the territory of the PRC. Producers and sellers are responsible for the product quality in accordance with the provisions of this law. Where a defective product causes physical injury to a person or property damage, the victim may claim compensation from the producer or from the seller of such product. Where the seller has made the compensation while the liability lies with the producer, the seller will have the right to recover the loss from the producer, and vice versa.

Production Safety

According to the Production Safety Law of the PRC (《中华人民共和国安全生产法》, the "**Production Safety Law**") promulgated by the SCNPC on 29 June 2002, revised on 27 August 2009, 31 August 2014 and 10 June 2021, production entities should have the conditions for production safety as specified in the Production Safety Law and other relevant laws, administrative regulations, national standards and industrial standards. Production entities that do not have such conditions may not engage in any production activities.

According to the Measures on Supervision and Administration of Electricity Production Safety (《电力安全生产监督管理办法》), promulgated on 17 February 2015 and effective on 1 March 2015, power operation safety (excluding nuclear safety), power construction safety, power engineering quality safety and power emergency are subject to the supervision and administration of the NEA and its local agencies. Power enterprises should strengthen the safety management and technical management of power

generation, transmission, transformation and distribution equipment and facilities, and strengthen the professional management of power monitoring system (or equipment).

Pursuant to the 14th Five-Year Action Plan for Electricity Production Safety (《电力生产安全“十四五”行动计划》), which was promulgated by the NEA on 8 December 2021, the overall action aim is that, by the end of 2025, the quantitative evaluation index system for the supervision and administration of electric power production safety will be substantially formed, the electricity safety governance system will be basically completed, the modernization level of governance capacity will be significantly enhanced, the coverage rate of new technology application with the purpose of essential safety will be significantly increased, and a safety guarantee system for the new type of power system will be initially established.

PRC LAWS AND REGULATIONS RELATING TO ENVIRONMENTAL PROTECTION

General Provisions

The major environmental laws applicable to the Group include the Environmental Protection Law of the PRC (《中华人民共和国环境保护法》) promulgated by the SCNPC on 26 December 1989, amended on 24 April 2014 and effective on 1 January 2015, the Law of the PRC on Prevention and Control of Atmospheric Pollution (《中华人民共和国大气污染防治法》) promulgated by the SCNPC on 5 September 1987 and last amended on 26 October 2018, the Law of the PRC on Prevention and Control of Water Pollution (《中华人民共和国水污染防治法》) promulgated by the SCNPC on 11 May 1984, last amended on 27 June 2017 and effective on 1 January 2018, the Law of the PRC on Prevention and Control of Noise Pollution (《中华人民共和国噪声污染防治法》) promulgated by the SCNPC on 24 December 2021 and took effect on 5 June 2022, the Law of the PRC on the Prevention and Control of Environmental Pollution Caused by Solid Wastes (《中华人民共和国固体废物污染环境防治法》) promulgated by the SCNPC on 30 October 1995, last amended on 29 April 2020 and effective on 1 September 2020. These laws set out various standards and requirements for the prevention and control of air, water, noise and solid waste pollutions in order to protect and improve the environment, safeguard public health and promote economic and social development. Enterprises that fail to comply with these laws may be subject to warnings, fines, suspension of operations and closing-down of business, as determined by the relevant governmental authorities.

Construction Project Environmental Protection

Pursuant to the Administrative Regulations on Environmental Protection of Construction Projects (《建设项目环境保护管理条例》) promulgated by the State Council on 29 November 1998 and amended on 16 July 2017 with effect from 1 October 2017, the Environment Impact Assessment Law of the PRC (《中华人民共和国环境影响评价法》) promulgated by the SCNPC on 28 October 2002 and last amended on 29 December 2018 with effect from the same day, the Rules on the Examination and Approval of Environmental Impact Assessment Documents for Construction Projects by Authorities at Various Levels (《建设项目环境影响评价文件分级审批规定》) promulgated by the Ministry of Environmental Protection (the “MEP”, currently known as the MEE) on 16 January 2009 and coming into effect on 1 March 2009, and the Interim Measures on Environmental Protection Acceptance of Construction Projects (《建设项目竣工环境保护验收暂行办法》) promulgated by the MEP on 20 November 2017 and taking effect on the same day, the PRC government implements an environmental impact assessment system for construction projects. Based on the extent of effects exerted on the environment by a construction project, the construction entity is required to prepare an environmental impact report, or an environmental impact report form, or an environmental impact registration form regarding the environmental impacts of the construction project. The report and the report form will be approved by the competent environmental protection administrative department prior to the commencement of construction, while the registration form is regulated by way of record-filing. Where a construction project needs supporting environmental protection facilities, these facilities should be designed, constructed and put into use at the same time with the main project. Furthermore, the construction entity should, upon completion of a construction

project for which an environmental impact report or an environmental impact report form is formulated, conduct acceptance inspection of the constructed supporting environmental protection facilities pursuant to the standards and procedures prescribed by the environmental protection administrative department of the State Council, and formulate the acceptance inspection report.

Pollutant Discharge Licensing

Pursuant to the Administrative Measures for Pollutant Discharge Licensing (for Trial Implementation) (《排污许可管理办法(试行)》) promulgated by the MEP on 10 January 2018 and amended on 22 August 2019 and Regulations on the Administration of Pollutant Discharge Licensing (《排污许可管理条例》) promulgated by the State Council on 24 January 2021 and effective on 1 March 2021, MEP shall formulate and release a category-based administration catalog of pollutant discharge licensing for stationary pollution sources, specifying the scope subject to the administration of pollutant discharge licensing and the time limit to apply for a pollutant discharge permit. Enterprises, public institutions and other producers and business operators that are included in the category-based administration catalogue are required to apply for and obtain a pollutant discharge permit within the prescribed time limit. According to the Guidelines for Registration of Stationary Pollution Sources (for Trial Implementation) (《固定污染源排污登记工作指南(试行)》) promulgated by the General Office of the MEE and implemented on 6 January 2020, where the amount of pollutants produced, discharged and the impact on the environment is slight, such enterprises do not need to apply for the pollutant discharge permit, but are required to register for the discharge of pollution of stationary sources.

PRC LAWS AND REGULATIONS ON HIGH AND NEW TECHNOLOGY ENTERPRISES

Pursuant to the Administrative Measures for Recognition of High and New Technology Enterprises (《高新技术企业认定管理办法》) (the “**No. 32 Measure**”), which was promulgated on 14 April 2008 and amended on 29 January 2016 with effect from 1 January 2016, high and new technology enterprises recognised under the No.32 Measure may apply for enjoying the preferential tax policies in accordance with the Enterprise Income Tax Law of the PRC (《中华人民共和国企业所得税法》) and its implementing regulations and the Law of the PRC on the Administration of Tax Collection (《中华人民共和国税收征收管理法》) and its implementing rules. The No.32 Measure provides for the conditions and procedures for the recognition of a high and new technology enterprise. The qualification of a recognised high and new technology enterprise will be valid for a term of three years commencing on the date of the issuance of the certificate. Where there is change in the name or any major change to the conditions for recognition (such as a merger, division, reorganisation, or change of business, etc.) of a high and new technology enterprise, the enterprise is required to report such changes to the recognition department within three months.

PRC LAWS AND REGULATIONS RELATING TO FOREIGN TRADE

Foreign Trade Law

According to the Foreign Trade Law of the PRC (《中华人民共和国对外贸易法》) which was adopted by the SCNPC on 12 May 1994 and last amended on 7 November 2016, and the Measures for the Record-filing Registration of Foreign Trade Operators (《对外贸易经营者备案登记办法》) which was promulgated by the Ministry of Commerce on 25 June 2004 and last amended on 10 May 2021, foreign trade operators who engage in the import and export of goods or technologies are required to follow the record-filing registration formalities with the administrative department of foreign trade of the State Council or its authorised agency, unless otherwise provided by the laws, administrative regulations or the stipulations of the administrative department of foreign trade of the State Council. The PRC government permits the free import and export of goods and technologies, unless otherwise provided for in laws and administrative regulations.

Customs Law

According to the Customs Law of the PRC (《中华人民共和国海关法》), which was promulgated by the SCNPC on 22 January 1987 and last amended on 29 April 2021, unless otherwise provided for, the declaration of import or export goods and the payment of duties may be handled by the consignees or consignors of import or export goods, or by their entrusted declaration enterprises. A consignee or consignor of import or export goods or a customs declaration enterprise shall file with the customs pursuant to the law while making customs declarations.

Pursuant to the Administrative Provisions of the PRC on the Filing of Customs Declaration Entities (《中华人民共和国海关报关单位备案管理规定》) promulgated by the General Administration of Customs on 19 November 2021 and effective on 1 January 2022, customs declaration entities refer to the customs declaration enterprises or the consignors or consignees of imported or exported goods that have been filed with the customs. A customs declaration entity may conduct customs declarations within the territory of the PRC. The filing of a customs declaration entity is valid permanently.

PRC LAWS AND REGULATIONS RELATING TO LABOUR PROTECTION

Labour Law

The Labour Law of the PRC (《中华人民共和国劳动法》), which was promulgated by the SCNPC on 5 July 1994 and last amended on 29 December 2018, sets out that an employer should develop and improve its internal rules and regulations in accordance with the law to safeguard the rights of its workers. An employer should develop and improve its labour safety and health system, stringently implement national rules and standards on labour safety and health, provide labour safety and health education to workers, prevent accidents during work and reduce occupational hazards. An employer should develop a vocational training system. Vocational training funds should be set aside and used in accordance with national regulations and vocational training for workers should be carried out in a systematically planned way based on the actual conditions of the company.

Labour Contract Law

The Labour Contract Law of the PRC (《中华人民共和国劳动合同法》, the “**Labour Contract Law**”) was promulgated by the SCNPC on 29 June 2007 and amended on 28 December 2012, while the Regulations on the Implementation of the Labour Contract Law of the PRC (《中华人民共和国劳动合同法实施条例》) was promulgated and implemented by the State Council on 18 September 2008. The Labour Contract Law and its implementation regulations are enacted to define the rights and obligations of parties to a labour contract, including matters with respect to the establishment, performance and termination of a labour contract. It is stipulated that an employer is required to enter into written labour contracts with its employees and pay labour remuneration to the employees timely and in full amount in accordance with the terms of the labour contracts. Employers and employees may enter into a fixed-term labour contract, non-fixed term labour contract, or labour contracts that expire upon completion of given tasks. An employer may legally terminate a labour contract and dismiss an employee upon mutual agreement or by fulfilling the statutory conditions, including payment of additional compensation.

Social Insurance

The Social Insurance Law of the PRC (《中华人民共和国社会保险法》), which was promulgated by the SCNPC on 28 October 2010 and amended on 29 December 2018, requires that enterprises in the PRC should make social insurance registration with the local social insurance agency and pay social insurance premiums, including basic pension insurance, basic medical insurance, work-related injury insurance, unemployment insurance and maternity insurance, for their employees. Under the circumstance where an employer fails to pay social insurance premiums on time and in full, it might be subject to a rectification

order by competent authorities and an overdue fine at the rate of 0.05% of the outstanding amount on a daily basis from the due date. In addition, if the employer still fails to make such payment in full amount within the prescribed time limit, a fine in the amount of one to three times of the outstanding payment might be imposed by the competent authorities.

Housing Provident Fund

According to the Regulations on the Management of Housing Provident Fund (《住房公积金管理条例》) promulgated and implemented by the State Council on 3 April 1999 and last amended on 24 March 2019, enterprises in the PRC should make housing provident fund deposit registration and open housing provident fund accounts for their employees with the housing provident fund management centre. The monthly amount of housing provident fund deposited by each the employee and the employer is required to be not be less than 5% of the monthly average salary of the employee in the previous year. The housing provident fund contributions so paid by the employer and the employee belong to the employee. If an employer fails to make full payment of housing provident fund for its employees in accordance with relevant laws and regulations, the relevant housing provident fund management centre will order it to make the payment within a prescribed time limit. If payment is still not made within the prescribed time limit, an application may be made to the people's court for compulsory enforcement.

SELECTED CONSOLIDATED FINANCIAL AND OTHER INFORMATION

The following selected consolidated financial information and other financial data relating to the Group as at and for the years ended 31 December 2019, 2020 and 2021 and the three months ended 31 March 2021 and 2022 have been extracted from, and should be read in conjunction with, the Historical Financial Information, which is included in the F-pages of this Prospectus. Certain operating data relating to the Group are also set forth below. The following section also includes certain non-PRC GAAP financial information (EBITDA and EBITDA margin) for the periods indicated, which has not been extracted from the Historical Financial Information and has not been prepared in accordance with PRC GAAP. A reconciliation of profit before tax from continuing operations for the period/year to EBITDA and EBITDA margin can be found in “Operating and Financial Review — Key Performance Indicators and Other Financial Metrics”.

The selected consolidated financial information should be read in conjunction with “Operating and Financial Review”.

SELECTED CONSOLIDATED COMPREHENSIVE INCOME STATEMENT

	Year ended 31 December			Three months ended 31 March	
	2019	2020	2021	2021	2022
	(Audited)			(Unaudited)	
	(RMB in thousands)				
Operating revenue	10,493,157	22,456,987	27,158,048	4,361,251	7,028,511
Less: Operating costs	8,115,572	18,287,125	21,337,655	3,428,094	5,145,236
Taxes and surcharges	52,029	104,742	216,251	15,095	13,089
Selling expenses	895,444	974,651	1,184,420	244,052	283,989
Administrative expenses	418,602	509,022	672,373	135,122	173,520
Research and development expenses	298,007	600,707	872,379	154,263	177,674
Financial expense	266,797	385,575	255,128	14,824	34,894
Including: Interest expenses	270,644	591,817	403,974	99,569	84,654
Interest income	49,324	182,091	203,258	60,945	56,675
Add: Other income	82,761	94,701	358,649	17,862	45,682
Investment income	289,740	16,160	917,830	47,218	566,322
Including: Gains from investments in associates and joint ventures	12,315	19,848	32,772	6,685	6,423
Gains from changes of fair value	–	–	67,654	–	(77,173)
Credit impairment loss	(2,207)	(71,405)	(139,726)	(44,069)	(66,252)
Assets impairment gain/(losses)	(76,616)	(66,221)	(200,531)	(30,630)	1,561
Gains/(losses) from disposal of assets	(1,561)	10,580	(626)	862	16
Operating profit	738,824	1,578,979	3,623,093	361,045	1,670,266
Add: Non-operating income	17,720	11,549	22,384	2,324	6,353
Less: Non-operating expenses	9,033	113,428	56,083	2,184	2,501
Total profit	747,510	1,477,100	3,589,394	361,185	1,674,118
Less: Income tax expenses	86,176	172,784	630,009	90,098	268,130
Net profit	661,334	1,304,316	2,959,385	271,087	1,405,988
Net profit attributable to owners of the parent	712,563	1,374,071	3,101,124	282,486	1,412,732
Net loss attributable to minority interests	(51,229)	(69,756)	(141,739)	(11,399)	(6,744)
Other comprehensive income – after tax	128	(3,042)	4,487	(2,359)	(3,779)
Total comprehensive income	661,462	1,301,274	2,963,871	268,729	1,402,209
Total comprehensive income attributable to owners of the parent	712,735	1,371,204	3,105,203	280,146	1,408,942
Total comprehensive loss attributable to minority interests	(51,273)	(69,930)	(141,332)	(11,417)	(6,734)

SELECTED STATEMENT OF FINANCIAL POSITION

	Year ended 31 December			Three months ended
	2019	2020	2021	31 March
	(Audited)			(Unaudited)
	(RMB in thousands)			
Current assets:				
Cash and bank balances	10,773,040	16,332,874	14,070,917	11,330,568
Financial assets held for trading	–	–	–	764,660
Notes receivable	2,925	–	16,255	17,694
Accounts receivable	4,751,531	3,714,395	5,855,787	7,489,228
Receivables financing	826,532	885,897	1,520,524	1,141,631
Prepayments	1,178,728	861,818	500,277	469,917
Other receivables	298,467	566,572	507,341	590,703
Inventories	2,811,417	8,472,134	9,604,002	10,506,392
Contract assets	–	542,966	530,587	648,836
Assets held for sale	1,374,193	434,360	4,325,172	1,987
Non-Non-current assets due within one year	225,441	–	–	–
Other current assets	337,254	1,314,222	695,042	769,422
Total current assets	22,579,528	33,125,239	37,625,904	33,731,039
Non-current assets:				
Available-for-sale financial assets	–	–	–	–
Long-term receivables	2,534,041	32,478	14,565	12,116
Long-term equity investments	421,891	538,618	563,579	574,603
Other equity instruments investment	80,800	86,244	101,035	98,128
Other non-current financial assets	–	–	467,653	580,480
Fixed assets	4,655,769	6,961,508	9,548,886	9,988,600
Construction in progress	2,419,880	3,809,145	1,388,631	1,471,891
Right-of-use assets	–	–	354,098	258,970
Intangible assets	1,028,402	1,080,976	894,447	1,093,058
Development costs	68,244	205,824	314,690	347,359
Goodwill	79,147	79,147	79,147	79,147
Long-term deferred expenses	96,353	172,558	124,795	121,515
Deferred tax assets	401,346	513,024	533,240	514,448
Other non-current assets	330,210	5,023,084	9,482,257	11,974,825
Total non-current assets	12,116,083	18,502,606	23,867,025	27,115,141
TOTAL ASSETS	34,695,611	51,627,845	61,492,929	60,846,180

	Year ended 31 December			Three months ended 31 March
	2019	2020	2021	2022
		(Audited)		(Unaudited)
		(RMB in thousands)		
Current liabilities:				
Short-term loans	1,374,635	149,000	98,468	57,358
Notes payable	2,728,683	5,197,295	9,264,867	6,849,468
Accounts payable	4,804,911	7,855,326	10,172,885	11,261,304
Receipts in advance	6,858,917	–	–	–
Contract liabilities	–	8,559,945	8,061,594	7,586,106
Employee benefits payable	107,124	151,905	187,395	104,724
Taxes payable	293,806	474,661	1,074,641	531,137
Other payables	619,601	1,825,854	2,093,648	1,083,171
Including: Interests payable	–	–	–	–
Dividend payable	717	717	2,917	2,917
Liabilities held for sale	765,989	328,445	283,619	–
Non-current liabilities due within one year	608,805	1,497,350	1,119,040	1,068,803
Other current liabilities	–	1,005,129	894,038	746,161
Total current liabilities	18,162,472	27,044,910	33,250,195	29,288,231
Non-current liabilities:				
Long-term loans	2,848,502	3,598,421	3,438,748	3,123,298
Bonds payable	1,805,426	781,208	1,260,377	1,256,138
Lease Liability	–	–	284,539	226,267
Long-term payables	3,051,144	3,543,332	2,394,358	2,438,244
Provisions	753,933	1,014,928	1,496,660	1,610,231
Deferred income	960,339	326,351	329,222	324,795
Deferred tax liabilities	21,823	234,198	544,684	616,329
Total non-current liabilities	9,441,167	9,498,438	9,748,587	9,595,301
TOTAL LIABILITIES	27,603,639	36,543,348	42,998,782	38,883,533
Share capital	1,379,722	1,875,376	1,956,327	2,104,256
Other equity instruments	391,819	224,068	–	–
Capital reserve	3,582,767	9,775,839	10,667,061	12,528,351
Less: Treasury shares	–	121,884	136,566	136,566
Other comprehensive income	42,297	39,430	43,509	39,719
Surplus reserve	77,871	240,614	488,654	488,654
Undistributed profits	1,246,102	2,728,756	5,375,558	6,845,363
Total equity attributable to the shareholders of parent:	6,720,579	14,762,199	18,394,543	21,869,776
Minority interests	371,393	322,298	99,605	92,871
TOTAL SHAREHOLDERS' EQUITY	7,091,972	15,084,497	18,494,147	21,962,647
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	34,695,611	51,627,845	61,492,929	60,846,180

SELECTED CASH FLOW STATEMENT

	Year ended 31 December			Three months ended 31 March	
	2019	2020	2021	2021	2022
	(Audited)			(Unaudited)	
	(RMB in thousands)				
Net cash flows from operating activities	5,755,264	3,630,754	5,397,539	(1,544,641)	(3,903,272)
Net cash flows from investing activities	(2,142,709)	(3,763,222)	(6,935,412)	174,830	(92,858)
Net cash flows from financing activities	3,932,757	5,169,363	(635,844)	25,018	1,404,281
Effect of foreign exchange rate changes on cash	2,278	(316)	(12,876)	(2,315)	(7,767)
Net increase in cash and cash equivalents . . .	7,547,590	5,036,579	(2,186,593)	(1,347,108)	(2,599,616)
Opening balance of cash and cash equivalent .	2,708,271	10,255,861	15,292,440	15,292,440	13,105,847
Closing balance of cash and cash equivalent .	10,255,861	15,292,440	13,105,847	13,945,332	10,506,231

SEGMENTAL INFORMATION

The following table sets forth a breakdown of the Group's operating revenue by segment for the periods indicated:

	For the year ended 31 December						For the three months ended 31 March			
	2019		2020		2021		2021		2022	
	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%
	(RMB in millions, except for percentages)									
Primary Business:										
Wind turbine and related accessories	9,237.6	88.0	20,947.4	93.3	25,247.3	93.0	3,923.4	90.0	6,528.7	92.9
Power generation	754.2	7.2	990.1	4.4	1,410.2	5.2	353.7	8.1	310.3	4.4
Renewable EPC services	317.8	3.0	336.7	1.5	121.2	0.4	41.2	0.9	157.6	2.2
Sales of Photovoltaic products	3.4	0.03	24.0	0.1	16.5	0.1	0.5	0.01	3.4	0.05
Electricity distribution and sales	5.5	0.1	14.6	0.1	2.1	0.0	1.9	0.04	-	-
Other business:										
Others	174.5	1.7	144.3	0.6	360.8	1.3	40.6	0.9	28.6	0.4
Operating revenue	10,493.2	100.0	22,457.0	100.0	27,158.0	100.0	4,361.3	100.0	7,028.5	100.0

OPERATING AND FINANCIAL REVIEW

The following discussion and analysis of the Group's operating and financial results is based on, and should be read in conjunction with, the Financial Statements. Investors should read the following discussion together with the whole of this Prospectus, including "Risk Factors", "Selected Consolidated Financial Information and Other Financial Data" and the Financial Statements (including the related notes), and should not rely solely on the information set out in this section.

The following discussion includes certain forward-looking statements that, although based on assumptions that the Group considers to be reasonable, are subject to risks and uncertainties that could cause actual events or conditions to differ materially from those expressed or implied in this Prospectus. Among the important factors that could cause the Group's actual results, performance or achievements to differ materially from those expressed in such forward-looking statements are those factors that are discussed in "Forward-Looking Statements" and "Risk Factors" in this Prospectus. All statements, other than statements of historical fact, such as statements regarding the Group's future financial position and risks and uncertainties related to the Group's business, plans and objectives for future operations, are forward-looking statements.

OVERVIEW

Founded in 2006, the Group has maintained a leading position both domestically and globally as a wind turbine manufacturer. The Group's mission is to provide accessible green and smart energy and it aims to become a full lifecycle renewable solutions provider. Through technological and business innovations, the Group has developed into a leading smart energy enterprise in China with global influence, gradually becoming an industry leader in providing integrated wind power, photovoltaics, power storage and hydrogen power solutions.

The Group's business is primarily divided into three segments: sales of wind turbine and related accessories, wind and solar farm development and operation, and other renewable energy services. In the years ended 31 December 2019, 2020 and 2021 and the three months ended 31 March 2021 and 2022, the Group's total operating revenue was RMB10,493.2 million, RMB22,457.0 million, RMB27,158.0 million, RMB4,361.3 million and RMB7,028.5 million and its net profit for the year/period was RMB661.3 million, RMB1,304.3 million, RMB2,959.4 million, RMB271.1 million and RMB1,406.0 million, respectively.

BASIS OF PRESENTATION

The Group's consolidated financial information as at and for the years ended 31 December 2019, 2020 and 2021 and its consolidated condensed financial information as at and for the three months ended 31 March 2021 and 2022 have been prepared in accordance with PRC GAAP. The consolidated financial statements have been prepared on a historical cost basis, except for certain financial instruments that are measured at their fair value. The consolidated financial statements are presented in Renminbi.

The consolidated financial statements present the results of the Group and its subsidiaries as if they formed a single entity. The results of operations and cash flows of subsidiaries acquired in common control business combinations are included in the Group's consolidated financial statements from the beginning of the financial period in which such business combination occurred. Comparative periods are subject to adjustment. The reporting entity formed after such a business combination is deemed to have existed since the beginning of the period that the combined entities were under common control by the ultimate controlling party. Where necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies in line with those used by the other members of the Group. All material intra-group transactions and balances have been eliminated on consolidation.

KEY FACTORS AFFECTING GROUP'S RESULTS OF OPERATIONS

The following factors are the principal factors that have affected and, as the Group expects, will continue to affect the Group's business, financial condition, results of operations and prospects.

Demand for renewable energy and specifically for wind and solar power

Changes in prices of oil, coal, natural gas and other conventional energy sources influence the demand for electricity and for alternative energy sources, including wind and solar power. The Group's business expansion and revenue growth have depended, and will continue to depend, on demand for renewable energy and specifically wind and solar power energy products.

We believe that the demand for renewable energy will increase in the next five years as the world fights global warming even as the demand for energy continues to rise. According to Frost & Sullivan, the cumulative installed capacity of global wind power is expected to grow from 957.5GW in 2022 to 1,416.8GW in 2026, at a CAGR of 10.3%. The cumulative installed capacity of global offshore wind power is expected to grow from 72.4GW in 2022 to 144.7GW in 2026, at a CAGR of 18.9%. The cumulative installed capacity of wind power in China is expected to grow from 401.4GW in 2022 to 641.0GW in 2026, at a CAGR of 12.4%, of which the cumulative installed capacity of offshore wind power in China is expected to grow from 37.5GW in 2022 to 90.3GW in 2026, at a CAGR of 24.5%.

Future growth of the wind turbine market will also be affected by the growth of the global and regional economies, the stability of financial markets and the ability of wind turbine manufacturers to further expand production capacity and reduce manufacturing costs.

Wind turbine sales to customers

The Group has historically focused on the design, production and sale of high-performance smart wind turbines and derived a substantial portion of its revenue from the sales of wind turbines to its customers. For the years ended 31 December 2019, 2020 and 2021 and the three months ended 31 March 2021 and 2022, the revenue derived from sales of wind turbine to its customers amounted to RMB9,237.6 million, RMB20,947.4 million, RMB25,247.4 million, RMB3,923.4 million and RMB6,528.7 million, representing 88.0%, 93.3%, 93.0%, 90.0% and 92.9% of the Group's overall operating revenue during the same periods, respectively. The units of wind turbines that the Group sold increased rapidly from 906 units in 2019 to 1,819 in 2020 and decreased slightly to 1,715 in 2021. In recent years, as larger wind turbines become more popular, sales for its 1.5MW-2.XMW models has decreased, while the sales of the Group's larger models, especially models of 6.XMW or above, have increased significantly.

Pricing of the Group's wind turbines is principally affected by the overall demand in the wind power equipment industry and by the average wind turbine manufacturing cost. The Group prices its wind turbines with reference to the prevailing market prices when it enters into sales contracts with its customers, taking into consideration the estimated costs and an appropriate gross profit margin. The Group also considers the size of the contract, the history and strength of its relationship with the particular customer, raw material and component costs and other factors. In recent years, the supply of wind turbines has increased significantly as many manufacturers worldwide, including the Group, have engaged in significant production capacity expansion. The average contract selling prices for the Group's wind turbines may decline in response to competitive pricing pressures as well as other market conditions. However, the Group's continuous innovation to optimize wind turbine models has led to more powerful wind turbines and decreased unit material consumption of its wind turbines, allowing the Group to maintain its gross profit margin on its wind turbines.

Consequently, the Group's results of operations have been and will continue to be significantly affected by the number of units of wind turbines the Group sells, the types of wind turbine models sold, and the pricing at any given period. In addition, as the Group introduces newer models in the future, the Group expect changes to its product mix will also affect its results of operations and margins.

Prices of raw materials and components and their availability

Raw materials and components used in the production of the Group's wind turbines are sourced from domestic suppliers as well as international suppliers, and their prices are dependent on various factors in addition to supply and demand. The fluctuations in prices of such raw materials and components and their availability will affect the Group's operating results. The Group's main raw components and materials include gearboxes, generators and bearings, as well as resin, glass fibre and sandwich materials for its production of rotor blades. In addition, the primary raw materials used in some of the Group's components include steel and copper. Consequently, the prices the Group pays to its suppliers for such components may be affected by movements in prices for these raw materials. However, the Group's focus on developing, optimizing and selling ultra-large wind turbines has helped mitigate some of these costs as ultra-large wind turbines have reduced material consumption per kilowatt as compared to smaller models and continuous innovation to optimize wind turbine models has reduced unit material consumption in the production of wind turbines. For example, the unit weight for 5.XMW onshore wind turbines is 46.28 tons per MW as compared to 65.46 tons per MW for 1.5MW wind turbines, representing a decrease of 29.3%; and the unit weight for 11MW offshore wind turbines is 57.45 tons per MW as compared to 80.55 tons per MW for 5.5 MW offshore wind turbines, representing a decrease of 28.7%. Additionally, the Group, through its research and development efforts, continues to find alternative and better materials that can be utilized in the production of wind turbines.

The Group has developed in-house design and manufacturing capabilities of core components including wind turbines including blades, gear boxes, current transformers, pitch control systems and electrical control systems and the Group collaborates with carefully selected reputable suppliers for other parts and components. These parts and components are produced based on its designs, drawings, technical parameters and quality standards. To ensure quality, the Group selects from a pool of high-quality suppliers for its requisite main parts and components. In order to maintain a steady supply of such components, the Group typically maintains two or more suppliers simultaneously for its major components. As a result of its multiple-supplier strategy and its good relationships with key suppliers, the Group believes that it can reduce the likelihood of any shortage in the supply of its major components and raw materials in the near future. Additionally, as more specialized component manufacturers and suppliers enter the market and reach economies of scale, the price of components will likely decrease.

Ability to design and market technologically advanced and cost-competitive turbine models

The wind turbine specifications that the Group's customers require generally evolve over time along with their changing preferences and needs. The Group's ability to design and develop new products that meet these changing requirements has been and will continue to be critical to its ability to maintain and increase its installed capacity sold and profitability. In 2018, the Group successfully launched China's first greater-than-5MW wind turbine, which was also at the time the largest anti-typhoon wind turbine in the world in terms of its rotor diameters. The Group also launched the world's first anti-typhoon floating wind turbine in 2021. After a decade of research and experiments, the Group launched the 16MW MySE16.0-242 offshore wind turbine in 2021, which is currently the world's largest offshore wind turbine. The Group is a frontrunner in the development of large wind turbines in the PRC, and the hybrid drive technology adopted by the Group are increasingly becoming a significant advantage. In 2021, the Group ranked first in China in terms of newly installed capacity of hybrid drive wind turbines, with a market share of 88.6%. At a time when the industry was dominated by small turbines, the Group took the initiative in manufacturing large wind turbines, which culminated in a leading position in the offshore wind turbine market segments of above 5.0MW and above 7.0MW, ranking first in both segments in 2021 according to Frost & Sullivan. The Group expects to continue to make significant investments in research and development, particularly with respect to designing and developing more technologically advanced and cost-competitive turbine models.

Ability to Fund and Manage Working Capital Requirements

The Group's business operations require significant working capital. The Group's operating results and future growth depend on its ability to optimize the working capital cycle and to source adequate working capital commensurate with the size of its business.

As the Group expands its business, it expects to continue to require a significant amount of external financing and investment for the construction of its projects and research and development needs in the foreseeable future. The Group has established strategic relationships with PRC commercial banks and maintained healthy and cooperative relationships with many financial institutions in China to further enhance its funding capabilities. As at 31 March 2022, the Group had bank credit facilities in a total amount of RMB44,081.4 million, of which RMB22,132.4 million had not been utilised. The level of the Group's borrowings and its ability to obtain additional external financing on the existing terms, as well as any interest rate fluctuations and other borrowing costs, have had, and will continue to have, a material effect on its finance costs and, consequently, its results of operations and financial condition.

Government policies affecting the renewable energy sector

The renewable energy sector is sensitive to changes in government policies relating to this sector. For example, government incentives continue to be one of the main drivers for developing wind energy technology and increasing capacity. Although government support programmes differ from country to country, a number of countries have implemented incentive schemes, thus provide various types of subsidies to wind power developers and long-term tariffs.

The PRC government has also introduced various policies and measures to encourage wind power generation. Historically, the Group and its customers have benefited from fiscal benefits applicable to investments in the wind power industry by the central and local governments in China. For example, the PRC government provided subsidies for on-grid tariff of electricity sourced from onshore wind turbines up to the end of 2020. As the Group derives a majority portion of its revenue from the sales of wind turbines, it indirectly benefited from such subsidies as the subsidies stimulated the sales of wind turbines. As a wind farm operator, the Group also enjoyed direct benefit of such subsidies. Changes in government policies have affected, and will continue to affect the investment plans of the Group's customers and the Group and its business, financial condition and results of operations.

Tax incentives

In addition, the Group's business has in the past benefited from various incentives, primarily in the form of preferential EIT rates and VAT rebate:

- *Preferential EIT rates:* The Company and some of its subsidiaries benefitted from a preferential income tax rate of 15.0% (versus the normal 25.0%) due to their accreditation as high and new technology enterprises or their locations in western China as supported by the "Go West" policy in China, primarily applicable to power generation subsidiaries of the Group located in Qinghai, Inner Mongolia and Xinjiang autonomous region. Other subsidiaries that develop qualified wind power and solar power projects currently enjoy a three-year period of full EIT exemption commencing from the first year with operating revenue, followed by a three-year period of half EIT reduction.
- *VAT rebate:* In addition, certain of the Company's subsidiaries receive a 50% VAT rebate from the VAT they paid as an incentive for wind power-related equipment sales. Moreover, for the sale of software products by the Company and certain of its subsidiaries, a portion of VAT is immediately refunded when the final tax burden exceeds 3%. The VAT refund policies enjoyed by the Group has led to a VAT rebate of RMB5.0 million, RMB39.5 million, RMB298.1 million, RMB2.4 million and RMB36.8 million for the years ended 31 December 2019, 2020 and 2021 and the three months ended 31 March 2021 and 2022, respectively.

PRINCIPAL COMPONENTS OF CONSOLIDATED INCOME STATEMENTS

Operating Revenue

In the three years ended 31 December 2019, 2020 and 2021 and the three months ended 31 March 2021 and 2022, substantial portion of the Group's operating revenue was generated from sales of wind turbines and related accessories, power generated from the Group's wind and solar farms, renewable EPC services, sales of photovoltaic products and distribution and sales of electricity. The following table sets forth a breakdown of the Group's operating revenue by segment for the periods indicated:

	For the year ended 31 December						For the three months ended 31 March			
	2019		2020		2021		2021		2022	
	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%
	(RMB in millions, except for percentages)									
Primary Business:										
Wind turbine and related accessories	9,237.6	88.0	20,947.4	93.3	25,247.3	93.0	3,923.4	90.0	6,528.7	92.9
Power generation	754.2	7.2	990.1	4.4	1,410.2	5.2	353.7	8.1	310.3	4.4
Renewable EPC services	317.8	3.0	336.7	1.5	121.2	0.4	41.2	0.9	157.6	2.2
Sales of Photovoltaic products	3.4	0.03	24.0	0.1	16.5	0.1	0.5	0.01	3.4	0.05
Electricity distribution and sales	5.5	0.1	14.6	0.1	2.1	0.0	1.9	0.04	-	-
Other business:										
Others ⁽¹⁾	174.5	1.7	144.3	0.6	360.8	1.3	40.6	0.9	28.6	0.4
Operating revenue	10,493.2	100.0	22,457.0	100.0	27,158.0	100.0	4,361.3	100.0	7,028.5	100.0

Note:

(1) Others primarily include revenue from sales of miscellaneous materials and technical support fees.

Operating costs

The Group's operating costs mainly include raw materials and components, labour costs and others. The table below sets forth a breakdown of the Group's operating costs:

	For the year ended 31 December						For the three months ended 31 March			
	2019		2020		2021		2021		2022	
	Operating costs	Percentage (%)	Operating costs	Percentage (%)	Operating costs	Percentage (%)	Operating costs	Percentage (%)	Operating costs	Percentage (%)
	Audited						Unaudited			
	(RMB in millions, except percentages)									
Primary business										
Wind turbine and related accessories	7,461.9	91.9	17,409.5	95.2	20,410.9	95.7	3,257.7	95.0	4,852.2	94.3
Power generation	268.0	3.3	378.9	2.1	487.8	2.3	88.1	2.6	121.4	2.4
Renewable EPC services	209.7	2.6	310.8	1.7	105.9	0.5	40.8	1.2	145.5	2.8
Sales of Photovoltaic products	15.9	0.2	42.9	0.2	27.2	0.1	3.1	0.1	5.2	0.1
Electricity distribution and sales	0.009	-	13.8	0.1	3.5	0.02	1.7	0.1	0.2	0.003
Others	160.0	2.0	131.3	0.7	302.3	1.4	36.7	1.1	20.8	0.4
Total	8,115.6	100.0	18,287.1	100.0	21,337.7	100.0	3,428.1	100.0	5,145.2	100.0

Gross Profit and Gross Profit Margin

The Group's gross profit represents its operating revenue less operating costs. The Group's gross profit margin is calculated by dividing its gross profit by operating revenue. The table below sets forth a breakdown of the Group's gross profit by segment as well as the respective gross profit margins for the periods indicated:

	For the year ended 31 December						For the three months ended 31 March			
	2019		2020		2021		2021		2022	
	Gross profit	Gross profit margin (%)	Gross profit	Gross profit margin (%)	Gross profit	Gross profit margin (%)	Gross profit	Gross profit margin (%)	Gross profit	Gross profit margin (%)
	Audited						Unaudited			
	(RMB in millions, except percentages)									
Primary Business:										
Wind turbine and related accessories	1,775.6	19.2	3,537.9	16.9	4,836.5	19.2	665.8	17.0	1,676.5	25.7
Power generation	486.2	64.5	611.2	61.7	922.3	65.4	265.5	75.1	188.9	60.9
Renewable EPC services	108.2	34.0	25.9	7.7	15.2	12.6	0.4	1.0	12.2	7.7
Sales of Photovoltaic products	(12.5)	(361.9)	(18.9)	(78.5)	(10.8)	(65.5)	(2.6)	(541.4)	(1.8)	(53.9)
Electricity distribution and sales	5.5	99.8	0.7	5.1	(1.4)	(67.4)	0.1	5.8	(0.2)	-
Others:										
Others	14.5	8.3	13.0	9.0	58.5	16.2	3.9	9.6	7.7	27.1
Total	2,377.6	22.7	4,169.9	18.6	5,820.4	21.4	933.2	21.4	1,883.3	26.8

Taxes and surcharges

In the years ended 31 December 2019, 2020 and 2021 and the three months ended 31 March 2021 and 2022, the Group's taxes and surcharges were RMB52.0 million, RMB104.7 million, RMB216.3 million, RMB15.1 million and RMB13.1 million, respectively. The Group's taxes and surcharges mainly represent urban maintenance and construction tax, educational surcharge, property tax, land use tax, vehicle and vessel use tax, stamp duty and others.

Selling expenses

The Group's selling expenses mainly represent quality assurance and after-sales service fee, employee salary related to the Group's sales personnel, bidding service fee, travel and transportation expenses, business entertainment, material consumption, depreciation and amortization, shares incentive, office expenses, transportation and loading fees and other fees. The table below sets forth a breakdown of the Group's selling expenses by nature for the periods indicated:

	For the year ended 31 December						For the three months ended 31 March			
	2019		2020		2021		2021		2022	
	Selling expenses	Percentage (%)	Selling expenses	Percentage (%)	Selling expenses	Percentage (%)	Selling expenses	Percentage (%)	Selling expenses	Percentage (%)
	Audited						Unaudited			
	(RMB in thousands, except percentages)									
Quality assurance and after-sales service fee	269,749	30.1	525,794	53.9	664,290	56.1	98,266	40.3	176,872	62.3
Employee salary	100,529	11.2	110,642	11.4	134,373	11.3	30,842	12.6	38,665	13.6
Bidding service fee	88,573	9.9	139,113	14.3	88,254	7.5	62,624	25.7	707	0.2
Travel and transportation expenses	50,167	5.6	43,350	4.4	59,836	5.1	10,954	4.5	13,403	4.7
Business entertainment	42,608	4.8	39,366	4.0	72,631	6.1	12,839	5.3	21,654	7.6
Material consumption	30,303	3.4	58,928	6.0	73,499	6.2	11,361	4.7	17,281	6.1
Depreciation and amortization	15,595	1.7	14,903	1.5	19,256	1.6	4,886	2.0	7,119	2.5
Shares incentive	–	–	6,986	0.7	8,822	0.7	2,994	1.2	1,845	0.6
Office expenses	2,663	0.3	4,467	0.5	5,878	0.5	442	0.2	969	0.3
Transportation and loading fees ⁽¹⁾	265,561	29.7	–	–	–	–	–	–	–	–
Other	29,696	3.3	31,102	3.2	57,579	4.9	8,845	3.6	5,475	1.9
Total	895,444	100.0	974,651	100.0	1,184,420	100.0	244,052	100.0	283,989	100.0

Note:

- (1) Transportation and loading fees have been reallocated to become a part of the operating costs since 2020 in line with the change in the relevant accounting standards that became effective in 2020.

Administrative Expenses

The Group's administrative expenses mainly represent employee salary related to the Group's administrative personnel, depreciation and amortization, intermediary agency fee, shares incentive, business entertainment, rental expenses, travelling expenses, office and conference fees, labour fee, advertising fee, repair expenses and other fees. The table below sets forth a breakdown of the Group's general and administrative expenses by nature for the periods indicated:

	For the year ended 31 December						For the three months ended 31 March			
	2019		2020		2021		2021		2022	
	Administrative expenses	Percentage (%)	Administrative expenses	Percentage (%)	Administrative expenses	Percentage (%)	Administrative expenses	Percentage (%)	Administrative expenses	Percentage (%)
	Audited					Unaudited				
	(RMB in thousands, except percentages)									
Employee salary	194,166	46.4	215,608	42.4	278,015	41.3	65,864	48.7	93,111	53.7
Depreciation and amortization	58,525	14.0	79,906	15.7	100,997	15.0	24,513	18.1	24,350	14.0
Intermediary agency fee	46,342	11.1	49,092	9.6	65,826	9.8	4,251	3.1	9,928	5.7
Shares incentive	-		30,608	6.0	43,842	6.5	12,951	9.6	11,151	6.4
Business entertainment	26,234	6.3	28,876	5.7	38,981	5.8	8,919	6.6	11,140	6.4
Rental expenses	24,564	5.9	25,864	5.1	19,452	2.9	3,536	2.6	3,878	2.2
Travelling expenses	26,614	6.4	21,294	4.2	23,374	3.5	3,257	2.4	4,347	2.5
Office and conference fees	12,655	3.0	16,184	3.2	21,332	3.2	5,243	3.9	6,959	4.0
Labour fee	2,488	0.6	4,102	0.8	22,937	3.4	3,905	2.9	2,576	1.5
Advertising fee	5,545	1.3	2,913	0.6	8,805	1.3	472	0.3	1,402	0.8
Repair expenses	6,585	1.6	2,466	0.5	6,435	1.0	923	0.7	2,003	1.2
Other	14,884	3.6	32,109	6.3	42,377	6.3	1,288	1.0	2,674	1.5
Total	418,602	100.0	509,022	100.0	672,373	100.0	135,122	100.0	173,520	100.0

Research and Development Expenses

The Group's research and development expenses mainly represent employee salary related to the Group's research and development personnel, material consumption, depreciation and amortization, professional fees such as design, testing and certification, travelling expenses, rental expenses, shares incentive, intermediary agency fee, repair expenses and other expenses. The table below sets forth a breakdown of the Group's research and development expenses by nature for the periods indicated:

	For the year ended 31 December						For the three months ended 31 March			
	2019		2020		2021		2021		2022	
	Research and Development Expenses	Percentage (%)	Research and Development Expenses	Percentage (%)	Research and Development Expenses	Percentage (%)	Research and Development Expenses	Percentage (%)	Research and Development Expenses	Percentage (%)
	Audited						Unaudited			
	(RMB in thousands, except percentages)									
Employee salary	122,808	41.2	220,369	36.7	253,796	29.1	65,675	42.6	74,083	41.7
Material consumption	40,841	13.7	135,968	22.6	262,936	30.1	38,445	24.9	57,539	32.4
Depreciation and amortization	47,564	16.0	87,048	14.5	79,976	9.2	18,300	11.9	23,547	13.3
Professional fees such as design, testing and certification	20,928	7.0	77,050	12.8	130,418	14.9	11,400	7.4	6,934	3.9
Travelling expenses	24,520	8.2	27,413	4.6	27,892	3.2	5,977	3.9	5,424	3.1
Rental expenses	7,725	2.6	10,401	1.7	10,121	1.2	2,651	1.7	3,119	1.8
Shares incentive	–		8,711	1.5	12,073	1.4	3,733	2.4	2,992	1.7
Intermediary agency fee	8,623	2.9	8,375	1.4	8,141	0.9	2,410	1.6	173	0.1
Repair expenses	120	0.0	3,492	0.6	56,347	6.5	22	0.01	72	0.04
Other	24,878	8.3	21,880	3.6	30,679	3.5	5,650	3.7	3,791	2.1
Total	298,007	100.0	600,707	100.0	872,379	100.0%	154,263	100.0%	177,674	100.0%

Financial Expenses

The Group's financial expenses mainly represent interest expense on its loans, bonds and finance leases. The table below sets forth a breakdown of the Group's financial expenses by nature for the periods indicated:

	For the year ended 31 December			For the three months ended 31 March	
	2019	2020	2021	2021	2022
	(Audited)			(Unaudited)	
	(RMB in thousands)				
Interest expense	296,633	554,955	371,887	93,476	47,772
Reversal of unrecognized financing expense	162,867	87,389	69,214	58,652	38,500
Less: Reversal of unrealized financing income	97,751	–	–	160	46
Less: Interest capitalized	105,073	169,727	40,027	53,777	1,618
Less: Interest income	49,324	182,091	203,258	60,945	56,629
Discount on acceptance bills	13,968	7,717	2,899	–	–
Exchange gains and losses	3,183	14,927	(32,526)	(40,605)	(17,142)
Bank charges	42,294	72,405	86,939	18,183	24,057
Total	266,797	385,575	255,128	14,824	34,894

Other Income

The Group's other income mainly represents government grants. The following table sets forth a breakdown of the Group's other income for the periods indicated:

	Year ended 31 December			Three months ended 31 March	
	2019	2020	2021	2021	2022
	(Audited)			(Unaudited)	
	(RMB in thousands)				
Government grants related to assets	24,235	20,481	18,895	4,790	4,729
Government grants related to income	57,820	73,464	339,345	12,848	40,707
Refund of handling fee of individual income tax	706	756	315	224	247
Super-deduction of VAT input	–	–	94	–	–
Total	82,761	94,701	358,649	17,862	45,682

Investment Income

The Group's investment income mainly represents income from long-term equity investments accounted for using the equity method, investment income from disposal of long-term equity investments, investment income from disposal of long-term equity investments classified as assets held for sale and investment income from bank wealth management products. The following table sets forth a breakdown of the Group's investment income for the periods indicated:

	Year ended 31 December			Three months ended 31 March	
	2019	2020	2021	2021	2022
	(Audited)			(Unaudited)	
	(RMB in thousands)				
Income from long-term equity investments accounted for using the equity method	12,315	19,848	32,772	6,685	6,423
Investment income from disposal of long-term equity investments	277,203	(3,465)	752,621	–	–
Investment income from disposal of long-term equity investments classified as assets held for sale	–	(1,564)	59,612	40,532	514,109
Bank wealth management products	222	1,341	72,825	–	45,790
Total	289,740	16,160	917,830	47,218	566,322

Gains from change in fair value

The Group's gains from change in fair value mainly represents gains from change in fair value of other non-current financial assets. In the years ended 31 December 2019, 2020 and 2021 and the three months ended 31 March 2021 and 2022, the Group had gains of nil, nil, RMB67.6 million, nil and losses of RMB77.2 million, respectively.

Credit Impairment Loss

The Group's credit impairment loss mainly represents bad debt loss of notes receivable, accounts receivable and other receivables. The following table sets forth a breakdown of the Group's credit impairment loss for the periods indicated:

	Year ended 31 December			Three months ended 31 March	
	2019	2020	2021	2021	2022
	(Audited)			(Unaudited)	
	(RMB in thousands)				
Bad debt loss of notes receivable	(1,731)	(26)	(1,341)	(1,148)	(37)
Bad debt loss of accounts receivable	(1,104)	(60,011)	(144,178)	(46,355)	(52,315)
Bad debt loss of other receivables	628	(11,368)	3,111	3,434	(13,899)
Total	(2,207)	(71,405)	(139,726)	(44,069)	(66,252)

Assets Impairment Loss

The Group's asset impairment loss mainly represents decline in value of inventories and impairment loss of fixed assets, contract assets, other non-current assets, intangible assets, goodwill, right-of-use assets, long-term equity investment and long-term deferred expenses. The following table sets forth a breakdown of the Group's assets impairment loss for the periods indicated:

	Year ended 31 December			Three months ended 31 March	
	2019	2020	2021	2021	2022
	(Audited)			(Unaudited)	
	(RMB in thousands)				
Decline in value of inventories	(27,600)	(3,441)	(12,167)	(10,537)	–
Impairment loss of fixed assets	(34,406)	(36,126)	(38,231)	(19,856)	–
Impairment loss of contract assets	–	(1,392)	110	(238)	1,561
Impairment loss of other non-current assets	–	(10,257)	(2,903)	–	–
Impairment loss of intangible assets	–	(15,005)	(127,148)	–	–
Impairment loss of goodwill	(14,609)	–	–	–	–
Impairment loss of right-of-use assets	–	–	(7,013)	–	–
Impairment loss of long-term equity investment	–	–	(6,000)	–	–
Impairment loss of long-term deferred expenses	–	–	(7,179)	–	–
Total	(76,615)	(66,221)	(200,531)	(30,630)	1,561

Gains/(losses) from Disposal of Assets

The Group's gains/(losses) from disposal of assets mainly represent gains and losses from disposal of fixed and intangible assets. In the years ended 31 December 2019, 2020 and 2021 and the three months ended 31 March 2021 and 2022, the Group had losses of RMB1.6 million, gains of RMB10.6 million, losses of RMB0.6 million, gains of RMB0.9 million and gains of RMB0.02 million, respectively.

Non-Operating Income

The Group's non-operating income mainly represents gains from damage or scrap of non-current assets, insurance claims and others. In the years ended 31 December 2019, 2020 and 2021 and the three months ended 31 March 2021 and 2022, the Group had non-operating income of RMB17.7 million, RMB11.5 million, RMB22.4 million, RMB2.3 million and RMB6.4 million respectively.

Non-Operating Expenses

The Group's non-operating expenses mainly represent fines, donation, loss on damage or scrap of non-current assets, liquidated damages and compensation expenses and others. The following table sets forth a breakdown of the Group's non-operating income for the periods indicated:

	Year ended 31 December			Three months ended 31 March	
	2019	2020	2021	2021	2022
		(Audited)		(Unaudited)	
		(RMB in thousands)			
Fines	–	46,992	18,755	–	1,505
Donation	2,365	37,904	20,486	1,300	100
Loss on damage or scrap of non-current assets	278	13,842	6,157	356	468
Liquidated damages and compensation expenses	4,799	9,920	8,962	375	402
Other	1,591	4,770	1,723	152	27
Total	9,033	113,428	56,083	2,184	2,501

Income Tax Expense

The Group's income tax expenses consist of current income tax and deferred income. The Group is subject to income tax on an individual legal entity basis on profits arising in or derived from the tax jurisdictions in which the Group and its subsidiaries are domiciled or operate.

The Group and its subsidiaries located in China have been subject to EIT at a statutory tax rate of 25%, except that some of the subsidiaries and their projects were entitled to preferential tax treatments, mainly including the following:

- (i) preferential income tax rate of 15.0% due to their accreditation as high and new technology enterprises or their locations in western China as supported by the "Go West" policy in China, primarily applicable to power generation subsidiaries of the Group located in Qinghai, Inner Mongolia and Xinjiang autonomous region; and
- (ii) a three-year period of full EIT exemption commencing from the first year with operating revenue, followed by a three-year period of half EIT reduction, primarily applicable to certain subsidiaries that develop qualified wind power and solar power projects.

In the years ended 31 December 2019, 2020 and 2021 and the three months ended 31 March 2021 and 2022, the Group's effective tax rate, which was calculated by dividing the income tax expenses by total profit was 11.5%, 11.7%, 17.6%, 24.9% and 16.0%, respectively. The Company's subsidiaries established and operated in Hong Kong are subject to an enterprise income tax rate of 16.5%.

RESULTS OF OPERATIONS

The following table summarizes the Group's results of operations for the periods indicated:

	Year ended 31 December			Three months ended 31 March	
	2019	2020	2021	2021	2022
	(Audited)			(Unaudited)	
	(RMB in thousands)				
Operating revenue	10,493,157	22,456,987	27,158,048	4,361,251	7,028,511
Less: Operating costs	8,115,572	18,287,125	21,337,655	3,428,094	5,145,236
Taxes and surcharges	52,029	104,742	216,251	15,095	13,089
Selling expenses	895,444	974,651	1,184,420	244,052	283,989
Administrative expenses	418,602	509,022	672,373	135,122	173,520
Research and development expenses	298,007	600,707	872,379	154,263	177,674
Financial expense	266,797	385,575	255,128	14,824	34,894
Including: Interest expenses	270,644	591,817	403,974	99,569	84,654
Interest income	49,324	182,091	203,258	60,945	56,675
Add: Other income	82,761	94,701	358,649	17,862	45,682
Investment income	289,740	16,160	917,830	47,218	566,322
Including: Gains from investments in associates and joint ventures	12,315	19,848	32,772	6,685	6,423
Gains from changes in fair value	–	–	67,654	–	(77,173)
Credit impairment loss	(2,207)	(71,405)	(139,726)	(44,069)	(66,252)
Assets impairment gain/(losses)	(76,616)	(66,221)	(200,531)	(30,630)	1,561
Gains/(losses) from disposal of assets	(1,561)	10,580	(626)	862	16
Operating profit	738,824	1,578,979	3,623,093	361,045	1,670,266
Add: Non-operating income	17,720	11,549	22,383	2,324	6,353
Less: Non-operating expenses	9,033	113,428	56,082	2,184	2,501
Total profit	747,510	1,477,100	3,589,394	361,185	1,674,118
Less: Income tax expenses	86,176	172,784	630,009	90,098	268,130
Net profit	661,334	1,304,316	2,959,385	271,087	1,405,988
Net profit attributable to owners of the parent	712,563	1,374,071	3,101,124	282,486	1,412,732
Net loss attributable to minority interests	(51,229)	(69,756)	(141,739)	(11,399)	(6,744)
Other comprehensive income — after tax	128	(3,042)	4,487	(2,359)	(3,779)
Total comprehensive income	661,462	1,301,274	2,963,871	268,729	1,402,209
Total comprehensive income attributable to owners of the parent	712,735	1,371,204	3,105,203	280,146	1,408,942
Total comprehensive loss attributable to minority interests	(51,273)	(69,930)	(141,332)	(11,417)	(6,734)

The following discussion compares the major components of the Group's operating results in the three years ended 31 December 2019, 2020 and 2021 and the three months ended 31 March 2021 and 2022.

Comparisons for the three months ended 31 March 2022 and 2021

Operating Revenue

The Group's total operating revenue increased by 61.2% from RMB4,361.3 million in the three months ended 31 March 2021 to RMB7,028.5 million in the three months ended 31 March 2022, primarily due to an increase in revenue derived from sales of wind turbine and related accessories.

Operating revenue from the Group's sales of wind turbine and related accessories increased by 66.4% from RMB3,923.4 million in the three months ended 31 March 2021 to RMB6,528.7 million in the three months ended 31 March 2022, primarily due to an increase in sales of offshore wind turbine models of 6.XMW or above.

Operating revenue from the power generated from the Group's wind and solar farms decreased by 12.3% from RMB353.7 million in the three months ended 31 March 2021 to RMB310.3 million in the three months ended 31 March 2022, primarily due to a decrease in the volume of power generated from the Group's wind farms due to climatic conditions in the first quarter of 2022.

Operating revenue from the Group's renewable EPC services increased by 282.3% from RMB41.2 million in the three months ended 31 March 2021 to RMB157.6 million in the three months ended 31 March 2022.

Operating revenue from the Group's sales of photovoltaic products increased by 605.0% from RMB0.5 million in the three months ended 31 March 2021 to RMB3.4 million in the three months ended 31 March 2022.

Operating revenue from the Group's distribution and sales of electricity decreased from RMB1.9 million in the three months ended 31 March 2021 to nil in the three months ended 31 March 2022.

The Group's operating revenue from other business decreased by 29.6% from RMB40.6 million in the three months ended 31 March 2021 to RMB28.6 million in the three months ended 31 March 2022.

Operating Costs

The Group's operating costs increased by 50.1% from RMB3,428.1 million in the three months ended 31 March 2021 to RMB5,145.2 million in the three months ended 31 March 2022, primarily due to increases in costs of raw materials and components that were generally in line with revenue growth.

Gross Profit and Gross Profit Margin

The Group's gross profit increased by 101.8% from RMB933.2 million in the three months ended 31 March 2021 to RMB1,883.3 million in the three months ended 31 March 2022, primarily as a result of the increase in the gross profit margin in the Group's sales of wind turbine and related accessories and renewable EPC services.

Gross profit from the Group's sales of wind turbine and related accessories increased by 151.8% from RMB665.8 million in the three months ended 31 March 2021 to RMB1,676.5 million in the three months ended 31 March 2022. The gross profit margin from the Group's sales of wind turbine and related accessories increased from 17.0% in the three months ended 31 March 2021 to 25.7% in the three months ended 31 March 2022, primarily due to increased sales of offshore wind turbine models which have a relatively higher gross profit margin.

Gross profit from the Group's power generation from its wind and solar farms decreased by 28.9% from RMB265.5 million in the three months ended 31 March 2021 to RMB188.9 million in the three months

ended 31 March 2022. The gross profit margin from the Group's power generation from its wind and solar farms decreased from 75.1% in the three months ended 31 March 2021 to 60.9% in the three months ended 31 March 2022, primarily due to a decrease in operating revenue as a result of climatic conditions during the first quarter of 2022.

Gross profit from the Group's renewable EPC services increased by 2,957.5% from RMB0.4 million in the three months ended 31 March 2021 to RMB12.2 million in the three months ended 31 March 2022. Gross profit margin from the Group's renewable EPC services increased from 1.0% in the three months ended 31 March 2021 to 7.7% in the three months ended 31 March 2022.

Gross loss from the Group's sales of photovoltaic products decreased by 29.8% from RMB2.6 million in the three months ended 31 March 2021 to RMB1.8 million in the three months ended 31 March 2022. Gross profit margin from the Group's sales of photovoltaic products increased from -541.4% in the three months ended 31 March 2021 to -53.9% in the three months ended 31 March 2022.

The Group's distribution and sales of electricity incurred a gross loss of RMB0.2 million in the three months ended 31 March 2022, compared with a gross profit of RMB0.1 million in the three months ended 31 March 2021. Gross profit margin from the Group's distribution and sales of electricity decreased from 5.8% in the three months ended 31 March 2021 to nil in the three months ended 31 March 2022.

Gross profit from the Group's other business increased by 98.0% from RMB3.9 million in the three months ended 31 March 2021 to RMB7.7 million in the three months ended 31 March 2022. Gross profit margin from the Group's other business increased from 9.6% in the three months ended 31 March 2021 to 27.1% in the three months ended 31 March 2022.

Taxes and Surcharges

The Group's taxes and surcharges decreased by 13.3% from RMB15.1 million in the three months ended 31 March 2021 to RMB13.1 million in the three months ended 31 March 2022, primarily due to decreases in urban maintenance taxes and educational surcharges, mainly as a result of the decrease in the Group's income tax. The Group's urban maintenance taxes and education surcharges are pegged to Group's income tax and as the Group's income tax decreased, its urban maintenance taxes and educational surcharges decreased correspondingly.

Selling Expenses

The Group's selling expenses increased by 16.4% from RMB244.1 million in the three months ended 31 March 2021 to RMB284.0 million in the three months ended 31 March 2022, primarily due to an increase in quality assurance and after-sales service fees that are related to the wind turbines the Group has sold. As the Group sold more turbines, the quality assurance and after-sales service fees increased correspondingly.

Administrative Expenses

The Group's administrative expenses increased by 28.4% from RMB135.1 million in the three months ended 31 March 2021 to RMB173.5 million in the three months ended 31 March 2022, primarily due to an increase in the Group's employee salaries as a result of the expansion of the Group's scale of operations.

Research and Development Expenses

The Group's research and development expenses increased by 15.2% from RMB154.3 million in the three months ended 31 March 2021 to RMB177.7 million in the three months ended 31 March 2022, primarily due to the Group's increased commitment in optimizing and developing new wind turbine models and related technologies which lead to overall increases in material consumption and employee salaries.

Financial Expenses

The Group's financial expenses increased by 135.4% from RMB14.8 million in the three months ended 31 March 2021 to RMB34.9 million in the three months ended 31 March 2022, primarily due to an increase in exchange gain or loss due to fluctuations in the exchange rates of US dollar and euro.

Other Income

The Group's other income increased by 155.8% from RMB17.9 million in the three months ended 31 March 2021 to RMB45.7 million in the three months ended 31 March 2022, primarily due to an increase in government grants related to income.

Investment Income

The Group's investment income increased by 1,099.4% from RMB47.2 million in the three months ended 31 March 2021 to RMB566.3 million in the three months ended 31 March 2022, primarily due to an increase in investment income from disposal of long-term equity investments classified as assets held for sale mainly related to certain wind and solar farms.

Gains from Changes in Fair Value

The Group's gains/losses from changes in fair value decreased from nil in the three months ended 31 March 2021 to a loss of RMB77.2 million in the three months ended 31 March 2022, primarily due to losses from other non-current financial assets in the first three months of 2022 as a result of the fluctuations of certain stocks held by the Group.

Credit Impairment Gains/(Losses)

The Group's credit impairment losses increased by 50.3% from RMB44.1 million in the three months ended 31 March 2021 to RMB66.3 million in the three months ended 31 March 2022, primarily due to an increase in bad debt loss of other receivables.

Asset Impairment Gains/(Losses)

The Group's asset impairment gains/losses changed from a loss of RMB30.6 million in the three months ended 31 March 2021 to a gain of RMB1.6 million in the three months ended 31 March 2022, primarily due to impairment loss of fixed assets and decline in value of inventories incurred by the Group in 2021.

Gains/(Losses) from Disposal of Assets

The Group's gains from the disposal of assets decreased by 98.1% from RMB0.9 million in the three months ended 31 March 2021 to RMB0.02 million in the three months ended 31 March 2022, primarily due to a decrease in gains from disposal of fixed assets.

Non-Operating Income

The Group's non-operating income increased by 173.4% from RMB2.3 million in the three months ended 31 March 2021 to RMB6.4 million in the three months ended 31 March 2022, primarily due to an increase in income from insurance claims.

Non-Operating Expenses

The Group's non-operating expenses increased by 14.5% from RMB2.2 million in the three months ended 31 March 2021 to RMB2.5 million in the three months ended 31 March 2022, primarily due to the fines incurred by the Group in 2022.

Income Tax Expenses

The Group's income tax expenses increased by 197.6% from RMB90.1 million in the three months ended 31 March 2021 to RMB268.1 million in the three months ended 31 March 2022. In the three months ended 31 March 2021 and 2022, the Group's effective tax rate was 24.9% and 16.0% respectively. The decrease in the Group's effective tax rate was primarily due to the preferential income tax rate enjoyed by certain subsidiaries of the Group as a result of being accredited as high and new technology enterprises.

Net Profit

As a result of the foregoing, the Group's net profit increased by 418.6% from RMB271.1 million in the three months ended 31 March 2021 to RMB1,406.0 million in the three months ended 31 March 2022.

Comparisons for the years ended 31 December 2021 and 2020

Operating Revenue

The Group's total operating revenue increased by 20.9% from RMB22,457.0 million in the year ended 31 December 2020 to RMB27,158.0 million in the year ended 31 December 2021, primarily due to increases in revenue derived from sales of wind turbines and related accessories and power generated from the Group's wind and solar farms.

Operating revenue from the Group's sales of wind turbines and related accessories increased by 20.5% from RMB20,947.4 million in the year ended 31 December 2020 to RMB25,247.4 million in the year ended 31 December 2021, primarily due to an increase in sales of wind turbine models of 6.XMW or above as the demand for wind power in general, and the demand for offshore wind turbines in particular, increased.

Operating revenue from the power generated from the Group's wind and solar farms increased by 42.4% from RMB990.1 million in the year ended 31 December 2020 to RMB1,410.2 million in the year ended 31 December 2021, primarily due to the increased scale of operations of the wind and solar farms as more wind and solar farms became operational.

Operating revenue from the Group's renewable EPC services decreased by 64.0% from RMB336.7 million in the year ended 31 December 2020 to RMB121.2 million in the year ended 31 December 2021.

Operating revenue from the Group's sales of photovoltaic products decreased by 31.5% from RMB24.0 million in the year ended 31 December 2020 to RMB16.5 million in the year ended 31 December 2021.

Operating revenue from the Group's distribution and sales of electricity decreased by 85.7% from RMB14.6 million in the year ended 31 December 2020 to RMB2.1 million in the year ended 31 December 2021.

The Group's operating revenue from other business increased by 150.1% from RMB144.3 million in the year ended 31 December 2020 to RMB360.8 million in the year ended 31 December 2021.

Operating Costs

The Group's operating costs increased by 16.7% from RMB18,287.1 million in the year ended 31 December 2020 to RMB21,337.7 million in the year ended 31 December 2021, primarily due to increases in costs of raw materials and components that were generally in line with revenue growth.

Gross Profit and Gross Profit Margin

The Group's gross profit increased by 39.6% from RMB4,169.9 million in the year ended 31 December 2020 to RMB5,820.4 million in the year ended 31 December 2021, primarily as a result of the increase in

the gross profit margin in the Group's (i) sales of wind turbines and related accessories and (ii) power generation from the Group's wind and solar farms.

Gross profit from the Group's sales of wind turbines and related accessories increased by 36.7% from RMB3,537.9 million in the year ended 31 December 2020 to RMB4,836.5 million in the year ended 31 December 2021. The gross profit margin from the Group's sales of wind turbines and related accessories increased from 16.9% in the year ended 31 December 2020 to 19.2% in the year ended 31 December 2021, primarily due to the increased sales of wind turbine models of 6.XMW or above, which have a higher profit margin than the smaller wind turbine models.

Gross profit from the Group's power generation from its wind and solar farms increased by 50.9% from RMB611.2 million in the year ended 31 December 2020 to RMB922.3 million in the year ended 31 December 2021. The gross profit margin from the Group's power generation from its wind and solar farms increased from 61.7% in the year ended 31 December 2020 to 65.4% in the year ended 31 December 2021, primarily due to the sales of certain wind and solar farms with relatively low profit margin in 2020.

Gross profit from the Group's renewable EPC services decreased by 41.3% from RMB25.9 million in the year ended 31 December 2020 to RMB15.2 million in the year ended 31 December 2021. Gross profit margin from the Group's renewable EPC services increased from 7.7% in the year ended 31 December 2020 to 12.6% in the year ended 31 December 2021.

Gross loss from the Group's sales of photovoltaic products decreased by 42.9% from RMB18.9 million in the year ended 31 December 2020 to RMB10.8 million in the year ended 31 December 2021. Gross profit margin from the Group's sales of photovoltaic products increased from -78.5% in the year ended 31 December 2020 to -65.5% in the year ended 31 December 2021.

The Group's distribution and sales of electricity incurred a gross loss of RMB1.4 million in the year ended 31 December 2021, compared with a gross profit of RMB0.7 million in the year ended 31 December 2020. Gross profit margin from the Group's distribution and sales of electricity decreased from 5.1% in the year ended 31 December 2020 to -67.4% in the year ended 31 December 2021.

Gross profit from the Group's other business increased by 351.8% from RMB13.0 million in the year ended 31 December 2020 to RMB58.5 million in the year ended 31 December 2021. Gross profit margin from the Group's other business increased from 9.0% in the year ended 31 December 2020 to 16.2% in the year ended 31 December 2021.

Taxes and Surcharges

The Group's taxes and surcharges increased by 106.5% from RMB104.7 million in the year ended 31 December 2020 to RMB216.3 million in the year ended 31 December 2021, primarily due to increases in urban maintenance taxes and educational surcharges, mainly as a result of the increase in the Group's income tax. The Group's urban maintenance taxes and education surcharges are pegged to Group's income tax and as the Group's income tax increased, its urban maintenance taxes and educational surcharges increased correspondingly.

Selling Expenses

The Group's selling expenses increased by 21.5% from RMB974.7 million in the year ended 31 December 2020 to RMB1,184.4 million in the year ended 31 December 2021, primarily due to increases in quality assurance and after-sales service fees that are related to the wind turbines the Group sold in the prior years. As the Group sold more turbines, the quality assurance and after-sales service fees increased correspondingly.

Administrative Expenses

The Group's administrative expenses increased by 32.1% from RMB509.0 million in the year ended 31 December 2020 to RMB672.4 million in the year ended 31 December 2021, primarily due to increases in the Group's employee salaries, depreciation and amortization expenses and labour fees mainly as a result of the expansion of the Group's scale of operations.

Research and Development Expenses

The Group's research and development expenses increased by 45.2% from RMB600.7 million in the year ended 31 December 2020 to RMB872.4 million in the year ended 31 December 2021, primarily due to the Group's increased commitment in optimizing and developing new wind turbine models and related technologies which lead to overall increases in material consumption, fees paid to professional parties for design, testing and certification services and the repair expenses related to the research and development equipment.

Financial Expenses

The Group's financial expenses decreased by 33.8% from RMB385.6 million in the year ended 31 December 2020 to RMB255.1 million in the year ended 31 December 2021, primarily due to the exchange gains incurred by the Group in 2021, as compared with exchange losses in 2020, mainly as a result of the depreciation of euro.

Other Income

The Group's other income increased by 278.7% from RMB94.7 million in the year ended 31 December 2020 to RMB358.6 million in the year ended 31 December 2021, primarily due to an increase in government grants related to income.

Investment Income

The Group's investment income increased by 5,579.6% from RMB16.2 million in the year ended 31 December 2020 to RMB917.8 million in the year ended 31 December 2021, primarily due to increases in (i) investment income from disposal of long-term equity investments mainly related to certain wind and solar farms and (ii) investment income from bank wealth management products.

Gains from Changes in Fair Value

The Group's gains from changes in fair value increased from nil in the year ended 31 December 2020 to RMB67.7 million in the year ended 31 December 2021, primarily due to an increase in gains from other non-current financial assets in 2021 mainly as a result of the appreciation of certain stocks held by the Group.

Credit Impairment Gains/(Losses)

The Group's credit impairment losses increased by 95.7% from RMB71.4 million in the year ended 31 December 2020 to RMB139.7 million in the year ended 31 December 2021, primarily due to an increase in debt allowance of accounts receivables.

Asset Impairment Gains/(Losses)

The Group's asset impairment losses increased by 202.8% from RMB66.2 million in the year ended 31 December 2020 to RMB200.5 million in the year ended 31 December 2021, primarily due to increases in (i) impairment loss of goodwill and (ii) decline in value of inventories.

Gains/(Losses) from Disposal of Assets

The Group's gains/losses from the disposal of assets decreased by 105.9% from a gain of RMB10.6 million in the year ended 31 December 2020 to a loss of RMB0.6 million in the year ended 31 December 2021, primarily due to gains from disposal of certain intangible assets in 2020 related to the transfer of an experimental wind turbine.

Non-Operating Income

The Group's non-operating income increased by 93.8% from RMB11.5 million in the year ended 31 December 2020 to RMB22.4 million in the year ended 31 December 2021, primarily due to an increase in income from insurance claims.

Non-Operating Expenses

The Group's non-operating expenses decreased by 50.6% from RMB113.4 million in the year ended 31 December 2020 to RMB56.1 million in the year ended 31 December 2021, primarily due to a fine imposed on one of the Group's subsidiaries in 2020.

Income Tax Expenses

The Group's income tax expenses increased by 264.6% from RMB172.8 million in the year ended 31 December 2020 to RMB630.0 million in the year ended 31 December 2021. In the years ended 31 December 2020 and 2021, the Group's effective tax rate was 11.7% and 17.6% respectively. The increase in the Group's effective tax rate was primarily due to the expiration of the EIT exemption for certain of the Group's subsidiaries that develop qualified wind and solar power projects. See "— Principal Components of Consolidated Income Statements — Income Tax Expenses" for further details.

Net Profit

As a result of the foregoing, the Group's net profit increased by 126.9% from RMB1,304.3 million in the year ended 31 December 2020 to RMB2,959.4 million in the year ended 31 December 2021.

Comparisons between the years ended 31 December 2020 and 2019

Operating Revenue

The Group's total operating revenue increased by 114.0% from RMB10,493.2 million in the year ended 31 December 2019 to RMB22,457.0 million in the year ended 31 December 2020, primarily due to increases in revenue derived from sales of wind turbines and related accessories and power generated from the Group's wind and solar farms.

Operating revenue from the Group's sales of wind turbines and related accessories increased by 126.8% from RMB9,237.6 million in the year ended 31 December 2019 to RMB20,947.4 million in the year ended 31 December 2020, primarily due to an increase in sales of wind turbine models of 3.XMW or above as the demand for wind power in general, and the demand for large wind turbines in particular, increased.

Operating revenue from the power generated from the Group's wind and solar farms increased by 31.3% from RMB754.2 million in the year ended 31 December 2019 to RMB990.1 million in the year ended 31 December 2020, primarily due to the increased scale of operations of the wind and solar farms as more wind and solar farms became operational.

Operating revenue from the Group's renewable EPC services increased by 5.9% from RMB317.8 million in the year ended 31 December 2019 to RMB336.7 million in the year ended 31 December 2020.

Operating revenue from the Group's sales of photovoltaic products increased by 597.4% from RMB3.4 million in the year ended 31 December 2019 to RMB24.0 million in the year ended 31 December 2020.

Operating revenue from the Group's distribution and sales of electricity increased by 162.8% from RMB5.5 million in the year ended 31 December 2019 to RMB14.6 million in the year ended 31 December 2020.

Operating revenue from the Group's other business decreased by 17.3% from RMB174.5 million in the year ended 31 December 2019 to RMB144.3 million in the year ended 31 December 2020.

Operating Costs

The Group's operating costs increased by 125.3% from RMB8,115.6 million in the year ended 31 December 2019 to RMB18,287.1 million in the year ended 31 December 2020, primarily due to increases in costs of raw materials and components as well as labour costs that were generally in line with the revenue growth.

Gross Profit and Gross Profit Margin

The Group's gross profit increased by 75.4% from RMB2,377.6 million in the year ended 31 December 2019 to RMB4,169.9 million in the year ended 31 December 2020 as a result of the foregoing. The Group's gross profit margin decreased from 22.7% in the year ended 31 December 2019 to 18.6% in the year ended 31 December 2020, primarily as a result of the decrease in the gross profit margin in the Group's (i) sales of wind turbine and related accessories and (ii) power generation from the Group's wind and solar farms.

Gross profit from the Group's sales of wind turbine and related accessories increased by 99.2% from RMB1,775.6 million in the year ended 31 December 2019 to RMB3,537.9 million in the year ended 31 December 2020. The gross profit margin from the Group's sales of wind turbine and related accessories decreased from 19.2% in the year ended 31 December 2019 to 16.9% in the year ended 31 December 2020, primarily due to a reclassification of the transportation and loading fees to operating costs of this segment in 2020 in line with the change in the relevant accounting standards that became effective in 2020.

Gross profit from the Group's wind and solar farm development and operation increased by 25.7% from RMB486.2 million in the year ended 31 December 2019 to RMB611.2 million in the year ended 31 December 2020. The gross profit margin from the Group's wind and solar farm development and operation decreased from 64.5% in the year ended 31 December 2019 to 61.7% in the year ended 31 December 2020, primarily due to (i) a change in the wind and solar farms that the Group operated as certain renewable farms were sold and new renewable farms became operational, and (ii) different weather conditions experienced by these renewable farms located in different regions.

Gross profit from the Group's renewable EPC services decreased by 76.0% from RMB108.2 million in the year ended 31 December 2019 to RMB25.9 million in the year ended 31 December 2020. Gross profit margin from the Group's renewable EPC services decreased from 34.0% in the year ended 31 December 2019 to 7.7% in the year ended 31 December 2020.

Gross loss from the Group's sales of photovoltaic products increased by 51.4% from RMB12.5 million in the year ended 31 December 2019 to RMB18.9 million in the year ended 31 December 2020. Gross profit margin from the Group's photovoltaic products increased from -361.9% in the year ended 31 December 2019 to -78.5% in the year ended 31 December 2020.

Gross profit from the Group's distribution and sales of electricity decreased by 86.6% from RMB5.5 million in the year ended 31 December 2019 to RMB0.7 million in the year ended 31 December 2020.

Gross profit margin from the Group's distribution and sales of electricity decreased from 99.8% in the year ended 31 December 2019 to 5.1% in the year ended 31 December 2020.

Gross profit from the Group's other business decreased by 10.3% from RMB14.5 million in the year ended 31 December 2019 to RMB13.0 million in the year ended 31 December 2020. The gross profit margin from the Group's other business increased from 8.3% in the year ended 31 December 2019 to 9.0% in the year ended 31 December 2020.

Taxes and Surcharges

The Group's taxes and surcharges increased by 101.3% from RMB52.0 million in the year ended 31 December 2019 to RMB104.7 million in the year ended 31 December 2020, primarily in line with the revenue growth.

Selling Expenses

The Group's selling expenses increased by 8.8% from RMB895.4 million in the year ended 31 December 2019 to RMB974.7 million in the year ended 31 December 2020, primarily due to an increase in quality assurance and after-sales service fee mainly as a result of the increased sales of the Group's wind turbines in recent years, partially offset by a decrease in transportation and loading fees as a result of a reclassification of such expense to operating costs in 2020 in line with the change in the relevant accounting standards that became effective in 2020.

Administrative Expenses

The Group's administrative expenses increased by 21.6% from RMB418.6 million in the year ended 31 December 2019 to RMB509.0 million in the year ended 31 December 2020, primarily due to increases in (i) the expenses related to share incentives in 2020 mainly as a result of the share incentive plan being implemented in 2020; (ii) employee salaries mainly as a result of the expansion of the Group's scale of operations and an upward adjustment of employee salaries; and (iii) depreciation and amortization expenses mainly as a result of the expansion of the Group's scale of operations.

Research and Development Expenses

The Group's research and development expenses increased by 101.6% from RMB298.0 million in the year ended 31 December 2019 to RMB600.7 million in the year ended 31 December 2020, primarily due to the Group's increased commitment in optimizing and developing new wind turbine models which lead to overall increases in employee salaries, material consumption, depreciation and amortization and fees paid to professional parties for design, testing and certification services.

Financial Expenses

The Group's financial expenses increased by 44.5% from RMB266.8 million in the year ended 31 December 2019 to RMB385.6 million in the year ended 31 December 2020, primarily due to an increase in interest expense mainly as a result of an increase of long-term loans in connection with the development of wind farm projects.

Other Income

The Group's other income increased by 14.4% from RMB82.8 million in the year ended 31 December 2019 to RMB94.7 million in the year ended 31 December 2020, primarily due to an increase in government grants related to income.

Investment Income

The Group's investment income decreased by 94.4% from RMB289.7 million in the year ended 31 December 2019 to RMB16.2 million in the year ended 31 December 2020, primarily due to a disposal of its long-term investment in one of its project companies in 2019.

Credit Impairment Gains/Losses

The Group's credit impairment losses increased by 3,134.8% from RMB2.2 million in the year ended 31 December 2019 to RMB71.4 million in the year ended 31 December 2020, primarily due to (i) an increase of bad debt allowance of accounts receivable.

Asset Impairment Gains/Losses

The Group's asset impairment losses decreased by 13.6% from RMB76.6 million in the year ended 31 December 2019 to RMB66.2 million in the year ended 31 December 2020, primarily due to decreases in (i) a decline in value of inventories and (ii) impairment loss of goodwill.

Gains/Losses from Disposal of Assets

The Group's gains/losses from the disposal of assets went from a loss of RMB1.6 million in the year ended 31 December 2019 to a gain of RMB10.6 million in the year ended 31 December 2020, primarily due to a gain from disposal of certain intangible assets in 2020 related to the transfer of an experimental wind turbine to a customer.

Non-Operating Income

The Group's non-operating income decreased by 34.8% from RMB17.7 million in the year ended 31 December 2019 to RMB1.5 million in the year ended 31 December 2020, primarily due to the receipt of an RMB11.0 million arbitration compensation payment in 2019 which was non-recurring in nature.

Non-Operating Expenses

The Group's non-operating losses increased by 1,155.6% from RMB9.0 million in the year ended 31 December 2019 to RMB113.4 million in the year ended 31 December 2020, primarily due to a fine imposed on one of the Group's subsidiaries in 2020.

Income Tax Expenses

The Group's income tax expenses increased by 100.5% from RMB86.2 million in the year ended 31 December 2019 to RMB172.8 million in the year ended 31 December 2020, primarily in line with the increase in the Group's taxable income. In the years ended 31 December 2019 and 2020, the Group's effective tax rate was 11.5% and 11.7% respectively.

Net Profit

As a result of the foregoing, the Group's net profit increased by 97.2% from RMB661.3 million in the year ended 31 December 2019 to RMB1,304.3 million in the year ended 31 December 2020.

LIQUIDITY AND CAPITAL RESOURCES

Overview

The Group's primary source of liquidity for its operations is (i) cash flows generated from its operating activities, (ii) proceeds of bank and other borrowings, and (iii) issuance of debt and equity securities. The Group's cash requirements primarily relate to the manufacturing of the Group's wind turbines, the operation and maintenance of the Group's wind power projects, its investment activities, payment of debt and interests and payment of dividends. The residual amount of cash and cash equivalents at the end of each period is mainly used to finance the Group's day-to-day operations, meet the Group's debt obligations and other needs.

Cash Flows

	Year ended 31 December			Three months ended 31 March	
	2019	2020	2021	2021	2022
		(Audited)		(Unaudited)	
		(RMB in thousands)			
Net cash flows from operating activities	5,755,264	3,630,754	5,397,539	(1,544,641)	(3,903,272)
Net cash flows from investing activities	(2,142,709)	(3,763,222)	(6,935,412)	174,830	(92,858)
Net cash flows from financing activities	3,932,757	5,169,363	(635,844)	25,018	1,404,281
Effect of foreign exchange rate changes on cash	2,278	(316)	(12,876)	(2,315)	(7,767)
Net increase in cash and cash equivalents . . .	7,547,590	5,036,579	(2,186,593)	(1,347,108)	(2,599,616)
Opening balance of cash and cash equivalent .	2,708,271	10,255,861	15,292,440	15,292,440	13,105,847
Closing balance of cash and cash equivalent .	10,255,861	15,292,440	13,105,847	13,945,332	10,506,231

Operating activities

The Group's cash flow from operating activities reflects (i) cash received from sales of goods or rendering of services; (ii) tax refund received, (iii) other cash received relating to operating activities; (iv) cash paid for goods and services, (v) cash paid to and on behalf of employees, (vi) payments of all types of taxes, and (vii) other cash paid relating to operating activities.

In the three months ended 31 March 2022, the Group had net cash outflow from operating activities of RMB3,903.3 million, resulting from cash paid for goods and services in the ordinary course of business of RMB5,780.0 million, cash paid to and on behalf of employees of RMB492.3 million, cash payments for all types of taxes of RMB517.1 million and RMB401.2 million of other cash paid relating to operating activities, primarily consisting of its selling expenses, administrative expenses and research and development expenses. The cash outflow was partially offset by (i) cash received from sales of goods or rendering of services of RMB3,009.4 million; (ii) a refund of taxes of RMB42.8 million; and (iii) RMB235.2 million in other cash received related to operating activities primarily in connection with deposits from sales of its products.

In the year ended 31 December 2021, the Group had net cash inflow from operating activities of RMB5,397.5 million, resulting from cash received from sales of goods or rendering of services of RMB24,572.8 million, a refund of taxes of RMB300.4 million and RMB618.2 million in other cash received related to operating activities primarily in connection with deposits from sales of its products. The cash inflows were partially offset by (i) RMB15,895.0 million of cash paid for goods and services in the ordinary course of business; (ii) RMB1,465.8 million of cash paid to and on behalf of employees; (iii) RMB1,317.1 million of cash payments for all types of taxes; and (iv) RMB1,415.9 million of other cash paid relating to operating activities, primarily consisting of its selling expenses, administrative expenses and research and development expenses.

In the year ended 31 December 2020, the Group had net cash inflow from operating activities of RMB3,630.8 million, resulting from cash received from sales of goods or rendering of services of RMB36,872.0 million, a refund of taxes of RMB43.6 million and RMB700.5 million in other cash received related to operating activities primarily in connection with deposits from sales of its products. The cash inflows were partially offset by (i) RMB30,732.5 million of cash paid for goods and services in the ordinary course of business; (ii) RMB1,230.8 million of cash paid to and on behalf of employees; (iii) RMB704.4 million of cash payments for all types of taxes; and (iv) RMB1,317.5 million of other cash paid relating to operating activities, primarily consisting of its selling expenses, administrative expenses and research and development expenses.

In the year ended 31 December 2019, the Group had net cash inflow from operating activities of RMB5,755.3 million, resulting from cash received from sales of goods or rendering of services of RMB16,259.0 million, a refund of taxes of RMB57.7 million and RMB319.7 million in other cash received related to operating activities primarily in connection with deposits from the sales of its products. The cash inflows were partially offset by (i) RMB8,340.0 million of cash paid for goods and services in the ordinary course of business; (ii) RMB821.1 million of cash paid to and on behalf of employees; (iii) RMB398.5 million of cash payments for all types of taxes; and (iv) RMB1,321.5 million of other cash paid relating to operating activities, primarily its selling expenses, administrative expenses and research and development expenses.

Investing activities

The Group's cash outflows from investing activities primarily consist of cash paid to acquire fixed assets, intangible assets and other long-term assets, cash paid to acquire investments, cash paid to acquire subsidiaries and other business units and other cash paid relating to investing activities. The Group's cash inflows from investing activities primarily consist of cash received from disposal of investments, cash received from returns on investments, net cash received from disposal of fixed assets, intangible assets and other long-term assets, cash received from disposal of subsidiaries and other business units and other cash received relating to investing activities.

In the three months ended 31 March 2022, the Group had net cash outflow from investing activities of RMB92.9 million, resulting from cash paid to acquire fixed assets, intangible assets and other long-term assets of RMB1,442.2 million and cash paid to acquire investments of RMB3,520.7 million. The cash outflow was partially offset by (i) cash received from disposal of investments of RMB230.5 million; (ii) cash received from returns on investments of RMB3.5 million; (iii) net cash received from disposal of fixed assets, intangible assets and other long-term assets of RMB0.3 million; (iv) cash received from the disposal of subsidiaries and other business units of RMB726.3 million; and (v) other cash received relating to investing activities of RMB3,909.5 million.

In the year ended 31 December 2021, the Group had net cash outflow from investing activities of RMB6,935.4 million, primarily due to (i) cash paid to acquire fixed assets, intangible assets and other long-term assets of RMB7,387.1 million, mainly consisting of equipment related to the development of new energy power stations; (ii) cash paid to acquire investments of RMB4,863.4 million and (iii) other cash paid relating to investing activities of RMB87.3 million. Such outflows were partially offset by cash inflows from investing activities of RMB5,402.3 million, mainly relating to cash received from disposal of investments and other cash received relating to investing activities.

In the year ended 31 December 2020, the Group had net cash outflow from investing activities of RMB3,763.2 million, primarily due to (i) cash paid to acquire fixed assets, intangible assets and other long-term assets of RMB3,306.0 million, mainly consisting of equipment related to the development of new energy power stations and (ii) other cash paid relating to investing activities of RMB654.0 million. Such outflows were partially offset by cash inflows from investing activities of RMB196.8 million, mainly relating to other cash received relating to investing activities.

In the year ended 31 December 2019, the Group had net cash outflow from investing activities of RMB2,142.7 million, primarily due to (i) cash paid to acquire fixed assets, intangible assets and other long-term assets of RMB2,340.2 million, mainly consisting of equipment related to the development of new energy power stations and (ii) other cash paid relating to investing activities of RMB263.8 million. Such outflows were partially offset by cash inflows from investing activities of RMB583.0 million, mainly relating to cash received from the disposal of subsidiaries and other business units and from the disposal investments.

Financing activities

The Group's financing activities primarily include (i) cash inflows received from capital contribution, loans, and other financing activities and (ii) cash outflows from repayments of amounts borrowed, payments for interest expenses and distribution of dividends and other payments relating to financing activities.

In the three months ended 31 March 2022, the Group had net cash inflows from financing activities of RMB1,404.3 million, resulting from (i) RMB1,994.2 million of cash received from capital contributions; (ii) RMB50.0 million of cash received from borrowings; and (iii) RMB2.3 million of cash received relating to other financing activities. The cash inflows were partially offset by (i) RMB446.8 million of cash repayments of amounts borrowed; (ii) RMB52.9 million of cash payments for interest expenses and distributions of dividends; and (iii) RMB142.5 million of other cash payments relating to financing activities.

In the year ended 31 December 2021, the Group had net cash outflow from financing activities of RMB635.8 million, primarily due to (i) RMB1,503.1 million of cash repayments of amounts borrowed and (ii) RMB1,169.3 million of other cash payments relating to financing activities. The total cash outflows from financing activities was partially offset by (i) RMB1,116.2 million of cash received from borrowings and (ii) RMB1,275.1 million of cash received from bond issuance.

In the year ended 31 December 2020, the Group had net cash inflows from financing activities of RMB5,169.4 million, primarily due to (i) RMB5,917.7 million of cash received from capital contributions and (ii) RMB2,700.2 million of cash received from borrowings. The total cash inflows from financing activities was partially offset by (i) RMB2,797.4 million of cash repayments of amounts borrowed and (ii) RMB537.9 million of cash payments for interest expenses and distributions of dividends.

In the year ended 31 December 2019, the Group had net cash inflows from financing activities of RMB3,932.8 million, primarily due to: (i) RMB3,000.3 million of cash received relating to other financing activities, (ii) RMB1,812.2 million of cash from borrowings, and (iii) RMB1,269.9 million of cash received from capital contributions. The total cash inflows from financing activities was partially offset by (i) RMB1,146.5 million of cash repayments of amounts borrowed and (ii) RMB627.3 million of other cash payments relating to financing activities.

Indebtedness

The Group's indebtedness mainly consists of loans, bonds and finance lease payables. The table below sets forth the Group's indebtedness as at the dates indicated:

	As at 31 December			As at 31 March
	2019	2020	2021	2022
		(Audited)		(Unaudited)
		(RMB in thousands)		
Loans	4,373,432	4,191,190	4,031,868	3,648,876
Bonds	1,805,426	781,208	1,260,377	1,262,149
Finance lease payables	2,789,353	3,285,002	1,672,286	1,523,289
Total	8,968,211	8,257,400	6,964,531	6,434,313

Loans

The following table sets forth the breakdown of the Group's loans as at the dates indicated:

	As at 31 December			As at 31 March
	2019	2020	2021	2022
		(Audited)		(Unaudited)
		(RMB in thousands)		
Long-term loans				
Pledge loans	128,000	1,096,688	1,263,236	1,369,066
Mortgage loans	1,117,854	521,220	407,042	242,359
Guaranteed loans	1,752,941	2,424,281	2,263,122	1,980,092
Subtotal	2,998,797	4,042,190	3,993,400	3,591,517
Short-term loans				
Pledge loans	1,033,813	94,000	98,468	57,358
Guaranteed loans	340,821	40,000	–	–
Unsecured loans	–	15,000	–	–
Subtotal	1,374,635	149,000	98,468	57,358
Total	4,373,432	4,191,190	4,031,868	3,648,876

The Group's loans decreased by 4.2% from RMB4,373.4 million as at 31 December 2019 to RMB4,191.2 million as at 31 December 2020 and further by 3.8% to RMB4,031.9 million as at 31 December 2021. The Group's loans decreased by 9.5% from RMB4,031.9 million as at 31 December 2021 to RMB3,648.9 million as at 31 March 2022, primarily due to a decrease in long-term guaranteed loans.

As at 31 March 2022, the Group had total loans of RMB3,648.9 million, mainly comprising loans from commercial banks and other financial institutions.

Long-term loans

The Group incurs long-term loans for the purpose of funding its business expansion and capital requirements. As at 31 December 2021, the interest rates of the Group's long-term loans varying from 3.0% to 6.18%. As at 31 December 2019, 2020 and 2021 and 31 March 2022, the Group's long-term loans were RMB2,998.8 million, RMB4,042.2 million, RMB3,993.4 million and RMB3,591.5 million, respectively.

Short-term loans

The Group incurs short-term loans for the purpose of funding its daily working capital. As at 31 December 2019, 2020 and 2021 and 31 March 2022, the Group's short-term borrowings were RMB1,374.6 million, RMB149.0 million, RMB98.5 million and RMB57.4 million, respectively.

Bonds

The Group's bonds issued include corporate bonds, which include convertible corporate bonds and medium-term notes and credit enhanced green bonds. The Group uses net proceeds from its issuance of corporate bonds primarily to finance its long-term business expansion and to procure parts and components for its wind turbines. The following table sets forth some details on the Group's outstanding bonds as at 31 December 2021:

<u>Issue</u>	<u>Principal Amount (in millions)</u>	<u>Date of Issuance</u>	<u>Bond term</u>
Ming Yang Energy Group Limited 2018 first green medium-term notes	RMB500.0	2018-04-27	3 years
Ming Yang Energy Group Limited 2021 credit enhanced green bonds	US\$200.0	2021-14-12	3 years

Finance Lease Payables

The Group enters into financial leases in relation to the wind turbines and other equipment. The following table sets forth some details on the Group's outstanding financial lease payables as at the dates indicated:

	<u>As at 31 December</u>			<u>As at 31 March</u>
	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>
		(Audited)		(Unaudited)
		(RMB in thousands)		
Finance Lease Payables				
Long-term payables	3,682,444	4,276,516	1,617,982	1,569,607
Less: unrecognized financing expenses	893,092	991,515	344,261	326,563
Sub-total	2,789,353	3,285,002	1,273,721	1,243,043
Lease liabilities	–	–	398,565	280,245
Subtotal	2,789,353	3,285,002	1,672,286	1,523,289

As at 31 December 2021, the Group's financial leases had a term of 10 to 12 years and the interest rates of the financial leases varied from 5.65% to 6.125%.

CAPITAL EXPENDITURES

The Group's capital expenditures primarily comprise expenditures for the purchases of property, plant and equipment and intangibles. For the years ended 31 December 2019, 2020 and 2021 and the three months ended 31 March 2022, the Group's capital expenditures were RMB2,340.2 million, RMB3,306.0 million, RMB7,387.1 million and RMB1,442.2 million, respectively.

The Group's anticipated capital expenditures are subject to changes from time to time, and are based on the reassessment of its business plan, including, but not limited to, the progress of its projects under construction and pipeline projects, prevailing market conditions, regulatory environment and outlook of its future results of operations. In addition, if the Group fails to obtain adequate financing, its ability to expand its business may be hindered and the prospects of the Group's future operations may be materially and adversely affected.

CAPITAL COMMITMENTS AND CONTINGENCIES

Capital Commitments

As at 31 December 2021, the Group has contracted for capital commitments for expenditures for the purchases of property, plant and equipment and intangibles of RMB1,693.2 million.

Contingencies

As at 31 December 2019, 2020 and 2021, the Group had outstanding contingencies in relation to (i) pending arbitration and litigation, (ii) product quality assurance clause, (iii) mortgage or pledge of assets for its borrowings, bank acceptance bills and letters of credit and (iv) letters of guarantee and letters of credits. In addition, as at 31 March 2022, the Group had outstanding contingencies in relation to providing guarantees to other parties. For further details, see note XII. 2 to the audited consolidated financial statements in F-pages to this Prospectus as at and for the years ended 31 December 2019, 2020 and 2021 and the three months ended 31 March 2022.

OFF-BALANCE SHEET ARRANGEMENTS

As at 31 March 2022, the Group did not have any outstanding off-balance sheet arrangements.

KEY PERFORMANCE INDICATORS AND OTHER FINANCIAL METRICS

The following table sets forth certain key measurements of the Group's profitability:

	For the year ended 31 December			For the three months ended 31 March	
	2019	2020	2021	2021	2022
	(Audited)			(Unaudited)	
	(RMB in thousands, except percentages and ratios)				
Gross Profit	2,377,585	4,169,861	5,820,394	933,157	1,883,275
Gross Profit Margin ⁽¹⁾	22.7%	18.6%	21.4%	21.4%	26.8%
EBITDA ⁽²⁾	1,565,368	2,536,791	4,877,465	691,723	2,024,676
EBITDA margin ⁽³⁾	14.9%	11.3%	18.0%	15.9%	28.8%
Net profit	661,334	1,304,316	2,959,385	271,087	1,405,988
Net profit margin ⁽⁴⁾	6.3%	5.8%	10.9%	6.2%	20.0%
Return on Assets ⁽⁵⁾	2.3%	3.0%	5.2%	0.5%	2.3%
Return on Equity ⁽⁶⁾	12.1%	15.7%	18.4%	1.9%	6.7%

Notes:

- (1) Gross profit margin is calculated as gross profit (operating revenue less operating costs) divided by operating revenue.
- (2) EBITDA for any period is calculated as the sum of total profit, depreciation, amortisation of intangible assets and interest expenses (calculated as interest expense plus reversal of unrecognized financing expenses minus interest capitalised).
- (3) EBITDA margin is calculated as EBITDA divided by operating revenue.
- (4) Net profit margin is calculated as net profit divided by operating revenue.
- (5) Return on assets is calculated as net income divided by total assets.
- (6) Return on Equity is calculated as the weighted average of return of the shareholders' equity using the method set forth in No. 9 of the Disclosure Rules of the Publicly Traded Companies (《公开发行证券公司信息披露编报规则》第9号) as issued by the CSRC.

EBITDA and EBITDA margin are not PRC GAAP measures and should not be considered as an alternative to net profit, net margin or any other performance measures derived in accordance with PRC GAAP or as an alternative to cash flow from operating activities or as a measure of the Group's liquidity. The Group believes that inclusion of EBITDA and EBITDA margin is appropriate to provide additional information to investors about the Group's operating performance and to provide a measure of operating results unaffected by differences in capital structures, capital investment cycles and ages of related assets among otherwise comparable companies. EBITDA and EBITDA margin have limitations as analytical tools, and should not be considered in isolation, or as a substitute for analysis of the Group's operating results as reported under PRC GAAP.

The following table sets forth a reconciliation of profit before income tax for the applicable period or year to EBITDA and EBITDA for the periods indicated:

	For the year ended 31 December			For the three months ended 31 March	
	2019	2020	2021	2021	2022
	(RMB in thousands, except percentages)				
Total profit	747,510	1,477,100	3,589,394	361,185	1,674,118
Interest expense:					
Interest expense	296,633	591,816	614,235	93,476	47,772
Reversal of unrecognised financing expenses	162,867	87,388	69,214	58,652	38,500
Interest capitalized	105,073	206,588	282,375	53,777	1,618
Subtotal	354,427	472,617	401,074	98,351	84,654
Depreciation and Amortization charges	463,431	587,074	886,997	232,187	265,905
EBITDA	1,565,368	2,536,791	4,877,465	691,723	2,024,676
Operating revenue	10,493,157	22,456,987	27,158,048	4,361,251	7,028,511
EBITDA margin	14.9%	11.3%	18.0%	15.9%	28.8%

SIGNIFICANT ACCOUNTING POLICIES AND ESTIMATES

The Group has identified certain accounting policies and estimates significant to the preparation of the financial information in accordance with PRC GAAP. The audited consolidated financial statements in F-pages to this Prospectus sets forth these significant accounting policies in note III, which are important for an understanding of the Group's financial condition and results of operations.

Some of the Group's accounting policies involve subjective assumptions, estimates and judgments that are discussed in note III. 35 to the audited consolidated financial statements in F-pages to this Prospectus. In the application of its accounting policies, the Group's management is required to make estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The Group's estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates. The Group's estimates and underlying assumptions are reviewed by its management on an ongoing basis.

The Group's management has identified below the accounting policies, estimates and judgements that they believe are critical to the preparation of the financial information.

Critical Accounting Policies

Revenue

Before 1 January 2020

General Principle

Sale of goods

Revenue from the sale of goods is recognized when the Company has transferred to the buyer the significant risks and rewards of ownership of the goods, the Company retains neither continuing managerial involvement nor effective control over the goods sold, and related income can be measured reliably and the economic benefits are likely to flow to the Company, and the associated costs can be measured reliably.

Rendering of services

When the result of rendering of services can be measured reliably, the Company recognizes related revenue from services in accordance with the percentage of completion as at the balance sheet date.

The completion progress of rendering service is recognized by service cost incurred as a percentage of estimated total cost.

The result of rendering of services can be estimated reliably when all of the following conditions are satisfied: A) The amount of revenue can be measured reliably; B) The associated economic benefits are likely to flow into the Company; C) The completion progress of the transaction can be measured reliably; D) The costs incurred and to be incurred in the transaction can be measured reliably.

If the result of rendering of service transaction cannot be estimated reliably, revenue from rendering of services is recognized only to the extent of service cost incurred that is recoverable probably, and service cost incurred is charged to profit or loss for the current period. If the service cost incurred is not expected to be recoverable, no revenue is recognized.

Transfer of the right to use assets

Revenue is recognized when the economic benefits associated with the transfer of the right to use assets can flow to the Company and the amount can be measured reliably.

Construction contracts

Where the outcome of a construction contract can be estimated reliably at the balance sheet date, revenues and expenses associated are recognized using the percentage of completion method. Where the outcome of a construction contract cannot be estimated reliably, it is treated either: if contract costs is recoverable, contract revenue is recognized on actual contract costs that can be recovered and contract costs incurred is regarded as expenses in the current period. If the contract cost incurred is not recoverable, the contract cost is regarded as expenses and no revenue is recognized.

If the estimated total costs exceed contract revenue, the Group recognizes estimated loss in profit or loss for the current period.

The completion progress of contract is recognized by contract cost incurred as a percentage of estimated total contract cost.

The outcome of a construction contract can be estimated reliably when all of the following conditions are satisfied: A) The amount of contract revenue can be measured reliably; B) The associated economic benefits are likely to flow to the Group; C) The actual contract costs incurred can be distinguished clearly and measured reliably; D) The completion progress of the contract and the costs need to be incurred to complete the contract can be measured reliably.

Specific Revenue Recognition

The specific method of the Group's revenue recognition on sale of wind turbines is as follow:

Revenue on sale of wind turbines is recognised when the related services or products has been provided to customers according to signed contracts, the wind turbine has been delivered to the site, hoisted and installed and client acceptance report has been obtained from customers, the amount of revenue can be reliably determined, right to receive payments has been established and the related economic benefits are likely to flow into the Company, and the related costs of services or products can be reliably measured.

The specific method for revenue recognition of operation and maintenance services is as follows:

Revenue of operation and maintenance services is recognised when the operation and maintenance services has been provided within the service period agreed in the contract, operation and maintenance costs actually incur and are reliably measured, and the service fee is charged according to the operation and maintenance pricing policy.

The specific method of electricity sales revenue recognition is as follows:

Revenue of electricity sales is recognised on the basis of monthly on-grid electricity and electricity price.

Electricity sales service revenue:

Revenue on electricity sale is recognised on the difference between the on-grid price and selling price based on the electric capacity statement obtained from electricity exchange center after the completion of electricity sales service as agreed on the contract.

Construction revenue:

On the balance sheet date, if the results of the construction contract can be reliably estimated, the contract revenue and contract expenses are recognised according to the completion status; otherwise, the revenue is recognised on the actual contract cost incurred and is expected to be recovered. The completion status is determined by the proportion of the cost incurred to the estimated total cost. The construction revenue for the current period is calculated on the cumulative construction revenue based on the completion status less the amount previously recognized.

After 1 January 2020

General Principle

The Company recognises revenue when it satisfies a performance obligation in the contract, i.e. when the customer obtains control of the relevant goods or services.

Where a contract has two or more performance obligations, the Company allocates the transaction price to each performance obligation based on the percentage of respective unit price of goods or services guaranteed by each performance obligation, and recognises as revenue based on the transaction price that is allocated to each performance obligation.

If one of the following conditions is fulfilled, the Company performs its performance obligation within a certain period; otherwise, it performs its performance obligation at a point of time:

- when the customer simultaneously receives and consumes the benefits provided by the Company when the Company performs its obligations under the contract; or
- when the customer is able to control the goods in progress in the course of performance by the Company under the contract; or
- when the goods produced by the Company under the contract are irreplaceable and the Company has the right to payment for performance completed to date during the whole contract term.

For performance obligations performed within a certain period, the Company recognises revenue by measuring the progress towards complete of that performance obligation within that certain period. When the progress of performance cannot be reasonably determined, if the costs incurred by the Company are expected to be compensated, the revenue shall be recognised at the amount of costs incurred until the progress of performance can be reasonably determined.

For performance obligation performed at a point of time, the Company recognises revenue at the point of time at which the customer obtains control of relevant goods or services. To determine whether a customer has obtained control of goods or services, the Company considers the following indications:

- the Company has the current right to receive payment for the goods, which is when the customer has the current payment obligations for the goods;
- the Company has transferred the legal title of the goods to the customer, which is when the client possesses the legal title of the goods;
- the Company has transferred the physical possession of goods to the customer, which is when the customer obtains physical possession of the goods;
- the Company has transferred all of the substantial risks and rewards of ownership of the goods to the customer, which is when the customer obtain all of the substantial risks and rewards of ownership of the goods to the customer;
- the customer has accepted the goods or services;
- other information indicates that the customer has obtained control of the goods.

The Company's right to consideration in exchange for goods or services that the Company has transferred to customers (which depends on factors other than the passage of time) as its contract assets, and contract assets are subject to impairment based on ECLs (refer to Note III. 10(6)). The Company's unconditional right to receive consideration from customers (only depends on passage of time) is accounted for as accounts receivable. The Company's obligation to transfer goods or services to customers for which the Company has received or should receive consideration from customers is accounted for as contract liabilities.

Contract assets and contract liabilities under the same contract are presented on a net basis. Where the net amount has a debit balance, it is presented in "contract assets" or "other non-current assets" according to its liquidity. Where the net amount has a credit balance, it is presented in "contract liabilities" or "other non-current liabilities" according to its liquidity.

Specific Revenue Recognition

The Company's revenue recognition on sale of wind turbines:

The sales contract between the Company and the customer usually includes the performance obligation for the transfer of the complete wind turbine and accessories. The Company recognizes revenue when the complete wind turbine and accessories are delivered to the customer and the customer has accepted the products and the customer obtains control of the complete wind turbine and accessories.

The Company's revenue recognition on operation and maintenance services:

Contract between the Company and the customer usually includes performance obligations for the operation and maintenance of wind field. During the term of the operation and maintenance contract, the Company recognizes revenue annually based on the completion of the operation and maintenance services provided.

The Company's revenue recognition on sale of electric power:

Contract between the Company and the customer usually includes performance obligations to sell electric power generated by wind turbine generators to grid companies. Electric power sales are recognised as revenue on monthly basis based on the quantity of on-grid electricity and electricity price.

Revenue on sale of electricity

The electricity sales contracts between the Company and the customer usually includes the provision of electricity sales services. Revenue of electricity trading services provided by the Company to external party is recognised when the users consumed electricity and the electricity settlement statements is obtained from Electricity Trading Center. The difference between the sales price and purchase price of electricity is recognized as the revenue on sale of electricity.

Revenue on construction work

The construction contract between the Company and the customer usually includes performance obligations for the construction of wind field. The Company regards them as performance obligations over a period of time. The Company determines the performance progress of the services provided based on the cost incurred in accordance with the input method. When the performance progress can be reasonably determined, the revenue is recognized based on the performance progress; otherwise, the revenue is recognized on the actual amount of contract cost incurred and is expected to be recovered.

Contract costs

Contract costs consist of incremental costs of obtaining a contract and contract fulfillment costs.

Incremental costs of obtaining a contract are those costs that an entity incurs to obtain a contract with a customer that it would not have incurred if the contract had not been obtained (for example, a sales commission). The Company recognizes as an asset the incremental costs of obtaining a contract with a customer if those costs are expected to be recoverable. Other expenses incurred by the Company other than the incremental costs that are expected to be recovered in obtaining a contract are recognized in profit or loss for the current period when incurred.

The Company recognizes as an asset the costs incurred in fulfilling a contract with a customer if those costs are not within the scope of another Standard (for example, Inventories) and meet all of the following criteria:

- the costs relate directly to a contract or to an anticipated contract, including direct labour, direct materials, manufacturing costs (or similar costs), costs that are explicitly chargeable to the customer and other costs that are incurred only because the Company entered into the contract;
- the costs generate or enhance resources of the Company that will be used in satisfying performance obligations in the future; and
- the costs are expected to be recovered.

Assets recognised on incremental costs of obtaining a contract and contract fulfillment costs (hereinafter refer as “**Contract assets**”) are amortized on a systematic basis that is consistent to the revenue recognition of the related goods or services, and are charged to profit or loss for the current period.

The Company recognises provision for impairment of assets when the carrying amount of contract asset is higher than the difference between the following two items:

- the remaining amount of consideration that the Company expects to receive in exchange for the goods or services to which the asset relates;
- costs anticipated to be incurred for the transfer of goods or services.

As determined at contract inception, contract fulfilment costs that is recognised as an asset is presented as “inventories” if the amortization period is not more than one year or one operating cycle, or is presented as “other non-current assets” if the amortization period is more than 1 year or one operating cycle.

As determined at contract inception, incremental costs of obtaining a contract that is recognised as an asset is presented as “other current assets” if the amortization period is not more than one year or one operating cycle, or is presented as “other non-current assets” if the amortization period is more than 1 year or one operating cycle.

Government Grants

Government grant is recognized when prescribed conditions are satisfied and the grant will be received.

If a government grant is in the form of a transfer of a monetary asset, it is measured at the amount received or receivable. If a government grant is in the form of a transfer of a non-monetary asset, it is measured at fair value. If fair value cannot be reliably determined, it is measured at a nominal amount of RMB1.

A government grant related to an asset is a grant obtained by the Company for purchase, construction or formation of long-term assets. The grant not related to an asset is classified as government grant related to income.

For government grant with unspecified purpose, the amount of grant used to form a long-term asset or related to an asset is regarded as government grant related to an asset, the remaining amount of grant is regarded as government grant related to income. If it is not possible to distinguish, the amount of grant is treated as government grant related to income.

A government grant related to an asset is either deducted the carrying amount of the asset, or recognized as deferred income and amortized to profit or loss over the useful life of the related asset on a reasonable and systematic basis. For a government grant related to income, if the grant is a compensation for related expenses or losses already incurred, the grant is recognized immediately in profit or loss for the current period. If the grant is a compensation for related expenses or losses to be incurred in subsequent periods,

the grant is recognized as deferred income, and recognized in profit or loss over the periods in which the related expenses or losses are recognized. Government grants measured at nominal amounts are directly recognized in profit or loss for the period. The Company adopts same treatment for those transactions of similar government grants.

Government grants relating to daily activities, according to the substance of business transaction, it is either recorded as other income or deduction of related expenditure. If it is not relating to daily activities, it is recorded as non-operating income.

Repayment of a government grant related to an asset, that initially deducted the carrying amount of the asset, is recognized by increasing the carrying amount of the asset; if there exists of the related deferred income balance, then the deferred income balance is reduced by the amount repayable, any excess is charged to profit or loss for the current period. Repayment of a government grant related to other situation, it is directly charged to profit or loss for the current period.

Deferred tax assets and deferred tax liabilities

Income tax comprises of current tax and deferred tax. Current tax and deferred tax are recognized in profit or loss except to the extent that they relate to transactions or items recognized directly in equity and goodwill arising from a business combination.

Temporary differences arising from the difference between the carrying amount of an asset or liability and its tax base are recognized as deferred tax using the balance sheet liability method.

All the taxable temporary differences are recognized as deferred tax liabilities except for those incurred in the following transactions:

- Initial recognition of goodwill or initial recognition of an asset or liability in a transaction which is neither a business combination nor affects accounting profit or taxable profit (or deductible loss) when the transaction occurs;
- The taxable temporary differences associated with investments in subsidiaries, associates and joint ventures, and the Company is able to control the timing of the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future.

The Company recognizes a deferred tax asset for the carry forward of deductible temporary differences, deductible losses and tax credits to subsequent periods, to the extent that it is probable that future taxable profits will be available against which the deductible temporary differences, deductible losses and tax credits can be utilized, except for those incurred in the following transactions:

- The transaction is neither a business combination nor affects accounting profit or taxable profit (or deductible loss) when the transaction occurs;
- The deductible temporary differences associated with investments in subsidiaries, associates and joint ventures, the corresponding deferred tax asset is recognized when both of the following conditions are satisfied: it is probable that the temporary difference will reverse in the foreseeable future and it is probable that taxable profits will be available in the future against which the temporary difference can be utilized.

At the balance sheet date, deferred tax assets and deferred tax liabilities are measured at the tax rates that are expected to apply to the period when the asset is realized or the liability is settled, and their tax effect is reflected.

At the balance sheet date, the Company reviews the carrying amount of a deferred tax asset. If it is probable that sufficient taxable profits will not be available in future periods to allow the benefit of the deferred tax asset to be utilized, the carrying amount of the deferred tax asset is reduced. Any such reduction in amount is reversed when it becomes probable that sufficient taxable profits will be available.

Significant Accounting Judgments and Estimates

The Group makes continuous evaluation on critical accounting estimates and key assumptions based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The followings are the critical accounting estimations and key assumptions that have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities within the next financial year:

Classification of financial assets

Significant judgements involved in determining the classification of financial assets include the analysis of business models and contractual cash flow characteristics.

Factors considered by the Company in determining the business model for a group of financial assets include how the asset's performance is evaluated and reported to key management personnel, how risks are assessed and managed and how the relevant management personnel are compensated.

When the Company assesses whether the contractual cash flows of the financial assets are consistent with basic lending arrangements, the main judgements are described as below: whether the principal amount may change over the life of the financial asset (for example, if there are repayments of principal); whether the interest includes only consideration for the time value of money, credit risk, other basic lending risks and a profit margin and cost. For example, whether the amount repaid in advance reflects only the outstanding principal and interest thereon, as well as reasonable compensation paid for early termination of the contract.

Measurement of the ECLs of accounts receivable

The Company calculates the ECLs of accounts receivable using the exposure to default risk and ECL rate of accounts receivable, and determines the ECL rate based on default probability and default loss rate. When determining the ECL rate, the Company adjusts its historical data by referring to information such as historical credit loss experience as well as current situation and forward-looking information. When considering the forward-looking information, indicators used by the Company include the risk of economic downturn, external market environment, technology environment and changes in customers. The assumptions relating to the ECL calculation are monitored and reviewed by the Company on a regularly basis.

Provision for decline in value of inventories

In accordance with the accounting policies of inventories and by measuring at the lower of cost and net realisable value, the Company makes allowance for inventories which have costs higher than net realisable value. Write-down of inventories to their net realisable values is based on the valuation of marketability and net realisable values of inventories. The net realizable value of inventories is determined based on the estimated selling price in daily activities minus the estimated costs that will be incurred upon completion, estimated selling expenses and related taxes and fees. Net realizable value of inventories is determined based on the estimated selling price in daily activities minus the estimated costs that will be incurred upon completion, estimated selling expenses and related taxes and fees. These estimates are based on current market conditions and previous experience in selling similar products. The identification of impairment of Inventories requires management to make judgments and estimates on the

basis of obtaining conclusive evidence and considering the purpose of holding inventories and the impact of events after the balance sheet date. When the actual selling price or cost or expense is different from the previous estimate, the management will adjust the net realizable value accordingly. Therefore, the estimated result based on current experience may be different from the actual result afterwards. The difference between the actual result and the original estimate will affect the carrying amount of Inventories and the withdrawal or reversal of provision for decline in value of inventories during the period when the estimate is changed.

Impairment of fixed assets, construction in progress and intangible assets

On each balance sheet date, the Company determines whether there is any evidence indicating potential impairment on fixed assets, construction in progress and intangible assets. Fixed assets, construction in progress and Intangible assets with indefinite useful life shall be tested for impairment when there is any indication of impairment. The recoverable amount of fixed assets, construction in progress and intangible assets is the higher of the present value of the estimated future cash flow and the net amount of the asset's fair value minus the disposal expenses. The calculation of recoverable amount requires accounting estimates. When estimating the present value of future cash flows, the management estimates the expected future cash flow of the asset or asset group, and selects an appropriate discount rate to determine the present value of future cash flows.

Capitalization of development costs

Development costs that can be capitalized is the expenditures in the development phase that meet the capitalization conditions. There is uncertainty in determining the nature of expenditures incurred in internal research and development project and the final formation of intangible assets, therefore, it is necessary to make judgments when deciding whether the expenditures of internal research and development projects meet the conditions of capitalization. When determining the amount of capitalization, management must make assumptions about the expected future cash flow of the asset, the appropriate discount rate and the expected benefit period.

Impairment of goodwill

The Company assesses whether goodwill is impaired at least annually. This requires an estimation of the value in use of the asset group to which goodwill is allocated. When estimating the value in use, the Company needs to estimate the future cash flow from the asset group, and choose an appropriate discount rate to calculate the present value of the future cash flow.

Revenue recognition of infrastructure construction business

The determination of revenue and expenses for the infrastructure business in accordance with the performance schedule is subject to the judgment of management. If a loss is expected to be incurred in an infrastructure contract, such loss shall be recognized as cost for the current year. The management of the Company estimates possible losses based on the budget of the infrastructure contract. Due to the characteristics of infrastructure construction, the date of contract signing and the date of project completion often belong to different accounting periods.

The Company determines the transaction price in accordance with the terms of the contract in combination with past customary practices, taking into account the impact of variable consideration, the presence of significant financing components in the contract and other factors. During the performance process, the Company continuously reviews the estimated total revenue of the contract and the estimated total cost of the contract, and revises the estimated total revenue of the contract and the estimated total cost of the contract when there are any changes of initial estimation, such as contract changes, claims and awards. When the estimated total cost of the contract exceeds the total revenue of the contract, the cost of

the primary operation and the accrual of liability are recognized in accordance with the unfinished loss contract. At the same time, the Company will continue to monitor the payment progress of the project owner and regularly evaluate the creditworthiness of the project owner in accordance with the terms of the contract. If it becomes apparent that the project owner is likely to default on the payment of all or part of the contract price, the Company will reassess the impact on the financial statements of the expected credit loss over the lifetime of the contract asset and may revise the amount of the credit loss allowance. This modification will be reflected in the Company's financial statements for the current period in which the credit loss allowance is reassessed.

Deferred tax assets

To the extent that it is likely that there will be sufficient taxable profits to offset the losses, the Company recognizes deferred tax assets for all unused tax losses. This requires the management to use substantial judgment to estimate the time and amount of future taxable profits, together with tax planning strategies, to determine the amount of deferred tax assets that should be recognized.

The Company is a high-tech enterprise. The validity period of the high-tech enterprise qualification is three years, after which it is necessary to resubmit the application for high-tech enterprise certification to the relevant government departments. Based on the historical experience and actual situation of the re-identification of high-tech enterprises in previous years, the management believes that the Company can continue to obtain high-tech enterprise identification in the coming years, and then calculate its corresponding deferred income tax at a preferential tax rate of 15%. If in the future, the Company fails to obtain a re-identification of the high-tech enterprise qualification after expiry, it will need to calculate the deferred income tax at the statutory tax rate of 25%, which will increase the net amount of deferred tax assets recognised and reduce the deferred income tax expense.

Provisions

Provision for matters including product quality guarantee, expected contract loss, late delivery default shall be recognised in terms of contract, current knowledge and historical experience. If the contingent event has formed a practical obligation which probably results in outflow of economic benefits from the Company, a provisions shall be recognised on the basis of the best estimate of the expenditures to settle relevant practical obligation. Recognition and measurement of the provisions significantly rely on the management's judgments in consideration of the assessment of factors including relevant risks and uncertainties and time value of money related to the contingent events.

In particular, the Company makes provisions for after-sales quality maintenance commitments to the customers in respect of sold, maintenance and repaired goods. In making provisions, the Company considers recent repair experience and data, but recent repair experience may not be able to reflect the future repair situation. Any increase or decrease in such provisions may affect the profit or loss in the future years.

Determination of fair value of unlisted equity investments

The fair value of unlisted equity investments is the discounted estimated future cash flows based on the current discount rate of projects with similar terms and risk characteristics. This valuation requires the Company to estimate the expected future cash flows and the applicable discount rate, which caused uncertainty. Under limited circumstances, if the information used to determine the fair value is insufficient, or the possible estimate of fair value has a diverse range, and the cost represents the best estimate of fair value within that range, then the cost can represent an appropriate estimate of fair value within the diverse range.

QUALITATIVE AND QUANTITATIVE DISCLOSURES ABOUT MARKET RISK

The Group has designed a risk management and control system to measure, monitor and manage financial risks arising in the ordinary course of business. See note VIII.1 to the audited consolidated financial statements in the F-pages to this Prospectus for an overview of the risk management processes related to financial instruments. The main financial risks the Group faces in the ordinary course of business are credit risk, liquidity risk and market risk (including foreign exchange rate risk, interest rate risk and commodity price risk). As the Group expands its business by offering new products and services and entering new geographical markets, the Group is exposed to new regulatory and business challenges and risks, and the complexity of the risks the Group faces increases. The following discussion of the main financial risks and the estimated amounts of the risk exposure generated by the Group's risk measurement models involve forward-looking statements. These analyses and the results of the Group's risk measurement models are not, however, predictions of future events, and the actual results may be significantly different from the analyses and results due to events in the global economy or the markets where the Group operates, as well as other factors described below.

Credit risk

Credit risk is the risk that a counterparty of financial assets will cause a financial loss for the Company by failing to discharge an obligation.

The Company managed the credit risk by groups. Credit risk mainly came from bank balances, notes receivable, accounts receivable and other receivables.

The bank deposits of the Company mainly deposited in state-owned banks and other large and medium sized listed banks. The Company expects that there are no significant credit risks exist on the bank deposit.

For notes receivable, accounts receivable and other receivables, the Company makes relevant policies to control credit risk exposures. The Company assesses the quality of customers' credit rating and set their credit limits and credit period based on the customers' financial position, credit history and other factors such as current market condition. The Company monitors the debtors' credit records regularly and ensures its overall credit risk within controllable range by written reminders, shorten or cancel credit periods to the debtors with bad credit history.

The Company's debtors of account receivables are customers distributed in different industries and geographical area. The Company continuously performs credit assessment on the debtors and purchases credit guarantee insurance when necessary.

The maximum exposure to credit risk borne by the Company is the carrying amount of each financial asset in the balance sheet. The Company does not provide any other guarantee that may expose the Company to credit risk.

Accounts receivable due from the top five customers of the Company account for 41.54% of total accounts receivable (2020: 25.31%; 2019: 23.71%); other receivables due from the top five customers of the Company account for 47.21% of total other receivables (2020: 62.52%; 2019: 47.50%).

Liquidity risk

Liquidity risk is the risk that the Company is short of funds to deliver cash or other financial assets or meet settlement obligations.

To manage liquidity risk, the Company maintains cash and cash equivalents at a level that the management considers adequate and monitors them so as to meet its operation demand as well as to reduce the effect of cash flow fluctuations. The management is responsible for monitoring the usefulness of bank loans to ensure it complies with the covenants in loan agreements. Meanwhile, the management obtains the commitment from the principal financial institutions to provide enough surplus in reserve to satisfy the Company's short and long-term fund demands.

The Company finances working capital with funds arising from operation and bank and other borrowings. As at 31 December 2021, the available loan facilities for withdrawal by the Company is RMB14,745.72 million (At 31 December 2020: RMB13,355.03 million).

Interest rate risk

Interest rate risk is the risk of fluctuation in the fair value or future cash flow of financial instrument due to the changes of market interest rate. Interest rate risk can come from the recognized interest-bearing financial instruments and unrecognized financial instruments (such as loan commitments).

Interest rate risk of the Company mainly arises from interest bearing borrowings, such as long-term bank loans and bonds payable. A financial liability with floating interest rates causes interest rate risks in cash flow to the Company; and a financial liability with fixed interest rates causes interest rate risks in fair value to the Company. The Company determines the proportion of bank loans with fixed and floating interest rate according to current market situation and maintains the appropriate combination of the instruments with fixed and floating interest rate by regular review and monitoring.

The Company pays close attention to the effect of interest rate changes on the Company's interest rate risk. The Company does not adopt any interest rate hedge, but the management is responsible for monitoring interest rate risk and will consider hedging on significant interest rate risk. Rising interest rates will increase the cost of new interest-bearing debts and the interest expenses of interest-bearing debts with floating interest rates that the Company has not paid in full, and will have a significant adverse impact on the Company's financial performance. The management will make timely adjustments based on the latest market conditions. These adjustments may be arrangements for interest rate swaps to reduce interest rate risk.

As at 31 December 2021, if interest rate of loans with floating interest rate goes up or drops 50 basic points and other factors remain unchanged, net profit and shareholders' equity would decrease or increase by approximately RMB20.03 million (As at 31 December 2020: RMB12.72 million; As at 31 December 2019: RMB 16.22 million).

Foreign exchange rate risk

Foreign exchange rate risk is the risk of fluctuation of financial instrument fair value or future cash flow fluctuation due to the changes of foreign exchange rate. Foreign exchange rate risk can arise from financial instruments measured at foreign currencies other than the functional currency.

The main operations of the Company are within China and mainly settled in RMB. Therefore, the market risk of foreign exchange changes undertaken by the Company is not significant.

RECENT DEVELOPMENTS

Declaration and Payment of Dividends for the Year Ended 31 December 2021

On 10 May 2022, the general meeting of the Company's shareholders approved a cash dividend of RMB0.22115 per share. The cash dividend was subsequently distributed to the Company's shareholders on 10 June 2022.

MANAGEMENT AND CORPORATE GOVERNANCE

Overview

The Company is principally governed by the general meeting of its shareholders (the “**general meeting**”), the Board of Directors, the Supervisory Committee and senior management. The Articles of Association were approved at the 28th meeting of the Board of Directors on 21 February 2022.

A brief description of the general meeting, the Board of Directors, the Supervisory Committee and senior management of the Company is set out below.

General Meeting

The general meeting is the governing authority of the Company. General meetings include annual general meetings and extraordinary general meetings. An annual general meeting is required to be called once a year, within six months following the end of the previous fiscal year. An extraordinary general meeting is required to be called within two months from the date of the occurrence of any of the following circumstances:

- the number of Directors is fewer than (a) the requirement set forth in the applicable PRC law or (b) two-thirds of the number of Directors (i.e., eight) as specified in the Articles of Association;
- the losses of the Company that have not been made up reach one third of its total paid-up share capital;
- shareholders that hold, individually or collectively, 10% or more of the shares of the Company request to hold such a meeting;
- the Board of Directors considers it necessary;
- the Supervisory Committee proposes to hold such a meeting; or
- other circumstances as provided by relevant laws, administrative regulations, departmental rules or the Articles of Association.

The general meeting shall have the following functions and powers in accordance with PRC law:

- to decide on the business and investment plans of the Company;
- to elect and replace a Director or Supervisor who is not an employee representative, and decide on matters concerning his or her remuneration;
- to consider and approve the report of the Board of Directors;
- to consider and approve the report of the Supervisory Committee;
- to consider and approve the annual financial budgets and the final accounts of the Company;
- to consider and approve the profit distribution plans, the plans for making up losses of the Company, profit distribution policies and dividend policies of the Company;
- to pass resolutions on any increase or decrease of the Company’s registered capital;
- to pass resolutions on the issue of corporate bonds;

- to pass resolutions on the merger, division, dissolution, liquidation, or change in corporate form of the Company;
- to amend the Articles of Association;
- to pass resolutions on the engagement or dismissal of the appointment of any accounting firm by the Company;
- to consider and approve the following matters:
 - (1) any guarantees provided after the cumulative amount of external guarantees provided by the Company and its subsidiaries reaches or exceeds 50% of the audited net assets of the Group as at the end of its most recent financial period;
 - (2) any guarantees provided after the cumulative amount of external guarantees provided by the Company reaches or exceeds 30% of the audited total assets of the Group as at the end of its most recent financial period;
 - (3) guarantees provided for the benefit of any obligator whose liability-to-asset ratio exceeds 70%;
 - (4) a single guarantee that exceeds 10% of the audited net assets of the Group as at the end of its most recent financial period;
 - (5) guarantees provided for the benefit of the Company's actual controller, shareholders and their related parties as well as other related parties of the Company;
 - (6) any guarantees provided after the amount of the guarantees, calculated by aggregating all guarantees in the past 12 months, reaches or exceeds 30% of the audited total assets of the Group as at the end of its most recent financial period;
 - (7) any guarantees provided after the amount of the guarantees, calculated by aggregating all guarantees in the past 12 months, reaches or exceeds 50% of the audited net assets of the Group as at the end of its most recent financial period and the absolute amount of which exceeds RMB50 million; or
 - (8) other guarantees required by the rules of the relevant stock exchange(s) or the Articles of Association;
- to consider and approve matters relating to the purchase and/or sales by the Company of material assets within one year with an aggregate value of 30% or more of the audited total assets of the Group as at the end of its most recent financial period;
- to consider and approve related-party transactions between the Company and related parties with an amount of RMB30 million or more and accounting for 5% or more of the audited net assets of the Group as at the end of its most recent financial period (except when the Company receives cash donation and provides guarantees);
- to consider and approve the following transactions of the Company (other than when the Company receives cash donation and provides guarantees and conducts related-party transactions):

- (1) total assets involved in the transaction (the higher of book value and appraised value, if applicable) reach or exceed 50% of the audited total assets of the Group as at the end of its most recent financial period;
 - (2) amount of the transaction (including the associated debts and expenses) reaches or exceeds 50% of the audited net assets of the Group as at the end of the most recent financial period and the absolute amount exceeds RMB50 million;
 - (3) profit generated by the transaction reaches or exceeds 50% of the audited net profit of the Group during the most recent fiscal year and its absolute amount exceeds RMB5 million;
 - (4) operating income of the target of the transaction (such as equity) reaches or exceeds 50% of the audited operating income of the Group during the most recent fiscal year and the absolute amount exceeds RMB50 million; or
 - (5) net profit of the target of the transaction (such as equity) reaches or exceeds 50% of the audited net profit of the Group during the most recent fiscal year and the absolute amount exceeds RMB5 million;
- to consider and approve any change in the use of proceeds from offerings of securities;
 - to consider and approve any share incentive scheme; and
 - to examine and approve other matters as required by laws, administrative regulations, departmental rules, rules of the relevant stock exchange(s) or the Articles of Association to be approved at a general meeting.

Board of Directors

The Board of Directors is responsible for the general management of the Company and is accountable to the general meeting. Board meetings include routine board meetings and extraordinary board meetings. A routine board meeting is required to be called at least twice a year. An extraordinary board meeting may be called upon demand.

The Board of Directors has the following functions and powers:

- to convene general meetings and report to general meetings;
- to implement resolutions of general meetings;
- to determine on the Company's business plans and investment plans;
- to formulate the annual financial budgets and final accounting plans of the Company;
- to prepare the profit distribution plans and the loss make-up plan of the Company;
- to formulate proposals in respect of any increase or reduction of registered capital or issuance of bonds of the Company;
- to formulate proposals in respect of issuance of other securities of the Company and the listing of the Company's securities;
- to formulate plans for material acquisitions of the Company or to reacquire the Company's shares;

- to formulate plans for merger, division or dissolution of the Company;
- to formulate plans for change in corporate form of the Company;
- to decide on matters relating to investments, acquisitions and/or sales of assets, pledges of assets, provision of guarantees, entrusted financing and related party transactions within the authority granted by the general meeting;
- to decide on the establishment of the internal management structure of the Company;
- to appoint or dismiss the chief executive officer (or general manager) and the secretary to the Board of Directors of the Company and to appoint or dismiss senior management including chief operating officer, chief strategy officer and chief financial officer, and to determine their remunerations, rewards and penalties;
- to set up the basic management regime of the Company;
- to formulate the proposals for any amendment to the Articles of Association;
- to manage information disclosure of the Company;
- to propose to the general meeting the appointment or replacement of the accounting firms which provide auditing services to the Company;
- to receive reports from the chief executive officer (or general manager) and review his or her work; and
- to exercise other functions and powers as stipulated by laws, administrative regulations, departmental rules and the Articles of Association or as granted by the general meeting.

The Company's Board of Directors currently consists of 11 Directors, including four independent non-executive Directors. A Director serves a term of three years and may seek re-election upon expiry of the said term.

The membership of the Board of Directors of the Company is as set out below.

Name	Age	Current Position	Since
Mr. ZHANG Chuanwei	59	Chairman; Chief Executive Officer; General Manager	2017
Mr. SHEN Zhongmin	58	Vice Chairman; Chief Strategy Officer	2017
Mr. WANG Jinfa	57	Director; Chief Administrative Officer	2017
Mr. ZHANG Qiying	43	Director	2019
		Chief Operating Officer; Chief Technology Officer	2020
Mr. ZHANG Rui	31	Director	2017
Mr. HAN Yu	38	Director	2020
Mr. LI Yiming	53	Director	2021
Mr. GU Naikang	56	Independent Director	2017
Mr. LI Zhongfei	58	Independent Director	2017
Ms. WANG Yu	47	Independent Director	2017
Ms. SHAO Xijuan	56	Independent Director	2017

The biographies of the members of the Board of Directors of the Company are set out below. The business address of the office of the Board of Directors is the registered address of the Company: Mingyang

Industrial Park, No. 22, Huoju Avenue, Zhongshan Torch High-tech Industrial Development Zone, Zhongshan City, Guangdong, People's Republic of China.

Mr. ZHANG Chuanwei is the chairman of the Board of Directors and chief executive officer of the Company. From 1984 to 1988, he served as the secretary and section chief of the General Office of the Chongqing Municipal Party Committee (重庆市委办公厅). From 1988 to 1990, he served as the director assistant and director of Xinyang High Voltage Switch General Factory in Henan Province (河南省信阳高压开关总厂). From 1990 to 1993, he served as a general manager of Zhuhai Fengze Electric Appliance Co., Ltd. (珠海丰泽电器有限公司), a Sino-foreign joint venture. He founded Zhongshan Mingyang Electric Appliance Co., Ltd. (中山市明阳电器有限公司) in 1993 and has served as the chairman since then. He founded Guangdong Mingyang Wind Power Technology Co., Ltd. (广东明阳风电技术有限公司) in 2006 (the predecessor of Guangdong Mingyang Wind Power Industry Group Co., Ltd. (广东明阳风电产业集团有限公司) and the Company). In addition, Mr. Zhang currently serves as a representative of the 12th and 13th National People's Congress, the vice chairman of Guangdong Federation Chamber of Industry & Commerce and a member of the standing committee of the Guangdong Province Zhongshan City People's Congress. Mr. Zhang received his master's degree in 2002 from Sun Yat-sen University. He has been the chairman and chief executive officer since March 2017 with a current term of office from March 2020 to March 2023.

Mr. SHEN Zhongmin is the vice chairman of the Board of Directors and chief strategy officer of the Company. From 1994 to 1997, he served as a business manager of WTI International Energy Company (WTI国际能源公司). From 1997 to 2003, he served as assistant vice president, vice president, managing director and senior vice president of Saide Asia Holdings Co., Ltd. (赛德亚洲控股有限公司). From 2003 to 2006, he served as the executive director and chief operating officer of China Resources Power Holdings Co., Ltd. (华润电力控股有限公司). From 2006 to 2008, he served as the president of Great China region of CLP Holdings Limited (中电控股有限公司). From 2008 to 2011, he served as a director of Greater China private placement business of Invesco Ltd. (美国景顺集团中国区) and the CEO of Huaneng-Invesco Rose Investment and Consulting Co., Ltd. (华能景顺罗斯投资顾问有限公司). From 2011 to 2014, he served as a partner of Hudson Clean Energy Partners (哈德森清洁能源基金). From 2014 to 2015, he served as a managing director of Asia Environmental Partners of Olympus Capital (泰山投资亚洲环境基金). Mr. Shen received his master's degree in 1988 from Beijing University. He has served as the vice chairman of the Board of Directors of the Company since 2015. He has been the vice chairman of the Board of Directors and chief strategy officer since March 2017 with a current term of office from March 2020 to March 2023.

Mr. WANG Jinfa is a director and chief administrative officer of the Company. From 1986 to 1997, he served as a manager at the vacuum switch sub-factory of Henan Xinyang High Voltage Switch Factory (河南信阳高压开关厂真空开关分厂). From 1998 to 2000, he served as a deputy general manager of Henan Xinyang Electric Co., Ltd. (河南信阳电器有限责任公司). From 2000 to 2006, he served as a deputy general manager of Zhongshan Mingyang Electric Co., Ltd. (中山市明阳电器有限公司). From 2006 to March 2017, he served as the Company's senior vice president and party committee secretary. Mr. Wang received his master's degree in 2012 from Sun Yat-sen University. He has served as a director of the Company since March 2017. He has been a director and chief administrative officer of the Company since March 2017 with a current term of office from March 2020 to March 2023.

Mr. ZHANG Qiyang is a director, chief operating officer and chief technology officer of the Company. From 2003 to 2006, he served as a manager of Shanghai Sachs Huizhong Shock Absorber Co., Ltd. (上海汇众萨克斯减震器有限公司). From 2006 to 2011, he served as a project manager of Shanghai office and an assistant to the president of Aerodyn Energiesysteme GmbH. From 2011 to 2014, he served as a director of the technology centre and the chief technology officer of, Guodian United Power Technology Co., Ltd. (国电联合动力技术有限公司). From 2014 to September 2019, he served as the Company's vice president of engineering, research and development, chief technology officer and co-operation officer. Mr. Zhang received his master's degree in 2003 from Tongji University. He has been a director of the

Company since September 2019 with a current term of office from March 2020 to March 2023. He has been the chief operating officer and chief technology officer of the Company since March 2020 with a current term of office from March 2020 to March 2023.

Mr. ZHANG Rui is a director of the Company. From 2012 to March 2017, he served as a director of the procurement department of Mingyang Wind Power Group Co., Ltd. Since March 2017, he has served as a director of the operations planning department, deputy director of the operations centre, assistant to the chief executive officer, general manager of the procurement management department and vice president of operations of the Company. Mr. Zhang received his bachelor's degree in 2012 from Shanghai University of Technology. He has been a director of the Company since March 2017 with a current term of office from March 2020 to March 2023.

Mr. HAN Yu is a director of the Company. From 2010 to 2019, he served as a senior manager of the investment banking headquarters of China Merchants Securities Co., Ltd. (招商证券股份有限公司) and investment manager of China Merchants Kunlun Equity Investment Management Co., Ltd. (招商昆仑股权投资管理有限公司). Since December 2019, he has served as an executive director of Shenzhen China Merchants Guoxie One Equity Investment Fund Management Co., Ltd. (深圳市招商国协壹号股权投资基金管理有限公司). Mr. Han has a master's degree. He has been a director of the Company since July 2020 with a current term of office from July 2020 to March 2023.

Mr. LI Yiming is a director of the Company. He is currently also an office director, a party committee member and a deputy general manager of Guangdong Hengjian Investment Holding Co., Ltd. (广东恒健投资控股有限公司) Mr. Li previously held various positions and served in different capacities, including as a secretary of the board of directors and an office director of Guangdong Construction Engineering Group Co., Ltd. (广东省建筑工程集团有限公司), a director and the general manager of Guangdong Construction Decoration Engineering Co., Ltd. (广东建筑装饰工程有限公司), the general manager and the legal representative of Guangdong Jianzong Industrial Development Co., Ltd., the director of the technical division of equipment department of the 16th Asian Games Organizing Committee, and a party committee member and a deputy director of the Guangzhou Road Expansion Project Office. Mr. Li has a master's degree. He has been a director of the Company since April 2021 with a current term of office from April 2021 to March 2023.

Mr. GU Naikang is an independent director of the Company. Since 1991, he has been a lecturer, associate professor and professor at the School of Management of Sun Yat-sen University. From October 2003 to October 2009, he served as an independent director of Guangdong Haiyin Yongye Group Co., Ltd. (广东海印永业集团股份有限公司). From January 2012 to March 2018, he served as an independent director of Zhubo Design Co., Ltd. (筑博设计股份有限公司). From January 2013 to November 2018, he served as an independent director of Guangxi Yuegui Guangye Holding Co., Ltd. (广西粤桂产业控股股份有限公司). From May 2014 to August 2020, he served as an independent director of Guangzhou Zhujiang Industrial Development Co., Ltd. (广州珠江实业开发股份有限公司). From June 2016 to June 2020, he served as a supervisor of GF Securities Co., Ltd. (广发证券股份有限公司). Since June 2016, he has served as an independent director of Guangdong Expressway Development Co., Ltd. (广东省高速公路发展股份有限公司). Since December 2019, he has served as an independent director of Zhubo Design Co., Ltd. (筑博设计股份有限公司). Mr. Gu received his doctor's degree in 1998 from Sun Yat-sen University. He has been an independent director of the Company since June 2017 with a current term of office from March 2020 to March 2023.

Mr. LI Zhongfei is an independent director of the Company. From 1985 to 2000, he was a teaching assistant, lecturer, associate professor and professor at Inner Mongolia University. From 2000 to 2013, he was a professor and doctoral advisor at Lingnan College of Sun Yat-sen University. From 2011 to 2016, he was an executive dean, professor and doctoral advisor at the School of Management of Sun Yat-sen University. Since 2016, he has been a professor and doctoral supervisor at the School of Management of Sun Yat-sen University. Since January 2013, he has served as an independent director of Pearl River Life

Insurance Co., Ltd. (珠江人寿保险股份有限公司). From August 2016 to November 2020, he served as an independent director of Jin Hui Wine Co., Ltd. (金徽酒股份有限公司). Since November 2016, he has served as an independent director of Guangzhou Jinyi Media Co., Ltd. (广州金逸影视传媒股份有限公司). Since December 2019, he has served as an independent director of Youngy Health Co., Ltd. (融捷健康科技股份有限公司). Since December 2020, he has served as an independent director of Jin Hui Mining Co., Ltd. (金徽矿业股份有限公司). Mr. Li received his doctor's degree in 2000 from Institute of System Sciences, Chinese Academy of Sciences. He has been an independent director of the Company since June 2017 with a current term of office from March 2020 to March 2023.

Ms. WANG Yu is an independent director of the Company. From December 2005 to July 2015, she was an associate professor and professor at Guangdong University of Finance and Economics. Since 2015, she has been a professor at the International Business School of Jinan University. From February 2017 to February 2021, she served as a supervisor of Guangzhou Laiyin Intelligent Equipment Co., Ltd. (广州莱茵智能装备股份有限公司). Ms. Wang received her doctor's degree from Guangdong University of Finance and Economics. She has been an independent director of the Company since June 2017 with a current term of office from March 2020 to March 2023.

Ms. SHAO Xijuan is an independent director of the Company. From July 1985 to November 1997, she was an assistant lecturer and lecturer at Shanxi Institute of Economics and Management. Since December 1997, she has been a lecturer, associate professor and professor at the College of Business Administration of South China University of Technology. Since January 2016, she has served as an independent director of Shenzhen KL Clear Technology Co., Ltd. (深圳市科列技术股份有限公司). Since June 2017, she has served as an independent director of Guangdong Chaohua Technology Co., Ltd (广东超华科技股份有限公司). Since December 2018, she has served as an independent director of Shenzhen Chuangxin Laser Co., Ltd. (深圳市创鑫激光股份有限公司). Since July 2020, she has served as an independent director of Guangzhou Zhiguang Electric Co., Ltd. (广州智光电气股份有限公司). Ms. Shao received her doctor's degree in 2008 from South China University of Technology. She has been an independent director of the Company since June 2017 with a current term of office from March 2020 to March 2023.

Supervisory Committee

The Supervisory Committee conducts independent supervision and inspection of the finance and accounting work of the Company and the performance of the duties of the Directors and senior management. The Supervisory Committee is accountable to the general meeting. A routine supervisory committee meeting is required to be called at least every six months.

The Supervisory Committee has the following functions and powers in accordance with the Articles of Association:

- to review the periodic reports of the Company prepared by the Board and prepare written review opinions thereon;
- to inspect the finances of the Company;
- to monitor Directors and senior managements' conduct, and propose the dismissal of Directors and senior management who have violated laws, administrative regulations, the Articles of Association or the resolutions of the general meetings;
- to require Directors and senior management to correct their actions which are harmful to the interests of the Company;
- to propose the convening of extraordinary general meetings, and to convene and preside over the general meetings in the event the Board fails to perform its duties to convene and preside over the general meetings in accordance with the PRC Company Law;

- to make proposals to be considered at a general meeting;
- to bring legal actions against Directors and senior management in accordance with the PRC Company Law; and
- to conduct investigations in relation to any operational abnormality of the Company, and engage accounting firms, law firms or other professional agencies to assist with such investigation.

The Company's Supervisory Committee currently consists of three Supervisors, including the chairman of the Supervisory Committee. The term of office of each Supervisor shall be three years. Upon expiry of the term, a Supervisor may be reappointed upon re-election. The chairman of the Supervisory Committee shall be elected by the Supervisory Committee.

The membership of the Supervisory Committee of the Company is as set out below.

<u>Name</u>	<u>Age</u>	<u>Current Position</u>	<u>Since</u>
Mr. LIU Lianyu	57	Chairman of the Supervisory Committee; Supervisor	2020
Mr. ZHENG Weili	51	Supervisor	2020
Mr. ZHAI Yongjun	44	Employee Representative Supervisor	2017

The biographies of the members of the Supervisory Committee of the Company are set out below. The business address of the office of the Supervisory Committee is the registered address of the Company: Mingyang Industrial Park, No. 22, Huoju Avenue, Zhongshan Torch High-tech Industrial Development Zone, Zhongshan City, Guangdong, People's Republic of China.

Mr. LIU Lianyu is the chairman of the Board of Supervisors of the Company. From 1989 to 1996, he served as a project manager of the planning division of the General Institute of Hydropower Planning and Design (水电规划设计总院规划处). From 1996 to 1999, he served as a director of the hydropower division of the planning department of the PRC Ministry of Electric Power Industry (中华人民共和国电力工业部计划司水电处). From 1999 to 2002, he served as a deputy director of the planning division of strategic planning department of the National Power Corporation (原国家电力公司战略规划部规划处). From 2002 to 2006, he served as a director of the preliminary project division of the planning and development department of China Guodian Group (中国国电集团). From 2004 to 2005, he served as a director of the pre-project division of planning and development department and the preparation and construction office of the Zhongshan Gas Power Project (中国国电集团中山燃气发电项目). From 2005 to 2007, he served as a general manager of Zhongshan Gas Power Generation Company (中国国电集团中山燃气发电公司). From 2005 to 2008, he served as a deputy director of the nuclear power office of China Guodian Corporation. From 2006 to 2008, he served as a deputy director of the planning and development department of China Guodian Corporation. From 2006 to 2009, he served as a party group secretary and the Henan branch general manager of China Guodian Corporation. From May 2009 to March 2014, he served as a director of the nuclear power office and deputy director of the planning department of China Guodian Corporation. From March 2014 to September 2015, he served as a director of the party group inspection office of China Guodian Corporation. From September 2015 to 2017, he served as a director of the purchasing and material management department of China Guodian Corporation. From December 2017 to March 2020, he served as a joint operating officer of the Company. Mr. Liu received his master's degree in 1989 from Wuhan University. He has been the chairman of the Board of Supervisors of the Company since March 2020 with a current term of office from March 2020 to March 2023.

Mr. ZHENG Weili is a supervisor of the Company. From March 1989 to August 1990, he served as a soldier in the Armed Police of Guizhou General Force. From September 1990 to May 1992, he was a cadet in the Armed Police Force and Special Police Academy. From June 1992 to May 2001, he served as an officer of the Political Department of Headquarters of the Chinese People's Armed Police Force. From

June 2001 to May 2016, he served as an instructor, deputy chief and political committee member of the Armed Police Force and Special Police Academy. Since November 2019, he has served as a deputy secretary of the Company's party committee. Since March 2020, he has served as a vice president of the Company. He has been a supervisor of the Company since March 2020 with a current term of office from March 2020 to March 2023.

Mr. ZHAI Yongjun is a supervisor of the Company. From 1998 to 2002, he served as an auditor of Guangdong Kelong Electric Co., Ltd. (广东科龙电器股份有限公司). From 2002 to 2005, he served as a chief auditor of Guangzhou Sunshine Kemi Electronic Technology Co., Ltd. (广州市阳光科密电子科技有限公司). From 2005 to 2010, he served as an audit manager of Greater China region of Crystal International Group Limited (香港晶苑集团有限公司). From 2010 to 2011, he served as an audit manager of Guangzhou Textiles Holdings Limited (广州纺织工贸企业集团有限公司). From 2011 to 2014, he served as a senior audit manager of Dongguan Mentech Optical & Magnetic Co., Ltd. (东莞铭普光磁股份有限公司). From 2014 to 2017, he served as a director of the supervisory audit department of Mingyang Wind Power Group Co., Ltd. Mr. Zhai received his bachelor's degree in 1998 from Wuhan University. He has been an employee representative supervisor of the Company since March 2017 with a current term of office from March 2020 to March 2023.

Senior Management

The senior management, by function, of the Company are as set out below to the extent that not all of them are members of the Board of Directors. All officers have a current term of office of three years.

Name	Age	Current Position	Since
Mr. LIANG Caifa	50	Chief Financial Officer	2019
Mr. CHENG Jiawan	58	Vice President	2017
Mr. YU Jiangtao	51	Vice President	2020
Mr. YANG Pu	49	Vice President	2017
Mr. ZHANG Zhonghai	47	Vice President	2017
Mr. WANG Dongdong	40	Vice President	2020
Ms. YI Lingna	37	Vice President	2020
Mr. LIU Jianjun	45	Secretary of the Board of Directors	2017

The biographies of the senior management of the Company are set out below. The business address of the senior management is the registered address of the Company: Mingyang Industrial Park, No. 22, Huoju Avenue, Zhongshan Torch High-tech Industrial Development Zone, Zhongshan City, Guangdong, People's Republic of China.

Mr. LIANG Caifa is the chief financial officer of the Company. From 1993 to 2013, he served as the chief financial officer of the operations department of SANY Group Co., Ltd. (三一集团有限公司). He has served as a general manager of the Company's financial centre since 2013. Mr. Liang received his master's degree in 2009 from Zhongnan University of Economics and Law. He has been the Company's chief financial officer since May 2019.

Mr. CHENG Jiawan is a vice president of the Company. From 1984 to 2004, he served as a manager of Huaxin Cement Co., Ltd. (华新水泥股份有限公司) and a deputy general manager of Huaxin Cement Retail Co., Ltd. (华新水泥零售公司). From 2004 to 2008, he served as a general manager of Nantong Kailian Wind Power Co., Ltd. (南通锆炼风电公司). From 2008 to March 2017, he served as a vice president of Mingyang Wind Power Group Co., Ltd. Mr. Cheng received his bachelor's degree in 1990 from Wuhan University of Technology. He has been a vice president of the Company since March 2017.

Mr. YU Jiangtao is a vice president of the Company. From July 1993 to December 2004, he worked at the 16th Flight Academy of the Air Force, the Air Force Telecommunications Engineering College and the Air Force Engineering University. From January 2005 to August 2014, he served as a deputy researcher of

the energy department, deputy researcher of the new energy department and deputy director of the new energy department, of Shaanxi Provincial Development and Reform Commission (陕西省发展改革委). From September 2014 to May 2016, he served as a general manager of Beijing Jieyuan New Energy Investment Co., Ltd. (北京洁源新能投资有限公司). Since May 2016, he has served as a vice president of operations of the Company and general manager of Beijing Jieyuan New Energy Investment Co., Ltd. Mr. Yu received his master's degree in 2004 from Shaanxi Normal University. He has been a vice president of the Company since March 2020.

Mr. YANG Pu is a vice president of the Company. From 2003 to 2008, he served as a manager of the human resources department and the customer service department and vice president of the sales department at Zhongshan Mingyang Electric Co., Ltd. (中山市明阳电器有限公司). From 2008 to 2017, he served as a vice president and the president of the sales department and a vice president of the marketing department of the Company. Mr. Yang received his bachelor's degree in 1996 from Henan University. He has been a vice president of the Company since March 2017.

Mr. ZHANG Zhonghai is a vice president of the Company. From 1994 to 2008, he served as an assistant of the human resources department and a sales manager of China North Industries Group Corporation Limited (中国兵器集团). From 2008 to 2017, he served as the director of the executive office, the general manager of the Yunnan branch and a vice president of, Mingyang Wind Power Group Co., Ltd. Mr. Zhang received his master's degree in 2015 from Beijing Institute of Technology. He has been a vice president of the Company since March 2017.

Mr. WANG Dongdong is a vice president of the Company. From August 2004 to March 2011, he served as an engineer and a chief design engineer of Beijing Beizhong Turbine Motor Co., Ltd. (北京北重汽轮机有限责任公司). From April 2011 to February 2016, he served as an engineer and a deputy director of the Engineering Support and Testing Institute and a director of the Wind Power Testing Institute of, Guodian United Power Technology Co., Ltd. (国电联合动力技术有限公司). From March 2016 to March 2020, he served as the Company's manufacturing director, assistant to the executive president, vice president and general manager of the manufacturing department. Since March 2020, he has served as a vice president of the Company and the deputy director of the operations centre and the general manager of the production and manufacturing department and the offshore engineering operations and maintenance department. Mr. Wang received his master's degree in 2013 from North China Electric Power University. He has been a vice president of the Company since March 2020.

Ms. YI Lingna is a vice president of the Company. From May 2008 to February 2018, she served as a secretary to the chairman, a deputy director of the president's office, a deputy director of the director's office, a deputy director of the investor relations office. From March 2018 to March 2020, she served as a deputy general manager of the capital operations department, the director of the listing office, a vice president of operations and the director of the change management office of the Company. Ms. Yi received her master's degree in 2008 from Southwest Jiaotong University. She has been a vice president of the Company since March 2020.

Mr. LIU Jianjun is the secretary of the Board of Directors. From 2002 to 2004, he served as an accountant of Guangzhou Real Estate Industry Group Limited (广州房地产实业集团有限公司). From 2004 to 2007, he served as a project manager of Guangdong Kang Yuan Accounting Firm (广东康元会计师事务所). From 2007 to 2017, he served as the director of the financial accounting department and the general manager of the strategy and development department and the capital operations and asset management department of the Company. Mr. Liu received his bachelor's degree in 2000 from Southwestern University of Finance and Economics. He has been the Company secretary since March 2017.

Other Directorships

In addition to their directorships of the Company and certain subsidiaries, the Directors, Supervisors and senior management have held or hold the following directorships or have been or are members of the following partnerships, within the past five years.

Name	Current Directorships/Partnerships	Previous Directorships/Partnerships
ZHANG Chuanwei	<ul style="list-style-type: none"> • Mingyang New Energy Investment Holding Group Co., Ltd. • First Base Investments Limited • Wiser Tyson Investment Corp Limited • Keycorp Limited • Zhongshan Ruixin Enterprise Management Consulting Partnership (Limited Partnership) • Tianjin Mingyang Enterprise Management Consulting Co., Ltd. • Huayang Evergreen Investment Co., Ltd. • Zhongshan Ruiyue Industrial Investment Co., Ltd. • Mingyang Energy Investment (Hong Kong) International Co., Ltd. • Zhongshan Mingyang Electric Co., Ltd. • Zhongshan Zhichuang Technology Investment Management Co., Ltd. • Zhongshan Bozhong Innovation Energy Management Consulting Co., Ltd. • Guangdong Yuncheng Technology Co., Ltd. • Guangdong Mingyang Electric Co., Ltd. (formerly Guangdong Ruizhi Power Technology Co., Ltd.) • Guangdong Mingyang Longyuan Power Electronics Co., Ltd. • China Mingyang Wind Power Group Co., Ltd. • Mingyang Wind Power Investment Holding (Tianjin) Co., Ltd. • First Windy Investment Corp. • King Venture Limited • Tech Sino Limited • Sky Trillion Limited • Asiatech Holdings Limited • Rich Wind Energy Three Corp • Rich Wind Energy Two Corp. 	<ul style="list-style-type: none"> • Gongqingcheng Boyun Investment Partnership (Limited Partnership) • Gongqingcheng Lianyun Investment Partnership (Limited Partnership)
SHEN Zhongmin	<ul style="list-style-type: none"> • Guangdong Dongfang Shengshi Renewable Energy Industry Fund Management Co., Ltd. • Eternity Peace Company Limited • Lucky Prosperity Company Limited 	<ul style="list-style-type: none"> • Guangdong Utrust Financial Leasing Co., Ltd.

Name	Current Directorships/Partnerships	Previous Directorships/Partnerships
WANG Jinfa	<ul style="list-style-type: none"> • Zhongshan Zhichuang Technology Investment Management Co., Ltd. • Guangdong Mingyang Electric Co., Ltd. (formerly Guangdong Ruizhi Power Technology Co., Ltd.) • Guangdong Mingyang Longyuan Power Electronics Co., Ltd. • Zhejiang Huayun Ocean Engineering Technology Service Co., Ltd. • Huayang Evergreen Investment Co., Ltd. • Yunnan Mingli Xinyuan Technology Service Co., Ltd. • Zhongshan Lianhe Innovation Energy Management Consulting Co., Ltd. • Southern Offshore Wind Power Joint Development Co., Ltd. 	<ul style="list-style-type: none"> • Zhongshan Mingyang Electric Co., Ltd.
ZHANG Rui	<ul style="list-style-type: none"> • Mingyang New Energy Investment Holding Group Co., Ltd. • Zhongshan Ruiyue Industrial Investment Co., Ltd. • Zhongshan Zhichuang Technology Investment Management Co., Ltd. • Zhejiang Mingyang Wind Power Co., Ltd. • China National Nuclear Corporation Huihai (Fujian) New Energy Co., Ltd. 	–
HAN Yu	<ul style="list-style-type: none"> • Shihezi Zhaoda Real Estate Development Co., Ltd. • Shenzhen China Merchants Guoxie No. 1 Equity Investment Fund Management Co., Ltd. 	<ul style="list-style-type: none"> • Nanchong Shunqing District Zhaoshun Real Estate Development Co., Ltd. • Shenzhen Kunda Investment Partnership (Limited Partnership)
LI Yiming	<ul style="list-style-type: none"> • Baosteel Zhanjiang Iron and Steel Co., Ltd. 	–
GU Naikang	<ul style="list-style-type: none"> • Guangdong Expressway Development Co., Ltd. • Zhubo Design Co., Ltd. • Youmi Technology Co., Ltd. • Shenzhen Shengling Electronics Co., Ltd. 	–
LI Zhongfei	<ul style="list-style-type: none"> • Jinhui Mining Co., Ltd. • Guangzhou Jinyi Film and Television Media Co., Ltd. • Rongjie Health Technology Co., Ltd. 	<ul style="list-style-type: none"> • Pearl River Life Insurance Co., Ltd.
WANG Yu	–	<ul style="list-style-type: none"> • Guangzhou Rhine Intelligent Equipment Co., Ltd.
SHAO Xijuan	<ul style="list-style-type: none"> • Shenzhen KL Clear Technology Co., Ltd. • Guangdong Chaohua Technology Co., Ltd. • Shenzhen Chuangxin Laser Co., Ltd. • Guangzhou Zhiguang Electric Co., Ltd. 	–
LIANG Caifa	<ul style="list-style-type: none"> • Zhongshan Bozhong Innovation Energy Management Consulting Co., Ltd. 	–

<u>Name</u>	<u>Current Directorships/Partnerships</u>	<u>Previous Directorships/Partnerships</u>
CHENG Jiawan	<ul style="list-style-type: none"> Southern Offshore Wind Power Joint Development Co., Ltd. 	–
YU Jiangtao	<ul style="list-style-type: none"> National Clean Energy (Beijing) Technology Co., Ltd. Jilin Province Zhongneng Wind Power Investment Co., Ltd. 	–
YI Lingna	<ul style="list-style-type: none"> Jiuhua Foundation (Beijing) Technology Development Co., Ltd. Zhongshan Lianhe Innovation Energy Management Consulting Co., Ltd. Zhongshan Dehua Chip Technology Co., Ltd. 	–
LIU Jianjun	<ul style="list-style-type: none"> Jiuhua Foundation (Beijing) Technology Development Co., Ltd. Guangdong Yuecai Financial Leasing Co., Ltd. Guangdong Dongfang Shengshi Renewable Energy Industry Fund Management Co., Ltd. Beijing Kaiwu Changsheng Investment Management Co., Ltd. Huaneng Mingyang New Energy Investment Co., Ltd. 	–

Conflicts of interest and other matters

There are no potential conflicts of interest between any duties owed by the Directors, Supervisors or senior management to the Company and their private interests and/or other duties. There are no interests, including conflicting interests that are material to the Offering.

None of the Directors, Supervisors or senior management are related to one another for the purposes of the Prospectus Regulation Rules, save that Mr. ZHANG Rui, a director of the Company, is the son of Mr. ZHANG Chuanwei, the Chairman and the chief executive officer of the Company.

As at the date of this Prospectus, none of the Directors, Supervisors or senior management has in the previous five years:

- had any convictions in relation to fraudulent offences;
- been a member of the administrative, management or supervisory bodies of any company, or been a partner in any partnership, at the time of or preceding any bankruptcy, receivership, liquidation or placement into administration; or
- been subject to official public incrimination or sanction by a statutory or regulatory authority (including a professional body) nor ever been disqualified by a court from acting as a member of the administrative, management or supervisory bodies of a company or from acting in the management or conduct of the affairs of a company, save that Mr. WANG Jinfa received a warning letter in April 2022 from the Guangdong branch of the CSRC for inadvertently buying 10,000 shares of the Company in September 2021. Mr. Wang has promptly returned the profit made on the transaction to the Company and the warning letter did not impose any penalty on Mr. Wang.

None of the Directors, Supervisors or senior management of the Company have agreed to any lock-up restrictions on the disposal of any Shares or GDRs that they may hold in the Company.

Corporate Governance

At the date of this Prospectus, the Company is in compliance with the corporate governance requirements applicable to it as a PRC public company listed on the Shanghai Stock Exchange in all material aspects.

The Company operates within a comprehensive governance framework, which aims to add value to shareholders through the adoption of international best practice. Certain responsibilities of the Board of Directors are delegated to the specialised committees to assist the Board with carrying out its functions and to ensure independent oversight of internal control and risk management. The four principal specialised committees (the Strategy Committee, the Audit Committee, the Nomination Committee and the Remuneration and Appraisal Committee) play an essential role in supporting the Board of Directors in fulfilling its responsibilities and ensuring that the highest standards of corporate governance are maintained throughout the Company. All the specialised committees are accountable to, and submit working reports to, the Board of Directors, which shall consider the opinions of the specialised committees before making any decisions on matters related to the duties of the specialised committees.

Strategy Committee

The Strategy Committee assists the Board of Directors with, amongst others: (i) studying the Company's long-term development strategic plans and deciding whether to submit to the Board of Directors for deliberation; (ii) studying the establishment, feasibility, external negotiation, due diligence, intent for cooperation and contract signing of the Company's new significant investment projects and deciding whether to submit to the Board of Directors for deliberation; (iii) studying major financing matters such as stock issuance and corporate bonds issuance and deciding whether to submit to the Board of Directors for deliberation; (iv) studying mergers, divisions, liquidations and other major issues and deciding whether to submit to the Board of Directors for deliberation; (v) monitoring and tracking the implementation after the above matters have been submitted to the Board of Directors for approval; and (vi) other matters authorised by the Board of Directors. The Strategy Committee is chaired by Mr. ZHANG Chuanwei and consists of Mr. ZHANG Chuanwei, Mr. SHEN Zhongmin and Mr. GU Naikang.

Audit Committee

The Audit Committee assists the Board of Directors with, amongst the others: (i) making proposals on the engagement or change of the Company's external auditors; (ii) monitoring the Company's internal audit policy and its implementation; (iii) managing communication between internal audit personnel and external auditors; (iv) reviewing the financial statements and relevant disclosure of the Company; (v) monitoring and evaluating the effectiveness of the Company's internal controls and giving relevant suggestions; (vi) giving suggestions on the assessment and replacement of personnel in charge of internal audit; and (vii) other matters authorised by the Board of Directors. The Audit Committee is chaired by Ms. SHAO Xijuan and consists of Ms. SHAO Xijuan, Mr. GU Naikang and Mr. SHEN Zhongmin.

Nomination Committee

The Nomination Committee assists the Board of Directors with, amongst others: (i) researching the selection criteria and procedures of selecting Directors, chief executive officer (or general manager) and other senior management personnel and making recommendations to the Board of Directors; (ii) searching for candidates for Directors, chief executive officer (or general manager) and other senior management; (iii) reviewing and making recommendations on candidates for Directors, chief executive officer (or general manager) and other senior management; (iv) evaluating the structure of each committee under the Board of Directors, recommending Directors to serve on relevant committees and submitting to the Board of Directors for approval; (5) establishing a reserve plan for Directors and senior management and supplementing and updating the plan periodically; and (vi) other matters authorised by the Board of Directors. The Nomination Committee is chaired by Mr. GU Naikang and consists of Mr. GU Naikang, Mr. WANG Jinfa and Ms. SHAO Xijuan.

Remuneration and Appraisal Committee

The Remuneration and Appraisal Committee assists the Board of Directors with, amongst others: (i) studying the appraisal criteria for Directors and senior management; (ii) formulating remuneration plans or schemes for Directors and senior management based on the management roles, responsibilities and work scope with reference to the remuneration of relevant positions of our peers in the same region and industry or the remuneration paid by our competitors; (iii) reviewing the performance of Directors and senior management and conducting periodic performance appraisals; formulating annual remuneration plans and plans for rewards and penalties, submitting to the Board of Directors for deliberation and supervising the implementation; (iv) evaluating the Company's remuneration system, reviewing and supervising its implementation for Directors and senior management; (v) supplementing and revising the Company's remuneration system according to development of the market and the Company; (vi) explaining to shareholders about the remuneration of Directors and senior management; and (vii) other matters authorised by the Board of Directors. The Remuneration and Appraisal Committee, chaired by Mr. LI Zhongfei, consists of Mr. LI Zhongfei, Ms. WANG Yu and Mr. ZHANG Qiyong.

Remuneration

The aggregate amount of total pre-tax remuneration and pension, retirement and other similar benefits received from the Company by the current Directors, Supervisors and senior management for services in all capacities provided to the Company in 2021 was RMB24.1 million.

The following table sets forth some details of the pre-tax remuneration and pension, retirement and other similar benefits received from the Company by each of the Company's current Directors, Supervisors and senior management in 2021:

Name	Pre-tax remuneration and pension, retirement and other similar benefits received from the Company in 2021 (RMB in thousands)
Mr. ZHANG Chuanwei	2,945.28
Mr. SHEN Zhongmin	4,503.40
Mr. WANG Jinfa	1,998.01
Mr. ZHANG Qiyong	1,794.26
Mr. ZHANG Rui	897.74
Mr. HAN Yu	–
Mr. LI Yiming	–
Mr. GU Naikang	96.00
Mr. LI Zhongfei	96.00
Ms. WANG Yu	96.00
Ms. SHAO Xijuan	96.00
Mr. LIU Lianyu	1,694.70
Mr. ZHENG Weili	592.68
Mr. ZHAI Yongjun	475.10
Mr. LIANG Caifa	1,405.10
Mr. CHENG Jiawan	1,281.67
Mr. YU Jiangtao	1,325.61
Mr. YANG Pu	1,208.07
Mr. ZHANG Zhonghai	910.47
Mr. WANG Dongdong	849.65
Ms. YI Lingna	799.55
Mr. LIU Jianjun	1,044.33

Employment Contracts with the Directors, Supervisors and Senior Management

As a general rule, employment contracts in PRC include fixed-term employment contracts and open-ended employment contracts where the Company and the employee have agreed not to stipulate a definite termination date.

Pursuant to the Chinese Labour Contract Law, an employment contract is terminated upon the occurrence of any of the following events: (i) the employment contract expires; (ii) the employee has commenced receiving basic pension insurance; (iii) the employee dies, or is declared dead or missing by a People's Court; (iv) the Company is announced as bankrupt according to law; (v) the Company has its business licence revoked, is ordered to be closed or cancelled, or the Company decides to be dissolved; and (vi) other grounds as stated in laws or administrative regulations.

The Company may terminate an employment contract for cause if the employee: (i) proves to be incompetent during the probation period; (ii) grossly violates the internal policies of the Company; (iii) engages in gross misconduct which causes material damage to the Company; (iv) enters into an employment arrangement with another employer that would affect his or her ability to perform his or her duties to the Company, or refuses to terminate such arrangement following the Company's request to do so; (v) engages in fraud or coercion to induce the Company to enter into the employment contract, or (vi) is convicted of a criminal offence.

The Company may terminate the employment contract if it notifies the employee in writing 30 days in advance or after it pays the employee an extra month's compensation, under the following circumstances: (i) the employee is unable to undertake full working responsibility, in his or her original position or the new position arranged by the Company after medical treatment, due to illness or non work-related injury; or (ii) the employee is not qualified for the work, even after being trained in or adjusted to different positions; or (iii) there has been a significant change in circumstances on which the employment was based, as a result thereof the employment contract cannot be performed, and the employer and the employee are unable to reach an agreement on variation of the contents of the employment contract after negotiation.

Interests of Board of Directors, Supervisors and Senior Management

The table below sets out the interests of the Directors, Supervisors and senior management in the Company's share capital as at the Latest Practicable Date, unless stated otherwise, and after completion of the Offering and Admission.

Name of Director, Supervisor or senior management	A Shares held, directly and indirectly, as at the Latest Practicable Date		A Shares immediately following completion of the Offering ⁽¹⁾ and Admission	
	Number of A Shares	% of total share capital	Number of A Shares	% of total share capital
Mr. ZHANG Chuanwei	245,533,268	11.67	245,533,268	10.81
Mr. SHEN Zhongmin	29,986,518	1.43	29,986,518	1.32
Mr. WANG Jinfa	8,276,564	0.39	8,276,564	0.36
Mr. ZHANG Qiying	6,221,933	0.30	6,221,933	0.27
Mr. ZHANG Rui	2,176,772	0.10	2,176,772	0.10
Mr. LIANG Caifa	954,278	0.05	954,278	0.04
Mr. CHENG Jiawan	1,098,765	0.05	1,098,765	0.05
Mr. YU Jiangtao	631,247	0.03	631,247	0.03
Mr. YANG Pu	511,635	0.02	511,635	0.02
Mr. ZHANG Zhonghai	644,589	0.03	644,589	0.03
Ms. WANG Dongdong	340,000	0.02	340,000	0.01
Ms. YI Lingna	518,035	0.02	518,035	0.02
Mr. LIU Jianjun	2,275,568	0.11	2,275,568	0.10

Note:

- (1) Assuming 168,302,500 new A Shares (including the exercise of the Over-allotment Option) are issued by the Company in connection with the Offering.

Save as disclosed above, none of the Directors, Supervisors or senior management of the Company holds any interest in the Company's share capital.

None of the Directors, Supervisors or senior management of the Company holds options in respect of the Company's shares.

As far as the Company is aware, as at the date of this Prospectus, none of the Directors, Supervisors or the senior management of the Company intend to subscribe in the Offering.

PRINCIPAL SHAREHOLDERS

As at the Latest Practicable Date, the Company had issued a total of 2,103,783,206 A Shares with a par value of RMB1.00 per A Share. No shareholder has different voting rights attached to the A Shares to any other shareholder. The Company is not aware of any arrangements, the operation of which may at a subsequent date result in a change of control of the Company.

As far as the Company is aware, the following persons intend to subscribe for more than 5% of the Offering:

Name of the Subscriber	% of the Offering Subscribed (assuming the Over-allotment Option is exercised in full)
Hillhouse Capital Advisors	17.8%
CPIC Investment Management (H.K.) Company Limited	9.8%
Pacific Alliance Group Asset Management Limited	7.1%

Save as set out above, the Company is not aware of any major shareholder who intends to subscribe in the Offering or other person who intends to subscribe for more than 5% of the Offering.

The Administrative Measures for the Disclosure of Information of Listed Companies of the PRC and the relevant guidelines require that an annual report of a listed company shall include, among other things, information about the top 10 shareholders and shareholders holding 5% or more of the shares and a semi-annual report shall include, among other things, information about the top 10 shareholders.

Shareholders holding 5% or more

The table below sets forth certain information regarding those shareholders of the Company which, as at the Latest Practicable Date and immediately following completion of the Offering and Admission (assuming the Over-allotment Option is exercised in full and 33,660,500 GDRs (including the Over-allotment GDRs) representing 168,302,500 A Shares are sold in the Offering), hold or will hold 5% or more of the A Shares of the Company:

Shareholder	A Shares held as at the Latest Practicable Date		A Shares immediately following completion of the Offering ⁽¹⁾ and Admission	
	Number of A Shares (million)	% of total share capital	Number of A Shares (million)	% of total share capital
Hong Kong Securities Clearing Co., Ltd.	336.7	16.00	336.7	14.82
Mingyang New Energy Investment Holding Group Co., Ltd.	200.1	9.51	200.1	8.80
Wiser Tyson Investment Corp Limited	157.1	7.47	157.1	6.91
First Base Investments Limited	119.5	5.68	119.5	5.26

Note:

- (1) Assuming 168,302,500 new A Shares (including the exercise of the Over-allotment Option) are issued by the Company in connection with the Offering.

Top 10 Shareholders

The table below identifies the top 10 shareholders of the Company's A Shares, based on the A Shares outstanding as at the Latest Practicable Date. No shareholder has different voting rights attached to the A Shares to any other shareholder.

Name of Shareholder	Percentage
Hong Kong Securities Clearing Co., Ltd.	16.00
Mingyang New Energy Investment Holding Group Co., Ltd. ⁽²⁾	9.51
Wiser Tyson Investment Corp Limited ⁽¹⁾	7.47
First Base Investments Limited ⁽²⁾	5.68
Keycorp Limited ⁽²⁾	2.12
Gongqingcheng Boyun Investment Partnership (Limited Partnership) ⁽³⁾	1.74
Guangdong Hengkuo Investment Management Co., Ltd.	1.24
Eternity Peace Company Limited	0.99
China Pacific Life Insurance Co., Ltd. — Dividends — Individual Dividends	0.92
Qianhai Life Insurance Co., Ltd. — Participating Insurance Products	0.90

Notes:

- (1) Mingyang New Energy Investment Holding Group Co., Ltd. is 85.35% owned directly by Mr. ZHANG Chuanwei, 3.67% owned by Zhongshan Ruijin New Energy Investment Development Co., Ltd. (which is itself 99% owned by Mr. ZHANG Chuanwei and 1% owned by Mr. ZHANG Rui, Mr. ZHANG Chuanwei's son) and 0.86% owned directly by Mr. ZHANG Rui.
- (2) Wiser Tyson Investment Corp Limited, First Base Investments Limited and Keycorp Limited are indirectly wholly-owned by Ms. WU Ling, Mr. ZHANG Chuanwei's spouse.
- (3) Gongqingcheng Boyun Investment Partnership (Limited Partnership) is 74.79% owned directly by Mr. ZHANG Chuanwei.

As at the Latest Practicable Date, Mr. ZHANG Chuanwei, together with Ms. WU Ling, his spouse, and Mr. ZHANG Rui, his son, are the Controlling Shareholders of the Company.

As at the Latest Practicable Date, the Controlling Shareholders indirectly held 27.04% of the Company's Shares. Upon the completion of the Offering, the Controlling Shareholders will hold an aggregate of between 25.17% of the Company's Shares (assuming the Over-allotment Option is not exercised) and 25.04% of the Company's Shares (if the Over-allotment Option is exercised in full). Therefore, the Controlling Shareholders may, by voting their shareholding at general meetings of shareholders, have the ability to influence the Company's major policy decisions. To increase independence of corporate governance, the Company has established the Audit Committee in accordance with the applicable regulatory requirements, which, pursuant to relevant regulations issued by the CSRC, is chaired by an independent Director and all of its members are independent Directors except for Mr. SHEN Zhongmin. Moreover, the Company has established the Remuneration and Appraisal Committee, which is chaired by an independent Director, and all of its members are independent Directors except for Mr. ZHANG Qiying. The Company also engages independent auditors to audit the Company's annual financial statements and review its internal financial controls. In addition, the Company has implemented internal rules on related party transactions, pursuant to the relevant rules of the Shanghai Stock Exchange, such as requiring Directors nominated by the Controlling Shareholders to recuse themselves from relevant approval procedures, where any of the Controlling Shareholders is the transaction counter-party.

RELATED PARTY TRANSACTIONS

For the purposes of the Historical Financial Information, parties are considered to be related in line with the relevant requirements under PRC GAAP, Accounting Standards for Enterprises No. 36 (“CAS 36”). CAS 36 “Related Party Transactions” contains a definition of related parties, which are, broadly, parties under common control or one party controlling the other party or capable of exercise of significant influence over the other party in making financial or operational decisions. In considering each possible related party relationship, attention is directed to the substance of the relationship, not merely the legal form.

According to CAS 36, entities directly or indirectly controlled by the Controlling Shareholders and joint ventures of the Controlling Shareholders outside the Group are regarded as related parties of the Group. As presented in the Annual Historical Financial Information as at and for the years ended 31 December 2019, 2020 and 2021 and the First Quarter Historical Financial Information as at and for the three months ended 31 March 2022, the Group entered into transactions with these related parties in the ordinary course of its business, mainly relating to (i) purchasing or selling goods and rendering or receiving services; (ii) leasing of property; (iii) related party guarantees; (iv) provision of financing; (v) remuneration to key management personnel and (vi) other related transactions. These related party transactions were conducted on an arm’s length basis and with normal commercial terms between the relevant parties.

For further details, see note X.5 to the audited consolidated financial statements in F-pages to this Prospectus as at and for the years ended 31 December 2019, 2020 and 2021 and note X.5 to the unaudited consolidated condensed interim financial statements in F-pages to this Prospectus as at and for the three months ended 31 March 2022. The Group is expected to continue to enter into contracts for related party transactions of the foregoing nature as part of its ordinary business from time to time.

DESCRIPTION OF THE COMPANY'S SHARE CAPITAL

General

The Company was founded in the form of a joint stock company with limited liabilities in accordance with the PRC Company Law, the PRC Securities Law and other applicable regulations, and it has conducted business since its incorporation in conformity with its Articles of Association and the aforesaid laws and regulations. In the event that the Offering proceeds and the Offer GDRs are admitted to trading on the Shanghai-London Stock Connect segment of the Main Market of the London Stock Exchange, the Company will also be subject to certain provisions of the London Stock Exchange's Admission and Disclosure Standards, the Listing Rules and the Disclosure Guidance and Transparency Rules, as well as other applicable capital markets regulations.

The PRC Company Law establishes the main rules relating to the registration, operation, merger, spin-off and winding-up of PRC companies. Listed companies on the London Stock Exchange must also comply with additional rules provided, inter alia, by the Market Abuse Regulation.

Objectives and Scope of Business

Pursuant to Chapter II of the Articles of Association and in line with a desire to strengthen economic cooperation and technological exchanges, the operational objectives of the Company are to adopt advanced technology and scientific management methods, produce products that are competitive in the domestic and foreign markets in terms of quality and price, and continuously improve the economic benefits of the Group.

The scope of business of the Company is the production and operation of wind power generators and related power and electrical products. Specifically, it includes wind power engineering and technology-related consultation and technology import and export; high-tech green batteries (including solar cells), complete sets of new energy power generation units and new energy-related engineering and technical consulting; wind farm operation management, consultation, operation and maintenance services; energy system development; energy project investment, development and operation management; new energy, distributed energy, energy storage project investment, construction and operation; power demand side management, energy efficiency management; constructing, repairing, and testing power facilities.

Issued Share Capital

As at the Latest Practicable Date:

- (i) the Company had a total share capital of 2,103,783,206 A Shares that amounted to RMB2,103,783,206 and is listed on the Shanghai Stock Exchange with the stock name 明阳智能 and code as 601615;
- (ii) each share of the Company has a par value of RMB1.00, and the shares of the Company have been issued by the Company in registered form;
- (iii) there are no shares of the Company held by or on behalf of the Company itself or by the subsidiaries of the Company;
- (iv) neither the Company nor any of its subsidiaries has any outstanding convertible securities, exchangeable securities or securities with warrants or any relevant acquisition rights or obligations over the Company's or its subsidiaries' authorised but unissued capital or undertakings to increase its issued share capital;

- (v) there are no acquisition rights and or obligations over authorised but unissued capital in existence, nor any undertakings to increase the capital; and
- (vi) no capital of any member of the Group is under option or agreed conditionally or unconditionally to be put under option.

Evolution of Changes in the Company's Share Capital

The table below sets out the Company's share capital as at the Latest Practicable Date and as at 31 March 2022, 31 December 2021, 2020 and 2019:

Date	Number of A Shares (million)	Share Capital Value (RMB in millions)
31 December 2019	1,379.7	1,379.7
31 December 2020	1,875.4	1,875.4
31 December 2021	1,956.3	1,956.3
31 March 2022	2,104.3	2,104.3
As at the Latest Practicable Date	2,103.8	2,103.8

Pursuant to special resolutions dated 19 April 2022, the shareholders of the Company approved the issuance of no more than 168,340,456 new A Shares by the Company to the Depository in connection with the Offering.

Rights, Preferences and Restrictions Attaching to Existing Shares

Shareholders of the Company shall enjoy rights and bear obligations according to the class and quantity of their Shares. Holders of the same class of Shares shall enjoy the same rights and bear the same obligations.

Voting rights

A shareholder (including its proxy) shall vote based on the number of its voting Shares, with one Share representing one vote. The Company's Shares which are held by the Company do not carry any voting rights and shall not be counted in the total number of voting Shares represented by shareholders attending a general meeting.

When material issues affecting the interests of minority shareholders are considered at a general meeting, the votes of minority shareholders shall be counted separately. The results of such separate votes shall be disclosed publicly in a timely manner following such general meeting.

When a related-party transaction is considered at a general meeting, related shareholder(s) are not permitted to vote, and the voting Shares held by such shareholder(s) shall not be counted in the total number of Shares with voting rights. The announcement of the resolutions of the general meeting shall fully disclose the voting of non-related shareholders.

Rights to dividends

The Company may distribute dividends primarily in the form of cash, but may also distribute dividends in the form of stocks. Any proposed distribution of dividends shall be formulated by the Company's senior management and will be subject to the Board's and shareholders' approval.

According to the applicable PRC laws and the Articles of Association, the Company will pay dividends out of its after-tax profit only after it has made the following allocations:

- recovery of accumulated losses, if any;
- allocations to the statutory reserve fund equivalent to 10% of its after-tax profit, and, when the statutory reserve fund reaches and is maintained at or above 50% of the Company's registered capital, no further allocations to this statutory reserve fund will be required; and
- allocation, if any, to a discretionary common reserve fund an amount approved by the shareholders of the Company in a shareholders' meeting.

Subject to the aforesaid allocations and restrictions, the remaining after-tax profits of the Company shall be distributed as dividends to the shareholders pursuant to the ratio of their shareholding, unless otherwise provided by the Articles of Association of the Company.

Furthermore, as set forth in its Articles of Association, the Company shall in principle distribute cash dividends every fiscal year, and may declare interim dividends as it considers appropriate, provided that the Company records a positive profit for the year and has positive retained earnings. In principle, the profits for distribution in each fiscal year shall be no less than 10% of the distributable profits realised in the same period. According to its Articles of Association, the Company implements a tiered cash distribution policy: if the Company has reached a mature stage and there is no major capital expenditure expected, cash dividends shall account for no less than 80% of the overall dividend distribution; if the Company has reached a mature stage but there is major capital expenditure expected, cash dividends shall account for no less than 40% of the overall dividend distribution; and if the Company is at a growth stage and major capital expenditure is expected, cash dividends shall account for no less than 20% of the overall profit distribution. However, the Company is allowed to amend its Articles of Association with the approval of more than two thirds of the voting rights held by the shareholders attending the shareholders' meeting and there is no assurance that the Company will distribute the dividends in an amount as specified in the Articles of Association.

The Company's Board of Directors shall complete a dividend distribution within 60 days of the date that the general meeting passes the resolution for the proposed dividend distribution.

Other rights of shareholders

Besides the aforesaid voting rights and rights to dividends, the shareholders of the Company shall enjoy the following rights:

- to receive dividends and other forms of profit distribution in accordance with the number of Shares held;
- to lawfully request, convene, preside over general meetings, and attend general meetings in person or by proxy;
- to supervise, and make recommendations and inquiries on, the operations of the Company;
- to transfer, gift or pledge their Shares in accordance with laws, administrative regulations, and the Articles of Association;
- to inspect the Articles of Association, the shareholders' register, the registers of corporate bonds issued by the Company, the minutes of the general meeting, the resolutions of the Board of Directors, the resolutions of the Supervisory Committee and the Company's accounting reports;

- upon termination or dissolution of the Company, to participate in the distribution of the remaining assets of the Company in proportion to the quantity of Shares held by them;
- to require the Company to buy back their Shares in the event of objection to resolutions of the general meetings concerning merger or division of the Company; and
- to enjoy other rights provided by laws, administrative regulations, departmental rules or the Articles of Association.

Provisions regarding redemption of Shares

The Company may and only may, in the following circumstances, buy back its issued Shares pursuant to laws, administrative regulations, departmental rules and the Articles of Association:

1. to reduce the registered capital of the Company;
2. to merge with another company that holds the Company's Shares;
3. to grant to employees as employee stock ownership plan or equity incentive plan;
4. from shareholders who object to the resolutions of the general meeting on merger or division of the Company and request the Company to buy back their Shares;
5. to use for the purposes of converting convertible corporate bonds issued by the Company; and
6. when it is necessary to protect the Company and the rights and interests of its shareholders.

In order for the Company to buy back Shares in the circumstances set out in paragraphs (1) or (2) (above) it must obtain a resolution of the general meeting; in order for the Company to buy back its shares for reason specified in item (3), (5) or (6) (above), the Company may, in accordance with the provisions of the Articles of Association or under the authorisation of the general meeting, obtain a resolution of the Board of Directors with more than two thirds of the directors present at the Board meeting.

In circumstances where the Company has bought back Shares: (a) pursuant to paragraph (1) (above), the Company shall cancel the relevant Shares within ten days from the date of the purchase; (b) pursuant to paragraphs (2) or (4) (above), the Company shall transfer or cancel the relevant Shares within six months from the date of purchase; (c) pursuant to paragraphs (3), (5) or (6) (above), the Company shall hold no more than 10% of the outstanding Shares of the Company and shall transfer or cancel the relevant Shares within three years from the date of purchase.

The Company may buy back its issued Shares through public transaction on stock exchanges, tender offers, other circumstances permitted by laws and administrative regulations and other forms approved by CSRC. However, where the Company buys back Shares in the circumstances set out in paragraphs (3), (5), or (6) (above), the Company shall do so through public transactions.

Restrictions on free transfer ability of Shares

Subject to the following restrictions and save as otherwise specified by the state laws, administrative regulations, and relevant provisions, Shares of the Company may be transferred freely and without any liens:

- the Company shall not accept its own Shares as the subject matter of a pledge;
- the Directors, Supervisors and senior management officers of the Company shall report to the Company their shareholdings and any changes thereto and shall not transfer more than 25% of the Shares they hold per annum during their terms of office; the Shares they hold in the Company shall not be transferred within one year from the date that the Shares of the Company are listed or within the six-month period following any termination of their service/employment with the Company; and
- if the Company's Directors, Supervisors, senior management officers, and shareholders holding 5% or more of the Shares of the Company sell Shares within six months after buying the same or buy Shares within six months after selling the same, the earnings arising therefrom shall belong to the Company and the Board shall recover such earnings. However, this six-month restriction shall not apply to any sale of Shares by a securities firm holding 5% or more of the Company's Shares as a result of it having underwritten and purchased Shares not sold pursuant to an offering.

Rules relating to mandatory takeover bids and/or squeeze-out and sell-out in relation to Shares

Pursuant to the PRC Takeover Rules, any person (the "offeror") who holds, controls or beneficially owns 30% or more of the shares in a company listed in the PRC (including the Company) and who wishes to further acquire additional shares in the listed company must (unless an exemption is available under the PRC Takeover Rules) do so through a tender offer to all other shareholders of the listed company to purchase:

- all or a specified percentage of their shares in the listed company, if the offeror is a direct shareholder of the listed company; or
- all their shares, if the offeror indirectly controls or holds the beneficial ownership of its existing shares through investments, agreements or other arrangements.

The offeror must notify the target company, publish a takeover alert, and prepare and publish a tender offer report.

Pursuant to the PRC Takeover Rules, shares proposed to be purchased through a tender offer must be no less than 5% of the outstanding shares of the listed company. The offeror must treat all shareholders of the listed company equally, and the offer price must be no less than the highest price the offeror has paid for the acquisition of the shares in the same listed company during the six months prior to its publication of the takeover alert. Unless there is a competing tender offer to acquire the same listed company, the offer period must be no less than 30 days and no more than 60 days. During the offer period specified in the tender offer report, the offeror may not cancel the tender offer, sell any shares in the listed company, or purchase any shares in the listed company through any other means. Any competing tender offer to acquire the same listed company must be made prior to the 15th day prior to the end of the offer period. Unless there is a competing tender offer to acquire the same listed company, the offeror may not change the terms of the tender offer during the last 15 days of the offer period. All the terms of the acquisition offer shall apply to all the shareholders of the target company. If the listed company has different types of shares, the offeror may propose different acquisition terms for shareholders who hold different types of shares.

If an offeror cancels the proposed tender after the publication of a takeover alert and prior to the publication of the tender offer report, such offeror may not acquire the same listed company within the 12 months upon the announcement of the cancellation of the proposed tender.

Any shareholder may indicate acceptance of the offer during the offer period, which may be withdrawn up to the third trading day prior to the end of the offer period. The shareholder who has indicated its acceptance of the tender offer may not transfer its shares unless such indication is withdrawn.

There are other laws and regulations regulating certain aspects of takeovers, including the laws and regulations on insider dealing, disclosure of inside information and disclosure of interest in shares.

So far as the Company is aware, there has been no public takeover bid by third parties in respect of the Company's Shares that occurred during the year ended 31 December 2021 nor in the period from 1 January 2022 to the date of this Prospectus.

TERMS AND CONDITIONS OF THE GLOBAL DEPOSITARY RECEIPTS

The following terms and conditions (the “Conditions”), subject to completion and amendment and excepting sentences in italics, will apply to the global depositary receipts (the “GDRs”) and will be endorsed on each global depositary receipt certificate (the “GDR Certificates”).

The GDRs are issued in respect of the A shares, having a nominal value of RMB1.00 each (the “Shares”), of Ming Yang Smart Energy Group Limited (the “Company”), pursuant to and subject to the GDRs and the Deposit Agreement dated 7 July 2022 between the Company and Citibank, N.A., as depositary (the “Depositary”) (the “Deposit Agreement”). Each GDR represents the right to receive, subject to the terms of the Deposit Agreement and the Conditions, five Shares on deposit under the terms of the Deposit Agreement.

Pursuant to the provisions of the Deposit Agreement, the Depositary has appointed Bank of China Limited (“BOC”) as custodian to receive and hold in an account of the Depositary the Shares from time to time deposited under the Deposit Agreement (the “Deposited Shares”), and to receive and hold for the account and to the order of the Depositary all rights, securities, property and cash deposited with or via the Custodian which are attributable to the Deposited Shares (such rights, securities, property and cash together with the Deposited Shares, the “Deposited Property”). The Depositary shall hold Deposited Property for the benefit of the Holders (as defined below) as bare trustee in proportion to the number of Shares in respect of which the GDRs held by them are issued. In these Conditions references to the “Depositary” are to Citibank, N.A. and/ or any other depositary which may from time to time be appointed under the Deposit Agreement, references to the “Custodian” are to BOC or any other custodian which may from time to time be appointed under the Deposit Agreement and references to the “Office” mean, in relation to the Custodian, the principal office of the Custodian in the PRC (currently at No. 1 Fuxingmennei Nei Dajie, Xicheng District, Beijing, P.R.C., Post Code: 100818).

References in these Conditions to the “Holder” of any GDR shall mean the person registered as the holder of any GDR on the books of the Depositary maintained for such purpose. References in these Conditions to “Beneficial Owner” of any GDR shall mean any person who is the beneficial owner of GDRs as determined in accordance with Rule 13d-3 and Rule 13d-5 under the Exchange Act. These Conditions include summaries of, and are subject to, the detailed provisions of the Deposit Agreement, which includes the forms of the GDR Certificate in respect of the GDRs. Copies of the Deposit Agreement are available for inspection at the principal office of the Depositary. Holders and Beneficial Owners are deemed, by virtue of being a Holder or Beneficial Owner, to have notice of, and be subject to, all of the applicable provisions of the Deposit Agreement and the Conditions. Terms used in the Conditions and not defined herein but which are defined in the Deposit Agreement have the meanings ascribed to them in the Deposit Agreement.

The Depositary shall hold Deposited Property for the benefit of the Holders as bare trustee in proportion to the number of Shares in respect of which the GDRs held by them are issued and the Holders will accordingly be tenants in common of such Deposited Property to the extent of the Deposited Property corresponding to the GDRs in respect of which they are the Holders. For the avoidance of doubt, in acting hereunder the Depositary shall have only those duties, obligations and responsibilities expressly specified in the Deposit Agreement and these Conditions and, other than holding the Deposited Property as bare trustee as aforesaid, does not assume any relationship of trust for or with the Holders or the Beneficial Owners or any other person. Any right or power of the Depositary in respect of Deposited Property is reserved by the Depositary under its declaration of trust contained in this paragraph and is not given by way of grant by any Holder or Beneficial Owner.

Holders and Beneficial Owners of GDRs are not parties to the Deposit Agreement and thus, under English Law, have no contractual rights against, or obligations to, the Company or Depositary. However, the Deed Poll executed by the Company in favour of the Holders provides that, if the

Company fails to perform the obligations imposed on it by certain specified provisions of the Deposit Agreement, any Holder may enforce certain specified provisions of the Deposit Agreement as if it were a party to the Deposit Agreement and was the “Depositary” in respect of that number of Deposited Shares to which the GDRs of which it is the Holder relate.

Holders and Beneficial Owners are deemed, by virtue of being a Holder or Beneficial Owner and owning, acquiring or holding, as the case may be, a GDR, to have notice of and be subject to all applicable provisions of the Deposit Agreement and the Conditions. The Depositary is under no duty to enforce any of the provisions of the Deposit Agreement or the Conditions on behalf of any Holder or Beneficial Owner of a GDR or any other person.

*GDRs will initially take the form of global GDRs evidenced by a Master GDR Certificate (the “**Master GDR Certificate**”) registered in the name of Citivic Nominees Limited as nominee for Citibank Europe plc, as common depositary (the “**Common Depositary**”), and will initially be held by the Common Depositary for Euroclear Bank SA/NV, as operator of the Euroclear System (“**Euroclear**”) and Clearstream Banking, société anonyme (“**Clearstream**”) and for the account of accountholders in Euroclear or Clearstream (“**Euroclear Participants**” and “**Clearstream Participants**”, respectively), as the case may be.*

The Master GDR Certificate will be exchangeable for a GDR Certificate in definitive registered form in the limited circumstances as described below.

If at any time Euroclear or Clearstream, as the case may be, ceases to make its respective book-entry settlement systems available for the GDRs, the Company and the Depositary will attempt to make other arrangements for book-entry settlement. If alternative book-entry settlement arrangements cannot be made, the Depositary will make available GDR Certificates in definitive registered form.

Under the terms of the GDRs, each purchaser of GDRs is deemed to have represented and agreed, among other things, that the GDRs have not been and will not be registered under the Securities Act and may be offered, sold, pledged or otherwise transferred only in a transaction exempt from, or not subject to, the registration requirements of the Securities Act. Each GDR will contain a legend to the foregoing effect.

For a description of the restrictions on the transfer of the GDRs see “Selling Restrictions and Transfer Restrictions — Transfer Restrictions” and “Plan of Distribution”.

1 Deposit of Shares

- (A) The Depositary may, in accordance with the terms of the Deposit Agreement, but subject to the Conditions, and upon delivery of (x) a duly executed or electronically submitted order (in a form approved by the Depositary) and (y) a duly executed or electronically submitted deposit certification substantially in the form attached to the Deposit Agreement by or on behalf of any investor who is to become the Beneficial Owner of the GDRs (other than in the case of a deposit of Shares by the Company or an Affiliate of the Company which shall be subject to Clause 7.1.4 of the Deposit Agreement), from time to time issue and deliver further GDRs having the same terms and conditions as the GDRs which are then outstanding in all respects and, subject to the terms of the Deposit Agreement, the Conditions and applicable law, the Depositary shall accept for deposit any further Shares in connection therewith, so that such further GDRs shall form a single series with the already outstanding GDRs. References in these Conditions to the GDRs include (unless the context requires otherwise) any further GDRs issued pursuant to this Condition and forming a single series with the already outstanding GDRs.

The deposit certificate to be provided pursuant to the Deposit Agreement certifies, among other things, that the person providing such certificate is not an “affiliate” of the Company, has acquired, or has agreed to acquire and will have acquired, the Shares to be deposited in an “offshore transaction” (as defined in Regulation S) and will comply with the restrictions on transfer applicable to GDRs set forth under “Selling Restrictions and Transfer Restrictions”.

- (B) Subject to the terms and conditions of the Deposit Agreement and applicable law, upon (i) physical delivery to the Custodian of Shares, or book-entry transfer of Shares to an account in the name of the Depository at the China Securities Depository and Clearing Corporation Limited (the “CSDC”), (ii) physical or electronic delivery to the Depository of the applicable deposit certification unless the deposit of Shares is made by the Company or an Affiliate of the Company in which case such deposit will be subject to Clause 7.1.4 of the Deposit Agreement, and (iii) payment of necessary taxes, governmental charges (including transfer taxes) and other charges as set forth in the Deposit Agreement and fees, costs, expenses and charges of the Depository as set forth in Clause 10.1 of the Deposit Agreement and Condition 19, the Depository will (i) adjust its records for the number of GDRs issued in respect of the Shares so deposited, (ii) notify the Common Depository to increase the number of GDRs evidenced by the Master GDR Certificate, and (iii) make delivery of the GDRs so issued to the applicable Euroclear Participant or Clearstream Participant specified in applicable order received for such purpose.
- (C) Subject to the limitations set forth in the Deposit Agreement and applicable law, the Depository may (but is not required to) issue GDRs prior to the delivery to it of Shares in respect of which such GDRs are to be issued against evidence to receive rights from the Company (or any agent of the Company involved for the Company in the maintenance or ownership or transactions records for the Shares) in the form of a written blanket or specific guarantee of ownership furnished by the Company (or any agent of the Company involved for the Company in the maintenance or ownership or transactions records for the Shares).
- (D) Any further GDRs issued pursuant to Condition 1(A) which (i) represent Shares which have rights (whether dividend rights or otherwise) which are different from the rights attaching to the Shares represented by the outstanding GDRs, or (ii) are otherwise not fungible (or are to be treated as not fungible) with the outstanding GDRs, will, subject to Clause 3.14 of the Deposit Agreement be represented by a separate master partial entitlement GDR certificate (each a “**Master Partial Entitlement GDR Certificate**”). Upon becoming fungible with outstanding GDRs, such further GDRs shall be evidenced by the Master GDR Certificate (by increasing the total number of GDRs evidenced by the Master GDR Certificate or by the number of such further GDRs, as applicable).
- (E) Subject to the further terms and provisions of the Deposit Agreement, Citibank, N.A., its agents and affiliates, on their own behalf, may own and deal in any class of securities of the Company and its affiliates and in GDRs. In its capacity as Depository, the Depository shall not lend Shares or GDRs.
- (F) Any person delivering Shares for deposit under the Deposit Agreement and Condition 1 and any Holder or Beneficial Owner may be required and will be deemed to accept, by virtue of being a Holder or a Beneficial Owner, that, from time to time, it will be required to furnish the Depository or the Custodian with such proof, certificates and representations and warranties as to matters of fact, including without limitation the citizenship and residence of the depositor, taxpayer status, payment of all applicable taxes or governmental charges, exchange control approvals, legal or beneficial ownership of GDRs and Deposited Property, compliance with all applicable laws, the terms of the Deposit Agreement, the Conditions and the provisions of, or governing, the Deposited Property and the identity and genuineness

of any signature on any of the supporting instruments or other documents, and with such further documents and information as the Depositary may deem necessary or appropriate for the administration or implementation of the Deposit Agreement and the Conditions. The Depositary, the Registrar or the Custodian may withhold acceptance of Shares for deposit, withhold delivery or registration of issuance or transfer of all or part of any GDR Certificate, withhold adjustment of the Master GDR Certificate to reflect increases in Shares represented thereby or withhold the distribution or sale of any dividend or distribution of rights or of the net proceeds of the sale thereof or the delivery of any Deposited Property, until such proof or other information is filed or such certifications are executed, or such representations are made or such other documentation or information is provided in each case to the satisfaction of the Depositary, the Registrar or the Custodian.

- (G) Notwithstanding anything else contained in the Deposit Agreement or the Conditions, the Depositary shall not be required to accept for deposit or maintain on deposit in its account maintained by the Custodian (a) any fractional Shares or fractional Deposited Property, or (b) any number of Shares or Deposited Property which, upon application of the ratio of GDRs to Shares or Deposited Property, as the case may be, would give rise to fractional GDRs. No Share shall be accepted for deposit unless accompanied by evidence, if any is required by the Depositary or the Custodian, that is reasonably satisfactory to the Depositary or the Custodian that all conditions for such deposit have been satisfied by the person depositing such Shares under the laws and regulations of the PRC and any necessary approval has been granted by any applicable governmental body in the PRC (if any), including, without limitation, if applicable, any regulator of currency exchange.
- (H) Each person depositing Shares under the Deposit Agreement and the Conditions shall be deemed thereby to represent and warrant that (i) such Shares (and the certificates therefor) are duly authorised, validly issued, fully paid, nonassessable and legally obtained by such person, (ii) all pre-emptive (and similar) rights with respect to such Shares have been validly waived or exercised, (iii) the person making such deposit is duly authorised so to do, (iv) the Shares presented for deposit are free and clear of any lien, encumbrance, security interest, charge, mortgage or adverse claim, (v) the Shares presented for deposit have not been stripped of any rights or entitlements, and (vi) the Shares are not, and the GDRs will not be, “restricted securities” (as defined in Rule 144(a)(3) under the Securities Act). Such representations and warranties shall survive the deposit and withdrawal of Shares and the issuance and cancellation of GDRs in respect thereof and the transfer of such GDRs. If any such representations or warranties are false in any way, the Company and the Depositary shall be authorised, at the cost and expense of the person depositing Shares, to take any and all actions necessary to correct the consequences thereof.

Each person depositing Shares, taking delivery of or transferring GDRs or any beneficial interest therein, or surrendering GDRs or any beneficial interest therein and withdrawing Shares under the Deposit Agreement and the Conditions shall be deemed thereby to acknowledge that the GDRs and the Shares represented thereby have not been and will not be registered under the Securities Act, and may not be offered, sold, pledged or otherwise transferred except in accordance with the restrictions on transfer set forth in the applicable Securities Act Legend, and such person shall be deemed thereby to represent and warrant that such deposit, transfer or surrender or withdrawal complies with the foregoing restrictions. Such representations and warranties shall survive any such deposit, taking delivery of, transfer, surrender or withdrawal of the Shares or the GDRs or any beneficial interest therein.

2 **Withdrawal of Deposited Property**

- (A) Subject to the terms and provisions of the Deposit Agreement, the Conditions, the procedures of the CSDC and applicable law, any Holder may request withdrawal of the Deposited Property attributable to any GDR upon production of such evidence that such person is the Holder of, and entitled to, the relative GDR as the Depository may reasonably require at the principal office of the Depository accompanied by:
- (i) a duly executed order (in a form approved by the Depository) requesting the Depository to cause the Deposited Property being withdrawn or evidence of the electronic transfer thereof to be delivered to or upon the order in writing of, the person or persons designated in such order;
 - (ii) the payment of such fees, taxes, duties, charges and expenses as may be required under the Conditions or the Deposit Agreement including, but not limited to the fees, costs, expenses and charges of the Depository set forth in Clause 10.1 of the Deposit Agreement and Condition 19; and
 - (iii) (x) surrender of a GDR Certificate at the Principal New York Office or Principal London Office, if the Euroclear or Clearstream book-entry settlement system is not then available for GDRs, or (y) receipt by the Depository at the Principal New York Office of instructions from Euroclear or Clearstream, or a Euroclear Participant or Clearstream Participant or their respective nominees, on behalf of any Beneficial Owner together with a corresponding credit to the Depository's account at Euroclear or Clearstream for the GDRs so surrendered, if the book-entry settlement system is then available for GDRs, in either case for the purpose of withdrawal of the Deposited Property represented thereby.
- (B) Withdrawals of Deposited Shares may be subject to such transfer restrictions or certifications, as the Company or the Depository may from time to time determine to be necessary for compliance with applicable laws.
- (C) Upon production of such documentation and the making of such payment as aforesaid in accordance with paragraph (A) of this Condition 2, the Depository will direct the Custodian, within a reasonable time after receiving such direction from such Holder, to deliver at its office, to, or to the order in writing of, the person(s) designated in the accompanying order:
- (i) a certificate for, or other appropriate instrument of title to, or evidence of book-entry transfer of, the relevant Deposited Shares, registered in the name of the Depository or its nominee and accompanied by such instruments of transfer in blank or to the person or persons specified in the order for withdrawal and such other documents, if any, as are required by law for the transfer thereof; and
 - (ii) all other property forming part of the Deposited Property attributable to such GDR, accompanied, if required by law, by one or more duly executed endorsements or instruments of transfer in respect thereof as aforesaid or evidence of the electronic transfer of such other Deposited Property;
- provided that the Depository:
- (x) may make delivery of (a) any cash dividends or cash distributions or (b) any proceeds from the sale of any distributions of Shares or rights which are held by the Depository in respect of the Deposited Property represented by the GDRs surrendered for cancellation and withdrawal; and

- (y) at the request, risk and expense of any Holder surrendering a GDR for cancellation and withdrawal, will direct the Custodian to forward any cash or other property (other than securities) held by the Custodian in respect of the Deposited Property represented by such GDRs to the Depository,

in each case at the Principal New York Office or the Principal London Office (if permitted by applicable law from time to time).

- (D) Delivery by the Depository and the Custodian of all certificates, instruments, dividends or other property forming part of the Deposited Property as specified in this Condition will be made subject to any laws or regulations applicable thereto.
- (E) If any GDR surrendered and cancelled represents fractional entitlements in Deposited Shares, the Depository shall cause the appropriate whole number of Deposited Shares to be withdrawn and delivered in accordance with the terms of the Deposit Agreement and this Condition 2 and shall, at the discretion of the Depository, either (i) issue and deliver to the person surrendering such GDR a new GDR representing any remaining fractional Share, or (ii) sell or cause to be sold the fractional Share represented by the GDR surrendered and remit proceeds of such sale (net of (a) fees and charges of, and expenses incurred by, the Depository, and (b) taxes withheld) to the person surrendering the GDR.

3 Suspension of Issue of GDRs and of Withdrawal of Deposited Property

The issuance and delivery of GDRs against deposits of Shares generally or deposits of particular Shares may be suspended or withheld, or the registration of transfer of GDR Certificates in particular instances may be refused, or the registration of transfers generally may be suspended or refused, during any period when the transfer books of the Depository, the Company, a registrar of GDRs or any registrar of Shares are closed, or if any such action is deemed necessary or advisable by the Company or the Depository in good faith, at any time or from time to time because of any requirement of law, any government or governmental body or commission or any securities exchange on which the GDRs or Shares are listed, an applicable court order, or under any provision of the Deposit Agreement, the Conditions, or the provisions of or governing the Deposited Property, or any meeting of shareholders of the Company or for any other reason. The Depository may restrict the transfer of Deposited Shares where the Company notifies the Depository in writing that such transfer would result in ownership of Shares exceeding any limit under any applicable law, government resolution or the Articles of Association or would otherwise violate any applicable laws.

Notwithstanding any provision of the Deposit Agreement, the Conditions or any GDR Certificate to the contrary, Holders and Beneficial Owners are entitled to surrender outstanding GDRs to withdraw the Deposited Shares at any time subject only to (i) temporary delays caused by closing the transfer books of the Depository or the Company or the deposit of Shares in connection with voting at a shareholders' meeting or the payment of dividends, (ii) the payment of fees, taxes and similar charges, (iii) compliance with any laws or governmental regulations or an applicable court order relating to the GDRs or to the withdrawal of the Deposited Shares.

4 Transfer and Ownership

- (A) GDRs are to be issued in registered form. Title to the GDRs passes upon registration in the records of the Depository. The Depository will refuse to accept for transfer any GDRs if it reasonably believes that such transfer would result in a violation of applicable laws. The Holder of any GDR will (except as otherwise required by law) be treated as its absolute owner for all purposes (whether or not any payment or other distribution in respect of such GDR is overdue and regardless of any notice of ownership, trust or any interest in it or any writing on, or the theft or loss of, any certificate issued in respect of it) and no person will be liable for so treating the Holder.

The Depositary will maintain Holder records, including a register of Holders, at its principal office in New York and shall ensure that no register of Holders is maintained in the United Kingdom.

For a description of the restrictions on the transfer of the GDRs see “Selling Restrictions and Transfer Restrictions — Transfer Restrictions”.

- (B) Notwithstanding any other provision of the Deposit Agreement or the Conditions, each Holder and Beneficial Owner, by virtue of their ownership of any GDR or any Deposited Property, shall be deemed thereby to agree to comply with requests from the Company or the Depositary from time to time pursuant to PRC law, any request made by a regulatory authority or any stock exchange on which the Shares are, or may be registered, traded or listed, or the Articles of Association, which are made to provide information, inter alia, as to the capacity in which such Holder or former Holder, Beneficial Owner or former Beneficial Owner holds or held, owns or owned a beneficial ownership interest in GDRs (and Deposited Property, as the case may be) and regarding the identity of any other person interested in such GDRs (and Deposited Property), the nature of such interest and various related matters, whether or not they are Holders and/or Beneficial Owners at the time of such request.
- (C) Applicable laws and regulations may require holders and beneficial owners of Shares, including the Holders and Beneficial Owners of GDRs, to satisfy reporting requirements or obtain regulatory approvals in certain circumstances. Holders and Beneficial Owners of GDRs are solely responsible for complying with such reporting requirements and obtaining such approvals. By virtue of their ownership of any GDR or any Deposited Property, each Holder and Beneficial Owner shall be deemed thereby to agree to file such reports and obtain such approvals to the extent and in the form required by applicable laws and regulations as in effect from time to time. None of the Depositary, the Custodian, the Company or any of their respective agents or affiliates shall be required to take any actions whatsoever on behalf of Holders or Beneficial Owners to satisfy such reporting requirements or obtain such regulatory approvals under applicable laws and regulations.

5 Cash Distributions

Whenever the Depositary receives, or receives confirmation from the Custodian of the receipt from the Company of, any cash dividend or other cash distribution on or in respect of the Deposited Shares or receipt of proceeds from the sale of any Shares, rights, securities or other entitlements under the terms of the Deposit Agreement or the Conditions, the Depositary shall, if at the time of receipt thereof any amounts received in Foreign Currency can in the judgment of the Depositary (pursuant to Condition 11) be converted on a practicable basis into Dollars transferable to the United States, promptly convert, or cause to be converted, such dividends, distribution or proceeds into Dollars in the terms described in Condition 11 and will promptly distribute the amount thus received (net of (a) applicable fees and charges of, and expenses incurred by, the Depositary and (b) taxes withheld) to the Holders entitled thereto. The Depositary shall distribute only such amount, however, as can be distributed without attributing to any Holder a fraction of one cent, and any balance not so distributable shall be held by the Depositary (without liability for interest thereon) and shall be added to and become part of the next sum received by the Depositary for distribution to Holders of GDRs then outstanding at the time of the next distribution. If the Company, the Custodian or the Depositary is required to withhold and does withhold from any cash dividend or other cash distribution in respect of any Deposited Property an amount on account of taxes, duties or other governmental charges, the amount distributed to Holders in respect of the GDRs representing such Deposited Property shall be reduced accordingly. Such withheld amounts shall be forwarded by the Company, the Custodian or the Depositary to the relevant governmental authority. Evidence of payment thereof by the Company shall be forwarded by the Company to the Depositary upon request.

6 Distributions of Shares

If any distribution upon any Deposited Property consists of a dividend in, or free distribution of, Shares, the Company shall cause such Shares to be deposited via the Custodian and, if applicable, registered in the name of the Depository, the Custodian or any of their nominees, as the case may be. Upon receipt of confirmation of such deposit from the Custodian, the Depository shall establish the GDR Record Date upon the terms described in Condition 10 and shall, subject to the terms of the Deposit Agreement and the Conditions, either (i) distribute to the Holders as at the GDR Record Date in proportion to the number of GDRs held as at the GDR Record Date, additional GDRs, which represent the aggregate number of Shares received as such dividend or free distribution, subject to the other terms of the Deposit Agreement and Conditions and net of (a) the applicable fees and charges of, and expenses incurred by, the Depository and (b) taxes, by either (x) if GDRs are not available in book-entry form, issuing additional GDR Certificates for an aggregate number of GDRs representing the number of Shares received as such dividend or free distribution, or (y) if GDRs are available in book-entry form, reflecting on the records of the Depository such increase in the aggregate number of GDRs representing such Shares and give notice to the Common Depository of the related increase in the number of GDRs evidenced by the Master GDR Certificate, or (ii) if additional GDRs are not so distributed, each GDR issued and outstanding after the GDR Record Date shall, to the extent permissible by law, thenceforth also represent rights and interests in the additional Shares distributed upon the Deposited Property represented thereby, net of (a) the applicable fees and charges of, and expenses incurred by, the Depository and (b) taxes. In lieu of delivering fractional GDRs, the Depository shall sell the number of Shares represented by the aggregate of such fractions and distribute the net proceeds of such sale upon the terms described in Condition 5. In the event that the Depository determines that any distribution in Shares would violate applicable law, is not operationally practicable, is subject to any tax or other governmental charges which the Depository is obliged to withhold, or if the Company, in the fulfillment of its obligations under Clause 7.1.4 of the Deposit Agreement, has furnished an opinion of US counsel determining that the distribution to Holders of the Shares and the GDRs representing such Shares must be registered under the Securities Act or other laws or requires other regulatory steps in order to be distributed to Holders (and no such registration statement has been declared effective or steps have been taken), the Depository may dispose of all or a portion of such Shares in such amounts and in such manner, including by public or private sale, as the Depository deems necessary and practicable, and the Depository shall distribute the net proceeds of any such sale, after deduction of (a) fees and charges of, and expenses incurred by, the Depository and (b) taxes, to Holders entitled thereto upon the terms described in Condition 5. The Depository shall hold and/or distribute any unsold balance of such property in accordance with the provisions of the Deposit Agreement and the Conditions.

7 Distributions Other than Cash or Shares

Whenever the Depository receives from the Company property other than cash, Shares or rights to purchase additional Shares and receives a notice from the Company indicating that the Company wishes such distribution to be made available to Holders of GDRs, upon receipt of satisfactory documentation within the terms of Clause 7.1.4 of the Deposit Agreement and after making the requisite determinations set forth in Clause 5.1 of the Deposit Agreement, the Depository shall distribute the property so received to the Holders of record as at the GDR Record Date set in accordance with Condition 10, in proportion to the number of GDRs held by them respectively and in such manner as the Depository may deem practicable for accomplishing such distribution (i) upon receipt of payment or net of the applicable fees and charges of, and expenses incurred by, the Depository, and (ii) net of any taxes withheld. The Depository may dispose of all or a portion of the property so distributed and deposited, in such amounts and in such manner (including public or private sale) as the Depository may deem practicable or necessary to satisfy any taxes (including applicable interest and penalties) or other governmental charges applicable to the distribution. If

(i) the Company does not request the Depositary to make such distribution to Holders or requests not to make such distribution to Holders, (ii) the Depositary does not receive documentation within the terms of Clause 7.1.4 of the Deposit Agreement, or (iii) the Depositary determines (in accordance with Clause 5.1 of the Deposit Agreement) that all or a portion of such distribution is not lawful or is not reasonably practicable, the Depositary shall sell or cause such property to be sold in a public or private sale, at such place or places and upon such terms as it may deem practicable and shall (x) cause the proceeds of such sale, if any, to be converted into Dollars in accordance with Condition 11, and (y) distribute the proceeds of such conversion received by the Depositary (net of (a) applicable fees and charges of, and expenses incurred by, the Depositary and (b) taxes) to the Holders as at the GDR Record Date upon the terms of Condition 5. If the Depositary is unable to sell such property, the Depositary may dispose of such property in any way it deems reasonably practicable under the circumstances.

8 Rights Issues

(A) Whenever the Company intends to distribute to the holders of the Deposited Property rights to subscribe for additional Shares, and provides a notice to the Depositary indicating that the Company wishes such rights to be made available to Holders of GDRs, upon receipt of satisfactory documentation within the terms of Clause 7.1.4 of the Deposit Agreement and after making the requisite determinations set forth in Clause 5.1 of the Deposit Agreement, the Depositary shall (x) establish a GDR Record Date (upon the terms described in Condition 10), (y) establish procedures to distribute such rights (by means of warrants or otherwise) and/or to enable the Holders to exercise the rights (upon payment of (a) the applicable fees and charges of, and expenses incurred by, the Depositary and (b) taxes), and (z) issue and deliver GDRs upon the valid exercise of such rights. The Company shall assist the Depositary to the extent necessary in establishing such procedures.

Nothing herein shall obligate the Depositary to make available to the Holders a method to exercise such rights to subscribe for Shares (rather than for GDRs).

(B) In the event that (i) the Depositary fails to receive satisfactory documentation within the terms of Clause 7.1.4 of the Deposit Agreement or determines that it is not lawful or not reasonably practicable to make the rights available to Holders or (ii) the Company requests that the rights not be made available to Holders of GDRs or (iii) any rights made available are not exercised and appear to be about to lapse, the Depositary shall determine whether it is lawful and reasonably practicable to sell such rights, in a riskless principal capacity, at such place and upon such terms (including public and private sale) as it may deem practicable. The Company shall assist the Depositary to the extent necessary to determine such legality and practicability. If the Depositary sells such rights, the Depositary shall, upon such sale, (x) cause the proceeds of such sale, if any, to be converted into Dollars upon the terms described in Condition 11, and (y) distribute the proceeds of such sale (net of (a) applicable fees and charges of, and expenses incurred by, the Depositary and (b) taxes) upon the terms set forth in Condition 5.

If the Depositary is unable to make any rights available to Holders upon the terms described in the Deposit Agreement or to arrange for the sale of the rights upon the terms described above, the Depositary shall allow such rights to lapse.

The Depositary shall not be responsible for (i) any failure to determine that it may be lawful or practicable to make such rights available to Holders in general or any Holder in particular, (ii) any foreign exchange exposure or loss incurred in connection with any sale or exercise, or (iii) the content of any materials forwarded to the Holders on behalf of the Company in connection with the rights distribution.

- (C) Notwithstanding anything to the contrary in the Deposit Agreement or this Condition 8, if registration (under the Securities Act or any other applicable law) of the rights or the securities to which any rights relate may be required in order for the Company to offer such rights or such securities to Holders and to sell the securities represented by such rights, the Depositary will not distribute such rights to the Holders unless and until a registration statement under the Securities Act covering such offering is in effect. In the event that the Company, the Depositary or the Custodian shall be required to withhold and does withhold from any distribution of rights an amount on account of taxes or other governmental charges, the amount distributed to the Holders of GDRs representing such Deposited Property shall be reduced accordingly. In the event that the Depositary determines that any distribution of Deposited Property or rights to subscribe therefor is subject to any tax or other governmental charges which the Depositary is obliged to withhold, the Depositary may dispose of all or a portion of such Deposited Property or rights to subscribe therefor in such amounts and in such manner, including by public or private sale, as the Depositary deems necessary and practicable to pay any such taxes or charges. There can be no assurance that Holders generally, or any Holder in particular, will be given the opportunity to exercise such rights on the same terms and conditions as the holders of Deposited Property or to exercise such rights. Nothing in the Deposit Agreement or this Condition 8 shall obligate the Company to file any registration statement in respect of any rights or Deposited Property or other securities to be acquired upon the exercise of such rights.

9 Redemption

If the Company intends to exercise any right of redemption in respect of any of the Deposited Property, upon receipt of satisfactory documentation within the terms of Clause 7.1.4 of the Deposit Agreement and after making the requisite determinations set forth in Clause 5.2 of the Deposit Agreement, the Depositary shall send to each Holder a notice in accordance with Condition 25 setting forth the intended exercise by the Company of the redemption rights and any other particulars set forth in the Company's notice to the Depositary. The Depositary shall instruct the Custodian to present to the Company the Deposited Property in respect of which redemption rights are being exercised against payment of the applicable redemption price. Upon receipt of confirmation from the Custodian that the redemption has taken place and that funds representing the redemption price have been received, the Depositary shall convert, transfer, and distribute the proceeds (net of applicable (a) fees and charges of, and the expenses incurred by, the Depositary, and (b) taxes), retire GDRs and cancel GDRs upon delivery of such GDRs by Holders thereof and on the terms set forth in the applicable Conditions. If less than all outstanding Deposited Property is redeemed, the GDRs to be retired will be selected by lot or on a pro rata basis, as may be determined by the Depositary. The redemption price per GDR shall be the per share amount received by the Depositary upon the redemption of the Deposited Shares represented by GDRs (subject to the terms of the Deposit Agreement and the applicable fees and charges of, and expenses incurred by, the Depositary, and taxes) multiplied by the number of Deposited Shares represented by each GDR redeemed.

10 GDR Record Dates

Whenever the Depositary shall receive notice of the fixing of a record date by the Company for the determination of holders of Deposited Property entitled to receive any distribution (whether in cash, Shares, rights or other distribution), or whenever, for any reason, the Depositary causes a change in the number of Deposited Shares that are represented by each GDR, or whenever the Depositary shall receive notice of any meeting of, or solicitation of consents or proxies of, holders of Shares or other Deposited Property, or whenever the Depositary finds it necessary or convenient in connection with the giving of any notice, solicitation of any consent or any other matter, the Depositary shall fix a record date (the "**GDR Record Date**") for the determination of the Holders

of GDRs who shall be entitled to receive such dividend or distribution, to give instructions for the exercise of voting rights at any such meeting, or to give or withhold such consent, or to receive such notice or solicitation or to otherwise take action, or to exercise the rights of Holders with respect to such changed number of Deposited Shares represented by each GDR. The Depositary shall make reasonable efforts to establish the GDR Record Date as closely as practicable to the applicable record date for the Deposited Property (if any) set by the Company in the PRC. Subject to applicable law and the provisions of the Deposit Agreement and Conditions, only the Holders of GDRs at the close of business in New York on such GDR Record Date shall be entitled to receive such distribution, to give such voting instructions, to receive such notice or solicitation, or otherwise take action. If the GDR Record Date is different from the applicable record date for the Shares set by the Company in the PRC, the Depositary shall suspend generally the issuance and delivery of GDRs against deposits of Shares and the registration of transfers of GDRs during the period in between the GDR Record Date and the record date for the Shares.

11 Conversion of Foreign Currency

Whenever the Depositary or the Custodian shall receive any Foreign Currency by way of dividend or other distribution or as the net proceeds from the sale of securities, other property or rights, and if at the time of the receipt thereof the Foreign Currency so received can in the judgement of the Depositary be converted on a practicable basis into Dollars transferable to the United States and distributed to the Holders entitled thereto, the Depositary shall convert or cause to be converted by sale or in any other manner that it may determine, the Foreign Currency so received into Dollars and shall distribute such Dollars (net of applicable fees, any reasonable and customary expenses incurred on behalf of Holders in complying with currency exchange control or other governmental requirements) in accordance with the terms of the applicable Conditions. The Depositary and/or its agent (which may be a division, branch or Affiliate of the Depositary) may act as principal for any conversion of Foreign Currency. If the Depositary shall have distributed warrants or other instruments that entitle the holders thereof to such Dollars, the Depositary shall distribute such Dollars to the holders of such warrants and/or instruments upon surrender thereof for cancellation, in either case without liability for interest thereon. Such distribution shall be made upon an averaged or other practicable basis without regard to any distinctions among Holders on account of any application of exchange restrictions or otherwise. If such conversion or distribution generally or with regard to a particular Holder can be effected only with the approval or licence of any government or agency thereof, the Depositary shall have the authority, with the assistance of the Company to the extent necessary, to file such application, for such approval or licence, if any, as it may consider desirable. In no event, however, shall the Depositary be obliged to make such a filing. If at any time the Depositary shall determine that in its judgement the conversion of any currency other than Dollars and the transfer and distribution of proceeds of such conversion received by the Depositary is not practicable or lawful, or if any approval or licence of any government or agency thereof which is required for such conversion, transfer or distribution is denied or, in the opinion of the Depositary, is not obtainable at a reasonable cost, or if any such approval or licence is not obtained within a reasonable period as determined by the Depositary, the Depositary may in its discretion (i) make such conversion and distribution in Dollars to the Holders for whom such conversion, transfer and distribution is lawful and practicable, (ii) distribute the Foreign Currency (or an appropriate document evidencing the right to receive such Foreign Currency) to Holders for whom this is lawful and practicable, and (iii) hold (or cause the Custodian to hold) such Foreign Currency (without liability for interest thereon) for the respective accounts of the Holders entitled to receive the same.

12 Distribution of any Payments

Any distribution of cash under Condition 5, 6, 7, 8, 9, 13 or 14 will be made by the Depositary to those Holders who are Holders of record on the GDR Record Date established by the Depositary in

accordance with Condition 10 for that purpose and, distributions will be made in Dollars subject to Condition 11 by cheque drawn upon a bank in New York City, electronic transfer or, in the case of the Master GDR Certificate, according to usual practice between the Depositary and Euroclear and Clearstream, as the case may be. The Depositary may deduct and retain from all moneys due in respect of such GDR in accordance with the Deposit Agreement all fees, taxes, duties, charges, costs and expenses which may become or have become payable under the Deposit Agreement or under applicable law in respect of such GDR or the related Deposited Property.

13 Capital Reorganisation

Upon any change in nominal or par value, split-up, cancellation, consolidation or any other reclassification of Deposited Property, or upon any recapitalisation, reorganisation, merger or consolidation or sale of assets affecting the Company or to which it is a party, any securities which shall be received by the Depositary or the Custodian in exchange for, or in conversion, replacement or otherwise in respect of, such Deposited Property shall, to the extent permitted by law, be treated as new Deposited Property under the Deposit Agreement and the Conditions, and the GDRs shall, subject to the terms of the Deposit Agreement, the Conditions and applicable law, evidence GDRs representing the right to receive such replacement securities. The Depositary may, with the Company's approval, and shall, if the Company shall so request, subject to the terms of the Deposit Agreement (including, without limitation, with respect to (a) the applicable fees and charges of, and expenses incurred by, the Depositary, and (b) taxes) and the Conditions, and subject to the receipt by the Depositary of an opinion of counsel satisfactory to the Depositary (obtained at the expense of the Company) that such distributions are not in violation of any applicable laws or regulations, execute and deliver additional GDRs or make appropriate adjustments in its records, as in the case of a stock dividend on the Shares, or call for the surrender of outstanding GDRs to be exchanged for new GDRs, in either case, as well as in the event of newly deposited Shares, with necessary modifications to the form of GDR attached to the Deposit Agreement specifically describing such new Deposited Property or corporate change. Notwithstanding the foregoing, in the event that any security so received may not be lawfully distributed to some or all Holders, the Depositary may, with the Company's approval, and shall if the Company requests, subject to the receipt by the Depositary of an opinion of counsel satisfactory to the Depositary (obtained at the expense of the Company) that such action is not in violation of any applicable laws or regulations, sell such securities at public or private sale, at such place or places and upon such terms as it may deem proper, and may allocate the net proceeds of such sales (net of (a) applicable fees and charges of, and expenses incurred by, the Depositary, and (b) taxes) for the account of the Holders otherwise entitled to such securities upon an averaged or other practicable basis without regard to any distinctions among such Holders and distribute the net proceeds so allocated to the extent practicable as in the case of a distribution received in cash pursuant to Condition 5. The Depositary shall not be responsible for (i) any failure to determine that it is lawful or practicable to make such securities available to Holders in general or to any Holder in particular, (ii) any foreign exchange exposure or loss incurred in connection with such sale, or (iii) any liability to the purchaser of such securities.

14 Elective Distributions

Wherever the Company intends to distribute a dividend payable at the election of the holders of Shares in cash or in additional Shares and provides a notice to the Depositary indicating that the Company wishes such elective distribution to be made available to Holders of GDRs, upon receipt of satisfactory documentation within the terms of Clause 7.1.4 of the Deposit Agreement and after making the requisite determinations set forth in Clause 5.1 of the Deposit Agreement, the Depositary shall make such elective distribution available to Holders. If the Depositary fails to receive satisfactory documentation within the terms of Clause 7.1.4 of the Deposit Agreement or determines that it is not lawful or not reasonably practicable to make the elective distribution

available to Holders of GDRs, or if the Company requests that such elective distribution not be made available to Holders of GDRs, the Depositary shall, to the extent permitted by law, distribute to the Holders, on the basis of the same determination as is made in the PRC in respect of the Shares for which no election is made, either (x) cash upon the terms described in Condition 5, or (y) additional GDRs representing such additional Shares upon the terms described in Condition 6. If the above conditions are satisfied, the Depositary shall establish a GDR Record Date in accordance with Condition 10 and establish procedures to enable Holders to elect the receipt of the proposed dividend in cash or in additional GDRs. The Company shall assist the Depositary in establishing such procedures to the extent necessary. If a Holder elects to receive the proposed dividend (x) in cash, the dividend shall be distributed upon the terms described in Condition 5, or (y) in GDRs, the dividend shall be distributed upon the terms described in Condition 6. Nothing in the Deposit Agreement or this Condition 14 shall obligate the Depositary to make available to Holders a method to receive the elective dividend in Shares (rather than GDRs). There can be no assurance that Holders and Beneficial Owners generally, or any Holder or Beneficial Owner in particular, will be given the opportunity to receive elective distributions on the same terms and conditions as the holders of the Deposited Property.

15 Taxation and Applicable Laws

- (A) Payments to Holders of dividends or other distributions made to Holders on or in respect of the Deposited Property will be subject to deduction of PRC and other withholding taxes, if any, at the applicable rates, and notwithstanding any other provision of the Deposit Agreement or the Conditions, the Depositary and the Custodian will be entitled, subject to applicable law, to deduct from any cash dividend or other cash distribution which either of them receives from the Company such amount as is necessary in order to provide for any tax, charge, fee or other amount that is, or could become, payable by or on behalf of the Depositary to fiscal or other governmental authority on account of receiving such cash dividend or other cash distribution.

The Holder or Beneficial Owner of any GDR or any Deposited Property shall be deemed thereby to accept (by virtue of his ownership or deposit, as the case may be) that, in the event that any tax or other governmental charge shall become payable with respect to any GDR, Deposited Property or GDR Certificate, such tax or other governmental charge shall be payable by the Holder and Beneficial Owner to the Depositary. The Custodian may refuse the deposit of Shares and the Depositary may refuse to issue or deliver GDRs, to register the transfer, split-up or combination of GDR Certificates and the withdrawal of Deposited Property until payment in full of such tax, charge, penalty or interest is received. The Depositary may, for the account of the Holder or Beneficial Owner, discharge the same out of the proceeds of sale, subject to PRC law and regulations, of an appropriate number of Deposited Shares or other Deposited Property with the Holder and Beneficial Owner remaining liable for any deficiency and being entitled to distribution of any surplus. Any such request shall be made by giving notice pursuant to Condition 25.

By virtue of its ownership of any GDR or Deposited Property, each Holder and Beneficial Owner shall be deemed to agree to indemnify the Depositary, the Company, the Custodian, and any of their agents, officers, employees and Affiliates for, and to hold each of them harmless from, any claims with respect to taxes (including applicable interest and penalties thereon) arising from any tax benefit obtained for such Holder or Beneficial Owner. The obligations of Holders and Beneficial Owners under this Condition 15A shall survive any transfer of GDRs, any cancellation of GDRs and withdrawal of Deposited Shares, and the termination of the Deposit Agreement.

- (B) If any governmental or administrative authorisation, consent, registration or permit or any report to any governmental or administrative authority is required under any applicable law in the PRC in order for the Depositary to receive from the Company Shares to be deposited under the Conditions or in order for Shares, other securities or other property to be distributed under Condition 5, 6, 7, 13 or 14 or to be subscribed under Condition 8, the Depositary shall request that the Company apply for or assist in the application for, as the case may be, such authorisation, consent, registration or permit or file such report on behalf of the Holders within the time required under such law. In this connection, the Company has undertaken in the Deposit Agreement to take such action as may be required and to the extent reasonably practicable to obtain or file or assist in obtaining or filing the same. The Depositary shall not distribute GDRs, Shares, other securities or other property with respect to which such authorisation, consent or permit or such report has not been obtained or filed, as the case may be, and shall have no duties to obtain any such authorisation, consent or permit or to file any such report.

16 Voting Rights

- (A) Holders of GDRs will have voting rights with respect to the Deposited Shares. The Company has agreed to notify the Depositary of any meeting of holders of Shares of the Company at which holders of Shares or other Deposited Property are entitled to vote, or of solicitation of consents or proxies from holders of Shares or other Deposited Property and the Depositary will vote or cause to be voted the Deposited Shares in the manner set out in this Condition 16.

As soon as practicable after receipt from the Company of any such notice, the Depositary will fix the GDR Record Date in respect of such meeting or solicitation of consent or proxy in accordance with Condition 10. The Depositary shall, if requested by the Company in writing in a timely manner in accordance with Clause 5.3 of the Deposit Agreement and at the Company's expense and provided no US, English or PRC legal prohibitions exist, distribute to Holders as at the GDR Record Date: (a) such notice of meeting or solicitation of consent or proxy as well as any other material provided by the Company to the Depositary in connection therewith, (b) a statement that the Holders at the close of business in New York on the GDR Record Date will be entitled, subject to any applicable law, the provisions of the Deposit Agreement, the Conditions, the Articles of Association and the provisions of or governing the Deposited Property (which provisions, if any, shall be summarised in pertinent part by the Company), to instruct the Depositary as to the exercise of the voting rights, if any, pertaining to the Shares or other Deposited Property represented by such Holder's GDRs, and (c) a brief statement as to the manner in which such voting instructions may be given.

- (B) Voting instructions may be given to the Depositary only in respect of a number of GDRs representing an integral number of Shares or other Deposited Property. Subject to applicable law, the provisions of the Deposit Agreement, the Conditions, the Articles of Association and the provisions of the Deposited Property, if the Depositary has received voting instructions from a Holder as at the GDR Record Date to vote the Deposited Property on or before the date specified by the Depositary, the Depositary shall endeavour, in so far as is practicable and permitted by PRC law and practice, to vote or cause the Custodian to vote the Shares and/or other Deposited Property represented by such Holder's GDRs for which timely and valid voting instructions have been received in the manner so instructed by such Holders. Holders of GDRs will not be able to instruct the Depositary to introduce proposals for the agenda of meetings of holders of Shares; request that a meeting of holders of Shares be called; or nominate candidates for the Board of Directors or certain other of the Company's governance bodies.

- (C) Neither the Depositary nor the Custodian shall, under any circumstances exercise any discretion as to voting and neither the Depositary nor the Custodian shall vote, attempt to exercise the right to vote, or in any way make use of the Shares or other Deposited Property represented by GDRs except pursuant to and in accordance with such instructions from Holders. If the Depositary timely receives voting instructions from a Holder which fail to specify the manner in which the Depositary is to vote the Deposited Property represented by such Holder's GDRs, the Depositary will deem such Holder (unless otherwise specified in the notice distributed to Holders) to have instructed the Depositary to vote in favour of the items set forth in such voting instructions. Notwithstanding anything else contained herein or in the Deposit Agreement, the Depositary shall, if so requested in writing by the Company, represent all Deposited Property (whether or not voting instructions have been received in respect of such Deposited Property from Holders as at the GDR Record Date) for the sole purpose of establishing quorum at a meeting of shareholders.
- (D) There can be no assurance that Holders generally or any Holder in particular will receive the notice described above with sufficient time to enable the Holder to return voting instructions to the Depositary in a timely manner.

By continuing to hold GDRs, all Holders and Beneficial Owners shall be deemed to have agreed to the provisions of this Condition 16 as it may be amended from time to time in order to comply with applicable PRC law.

- (E) Notwithstanding anything else contained in the Deposit Agreement or the Conditions, the Depositary shall not have any obligation to take any action with respect to any meeting, or solicitation of consents or proxies, of holders of Deposited Property if the taking of such action would violate US, English or PRC laws. The Company agrees to take any and all actions reasonably necessary to enable Holders and Beneficial Owners to exercise the voting rights accruing to the Deposited Property and to deliver to the Depositary an opinion of US, English and/or PRC counsel (obtained at the expense of the Company), if reasonably requested by the Depositary, addressing any actions requested to be taken.

17 Liability

- (A) Neither the Depositary nor the Company shall be obliged to do or perform any act which is inconsistent with the provisions of the Deposit Agreement or the Conditions or shall incur any liability (i) if the Depositary or the Company shall be prevented or forbidden from, or delayed in, doing any act or thing required by the terms of the Deposit Agreement or the Conditions, by reason of any provision of any present or future law or regulation of the US, England, the PRC or any other country, or of any relevant governmental or regulatory authority or stock exchange, or by reason of the interpretation or application of any such present or future law or regulation or any change therein, or on account of potential criminal or civil penalties or restraint, or by reason of any provision, present or future, of the Articles of Association or any provision of or governing any Deposited Property or by reason of any other circumstances beyond their control (including, without limitation, acts of God or war, nationalisation, expropriation, currency restrictions, work stoppage, strikes, civil unrest, acts of terrorism, revolutions, rebellions, explosions and computer failure), (ii) by reason of any exercise of, or failure to exercise, any discretion provided for in the Deposit Agreement, the Conditions or in the Articles of Association or provisions of or governing Deposited Property, (iii) for any action or inaction in reliance upon the advice or information from any professional adviser (including legal counsel and accountants), any person presenting Shares for deposit, any Holder, any Beneficial Owner or authorised representative thereof, or any other person believed by it in good faith to be competent to give such advice or information, but only insofar as the terms of this subsection (iii) are not prohibited by

applicable law, (iv) for the inability by a Holder or Beneficial Owner to benefit from any distribution, offering, right or other benefit which is made available to holders of Shares but is not, under the terms of the Deposit Agreement or the Conditions, made available to Holders of GDRs or (v) for any consequential or punitive damages for any breach of the terms of the Deposit Agreement or the Conditions.

- (B) In acting hereunder the Depositary shall have only those duties, obligations and responsibilities expressly specified in the Deposit Agreement and these Conditions and, other than holding the Deposited Property for the benefit of Holders as bare trustee, does not assume any relationship of trust for or with the Holders or the Beneficial Owners.
- (C) The Depositary, its controlling persons, its agents, any Custodian and the Company, its controlling persons and its agents may rely on, and shall be protected in acting upon, any written notice, request, direction or other document believed by it to be genuine and to have been duly signed or presented by the proper party or parties (including a translation which is made by a translator believed by it to be competent or which appears to be authentic).
- (D) No disclaimer of liability under the Securities Act is intended by any provision of the Deposit Agreement or the Conditions.
- (E) Without limitation of the foregoing, neither the Depositary, nor the Company, nor any of their respective controlling persons or agents, shall be under any obligation to appear in, prosecute or defend any action, suit or other proceeding in respect of any Deposited Property or in respect of the GDRs, which in its opinion may involve it in expense or liability, unless indemnity satisfactory to it against all expense (including fees and disbursements of counsel) and liability be furnished as often as may be required (and no Custodian shall be under any obligation whatsoever with respect to such proceedings, the responsibility of the Custodian being solely to the Depositary).
- (F) The Depositary has no obligation under the Deposit Agreement to take steps to monitor, supervise or enforce the observance and performance by the Company of its obligations under the Deposit Agreement or the Conditions.
- (G) Neither the Depositary, the Custodian nor any of their agents, officers, directors or employees shall be liable (except by reason of its own gross negligence, bad faith or willful default or that of its agents, officers, directors or employees) to the Company or any Holder or owner of a GDR, by reason of having accepted as valid or not having rejected any certificate for Shares or GDRs purporting to be such and subsequently found to be forged or not authentic.
- (H) The Depositary and each of its agents (and any holding, subsidiary or associated company of the Depositary) may engage or be interested in any financial or other business transactions with the Company or any of its subsidiaries or affiliates or in relation to the Deposited Property (including, without prejudice to the generality of the foregoing, the conversion of any part of the Deposited Property from one currency to another), may at any time hold GDRs for its own account, and shall be entitled to charge and be paid all usual fees, commissions and other charges for business transacted and acts done by it as a bank or in any other capacity, and not in the capacity of Depositary, in relation to matters arising under the Deposit Agreement (including, without prejudice to the generality of the foregoing, charges on the conversion of any part of the Deposited Property from one currency to another and any sales of property) without accounting to Holders or any other person for any profit arising therefrom.

- (I) The Depositary shall endeavour to effect any such sale as is referred to or contemplated in Conditions 6, 7, 8, 13 or 14 or any such conversion as is referred to in Condition 8 in accordance with the Depositary's normal practices and procedures, but shall have no liability (in the absence of its own gross negligence, bad faith or willful default or that of its officers, directors or employees) with respect to the terms of such sale or conversion or if such sale or conversion shall not be legally permissible or otherwise possible.
- (J) The Depositary shall, subject to all applicable laws, have no responsibility whatsoever to the Company, any Holder, Beneficial Owner or person with an interest in a GDR as regards any deficiency which might arise because the Depositary is subject to any tax in respect of the Deposited Property or any part thereof or any income therefrom or any proceeds thereof.
- (K) In connection with any proposed modification, waiver, authorisation or determination permitted by the terms of the Deposit Agreement or the Conditions, the Depositary shall not, except as otherwise expressly provided in Condition 24, be obliged to have regard to the consequence thereof for the Holders, Beneficial Owners, a person with an interest in a GDR or any other person.
- (L) Notwithstanding anything else contained in the Deposit Agreement or the Conditions, the Depositary may refrain, without liability, from doing anything which could or might, in its opinion, be contrary to any law, directive or regulation or render it liable to any person and the Depositary may, without liability, do anything which is, in its opinion, necessary to comply with any such law, directive or regulation.
- (M) The Depositary shall be under no obligation to check, monitor or enforce compliance with any ownership restrictions in respect of GDRs or Shares under any applicable PRC law. Notwithstanding the generality of Condition 3, the Depositary shall refuse to register any transfer of GDRs or any deposit of Shares against issue of GDRs if notified by the Company, or if the Depositary becomes aware of the fact that such transfer or issue would be in violation of the limitations set forth above or any other applicable laws.
- (N) The Depositary may call for, and shall be at liberty to accept as sufficient and rely upon, evidence of any fact or matter or the expediency of any transaction or thing, a certificate, letter or other communication, whether oral or written, signed or otherwise communicated on behalf of the Company, by the Board of Directors of the Company or by a person duly authorised by the Board of Directors of the Company, or such other certificate from persons which the Depositary considers appropriate and the Depositary shall not be bound in any such case to call for further evidence or be responsible to any person for any loss or liability that may be occasioned by the Depositary acting and relying upon on such certificate.
- (O) The Depositary and its agents shall not be liable for any failure to carry out any instructions to vote any of the Deposited Property, or for the manner in which any vote is cast or the effect of any vote (other than where such failure or action is a result of its own gross negligence, bad faith or willful default or is not in accordance with the terms of the Deposit Agreement and the Conditions). The Depositary shall not incur any liability (save in the case of its own gross negligence, bad faith or willful default) for any failure to determine that any distribution or action may be lawful or reasonably practicable, for the content of any information submitted to it by the Company for distribution to the Holders or for any inaccuracy of any translation thereof, for any investment risk associated with acquiring an interest in the Deposited Property, for the validity or worth of the Deposited Property, for the creditworthiness of any third party, for any tax consequences that may result from the

ownership of GDRs, Shares or Deposited Property, for allowing any rights to lapse upon the terms of the Deposit Agreement and the Conditions, for the failure or timeliness of any notice from the Company.

- (P) No provision of the Deposit Agreement or the Conditions shall require the Depositary to expend or risk its own funds or otherwise incur any financial liability in the performance of any of its duties or in the exercise of any of its rights or powers, if in its opinion it shall have reasonable grounds for believing that repayment of such funds or adequate indemnity, security and/or pre-funding against such risk of liability is not assured.
- (Q) The Depositary may, in the performance of its obligations hereunder and in the Deposit Agreement, instead of acting personally, employ and pay an agent, whether a lawyer or other person, including obtaining an opinion of legal advisers in form and substance reasonably satisfactory to it, to transact or concur in transacting any business and do or concur in doing all acts required to be done by such party, including the receipt and payment of money. Save for the failure on the part of the Depositary to exercise reasonable care in the selection or retention of any such agent, the Depositary will not be liable to anyone for any misconduct or omission by any such agent so employed by it or be bound to supervise the proceedings or acts of any such agent.
- (R) None of the Depositary, the Custodian, the Company or any of their respective agents or affiliates shall be required to take any actions whatsoever on behalf of Holders or Beneficial Owners to satisfy reporting requirements or obtain regulatory approvals under applicable laws and regulations which shall be the sole responsibility of the Holders and Beneficial Owners as described in Condition 4C.
- (S) The Depositary shall not be liable for any acts or omissions made by a successor depositary whether in connection with a previous act or omission of the Depositary or in connection with any matter arising wholly after the removal or resignation of the Depositary, provided that in connection with the issue out of which such potential liability arises the Depositary performed its obligations without gross negligence, bad faith or willful default while it acted as Depositary.
- (T) The Depositary shall not be liable for any acts or omissions made by a predecessor depositary whether in connection with an act or omission of the Depositary or in connection with any matter arising wholly prior to the appointment of the Depositary or after the removal or resignation of the Depositary, provided that in connection with the issue out of which such potential liability arises the Depositary performed its obligations without gross negligence, bad faith or willful default while it acted as Depositary.

18 Issue and Delivery of Replacement GDRs and Exchange of GDRs

Subject to the payment of the relevant fees, taxes, duties, charges, costs and expenses and such terms as to evidence and indemnity as the Depositary may require, replacement GDRs will be issued by the Depositary and will be delivered in exchange for or in replacement of outstanding lost, stolen, mutilated, defaced or destroyed GDRs upon surrender thereof (except in the case of destruction, loss or theft) at the Principal New York Office.

19 GDR Fees and Charges

- (A) The following GDR fees are payable under the terms of the Deposit Agreement:
- (i) **Issuance Fee:** by any person for whom the GDRs are issued (i.e., an issuance upon a deposit of Shares, upon a change in the GDR(s)-to-Share(s) ratio, or for any other reason (excluding issuances as a result of distributions described in paragraph (iv) below)), a fee not in excess of US\$5.00 per 100 GDRs (or fraction thereof) issued under the terms of the Deposit Agreement and the Conditions;
 - (ii) **Cancellation Fee:** by any person for whom GDRs are being cancelled (e.g., a cancellation of GDRs for delivery of Deposited Property, upon a change in the GDR(s)-to-Share(s) ratio, or for any other reason), a fee not in excess of US\$5.00 per 100 GDRs (or fraction thereof) cancelled;
 - (iii) **Cash Distribution Fee:** by any Holder of GDRs, a fee not in excess of US\$5.00 per 100 GDRs (or fraction thereof) held for the distribution of cash dividends or other cash distributions (e.g., upon the sale of rights and other entitlements);
 - (iv) **Stock Distribution/Rights Exercise Fees:** by any Holder of GDRs, a fee not in excess of US\$5.00 per 100 GDRs (or fraction thereof) held for the distribution of GDRs pursuant to (a) stock dividends or other free stock distributions or (b) an exercise of rights to purchase additional GDRs;
 - (v) **Other Distribution Fee:** by any Holder of GDRs, a fee not in excess of US\$5.00 per 100 GDRs (or fraction thereof) held for the distribution of securities other than GDRs or rights to purchase additional GDRs (e.g., spin-off shares);
 - (vi) **Depository Services Fee:** by any Holder of GDRs, a fee not in excess of US\$5.00 per 100 GDRs (or fraction thereof) held on the applicable record date(s) established by the Depository;
 - (vii) **Registration Fee:** by any person for whom or to whom GDRs are transferred, a fee not in excess of U.S.\$5.00 per 100 GDRs (or fraction thereof) transferred for the registration of GDR transfers (e.g., upon a registration of the transfer of registered ownership of GDRs, upon a transfer of GDRs into Euroclear or Clearstream and vice versa, or for any other reason); and
 - (viii) **Conversion Fee:** by any person for whom GDRs are converted or to whom the converted GDRs are delivered, a fee not in excess of U.S.\$5.00 per 100 GDRs (or fraction thereof) converted for the conversion of GDRs of one series for GDRs of another series (e.g., upon the conversion of Partial Entitlement GDRs for Full Entitlement GDRs, and vice versa).

Certain of the GDR fees and charges (such as the Depository Services Fee) may become payable shortly after the closing of an offering of the GDRs.

In addition, the Company, Holders, Beneficial Owners, persons depositing Shares or withdrawing Deposited Property in connection with GDR issuances and cancellations and persons for whom GDRs are issued or cancelled shall be responsible for the following GDR charges under the terms of the Deposit Agreement:

- (i) taxes (including applicable interest and penalties) and other governmental charges;

- (ii) such registration fees as may from time to time be in effect for the registration of Shares or other Deposited Property on the share register and applicable to transfers of Shares or other Deposited Property to or from the name of the Custodian, the Depositary or any nominees upon the making of deposits and withdrawals, respectively;
 - (iii) such cable, telex and facsimile transmission and delivery expenses as are expressly provided in the Deposit Agreement to be at the expense of the person depositing Shares or withdrawing Deposited Property or of the Holders and Beneficial Owners of GDRs;
 - (iv) the expenses and charges incurred by the Depositary in the conversion of foreign currency;
 - (v) such fees and expenses as are incurred by the Depositary in connection with compliance with exchange control regulations and other regulatory requirements applicable to Shares, Deposited Property, GDRs and GDR Certificates; and
 - (vi) the fees and expenses incurred by the Depositary, the Custodian or any nominee in connection with the servicing or delivery of Deposited Property.
- (B) Any other charges and expenses of the Depositary under the Deposit Agreement and the Conditions will be paid by the Company upon agreement between the Depositary and the Company. All GDR fees and charges may, at any time and from time to time, be changed by agreement between the Depositary and Company but, in the case of GDR fees and charges payable by Holders and Beneficial Owners, only in the manner contemplated by Condition 24. The Depositary shall provide, without charge, a copy of its latest GDR fee schedule to anyone upon request.
- (C) GDR fees and charges payable for (i) the issuance of GDRs and (ii) the cancellation of GDRs will be payable by the person for whom the GDRs are so issued by the Depositary (in the case of GDR issuances) and by the person for whom GDRs are being cancelled (in the case of GDR cancellations). In the case of GDRs issued by the Depositary into Euroclear or Clearstream, the GDR issuance and cancellation fees and charges will be payable by the Euroclear Participant(s) or Clearstream Participant(s) receiving the GDRs from the Depositary or the Euroclear Participant(s) or Clearstream Participant(s) holding the GDRs being cancelled, as the case may be, on behalf of the Beneficial Owner(s) and will be charged by the Euroclear Participant(s) or Clearstream Participant(s) to the account(s) of the applicable Beneficial Owner(s) in accordance with the procedures and practices of the Euroclear Participant(s) or Clearstream Participant(s) as in effect at the time. GDR fees and charges in respect of distributions and the Depositary services fee are payable by Holders as at the applicable GDR Record Date established by the Depositary. In the case of distributions of cash, the amount of the applicable GDR fees and charges is deducted from the funds being distributed. In the case of (i) distributions other than cash and (ii) the Depositary services fee, the applicable Holders as at the GDR Record Date established by the Depositary will be invoiced for the amount of the GDR fees and charges, and such GDR fees and charges may be deducted from distributions made to Holders. For GDRs held through Euroclear or Clearstream, the GDR fees and charges for distributions other than cash and the Depositary services fee may be deducted from distributions made through Euroclear or Clearstream, as the case may be, and may be charged to the Euroclear Participants or Clearstream Participants in accordance with the procedures and practices prescribed by Euroclear or Clearstream from time to time and the Euroclear Participants or Clearstream Participants in turn charge the amount of such GDR fees and charges to the Beneficial Owners for whom they hold GDRs. In the case of (i) registration of GDR

transfers, the GDR transfer fee will be payable by the Holder whose GDRs are being transferred or by the person to whom the GDRs are transferred, and (ii) conversion of GDRs of one series for GDRs of another series, the GDR conversion fee will be payable by the Holder whose GDRs are converted or by the person to whom the converted GDRs are delivered.

- (D) The Depositary may reimburse the Company for certain expenses incurred by the Company in respect of the GDR programme established pursuant to the Deposit Agreement, by making available a portion of the GDR fees charged in respect of the GDR programme or otherwise, upon such terms and conditions as the Company and the Depositary may agree from time to time. The Company shall pay to the Depositary such fees and charges and reimburse the Depositary for such out of pocket expenses as the Depositary and the Company may agree from time to time. Responsibility for payment of such fees, charges and reimbursements may from time to time be changed by agreement between the Company and the Depositary. Unless otherwise agreed, the Depositary shall present its statement for such fees, charges and reimbursements to the Company once every three months. The charges and expenses of the Custodian are for the sole account of the Depositary.

20 Listing

The Company has undertaken in the Deposit Agreement to use its best endeavours to obtain and thereafter maintain, so long as any GDR is outstanding, admission of trading for GDRs on the Shanghai-London Stock Connect segment of the Main Market of the London Stock Exchange for listed securities and a listing of the Shares on the SSE. For that purpose the Company will pay all fees and sign and deliver all undertakings required by the London Stock Exchange and the SSE in connection therewith.

21 The Custodian

The Depositary has agreed with the Custodian that the Custodian will receive and hold all Deposited Property in an account of the Depositary or for the account and to the order of the Depositary in accordance with the applicable terms of the Deposit Agreement. The Custodian shall be responsible solely to the Depositary. Upon receiving notice of the resignation of the Custodian, the Depositary shall promptly appoint a successor Custodian, which shall, upon acceptance of such appointment, become the Custodian under the Deposit Agreement. Whenever the Depositary, in its sole discretion, determines that it is in the best interest of the Holders to do so, it may terminate the appointment of the Custodian and, in the event of the termination of the appointment of the Custodian, the Depositary shall promptly appoint a successor Custodian, which shall, upon acceptance of such appointment, become the Custodian under the Deposit Agreement. The Depositary shall notify Holders of such change as soon as is practically possible following such change taking effect in accordance with Condition 25.

Citibank, N.A. may at any time act as Custodian of the Deposited Shares pursuant to the Deposit Agreement, in which case any reference to Custodian shall mean Citibank, N.A. solely in its capacity as Custodian pursuant to the Deposit Agreement. Notwithstanding anything contained in the Deposit Agreement or the Conditions, the Depositary shall not be obligated to give notice to the Company, any Holders of GDRs or any other Custodian of its acting as Custodian pursuant to the Deposit Agreement.

22 Resignation and Termination of Appointment of the Depositary

- (A) The Depositary may, without giving a reason and without liability for any cost or expense in connection therewith, at any time resign as Depositary hereunder by written notice of resignation delivered to the Company, which resignation shall be effective on the earlier to

occur of (i) the 90th day after delivery thereof to the Company, after which the Depositary shall be entitled to take the termination actions contemplated in Condition 23(A), and (ii) the appointment by the Company of a successor depositary and the acceptance by such successor depositary of such appointment.

The Depositary may at any time be removed by the Company by written notice of removal delivered to the Depositary, which removal shall be effective on the later to occur of (i) the 90th day after delivery thereof to the Company, after which the Depositary shall be entitled to take the termination actions contemplated in Condition 23(A), and (ii) the appointment by the Company of a successor depositary and the acceptance by such successor depositary of such appointment.

- (B) The Company has undertaken in the Deposit Agreement to use its all reasonable efforts to procure the appointment of a successor depositary following the receipt of a notice of resignation from the Depositary or the giving of a notice of the termination of the appointment of the Depositary. Upon any such appointment and acceptance, notice thereof shall be duly given by the successor depositary to the Holders in accordance with Condition 25.
- (C) Any corporation into or with which the Depositary may be merged or consolidated shall be the successor of the Depositary without the execution or filing of any document or any further act.

23 Termination of Deposit Agreement

- (A) The Company may at any time terminate the Deposit Agreement. Upon written direction of the Company, the Depositary shall provide notice of such termination to the Holders of all GDR Certificates then outstanding at least thirty (30) days prior to the date fixed in such notice for such termination.

If ninety (90) days shall have expired after (i) the Depositary shall have delivered to the Company a written notice of its election to resign pursuant to Clause 11.1 of the Deposit Agreement and Condition 22(A) or (ii) the Company shall have delivered to the Depositary a written notice of the removal of the Depositary pursuant to Clause 11.1 of the Deposit Agreement and Condition 22(A) and, in either case, a successor depositary shall not have been appointed and accepted its appointment as provided in Clause 11.1 of the Deposit Agreement and Condition 22(B), the Depositary may terminate the Deposit Agreement by providing notice of such termination to the Holders of all GDR Certificates then outstanding at least thirty (30) days prior to the date fixed in such notice for such termination.

The date fixed for termination of the Deposit Agreement in any termination notice distributed by the Depositary to the Holders of GDRs is referred to as the “Termination Date”. Until the Termination Date, the Depositary shall continue to perform all of its obligations under the Deposit Agreement and the Conditions, and the Holders and Beneficial Owners will be entitled to all of their rights under the Deposit Agreement and the Conditions.

- (B) If any GDRs shall remain outstanding after the Termination Date, the Registrar and the Depositary shall not, after the Termination Date, have any obligation to perform any further acts under the Deposit Agreement or the Conditions, except that the Depositary shall, subject, in each case, to the terms and conditions of the Deposit Agreement and the Conditions, continue to (i) collect dividends and other distributions pertaining to Deposited Property, (ii) sell securities and other property received in respect of Deposited Property,

(iii) deliver Deposited Property, together with any dividends or other distributions received with respect thereto and the net proceeds of the sale of any securities or other property, in exchange for GDRs surrendered to the Depositary (after deducting or charging, as the case may be, in each case, the fees and charges of, and expenses incurred by, the Depositary, and all applicable taxes or governmental charges for the account of the Holders and Beneficial Owners, in each case upon the terms set forth in Clause 10.1 of the Deposit Agreement and Condition 19), and (iv) take such actions as may be required under applicable law in connection with its role as Depositary under the Deposit Agreement.

At any time after the Termination Date, the Depositary may sell the Deposited Property then held under the Deposit Agreement and shall after such sale hold un-invested the net proceeds of such sale, together with any other cash then held by it under the Deposit Agreement, in an un-segregated account and without liability for interest, for the pro-rata benefit of the Holders whose GDRs have not theretofore been surrendered. After making such sale, the Depositary shall be discharged from all obligations under the Deposit Agreement and the Conditions except (i) to account for such net proceeds and other cash (after deducting or charging, as the case may be, in each case, the fees and charges of, and expenses incurred by, the Depositary, and all applicable taxes or governmental charges for the account of the Holders and Beneficial Owners, in each case upon the terms set forth in Clause 10.1 of the Deposit Agreement and Condition 19), and (ii) as may be required at law in connection with the termination of the Deposit Agreement. After the Termination Date, the Company shall be discharged from all obligations under the Deposit Agreement and the Conditions, except for its obligations to the Depositary under Clause 10 of the Deposit Agreement and Condition 19. The obligations under the terms of the Deposit Agreement and the Conditions of Holders and Beneficial Owners of GDRs outstanding as at the Termination Date shall survive the Termination Date and shall be discharged only when the applicable GDRs are presented by their Holders to the Depositary for cancellation under the terms of the Deposit Agreement and the Conditions (except as specifically provided therein).

- (C) Notwithstanding anything contained in the Deposit Agreement or any GDR, in connection with the termination of the Deposit Agreement, the Depositary may, independently and without the need for any action by the Company, make available to Holders of GDRs a means to withdraw the Deposited Shares represented by their GDRs and to direct the deposit of such Deposited Shares into an unsponsored global depositary receipts programme established by the Depositary, upon such terms and conditions as the Depositary may deem reasonably appropriate, subject however, in each case, to satisfaction of the requirements by the unsponsored global depositary receipts programme under the Securities Act, and to receipt by the Depositary of payment of the applicable fees and charges of, and reimbursement of the applicable expenses incurred by, the Depositary.

24 Amendment of Deposit Agreement and Conditions

All and any of the provisions of the Deposit Agreement and these Conditions may at any time and from time to time be amended by written agreement between the Company and the Depositary in any respect which they may deem necessary or desirable. Notice of any amendment of the Deposit Agreement and these Conditions (except to correct a manifest error) shall be duly given to the Holders by the Depositary and any amendment (except as aforesaid) which shall increase or impose fees or charges payable by Holders or which shall otherwise, in the opinion of the Depositary, be materially prejudicial to the interests of the Holders (as a class) shall not become effective so as to impose any obligation on the Holders of the outstanding GDRs until the expiry of thirty (30) days after such notice shall have been given. Every Holder or Beneficial Owner at the time any amendment or supplement so becomes effective shall be deemed, by continuing to hold GDRs or any beneficial interest therein to consent to and approve such amendment or supplement and to be bound by the terms of the Deposit Agreement and the Conditions as amended and supplemented thereby.

In no event shall any amendment impair the right of any Holder to receive, subject to and upon compliance with Clause 3 of the Deposit Agreement and Condition 2, the Deposited Property attributable to the relevant GDR except in order to comply with mandatory provisions of applicable law.

The parties hereto agree that substantial rights of Holders and Beneficial Owners shall not be deemed materially prejudiced by any amendments or supplements which (i) are reasonably necessary (as agreed by the Company and the Depositary) in order for the GDRs or Shares to be settled in electronic-book entry form and (ii) do not impose or increase any fees or charges to be borne by Holders or Beneficial Owners.

Notwithstanding anything in the Deposit Agreement or the Conditions to the contrary, if any governmental body should adopt new laws, rules or regulations which would require an amendment or supplement of the Deposit Agreement or the Conditions to ensure compliance therewith, the Company and the Depositary may amend or supplement the Deposit Agreement, and the Conditions at any time in accordance with such changed laws, rules or regulations. Such amendment or supplement to the Deposit Agreement and the Conditions in such circumstances may become effective before a notice of such amendment or supplement is given to Holders or within any other period of time as required for compliance with such laws, rules or regulations.

25 Notices

Any and all notices to be given to any Holder shall be deemed to have been duly given if (a) personally delivered or sent by mail addressed to such Holder at the address of such Holder as it appears on the books of the Depositary or, if such Holder shall have filed with the Depositary a request that notices intended for such Holder be mailed to some other address, at the address specified in such request, or (b) if a Holder shall have designated such means of notification as an acceptable means of notification under the terms of the Deposit Agreement and the Conditions, by means of electronic messaging addressed for delivery to the e-mail address designated by the Holder for such purpose.

Notice to Holders shall be deemed to be notice to Beneficial Owners for all purposes of the Deposit Agreement and the Conditions. Failure to notify a Holder or any defect in the notification to a Holder shall not affect the sufficiency of notification to other Holders or to the Beneficial Owners of GDRs held by such other Holders.

Delivery of a notice sent by mail, air courier or facsimile transmission shall be deemed to be effective at the time when a duly addressed letter containing the same (or a confirmation thereof in the case of a facsimile transmission) is deposited, postage prepaid, in a post office letter box or delivered to an air courier service, without regard for the actual receipt or time of actual receipt thereof by a Holder. The Depositary or the Company may, however, act upon any facsimile transmission received by it from any Holder, the Custodian, the Depositary or the Company, notwithstanding that such facsimile transmission shall not be subsequently confirmed by letter.

Delivery of a notice by means of electronic messaging shall be deemed to be effective at the time of the initiation of the transmission by the sender (as shown on the sender's records), notwithstanding that the intended recipient retrieves the message at a later date, fails to retrieve such message, or fails to receive such notice on account of its failure to maintain the designated e-mail address, its failure to designate a substitute e-mail address or for any other reason.

26 Copies of Company Notices

On or before the day when the Company first gives notice, by publication, or otherwise, to holders of any Shares or other Deposited Property, whether in relation to the taking of any action in respect

thereof or in respect of any dividend or other distribution thereon or of any meeting or adjourned meeting of such holders or otherwise, the Company has undertaken in the Deposit Agreement to transmit to the Custodian and the Depositary a copy of such notice and any other material in English but otherwise in the form given or to be given to holders of Shares or other Deposited Property.

In addition, the Company will transmit to the Depositary English-language versions of the other notices, reports and communications which are generally made available by the Company to holders of Shares or other Deposited Property. The Depositary will, at the expense of the Company, make available a copy of any such notices, reports or communications issued by the Company and delivered to the Depositary for inspection by the Holders and Beneficial Owners at the Principal New York Office and the Principal London Office, at the office of the Custodian and at any other designated transfer office. The Depositary shall arrange, at the request of the Company and at the Company's expense, for the distribution of copies thereof to all Holders on a basis similar to that for holders of Shares or other Deposited Property or on such other basis as the Company may advise the Depositary.

27 Moneys Held by the Depositary

The Depositary shall be entitled to deal with moneys paid to it by the Company for the purposes of the Deposit Agreement in the same manner as other moneys paid to it as a banker by its customers and shall not be liable to account to the Company or any holder or any other person for any interest thereon, except as otherwise agreed.

28 Severability

If any one or more of the provisions contained in the Deposit Agreement or in the Conditions shall be or become invalid, illegal or unenforceable in any respect, the validity, legality and enforceability of the remaining provisions contained therein or herein shall in no way be affected, prejudiced or otherwise disturbed thereby.

29 Governing Law

- (A) The Deposit Agreement, the Conditions, the Deed Poll and the GDRs, and any non-contractual obligations arising out of or in connection with them, are governed by English law, except that the required certifications from the persons making deposits or withdrawals of Shares pursuant to the Deposit Agreement are governed by and shall be construed in accordance with the laws of the State of New York. For the avoidance of doubt, the rights and obligations attaching to the Deposited Shares will be governed by PRC law.
- (B) The Company and the Depositary have agreed that any claim, dispute or difference of whatever nature arising under, out of or in connection with the Deposit Agreement, the Conditions, the Deed Poll and the GDRs and the legal relationship established thereby (including a claim, dispute or difference regarding the existence, termination or validity of the Deposit Agreement, the Conditions, the Deed Poll and or the GDRs or any non-contractual obligations arising out of or in connection with the Deposit Agreement, the Conditions or the GDRs), shall be referred to, and finally resolved by, binding arbitration in accordance with the rules of the London Court of International Arbitration, which rules shall be deemed incorporated into this Condition 30(B).

As contemplated by Clause 19 of the Deposit Agreement, in the event of any litigation with a third party to which (a) the Depositary is a party and to which the Company may be properly joined, the Company may be so joined by the Depositary in any court in which such

litigation is pending, and (b) the Company is a party and to which the Depositary may be properly joined, the Depositary may be so joined by the Company in any court in which such litigation is pending. For the purposes of this Condition 30(B) a “third party” shall mean a person or entity which is not in any way related to or affiliated with the Company.

Notwithstanding anything contained in the Deposit Agreement or the conditions to the contrary, the parties hereto agree that the English courts shall have jurisdiction to hear and determine proceedings related to the enforcement of this arbitration provision and any arbitration award by the arbitrators contemplated in this Condition 30(B), and, for such purposes, each of the Company and the Depositary irrevocably submits to the non-exclusive jurisdiction of such court.

Each of the Company and the Depositary agrees not to challenge the terms and enforceability of this arbitration clause, including, but not limited to, any challenge based on lack of mutuality, and each such party hereby irrevocably waives any such challenge.

The place of the arbitration shall be London, England and the language of the arbitration shall be English.

The number of arbitrators shall be three.

The arbitrators shall have no power or authority to award damages not measured by the prevailing party’s actual damages.

The arbitrators’ award shall be final and binding upon the parties and their respective successors, heirs, executors and assigns.

30 Contracts (Rights of Third Parties) Act 1999

A person who is not a party to the Deposit Agreement has no right under the Contracts (Rights of Third Parties) Act 1999 (the “Act”) of the United Kingdom to enforce any term of the Deposit Agreement but this does not affect any right or remedy granted under the Deed Poll or which otherwise exists or is available apart from the Act.

DEPOSITARY

Citibank, N.A.
388 Greenwich Street
New York, New York 10013
United States of America

CUSTODIAN

Bank of China Limited
No. 1 Fuxingmennei Nei Dajie
Xicheng District, Beijing
P.R.C. Post Code: 100818

and/or such other Depositary and/or such other Custodian or Custodians and/or principal offices as may from time to time be duly appointed and notified to the Holders.

SUMMARY OF THE PROVISIONS RELATING TO THE GLOBAL DEPOSITARY RECEIPTS WHILST IN MASTER FORM

The GDRs will initially be evidenced by a single Master GDR Certificate in registered form. The Master GDR Certificate will be registered in the name of Citivic Nominees Limited, as nominee for Citibank Europe plc as common depository for Euroclear and Clearstream on the date the GDRs are issued.

The Master GDR Certificate contains provisions which apply to the GDRs whilst they are in master form. Words and expressions given a defined meaning in the Conditions shall have the same meanings in this section unless otherwise provided in this section.

Exchange

The Master GDR Certificate will only be exchanged for certificates in definitive registered form representing GDRs in the circumstances described in paragraphs (i), (ii) or (iii) below in whole but not in part and until exchanged in full subject to the Conditions and the Deposit Agreement. The Depository will irrevocably undertake in the Master GDR Certificate to deliver certificates in definitive registered form representing GDRs in exchange for the Master GDR Certificate to the Holders within 60 calendar days in the event that:

- (i) Euroclear or Clearstream advises the Company in writing that it is unwilling or unable to continue as clearing or settlement system and a successor clearing or settlement system is not appointed within 90 calendar days; or
- (ii) Euroclear or Clearstream is closed for business for a continuous period of 14 calendar days (other than by reason of holiday, statutory or otherwise) or announces its intention permanently to cease business or does in fact do so, and, in each case, no alternative clearing system satisfactory to the Depository is available within 45 calendar days; or
- (iii) the Depository has determined that, on the occasion of the next payment in respect of the Master GDR Certificate, the Depository would be required to make any deduction or withholding from any payment in respect of the Master GDR Certificate which would not be required were the GDRs represented by certificates in definitive registered form, provided that the Depository shall have no obligation to so determine or to attempt to so determine.

Any exchange shall be at the expense of the relevant Holder.

A GDR evidenced by an individual definitive certificate will not be eligible for clearing and settlement through Euroclear or Clearstream. Upon any exchange of a part of a Master GDR Certificate for certificates in definitive registered form, or any distribution of GDRs pursuant to the Conditions 4, 5, 6, 7 or 9 or any reduction in the number of GDRs represented thereby following any withdrawal of Deposited Property pursuant to Condition 2, or any increase in the number of GDRs following the deposit of Shares pursuant to Condition 1, the relevant details shall be entered by the Depository on the register maintained by the Depository whereupon the number of GDRs represented by the Master GDR Certificate shall be reduced or increased (as the case may be) for all purposes by the amount so exchanged and entered on the register. If the number of GDRs represented by the Master GDR Certificate is reduced to zero, the Master GDR Certificate shall continue in existence until the obligations of the Company under the Deposit Agreement and the Conditions and the obligations of the Depository pursuant to the Deposit Agreement and the Conditions have terminated.

Payments, Distributions and Voting Rights

Payments of cash dividends and other amounts (including cash distributions) will be made by the Depositary through Euroclear and Clearstream on behalf of persons entitled thereto upon receipt of funds therefore from the Company. Any free distribution or rights issue of Shares to the Depositary on behalf of the Holders will result in the records maintained by the Depositary being adjusted to reflect the enlarged number of GDRs represented by the Master GDR Certificate.

Holders of GDRs will have voting rights as set out in the Conditions.

Surrender of GDRs

Any requirement in the Conditions relating to the surrender of a GDR to the Depositary shall be satisfied by the production by Euroclear or Clearstream on behalf of a person entitled to an interest therein of such evidence of entitlement of such person as the Depositary may reasonably require, which is expected to be a certificate or other documents issued by Euroclear or Clearstream, as appropriate. The delivery or production of any such evidence shall be sufficient evidence in favour of the Depositary, any Agent and the Custodian of the title of such person to receive (or to issue instructions for the receipt of) all money or other property payable or distributable in respect of the Deposited Property represented by such GDRs and to issue voting instructions.

Notices

For as long as the Master GDR Certificate is registered in the name of a nominee for a common depositary holding on behalf of Euroclear and Clearstream, notices to Holders may be given by the Depositary by delivery of the relevant notice to Euroclear or Clearstream for communication to persons entitled thereto in substitution for delivery of notices in accordance with Condition 25.

Governing Law

The Master GDR Certificate, and any non-contractual obligations arising out of or in connection with the Master GDR Certificate, shall be governed by and construed in accordance with English law.

DESCRIPTION OF ARRANGEMENTS TO SAFEGUARD THE RIGHTS OF THE HOLDERS OF THE GLOBAL DEPOSITARY RECEIPTS

The Depositary

The Depositary is Citibank, N.A., a national banking association organised under the laws of the United States. The Depositary is an indirect wholly-owned subsidiary of Citigroup, Inc., a Delaware corporation. The Depositary is primarily regulated by the United States Office of the Comptroller of the Currency. See “*Information Relating to the Depositary*”. There are no bank or other guarantees attached to the GDRs which are intended to underwrite the Depositary’s obligations.

Rights of Holders of GDRs

Relationship of Holders of GDRs with the Depositary: The rights of Holders against the Depositary are governed by the Conditions and the Deposit Agreement, which are governed by English law. The Depositary and the Company are parties to the Deposit Agreement. Holders of GDRs have contractual rights in relation to cash and other Deposited Property (including Deposited Shares, which are Shares of the Company represented by GDRs) deposited with the Depositary under Clause 3 of the Deposit Agreement, and otherwise under the Deposit Agreement by virtue of the Deed Polls. The Depositary will hold the Deposited Shares and other non-cash assets as bare trustee for the Holders; however, the Depositary does not otherwise assume any relationship of trust for or with the Holders or the beneficial owners of the GDRs or any other person. Any cash held by the Depositary for Holders will be held by the Depositary as banker.

Voting: With respect to voting of Deposited Shares and other Deposited Property represented by GDRs, the Conditions and the Deposit Agreement provide that, upon receipt of notice from the Company of any meeting at which the holders of Shares or other Deposited Property are entitled to vote, or of a solicitation of consent or proxy from holders of Shares or Deposited Property, the Depositary shall, providing that no relevant legal prohibitions exist, send to any person who is a Holder on the record date established by the Depositary for that purpose (which shall be as close as possible to the corresponding record date set by the Company) such notice of meeting or solicitation of consent or proxy, along with a brief statement on the manner in which such Holders may provide the Depositary with voting instructions for matters to be considered. The Deposit Agreement provides that the Depositary will endeavour to exercise or cause to be exercised the voting rights with respect to Deposited Shares in accordance with instructions from Holders. As at the date of this Prospectus, the Company confirms that there are no restrictions under applicable law, the Articles of Association or the provisions of the Deposited Shares that would prohibit or restrict the Depositary from voting any of the Deposited Shares in accordance with instructions from Holders, except for those generally applicable to all shareholders of the Company.

Delivery of Deposited Shares: Pursuant to the Shanghai-London Stock Connect scheme, GDR holders will not be permitted to redeem their GDRs and hold the Deposited Shares underlying such GDRs in an on-shore account (such as a QFI account) or have the underlying Deposited Shares held on their behalf by a Designated Broker. If GDR holders wish to hold A Shares they must purchase them separately either from the funds received from a sale of GDRs (whether a sale of GDRs on the London Stock Exchange (or another legitimate trading venue) or a redemption of GDRs and sale of the underlying A Shares on the Shanghai Stock Exchange through a Designated Broker) or from funds unconnected with their holding of GDRs. GDR holders or former GDR holders that are non-PRC investors may only hold A Shares if they are QFIs or are otherwise able to hold A Shares through another exemption.

Rights of the Company

The Company has broad rights to remove the Depositary under the terms of the Deposit Agreement, but no specific rights under the Deposit Agreement which are triggered in the event of the insolvency of the Depositary.

Insolvency of the Depositary

Applicable insolvency law: If the Depositary becomes insolvent, the insolvency proceedings will be governed by US laws applicable to the insolvency of banks.

Effect of applicable insolvency law in relation to cash: The Conditions state that any cash held by the Depositary for Holders is held by the Depositary as banker. Under current US and English law, it is expected that any cash held for Holders by the Depositary as banker under the Conditions would constitute an unsecured obligation of the Depositary. Holders would therefore only have an unsecured claim in the event of the Depositary's insolvency for such cash that would be also be available to general creditors of the Depositary.

Effect of applicable insolvency law in relation to non-cash assets: The Deposit Agreement states that the Deposited Shares and other non-cash assets which are held by the Depositary for Holders are held by the Depositary as bare trustee and, accordingly, the Holders will be tenants in common for such Deposited Shares and other non-cash assets. Under current US and English law, it is expected that any Deposited Shares and other non-cash assets held for Holders by the Depositary on trust under the Conditions would not constitute assets of the Depositary and that Holders would have ownership rights relating to such Deposited Shares and other non-cash assets and be able to request the Depositary's receiver or conservator to deliver such Depositary Shares and other non-cash assets that would be unavailable to general creditors of the Depositary.

Default of the Depositary

If the Depositary fails to pay cash or deliver non-cash assets to Holders in the circumstances required by the Conditions or the Deposit Agreement or otherwise engages in a default for which it would be liable under the terms of the Conditions or the Deposit Agreement, the Depositary will be in breach of its contractual obligations under the Conditions. In such case, Holders will have a claim under English law against the Depositary for the Depositary's breach of its contractual obligations under the Deposit Agreement.

The Custodian

The Custodian is Bank of China Limited, a joint stock limited company incorporated in the PRC with limited liability.

Relationship of Holders of GDRs with the Custodian: The Custodian and the Depositary are parties to a custody agreement, which is governed by Hong Kong law. The Holders do not have any contractual relationship with, or rights enforceable against, the Custodian. The Depositary will hold the Deposited Shares in electronic form in an account with CSDC. The CSDC account will be in the name of the Depositary and the Deposited Shares will be registered in the Company's share register in the name of the Depositary and deposited in the GDR facilities.

Default of the Custodian

Failure to deliver cash: Any cash dividend payments from the Company (which are expected to be denominated in Renminbi) will initially be received by the Depositary in a custody account held with the Custodian in the Depositary's name. Subject to applicable PRC regulations, amounts received from the Company by the Depositary into its account with the Custodian will then be converted into US dollars by the Custodian in accordance with the Conditions and the US dollars will be wired to the Depositary's account in New York. After deduction of any fees and expenses of the Depositary, the US dollars will then be credited to the appropriate accounts of the Holders. If the Custodian fails to deliver cash to the Depositary as required under the custody agreement or otherwise engages in a default for which it would

be liable under the terms of the custody agreement, the Custodian will be in breach of its contractual obligations under the custody agreement. In such case, the Depositary would have a claim under Hong Kong law against the Custodian for the Custodian's breach of its contractual obligations under the custody agreement. The Depositary can also remove the Custodian and appoint a successor custodian and may exercise such rights if it deems necessary. Under the Deposit Agreement, the Depositary is permitted to act as a custodian, and may choose to act in this capacity for policy, regulatory, or business reasons; however, it is currently uncertain if or when the Depositary will be licensed to act as a custodian in the PRC.

Failure to deliver non-cash assets: If the Custodian fails to deliver Deposited Shares or other non-cash assets held for the Depositary as required by the custody agreement or otherwise defaults under the terms of the custody agreement, the Custodian will be in breach of its contractual obligations to the Depositary. In such case, the Depositary will have a claim under Hong Kong law against the Custodian for the Custodian's breach of its contractual obligations under the custody agreement. The Depositary can also remove the Custodian and may appoint a substitute or additional custodians and exercise such rights if it deems necessary.

The Depositary's obligations: The Depositary has no obligation to pursue a claim for breach of obligations against the Custodian on behalf of Holders. The Depositary is not responsible for and shall incur no liability in connection with or arising from default by the Custodian due to any act or omission to act on the part of the Custodian.

Insolvency of the Custodian

Applicable law: If the Custodian becomes insolvent, the insolvency proceedings will be governed by applicable PRC law.

Effect of applicable insolvency law in relation to cash: On an insolvency of the Custodian, cash held by the Custodian in a custody account for the Depositary would not constitute assets of the Custodian and the Depositary would have ownership rights relating to such cash. As a result, the Depositary would have the right to claim the cash in the custody account in full, without being subject to insolvency proceedings.

Effect of applicable insolvency law in relation to non-cash assets: All of the Deposited Shares will be registered in the name of the Depositary and be held by the Depositary in an account under its own name with the CSDC. In the event that the Custodian becomes insolvent, as legal title to the Deposited Shares will be held by the Depositary and the Deposited Shares will not be under the possession or control of the Custodian, the Deposited Shares will not constitute part of the Custodian's assets subject to the insolvency proceeding.

The Depositary's obligations: The Depositary has no obligation to pursue a claim in the Custodian's insolvency on behalf of the Holders. The Depositary has no responsibility for, and will incur no liability in connection with or arising from, the insolvency of any custodian. In the event of the insolvency of the Custodian, the Holders have no direct recourse to the Custodian under the Deposit Agreement, though the Depositary can remove the Custodian and appoint a substitute or additional custodian(s) and may exercise such rights if it deems necessary.

PERSONS HOLDING TITLE TO GDRS OR BENEFICIAL INTERESTS THEREIN ARE REMINDED THAT THE ABOVE DOES NOT CONSTITUTE LEGAL ADVICE AND IN THE EVENT OF ANY DOUBT REGARDING THE EFFECT OF THE DEFAULT OR INSOLVENCY OF THE DEPOSITARY OR THE CUSTODIAN, SUCH PERSONS SHOULD CONSULT THEIR OWN ADVISORS IN MAKING A DETERMINATION.

TAXATION

The following summary does not purport to be a comprehensive description of all the tax considerations that may be relevant to a decision to acquire, hold or dispose of the Offer GDRs and does not purport to deal with the tax consequences applicable to all categories of investors, some of which (such as dealers in securities) may be subject to special rules.

Prospective subscribers for the Offer GDRs should consult their own tax advisers as to which countries' tax laws could be relevant to acquiring, holding and disposing of the Offer GDRs and as to the tax consequences of the receipt of dividends in connection with the Offer GDRs and of the sale of the Offer GDRs under the tax laws of those countries. In particular, each Holder and Beneficial Owner of the Offer GDRs should be aware that the tax legislation of any jurisdiction where it is resident or otherwise subject to taxation (as well as the jurisdictions discussed below) may have an impact on the tax consequences of an investment in the Offer GDRs including in respect of any income or gains received from the Offer GDRs.

This summary is based on the law as in effect on the date of this Prospectus and is subject to any change in law that may take effect after such date.

PRC Tax Considerations

Taxation of Dividends

Individual Investors

According to the Individual Income Tax Law of the People's Republic of China (中华人民共和国个人所得税法) (the "IIT Law") enacted by the fifth National People's Congress on 10 September 1980 and recently amended on 31 August 2018 and fully effective on 1 January 2019 and the Implementation Rules of Individual Income Tax Law of the People's Republic of China (中华人民共和国个人所得税法实施条例) last amended by the State Council on 18 December 2018 and effective on 1 January 2019, dividends paid by PRC companies to individual investors are generally subject to a PRC withholding tax at a flat rate of 20%. For foreign individual investors, the receipt of dividends from a PRC company is normally subject to an individual income tax of 20% unless specifically exempted by the competent tax authority of the State Council or reduced in accordance with an applicable tax treaty.

Enterprises

According to the Enterprise Income Tax Law of the People's Republic of China (中华人民共和国企业所得税法) (the "EIT Law") enacted by the tenth National People's Congress on 16 March 2007 and recently amended on 29 December 2018 and effective on the same date and the Provisions for Implementation of Enterprise Income Tax Law of the People's Republic of China (中华人民共和国企业所得税法实施条例) promulgated by the State Council on 6 December 2007 and recently amended on 23 April 2019 and effective on the same date, non-resident enterprises shall be subject to enterprise income tax at the rate of 10% for income from the PRC provided that the non-resident enterprises do not have establishment in the PRC, or that the income has no connection with the establishment of the non-resident enterprises in the PRC. Such withholding tax may be reduced pursuant to an applicable treaty on avoidance of double taxation.

Tax Treaties

Investors who reside in countries which have entered into treaties on avoidance of double taxation with the PRC may be entitled to a reduction of withholding tax on dividends to investors by PRC companies. The PRC currently has such tax treaties with a number of countries, including but not limited to, Australia, Canada, France, Germany, Japan, Malaysia, the Netherlands, Singapore, United Kingdom and the United States.

Taxation of Capital Gains

Individual Investors

In accordance with the IIT Law and its implementation rules, PRC resident individuals are subject to individual income tax at the rate of 20% on gains realised from the transfer of equity interests in PRC resident enterprises. Under the Circular Declaring that Individual Income Tax Continues to be Exempted over Income of Individuals from Transfer of Shares (关于个人转让股票所得继续暂免征收个人所得税的通知) jointly issued by the MOF and State Administration of Taxation on 30 March 1998, from 1 January 1997, income of individuals realised from transfer of shares in listed enterprises continues to be exempted from individual income tax. Although the State Administration of Taxation has not stated whether it will continue to exempt individual income tax on income of individuals from transfer of listed shares in the IIT Law and its implementation rules, on 31 December 2009, the MOF, State Administration of Taxation and CSRC jointly issued the Circular on Related Issues on Collection of Individual Income Tax over the Income Received by Individuals from Transfer of Listed Shares Subject to Sales Limitation (关于个人转让上市公司限售股所得征收个人所得税有关问题的通知) (the “**Circular**”) which states that individuals’ income from transfer of listed shares on certain domestic exchanges (including Shanghai Stock Exchange) shall continue to be exempted from individual income tax, except for the shares of certain specified companies under certain situations which are subject to sales restriction (as defined in the Circular and its supplementary notice (关于个人转让上市公司限售股所得征收个人所得税有关问题的补充通知) issued on 10 November 2010). As at the Latest Practicable Date, the aforesaid provision has not expressly provided that individual income tax shall be collected from non-PRC resident individuals on the sale of shares or depositary receipts of PRC resident enterprises listed on overseas stock exchanges

Enterprises

In accordance with the EIT Law and its implementation rules, a non-PRC resident enterprise is generally subject to enterprise income tax at the rate of 10% with respect to PRC-sourced income, including gains derived from the disposition of shares in a PRC resident enterprise, if it does not have an establishment or premises in the PRC or has an establishment or premises in the PRC but the PRC-sourced income is not actually connected with such establishment or premises in the PRC. Such tax may be reduced or eliminated under applicable tax treaties or arrangements.

Other Chinese Tax Considerations

PRC Stamp Duty

Pursuant to the Stamp Duty Law of the People’s Republic of China (中华人民共和国印花税法) (the “**Stamp Duty Law**”) which was promulgated by the SCNPC on 10 June 2021 and took effect on 1 July 2022, PRC stamp duty on the transfer of shares of PRC listed companies shall not apply to the acquisition and disposal of GDRs by non-PRC investors outside the PRC. According to the Stamp Duty Law, PRC stamp duty shall only be applicable to documents executed in the PRC which have legal binding effect in the PRC and are governed by the PRC laws.

Estate Tax

According to the existing laws of the PRC, non-PRC residents are not subject to estate tax for the holding of GDRs.

UK Tax Considerations

The following is a general summary of certain UK tax considerations relating to the ownership and disposal of the Offer GDRs and does not purport to be a complete analysis of all potential UK tax consequences of acquiring, holding or disposing of the Offer GDRs. The comments below are of a general nature and are based on current UK tax law as applied in England and Wales and what is understood to be the current published practice of Her Majesty's Revenue & Customs ("HMRC") as at the date of this Prospectus (which may not be binding on HMRC), each of which is subject to change, possibly with retroactive effect.

The summary only covers certain UK tax consequences for the absolute beneficial owners of the Offer GDRs and any dividends paid in respect of them, in circumstances where the dividends paid are regarded for UK tax purposes as being those persons' own income and not the income of some other person, and who:

- are resident solely in the UK for tax purposes (and, in the case of individuals, domiciled in the UK for tax purposes only and to whom "split year" treatment does not apply); and
- do not have a permanent establishment or fixed base outside the UK with which the holding of the Offer GDRs (and the payment of dividends in respect of the Offer GDRs) is connected,

(referred to in this discussion as "**UK holders**").

In addition, the summary only addresses UK tax consequences for UK holders who hold the Offer GDRs as capital assets. It does not address the UK tax consequences that may be relevant to certain other categories of holders, for example, brokers, dealers or traders in shares, securities or currencies. It also does not address the UK tax consequences for holders that are banks, financial institutions, insurance companies, investment companies, collective investment schemes, tax-exempt organisations, persons holding the Offer GDRs as part of hedging or conversion transactions or persons connected with the Group.

Further, the summary assumes that:

- the UK holder of the Offer GDRs is, for UK tax purposes, absolutely beneficially entitled to the underlying A Shares and to the dividends on those A Shares;
- the UK holder did not acquire and will not be deemed to have acquired his/her Offer GDRs by virtue of an office or employment;
- the A Shares will not be held by, and the Offer GDRs will not be issued by, a depositary (or nominee or agent for a depositary) incorporated in the UK;
- the UK holder does not control or hold, either alone or together with one or more associated or connected persons, directly or indirectly, 5 per cent. or more of the A Shares and/or voting power or rights to profit or capital of the Company;
- the only payments received under the Offer GDRs are dividends with respect to the underlying A Shares and which are treated as dividends for UK tax purposes and the only payments received in respect of the A Shares are dividends;
- the Offer GDRs are not held under a pension arrangement or in an ISA or lifetime ISA;
- neither the A Shares nor the Offer GDRs are registered in a register kept in the UK and they will not become so registered; and

- neither the A Shares nor the Offer GDRs are paired with shares issued by a body corporate incorporated in the UK, and they will not become so paired.

The following is intended only as a general guide and is not intended to be, nor should it be considered to be, legal or tax advice to any particular holder. You should satisfy yourself as to the overall tax consequences, including, specifically, the consequences under UK law and HMRC practice, of acquisition, ownership and disposition of the Offer GDRs in your own particular circumstances, by consulting your own tax advisors.

Taxation of Dividends

Withholding tax

Dividend payments in respect of the Offer GDRs may be made without withholding or deduction for or on account of United Kingdom income tax. As discussed in “— PRC Tax Considerations — Taxation of Dividends”, amounts in respect of such dividends will be subject to PRC withholding taxes.

Currency of Dividends

UK holders of the Offer GDRs should note that their liability to UK tax in respect of dividends paid by the Company will be determined by reference to the amount of the dividend in the currency in which it is paid, which may not be the same as the US dollars amount received by such holders from the Depositary in respect of such dividend.

Individual UK holders

Dividends received by a UK holder that is an individual will generally be subject to UK income tax, as dividend income, on the amount of any dividend paid on the Offer GDRs (before deduction of PRC withholding taxes (if any)). Credit may be given for PRC tax withheld, subject to the UK tax rules regarding calculation and availability of such credit.

For the 2022/2023 tax year, the first £2,000 (the “**Nil Rate Amount**”) of the total amount of dividend income received by a UK holder that is a UK resident individual in a tax year will be taxed at a nil rate (and so no income tax will be payable in respect of such amounts). For these purposes, “**dividend income**” includes UK and non-UK source dividends and certain other distributions in respect of shares received by a UK resident individual.

If a UK holder’s total dividend income for a tax year exceeds the Nil Rate Amount (such excess being referred to as the “**Taxable Excess**”) then the Taxable Excess will be subject to UK income tax depending on the tax rate band or bands it falls within. The relevant tax rate band is determined by reference to the UK holder’s total income charged to income tax (including the dividend income charged at a nil rate by virtue of the Nil Rate Amount) less relevant reliefs and allowances (including the UK holder’s personal allowance). The Taxable Excess is, in effect, treated as the top slice of any resulting taxable income and, for the 2022/2023 tax year:

- (a) to the extent that the Taxable Excess falls below the basic rate limit, the UK holder will be subject to income tax on it at the dividend basic rate of 8.75 per cent.
- (b) to the extent that the Taxable Excess falls above the basic rate limit but below the higher rate limit, the UK holder will be subject to income tax on it at the dividend upper rate of 33.75 per cent.
- (c) to the extent that the Taxable Excess falls above the higher rate limit, the UK holder will be subject to income tax on it at the dividend additional rate of 39.35 per cent.

Corporate UK holders

A UK holder that is within the charge to UK corporation tax and is a “small company” for the purposes of Chapter 2 of Part 9A of the Corporation Tax Act 2009 (“**CTA 2009**”) will not be subject to UK corporation tax (currently at a rate of 19 per cent. and rising to a main rate of 25 per cent. for the financial year beginning 1 April 2023) on any dividend received in respect of the Offer GDRs provided that certain conditions are met (including an anti-avoidance condition).

A UK holder that is within the charge to UK corporation tax and which is not a “small company” for the purposes of Chapter 2 of Part 9A of the CTA 2009 will be liable to UK corporation tax (currently at a rate of 19 per cent. and rising to a main rate of 25 per cent. for the financial year beginning 1 April 2023) on any dividend it receives in respect of the Offer GDRs unless the dividend falls within one of the exempt classes set out in Chapter 3 of Part 9A of the CTA 2009 and certain other conditions are met. Although it is likely that most dividends paid on the Offer GDRs to UK holders that are within the charge to UK corporation tax would fall within one or more of these exempt classes, the exemptions are not comprehensive and are also subject to anti-avoidance rules.

If potential investors are in any doubt as to their position, they should consult their own professional tax advisors.

Credit for PRC Tax

Credit may be given for PRC tax withheld from dividends, subject to general rules regarding the calculation and availability of such credit, including a requirement to take all reasonable steps to minimise the amount of PRC tax on such dividends, including claiming any available allowances and reliefs. Where a dividend paid by the Company is treated as exempt from UK corporation tax, a UK resident company will not be entitled to claim relief by way of credit in the United Kingdom in respect of any PRC tax paid by such holder, either directly or by deduction, in respect of that dividend.

United Kingdom information reporting

Any persons in the United Kingdom through whom payments derived from the Offer GDRs are made or who receive (or would be entitled to receive) such payments relating to the Offer GDRs on behalf of others may be required to provide information in relation to the payment to HMRC pursuant to certain domestic and international reporting and transparency regimes. The information that is disclosed may include (but is not limited to) information relating to the beneficial owners of the Offer GDRs or the persons for whom such securities are held, details of the persons to whom payments derived from the Offer GDRs are or may be paid and information and documents in connection with transactions relating to the Offer GDRs. These provisions will apply whether or not the payments that derive from the Offer GDRs have been subject to withholding or deduction for or on account of UK tax and whether or not the holder is resident in the United Kingdom for UK tax purposes. In certain circumstances, HMRC may communicate this information to the tax authorities of certain other jurisdictions.

Disposals of the Offer GDRs

A disposal or deemed disposal of the Offer GDRs by a UK holder may, depending upon the UK holder’s circumstances and subject to any available exemption or relief (such as the annual exempt amount for individuals), give rise to a chargeable gain or an allowable loss for the purposes of UK taxation of chargeable gains.

Individual UK holders

For a UK holder that is an individual, a disposal (or deemed disposal) of the Offer GDRs may give rise to a chargeable gain or an allowable loss for the purposes of UK capital gains tax. Upon the disposal or

deemed disposal of the Offer GDRs, and after all allowable deductions, an individual UK holder's taxable chargeable gains would, for the 2022/23 tax year, generally be taxed at (i) 10 per cent. if the aggregate of the taxable chargeable gains and other taxable income for the year of that UK holder does not exceed the basic rate income tax limit; or (ii) 20 per cent., where the aggregate of the taxable chargeable gains and other taxable income for the year of the relevant holder does exceed the basic rate income tax limit. An individual UK holder is entitled to realise an annual exempt amount of gains (being £12,300 for the 2022/23 tax year) without being liable to UK capital gains tax.

An individual UK holder who ceases to be resident in the United Kingdom for a period of five years or less and who disposes of his or her Offer GDRs during that period of temporary non-residence may be liable to UK capital gains tax on a chargeable gain accruing on such disposal on his or her return to the United Kingdom (subject to available exemptions and reliefs).

Corporate UK holders

For a UK holder that is within the charge to UK corporation tax, a disposal (or deemed disposal) of the Offer GDRs may give rise to a chargeable gain subject to UK corporation tax (currently at a rate of 19 per cent. and rising to a main rate of 25 per cent. for the financial year beginning 1 April 2023) or an allowable loss for the purposes of UK corporation tax.

Stamp Duty and Stamp Duty Reserve Tax

No liability to UK stamp duty or UK stamp duty reserve tax (“SDRT”) should generally arise on the issue of the Offer GDRs or their delivery into Euroclear or Clearstream (as applicable).

No UK stamp duty or SDRT will be payable on any transfer of the Offer GDRs after they have been issued into Euroclear or Clearstream (as applicable), where such transfer is effected paperlessly in electronic book-entry form in accordance with the procedures of Euroclear or Clearstream (as applicable).

Where such transfer is not effected paperlessly in such electronic book-entry form, the transfer on sale of Offer GDRs (or an agreement to transfer an equitable interest only in Offer GDRs) may give rise to a liability to UK stamp duty at a rate of 0.5 per cent. of the amount or value of the consideration given for the sale or agreement to transfer. However, providing no document effecting a transfer of, or containing an agreement to transfer an equitable interest only in, the Offer GDRs is either (i) executed in the United Kingdom or (ii) relates to any property situated, or to any matter or thing done or to be done, in the United Kingdom (the term “matter or thing” is very wide and may include the involvement of a UK bank account in payment mechanics), then no UK stamp duty should be payable on such a document. No UK SDRT should be payable in respect of any agreement to transfer the Offer GDRs.

Inheritance Tax

The A Shares will be assets situated outside the UK for the purposes of UK inheritance tax provided that the A Shares are not registered on any register kept in the UK. The Offer GDRs will be assets situated outside the UK for the purposes of UK inheritance tax provided the A Shares (and any other property represented by the Offer GDRs) are situated outside the UK, the Offer GDRs are not registered on any register kept in the UK and the Depository remains a non-UK incorporated company acting from an office outside the UK.

Subject to certain exemptions and reliefs, a gift of the Offer GDRs by, or on the death of, an individual UK investor who is domiciled or deemed to be domiciled in the UK for UK inheritance tax purposes may give rise to a liability to UK inheritance tax. Generally, UK inheritance tax is not chargeable on gifts to individuals if the transfer is made more than seven complete years prior to the death of the donor. For UK inheritance tax purposes, a transfer of assets at less than full market value may be treated as a gift and

particular rules apply to gifts where the donor reserves or retains some benefit in respect of the assets gifted. Special rules apply in relation to close companies and to trustees of settlements who acquire, dispose of or hold Offer GDRs, potentially bringing them within the charge to UK inheritance tax.

Where an investor is neither domiciled nor deemed to be domiciled (under certain rules relating to long residence or previous domicile) in the UK, neither a gift of the Offer GDRs by the investor nor the death of such investor will give rise to a liability to UK inheritance tax provided that the Offer GDRs are, and remain, assets situated outside the UK for the purposes of UK inheritance tax as described above.

PLAN OF DISTRIBUTION

The Offering consists of an offering by the Company of up to 33,660,500 GDRs representing A Shares with one GDR representing an interest in five A Shares) (including any Over-allotment GDRs). The Offering comprises an offering of Offer GDRs outside the United States in “offshore transactions” as defined in, and in reliance on, Regulation S.

Under the terms of, and subject to, the conditions contained in, the Underwriting Agreement dated 8 July 2022 entered into amongst the Company and the Joint Bookrunners, the Joint Bookrunners have severally agreed to procure subscribers for, or failing which, to themselves subscribe for, at the Offer Price, the Offer GDRs in certain agreed proportions.

See “*Use of Proceeds*” for a description of the expenses paid by the Company pursuant to the Offering.

The Offering will be open from the date of this Prospectus until 8 July 2022 inclusive (the “**Offer Period**”).

The Company may extend the Offer Period or change other dates related to the Offering, in compliance with applicable laws.

The table below sets out the expected timetable for the Offering.

<u>Event</u>	<u>Time and Date</u>
Expected date that conditional dealings in the GDRs commence on the London Stock Exchange	9.00 a.m. on or around 8 July 2022
Expected date that Admission and unconditional dealings in the GDRs commence on the London Stock Exchange	9.00 a.m. on or around 13 July 2022

Each of the times and dates set out above is subject to change without further notice. References to a time of day are to London times (unless stated otherwise).

All Offer GDRs sold in the Offering will be sold at the Offer Price. The Offer Price has been determined by agreement between the Company and the Joint Global Co-ordinators following the book-building process. A number of factors have been considered in determining the Offer Price and the bases of allocation under the Offering, including the level and nature of demand for the Offer GDRs and the objective of encouraging the development of an orderly after-market in the Offer GDRs.

Application will be made: (i) to the FCA, as competent authority under the FSMA, for a listing of up to 33,660,500 GDRs representing A Shares, and, consisting of GDRs to be issued on or about 13 July 2022 (the “**Closing Date**”), GDRs (if any) to be issued pursuant to the Over-allotment Option (if exercised) and additional GDRs to be issued from time to time against the deposit of A Shares (to the extent permitted by applicable laws and regulations) with the Depositary, to be admitted to the standard segment of the Official List; and (ii) to the London Stock Exchange, for such GDRs to be admitted to trading on the Shanghai-London Stock Connect segment of the Main Market of the London Stock Exchange. Prior to the Offering, the A Shares are listed on the Shanghai Stock Exchange, but there has been no public market for the GDRs. Closing and settlement and admission to the Official List and to unconditional trading on the Shanghai-London Stock Connect segment of the Main Market of the London Stock Exchange are expected to take place at 9:00 a.m. on or around 13 July 2022. The Company expects that conditional trading in the GDRs on the Shanghai-London Stock Connect segment of the Main Market of the London Stock Exchange through the IOB will commence on a “when issued” basis at 9:00 a.m. on or about 8 July 2022. All dealings in the GDRs prior to the commencement of unconditional dealings will be of no effect if Admission does not take place and will be at the sole risk of the parties concerned.

The Company will update the information provided in this Prospectus by means of a supplement to this Prospectus if a significant new factor that may affect the evaluation by prospective investors in the Offering arises prior to Admission or if it is noted that this Prospectus contains any material mistake or material inaccuracy. Any supplement to this Prospectus will be subject to approval by the FCA and will be made public in accordance with the Prospectus Regulation Rules. If a supplement to this Prospectus is published prior to Admission, investors shall have the right to withdraw their subscriptions and/or purchases made prior to the publication of such supplement. Such withdrawal must be done within the time limits set out in the supplement (if any) (which shall not be shorter than two clear business days after publication of such supplement).

Underwriting Agreement and Over-allotment Option

The Underwriting Agreement and related arrangements contain the following provisions, amongst others:

- In connection with the Offering, the Company has agreed to pay:
 - (i) a base fee of 1.00% of the gross proceeds of the Offering (including the Over-allotment Option if exercised) to the Joint Bookrunners; and
 - (ii) a discretionary incentive fee, to be allocated among the Joint Global Co-ordinators at the Company's sole and absolute discretion. The Company will determine within 30 days after the Closing Date whether any such discretionary incentive fee is to be paid to any Joint Global Co-ordinator(s), and if so, shall be paid within 60 days after the Closing Date.
- The Company has agreed to reimburse certain properly incurred and documented costs and expenses incurred by the Joint Bookrunners in connection with the Offering, including, but not limited to, fees, expenses and disbursements of their legal counsel and other expenses.
- The obligations of the parties to the Underwriting Agreement are subject to certain conditions that are typical for an agreement of this nature. These conditions include, amongst others, the accuracy of the representations and warranties contained in the Underwriting Agreement and the application for admission to the Official List and to trading on the Shanghai-London Stock Connect segment of the Main Market of the London Stock Exchange having been approved on or prior to the closing of the Offering. The Joint Global Co-ordinators (on behalf of themselves and the other Joint Bookrunners) may terminate the Underwriting Agreement prior to the closing of the Offering in certain specified circumstances that are typical for an agreement of this nature. These include the occurrence of certain material changes in the Group's condition, including its financial condition, business affairs and business prospects, and certain changes in financial, political or economic conditions (as set out more fully in the Underwriting Agreement). If any of the above-mentioned conditions are not satisfied (or waived, where capable of being waived) by, or the Underwriting Agreement is terminated prior to, the closing of the Offering, then the Offering will lapse.
- The Company has given certain customary representations and warranties to the Joint Bookrunners, including in relation to the business, the accounting records and the legal compliance of the Company, in relation to the GDRs and in relation to the contents of this Prospectus.
- The Company has given customary indemnities to the Joint Bookrunners in connection with the Offering.
- If a Joint Bookrunner defaults, the Underwriting Agreement provides that in certain circumstances, the purchase commitments of the non-defaulting Joint Bookrunner(s) may be increased or the Underwriting Agreement may be terminated.

Lock-up Provisions

Pursuant to the terms of the Underwriting Agreement, the Company has agreed that neither it nor any other member of the Group nor any person acting on its or their behalf will, during a period from the date of the Underwriting Agreement up to and including 180 days from the date of Admission, without the prior written consent of the Joint Global Co-ordinators (on behalf of themselves and the other Joint Bookrunners):

- (i) directly or indirectly, issue, offer, allot, lend, mortgage, assign, charge, pledge, sell, contract to sell, sell or grant or issue any option, right, warrant or contract to purchase, exercise any option to sell, purchase any option or contract to sell, or lend or otherwise transfer or dispose of, directly or indirectly, any A Shares, any GDRs or any other shares of the Company (or any interest thereon or in respect thereof), or any securities convertible into or exercisable or exchangeable for A Shares, GDRs or other shares of the Company, or file any registration statement under the Securities Act or any similar document with any other securities regulator, stock exchange, or listing authority with respect to any of the foregoing;
- (ii) enter into any swap or any other agreement or any transaction that transfers, in whole or in part, directly or indirectly, the economic consequence of ownership of any A Shares, any GDRs or other shares of the Company, whether any such transaction described in sub-clause (i) or (ii) above is to be settled by delivery of A Shares, GDRs or other securities, in cash or otherwise; or
- (iii) publicly announce such an intention to effect any such transaction,

save that the foregoing restrictions shall not apply to: (i) the issue of new A Shares or the sale of GDRs pursuant to the Offering; or (ii) the issue of any A Shares or GDRs, the purchase and sale of any Shares or GDRs or the grant of any option, right, warrant or contract to purchase Shares or GDRs in each case in connection with any employee or management stock option scheme.

Stabilisation

In connection with the Offering, the Stabilising Manager (or persons acting on behalf of the Stabilising Manager) may over-allot GDRs or effect transactions with a view to supporting the market price of the GDRs at a level higher than that which might otherwise prevail in the open market. However, there is no assurance that the Stabilising Manager (or persons acting on behalf of the Stabilising Manager) will undertake stabilisation action and, in particular, the Stabilising Manager's ability to undertake stabilisation action depends on it being able to agree deferred settlement arrangements with one or more investors in order to allow it to over-allot GDRs. Any stabilisation action may begin on the date of announcement of the Offer Price and, if begun, may be ended at any time but must end no later than 30 calendar days thereafter. Any stabilisation action must be undertaken in accordance with applicable laws and regulations. Save as required by law or regulation, the Stabilising Manager does not intend to disclose the extent of any over-allotments made and/or stabilisation transactions concluded in relation to the Offering.

In connection with the Offering, the Stabilising Manager may, for stabilisation purposes and subject to the deferred settlement arrangements described above being agreed with one or more investors, over-allot up to 2,380,000 GDRs sold in the Offering (excluding the Over-allotment GDRs). For the purposes of allowing it to cover short positions resulting from any such over-allotments and/or from sales of GDRs effected by it during the Stabilisation Period, the Stabilising Manager will enter into over-allotment arrangements pursuant to which the Stabilising Manager may purchase or procure purchasers for up to 2,380,000 additional GDRs sold in the Offering (excluding the Over-allotment GDRs) at the Offer Price. The over-allotment arrangements will be exercisable in whole or in part, upon notice by the Stabilising Manager, at any time on or before the 30th calendar day after the date of announcement of the Offer Price.

Any Over-allotment GDRs made available pursuant to the over-allotment arrangements, including for all dividends and other distributions declared, made or paid on the GDRs, will be purchased on the same terms and conditions as the GDRs being issued or sold in the Offering and will form a single class for all purposes with the other GDRs.

The Stabilising Manager may effect stabilisation transactions on any securities market, over-the-counter market, stock exchange or otherwise.

Other Relationships

The Joint Bookrunners and their respective affiliates have engaged in, and may in the future engage in, investment banking and other commercial dealings in the ordinary course of business with the Company, for which they received customary fees, and they and their respective affiliates may provide such services for the Company and its respective affiliates in the future. As a result, the Joint Bookrunners and their respective affiliates may have a commercial interest in continuing to provide services to the Company and its respective affiliates that may be material to the Offering.

In connection with the Offering, the Joint Bookrunners and/or any of their respective affiliates acting as an investor for its or their own account(s) may subscribe for Offer GDRs and, in that capacity, may retain, purchase, sell, offer to sell or otherwise deal for its or their own account(s) in such securities, any other securities of the Company or other related investments in connection with the Offering or otherwise. Accordingly, references in this Prospectus to the Offer GDRs being issued, offered, subscribed or otherwise dealt with should be read as including any issue or offer to, or subscription or dealing by, the Joint Bookrunners and/or any of their respective affiliates acting as an investor for its or their own account(s). In addition, certain of the Joint Bookrunners or their affiliates may enter into financing or hedging arrangements (including swaps) with investors in connection with which such Joint Bookrunners (or their affiliates) may from time to time acquire, hold or dispose of GDRs). Neither the Joint Bookrunners nor the Company intend to disclose the extent of any such investment or transactions otherwise than in accordance with any legal or regulatory obligation to do so.

Trading GDRs

Application will be made for the GDRs to be admitted to trading on the Shanghai-London Stock Connect segment of the Main Market of the London Stock Exchange, through its IOB. In addition to buying or selling GDRs through the IOB, under the Shanghai-London Stock Connect scheme, a GDR holder will be able to: (i) buy GDRs by requesting a Designated Broker to buy A Shares on the Shanghai Stock Exchange and instruct the Depositary to create GDRs representing such A Shares; and (ii) sell GDRs by requesting a Designated Broker to redeem their GDRs and sell the underlying A Shares on the Shanghai Stock Exchange. Designated Brokers will be London Stock Exchange members designated by the Shanghai Stock Exchange who hold accounts with Shanghai Stock Exchange members enabling them to create or redeem GDRs by buying or selling the underlying A Shares on the Shanghai Stock Exchange (subject to quotas imposed by relevant regulators, as described below) and providing relevant instructions to the Depositary.

In order to buy GDRs, an investor may either: (i) buy GDRs on the London Stock Exchange or another legitimate trading venue in the normal manner; or (ii) instruct (either directly or through their normal broker) a Designated Broker to buy A Shares on the Shanghai Stock Exchange and then instruct the Depositary to create GDRs representing such A Shares.

In order to sell GDRs, an investor may either: (i) sell GDRs on the London Stock Exchange or another legitimate trading venue in the normal manner; or (ii) instruct (either directly or through their normal broker) a Designated Broker to redeem the GDRs and sell the underlying A Shares on the Shanghai Stock Exchange.

A Designated Broker may also buy or sell (and hold an inventory of) A Shares as principal in order to facilitate the purchase and redemption of GDRs cross-border.

This mechanism is intended to provide cash fungibility between the GDRs and the A Shares by enabling investors or their brokers to place buy and sell orders with the designated brokers who are able to seek the best price for the securities from either market.

The Shanghai Stock Exchange has approved twelve brokers to act as Designated Brokers in the United Kingdom. The PBOC and the SAFE published the Administrative Measures on Cross-border Funds under Depositary Receipts (For Trial Implementation) (存托凭证跨境资金管理办法(试行)) in May 2019, which requires the Designated Brokers to file certain documents and register with the SAFE. Pursuant to their SAFE registration, each Designated Broker will be subject to restrictions relating to, amongst other things, the types of securities such Designated Broker can deal in (such as the A shares underlying GDRs, money market funds and treasury bills, and other securities as specifically approved by CSRC), as well as daily inventory-related quotas on the maximum number and value of cash and securities held by such Designated Broker and foreign exchange-related quotas on the cumulative net inflow of funds into the PRC in connection with the redemption and creation of GDRs executed by such Designated Broker (which are not expected to give rise to any material risk to GDR holders). CSRC and FCA jointly published an announcement on 17 June 2019 (the “**Joint Announcement**”), providing that the cross-border currency flow under the Shanghai-London Stock Connect scheme is managed under a general quota, where the currency flow under west-bound GDR listings shall not exceed RMB300 billion. The Joint Announcement also provides that the daily inventory-related quota for each designated broker is RMB500 million. Pursuant to the Q&A on the Calculation of the Upper Limit of Overseas Securities Institutions’ Domestic Balance under Shanghai-London Stock Connect (关于沪伦通业务中境外证券经营机构在境内市场资产余额上限计算范围的问答) published by the Shanghai Stock Exchange on 17 October 2019, the calculation of such quotas shall exclude any underlying A shares and corresponding cash held by a Designated Broker for the purposes of redemption under the Shanghai-London Stock Connect scheme. Pending publication of the additional detailed rules by the CSRC and the FCA and clarity on how such rules will be implemented in practice, as well as confirmation of the size of such quotas per Designated Broker, it is expected that the quotas will be set at a sufficiently high level (both individually and in aggregate) that, in any case, they would be unlikely to give rise to any material risk to GDR holders or impact their ability to buy or sell GDRs through the Designated Brokers in the manner described above, and will not impact GDR holders’ ability to trade GDRs through the IOB of the LSE. The list of Designated Brokers is available on the website of the Shanghai Stock Exchange and on the website of the London Stock Exchange.

Investors should note that settlement of dealings in GDRs on the IOB will take place on a standard two-trading-day rolling basis. Settlement of purchases of GDRs through a Designated Broker will also take place on a two-trading-day rolling basis. However, settlement of redemption of GDRs through a Designated Broker (where the Designated Broker sells the underlying A Shares on the Shanghai Stock Exchange) may take place on either a two-trading-day rolling basis or a three-trading-day rolling basis, depending on whether the relevant Designated Broker holds any inventory of A Shares at such time. This delay is due to the requirement in China for trades to be pre-delivered and the time it takes to redeem GDRs. Therefore, investors redeeming GDRs may be subject to one trading day market risk in China where the relevant designated broker does not hold any inventory of A Shares. At times such period may be further prolonged by public holidays in the relevant jurisdictions.

SELLING RESTRICTIONS AND TRANSFER RESTRICTIONS

SELLING RESTRICTIONS

The distribution of this Prospectus and the Offering in certain jurisdictions may be restricted by law and therefore persons into whose possession this Prospectus comes should inform themselves about and observe any restrictions, including those set forth in the paragraphs that follow. Any failure to comply with these restrictions may constitute a violation of the securities laws of any such jurisdiction.

General

No action has been or will be taken in any jurisdiction that would permit a public offering of the GDRs, or possession or distribution of this Prospectus or any other offering material in any country or jurisdiction where action for that purpose is required. Accordingly, the GDRs may not be offered or sold, directly or indirectly, and neither this Prospectus nor any other offering material or advertisement in connection with the GDRs may be distributed or published in or from any country or jurisdiction except under circumstances that will result in compliance with any and all applicable rules and regulations of any such country or jurisdiction. Persons into whose possession this Prospectus comes should inform themselves about and observe any restrictions on the distribution of this Prospectus and the offer, subscription and sale of the GDRs offered in the Offering, including those in the paragraphs below. Any failure to comply with these restrictions may constitute a violation of the securities laws of any such jurisdiction. This Prospectus does not constitute an offer to subscribe for or buy any of the GDRs offered in the Offering to any person in any jurisdiction to whom it is unlawful to make such offer or solicitation in such jurisdiction.

Australia

This Prospectus:

- does not constitute a disclosure document under part 6D.2 of the Corporations Act of the Commonwealth of Australia (“**Corporations Act**”);
- has not been, and will not be, lodged with the Australian Securities and Investments Commission (“**ASIC**”) as a disclosure document for the purposes of the Corporations Act and does not purport to include the information required of a disclosure document under Chapter 6D.2 of the Corporations Act; and
- may only be provided in Australia to select investors who are able to demonstrate that they fall within one or more of the categories of investors (“**Exempt Investors**”) available under section 708 of the Corporations Act.

The GDRs may not be directly or indirectly offered for subscription or purchased or sold, and no invitations to subscribe for or buy the GDRs may be issued, and no draft or definitive prospectus, advertisement or other offering material relating to any GDRs may be distributed in Australia, except where disclosure to investors is not required under Chapter 6D of the Corporations Act or is otherwise in compliance with all applicable Australian laws and regulations. By submitting an application for the GDRs, you represent and warrant to us that you are an Exempt Investor.

As any offer of GDRs under this Prospectus will be made without disclosure in Australia under Part 6D.2 of the Corporations Act, the offer of those securities for resale in Australia within 12 months may, under section 707 of the Corporations Act, require disclosure to investors under Part 6D.2 if none of the exemptions in section 708 applies to that resale. By applying for the GDRs you undertake to us that you will not, for a period of 12 months from the date of issue of the GDRs, offer, transfer, assign or otherwise

alienate those securities to investors in Australia except in circumstances where disclosure to investors is not required under Part 6D.2 of the Corporations Act or where a compliant disclosure document is prepared and lodged with ASIC.

This Prospectus contains general information only and does not take account of the investment objectives, financial situation or particular needs of any particular person. It does not contain any securities recommendations or financial product advice. Before making an investment decision, investors need to consider whether the information in this Prospectus is appropriate to their needs, objectives and circumstances, and, if necessary, seek expert advice on those matters.

China

Each Joint Bookrunner has represented and agreed that the GDRs are not being offered or sold and may not be offered or sold, directly or indirectly, in the People's Republic of China (for such purposes, not including the Hong Kong and Macau Special Administrative Regions or Taiwan), except as permitted by the applicable laws of the People's Republic of China.

Dubai International Financial Centre

Each Joint Bookrunner has represented and agreed that it has not offered and will not offer the GDRs to any person in the Dubai International Financial Centre unless such offer is:

- (a) an "Exempt Offer" in accordance with the Markets Rules Module of the DFSA Rulebook; and
- (b) made only to persons who meet the Professional Client criteria set out in Rule 2.3.3 of the Conduct of Business Module of the DFSA Rulebook.

European Economic Area

In relation to each Member State of the EEA (each a "**Relevant State**"), no GDRs have been offered or will be offered pursuant to the Offering to the public in that Relevant State prior to the publication of a prospectus in relation to the GDRs which has been approved by the competent authority in that Relevant State or, where appropriate, approved in another Relevant State and notified to the competent authority in that Relevant State, all in accordance with the Prospectus Regulation, except that the GDRs may be offered to the public in that Relevant State at any time:

- (a) to any legal entity which is a qualified investor as defined under Article 2 of the Prospectus Regulation;
- (b) to fewer than 150 natural or legal persons (other than qualified investors as defined under Article 2 of the Prospectus Regulation), subject to obtaining the prior consent of the Joint Global Co-ordinators for any such offer; or
- (c) in any other circumstances falling within Article 1(4) of the Prospectus Regulation,

provided that no such offer of GDRs shall require the Company or any Joint Bookrunner to publish a prospectus pursuant to Article 3 of the Prospectus Regulation or supplement a prospectus pursuant to Article 23 of the Prospectus Regulation.

For the purposes of this provision, the expression an "offer to the public" in relation to the GDRs in any Relevant State means the communication in any form and by any means of sufficient information on the terms of the offer and any GDRs to be offered so as to enable an investor to decide to purchase or subscribe for any GDRs, and the expression "Prospectus Regulation" means Regulation (EU) 2017/1129.

In the case of any GDRs being offered to a financial intermediary as that term is used in the Prospectus Regulation, such financial intermediary will also be deemed to have represented, acknowledged and agreed that the GDRs acquired by it in the Offering have not been acquired on a non-discretionary basis on behalf of, nor have they been acquired with a view to their offer or resale to persons in circumstances which may give rise to an offer of any GDRs to the public, other than their offer or resale in a Relevant State to qualified investors as so defined or in circumstances in which the prior consent of the Joint Bookrunners has been obtained to each such proposed offer or resale. The Company, the Joint Bookrunners and their respective affiliates, and others will rely upon the truth and accuracy of the foregoing representation, acknowledgements and agreements. Notwithstanding the above, a person who is not a qualified investor and who has notified the Joint Bookrunners of such fact in writing may, with the prior consent of the Joint Global Co-ordinators, be permitted to acquire GDRs in the Offering.

Hong Kong

The contents of this Prospectus have not been reviewed by any regulatory authority in Hong Kong. You are advised to exercise caution in relation to the Offering. If you are in any doubt about any of the contents of this Prospectus, you should obtain independent professional advice.

- (a) The GDRS have not been offered or sold and will not offer or sell in Hong Kong, by means of any document other than (i) to “professional investors” as defined in the Securities and Futures Ordinance (Cap. 571) of Hong Kong (the “SFO”) and any rules made under the SFO; or (ii) in other circumstances which do not result in the document being a “prospectus” as defined in the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Cap. 32) of Hong Kong (the “C(WUMP)O”) or which do not constitute an offer to the public within the meaning of the C(WUMP)O; and
- (b) no advertisement, invitation or document relating to the GDRs has been or may be issued or has been or may be in the possession of any person for the purposes of issue, whether in Hong Kong or elsewhere, any advertisement, invitation or document relating to the GDRs, which is directed at, or the contents of which are likely to be accessed or read by, the public of Hong Kong (except if permitted to do so under the securities laws of Hong Kong) other than with respect to GDRs which are or are intended to be disposed of only to persons outside Hong Kong or only to “professional investors” as defined in the SFO and any rules made under the SFO.

Japan

The GDRs offered hereby have not been and will not be registered under the Financial Instruments and Exchange Act of Japan (Act No. 25 of 1948, as amended, the “**Financial Instruments and Exchange Act**”). Accordingly, each Joint Bookrunner has represented, warranted and agreed that the GDRs which it subscribes will be subscribed by it as principal and that, in connection with the offering made hereby, it will not, directly or indirectly, offer or sell any GDRs in Japan or to, or for the benefit of, any resident of Japan (which term as used herein means any person resident in Japan, including any corporation or other entity organised under the laws of Japan) or to others for re-offering or re-sale, directly or indirectly, in Japan or to, or for the benefit of, any resident of Japan, except pursuant to an exemption from the registration requirements of, and otherwise in compliance with, the Financial Instruments and Exchange Act and other relevant laws and regulations of Japan.

Qatar

This Prospectus does not, and is not intended to, constitute an invitation or an offer of securities in the State of Qatar (including the Qatar Financial Centre) and accordingly should not be construed as such. The GDRs have not been, and shall not be, offered, sold or delivered at any time, directly or indirectly, in the State of Qatar. Any offering of the GDRs shall not constitute a public offer of securities in the State of Qatar.

Singapore

This Prospectus has not been registered as a prospectus with the Monetary Authority of Singapore. This Prospectus or any other document or material in connection with the offer or sale, or invitation for subscription or purchase, of the GDRs may not be circulated or distributed, nor may the GDRs be offered or sold, or be made the subject of an invitation for subscription or purchase, whether directly or indirectly, to any person in Singapore other than (i) to an institutional investor (as defined in Section 4A of the Securities and Futures Act 2001 of Singapore, as modified or amended from time to time (the “SFA”)) pursuant to Section 274 of the SFA, (ii) to a relevant person (as defined in Section 275(2) of the SFA) pursuant to Section 275(1) of the SFA, or any person pursuant to Section 275(1A) of the SFA, and in accordance with the conditions specified in Section 275 of the SFA, or (iii) otherwise pursuant to, and in accordance with the conditions of, any other applicable provision of the SFA.

Where the GDRs are subscribed or purchased under Section 275 of the SFA by a relevant person which is:

- (a) a corporation (which is not an accredited investor (as defined in Section 4A of the SFA)) the sole business of which is to hold investments and the entire share capital of which is owned by one or more individuals, each of whom is an accredited investor; or
- (b) a trust (where the trustee is not an accredited investor) whose sole purpose is to hold investments and each beneficiary of the trust is an individual who is an accredited investor,

securities or securities-based derivatives contracts (each term as defined in Section 2(1) of the SFA) of that corporation or the beneficiaries’ rights and interest (howsoever described) in that trust shall not be transferred within six months after that corporation or that trust has acquired the GDRs pursuant to an offer made under Section 275 of the SFA except:

- (1) to an institutional investor or to a relevant person, or to any person arising from an offer referred to in Section 275(1A) or Section 276(4)(i)(B) of the SFA;
- (2) where no consideration is or will be given for the transfer;
- (3) where the transfer is by operation of law;
- (4) as specified in Section 276(7) of the SFA; or
- (5) as specified in Regulation 37A of the Securities and Futures (Offers of Investments) (Securities and Securities-based Derivatives Contracts) Regulations 2018.

Switzerland

The GDRs may not be publicly offered in Switzerland and will not be listed on the SIX Swiss Exchange (“SIX”) or on any other stock exchange or regulated trading facility in Switzerland. This Prospectus has been prepared without regard to the disclosure standards for issuance prospectuses under art. 652a or art. 1156 of the Swiss Code of Obligations or the disclosure standards for listing prospectuses under art. 27 ff. of the SIX Listing Rules or the listing rules of any other stock exchange or regulated trading facility in Switzerland.

Neither this Prospectus nor any other offering or marketing material relating to the GDRs or the Offering may be publicly distributed or otherwise made publicly available in Switzerland. Neither this Prospectus nor any other offering or marketing material relating to the Offer, the Company or the GDRs have been or will be filed with or approved by any Swiss regulatory authority. In particular, this Prospectus will not be filed with, and the offer of the GDRs will not be supervised by, the Swiss Financial Market Supervisory

Authority, and the offer of GDRs has not been and will not be authorised under the Swiss Federal Act on Collective Investment Schemes (“CISA”). The equity investor protection afforded to acquirers of interests in collective investment schemes under the CISA does not extend to acquirers of the GDRs.

Taiwan

The GDRs have not been and will not be registered with the Financial Supervisory Commission of Taiwan pursuant to relevant securities laws and regulations and may not be sold, issued or offered within Taiwan through a public offering or in circumstances which constitutes an offer within the meaning of the Securities and Exchange Act of Taiwan that requires a registration or approval of the Financial Supervisory Commission of Taiwan. No person or entity in Taiwan has been authorised to offer, sell, give advice regarding or otherwise intermediate the offering and sale of the GDRs in Taiwan.

United Arab Emirates

Each Joint Bookrunner has represented and agreed that the GDRs have not been and will not be offered, sold or publicly promoted or advertised by it in the United Arab Emirates other than in compliance with any laws applicable in the United Arab Emirates governing the issue, offering and sale of securities.

United Kingdom

No GDRs have been offered or will be offered pursuant to the Offering to the public in the United Kingdom prior to the publication of a prospectus in relation to the GDRs which has been approved by the Financial Conduct Authority, except that the GDRs may be offered to the public in the United Kingdom at any time:

- (a) to any legal entity which is a qualified investor as defined under Article 2 of the UK Prospectus Regulation;
- (b) to fewer than 150 natural or legal persons (other than qualified investors as defined under Article 2 of the UK Prospectus Regulation), subject to obtaining the prior consent of the Joint Global Co-ordinators for any such offer; or
- (c) in any other circumstances falling within Section 86 of the FSMA,

provided that no such offer of the GDRs shall require the Company or any Joint Bookrunner to publish a prospectus pursuant to Section 85 of the FSMA or supplement a prospectus pursuant to Article 23 of the UK Prospectus Regulation. For the purposes of this provision, the expression an “offer to the public” in relation to the Shares in the United Kingdom means the communication in any form and by any means of sufficient information on the terms of the offer and any GDRs to be offered so as to enable an investor to decide to purchase or subscribe for any GDRs.

In the case of any GDRs being offered to a financial intermediary as that term is used in Article 5(1) of the UK Prospectus Regulation, each financial intermediary will also be deemed to have represented, warranted and agreed that the GDRs acquired by it in the Offering has not been acquired on a non-discretionary basis on behalf of, nor have they been acquired with a view to their offer or resale to, persons in circumstances which may give rise to an offer of any GDRs to the public, other than their offer or resale in the United Kingdom to qualified investors as so defined or in circumstances in which the prior consent of Joint Bookrunners has been obtained to each such proposed offer or resale. The Company, the Joint Bookrunners and their respective affiliates, and others will rely upon the truth and accuracy of the foregoing representation, acknowledgements and agreements. Notwithstanding the above, a person who is not a qualified investor and who has notified the Joint Bookrunners of such fact in writing may, with the prior consent of the Joint Global Co-ordinators, be permitted to acquire GDRs in the Offering.

United States

This Prospectus is not a public offering (within the meaning of the Securities Act) of securities in the United States. The GDRs have not been and will not be registered under the Securities Act or with any securities regulatory authority of any state of the United States for offer or sale as part of their distribution and may not be offered or sold within the United States unless pursuant to an exemption from or in a transaction not subject to the registration requirements of the Securities Act. All offers and sales of the GDRs outside the United States will be made in offshore transactions in reliance on Regulation S under the Securities Act.

TRANSFER RESTRICTIONS

Each purchaser of the Offer GDRs will be deemed to have represented and agreed as follows (terms used in this paragraph that are defined in Regulation S are used herein as defined therein):

1. the purchaser is, at the time of the offer to it of Offer GDRs and at the time the buy order originated, outside the United States for the purposes of Rule 903 under the Securities Act.
2. the purchaser is aware that the Offer GDRs have not been and will not be registered under the Securities Act and are being offered outside the United States in reliance on Regulation S.
3. any offer, sale, pledge or other transfer made other than in compliance with the above stated restrictions shall not be recognised by the Company in respect of the Offer GDRs.
4. the purchaser understands that the Offer GDRs and the Master GDR Certificate will bear a legend substantially to the following effect:

THIS MASTER GDR CERTIFICATE, THE GDRS EVIDENCED HEREBY AND THE A SHARES OF MING YANG SMART ENERGY GROUP LIMITED REPRESENTED THEREBY (THE “**SHARES**”) HAVE NOT BEEN AND WILL NOT BE REGISTERED UNDER THE UNITED STATES SECURITIES ACT OF 1933, AS AMENDED (THE “**SECURITIES ACT**”), OR WITH ANY SECURITIES REGULATORY AUTHORITY OF ANY STATE OR OTHER JURISDICTION OF THE UNITED STATES. THE HOLDERS AND THE BENEFICIAL OWNERS HEREOF, BY PURCHASING OR OTHERWISE ACQUIRING THIS MASTER GDR CERTIFICATE, THE GDRS EVIDENCED HEREBY AND THE SHARES REPRESENTED THEREBY, ACKNOWLEDGE THAT SUCH MASTER GDR CERTIFICATE, THE GDRS EVIDENCED HEREBY AND THE SHARES REPRESENTED THEREBY HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT AND AGREE FOR THE BENEFIT OF THE COMPANY AND THE DEPOSITARY THAT THIS MASTER GDR CERTIFICATE, THE GDRS EVIDENCED HEREBY AND THE SHARES REPRESENTED THEREBY MAY BE REOFFERED, RESOLD, PLEDGED OR OTHERWISE TRANSFERRED ONLY IN COMPLIANCE WITH THE SECURITIES ACT AND APPLICABLE LAWS OF THE STATES, TERRITORIES AND POSSESSIONS OF THE UNITED STATES GOVERNING THE OFFER AND SALE OF SECURITIES.

5. the Company, the Joint Bookrunners and their affiliates and others will rely upon the truth and accuracy of the foregoing acknowledgements, representations and agreements.

CLEARING AND SETTLEMENT

Clearing and Settlement of Offer GDRs

Custodial and depositary links have been established between Euroclear, Clearstream and DTC to facilitate the initial issue of the Offer GDRs and cross-market transfers of the Offer GDRs associated with secondary market trading.

The Clearing Systems

Euroclear and Clearstream

Euroclear and Clearstream each hold securities for participating organisations and facilitate the clearance and settlement of securities transactions between their respective participants through electronic book-entry changes in accounts of such participants. Euroclear and Clearstream provide to their respective participants, among other things, services for safekeeping, administration, clearance and settlement of internationally-traded securities and securities lending and borrowing. Euroclear and Clearstream participants are financial institutions throughout the world, including joint bookrunners, securities brokers and dealers, banks, trust companies, clearing corporations and certain other organisations. Euroclear and Clearstream have established an electronic bridge between their two systems across which their respective clients may settle trades with each other. Indirect access to Euroclear or Clearstream is also available to others, such as banks, brokers, dealers and trust companies that clear through or maintain a custodial relationship with a Euroclear or Clearstream participant, either directly or indirectly.

Distributions of dividends and other payments with respect to book-entry interests in the Offer GDRs held through Euroclear or Clearstream will be credited, to the extent received by the Depositary, to the cash accounts of Euroclear or Clearstream participants in accordance with the relevant system's rules and procedures.

Registration and Form

Book-entry interests in the Offer GDRs held through Euroclear and Clearstream will be represented by the Master GDR Certificate registered in the name of Citivic Nominees Limited, as nominee for Citibank Europe plc, as common depositary for Euroclear and Clearstream. As necessary, the Depositary will adjust the amounts of Offer GDRs on the relevant register to reflect the amounts of Offer GDRs held through Euroclear and Clearstream, respectively. Beneficial ownership in the Offer GDRs will be held through financial institutions as direct and indirect participants in Euroclear and Clearstream.

The aggregate holdings of book-entry interests in the Offer GDRs in Euroclear and Clearstream will be reflected in the book-entry accounts of each such institution. Euroclear and Clearstream, as the case may be, and every other intermediate holder in the chain to the beneficial owner of book-entry interests in the Offer GDRs, will be responsible for establishing and maintaining accounts for their participants and clients having interests in the book-entry interests in the Offer GDRs. The Depositary will be responsible for maintaining a record of the aggregate holdings of Offer GDRs registered in the name of the common depositary for Euroclear and Clearstream. The Depositary will be responsible for ensuring that payments received by it from the Company for holders holding through Euroclear or Clearstream are credited to Euroclear or Clearstream, as the case may be.

The Company will not impose any fees in respect of the Offer GDRs; however, holders of book-entry interests in the Offer GDRs may incur fees normally payable in respect of the maintenance and operation of accounts in Euroclear or Clearstream and certain fees and expenses payable to the Depositary in accordance with the terms of the Deposit Agreement. See "*Terms and Conditions of the Global Depositary Receipts.*"

Global Clearance and Settlement Procedures

Initial Settlement

The Offer GDRs will be in global form evidenced by a Master GDR Certificate. Purchasers electing to hold book-entry interests in Offer GDRs through Euroclear or Clearstream accounts will follow the settlement procedures applicable to depositary receipts.

Secondary Market Trading

For a description of the transfer restrictions relating to the Offer GDRs, see “*Selling Restrictions and Transfer Restrictions — Transfer Restrictions*”.

Trading between Euroclear and Clearstream Participants

Secondary market sales of book-entry interests in the Offer GDRs held through Euroclear or Clearstream to purchasers of book-entry interests in the Offer GDRs through Euroclear or Clearstream will be conducted in accordance with the normal rules and operating procedures of Euroclear or Clearstream and will be settled using the normal procedures applicable to depositary receipts.

General

Although the foregoing sets forth the procedures of Euroclear and Clearstream in order to facilitate the transfers of interests in the Offer GDRs among participants of Euroclear and Clearstream, none of Euroclear and Clearstream are under any obligation to perform or continue to perform such procedures, and such procedures may be discontinued at any time.

None of the Company, the Depositary, the Custodian or their respective agents will have any responsibility for the performance by Euroclear or Clearstream or their respective participants of their respective obligations under the rules and procedures governing their operations.

Settlement of the Offer GDRs

Payment for the Offer GDRs is expected to be made in US dollars in same-day funds through the facilities of Euroclear and Clearstream. Book-entry interests in the Offer GDRs held through Euroclear and Clearstream will be represented by the Master GDR Certificate registered in the name of Citivic Nominees Limited, as nominee for Citibank Europe plc, as common depositary for Euroclear and Clearstream. Except in limited circumstances described herein, investors may hold beneficial interests in the Offer GDRs evidenced by the Master GDR Certificate only through Euroclear or Clearstream, as applicable.

Transfers within Euroclear and Clearstream will be in accordance with the usual rules and operating procedures of the relevant system.

INFORMATION RELATING TO THE DEPOSITARY

Citibank, N.A. (“**Citibank**”) has been appointed as Depositary pursuant to the Deposit Agreement. Citibank is an indirect wholly owned subsidiary of Citigroup Inc., a Delaware corporation. Citibank is a commercial bank that, along with its subsidiaries and affiliates, offers a wide range of banking and trust services to its customers throughout the United States and the world.

Citibank was originally organised on 16 June 1812, and is now a national banking association organised under the National Bank Act of 1864 of the United States of America. Citibank is primarily regulated by the United States Office of the Comptroller of the Currency. Its principal executive office is at 388 Greenwich Street, New York, NY 10013, United States of America. Citibank’s Consolidated Balance Sheets are set forth in Citigroup’s most recent Annual Report (audited balance sheet) and Quarterly Report (unaudited), each on file on Form 10-K and Form 10-Q, respectively, with the United States Securities and Exchange Commission. Citibank’s Articles of Association and By-laws, each as currently in effect, together with Citigroup’s Annual Report on Form 10-K and Quarterly Report on Form 10-Q are available for inspection at the Depositary Receipt office of Citibank, 388 Greenwich Street, New York, New York 10013.

INDEPENDENT AUDITORS

Grant Thornton Zhitong Certified Public Accountants LLP, independent auditors, has a business licence issued by State Administration for Industry and Commerce of the People's Republic of China, and recorded by the MOF and the Chinese Institute of Certified Public Accountants. It has audited the consolidated financial statements of the Group as at and for the three years ended 31 December 2019, 2020 and 2021, and has reviewed the unaudited consolidated condensed interim financial information of the Group as at and for the three months ended 31 March 2021 and 2022.

Grant Thornton Zhitong Certified Public Accountants LLP has given and not withdrawn its written consent to the inclusion of its auditor's report on page F-2 of this Prospectus and its review report on page F-411 of this Prospectus and has authorised the contents of its reports for the purposes of paragraph 5.3.5R(2)(f) of the Prospectus Regulation Rules and item 1.3 of Annex 1 of Commission Delegated Regulation (EU) 2019/980 (the "**Delegated Regulation**"). Written consent for the purposes of the Prospectus Regulation Rules and the Delegated Regulation is different from a consent filed with the Securities and Exchange Commission of the United States under Section 7 of the Securities Act. As the Offer GDRs have not and will not be registered under the Securities Act, Grant Thornton Zhitong Certified Public Accountants LLP has not filed a consent under Section 7 of the Securities Act. Grant Thornton Zhitong Certified Public Accountants LLP has no material interest in the Company.

For the purposes of paragraph 5.3.5R(2)(f) of the Prospectus Regulation Rules, Grant Thornton Zhitong Certified Public Accountants LLP accepts responsibility for its auditor's report on page F-2 of this Prospectus and its review report on page F-411 of this Prospectus as part of this Prospectus and declares that, to the best of its knowledge, the information contained in its auditor's report on page F-2 of this Prospectus and its review report on page F-411 of this Prospectus is in accordance with the facts and that such parts of this Prospectus make no omission likely to affect their import. This declaration is included in this Prospectus in compliance with item 1.2 of Annex 1 of the Delegated Regulation.

LEGAL MATTERS

Certain legal matters in connection with the Offering will be passed upon for the Company with respect to English law by Linklaters LLP, with respect to US federal law by Linklaters and with respect to PRC law by Tian Yuan Law Firm.

Certain legal matters in connection with the Offering will be passed upon for the Joint Bookrunners with respect to English law by Clifford Chance LLP, with respect to US law by Clifford Chance and with respect to PRC law by JunHe LLP.

GENERAL INFORMATION

1. Responsibility Statement

The Company accepts responsibility for the information contained in this Prospectus. To the best of the knowledge of the Company, the information contained in this Prospectus is in accordance with the facts and this Prospectus makes no omission likely to affect its import.

2. Listing and Trading

It is expected that the Offer GDRs will be admitted, subject only to the issue of the Master GDR Certificate, to listing on the standard segment of the Official List maintained by the FCA on or around 13 July 2022. Application will be made for the Offer GDRs to be admitted to trading on the Shanghai-London Stock Connect segment of the Main Market of the London Stock Exchange. The Company expects that conditional trading in the GDRs on the London Stock Exchange through the IOB will commence on a “when issued” basis on or about 8 July 2022. All dealings in the GDRs prior to the commencement of unconditional dealings will be of no effect if Admission does not take place and will be at the sole risk of the parties concerned. Transactions in Offer GDRs will normally be effected for delivery on the second trading day after the day of the transaction.

3. Authorisations

The Company has obtained all consents, approvals and authorisations in the PRC in connection with the admission of the Offer GDRs to listing on the standard segment of the Official List and to trading on the Shanghai-London Stock Connect segment of the Main Market of the London Stock Exchange required to be obtained prior to the date of this Prospectus.

4. Documents Available for Inspection

The following documents will be available for inspection free of charge at <http://www.myse.com.cn> for a period of one year from the date of publication of this Prospectus:

- (1) this Prospectus;
- (2) the Articles of Association of the Company;
- (3) each of the auditor’s report on page F-2 of this Prospectus and the review report on page F-411 of this Prospectus prepared, in each case, by Grant Thornton Zhitong Certified Public Accountants LLP;
- (4) the Industry Report; and
- (5) the Deposit Agreement.

The Company’s registered office is located at Ming Yang Industrial Park, No. 22, Huoju Avenue, Zhongshan Torch High-tech Industrial Development Zone, Zhongshan City, Guangdong, PRC. Telephone: +86 010 5081 5010.

5. Legal Entity Identifier

The legal entity identifier of the Company is 300300W76R6UJHEZL847.

6. Website

The Company's website address is <http://www.myse.com.cn>. The information on the Company's website does not form part of this Prospectus.

7. Security Codes

GDR ISIN: US6034912005

GDR Common Code: 248863153

GDR CUSIP: 603491 200

GDR SEDOL: BLFB8M2

London Stock Exchange Offer GDR trading symbol is "MYSE"

A Shares ISIN: CNE100003HQ0

Shanghai Stock Exchange stock code: 601615

8. Depositary and Agent

Holders of GDRs may contact Citibank, N.A., as Depositary for the GDRs with questions relating to the transfer of GDRs on the books of the Depositary, which shall be maintained at its principal executive office at 388 Greenwich Street, 4th Floor North, New York, New York 10013, United States of America.

If definitive certificates are issued in exchange for the Master GDR Certificate, the Company will appoint an agent in the United Kingdom.

9. Legal and Arbitration Proceedings

There are no governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened of which the Company is aware) during the 12 months preceding the date of this Prospectus which may have, or have had in the recent past a significant effect on the Company's and/or the Group's financial position or profitability.

10. Significant Change

There has been no significant change in the financial position or financial performance of the Group since 31 March 2022, being the end of the last financial period for which financial information has been published.

11. Working Capital Statement

The Company is of the opinion that the working capital available to the Group is sufficient for its present requirements, that is, for at least the next 12 months following the date of this Prospectus.

12. Subsidiaries

The Company is a parent company of a corporate group that comprises other companies. Further detail on the Company's significant subsidiaries as at the Latest Practicable Date is provided below.

Name of subsidiary (full name)	Country of Incorporation/ Residence	Percentage Ownership (%)
Ming Yang Wind Power (International) Co., Ltd.	PRC (Hong Kong SAR)	100.0
Tianjin Ruineng Electric Co., Ltd.	PRC	100.0
Tianjin Mingyang Wind Energy Blade Technology Co., Ltd.	PRC	100.0
Guangdong Mingyang New Energy Materials Technology Co., Ltd.	PRC	100.0
Tianjin Mingyang Wind Power Equipment Co., Ltd.	PRC	100.0
Zhongshan Mingyang Wind Power Equipment Co., Ltd.	PRC	100.0
Zhongshan Ruiyang Investment Management Co., Ltd.	PRC	100.0
Guangdong Mingyang New Energy Technology Co., Ltd.	PRC	100.0
Yunnan Mingyang Wind Power Technology Co., Ltd.	PRC	100.0
Yunnan Mingyang New Energy Co., Ltd.	PRC	100.0
Beijing Jieyuan New Energy Investment Co., Ltd.	PRC	100.0
Shaanxi Dingbian Jieyuan New Energy Power Generation Co., Ltd.	PRC	100.0
Shaanxi Jingbian Mingyang New Energy Power Generation Co., Ltd.	PRC	100.0
Hongrun (Huanghua) New Energy Co., Ltd.	PRC	80.8
Jieyuan Huanghua New Energy Co., Ltd.	PRC	100.0
Midu Jieyuan New Energy Power Generation Co., Ltd.	PRC	100.0
Gongcheng Jieyuan New Energy Co., Ltd.	PRC	100.0
Shanxian Jieyuan New Energy Co., Ltd.	PRC	100.0
Pingle Jieyuan New Energy Co., Ltd.	PRC	100.0
Shaanxi Jieyao Construction Engineering Co., Ltd.	PRC	95.0
Tianjin Jieyuan New Energy Investment Co., Ltd.	PRC	100.0
Heilongjiang Jieyuan Wind Power Co., Ltd.	PRC	100.0
Jingbian Yunneng New Energy Co., Ltd.	PRC	100.0
Qinghai Mingyang New Energy Co., Ltd.	PRC	61.6
Xilin Guole Mingyang New Energy Co., Ltd.	PRC	100.0
Shenzhen Liangyun Energy Network Technology Co., Ltd.	PRC	100.0
Ruide Xingyang New Energy Technology Co., Ltd.	PRC	93.3
Lhasa Ruide Xingyang New Energy Technology Co., Ltd.	PRC	93.3
Zhongshan Ruike New Energy Co., Ltd.	PRC	38.5
Inner Mongolia Mingyang New Energy Development Co., Ltd.	PRC	100.0
Hexigten Banner Mingyang New Energy Co., Ltd.	PRC	100.0
Inner Mongolia Guomeng Energy Technology Co., Ltd.	PRC	100.0
Wuhai Mingyang New Energy Co., Ltd.	PRC	100.0
Tongliao Mingyang Smart Energy Co., Ltd.	PRC	100.0
Inner Mongolia Haoyang New Energy Co., Ltd.	PRC	100.0
Tongliao Smart Energy Research Co., Ltd.	PRC	100.0
Kailu County Mingyang Smart Energy Co., Ltd.	PRC	100.0
Naiman Banner Mingyang Smart Energy Co., Ltd.	PRC	100.0
Baotou Shiyuan Boneng Electricity Sales Co., Ltd.	PRC	51.0
Inner Mongolia Mingyang Wind Power Co., Ltd.	PRC	96.4
Runyang Energy Technology Co., Ltd.	PRC	80.0
Tianjin Smart Runyang Technology Co., Ltd.	PRC	80.0
Henan Mingyang Smart Energy Co., Ltd.	PRC	100.0
Yexian Jiangjunshan New Energy Co., Ltd.	PRC	60.0
Guodian Henan CIC Yingke New Energy Co., Ltd.	PRC	60.0
Lingchuan Ruifeng Wind Power Equipment Co., Ltd.	PRC	100.0
Henan Mingyang New Energy Co., Ltd.	PRC	100.0
Xinyang Zhirun New Energy Co., Ltd.	PRC	100.0

Name of subsidiary (full name)	Country of Incorporation/ Residence	Percentage Ownership (%)
Xinyang Hongliu New Energy Co., Ltd.	PRC	100.0
Gushi County Mingwu New Energy Co., Ltd.	PRC	100.0
Xinyang Rundian New Energy Co., Ltd.	PRC	100.0
Jieyang Mingyang Offshore Wind Power Development Co., Ltd.	PRC	100.0
Xinjiang Wanbang Energy Development Co., Ltd.	PRC	100.0
Zhongshan Mingyang New Energy Technology Co., Ltd.	PRC	100.0
Yangjiang Mingyang New Energy Technology Co., Ltd.	PRC	100.0
Xinyang Mingyang New Energy Technology Co., Ltd.	PRC	100.0
Inner Mongolia Mingyang New Energy Technology Co., Ltd.	PRC	100.0
Shanwei Mingyang New Energy Technology Co., Ltd.	PRC	100.0
Xinjiang Huaran New Energy Co., Ltd.	PRC	67.0
Hubei Mingye New Energy Technology Co., Ltd.	PRC	100.0
Yangjiang Mingyang Ocean Fishery Co., Ltd.	PRC	100.0
Gansu Mingyang Smart Energy Co., Ltd.	PRC	100.0
Tianjin Ruiyuan Electric Co., Ltd.	PRC	100.0
Hongjiang Xingyang New Energy Co., Ltd.	PRC	100.0
Shengsi Mingyang New Energy Sales Co., Ltd.	PRC	100.0
Jilin Ruiyangcheng Innovation Energy Equipment Co., Ltd.	PRC	100.0

13. Material Contracts

Save as set out below, in the two years immediately preceding the date of this Prospectus, other than contracts entered into in the ordinary course of business, there have not been any material contracts to which the Company or any member of the Group are a party or which contain any provision under which any member of the Group has any obligation or entitlement which is material to the Group as at the date of this Prospectus.

Underwriting Agreement

On 8 July 2022, the Company and the Joint Bookrunners entered into the Underwriting Agreement. For more information, see “*Plan of Distribution—Underwriting Agreement and Over-allotment Option*”.

Deposit Agreement

On 7 July 2022, the Company and the Depositary entered into the Deposit Agreement for the establishment and maintenance of a GDR facility and the GDRs issued pursuant thereto and pursuant to which the Company also executed Deed Polls in favour of Holders in the form attached to the Deposit Agreement. For more information, see “*Terms and Conditions of the Global Depositary Receipts*”.

Indemnity Undertakings

On 18 May 2022, Mr. ZHANG Chuanwei provided undertakings to the Company that, effective upon the Admission of the GDRs, he will indemnify the Group for (i) any losses incurred by the Group as a result of the disruption of the Group’s business operations, administrative penalties and economic losses arising from assumption of the corresponding legal liabilities in connection with the land use right certificates and/or real estate title certificates which have not been obtained as at 31 March 2022; and (ii) any shortfall in the amount of the social security and provident fund contributions payable by the Group from 1 January 2019 to 31 March 2022.

14. Securities

The Company has no partly paid shares nor any convertible securities, exchangeable securities or securities with warrants outstanding. The Company does not hold any shares in treasury. There are no shares in the Company's issued share capital that do not represent capital.

15. Takeover Bids

No public takeover bids by third parties in respect of the Company's capital have occurred during the last financial year or as at the date of this Prospectus.

16. Expenses

The total costs and expenses relating to the Offering, including the FCA and LSE listing fees, underwriting commissions and professional fees and expenses, are estimated to amount to between approximately US\$11.0 million (assuming no exercise of the Over-allotment Option) and US\$11.5 million (assuming the Over-allotment Option is exercised in full) are payable by the Company. Investors will not be charged any expenses by the Company. Pursuant to the terms and conditions of the GDRs, the Depositary will be entitled to charge certain fees to the holders of the GDRs.

17. Industry Report

F&S has given and has not withdrawn its written consent to the inclusion in this Prospectus of information extracted from the Industry Report it prepared at the request of the Company, as sourced to F&S in the "Industry Overview" section. F&S has authorised the content of such information for the purposes of this Prospectus. F&S accepts responsibility for such information, and such information is, to the best of the knowledge of F&S, in accordance with the facts and contains no omission likely to affect its import. F&S has no material interest in the Company.

18. Green Economy Mark

The Company is expected to qualify for the London Stock Exchange's Green Economy Mark at Admission, which recognises companies that derive 50% or more of their total annual revenues from products and services that contribute to the global green economy. The underlying methodology incorporates the Green Revenues data model developed by FTSE Russell, which helps investors understand the global industrial transition to a green and low carbon economy with consistent, transparent data and indexes.

DEFINITIONS AND GLOSSARY

The following set outs certain defined terms, technical and other power related terms that are used throughout this Prospectus:

“A share(s)”	shares of any company that are traded on the Shanghai Stock Exchange or the Shenzhen Stock Exchange in Renminbi
“A Shares”	domestic shares of the Company, with a par value of RMB1.00 each, which are subscribed for or credited as paid up in Renminbi and are listed for trading on the Shanghai Stock Exchange
“Admission”	admission to listing on the standard segment of the Official List and to trading on the Shanghai-London Stock Connect segment of the Main Market of the London Stock Exchange
“Annual Historical Financial Information”	the Group’s audited consolidated annual financial statements as at and for the years ended 31 December 2019, 2020 and 2021
“Articles of Association”	articles of association of the Company
“Auditor”	Grant Thornton Zhitong Certified Public Accountants LLP
“Banks”	UBS, HSBC and CLSA
“benchmark pricing”	a pricing strategy in which the price is calculated periodically based on the average operating costs of power stations of different categories
“Board” or “Board of Directors”	the board of directors of the Company
“CAGR”	compound annual growth rate
“China” or “PRC”	the People’s Republic of China, and for the sole purpose of this Prospectus and by reference to region, excluding Taiwan, the Macau Special Administrative Region of the PRC and Hong Kong Special Administrative Region of the PRC
“CLSA”	CLSA Limited
“Clearstream”	Clearstream Banking, société anonyme
“Closing Date”	on or around 13 July 2022
“Company”	Ming Yang Smart Energy Group Limited a joint stock company incorporated in the People’s Republic of China with limited liability under the corporate name 明阳智慧能源集团股份公司 in June 2006 and listed on the Shanghai Stock Exchange under stock code 601615 in January 2019
“Controlling Shareholder(s)”	Mr. ZHANG Chuanwei, Ms. WU Ling and Mr. ZHANG Rui

“CSDC”	China Securities Depository and Clearing Corporation Limited (中国证券登记结算有限公司)
“CSRC”	the China Securities Regulatory Commission (中国证券监督管理委员会)
“Custodian”	Bank of China Limited
“Delegated Regulation”	means Commission Delegated Regulation (EU) 2019/980
“Deposit Agreement”	the deposit agreement entered into by the Company and the Depository on 7 July 2022 in connection with the issuance of the GDRs represented by the Master GDR Certificate
“Depository”	Citibank, N.A.
“Designated Broker”	an LSE member that has been “designated” by the Shanghai Stock Exchange as a “designated broker”
“Director(s)”	director(s) of the Company
“Disclosure Guidance and Transparency Rules”	the Disclosure Guidance and Transparency Rules made by the FCA under Part VI of FSMA
“DR Provisions”	“Provisions on the Supervision and Administration of Depository Receipts under the Stock Connect Scheme between Domestic and Overseas Stock Exchanges” (境内外证券交易所互联互通存托凭证业务监管规定) published by the CSRC on 11 February 2022
“EEA”	European Economic Area
“EIT”	the enterprise income tax of the PRC
“EPC”	engineering, procurement and construction
“Euroclear”	the Euroclear Bank S.A./N.V.
“EUWA”	the European Union (Withdrawal) Act 2018
“Exchange Act”	the United States Securities Exchange Act of 1934, as amended
“expected additional consolidated capacity”	the total capacity of the Group’s power generation projects under construction or its pipeline projects, usually denominated in MW
“F&S”	Frost & Sullivan
“FCA”	the United Kingdom Financial Conduct Authority
“GBP”	pound sterling, the lawful currency of the UK
“FSMA”	the Financial Services and Markets Act 2000, as amended

“GDP”	gross domestic product (except as otherwise specified, all references to GDP growth rates are to real as opposed to nominal rates of GDP growth)
“GDR”	a global depositary receipt which represents A Shares
“gross generation” or “gross electricity generated”	for a specified period, the total amount of electricity produced by a power generating project during that period
“Group”	the Company and its consolidated subsidiaries
“GW”	gigawatt, a unit of power. 1 GW = 1,000 MW
“GWh”	gigawatt-hour, a unit of energy. 1 GWh = 1 million kWh
“First Quarter Historical Financial Information”	the Group’s consolidated condensed interim financial statements as at and for the three months ended 31 March 2022 (together with comparative financial information for the three months ended 31 March 2021) prepared in accordance with PRC GAAP, which has been reviewed by Grant Thornton Zhitong Certified Public Accountants LLP
“Historical Financial Information”	the Annual Historical Financial Information and the First Quarter Historical Financial Information
“HMRC”	Her Majesty’s Revenue & Customs
“Holder”	Holders of GDRs
“HSBC”	HSBC Bank plc
“Industry Report”	a report prepared by F&S at the request of the Group for the purposes of this Prospectus, dated 8 July 2022, on the Group and the markets in which it operates
“IOB”	the International Order Book of the London Stock Exchange
“Joint Bookrunners”	UBS, HSBC, CLSA, CICC and Haitong International
“Joint Global Co-ordinators” ...	UBS, HSBC and CLSA
“kg”	kilogram, a unit of weight. 1 kg = 1,000 g
“km”	kilometre, a unit of length. 1 km = 1,000 m
“kV”	kilovolt, a unit of voltage. 1 kV = 1,000 volts
“kW”	kilowatt, a unit of power. 1 kW = 1,000 watts

“kWh”	kilowatt-hour, a unit of energy. The standard unit of energy used in the electric power industry. One kilowatt-hour is the amount of energy that would be produced by a power generator producing one thousand watts for one hour
“Latest Practicable Date”	30 June 2022
“Listing Rules”	the Listing Rules made by the FCA under Part VI of the FSMA
“London Stock Exchange” or “LSE”	London Stock Exchange plc
“Main Market”	the London Stock Exchange’s main market for listed securities
“Master GDR Certificate”	Master Global Depositary Receipt Certificate
“MEE”	Ministry of Ecology and Environment of the PRC (中华人民共和国生态环境部), formerly known as Ministry of Environmental Protection of the PRC (中华人民共和国环境保护部) (“MEP”)
“MOF”	Ministry of Finance of the PRC (中华人民共和国财政部)
“MOFCOM”	Ministry of Commerce of the PRC (中华人民共和国商务部)
“MW”	megawatt, a unit of power. 1 MW = 1,000 kW. The capacity of a power generation project is generally expressed in MW
“MWh”	megawatt-hour, a unit of energy. 1 MWh = 1,000 kWh
“NDRC”	National Development and Reform Commission of the PRC (中华人民共和国国家发展和改革委员会)
“NEA”	the National Energy Administration (中华人民共和国国家能源局)
“net generation” or “net electricity generated”	net energy delivered by a seller to the agreed delivery point, usually denominated in GWh or TWh
“Offer GDRs”	up to 33,660,500 GDRs representing A Shares (including any Over-allotment GDRs)
“Offer Price”	US\$21.00 per GDR
“Offering”	an offering of Offer GDRs outside the United States in “offshore transactions” as defined in, and in reliance on, Regulation S
“Official List”	the official list maintained by the FCA
“Order”	the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005, as amended
“Over-allotment GDRs”	the Offer GDRs subject to the Over-allotment Option

“Over-allotment Option”	the option granted by the Company to the Stabilising Manager, exercisable within 30 days after the announcement of the Offer Price, to purchase up to 2,380,000 additional Offer GDRs
“PBOC”	the People’s Bank of China (中国人民银行)
“PRC Company Law”	Company Law of the People’s Republic of China (中华人民共和国公司法), as adopted by the Standing Committee of the Eighth National People’s Congress on 29 December 1993 and effective on 1 July 1994, as amended, supplemented or otherwise modified from time to time
“Prospectus Regulation”	Regulation (EU) 2017/1129 as amended from time to time
“Prospectus Regulation Rules” ..	the Prospectus Regulation Rules made by the FCA under Part VI of the FSMA
“Qualified Investors”	qualified investors within the meaning of the Prospectus Regulation
“Regulation S”	Regulation S under the Securities Act
“RMB” or “Renminbi”	the lawful currency of the PRC
“ROC”	Renewables Obligations Certificate
“SAFE”	State Administration of Foreign Exchange (中华人民共和国国家外汇管理局)
“SASAC”	State-owned Commission Assets of Supervision and Administration the State Council (国务院国有资产监督管理委员会)
“SDRT”	stamp duty reserve tax
“Securities Act”	the United States Securities Act of 1933, as amended
“SERC”	State Electricity Regulatory Commission of the PRC (中华人民共和国国家电力监管委员会)
“Shanghai Stock Exchange” or “SSE”	the Shanghai Stock Exchange
“Shares”	A Shares
“Stabilisation Period”	the period commencing on the date of announcement of the Offer Price and ending no later than the date 30 days thereafter
“Stabilising Manager”	UBS AG London Branch
“Supervisor(s)”	member(s) of the Company’s Supervisory Committee

“tonne”	metric tonne
“TWh”	terawatt-hour, a unit of energy. 1 TWh = 1 billion kWh
“UBS”	UBS AG London Branch
“UK Prospectus Regulation”	Regulation (EU) 2017/1129 and the delegated acts, implementing acts and technical standards thereunder as such legislation forms part of retained EU law as defined in the EUWA
“UK” or “United Kingdom”	the United Kingdom of Great Britain and Northern Ireland
“US”, “U.S” or “United States” ..	the United States of America, its territories, its possessions and all areas subject to its jurisdiction
“US\$” or “US Dollars”	the lawful currency of the United States of America
“VAT”	value-added tax

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MINGYANG SMART ENERGY GROUP CO., LTD.
FOR THE YEARS ENDED
31 DECEMBER 2019, 2020 AND 2021

AUDITOR'S REPORT

(THIS REPORT IS TRANSLATED FROM THE CHINESE REPORT)

**Grant Thornton Zhitong Certified Public
Accountants LLP**

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Auditor's Report

[This report is translated from the Chinese report]

GTCNSZ (2022) NO.110A012419

To all shareholders of MingYang Smart Energy Group Co., Ltd.:

I. Opinion

We have audited the financial statements of MingYang Smart Energy Group Co., Ltd. (hereinafter "the Company"), which comprise the consolidated and Company balance sheets as at 31 December 2019, 2020 and 2021, and the consolidated and Company income statements, consolidated and Company cash flows statements and consolidated and Company statements of changes in equity for the three years then ended, and notes to the financial statements.

In our opinion, the accompanying financial statements present fairly, in all material respects, the consolidated and Company's financial positions as at 31 December 2019, 2020 and 2021, and their financial performance and their cash flows for the three years then ended in accordance with the requirements of Accounting Standards for Business Enterprises.

II. Basis for Opinion

We conducted our audit in accordance with China Standards on Auditing. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company and have fulfilled our other ethical responsibilities in accordance with the China Code of Ethics for Certified Public Accountants. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

III. Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements for the three years ended 31 December 2019, 2020 and 2021. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

(I) Revenue recognition

Relevant accounting period: Years ended 31 December 2019, 2020 and 2021

Relevant disclosures of information refer to Note III.26 and Note V.49 of the notes to the financial statements.

1. Descriptions of the matter

The Company sales revenue mainly derived from the sales of wind turbine products and operation and maintenance services. In 2021, revenue from wind turbines and related accessories (including revenue from wind turbine products and operation and maintenance services) was RMB 25.25 billion, accounted for 92.96% of operating revenue in the consolidated financial statements. In 2020, revenue from wind turbines and related accessories (including revenue from wind turbine products and operation and maintenance services) was RMB 20.95 billion, accounted for 93.28% of operating revenue in the consolidated financial statements. In 2019, revenue from wind turbines and related accessories (including revenue from wind turbine products and operation and maintenance services) was RMB 9.24 billion, accounted for 88.03% of operating revenue in the consolidated financial statements.

Since the revenue is one of the key performance indicators of the Company, there is inherent risk of management manipulating the timing of revenue recognition in order to achieve specific goals or expectations. Therefore, we focus on the recognition of sales revenue of wind turbine products and determine it as a key audit matter.

2. Addressed in the context of our audit

The audit procedures that we have performed on the recognition of revenue are mainly as follows:

(1) Obtained understanding, evaluated and tested the revenue process from the approval of customer orders to the accounting of sales transactions and the key internal control of the management;

(2) Inspected sales contracts and discussion with management, obtained understanding and evaluated whether the revenue recognition policy complies with Accounting Standards for Business Enterprises;

(3) Select samples to check the sales contract, visit and interview the Company's customers, identify the contract and performance obligations, and whether these obligations are completed within a period of time or at a point in time, identify the contract terms and conditions related to the transfer of product control, and evaluate the revenue recognition policy in conformity with the revenue accounting standards;

(4) Select samples to perform testing on sales revenue of wind turbine products, check to the relevant sales contracts terms relating to the transfer of control, and check to supporting documents that prove the completion of the performance obligations; in addition, according to the characteristics and nature of the transactions with customers, select samples to arrange confirmations for the balance of accounts receivable and the amount of sales revenue;

(5) Selected samples to perform a cut-off test on sales revenue recognized before and after the balance sheet date, and assess whether the sales revenue is recognized in the appropriate period;

(6) Selected samples of issuing goods to arrange confirmations, and checked to accounting records, invoices, delivery notes and signed receipt records; In addition, through physical observation, checked to quantity of the delivered product and whether the sales revenue is recognized.

Based on the audit procedures we have performed and the audit evidence we have obtained, the management's determination of revenue recognition is reasonable, and the disclosure of relevant information in the notes to the financial statements is appropriate.

(II) Determination of the net realizable value of inventories

Relevant accounting period: Years ended 31 December 2019, 2020 and 2021

Relevant disclosures of information refer to Note III.12 and Note V.7 of the notes to the financial statements.

1. Descriptions of the matter

The Company is mainly engaged in the domestic sales of wind turbine products and operation and maintenance services. The carrying amount of raw materials, work in progress, finished goods, issuing goods, etc. in inventories are significant, and the inventories are measured at the lower of cost and net realizable value. As of 31 December 2021, the balance of book value of inventories was RMB 9,638.94 million and the provision for decline in value was RMB 34.94 million, and the carrying amount was RMB 9,604.00 million. As of 31 December 2020, the balance of book value of inventories was RMB 8,508.03 million and the provision for decline in value was RMB 35.89 million, and the carrying amount was RMB 8,472.13 million. As of 31 December 2019, the balance of book value of inventories was RMB 2,849.08 million and the provision for decline in value was RMB 37.66 million, and the carrying amount was RMB 2,811.42 million.

Management determines the net realizable value of each inventory item on the balance sheet date, and makes provision for decline in value of inventories based on the lower of cost and net realizable value. According to the accounting policy disclosed by the Company, the net realizable value of inventories is the amount of estimated selling price of the inventory minus the estimated costs to completion, estimated selling expenses and relevant taxes. In determining the net realizable value of inventories, it is based on conclusive evidence obtained, and also considering the purpose of holding the inventories and the impact of events after the balance sheet date.

Due to the significance of inventories to total assets, management needs to make significant judgments and estimates based on historical selling prices and future market trends in determining the net realizable value. As the amount involved is significant and depends on significant management's judgement, we have determined it as key audit matters.

2. Addressed in the context of our audit

The audit procedures that we have performed on determination of the net realizable value of inventories are mainly as follows:

(1) Obtained understanding of and evaluated the effectiveness on design of internal controls relevant to inventories made by management, and performed testing on the effectiveness of key internal controls;

(2) Performed observation of inventory physical count, and checked to the quantity and condition of inventories, and arranged confirmations to issuing goods;

(3) For the summarization and allocation of costing, performed test on IT system and evaluated whether the Company's costing calculation is correct;

(4) Obtained the final inventory list as of balance sheet date, performed analytical procedures on the inventories with longer aging together with the conditions of inventories, so as to analysis whether the decline in value of inventories is appropriate;

(5) Performed reasonableness test on the key estimates made by management, including the analysis of the estimated cost to completion, the comparison of estimated selling price and the contract selling price of similar products;

(6) Obtained the calculation of decline in value of inventories, reviewed the process in provision for decline in value, evaluated the calculation of the Company's net realizable value and the basis for price selection, and analyzed whether the provision for decline in value of inventory is adequate.

Based on the audit procedures we have performed and the audit evidence we have obtained, the management's determination of net realizable value is reasonable, and the disclosure of relevant information in the notes to the financial statements is appropriate.

(III) Provision for products warranty

Relevant accounting period: Years ended 31 December 2019, 2020 and 2021

Relevant disclosures of information refer to Note III.23 and Note V.39 of the notes to the financial statements.

1. Descriptions of the matter

As of 31 December 2021, the Company's balance of provision for product warranty was RMB 1,459.54 million; As of 31 December 2020, the Company's balance of provision for product warranty was RMB 1,014.93 million; As of 31 December 2019, the Company's balance of provision for product warranty was RMB 753.93 million. According to the sales contract, the Company provides customers with quality warranty services for the performance of the wind turbine products delivered by it in a period from 2 to 5 years. During the quality warranty period, the Company shall provide maintenance and replacement services for large parts. The future cost of this service is estimated by the management based on the sales volume of wind turbine products and historical maintenance experience.

Since this estimation will have significant influence on the balance of provision for product warranty, and the provision of related costs shall be significantly estimated and judged by the management, we identify the provision for products warranty as a key audit matter.

2. Addressed in the context of our audit

The audit procedures that we have performed on the assessment of the provision for quality warranty are mainly as follows:

(1) Obtained understanding of the processes of the Company's provision for quality warranty, and tested and evaluated the key internal controls related to the provision for quality warranty;

(2) Obtained understanding and evaluated the consistency of the method used by the management to make provision for quality warranty and the appropriateness of the assumptions;

(3) Verified the appropriateness of the data used by management in the calculation by checking the quality warranty clauses in the relevant sales contracts, and evaluated the consistency of the contract clauses with key assumptions;

(4) Reviewed the calculation process of the provision for quality warranty, selected sample to check the accuracy and reasonableness of the basic data used in provision for quality warranty, and reviewed the reversal amount of provision for quality warranty due to non-consumption during the quality warranty period.

(5) Compare the actual provision for quality warranty with previous estimates, and analyze the maintenance costs incurred and the happenings of maintenance during the warranty period;

(6) Discussed with the management whether there are major product defects at present or in the future, and the possible major impact on the recognized provision for quality warranty.

Based on the audit procedures we have performed, and taking into account the inherent uncertainty involved in the provision process, the methods and assumptions adopted by the management for the provision for quality warranty are acceptable.

IV. Responsibilities of Management and Those Charged with Governance for the Financial Statements

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

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

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

V. Auditor's Responsibilities for the Audit of the Financial Statements

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

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

(1) Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

(2) Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose to express any opinion on the effectiveness of internal control.

(3) Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

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

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

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

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the three years ended 31 December 2019, 2020 and 2021 and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

This report is issued solely for the application of Global Depositary Receipts (GDR) issuance of Ming Yang Smart Energy Group Limited (a listed company on the Shanghai Stock Exchange), and is not suitable for other purposes. The contents of this paragraph are without prejudice to the audit opinions that have been issued.

Grant Thornton Zhitong Certified
Public Accountants LLP

Auditor signature and stamp Zheng Jianbiao
(Engagement partner)

Auditor signature and stamp Tong Xitao

China·Beijing

22 April 2022

Consolidated Balance Sheets

Prepared by: MingYang Smart Energy Group Co., Ltd.

Expressed in RMB

Item	Note	As at 2021.12.31	As at 2020.12.31	As at 2019.12.31
Current assets:				
Cash and bank balances	V.1	14,070,916,969.33	16,332,873,967.87	10,773,039,557.63
Trading financial assets				
Notes receivable	V.2	16,255,258.49		2,925,000.00
Accounts receivable	V.3	5,855,787,488.09	3,714,395,386.12	4,751,530,667.67
Receivable financing	V.4	1,520,524,151.53	885,896,730.91	826,531,754.39
Prepayments	V.5	500,277,416.87	861,818,096.28	1,178,728,133.16
Other receivables	V.6	507,340,672.57	566,571,857.39	298,467,149.87
Including: Interest receivables				
Dividend receivables				
Inventories	V.7	9,604,001,791.96	8,472,133,832.71	2,811,417,105.44
Contract assets	V.8	530,586,825.37	542,966,499.65	
Assets held-for-sale	V.9	4,325,171,690.18	434,360,252.40	1,374,192,874.41
Non-current assets due within one year	V.10			225,441,316.43
Other current assets	V.11	695,042,009.11	1,314,221,951.45	337,254,214.84
Total current assets		37,625,904,273.50	33,125,238,574.78	22,579,527,773.84
Non-current assets:				
Debts investment				
Other debts investment				
Long-term receivables	V.12	14,565,325.04	32,478,013.56	2,534,041,461.62
Long-term equity investments	V.13	563,579,295.41	538,617,950.46	421,891,195.84
Other equity instruments investment	V.14	101,034,699.07	86,243,570.00	80,800,000.00
Other non-current financial assets	V.15	467,653,427.70		
Investment properties				
Fixed assets	V.16	9,548,886,290.14	6,961,507,930.32	4,655,768,738.20
Construction in progress	V.17	1,388,631,313.97	3,809,145,407.00	2,419,880,138.30
Productive biological assets				
Oil and gas assets				
Right-of-use assets	V.18	354,097,707.74		
Intangible assets	V.19	894,447,421.54	1,080,975,666.72	1,028,401,882.35
Development cost	V.20	314,690,450.32	205,823,847.72	68,243,753.93
Goodwill	V.21	79,147,168.84	79,147,168.84	79,147,168.84
Long-term deferred expenses	V.22	124,795,293.79	172,557,924.40	96,352,924.52
Deferred tax assets	V.23	533,239,656.21	513,024,345.08	401,345,763.07
Other non-current assets	V.24	9,482,257,060.37	5,023,084,464.64	330,210,236.50
Total non-current assets		23,867,025,110.14	18,502,606,288.74	12,116,083,263.17
TOTAL ASSETS		61,492,929,383.64	51,627,844,863.52	34,695,611,037.01

Legal representative:

Principal in charge of accounting:

Head of accounting department:

Consolidated Balance Sheets (Continued)

Item	Note	As at 2021.12.31	As at 2020.12.31	As at 2019.12.31
Current Liabilities:				
Short-term loans	V.25	98,467,646.02	149,000,000.00	1,374,635,099.07
Trading financial liabilities				
Notes payable	V.26	9,264,867,052.66	5,197,294,612.71	2,728,682,840.82
Accounts payable	V.27	10,172,885,151.76	7,855,326,473.19	4,804,911,016.69
Receipts in advance	V.28			6,858,917,435.34
Contract liabilities	V.29	8,061,593,776.51	8,559,944,751.63	
Employee benefits payable	V.30	187,395,116.34	151,905,313.70	107,123,877.97
Taxes payable	V.31	1,074,641,466.87	474,660,779.56	293,806,307.03
Other payables	V.32	2,093,647,870.19	1,825,853,927.51	619,601,164.87
Including: Interest payables				
Dividends payable		2,916,980.11	716,980.11	716,980.11
Liabilities held-for-sale	V.9	283,618,819.08	328,444,783.32	765,989,137.39
Non-current liabilities due within one year	V.33	1,119,039,821.36	1,497,350,217.14	608,805,396.01
Other current liabilities	V.34	894,037,794.22	1,005,129,163.61	
Total current liabilities		33,250,194,515.01	27,044,910,022.37	18,162,472,275.19
Non-current liabilities:				
Long-term loans	V.35	3,438,748,336.60	3,598,420,526.00	2,848,502,023.20
Bonds payable	V.36	1,260,376,859.76	781,207,869.86	1,805,426,328.96
Lease liabilities	V.37	284,538,794.80		
Long-term payables	V.38	2,394,357,521.08	3,543,331,831.79	3,051,143,701.86
Provisions	V.39	1,496,659,839.79	1,014,927,949.61	753,933,015.96
Deferred income	V.40	329,222,350.90	326,351,350.00	960,338,906.30
Deferred tax liabilities	V.23	544,683,769.00	234,198,379.87	21,823,194.22
Other non-current liabilities				
Total non-current liabilities		9,748,587,471.93	9,498,437,907.13	9,441,167,170.50
TOTAL LIABILITIES		42,998,781,986.94	36,543,347,929.50	27,603,639,445.69
Shareholders' Equity:				
Share capital	V.41	1,956,326,712.00	1,875,375,742.00	1,379,722,378.00
Other equity instruments	V.42		224,067,878.87	391,818,931.29
Including: Preferred shares				
Perpetual bonds				
Capital reserve	V.43	10,667,061,264.43	9,775,838,674.49	3,582,766,980.86
Less: Treasury shares	V.44	136,566,479.49	121,883,589.69	-
Other comprehensive income	V.45	43,509,230.08	39,429,901.97	42,297,235.39
Specific reserve	V.46			
Surplus reserve	V.47	488,654,029.96	240,614,409.70	77,870,980.53
Undistributed profits	V.48	5,375,558,041.93	2,728,755,522.96	1,246,102,109.73
Total shareholders' equity attributable to the parent		18,394,542,798.91	14,762,198,540.30	6,720,578,615.80
Minority interests		99,604,597.79	322,298,393.72	371,392,975.52
TOTAL SHAREHOLDERS' EQUITY		18,494,147,396.70	15,084,496,934.02	7,091,971,591.32
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		61,492,929,383.64	51,627,844,863.52	34,695,611,037.01

Legal representative:

Principal in charge of accounting:

Head of accounting department:

Consolidated Income Statements

Prepared by: MingYang Smart Energy Group Co., Ltd.

Expressed in RMB

Item	Note	2021	2020	2019
I. Revenue from operations	V.49	27,158,048,361.40	22,456,987,361.30	10,493,157,033.56
Less: Cost of operations	V.49	21,337,654,548.94	18,287,125,421.79	8,115,571,674.75
Taxes and surcharges	V.50	216,251,448.78	104,742,288.92	52,029,275.98
Selling expenses	V.51	1,184,419,587.47	974,650,583.63	895,443,793.48
Administrative expenses	V.52	672,372,763.00	509,022,443.81	418,601,739.42
Research and development expenses	V.53	872,379,037.41	600,707,282.41	298,007,036.25
Financial expense	V.54	255,127,787.91	385,575,479.82	266,797,192.93
Including: Interest expenses		403,973,673.13	591,816,940.37	270,644,041.99
Interest income		203,258,268.93	182,090,635.27	49,323,948.04
Add: Other income	V.55	358,649,470.67	94,700,620.17	82,760,747.00
Investment income("-" for loss)	V.56	917,829,718.57	16,160,067.11	289,740,465.99
Including: Gains from investments in associates and joint ventures		32,771,660.12	19,847,754.62	12,315,261.90
Gain from derecognition of financial assets at amortized cost ("-" for loss)				
Gain from net exposure of hedging("-" for loss)				
Gains from changes of fair value("-" for loss)	V.57	67,654,016.40		
Credit impairment loss("-" for loss)	V.58	-139,725,569.35	-71,405,253.07	-2,207,441.22
Assets impairment loss("-" for loss)	V.59	-200,531,298.85	-66,220,781.25	-76,615,685.32
Gain from disposal of assets("-" for loss)	V.60	-626,350.36	10,579,995.45	-1,560,867.20
II. Operating profit("-" for loss)		3,623,093,174.97	1,578,978,509.33	738,823,540.00
Add: Non-operating income	V.61	22,383,591.52	11,549,058.61	17,720,329.61
Less: Non-operating expenses	V.62	56,082,973.55	113,428,009.35	9,033,496.04
III. Total profit("-" for loss)		3,589,393,792.94	1,477,099,558.59	747,510,373.57
Less: Income tax expenses	V.63	630,009,022.86	172,784,021.66	86,176,177.88
IV. Net profit("-" for net loss)		2,959,384,770.08	1,304,315,536.93	661,334,195.69
(I) Classified by continuity of operations:				
Including: Net profit from continuing operations ("-" for net loss)		2,959,384,770.08	1,304,315,536.93	661,334,195.69
Net profit from discontinued operations ("-" for net loss)				
(II) Classified by attribution to ownership:				
Including: Net profit attributable to shareholders of the parent ("-" for net loss)		3,101,123,791.52	1,374,071,306.07	712,563,192.87
Net profit attributable to minority interests ("-" for net loss)		-141,739,021.44	-69,755,769.14	-51,228,997.18
V. Other comprehensive income - after tax		4,486,714.60	-3,041,946.08	128,246.78
(I) Other comprehensive income - after tax attributable to shareholders of the parent		4,079,328.11	-2,867,333.42	172,155.80
1. Other comprehensive income not reclassified into profit or loss subsequently		14,327,594.18	-	-
(1) Changes in fair value of other equity instruments investment		14,327,594.18		
2. Other comprehensive income that will be reclassified into profit or loss subsequently		-10,248,266.07	-2,867,333.42	172,155.80
(1) Translation of foreign currency financial statements		-10,248,266.07	-2,867,333.42	172,155.80
(II) Other comprehensive income - after tax attributable to minority interests		407,386.49	-174,612.66	-43,909.02
VI. Total comprehensive income		2,963,871,484.68	1,301,273,590.85	661,462,442.47
Total comprehensive income attributable to shareholders of the parent		3,105,203,119.63	1,371,203,972.65	712,735,348.67
Total comprehensive income attributable to minority interests		-141,331,634.95	-69,930,381.80	-51,272,906.20
VII. Earnings per share				
(I) Basic earnings per share		1.60	0.95	0.53
(II) Diluted earnings per share		1.60	0.90	0.53

Legal representative:

Principal in charge of accounting:

Head of accounting department:

Consolidated Cash Flows Statements

Prepared by: MingYang Smart Energy Group Co., Ltd.

Expressed in RMB

Item	Note	2021	2020	2019
I. Cash flows from operating activities :				
Cash received from sales of goods or rendering of services		24,572,817,510.97	36,872,005,875.63	16,259,006,401.42
Tax refund received		300,386,892.66	43,569,922.89	57,707,810.89
Other cash received relating to operating activities	V.64(1)	618,157,902.95	700,452,903.21	319,683,953.13
Sub-total of cash inflows		25,491,362,306.58	37,616,028,701.73	16,636,398,165.44
Cash paid for goods and services		15,895,042,038.51	30,732,453,551.48	8,339,979,845.45
Cash paid to and on behalf of employees		1,465,770,206.77	1,230,844,976.60	821,091,652.41
Payments of all types of taxes		1,317,076,419.24	704,441,928.53	398,548,020.79
Other cash paid relating to operating activities	V.64(2)	1,415,934,234.84	1,317,534,177.37	1,321,514,446.77
Sub-total of cash outflows		20,093,822,899.36	33,985,274,633.98	10,881,133,965.42
Net cash flows from operating activities		5,397,539,407.22	3,630,754,067.75	5,755,264,200.02
II. Cash flows from investing activities :				
Cash received from disposal of investments		2,181,293,737.50	8,972,600.00	
Cash received from returns on investments		91,556,765.93	1,341,520.78	28,955,186.10
Net cash received from disposal of fixed assets, intangible assets and other long-term assets		7,115,814.32	2,316,365.94	20,485,698.11
Cash received from disposal of subsidiaries and other business units		1,005,090,300.98		279,518,549.41
Other cash received relating to investing activities	V.64(3)	2,117,292,161.35	184,201,096.25	69,308,290.67
Sub-total of cash inflows		5,402,348,780.08	196,831,582.97	582,992,147.05
Cash paid to acquire fixed assets, intangible assets and other long-term assets		7,387,059,931.94	3,306,031,229.98	2,340,212,758.15
Cash paid to acquire investments		4,863,358,300.80	-	16,802,000.00
Cash paid to acquire subsidiaries and other business units			-	104,861,990.86
Other cash paid relating to investing activities	V.64(4)	87,342,520.42	654,022,295.98	263,824,432.54
Sub-total of cash outflows		12,337,760,753.16	3,960,053,525.96	2,725,701,181.55
Net cash flows from investing activities		-6,935,411,973.08	-3,763,221,942.99	-2,142,709,034.50
III. Cash flows from financing activities :				
Cash received from capital contribution		57,942,632.00	5,917,724,786.28	1,269,911,816.03
Including: Cash received from investment by minority interests of subsidiaries		12,397,200.00	-	2,640,000.00
Cash received from borrowings		1,116,158,740.17	2,700,235,864.42	1,812,179,650.00
Cash received from bonds issuance		1,275,140,000.00		
Cash received relating to other financing activities	V.64(5)	2,100,000.00	315,598,641.31	3,000,327,640.75
Sub-total of cash inflows		2,451,341,372.17	8,933,559,292.01	6,082,419,106.78
Cash repayments of amounts borrowed		1,503,057,534.21	2,797,446,520.71	1,146,454,451.60
Cash payments for interest expenses and distribution of dividends or profits		414,847,097.60	537,851,992.65	375,948,840.94
Including: Dividend paid to minority interests of subsidiaries		1,280,000.00		
Other cash payments relating to financing activities	V.64(6)		428,897,889.14	
Sub-total of cash outflows		3,087,185,864.31	3,764,196,402.50	2,149,662,149.83
Net cash flows from financing activities		-635,844,492.14	5,169,362,889.51	3,932,756,956.95
IV. Effect of foreign exchange rate changes on cash		-12,875,767.52	-316,209.88	2,278,318.80
V. Net increase in cash and cash equivalents		-2,186,592,825.52	5,036,578,804.39	7,547,590,441.27
Add: Opening balance of cash and cash equivalent		15,292,439,894.15	10,255,861,089.76	2,708,270,648.49
VI. Closing balance of cash and cash equivalent		13,105,847,068.63	15,292,439,894.15	10,255,861,089.76

Legal representative:

Principal in charge of accounting:

Head of accounting department:

Consolidated Statement of Changes in Equity

Expressed in RMB

Prepared by: MingYang Smart Energy Group Co., Ltd.

Item	2021									
	Shareholders' equity attributable to the parent company									
	Share capital	Other equity instruments	Capital reserve	Less: Treasury shares	Other comprehensive income	Special reserve	Surplus reserve	Undistributed profits	Minority interests	Total shareholders' equity
I. Balance at end of previous year	1,875,375,742.00	224,067,878.87	9,775,838,674.49	121,883,589.69	39,429,901.97		240,614,409.70	2,728,755,522.96	322,298,393.72	15,084,496,934.02
Add: Changes in accounting policies										
Correction of errors										
Business combination under common control										
Others										
II. Balance in beginning of year	1,875,375,742.00	224,067,878.87	9,775,838,674.49	121,883,589.69	39,429,901.97		240,614,409.70	2,728,755,522.96	322,298,393.72	15,084,496,934.02
III. Movement over the year ("-" for decrease)	80,950,970.00	-224,067,878.87	891,222,589.94	14,682,889.80	4,079,328.11		248,039,620.26	2,646,802,518.97	-222,693,795.93	3,409,650,462.68
(I) Total comprehensive income for the year					4,079,328.11			3,101,123,791.52	-141,331,634.95	2,963,871,484.68
(II) Shareholders' contributions and decrease of capital	80,950,970.00	-224,067,878.87	891,222,589.94	14,682,889.80					12,397,200.00	745,819,991.27
1. Capital contributed by shareholders			-145,379,421.23						12,397,200.00	-132,982,221.23
2. Increase in shareholder's equity resulted from share-based payments	5,398,000.00		104,342,077.84	14,682,889.80						95,057,188.04
3. Others	75,552,970.00	-224,067,878.87	932,259,933.33						-93,759,360.98	783,745,024.46
(III) Appropriation of profits										-300,041,013.27
1. Appropriation to surplus reserves										
2. Distributions to shareholders										
3. Others										
(IV) Transfer within equity										
1. Capital reserves converting into share capital										
2. Surplus reserves converting into share capital										
3. Surplus reserves cover the deficit										
4. Other comprehensive income transferred to retained earnings										
5. Others										
(V) Special reserve										
1. Appropriation for the year										12,617,877.23
2. Used for the year										-12,617,877.23
(VI) Other										
IV. Balance at end of year	1,956,326,712.00		10,667,061,264.43	136,566,479.49	43,509,230.08		488,654,029.96	5,375,558,041.93	99,604,597.79	18,494,147,396.70

Legal representative:

Principal in charge of accounting:

Head of accounting department:

Consolidated Statement of Changes in Equity

Item	2020										Total shareholders' equity
	Shareholders' equity attributable to the parent company										
	Share capital	Other equity instruments	Capital reserve	Less: Treasury shares	Other comprehensive income	Special reserve	Surplus reserve	Undistributed profits	Minority interests		
I. Balance at end of previous year	1,379,722,378.00	391,818,931.29	3,582,766,980.86		42,297,235.39		77,870,980.53	1,246,102,109.73	371,392,975.52		7,091,971,591.32
Add: Changes in accounting policies							35,598,374.38	343,345,506.05			378,943,880.43
Correction of errors											
Business combination under common control											
Others											
II. Balance in beginning of year	1,379,722,378.00	391,818,931.29	3,582,766,980.86		42,297,235.39		113,469,354.91	1,589,447,615.78	371,392,975.52		7,470,915,471.75
III. Movement over the year ("-" for decrease)	495,653,364.00	-167,751,052.42	6,193,071,693.63	121,883,589.69	-2,867,333.42		127,145,054.79	1,139,307,907.18	-49,094,581.80		7,613,581,462.27
(I) Total comprehensive income for the year					-2,867,333.42			1,374,071,306.07	-69,930,381.80		1,301,273,590.85
(II) Shareholders' contributions and decrease of capital	495,653,364.00	-167,751,052.42	6,193,071,693.63	121,883,589.69					25,762,800.00		6,424,853,215.52
1. Capital contributed by shareholders	413,916,713.00		5,358,130,559.19								
2. Increase in shareholder's equity resulted from share-based payments	23,340,400.00		144,871,118.69						25,762,800.00		
3. Others	58,396,251.00	-167,751,052.42	690,070,015.75	121,883,589.69							46,327,929.00
(III) Appropriation of profits											
1. Appropriation to surplus reserves							127,145,054.79	-234,763,398.89	-4,927,000.00		580,715,214.33
2. Distributions to shareholders							127,145,054.79	-127,145,054.79			-112,545,344.10
3. Others											
(IV) Transfer within equity											
1. Capital reserves converting into share capital											
2. Surplus reserves converting into share capital											
3. Surplus reserves cover the deficit											
4. Other comprehensive income transferred to retained earnings											
5. Others											
(V) Special reserve											
1. Appropriation for the year											10,057,953.91
2. Used for the year											-10,057,953.91
(VI) Other											
IV. Balance at end of year	1,875,375,742.00	224,067,878.87	9,775,838,674.49	121,883,589.69	39,429,901.97		240,614,409.70	2,728,755,522.96	322,298,393.72		15,084,495,934.02

Prepared by: MingYang Smart Energy Group Co., Ltd.

Expressed in RMB

Legal representative:

Principal in charge of accounting:

Head of accounting department:

Consolidated Statement of Changes in Equity

Expressed in RMB

Prepared by: MingYang Smart Energy Group Co., Ltd.

Item	2019									
	Shareholders' equity attributable to the parent company									
	Share capital	Other equity instruments	Capital reserve	Less: Treasury shares	Other comprehensive income	Special reserve	Surplus reserve	Undistributed profits	Minority interests	Total shareholders' equity
I. Balance at end of previous year	1,103,822,378.00		2,614,570,155.97		42,125,079.59		38,002,143.06	653,414,492.13	436,261,789.67	4,888,196,038.42
Add: Changes in accounting policies										
Correction of errors										
Business combination under common control										
Others										
II. Balance in beginning of year	1,103,822,378.00		2,614,570,155.97		42,125,079.59		38,002,143.06	653,414,492.13	436,261,789.67	4,888,196,038.42
III. Movement over the year ("-" for decrease)	275,900,000.00	391,818,931.29	968,196,824.89		172,155.80		39,868,837.47	592,687,617.60	-64,868,814.15	2,203,775,552.90
(I) Total comprehensive income for the year					172,155.80			712,563,192.87	-51,272,906.20	661,462,442.47
(II) Shareholders' contributions and decrease of capital	275,900,000.00	391,818,931.29	968,196,824.89						-13,595,907.95	1,622,319,848.23
1. Capital contributed by shareholders	275,900,000.00		959,480,852.83						2,040,000.00	1,237,420,852.83
2. Increase in shareholder's equity resulted from share-based payments										
3. Others			8,715,972.06						-15,635,907.95	384,898,995.40
(III) Appropriation of profits							39,868,837.47	-119,875,575.27		-80,006,737.80
1. Appropriation to surplus reserves							39,868,837.47	-39,868,837.47		
2. Distributions to shareholders								-80,006,737.80		-80,006,737.80
3. Others										
(IV) Transfer within equity										
1. Capital reserves converting into share capital										
2. Surplus reserves converting into share capital										
3. Surplus reserves cover the deficit										
4. Other comprehensive income transferred to retained earnings										
5. Others										
(V) Special reserve										
1. Appropriation for the year										
2. Used for the year										
(VI) Other										
IV. Balance at end of year	1,379,722,378.00	391,818,931.29	3,582,766,980.86		42,297,235.39		77,870,980.53	1,246,102,109.73	371,392,975.52	7,091,971,591.32

Legal representative:

Principal in charge of accounting:

Head of accounting department:

Company Balance Sheets

Prepared by: MingYang Smart Energy Group Co., Ltd.

Expressed in RMB

Item	Note	As at 2021.12.31	As at 2020.12.31	As at 2019.12.31
Current assets :				
Cash and bank balances		9,815,164,047.41	12,502,693,236.89	8,802,406,104.02
Trading financial assets				
Financial assets at fair value through profit or loss				
Notes receivable		8,704,400.25		
Accounts receivable		5,581,528,885.79	3,372,110,283.08	3,904,312,951.55
Receivable financing		1,496,354,151.53	760,332,491.91	713,663,637.99
Prepayments		567,589,586.43	1,262,014,798.54	877,520,893.57
Other receivables		4,243,916,390.59	4,346,836,697.98	1,423,750,759.55
Including: Interest receivables				34,745,888.88
Dividend receivables		19,119,469.63	19,119,469.63	113,259,469.63
Inventories		8,001,908,114.56	4,989,722,527.41	1,723,846,915.32
Contract assets		454,062,470.25	474,340,891.65	
Assets held-for-sale		1,768,215,000.00		602,800,368.64
Non-current assets due within one year				221,447,940.57
Other current assets		5,535,277,796.19	2,691,112,552.89	295,945,499.51
Total current assets		37,472,720,843.00	30,399,163,480.35	18,565,695,070.72
Non-current assets :				
Debts investment				
Available-for-sale financial assets				
Other debts investment				
Held-to-maturity investments				
Long-term receivables				2,364,306,655.92
Long-term equity investments		7,848,228,123.95	6,983,670,922.40	6,580,551,760.67
Other equity instruments investment		94,580,232.62	80,800,000.00	80,800,000.00
Other non-current financial assets		467,653,427.70		
Investment properties				
Fixed assets		367,252,276.51	228,034,802.12	261,505,644.43
Construction in progress		30,190,318.78	14,737,719.86	19,700,408.78
Productive biological assets				
Oil and gas assets				
Right-of-use assets		16,071,869.78		
Intangible assets		388,432,934.40	418,656,328.21	504,759,109.32
Development cost		275,675,490.89	139,564,903.87	37,044,503.84
Goodwill				
Long-term deferred expenses		1,130,465.77	1,696,438.88	2,477,502.04
Deferred tax assets		329,144,487.55	264,386,034.12	243,016,820.37
Other non-current assets		8,615,107,648.82	3,584,892,654.15	8,561,673.50
Total non-current assets		18,433,467,276.77	11,716,439,803.61	10,102,724,078.87
TOTAL ASSETS		55,906,188,119.77	42,115,603,283.96	28,668,419,149.59

Legal representative:

Principal in charge of accounting:

Head of accounting department:

Company Balance Sheets (Continued)

Prepared by: MingYang Smart Energy Group Co., Ltd.

Expressed in RMB

Item	Note	As at 2021.12.31	As at 2020.12.31	As at 2019.12.31
Current Liabilities :				
Short-term loans		98,467,646.02	94,000,000.00	1,076,255,041.93
Trading financial liabilities				
Financial liabilities at fair value through profit or loss				
Notes payable		9,186,896,117.68	5,031,806,795.10	2,538,734,153.80
Accounts payable		9,985,535,737.43	6,767,654,812.48	5,437,366,054.16
Receipts in advance				7,616,796,054.62
Contract liabilities		12,294,637,053.15	10,659,986,577.08	
Employee benefits payable		54,168,933.82	35,820,815.31	29,848,763.61
Taxes payable		896,839,169.71	394,068,347.55	280,351,017.86
Other payables		1,755,338,611.06	855,053,729.05	791,282,126.14
Including: Interest payables				
Dividends payable				
Liabilities held-for-sale				
Non-current liabilities due within one year		537,778,009.55	966,272,074.92	151,951,505.65
Other current liabilities		1,447,064,482.10	1,000,399,531.74	
Total current liabilities		36,256,725,760.52	25,805,062,683.23	17,922,584,717.77
Non-current liabilities :				
Long-term loans		220,000,000.00	460,854,930.84	-
Bonds payable			781,207,869.86	1,805,426,328.96
Lease liabilities		8,536,252.83		
Long-term payables		422,398,045.77		1,536,444,635.56
Provisions		1,370,836,316.94	924,741,967.28	689,005,092.05
Deferred income		135,222,943.14	131,098,458.48	820,828,034.23
Deferred tax liabilities		521,426,062.55	208,859,596.80	10,624,412.55
Other non-current liabilities				
Total non-current liabilities		2,678,419,621.23	2,506,762,823.26	4,862,328,503.35
TOTAL LIABILITIES		38,935,145,381.75	28,311,825,506.49	22,784,913,221.12
Share capital		1,956,326,712.00	1,875,375,742.00	1,379,722,378.00
Other equity instruments			224,067,878.87	391,818,931.29
Capital reserve		10,649,570,721.93	9,612,968,710.76	3,419,897,017.13
Less: Treasury shares		136,566,479.49	121,883,589.69	
Other comprehensive income		14,348,197.73		
Specific reserve				
Surplus reserve		488,654,029.96	240,614,409.70	77,870,980.53
Undistributed profits		3,998,709,555.89	1,972,634,625.83	614,196,621.52
TOTAL SHAREHOLDERS' EQUITY		16,971,042,738.02	13,803,777,777.47	5,883,505,928.47
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		55,906,188,119.77	42,115,603,283.96	28,668,419,149.59

Legal representative:

Principal in charge of accounting:

Head of accounting department:

Company Income Statements

Prepared by: MingYang Smart Energy Group Co., Ltd.

Expressed in RMB

Item	Note	2021	2020	2019
I. Revenue from operations		28,455,755,213.99	23,152,793,079.59	9,135,230,835.93
Less: Cost of operations		24,027,700,060.30	20,113,127,698.26	7,769,171,051.70
Taxes and surcharges		148,605,859.63	61,878,118.96	30,095,676.61
Selling expenses		976,648,825.82	800,172,666.48	722,386,144.39
Administrative expenses		309,985,937.42	232,003,535.00	190,215,483.17
Research and development expenses		625,892,656.30	402,966,351.80	176,164,722.80
Financial expense		-947,755.44	131,029,280.87	81,857,715.25
Including: Interest expenses		103,681,993.44	185,958,244.85	82,100,341.94
Interest income		178,003,526.86	171,324,157.29	43,582,730.08
Add: Other income		311,903,329.30	47,763,673.10	56,127,534.23
Investment income("-" for loss)		247,072,064.22	42,586,691.32	165,161,618.50
Including: Gains from investments in associates and joint ventures		34,609,768.29	18,276,953.12	14,496,583.72
Gain from derecognition of financial assets at amortized cost ("-" for loss)				
Gain from net exposure of hedging("-" for loss)				
Gains from changes of fair value("-" for loss)		67,654,016.40		
Credit impairment loss("-" for loss)		-148,872,899.62	-25,018,476.20	13,453,909.79
Assets impairment loss("-" for loss)		-3,031,748.34	-1,099,725.04	-2,165,116.31
Gain from disposal of assets("-" for loss)		3,511,451.78	10,852,512.57	88,701.52
II. Operating profit("-" for loss)		2,846,105,843.70	1,486,700,103.97	398,006,689.74
Add: Non-operating income		10,160,208.44	1,687,915.92	21,959,754.15
Less: Non-operating expenses		14,801,591.54	48,476,331.46	2,935,623.08
III. Total profit("-" for loss)		2,841,464,460.60	1,439,911,688.43	417,030,820.81
Less: Income tax expenses		361,068,257.99	168,775,250.56	18,342,446.13
IV. Net profit("-" for net loss)		2,480,396,202.61	1,271,136,437.87	398,688,374.68
Net profit from continuing operations ("-" for net loss)		2,480,396,202.61	1,271,136,437.87	398,688,374.68
Net profit from discontinued operations ("-" for net loss)				
V. Other comprehensive income - after tax		14,348,197.73		
1. Other comprehensive income not reclassified into profit or loss subsequently				
2. Other comprehensive income that will be reclassified into profit or loss subsequently				
VI. Total comprehensive income		2,494,744,400.34	1,271,136,437.87	398,688,374.68
VII. Earnings per share				
(I) Basic earnings per share				
(II) Diluted earnings per share				

Legal representative:

Principal in charge of accounting:

Head of accounting department:

Company Cashflows Statements

Prepared by: MingYang Smart Energy Group Co., Ltd.

Expressed in RMB

Item	Note	2021	2020	2019
I. Cash flows from operating activities :				
Cash received from sales of goods or rendering of services		27,322,358,896.50	26,631,212,522.06	14,515,487,433.12
Tax refund received		278,470,897.96	18,972,606.77	875,986.66
Other cash received relating to operating activities		1,556,362,936.81	1,006,397,387.07	1,189,341,778.98
Sub-total of cash inflows		29,157,192,731.27	27,656,582,515.90	15,705,705,198.76
Cash paid for goods and services		19,373,858,489.12	19,421,226,999.28	7,585,040,285.83
Cash paid to and on behalf of employees		512,131,040.31	477,972,996.31	360,266,613.47
Payments of all types of taxes		867,453,811.38	419,728,919.78	219,907,753.67
Other cash paid relating to operating activities		2,365,760,123.42	2,580,370,053.29	2,221,426,909.27
Sub-total of cash outflows		23,119,203,464.23	22,899,298,968.66	10,386,641,562.24
Net cash flows from operating activities		6,037,989,267.04	4,757,283,547.24	5,319,063,636.52
II. Cash flows from investing activities :				
Cash received from disposal of investments		1,894,132,931.22	253,282,300.00	179,959,793.41
Cash received from returns on investments		18,523,674.91	49,482,400.03	28,955,186.10
Net cash received from disposal of fixed assets, intangible assets and other long-term assets		42,788,355.29	1,696,837.02	164,535.00
Cash received from disposal of subsidiaries and other business units				
Other cash received relating to investing activities		2,339,193,547.00		78,140,330.08
Sub-total of cash inflows		4,294,638,508.42	304,461,537.05	287,219,844.59
Cash paid to acquire fixed assets, intangible assets and other long-term assets		562,553,394.16	225,017,596.30	78,552,990.75
Cash paid to acquire investments		5,195,525,979.39	948,286,359.38	1,471,406,464.68
Cash paid to acquire subsidiaries and other business units				
Other cash paid relating to investing activities		6,261,519,657.34	7,495,282,998.44	497,894,270.58
Sub-total of cash outflows		12,019,599,030.89	8,668,586,954.12	2,047,853,726.01
Net cash flows from investing activities		-7,724,960,522.47	-8,364,125,417.07	-1,760,633,881.42
III. Cash flows from financing activities :				
Cash received from capital contribution		45,545,432.00	5,895,661,986.28	1,267,271,816.03
Cash received from borrowings			694,000,000.00	1,134,000,000.00
Cash received from bonds issuance		88,551,740.17		
Cash received relating to other financing activities				1,688,489,528.26
Sub-total of cash inflows		134,097,172.17	6,589,661,986.28	4,089,761,344.29
Cash repayments of amounts borrowed		725,000,000.00	990,000,000.00	870,000,000.00
Cash payments for interest expenses and distribution of dividends or profits		260,955,169.69	192,793,771.86	158,821,309.80
Other cash payments relating to financing activities		86,944,020.35	71,185,781.45	99,693,595.95
Sub-total of cash outflows		1,072,899,190.04	1,253,979,553.31	1,128,514,905.75
Net cash flows from financing activities		-938,802,017.87	5,335,682,432.97	2,961,246,438.54
IV. Effect of foreign exchange rate changes on cash		-4,198,469.51		3,498.88
V. Net increase in cash and cash equivalents		-2,629,971,742.81	1,728,840,563.14	6,519,679,692.52
Add: Opening balance of cash and cash equivalent		11,608,607,946.51	8,371,698,971.08	1,852,019,278.56
VI. Closing balance of cash and cash equivalent		8,978,636,203.70	10,100,539,534.22	8,371,698,971.08

Legal representative:

Principal in charge of accounting:

Head of accounting department:

Company Statement of Changes in Equity

Prepared by: MingYang Smart Energy Group Co., Ltd.

Expressed in RMB

Item	2021							Total shareholders' equity	
	Share capital	Other equity instruments	Capital reserve	Less: Treasury shares	Other comprehensive income	Special reserve	Surplus reserve		Undistributed profits
I. Balance at end of previous year	1,875,375,742.00	224,067,878.87	9,612,968,710.76	121,883,589.69			240,614,409.70	1,972,634,625.83	13,803,777,777.47
Add: Changes in accounting policies									
Correction of errors									
Others									
II. Balance in beginning of year	1,875,375,742.00	224,067,878.87	9,612,968,710.76	121,883,589.69			240,614,409.70	1,972,634,625.83	13,803,777,777.47
III. Movement over the year ("for decrease")	80,950,970.00	-224,067,878.87	1,036,602,011.17	14,682,889.80	14,348,197.73		248,039,620.3	2,026,074,930.06	3,167,264,960.55
(I) Total comprehensive income for the year					14,348,197.73			2,480,396,202.61	2,494,744,400.34
(II) Shareholders' contributions and decrease of capital	80,950,970.00	-224,067,878.87	1,036,602,011.17	14,682,889.80					878,802,212.50
1. Capital contributed by shareholders									
2. Increase in shareholder's equity resulted from share-based payments	5,398,000.00		104,342,077.84	14,682,889.80					95,057,188.04
3. Others	75,552,970.00	-224,067,878.87	932,259,933.33				248,039,620.26	-454,321,272.55	783,745,024.46
(III) Appropriation of profits							248,039,620.26	-248,039,620.26	-206,281,652.29
1. Appropriation to surplus reserves									
2. Distributions to shareholders									
3. Others									
(IV) Transfer within equity									
1. Capital reserves converting into share capital									
2. Surplus reserves converting into share capital									
3. Surplus reserves cover the deficit									
4. Others									
(V) Special reserve									
1. Appropriation for the year									4,678,281.60
2. Used for the year									-4,678,281.60
(VI) Other									
IV. Balance at end of year	1,956,326,712.00		10,649,570,721.93	136,566,479.49	14,348,197.73		488,654,029.96	3,998,709,555.89	16,971,042,738.02

Legal representative:

Principal in charge of accounting:

Head of accounting department:

Company Statement of Changes in Equity

Prepared by: MingYang Smart Energy Group Co., Ltd.

Expressed in RMB

Item	Share capital	Other equity instruments	Capital reserve	Less: Treasury shares	Other comprehensive income	Special reserve	Surplus reserve	Undistributed profits	Total shareholders' equity
I. Balance at end of previous year	1,379,722,378.00	391,818,931.29	3,419,897,017.13				77,870,980.53	614,196,621.52	5,883,505,928.47
Add: Changes in accounting policies							35,598,374.38	320,385,369.45	355,983,743.83
Correction of errors									
Others								1,679,595.88	1,679,595.88
II. Balance in beginning of year	1,379,722,378.00	391,818,931.29	3,419,897,017.13				113,469,354.91	936,261,586.85	6,241,169,268.18
III. Movement over the year ("for decrease")	495,653,364.00	-167,751,052.42	6,193,071,693.63	121,883,589.69			127,145,054.79	1,036,373,038.98	7,562,608,509.29
(I) Total comprehensive income for the year								1,271,136,437.87	1,271,136,437.87
(II) Shareholders' contributions and decrease of capital	495,653,364.00	-167,751,052.42	6,193,071,693.63	121,883,589.69					6,399,090,415.52
1. Capital contributed by shareholders	413,916,713.00		5,358,130,559.19	-					5,772,047,272.19
2. Increase in shareholder's equity resulted from share-based payments	23,340,400.00		144,871,118.69	121,883,589.69					46,327,929.00
3. Others	58,396,251.00	-167,751,052.42	690,070,015.75	-			127,145,054.79	-234,763,398.89	580,715,214.33
(III) Appropriation of profits							127,145,054.79	-127,145,054.79	-
1. Appropriation to surplus reserves								-107,618,344.10	-107,618,344.10
2. Distributions to shareholders									
3. Others									
(IV) Transfer within equity									
1. Capital reserves converting into share capital									
2. Surplus reserves converting into share capital									
3. Surplus reserves cover the deficit									
4. Others									
(V) Special reserve									
1. Appropriation for the year						3,621,115.96			3,621,115.96
2. Used for the year						-3,621,115.96			-3,621,115.96
(VI) Other									
IV. Balance at end of year	1,875,375,742.00	224,067,878.87	9,612,968,710.76	121,883,589.69			240,614,409.70	1,972,634,625.83	13,803,777,777.47

Legal representative:

Principal in charge of accounting:

Head of accounting department:

Company Statement of Changes in Equity

Prepared by: MingYang Smart Energy Group Co., Ltd.

Expressed in RMB

2019

Item	Share capital	Other equity instruments	Capital reserve	Less: Treasury shares	Other comprehensive income	Special reserve	Surplus reserve	Undistributed profits	Total shareholders' equity
I. Balance at end of previous year	1,103,822,378.00		2,460,416,164.30				38,002,143.06	335,383,822.11	3,937,624,507.47
Add: Changes in accounting policies									
Correction of errors									
Others									
II. Balance in beginning of year	1,103,822,378.00		2,460,416,164.30				38,002,143.06	335,383,822.11	3,937,624,507.47
III. Movement over the year ("-" for decrease)	275,900,000.00	391,818,931.29	959,480,852.83				39,868,837.47	278,812,799.41	1,945,881,421.00
(I) Total comprehensive income for the year								398,688,374.68	398,688,374.68
(II) Shareholders' contributions and decrease of capital	275,900,000.00	391,818,931.29	959,480,852.83						1,627,199,784.12
1. Capital contributed by shareholders	275,900,000.00		959,480,852.83						1,235,380,852.83
2. Increase in shareholder's equity resulted from share-based payments									
3. Others		391,818,931.29					39,868,837.47	-119,875,575.27	391,818,931.29
(III) Appropriation of profits							39,868,837.47	-39,868,837.47	-80,006,737.80
1. Appropriation to surplus reserves							39,868,837.47	-39,868,837.47	
2. Distributions to shareholders								-80,006,737.80	-80,006,737.80
3. Others									
(IV) Transfer within equity									
1. Capital reserves converting into share capital									
2. Surplus reserves converting into share capital									
3. Surplus reserves cover the deficit									
4. Others									
(V) Special reserve									
1. Appropriation for the year						4,442,811.74			4,442,811.74
2. Used for the year						-4,442,811.74			-4,442,811.74
(VI) Other									
IV. Balance at end of year	1,379,722,378.00	391,818,931.29	3,419,897,017.13				77,870,980.53	614,196,621.52	5,883,505,928.47

Legal representative:

Principal in charge of accounting:

Head of accounting department:

Notes to Financial Statements

I. Company information

1. Company profile

MingYang Smart Energy Group Co., Ltd. (hereinafter referred to as the ("Company") was formerly known as Guangdong MingYang Wind Power Industry Group Co., Ltd.

On 22 March 2017 and 9 June 2017, all shareholders of Guangdong MingYang Wind Power Industry Group Co., Ltd. signed the "Promoter Agreement" and "Supplementary Agreement to the Promoter Agreement". On the basis of net assets on 31 January 2017, a joint stock limited company was established by means of promotion. The promoters used their respective share of net assets as of 31 January 2017 to convert into shares, and the remaining balance after the net assets converted into share capital was transferred to Capital reserve. Share capital is set at 1,103,822,378 shares, each with a par value of RMB 1. The capital contribution was verified by Grant Thornton Certified Public Accountants (Special General Partnership) on 9 June 2017 with the "Grant Thornton Yanzi (2017) No. 110ZC0128" capital verification report.

The Company was approved by the China Securities Regulatory Commission on 25 December 2018 with the document "Reply of the Approval of MingYang Smart Energy Group Co., Ltd.'s Initial Public Offering of Shares" (Zheng Jian Xuke [2018] No. 2169), pursuant to which the public issuance of 275,900,000 RMB ordinary shares (A shares) at an issue price of RMB 4.75 per share was completed and listed for trading on 23 January 2019. After the issuance, the Company's total share capital increased to RMB 1,379,722,378. This capital contribution was verified by Grant Thornton Certified Public Accountants (special general partnership) on 18 January 2019 by issuing the "Grant Thornton Yanzi (2019) No. 110ZC0017" capital verification report.

On 20 May 2020, the Company held the fifth meeting of the second board of directors, which reviewed and approved the "Proposal on Adjusting Related Matters of the 2019 Restricted Shares Incentive Plan" and "Proposal for granting restricted shares to first-time incentive participants", pursuant to which agreed to, on the grant date of 20 May 2020, grant restricted shares to a total of 220 qualified participants, including the Company's directors, senior managers, middle-level managers, core technical (business) staff and other employees. Total 23.39 million restricted shares were granted at a price of RMB 5.222 per share. The source of the shares was the direct issuance of A shares of ordinary shares to incentive participants. As of 11 June 2020, the Company has granted 23,340,400 restricted ordinary shares to 220 incentive participants at a price of RMB 5.222 per share. The Company's total share capital increased to RMB 1,403,062,778.00. On 12 June 2020, BDO China Shu Lun Pan Certified Public Accountants (Special General Partnership) issued the capital verification report "Xinhuishibaozi [2020] No. ZC10421" in verification for the Company's first grant of restricted shares.

The Company was approved by the China Securities Regulatory Commission, which issued "Reply on Approval of Non-public Issuance of Shares of MingYang Smart Energy Group Co., Ltd." (Zhenjian Xuke [2020] No. 1516) on 20 July 2020, for the non-public issuance of 413,916,713 RMB ordinary shares (A shares) at an issue price of RMB 14.02 per share. After the issuance, the Company's total share capital increased to RMB 1,816,979,491.00. The capital contribution this time was verified by Grant Thornton Certified Public Accountants (Special General Partnership) by issuing the capital verification report "GTYZ (2020) No. 110ZC00394" on 27 October 2020.

By the approval of the China Securities Regulatory Commission (Zhenjian Xuke [2019] No. 2553), on 16 December 2019, the Company publicly issued 17 million convertible corporate bonds each with a face value of RMB 100 each and a term is 6 years for a total issuance proceeds of RMB 1.70 billion. According to the relevant regulations and the Company's "Prospectus of Public Issuance of Convertible Corporate Bonds", the convertible corporate bonds issued by the Company can be converted into the Company's A-share ordinary shares on or after 22 June 2020. As of 31 December 2021, all convertible bonds were converted to shares and total conversion to shares was 133,949,221 shares, and the total share capital of the Company increased to RMB 1,950,928,712.00 after the conversion.

On 9 June 2021, the Company held the 21st meeting of the second board of directors, and reviewed and approved the "Proposal on the Repurchase and Cancellation of Some Restricted Shares Granted to Incentive Participants but Not Vested from Restriction", pursuant to which agreed to repurchase and cancel 100,000 restricted shares that have been granted but have not been vested from restrictions held by 3 resigned incentive participants. As of 10 August 2021, the total share capital of the Company was changed to RMB 1,950,828,712 after the complete of cancellation.

On 12 May 2021, the Company held the twentieth meeting of the second board of directors, and reviewed and approved the "Proposal on Granting Reserved Restricted Shares to the Incentive Participants of the 2019 Restricted Stock Incentive Plan", pursuant to which agreed to, on the grant date of 12 May 2021, grant restricted shares to 103 qualified participants for a total of 5.498 million restricted shares. The source of the shares was the direct issuance of A shares of ordinary shares to incentive participants. As of 17 September 2021, the Company has granted 5,498,000 restricted ordinary shares to 103 incentive participants at a price of RMB 8.28 per share. The Company's total share capital increased to RMB 1,956,326,712.00.

The unified social credit code of the Company's business license is 91442000789438199M.

The Company has established a corporate governance structure of shareholder meeting, board of directors, and board of supervisors. Currently, it has set up supervision and auditing department, finance department, strategic planning department, sales department, marketing department, engineering management department, operation and maintenance department, wind energy research institute, purchasing department, financing and capital department, human resources department, and logistics department.

The business nature and main business activities (business scope) of the Company and its subsidiaries (hereinafter referred to as the "Group"), such as: Production and operation of wind power generation host equipment and related power electronic products; wind farm operation management, technical consulting and operation and maintenance services; energy system development; investment, development and management of energy project; investment, construction, operation of new energy, distributed energy, energy storage projects; investment, development of wind power and solar power projects and research and development of related technologies and products; wind power generation; electricity distribution and sales business; investment in solar power station development, investment in mineral development; technology development, technical services, technology transfer and technical consulting; mechanical equipment maintenance; engineering project management; construction engineering, power engineering, urban road lighting engineering, etc.

The Company's intention to issue Global Depository Receipts ("GDR") and apply for listing on the London Stock Exchange was approved by the 29th meeting of the Second Board of Directors on 31 March 2022. The issuance of this financial statement and notes to the financial statements was approved by the Company on 22 April 2022 in accordance with the relevant filing rules.

2. Scope of consolidated financial statements

The scope of and changes in consolidation of the Company refer to Note VI “Changes in scope of consolidation” and Note VII “Interests in other entities”.

II. Basis of preparation

The financial statements are prepared in accordance with the Accounting Standards for Business Enterprises and guidelines, interpretations and other related provisions promulgated by the Ministry of Finance (collectively, “Accounting Standards for Business Enterprises”). In addition, the Company also discloses relevant financial information according to Information Disclosures Regulations for Companies that Offering Shares in Public No.15-General Provision of Preparing Financial Report (revised in 2014) issued announced by China Securities Regulatory Commission.

The consolidated financial statements have been prepared on going concern basis.

The Company adopts the accrual basis of accounting. Except for certain financial instruments, the financial statements are prepared under the historical cost convention.. Non-current assets held-for-sale is measured at the lower of the fair value less estimated sale expenses and the initial carrying amount at the time when it met the condition as held-for-sale. In the event that impairment of assets occurs, a provision for impairment is made accordingly in accordance with the relevant regulations.

III. Significant accounting policies and accounting estimates

The Company determines the policies of depreciation of fixed assets, amortization of intangible assets, capitalization of research and development costs and revenue recognition according to the characteristics of its production and operation. Specific accounting policies refer to Note III. 15, 18, 19 and 26.

1. Statement of compliance with the Accounting Standards for Business Enterprises

The consolidated and the Company’s financial statements have been prepared in compliance with the Accounting Standards for Business Enterprises to truly and completely reflect the consolidated and Company’s financial positions as of 31 December 2019, 31 December 2020, 31 December 2021, and their operating results, and their cash flows for the year ended 31 December 2019, 31 December 2020, 31 December 2021 and other relevant information.

2. Financial year

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

3. Operating cycle

The Company’s operating cycle is 12 months.

4. Functional currency

The financial statements of the Company and its domestic subsidiaries have been prepared in Renminbi (“RMB”). The Company’s foreign subsidiaries determine their functional currency according to the primary economic environment where they operate, and then translated to RMB when preparing the financial statements.

5. Accounting treatment of business combinations not involving enterprises under common control

(1) Business combinations involving enterprises under common control

For a business combination involving enterprises under common control, assets acquired and liabilities assumed by acquirer in the business combination are measured at their carrying amounts of the acquiree in the consolidated financial statements of the ultimate controlling party at the combination date, except for adjustments due to different accounting policies. The difference between the carrying amount of the consideration paid for the combination and the carrying amount of the net assets acquired is adjusted to capital reserve. If the capital reserve is not sufficient to absorb the difference, any excess is adjusted to undistributed profits.

Business combinations involving entities under common control achieved in stages and involved multiple transactions

In the separate financial statements, initial investment cost is the acquirer's share of the carrying amount of the net assets of the acquiree in the consolidated financial statements of the ultimate controlling party at the combination date. The difference between the initial investment cost and the sum of carrying amount of investment prior to combination date and carrying amount of new considerations paid for the combination at the combination date is adjusted to capital reserve. If the capital reserve is not sufficient to absorb the difference, any excess is adjusted against retained earnings.

In the consolidated financial statements, assets acquired and liabilities assumed by acquirer in a business combination are measured at their carrying amount as recorded in the consolidated financial statements of the ultimate controlling party at the combination date, except for adjustments due to different accounting policies. The difference between the carrying amount of the net assets acquired and the sum of carrying amount of investment prior to combination date and carrying amount of new considerations paid for the combination at the combination date is adjusted to capital reserve. If the capital reserve is not sufficient to absorb the difference, any excess is adjusted against undistributed profits. The profit or loss, other comprehensive income and changes in other owner's equity recognized by the acquirer during the period from the later of initial investment date and the date that the acquirer and acquiree both under common ultimate control to the combination date are offset the beginning undistributed profits or profit for loss for the current period in the comparative statements.

(2) Business combinations not involving enterprises under common control

For business combinations involving enterprises not under common control, the consideration costs include acquisition-date fair values of the assets transferred, liabilities incurred or assumed and the equity instruments issued by the acquirer in exchange for control of the acquire. At the acquisition date, the acquired assets, liabilities and contingent liabilities of the acquiree are measured at their fair value.

Where the combination cost exceeds the acquirer's interest in the fair value of the acquiree's identifiable net assets, the difference is recognized as goodwill, and subsequently measured on the basis of its costs less accumulated impairment provisions. Where the combination cost is less than the acquirer's interest in the fair value of the acquiree's identifiable net assets, the difference is credited in profit or loss for the current period after reassessment.

Business combinations involving entities not under common control achieved in stages and involved multiple transactions

In the separate financial statements, the initial investment cost is the sum of the carrying amount of equity

investment of the acquiree held prior to the acquisition date and additional investment cost at the acquisition date. When the previously-held equity investment which was accounted for under the equity method before the acquisition date, any other comprehensive income previously recognized is not adjusted on acquisition date. When the investment is disposed of in later date, the amount that was recognized in other comprehensive income is recognized on the same basis as would be required if the investee had disposed directly of the related assets or liabilities. The owners' equity recognized as the changes of the investee's other owners' equity except for net profit or loss, other comprehensive income and profit distribution, are transferred to profit or loss for the current period when disposing the investment. When the previously-held equity investment which was measured at fair value before the acquisition date, the accumulated changes in fair value included in other comprehensive income is transferred to retained earnings upon commencement of the cost method.

In the consolidated financial statements, the combination cost is the sum of the consideration paid at the acquisition date and the fair value of equity investment of the acquiree held prior to the acquisition date. The cost of equity investment of the acquiree held prior to the acquisition date is re-measured at the fair value at the acquisition date, the difference between the fair value and carrying value is recognized as profit or loss for the current period. Other comprehensive income and changes of other owners' equity from the equity interest held in the acquiree prior to the acquisition date are transferred to profit or loss for the current period, except for other comprehensive income resulted in the change of net liabilities or assets in the investee's re-measurement of defined benefit plan.

(3) Transaction costs for business combination

The overhead for the business combination, including the expenses for audit, legal services, valuation advisory, and other administrative expenses, are recorded in profit or loss for the current period when incurred. The transaction costs of equity or debt instruments issued as the considerations of business combination are included in the initial recognition amount of the equity or debt instruments.

6. Preparation of consolidated financial statements

(1) Scope of consolidated financial statements

The scope of consolidated financial statements is determined on the basis of control. Control exists when the Company has power over the investee; exposure, or rights to variable returns from its involvement with the investee and has the ability to affect its returns through its power over the investee. A subsidiary is an entity that is controlled by the Company (including enterprise, a portion of an investee as a deemed separate component, and structured entity controlled by the enterprise).

(2) Basis of preparation of consolidated financial statements

The consolidated financial statements are prepared by the Company based on the financial statements of the Company and its subsidiaries and other relevant information. In preparation of consolidated financial statements, the accounting policies and accounting periods of the subsidiaries should be consistent with those established by the Company, and all significant intercompany accounts and transactions are eliminated.

Where a subsidiary or business was acquired during the reporting period, through a business combination involving enterprises under common control, the subsidiary or business is deemed to be included in the consolidated financial statements from the date they are controlled by the ultimate controlling party. Their operating results and cash flows are included in the consolidated income statement and consolidated cash flow statement respectively from the date they are controlled by the ultimate controlling party.

Where a subsidiary or business has been acquired during the reporting period, through a business combination not involving enterprises under common control, the revenue, expenses and profit of the subsidiary or business after the acquisition date are included in the consolidated income statement, the cash flows after the acquisition date are included in consolidated cash flow statement.

The portion of a subsidiary's equity that is not attributable to the parent is treated as minority interests and presented separately in the consolidated balance sheet within shareholders' equity. The portion of net profit or loss of subsidiaries for the period attributable to minority interests is presented in the consolidated income statement below the "net profit" line item as "minority interests". When the amount of loss for the current period attributable to minority interests of the subsidiary exceeds the minority interests' share of the opening equity of the subsidiary, the excess is still allocated against the minority interests.

(3) Acquiring minority interests of subsidiary

Where the Company acquires a minority interest from a subsidiary's minority shareholders or disposes of a portion of an interest in a subsidiary without a change in control, the transaction is treated as equity transaction, and the book value of shareholder's equity attributed to the Company and to the minority interest is adjusted to reflect the change in the Company's interest in the subsidiaries. The difference between the proportion interests of the subsidiary's net assets being acquired or disposed and the amount of the consideration paid or received is adjusted to the capital reserve (share premium) in the consolidated balance sheet, with any excess adjusted to undistributed profits.

(4) Losing control over the subsidiary

When the Company loses control over subsidiary because of disposing part of equity investment or other reasons, the remaining part of the equity investment is re-measured at fair value at the date when losing control over the subsidiary. A gain or loss is recognized in profit or loss for the current period and is calculated by the aggregate of the consideration received in disposal and the fair value of remaining part of the equity investment deducting the share of carrying value of net assets in proportion to previous shareholding percentage in former subsidiary since acquisition date and the goodwill.

Other comprehensive income related to the former subsidiary is transferred to profit or loss for the current period when the control is lost, except for the comprehensive income arising from the movement of net liabilities or assets in the former subsidiary's re-measurement of defined benefit plan.

(5) Disposal of equity investment by stages until losing control

Arrangements of multiple transactions in disposal of equity investment by stages until losing control is regarded as a single transaction by considering all the terms and conditions of the arrangements and their economic effects. One or more of the following indicate that the Company should account for the multiple arrangements as a single transaction:

- ① The transactions are entered into at the same time or in contemplation of each other;
- ② The transactions form a single transaction designed to achieve an overall commercial effect;
- ③ The occurrence of one transaction is dependent on the occurrence of at least one other transaction;
- ④ One transaction considered on its own is not economically justified, but it is economically justified

when considered together with other transactions

In the separate financial statements, for multiple transactions by disposing equity investment by stages until losing control that not qualified as a single transaction, the carrying amount of long-term equity investments relating to each transaction of disposal is derecognized, the difference between the consideration received and the carrying amount of disposed long-term equity investments is recognized as investment income for the current period. For those arrangements qualified as a single transaction, the carrying amount of long-term equity investments relating to each transaction of disposal is derecognized, the difference between the consideration received and the carrying amount of disposed long-term equity investments is recognized as other comprehensive income, and finally is recognized in profit or loss for the current period at the date of losing control.

In the consolidated financial statements, for disposing equity investment by stages until losing control, the measurement of remaining equity and accounting for profit or loss of disposing equity refer to the above "Losing control over the subsidiary". The difference between each consideration received and the share of carrying value of net assets in proportion to disposed portion of shareholding percentage in the subsidiary since acquisition date relevant to disposing investment before losing control:

① is recognized in other comprehensive income if the arrangements are regarded as a single transaction. Other comprehensive income is transferred to profit or loss for the current period when losing control.

② is recognized in capital reserve (share premium) as an equity transaction if the arrangements are not regarded as a single transaction. Capital reserve is not transferred to profit or loss for the current period when losing control.

7. Joint arrangement classification and accounting treatment for joint operation

A joint arrangement is an arrangement of which two or more parties have joint control. The Company classifies joint arrangements into joint operations and joint ventures.

(1) Joint operations

A joint operation is a joint arrangement whereby the joint operators have rights to the assets, and obligations for the liabilities, relating to the arrangement.

The Company recognizes the following items in relation to its interest in a joint operation, and account for them in accordance with relevant accounting standards:

- A. its solely-held assets, and its share of any liabilities incurred jointly;
- B. its solely-assumed liabilities, and its share of any liabilities incurred jointly;
- C. its revenue from the sale of its share of the output arising from the joint operation;
- D. its share of the revenue from the sale of the output by the joint operation; and
- E. its solely-incurred expenses, and its share of any expenses incurred jointly.

(2) Joint ventures

A joint venture is a joint arrangement whereby the joint ventures have rights to the net assets of the arrangement.

The Company adopts equity method under long-term equity investment in accounting for its investment in joint venture.

8. Cash and cash equivalents

Cash comprises cash on hand and deposits that can be readily drawn on demand. Cash equivalents are short-term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of change in value.

9. Foreign currency transactions and translation of foreign currency financial statements

(1) Foreign currency transactions

Foreign currency transactions are translated into the functional currency of the Company at the spot exchange rates on the dates of the transactions.

Monetary items denominated in foreign currencies are translated to Renminbi at the spot exchange rate at the balance sheet date. The resulting exchange differences between the spot exchange rate on balance sheet date and the spot exchange rate on initial recognition or on the previous balance sheet date are recognized in profit or loss. Non-monetary items that are measured at historical cost in foreign currencies are translated to Renminbi using the exchange rate at the transaction date. Non-monetary items that are measured at fair value in foreign currencies are translated using the exchange rate at the date the fair value is determined. The resulting exchange differences are recognized in profit or loss for the current period or other comprehensive income according to the nature of non-monetary items.

(2) Translation of foreign currency financial statements

When translating the foreign currency financial statements of overseas subsidiaries, the assets and liabilities of the balance sheet are translated to RMB using the spot exchange rate at the balance sheet date. Items of the shareholders' equity, except for "undistributed profits", are translated to RMB at the spot exchange rate at the transaction dates.

Income and expenses in the income statement of foreign operation are translated to RMB at the spot exchange rate at the transaction date.

Cash flow statement of foreign operation is translated to Renminbi at the spot exchange rates [the rates determined under a systematic and rational method that approximate the spot exchange rates] at the cash flow occurrence dates. Effect of foreign exchange rate changes on cash and cash equivalents is presented separately as "Effect of foreign exchange rate changes on cash and cash equivalents" in the cash flow statement.

The resulting translation differences are recognized in other comprehensive income in shareholders' equity of balance sheet.

When the control on foreign operation is lost due to disposal, exchange differences of foreign currency financial statements attributable to the foreign operation as presented under owner's equity item in the balance sheet are transferred to profit or loss for the current period entirely or partially on disposed portion.

10. Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one enterprise and a financial liability or equity instrument of another enterprise.

(1) Recognition and derecognition of financial instruments

A financial asset or financial liability is recognized when the Company becomes a party to the contractual provisions of a financial instrument.

If one of the following conditions is met, the financial assets are derecognized:

- ① The contractual rights to the cash flows from the financial asset expire;
- ② The financial asset has been transferred, and is in accordance with the following conditions for derecognition.

A financial liability (or part of it) is derecognized when its contractual obligation (or part of it) is discharged or cancelled or expires. If the Company (as a debtor) makes an agreement with the creditor to replace the current financial liability with assuming a new financial liability, and contractual provisions are different in substance, the current financial liability is derecognized and a new financial liability is recognized meanwhile.

If the financial assets are traded routinely, the financial assets are recognized and derecognized at the transaction date.

(2) Classification and measurement of financial assets

Before 1 January 2019

Financial assets are, upon initial recognition, classified into the following four categories: financial assets at fair value through profit or loss ("FVTPL "financial assets), held-to-maturity investments, receivables, and available-for-sale financial assets ("AFS " financial assets) . Financial assets are measured initially at fair value. For financial assets at fair value through profit or loss ("FVTPL "financial assets), any related directly attributable transaction costs are charged to profit or loss for the current period; for other categories of financial assets, any related directly attributable transaction costs are included in their initial costs.

Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss include financial assets held for trading and those designated upon initial recognition as at fair value through profit or loss. This kind of financial assets are subsequently measured at fair value, gains and losses arising from changes in fair value and the dividend and interest income are recognized in profit or loss for the current period.

Held-to-maturity investments

Held-to-maturity investments are non-derivative financial assets with fixed or determinable payments and fixed maturity dates that the Company has the positive intention and ability to hold to maturity. Held-to-maturity investments are subsequently measured at amortized cost using the effective interest method. Gains and losses arising from derecognition, impairment or amortization is recognized in profit or loss for the current period.

Receivables

Receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market including notes receivable, account receivables and other receivables. Receivables are subsequently measured at amortized cost using the effective interest method. Gains and losses arising from derecognition, impairment or amortization is recognized in profit or loss for the current period.

Available-for-sale financial assets

Available-for-sale financial assets are those non-derivative financial assets that are designated as available for sale and financial assets other than those above mentioned. Available-for-sale financial assets are subsequently measured at fair value, the discount or premium are amortized using the effective interest method and recognized as interest income. The gains and losses arising from changes in fair value of available-for-sale financial assets (other than impairment losses and foreign exchange gains and losses resulted from foreign currency monetary assets which are recognized directly in profit or loss for the current period) are recognized as other comprehensive income. When the financial assets are derecognized, the gain or loss accumulated in other comprehensive income is reclassified to profit or loss for the current period. Interest income and dividends related to the available-for-sale financial assets are recognized as profit or loss for the current period.

Available-for-sale investments in equity instruments without quoted price in an active market whose fair value cannot be measured reliably, and derivative assets that are linked to and must be settled by delivery of such unquoted equity instruments, are measured at cost subsequent to initial recognition.

After 1 January 2019

Upon initial recognition, the Company classifies the financial assets according to the business model for managing the financial assets and characteristics of the contractual cash flows as follows: financial assets measured at amortised cost, financial assets measured at fair value through other comprehensive income, and financial assets measured at fair value through profit or loss.

Financial assets measured at amortized cost

Financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as measured at fair value through other comprehensive income:

- The Company's business model for managing such financial assets is to collect contractual cash flows;
- The contractual terms of the financial asset stipulate that cash flows generated on specific dates are solely payments of principal and interest on the principal amount outstanding.

Subsequent to initial recognition, such financial assets are measured at amortised cost using the effective interest method. A gain or loss on a financial asset that is measured at amortised cost and is not part of a hedging relationship shall be recognised in profit or loss for the current period when the financial asset is derecognised, amortised using the effective interest method or with impairment recognised.

Financial assets measured at fair value through other comprehensive income

A financial asset is classified as measured at fair value through other comprehensive income if it meets both of the following conditions and is not designated as measured at fair value through profit or loss:

- The Company's business model for managing such financial assets is achieved both by collecting collect contractual cash flows and selling such financial assets;

- The contractual terms of the financial asset stipulate that cash flows generated on specific dates are solely payments of principal and interest on the principal amount outstanding.

Subsequent to initial recognition, such financial assets are subsequently measured at fair value. Interest calculated using the effective interest method, impairment losses or gains and foreign exchange gains and losses are recognised in profit or loss for the current period, and other gains or losses are recognised in other comprehensive income. On derecognition, the cumulative gain or loss previously recognised in other comprehensive income is reclassified from other comprehensive income to profit or loss.

Financial assets measured at fair value through profit or loss

The Company classifies the financial assets other than those measured at amortised cost and measured at fair value through other comprehensive income as financial assets measured at fair value through profit or loss. Upon initial recognition, the Company irrevocably designates certain financial assets that are required to be measured at amortised cost or at fair value through other comprehensive income as financial assets measured at fair value through profit or loss in order to eliminate or significantly reduce accounting mismatch.

Upon initial recognition, such financial assets are measured at fair value. Except for those held for hedging purposes, gains or losses (including interests and dividend income) arising from such financial assets are recognised in the profit or loss for the current period.

However, for non-trading equity instrument investment, the Company irrevocably designates it as a financial asset measured at fair value through other comprehensive income at initial recognition. The designation is made on a single investment basis and the relevant investments meet the definition of an equity instrument from issuer's perspective.

After the initial recognition, this kind of financial assets are subsequently measured at fair value. Qualified dividend income is included in the profit or loss, other gains or losses and changes in fair value are included in other comprehensive income. When derecognized, the accumulated gains or losses previously recorded in other comprehensive income are transferred out and recorded in retained earnings.

The business model for managing financial assets refers to how the Company manages its financial assets in order to generate cash flows. That is, the Company's business model determines whether cash flows will result from collecting contractual cash flows, selling financial assets or both. The Company determines the business model for managing financial assets on the basis of objective facts and specific business objectives for managing financial assets determined by key management personnel.

The Company assesses the characteristics of the contractual cash flows of financial assets to determine whether the contractual cash flows generated by the relevant financial assets on a specific date are solely payments of principal and interest on the principal amount outstanding. The principal refers to the fair value of the financial assets at the initial recognition. Interest includes consideration for the time value of money, for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks, costs and profits. In addition, the Company evaluates the contractual terms that may result in a change in the time distribution or amount of contractual cash flows from a financial asset to determine whether it meets the requirements of the above contractual cash flow characteristics.

All affected financial assets are reclassified on the first day of the first reporting period following the change in the business model where the Company changes its business model for managing financial assets; otherwise, financial assets shall not be reclassified after initial recognition.

Financial assets are measured at fair value upon initial recognition. For financial assets measured at fair value through profit or loss, relevant transaction costs are directly recognised in profit or loss for the current period. For other categories of financial assets, relevant transaction costs are included in the amount initially recognised. Accounts receivable without significant financing component are initially recognised based on the transaction price expected to be entitled by the Company.

(3) Classification and measurement of financial liabilities

Before 1 January 2019

The Company classifies financial liabilities into different categories at initial recognition: financial liabilities at fair value through profit or loss (FVTPL) or other financial liabilities. For financial liabilities not classified as at fair value through profit or loss financial liabilities, any related directly attributable transaction costs are recognized in the initial recognition amounts.

Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trade and financial liabilities designated as at fair value through profit or loss in the initial recognition. Such financial liabilities are subsequently measured at fair value, gains and losses arising from changes in fair value are recognized in profit or loss for the current period.

Other financial liabilities

Derivative financial liabilities which are linked to equity instrument that is not quoted in an active market and its fair value cannot be reliably measured and settled by delivering the equity instrument are subsequently measured at cost. Other financial liabilities are subsequently measured at amortized cost using the effective interest method. Gains and losses arising from derecognition or amortization is recognized in profit or loss for the current period.

After 1 January 2019

At initial recognition, financial liabilities of the Company are classified as financial liabilities measured at fair value through profit or loss and financial liabilities measured at amortised cost. For financial liabilities not classified as measured at fair value through profit or loss, relevant transaction costs are included in the amount initially recognised.

Financial liabilities measured at fair value through profit or loss

Financial liabilities measured at fair value through profit or loss comprise held-for-trading financial liabilities and financial liabilities designated as measured at fair value through profit or loss upon initial recognition. Such financial liabilities are subsequently measured at fair value, and the gains or losses from the change in fair value and the dividend or interest expenses related to the financial liabilities are included in the profit or loss of the current period.

Financial liabilities measured at amortised cost

Other financial liabilities are subsequently measured at amortised cost using the effective interest rate method, and the gains or losses arising from derecognition or amortisation are recognised in profit or loss for the current period.

Classification between financial liabilities and equity instruments

A financial liability is a liability if:

- ① it has a contractual obligation to pay in cash or other financial assets to other parties.
- ② it has a contractual obligation to exchange financial assets or financial liabilities under potential adverse condition with other parties.
- ③ it is a non-derivative instrument contract which will or may be settled with the entity's own equity instruments, and the entity will deliver a variable number of its own equity instruments according to such contract.
- ④ it is a derivative instrument contract which will or may be settled with the entity's own equity instruments, except for a derivative instrument contract that exchanges a fixed amount of cash or other financial asset with a fixed number of its own equity instruments.

Equity instruments are any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities.

If the Company cannot unconditionally avoid the performance of a contractual obligation by paying cash or delivering other financial assets, the contractual obligation meets the definition of financial liabilities.

Where a financial instrument must or may be settled with the Company's own equity instruments, the Company's own equity instruments used to settle such instrument should be considered as to whether it is as a substitute for cash or other financial assets or for the purpose of enabling the holder of the instrument to be entitled to the remaining interest in the assets of the issuer after deducting all of its liabilities. For the former, it is a financial liability of the Company; for the latter, it is the Company's own equity instruments.

(4) Derivative financial instruments and embedded derivative instruments

The Company's derivative financial instruments are initially measured at the fair value of the date a derivative contract entered into and subsequently measured at their fair value. Derivative financial instruments of positive fair value are recognized as assets; those of negative fair value are recognized as liabilities. Any gains or losses arising from changes in fair value which do not meet the requirements of hedge accounting are directly recognized to profit or loss for the current period.

Before 1 January 2019

For hybrid instrument with embedded derivative, where financial assets or liabilities not designated as fair value through profit or loss, the economic features and risks of the embedded derivative are not closely related to that of the host contract, and a similar instrument with the same terms as the embedded derivative would meet the definition of a derivative, then embedded derivative is separated from hybrid instrument and accounted for as a derivative. If embedded derivative is unable to measure separately either at acquisition or subsequently at balance sheet date, hybrid instrument as a whole is designated as financial assets or liabilities at fair value through profit or loss.

After 1 January 2019

For hybrid instrument with embedded derivative, where financial assets or liabilities not designated as fair value through profit or loss, the economic features and risks of the embedded derivative are not closely related to that of the host contract, and a similar instrument with the same terms as the embedded derivative would meet the definition of a derivative, then embedded derivative is separated from hybrid instrument and accounted for as a derivative. If embedded derivative is unable to measure separately either at acquisition or subsequently at balance sheet date, hybrid instrument as a whole is designated as financial assets or liabilities at fair value through profit or loss.

(5) Fair value of financial instruments

Determination of fair value of financial assets and financial liabilities refers to Note III.11.

(6) Impairment of financial assets

Before 1 January 2019

The carrying amounts of financial assets (other than those at fair value through profit or loss) are reviewed at each balance sheet date to determine whether there is objective evidence of impairment. If any such evidence exists, an impairment loss is recognized. Objective evidence of impairment of financial assets are the matters that occurred after the initial recognition of financial assets which has impact on the expected future cash flows of financial assets, and can be reliably measured by the Company.

Objective evidence that a financial asset is impaired including the following observable situations:

- 1) issuers or debtors have severe financial difficulties;
- 2) debtors violate terms of the contract, such as the payment of the interest or principal is default or overdue;
- 3) the Company made concessions to debtors in financial difficulties based on economic or legal factors;
- 4) debtors are under probably bankruptcy or other financial reorganization;
- 5) issuers have severe financial difficulties that financial asset is unable to continue to be traded in an active market.
- 6) cash flow of individual asset in a group of financial assets cannot be evaluated for reduction, while after evaluating the whole group of financial assets based on disclosed information, the expected future cash flow of the group of financial assets is measureable and has been reduced since its initial recognition, including that:
 - repayment capability of the debtor of group of financial assets gradually deteriorates;
 - economic difficulties of the country or region where the debtor is staying appear a situation where this group of financial assets cannot be paid;
- 7) significant adverse changes in the technological, market, economic or legal environment in which the issuer operates, indicating that the cost of the investment in the equity instrument may not be recovered by the investor.
- 8) significant or prolonged decline in the fair value of an investment in an equity instrument below its cost. For example, at the balance sheet, there is a decline of more than 50% (including 50%) in the fair

value of an equity investment or a decline persisting for more than 12 months (including 12 months) in the fair value of an equity investment.

A decline persisting for more than 12 months (including 12 months) in the fair value of an equity investment is that monthly average fair value of the equity investment is less than the initial investment cost persisting for 12 months.

9) other objective evidence indicate that financial assets have been impaired.

Financial asset measured at amortized cost

If there is objective evidence that the financial assets are impaired, then the carrying amount of financial assets are reduced to the present value of estimated future cash flows (excluding future credit losses that have not been incurred), with the reduced amount recognized to profit or loss for the current period. The present value of estimated future cash flows is carried according to the financial asset's original effective interest rate, and considers the value of collateral.

For a financial asset that is individually significant, the Company assesses the asset individually for impairment, if there is objective evidence that it has been impaired, impairment loss is recognized in profit or loss for the current period. For a financial asset that is not individually significant, the Company assesses the asset by including the asset in a group of financial assets with similar credit risk characteristics and collectively assess them for impairment.

For financial assets not having been individually assessed as impaired (including financial assets no matter it is individually significant or not), the Company performs impairment assessment collectively where financial assets share similar credit risk characteristics. For financial assets having been individually assessed as impaired, they are not included in collective assessment of impairment.

If, after an impairment loss has been recognized on financial assets measured at amortized cost, there is objective evidence of a recovery in value of the financial asset which can be related objectively to an event occurring after the impairment was recognized, the previously recognized impairment loss is reversed through profit or loss. A reversal of an impairment loss will not result in the asset's carrying amount exceeding that which would have been determined had no impairment loss been recognized in prior years.

Available-for-sale financial assets

If there is objective evidence that available-for-sale financial assets are impaired, accumulated losses due to decreases in fair value previously recognized directly in other comprehensive income are reversed and charged to profit or loss for the current period. The reversed accumulated losses are the asset's initial acquisition costs after deducting amounts recovered and amortized, current fair value and impairment losses previously recognized in profit or loss.

If, in a subsequent period, the fair value of financial assets increases and the increase can be related objectively to an event occurring after the impairment was recognized, the previously recognized impairment losses are reversed and charged to profit or loss for the current period. The impairment loss of available-for-sale equity instruments is not reversed through profit or loss.

Financial assets measured at cost

When there is impairment of investments in equity instruments that do not have a quoted market price in

an active market and whose fair value cannot be reliably measured and derivatives that are linked to and must be settled by delivery of such unquoted equity instruments, the difference between the carrying amount and the present value discounted at the market rate of return on future cash flows of the similar financial assets be recognized as impairment loss in profit or loss in the current period. The impairment loss recognized is not reversed.

After 1 January 2019

The Company makes provision for impairment based on expected credit losses (ECLs) on the following items:

- Financial assets at amortized cost;
- Receivables and debt investments measured at fair value through other comprehensive income;
- Contract assets as defined in "Accounting Standards for Business Enterprises No. 14-Revenue"
- Lease receivables;
- Financial guarantee contract (Except those measured at fair value through profit or loss, the transfer of financial assets does not meet the conditions for derecognition or continuing involvement in transferred financial assets).

Measurement of ECLs

ECLs are the weighted average of credit losses of financial instruments weighted by the risk of default. Credit losses refer to the difference between all contractual cash flows receivable according to the contract and discounted according to the original effective interest rate and all cash flows expected to be received, i.e. the present value of all cash shortages.

The Company takes into consideration of account reasonable and well-founded information such as past events, current conditions and forecasts of future economic conditions, and calculates the probability-weighted amount of the present value of the difference between the cash flows receivable from the contract and the cash flows expected to be received weighted by the risk of default.

The Company measures ECLs of financial instruments at different stages. If the credit risk of the financial instrument did not increase significantly upon initial recognition, it is at the first stage, and the Company makes provision for impairment based on the ECLs within the next 12 months; if the credit risk of a financial instrument increased significantly upon initial recognition but has not yet incurred credit impairment, it is at the second stage, and the Company makes provision for impairment based on the lifetime ECLs of the instrument; if the financial instrument incurred credit impairment upon initial recognition, it is at the third stage, and the Company makes provision for impairment based on the lifetime ECLs of the instrument.

For financial instruments with low credit risk on the balance sheet date, the Company assumes that the credit risk did not increase significantly upon initial recognition, and makes provision for impairment based on the ECLs within the next 12 months.

Lifetime ECLs represent the ECLs resulting from all possible default events over the expected life of a financial instrument. The 12-month ECLs are the ECLs resulting from possible default events on a financial instrument within 12 months (or a shorter period if the expected life of the financial instrument is less than 12 months) after the balance sheet date, and is a portion of lifetime ECLs.

The maximum period to be considered when estimating ECLs is the maximum contractual period over which the Company is exposed to credit risk, including renewal options.

For the financial instruments at the first and second stages and with low credit risks, the Company calculates the interest income based on the book balance and the effective interest rate before deducting the impairment provisions. For financial instruments at the third stage, interest income is calculated based on the amortised cost after deducting impairment provisions made from the book balance and the effective interest rate.

Notes receivable, accounts receivable and contract assets

For notes receivable, accounts receivable and contract assets, regardless of whether there is a significant financing component, the Company always makes provision for impairment at an amount equal to lifetime ECLs.

When the Company is unable to assess the information of ECLs for an individual financial asset at a reasonable cost, it classifies Notes receivable and accounts receivable into portfolios based on the credit risk characteristics, and calculates the ECLs on a portfolio basis. The basis for determining the portfolios is as follows:

A. Notes receivable

- Notes receivable portfolio 1: Bank acceptance bills
- Notes receivable portfolio 2: Commercial acceptance bills

B. Accounts receivable

- Accounts receivable portfolio 1: Related parties within the scope of consolidation
- Accounts receivable portfolio 2: High-end manufacturing business
- Accounts receivable portfolio 3: Power generation business
- Accounts receivable portfolio 4: Engineering construction business

C. Contract assets

- Contract assets portfolio 1: High-end manufacturing business
- Contract assets portfolio 2: Power generation business
- Contract assets portfolio 3: Engineering construction business

For note receivables and contract assets classified as a portfolio, the Company refers to the historical credit loss experience, combined with the current situation and the forecast of future economic conditions, to assess the exposures to default risk and the expected credit loss rate for the lifetime and calculate the ECLs.

For accounts receivable classified as a portfolio, the Company refers to the historical credit loss experience, combined with the current situation and the forecast of future economic conditions, to compile a matrix of accounts receivable aging / overdue days and expected credit loss rate for the lifetime and calculate the ECLs.

Other receivables

The Company classifies other receivables into portfolios based on the credit risk characteristics, and calculates the ECLs on a portfolio basis. The basis for determining the portfolios is as follows:

- Other receivables portfolio 1: Receivables from related parties within the scope of consolidation
- Other receivables portfolio 2: Receivables of current account
- Other receivables portfolio 3: Security deposits, deposits and petty cash
- Other receivables portfolio 4: Equity transfer fund
- Other receivables portfolio 5: Other receivables

For other receivables divided into portfolio, the Company calculates the expected credit loss on the exposures to default risk and the expected credit loss rate within the future 12 months or the lifetime.

Long-term receivables

Long-term receivables of the Company include security deposits of receivables financing.

The Company classifies long-term receivables into portfolios based on the credit risk characteristics, and calculates the ECLs on a portfolio basis. The basis for determining the portfolios is as follows:

- Long-term receivables portfolio 1: Security deposits of receivables financing
- Long-term receivables portfolio 2: Other long-term receivables

For security deposits of receivables financing, the Company refers to the historical credit loss experience, combined with the current situation and the forecast of future economic conditions, to assess the exposures to default risk and the expected credit loss rate for the lifetime and calculate the ECLs.

Except for security deposits of receivable financing, other receivables and long-term receivables divided into portfolio, the expected credit losses are calculated by default risk exposure and the expected credit loss rate within the next 12 months or the entire duration.

Debt investment and other debt investment

For debt investments and other debt investments, the Company calculates the expected credit loss on the exposures to default risk and the expected credit loss rate within the future 12 months or the lifetime, based on the nature of the investment and various types of counterparties and risk exposures.

Assessment of significant increase in credit risk

In assessing whether the credit risk of a financial instrument has increased significantly upon initial recognition, the Company compares the risk of default of the financial instrument at the balance sheet date with that at the date of initial recognition to determine the relative change in risk of default within the expected lifetime of the financial instrument.

In determining whether the credit risk has increased significantly upon initial recognition, the Company considers reasonable and well-founded information, including forward-looking information, which can be obtained without unnecessary extra costs or efforts. Information considered by the Company includes:

- The debtor's failure to make payments of principal and interest on their contractually due dates;
- An actual or expected significant deterioration in a financial instrument's external or internal credit rating (if any) ;
- An actual or expected significant deterioration in the operating results of the debtor;
- Existing or expected changes in the technological, market, economic or legal environment that have a significant adverse effect on the debtor's ability to meet its obligation to the Company.

Depending on the nature of the financial instruments, the Company assesses whether there has been a significant increase in credit risk on either an individual basis or a collective basis. When the assessment is performed on a collective basis, the financial instruments are grouped based on their common credit risk characteristics, such as past due information and credit risk ratings.

If it is more than 30 days past due, the Company determines that the credit risk of financial instruments has increased significantly.

The Company believes that financial assets default in the following situations:

- It is unlikely that the borrower will pay its debts to the Company in full, and this assessment does not consider the Company's recourse actions such as the realization of mortgaged assets (if held); or Financial assets are more than 90 days past due.

Credit-impaired financial assets

At balance sheet date, the Company assesses whether financial assets measured at amortised cost and debt investments measured at fair value through other comprehensive income are credit-impaired. A financial asset is credit-impaired when one or more events that have an adverse effect on the estimated future cash flows of the financial asset have occurred. Evidence that a financial asset is credit-impaired includes the following observable events:

- Significant financial difficulty of the issuer or debtor;
- A breach of contract by the debtor, such as a default or delinquency in interest or principal payments;
- For economic or contractual reasons relating to the debtor's financial difficulty, the Company having granted to the debtor a concession that would not otherwise consider;
- It becoming probable that the debtor will enter bankruptcy or other financial reorganization;
- The disappearance of an active market for that financial asset because of financial difficulties of the issuer or debtor.

Presentation of provisions for ECLs

ECLs are remeasured at each balance sheet date to reflect changes in the financial instrument's credit risk upon initial recognition. Any change in the ECL amount is recognised as an impairment gain or loss in profit or loss for the current period. For financial assets measured at amortised cost, the provision of impairment is deducted from the carrying amount of the financial assets presented in the balance sheet; for debt investments at fair value through other comprehensive income, the Company makes provisions

of impairment in other comprehensive income without reducing the carrying amount of the financial asset.

Write-offs

The book balance of a financial asset is directly written off to the extent that there is no realistic prospect of recovery of the contractual cash flows of the financial asset (either partially or in full). Such write-off constitutes derecognition of such financial asset. This is generally the case when the Company determines that the debtor does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Company's procedures for recovery of amounts due.

If a write-off of financial assets is later recovered, the recovery is credited to profit or loss in the period in which the recovery occurs.

(7) Transfer of financial assets

Transfer of financial assets refers to the transference or deliverance of financial assets to the other party (the transferee) other than the issuer of financial assets.

The Company derecognizes a financial asset if it transfers substantially all the risks and rewards of ownership of the financial asset to the transferee. If substantially all the risks and rewards of ownership of the financial asset is retained, the financial asset is not derecognized.

The Company neither transfers nor retains substantially all the risks and rewards of ownership of the financial asset, and the accounting treatment is shown as following: if the Company has forgone control over the financial asset, the financial assets is derecognized, and new assets and liabilities are recognized. If the Company retains control over the financial asset, the financial asset is recognized to the extent of its continuing involvement in the transferred financial asset, and an associated liability is recognized.

(8) Offset of financial assets and financial liabilities

If the Company owns the legitimate rights of offsetting the recognised financial assets and financial liabilities, which are enforceable currently, and the Company plans to realise the financial assets or to clear off the financial liabilities on a net amount basis or simultaneously, the net amount of financial assets and financial liabilities shall be presented in the balance sheet upon offsetting. Otherwise, financial assets and financial liabilities are presented separately in the balance sheet without offsetting.

11. Fair value measurement

Fair value is the amount that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

The Company measures the related assets or liabilities at fair value assuming the assets or liabilities are exchanged in an orderly transaction in the principal market or, in the absence of a principal market, the most advantageous market. Principal market (or most advantageous market) is the market that the Company can normally enter into a transaction on measurement date. The Company adopts the presumptions that would be used by market participants in achieving the maximized economic value of the assets or liabilities.

For financial assets or financial liabilities in active markets, the Company uses the quoted prices in active

markets as their fair value. If there is no active market, the Company uses valuation technique to determine their fair value.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs. If the observable inputs are not available or impractical, then unobservable inputs are used.

For assets and liabilities measured or disclosed at fair value in the financial statements, the level in which fair value measurement is categorized is determined by the level of the fair value hierarchy of the lowest level input that is significant to the entire fair value measurement: Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities; Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and Level 3 inputs are unobservable inputs for the asset or liability.

At the balance sheet date, the Company revalues assets and liabilities being measured at fair value continuously in the financial statements to determine whether to change the levels of fair value measurement.

12. Inventories

(1) Classification of inventories

Inventories include raw materials, work in progress, reusable materials, finished goods, issuing goods and contract fulfillment costs.

(2) Method for calculating value of inventories

Inventories of the Company are stated at actual cost when they are obtained. Inventories costs include purchase costs, processing costs and other costs. The cost of finished products and work-in-progress includes raw materials, direct labor, and all indirect production expenses that are amortized by appropriate percentages. Raw materials are priced according to the planned cost when they are received and dispatched, and the cost difference that they should bear is calculated and carried forward at the end of the month according to the weighted average method, so as to adjust the planned cost to the actual cost. Customized products include wind power generation mainframe, engine room, etc., and the cost at the time of delivery is calculated by individual pricing; non-customized products include blades, control components, etc., and the cost at the time of delivery is calculated using the weighted average method.

(3) Basis for determining the net realizable value and method for provision for decline in value of inventories

Net realizable value is the estimated selling price less estimated costs to be incurred upon completion, estimated selling expenses and related taxes. When determining the net realizable value of inventory, basis is relied on the actual evidence obtained while the objectives of inventories holding and the impact of post balance sheet date event are also considered.

At balance sheet date, when the cost of inventory exceeds its net realizable value, provision for decline in value of inventories is recognized. The Company usually recognizes provision for decline in value of

inventories by a single inventory item. When the factors causing the inventory impairment no longer exist, the provision for decline in value of inventories previously made is reversed.

(4) Inventory system

The Company adopts perpetual inventory system.

(5) Amortization methods of low-value consumables

The Company adopts one-time write off when low-value consumables are taken for use.

13. Held-for-sale and discontinued operations

(1) Classification and measurement of non-current assets or disposal group held-for-sale

Non-current assets or disposal group is classified as held-for-sale when the Company recovers their carrying amounts principally through a sale transaction (including exchange of non-monetary assets with commercial substance) rather than through continuing use.

The above non-current assets do not include investment properties measured at fair value model, biological assets measured at fair value less costs to sell, assets arising from employee benefits, financial assets, deferred tax assets and contractual rights under insurance contracts.

Disposal group is being a group of assets to be disposed of, by sale or otherwise, together as a group in a single transaction, and liabilities directly associated with those assets that will be transferred in the transaction. In specific case, the disposal group includes goodwill acquired in the business combination.

Non-current assets or disposal group is classified as held-for-sale only when all of the following conditions are satisfied: the non-current asset or disposal group is available for immediate sale in its present condition subject only to terms that are usual and customary for sale of such assets or disposal groups; the sale is highly probable, provided that a plan to sell is resolved by the Company, firm purchase commitment has been received and the sale will be completed within one year. When a sale plan of investment in subsidiary is involving loss of control of the subsidiary and is satisfying the conditions of classification as held-for-sale, regardless of whether the Company retains a portion of equity interest, the investment in that subsidiary is classified as held-for-sale in separate financial statements of the Company and all the assets and liabilities of that subsidiary is classified as held-for-sale in consolidated financial statements.

On initial measurement or subsequent remeasurement at balance sheet date of non-current assets or disposal groups held-for-sale, assets impairment loss is recognized when its carrying amount is higher than its fair value less costs to sell. For impairment loss recognized for a disposal group held-for-sale, the impairment loss is allocated firstly to reduce the carrying amount of any goodwill in the disposal group, then to each of the non-current assets of disposal group on the pro-rata basis of the carrying amount of each asset.

When the fair value less costs to sell of a non-current asset or disposal group is increase in subsequent balance sheet date, its carrying amount is recovered and the assets impairment loss recognized after the

classification as held-for-sale is reversed, and the reversal amount is recorded in profit or loss for current period. Impairment loss of goodwill is not reversed.

Non-current asset held-for-sale and the assets of a disposal group held-for-sale are not depreciated or amortized. Interest and other expenses attributable to the liabilities of a disposal group held-for-sale are continued to be recognized. For all or a portion of investment in associates or joint ventures classified as held-for-sale, the portion classified as held-for-sale is ceased for accounting under equity method, and the remaining portion (being not classified as held-for-sale) is continuously accounted under equity method; When the Company ceases to have significant influence on associates and joint ventures by a sale of investment, accounting under equity method is ceased.

If a non-current asset or disposal group was classified as held-for-sale, but the conditions of classification as held-for-sale are no longer met, the Company ceases to classify it as held-for-sale and measures it at the lower of:

- ① its carrying amount before it was classified as held-for-sale, adjusted for any depreciation, amortisation or impairment that would have been recognised had the asset or disposal group not been classified as held-for-sale; or
- ② its recoverable amount.

(2) Discontinued operations

A discontinued operation is a separately identifiable component of the group that either has been disposed of, or is classified as held-for-sale, and satisfies one of the following:

- ① it represents a separate major line of business or geographical area of operations,
- ② it is part of a single co-ordinated plan to dispose of a separate major line of business or geographical area of operations, or
- ③ it is a subsidiary acquired exclusively with a view to resale.

(3) Presentation

The Company presents a non-current asset held-for-sale and the assets of a disposal group held-for-sale as "assets held-for-sale" in balance sheet, and the liabilities of a disposal group held-for-sale as "liabilities held-for-sale" in balance sheet.

The Company presents separately the profit or loss from continuing operations and the profit or loss from discontinued operations. For a non-current asset held-for-sale or a disposal group held-for-sale not satisfied the definition of discontinued operation, its impairment loss, reversal and gain or loss from disposal are presented in profit or loss from continuing operations. Operating profit or loss, such as impairment loss and reversal, of a discontinued operation and its gain or loss from disposal is presented in profit or loss from discontinued operations.

A disposal group, which satisfied the definition of a component in discontinued operation, that is to be closed rather than sold, it is presented as discontinued operation at the date on which it ceases to be used.

For discontinued operations presented in current period, its comparative information in prior year should be re-presented from profit or loss from continuing operations to profit or loss from discontinued operations in the current year financial statements. For discontinued operation that no longer met the conditions of classification as held-for-sale, its comparative information in prior year should be re-presented from profit or loss from discontinued operations to profit or loss from continuing operations in the current year financial statements.

14. Long-term equity investments

Long-term equity investments include equity investments in subsidiaries and equity investments in joint ventures and associates. An associate is an enterprise over which the Company has significant influence.

(1) Determination of initial investment cost

Long-term equity investment acquired through a business combination: For a business combination involving enterprises under common control, the initial investment cost of a long-term equity investment is the combining party's share of the carrying amount of the owners' equity of the combined party in the consolidated financial statements of the ultimate controlling party at the date of combination. For a business combination not involving enterprises under common control, the initial investment cost of a long-term equity investment is the cost of acquisition.

Long-term equity investment acquired other than through a business combination: For a long-term equity investment acquired by cash, the initial investment cost is the amount of cash paid. For a long-term equity investment acquired by issuing equity securities, the initial investment cost is the fair value of the equity securities issued.

(2) Subsequent measurement and recognition of profit or loss

Long-term equity investments in subsidiaries are accounted for using the cost method, unless the investment satisfies the conditions of held-for-sale. An investment in a joint venture or an associate is accounted for using the equity method for subsequent measurement.

For long-term equity investment which is accounted for using the cost method, investment income is recognized in profit or loss for the current period as the cash dividend or profit announced and distributed, except for those cash dividend or profit which have already included in the actual payment or consideration of offer when the investment was made.

For long-term equity investment which is accounted for using the equity method, where the initial investment cost of a long-term equity investment exceeds the Company's interest in the fair values of the investee's identifiable net assets, no adjustment is made to the initial investment cost. Where the initial investment cost is less than the Company's interest in the fair values of the investee's identifiable net assets, the difference is charged to profit or loss for the current period, and the carrying amount of the long-term equity investment is adjusted accordingly.

Under the equity method, the Company recognizes its share of the investee's net profit or losses and other comprehensive income as investment income or losses and other comprehensive income respectively, and adjusts the carrying amount of the investment accordingly. The carrying amount of the investment is reduced by the portion of any profit distributions or cash dividends declared by the

investee that is attributable to the Company. The Company's share of the investee's owners' equity changes, other than those arising from the investee's net profit or loss, other comprehensive income or profit distribution, is recognized in the capital reserve (other capital reserve), and the carrying amount of the long-term equity investment is adjusted accordingly. The Company recognizes its share of the investee's net profits or losses based on the fair values of the investee's individual separately identifiable assets at the time of acquisition, after making appropriate adjustments thereto in conformity with the accounting policies and accounting periods of the Company.

When the Company becomes capable of exercising significant influence or joint control (but not sole control) over an investee due to additional investment or other reasons, the accounting is changed to the equity method and the initial investment cost on the date of change is the sum of the fair value of the previously-held equity investment and additional investment cost. If the original equity is classified as non-trading equity instrument investment measured at fair value through other comprehensive income, the relevant accumulative changes in fair value originally included in other comprehensive income will be transferred to retained earnings when changed to equity method accounting.

When the Company can no longer exercise joint control of or significant influence over an investee due to partial disposal of equity investment or other reasons, the remaining equity investment on the date of losing joint control or significant influence is accounted for in accordance with Accounting Standard for Business Enterprises No.22 - Recognition and Measurement of Financial Instruments and the difference between the fair value and the carrying amount at the date of the loss of joint control or significant influence is charged to profit or loss for the current period. When the previously-held equity investment is accounted for under the equity method, any other comprehensive income previously recognized are accounted for on the same basis as if the Company directly disposes of the related assets or liabilities for the current period upon discontinuation of the equity method. Other movement of owner's equity related to previously-held equity investment is transferred in profit or loss for the current period.

When the Company can no longer exercise control over an investee due to partial disposal of equity investment or other reasons and the remaining equity investment after disposal can exercise joint control of or significant influence over an investee, the remaining equity investment is accounted for under equity method and re-measured by equity method as if it has been acquired since date of acquisition. Where the remaining equity investment can no longer exercise joint control of or significant influence over an investee, the remaining equity investment is accounted for in accordance with Accounting Standard for Business Enterprises No.22-Recognition and Measurement of Financial Instruments and the difference between the fair value and the carrying amount at the date of the loss of control is charged to profit or loss for the current period.

When the Company can no longer exercise control over an investee due to dilution of shareholding by issuance of new shares to other investors by the investee but the Company can still exercise joint control of or significant influence on the investee, the difference between the Company's share of the increment of net assets in investee by the new shareholding percentage after new share issuance and the pro-rata portion of carrying value of long term equity investment for the decreased shareholding percentage is recognized in profit or loss in the current period. The remaining equity investment is accounted for equity method as if it was acquired since initial acquisition.

The unrealized profit or loss from internal transactions entered into between the Company and its associate or joint venture is offset according to the shareholding percentage held by the Company and the remaining portion is recognized as investment income or loss. However, the unrealized loss from internal transactions entered into between the Company and its investee is not offset if it belongs to impairment loss from assets transferred.

(3) Basis for determination of joint control or significant influence over an investee

Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require the unanimous consent of the parties sharing control. In assessing whether joint control of an arrangement exists, the Company firstly assesses whether all the parties or a group of the parties control the arrangement collectively. When all the parties or a group of the parties must act together unanimously in directing the relevant activities, then all the parties or a group of the parties are regarded as having joint control of an arrangement. Then assess whether decisions about the relevant activities require the unanimous consent of those parties that control the arrangement collectively. When more than one combination of the parties can control an arrangement collectively, joint control does not exist. Protective rights of any party are not considered when determining joint control.

Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control of those policies. When determining whether an investor can exercise significant influence over an investee, the effect of potential voting rights (for example, warrants, share options and convertible bonds) held by the investors or other parties that are currently exercisable or convertible shall be considered.

When the Company, directly or indirectly through subsidiaries, owns more than 20% (20% inclusive) but less than 50% of the voting shares of the investee, the Company has significant influence on the investee unless there is clear evidence to show that the Company cannot participate in the business and operation decisions of the investee, and accordingly cannot exercise any significant influence. When the Company owns less than 20% of the voting shares of the investee, the Company has no significant influence on the investee unless there is clear evidence to show that the Company can participate in the business and operation decisions of the investee, and accordingly can exercise a significant influence.

(4) Held-for-sale equity investment

Accounting for an entity investment in an associate or a joint venture that is classified wholly or partially as held-for-sale refers to Note III.13.

Any remaining equity investment not classified as held-for-sale is accounted for using the equity method.

When an equity investment in an associate or a joint venture previously classified as held-for-sale but no longer meets the criteria to be so classified, it is accounted for using the equity method retrospectively as from the date of its classification as held-for-sale.

(5) Method of impairment testing and impairment provision

For investment of subsidiaries, associates and joint ventures, refer to Note III. 20 for the method of asset impairment.

15. Fixed assets

(1) Recognition of fixed assets

Fixed assets are tangible assets that are held for use in the production or supply of services, for rental to others, or for administrative purposes and have useful lives more than one accounting year.

Fixed assets are only recognized when its related economic benefits are likely to flow to the Company and its cost can be reliably measured.

Fixed assets are initially measured at cost.

Subsequent expenditures related to fixed assets are included in the cost of fixed assets when the economic benefits related to them are likely to flow into the Company and their costs can be measured reliably; the daily repair expenses of fixed assets that do not meet the criteria for subsequent expenditure of fixed assets capitalization shall be included in the current profit or loss or the cost of relevant assets according to the beneficiary at the time of occurrence. The carrying amount of the replaced part shall be derecognized.

(2) Depreciation methods

The cost of a fixed asset is depreciated using the straight-line method since the state of intended use, unless the fixed asset is classified as held-for-sale. Not considering impairment provision, the estimated useful lives, residual rates and annual depreciation rates of each class of fixed assets are as follows:

Category	Useful life (years)	Residual rate %	Annual depreciation rate %
Plant & buildings	5-20	4-5	19.20-4.75
Production equipment	3-20	4-5	32.00-4.75
Tooling equipment	3-5	5	31.67-19.00
Testing equipment	5-10	5	19.00-9.50
Transportation equipment	4-5	5	23.75-19.00
Electronic equipment and others	3-5	5	31.67-19.00

Among the above, depreciation rate of impaired fixed assets is determined after deduction of the cumulative amount of impairment provision.

(3) Impairment testing and the impairment provision of fixed assets refers to Note III. 20.

(4) The Company reviews the useful life, estimated net residual value and the depreciation method of fixed assets at the end of each financial year

Useful lives of fixed assets are adjusted if they are different with the initial estimates. Estimated net residual values are adjusted if they are different with the initial estimates.

(5) Disposal of fixed assets

When the fixed assets are disposed, or no economic benefit is expected to be generated through the use or disposal, the fixed assets shall be derecognised. The amount of the disposal income from the sale, transfer, scrapping or destruction of fixed assets after deducting its carrying value and relevant taxes is recorded into the current profit or loss.

16. Construction in progress

Construction in progress is recognized based on the actual construction cost, including all expenditures incurred for construction projects, capitalized borrowing costs for the construction in progress before it has reached the working condition for its intended use and other related expenses during the construction period.

Construction in progress is transferred to fixed assets when it has reached the working condition for its intended use.

Provision for impairment of construction in progress refers to Note III. 20.

17. Borrowing costs

(1) Recognition of borrowing costs capitalization

Borrowing costs are capitalized when they are directly attributable to the acquisition, construction or production of a qualifying asset and included in the cost of related assets. Other borrowing costs are recognized as expenses and recorded in profit or loss for the current period when incurred. Capitalization of such borrowing costs commenced only when all of the following conditions are satisfied:

① Expenditures for the asset are being incurred, capital expenditure includes the expenditure in the form of cash payment, transfer of non-cash assets or interest bearing liabilities for the purpose of acquiring or constructing assets eligible for capitalization;

② Borrowing costs are being incurred; and

③ Activities relating to the acquisition, construction or production of the asset that are necessary to prepare the asset for its intended use or sale have commenced.

(2) Borrowing costs capitalization period

Capitalization of such borrowing costs ceases when the qualifying assets being acquired, constructed or produced become ready for their intended use or sale. Borrowing cost incurred after the qualifying assets became ready for their intended use or sale is recognized as an expense when incurred and recorded in profit or loss for the current period.

Capitalization of borrowing costs is suspended during periods in which the acquisition, construction or production of a qualifying asset is suspended abnormally and when the suspension is for a continuous period of more than 3 months. Borrowing costs continues to be capitalized during the normal suspension period.

(3) Borrowing costs capitalization rate and calculation of capitalization amount

For funds borrowed for a specific purpose, the amount of interest to be capitalized is the actual interest expense incurred on that borrowing less any bank interest earned from depositing the borrowed funds before being used into banks or any investment income on the temporary investment of those funds. For funds borrowed for general purpose, the amount of interest to be capitalized on such borrowings is calculated by applying a capitalization rate to the weighted average of the excess amounts of cumulative expenditures on the asset over and above the amounts of specific-purpose borrowings. Capitalization rate is determined as calculating weighted average interest rate of general borrowings.

In the capitalization period, exchange differences of specific borrowings in foreign currency are fully capitalized. Exchange differences of general borrowings in foreign currency are recorded in profit or loss for the current period.

18. Intangible assets

The Company's intangible assets include land use rights, patent right, non-patent technology, software and wind power projects licence.

Intangible asset is initially measured at cost and its useful life is determined on acquisition. An intangible asset with a finite useful life is amortized by a method which can reflect the expected realization of economic benefits related to the asset since the intangible asset is available for use. When the expected realization of economic benefits cannot be reliably determined, intangible asset is amortized under straight-line method. An intangible asset with an indefinite useful life is not amortized.

Amortization methods of intangible assets with finite useful life are shown as follows:

Category	Useful life	Amortization method
Land use rights	According to the certificate's useful life	Straight line method
Patent rights	According to the certificate's useful life	Straight line method
Non-patent rights	Determined by profitable period analysis	Straight line method
Software	Determined by profitable period analysis	Straight line method
Wind power project license	Determined by profitable period analysis	Straight line method

The Company reviews the finite useful life of an intangible asset and the amortization method at the end of each financial year. Any change is accounted for as a change in accounting estimate.

If an intangible asset is expected no longer in generating future economic benefits to the Company at the balance sheet date, the carrying amount of the asset is charged to profit or loss for the current period.

Impairment method of intangible assets refers to Note III. 20.

19. Research and development expenditure

Expenditure on an internal research and development project is classified into expenditure on the research phase and expenditure on the development phase.

Expenditure on the research phase is recorded in profit or loss when incurred.

Expenditure on the development phase is capitalized only when the Company can satisfy all of the following conditions: it is technical feasible that the intangible asset can be used or sold upon completion; there is intention to complete the intangible asset for use or sale; the intangible asset can generate economic benefits, including there is evidence that the products produced using the intangible asset has a market or the intangible asset itself has a market; if the intangible asset is for internal use, there is evidence that there is usage for the intangible asset; there is sufficient support in terms of technology, financial resources and other resources in order to complete the development of the intangible asset, and there is capability to use or sell the intangible asset; the expenses attributable to the development stage of the intangible asset can be measured reliably. Expenditure on the development phase is recorded in profit or loss for the current period if the above conditions are not met.

Research and development projects of the Company will enter into the development phase when they meet the above conditions and pass the technical feasibility and economic feasibility studies and necessary approval of the project.

Capitalized expenditure on the development phase is presented as "development costs" in the balance

sheet and is transferred to intangible assets when the project is completed to its intended use.

Capitalization conditions of specific research and development projects:

- (1) Development project has been adequately proved by technical team;
- (2) The management has approved the budget for the development project;
- (3) Early market research and analysis shows that the products to be produced by the development project has a favorable market;
- (4) Have sufficient technical and financial support to carry out the development activities of the development project and subsequent mass production;
- (5) Expenditures for development projects can be reliably measured.

Expenditures in the development phase that do not meet the above conditions are charged to profit or loss when they occur. Development costs that have been included in profit or loss in previous periods will not be reversed and recognized as assets in subsequent periods. Expenditures in the development phase that have been capitalized are listed as development costs on the balance sheet, and they will be transferred to intangible assets from the date the project reaches its intended use. When the recoverable amount of intangible assets is lower than its carrying amount, the carrying amount is reduced to the recoverable amount.

20. Impairment of assets

The impairment of subsidiaries, associates and joint ventures in the long-term equity investments, fixed assets, construction in progress, right-of-use assets, intangible assets and goodwill (excluding inventories, deferred tax assets and financial assets) are determined as follows:

At each balance sheet date, the Company determines whether there may be indication of impairment of the assets, if there is any, the Company will estimate the recoverable amount of the asset, and perform test for impairment. For goodwill arising from a business combination, intangible assets with indefinite useful life and intangible assets that have not reached the usable condition are tested for impairment annually regardless of whether such indication exists.

The recoverable amount of an asset is determined by the higher of the net amount after deducting the disposal costs from the asset's fair value and the present value of the asset's estimated future cash flow. The recoverable amount of asset is estimated on individual basis. If it is not possible to estimate the recoverable amount of the individual asset, the Company determines the recoverable amount of the asset group to which the asset belongs. The identification of the asset group is based on whether the cash flow generated from the asset group is independent of the major cash inflows from other assets or asset groups.

When the asset or asset group's recoverable amount is lower than its carrying amount, the Company reduces its carrying amount to its recoverable amount, the reduced amount is recorded in profit or loss for the current period and the provision for impairment of assets is recognized.

For tests of goodwill impairment, the carrying amount of goodwill arising from a business combination is allocated reasonably to the relevant asset group since the acquisition date. If the carrying value of goodwill is unable to be allocated to asset group, the carrying value of goodwill will be allocated to asset portfolio. Asset group or portfolio of asset group is asset group or portfolio of asset group which can be benefit from synergies of a business combination and is not greater than the reportable segment of the Company.

In impairment testing, if indication of impairment exists in asset group or portfolio of asset group containing allocated goodwill, impairment test is first conducted on asset group or portfolio of asset group that does not contain goodwill, and corresponding recoverable amount is estimated and any impairment loss is recognized. Then asset group or portfolio of asset group containing goodwill is conducted impairment test by comparing its carrying amount and its recoverable amount. If the recoverable amount is less than the carrying amount, impairment loss of goodwill is recognized.

Once an impairment loss is recognized, it is not reversed in a subsequent period.

21. Long-term deferred expenses

Long-term deferred expenses are recorded at the actual cost, and amortized evenly over the expected benefit period. For the long-term deferred expense that cannot benefit in future accounting period, their amortized value is recognized in profit or loss for the current period.

22. Employee benefits

(1) Scope of employee benefits

Employee benefits refer to all forms of consideration or compensation given by the Company in exchange for service rendered by employees or for the termination of employment relationship. Employee benefits include short-term employee benefits, post-employment benefits, termination benefits and other long-term employee benefits. Benefits provided to the employee's spouse, children, dependents, family members of deceased employees, or other beneficiaries are also employee benefits.

According to their liquidities, employee benefits are presented as "employee benefits payable" and "long-term employee benefits payable" on the balance sheet.

(2) Short-term employee benefits

In the accounting period in which employees have rendered services, the Company recognized the employee wages, bonus, social security contributions according to regulations such as medical insurance, work injury insurance and maternity insurance as well as housing funds as liability, and charged to profit or loss for the current period or cost of relevant assets. If the liability is not expected to be settled wholly in twelve months after the balance sheet date, and the amount is significant, the liability is measured at the discounted amount.

(3) Post-employment benefits

Post-employment benefit plan includes defined contribution plans and defined benefit plans. Defined contribution plans are post-employment benefit plans under which a corporate pays fixed contributions into an escrow fund and will have no further obligation. Defined benefit plans are post-employment benefit plans other than defined contribution plans.

Defined contribution plans

Defined contribution plans include basic pension insurance and unemployment insurance.

In the accounting periods which employees rendered services, the amount of defined contribution plan is recognized as liability and charged to profit or loss for the current period or cost of relevant assets.

Defined benefit plans

For defined benefit plans, independent actuaries estimate the actuarial value at the balance sheet date to determine the cost of welfare by using the Projected Unit Credit method. The Company recognizes the following components of employee benefits cost arising from defined benefit plan:

- ① service cost, comprising current service cost, past service cost and any gain or loss on settlement. Current service cost is the increase in the present value of the defined benefit plan obligation resulting from employee service in the current period. Past service cost is the increase or decrease in the present value of the defined benefit plan obligation for employee service in prior periods, resulting from a plan amendment.
- ② net interest on the defined benefit plan net liabilities or assets, including interest income on plan assets, interest cost on the defined benefit plan obligation and interest on the effect of the asset ceiling.
- ③ changes as a result of remeasurement of the net defined benefit plan liabilities or assets.

Item ① and item ② above are recognized in profit or loss for the current period unless another Accounting Standard requires or permits the inclusion of the employee benefit costs in the cost of assets. Item ③ is recognized in other comprehensive income and is not reclassified to profit or loss in subsequent period. On termination of defined benefit plans, other comprehensive income previously recognized is transferred to undistributed profits.

(4) Termination benefits

Termination benefits provided by the Company to employees are recognized as an employee benefits liability and charged to profit or loss for the current period at the earlier of the following dates: the Company cannot unilaterally withdraw the offer of termination benefits because of an employment termination plan or a curtailment proposal; and when the Company recognizes costs or expenses related to the restructuring that involves the payment of termination benefits.

For early retirement arrangement, early retirement benefits are accounted for termination benefits, in which the salaries and social security contributions to be paid to and for the early retired employees from the off-duty date to the normal retirement date are charged to the profit or loss for the current period. Compensations after the normal retirement date (such as formal endowment insurance) are accounted for as post-employment benefits.

(5) Other long-term employee benefits

Other long-term employee benefits provided by the Company to the employees satisfied the conditions for classifying as a defined contributions plan; those benefits are accounted for in accordance with the above requirements relating to defined contribution plan. When the benefits satisfied a defined benefits plan, they are accounted for in accordance with the above requirements relating to defined benefits plan, but the movement of net liabilities or assets in re-measurement of defined benefit plan is recorded in profit or loss for the current period or cost of relevant assets.

23. Provisions

A provision is recognized as a liability when an obligation related to a contingency satisfied all of the

following conditions:

- (1) The obligation is a present obligation of the Company;
- (2) It is probable that an outflow of economic benefits will be required to settle the obligation;
- (3) The amount of the obligation can be measured reliably.

Provisions are initially measured at the best estimate of the payment to settle the associated obligations and consider the relevant risk, uncertainty and time value of money. If the impact of time value of money is significant, the best estimate is determined as its present value of future cash outflow. The Company reviews the carrying amount of provisions at the balance sheet date and adjusts the carrying amount to reflect the best estimate.

If all or part of the expenses necessary for settling the provision is expected to be compensated by a third party, the amount of compensation is separately recognized as an asset when it is basically certain to be received. The recognized compensation amount shall not exceed the carrying value of the provision.

24. Share-based payment and equity instruments

(1) Types of share-based payment

The share-based payment can be distinguished into equity-settled and cash-settled share-based payment.

(2) Determination of fair value of equity instruments

If there exists an active market for options and other equity instruments granted by the Company, their fair value is determined on the price quotes in an active market. If an active market does not exist for options and other equity instruments granted by the Company, their fair value is determined by using an option pricing model. Selection of option pricing model considers the following factors: A) Exercise price of option; B) Validity period of option; C) Spot price of subject shares; D) Estimated volatility of share price; E) Estimated dividend of shares; F) Risk-free interest rate in the validity period of option.

(3) Basis for the best estimate of vested equity instruments

At each balance sheet date of the vesting period, the Company revises the number of equity instruments that will ultimately vest based on the best estimate of the latest number of eligible employees and other subsequent information. On vesting date, the number of expected vested equity instruments should be agreed with the actual number vested.

(4) Accounting treatment for implementation, modification, and termination of share-based payment

Equity-settled share-based payments are measured at the fair value of equity instruments granted to employees. Instruments which are vested immediately upon the grant are charged to relevant costs or expenses at the fair value on the date of grant and the capital reserve is credited accordingly. Instruments of which vesting is conditional upon completion of services or fulfillment of performance conditions are measured by recognizing services rendered during the period in relevant costs or expenses and crediting the capital reserve accordingly at the fair value on the date of grant according to the best estimates conducted by the Company at each balance sheet date. No subsequent adjustment is made on the recognized relevant cost and expenses and owners' equity after the vesting date.

Cash-settled share-based payments are measured based on the value of shares or other equity

instruments undertaken by the Company. Instruments which are vested immediately upon the grant are charged to relevant costs or expenses at the fair value on the date of grant and a liability is credited accordingly. Instruments of which vesting is conditional upon completion of services or fulfillment of performance conditions are measured by recognizing services rendered during the period in relevant costs or expenses and crediting a liability accordingly at the fair value on the date of grant according to the best estimates conducted by the Company at each balance sheet date. The fair value of the liability is remeasured at each balance sheet date and at the date of settlement, with any changes in fair value recognized in profit or loss for the current period.

Where the terms of an equity-settled share-based payment are modified, if the modification increases the fair value of the equity instruments granted, the incremental fair value is recognized as additional service obtained; if the modification increases the number of equity instruments granted, the incremental fair value is recognized as additional service received. The incremental fair value granted is the difference between the fair value of the modified equity instrument and that of the original equity instrument both estimated as at the date of modification. If the modification of terms and conditions of share-based payment arrangement reduces the total fair value of the share-based payment or is not otherwise beneficial to the employee, the Company nevertheless continue to account for the services received as if that modification had not occurred, other than the Company cancels of some or all the equity instruments granted.

If a grant of equity instruments is cancelled during the vesting period (other than a grant cancelled by forfeiture when the vesting conditions are not satisfied), the Company accounts for the cancellation as an acceleration of vesting and recognizes immediately the amount that otherwise would have been recognized over the remainder of the vesting period and the capital reserve is credited accordingly. When employees or other parties are permitted to choose to fulfill non-vesting conditions but have not fulfilled during the vesting period, the Company deems the granted equity instruments are cancelled.

25. Preference Shares, Perpetual Bonds and other financial instruments

(1) Classification of financial liabilities and equity instruments

Financial instruments issued by the Company are classified into financial assets, financial liabilities or equity instruments on the basis of the substance of the contractual arrangements and the economic nature not only its legal form, together with the definition of financial asset, financial liability and equity instruments on initial recognition.

(2) Accounting treatment of Preference Shares, Perpetual Bonds and other financial instruments

Financial instruments issued by the Company are initially recognised and measured in accordance with the financial instrument standards; thereafter, interest or dividends are accrued on each balance sheet date and accounted for in accordance with relevant specific ASBEs, i.e. to determine the accounting treatment for interest expenditure or dividend distribution of the instrument based on the classification of the financial instrument issued. For financial instruments classified as equity instruments, their interest expenses or dividend distributions are treated as profit distribution of the Company, and their repurchases and cancellations are treated as changes in equity; for financial instruments classified as financial liabilities, their interest expenses or dividend distribution are in principle accounted for with reference to borrowing costs, and the gains or losses arising from their repurchases or redemption are included in the profit or loss for the current period.

For the transaction costs such as fees and commissions incurred by the Company for issuing financial instruments, if such financial instruments are classified as debt instruments and measured at amortised cost, they are included in the initial measured amount of the instruments issued; if such financial

instruments are classified as equity instruments, they are deducted from equity.

26. Revenue

Before 1 January 2020

(1) General principle

① Sale of goods

Revenue from the sale of goods is recognized when the Company has transferred to the buyer the significant risks and rewards of ownership of the goods, the Company retains neither continuing managerial involvement nor effective control over the goods sold, and related income can be measured reliably and the economic benefits are likely to flow to the Company, and the associated costs can be measured reliably.

② Rendering of services

When the result of rendering of services can be measured reliably, the Company recognizes related revenue from services in accordance with the percentage of completion as at the balance sheet date.

The completion progress of rendering service is recognized by service cost incurred as a percentage of estimated total cost.

The result of rendering of services can be estimated reliably when all of the following conditions are satisfied: A) The amount of revenue can be measured reliably; B) The associated economic benefits are likely to flow into the Company; C) The completion progress of the transaction can be measured reliably; D) The costs incurred and to be incurred in the transaction can be measured reliably.

If the result of rendering of service transaction cannot be estimated reliably, revenue from rendering of services is recognized only to the extent of service cost incurred that is recoverable probably, and service cost incurred is charged to profit or loss for the current period. If the service cost incurred is not expected to be recoverable, no revenue is recognized.

③ Transfer of the right to use assets

Revenue is recognized when the economic benefits associated with the transfer of the right to use assets can flow to the Company and the amount can be measured reliably.

④ Construction contracts

Where the outcome of a construction contract can be estimated reliably at the balance sheet date, revenues and expenses associated are recognized using the percentage of completion method. Where the outcome of a construction contract cannot be estimated reliably, it is treated either: if contract costs is recoverable, contract revenue is recognized on actual contract costs that can be recovered and contract costs incurred is regarded as expenses in the current period. If the contract cost incurred is not recoverable, the contract cost is regarded as expenses and no revenue is recognized.

If the estimated total costs exceed contract revenue, the Group recognizes estimated loss in profit or loss for the current period.

The completion progress of contract is recognized by contract cost incurred as a percentage of estimated total contract cost.

The outcome of a construction contract can be estimated reliably when all of the following conditions are satisfied: A) The amount of contract revenue can be measured reliably; B) The associated economic benefits are likely to flow to the Group; C) The actual contract costs incurred can be distinguished clearly and measured reliably; D) The completion progress of the contract and the costs need to be incurred to complete the contract can be measured reliably.

(2) Specific revenue recognition

① Revenue on sale of wind turbines:

Revenue on sale of wind turbines is recognised when the related services or products has been provided to customers according to signed contracts, the wind turbine has been delivered to the site, hoisted and installed and client acceptance report has been obtained from customers, the amount of revenue can be reliably determined, right to receive payments has been established and the related economic benefits are likely to flow into the Company , and the related costs of services or products can be reliably measured.

② Revenue on operation and maintenance services:

Revenue on operation and maintenance services is recognised when the operation and maintenance services has been provided within the service period agreed in the contract, operation and maintenance costs actually incur and are reliably measured, and the service fee is charged according to the operation and maintenance pricing policy.

③ Revenue on electric power generation and sales:

Revenue of electric power generation and sales is recognised on the basis of monthly on-grid electricity and electricity price.

④ Revenue on electricity distribution and sales services:

Revenue on electricity distribution and sales is recognised on the difference between the on-grid price and selling price based on the electric capacity statement obtained from electricity exchange center after the completion of electricity distribution and sales service as agreed on the contract.

⑤ Revenue on Renewable Engineering Procurement Construction (EPC) services:

On the balance sheet date, if the results of the construction contract can be reliably estimated, the contract revenue and contract expenses are recognised according to the completion status; otherwise, the revenue is recognised on the actual contract cost incurred and is expected to be recovered. The completion status is determined by the proportion of the cost incurred to the estimated total cost. The construction revenue for the current period is calculated on the cumulative construction revenue based on the completion status less the amount previously recognized.

After 1 January 2020

(1) General principle

The Company recognises revenue when it satisfies a performance obligation in the contract, i.e. when

the customer obtains control of the relevant goods or services.

Where a contract has two or more performance obligations, the Company allocates the transaction price to each performance obligation based on the percentage of respective unit price of goods or services guaranteed by each performance obligation, and recognises as revenue based on the transaction price that is allocated to each performance obligation.

If one of the following conditions is fulfilled, the Company performs its performance obligation within a certain period; otherwise, it performs its performance obligation at a point of time:

- ① when the customer simultaneously receives and consumes the benefits provided by the Company when the Company performs its obligations under the contract; or
- ② when the customer is able to control the goods in progress in the course of performance by the Company under the contract; or
- ③ when the goods produced by the Company under the contract are irreplaceable and the Company has the right to payment for performance completed to date during the whole contract term.

For performance obligations performed within a certain period, the Company recognises revenue by measuring the progress towards complete of that performance obligation within that certain period. When the progress of performance cannot be reasonably determined, if the costs incurred by the Company are expected to be compensated, the revenue shall be recognised at the amount of costs incurred until the progress of performance can be reasonably determined.

For performance obligation performed at a point of time, the Company recognises revenue at the point of time at which the customer obtains control of relevant goods or services. To determine whether a customer has obtained control of goods or services, the Company considers the following indications:

- ① the Company has the current right to receive payment for the goods, which is when the customer has the current payment obligations for the goods;
- ② the Company has transferred the legal title of the goods to the customer, which is when the client possesses the legal title of the goods;
- ③ the Company has transferred the physical possession of goods to the customer, which is when the customer obtains physical possession of the goods;
- ④ the Company has transferred all of the substantial risks and rewards of ownership of the goods to the customer, which is when the customer obtain all of the substantial risks and rewards of ownership of the goods to the customer;
- ⑤ the customer has accepted the goods or services;
- ⑥ other information indicates that the customer has obtained control of the goods.

The Company's right to consideration in exchange for goods or services that the Company has transferred

to customers (which depends on factors other than the passage of time) as its contract assets, and contract assets are subject to impairment based on ECLs (refer to Note III. 10 (6)). The Company's unconditional right to receive consideration from customers (only depends on passage of time) is accounted for as accounts receivable. The Company's obligation to transfer goods or services to customers for which the Company has received or should receive consideration from customers is accounted for as contract liabilities.

Contract assets and contract liabilities under the same contract are presented on a net basis. Where the net amount has a debit balance, it is presented in "contract assets" or "other non-current assets" according to its liquidity. Where the net amount has a credit balance, it is presented in "contract liabilities" or "other non-current liabilities" according to its liquidity.

(2) Specific revenue recognition

① Revenue on sale of wind turbines:

The sales contract between the Company and the customer usually includes the performance obligation for the transfer of the complete wind turbine and accessories. The Company recognizes revenue when the complete wind turbine and accessories are delivered to the customer and the customer has accepted the products and the customer obtains control of the complete wind turbine and accessories.

② Revenue on operation and maintenance services:

Contract between the Company and the customer usually includes performance obligations for the operation and maintenance of wind field. During the term of the operation and maintenance contract, the Company recognizes revenue annually based on the completion of the operation and maintenance services provided.

③ Revenue on electric power generation and sales:

Contract between the Company and the customer usually includes performance obligations to sell electric power generated by wind turbine generators to grid companies. Electric power sales are recognised as revenue on monthly basis based on the quantity of on-grid electricity and electricity price.

④ Revenue on distribution and sales of electricity:

The electricity distribution and sales contracts between the Company and the customer usually includes the provision of electricity distribution services. Revenue of electricity distribution services provided by the Company to external party is recognised when the users consumed electricity and the electricity settlement statements is obtained from Electricity Trading Center. The difference between the sales price and purchase price of electricity is recognized as the revenue on distribution and sales of electricity.

⑤ Revenue on Renewable EPC services:

The construction contract between the Company and the customer usually includes performance obligations for the construction of wind field. The Company regards them as performance obligations over a period of time. The Company determines the performance progress of the services provided based on the cost incurred in accordance with the input method. When the performance progress can be reasonably determined, the revenue is recognized based on the performance progress; otherwise, the revenue is

recognized on the actual amount of contract cost incurred and is expected to be recovered.

27. Contract costs

Contract costs consist of incremental costs of obtaining a contract and contract fulfillment costs.

Incremental costs of obtaining a contract are those costs that an entity incurs to obtain a contract with a customer that it would not have incurred if the contract had not been obtained (for example, a sales commission). The Company recognizes as an asset the incremental costs of obtaining a contract with a customer if those costs are expected to be recoverable. Other expenses incurred by the Company other than the incremental costs that are expected to be recovered in obtaining a contract are recognized in profit or loss for the current period when incurred.

The Company recognizes as an asset the costs incurred in fulfilling a contract with a customer if those costs are not within the scope of another Standard (for example, Inventories) and meet all of the following criteria:

- ① the costs relate directly to a contract or to an anticipated contract, including direct labour, direct materials, manufacturing costs (or similar costs), costs that are explicitly chargeable to the customer and other costs that are incurred only because the Company entered into the contract;
- ② the costs generate or enhance resources of the Company that will be used in satisfying performance obligations in the future; and
- ③ the costs are expected to be recovered.

Assets recognised on incremental costs of obtaining a contract and contract fulfillment costs (hereinafter refer as "Contract assets") are amortized on a systematic basis that is consistent to the revenue recognition of the related goods or services, and are charged to profit or loss for the current period.

The Company recognises provision for impairment of assets when the carrying amount of contract asset is higher than the difference between the following two items:

- ① the remaining amount of consideration that the Company expects to receive in exchange for the goods or services to which the asset relates;
- ② costs anticipated to be incurred for the transfer of goods or services.

As determined at contract inception, contract fulfilment costs that is recognised as an asset is presented as "inventories" if the amortization period is not more than one year or one operating cycle, or is presented as "other non-current assets" if the amortization period is more than 1 year or one operating cycle.

As determined at contract inception, incremental costs of obtaining a contract that is recognised as an asset is presented as "other current assets" if the amortization period is not more than one year or one operating cycle, or is presented as "other non-current assets" if the amortization period is more than 1 year or one operating cycle.

28. Government grants

Government grant is recognized when prescribed conditions are satisfied and the grant will be received.

If a government grant is in the form of a transfer of a monetary asset, it is measured at the amount received or receivable. If a government grant is in the form of a transfer of a non-monetary asset, it is measured at fair value. If fair value cannot be reliably determined, it is measured at a nominal amount of RMB 1.

A government grant related to an asset is a grant obtained by the Company for purchase, construction or formation of long-term assets. The grant not related to an asset is classified as government grant related to income.

For government grant with unspecified purpose, the amount of grant used to form a long-term asset or related to an asset is regarded as government grant related to an asset, the remaining amount of grant is regarded as government grant related to income. If it is not possible to distinguish, the amount of grant is treated as government grant related to income.

A government grant related to an asset is either deducted the carrying amount of the asset, or recognized as deferred income and amortized to profit or loss over the useful life of the related asset on a reasonable and systematic basis. For a government grant related to income, if the grant is a compensation for related expenses or losses already incurred, the grant is recognized immediately in profit or loss for the current period. If the grant is a compensation for related expenses or losses to be incurred in subsequent periods, the grant is recognized as deferred income, and recognized in profit or loss over the periods in which the related expenses or losses are recognized. Government grants measured at nominal amounts are directly recognized in profit or loss for the period. The Company adopts same treatment for those transactions of similar government grants.

Government grants relating to daily activities, according to the substance of business transaction, it is either recorded as other income or deduction of related expenditure. If it is not relating to daily activities, it is recorded as non-operating income.

Repayment of a government grant related to an asset, that initially deducted the carrying amount of the asset, is recognized by increasing the carrying amount of the asset; if there exists of the related deferred income balance, then the deferred income balance is reduced by the amount repayable, any excess is charged to profit or loss for the current period. Repayment of a government grant related to other situation, it is directly charged to profit or loss for the current period.

29. Deferred tax assets and deferred tax liabilities

Income tax comprises of current tax and deferred tax. Current tax and deferred tax are recognized in profit or loss except to the extent that they relate to transactions or items recognized directly in equity and goodwill arising from a business combination.

Temporary differences arising from the difference between the carrying amount of an asset or liability and its tax base are recognized as deferred tax using the balance sheet liability method.

All the taxable temporary differences are recognized as deferred tax liabilities except for those incurred in the following transactions:

(1) Initial recognition of goodwill or initial recognition of an asset or liability in a transaction which is neither a business combination nor affects accounting profit or taxable profit (or deductible loss) when the transaction occurs;

(2) The taxable temporary differences associated with investments in subsidiaries, associates and joint ventures, and the Company is able to control the timing of the reversal of the temporary difference and it

is probable that the temporary difference will not reverse in the foreseeable future.

The Company recognizes a deferred tax asset for the carry forward of deductible temporary differences, deductible losses and tax credits to subsequent periods, to the extent that it is probable that future taxable profits will be available against which the deductible temporary differences, deductible losses and tax credits can be utilized, except for those incurred in the following transactions:

(1) The transaction is neither a business combination nor affects accounting profit or taxable profit (or deductible loss) when the transaction occurs;

(2) The deductible temporary differences associated with investments in subsidiaries, associates and joint ventures, the corresponding deferred tax asset is recognized when both of the following conditions are satisfied: it is probable that the temporary difference will reverse in the foreseeable future and it is probable that taxable profits will be available in the future against which the temporary difference can be utilized.

At the balance sheet date, deferred tax assets and deferred tax liabilities are measured at the tax rates that are expected to apply to the period when the asset is realized or the liability is settled, and their tax effect is reflected.

At the balance sheet date, the Company reviews the carrying amount of a deferred tax asset. If it is probable that sufficient taxable profits will not be available in future periods to allow the benefit of the deferred tax asset to be utilized, the carrying amount of the deferred tax asset is reduced. Any such reduction in amount is reversed when it becomes probable that sufficient taxable profits will be available.

30. Leases

Before 1 January 2021

A finance lease is a lease that transfers in substance all the risks and rewards incidental to ownership of an asset. An operating lease is a lease other than a finance lease.

(1) The Company as a lessor

In finance leases, at the commencement of the lease, the Company recognizes the sum of minimum lease receipt amount and initial direct costs as the recognized amount of finance leases receivable and also recognized the unguaranteed residual value. The difference between the aggregate of the minimum lease receipts, the initial direct costs and the unguaranteed residual value, and the aggregate of their present value is recognized as unearned finance income. Unrealized finance income is allocated over the lease period by effective interest method and finance income is recognized in profit or loss for the current period.

Income derived from operating leases is recognized in profit or loss using the straight-line method [or other method which is systematically more appropriate] over the lease term. Initial direct costs are charged to profit or loss immediately.

(2) The Company as a lessee

In finance leases, at the commencement of the lease, the Company recognizes the lower of the fair value of leased asset and the present value of minimum lease payments as the book value of the leased asset. Present value of minimum lease payments is recognized as long-term payables. The difference between the fair value of lease asset and the present value of minimum lease payments is accounted for as unrecognized finance charge. Initial direct costs are recognized in the carrying amount of leased assets.

Unrecognized finance charge is amortized over the lease period by effective interest method and finance expenses is recognized in profit or loss for the current period. The Company adopts the same depreciation policy of with self-owned fixed assets in calculating the depreciation charge.

Rental payments under operating leases are recognized as part of the cost of another related asset or as expenses for the current period on a straight-line method over the lease term. Initial direct costs are directly charged in profit or loss for the current period.

After 1 January 2021

(1) Identification of leases

At inception of a contract, the Company, as a lessee or a lessor, shall assess whether the customer under the contract has the right to obtain substantially all of the economic benefits from use of the identified asset during the period of use and has to right to direct the use of the identified asset during the period of use. The Company considers the contract to be a lease or to include a lease if one of the parties to the contract conveys the right to control the use of one or more identified assets for a certain period of time in exchange for consideration.

(2) The Company acts as the lessee

At the commencement date, the Company recognizes the right-of-use assets and lease liabilities for all leases, except for simplified short-term leases and leases of low value assets.

For the accounting policy of the right-of-use assets, see Note III. 31.

Lease liabilities are initially measured at the present value of the outstanding lease payments at the commencement date of the lease using the interest rate implicit in the lease. If the interest rate implicit in the lease cannot be determined, the incremental borrowing rate shall be used as the discount rate. The lease payments include: fixed payments and in-substance fixed payments; if there are lease incentives, the relevant amount of lease incentives shall be deducted; variable lease payments depending on an index or a rate; the exercise price of the option provided that the lessee is reasonably certain that the option will be exercised; the amount to be paid to exercise the option to terminate the lease if the lease term reflects that the lessee will exercise the option to terminate the lease; and the amount expected to be payable based on the residual value of the security provided by the lessee. The interest expense of the lease liability in each period of the lease term shall be calculated in accordance with the fixed periodic interest rate and recorded into the profit or loss of the current period. The variable lease payment not included in the measurement of lease liabilities shall be recorded into the current profit or loss when actually incurred.

Short-term lease

A short-term lease is a lease that, at the commencement date, has a lease term of 12 months or less, except for a lease that contains a purchase option.

The Company will record the lease payment amount of short-term lease into the cost of relevant assets or current profit or loss in each period of the lease term according to the straight-line method.

For short-term leases, the Company adopts the above simplified treatment method on all items that satisfy the conditions of short-term lease in the following assets category.

- Electronic equipment

- Transportation tools

Leases of low value assets

Leases of low value assets refer to lease of a single leased asset whose value is less than RMB 40,000 when it is a brand-new asset.

The Company will include the lease payment of the low-value asset lease into the cost of the relevant asset or current profit or loss in each period of the lease term according to the straight-line method.

For leases of low value assets, the Company chooses to adopt the above simplified treatment method according to the specific situation of each lease.

Lease modifications

A lessee shall account for a lease modification as a separate lease if both: ① the modification increases the scope of the lease by adding the right to use one or more underlying assets; and ② the consideration for the lease increases by an amount commensurate with the stand-alone price for the increase in scope and any appropriate adjustments to that stand-alone price to reflect the circumstances of the contract.

If lease modification that is not accounted for as a separate lease, on the day of the lease modification, the Company re-allocates the consideration in the modified lease, re-determines the lease term, and re-measures the present value of lease liability according to the revised lease payments and revised discount rate.

For lease modifications that result in decrease in the lease scope or the lease term, the Company decreases the carrying amount of the right-of-use asset accordingly and recognizes in profit or loss of current period any gain or loss relating to the partial or full termination of the lease.

For all other lease modifications that result in remeasurement of lease liabilities, the Company makes a corresponding adjustment to the carrying amount of right-of-use asset.

(3) The Company acts as the lessor

When the Company acts as the lessor, the leases that substantially transfer all the risks and rewards related to the ownership of the assets are recognized as finance leases, and other leases other than finance leases are recognized as operating leases.

Finance leases

In the case of finance leases, the Company takes the net investments in the lease as the carrying amounts of finance lease receivables at the commencement date, and the net lease investments are the sum of the unguaranteed residual value and the present value of the lease payments receivable at the commencement date discounted at the implicit interest rate. The Company, as the lessor, calculates and recognizes interest income for each period of the lease term at a fixed periodic rate. The variable lease payments obtained by the Company as the lessor and not included in the measurement of the net lease investments shall be recorded into the current profit or loss when actually incurred.

The derecognition and impairment of finance lease receivable shall be accounted for in accordance with the provisions of the "Accounting Standards for Business Enterprises No. 22 - Recognition and

Measurement of Financial Instruments” and the “Accounting Standards for Business Enterprises No. 23 - Transfer of Financial Assets”.

Operating lease

For the rent in the operating lease, the Company shall recognize the profit or loss of the current period in accordance with the straight-line method during each period of the lease term. The initial direct costs incurred in connection with the operating lease shall be capitalized, allocated on the same basis as the recognition of rental income during the lease term and recorded into the current profit or loss in installments. The variable lease payments obtained in connection with the operating lease and not included in the lease payments shall be recorded into the current profit or loss when actually incurred.

Lease modifications

If an operating lease is modified, the Company will treat it as a new lease for accounting treatment from the effective date of the modification, and the amount of lease payments received in advance or receivable related to the lease before the modification will be regarded as the amount of new lease payments.

The Company will treat the finance lease modification as a separate lease if the following conditions are met: ① the modification increases the scope of the lease by adding the right to use one or more underlying assets; and ② the consideration for the lease increases by an amount commensurate with the stand-alone price for the increase in scope and any appropriate adjustments to that stand-alone price to reflect the circumstances of the contract.

If the finance lease modification is not accounted for as a separate lease, the Company will deal with the modified lease under the following circumstances: ① If the modification takes effect on the commencement date of the lease, the lease will be classified as an operating lease, and the Company will treat it as a new lease from the effective date of the lease modification, and take the net investment in lease before the effective date of the lease modification as the carrying amount of the leased asset; ② If the modification takes effect on the commencement date of the lease, the lease will be classified as a finance lease, and the Company will conduct accounting treatment in accordance with the provisions of the “Accounting Standards for Business Enterprises No. 22 - Recognition and Measurement of Financial Instruments” concerning the modification or renegotiation of the contract.

(4) Sale and leaseback

The lessee and the lessor shall, in accordance with the “Accounting Standards for Business Enterprises No. 14 – Revenue”, evaluate and determine whether the transfer of assets in the sale and leaseback transaction is a sale.

If the transfer of an asset in the sale and leaseback transaction is a sale, the lessee shall measure the right-of-use asset arising from the leaseback at the proportion of the previous carrying amount of the asset that relates to the right of use retained by the lessee, and recognise the relevant gains or losses only for the right transferred to the lessor. The lessor shall account for the purchase of assets in accordance with other applicable accounting standards for business enterprises, and for the lease of assets in accordance with the lease standard.

If the transfer of an asset in the sale and leaseback transaction is not a sale, the lessee shall continue to recognize the transferred asset and at the same time recognize a financial liability equal to the transfer

proceeds, and conduct accounting treatment on the financial liability in accordance with the “Accounting Standards for Business Enterprises No. 22 - Recognition and Measurement of Financial Instruments”. The lessor shall not recognize the transferred asset, but shall recognise a financial asset equal to the transfer proceeds, and conducts accounting treatment on the financial asset in accordance with the “Accounting Standards for Business Enterprises No. 22 - Recognition and Measurement of Financial Instruments”.

(5) COVID-19 related rental concessions

For rental concession, such as rent reduction or deferral of payment, that the Company and lessees or lessors have reached in agreement directly caused by COVID-19, when all of the following conditions are met, the Company’s rental of properties or buildings are using simplified approach:

- ① the change in lease payments results in revised consideration for the lease that is substantially the same, or less than, the consideration for the lease immediately preceding the change. In particular, the lease payments can be undiscounted or discounted at the discount rate preceding the concessions;
- ② any reduction in lease payments affects only payments originally due on or before 30 June 2022;
- ③ there is no substantive change to other terms and conditions of the lease.

The Company does not assess whether it is a lease modification.

Where the Company as the lessee under operating leases, the Company will continue to account the rent of original contract into relevant asset or expenses in accordance with the same method preceding to the concession. If there is rent reduction or exemption, the Company will treat the exempted rent as contingent rent, and reduce costs or expenses during the relevant period. If the payment of rent is deferred, the Company recognizes the rent as payables during the original payment period, and offsets the payables accrued when the actual payment is made. For financing lease, the Company continues to recognize unrecognized financing expenses as financial cost for the current period by the same discount rate preceding to the concession, and continues to carry out subsequent measurement such as depreciation of assets under financing lease in the same manner preceding to the concession. When there is rent reduction or exemption, the Company will treat the exempted rent as contingent rent which will offset against the cost of assets or expenses when a reduction agreement is reached to relieve the original rent payment obligation. Long-term payable is also adjusted accordingly based on the discount rate preceding to the concession and the difference is recognised in profit or loss. Unrecognized financing expenses should also be adjusted. If the rental payment is deferred, the Company will offset the long-term payables previously recognised when actual payment is made.

Where the Company as a lessor under operating leases, the Company continues to recognize the rental income of original contract in the same method preceding to the concession. If there is rent reduction or exemption, the Company will treat the exempted rent as contingent rent and offset the rental income during the exemption period. If the collection of rent is deferred, the Company recognizes a rent receivable during the original collection period, and offsets the receivables previously recognised when actual payment is received. For financing leases, the Company continues to recognize lease income on the unrealized financing income at the same interest rate implicit in the lease preceding the concession. If there is rent reduction or exemption, the Company will treat the reduced or exempted rent as contingent rent which offset the lease income previously recognised when a concession agreement is reached and the right to collect the original rent is waived. When lease income previously recognised is insufficient to

offset, the excess amount is charged against investment income. Other receivable is also adjusted accordingly based on the discount rate preceding to the concession and the difference is recognised in profit or loss. Unrecognized financing income should also be adjusted. If the rental payment is deferred, the Company will offset other receivables previously recognised when actual payment is made.

31. Right-of-use assets

(1) Criteria for the recognition of right-of-use assets

The Company's right-of-use assets refer to the Company's right to use the leased assets during the lease term as the lessee.

On the commencement date, the right-of-use assets shall be initially measured at cost. The cost includes: the initial measurement of the lease liability; for the amount of lease payments paid on or before the commencement date of the lease term, if there is a lease incentive, the relevant amount of lease incentive already enjoyed will be deducted; initial direct costs incurred by the Company as the lessee; the costs which the Company, as the lessee, expects to incur in dismantling and removing the leased assets, restoring the premises on which the leased assets are located or restoring the leased assets to the state agreed in the lease terms. The Company, as the lessee, shall recognise and measure the costs of demolition and restoration in accordance with the "Accounting Standards for Business Enterprises No.13 – Contingencies". Subsequent adjustments are made for any remeasurement of lease liabilities.

(2) Depreciation method of the right-of-use assets

The Company uses the straight line method of depreciation. Where the Company, as the lessee, can reasonably determine that it obtains the ownership of the leased assets upon expiration of the lease term, depreciation shall be accrued over the remaining useful life of the leased assets. Where it is impossible to reasonably determine that the ownership of the leased asset can be acquired at the expiration of the lease term, depreciation shall be accrued in the shorter period between the lease term and the remaining useful life of the leased asset.

(3) See Note III. 20 for the impairment test method of the right-of-use assets and the loss allowance.

32. Safety production fund and simple reproduction fee

The Company accrues for safety production fund in accordance with related regulations.

Safety production fund is recorded to the costs of related products or recognized in the profit or loss for the current period, and credited to special reserve.

When payment is made for safety production fee within the specified scope, if it is an expense, it is directly deducted from special reserve. If it is related to fixed assets, the expenditures incurred are initially accounted in "Construction in progress" and transfer to fixed assets when the safety project is completed and reaches the predetermined usable status and after that, the cost of fixed assets is deducted from special reserve and the same amount is recognised in accumulated depreciation. Such fixed assets will not accrue for depreciation in subsequent periods.

33. Share repurchase

The Company's repurchased shares are managed as treasury stocks before cancellation or transfer, all expenditures of repurchased shares are transferred to the cost of treasury stocks. The consideration paid and transaction costs of repurchased shares reduce the owner's equity, gains or losses is not recognized

when repurchasing, transferring or canceling the shares of the Company.

On transfer of treasury stocks, the difference between the amount actually received and the carrying amount of treasury stocks is recorded in capital reserve. If capital reserve is insufficient for deduction, then the excess is deducting the surplus reserves and undistributed profits. On retirement of treasury stocks, share capital is reduced by the par value of shares and number of shares canceled, the difference between the carrying amount of canceled treasury stocks and their par value is recorded in capital reserve. If the capital reserve is insufficient for deduction, then the excess is deducting the surplus reserves and undistributed profits.

34. Restricted shares

The Company grants restricted shares to participants in share incentive scheme and the participants subscribes the shares. If vesting conditions in share incentive scheme are not achieved subsequently, the Company repurchases the shares based on the pre-determined price. The restricted shares that issued to employees are registered as new shares according to relevant provisions. The subscription price received by the Company is recognized as paid-in capital and capital reserve (share premium) and the obligation of shares repurchase is recognized as treasury shares and other payable.

35. Significant accounting judgments and estimates

The Company makes continuous evaluation on critical accounting estimates and key assumptions based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The followings are the critical accounting estimations and key assumptions that have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities within the next financial year:

(1) Classification of financial assets

Significant judgements involved in determining the classification of financial assets include the analysis of business models and contractual cash flow characteristics.

Factors considered by the Company in determining the business model for a group of financial assets include how the asset's performance is evaluated and reported to key management personnel, how risks are assessed and managed and how the relevant management personnel are compensated.

When the Company assesses whether the contractual cash flows of the financial assets are consistent with basic lending arrangements, the main judgements are described as below: whether the principal amount may change over the life of the financial asset (for example, if there are repayments of principal); whether the interest includes only consideration for the time value of money, credit risk, other basic lending risks and a profit margin and cost. For example, whether the amount repaid in advance reflects only the outstanding principal and interest thereon, as well as reasonable compensation paid for early termination of the contract.

(2) Measurement of the ECLs of accounts receivable

The Company calculates the ECLs of accounts receivable using the exposure to default risk and ECL rate of accounts receivable, and determines the ECL rate based on default probability and default loss rate. When determining the ECL rate, the Company adjusts its historical data by referring to information such as historical credit loss experience as well as current situation and forward-looking information. When considering the forward-looking information, indicators used by the Company include the risk of economic

downturn, external market environment, technology environment and changes in customers. The assumptions relating to the ECL calculation are monitored and reviewed by the Company on a regularly basis.

(3) Provision for decline in value of inventories

In accordance with the accounting policies of inventories and by measuring at the lower of cost and net realisable value, the Company makes allowance for inventories which have costs higher than net realisable value. Write-down of inventories to their net realisable values is based on the valuation of marketability and net realisable values of inventories. The net realizable value of inventories is determined based on the estimated selling price in daily activities minus the estimated costs that will be incurred upon completion, estimated selling expenses and related taxes and fees. Net realizable value of inventories is determined based on the estimated selling price in daily activities minus the estimated costs that will be incurred upon completion, estimated selling expenses and related taxes and fees. These estimates are based on current market conditions and previous experience in selling similar products. The identification of impairment of Inventories requires management to make judgments and estimates on the basis of obtaining conclusive evidence and considering the purpose of holding inventories and the impact of events after the balance sheet date. When the actual selling price or cost or expense is different from the previous estimate, the management will adjust the net realizable value accordingly. Therefore, the estimated result based on current experience may be different from the actual result afterwards. The difference between the actual result and the original estimate will affect the carrying amount of Inventories and the withdrawal or reversal of provision for decline in value of inventories during the period when the estimate is changed.

(4) Impairment of fixed assets, construction in progress and intangible assets

On each balance sheet date, the Company determines whether there is any evidence indicating potential impairment on fixed assets, construction in progress and intangible assets. Fixed assets, construction in progress and Intangible assets with indefinite useful life shall be tested for impairment when there is any indication of impairment. The recoverable amount of fixed assets, construction in progress and intangible assets is the higher of the present value of the estimated future cash flow and the net amount of the asset's fair value minus the disposal expenses. The calculation of recoverable amount requires accounting estimates. When estimating the present value of future cash flows, the management estimates the expected future cash flow of the asset or asset group, and selects an appropriate discount rate to determine the present value of future cash flows.

(5) Capitalization of development costs

Development costs that can be capitalized is the expenditures in the development phase that meet the capitalization conditions. There is uncertainty in determining the nature of expenditures incurred in internal research and development project and the final formation of intangible assets, therefore, it is necessary to make judgments when deciding whether the expenditures of internal research and development projects meet the conditions of capitalization. When determining the amount of capitalization, management must make assumptions about the expected future cash flow of the asset, the appropriate discount rate and the expected benefit period.

(6) Impairment of goodwill

The Company assesses whether goodwill is impaired at least annually. This requires an estimation of the value in use of the asset group to which goodwill is allocated. When estimating the value in use, the Company needs to estimate the future cash flow from the asset group, and choose an appropriate

discount rate to calculate the present value of the future cash flow.

(7) Revenue recognition of infrastructure construction business

The determination of revenue and expenses for the infrastructure business in accordance with the performance schedule is subject to the judgment of management. If a loss is expected to be incurred in an infrastructure contract, such loss shall be recognized as cost for the current year. The management of the Company estimates possible losses based on the budget of the infrastructure contract. Due to the characteristics of infrastructure construction, the date of contract signing and the date of project completion often belong to different accounting periods.

The Company determines the transaction price in accordance with the terms of the contract in combination with past customary practices, taking into account the impact of variable consideration, the presence of significant financing components in the contract and other factors. During the performance process, the Company continuously reviews the estimated total revenue of the contract and the estimated total cost of the contract, and revises the estimated total revenue of the contract and the estimated total cost of the contract when there are any changes of initial estimation, such as contract changes, claims and awards. When the estimated total cost of the contract exceeds the total revenue of the contract, the cost of the primary operation and the accrual of liability are recognized in accordance with the unfinished loss contract. At the same time, the Company will continue to monitor the payment progress of the project owner and regularly evaluate the creditworthiness of the project owner in accordance with the terms of the contract. If it becomes apparent that the project owner is likely to default on the payment of all or part of the contract price, the Company will reassess the impact on the financial statements of the expected credit loss over the lifetime of the contract asset and may revise the amount of the credit loss allowance. This modification will be reflected in the Company's financial statements for the current period in which the credit loss allowance is reassessed.

(8) Deferred tax assets

To the extent that it is likely that there will be sufficient taxable profits to offset the losses, the Company recognizes deferred tax assets for all unused tax losses. This requires the management to use substantial judgment to estimate the time and amount of future taxable profits, together with tax planning strategies, to determine the amount of deferred tax assets that should be recognized.

The Company is a high-tech enterprise. The validity period of the high-tech enterprise qualification is three years; after which it is necessary to resubmit the application for high-tech enterprise certification to the relevant government departments. Based on the historical experience and actual situation of the re-identification of high-tech enterprises in previous years, the management believes that the Company can continue to obtain high-tech enterprise identification in the coming years, and then calculate its corresponding deferred income tax at a preferential tax rate of 15%. If in the future, the Company fails to obtain a re-identification of the high-tech enterprise qualification after expiry, it will need to calculate the deferred income tax at the statutory tax rate of 25%, which will increase the net amount of deferred tax assets recognised and reduce the deferred income tax expense.

(9) Provisions

Provision for matters including product quality guarantee, expected contract loss, late delivery default shall be recognised in terms of contract, current knowledge and historical experience. If the contingent event has formed a practical obligation which probably results in outflow of economic benefits from the Company, a provisions shall be recognised on the basis of the best estimate of the expenditures to settle relevant practical obligation. Recognition and measurement of the provisions significantly rely on the

management's judgments in consideration of the assessment of factors including relevant risks and uncertainties and time value of money related to the contingent events.

In particular, the Company makes provisions for after-sales quality maintenance commitments to the customers in respect of sold, maintenance and repaired goods. In making provisions, the Company considers recent repair experience and data, but recent repair experience may not be able to reflect the future repair situation. Any increase or decrease in such provisions may affect the profit or loss in the future years.

(10) Determination of fair value of unlisted equity investments

The fair value of unlisted equity investments is the discounted estimated future cash flows based on the current discount rate of projects with similar terms and risk characteristics. This valuation requires the Company to estimate the expected future cash flows and the applicable discount rate, which caused uncertainty. Under limited circumstances, if the information used to determine the fair value is insufficient, or the possible estimate of fair value has a diverse range, and the cost represents the best estimate of fair value within that range, then the cost can represent an appropriate estimate of fair value within the diverse range.

36. Changes in accounting policies and accounting estimates

Changes in Accounting Policies in 2019

(1) Changes in significant accounting policies

① New financial instrument standards

In 2017, the Ministry of Finance issued the Accounting Standards for Enterprises No. 22 - Recognition and Measurement of financial instruments (revised), the Accounting Standards for Enterprises No. 23 - Transfer of Financial Assets (revised), the Accounting Standards for Enterprises No. 24 - Hedge Accounting (revised) and the Accounting Standards for Enterprises No. 37 - Presentation of Financial Instruments (revised) (hereinafter generally referred to as the "new financial instruments standards"), the Company held the 22th meeting of the first board of directors on 25 April 2019, which approved implementation of new financial instruments standards since 1 January 2019, and adjusted the related accounting policies accordingly. For accounting policies after the change, please refer to Note III.10.

The new financial instrument standards require financial assets to be divided into the following three categories according to the business model for managing financial assets and the characteristics of the contractual cash flows of financial assets: (1) financial assets measured at amortized cost; (2) financial assets measured at fair value through other comprehensive income; (3) financial assets measured at fair value through profit or loss. If the main contract contained in the mixed contract is a financial asset, the derivative instruments embedded in the mixed contract should not be separated from the mixed contract, but the mixed contract as a whole should be applicable to the relevant provisions on the classification of financial assets.

Except for the liability of the financial guarantee contract, the adoption of the new financial instrument standards has no significant impact on the accounting policy of the Group's financial liability.

On 1 January 2019, the Group did not designate any financial asset or financial liability as a financial asset or financial liability that is measured at fair value through profit or loss, nor did it revoke the previous designation.

The new financial instrument standard replaces the method for recognizing provision for impairment based on actual impairment losses as provided in the original financial instrument standard with the "expected credit loss" method. The "Expected Credit Loss" model requires continuous evaluation of the credit risk of financial assets. Therefore, under the new financial instrument standard, the Company's credit loss is recognized earlier than the original financial instrument standard.

Based on the expected credit losses, the Company performs impairment assessment and recognises the loss allowances for the following items:

- Financial assets measured at amortized cost;
- Receivables and debts investments at fair value through other comprehensive income.
- Lease receivables;
- Financial guarantee contracts (except for those that are measured at fair value through profit or loss, the transfer of financial assets does not meet the conditions for derecognition, or the continued involvement of the transferred financial assets).

In accordance with the provisions of the new financial instruments standards except in certain situations, the Group has retroactively adjusted the classification and measurement (including impairment) of financial instruments, with the difference between the original carrying amount of the financial instruments and the new carrying amount of financial instruments in the enforcement of new financial instruments standards (i.e., on 1 January 2019) booked into retained earnings or other comprehensive income in early 2019. At the same time, the Group has not adjusted the data of the comparative financial statements.

On 1 January 2019, financial assets were classified and measured in accordance with the provisions of the original financial instruments standards and the new financial instruments standards. The comparisons are as follows:

Original financial instruments standards			New financial instruments standards		
Item	Category	Carrying amount	Item	Category	Carrying amount
Available-for-sale financial assets	Measured at cost (equity instruments)	70,000,000.00	Other equity instruments investment	Measured at fair value through other comprehensive income	70,000,000.00
			Notes receivable	Amortized cost	96,754,000.00
Notes receivable	Amortized cost	422,906,059.03	Receivables financing	Measured at fair value through other comprehensive income	326,152,059.03
Accounts receivable	Amortized cost	5,489,399,676.24	Accounts receivable	Amortized cost	5,489,399,676.24
Other receivables	Amortized cost	248,064,059.04	Other receivables	Amortized cost	248,064,059.04
Long-term receivables	Amortized cost	2,203,661,081.87	Long-term receivables	Amortized cost	2,203,661,081.87

On 1 January 2019, the financial instruments classifications and carrying amounts reconciliation table for the implementation of the new financial instruments standards is as follows:

Item	Carrying amount before adjustment (31 December 2018)	Reclassification	Remeasurement	Carrying amount after adjustment (1 January 2019)
Assets :				
Notes receivable	422,906,059.03	-326,152,059.03	-	96,754,000.00
Accounts receivable	5,489,399,676.24	-	-	5,489,399,676.24
Receivables financing	-	326,152,059.03	-	326,152,059.03
Other receivables	248,064,059.04	-	-	248,064,059.04
Available-for-sale financial assets	70,000,000.00	-70,000,000.00	-	--
Long-term receivables	2,203,661,081.87	-	-	2,203,661,081.87
Other equity instruments investment	--	70,000,000.00	-	70,000,000.00

Reconciliation of loss allowance as of 31 December 2018 under original financial instrument standards and loss allowance as of 1 January 2019 under new financial instrument standards of those subsidiaries adopted new financial instrument standards:

Category	Carrying amount before adjustment (31 December 2018)	Reclassification	Remeasurement	Carrying amount after adjustment (1 January 2019)
Provision for impairment of notes receivable	-	-	-	-
Provision for impairment of accounts receivable	238,148,171.07	-	-	238,148,171.07
Provision for impairment of other receivables	76,884,134.44	-	-	76,884,134.44
Provision for impairment of long-term receivables	-	-	-	-

② New Debt Restructuring Standard

On 16 May 2019, the Ministry of Finance issued the “Accounting Standards for Business Enterprises No.12 - Debt Restructuring” (hereinafter referred to as the “new debt restructuring standard”), which has modified the definition of debt restructuring, and has been clear about the debt restructuring involved in financial instruments for accounting standards such as “Accounting Standards for Business Enterprises No.22 - Recognition and Measurement of Financial Instruments”, etc. The new debt restructuring standard has also been clear about the initial measurement at cost of assets other than financial assets accepted by creditors, and has clarified that the obligors paying off the debts with assets shall no longer distinguish between gains and losses from assets disposal and gains and losses from debt restructuring.

In accordance with the provisions of No.6 of Caikui [2019], “non-operating income” and “non-operating expenditure” line items no longer include gains or losses arising from the disposal of non-current assets in debt restructuring.

The Group adopts the prospective method to deal with the debt restructuring newly occurred on 1 January 2019, and does not make retroactive adjustments to the debt restructuring occurred before 1 January 2019.

The revision of the new debt restructuring standard has no effect on the Company's financial position and operating results.

③ New non-monetary exchange standard

On 9 May 2019, the Ministry of Finance issued the "Accounting Standards for Business Enterprises No.7 - Exchange of Non-monetary Assets" (hereinafter referred to as the "new non-monetary exchange standard"), has clarified the concept of monetary and non-monetary assets, the scope of the standard, when to recognize exchange of non-monetary assets, the measurement basis and accounting methods of exchange of non-monetary assets under different conditions, and meanwhile has perfected the disclosure requirements. The Company adopts the prospective method to deal with exchange of non-monetary assets that occur after 1 January 2019, and does not make retroactive adjustments to exchange of non-monetary assets that occurred before 1 January 2019.

The revision of the new non-monetary exchange standard has no effect on the Company's financial position and operating results.

④ Financial statement format

The Ministry of Finance issued the "Notice of the Ministry of Finance on Revising and Issuing the Format of General Financial Statements for 2019" (Caihui [2019] No. 6) on 30 April 2019, and at the same time, the "Notice on the Format of General Enterprise Financial Statements for 2018 (Caihui [2018] No. 15) is abolished. The Ministry of Finance issued the "Notice of the Ministry of Finance on Revising and Printing the Format of Consolidated Financial Statements (2019 Version) (Caihui [2019] No. 16) on September 2019, and at the same time, the "Notice of the Ministry of Finance on Revising the Format of the 2018 Consolidated Financial Statements" (Caihui [2019] No. 1) is also abolished. According to Caihui [2019] No. 6 and Caihui [2019] No. 16, the Company made the following amendments to the financial statement format:

In balance sheet, "Notes receivable and accounts receivable" is split into "Notes receivable" and "Accounts receivable", and "Notes payable and accounts payable" is split into "Notes payable" and "accounts payable".

The Company adjusted the comparative data of the comparable period according to Caihui [2019] No. 6.

The revision of the financial statement format has no impact on the Company's total assets, total liabilities, net profit and other comprehensive income.

(2) Changes in accounting estimates

There is no significant change of accounting estimates during the reporting period.

(3) Adjustment of related items of the financial statements at the beginning of the year of first time adoption according to the new financial instruments standards.

Consolidated Balance Sheets

Item	2018.12.31	2019.01.01	Adjustments
Current assets:			

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Cash and bank balances	3,312,625,713.90	3,312,625,713.90	-
Notes receivable	422,906,059.03	96,754,000.00	-326,152,059.03
Accounts receivable	5,489,399,676.24	5,489,399,676.24	-
Receivable financing	-	326,152,059.03	326,152,059.03
Prepayments	233,181,168.36	233,181,168.36	-
Other receivables	248,064,059.04	248,064,059.04	-
Inventories	1,444,688,392.26	1,444,688,392.26	-
Assets held-for-sale	76,559,536.89	76,559,536.89	-
Non-current assets due within one year	101,642,443.62	101,642,443.62	-
Other current assets	333,728,047.54	333,728,047.54	-
Total current assets	11,662,795,096.88	11,662,795,096.88	-
Non-current assets:			
Financial assets available for sale	70,000,000.00	-	-70,000,000.00
Long-term receivables	2,203,661,081.87	2,203,661,081.87	-
Long-term equity investments	403,573,933.94	403,573,933.94	-
Other equity instruments investment	-	70,000,000.00	70,000,000.00
Fixed assets	5,185,295,199.38	5,185,295,199.38	-
Construction in progress	1,037,221,912.24	1,037,221,912.24	-
Intangible assets	836,496,205.75	836,496,205.75	-
Development cost	85,750,643.17	85,750,643.17	-
Goodwill	118,424,671.17	118,424,671.17	-
Long-term deferred expenses	85,976,382.82	85,976,382.82	-
Deferred tax assets	361,140,185.11	361,140,185.11	-
Other non-current assets	281,499,787.00	281,499,787.00	-
Total non-current assets	10,669,040,002.45	10,669,040,002.45	-
Total assets	22,331,835,099.33	22,331,835,099.33	-
Current Liabilities:			
Short-term loans	1,285,260,322.26	1,285,260,322.26	-
Notes payable	1,529,045,429.04	1,529,045,429.04	-
Accounts payable	4,070,278,212.58	4,070,278,212.58	-
Receipts in advance	1,863,640,620.26	1,863,640,620.26	-
Employee benefits payable	73,924,129.71	73,924,129.71	-
Taxes payable	288,878,870.62	288,878,870.62	-
Other payables	526,044,428.64	526,044,428.64	-

Including: Interest payables	25,909,883.11	25,909,883.11	-
Dividends payable	716,980.11	716,980.11	-
Non-current liabilities due within one year	462,206,436.29	462,206,436.29	-
Total current liabilities	10,099,278,449.40	10,099,278,449.40	-
Non-current liabilities:			
Long-term loans	3,105,841,186.40	3,105,841,186.40	-
Bonds payable	484,418,780.81	484,418,780.81	-
Long-term payables	2,327,500,537.19	2,327,500,537.19	-
Provisions	639,672,007.94	639,672,007.94	-
Deferred income	779,930,463.46	779,930,463.46	-
Deferred tax liabilities	6,997,635.71	6,997,635.71	-
Total non-current liabilities	7,344,360,611.51	7,344,360,611.51	-
Total liabilities	17,443,639,060.91	17,443,639,060.91	-
Shareholders' equity:			
Share capital	1,103,822,378.00	1,103,822,378.00	-
Capital reserve	2,614,570,155.97	2,614,570,155.97	-
Other comprehensive income	42,125,079.59	42,125,079.59	-
Surplus reserve	38,002,143.06	38,002,143.06	-
Undistributed profits	653,414,492.13	653,414,492.13	-
Total shareholders' equity attributable to the parent	4,451,934,248.75	4,451,934,248.75	-
Minority interests	436,261,789.67	436,261,789.67	-
Total shareholders' equity	4,888,196,038.42	4,888,196,038.42	-
Total liabilities and shareholders' equity	22,331,835,099.33	22,331,835,099.33	-

Parent Company Balance Sheets

Item	2018.12.31	2019.01.01	Adjustments
Current assets:			
Cash and bank balances	2,389,999,628.66	2,389,999,628.66	-
Notes receivable	386,320,645.93	96,754,000.00	-289,566,645.93
Accounts receivable	4,723,766,002.51	4,723,766,002.51	-
Receivable financing	-	289,566,645.93	289,566,645.93
Prepayments	159,958,130.66	159,958,130.66	-
Other receivables	415,008,343.75	415,008,343.75	-

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Notes to the Financial Statements

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Including: Interest receivables	23,136,956.06	23,136,956.06	-
Dividend receivables	19,119,469.63	19,119,469.63	-
Inventories	1,048,702,529.67	1,048,702,529.67	-
Assets held-for-sale	76,559,536.89	76,559,536.89	-
Non-current assets due within one year	98,707,584.19	98,707,584.19	-
Other current assets	107,573,187.97	107,573,187.97	-
Total current assets	9,406,595,590.23	9,406,595,590.23	-
Non-current assets:			
Financial assets available for sale	70,000,000.00	-	-70,000,000.00
Long-term receivables	2,027,252,324.01	2,027,252,324.01	-
Long-term equity investments	5,652,489,165.47	5,652,489,165.47	-
Other equity instruments investment	-	70,000,000.00	70,000,000.00
Fixed assets	220,553,281.16	220,553,281.16	-
Construction in progress	15,167,004.54	15,167,004.54	-
Intangible assets	380,608,575.91	380,608,575.91	-
Development cost	85,750,643.17	85,750,643.17	-
Long-term deferred expenses	1,545,721.60	1,545,721.60	-
Deferred tax assets	229,283,171.91	229,283,171.91	-
Other non-current assets	3,059,964.22	3,059,964.22	-
Total non-current assets	8,685,709,851.99	8,685,709,851.99	-
Total assets	18,092,305,442.22	18,092,305,442.22	-
Current Liabilities:			
Short-term loans	882,440,000.00	882,440,000.00	-
Notes payable	1,460,405,325.61	1,460,405,325.61	-
Accounts payable	5,494,571,443.88	5,494,571,443.88	-
Receipts in advance	1,955,669,213.07	1,955,669,213.07	-
Employee benefits payable	24,697,868.53	24,697,868.53	-
Taxes payable	300,184,941.04	300,184,941.04	-
Other payables	698,341,300.19	698,341,300.19	-
Including: Interest payables	21,367,729.82	21,367,729.82	-
Non-current liabilities due within one year	100,642,609.19	100,642,609.19	-
Total current liabilities	10,916,952,701.51	10,916,952,701.51	-
Non-current liabilities:			
Bonds payable	484,418,780.81	484,418,780.81	-

Long-term payables	1,461,600,250.25	1,461,600,250.25	-
Provisions	613,030,752.46	613,030,752.46	-
Deferred income	674,415,083.12	674,415,083.12	-
Deferred tax liabilities	4,263,366.60	4,263,366.60	-
Total non-current liabilities	3,237,728,233.24	3,237,728,233.24	-
Total liabilities	14,154,680,934.75	14,154,680,934.75	-
Shareholders' equity:			
Share capital	1,103,822,378.00	1,103,822,378.00	-
Capital reserve	2,460,416,164.30	2,460,416,164.30	-
Surplus reserve	38,002,143.06	38,002,143.06	-
Undistributed profits	335,383,822.11	335,383,822.11	-
Total shareholders' equity attributable to the parent	3,937,624,507.47	3,937,624,507.47	-
Total shareholders' equity	3,937,624,507.47	3,937,624,507.47	-
Total liabilities and shareholders' equity	18,092,305,442.22	18,092,305,442.22	-

Changes in Accounting Policies in 2020

(1) Changes in significant accounting policies

① New revenue standard

In 2017, the Ministry of Finance have issued "the Accounting Standards for Business Enterprises No. 14 - Revenue (Revised)" (hereinafter referred to as the "New Revenue Standard"). The Group's Board of Directors approved the adoption of the new standard since 1 January 2020, and adjusted the relevant contents of accounting policies.

The Company recognizes revenue when the contract performance obligations have been fulfilled, that is the customer has gained control of the relevant goods and services. When certain condition is met, the Group shall be obliged to fulfil its performance obligations within a certain period, otherwise, it shall be obliged to fulfil its performance obligations at a certain point. If two or more performance obligations are included in the contract, the Group shall, on the commencement date of the contract, apportion the transaction price to the individual performance obligations according to the relative proportion of the individual selling prices of the commodities or services promised by the individual performance obligations, and measure the income according to the transaction price apportioned to the individual performance obligations.

The Group adjusted the relevant accounting policies in accordance with the specific requirements of the new revenue standard on specific matters or transactions. For example: contract cost, quality assurance, distinction between principal and agent, sales with sales return clauses, additional purchase options, intellectual property licensing, repurchase arrangements, receipts in advance, handling of initial fees that do not need to be returned, etc.

The right to receive consideration for transferring goods to the customer, which depends on factors other

than the passage of time, shall be presented as contract assets. The obligation to transfer goods to the customer after consideration received or receivable shall be presented as contract liabilities.

The Group has recognised the cumulative effect of initial application as an adjustment to the opening balance of undistributed profits and the amount of other relevant items in the financial statements at the beginning of 2020, and comparative information in the financial statements has not been restated. The Group only adjusted the undistributed profits of the Group at the beginning of 2020 and other related items in the financial statements for the cumulative impact of contracts that have not been completed on 1 January 2020.

Contents of accounting policy and causes	Affected items on the statement	Affected amount 1 January 2020
Due to the implementation of the new revenue standards, the Group includes the right to receive consideration related to the sale of goods and service fees that does not satisfy the unconditional right to receive payment into contract assets; sales of goods and advances from customers related to service fee are reclassified to contract liabilities.	Contract assets - Cost	233,888,851.60
	Non-current assets due within one year	-225,441,316.43
	Long-term receivables	-2,499,035,936.11
	Deferred tax assets	-64,574,247.91
	Other non-current assets	2,934,106,529.28
	Advances from customers	-6,858,917,435.34
	Contract liabilities	6,771,012,877.60
	Other current liabilities	786,134,293.57
	Deferred income	-698,229,735.83
	Surplus reserve	35,598,374.38
	Undistributed profits	343,345,506.05

Compared with the Original Revenue Standard, the impact of the application of the New Revenue Standard on the related items of the financial statements as at 31 December 2020 is as follows:

Affected items on the balance sheet	Affected amount 2020.12.31
Contract assets - Cost	544,358,366.80
Other non-current assets	3,759,469,146.91
Long-term receivables	-4,303,827,513.71
Contract liabilities	8,559,944,751.63
Other current liabilities	1,005,129,163.61
Deferred income	-816,009,720.21
Advances from customers	-8,749,064,195.03

Affected items on the income statement	Affected amount Year ended 2020.12.31
Operating income	282,460,508.91
Operating cost	695,239,552.71

Affected items on the balance sheet	Affected amount 2020.12.31
Selling expenses	- 695,239,552.71
Financial expenses	90,627,451.28
Income tax expenses	28,774,958.65
Net profit	163,058,098.99
Including: Shareholders' equity attributable to the owners of parent company	163,058,098.99
Minority interests	-

② Accounting Standards for Business Enterprises Interpretation No. 13

In December 2019, the Ministry of Finance issued the Accounting Standards for Business Enterprises Interpretation No. 13 (Cai Kuai [2019] No. 21) (hereinafter referred to as the "Interpretation No. 13").

The Interpretation No. 13 modified the three factors constituting a business, specified the determining conditions for businesses, and introduced "concentration test" for purchasers in business combinations under common control when determining whether the operating activities or asset portfolio acquired constitutes a business.

The Interpretation No. 13 clarified that the related parties of an enterprise include the associates and joint ventures of other common member units, including parent companies and subsidiaries, of the group, as well as the associates and joint ventures of investors in joint control of the enterprise.

The Interpretation No. 13 came into effect on 1 January 2020. The Group has applied the prospective application method for the accounting treatment of the above change in accounting policies.

The application of Interpretation No. 13 did not have any material effect on the financial position, operating results or related party disclosure of the Group.

③ In June 2020, the Ministry of Finance issued the Notice on Provisions on Accounting Treatment of Covid-19-related Rent Concessions (Cai Kuai [2020] No. 10). Under such accounting treatment, a simplified approach may be applied for the Covid-19-related rent concessions

The Group has adopted the simplified method in the accounting treatment (refer to Note III. 30 (3)) for the related rent reductions for lease of properties and buildings that occurred after 1 January 2020. During the period of reduction or exemption or when a concession agreement is reached in releasing or waiver of relevant rights and obligations, the relevant rent concession is recognised in profit or loss. The impact of the above simplified method on the profit for the current period is RMB 3.76 million.

(2) Changes in accounting estimates

There is no significant change of accounting estimates during the reporting period.

(3) Adjustment of related items of the financial statements at the beginning of the year of first time adoption according to the new revenue standard

Consolidated balance sheet

MingYang Smart Energy Group Co., Ltd.

Notes to the Financial Statements

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[This report is translated from the Chinese report]

Item	2019.12.31	2020.01.01	Adjustment
Current assets:			
Cash and bank balances	10,773,039,557.63	10,773,039,557.63	-
Trading financial assets	-	-	-
Derivative financial assets	-	-	-
Notes receivable	2,925,000.00	2,925,000.00	-
Accounts receivable	4,751,530,667.67	4,751,530,667.67	-
Receivables financing	826,531,754.39	826,531,754.39	-
Prepayments	1,178,728,133.16	1,178,728,133.16	-
Other receivables	298,467,149.87	298,467,149.87	-
Including: Interest receivable	-	-	-
Dividends receivable	-	-	-
Inventories	2,811,417,105.44	2,811,417,105.44	-
Contract assets	-	233,888,851.60	233,888,851.60
Assets held-for-sale	1,374,192,874.41	1,374,192,874.41	-
Non-current assets due within one year	225,441,316.43	-	-225,441,316.43
Other current assets	337,254,214.84	337,254,214.84	-
Total current assets	22,579,527,773.84	22,587,975,309.01	8,447,535.17
Non-current assets:			
Debts investment	-	-	-
Other debt investments	-	-	-
Long-term receivables	2,534,041,461.62	35,005,525.51	-2,499,035,936.11
Net assets of defined benefit plan	-	-	-
Long-term equity investment	421,891,195.84	421,891,195.84	-
Other equity instruments investment	80,800,000.00	80,800,000.00	-
Other non-current financial assets	-	-	-
Investment properties	-	-	-
Fixed assets	4,655,768,738.20	4,655,768,738.20	-
Construction in progress	2,419,880,138.30	2,419,880,138.30	-
Productive biological assets	-	-	-
Oil and gas assets	-	-	-
Intangible assets	1,028,401,882.35	1,028,401,882.35	-
Development costs	68,243,753.93	68,243,753.93	-
Goodwill	79,147,168.84	79,147,168.84	-
Long-term deferred expenses	96,352,924.52	96,352,924.52	-
Deferred tax assets	401,345,763.07	336,771,515.16	-64,574,247.91
Other non-current assets	330,210,236.50	3,264,316,765.78	2,934,106,529.28
Total non-current assets	12,116,083,263.17	12,486,579,608.43	370,496,345.26
Total assets	34,695,611,037.01	35,074,554,917.44	378,943,880.43

Item	2019.12.31	2020.01.01	Adjustment
Current liabilities:			
Short-term loans	1,374,635,099.07	1,374,635,099.07	-
Trading financial liabilities	-	-	-
Derivative financial liabilities	-	-	-
Bills payable	2,728,682,840.82	2,728,682,840.82	-
Accounts payable	4,804,911,016.69	4,804,911,016.69	-
Advances from customers	6,858,917,435.34	-	-6,858,917,435.34
Contract liabilities	-	6,771,012,877.60	6,771,012,877.60
Employee benefits payables	107,123,877.97	107,123,877.97	-
Taxes payable	293,806,307.03	293,806,307.03	-
Other payables	619,601,164.87	619,601,164.87	-
Including: Interest payable	-	-	-
Dividend payable	716,980.11	716,980.11	-
Liabilities held-for-sale	765,989,137.39	765,989,137.39	-
Non-current liabilities due within one year	608,805,396.01	608,805,396.01	-
Other current liabilities	-	786,134,293.57	786,134,293.57
Total current liabilities	18,162,472,275.19	18,860,702,011.02	698,229,735.83
Non-current liabilities:			
Long term loans	2,848,502,023.20	2,848,502,023.20	-
Bonds payable	1,805,426,328.96	1,805,426,328.96	-
Including: Preference shares	-	-	-
Perpetual bonds	-	-	-
Long-term payables	3,051,143,701.86	3,051,143,701.86	-
Long-term employee benefits payable	-	-	-
Provisions	753,933,015.96	753,933,015.96	-
Deferred income	960,338,906.30	262,109,170.47	-698,229,735.83
Deferred tax liabilities	21,823,194.22	21,823,194.22	-
Other non-current liabilities	-	-	-
Total non-current liabilities	9,441,167,170.50	8,742,937,434.67	-698,229,735.83
Total liabilities	27,603,639,445.69	27,603,639,445.69	-
Shareholders' equity:			
Share capital	1,379,722,378.00	1,379,722,378.00	-
Other equity instruments	391,818,931.29	391,818,931.29	-
Including: Preference shares	-	-	-
Perpetual bonds	-	-	-
Capital reserve	3,582,766,980.86	3,582,766,980.86	-
Less: Treasury shares	-	-	-
Other comprehensive income	42,297,235.39	42,297,235.39	-

Item	2019. 12.31	2020.01.01	Adjustment
Special reserve	-	-	-
Surplus reserve	77,870,980.53	113,469,354.91	35,598,374.38
Undistributed profits	1,246,102,109.73	1,589,447,615.78	343,345,506.05
Total equity attributable to the owners of parent company	6,720,578,615.80	7,099,522,496.23	378,943,880.43
Minority interests	371,392,975.52	371,392,975.52	-
Total shareholders' equity	7,091,971,591.32	7,470,915,471.75	378,943,880.43
Total liabilities and shareholders' equity	34,695,611,037.01	35,074,554,917.44	378,943,880.43

Parent Company Balance Sheet

Item	2019. 12.31	2020.01.01	Adjustment
Current assets:			
Cash and bank balances	8,802,406,104.02	8,802,406,104.02	-
Trading financial assets	-	-	-
Derivative financial assets	-	-	-
Notes receivable	-	-	-
Accounts receivable	3,904,312,951.55	3,904,312,951.55	-
Receivables financing	713,663,637.99	713,663,637.99	-
Prepayments	877,520,893.57	877,520,893.57	-
Other receivables	1,423,750,759.55	1,423,750,759.55	-
Including: Interest receivable	34,745,888.88	34,745,888.88	-
Dividends receivable	113,259,469.63	113,259,469.63	-
Inventories	1,723,846,915.32	1,723,846,915.32	-
Contract assets	-	229,726,731.60	229,726,731.60
Assets held-for-sale	602,800,368.64	602,800,368.64	-
Non-current assets due within one year	221,447,940.57	-	-221,447,940.57
Other current assets	295,945,499.51	295,945,499.51	-
Total current assets	18,565,695,070.72	18,573,973,861.75	8,278,791.03
Non-current assets:			
Debts investment	-	-	-
Other debt investments	-	-	-
Long-term receivables	2,364,306,655.92	-	-2,364,306,655.92
Net assets of defined benefit plan	-	-	-
Long-term equity investment	6,580,551,760.67	6,580,551,760.67	-
Other equity instruments investment	80,800,000.00	80,800,000.00	-
Other non-current financial assets	-	-	-
Investment properties	-	-	-
Fixed assets	261,505,644.43	261,505,644.43	-
Construction in progress	19,700,408.78	19,700,408.78	-

Item	2019.12.31	2020.01.01	Adjustment
Productive biological assets	-	-	-
Oil and gas assets	-	-	-
Intangible assets	504,759,109.32	504,759,109.32	-
Development costs	37,044,503.84	37,044,503.84	-
Goodwill	-	-	-
Long-term deferred expenses	2,477,502.04	2,477,502.04	-
Deferred tax assets	243,016,820.37	180,196,159.70	-62,820,660.67
Other non-current assets	8,561,673.50	2,783,393,942.89	2,774,832,269.39
Total non-current assets	10,102,724,078.87	10,450,429,031.67	347,704,952.80
Total assets	28,668,419,149.59	29,024,402,893.42	355,983,743.83
Current liabilities:			
Short-term loans	1,076,255,041.93	1,076,255,041.93	-
Trading financial liabilities	-	-	-
Derivative financial liabilities	-	-	-
Bills payable	2,538,734,153.80	2,538,734,153.80	-
Accounts payable	5,437,366,054.16	5,437,366,054.16	-
Advances from customers	7,616,796,054.62	-	-7,616,796,054.62
Contract liabilities	-	7,422,115,176.12	7,422,115,176.12
Employee benefits payables	29,848,763.61	29,848,763.61	-
Taxes payable	280,351,017.86	280,351,017.86	-
Other payables	791,282,126.14	791,282,126.14	-
Including: Interest payable	-	-	-
Dividend payable	-	-	-
Liabilities held-for-sale	-	-	-
Non-current liabilities due within one year	151,951,505.65	151,951,505.65	-
Other current liabilities	-	876,268,572.66	876,268,572.66
Total current liabilities	17,922,584,717.77	18,604,172,411.93	681,587,694.16
Non-current liabilities:			
Long term loans	-	-	-
Bonds payable	1,805,426,328.96	1,805,426,328.96	-
Including: Preference shares	-	-	-
Perpetual bonds	-	-	-
Long-term payables	1,536,444,635.56	1,536,444,635.56	-
Long-term employee benefits payable	-	-	-
Provisions	689,005,092.05	689,005,092.05	-
Deferred income	820,828,034.23	139,240,340.07	-681,587,694.16
Deferred tax liabilities	10,624,412.55	10,624,412.55	-
Other non-current liabilities	-	-	-

Item	2019. 12.31	2020.01.01	Adjustment
Total non-current liabilities	4,862,328,503.35	4,180,740,809.19	-681,587,694.16
Total liabilities	22,784,913,221.12	22,784,913,221.12	-
Shareholders' equity:			
Share capital	1,379,722,378.00	1,379,722,378.00	-
Other equity instruments	391,818,931.29	391,818,931.29	-
Including: Preference shares	-	-	-
Perpetual bonds	-	-	-
Capital reserve	3,419,897,017.13	3,419,897,017.13	-
Less: Treasury shares	-	-	-
Other comprehensive income	-	-	-
Special reserve	-	-	-
Surplus reserve	77,870,980.53	113,469,354.91	35,598,374.38
Undistributed profits	614,196,621.52	934,581,990.97	320,385,369.45
Total shareholders' equity	5,883,505,928.47	6,239,489,672.30	355,983,743.83
Total liabilities and shareholders' equity	28,668,419,149.59	29,024,402,893.42	355,983,743.83

Changes in Accounting Policies in 2021

(1) Changes in significant accounting policies

① New lease standard

In 2018, the Ministry of Finance issued the Accounting Standards for Business Enterprises No. 21 - Leases (Revised), which requires companies that are listed in both foreign and domestic stock market to take effective from 1 January 2019. Other companies that implement the Accounting Standards for Business Enterprises will be implemented from 1 January 2021. The Company implemented the standard since 1 January 2021 through the resolutions of the sixteenth meeting of the second board of directors on 6 April 2021, and adjusted the relevant contents of accounting policies. Revised accounting policies please refer to Note III. 30 and 31.

The Company elects not to reassess whether a contract exists prior to the date of initial application is, or contains a lease at the date of initial application. For contracts signed or modified after the date of initial application, the Company assesses whether the contract is a lease or includes a lease according to the definition of lease in the new lease standard.

The definition of lease in the new lease standard does not have a material impact on the scope of the Company's contracts that meet the definition of lease.

As lessee

The new lease standard requires lessees to recognize right-of-use assets and lease liabilities for all leases, with the exception of simplified treatment for short-term leases and leases of low-value assets, and to recognize depreciation and interest expenses respectively.

The new lease standard allows lessees to choose one of the following methods of transitional treatment:

- In accordance with the provisions of the “Accounting Standards for Business Enterprises No.28 - Changes in Accounting Policies, Accounting Estimates and Errors Correction”, retrospective adjustment method is adopted.
- According to the cumulative impact of initial application of the standard, the amount of retained earnings and other relevant items in the financial statements at the beginning of the year of initial application of this standard will be adjusted, without adjusting the information for comparable periods.

In accordance with the provisions of the new lease standard, the Company retroactively adjusted the difference between the initial application of the new lease standard and the current lease standard into the retained earnings at the beginning of 2021. At the same time, the Company has not adjusted the data in the comparative financial statements.

- For the finance lease before the initial application date, the Company measures the right-of-use asset and the lease liability respectively according to the original carrying amount of the finance lease asset and the finance lease payment payable.
- For operating leases prior to the initial application date, the Company measures the lease liabilities at the present value of the remaining lease payments discounted at the incremental borrowing rate on the initial application date, and measures the right-of-use assets at an amount equal to the lease liabilities and makes necessary adjustments to right-of-use assets according to prepaid rents.
- On the initial application date, the Company conducts impairment tests on the right-of-use assets in accordance with Note V.18 and carries out corresponding accounting treatment.

For operating leases whose leased assets belong to low-value assets before the initial application date or which will be completed within 12 months, the Company adopts the simplified method and does not recognize the right-of-use assets and lease liabilities.

For operating leases before the initial application date, the Company adopts the following simplified method:

- When measuring lease liabilities, the same discount rate can be used for leases with similar characteristics; the measurement of the right-of-use assets does not include the initial direct costs;
- If there is an option to renew the lease or terminate the lease, the Company will determine the lease term according to the actual exercise of the option before the initial application date and the latest situation;
- As an alternative to the impairment test of the right-of-use assets, the Company evaluates whether the contract containing the lease is an onerous contract before the initial application date, and adjusts the right-of-use assets according to the loss provisions amount recorded in the balance sheet before the initial application date;
- For the lease modification prior to the initial application date, the Company shall conduct accounting treatment according to the final arrangement of the lease modification.

The impact of the implementation of the new lease standard on the consolidated balance sheet items as at 1 January 2021 is as follows:

Item	Carrying amount before adjustments (31 December 2020)	Reclassi- fication	Remeasurement	Carrying amount after adjustments (1 January 2021)
Assets :				
Prepayments	861,818,096.28	-	-94,740.00	861,723,356.28
Other receivables	566,571,857.39	-	-301,166.70	566,270,690.69
Fixed assets	6,961,507,930.32	-	-476,501,668.77	6,485,006,261.55
Right-of-use assets	--	-	587,823,227.89	587,823,227.89
Long-term deferred expenses	172,557,924.40	-	-66,423,342.81	106,134,581.59
Total assets	8,562,455,808.39	-	44,502,309.61	8,606,958,118.00
Liabilities:				
Non-current liabilities due within one year	1,497,350,217.14	-	10,766,199.17	1,508,116,416.31
Lease liabilities	--	-	584,380,488.22	584,380,488.22
Long-term payables	3,543,331,831.79	-	-550,644,377.78	2,992,687,454.01
Total liabilities	5,040,682,048.93	-	44,502,309.61	5,085,184,358.54

For the unpaid minimum lease payments of major operating leases disclosed in the financial statements of 2020, the Company adjusted the unpaid minimum operating lease payments disclosed under the original lease standard to the lease liabilities recognized under the new lease standard according to the lessee's incremental borrowing interest rate on 1 January 2021. The adjustment table is as follows:

Minimum lease payments for major operating leases as of 31 December 2020	A	109,777,761.10
Less: Short-term leases with simplified treatment	B	51,149,684.67
Less: Low-value lease asset with simplified treatment	C	6,132,851.74
Add (or minus) : Adjustment of the minimum lease payments due to reassessment of the lease term	D	-
Add (or minus) : Adjustment of variable lease payments depending on an index or a rate	E	-
Subtotal	F=A-B-C+/-D+/-E	52,495,224.69
Less: Value-added tax	G	3,325,783.22
Adjusted operating lease commitments	H=F-G	49,169,441.47
Present value of operating lease payments on 1 January 2021	I	44,502,309.61
Add: Finance lease payables as at 31 December 2020	J	580,907,252.46
Lease liabilities as of 1 January 2021	K=I+J	625,409,562.07
Including: Non-current liabilities due within one year	-	41,029,073.85

The composition of the carrying amount of the right-of-use assets on 1 January 2021 is as follows:

Item	2021.01.01
Right-of-use assets:	
For the right-of-use assets recognized under the operating leases before the initial application date	111,321,559.12
Finance lease assets recognized under the original lease standard	476,501,668.77
Total:	587,823,227.89

The impact of the implementation of the new lease standard on the items in the financial statements of 2021 is as follows:

Items in consolidated balance sheet	Amount in financial statements of 31 December 2021	Assuming applying the original lease standard	Increase / decrease (-)
Assets :			
Fixed assets	9,548,886,290.14	9,800,308,427.55	-251,422,137.41
Construction in progress	1,388,631,313.97	1,388,611,292.86	20,021.11
Right-of-use assets	354,097,707.74	--	354,097,707.74
Long-term deferred expenses	124,795,293.79	171,690,022.63	-46,894,728.84
Total assets	11,416,410,605.64	11,360,609,743.04	55,800,862.60
Liabilities			
Other payables	2,093,647,870.19	2,094,759,561.96	-1,111,691.77
Non-current liabilities due within one year	1,119,039,821.36	1,005,013,336.26	114,026,485.10
Lease liabilities	284,538,794.80	--	284,538,794.80
Long-term payables	2,394,357,521.08	2,731,700,981.03	-337,343,459.95
Total liabilities	5,891,584,007.43	5,831,473,879.25	60,110,128.18

Items in consolidated income statement	Amounts of financial statements in 2021	Assuming applying the original lease standard	Increase / decrease (-)
Operating cost	21,337,654,548.94	21,338,360,581.14	-706,032.20
Selling expenses	1,184,419,587.47	1,184,419,587.47	-
Administrative expenses	672,372,763.00	673,126,128.21	-753,365.21
Research and development expenses	872,379,037.41	872,496,494.14	-117,456.73
Financial expenses	255,127,787.91	249,241,668.19	5,886,119.72

As lessor

According to the new lease standard, the Company does not need to adjust its lease as a lessor in accordance with the transition provisions, but needs to carry out accounting treatment in accordance with the new lease standard from the date of the initial application of the new lease standard.

② Rent concession caused by the Covid-19 Epidemic

In June 2021, the Ministry of Finance issued the "Notice on Adjusting the Scope of the Accounting Treatment of COVID-19 Related Rent Concessions" (Caikuai [2021] No.9), which applies the simplified method in Caikuai [2020] No.10 to the rent concession period and adjusts the relevant period from "concession only applies to lease payments payable before 30 June 2021, the increase of lease payments payable after 30 June 2021 does not affect the fulfillment of the condition, and the decrease of lease payments payable after 30 June 2021 does not satisfy the condition" to "concession only applies to lease payments payable before 30 June 2022, and the increase of lease payments payable after 30 June 2022 does not affect the fulfillment of the condition, and the decrease of lease payments payable after 30 June 2022 does not satisfy the condition".

Since 1 January 2021, for COVID-19 related rent concessions in accordance with the scope of application of Caikuai [2021] No.9, the Company reassesses whether the lease contracts meet the conditions of simplified method, and chooses to adopt the simplified method consistently to similar lease contracts before and after the adjustment of the scope of application (see Note III.30 (5)).

If the Company has already adopted the simplified method for the lease contracts that meet the conditions before the adjustment of the scope of application, it shall also adopt the simplified method for the similar lease contracts that meet the conditions after the adjustment of the scope of application. Retrospective adjustment shall be made to the retained earnings as of 1 January 2021 and other related financial statement items if accounting treatment has been carried out according to lease change before the release of Caikuai [2021] No.9, and the cumulative impact shall not be adjusted to the previous comparative financial statement figure.

Rental concession treated under the simplified approach has no impact on the Company's profit or loss for the current period.

(2) Changes in accounting estimates

There is no significant change of accounting estimates during the reporting period.

(3) Adjustment of related items of the financial statements at the beginning of the year of first time adoption according to the new lease standard

Consolidated balance sheet

Item	2020.12.31	2021.01.01	Adjustment
Current assets:			
Cash and bank balances	16,332,873,967.87	16,332,873,967.87	-
Trading financial assets	-	-	-
Derivative financial assets	-	-	-
Notes receivable	-	-	-
Accounts receivable	3,714,395,386.12	3,714,395,386.12	-
Receivables financing	885,896,730.91	885,896,730.91	-

Item	2020.12.31	2021.01.01	Adjustment
Prepayments	861,818,096.28	861,723,356.28	-94,740.00
Other receivables	566,571,857.39	566,270,690.69	-301,166.70
Including: Interest receivable	-	-	-
Dividends receivable	-	-	-
Inventories	8,472,133,832.71	8,472,133,832.71	-
Contract assets	542,966,499.65	542,966,499.65	-
Assets held-for-sale	434,360,252.40	434,360,252.40	-
Non-current assets due within one year	-	-	-
Other current assets	1,314,221,951.45	1,314,221,951.45	-
Total current assets	33,125,238,574.78	33,124,842,668.08	-395,906.70
Non-current assets:			
Debts investment	-	-	-
Other debt investments	-	-	-
Long-term receivables	32,478,013.56	32,478,013.56	-
Net assets of defined benefit plan	-	-	-
Long-term equity investment	538,617,950.46	538,617,950.46	-
Other equity instruments investment	86,243,570.00	86,243,570.00	-
Other non-current financial assets	-	-	-
Investment properties	-	-	-
Fixed assets	6,961,507,930.32	6,485,006,261.55	-476,501,668.77
Construction in progress	3,809,145,407.00	3,809,145,407.00	-
Productive biological assets	-	-	-
Oil and gas assets	-	-	-
Right-of-use assets	--	587,823,227.89	587,823,227.89
Intangible assets	1,080,975,666.72	1,080,975,666.72	-
Development costs	205,823,847.72	205,823,847.72	-
Goodwill	79,147,168.84	79,147,168.84	-
Long-term deferred expenses	172,557,924.40	106,134,581.59	-66,423,342.81
Deferred tax assets	513,024,345.08	513,024,345.08	-
Other non-current assets	5,023,084,464.64	5,023,084,464.64	-
Total non-current assets	18,502,606,288.74	18,547,504,505.05	44,898,216.31
Total assets	51,627,844,863.52	51,672,347,173.13	44,502,309.61
Current liabilities:			
Short-term loans	149,000,000.00	149,000,000.00	-
Trading financial liabilities	-	-	-
Derivative financial liabilities	-	-	-
Bills payable	5,197,294,612.71	5,197,294,612.71	-
Accounts payable	7,855,326,473.19	7,855,326,473.19	-

Item	2020.12.31	2021.01.01	Adjustment
Advances from customers	-	-	-
Contract liabilities	8,559,944,751.63	8,559,944,751.63	-
Employee benefits payables	151,905,313.70	151,905,313.70	-
Taxes payable	474,660,779.56	474,660,779.56	-
Other payables	1,825,853,927.51	1,825,853,927.51	-
Including: Interest payable	-	-	-
Dividend payable	716,980.11	716,980.11	-
Liabilities held-for-sale	328,444,783.32	328,444,783.32	-
Non-current liabilities due within one year	1,497,350,217.14	1,508,116,416.31	10,766,199.17
Other current liabilities	1,005,129,163.61	1,005,129,163.61	-
Total current liabilities	27,044,910,022.37	27,055,676,221.54	10,766,199.17
Non-current liabilities:			
Long term loans	3,598,420,526.00	3,598,420,526.00	-
Bonds payable	781,207,869.86	781,207,869.86	-
Including: Preference shares	-	-	-
Perpetual bonds	-	-	-
Lease liabilities	--	584,380,488.22	584,380,488.22
Long-term payables	3,543,331,831.79	2,992,687,454.01	-550,644,377.78
Long-term employee benefits payable	-	-	-
Provisions	1,014,927,949.61	1,014,927,949.61	-
Deferred income	326,351,350.00	326,351,350.00	-
Deferred tax liabilities	234,198,379.87	234,198,379.87	-
Other non-current liabilities	-	-	-
Total non-current liabilities	9,498,437,907.13	9,532,174,017.57	33,736,110.44
Total liabilities	36,543,347,929.50	36,587,850,239.11	44,502,309.61
Shareholders' equity:			
Share capital	1,875,375,742.00	1,875,375,742.00	-
Other equity instruments	224,067,878.87	224,067,878.87	-
Including: Preference shares	-	-	-
Perpetual bonds	-	-	-
Capital reserve	9,775,838,674.49	9,775,838,674.49	-
Less: Treasury shares	121,883,589.69	121,883,589.69	-
Other comprehensive income	39,429,901.97	39,429,901.97	-
Special reserve	-	-	-
Surplus reserve	240,614,409.70	240,614,409.70	-
Undistributed profits	2,728,755,522.96	2,728,755,522.96	-
Total shareholders' equity attributable to the owners of parent company	14,762,198,540.30	14,762,198,540.30	-
Minority interests	322,298,393.72	322,298,393.72	-

Item	2020.12.31	2021.01.01	Adjustment
Total shareholders' equity	15,084,496,934.02	15,084,496,934.02	-
Total liabilities and shareholders' equity	51,627,844,863.52	51,672,347,173.13	44,502,309.61

Parent Company Balance Sheet

Item	2020.12.31	2021.01.01	Adjustment
Current assets:			
Cash and bank balances	12,502,693,236.89	12,502,693,236.89	-
Trading financial assets	-	-	-
Derivative financial assets	-	-	-
Notes receivable	-	-	-
Accounts receivable	3,372,110,283.08	3,372,110,283.08	-
Receivables financing	760,332,491.91	760,332,491.91	-
Prepayments	1,262,014,798.54	1,262,014,798.54	-
Other receivables	4,346,836,697.98	4,346,836,697.98	-
Including: Interest receivable	-	-	-
Dividends receivable	19,119,469.63	19,119,469.63	-
Inventories	4,989,722,527.41	4,989,722,527.41	-
Contract assets	474,340,891.65	474,340,891.65	-
Assets held-for-sale	-	-	-
Non-current assets due within one year	-	-	-
Other current assets	2,691,112,552.89	2,691,112,552.89	-
Total current assets	30,399,163,480.35	30,399,163,480.35	-
Non-current assets:			
Debts investment	-	-	-
Other debt investments	-	-	-
Long-term receivables	-	-	-
Net assets of defined benefit plan	-	-	-
Long-term equity investment	6,983,670,922.40	6,983,670,922.40	-
Other equity instruments investment	80,800,000.00	80,800,000.00	-
Other non-current financial assets	-	-	-
Investment properties	-	-	-
Fixed assets	228,034,802.12	228,034,802.12	-
Construction in progress	14,737,719.86	14,737,719.86	-
Productive biological assets	-	-	-
Oil and gas assets	-	-	-
Right-of-use assets	-	13,940,485.85	13,940,485.85
Intangible assets	418,656,328.21	418,656,328.21	-
Development costs	139,564,903.87	139,564,903.87	-

MingYang Smart Energy Group Co., Ltd.

Notes to the Financial Statements

For the years ended 31 December 2019, 2020 and 2021 (All amounts in RMB unless otherwise stated)

[This report is translated from the Chinese report]

Item	2020.12.31	2021.01.01	Adjustment
Goodwill	-	-	-
Long-term deferred expenses	1,696,438.88	1,696,438.88	-
Deferred tax assets	264,386,034.12	264,386,034.12	-
Other non-current assets	3,584,892,654.15	3,584,892,654.15	-
Total non-current assets	11,716,439,803.61	11,730,380,289.46	13,940,485.85
Total assets	42,115,603,283.96	42,129,543,769.81	13,940,485.85
Current liabilities:			
Short-term loans	94,000,000.00	94,000,000.00	-
Trading financial liabilities	-	-	-
Derivative financial liabilities	-	-	-
Bills payable	5,031,806,795.10	5,031,806,795.10	-
Accounts payable	6,767,654,812.48	6,767,654,812.48	-
Advances from customers	-	-	-
Contract liabilities	10,659,986,577.08	10,659,986,577.08	-
Employee benefits payables	35,820,815.31	35,820,815.31	-
Taxes payable	394,068,347.55	394,068,347.55	-
Other payables	855,053,729.05	855,053,729.05	-
Including: Interest payable	-	-	-
Dividend payable	-	-	-
Liabilities held-for-sale	-	-	-
Non-current liabilities due within one year	966,272,074.92	969,523,016.30	3,250,941.38
Other current liabilities	1,000,399,531.74	1,000,399,531.74	-
Total current liabilities	25,805,062,683.23	25,808,313,624.61	3,250,941.38
Non-current liabilities:			
Long term loans	460,854,930.84	460,854,930.84	-
Bonds payable	781,207,869.86	781,207,869.86	-
Including: Preference shares	-	-	-
Perpetual bonds	-	-	-
Lease liabilities	-	10,689,544.47	10,689,544.47
Long-term payables	-	-	-
Long-term employee benefits payable	-	-	-
Provisions	924,741,967.28	924,741,967.28	-
Deferred income	131,098,458.48	131,098,458.48	-
Deferred tax liabilities	208,859,596.80	208,859,596.80	-
Other non-current liabilities	-	-	-
Total non-current liabilities	2,506,762,823.26	2,517,452,367.73	10,689,544.47
Total liabilities	28,311,825,506.49	28,325,765,992.34	13,940,485.85
Shareholders' equity:	-	-	-

Item	2020.12.31	2021.01.01	Adjustment
Share capital	1,875,375,742.00	1,875,375,742.00	-
Other equity instruments	224,067,878.87	224,067,878.87	-
Including: Preference shares	-	-	-
Perpetual bonds	-	-	-
Capital reserve	9,612,968,710.76	9,612,968,710.76	-
Less: Treasury shares	121,883,589.69	121,883,589.69	-
Other comprehensive income	-	-	-
Special reserve	-	-	-
Surplus reserve	240,614,409.70	240,614,409.70	-
Undistributed profits	1,972,634,625.83	1,972,634,625.83	-
Total shareholders' equity	13,803,777,777.47	13,803,777,777.47	-
Total liabilities and shareholders' equity	42,115,603,283.96	42,129,543,769.81	13,940,485.85

IV. Taxation

1. Major taxes and their tax rates

Taxes	Tax basis	Statutory tax rate %
Value-added tax	Taxable revenue	3, 5, 6, 9, 10, 11, 13, 16
Urban maintenance and construction tax	Subject to turnover tax payable	1, 5, 7
Education surcharge	Subject to turnover tax payable	1.5, 2, 3
Enterprise income tax	Subject to taxable profit	16.5, 25

Note: The company's subsidiaries established and operated in Hong Kong are subject to an Enterprise income tax rate of 16.5%.

2. Tax incentives and approval documents

- (1) The Company has been recognized as a high-tech enterprise by Department of Science and Technology of Guangdong Province, Department of Finance of Guangdong Province, Guangdong Provincial Taxation Bureau of the State Administration of Taxation, with certificate number: GR201844007044 which is issued on 28 November 2018, and GR202144005870, which is issued on 20 December 2021 with validity for 3 years. According to the "Enterprise Income Tax Law of the People's Republic of China" and its implementation regulations, the tax rate of enterprise income tax is reduced to 15%.
- (2) The Company's subsidiary, Tianjin MingYang Wind Energy Blade Technology Co., Ltd., has been recognized as a high-tech enterprise by Tianjin Municipal Science and Technology Bureau, Tianjin Municipal Finance Bureau, Tianjin Municipal Taxation Bureau of State Administration of Taxation, with certificate number: GR201712000382, which is issued on 10 October 2017, and GR202012000046, which is issued on 28 October 2020 with validity for 3 years. According to the "Enterprise Income Tax Law of the People's Republic of China" and its implementation regulations, the tax rate of enterprise income tax is reduced to 15%.

- (3) The Company's subsidiary, Tianjin MingYang Wind Power Equipment Co., Ltd., has been recognized as a high-tech enterprise by Tianjin Municipal Science and Technology Bureau, Tianjin Municipal Finance Bureau, State Administration of Taxation Tianjin Municipal Taxation Bureau, with certificate number: GR201712000084, which is issued on 10 October 2017, and GR202012000259, which is issued on 28 October 2020 with validity for 3 years. According to the "Enterprise Income Tax Law of the People's Republic of China" and its implementation regulations, the tax rate of enterprise income tax is reduced to 15%.
- (4) The Company's subsidiary, Yunnan MingYang Wind Power Technology Co., Ltd., has been recognized as a high-tech enterprise by Yunnan Provincial Science and Technology Bureau, Yunnan Provincial Finance Bureau, Yunnan Provincial Taxation Bureau of State Administration of Taxation, with certificate number: GR201753000412, which is issued on 01 November 2017, and GR202053000423, which is issued on 23 November 2020 with validity for 3 years. According to the "Enterprise Income Tax Law of the People's Republic of China" and its implementation regulations, the tax rate of enterprise income tax is reduced to 15%.
- (5) The Company's subsidiary, Zhongshan MingYang Wind Energy Blade Technology Co., Ltd., has been recognized as a high-tech enterprise by Guangdong Provincial Science and Technology Bureau, Guangdong Provincial Finance Bureau, Guangdong Provincial Taxation Bureau of State Administration of Taxation, with certificate number: GR201944008148, which is issued on 2 December 2019 with validity for 3 years. According to the "Enterprise Income Tax Law of the People's Republic of China" and its implementation regulations, the tax rate of enterprise income tax is reduced to 15%.
- (6) The Company's subsidiary, Tianjin Ruineng Electric Co., Ltd. has been recognized as a high-tech enterprise by Science and Technology Committee of Tianjin, Finance Bureau of Tianjin, State Taxation Bureau of Tianjin, with certificate number: GR201812000464, which is issued on 23 November 2018, and GR202112000152, which is issued on 9 October 2021 with validity for 3 years. According to the "Enterprise Income Tax Law of the People's Republic of China" and its implementation regulations, the tax rate of enterprise income tax is reduced to 15%.
- (7) The Company's subsidiary, Tianjin Ruiyuan Electric Co., Ltd. has been recognized as a high-tech enterprise by Science and Technology Committee of Tianjin, Finance Bureau of Tianjin, State Taxation Bureau of Tianjin, with certificate number: GR201912000621, which is issued on 28 November 2019 with validity for 3 years. According to the "Enterprise Income Tax Law of the People's Republic of China" and its implementation regulations, the tax rate of enterprise income tax is reduced to 15%.
- (8) The Company's subsidiary, Shenzhen Liangyun Energy Network Technology Co., Ltd. has been recognized as a high-tech enterprise by Shenzhen Science and Technology Innovation Committee, Shenzhen Municipal Finance Committee, Shenzhen Municipal Taxation Bureau of the State Administration of Taxation, with certificate number: GR202144201165, which is issued on 23 December 2021 with validity for 3 years. According to the "Enterprise Income Tax Law of the People's Republic of China" and its implementation regulations, the tax rate of enterprise income tax is reduced to 15%.
- (9) The Company's subsidiary, Runyang Energy Technology Co., Ltd. has been recognized as a high-tech enterprise by Beijing Municipal Commission of Science and Technology, Beijing Municipal Finance Bureau, Beijing Municipal Taxation Bureau of the State Administration of Taxation, with certificate number: GR202011000362, which is issued on 31 July 2020 with validity for 3 years.

According to the “Enterprise Income Tax Law of the People’s Republic of China” and its implementation regulations, the tax rate of enterprise income tax is reduced to 15%.

(10) The Company’s subsidiary, Henan MingYang Smart Energy Co., Ltd. has been recognized as a high-tech enterprise by Henan Provincial Department of Science and Technology, Henan Provincial Department of Finance, Henan Provincial Taxation Bureau of the State Administration of Taxation, with certificate number: GR202041000411, which is issued on 9 September 2020 with validity for 3 years. According to the “Enterprise Income Tax Law of the People’s Republic of China” and its implementation regulations, the tax rate of enterprise income tax is reduced to 15%.

(11) The Company’s subsidiary, Guangdong MingYang New Energy Technology Co., Ltd. has been recognized as a high-tech enterprise by Guangdong Provincial Department of Science and Technology, Guangdong Provincial Department of Finance, Guangdong Provincial Taxation Bureau of the State Administration of Taxation, with certificate number: GR202044004695, which is issued on 9 December 2020 with validity for 3 years. According to the “Enterprise Income Tax Law of the People’s Republic of China” and its implementation regulations, the tax rate of enterprise income tax is reduced to 15%.

(12) The Company’s subsidiary, MingYang Smart Energy Group Beijing Technology Co., Ltd. has been recognized as a high-tech enterprise by Beijing Municipal Commission of Science and Technology, Beijing Municipal Finance Bureau, Beijing Municipal Taxation Bureau of the State Administration of Taxation, with certificate number: GR202111005678, which is issued on 21 December 2021 with validity for 3 years. According to the “Enterprise Income Tax Law of the People’s Republic of China” and its implementation regulations, the tax rate of enterprise income tax is reduced to 15%.

(13) The Company’s subsidiary, Qinghai MingYang New Energy Co., Ltd. has enjoyed the tax rate of enterprise income tax is reducing to 15% for the period from 2016 to 2020, and has been filed a record with Delingha State Taxation Bureau. According to “Notice of the Ministry of Finance, the General Administration of Customs, and the State Administration of Taxation on Tax Policy Issues Concerning the Deep Implementation of the Western Development Strategy” (Caishui [2011] No. 58) Article 2: From 1 January 2011 to 31 December 2020, the tax rate of enterprise income tax is imposed on encouraged industrial enterprises located in the western region is reduced to 15%; The above-mentioned encouraged industries refer to enterprises whose primary business is the industry project specified in the “Catalog of Encouraged Industries in the Western Region” and whose primary business income accounts for more than 70% of the total corporate income; The “Catalogue of Encouraged Industries in the Western Region” was implemented on 1 October 2014.

Qinghai MingYang New Energy Co., Ltd. has been reduced the tax rate of enterprise income tax to 15% from the year 2021 to 2030. According to Article 1 of the “Announcement of the Ministry of Finance, the State Administration of Taxation and the National Development and Reform Commission on Continuing the Enterprise Income Tax Policy for the Great Western Development” (Announcement of the Ministry of Finance 2020 No. 23): From 1 January 2021 to 31 December 2030, the tax rate of enterprise income tax is imposed on encouraged industrial enterprises located in the western region is reduced to 15%. The encouraged industries in this article refer to enterprises whose primary business is the industry project specified in the “Catalog of Encouraged Industries in the Western Region” and whose primary business income accounts for more than 60% of the total corporate income; The “Catalogue of Encouraged Industries in the Western Region (2020 edition)” was implemented on 1 March 2021.

(14) The Company’s subsidiary, Inner Mongolia MingYang Wind Power Co., Ltd. has been reduced 50%

of the enterprise income tax from 1 January 2017 to 31 December 2019, and to 15% of the enterprise income tax from 1 June 2014 to 31 December 2020. It has been filed a record with the State Taxation Bureau of Chayouyihouqi, Inner Mongolia Autonomous Region. According to Article 27 stipulated in "Enterprise Income Tax Law of the People's Republic of China" and its implementing regulations: The income from investment and operation of public infrastructure projects supported by the state can be reduced and exempted from enterprise income tax; "Public Infrastructure Projects Enterprise Income Tax Preferential Catalogue (2008 Edition) " has taken effective from 1 January 2008; In addition, "Notice of the Ministry of Finance, the General Administration of Customs, and the State Administration of Taxation on Tax Policy Issues Concerning the Deep Implementation of the Western Development Strategy" (Caishui [2011] No. 58) Article 2: From 1 January 2011 to 31 December 2020, the tax rate of enterprise income tax is imposed on encouraged industrial enterprises located in the western region is reduced to 15%; The above-mentioned encouraged industries refer to enterprises whose primary business is the industry project specified in the "Catalog of Encouraged Industries in the Western Region" and whose primary business income accounts for more than 70% of the total corporate income; The "Catalogue of Encouraged Industries in the Western Region" was implemented on 1 October 2014.

Inner Mongolia MingYang Wind Power Co., Ltd. has been reduced the tax rate of enterprise income tax to 15% from the year 2021 to 2030. According to Article 1 of the "Announcement of the Ministry of Finance, the State Administration of Taxation and the National Development and Reform Commission on Continuing the Enterprise Income Tax Policy for the Great Western Development" (Announcement of the Ministry of Finance 2020 No. 23): From 1 January 2021 to 31 December 2030, the tax rate of enterprise income tax is imposed on encouraged industrial enterprises located in the western region is reduced to 15%. The encouraged industries in this article refer to enterprises whose primary business is the industry project specified in the "Catalog of Encouraged Industries in the Western Region" and whose primary business income accounts for more than 60% of the total corporate income; The "Catalogue of Encouraged Industries in the Western Region (2020 edition)" was implemented on 1 March 2021.

- (15) The Company's subsidiary, Xinjiang MingYang New Energy Industry Co., Ltd. has been reduced the tax rate of enterprise income tax to 15% from 1 May 2016 to 31 December 2020, and filed a record with the State Taxation Bureau of Gaochang District, Turpan City. According to "Notice of the Ministry of Finance, the General Administration of Customs, and the State Administration of Taxation on Tax Policy Issues Concerning the Deep Implementation of the Western Development Strategy" (Caishui [2011] No. 58) Article 2: From 1 January 2011 to 31 December 2020, the tax rate of enterprise income tax is imposed on encouraged industrial enterprises located in the western region is reduced to 15%; The above-mentioned encouraged industries refer to enterprises whose primary business is the industry project specified in the "Catalog of Encouraged Industries in the Western Region" and whose primary business income accounts for more than 70% of the total corporate income; The "Catalogue of Encouraged Industries in the Western Region" was implemented on 1 October 2014.

Xinjiang MingYang New Energy Industry Co., Ltd. has been reduced the tax rate of enterprise income tax to 15% from the year 2021 to 2030. According to Article 1 of the "Announcement of the Ministry of Finance, the State Administration of Taxation and the National Development and Reform Commission on Continuing the Enterprise Income Tax Policy for the Great Western Development" (Announcement of the Ministry of Finance 2020 No. 23): From 1 January 2021 to 31 December 2030, the tax rate of enterprise income tax is imposed on encouraged industrial enterprises located in the western region is reduced to 15%. The encouraged industries in this article refer to enterprises

whose primary business is the industry project specified in the “Catalog of Encouraged Industries in the Western Region” and whose primary business income accounts for more than 60% of the total corporate income; The “Catalogue of Encouraged Industries in the Western Region (2020 edition)” was implemented on 1 March 2021.

- (16) Xinjiang Wanbang Energy Development Co., Ltd., a subsidiary of the Company, has been confirmed by the State Taxation Bureau of Urumqi County to enjoy a halving of corporate income tax from January 1, 2017 to December 31, 2019, and at the same time enjoys a reduction to 15% to pay corporate income tax. According to Article 27 of the Enterprise Income Tax Law of the People's Republic of China and its Implementing Regulations, income from investment and operation of public infrastructure projects supported by the State may be reduced or exempted from enterprise income tax.

The Company's subsidiary, Xinjiang Wanbang Energy Development Co., Ltd. (hereinafter referred to as "Xinjiang Wanbang"), has enjoyed the tax rate of enterprise income tax reduced to 15% for the period from 1 January 2020 to 31 December 2020, and has been filed a record with Urumqi County State Taxation Bureau. According to “Notice of the Ministry of Finance, the General Administration of Customs, and the State Administration of Taxation on Tax Policy Issues Concerning the Deep Implementation of the Western Development Strategy” (Caishui [2011] No. 58) Article 2: From 1 January 2011 to 31 December 2020, the tax rate of enterprise income tax is imposed on encouraged industrial enterprises located in the western region is reduced to 15%; The above-mentioned encouraged industries refer to enterprises whose primary business is the industry project specified in the “Catalog of Encouraged Industries in the Western Region” and whose primary business income accounts for more than 70% of the total corporate income; The “Catalogue of Encouraged Industries in the Western Region” was implemented on 1 October 2014.

Xinjiang Wanbang Energy Development Co., Ltd. (hereinafter referred to as "Xinjiang Wanbang") has been reduced the tax rate of enterprise income tax to 15% from the year 2021 to 2030. According to Article 1 of the “Announcement of the Ministry of Finance, the State Administration of Taxation and the National Development and Reform Commission on Continuing the Enterprise Income Tax Policy for the Great Western Development” (Announcement of the Ministry of Finance 2020 No. 23): From 1 January 2021 to 31 December 2030, the tax rate of enterprise income tax is imposed on encouraged industrial enterprises located in the western region is reduced to 15%. The encouraged industries in this article refer to enterprises whose primary business is the industry project specified in the “Catalog of Encouraged Industries in the Western Region” and whose primary business income accounts for more than 60% of the total corporate income; The “Catalogue of Encouraged Industries in the Western Region (2020 edition)” was implemented on 1 March 2021.

- (17) The Company's subsidiary, Xilingol League MingYang New Energy Co., Ltd. has benefited from the reduction of tax rate of enterprise income tax to 15% from 1 January 2019 to 31 December 2020. According to the “Announcement on Issuing the Revised - Measures for Handling of Enterprise Income Tax Preferential Policies” issued by the State Administration of Taxation on 25 April 2018, the enterprise enjoys the preferential matters by adopting the method of “self-discrimination, declaration of enjoyment, and retention of relevant materials for future reference”. According to the provisions of the Ministry of Finance, the General Administration of Customs, and the State Administration of Taxation jointly promulgated the "Notice on Taxation Policy Issues concerning the Deep Implementation of the Western Development Strategy" (Caishui [2011] No. 58): From 1 January 2011 to 31 December 2020, the enterprise income tax for encouraged industries located in the western region will be levied at a reduced rate of 15%. The above-mentioned encouraged industry enterprises refer to those enterprises whose primary business is the industrial project

specified in the "Catalog of Encouraged Industries in the Western Region" and whose primary business income accounts for more than 70% of the total enterprise income.

Xilin Gol League MingYang New Energy Co., Ltd. has been reduced the tax rate of enterprise income tax to 15% from the year 2021 to 2030. According to Article 1 of the "Announcement of the Ministry of Finance, the State Administration of Taxation and the National Development and Reform Commission on Continuing the Enterprise Income Tax Policy for the Great Western Development" (Announcement of the Ministry of Finance 2020 No. 23): From 1 January 2021 to 31 December 2030, the tax rate of enterprise income tax is imposed on encouraged industrial enterprises located in the western region is reduced to 15%. The encouraged industries in this article refer to enterprises whose primary business is the industry project specified in the "Catalog of Encouraged Industries in the Western Region" and whose primary business income accounts for more than 60% of the total corporate income; The "Catalogue of Encouraged Industries in the Western Region (2020 edition)" was implemented on 1 March 2021.

- (18) The Company's subsidiary, Keshiketeng Banner MingYang New Energy Co., Ltd. has been exempted from enterprise income tax from 1 January 2017 to 31 December 2019, and has been reduced the tax rate of enterprise income tax to 15% for the period from 1 January 2020 to 31 December 2022, and filed with the State Taxation Bureau of Inner Mongolia Autonomous Region. According to Article 27 stipulated in "Enterprise Income Tax Law of the People's Republic of China" and its implementing regulations: The income from investment and operation of public infrastructure projects supported by the state can be reduced and exempted from enterprise income tax.

Keshiketeng Banner MingYang New Energy Co., Ltd. has been reduced the tax rate of enterprise income tax to 15% from the year 2021 to 2030. According to Article 1 of the "Announcement of the Ministry of Finance, the State Administration of Taxation and the National Development and Reform Commission on Continuing the Enterprise Income Tax Policy for the Great Western Development" (Announcement of the Ministry of Finance 2020 No. 23): From 1 January 2021 to 31 December 2030, the tax rate of enterprise income tax is imposed on encouraged industrial enterprises located in the western region is reduced to 15%. The encouraged industries in this article refer to enterprises whose primary business is the industry project specified in the "Catalog of Encouraged Industries in the Western Region" and whose primary business income accounts for more than 60% of the total corporate income; The "Catalogue of Encouraged Industries in the Western Region (2020 edition)" was implemented on 1 March 2021.

- (19) The Company's subsidiary, Inner Mongolia Haoyang New Energy Co., Ltd. has been reduced the tax rate of enterprise income tax to 15% from the year 2021 to 2030. According to Article 1 of the "Announcement of the Ministry of Finance, the State Administration of Taxation and the National Development and Reform Commission on Continuing the Enterprise Income Tax Policy for the Great Western Development" (Announcement of the Ministry of Finance 2020 No. 23): From 1 January 2021 to 31 December 2030, the tax rate of enterprise income tax is imposed on encouraged industrial enterprises located in the western region is reduced to 15%. The encouraged industries in this article refer to enterprises whose primary business is the industry project specified in the "Catalog of Encouraged Industries in the Western Region" and whose primary business income accounts for more than 60% of the total corporate income; The "Catalogue of Encouraged Industries in the Western Region (2020 edition)" was implemented on 1 March 2021.

- (20) Shaanxi Jingbian Mingyang New Energy Power Generation Co., Ltd., a subsidiary of the Company, regularly reduces the levy of corporate income tax from January 1, 2021 to December 31, 2023, and halves the corporate income tax from January 1, 2024 to December 31, 2026. According to Article 27

of the Enterprise Income Tax Law of the People's Republic of China and its Implementing Regulations, income from investment and operation of public infrastructure projects supported by the State may be reduced or exempted from enterprise income tax.

Shaanxi Jingbian MingYang New Energy Power Generation Co., Ltd. has been reduced the tax rate of enterprise income tax to 15% from the year 2021 to 2030. According to Article 1 of the "Announcement of the Ministry of Finance, the State Administration of Taxation and the National Development and Reform Commission on Continuing the Enterprise Income Tax Policy for the Great Western Development" (Announcement of the Ministry of Finance 2020 No. 23): From 1 January 2021 to 31 December 2030, the tax rate of enterprise income tax is imposed on encouraged industrial enterprises located in the western region is reduced to 15%. The encouraged industries in this article refer to enterprises whose primary business is the industry project specified in the "Catalog of Encouraged Industries in the Western Region" and whose primary business income accounts for more than 60% of the total corporate income; The "Catalogue of Encouraged Industries in the Western Region (2020 edition)" was implemented on 1 March 2021.

- (21) The Company's subsidiary, Midu Jieyuan New Energy Power Generation Co., Ltd. has been exempted from the enterprise income tax for the period from 1 January 2018 to 31 December 2020, and filed with the State Taxation Bureau of Midu County, Yunnan Province. According to Article 27 stipulated in "Enterprise Income Tax Law of the People's Republic of China" and its implementing regulations: The income from investment and operation of public infrastructure projects supported by the state can be reduced and exempted from enterprise income tax.

Midu Jieyuan New Energy Power Generation Co., Ltd. has been reduced to half of the enterprise income tax rate from 1 January 2021 to 31 December 2023. According to Article 27 stipulated in "Enterprise Income Tax Law of the People's Republic of China" and its implementing regulations: The income from investment and operation of public infrastructure projects supported by the state can be reduced and exempted from enterprise income tax.

Midu Jieyuan New Energy Power Generation Co., Ltd. has been reduced the tax rate of enterprise income tax to 15% from the year 2021 to 2030. According to Article 1 of the "Announcement of the Ministry of Finance, the State Administration of Taxation and the National Development and Reform Commission on Continuing the Enterprise Income Tax Policy for the Great Western Development" (Announcement of the Ministry of Finance 2020 No. 23): From 1 January 2021 to 31 December 2030, the tax rate of enterprise income tax is imposed on encouraged industrial enterprises located in the western region is reduced to 15%. The encouraged industries in this article refer to enterprises whose primary business is the industry project specified in the "Catalog of Encouraged Industries in the Western Region" and whose primary business income accounts for more than 60% of the total corporate income; The "Catalogue of Encouraged Industries in the Western Region (2020 edition)" was implemented on 1 March 2021.

- (22) The Company's subsidiary, Dingbian Guoneng New Energy Co., Ltd., has been exempted from enterprise income tax from 1 January 2020 to 31 December 2022, and reduced to half from enterprise income tax from 1 January 2023 to 31 December 2025, according to the "Announcement on Issuing the Revised - Measures for Handling of Enterprise Income Tax Preferential Policies" issued by the State Administration of Taxation on 25 April 2018, the enterprise enjoys the preferential matters by adopting the method of "self-discrimination, declaration of enjoyment, and retention of relevant materials for future reference". According to Article 27 stipulated in "Enterprise Income Tax Law of the People's Republic of China" and its implementing regulations: The income from investment and operation of public infrastructure projects supported by the state can be reduced and exempted from

enterprise income tax.

Dingbian Guoneng New Energy Co., Ltd. has been reduced the tax rate of enterprise income tax to 15% from the year 2021 to 2030. According to Article 1 of the “Announcement of the Ministry of Finance, the State Administration of Taxation and the National Development and Reform Commission on Continuing the Enterprise Income Tax Policy for the Great Western Development” (Announcement of the Ministry of Finance 2020 No. 23): From 1 January 2021 to 31 December 2030, the tax rate of enterprise income tax is imposed on encouraged industrial enterprises located in the western region is reduced to 15%. The encouraged industries in this article refer to enterprises whose primary business is the industry project specified in the “Catalog of Encouraged Industries in the Western Region” and whose primary business income accounts for more than 60% of the total corporate income; The “Catalogue of Encouraged Industries in the Western Region (2020 edition)” was implemented on 1 March 2021.

(23) The Company’s subsidiary, Shaanxi Dingbian Jieyuan New Energy Power Generation Co., Ltd., is periodically reduced or exempted for enterprise income tax from 1 January 2019 to 31 December 2021, and the enterprise income tax is regularly halved from 1 January 2022 to 31 December 2024. According to Article 27 stipulated in “Enterprise Income Tax Law of the People’s Republic of China” and its implementing regulations: The income from investment and operation of public infrastructure projects supported by the state can be reduced and exempted from enterprise income tax.

(24) The Company’s subsidiary, Shaanxi Dingbian Jieyuan New Energy Power Generation Co., Ltd. has been reduced the tax rate of enterprise income tax to 15% from the year 2021 to 2030. According to Article 1 of the “Announcement of the Ministry of Finance, the State Administration of Taxation and the National Development and Reform Commission on Continuing the Enterprise Income Tax Policy for the Great Western Development” (Announcement of the Ministry of Finance 2020 No. 23): From 1 January 2021 to 31 December 2030, the tax rate of enterprise income tax is imposed on encouraged industrial enterprises located in the western region is reduced to 15%. The encouraged industries in this article refer to enterprises whose primary business is the industry project specified in the “Catalog of Encouraged Industries in the Western Region” and whose primary business income accounts for more than 60% of the total corporate income; The “Catalogue of Encouraged Industries in the Western Region (2020 edition)” was implemented on 1 March 2021.

(25) The Company’s subsidiary, Hongrun (Huanghua) New Energy Co., Ltd. has been periodically reduced or exempted for enterprise income tax from 1 January 2017 to 31 December 2019, and has been reduced half of the enterprise income tax rate from 1 January 2020 to 31 December 2022. According to Article 27 stipulated in “Enterprise Income Tax Law of the People’s Republic of China” and its implementing regulations: The income from investment and operation of public infrastructure projects supported by the state can be reduced and exempted from enterprise income tax.

(26) The Company’s subsidiary, Jieyuan Huanghua New Energy Co., Ltd. is periodically reduced or exempted for enterprise income tax from 1 January 2018 to 31 December 2020. According to the “Announcement on Issuing the Revised - Measures for Handling of Enterprise Income Tax Preferential Policies” issued by the State Administration of Taxation on 25 April 2018, the enterprise enjoys the preferential matters by adopting the method of “self-discrimination, declaration of enjoyment, and retention of relevant materials for future reference”. According to Article 27 stipulated in “Enterprise Income Tax Law of the People’s Republic of China” and its implementing regulations: The income from investment and operation of public infrastructure projects supported by the state can be reduced and exempted from enterprise income tax.

Jieyuan Huanghua New Energy Co., Ltd. has been reduced half of the enterprise income tax rate from 1 January 2021 to 31 December 2023. According to Article 27 stipulated in “Enterprise Income Tax Law of the People’s Republic of China” and its implementing regulations: The income from investment and operation of public infrastructure projects supported by the state can be reduced and exempted from enterprise income tax.

- (27) The Company’s subsidiary, Wuhai MingYang New Energy Co., Ltd. is periodically reduced or exempted for enterprise income tax from 1 January 2018 to 31 December 2020. According to the “Announcement on Issuing the Revised - Measures for Handling of Enterprise Income Tax Preferential Policies” issued by the State Administration of Taxation on 25 April 2018, the enterprise enjoys the preferential matters by adopting the method of “self-discrimination, declaration of enjoyment, and retention of relevant materials for future reference”. According to Article 27 stipulated in “Enterprise Income Tax Law of the People’s Republic of China” and its implementing regulations: The income from investment and operation of public infrastructure projects supported by the state can be reduced and exempted from enterprise income tax.

Wuhai MingYang New Energy Co., Ltd. has been reduced half of the enterprise income tax rate from 1 January 2021 to 31 December 2023. According to Article 27 stipulated in “Enterprise Income Tax Law of the People’s Republic of China” and its implementing regulations: The income from investment and operation of public infrastructure projects supported by the state can be reduced and exempted from enterprise income tax.

- (28) The Company’s subsidiary, Tongliao MingYang Smart Energy Co., Ltd. is periodically reduced or exempted for enterprise income tax from 1 January 2018 to 31 December 2020. According to the “Announcement on Issuing the Revised - Measures for Handling of Enterprise Income Tax Preferential Policies” issued by the State Administration of Taxation on 25 April 2018, the enterprise enjoys the preferential matters by adopting the method of “self-discrimination, declaration of enjoyment, and retention of relevant materials for future reference”. According to Article 27 stipulated in “Enterprise Income Tax Law of the People’s Republic of China” and its implementing regulations: The income from investment and operation of public infrastructure projects supported by the state can be reduced and exempted from enterprise income tax.

Tongliao MingYang Smart Energy Co., Ltd. has been reduced half of the enterprise income tax rate from 1 January 2021 to 31 December 2023. According to Article 27 stipulated in “Enterprise Income Tax Law of the People’s Republic of China” and its implementing regulations: The income from investment and operation of public infrastructure projects supported by the state can be reduced and exempted from enterprise income tax.

- (29) The Company’s subsidiary, Henan Tianrun Wind Power Co., Ltd. is periodically reduced or exempted for enterprise income tax from 1 January 2018 to 31 December 2020. According to the “Announcement on Issuing the Revised - Measures for Handling of Enterprise Income Tax Preferential Policies” issued by the State Administration of Taxation on 25 April 2018, the enterprise enjoys the preferential matters by adopting the method of “self-discrimination, declaration of enjoyment, and retention of relevant materials for future reference”. According to Article 27 stipulated in “Enterprise Income Tax Law of the People’s Republic of China” and its implementing regulations: The income from investment and operation of public infrastructure projects supported by the state can be reduced and exempted from enterprise income tax.

Henan Tianrun Wind Power Generation Co., Ltd. has been reduced half of the enterprise income tax rate from 1 January 2021 to 31 December 2023. According to Article 27 stipulated in “Enterprise

Income Tax Law of the People's Republic of China" and its implementing regulations: The income from investment and operation of public infrastructure projects supported by the state can be reduced and exempted from enterprise income tax.

- (30) The Company's subsidiary, Xilinhot MingYang Wind Power Co., Ltd. has been regularly exempted from enterprise income tax from 1 January 2019 to 31 December 2021. According to Article 27 stipulated in "Enterprise Income Tax Law of the People's Republic of China" and its implementing regulations: The income from investment and operation of public infrastructure projects supported by the state can be reduced and exempted from enterprise income tax.
- (31) The Company's subsidiary, Pingshun Jieyuan New Energy Co., Ltd. has been regularly exempted from enterprise income tax from 1 January 2019 to 31 December 2021, and reduced half of the enterprise income tax rate from 1 January 2022 to 31 December 2024. According to Article 27 stipulated in "Enterprise Income Tax Law of the People's Republic of China" and its implementing regulations: The income from investment and operation of public infrastructure projects supported by the state can be reduced and exempted from enterprise income tax.
- (32) The Company's subsidiary, Gongcheng Jieyuan New Energy Co., Ltd. has been regularly exempted from enterprise income tax from 1 January 2020 to 31 December 2022, and reduced half of the enterprise income tax rate from 1 January 2023 to 31 December 2025. According to Article 27 stipulated in "Enterprise Income Tax Law of the People's Republic of China" and its implementing regulations: The income from investment and operation of public infrastructure projects supported by the state can be reduced and exempted from enterprise income tax.
- (33) The Company's subsidiary, Xinyang Rundian New Energy Co., Ltd. has been regularly exempted from enterprise income tax from 1 January 2021 to 31 December 2023, and reduced half of the enterprise income tax rate from 1 January 2024 to 31 December 2026. According to Article 27 stipulated in "Enterprise Income Tax Law of the People's Republic of China" and its implementing regulations: The income from investment and operation of public infrastructure projects supported by the state can be reduced and exempted from enterprise income tax.
- (34) The Company's subsidiary, Shanxian Jieyuan New Energy Co., Ltd. has been regularly exempted from enterprise income tax from 1 January 2021 to 31 December 2023, and reduced half of the enterprise income tax rate from 1 January 2024 to 31 December 2026. According to Article 27 stipulated in "Enterprise Income Tax Law of the People's Republic of China" and its implementing regulations: The income from investment and operation of public infrastructure projects supported by the state can be reduced and exempted from enterprise income tax.
- (35) The Company's subsidiary, Yexian Jiangjunshan New Energy Co., Ltd. has been regularly exempted from enterprise income tax from 1 January 2020 to 31 December 2022, and reduced half of the enterprise income tax rate from 1 January 2023 to 31 December 2025. According to Article 27 stipulated in "Enterprise Income Tax Law of the People's Republic of China" and its implementing regulations: The income from investment and operation of public infrastructure projects supported by the state can be reduced and exempted from enterprise income tax.
- (36) The Company's subsidiary, Pingle Jieyuan New Energy Co., Ltd. has been regularly exempted from enterprise income tax from 1 January 2020 to 31 December 2022, and reduced half of the enterprise income tax rate from 1 January 2023 to 31 December 2025. According to Article 27 stipulated in "Enterprise Income Tax Law of the People's Republic of China" and its implementing regulations: The income from investment and operation of public infrastructure projects supported by the state

can be reduced and exempted from enterprise income tax.

- (37) The Company's subsidiary, Qingtongxia Jieyuan New Energy Co., Ltd. has been regularly exempted from enterprise income tax from 1 January 2020 to 31 December 2022, and reduced half of the enterprise income tax rate from 1 January 2023 to 31 December 2025. According to Article 27 stipulated in "Enterprise Income Tax Law of the People's Republic of China" and its implementing regulations: The income from investment and operation of public infrastructure projects supported by the state can be reduced and exempted from enterprise income tax.
- (38) The Company's subsidiary, Xinyang Zhirun New Energy Co., Ltd. has been regularly exempted from enterprise income tax from 1 January 2021 to 31 December 2023, and reduced half of the enterprise income tax rate from 1 January 2024 to 31 December 2026. According to Article 27 stipulated in "Enterprise Income Tax Law of the People's Republic of China" and its implementing regulations: The income from investment and operation of public infrastructure projects supported by the state can be reduced and exempted from enterprise income tax.
- (39) The Company's subsidiary, Xinyang Hongliu New Energy Co., Ltd. has been regularly exempted from enterprise income tax from 1 January 2021 to 31 December 2023, and reduced half of the enterprise income tax rate from 1 January 2024 to 31 December 2026. According to Article 27 stipulated in "Enterprise Income Tax Law of the People's Republic of China" and its implementing regulations: The income from investment and operation of public infrastructure projects supported by the state can be reduced and exempted from enterprise income tax.
- (40) The Company's subsidiary, Gushi County Mingwu New Energy Co., Ltd. has been regularly exempted from enterprise income tax from 1 January 2021 to 31 December 2023, and reduced half of the enterprise income tax rate from 1 January 2024 to 31 December 2026. According to Article 27 stipulated in "Enterprise Income Tax Law of the People's Republic of China" and its implementing regulations: The income from investment and operation of public infrastructure projects supported by the state can be reduced and exempted from enterprise income tax.
- (41) The Company's subsidiary, Guodian Henan CIC Yingke New Energy Co., Ltd. has been regularly exempted from enterprise income tax from 1 January 2021 to 31 December 2023, and reduced half of the enterprise income tax rate from 1 January 2024 to 31 December 2026. According to Article 27 stipulated in "Enterprise Income Tax Law of the People's Republic of China" and its implementing regulations: The income from investment and operation of public infrastructure projects supported by the state can be reduced and exempted from enterprise income tax.
- (42) The Company's subsidiary, Yangjiang MingYang Offshore Wind Power Development Co., Ltd. has been regularly exempted from enterprise income tax from 1 January 2021 to 31 December 2023, and reduced half of the enterprise income tax rate from 1 January 2024 to 31 December 2026. According to Article 27 stipulated in "Enterprise Income Tax Law of the People's Republic of China" and its implementing regulations: The income from investment and operation of public infrastructure projects supported by the state can be reduced and exempted from enterprise income tax.
- (43) The Company's subsidiary, Zhongshan MingYang New Energy Technology Co., Ltd. has been regularly exempted from enterprise income tax from 1 January 2019 to 31 December 2021, and reduced half of the enterprise income tax rate from 1 January 2022 to 31 December 2024. According to Article 27 stipulated in "Enterprise Income Tax Law of the People's Republic of China" and its implementing regulations: The income from investment and operation of public infrastructure projects supported by the state can be reduced and exempted from enterprise income tax.

- (44) The Company's subsidiary, Yangjiang MingYang New Energy Technology Co., Ltd. has been regularly exempted from enterprise income tax from 1 January 2021 to 31 December 2023, and reduced half of the enterprise income tax rate from 1 January 2024 to 31 December 2026. According to Article 27 stipulated in "Enterprise Income Tax Law of the People's Republic of China" and its implementing regulations: The income from investment and operation of public infrastructure projects supported by the state can be reduced and exempted from enterprise income tax.
- (45) The Company's subsidiary, Xinyang MingYang New Energy Technology Co., Ltd. has been periodically exempted from enterprise income tax from 1 January 2020 to 31 December 2022, and reduced half of the enterprise income tax rate from 1 January 2023 to 31 December 2025. According to Article 27 stipulated in "Enterprise Income Tax Law of the People's Republic of China" and its implementing regulations: The income from investment and operation of public infrastructure projects supported by the state can be reduced and exempted from enterprise income tax.
- (46) Daqing Zhongdanruihao Wind Power Co., Ltd., a subsidiary of the Company, levied corporate income tax by half from January 1, 2017 to December 31, 2019, and has been filed with the State Taxation Bureau of Durbert Mongol Autonomous County in Daqing City. According to Article 27 of the Enterprise Income Tax Law of the People's Republic of China and its Implementing Regulations, income from investment and operation of public infrastructure projects supported by the State may be reduced or exempted from enterprise income tax.
- (47) Daqing Dumeng Huji Tumo Wind Power Co., Ltd., a subsidiary of the Company, levied corporate income tax by half from January 1, 2017 to December 31, 2019, and has been filed with the State Taxation Bureau of Duerbert Mongol Autonomous County in Daqing City. According to Article 27 of the Enterprise Income Tax Law of the People's Republic of China and its Implementing Regulations, income from investment and operation of public infrastructure projects supported by the State may be reduced or exempted from enterprise income tax.
- (48) Daqing Dumeng Dairy Farm Wind Power Co., Ltd., a subsidiary of the Company, levied corporate income tax by half from January 1, 2017 to December 31, 2019, and has been filed with the State Taxation Bureau of Duerbert Mongol Autonomous County in Daqing City. According to Article 27 of the Enterprise Income Tax Law of the People's Republic of China and its Implementing Regulations, income from investment and operation of public infrastructure projects supported by the State may be reduced or exempted from enterprise income tax.
- (49) Daqing Dumenghu Town Dairy Farm Wind Power Co., Ltd., a subsidiary of the Company, levied corporate income tax by half from January 1, 2017 to December 31, 2019, and has been filed with the State Taxation Bureau of Duerbert Mongol Autonomous County in Daqing City. According to Article 27 of the Enterprise Income Tax Law of the People's Republic of China and its Implementing Regulations, income from investment and operation of public infrastructure projects supported by the State may be reduced or exempted from enterprise income tax.
- (50) Qingshuihe County Mingyang New Energy Co., Ltd., a subsidiary of the Company, has been exempting and levying enterprise income tax on a regular basis from January 1, 2020 to December 31, 2022, and from January 1, 2023 to December 31, 2025, the corporate income tax is levied at half, in accordance with the "On The Promulgation of the Revised" issued by the State Administration of Taxation on April 25, 2018< Measures for the practice of preferential policies for enterprise income tax > According to Article 27 of the Enterprise Income Tax Law of the People's Republic of China and its Implementing Regulations, the income from investment and operation of public infrastructure projects supported by the state may be reduced or exempted from enterprise income tax.

- (51) Lhasa Redd Xingyang New Energy Technology Co., Ltd., a subsidiary of the Company, has been exempting or levying enterprise income tax on a regular basis from January 1, 2019 to December 31, 2019, and from January 1, 2020 to December 31, 2020, the Income from Investment and Operation of Public Infrastructure Projects supported by the State may be reduced 3. Exempt from corporate income tax.
- (52) Baotou Shiyuan Boneng Power Sales Co., Ltd., a subsidiary of the Company, has enjoyed a reduction of 50% of the income into the taxable income since January 1, 2017, and paid enterprise income tax at a rate of 20%, and at the same time enjoyed the halving and paid enterprise income tax at a rate of 10%. According to the Notice on the Implementation of Inclusive Tax Relief Policies for Small and Micro Enterprises issued by the Ministry of Finance and the State Administration of Taxation: from January 1, 2019 to December 31, 2021, small-scale VAT taxpayers with monthly sales of less than 100,000 yuan will be exempted from VAT; for the part of the annual taxable income of small and micro-profit enterprises that does not exceed 1 million yuan, 25% will be reduced to the taxable income, and the enterprise income tax will be paid at a rate of 20%. For the part of the annual taxable income exceeding 1 million yuan but not exceeding 3 million yuan, 50% shall be included in the taxable income, and the enterprise income tax shall be paid at a rate of 20%.
- (53) Taicang Zhangjiang Mingyang Energy System Co., Ltd., a subsidiary of the Company, has enjoyed a reduction in income of 50% as taxable income since January 1, 2017, and pays corporate income tax at a rate of 20%, and at the same time enjoys a halving and pays corporate income tax at a rate of 10%. According to the Notice on the Implementation of Inclusive Tax Relief Policies for Small and Micro Enterprises issued by the Ministry of Finance and the State Administration of Taxation: from January 1, 2019 to December 31, 2021, small-scale VAT taxpayers with monthly sales of less than 100,000 yuan will be exempted from VAT; for the part of the annual taxable income of small and micro-profit enterprises that does not exceed 1 million yuan, 25% will be reduced to the taxable income, and the enterprise income tax will be paid at a rate of 20%. For the part of the annual taxable income exceeding 1 million yuan but not exceeding 3 million yuan, 50% shall be included in the taxable income, and the enterprise income tax shall be paid at a rate of 20%.
- (54) Kaifeng Mingshun Energy Technology Co., Ltd., a subsidiary of the Company, has enjoyed a 50% reduction in income from January 1, 2017, which is included in the taxable income, and pays corporate income tax at a rate of 20%, and at the same time enjoys a halving and pays corporate income tax at a rate of 10%. According to the Notice on the Implementation of Inclusive Tax Relief Policies for Small and Micro Enterprises issued by the Ministry of Finance and the State Administration of Taxation: from January 1, 2019 to December 31, 2021, small-scale VAT taxpayers with monthly sales of less than 100,000 yuan will be exempted from VAT; for the part of the annual taxable income of small and micro-profit enterprises that does not exceed 1 million yuan, 25% will be reduced to the taxable income, and the enterprise income tax will be paid at a rate of 20%. For the part of the annual taxable income exceeding 1 million yuan but not exceeding 3 million yuan, 50% shall be included in the taxable income, and the enterprise income tax shall be paid at a rate of 20%.
- (55) The Company's subsidiary, Tongliao MingYang Smart Energy Co., Ltd. has benefited from "Notice on Implementing Inclusive Tax Reduction and Exemption Policies for Small and Low-profit Enterprises" (Caishui [2019] No. 13) issued by the Ministry of Finance and the State Administration of Taxation : From 1 January 2019 to 31 December 2021, value added tax is exempted for small-scale taxpayers with monthly sales of less than RMB 100,000 (including this amount) ; For small and low-profit enterprises whose annual taxable income does not exceed RMB 1 million, the taxable profit subject to tax is reduced by 25%, and the tax rate of enterprise income tax will be 20%; For the

portion of annual taxable profit exceeding RMB 1 million but not exceeding RMB 3 million, the taxable profit subject to tax is reduced by 50%, and the tax rate of enterprise income tax will be 20%. According to the "Announcement on Implementing Preferential Income Tax Policies for Small and Low-profit Enterprises and Individual Industrial and Commercial Households" (Announcement No. 12 [2021] of the Ministry of Finance and the State Administration of Taxation) : For the portion of the annual taxable profit of Small and Low-profit Enterprises that does not exceed RMB 1 million, on the basis of the preferential policies stipulated in Article 1 in the "Notice on Implementing Inclusive Tax Reduction and Exemption Policies for Small and Low-profit Enterprises" (Caishui [2019] No. 13) second, the corporate income tax will be halved.

- (56) The Company's subsidiary, Inner Mongolia Guomeng Electric Power Sales Co., Ltd. has benefited from "Notice on Implementing Inclusive Tax Reduction and Exemption Policies for Small and Low-profit Enterprises" issued by the Ministry of Finance and the State Administration of Taxation (Caishui [2019] No. 13) : From 1 January 2019 to 31 December 2021, value added tax is exempted for small-scale taxpayers with monthly sales of less than RMB 100,000 (including this amount) ; For small and low-profit enterprises whose annual taxable income does not exceed RMB 1 million, the taxable profit subject to tax is reduced by 25%, and the tax rate of enterprise income tax will be 20%; For the portion of annual taxable profit exceeding RMB 1 million but not exceeding RMB 3 million, the taxable profit subject to tax is reduced by 50%, and the tax rate of enterprise income tax will be 20%. According to the "Announcement on Implementing Preferential Income Tax Policies for Small and Low-profit Enterprises and Individual Industrial and Commercial Households" (Announcement No. 12 [2021] of the Ministry of Finance and the State Administration of Taxation) : For the portion of the annual taxable profit of Small and Low-profit Enterprises that does not exceed RMB 1 million, on the basis of the preferential policies stipulated in Article 1 in the "Notice on Implementing Inclusive Tax Reduction and Exemption Policies for Small and Low-profit Enterprises" (Caishui [2019] No. 13) second, the corporate income tax will be halved.
- (57) Shenzhen Liangyun Energy Network Technology Co., Ltd., a subsidiary of the Company, is exempt from VAT in accordance with the Notice on the Implementation of Inclusive Tax Relief Policies for Small and Micro Enterprises (Cai Shui [2019] No. 13) issued by the Ministry of Finance and the State Administration of Taxation: From January 1, 2019 to December 31, 2021, small-scale VAT taxpayers with monthly sales of less than 100,000 yuan (including the principal amount) will be exempted from VAT; for the part of the annual taxable income of small and micro-profit enterprises that does not exceed 1 million yuan, a reduction of 25% will be reduced by 25% If it is included in the taxable income, it shall be subject to enterprise income tax at a rate of 20%; for the part of the annual taxable income exceeding 1 million yuan but not exceeding 3 million yuan, it shall be included in the taxable income by 50% at a reduced rate of 50%, and the enterprise income tax shall be paid at a rate of 20%.
- (58) The Company's subsidiary, Tianjin Ruineng Electric Co., Ltd. has been confirmed by the State Taxation Bureau of Xiqing District, Tianjin City to enjoy the value added tax refund policy since 1 January 2014. According to "Notice of the Ministry of Finance and the State Administration of Taxation on the Value Added Tax Policy for Software Products" (Caishui [2011] No. 100) : For value added tax general taxpayers sell software products developed and produced by them, after the value added tax is levied at a tax rate of 17%, the portion of the actual value added tax that exceeds 3% will entitle to the immediate refund policy.
- (59) The Company's subsidiary, Inner Mongolia MingYang Wind Power Co., Ltd. has been confirmed by the State Taxation Bureau of Chayouyihouqi, Inner Mongolia Autonomous Region, since 13 April

2016, to enjoy the 50% of value added tax pay and immediate refund policy. According to “Notice of the Ministry of Finance and the State Administration of Taxation on Wind power generation Value added tax policy” (Caishui [2015] No. 74) : Since 1 July 2015, self-produced wind power products sold by taxpayers, 50% of value added tax is enjoying pay and immediate refund policy.

- (60) The Company’s subsidiary, Keshiketeng Banner MingYang New Energy Co., Ltd. has been confirmed by the State Taxation Bureau of Inner Mongolia Autonomous Region, since 20 March 2017, to enjoy the 50% of value added tax pay and immediate refund policy. According to “Notice of the Ministry of Finance and the State Administration of Taxation on Wind power generation Value added tax policy” (Caishui [2015] No. 74) : Since 1 July 2015, self-produced wind power products sold by taxpayers, 50% of value added tax is enjoying pay and immediate refund policy.
- (61) The Company’s subsidiary, Shenzhen Liangyun Energy Network Technology Co., Ltd. has been confirmed by Shenzhen Qianhai State Taxation Bureau, since 1 March 2016, to enjoy the preferential policy of value added tax pay and immediate refund policy. According to “Notice on Printing and Distributing Several Policies to Further Encourage the Development of Software Industry and Integrated Circuit Industry” (Guo Fa [2011] No. 4) , “Notice of the Ministry of Finance and the State Administration of Taxation on the Value Added Tax Policy for Software Products” (Caishui [2011] No. 100) : For value added tax general taxpayers sell software products developed and produced by them, after the value added tax is levied at a tax rate of 17%, the portion of the actual value added tax that exceeds 3% will entitle to the immediate refund policy.
- (62) The Company has been confirmed by Zhongshan Taxation Bureau of State Administration of Taxation to enjoy the preferential policy of value added tax pay and immediate refund policy for the period from 1 October 2020 to 31 October 2024. According to “Notice on Printing and Distributing Several Policies to Further Encourage the Development of Software Industry and Integrated Circuit Industry” (Guo Fa [2011] No. 4) , “Notice of the Ministry of Finance and the State Administration of Taxation on the Value Added Tax Policy for Software Products” (Caishui [2011] No. 100) : For value added tax general taxpayers who sell software products developed and produced by them, after the value added tax is levied at a tax rate of 17%, the portion of the actual value added tax that exceeds 3% will entitle to the immediate refund policy.
- (63) The Company’s subsidiary, Xinjiang Wanbang Energy Development Co., Ltd. has been confirmed by the State Taxation Bureau of Urumqi County to enjoy 50% of value added tax pay and immediate refund policy since 1 March 2014. According to the Notice of the Ministry of Finance and the State Administration of Taxation on the Comprehensive Utilization of Resources and the Value added tax policy of other products (Caishui [2008] No. 156): Using wind power to generate electricity, value added tax is belonged to 50% immediate refund policy.
- (64) The Company’s subsidiary, Xinjiang Huaran New Energy Co., Ltd. has been confirmed by Taxation Bureau of Daban District, Urumqi City to enjoy the value added tax refund policy since April 2020. According to “Notice of the Ministry of Finance and the State Administration of Taxation on Wind power generation Value added tax policy” (Caishui [2015] No. 74): Since 1 July 2015, self-produced wind power products sold by taxpayers, 50% of value added tax is enjoying pay and immediate refund policy.
- (65) Hongrun (Huanghua) New Energy Co., Ltd., a subsidiary of the Company, has been confirmed by the State Taxation Bureau of Huanghua City to enjoy the preferential policy of 50% vat refund since April 18, 2017. According to the Notice of the Ministry of Finance and the State Administration of Taxation on the VAT Policy for Wind Power Generation (Cai Shui

[2015] No. 74): From 1 July 2015, the policy of 50% refund of VAT will be implemented for taxpayers selling self-produced electricity products produced by wind power.

(66) Jieyuan Huanghua New Energy Co., Ltd., a subsidiary of the Company, has been confirmed by the State Taxation Bureau of Huanghua City to enjoy the VAT refund policy since May 16, 2018, and according to the Notice of the Ministry of Finance and the State Administration of Taxation on the VAT Policy for Wind Power Generation (Cai Shui [2015] No. 74): Since July 1, 2015, the policy of 50% VAT refund will be implemented for taxpayers selling self-produced electricity products produced by wind power.

(67) Henan Tianrun Wind Energy Power Generation Co., Ltd., a subsidiary of the Company, has been confirmed by the State Taxation Bureau of Xinmi City, Henan Province, to enjoy the VAT refund policy from January 1, 2019, according to the Notice of the Ministry of Finance and the State Administration of Taxation on the VAT Policy for Wind Power Generation (Cai Shui [2015] No. 74): From July 1, 2015, the policy of 50% VAT refund will be implemented for taxpayers selling self-produced electricity products produced by wind power.

(68) Qinghai Mingyang New Energy Co., Ltd., a subsidiary of the Company, was exempted from real estate tax from 2018 to 2020 by the local taxation bureau of Delingha City, Haixi Prefecture, Qinghai Province. According to the Notice of the General Office of the CPC Qinghai Provincial Party Committee and the General Office of the People's Government of Qinghai Province on the Implementation Rules of the < on the In-depth Implementation of the Policy Opinions on the Large-scale Development of the Western Region (Trial Implementation) > (Qingbanfa [2010] No. 66), newly established industrial enterprises that belong to the state-encouraged category are exempted from real estate tax for 5 years from the date of production and operation, and urban land use tax during the construction period.

(69) Daqing Zhongdanruihao Wind Power Co., Ltd., a subsidiary of the Company, has been confirmed by the State Taxation Bureau of Daqing Duerbert Mongol Autonomous County to enjoy the preferential policy of 50% vat refund since March 15, 2016. According to the Notice of the Ministry of Finance and the State Administration of Taxation on the VAT Policy for Wind Power Generation, from 1 July 2015, the policy of 50% vat rebate will be implemented for taxpayers selling self-produced electricity products produced by wind power.

(70) Daqing Dumeng Huji Tumo Wind Power Co., Ltd., a subsidiary of the Company, has been confirmed by the State Taxation Bureau of Daqing Duerbert Mongol Autonomous County to enjoy the preferential policy of 50% vat refund since March 15, 2016. According to the Notice of the Ministry of Finance and the State Administration of Taxation on the VAT Policy for Wind Power Generation, from 1 July 2015, the policy of 50% vat rebate will be implemented for taxpayers selling self-produced electricity products produced by wind power.

(71) Daqing Dumeng Dairy Farm Wind Power Co., Ltd., a subsidiary of the Company, has been confirmed by the State Taxation Bureau of Daqing Duerbert Mongol Autonomous County to enjoy the preferential policy of 50% VAT refund since March 15, 2016. According to the Notice of the Ministry of Finance and the State Administration of Taxation on the VAT Policy for Wind Power Generation, from 1 July 2015, the policy of 50% vat rebate will be implemented for taxpayers selling self-produced electricity products produced by wind power.

(72) Daqing Dumenghu Dairy Farm Wind Power Co., Ltd., a subsidiary of the Company, has been confirmed by the State Taxation Bureau of Daqing Duerbert Mongol Autonomous County to

enjoy the preferential policy of 50% vat refund since March 15, 2016. According to the Notice of the Ministry of Finance and the State Administration of Taxation on the VAT Policy for Wind Power Generation, from 1 July 2015, the policy of 50% vat rebate will be implemented for taxpayers selling self-produced electricity products produced by wind power.

V. Notes to the items of consolidated financial statements

1. Cash and bank balances

Item	2021.12.31	2020.12.31	2019.12.31
Cash on hand	379,678.02	248,502.09	279,331.60
Cash at bank	13,111,755,260.72	14,901,472,914.08	10,176,673,319.64
Other monetary funds	958,782,030.59	1,431,152,551.70	596,086,906.39
Total	14,070,916,969.33	16,332,873,967.87	10,773,039,557.63
Including: Total amount of money deposited abroad	1,379,025,055.93	46,971,261.57	43,487,855.52

Note: At year end, the Company's bank balance or other monetary funds that are restricted because being mortgaged or pledged as security, or frozen or overseas balances that have restriction on remittance back to the home country refer to Note V.66.

2. Notes receivable

Category	2021.12.31			2020.12.31		
	Book balance	Provision for bad debts	Carrying amount	Book balance	Provision for bad debts	Carrying amount
Commercial acceptance bills	16,672,059.99	416,801.50	16,255,258.49	-	-	-

(Continued)

Category	2019.12.31		
	Book balance	Provision for bad debts	Carrying amount
Commercial acceptance bills	3,000,000.00	75,000.00	2,925,000.00

(1) Closing balance of notes receivable being endorsed or factored and not yet matured

Category	2021.12.31	2020.12.31	2019.12.31
	Amount not derecognized at year end	Amount not derecognized at year end	Amount not derecognized at year end
Commercial acceptance bills	13,097,256.79	14,584,900.00	2,000,000.00

(2) Disclosure by method of provision for bad debts

Category	2021.12.31				
	Book balance		Provision for bad debts		Carrying amount
	Amount	Ratio (%)	Amount	Expected credit loss rate (%)	
Provision for bad debts on portfolio basis	16,672,059.99	100.00	416,801.50	2.50	16,255,258.49

Continued:

Category	2020.12.31				
	Book balance		Provision for bad debts		Carrying amount
	Amount	Ratio (%)	Amount	Expected credit loss rate (%)	
Provision for bad debts on portfolio basis	-	-	-	-	-

Category	2019.12.31				
	Book balance		Provision for bad debts		Carrying amount
	Amount	Ratio (%)	Amount	Expected credit loss rate (%)	
Provision for bad debts on portfolio basis	3,000,000.00	100.00	75,000.00	2.50	2,925,000.00

Provision for bad debts on portfolio basis:

Provision for bad debts on portfolio basis: Commercial acceptance bills

Name	2021.12.31		
	Notes receivable	Provision for bad debts	Expected credit loss rate (%)
	Commercial acceptance bills	16,672,059.99	416,801.50

Name	2020.12.31		
	Notes receivable	Provision for bad debts	Expected credit loss rate (%)
	Commercial acceptance bills	-	-

Name	2019.12.31		
	Notes receivable	Provision for bad debts	Expected credit loss rate (%)
	Commercial acceptance bills	3,000,000.00	75,000.00

(3) Accrual, recovery or reversal of bad debt provision during the year

Accrual, recovery or reversal of bad debt provision during the year 2021

	Amount of provision for bad debts
2020.12.31	-
Provision for the year	416,801.50
Recovered or reversal in the year	-
Write-off in the year	-
2021.12.31	416,801.50

Accrual, recovery or reversal of bad debt provision during the year 2020

	Amount of provision for bad debts
2019.12.31	75,000.00
Provision for the year	-
Recovered or reversal in the year	75,000.00
Write-off in the year	-
2020.12.31	-

Accrual, recovery or reversal of bad debt provision during the year 2019

	Amount of provision for bad debts
2019.01.01	-
Provision for the year	75,000.00
Recovered or reversal in the year	-
Write-off in the year	-
2019.12.31	75,000.00

3. Accounts receivable

(1) by ageing

Ageing	2021.12.31	2020.12.31	2019.12.31
Within 1 year	4,181,817,736.32	2,401,870,853.48	3,382,672,853.78
Including: Within 6 months	2,882,088,599.83	1,840,508,805.47	2,686,847,716.50
6 months to 1 year	1,299,729,136.49	561,362,048.01	695,825,137.28
1 to 2 years	1,053,290,387.79	829,213,312.86	1,125,967,607.15
2 to 3 years	528,567,874.01	474,810,757.46	224,820,319.10
3 to 4 years	351,430,411.83	152,314,590.02	116,551,743.52
4 to 5 years	69,474,224.00	54,178,289.50	89,946,303.03
Over 5 years	107,149,908.15	94,828,749.34	44,546,667.84
Subtotal	6,291,730,542.10	4,007,216,552.66	4,984,505,494.42
Less: Provision for bad debts	435,943,054.01	292,821,166.54	232,974,826.75
Total	5,855,787,488.09	3,714,395,386.12	4,751,530,667.67

(2) Disclosure by method of provision for bad debts

Category	2021.12.31				
	Book balance		Provision for bad debts		Carrying amount
	Amount	Ratio (%)	Amount	Expected credit loss rate (%)	
Provision for bad debts on individual item	137,720,148.91	2.19	137,720,148.91	100.00	-
Provision for bad debts on portfolio basis	6,154,010,393.19	97.81	298,222,905.10	4.85	5,855,787,488.09
Including:					
High-end manufacturing business	4,804,658,874.64	76.36	239,989,591.91	4.99	4,564,669,282.73
Power generation business	1,327,975,203.59	21.11	58,102,806.62	4.38	1,269,872,396.97
Project construction business	21,376,314.96	0.34	130,506.57	0.61	21,245,808.39
Total	6,291,730,542.10	100.00	435,943,054.01	--	5,855,787,488.09

Continued:

Category	2020.12.31				
	Book balance		Provision for bad debts		Carrying amount
	Amount	Ratio (%)	Amount	Expected credit loss rate (%)	
Provision for bad debts on individual item	141,427,286.88	3.53	87,500,354.88	61.87	53,926,932.00
Provision for bad debts on portfolio basis	3,865,789,265.78	96.47	205,320,811.66	5.31	3,660,468,454.12
Including:					
High-end manufacturing business	2,890,084,473.50	72.12	181,512,788.87	6.28	2,708,571,684.63
Power generation business	934,694,762.26	23.33	23,602,972.64	2.53	911,091,789.62
Project construction business	41,010,030.02	1.02	205,050.15	0.50	40,804,979.87
Total	4,007,216,552.66	100.00	292,821,166.54	--	3,714,395,386.12

Category	2019.12.31				
	Book balance	Ratio %	Provision for bad debts	Expected credit loss rate (%)	Carrying amount
	Provision for bad debts on individual item	51,320,438.65	1.03	51,320,438.65	100.00
Provision for bad debts based on the combination of credit risk characteristics	4,933,185,055.77	98.97	181,654,388.10	3.68	4,751,530,667.67
Including:					

Category	2019.12.31				
	Book balance	Ratio %	Provision for bad debts	Expected credit loss rate (%)	Carrying amount
High-end manufacturing business	4,226,590,803.91	84.80	170,253,785.43	4.03	4,056,337,018.48
Power generation business	620,287,059.76	12.44	10,969,066.71	1.77	609,317,993.05
Project construction business	86,307,192.10	1.73	431,535.96	0.50	85,875,656.14
Total	4,984,505,494.42	100.00	232,974,826.75	4.67	4,751,530,667.67

① Information of provision for bad debts as of 31 December 2021:

Provision for bad debts on individual item:

Name	2021.12.31			
	Book balance	Provision for bad debts	Expected credit loss rate (%)	Reason of provision
A1 Development EOOD	24,778,798.83	24,778,798.83	100.00	Debtor is shortage of funds
Hejia New Energy Automobile Co., Ltd.	71,426,400.00	71,426,400.00	100.00	Under litigation
Shenzhen Boshijitai Power Investment Co., Ltd.	20,607,999.99	20,607,999.99	100.00	Debtor is shortage of funds
Tianjin Ruixunde Electrical Technology Co., Ltd.	18,906,950.09	18,906,950.09	100.00	Under litigation
Shaanxi Yuhong New Energy Technology Co., Ltd.	2,000,000.00	2,000,000.00	100.00	Debtor is shortage of funds
Total	137,720,148.91	137,720,148.91	--	/

Provision for bad debts on portfolio basis:

Provision for bad debts on portfolio basis: High-end manufacturing business

	2021.12.31		
	Accounts receivable	Provision for bad debts	Expected credit loss rate (%)
Within 6 months	2,380,409,693.70	24,756,260.81	1.04
6 months to 1 year	1,102,695,383.17	26,244,150.12	2.38
1 to 2 years	664,916,824.54	41,424,318.17	6.23
2 to 3 years	316,700,700.80	31,004,998.61	9.79
3 to 4 years	258,512,286.10	46,402,955.35	17.95
4 to 5 years	6,856,877.00	3,046,510.45	44.43
Over 5 years	74,567,109.33	67,110,398.40	90.00
Total	4,804,658,874.64	239,989,591.91	--

Provision for bad debts on portfolio basis: Power generation business

	2021.12.31		
	Accounts receivable	Provision for bad debts	Expected credit loss rate (%)
Within 6 months	485,057,591.15	4,996,093.19	1.03
6 months to 1 year	191,320,400.33	2,640,221.52	1.38
1 to 2 years	365,718,863.26	18,395,658.82	5.03
2 to 3 years	211,867,173.21	18,008,709.72	8.50
3 to 4 years	74,011,175.64	14,062,123.37	19.00
Total	1,327,975,203.59	58,102,806.62	--

Provision for bad debts on portfolio basis: Project construction business

	2021.12.31		
	Accounts receivable	Provision for bad debts	Expected credit loss rate (%)
Within 6 months	16,651,314.96	83,256.57	0.50
6 months to 1 year	4,725,000.00	47,250.00	1.00
Total	21,376,314.96	130,506.57	--

② Information of provision for bad debts as of 31 December 2020:

Provision for bad debts on individual item:

Name	2020.12.31			Reason of provision
	Book balance	Provision for bad debts	Expected credit loss rate (%)	
A1 Development EOOD	25,285,936.80	25,285,936.80	100.00	Debtor is shortage of funds
Shenzhen Boshijiatai Power Investment Co., Ltd.	20,607,999.99	20,607,999.99	100.00	Debtor is shortage of funds
Shaanxi Yuhong New Energy Technology Co., Ltd.	2,000,000.00	2,000,000.00	100.00	Debtor is shortage of funds
Mintou (Xiapu) Wind Power Co., Ltd.	3,200,000.00	3,200,000.00	100.00	Debtor is shortage of funds
Tianjin Ruixunde Electrical Technology Co., Ltd.	18,906,950.09	18,906,950.09	100.00	Under litigation
Hejia New Energy Automobile Co., Ltd.	71,426,400.00	17,499,468.00	24.50	Under litigation
Total	141,427,286.88	87,500,354.88	--	/

Provision for bad debts on portfolio basis:

Provision for bad debts on portfolio basis: High-end manufacturing business

	2020.12.31		
	Accounts receivable	Provision for bad debts	Expected credit loss rate (%)
Within 6 months	1,468,307,049.99	8,075,688.77	0.55
6 months to 1 year	249,606,598.40	2,770,633.24	1.11
1 to 2 years	570,509,840.05	32,576,111.87	5.71
2 to 3 years	361,012,700.24	32,130,130.32	8.90
3 to 4 years	134,722,034.47	27,281,211.98	20.25
4 to 5 years	33,275,949.31	13,293,741.75	39.95
Over 5 years	72,650,301.04	65,385,270.94	90.00
Total	2,890,084,473.50	181,512,788.87	--

Provision for bad debts on portfolio basis: Power generation business

	2020.12.31		
	Accounts receivable	Provision for bad debts	Expected credit loss rate (%)
Within 6 months	288,454,977.70	1,355,738.40	0.47
6 months to 1 year	297,966,987.49	2,204,955.71	0.74
1 to 2 years	216,884,554.20	7,027,059.56	3.24
2 to 3 years	113,795,687.32	9,672,633.42	8.50
3 to 4 years	17,592,555.55	3,342,585.55	19.00
Total	934,694,762.26	23,602,972.64	--

Provision for bad debts on portfolio basis: Project construction business

	2020.12.31		
	Accounts receivable	Provision for bad debts	Expected credit loss rate (%)
Within 6 months	41,010,030.02	205,050.15	0.50
6 months to 1 year	-	-	1.00
Total	41,010,030.02	205,050.15	--

③ Information of provision for bad debts as of 31 December 2019:

Provision for bad debts on individual item:

Name	2019.12.31			Reason of provision
	Book balance	Provision for bad debts	Expected credit loss rate (%)	
A1 Development EOOD	23,712,438.66	23,712,438.66	100.00	Debtor is shortage of funds
Shenzhen Boshijitai Power Investment	20,607,999.99	20,607,999.99	100.00	Debtor is

Name	2019.12.31			Reason of provision
	Book balance	Provision for bad debts	Expected credit loss rate (%)	
Co., Ltd.				shortage of funds
Shaanxi Yuhong New Energy Technology Co., Ltd.	2,000,000.00	2,000,000.00	100.00	Debtor is shortage of funds
Mintou (Xiapu) Wind Power Co., Ltd.	5,000,000.00	5,000,000.00	100.00	Debtor is shortage of funds
Total	51,320,438.65	51,320,438.65	100.00	/

Provision for bad debts on portfolio basis:

Provision for bad debts on portfolio basis: High-end manufacturing business

	2019.12.31		
	Accounts receivable	Provision for bad debts	Expected credit loss rate (%)
Within 6 months	2,315,626,215.46	14,125,319.93	0.61
6 months to 1 year	516,844,314.51	5,530,234.16	1.07
1 to 2 years	961,560,234.67	54,231,997.23	5.64
2 to 3 years	207,227,763.55	18,588,330.39	8.97
3 to 4 years	114,551,743.52	22,967,624.58	20.05
4 to 5 years	89,946,303.03	36,059,472.88	40.09
Over 5 years	20,834,229.18	18,750,806.26	90.00
Total	4,226,590,803.92	170,253,785.43	--

Provision for bad debts on portfolio basis: Power generation business

	2019.12.31		
	Accounts receivable	Provision for bad debts	Expected credit loss rate (%)
Within 6 months	259,306,308.96	1,428,881.45	0.55
6 months to 1 year	178,980,822.77	1,468,523.13	0.82
1 to 2 years	164,407,372.48	6,576,294.91	4.00
2 to 3 years	17,592,555.55	1,495,367.22	8.50
Total	620,287,059.76	10,969,066.71	--

Provision for bad debts on portfolio basis: Project construction business

	2019.12.31		
	Accounts receivable	Provision for bad debts	Expected credit loss rate (%)
Within 6 months	86,307,192.10	431,535.96	0.50

(3) Accrual, recovery or reversal of bad debt provision during the year

	Amount of provision for bad debts
2020.12.31	292,821,166.54
Provision for the year	226,842,590.97
Recovered or reversal in the year	82,664,949.21
Write-off in the year	1,055,754.29
2021.12.31	435,943,054.01

Item	Amount of provision for bad debts
2019.12.31	232,974,826.75
Adjustment amount for the first implementation of the new revenue standard	-
2020.01.01	232,974,826.75
Provision for the year	206,245,355.05
Recovered or reversal in the year	146,357,237.46
Write-off in the year	41,777.80
2020.12.31	292,821,166.54

Item	Amount of provision for bad debts
2018.12.31	238,148,171.07
Adjustment amount for the first implementation of New financial instruments standards	-
2019.01.01	238,148,171.07
Provision for the year	-
Reversal in the year	2,682,114.32
Write-off in the year	2,491,230.00
2019.12.31	232,974,826.75

(4) Accounts receivable written-off during the year

Item	Written-off amount		
	2021.12.31	2020.12.31	2019.12.31
Actual written-off of accounts receivable	1,055,754.29	41,777.80	2,491,230.00

(5) Accounts receivable due from the top five debtors

As of 31 December 2021, accounts receivable due from the top five debtors as at year end was totaling RMB 2,613,411,402.78, which accounted for 41.54% of total accounts receivable, and the corresponding provision for bad debts was totaling RMB 83,505,134.44.

As of 31 December 2020, accounts receivable due from the top five debtors as at year end was totaling RMB 1,005,816,507.27, which accounted for 25.10% of total accounts receivable, and the corresponding provision for bad debts was totaling RMB 53,719,216.63.

As of 31 December 2019, accounts receivable due from the top five debtors as at year end was totaling RMB 1,181,773,365.56, which accounted for 23.71% of total accounts receivable, and the corresponding provision for bad debts was totaling RMB 15,539,153.93.

(6) Transfer of financial assets of accounts receivable that do not meet the conditions for derecognition

The detail of transfer of financial assets of accounts receivable that do not meet the conditions for derecognition of the Company as of 31 December 2021 refers to Note V.66.

4. Receivables financing

Item	2021.12.31	2020.12.31	2019.12.31
Notes receivable	1,520,524,151.53	885,896,730.91	826,531,754.39
Less: Other comprehensive income-Changes in fair value	-	-	-
Total	1,520,524,151.53	885,896,730.91	826,531,754.39

(1) Notes receivable pledged by the Company at the end of the period

Category	2021.12.31	2020.12.31	2019.12.31
Bank acceptance bills	208,934,065.43	102,784,970.20	53,696,664.95

(2) Closing balance of notes receivable being endorsed or factored and not yet matured

Category	Amount derecognized at year end		
	2021.12.31	2020.12.31	2019.12.31
Bank acceptance bills	3,302,466,888.53	819,851,411.16	1,534,675,311.74

5. Prepayments

(1) Prepayments by ageing

Ageing	2021.12.31		2020.12.31		2019.12.31	
	Amount	Ratio %	Amount	Ratio %	Amount	Ratio %
Within 1 year	357,786,117.94	71.52	774,209,770.10	89.83	1,163,626,734.49	98.72
1 to 2 years	101,154,972.31	20.22	82,516,499.61	9.57	11,413,785.56	0.97
2 to 3 years	39,166,622.70	7.83	2,588,788.05	0.31	2,631,624.17	0.22
Over 3 years	2,169,703.92	0.43	2,503,038.52	0.29	1,055,988.94	0.09
Total	500,277,416.87	100.00	861,818,096.28	100.00	1,178,728,133.16	100.00

(2) Prepayments due from the top five debtors

As of 31 December 2021, prepayments due from the top five debtors was totaling RMB 229,212,634.05, which accounted for 45.82% of total prepayments.

As of 31 December 2020, prepayments due from the top five debtors was totaling RMB 794,496,278.15, which accounted for 92.19% of total prepayments.

As of 31 December 2019, prepayments due from the top five debtors was totaling RMB 457,170,455.07, which accounted for 38.79% of total prepayments.

6. Other receivables

(1) by ageing

Ageing	2021.12.31	2020.12.31	2019.12.31
Within 1 year	390,839,202.42	451,963,894.31	234,613,663.99
Including: Within 6 months	352,225,958.69	426,141,857.75	209,707,018.71
6 months to 1 year	38,613,243.73	25,822,036.56	24,906,645.28
1 to 2 years	42,132,683.25	93,886,552.90	29,272,898.59
2 to 3 years	63,593,673.01	16,172,464.36	13,455,357.55
3 to 4 years	5,616,975.18	1,046,393.24	470,792.30
4 to 5 years	812,517.50	172,231.62	51,898,145.43
Over 5 years	85,585,682.28	89,183,564.96	44,136,543.00
Subtotal	588,580,733.64	652,425,101.39	373,847,400.86
Less: Provision for bad debts	81,240,061.07	85,853,244.00	75,380,250.99
Total	507,340,672.57	566,571,857.39	298,467,149.87

(2) Disclosure by nature

Item	2021.12.31			2020.12.31		
	Book balance	Provision for bad debts	Carrying amount	Book balance	Provision for bad debts	Carrying amount
Current accounts	136,185,867.37	60,519,214.80	75,666,652.57	139,058,948.37	62,729,111.01	76,329,837.36
Security deposits, deposits and petty cash	319,613,798.82	5,823,893.55	313,789,905.27	170,422,027.14	2,873,831.73	167,548,195.41
Equity transfer funds	94,785,857.90	11,938,876.12	82,846,981.78	300,742,500.00	16,616,354.44	284,126,145.56
Others	37,995,209.55	2,958,076.60	35,037,132.95	42,201,625.88	3,633,946.82	38,567,679.06
Total	588,580,733.64	81,240,061.07	507,340,672.57	652,425,101.39	85,853,244.00	566,571,857.39

Continued:

Item	2019.12.31		
	Book balance	Provision for bad debts	Carrying amount

Current accounts	133,635,126.96	63,315,639.90	70,319,487.06
Security deposits, deposits and petty cash	197,964,643.57	8,289,263.03	189,675,380.54
Equity transfer funds	31,541,900.00	1,700,969.17	29,840,930.83
Others	10,705,730.33	2,074,378.89	8,631,351.44
Total	373,847,400.86	75,380,250.99	298,467,149.87

(3) Information of provision for bad debts

As of 31 December 2021, Provision for bad debts on those in first stage:

Category	Book balance	Expected credit loss rate in the next 12 months (%)	Provision for bad debts	Carrying amount
Provision for bad debts on portfolio basis				
Current accounts	41,379,024.50	0.80	332,864.96	41,046,159.54
Security deposits, deposits and petty cash	251,341,830.89	0.51	1,283,915.27	250,057,915.62
Equity transfer funds	61,288,957.90	3.13	1,915,430.61	59,373,527.29
Others	22,900,073.56	1.78	407,699.28	22,492,374.28
Total	376,909,886.85	--	3,939,910.12	372,969,976.73

As of 31 December 2021, Provision for bad debts on those in second stage:

Category	Book balance	Expected credit loss rate in the next 12 months (%)	Provision for bad debts	Carrying amount
Provision for bad debts on portfolio basis				
Current accounts	8,392,942.86	15.85	1,330,571.02	7,062,371.84
Security deposits, deposits and petty cash	68,240,176.13	6.65	4,539,978.28	63,700,197.85
Equity transfer funds	33,496,900.00	29.92	10,023,445.51	23,473,454.49
Others	2,400,658.40	31.56	757,638.93	1,643,019.47
Total	112,530,677.39	--	16,651,633.74	95,879,043.65

As of 31 December 2021, Provision for bad debts on those in third stage:

Category	Book balance	Expected credit loss rate for the lifetime (%)	Provision for bad debts	Carrying amount
Provision for bad debts on individual item				
He Zhiyong	51,546,199.79	25.33	13,054,547.60	38,491,652.19
A1 Development EOOD	19,992,321.45	100.00	19,992,321.45	-

Category	Book balance	Expected credit loss rate for the lifetime (%)	Provision for bad debts	Carrying amount
Fujian Huaqing Energy Co., Ltd.	10,000,000.00	100.00	10,000,000.00	-
Shandong Guoyi Cable Co., Ltd.	5,987,393.63	100.00	5,987,393.63	-
Others	11,614,254.53	100.00	11,614,254.53	-
Total	99,140,169.40	--	60,648,517.21	38,491,652.19

As of 31 December 2020, Provision for bad debts on those in first stage:

Category	Book balance	Expected credit loss rate in the next 12 months (%)	Provision for bad debts	Carrying amount
Provision for bad debts on portfolio basis				
Current accounts	29,985,313.18	0.98	292,391.21	29,692,921.97
Security deposits, deposits and petty cash	124,511,626.60	0.85	1,058,751.55	123,452,875.05
Equity transfer funds	269,200,600.00	1.57	4,226,449.42	264,974,150.58
Others	36,686,399.86	1.80	659,714.77	36,026,685.09
Total	460,383,939.64	--	6,237,306.95	454,146,632.69

As of 31 December 2020, Provision for bad debts on those in second stage:

Category	Book balance	Expected credit loss rate in the next 12 months (%)	Provision for bad debts	Carrying amount
Provision for bad debts on portfolio basis				
Current accounts	8,332,820.16	6.82	568,520.55	7,764,299.61
Security deposits, deposits and petty cash	45,910,400.54	3.95	1,815,080.18	44,095,320.36
Equity transfer funds	31,541,900.00	39.28	12,389,905.02	19,151,994.98
Others	5,515,226.02	53.93	2,974,232.05	2,540,993.97
Total	91,300,346.72	--	17,747,737.80	73,552,608.92

As of 31 December 2020, Provision for bad debts on those in third stage:

Category	Book balance	Expected credit loss rate for the lifetime (%)	Provision for bad debts	Carrying amount
Provision for bad debts on individual item				
He Zhiyong	51,546,199.79	24.59	12,673,584.01	38,872,615.78
A1 Development EOOD	23,385,705.46	100.00	23,385,705.46	-

Category	Book balance	Expected credit loss rate for the lifetime (%)	Provision for bad debts	Carrying amount
Fujian Huaqing Energy Co., Ltd.	10,000,000.00	100.00	10,000,000.00	-
Shandong Guoyi Cable Co., Ltd.	5,987,393.63	100.00	5,987,393.63	-
Others	9,821,516.15	100.00	9,821,516.15	-
Total	100,740,815.03	--	61,868,199.25	38,872,615.78

As of 31 December 2019, Provision for bad debts on those in first stage:

Category	Book balance	Expected credit loss rate in the next 12 months (%)	Provision for bad debts	Carrying amount
Provision for bad debts on portfolio basis				
Current accounts	21,271,345.47	0.46	98,849.24	21,172,496.23
Security deposits, deposits and petty cash	163,551,315.75	2.11	3,457,452.49	160,093,863.26
Equity transfer payment	27,941,900.00	1.43	399,569.17	27,542,330.83
Others	7,773,250.70	2.33	181,418.00	7,591,832.70
Total	220,537,811.92	--	4,137,288.90	216,400,523.02

As of 31 December 2019, Provision for bad debts on those in second stage:

Category	Book balance	Expected credit loss rate for the lifetime (%)	Provision for bad debts	Carrying amount
Provision for bad debts on portfolio basis				
Current accounts	7,909,457.91	7.34	580,904.59	7,328,553.32
Security deposits, deposits and petty cash	34,413,327.81	12.08	4,155,787.42	30,257,540.39
Equity transfer payment	3,600,000.00	36.15	1,301,400.00	2,298,600.00
Others	2,932,479.63	64.56	1,893,156.50	1,039,323.13
Total	48,855,265.35	--	7,931,248.51	40,924,016.84

As of 31 December 2019, Provision for bad debts on those in third stage:

Category	Book balance	Expected credit loss rate for the lifetime (%)	Provision for bad debts	Carrying amount
Provision for bad debts on individual item				
Including: He Zhiyong	51,546,199.79	20.18	10,403,589.79	41,142,610.00
A1DevelopmentEOD	25,952,957.43	100.00	25,952,957.43	-
Fujian Huaqing Energy Co., Ltd.	9,346,256.59	100.00	9,346,256.59	-
Shandong Guoyi Cable Co., Ltd.	5,987,393.63	100.00	5,987,393.63	-

Category	Book balance	Expected credit loss rate for the lifetime (%)	Provision for bad debts	Carrying amount
Qinghai Dongfang New Energy Investment Co., Ltd.	3,498,199.38	100.00	3,498,199.38	-
Others	8,123,316.76	100.00	8,123,316.76	-
Total	104,454,323.58	--	63,311,713.58	41,142,610.00

(4) Accrual, recovery or reversal of bad debt provision during the year

Provision for bad debts	First stage	Second stage	Third stage	Total
	Expected credit loss within 12 months	Expected credit loss for lifetime (no credit impairment occurred)	Expected credit loss for lifetime (credit impairment has occurred)	
Balance at 31 December 2020	6,237,306.95	17,747,737.80	61,868,199.25	85,853,244.00
Movement of balance during the year ended 31 December 2021:				
--transfer to second stage	-405,761.21	405,761.21	-	-
--transfer to third stage	-	-	-	-
--Reverse to second stage	-	-	-	-
--Reverse to first stage	-	-	-	-
Provision for the year	-	-	-	-
Reversal in the year	1,891,635.62	-	1,219,682.04	3,111,317.66
Transfer in the year	-	-	-	-
Write-off in the year	-	1,501,865.27	-	1,501,865.27
Other movement	-	-	-	-
Balance at 31 December 2021	3,939,910.12	16,651,633.74	60,648,517.21	81,240,061.07

(Continued)

Provision for bad debts	First stage	Second stage	Third stage	Total
	Expected credit loss within 12 months	Expected credit loss for lifetime (no credit impairment occurred)	Expected credit loss for lifetime (credit impairment has occurred)	
Balance at 31 December 2019	4,137,288.90	7,931,248.51	63,311,713.58	75,380,250.99
Movement of balance during the year ended 31 December 2020:				
--transfer to second stage	-	-	-	-
--transfer to third stage	-	-	-	-
--Reverse to second stage	-	-	-	-

--Reverse to first stage	-	-	-	-
Provision for the year	2,100,018.05	10,709,454.49	-	12,809,472.54
Reversal in the year	-	-	1,443,514.33	1,443,514.33
Transfer in the year	-	-	-	-
Write-off in the year	-	892,965.20	-	892,965.20
Other movement	-	-	-	-
Balance at 31 December 2020	6,237,306.95	17,747,737.80	61,868,199.25	85,853,244.00

(Continued)

Provision for bad debts	First stage	Second stage	Third stage	Total
	Expected credit loss within 12 months	Expected credit loss for lifetime (no credit impairment occurred)	Expected credit loss for lifetime (credit impairment has occurred)	
Balance at 1 January 2019	645,622.88	33,979,499.02	42,259,012.54	76,884,134.44
Movement of balance during the year ended 31 December 2019:	-	-	-	-
--transfer to second stage	-	-	-	-
--transfer to third stage	-	-	-	-
--Reverse to second stage	-	-	-	-
--Reverse to first stage	-	-	-	-
Provision for the year	3,491,666.02	-	27,460,207.43	30,951,873.45
Reversal in the year	-	26,048,250.51	5,531,800.62	31,580,051.13
Transfer in the year	-	-	-	-
Write-off in the year	-	-	875,705.77	875,705.77
Other movement	-	-	-	-
Balance at 31 December 2019	4,137,288.90	7,931,248.51	63,311,713.58	75,380,250.99

(5) Actual written-off of other receivables in the year

Item	Written-off amount		
	2021.12.31	2020.12.31	2019.12.31
Actual written-off of other receivables	1,501,865.27	892,965.20	875,705.77

(6) Other receivables due from the top five debtors

As of 31 December 2021, Other receivables due from the top five debtors:

Name of entity	Nature	Other receivables Closing balance	Ageing	Proportion to total other receivables (%)	Provision for bad debts Closing balance
Inner Mongolia Huolinhe Coal Industry Group Co., Ltd.	Security deposits & deposits	100,000,000.00	Within 6 months	16.99	420,000.00
He Zhiyong	Current accounts	51,546,199.79	Over 5 years	8.76	13,054,547.60
Wuling Power Co., Ltd.	Security deposits & deposits, Equity transfer funds	46,646,357.90	Within 6 months	7.93	722,434.55
Jilin Province Zhongneng Wind Power Investment Co., Ltd.	Security deposits & deposits, Current accounts	40,070,000.00	Within 6 months, 6 months-1 year, 1-2 years, 2-3 years	6.80	1,512,931.00
Dongfang Land Development and Reservation Center	Security deposits & deposits	39,610,000.00	Within 6 months	6.73	324,802.00
Total	--	277,872,557.69	--	47.21	16,034,715.15

As of 31 December 2020, Other receivables due from the top five debtors:

Name of entity	Nature	Other receivables Closing balance	Ageing	Proportion to total other receivables (%)	Provision for bad debts Closing balance
Fengyuan Green Energy Co., Ltd.	Equity transfer funds	269,200,600.00	Within 6 months	41.26	4,226,449.42
He Zhiyong	Current accounts	51,546,199.79	4-5 years	7.90	12,673,584.01
Xinyang Rundian New Energy Co., Ltd.	Security deposits & deposits	31,100,000.00	Within 6 months	4.77	255,020.00
Jilin Province Zhongneng Wind Power Investment Co., Ltd.	Security deposits & deposits, Current accounts	28,101,956.79	Within 6 months, 1-2 years	4.31	452,838.37
China Nuclear Shandong Energy Co., Ltd.	Equity transfer funds	27,941,900.00	1-2 years	4.28	10,779,985.02
Total	--	407,890,656.58	--	62.52	28,387,876.82

As of 31 December 2019, Other receivables due from the top five debtors:

Name of entity	Nature	Other receivables Closing balance	Ageing	Proportion to total other receivables (%)	Provision for bad debts Closing balance
He Zhiyong	Current accounts	51,546,199.79	3-4 years	13.79	10,403,589.79

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Name of entity	Nature	Other receivables Closing balance	Ageing	Proportion to total other receivables (%)	Provision for bad debts Closing balance
Dingbian Guoneng New Energy Co., Ltd.	Security deposits, deposits and petty cash	43,000,000.00	Within 6 months	11.50	782,600.00
China Power Complete Equipment Co., Ltd.	Security deposits, deposits and petty cash	29,149,797.00	Within 6 months, 6 months to 1 year, 1 to 2 years	7.80	884,602.89
China Nuclear Shandong Energy Co., Ltd.	Equity transfer funds	27,941,900.00	Within 6 months	7.47	399,569.17
A1Development EOOD	Current accounts	25,952,957.43	Over 5 years	6.94	25,952,957.43
Total	--	177,590,854.22	--	47.50	38,423,319.28

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7. Inventories

(1) Inventories by category

Category	2021.12.31			2020.12.31			2019.12.31		
	Book balance	Provision for decline in value	Carrying amount	Book balance	Provision for decline in value	Carrying amount	Book balance	Provision for decline in value	Carrying amount
Raw materials	1,255,950,437.86	8,819,372.02	1,247,131,065.84	1,192,945,506.74	14,031,771.22	1,178,913,735.52	1,009,773,697.30	24,921,691.02	984,852,006.28
Work in progress	1,045,743,296.62	-	1,045,743,296.62	1,191,315,971.62	964,641.36	1,190,351,330.26	403,731,870.39	964,641.36	402,767,229.03
Semi-finished goods	54,943,192.79	-	54,943,192.79	55,084,611.36	-	55,084,611.36	63,763,951.14	-	63,763,951.14
Finished goods	752,122,270.11	26,116,061.94	726,006,208.17	1,506,963,809.58	20,897,889.93	1,486,065,919.65	433,053,035.66	11,775,940.13	421,277,095.53
Issuing goods	6,517,082,436.37	-	6,517,082,436.37	4,398,559,517.69	-	4,398,559,517.69	821,331,441.10	-	821,331,441.10
Reusable materials	13,095,592.17	-	13,095,592.17	13,138,427.63	-	13,138,427.63	8,466,744.92	-	8,466,744.92
Contract performance cost	-	-	-	149,717,548.99	-	149,717,548.99	-	-	-
Subcontracting materials	-	-	-	302,741.61	-	302,741.61	1,184,051.94	-	1,184,051.94
Completed and unsettled assets formed by construction contracts	-	-	-	-	-	-	107,774,585.50	-	107,774,585.50
Total	9,638,937,225.92	34,935,433.96	9,604,001,791.96	8,508,028,135.22	35,894,302.51	8,472,133,832.71	2,849,079,377.95	37,662,272.51	2,811,417,105.44

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(2) Provision for decline in value of inventories

Item	2020.12.31		Increase		Decrease		2021.12.31	Basis in determination of net recoverable amount/residual value and cost to be incurred	Reason for reversal or written-off of provision for decline in value in the year
	2020.12.31		Provision	Other	Reversal or written-off	Others			
Raw materials	14,031,771.22		2,319,081.23	-	7,531,480.43	-	8,819,372.02	[Note 1]	Sold externally after manufactured as product
Work in progress	964,641.36		-	-	964,641.36	-	-	[Note 2]	Sold externally after manufactured as product
Finished goods	20,897,889.93		9,847,688.69	-	4,629,516.68	-	26,116,061.94	[Note 3]	Sold externally
Total	35,894,302.51		12,166,769.92	-	13,125,638.47	-	34,935,433.96	--	--

(Continued)

Item	2019.12.31		Increase		Decrease		2020.12.31	Basis in determination of net recoverable amount/residual value and cost to be incurred	Reason for reversal or written-off of provision for decline in value in the year
	2019.12.31		Provision	Other	Reversal or written-off	Others			
Raw materials	24,921,691.02		-	-	10,889,919.80	-	14,031,771.22	[Note 1]	Sold externally after manufactured as product
Work in progress	964,641.36		-	-	-	-	964,641.36	[Note 2]	-
Finished goods	11,775,940.13		9,121,949.80	-	-	-	20,897,889.93	[Note 3]	-
Total	37,662,272.51		9,121,949.80	-	10,889,919.80	-	35,894,302.51	--	--

(Continued)

Item	2018.12.31	Increase		Decrease		2019.12.31	Basis in determination of net recoverable amount/residual value and cost to be incurred	Reason for reversal or written-off of provision for decline in value in the year
		Provision	Other	Reversal or written-off	Others			
Raw materials	10,061,857.48	14,859,833.54	-	-	-	24,921,691.02	[Note 1]	—
Work in progress	-	964,641.36	-	-	-	964,641.36	[Note 2]	—
Finished goods	-	11,775,940.13	-	-	-	11,775,940.13	[Note 3]	—
Total	10,061,857.48	27,600,415.03	-	-	-	37,662,272.51	--	--

[Note 1]: In the production and operation process, the contract price of the finished product produced is subtracted from the estimated cost to completion, estimated sales expense and related taxes and fees.

[Note 2]: In the production and operation process, the contract price of the finished product produced is subtracted from the estimated cost to completion, estimated sales expense and related taxes and fees.

[Note 3]: According to the contract price of Inventories minus the estimated cost of sales, estimated sales expenses and related taxes and fees.

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8. Contract assets

Item	2021.12.31		2020.12.31		2020.01.01				
	Book balance	Provision for impairment	Carrying amount	Book balance	Provision for impairment	Carrying amount			
High-end manufacturing business	5,648,334,859.97	11,338,669.72	5,636,996,190.25	4,160,411,828.68	8,364,831.02	4,152,046,997.66	3,167,995,380.88	-	3,167,995,380.88
Project construction business	120,086,476.68	3,102,696.95	116,983,779.73	143,415,685.03	3,283,638.23	140,132,046.80	-	-	-
Subtotal	5,768,421,336.65	14,441,366.67	5,753,979,969.98	4,303,827,513.71	11,648,469.25	4,292,179,044.46	3,167,995,380.88	-	3,167,995,380.88
Less: Contract assets as presented as other non-current assets	5,236,552,754.68	13,159,610.07	5,223,393,144.61	3,759,469,146.91	10,256,602.10	3,749,212,544.81	2,934,106,529.28	-	2,934,106,529.28
Total	531,868,581.97	1,281,756.60	530,586,825.37	544,358,366.80	1,391,867.15	542,966,499.65	233,888,851.60	-	233,888,851.60

(1) Information of impairment of contract assets

Category	2021.12.31				2020.12.31				2020.01.01						
	Book balance		Provision for impairment		Book balance		Provision for impairment		Book balance		Provision for impairment				
	Amount	Ratio (%)	Amount	Expected credit loss rate (%)	Amount	Ratio (%)	Amount	Expected credit loss rate (%)	Amount	Ratio (%)	Amount	Expected credit loss rate (%)			
Provision for bad debts on portfolio basis including:	531,868,581.97	100.00	1,281,756.60	0.24	530,586,825.37	544,358,366.80	100.00	1,391,867.15	0.26	542,966,499.65	233,888,851.60	100.00	-	-	233,888,851.60
High-end manufacturing business	459,195,436.79	86.34	918,390.87	0.20	458,277,045.92	457,977,344.19	84.13	959,962.04	0.21	457,017,382.15	233,888,851.60	100.00	-	-	233,888,851.60

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Project construction business	72,673,145.18	13.66	363,365.73	0.50	72,309,779.45	86,381,022.61	15.87	431,905.11	0.50	85,949,117.50	-	-	-
Total	531,868,581.97	--	1,281,756.60	--	530,586,825.37	544,358,366.80	100.00	1,391,867.15	--	542,966,499.65	233,888,851.60	100.00	233,888,851.60

(2) Information of impairment of contract assets

Additions, recoveries or reversals of provision for impairment of contract assets in 2021:

Item	Provision for the year	Reversal in the year	Written-off in the year
High-end manufacturing business	-	41,571.17	-
Project construction business	-	68,539.38	-
Total	-	110,110.55	-

Additions, recoveries or reversals of provision for impairment of contract assets in 2020:

Item	Provision for the year	Reversal in the year	Written-off in the year
High-end manufacturing business	959,962.04	-	-
Project construction business	431,905.11	-	-
Total	1,391,867.15	-	-

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9. Assets held-for-sale and liabilities held-for-sale

Item	2021.12.31			2020.12.31			2019.12.31		
	Book balance	Provision for impairment	Carrying amount	Book balance	Provision for impairment	Carrying amount	Book balance	Provision for impairment	Carrying amount
(1) Non-current assets held-for-sale	12,786,680.62	-	12,786,680.62	-	-	-	16,239,915.44	-	16,239,915.44
Including: Long-term equity investment	1,986,680.62	-	1,986,680.62	-	-	-	16,239,915.44	-	16,239,915.44
Other equity instruments investment	10,800,000.00	-	10,800,000.00	-	-	-	-	-	-
(2) Assets in disposal group held-for-sale	4,312,385,009.56	-	4,312,385,009.56	434,360,252.40	-	434,360,252.40	-	-	-
Including: Yangjiang MingYang Offshore Wind Power Development Co., Ltd.	4,312,385,009.56	-	4,312,385,009.56	-	-	-	-	-	-
Dingbian Guoneng New Energy Co., Ltd.	-	-	-	434,360,252.40	-	434,360,252.40	-	-	-
Disposal group composed of Daqing Zhongdan Ruihao Wind Power Co., Ltd., Daqing Dumeng Huji Tumo Wind Power Co., Ltd., Daqing Dumeng Dairy Farm Wind Power Co., Ltd., Daqing Dumeng Hu Town Dairy Farm Wind Power Co., Ltd.	-	-	-	-	-	-	1,357,952,958.97	-	1,357,952,958.97
Total	4,325,171,690.18	-	4,325,171,690.18	434,360,252.40	-	434,360,252.40	1,374,192,874.41	-	1,374,192,874.41

(Continued)

Item	2021.12.31	2020.12.31	2019.12.31
Liabilities held-for-sale:			
Liabilities in disposal group held-for-sale	283,618,819.08	328,444,783.32	765,989,137.39
Including: Yangjiang MingYang Offshore Wind Power Development Co., Ltd.	283,618,819.08	-	-
Dingbian Guoneng New Energy Co., Ltd.	-	328,444,783.32	-
Disposal group composed of Daqing Zhongdan Ruihao Wind Power Co., Ltd., Daqing Dumeng Huji Tumo Wind Power Co., Ltd., Daqing Dumeng Dairy Farm Wind Power Co., Ltd., Daqing Dumeng Hu Town Dairy Farm Wind Power Co., Ltd.	-	-	765,989,137.39
Total	283,618,819.08	328,444,783.32	765,989,137.39

Note:

A. On 23 November 2021, the Company's subsidiary, Beijing Jieyuan New Energy Investment Co., Ltd. (hereinafter referred to as "Beijing Jieyuan") signed an equity transfer agreement with Mianyang Shuaicheng Electric Power Engineering Co., Ltd. (hereinafter referred to as "Mianyang Shuaicheng"), pursuant to which agreed to transfer the 10% equity of Panzhuhua Renhe Jieyuan New Energy Co., Ltd. held by Beijing Jieyuan to Mianyang Shuaicheng for a consideration of RMB 2.02 million. As of 31 December 2021, the relevant procedures have not been completed, and the Company classifies this long-term equity investment as held-for-sale.

B. On 25 June 2021, the Company signed an equity transfer contract with State Power Investment Corporation Guangdong Electric Power Company (hereinafter referred to as "SPIC Guangdong Company") and Shenzhen Gas Group Co., Ltd. (hereinafter referred to as "Shenzhen Gas"), pursuant to which agreed to transfer 5% of the equity of Jieyang Qianzhan Wind Power Co., Ltd. (hereinafter referred to as "Jieyang Qianzhan") held by the Company to SPIC Guangdong Company or its designated intended successor for a consideration of RMB 10.80 million. As of 31 December 2021, the relevant procedures have not been completed, and the Company classifies this other equity instruments investment as held-for-sale.

C. In December 2021, the Company signed an equity transfer agreement with China Three Gorges New Energy (Group) Co., Ltd. (hereinafter referred to as "Three Gorges New Energy"), pursuant to which agreed to transfer 100% of the equity of Yangjiang MingYang Offshore Wind Power Development Co., Ltd. held by the Company to Three Gorges New Energy at a consideration of RMB 1,757.42 million. As of 31 December 2021, the relevant procedures have not been completed, and the Company classifies this investment as held-for-sale.

D. In December 2020, the Company's subsidiary, Beijing Jieyuan New Energy Investment Co., Ltd. signed an equity transfer agreement with Hubei Liefeng Energy Co., Ltd. (hereinafter referred to as "Hubei Liefeng"). Beijing Jieyuan New Energy Investment Co., Ltd. transferred all of its 70% equity of Dingbian Guoneng New Energy Co., Ltd. to Hubei Liefeng at a consideration of RMB 91.896 million. As of 31 December 2020, the relevant equity delivery procedures have not been completed.

E. In December 2019, the Company signed an equity transfer agreement with Fengyuan Green Energy Co., Ltd. (hereinafter referred to as "Fengyuan Green Energy"), Jinan Runhe Venture Capital Partnership (Limited Partnership) (hereinafter referred to as "Runhe Venture Capital"), pursuant to which: ① Sold

84.6032% and 0.3968% equity of its wholly-owned subsidiary Daqing Zhongdan Ruihao Wind Power Co., Ltd. to Fengyuan Green Energy and Runhe Venture Capital respectively. The transaction considerations were RMB 106.60 million and RMB 0.50 million respectively; ② Sold 84.6429% and 0.3571% equity of its wholly-owned subsidiary Daqing Dumeng Huji Tumo Wind Power Co., Ltd. to Fengyuan Green Energy and Runhe Venture Capital respectively. The transaction considerations were RMB 118.50 million and RMB 0.5 million respectively; ③ Sold 84.7266% and 0.2734% equity interest of Daqing Dumeng Dairy Farm Wind Power Co., Ltd. to Fengyuan Green Energy and Runhe Venture Capital respectively. The transaction considerations were RMB 154.931 million and RMB 0.5 million respectively; ④ Sold 84.7462% and 0.2538% equity of Daqing Dumenghu Dairy Farm Wind Power Co., Ltd. to Fengyuan Green Energy and Runhe Venture Capital respectively. The transaction considerations were RMB 166.95 million and RMB 0.5 million respectively. The disposals of the above 4 companies are strongly related, so they are regarded as a group of disposal assets. As of 31 December 2020, the relevant equity delivery procedures have been completed.

F. In November 2018, the Company and MingYang New Energy Investment Holding Group Co., Ltd. (hereinafter referred to as "Energy Investment Group") signed an equity transfer contract, pursuant to which agreed to sold 28% equity of Guangdong Oriental Millennium Renewable Energy Industry Fund Management Co., Ltd. to Energy Investment Group. A supplementary agreement was signed in April 2020, and the relevant disposal processes is expected to be completed within 2 months. The aforementioned Guangdong Oriental Millennium Renewable Energy Industry Fund Management Co., Ltd. to be sold is presented as assets held-for-sale.

G. In November 2018, the Company and Energy Investment Group signed an equity transfer agreement and transfer of partnership agreement, pursuant to which agreed to sell 99.90% equity interest in Guangdong Renewable Energy Industry Fund No. 3 (Limited Partnership) to Energy Investment Group. A supplementary agreement was signed in April 2020, and the relevant disposal processes is expected to be completed within 2 months. The aforementioned Guangdong Renewable Energy Industry Fund No. 3 (Limited Partnership) to be sold is presented as assets held-for-sale.

(1) Non-current assets held-for-sale

Information of assets held-for-sale is as follow:

Item	2021.12.31		Expected selling expenses	Time schedule
	Carrying amount	Fair value		
Panzhuhua Renhe Jieyuan New Energy Co., Ltd.	1,986,680.62	1,986,680.62	-	December 2022
Jieyang Qianzhan Wind Power Co., Ltd.	10,800,000.00	10,800,000.00	-	January 2022

(Continued)

Item	2020.12.31		Expected selling expenses	Time schedule
	Carrying amount	Fair value		
--	-	-	-	-

(Continued)

Item	2019.12.31		Expected selling expenses	Time schedule
	Carrying amount	Fair value		
Guangdong Orient Prosperity Renewable Energy Industry Fund Management Co., Ltd.	16,239,915.44	28,000,000.00	-	June 2020
Guangdong Renewable Energy Industry Fund No. 3 (Limited Partnership)	-	1.00	-	June 2020

(2) Disposal group held-for-sale

① Yangjiang MingYang Offshore Wind Power Development Co., Ltd.

Item	2021.12.31		Expected selling expenses	Time schedule
	Carrying amount	Fair value		
Assets held-for-sale in disposal group				
Current assets	265,194,707.61	265,194,707.61	-	
Non-current assets	4,047,190,301.95	4,047,190,301.95	-	
Including: Construction in progress	3,683,346,678.20	3,683,346,678.20	-	January 2022
Intangible assets	127,006,786.76	127,006,786.76	-	
Liabilities held-for-sale in disposal group				
Current liabilities	196,264,967.88	196,264,967.88	-	
Non-current liabilities	87,353,851.20	87,353,851.20	-	

② Dingbian Guoneng New Energy Co., Ltd.

Item	2020.12.31		Expected selling expenses	Time schedule
	Carrying amount	Fair value		
Assets held-for-sale in disposal group				
Current assets	51,287,369.63	51,287,369.63	-	
Non-current assets	383,072,882.77	383,072,882.77	-	
Including: Fixed assets	306,314,096.60	306,314,096.60	-	January 2021
Intangible assets	1,925,750.47	1,925,750.47	-	
Liabilities held-for-sale in disposal group				
Current liabilities	30,098,355.59	30,098,355.59	-	
Non-current liabilities	298,346,427.73	298,346,427.73	-	

③ Daqing Zhongdan Ruihao Wind Power Co., Ltd., Daqing Dumeng Huji Tumo Wind Power Co., Ltd., Daqing Dumeng Dairy Farm Wind Power Co., Ltd. and Daqing Dumeng Hu Town Dairy Farm Wind Power Co., Ltd.

Item	2019.12.31		Expected selling expenses	Time schedule
	Carrying amount	Fair value		
Assets held-for-sale in disposal group				
Current assets	505,435,298.64	536,150,332.44	-	
Non-current assets	1,018,906,046.18	1,080,824,423.73	-	
Including: Construction in progress	1,016,074,935.63	1,056,777,868.10	-	June 2020
Intangible assets	-	21,043,400.00	-	
Liabilities held-for-sale in disposal group				
Current liabilities	349,114,756.17	349,114,756.17	-	
Non-current liabilities	622,785,180.16	622,000,000.00	-	

Note: Carrying value at year end are the presentation of aggregated data of Daqing Zhongdan Ruihao Wind Power Co., Ltd., Daqing Dumeng Huji Tumo Wind Power Co., Ltd., Daqing Dumeng Dairy Farm Wind Power Co., Ltd. and Daqing Dumeng Hu Town Dairy Farm Wind Power Co., Ltd.

10. Non-current assets due within one year

Item	2021.12.31	2020.12.31	2019.12.31
Long-term receivables due within one year	-	-	225,441,316.43

11. Other current assets

Item	2021.12.31	2020.12.31	2019.12.31
VAT carry forward	351,979,422.71	617,034,266.62	320,154,657.75
Endorsed notes receivable not yet derecogized	13,097,256.79	14,584,900.00	-
Input tax pending for verification	15,459,074.96	8,366,590.32	16,410,356.70
Prepaid income tax	28,510,340.91	1,987,483.11	671,071.66
Prepaid other taxes	7,826.73	2,021.01	18,128.73
Other borrowings	285,988,087.01	672,246,690.39	-
Total	695,042,009.11	1,314,221,951.45	337,254,214.84

12. Long-term receivables

(1) Long-term receivables by nature

Item	2021.12.31	2020.12.31	Range of
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	Book balance	Provision for bad debts	Carrying amount	Book balance	Provision for bad debts	Carrying amount	discount rate
Warranty deposits - original value	-	-	-	-	-	-	-
Less: Unrealized financing income of warranty deposits	-	-	-	-	-	-	-
Security deposits of financing leases	23,366,000.00	-	23,366,000.00	57,031,882.86	-	57,031,882.86	3.98-10.47
Less: Unrealized financing income of security deposits of financing Leases	8,800,674.96	-	8,800,674.96	24,553,869.30	-	24,553,869.30	-
Subtotal	14,565,325.04	-	14,565,325.04	32,478,013.56	-	32,478,013.56	-
Less: Long-term receivables due within one year	-	-	-	-	-	-	-
Total	14,565,325.04	-	14,565,325.04	32,478,013.56	-	32,478,013.56	--

(Continued)

Item	2019.12.31			Range of discount rate
	Book balance	Provision for bad debts	Carrying amount	
Warranty deposits -original value	3,167,995,380.88	-	3,167,995,380.88	--
Less: Unrealized financing income warranty deposits	443,518,128.34	-	443,518,128.34	--
Security deposits of financing leases	57,335,391.55	-	57,335,391.55	3.98-10.47
Less: Unrealized financing income of security deposits of financing Leases	22,329,866.04	-	22,329,866.04	--
Subtotal	2,759,482,778.05	-	2,759,482,778.05	--
Less: Long-term receivables due within one year	225,441,316.43	-	225,441,316.43	--
Total	2,534,041,461.62	-	2,534,041,461.62	--

Note: Long-term receivables with a collection period of more than one year use the effective interest method to calculate amortized cost. The Company considers all contractual terms and estimates future cash flows based on contract cash flows. The discount rate used to calculate the present value of future cash flows varies with the contract period.

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13. Long-term equity investment

Investee	2020.12.31	Increase/ addition in investment	Decrease in investment	Investment income/loss recognized under equity method	Movement in the year				2021.12.31	Closing balance of provision for impairment
					Adjustment of other comprehen- sive income	Changes of other equity	Announced distribution of cash dividend or profit	Provision for impairment		
① Joint ventures										
MW EP Renewables International Ltd.	-	-	-	-	-	-	-	-	-	-
MW Wind Power OOD	-	-	-	-	-	-	-	-	-	-
Henan Mingrun New Energy Co., Ltd.	1,398.34	-	-	-1,398.34	-	-	-	-	-	-
MingYang International Energy Technology Co., Ltd.	6,000,000.00	-	-	-	-	-	6,000,000.00	-	-	6,000,000.00
Subtotal	6,001,398.34	-	-	-1,398.34	-	-	6,000,000.00	-	-	6,000,000.00
② Associates										
Huaneng MingYang New Energy Investment Co., Ltd.	-1,342,154.64	-	-	1,342,154.64	-	-	-	-	-	-
China Nuclear Henan New Energy Co., Ltd.	28,503,374.82	-	-	3,745,036.85	-	-	-	-	-	32,248,411.67
Golmud MingYang New Energy Power Generation Co., Ltd.	22,130,577.54	-	-	3,579,961.94	-	-	-	-	-	25,710,539.48
Guangdong Yuecai Financial Leases Co., Ltd.	384,468,767.46	-	-	23,401,135.73	-	-	5,250,000.00	-	-	402,619,903.19
Panzhuhua Renhe Jieyuan New Energy Co., Ltd.	1,976,986.94	-	-	9,693.68	-	-	-	1,986,680.62	-	-
Daqing Zhongdan Ruihao Wind Power Co., Ltd.	18,900,000.00	-	-	1,414,945.71	-	-	-	-	-	20,314,945.71
Daqing Dumeng Huji Tumo Wind Power Co., Ltd.	21,000,000.00	-	-	1,611,853.31	-	-	-	-	-	22,611,853.31
Daqing Dumeng Dairy Farm Wind Power Co., Ltd.	27,429,000.00	-	-	1,570,697.61	-	-	-	-	-	28,999,697.61
Daqing Dumeng Huzhen Dairy Farm Wind Power Co., Ltd.	29,550,000.00	-	-	1,523,944.44	-	-	-	-	-	31,073,944.44
Subtotal	532,616,552.12	-	-	38,199,423.91	-	-	5,250,000.00	1,986,680.62	-	563,579,295.41
Total	538,617,950.46	-	-	38,198,025.57	-	-	6,000,000.00	1,986,680.62	-	6,000,000.00

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Investee	2019.12.31	Movement in the year							Closing balance of provision for impairment	
		Increase/ addition in investment	Decrease in investment	Investment income/loss recognized under equity method	Adjustment of other comprehensive income	Changes of other equity	Announced distribution of cash dividend or profit	Provision for impairment		Other
① Joint ventures										
MW EP Renewables International Ltd.	-	-	-	-	-	-	-	-	-	-
MW Wind Power OOD	-	-	-	-	-	-	-	-	-	-
Henan Mingrun New Energy Co., Ltd.	2,000.00	-	-	-601.66	-	-	-	-	-	1,398.34
MingYang International Energy Technology Co., Ltd.	6,000,000.00	-	-	-	-	-	-	-	-	6,000,000.00
Subtotal	6,002,000.00	-	-	-601.66	-	-	-	-	-	6,001,398.34
② Associates										
Huaneng MingYang New Energy Investment Co., Ltd.	2,929,145.19	-	-	-4,271,299.83	-	-	-	-	-	-1,342,154.64
China Nuclear Henan New Energy Co., Ltd.	24,512,228.15	-	-	3,991,146.67	-	-	-	-	-	28,503,374.82
Golmud MingYang New Energy Power Generation Co., Ltd.	20,647,232.02	-	-	1,483,345.52	-	-	-	-	-	22,130,577.54
Guangdong Yuecai Financial Leases Co., Ltd.	365,911,661.18	-	-	18,557,106.28	-	-	-	-	-	384,468,767.46
Panzhuhua Renhe Jieyuan New Energy Co., Ltd.	1,888,929.30	-	-	88,057.64	-	-	-	-	-	1,976,986.94
Daqing Zhongdan Ruihao Wind Power Co., Ltd.	-	18,900,000.00	-	-	-	-	-	-	-	18,900,000.00
Daqing Dumeng Huji Tumo Wind Power Co., Ltd.	-	21,000,000.00	-	-	-	-	-	-	-	21,000,000.00
Daqing Dumeng Dairy Farm Wind Power Co., Ltd.	-	27,429,000.00	-	-	-	-	-	-	-	27,429,000.00
Daqing Dumeng Huzhen Dairy Farm Wind Power Co., Ltd.	-	29,550,000.00	-	-	-	-	-	-	-	29,550,000.00
Subtotal	415,889,195.84	96,879,000.00	-	19,848,356.28	-	-	-	-	-	532,616,552.12
Total	421,891,195.84	96,879,000.00	-	19,847,754.62	-	-	-	-	-	538,617,950.46

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Investee	2018.12.31	Movement in the year							Closing balance of provision for impairment	
		Increase/ addition in investment	Decrease in investment	Investment income/loss under equity method	Adjustment of other comprehensive income	Changes of other equity	Announced distribution of cash dividend or profit	Provision for impairment		Other
① Joint ventures										
Global Wind Power Limited	-	-	-	-	-	-	-	-	-	-
MW EP Renewables International Ltd.	-	-	-	-	-	-	-	-	-	-
MW Wind Power OOD	-	-	-	-	-	-	-	-	-	-
Henan Mingrun New Energy Co., Ltd.	-	2,000.00	-	-	-	-	-	-	-	2,000.00
MingYang International Energy Technology Co., Ltd.	-	6,000,000.00	-	-	-	-	-	-	-	6,000,000.00
Subtotal	-	6,002,000.00	-	-	-	-	-	-	-	6,002,000.00
② Associates										
Huaneng MingYang New Energy Investment Co., Ltd.	3,060,489.16	-	-	-131,343.97	-	-	-	-	-	2,929,145.19
China Nuclear Henan New Energy Co., Ltd.	29,949,698.04	-	-	-5,437,469.89	-	-	-	-	-	24,512,228.15
Golmud MingYang New Energy Power Generation Co., Ltd.	16,762,259.92	-	-	3,884,972.10	-	-	-	-	-	20,647,232.02
Guangdong Yuecai Financial Leases Co., Ltd.	352,616,896.92	-	-	13,294,764.26	-	-	-	-	-	365,911,661.18
Panzhuhua Renhe Jieyuan New Energy Co., Ltd.	1,184,589.90	-	-	704,339.40	-	-	-	-	-	1,888,929.30
Subtotal	403,573,933.94	-	-	12,315,261.90	-	-	-	-	-	415,889,195.84
Total	403,573,933.94	6,002,000.00	-	12,315,261.90	-	-	-	-	-	421,891,195.84

Note:

(1) The Company's subsidiary, MingYang Holdings (Singapore) Pte. Ltd transferred its 49% equity of Global Wind Power Limited to Remreliance Value Services Private Limited, Reliance Net Limited, and Reliance Land Private Limited and Reliance Alpha Services Private Limited in 2019. MingYang Holdings (Singapore) Pte. Ltd. continues to hold 1% equity of Global Wind Power Limited, which was no longer meets the conditions as joint venture, and the Group accounted for it as other equity instruments investment. Please refer to Note V.14 for details.

(2) MW EP Renewables International Ltd. was established on 18 September 2012. It is invested and established by the Company's subsidiary, MingYang Wind Power (International) Co., Ltd. (hereinafter referred to as "MingYang International") and Grission Management, of which MingYang International invested an amount of EUR 680.00 for a shareholding of 66.67%.

(3) MW Wind Power OOD was established on 17 June 2011, and was invested by W.Power Group EOOD. On 19 July 2011, MingYang International acquired 66% of MW Wind Power OOD for Bulgarian Lev 660.00.

(4) Due to the insolvency of MW EP Renewables International Ltd. and MW Wind Power OOD, according to the long-term equity investment standard, the equity method is adopted for treatment of long-term equity investment, and the carrying amount is written down to zero.

(5) In January 2019, the Company's subsidiary, MingYang International and Beijing Peace Development Enterprise Management Co., Ltd. (hereinafter referred to as "Peace Development Company ") signed a joint venture contract to jointly financing the establishment of MingYang International Energy Technology Co., Ltd. MingYang International held a shareholding ratio of 40%. The Company's articles of association stipulate that the board of directors of the joint venture company shall consist of five directors. MingYang International appoints two and the Peace Development Company appoints three. The joint venture company's external guarantees and external signing of contracts, agreements or documents shall only be implemented after the unanimous consent of all five directors, so it meets the requirements of joint control.

(6) In December 2020, the Company sold 85% equity interests of wholly-owned subsidiaries, including Daqing Zhongdan Ruihao Wind Power Co., Ltd., Daqing Dumeng Huji Tumo Wind Power Co., Ltd., Daqing Dumeng Dairy Farm Wind Power Co., Ltd. and Daqing Dumeng Hu Town Dairy Farm Wind Power Co., Ltd., to Fengyuan Green Energy Co., Ltd. The remaining 15% equity interests are remeasured at fair value. The Company still exercise significant influence on the investees after the transaction, so they are accounted by equity method

(7) China Resources Power New Energy Investment Co., Ltd. and the Company's subsidiary, Henan MingYang New Energy Co., Ltd. signed a capital reduction agreement, agreeing to reduce the capital of Henan Mingrun New Energy Co., Ltd. invested by both parties, that is, China Resources Power New Energy Co., Ltd. unilaterally reduced the registered capital of Henan Mingrun New Energy Company and withdrew its equity. As of June 2021, the equity delivery has been completed. After the transaction is completed, it became a wholly-owned subsidiaries of the Company.

(8) On 23 November 2021, the Company's subsidiary, Beijing Jieyuan New Energy Investment Co., Ltd. (hereinafter referred to as "Beijing Jieyuan") signed an equity transfer agreement with Mianyang Shuaicheng Electric Power Engineering Co., Ltd. (hereinafter referred to as "Mianyang Shuaicheng"). According to the agreement, Beijing Jieyuan transferred 10% of the equity of Panzhihua Renhe Jieyuan New Energy Co., Ltd. held by Beijing Jieyuan to Mianyang Shuaicheng for a consideration of RMB 2.02 million. As of 31 December 2021, the relevant equity delivery procedures have not been completed.

(9) Details of mortgage or pledge of long-term equity investments refer to Note V.66.

14. Other equity instruments investment

Item	2021.12.31	2020.12.31	2019.12.31
Southern Offshore Wind Power Joint Development Co., Ltd.	86,929,464.38	70,000,000.00	70,000,000.00
Jieyang Qianzhan Wind Power Co., Ltd.	-	10,800,000.00	10,800,000.00
Guohua (Shantui) Wind Power Co., Ltd.	1,031,500.00	-	-
Inner Mongolia Eastern Electric Power Trading Center	5,422,966.45	5,443,570.00	-
Hainan Jinyuanqieji Wind Power Co., Ltd.	7,650,768.24	-	-
Total	101,034,699.07	86,243,570.00	80,800,000.00

Note: On 25 June 2021, the Company signed an equity transfer contract with State Power Investment Corporation Guangdong Electric Power Company (hereinafter referred to as "SPIC Guangdong Company") and Shenzhen Gas Group Co., Ltd. (hereinafter referred to as "Shenzhen Gas"), pursuant to which agreed to transfer 5% of the equity of Jieyang Qianzhan Wind Power Co., Ltd. (hereinafter referred to as "Jieyang Qianzhan") held by the Company to SPIC Guangdong Company or its designated intended successor for a consideration of RMB 10.80 million. As of 31 December 2021, the relevant procedures have not been completed, and the Company classifies this other equity instruments investment as held-for-sale.

15. Other non-current financial assets

Category	2021.12.31	2020.12.31	2019.12.31
Designated as financial assets at fair value through profit or loss	467,653,427.70	-	-

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16. Fixed assets

(1) Fixed assets in each reporting period

Item	Housing and buildings	Production equipment	Tooling equipment	Testing equipment	Motor vehicles	Electronic equipment and others	Total
I. Book value:							
1.As at 2020.12.31	2,281,462,218.96	5,927,538,674.94	164,583,157.21	95,476,810.71	101,538,102.83	157,031,190.17	8,727,630,154.82
Add: Changes in accounting policies	-14,125,887.61	-593,667,640.24	-	-6,698,744.51	-	-	-614,492,272.36
As at 2021.01.01	2,267,336,331.35	5,333,871,034.70	164,583,157.21	88,778,066.20	101,538,102.83	157,031,190.17	8,113,137,882.46
2.Increase	1,184,484,992.21	5,093,788,789.88	29,791,197.80	21,603,048.38	154,650,266.80	17,381,442.07	6,501,699,737.14
(1) Purchase	49,718,491.56	305,873,714.85	26,199,217.79	14,355,260.77	154,650,266.80	17,275,534.20	568,072,485.97
(2) Transfer from construction in progress	1,134,766,500.65	4,787,915,075.03	3,591,980.01	7,247,787.61	-	-	5,933,521,343.30
(3) Addition by business combination	-	-	-	-	-	105,907.87	105,907.87
3.Decrease	337,967,697.74	2,579,056,885.16	15,867,308.82	12,437,048.91	10,265,200.33	70,198,341.56	3,025,792,482.52
(1) Disposal or scrap	11,649,600.87	68,440,686.58	15,867,308.82	10,608,638.60	7,018,638.67	68,286,153.30	181,871,026.84
(2) Disposal of subsidiaries in the year	326,318,096.87	2,510,610,818.58	-	1,828,410.31	2,818,632.46	1,351,293.52	2,842,927,251.74
(3) Other decrease	-	5,380.00	-	-	427,929.20	560,894.74	994,203.94
4. As at 2021.12.31	3,113,853,625.82	7,848,602,939.42	178,507,046.19	97,944,065.67	245,923,169.30	104,214,290.68	11,589,045,137.08
II. Accumulated depreciation							
1.As at 2020.12.31	383,499,239.83	1,030,284,855.77	73,541,839.63	69,887,435.10	61,282,688.12	72,511,126.90	1,691,007,185.35
Add: Changes in accounting policies	-1,341,959.32	-133,573,185.33	-	-3,075,458.94	-	-	-137,990,603.59
As at 2021.01.01	382,157,280.51	896,711,670.44	73,541,839.63	66,811,976.16	61,282,688.12	72,511,126.90	1,553,016,581.76
2.Increase	137,696,279.48	504,529,887.66	38,461,068.23	9,688,256.02	13,539,028.07	13,086,734.94	717,001,254.40

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Item	Housing and buildings	Production equipment	Tooling equipment	Testing equipment	Motor vehicles	Electronic equipment and others	Total
(1) Provision	137,696,279.48	504,529,887.66	38,461,068.23	9,688,256.02	13,539,028.07	13,086,221.97	717,000,741.43
(2) Addition by business combination	-	-	-	-	-	512.97	512.97
3. Decrease	42,423,040.72	192,820,577.50	12,361,398.64	10,655,527.54	8,315,036.69	22,529,285.51	289,104,866.60
(1) Disposal or scrap	159,023.29	57,109,583.27	12,361,398.64	9,506,153.37	6,233,702.99	21,872,311.62	107,242,173.18
(2) Disposal of subsidiaries in the year	42,264,017.43	135,710,568.32	-	1,149,374.17	2,005,108.74	399,092.23	181,528,160.89
(3) Other decrease	-	425.91	-	-	76,224.96	257,881.66	334,532.53
4. As at 2021.12.31	477,430,519.27	1,208,420,980.60	99,641,509.22	65,844,704.64	66,506,679.50	63,068,576.33	1,980,912,969.56
III. Provision for impairment							
1. As at 2020.12.31	-	74,217,237.68	3,859.79	299,949.59	28,078.47	565,913.62	75,115,039.15
Add: Changes in accounting policies	-	-	-	-	-	-	-
As at 2021.01.01	-	74,217,237.68	3,859.79	299,949.59	28,078.47	565,913.62	75,115,039.15
2. Increase	-	38,213,096.56	-	-	-	17,634.95	38,230,731.51
3. Decrease	-	54,093,748.24	3,859.79	2,285.25	-	-	54,099,893.28
(1) Disposal or scrap	-	54,093,748.24	3,859.79	2,285.25	-	-	54,099,893.28
4. As at 2021.12.31	-	58,336,586.00	-	297,664.34	28,078.47	583,548.57	59,245,877.38
IV. Carrying amount							
1. Carrying amount as at 2021.12.31	2,636,423,106.55	6,581,845,372.82	78,865,536.97	31,801,696.69	179,388,411.33	40,562,165.78	9,548,886,290.14
2. Carrying amount as at 2020.12.31	1,897,962,979.13	4,823,036,581.49	91,037,457.79	25,289,426.02	40,227,336.24	83,954,149.65	6,961,507,930.32

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Item	Housing and buildings	Production equipment	Tooling equipment	Testing equipment	Motor vehicles	Electronic equipment and others	Total
i. Book value:							
1.As at 2019.12.31	1,744,537,941.88	3,811,732,122.13	97,537,241.66	94,247,102.94	80,566,938.61	145,535,643.92	5,974,156,991.14
2.Increase	611,203,759.62	2,463,558,778.52	73,550,608.05	7,745,668.61	24,007,302.84	13,343,794.63	3,193,409,912.27
(1) Purchase	361,949,634.04	280,588,476.00	68,732,714.29	6,919,684.40	23,882,047.01	12,097,620.37	754,170,176.11
(2) Transfer from construction in progress	249,254,125.58	2,182,970,302.52	4,817,893.76	825,984.21	-	1,245,964.26	2,439,114,270.33
(3) Addition by business combination	-	-	-	-	125,255.83	210.00	125,465.83
3.Decrease	74,279,482.54	347,752,225.71	6,504,692.50	6,515,960.84	3,036,138.62	1,848,248.38	439,936,748.59
(1) Disposal or scrap	19,353,498.15	50,136,656.42	6,504,692.50	6,515,960.84	2,871,328.27	1,819,498.88	87,201,635.06
(2) Other decrease	54,925,984.39	297,615,569.29	-	-	164,810.35	28,749.50	352,735,113.53
4. As at 2020.12.31	2,281,462,218.96	5,927,538,674.94	164,583,157.21	95,476,810.71	101,538,102.83	157,031,190.17	8,727,630,154.82
II. Accumulated depreciation							
1.As at 2019.12.31	282,845,809.26	764,391,086.29	52,477,296.21	66,759,093.55	53,275,459.48	59,577,907.43	1,279,326,652.22
2.Increase	101,993,056.95	283,429,498.78	26,961,184.73	8,808,069.09	10,741,242.80	14,533,354.93	446,466,407.28
(1) Provision	101,993,056.95	283,429,498.78	26,961,184.73	8,808,069.09	10,741,242.80	14,533,354.93	446,466,407.28
3.Decrease	1,339,626.38	17,535,729.30	5,896,641.31	5,679,727.54	2,734,014.16	1,600,135.46	34,785,874.15
(1) Disposal or scrap	-	10,502,690.81	5,896,641.31	5,679,727.54	2,654,905.12	1,593,003.14	26,326,967.92
(2) Other decrease	1,339,626.38	7,033,038.49	-	-	79,109.04	7,132.32	8,458,906.23
4. As at 2020.12.31	383,499,239.83	1,030,284,855.77	73,541,839.63	69,887,435.10	61,282,688.12	72,511,126.90	1,691,007,185.35
III. Provision for impairment							
1.As at 2019.12.31	-	38,735,495.08	76,139.07	238,154.39	5,500.92	6,311.26	39,061,600.72
2.Increase	-	35,481,742.60	-	61,795.20	22,577.55	559,602.36	36,125,717.71
(1) Provision	-	35,481,742.60	-	61,795.20	22,577.55	559,602.36	36,125,717.71
3.Decrease	-	-	72,279.28	-	-	-	72,279.28
(1) Disposal or scrap	-	-	72,279.28	-	-	-	72,279.28

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Item	Housing and buildings	Production equipment	Tooling equipment	Testing equipment	Motor vehicles	Electronic equipment and others	Total
4. As at 2020.12.31	-	74,217,237.68	3,859.79	299,949.59	28,078.47	555,913.62	75,115,039.15
IV. Carrying amount							
1. Carrying amount as at 2020.12.31	1,897,962,979.13	4,823,036,581.49	91,037,457.79	25,289,426.02	40,227,336.24	83,954,149.65	6,961,507,930.32
2. Carrying amount as at 2019.12.31	1,461,692,132.62	3,008,605,540.76	44,983,806.38	27,249,855.00	27,285,978.21	85,951,425.23	4,655,768,738.20

(Continued)

Item	Housing and buildings	Production equipment	Tooling equipment	Testing equipment	Motor vehicles	Electronic equipment and others	Total
I. Book value:							
1. As at 2018.12.31	1,143,579,714.83	4,809,184,762.85	60,501,505.17	90,649,989.68	69,081,066.03	129,546,852.67	6,302,543,891.23
2. Increase	663,684,592.74	723,313,288.41	38,554,231.71	8,882,224.51	14,843,991.14	21,342,572.52	1,470,620,901.03
(1) Purchase	16,608,807.95	152,678,505.31	37,116,398.59	8,882,224.51	13,708,809.74	21,164,469.02	250,159,215.12
(2) Transfer from construction in progress	640,999,701.61	204,013,100.20	1,437,833.12	-	-	-	846,450,634.93
(3) Addition by business combination	6,076,083.18	366,621,682.90	-	-	1,135,181.40	178,103.50	374,011,050.98
3. Decrease	62,726,365.69	1,720,765,929.13	1,518,495.22	5,285,111.25	3,358,118.56	5,353,781.27	1,799,007,801.12
(1) Disposal or scrap	4,370,573.61	51,639,641.14	1,518,495.22	5,285,111.25	2,030,469.79	5,103,341.45	69,947,632.46
(2) Disposal of subsidiaries in the year	-	461,629,319.48	-	-	415,813.49	91,854.54	462,136,987.51
(3) Other decrease	58,355,792.08	1,207,496,968.51	-	-	911,835.28	158,585.28	1,266,923,181.15
4. As at 2019.12.31	1,744,537,941.88	3,811,732,122.13	97,537,241.66	94,247,102.94	80,566,938.61	145,535,643.92	5,974,156,991.14
II. Accumulated depreciation							
1. As at 2018.12.31	234,128,540.67	674,842,865.77	43,923,341.10	61,508,440.51	46,348,611.92	49,433,393.18	1,110,185,193.15

MingYang Smart Energy Group Co., Ltd.
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Item	Housing and buildings	Production equipment	Tooling equipment	Testing equipment	Motor vehicles	Electronic equipment and others	Total
2.Increase	60,938,045.28	374,135,669.88	9,823,055.88	9,212,640.09	9,337,632.63	13,804,151.07	477,251,194.83
(1) Provision	59,867,757.95	266,052,140.70	9,747,297.09	9,212,640.09	8,187,010.29	13,702,021.79	366,768,867.91
(2) Addition by business combination	1,070,287.33	108,083,529.18	75,758.79	-	1,150,622.34	102,129.28	110,482,326.92
3.Decrease	12,220,776.69	284,587,449.36	1,269,100.77	3,961,987.05	2,410,785.07	3,659,636.82	308,109,735.76
(1) Disposal or scrap	952,775.53	34,137,193.34	1,269,100.77	3,961,987.05	1,820,633.54	3,528,633.55	45,670,323.78
(2) Disposal of subsidiaries in the year	-	13,769,454.33	-	-	138,204.06	15,736.10	13,923,394.49
(3) Other decrease	11,268,001.16	236,680,801.69	-	-	451,947.47	115,267.17	248,516,017.49
4. As at 2019.12.31	282,845,809.26	764,391,086.29	52,477,296.21	66,759,093.55	53,275,459.48	59,577,907.43	1,279,326,652.22
III. Provision for impairment							
1.As at 2018.12.31	-	6,742,474.06	318,739.39	2,285.25	-	-	7,063,498.70
2.Increase	-	34,158,593.40	-	235,869.14	5,500.92	6,311.26	34,406,274.72
(1) Provision	-	34,158,593.40	-	235,869.14	5,500.92	6,311.26	34,406,274.72
3.Decrease	-	2,165,572.38	242,600.32	-	-	-	2,408,172.70
(1) Disposal or scrap	-	2,165,572.38	242,600.32	-	-	-	2,408,172.70
4. As at 2019.12.31	-	38,735,495.08	76,139.07	238,154.39	5,500.92	6,311.26	39,061,600.72
IV. Carrying amount							
1.Carrying amount as at 2019.12.31	1,461,692,132.62	3,008,605,540.76	44,983,806.38	27,249,855.00	27,285,978.21	85,951,425.23	4,655,768,738.20
2.Carrying amount as at 2018.12.31	909,451,174.16	4,127,599,423.02	16,259,424.68	29,139,263.92	22,732,454.11	80,113,459.49	5,185,295,199.38

Note: Other decrease in 2021 is the Company's subsidiaries, Yangjiang MingYang Offshore Wind Power Development Co., Ltd., classified as held-for-sale; Other decrease in 2020 is the Company's subsidiaries, Dingbian Guoneng New Energy Co., Ltd., classified as held-for-sale; Other decrease in 2019 is the Company's subsidiaries, Daqing Zhongdan Ruihao Wind Power Co., Ltd., Daqing Dumeng Huiji Tumo Wind Power Co., Ltd., and Daqing Dumeng Dairy Farm Wind Power Co., Ltd.

① Fixed assets with temporary idle in each reporting period

Item	2021.12.31			
	Book value	Accumulated depreciation	Provision for impairment	Carrying amount
Production equipment	24,673,709.09	20,143,486.48	-	4,530,222.61
Electronic equipment and others	1,428,312.62	1,221,356.16	-	206,956.46
Testing equipment	7,459,684.71	6,969,668.66	-	490,016.05
Motor vehicles	263,000.00	249,850.00	-	13,150.00
Tooling equipment	1,874,251.51	826,184.11	-	1,048,067.40
Total	35,698,957.93	29,410,545.41	-	6,288,412.52

(Continued)

Item	2020.12.31			
	Book value	Accumulated depreciation	Provision for impairment	Carrying amount
Production equipment	14,162,078.14	11,656,424.49	-	2,505,653.65
Tooling equipment	1,262,961.42	1,040,682.86	-	222,278.56
Testing equipment	7,467,722.59	895,445.25	-	6,572,277.34
Electronic equipment and others	990,579.41	925,488.94	-	65,090.47
Total	23,883,341.56	14,518,041.54	-	9,365,300.02

(Continued)

Item	2019.12.31			
	Book value	Accumulated depreciation	Provision for impairment	Carrying amount
Housing and buildings	65,632,652.51	25,525,116.75	-	40,107,535.76
Production equipment	21,567,106.59	17,379,588.71	-	4,187,517.88
Tooling equipment	1,328,978.34	1,139,665.63	36,170.35	153,142.36
Testing equipment	614,700.04	451,040.86	-	163,659.18
Electronic equipment and others	818,203.00	761,791.52	-	56,411.48
Total	89,961,640.48	45,257,203.47	36,170.35	44,668,266.66

② Fixed assets held under finance leases as lease in each reporting period

Due to the implementation of the new Leases standard on 1 January 2021, fixed assets acquired through financing leases are accounted for and presented in "Right-of-use assets".

2020.12.31				
Item	Book value	Accumulated depreciation	Provision for impairment	Carrying amount
Housing and buildings	221,893,409.41	20,046,404.73	-	201,847,004.68
Production equipment	2,494,211,704.31	268,951,273.97	-	2,225,260,430.34
Testing equipment	16,212,622.75	7,370,907.91	-	8,841,714.84
Motor vehicles	2,244,323.62	2,113,397.81	-	130,925.81
Electronic equipment and others	52,627.52	48,867.46	-	3,760.06
Total	2,734,614,687.61	298,530,851.88	-	2,436,083,835.73

(Continued)

2019.12.31				
Item	Book value	Accumulated depreciation	Provision for impairment	Carrying amount
Housing and buildings	75,991,469.96	2,829,414.14	-	73,162,055.82
Production equipment	1,479,490,824.87	162,753,777.88	-	1,316,737,046.99
Testing equipment	6,698,744.51	1,802,632.26	-	4,896,112.25
Motor vehicles	703,075.75	630,581.53	-	72,494.22
Electronic equipment and others	52,627.52	48,218.48	-	4,409.04
Total	1,562,936,742.61	168,064,624.29	-	1,394,872,118.32

③ Fixed assets held under finance leases in each reporting period

Item	Carrying amount		
	2021.12.31	2020.12.31	2019.12.31
Housing and buildings	7,616,521.58	55,408,783.89	60,205,996.54
Production equipment	24,769,381.66	24,347,491.32	44,114,585.22
Total	32,385,903.24	79,756,275.21	104,320,581.76

④ Fixed assets without property certificate in each reporting period

Item	2021.12.31 Carrying amount	2020.12.31 Carrying amount	2019.12.31 Carrying amount	Reasons for pending title certificate
MingYang Wind turbines Equipment Manufacturing Plant in Yangjiang High-tech Zone	323,888,608.49	324,810,997.38	304,902,505.15	Still in application process
Jieyuan Dingbian Photovoltaic Power Station Boost Station and Comprehensive Building	64,547,946.85	64,895,424.41	65,231,091.39	Still in application process

Item	2021.12.31 Carrying amount	2020.12.31 Carrying amount	2019.12.31 Carrying amount	Reasons for pending title certificate
Hongrun Huanghua Comprehensive Building & Dormitory Building	5,435,875.77	5,762,312.97	6,088,750.17	Still in application process
Xinjiang Wanbang Photovoltaic Power Station Boost Station and Comprehensive Building	18,954,081.62	20,267,821.94	21,581,562.26	Still in application process
Guangdong MingYang Industrial Park Comprehensive Building	9,310,793.29	10,086,539.90	10,862,286.51	Still in application process
Wuhai New Energy Comprehensive Building	1,663,218.11	1,758,844.43	1,854,470.75	Still in application process
Lhasa Ruide Xingyang Dormitory Building, Comprehensive Building	1,371,842.71	1,666,297.43	1,750,427.35	Still in application process
Xinjiang Huaran Boost Station and Comprehensive Building	4,212,429.41	4,397,624.45	4,567,386.57	Still in application process
Main control room and living building of Hongtujingzi Wind Farm	4,123,802.67	4,380,770.19	4,637,737.71	Still in application process
220KV power transmission line of Baiyinchagan wind farm	12,907,583.08	13,004,463.11	13,903,346.99	Still in application process
Shanwei MingYang factory transfer yard, pipeline network, office building	457,829,719.98	-	-	Still in application process
Beijing central office and above- ground business	239,705,336.92	251,783,273.90	-	Still in application process
Henan MingYang Fan Equipment Manufacturing Blade Plant	-	98,568,226.37	-	Still in application process
MingYang Wind turbines Equipment Manufacturing Blade Plant in Yangjiang High-tech Zone	-	91,407,413.16	97,142,452.69	Still in application process
Henan MingYang Wind Turbine Equipment Manufacturing Plant	-	54,220,567.97	-	Still in application process
Comprehensive building and dormitory of Henan MingYang Fan Equipment Manufacturing Base	-	41,915,984.75	-	Still in application process
Xilinguole League MingYang production workshop and comprehensive building	-	28,550,808.39	55,087,974.09	Still in application process
Xinmi, Henan Boost Station and Comprehensive Building	-	4,919,229.88	4,919,229.88	Still in application process

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17. Construction in progress

(1) Information of construction in progress

Item	2021.12.31			2020.12.31		
	Book balance	Provision for impairment	Net book value	Book balance	Provision for impairment	Net book value
Shaanxi Jingbian Jing'an 30MW/Xincheng 20MW Distributed Wind Power Project	234,257,210.46	-	234,257,210.46	-	-	-
Kailu County MingYang Smart Energy Co., Ltd. 600MW wind power project	216,899,154.47	-	216,899,154.47	29,649,001.50	-	29,649,001.50
Ruining Electric's New Plant and Ancillary Housing Project	157,572,473.64	-	157,572,473.64	112,592,501.58	-	112,592,501.58
Naiman Banner MingYang Smart Energy Co., Ltd. 300MW Wind Power Project	94,631,047.34	-	94,631,047.34	14,283,185.29	-	14,283,185.29
Xinjiang MingYang New Energy Industry Cluster Base Construction Project	72,884,275.07	-	72,884,275.07	64,719,482.06	-	64,719,482.06
Yi'an Furao Township 100MW Wind Parity Project	72,747,986.50	-	72,747,986.50	1,282,626.64	-	1,282,626.64
MingYang Yangjiang Qingzhou Four Offshore Wind Farm Project	67,299,664.12	-	67,299,664.12	21,566,985.92	-	21,566,985.92
MingYang Beilin District Xingfu Erlong Distributed Wind Power Project	53,857,419.68	-	53,857,419.68	1,565,349.07	-	1,565,349.07
Lingbao Yuling 48MW Wind Power Project	49,690,896.5	-	49,690,896.5	10,180.74	-	10,180.74
Xinjiang Wanbang Dabancheng 49.5MW Wind Power Project	43,260,206.03	-	43,260,206.03	42,996,055.09	-	42,996,055.09
Yancheng Battery Photovoltaic Plant Project	20,026,970.00	-	20,026,970.00	-	-	-
MingYang Zhongning Smart Energy Industrial Park Project	19,388,964.93	-	19,388,964.93	-	-	-
Shanwei MingYang Floating Fan Foundation Project	9,970,275.91	-	9,970,275.91	-	-	-
Shaanxi Yulin Jingbian Ningtiaoliang Phase II Wind Power Project	682,364.67	-	682,364.67	174,984,127.98	-	174,984,127.98
MingYang Yangjiang Shapa 300MW Scientific	-	-	-	1,340,132,127.03	-	1,340,132,127.03

MingYang Smart Energy Group Co., Ltd.
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Item	2021.12.31		2020.12.31	
	Book balance	Provision for impairment	Book balance	Provision for impairment
Research Demonstration Project				
Shanxian Donggouhe Phase I Wind Power Project	-	-	219,753,424.97	-
Shanwei host and blade plant project	-	-	377,462,252.27	-
Beijing Jieyuan Qingtongxia Xiakou Wind Power Project	-	-	218,197,416.10	-
Gushi Wumiao 100MW Wind Power Project	-	-	212,711,282.72	-
Pingle Baimie Wind Farm Project	-	-	211,494,158.23	-
Xilinhot 100MW Wind Power Project	-	-	168,673,861.07	-
CIC Yingke Henan Qidingshan (48MW) Wind Power Project	-	-	147,537,369.50	-
MingYang Xin County Qilongshan 50MW Wind Farm	-	-	135,713,283.42	-
Xin County Hongliu 100MW Wind Farm	-	-	129,970,123.35	-
Guangxi Guilin Gongcheng Chajiang Low Wind Speed Test Wind Farm Project	-	-	32,112,454.24	-
Shanxi Changzhi Pingshun Phase I Yanggao Wind Power Project	-	-	2,584,994.60	-
Other projects	275,462,404.65	-	149,153,163.63	-
Total	1,388,631,313.97	-	3,809,145,407.00	-

(Continued)

MingYang Smart Energy Group Co., Ltd.

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Item	2019.12.31		
	Book balance	Provision for impairment	Net book value
Shanxi Changzhi Pingshun Phase I Yanggao Wind Farm Project	303,037,445.01	-	303,037,445.01
Henan Tianrun Yexian Jiangjunshan 48MW Wind Power Project	295,182,700.43	-	295,182,700.43
Gongcheng Low Wind Speed Test Wind Farm Project	272,125,544.58	-	272,125,544.58
Jingbian MingYang Ningtaoliang Phase I Wind Farm Project	268,317,369.34	-	268,317,369.34
MingYang Qingshuihe County Jiucaizhuang 50MW Wind Power Heating Project	154,024,660.07	-	154,024,660.07
Jingbian MingYang Ningtaoliang Phase II Wind Farm Project	144,949,685.42	-	144,949,685.42
Jingbian MingYang Jishanliang 330 kV joint booster station	120,408,479.10	-	120,408,479.10
Beijing Jieyuan Shandong Heze Shanxian Donggouhe Phase I (50MW) Wind Power Project	91,060,840.47	-	91,060,840.47
Henan Xinyang Assembly Plant Construction Project	81,764,030.01	-	81,764,030.01
Xilinhot MingYang Wind power generation Co., Ltd. 50MW wind power heating project	72,981,963.59	-	72,981,963.59
Ruining Electric's New Plant and Ancillary Housing Project	69,277,188.88	-	69,277,188.88
Yangjiang MingYang Shapa 300MW Scientific Research Demonstration Project	61,774,670.01	-	61,774,670.01
Shanwei MingYang (Lufeng) project blade workshop	60,550,458.74	-	60,550,458.74
Xinjiang MingYang Turpan New Energy Industry Cluster Base Construction Project	53,863,545.61	-	53,863,545.61
CIC Yingke Henan Qidingshan (48MW) Wind Power Project	46,575,705.91	-	46,575,705.91
Pingle Jieyuan Baimie Wind Farm Project	46,237,160.93	-	46,237,160.93
Xinjiang Wabang Dabancheng Wind Farm Project (Phase II)	42,702,709.66	-	42,702,709.66
Lhasa Ruide Xingyang Tibet Nimu (30MWP) Photovoltaic Grid-connected Power Generation Project	22,818,018.84	-	22,818,018.84
Xilin Gol League Phase I Wind Power Project	4,633,264.29	-	4,633,264.29
Other constructions	207,594,697.41	-	207,594,697.41
Total	2,419,880,138.30	-	2,419,880,138.30

(2) Changes in significant construction in progress in each reporting period

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Project item	2020.12.31	Increase	Transfer to fixed assets	Other decrease amount	Cumulative amount of interest capitalisation	Including: interest capitalised in the year	Interest capitalization rate in the year %	2021.12.31
Shaanxi Jingbian Jing'an 30MW/Xincheng 20MW Distributed Wind Power Project	-	234,257,210.46	-	-	-	-	-	234,257,210.46
Kailu County MingYang Smart Energy Co., Ltd. 600MW wind power project	29,649,001.50	187,250,152.97	-	-	-	-	-	216,899,154.47
Ruiling Electric's New Plant and Ancillary Housing Project	112,592,501.58	45,731,838.51	751,866.45	-	-	-	-	157,572,473.64
Naiman Banner MingYang Smart Energy Co., Ltd. 300MW Wind Power Project	14,283,185.29	80,347,862.05	-	-	-	-	-	94,631,047.34
Xinjiang MingYang New Energy Industry Cluster Base Construction Project	64,719,482.06	8,164,793.01	-	-	-	-	-	72,884,275.07
Yi'an Furao Township 100MW Wind Parity Project	1,282,626.64	71,465,359.86	-	-	62,333.34	62,333.34	3.40	72,747,986.50
Xinjiang Wabang Dabancheng 49.5MW Wind Power Project	42,996,055.09	264,150.94	-	-	-	-	-	43,260,206.03
Shaanxi Yulin Jingbian Ningtiaoliang Phase II Wind Power Project	174,984,127.98	157,423,551.16	331,725,314.47	-	37,902,435.44	5,138,423.24	1.54	682,364.67
MingYang Yangjiang Shapa 300MW Scientific Research Demonstration Project	1,374,866,240.29	2,308,480,437.91	-	3,683,346,678.20	-	-	-	-
Shanxian Donggouhe	219,753,424.97	46,653,654.62	266,407,079.59	-	13,465,999.23	-	-	-

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Project item	2020.12.31	Increase	Transfer to fixed assets	Other decrease amount	Cumulative amount of interest capitalisation	Including: interest capitalised in the year	Interest capitalization rate in the year %	2021.12.31
Phase I Wind Power Project								
Shanwei host and blade plant project	377,462,252.27	91,584,762.43	469,047,014.70	-	-	-	-	-
Beijing Jieyuan								
Qingtongxia Xiakou Wind Power Project	218,197,416.10	60,809,771.27	279,007,187.37	-	11,992,967.92	6,212,982.14	3.25	-
Gushi Wumiao 100MW Wind Power Project	212,711,282.72	611,373,535.96	824,084,818.68	-	8,935,801.46	8,842,801.46	1.58	-
Pingle Baimie Wind Farm Project	211,494,158.23	76,934,566.38	288,428,724.61	-	10,094,219.39	5,794,204.07	3.19	-
Xilinhot 100MW Wind Power Project	168,673,861.07	516,233,303.32	684,907,164.39	-	-	-	-	-
C/C Yingke Henan								
Qidingshan (48MW) Wind Power Project	147,537,369.50	31,673,709.77	179,211,079.27	-	-	-	-	-
MingYang Xin County								
Qilongshan 50MW Wind Farm	135,713,283.42	269,816,245.79	405,529,529.21	-	6,600,629.40	2,518,962.74	2.53	-
Xin County Hongliu 100MW Wind Farm	129,970,123.35	637,371,502.77	767,341,626.12	-	9,565,316.41	5,984,816.41	3.72	-
Guangxi Guilin Gongcheng								
Chajiang Low Wind Speed Test Wind Farm Project	32,112,454.24	7,523,902.72	39,636,356.96	-	46,517,044.46	4,009,425.68	1.62	-
Xilinhot MingYang Wind power generation Co., Ltd. 50MW wind power heating project	2,782,919.79	20,574,261.23	23,357,181.02	-	-	-	-	-
Shanxi Changzhi Pingshun								
Phase I Yanggao Wind Power Project	2,584,994.60	275,428.20	2,860,422.80	-	21,274,663.39	826,289.74	0.26	-

MingYang Smart Energy Group Co., Ltd.

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Project item	2020.12.31	Increase	Transfer to fixed assets	Other decrease	Cumulative amount of interest capitalisation	Including: interest capitalised in the year	Interest capitalization rate in the year %	2021.12.31
Jishanliang 330 Station, Jingbian, Yulin, Shaanxi	-	53,942,915.60	24,583,784.35	29,359,131.25	6,328,201.47	-	-	-
Total	3,674,366,760.69	5,518,152,916.93	4,586,879,149.99	3,712,705,809.45	172,739,611.91	39,390,238.82	--	892,934,718.18

(Continued)

Project item	2019.12.31	Increase	Transfer to fixed assets	Other decrease	Cumulative amount of interest capitalisation	Including: interest capitalised in the year	Interest capitalization rate in the year %	2020.12.31
MingYang Yangjiang Shapa 300MW Scientific Research Demonstration Project	61,774,670.01	1,313,091,570.28	-	-	-	-	-	1,374,866,240.29
Shanxian Donggouhe Phase I Wind Power Project	91,060,840.47	128,692,584.50	-	-	13,465,999.23	12,597,065.90	4.09	219,753,424.97
Shanwei blade workshop plant cost	60,550,458.74	158,904,731.08	-	-	-	-	-	219,455,189.82
Beijing Jieyuan Qingtongxia Xiaokou Wind Power Project	-	218,197,416.10	-	-	5,779,985.78	5,779,985.78	1.45	218,197,416.10
Gushi Wumiao 100MW Wind Power Project	6,832,311.23	205,878,971.49	-	-	-	-	-	212,711,282.72
Pingle Baimie Wind Farm Project	46,237,160.93	165,256,997.30	-	-	4,300,015.32	4,300,015.32	1.37	211,494,158.23
Shaanxi Yulin Jingbian Ningtiaoliang Phase II Wind Power Project	144,949,685.42	30,034,442.56	-	-	38,342,057.96	24,060,005.55	4.88	174,984,127.98
Xilinhot 100MW Wind Power Project	-	168,673,861.07	-	-	27,889,977.11	27,889,977.11	4.04	168,673,861.07
Main engine workshop cost	-	158,007,062.45	-	-	-	-	-	158,007,062.45

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Project item	2019.12.31	Increase	Transfer to fixed assets	Other decrease	Cumulative amount of interest capitalisation	Including: interest capitalised in the year	Interest capitalization rate in the year %	2020.12.31
CIC Yingke Henan Qidingshan (48MW) Wind Power Project	46,575,705.91	100,961,663.59	-	-	12,900,626.39	12,900,626.39	6.64	147,537,369.50
MingYang Xin County Qilongshan 50MW Wind Farm	15,464,961.28	120,248,322.14	-	-	4,081,666.66	4,081,666.66	2.04	135,713,283.42
Xin County Hongliu 100MW Wind Farm	6,360,531.01	123,609,592.34	-	-	3,580,500.00	3,580,500.00	1.09	129,970,123.35
Ruining Electric's New Plant and Ancillary Housing Project	69,277,188.88	47,874,067.68	4,558,754.98	-	5,130,203.99	3,822,862.46	8.28	112,592,501.58
Xinjiang MingYang New Energy Industry Cluster Base Construction Project	53,863,545.61	10,855,936.45	-	-	-	-	-	64,719,482.06
Xinjiang Wanbang Dabancheng Wind Farm Project (Phase II)	42,702,709.66	293,345.43	-	-	-	-	-	42,996,055.09
Guangxi Guilin Gongcheng Chajiang Low Wind Speed Test Wind Farm Project	272,125,544.58	129,821,822.63	369,834,912.97	-	42,507,618.78	13,744,265.56	5.23	32,112,454.24
Shanxi Changzhi Pingshun Phase I Yanggao Wind Power Project	303,037,445.01	69,815,617.54	370,268,067.95	-	20,448,373.65	4,612,023.97	6.48	2,584,994.60
Xilinhot MingYang Wind power generation Co., Ltd. 50MW wind power heating project	72,981,963.59	264,359,628.43	334,558,672.23	-	10,125,283.77	8,468,220.13	2.90	2,782,919.79
Henan Tianrun Yexian Jiangjunshan 48MW Wind Power Project	295,182,700.43	66,423,155.85	361,605,856.28	-	1,792,918.81	1,792,918.81	0.63	-

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Project item	2019.12.31	Increase	Transfer to fixed assets	Other decrease	Cumulative amount of interest capitalisation	Including: interest capitalised in the year	Interest capitalization rate in the year %	2020.12.31
Jingbian MingYang Ningtiaoliang Phase I Wind Farm Project	268,317,369.34	131,458,438.99	399,775,808.33	-	27,984,277.90	14,988,469.81	7.00	-
MingYang Qingshuihe County Jiucaizhuang 50MW Wind Power Heating Project	154,024,660.07	183,734,883.55	337,759,543.62	-	15,755,704.54	5,960,342.02	2.59	-
Henan Xinyang Assembly Plant Construction Project	81,764,030.01	210,781,023.85	292,545,053.86	-	-	-	-	-
Jishanliang 330 Station, Jingbian, Yulin, Shaanxi	120,408,479.10	11,240,413.97	-	131,648,893.07	6,921,965.69	3,907,357.65	5.26	-
Total	2,213,491,961.28	4,018,215,549.27	2,470,906,670.22	131,648,893.07	241,007,175.58	152,486,303.12	-	3,629,151,947.26

(Continued)

Project item	2018.12.31	Increase	Transfer to fixed assets	Other decrease	Cumulative amount of interest capitalisation	Including: interest capitalised in the year	Interest capitalization rate in the year %	2019.12.31
Shanxi Changzhi Pingshun Phase I Yanggao Wind Farm Project	110,023,116.03	193,014,328.98	-	-	15,836,349.68	15,836,349.68	8.44	303,037,445.01
Henan Tianrun Yexian Jiangjunshan 48MW Wind Power Project	73,028,569.32	222,154,131.11	-	-	21,289,854.12	16,806,604.24	6.14	295,182,700.43
Gongcheng Low Wind Speed Test Wind Farm Project	69,784,715.60	202,340,828.98	-	-	28,763,353.22	16,820,408.73	5.64	272,125,544.58
Jingbian MingYang Ningtiaoliang Phase I Wind Farm Project	35,170,830.41	233,146,538.93	-	-	12,995,808.09	12,995,808.09	6.5	268,317,369.34

MingYang Smart Energy Group Co., Ltd.

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Project item	2018.12.31	Increase	Transfer to fixed assets	Other decrease	Cumulative amount of interest capitalisation	Including: interest capitalised in the year	Interest capitalization rate in the year %	2019.12.31
MingYang Qingshuihe County Jiucaizhuang 50MW Wind Power Heating Project	7,739,694.16	146,284,965.91	-	-	9,795,362.52	9,795,362.52	6.85	154,024,660.07
Jingbian MingYang Ningtiaoliang Phase II Wind Farm Project	6,815,413.60	138,134,271.82	-	-	14,282,052.41	14,282,052.41	6.5	144,949,685.42
Jingbian MingYang Jishanliang 330 kV joint booster station	3,974,676.71	116,433,802.39	-	-	3,014,608.04	3,014,608.04	6.5	120,408,479.10
Beijing Jieyuan Shandong Heze Shanxian Donggouhe Phase I (50MW) Wind Power Project	17,054,610.31	74,006,230.16	-	-	868,933.33	868,933.33	4.85	91,060,840.47
Henan Xinyang Assembly Plant Construction Project	15,182,509.65	201,926,487.17	135,344,966.81	-	-	-	-	81,764,030.01
Xilinhot MingYang Wind power generation Co., Ltd. 50MW wind power heating project	10,532,060.66	64,329,901.62	-	1,879,998.69	1,657,063.64	1,657,063.64	2.89	72,981,963.59
Ruining Electric's New Plant and Ancillary Housing Project	329,766.79	68,947,422.09	-	-	1,307,341.53	1,307,341.53	6.18	69,277,188.88
Yangjiang MingYang Shapa 300MW Scientific Research Demonstration Project	2,756,962.90	59,017,707.11	-	-	-	-	-	61,774,670.01
Shanwei MingYang (Lufeng) project blade workshop	-	60,550,458.74	-	-	-	-	-	60,550,458.74
Xinjiang MingYang Turpan	48,518,643.10	5,344,902.51	-	-	-	-	-	53,863,545.61

MingYang Smart Energy Group Co., Ltd.

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Project item	2018.12.31	Increase	Transfer to fixed assets	Other decrease	Cumulative amount of interest capitalisation	Including: interest capitalised in the year	Interest capitalization rate in the year %	2019.12.31
New Energy Industry Cluster Base Construction Project								
CIC Yingke Henan Qidingshan (48MW) Wind Power Project	7,293,620.60	39,282,085.31	-	-	1,302,883.58	1,302,883.58	7.15	46,575,705.91
Pingle Jieyuan Baimie Wind Farm Project	20,213,052.58	26,024,108.35	-	-	-	-	-	46,237,160.93
Xinjiang Wabang Dabancheng Wind Farm Project (Phase II)	17,194,998.46	25,507,711.20	-	-	-	-	-	42,702,709.66
Lhasa Ruide Xingyang Tibet Nimu (30MW) Photovoltaic Grid-connected Power Generation Project	34,387,204.94	-	-	11,569,186.10	-	-	-	22,818,018.84
Xilin Gol League Phase I Wind Power Project	59,834,024.18	12,006,868.59	67,207,628.48	-	-	-	-	4,633,264.29
Shaanxi Yulin Dingbian Gongbujing Phase 1 Photovoltaic Project	191,287,059.07	7,710,032.36	198,997,091.43	-	12,096,023.80	934,600.29	7.26	-
Yangjiang High-tech Zone MingYang Fan Equipment Manufacturing Blade Project	82,528,214.57	16,977,498.81	99,505,713.38	-	-	-	-	-
Yangjiang High-tech Zone MingYang Fan Equipment Manufacturing Project	49,905,581.58	254,996,923.57	304,902,505.15	-	9,451,383.63	9,451,383.63	5.15	-
Total	863,555,325.22	2,168,137,205.71	805,957,905.25	13,449,184.79	132,661,017.59	105,073,399.71	--	2,212,285,440.89

As of the end of each reporting period, changes in significant construction in progress (Continued):

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Project item	Budget	Source of fund	2021.12.31		2020.12.31		2019.12.31	
			Proportion of cumulative input to budget %	Progress %	Proportion of cumulative input to budget %	Progress %	Proportion of cumulative input to budget %	Progress %
MingYang Yangjiang Shapa 300MW Scientific Research Demonstration Project	5,647,070,000.00	Self-financing, Loans from financial institutions	95.06	97.67	26.10	26.10	1.09	1.09
Shanxian Donggouhe Phase I Wind Power Project	460,931,100.00	Self-financing, Loans from financial institutions, Fund raising	100.00	100.00	87.84	95.00	13.00	25.00
Shanwei host and blade plant project	508,300,000.00	Self-financing, Fund raising	92.28	100.00	74.26	74.26	11.91	11.91
Beijing Jieyuan Qingtongxia Xiakou Wind Power Project	652,223,900.00	Self-financing, Loans from financial institutions, Fund raising	100.00	100.00	79.15	82.44	-	-
Gushi Wumiao 100MW Wind Power Project	938,610,000.00	Self-financing, Loans from financial institutions	87.80	100.00	25.00	25.00	-	-
Pingle Baimie Wind Farm Project	495,600,000.00	Self-financing, Loans from financial institutions, Fund raising	100.00	100.00	81.00	87.00	4.00	10.00
Shaanxi Yulin Jingbian Ningtiaoliang Phase II Wind Power Project	846,400,000.00	Self-financing, Loans from financial institutions, Fund raising	89.00	100.00	76.00	95.00	19.87	25.00
Xilinhot 100MW Wind Power Project	771,960,000.00	Self-financing, Loans from financial institutions, Fund raising	88.72	100.00	83.00	82.00	-	-
CIC Yingke Henan Qidingshan (48MW) Wind Power Project	449,610,000.00	Self-financing, Loans from financial institutions	81.49	100.00	81.89	81.89	40.05	55.00
MingYang Xin County Qilongshan 50MW Wind Farm	420,400,000.00	Self-financing, Loans from financial institutions, Fund raising	96.46	100.00	75.00	76.00	-	-
Xin County Hongliu 100MW Wind Farm	797,790,000.00	Self-financing, Loans from financial institutions, Fund raising	96.18	100.00	61.00	65.00	-	-
Ruifeng Electric's New Plant and Ancillary Housing Project	176,510,879.00	Self-financing, Loans from financial institutions	89.70	92.07	70.00	70.00	41.00	60.00
Xinjiang MingYang New Energy Industry Cluster Base Construction Project	1,500,000,000.00	Self-financing, Loans from financial institutions	4.86	4.84	4.31	4.31	3.59	3.59
Xinjiang Wanbang Dabancheng 49.5MW Wind Power Project	300,000,000.00	Self-financing, Loans from financial institutions	14.42	17.00	15.91	15.91	14.23	14.00

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Project item	Budget	Source of fund	2021.12.31		2020.12.31		2019.12.31	
			Proportion of cumulative input to budget %	Progress %	Proportion of cumulative input to budget %	Progress %	Proportion of cumulative input to budget %	Progress %
Guangxi Guilin Gongcheng Chajiang Low Wind Speed Test Wind Farm Project	493,210,000.00	Self-financing, Loans from financial institutions, Fund raising	86.61	100.00	94.44	95.00	68.00	74.00
Kailu County MingYang Smart Energy Co., Ltd. 600MW wind power project	4,683,180,000.00	Self-financing, Loans from financial institutions	4.63	12.00	-	-	-	-
Naiman Banner MingYang Smart Energy Co., Ltd. 300MW Wind Power Project	2,353,740,000.00	Self-financing, Loans from financial institutions	4.02	15.00	-	-	-	-
Xilinhot MingYang Wind power generation Co., Ltd. 50MW wind power heating project	342,720,000.00	Self-financing, Loans from financial institutions, Fund raising	81.80	100.00	95.00	95.00	20.75	20.75
Shanxi Changzhi Pingshun Phase I Yanggao Wind Power Project	429,750,400.00	Self-financing, Loans from financial institutions	100.00	100.00	95.64	95.00	94.00	96.00
Yi'an Furao Township 100MW Wind Parity Project	803,805,700.00	Self-financing, Loans from financial institutions	9.05	8.46	-	-	-	-
Shaanxi Jingbian Jing'an 30MW/Xincheng 20MW Distributed Wind Power Project	403,340,100.00	Self-financing, Loans from financial institutions	58.08	76.00	-	-	-	-
Jishanliang 330 Station, Jingbian, Yulin, Shaanxi	158,040,000.00	Self-financing, Loans from financial institutions	99.00	100.00	92.46	100.00	90.00	85.00
Henan Tianrun Yexian Jiangjunshan 48MW Wind Power Project	454,360,000.00	Self-financing, Loans from financial institutions	-	-	89.93	100.00	73.00	80.00
Jingbian MingYang Ningtiaoliang Phase I Wind Farm Project	425,670,000.00	Self-financing, Loans from financial institutions	-	-	100.00	100.00	90.00	85.00
MingYang Qingshuihe County Jiucaizhuang 50MW Wind Power Heating Project	360,920,000.00	Self-financing, Loans from financial institutions, Fund raising	-	-	100.00	100.00	46.56	46.56
Henan Xinyang Assembly Plant Construction Project	367,988,425.17	Self-financing	-	-	88.24	100.00	50.00	57.00

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Project item	Budget	Source of fund	2021.12.31		2020.12.31		2019.12.31	
			Proportion of cumulative input to budget %	Progress %	Proportion of cumulative input to budget %	Progress %	Proportion of cumulative input to budget %	Progress %
Lhasa Ruide Xingyang Tibet Nimu (30MWP) Photovoltaic Grid-connected Power Generation Project	328,144,700.00	Self-financing	-	-	-	-	10.48	10.00
Xilin Gol League Phase I Wind Power Project	168,909,089.14	Self-financing	-	-	-	-	43.00	61.00
Shaanxi Yulin Dingbian Gongbujing Phase 1 Photovoltaic Project	249,281,100.00	Self-financing, Loans from financial institutions	-	-	-	-	92.00	100.00
Yangjiang High-tech Zone MingYang Fan Equipment Manufacturing Blade Project	120,000,000.00	Self-financing, Loans from financial institutions, Fund raising	-	-	-	-	90.38	100.00
Yangjiang High-tech Zone MingYang Fan Equipment Manufacturing Project	436,599,060.22	Self-financing, Loans from financial institutions, Fund raising	-	-	-	-	76.12	100.00
Total	23,633,192,079.00	--	--	--	--	--	--	--

18. Right-of-use assets

Item	Housing and buildings	Production equipment	Testing equipment	Motor vehicles	Electronic equipment and others	Total
I. Book value:						
2020.12.31	-	-	-	-	-	-
Add: Changes in accounting policies	113,530,661.73	593,667,640.24	6,698,744.51	11,717,151.19	199,633.81	725,813,831.48
1.2021.01.01	113,530,661.73	593,667,640.24	6,698,744.51	11,717,151.19	199,633.81	725,813,831.48
2.Increase	46,798,562.35	-	-	635,172.52	-	47,433,734.87
(1) Lease in	46,798,562.35	-	-	635,172.52	-	47,433,734.87
(2) Transfer from construction in progress	-	-	-	-	-	-
3.Decrease	47,777,278.77	206,330,477.46	-	-	-	254,107,756.23
(1) Disposal or scrap	14,125,887.61	78,530,930.15	-	-	-	92,656,817.76
(2) Disposal of subsidiaries in the year	33,064,753.10	-	-	-	-	33,064,753.10
(3) Other decrease	586,638.06	127,799,547.31	-	-	-	128,386,185.37
4. 2021.12.31	112,551,945.31	387,337,162.78	6,698,744.51	12,352,323.71	199,633.81	519,139,810.12
II. Accumulated depreciation						
2020.12.31	-	-	-	-	-	-
Add: Changes in accounting policies	1,341,959.32	133,573,185.33	3,075,458.94	-	-	137,990,603.59
1.2021.01.01	1,341,959.32	133,573,185.33	3,075,458.94	-	-	137,990,603.59
2.Increase	19,690,888.08	29,289,455.83	1,272,897.36	4,848,476.35	42,778.67	55,144,496.29
(1) Provision	19,690,888.08	29,289,455.83	1,272,897.36	4,848,476.35	42,778.67	55,144,496.29
3.Decrease	4,130,942.44	30,975,555.06	-	-	-	35,106,497.50
(1) Disposal or scrap	1,341,959.32	7,460,438.36	-	-	-	8,802,397.68
(2) Disposal of subsidiaries in the year	2,418,474.87	-	-	-	-	2,418,474.87
(3) Other decrease	370,508.25	23,515,116.70	-	-	-	23,885,624.95
4. 2021.12.31	16,901,904.96	131,887,086.10	4,348,356.30	4,848,476.35	42,778.67	158,028,602.38
III. Provision for impairment						
2020.12.31	-	-	-	-	-	-
Add: Changes in accounting policies	-	-	-	-	-	-
1.2021.01.01	-	-	-	-	-	-
2.Increase	-	7,013,500.00	-	-	-	7,013,500.00
3.Decrease	-	-	-	-	-	-
4. 2021.12.31	-	7,013,500.00	-	-	-	7,013,500.00
IV. Carrying amount						
1.2021.12.31 Carrying amount	95,650,040.35	248,436,576.68	2,350,388.21	7,503,847.36	156,855.14	354,097,707.74
2.2021.01.01 Carrying amount	112,188,702.41	460,094,454.91	3,623,285.57	11,717,151.19	199,633.81	587,823,227.89

Note 1: As of 31 December 2021, the Company recognized the rental fees related to short-term leases and low-value asset leases refer to Note XIV.2.

Note 2: Other decrease of right-of-use assets is due to the reclassification to assets held-for-sale by the Company's subsidiary, Yangjiang MingYang Offshore Wind Power Development Co., Ltd.

19. Intangible assets

(1) Details of intangible assets

Item	Land use rights	Patent rights	Software	Non-patent rights	Wind power project license	Total
I. Book value						
1.2020.12.31	736,390,896.39	153,343,963.35	66,758,042.42	616,331,918.62	44,934,200.00	1,617,759,020.78
2.Increase	107,872,105.18	-	8,733,691.31	73,326,028.54	-	189,931,825.03
(1) Purchase	107,872,105.18	-	8,733,691.31	-	-	116,605,796.49
(2) Internal development cost	-	-	-	73,326,028.54	-	73,326,028.54
3.Decrease	168,274,019.90	-	179,577.00	21,965,304.92	-	190,418,901.82
(1) Disposal	-	-	179,577.00	21,965,304.92	-	22,144,881.92
(2) Other decrease	168,274,019.90	-	-	-	-	168,274,019.90
4.2021.12.31	675,988,981.67	153,343,963.35	75,312,156.73	667,692,642.24	44,934,200.00	1,617,271,943.99
II. Accumulated amortisation						
1.2020.12.31	86,473,412.99	6,654,202.02	29,962,723.62	385,401,248.12	3,023,697.21	511,515,283.96
2.Increase	22,220,787.22	252,221.93	7,285,818.04	60,073,541.33	2,134,374.50	91,966,743.02
(1) Provision	22,220,787.22	252,221.93	7,285,818.04	60,073,541.33	2,134,374.50	91,966,743.02
3.Decrease	14,189,010.21	-	179,577.00	18,704,987.42	-	33,073,574.63
(1) Disposal	-	-	179,577.00	18,704,987.42	-	18,884,564.42
(2) Other decrease	14,189,010.21	-	-	-	-	14,189,010.21
4. 2021.12.31	94,505,190.00	6,906,423.95	37,068,964.66	426,769,802.03	5,158,071.71	570,408,452.35
III. Provision for impairment						
1.2020.12.31	-	-	-	25,268,070.10	-	25,268,070.10
2.Increase	-	-	-	127,148,000.00	-	127,148,000.00
3.Decrease	-	-	-	-	-	-
4. 2021.12.31	-	-	-	152,416,070.10	-	152,416,070.10
IV. Carrying amount						
1.2021.12.31 Carrying amount	581,483,791.67	146,437,539.40	38,243,192.07	88,506,770.11	39,776,128.29	894,447,421.54
2.2020.12.31 Carrying amount	649,917,483.40	146,689,761.33	36,795,318.80	205,662,600.40	41,910,502.79	1,080,975,666.72

(Continued)

Item	Land use rights	Patent rights	Software	Non-patent rights	Wind power project license	Total
I. Book value						
1.2019.12.31	561,779,734.76	28,125,980.00	52,386,694.86	769,546,658.80	44,934,200.00	1,456,773,268.42
2.Increase	176,559,644.40	125,217,983.35	14,371,347.56	2,895,977.28	-	319,044,952.59
(1) Purchase	176,559,644.40	125,217,983.35	14,371,347.56	-	-	316,148,975.31
(2) Internal development cost	-	-	-	2,895,977.28	-	2,895,977.28
3.Decrease	1,948,482.77	-	-	156,110,717.46	-	158,059,200.23
(1) Disposal	-	-	-	156,110,717.46	-	156,110,717.46
(2) Other decrease	1,948,482.77	-	-	-	-	1,948,482.77
4.2020.12.31	736,390,896.39	153,343,963.35	66,758,042.42	616,331,918.62	44,934,200.00	1,617,759,020.78
II. Accumulated amortisation						
1.2019.12.31	70,871,083.75	6,401,140.09	23,625,390.85	316,321,822.93	889,322.71	418,108,760.33
2.Increase	15,625,061.54	253,061.93	6,337,332.77	92,032,218.93	2,134,374.50	116,382,049.67
(1) Provision	15,625,061.54	253,061.93	6,337,332.77	92,032,218.93	2,134,374.50	116,382,049.67
3.Decrease	22,732.30	-	-	22,952,793.74	-	22,975,526.04
(1) Disposal	-	-	-	22,952,793.74	-	22,952,793.74
(2) Other decrease	22,732.30	-	-	-	-	22,732.30
4. 2020.12.31	86,473,412.99	6,654,202.02	29,962,723.62	385,401,248.12	3,023,697.21	511,515,283.96
III. Provision for impairment						
1.2019.12.31	-	-	-	10,262,625.74	-	10,262,625.74
2.Increase	-	-	-	15,005,444.36	-	15,005,444.36
(1) Provision	-	-	-	15,005,444.36	-	15,005,444.36
3.Decrease	-	-	-	-	-	-
4.2020.12.31	-	-	-	25,268,070.10	-	25,268,070.10
IV. Carrying amount						
1.2020.12.31 Carrying amount	649,917,483.40	146,689,761.33	36,795,318.80	205,662,600.40	41,910,502.79	1,080,975,666.72
2.2019.12.31 Carrying amount	490,908,651.01	21,724,839.91	28,761,304.01	442,962,210.13	44,044,877.29	1,028,401,882.35

(Continued)

Item	Land use rights	Patent rights	Software	Non-patent rights	Wind power project license	Total
I. Book value						
1.2018.12.31	525,697,282.15	28,125,980.00	48,309,932.91	582,488,289.60	-	1,184,621,484.66
2.Increase	36,082,452.61	-	4,076,761.95	187,058,369.20	44,934,200.00	272,151,783.76
(1) Purchase	32,105,421.89	-	4,076,761.95	-	-	36,182,183.84
(2) Internal development cost	-	-	-	187,058,369.20	-	187,058,369.20

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Item	Land use rights	Patent rights	Software	Non-patent rights	Wind power project license	Total
(3) Addition by business combination	3,977,030.72	-	-	-	44,934,200.00	48,911,230.72
3.Decrease	-	-	-	-	-	-
(1) Disposal	-	-	-	-	-	-
4.2019.12.31	561,779,734.76	28,125,980.00	52,386,694.86	769,546,658.80	44,934,200.00	1,456,773,268.42
II. Accumulated amortisation						
1.2018.12.31	59,130,877.49	6,145,366.08	18,787,903.56	253,798,506.04	-	337,862,653.17
2.Increase	11,740,206.26	255,774.01	4,880,011.78	63,781,464.92	889,322.71	81,546,779.68
(1) Provision	11,194,655.72	255,774.01	4,880,011.78	63,781,464.92	-	80,111,906.43
(2) Addition by business combination	545,550.54	-	-	-	889,322.71	1,434,873.25
3.Decrease	-	-	42,524.49	1,258,148.03	-	1,300,672.52
(1) Disposal	-	-	42,524.49	1,258,148.03	-	1,300,672.52
4. 2019.12.31	70,871,083.75	6,401,140.09	23,625,390.85	316,321,822.93	889,322.71	418,108,760.33
III. Provision for impairment						
1.2018.12.31	-	-	-	10,262,625.74	-	10,262,625.74
2.Increase	-	-	-	-	-	-
(1) Provision	-	-	-	-	-	-
3.Decrease	-	-	-	-	-	-
(1) Disposal	-	-	-	-	-	-
4.2019.12.31	-	-	-	10,262,625.74	-	10,262,625.74
IV. Carrying amount						
1.2019.12.31 Carrying amount	490,908,651.01	21,724,839.91	28,761,304.01	442,962,210.13	44,044,877.29	1,028,401,882.35
2.2018.12.31 Carrying amount	466,566,404.66	21,980,613.92	29,522,029.35	318,427,157.82	-	836,496,205.75

Note: ①

As of 31 December 2021, intangible assets formed through internal research and development accounted for 32.74%.

As of 31 December 2020, intangible assets formed through internal research and development accounted for 28.20%.

As of 31 December 2019, intangible assets formed through internal research and development accounted for 31.12%.

② Details of the Company's intangible assets where the ownership or use rights are restricted refer to Note V.66.

(2) Land use rights pending for ownership certificates in each reporting period

Item	Carrying amount			Reasons for pending title certificate
	2021.12.31	2020.12.31	2019.12.31	
Land use rights	27,909,981.51	10,731,574.19	11,527,432.04	Still in application process

20. Development costs

Item	2020.12.31	Increase		Decrease		2021.12.31
		Internal development costs	Other increase	Recognized as intangible assets	Charged to profit or loss	
8-10MW offshore wind turbine research and development and improvement	109,877,529.55	100,900,467.54	-	-	26,105,074.59	184,672,922.50
Research and development of offshore wind power grid-connected system products	25,925,964.38	18,156,946.20	-	23,837,428.46	-	20,245,482.12
6MW Offshore Wind Full Power Converter	14,980,855.89	3,560,818.19	-	-	-	18,541,674.08
Smart Microgrid R&D Project	7,735,170.22	563,697.04	-	-	-	8,298,867.26
Three glass color BIPV research and development	7,456,608.46	1,941,708.68	-	9,398,317.14	-	-
Low-voltage three-level 8MW full power converter project	4,219,306.20	933,710.74	-	-	-	5,153,016.94
4MW wind turbine research and development and improvement	-	60,388,196.17	-	-	45,974,206.33	14,413,989.84
5-7MW wind turbine research and development and improvement	-	88,095,692.45	-	-	58,502,768.14	29,592,924.31
Power system product development	-	13,804,749.00	-	-	-	13,804,749.00
10MW offshore floating wind turbine design and development project	-	10,733,032.76	-	-	5,224,662.64	5,508,370.12
Other capitalized R&D projects	35,628,413.02	25,411,930.29	-	40,090,282.94	6,491,606.22	14,458,454.15

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Item	2020.12.31	Increase		Decrease		2021.12.31
		Internal development costs	Other increase	Recognized as intangible assets	Charged to profit or loss	
Expenditure R&D projects	-	730,080,719.49	-	-	730,080,719.49	-
Total	205,823,847.72	1,054,571,668.55	-	73,326,028.54	872,379,037.41	314,690,450.32

(Continued)

Item	2019.12.31	Increase		Decrease		2020.12.31
		Internal development costs	Other increase	Recognized as intangible assets	Charged to profit or loss	
8-10MW offshore wind turbine research and development and improvement	37,044,503.84	107,058,567.46	-	-	34,225,541.75	109,877,529.55
6MW Offshore Wind Full Power Converter	6,965,151.00	8,015,704.89	-	-	-	14,980,855.89
Smart Microgrid R&D Project	5,255,813.48	2,479,356.74	-	-	-	7,735,170.22
Low-voltage three-level 8MW full power converter project	2,203,997.33	2,015,308.87	-	-	-	4,219,306.20
Three glass color BIPV research and development	1,312,375.42	6,144,233.04	-	-	-	7,456,608.46
Research and development of offshore wind power grid-connected system products	-	25,925,964.38	-	-	-	25,925,964.38
Other capitalized R&D projects	15,461,912.86	24,120,821.07	-	2,895,977.28	1,058,343.63	35,628,413.02
Expenditure R&D projects	-	565,423,397.03	-	-	565,423,397.03	-
Total	68,243,753.93	741,183,353.48	-	2,895,977.28	600,707,282.41	205,823,847.72

(Continued)

Item	2018.12.31	Increase		Decrease		2019.12.31
		Internal development costs	Other increase	Recognized as intangible assets	Charged to profit or loss	
1.5/2.0MW wind turbine development and improvement	-	18,412,391.91	-	-	18,412,391.91	-
3.0MW wind turbine development and improvement	-	41,640,858.17	-	-	41,640,858.17	-
5-7MW wind turbine research and development	85,750,643.17	31,054,102.87	-	95,385,940.34	21,418,805.70	-

Item	2018.12.31	Increase		Decrease		2019.12.31
		Internal development costs	Other increase	Recognized as intangible assets	Charged to profit or loss	
and improvement						
8-10MW offshore wind turbine research and development and improvement	-	126,259,872.45	-	84,689,942.54	4,525,426.07	37,044,503.84
Fan monitoring and early warning and remote intelligent diagnosis platform	-	7,765,837.19	-	-	7,765,837.19	-
6MW Offshore Wind Full Power Converter	-	6,965,151.00	-	-	-	6,965,151.00
BIPV color module sample trial production	-	6,982,486.32	-	6,982,486.32	-	-
Smart Microgrid R&D Project	-	5,255,813.48	-	-	-	5,255,813.48
Low-voltage three-level 8MW full power converter project	-	2,203,997.33	-	-	-	2,203,997.33
Three glass color BIPV research and development	-	1,312,375.42	-	-	-	1,312,375.42
Other capitalized R&D projects	-	20,297,544.17	-	-	4,835,631.31	15,461,912.86
Expenditure R&D projects	-	198,443,875.23	-	-	198,443,875.23	-
Total	85,750,643.17	466,594,305.54	-	187,058,369.20	297,042,825.58	68,243,753.93

Continued: Capitalization of internal R&D projects at the end of each reporting period:

Item	Start of capitalization	Specific basis for capitalization	R&D progress as of 2021.12.31	R&D progress as of 2020.12.31	R&D progress as of 2019.12.31
8-10MW offshore wind turbine research and development and improvement	2019/1/1	Completed research and design work, to a large extent have the basic conditions for forming a new product or new technology.	--	--	The capitalization of the 7.25MW unit development project was completed in July 2019.
8-10MW offshore wind turbine research and development and improvement	2019/1/1	Completed research and design work, to a large extent have the basic conditions for forming a new product or new technology.	--	--	The capitalization of the 8.3MW blade research and development project was completed in September 2019.
8-10MW offshore wind turbine research and development and improvement	2019/4/26	Completed research and design work, to a large extent have the basic conditions for	The 8.3MW turbine unit research and development project is in the	The 8.3MW turbine unit research and development project was in the	The 8.3MW turbine unit research and development project was in the

Item	Start of capitalization	Specific basis for capitalization	R&D progress as of 2021.12.31	R&D progress as of 2020.12.31	R&D progress as of 2019.12.31
improvement		forming a new product or new technology.	development stage, and the 240 is in trial operation.	stage.	development stage.
8-10MW offshore wind turbine research and development and improvement	2021/4/17	Completed research and design work, to a large extent have the basic conditions for forming a new product or new technology.	MySE10MW offshore wind turbine and key component parts are in development stage.	--	--
8-10MW offshore wind turbine research and development and improvement	2021/1/26	Completed research and design work, to a large extent have the basic conditions for forming a new product or new technology.	"MySE8X.Plus turbine unit and gearbox R&D project is in the development stage.		
8-10MW offshore wind turbine research and development and improvement	2021/10/12	Completed research and design work, to a large extent have the basic conditions for forming a new product or new technology.	MySE10.0MW wind turbine R&D project is in development stage.	--	--
8-10MW offshore wind turbine research and development and improvement	2021/4/17	Completed research and design work, to a large extent have the basic conditions for forming a new product or new technology.	MySE10MW offshore wind turbine and key component parts R&D projects are in development stage.	--	--
Research and development of offshore wind power grid-connected system products	2020/7/1	Completed research and design work, to a large extent have the basic conditions for forming a new product or new technology.	The medium voltage project is in the development stage.	The medium voltage project is in the development stage.	--
Research and development of offshore wind power grid-connected system products	2020/8/7	Completed research and design work, to a large extent have the basic conditions for forming a new product or new technology.	The high voltage project will end on December 31, 2021.	The high voltage project is in the development stage.	--
6MW Offshore Wind Full Power Converter	2019/1/1	Completed research and design work, to a large extent have the basic conditions for forming a new product or new technology.	Completed the test and certification, the products have been batched, and the items to be settled.	Test certification stage.	Test certification stage.

Item	Start of capitalization	Specific basis for capitalization	R&D progress as of 2021.12.31	R&D progress as of 2020.12.31	R&D progress as of 2019.12.31
Smart Microgrid R&D Project	2019/1/1	Completed research and design work, to a large extent have the basic conditions for forming a new product or new technology.	Completion of test certification, pending items.	Product trial production stage.	Product trial production stage.
Low-voltage three-level 8MW full power converter project	2019/3/21	Completed research and design work, to a large extent have the basic conditions for forming a new product or new technology.	The pilot test is completed, the products have been batch produced; and the items are to be settled.	Test certification stage.	Test certification stage.
4MW wind turbine research and development and improvement	2021/5/24	Completed research and design work, to a large extent have the basic conditions for forming a new product or new technology.	The 4MW turbine unit R&D project is in the development stage.	--	--
4MW wind turbine research and development and improvement	2021/9/29	Completed research and design work, to a large extent have the basic conditions for forming a new product or new technology.	The 4MW blade R&D and trial production project is in the development stage.	--	--
5-7MW wind turbine research and development and improvement	2021/6/26	Completed research and design work, to a large extent have the basic conditions for forming a new product or new technology.	The MySE5.0-166 turbine unit development (pultrusion process blades) project is in the development phase.	--	--
5-7MW wind turbine research and development and improvement	2021/9/18	Completed research and design work, to a large extent have the basic conditions for forming a new product or new technology.	The MySE6.25-182 wind turbine project is in the development phase	--	--
5-7MW wind turbine research and development and improvement	2021/6/29	Completed research and design work, to a large extent have the basic conditions for forming a new product or new technology.	MySE6.25-89 blade R&D and trial production project is in development stage.	--	--
5-7MW wind turbine research and development and	2017/5/1	Completed research and design work, to a large extent have the	--	--	SCD5.5-153/165 unit development project completed

Item	Start of capitalization	Specific basis for capitalization	R&D progress as of 2021.12.31	R&D progress as of 2020.12.31	R&D progress as of 2019.12.31
improvement		basic conditions for forming a new product or new technology.			capitalization in January 2019.
5-7MW wind turbine research and development and improvement	2019/3/13	Completed research and design work, to a large extent have the basic conditions for forming a new product or new technology.	--	--	MySE6.6-86.5 (177) m blade development and trial production completed capitalization in September 2019.
Power system product development	2021/6/10	Completed research and design work, to a large extent have the basic conditions for forming a new product or new technology.	Power system product R&D project is under development stage.	--	--
10MW offshore floating wind turbine design and development project	2021/3/8	Completed research and design work, to a large extent have the basic conditions for forming a new product or new technology.	The R&D project regarding the production process & technology of the wind turbine's prefabricated components is in the development stage.	--	--
10MW offshore floating wind turbine design and development project	2021/6/29	Completed research and design work, to a large extent have the basic conditions for forming a new product or new technology.	The mySE5.X(T) turbine gearbox R&D project is in the development stage.	--	--
Three glass color BIPV research and development	2019/11/18	Completed research and design work, to a large extent have the basic conditions for forming a new product or new technology.	The pilot test has been completed; the product has been completed; and the research project has been closed.	Sample trial production stage.	Sample trial production stage.
BIPV color module sample trial production	2019/1/10	Completed research and design work, to a large extent have the basic conditions for forming a new product or new technology.	--	--	Closed capitalization in October 2019.
Other capitalized R&D projects	--	Completed research and design work, to a large extent have the basic conditions for	--	--	--

Item	Start of capitalization	Specific basis for capitalization	R&D progress as of 2021.12.31	R&D progress as of 2020.12.31	R&D progress as of 2019.12.31
		forming a new product or new technology.			

21. Goodwill

(1) Book value of goodwill

Investee or matters formed the goodwill	2020.12.31	Formation by business combination	Disposal	2021.12.31
Xinjiang Huaran New Energy Co., Ltd.	37,345,809.62	-	-	37,345,809.62
Hongrun (Huanghua) New Energy Co., Ltd.	27,500,000.00	-	-	27,500,000.00
Baotou Yibo Energy Service Co., Ltd.	14,608,995.57	-	-	14,608,995.57
Inner Mongolia MingYang Wind Power Co., Ltd.	9,878,006.16	-	-	9,878,006.16
Xinjiang Wanbang Energy Development Co., Ltd.	3,361,632.30	-	-	3,361,632.30
Zhengzhou Yaxin Electrical Equipment Co., Ltd.	699,786.77	-	-	699,786.77
Shaanxi Jieyao Construction Engineering Co., Ltd.	361,933.99	-	-	361,933.99
Total	93,756,164.41	-	-	93,756,164.41

(Continued)

Investee or matters formed the goodwill	2019.12.31	Increase Formation by business combination	Decrease Disposal	2020.12.31
Xinjiang Huaran New Energy Co., Ltd.	37,345,809.62	-	-	37,345,809.62
Hongrun (Huanghua) New Energy Co., Ltd.	27,500,000.00	-	-	27,500,000.00
Baotou Yibo Energy Service Co., Ltd.	14,608,995.57	-	-	14,608,995.57
Dingbian Guoneng New Energy Co., Ltd.	-	13,200,000.00	13,200,000.00	-
Inner Mongolia MingYang Wind Power Co., Ltd.	9,878,006.16	-	-	9,878,006.16
Xinjiang Wanbang Energy Development Co., Ltd.	3,361,632.30	-	-	3,361,632.30
Zhengzhou Yaxin Electrical Equipment Co., Ltd.	699,786.77	-	-	699,786.77
Shaanxi Jieyao Construction Engineering Co., Ltd.	361,933.99	-	-	361,933.99
Total	93,756,164.41	13,200,000.00	13,200,000.00	93,756,164.41

(Continued)

Investee or matters formed the goodwill	2018.12.31	Increase	Decrease	2019.12.31
		Formation by business combination	Other decrease	
Hongrun (Huanghua) New Energy Co., Ltd.	27,500,000.00	-	-	27,500,000.00
Inner Mongolia MingYang Wind Power Co., Ltd.	9,878,006.16	-	-	9,878,006.16
Baotou Yibo Energy Service Co., Ltd.	14,608,995.57	-	-	14,608,995.57
Daqing Zhongdan Ruihao Wind Power Co., Ltd.	20,452,648.13	-	20,452,648.13	-
Daqing Dumeng Huji Tumo Wind Power Co., Ltd.	16,682,040.49	-	16,682,040.49	-
Daqing Dumeng Dairy Farm Wind Power Co., Ltd.	6,117,681.11	-	6,117,681.11	-
Daqing Dumeng Hu Town Dairy Farm Wind Power Co., Ltd.	18,761,946.65	-	18,761,946.65	-
Zhengzhou Yaxin Electrical Equipment Co., Ltd.	699,786.77	-	-	699,786.77
Shaanxi Jieyao Construction Engineering Co., Ltd.	361,933.99	-	-	361,933.99
Xinjiang Wanbang Energy Development Co., Ltd.	3,361,632.30	-	-	3,361,632.30
Xinjiang Huaran New Energy Co., Ltd.	-	37,345,809.62	-	37,345,809.62
Total	118,424,671.17	37,345,809.62	62,014,316.38	93,756,164.41

Note: Other decrease is mainly the reclassification of goodwill of Daqing Zhongdan Ruihao Wind Power Co., Ltd., Daqing Dumeng Huji Tumo Wind Power Co., Ltd., Daqing Dumeng Dairy Farm Wind Power Co., Ltd., Daqing Dumeng Hu Town Dairy Farm Wind Power Co., Ltd. to assets held-for-sale.

(2) Provision for impairment of goodwill

Investee or matters formed the goodwill	2020.12.31	Provision	Disposal	2021.12.31
Baotou Yibo Energy Service Co., Ltd.	14,608,995.57	-	-	14,608,995.57

(Continued)

Investee or matters formed the goodwill	2019.12.31	Increase Provision	Decrease Disposal	2020.12.31
Baotou Yibo Energy Service Co., Ltd.	14,608,995.57	-	-	14,608,995.57

(Continued)

Investee or matters formed the goodwill	2018.12.31	Increase Provision	Decrease Disposal	2019.12.31
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Baotou Yibo Energy Service Co., Ltd.	-	14,608,995.57	-	14,608,995.57
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Note: The Company uses the method of forecasted future cash flow to calculate the recoverable amount of the asset group. Based on the financial budget approved by the management, the Company estimate the forecast cash flow in the next 5 years, and the cash flow growth rate used in subsequent years is expected to be 0.00% (2020: 0.00%; 2019: 0.00%) which is not exceeding the long-term average growth rate of the asset group's operating business. The management prepares the above financial budget based on past performance and its expectations for market development. The pre-tax discount rate used to calculate the present value of future cash flows is 8.63%-9.42% (2020: 11.31%-12.80%; 2019: 11.31%-12.80%), which has reflected the relative risk of relevant segment. According to the result of the impairment test, there was no impairment of goodwill at the end of the period (end of previous period: None).

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22. Long-term deferred expenses

Item	2020.12.31	Adjustment	2021.01.01	Increase	Decrease		2021.12.31
					Amortization	Other decrease	
Leasehold improvement on leased property	34,255,565.19	-	34,255,565.19	209,066.75	7,813,519.62	7,179,400.00	19,471,712.32
Plant renovation	4,545,394.62	-	4,545,394.62	2,231,403.30	1,697,123.66	-	5,079,674.26
Land rental fees	66,423,342.81	-66,423,342.81	-	-	-	-	-
Booster station shared expenses	56,681,969.45	-	56,681,969.45	41,453,533.40	3,608,906.80	-	94,526,596.05
Others	10,651,652.33	-	10,651,652.33	4,831,413.71	9,765,754.88	-	5,717,311.16
Total	172,557,924.40	-66,423,342.81	106,134,581.59	48,725,417.16	22,885,304.96	7,179,400.00	124,795,293.79

(Continued)

Item	2019.12.31	Increase	Decrease		2020.12.31
			Amortization	Other decrease	
Leasehold improvement on leased property	39,651,625.87	4,108,977.83	9,505,038.51	-	34,255,565.19
Plant renovation	-	4,739,126.58	193,731.96	-	4,545,394.62
Land rental fees	16,348,559.30	68,577,988.04	4,978,740.90	13,524,463.63	66,423,342.81
Booster station shared expenses	32,221,444.12	26,091,990.85	1,631,465.52	-	56,681,969.45
Others	8,131,295.23	10,437,594.50	7,917,237.40	-	10,651,652.33
Total	96,352,924.52	113,955,677.80	24,226,214.29	13,524,463.63	172,557,924.40

(Continued)

Item	2018.12.31	Increase	Decrease		2019.12.31
			Amortization	Other decrease	
Leasehold improvement on leased property	38,430,505.98	7,291,501.15	6,070,381.26	-	39,651,625.87
Land rental fees	17,741,088.61	-	1,392,529.31	-	16,348,559.30
Booster station shared expenses	-	32,629,310.50	407,866.38	-	32,221,444.12
Others	29,804,788.23	9,175,813.46	8,679,528.80	22,169,777.66	8,131,295.23
Total	85,976,382.82	49,096,625.11	16,550,305.75	22,169,777.66	96,352,924.52

Note: Other decrease in 2021 is the impairment of long-term deferred expenses of the Company's subsidiaries, Zhongshan Ruike New Energy Co., Ltd.; Other decrease in 2020 is the reclassification of Dingbian Guoneng New Energy Co., Ltd. as assets held-for-sale; Other decrease in 2019 is the disposal of 100% equity of Dachaidan MingYang New Energy Co., Ltd. held by the Company's subsidiary, Beijing Jieyuan New Energy Investment Co., Ltd.

23. Deferred tax assets and deferred tax liabilities

(1) Deferred tax assets and deferred tax liabilities before offsetting in each reporting period

Item	2021.12.31		2020.12.31		2019.12.31	
	Deductible or taxable timing differences	Deferred tax assets or liabilities	Deductible or taxable timing differences	Deferred tax assets or liabilities	Deductible or taxable timing differences	Deferred tax assets or liabilities
Deferred tax assets:						
Provision for credit loss	507,788,822.76	81,315,135.01	373,078,198.11	58,728,841.79	285,481,310.10	43,945,250.09
Provision for impairment of assets	43,247,917.05	6,797,457.26	20,346,920.11	4,350,933.50	12,561,841.00	1,891,524.09
Accrued expenses and provisions	1,722,136,706.70	258,320,506.03	1,437,281,114.72	215,592,167.21	897,985,665.46	131,303,902.58
Deductible tax loss	61,469,581.08	10,265,533.82	261,697,867.30	61,353,907.12	326,479,163.31	76,101,918.28
Unrealized profit of internal transactions	922,977,684.47	138,446,652.67	886,213,006.13	132,931,950.92	297,712,510.07	44,656,876.51
Unrealized financing income	-	-	-	-	441,161,925.93	64,574,247.91
Deferred income-Government grants	197,913,630.90	30,167,044.64	191,551,027.61	28,877,075.14	211,002,580.66	31,304,662.67
Difference in amortization of intangible assets	2,074,429.26	311,164.39	2,074,429.26	311,164.39	16,500,000.00	4,125,000.00
Difference in depreciation of fixed assets	8,316,446.60	2,079,111.65	13,245,111.48	3,311,277.87	13,769,523.76	3,442,380.94
Shares incentive	36,712,220.80	5,532,930.03	44,255,347.54	7,567,027.14	-	-
Changes in fair value of other equity instrument investments recorded in other comprehensive income	20,603.55	4,120.71	-	-	-	-
Subtotal	3,502,658,043.17	533,239,656.21	3,229,743,022.26	513,024,345.08	2,502,654,520.29	401,345,763.07
Deferred tax liabilities:						
Changes in fair value of other	16,880,232.62	2,532,034.89	-	-	-	-

Item	2021.12.31		2020.12.31		2019.12.31	
	Deductible or taxable timing differences	Deferred tax assets or liabilities	Deductible or taxable timing differences	Deferred tax assets or liabilities	Deductible or taxable timing differences	Deferred tax assets or liabilities
equity instrument investments recorded in other comprehensive income						
Fair value adjustment of business combination not under common control	52,012,799.01	8,434,552.02	50,919,809.34	8,251,270.03	56,816,698.69	8,522,504.80
Gain from disposal of long-term equity investment	-	-	12,207,130.40	1,831,069.56	12,207,130.40	1,831,069.56
Difference in accelerated depreciation of fixed assets	174,244,472.30	26,136,670.85	169,734,489.51	25,460,173.42	76,464,132.40	11,469,619.86
Retention fund that have not yet incurred tax liability	3,316,216,058.53	497,432,408.78	1,324,372,445.73	198,655,866.86	-	-
Changes in fair value of other non-current financial assets	67,654,016.40	10,148,102.46	-	-	-	-
Subtotal	3,627,007,578.86	544,683,769.00	1,557,233,874.98	234,198,379.87	145,487,961.49	21,823,194.22

(2) Deductible temporary differences and deductible tax losses of unrecognized deferred tax assets in each reporting period

Item	2021.12.31	2020.12.31	2019.12.31
Provision for credit loss	9,811,093.82	8,760,078.91	22,522,097.41
Provision for impairment of assets	252,592,726.63	124,378,110.13	59,769,094.04
Deductible tax loss	714,452,404.44	411,520,280.03	356,748,211.72
Deferred income-Government grants	8,821,521.96	4,409,990.00	-
Difference in depreciation of fixed assets	9,523,285.75	-	-
Difference between tax and accounting of operating leases	944,675.03	-	-
Total	996,145,707.63	549,068,459.07	439,039,403.17

(3) Expiry of deductible tax losses in subsequent period in each reporting period

Year	2021.12.31	2020.12.31	2019.12.31
2020	—	—	25,351,717.89
2021	—	24,837,956.26	26,788,232.04
2022	154,099,958.82	160,944,150.48	139,619,893.66
2023	74,788,028.46	78,654,016.96	64,366,824.95
2024	52,742,998.28	63,288,789.68	100,621,543.18
2025	62,008,156.07	83,795,366.65	—
2026	370,813,262.81	—	—
2027	—	—	—
Total	714,452,404.44	411,520,280.03	356,748,211.72

24. Other non-current assets

Item	2021.12.31			2020.12.31		
	Book balance	Provision for impairment	Carrying amount	Book balance	Provision for impairment	Carrying amount
Prepaid land transfer fund	192,867,283.28	-	192,867,283.28	-	-	-
Prepaid construction fees	24,290,880.75	-	24,290,880.75	653,359,457.91	-	653,359,457.91
Prepaid equipment fee	434,235,908.42	-	434,235,908.42	146,482,897.00	-	146,482,897.00
Certificate of deposit	3,203,659,803.19	-	3,203,659,803.19	-	-	-
Input tax pending for verification	403,810,040.12	-	403,810,040.12	474,029,564.92	-	474,029,564.92
Contract assets	5,236,552,754.68	13,159,610.07	5,223,393,144.61	3,759,469,146.91	10,256,602.10	3,749,212,544.81
Total	9,495,416,670.44	13,159,610.07	9,482,257,060.37	5,033,341,066.74	10,256,602.10	5,023,084,464.64

(Continued)

Item	2019.12.31		
	Book balance	Provision for impairment	Carrying amount
Prepaid land transfer fund	213,744.00	-	213,744.00
Prepaid construction fees	14,049,901.47	-	14,049,901.47
Prepaid equipment fee	132,301,931.97	-	132,301,931.97
Certificate of deposit	-	-	-
Input tax pending for verification	183,644,659.06	-	183,644,659.06
Contract assets	-	-	-
Total	330,210,236.50	-	330,210,236.50

25. Short-term loans

(1) Short-term loans by category

Item	2021.12.31	2020.12.31	2019.12.31
Pledge loans	98,467,646.02	94,000,000.00	1,033,813,432.40
Guaranteed loans	-	40,000,000.00	340,821,666.67
Unsecured loans	-	15,000,000.00	-
Total	98,467,646.02	149,000,000.00	1,374,635,099.07

Note: As at year end, the pledge of properties refers to Note V. 66.

26. Bills payable

Category	2021.12.31	2020.12.31	2019.12.31
Commercial acceptance bills	692,915,154.94	413,432,004.00	726,894,317.65
Bank acceptance bills	8,571,951,897.72	4,783,862,608.71	2,001,788,523.17
Total	9,264,867,052.66	5,197,294,612.71	2,728,682,840.82

Note: The total amount of unpaid bills payable as of 31 December 2019: RMB 12,724,590.22; as of 31 December 2020: RMB 0.00; as of 31 December 2021: RMB 0.00.

27. Accounts payable

Item	2021.12.31	2020.12.31	2019.12.31
Purchase of goods	10,172,885,151.76	7,855,326,473.19	4,804,911,016.69

Including, significant accounts payable with ageing over one year in each reporting period

Item	2021.12.31	Reasons for outstanding or not transferred
Jilin Chongtong Chengfei New Materials Co., Ltd.	36,478,516.41	Billing conditions not yet met
Gansu Chongtong Chengfei New Material Co., Ltd.	21,649,833.20	Billing conditions not yet met
Hunan Zhongdian Logistics Co., Ltd.	21,341,901.44	Not yet due for settlement
Beijing Xianglong Logistics (Group) Co., Ltd.	19,528,849.44	Not yet due for settlement
Chongtong Chengfei Wind Power Equipment Jiangsu Co., Ltd.	18,985,083.37	Billing conditions not yet met
Total	117,984,183.86	--

(Continued)

Item	2020.12.31	Reasons for outstanding or not transferred
Luoyang LYC Bearing Co., Ltd.	60,857,801.19	Objections to the results of the contract execution

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Item	2020.12.31	Reasons for outstanding or not transferred
Chongqing Wangjiang Industry Co., Ltd.	52,995,587.38	Not yet due for settlement
Shandong Longma Heavy Industry Co., Ltd.	19,532,316.13	Not yet due for settlement
Jilin Chongtong Chengfei New Materials Co., Ltd.	14,782,888.53	Not yet due for settlement
Total	148,168,593.23	--

(Continued)

Item	2019.12.31	Reasons for outstanding or not transferred
Chongqing Wangjiang Industry Co., Ltd.	118,690,098.50	Not yet settled due to quality issues
Luoyang LYC Bearing Co., Ltd.	60,903,697.42	Objections to the results of the contract execution, Not yet settled
Nantong Landao Offshore Engineering Co., Ltd.	25,374,337.81	Not yet due for settlement
Shenzhen Hopewind Electric Co., Ltd.	19,779,259.56	Not yet due for settlement
Gu'an Huadian Tianren Control Equipment Co., Ltd.	18,996,516.29	Not yet due for settlement
Shandong Longma Heavy Industry Co., Ltd.	11,972,613.51	Not yet due for settlement
Zhejiang Rongli Heavy Industry Co., Ltd.	10,549,979.02	Not yet due for settlement
Total	266,266,502.11	--

28. Advances from customers

Item	2021.12.31	2020.12.31	2019.12.31
Advance receipts of sales and service payments	—	—	6,858,917,435.34

(1) Significant advance from customers with ageing over one year in each reporting period

Item	2021.12.31	2020.12.31	2019.12.31	Reasons for outstanding or not transferred
Guangdong Yudean Yangjiang Offshore Wind Power Co., Ltd.	--	--	279,796,407.40	Contract execution in progress
Fujian Pingtan Datang Offshore Wind Power Co., Ltd.	--	--	24,607,825.74	Contract execution in progress
Guodian Power Guangdong New Energy Development Co., Ltd.	--	--	18,881,000.00	Contract execution in progress
Jiangxi Datang International New Energy Co., Ltd.	--	--	14,644,800.00	Contract execution in progress
Total	--	--	337,930,033.14	--

29. Contract liabilities

Item	2021.12.31	2020.12.31	2020.01.01
Advance receipts of sales	6,890,803,754.57	7,743,935,031.42	6,072,783,141.77
Advance receipts for operation and maintenance services	1,138,955,633.89	816,009,720.21	698,229,735.83
Advance receipts of construction fees	31,834,388.05	-	-
Total	8,061,593,776.51	8,559,944,751.63	6,771,012,877.60

30. Employee benefits payables

Item	2020.12.31	Increase	Decrease	2021.12.31
Short-term employee benefits	151,797,242.65	1,432,539,234.49	1,397,016,816.75	187,319,660.39
Post-employment benefits - Defined contribution plans	108,071.05	101,977,750.92	102,010,366.02	75,455.95
Termination benefits	-	2,984,616.53	2,984,616.53	-
Total	151,905,313.70	1,537,501,601.94	1,502,011,799.30	187,395,116.34

(Continued)

Item	2019.12.31	Increase	Decrease	2020.12.31
Short-term employee benefits	106,663,130.33	1,259,393,482.36	1,214,259,370.04	151,797,242.65
Post-employment benefits - Defined contribution plans	460,747.64	39,062,818.02	39,415,494.61	108,071.05
Total	107,123,877.97	1,298,456,300.38	1,253,674,864.65	151,905,313.70

(Continued)

Item	2018.12.31	Increase	Decrease	2019.12.31
Short-term employee benefits	73,724,313.51	863,862,594.33	830,923,777.51	106,663,130.33
Post-employment benefits -Defined contribution plans	199,816.20	59,408,514.50	59,147,583.06	460,747.64
Total	73,924,129.71	923,271,108.83	890,071,360.57	107,123,877.97

(1) Short-term employee benefits

Item	2020.12.31	Increase	Decrease	2021.12.31
Salaries, bonus and allowances	136,890,858.42	1,201,538,841.51	1,168,194,934.21	170,234,765.72
Staff welfare	-	90,129,301.72	90,129,301.72	-
Social insurances	50,631.66	43,319,703.17	43,073,717.87	296,616.96
Including: 1. Medical insurance	44,384.88	33,976,832.86	33,752,025.78	269,191.96
2. Supplementary medical insurance	-	4,136,340.02	4,136,340.02	-
3. Work injury insurance	1,645.75	2,641,284.04	2,626,765.56	16,164.23

Item	2020.12.31	Increase	Decrease	2021.12.31
4. Maternity insurance	4,601.03	2,565,246.25	2,558,586.51	11,260.77
Housing fund	517,941.88	43,599,188.39	43,637,562.70	479,567.57
Union funds and staff education	14,337,810.69	24,714,682.93	22,743,783.48	16,308,710.14
Other short-term employee benefits	-	29,237,516.77	29,237,516.77	-
Total	151,797,242.65	1,432,539,234.49	1,397,016,816.75	187,319,660.39

(Continued)

Item	2019.12.31	Increase	Decrease	2020.12.31
Salaries, bonus and allowances	94,485,248.79	1,070,114,371.60	1,027,708,761.97	136,890,858.42
Staff welfare	-	91,454,616.15	91,454,616.15	-
Social insurances	91,155.46	34,002,888.82	34,043,412.62	50,631.66
Including: 1. Medical insurance	54,904.99	29,230,240.21	29,240,760.32	44,384.88
2. Supplementary medical insurance	29,521.67	1,022,289.29	1,051,810.96	-
3. Work injury insurance	2,036.25	942,662.34	943,052.84	1,645.75
4. Maternity insurance	4,692.55	2,807,696.98	2,807,788.50	4,601.03
Housing fund	381,221.52	37,756,504.04	37,619,783.68	517,941.88
Union funds and staff education	11,705,504.56	14,322,925.15	11,690,619.02	14,337,810.69
Other short-term employee benefits	-	11,742,176.60	11,742,176.60	-
Total	106,663,130.33	1,259,393,482.36	1,214,259,370.04	151,797,242.65

(Continued)

Item	2018.12.31	Increase	Decrease	2019.12.31
Salaries, bonus and allowances	63,007,464.77	729,121,706.82	697,643,922.80	94,485,248.79
Staff welfare	-	51,616,891.00	51,616,891.00	-
Social insurances	499,930.03	39,190,399.21	39,599,173.78	91,155.46
Including: 1. Medical insurance	435,505.60	24,886,805.77	25,267,406.38	54,904.99
2. Supplementary medical insurance	25,831.88	10,069,904.72	10,066,214.93	29,521.67
3. Work injury insurance	9,336.43	1,608,008.03	1,615,308.21	2,036.25
4. Maternity insurance	29,256.12	2,625,680.69	2,650,244.26	4,692.55
Housing fund	431,303.54	28,382,099.61	28,432,181.63	381,221.52
Union funds and staff education	9,644,420.01	12,713,219.44	10,652,134.89	11,705,504.56
Other short-term employee benefits	141,195.16	2,838,278.25	2,979,473.41	-

Item	2018.12.31	Increase	Decrease	2019.12.31
Total	73,724,313.51	863,862,594.33	830,923,777.51	106,663,130.33

(2) Defined contribution plans

Item	2020.12.31	Increase	Decrease	2021.12.31
Post-employment benefits	108,071.05	101,977,750.92	102,010,366.02	75,455.95
Including: Basic pension insurance	104,725.46	98,679,027.87	98,710,464.70	73,288.63
Unemployment insurance	3,345.59	3,298,723.05	3,299,901.32	2,167.32
Total	108,071.05	101,977,750.92	102,010,366.02	75,455.95

(Continued)

Item	2019.12.31	Increase	Decrease	2020.12.31
Post-employment benefits	460,747.64	39,062,818.02	39,415,494.61	108,071.05
Including: 1. Basic pension insurance	427,495.54	37,813,189.91	38,135,959.99	104,725.46
2. Unemployment insurance	33,252.10	1,037,116.95	1,067,023.46	3,345.59
3. Other	-	212,511.16	212,511.16	-
Total	460,747.64	39,062,818.02	39,415,494.61	108,071.05

(Continued)

Item	2018.12.31	Increase	Decrease	2019.12.31
Post-employment benefits	199,816.20	59,408,514.50	59,147,583.06	460,747.64
Including: 1. Basic pension insurance	190,518.44	57,452,747.52	57,215,770.42	427,495.54
2. Unemployment insurance	9,297.76	1,913,037.81	1,889,083.47	33,252.10
3. Other	-	42,729.17	42,729.17	-
Total	199,816.20	59,408,514.50	59,147,583.06	460,747.64

31. Taxes payable

Taxes	2021.12.31	2020.12.31	2019.12.31
Value-added tax	705,627,203.64	336,128,966.59	205,128,790.42
Enterprise income tax	258,880,132.30	79,159,948.20	50,073,684.42
Individual income Tax	10,556,482.90	7,147,605.02	5,866,527.98
Urban maintenance and construction tax	49,075,667.55	22,961,256.04	16,808,327.64
Education surcharge	35,849,732.85	16,425,739.06	12,034,877.08
Stamp duty	4,285,866.66	3,044,832.20	2,199,645.93
Land use tax	590,660.43	301,328.31	80,000.16

Taxes	2021.12.31	2020.12.31	2019.12.31
Property tax	677,323.02	772,370.09	274,044.32
Other taxes	9,098,397.52	8,718,734.05	1,340,409.08
Total	1,074,641,466.87	474,660,779.56	293,806,307.03

32. Other payables

Item	2021.12.31	2020.12.31	2019.12.31
Dividend payable	2,916,980.11	716,980.11	716,980.11
Other payables	2,090,730,890.08	1,825,136,947.40	618,884,184.76
Total	2,093,647,870.19	1,825,853,927.51	619,601,164.87

(1) Dividend payable

Item	2021.12.31	2020.12.31	2019.12.31
Inner Mongolia MingYang Wind Power Equipment Co., Ltd.	716,980.11	716,980.11	716,980.11
Hebei Hongrun Nuclear Equipment Technology Co., Ltd.	2,200,000.00	-	-
Total	2,916,980.11	716,980.11	716,980.11

(2) Other payables

Item	2021.12.31	2020.12.31	2019.12.31
Construction fee	298,315,930.49	749,326,024.29	291,032,051.91
Current accounts	1,306,775,462.35	597,521,678.79	152,995,683.55
Accrued expenses	140,226,976.74	263,780,065.83	84,529,508.52
Restricted shares repurchase obligations	135,356,138.99	121,883,589.69	-
Security deposits & deposits	63,936,884.18	25,267,131.32	29,264,564.55
Others	146,119,497.33	67,358,457.48	61,062,376.23
Total	2,090,730,890.08	1,825,136,947.40	618,884,184.76

Including, Significant other payables with ageing over one year in each reporting period

Item	2021.12.31	Reasons for outstanding or not transferred
Nanjing China Nuclear Energy Engineering Co., Ltd.	13,855,200.00	Not yet due for settlement
Wuchang Shipbuilding Industry Group Co., Ltd.	9,868,258.00	Not yet due for settlement
Nanyang Feilong Electric Power Group Co., Ltd.	5,676,035.80	Not yet due for settlement
Total	29,399,493.80	--

(Continued)

Item	2020.12.31	Reasons for outstanding or not transferred
Gansu Xinyuan Power Engineering Co., Ltd.	31,864,280.05	Not yet due for settlement
Nanjing China Nuclear Energy Engineering Co., Ltd.	13,855,200.00	Not yet due for settlement
Total	45,719,480.05	--

(Continued)

Item	2019.12.31	Reasons for outstanding or not transferred
Gansu Xinyuan Power Engineering Co., Ltd.	31,864,280.05	Not yet due for settlement
Nanjing China Nuclear Energy Engineering Co., Ltd.	13,855,200.00	Not yet due for settlement
Total	45,719,480.05	--

33. Non-current liabilities due within one year

Item	2021.12.31	2020.12.31	2019.12.31
Long-term loans due within one year	494,652,011.55	443,769,442.09	150,294,455.80
Bonds payable due within one year	1,006,137.87	517,759,346.51	
Long-term payables due within one year	300,897,697.85	312,308,700.13	361,640,206.84
Provisions that expire within one year	208,457,488.98	223,512,728.41	93,506,062.07
Lease liabilities due within one year	114,026,485.11	—	—
Other non-current liabilities due within one year			3,364,671.30
Total	1,119,039,821.36	1,497,350,217.14	608,805,396.01

(1) Long-term loans due within one year

Item	2021.12.31	2020.12.31	2019.12.31
Pledge loans	234,736,148.61	206,333,124.99	-
Mortgage loans	61,642,075.61	43,913,400.48	33,813,620.00
Guaranteed loans	198,273,787.33	193,522,916.62	116,480,835.80
Total	494,652,011.55	443,769,442.09	150,294,455.80

Note: Please refer to Note V. 66 for the properties used by the Company for mortgage and pledge.

(2) Bonds payable due within one year

① As of 31 December 2021, bonds payable due within one year is as follow:

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Bond name	Face value	Issuance date	Bond term	Issuance amount
MingYang Smart Energy Group Co., Ltd. 2018 first phase of green medium-term notes	100.00	2018/4/27	3 years	500,000,000.00
MingYang Smart Energy Group Co., Ltd. 2021 first phase of green medium-term notes	6,367.50	2021/12/14	3 years	1,273,500,000.00
Subtotal	--	--	--	1,773,500,000.00

Bonds payable due within one year (Continued)

Bond name	2020.12.31	Issued in the year	Interest accrual on face value	Amortization of discount or premium	Repaid in the year	2021.12.31
MingYang Smart Energy Group Co., Ltd. 2018 first phase of green medium-term notes	517,759,346.51	-	-	-	517,759,346.51	-
MingYang Smart Energy Group Co., Ltd. 2021 first phase of green medium-term notes	-	-	1,006,137.87	-	-	1,006,137.87

② As of 31 December 2020, Bonds payable due within one year is as follow:

Bond name	Face value	Issuance date	Bond term	Issuance amount
MingYang Smart Energy Group Co., Ltd. 2018 first phase of green medium-term notes	100.00	2018.4.27	3 years	500,000,000.00

Bonds payable due within one year (Continued)

Bond name	2019.12.31	Issued in the year	Interest accrual on face value	Amortization of discount or premium	Repaid in the year	2020.12.31
MingYang Smart Energy Group Co., Ltd. 2018 first phase of green medium-term notes	-	511,290,741.53	20,333,333.36	6,748,057.07	20,612,785.45	517,759,346.51

(3) Long-term payables due within one year

Item	2021.12.31	2020.12.31	2019.12.31
Finance lease payable	202,937,667.82	380,573,795.26	413,313,627.98
Less: Unrecognized financing expenses	72,938,247.47	172,683,126.72	167,927,104.88
Retention payable	170,898,277.50	104,418,031.59	116,253,683.74
Total	300,897,697.85	312,308,700.13	361,640,206.84

34. Other current liabilities

Item	2021.12.31	2020.12.31	2019.12.31
Output VAT pending for transfer	894,037,794.22	1,005,129,163.61	-

35. Long term loans

Item	2021.12.31	Range of interest rate	2020.12.31	Range of interest rate
Pledge loans	1,263,236,148.61	3.00-5.39	1,096,688,055.83	3.00-5.39
Mortgage loans	407,042,075.61	3.00-6.18	521,220,063.14	3.00-6.18
Guaranteed loans	2,263,122,123.93	3.00-6.00	2,424,281,849.12	3.00-6.00
Subtotal	3,933,400,348.15	--	4,042,189,968.09	--
Less: Long-term loans due within one year	494,652,011.55	--	443,769,442.09	--
Total	3,438,748,336.6	--	3,598,420,526.00	--

(Continued)

Item	2019.12.31	Range of interest rate
Pledge loans	128,000,000.00	3.00-5.39
Mortgage loans	1,117,854,500.00	3.00-6.18
Guaranteed loans	1,752,941,979.00	3.00-6.00
Subtotal	2,998,796,479.00	--
Less: Long-term loans due within one year	150,294,455.80	--
Total	2,848,502,023.20	--

Note: The Company's properties used as mortgage and pledge are detailed in Note V. 66.

36. Bonds payable

Item	2021.12.31	2020.12.31	2019.12.31
MingYang Smart Energy Group Co., Ltd. 2018 first phase of green medium-term notes	-	-	511,290,741.53
MingYang Smart Energy Group Co., Ltd. Convertible bonds	-	781,207,869.86	1,294,135,587.43
MingYang Smart Energy Group Co., Ltd. 2021 first phase of green medium-term notes	1,260,376,859.76	-	-
Total	1,260,376,859.76	781,207,869.86	1,805,426,328.96

(1) Changes in bonds payable

Bond name	Face value	Issuance date	Bond term	Issuance amount
MingYang Smart Energy Group Co., Ltd. 2018 first phase of green medium-term notes	100.00	2018/4/27	3 years	500,000,000.00

MingYang Smart Energy Group Co., Ltd.

Notes to the Financial Statements

For the years ended 31 December 2019, 2020 and 2021 (All amounts in RMB unless otherwise stated)

[This report is translated from the Chinese report]

Bond name	Face value	Issuance date	Bond term	Issuance amount
MingYang Smart Energy Group Co., Ltd. 2021 first phase of green medium-term notes	6,367.50	2021/12/14	3 years	1,273,500,000.00
Subtotal	--	--	--	1,773,500,000.00

Bonds payable (Continued)

Bond name	2018.12.31	Issued in the year	Interest accrual on face value	Amortization of discount or premium	Repaid in the year	2019.12.31
MingYang Smart Energy Group Co., Ltd. 2018 first phase of green medium-term notes	484,418,780.81	-	20,612,785.45	6,259,175.27	-	511,290,741.53

(Continued)

Bond name	2019.12.31	Issued in the year	Interest accrual on face value	Amortization of discount or premium	Repaid in the year	2020.12.31
MingYang Smart Energy Group Co., Ltd. 2018 first phase of green medium-term notes	-	511,290,741.53	20,333,333.36	6,748,057.07	20,612,785.45	517,759,346.51

(Continued)

Bond name	2020.12.31	Issued in the year	Interest accrual on face value	Amortization of discount or premium	Repaid in the year	Exchange difference	2021.12.31
MingYang Smart Energy Group Co., Ltd. 2018 first phase of green medium-term notes	517,759,346.51	-	10,166,666.64	2,573,986.85	530,500,000.00	-	-
MingYang Smart Energy Group Co., Ltd. 2021 first phase of green medium-term notes	-	1,258,515,633.57	1,006,137.87	240,522.90	-	1,620,703.29	1,261,382,997.63
Subtotal	517,759,346.51	1,258,515,633.57	11,172,804.51	2,814,509.75	530,500,000.00	1,620,703.29	1,261,382,997.63
Less: Bonds payable due within one year	517,759,346.51	-	1,006,137.87	-	517,759,346.51	-	1,006,137.87
Total	-	1,258,515,633.57	10,166,666.64	2,814,509.75	12,740,653.49	1,620,703.29	1,260,376,859.76

Note: On 19 October 2016, by the approval of National Association of Financial Market Institutional Investors (Zhongshi Xie Zhu [2016] GN8), the Company's registration of green medium-term notes was agreed, the registration amount is RMB 1 billion, the registration amount shall be valid for 2 years from the date of notice. The Company issued the first phase of 2018 medium-term notes on 2 May 2018, under the code "MingYang Smart Energy Group Co., Ltd. 2018 Phase 1 Green Medium-term Notes", with a total issuance of RMB 500 million with maturity in 3 years and coupon rate of 6.10%.

On 26 October 2021, by the approval of National Development and Reform Commission of the People's Republic of China (Fa Gai Ban Wai Zi Bei [2021] No. 873), it agreed to accept the registration of the Company's overseas green bonds. The registered amount is US dollar 200 million, and the registration amount shall be valid for 1 years from the date of notice. The Company issued the first phase of 2021 overseas green bonds on 14 December 2021. The note symbol is "MingYang Smart Energy Group Co., Ltd. 2021 first phase of green medium-term notes", with a total issuance amount of US dollar 200 million. The term of the note is 3 years, and the coupon rate is 1.60%.

(2) Convertible corporate bonds

Note: As approved by the China Securities Regulatory Commission (Zhenjian Xuke [2019] No. 2553) "Approval of the Public Offering of Convertible Corporate Bonds by MingYang Smart Energy Group Co., Ltd.", pursuant to which the Company is approved to publicly issue convertible corporate bonds with a total face value of RMB 1,700,000,000.00 for a term of 6 years.

The coupon rates of convertible corporate bonds issued by the Company are 0.4% for 1st year, 0.6% for 2nd year, 1.0% for 3rd year, 1.5% for 4th year, 1.8% for 5th year, and 2.0% for 6th year. Interest is paid annually and the principal and the last year's interest are paid on maturity date; The interest is calculated from the first day of issuance of the convertible bonds, that is, 16 December 2019. The conversion period of the convertible bonds issued this time shall start from the first trading day after 6 months from the date of the issuance to the expiry date of the convertible bonds.

The initial conversion price of the convertible bonds issued this time is RMB 12.66/share, not lower than the average price of the Company's stock trading on the 20 trading days before the announcement of the prospectus (If there has been a stock price adjustment due to ex-rights or ex-dividend within the 20 trading days, the average transaction price on the trading day before the adjustment is calculated based on the price after the corresponding ex-rights and ex-dividend adjustments) and the average price of the previous trading day. When a convertible bond holder applies for conversion during the conversion period, the conversion quantity is calculated as: $Q=V/P$, and the rounding method is used to take an integer multiple of one share. Where V is the total face amount of convertible bonds for which the holders of convertible bonds apply for conversion; P is the effective conversion price on the day of application for conversion.

As of 31 December 2021, a cumulative face value of RMB 1,694,922,000 "MingYang Convertible Bonds" has been converted into company shares, and the share quantity being converted is 133,949,221 shares.

37. Lease liabilities

Item	2021.12.31	2021.01.01
Housing and buildings	50,428,751.40	97,825,583.30
Production equipment	329,923,408.15	511,543,598.09
Testing equipment	10,427,223.06	4,123,595.68
Motor vehicles	7,625,581.57	11,717,151.19
Electronic equipment and others	160,315.73	199,633.81
Subtotal	398,565,279.91	625,409,562.07
Less: Lease liabilities due within one year	114,026,485.11	41,029,073.85
Total	284,538,794.80	584,380,488.22

Note: The interest expense of lease liabilities accrued in the current period is RMB 69.21 million, which is included in financial expense - interest expense.

38. Long-term payables

Item	2021.12.31	2020.12.31	2019.12.31
Finance lease payable	1,617,982,436.21	4,276,516,935.85	3,682,444,779.80
Less: Unrecognized financing expenses	344,261,411.82	991,515,419.23	893,092,039.36
Retention payable	1,421,534,194.54	570,639,015.30	623,431,168.26
Subtotal	2,695,255,218.93	3,855,640,531.92	3,412,783,908.70
Less: Long-term payables due within one year	300,897,697.85	312,308,700.13	361,640,206.84
Total	2,394,357,521.08	3,543,331,831.79	3,051,143,701.86

39. Provisions

Item	2021.12.31	2020.12.31	2019.12.31	Reason of formation
Product quality warranties	1,459,543,168.82	1,014,927,949.61	753,933,015.96	[Note 1]
Pending litigations	37,116,670.97	-	-	--
Total	1,496,659,839.79	1,014,927,949.61	753,933,015.96	--

[Note]: The product sales contracts signed by the Company and customers stipulate that the Company shall provide warranty to the quality of the products sold during the warranty period agreed in the contract. The warranty costs for repairs and replacements arising from product quality defects will be borne by the Company. Based on historical data and product characteristics, the Company accrues product quality warranty based on a certain percentage of product sales revenue.

40. Deferred income

Item	2020.12.31	Increase	Decrease	2021.12.31	Reason of formation
Government grants related to assets	294,215,149.96	24,340,000.00	22,973,603.98	295,581,545.98	Refer to note
Government grants related to income	32,136,200.04	4,000,000.00	2,495,395.12	33,640,804.92	Refer to note
Total	326,351,350.00	28,340,000.00	25,468,999.10	329,222,350.90	--

(Continued)

Item	2019.12.31	Adjustment	2020.01.01	Increase	Decrease	2020.12.31	Reason of formation
Revenue from operation and maintenance services	698,229,735.83	698,229,735.83	-	-	-	-	--
Government grants related to assets	232,796,489.76	-	232,796,489.76	95,036,117.20	33,617,457.00	294,215,149.96	Refer to note
Government grants related to income	29,312,680.71	-	29,312,680.71	10,930,737.11	8,107,217.78	32,136,200.04	Refer to note

Item	2019.12.31	Adjustment	2020.01.01	Increase	Decrease	2020.12.31	Reason of formation
Total	960,338,906.30	698,229,735.83	262,109,170.47	105,966,854.31	41,724,674.78	326,351,350.00	--

(Continued)

Item	2018.12.31	Increase	Decrease	2019.12.31	Reason of formation
Revenue from operation and maintenance services	517,251,925.00	303,300,896.67	122,323,085.84	698,229,735.83	--
Government grants related to assets	211,381,499.22	52,649,543.50	31,234,552.96	232,796,489.76	Refer to note
Government grants related to income	51,297,039.24	5,141,610.00	27,125,968.53	29,312,680.71	Refer to note
Total	779,930,463.46	361,092,050.17	180,683,607.33	960,338,906.30	--

Note: Detail of government grants recorded in deferred income refers to 错误!未找到引用源。68.

41. Share capital (Unit: share)

Item	2018.12.31	Movement in the year				Subtotal	2019.12.31
		Issue of new shares	Bonus shares	Conversion from capital reserve	Other		
Total shares	1,103,822,378.00	275,900,000.00	-	-	-	275,900,000.00	1,379,722,378.00

(Continued)

Item	2019.12.31	Movement in the year				Subtotal	2020.12.31
		Issue of new shares	Bonus shares	Conversion from capital reserve	Other		
Total shares	1,379,722,378.00	413,916,713.00	-	-	81,736,651.00	495,653,364.00	1,875,375,742.00

(Continued)

Item	2020.12.31	Movement in the year				Subtotal	2021.12.31
		Issue of new shares	Bonus shares	Conversion from capital reserve	Other		
Total shares	1,875,375,742.00	5,498,000.00	-	-	75,452,970.00	80,950,970.00	1,956,326,712.00

Note:

(1) The Company was approved by the China Securities Regulatory Commission on 25 December 2018 with the document "Reply of the Approval of MingYang Smart Energy Group Co., Ltd.'s Initial Public Offering of Shares" (Zheng Jian Xuke [2018] No. 2169), pursuant to which the public issuance of 275,900,000 RMB ordinary shares (A shares) at an issue price of RMB 4.75 per share was completed and listed for trading on 23 January 2019. After the issuance, the Company's total share capital increased to RMB 1,379,722,378. This capital contribution was verified by Grant Thornton Certified Public Accountants (special general partnership) on 18 January 2019 by issuing the "Grant Thornton Yanzi (2019) No. 110ZC0017" capital verification report.

(2) On 20 May 2020, the Company held the fifth meeting of the second board of directors and the fifth meeting of the second board of supervisors, which reviewed and approved "Proposal on Adjusting Related Matters of the 2019 Restricted Shares Incentive Plan" and "Proposal for granting" Restricted shares to first-time incentive participants", pursuant to which 23,340,400 restricted ordinary shares were granted to 220 incentive participants, and the total share capital of the company increased to RMB 1,403,062,778.00. On 12 June 2020, BDO China Shu Lun Pan Certified Public Accountants (special general partnership) issued the "capital verification report "Xinhuishibaozi [2020] No. ZC10421 for verification of the Company's first grant of restricted shares.

(3) On 20 July 2020, the Company was approved by the China Securities Regulatory Commission with "Approval of the Non-public Issuance of Shares of MingYang Smart Energy Group Co., Ltd. " (Zhengjian Xuke [2020] No. 1516, pursuant to which the non-public issuance of RMB ordinary 413,916,713 shares of ordinary shares (A shares), the Company's total share capital increased to RMB 1,816,979,491.00. The capital contribution was verified by Grant Thornton Certified Public Accountants (special general partnership) on 27 October 2020 by issuing the capital verification report "GTYZ (2020) No. 110ZC00394".

(4) By the approval of the China Securities Regulatory Commission with document (Zhengjian Xuke [2019] No. 2553), the Company publicly issued 17 million convertible corporate bonds on 16 December 2019, each with a face value of RMB 100, a term of 6 year. Total issuance amount was RMB 1.70 billion. In accordance with relevant regulations and the Company's "Prospectus of Public Issuance of Convertible Corporate Bonds", the convertible corporate bonds issued by the Company can be converted into the Company's A-share ordinary shares starting from 22 June 2020. The number of shares converted in 2020 and 2021 were 58,396,251 and 75,552,970 shares respectively, and the cumulative number of shares being converted was 133,949,221 shares.

(5) On 9 June 2021, the Company held the 21st meeting of the second board of directors, reviewed and approved the "Proposal on Repurchase and Cancellation of Some Restricted Shares Granted to Incentive Participants but Not Vested from Restriction", and agreed to repurchase and cancel the 100,000 restricted shares that have been granted but have not yet been vested from the restricted shares held by the three resigned incentive participants.

(6) On 12 May 2021, the Company held the 20th meeting of the second board of directors, and reviewed and approved the "Proposal on Granting Reserved Restricted Shares to the Incentive Participants of the 2019 Restricted Stock Incentive Plan", pursuant to which agreed to, on the grant date of 12 May 2021, grant restricted shares to 103 qualified participants for a total of 5.498 million restricted shares. The source of the shares was the direct issuance of A shares of ordinary shares to incentive participants. As of 17 September 2021, the Company has granted 5,498,000 restricted ordinary shares to 103 incentive participants at a price of RMB 8.28 per share. The Company's total share capital increased to RMB 1,956,326,712.00.

42. Other equity instruments

Information of other financial instruments, such as Preference share and perpetual bonds, outstanding as at 31 December 2021:

Financial instruments outstanding	Issuance date	Accounting classification	Interest rate	Issuance price	Quantity	Issuance amount	Maturity date	Conditions of conversion	Conversion status
Convertible bonds	2019/12/16	Compound financial instruments	1 st year 0.4% 2 nd year 0.6% 3 rd year 1.0% 4 th year 1.5%	RMB 100.00 each	17.00 million units	RMB 1.70 billion	2025/12/15	Voluntary conversion	Already converted 133,949,221 shares

Financial instruments outstanding	Issuance date	Accounting classification	Interest rate	Issuance price	Quantity	Issuance amount	Maturity date	Conditions of conversion	Conversion status
			5 th year 1.8%						
			6 th year 2.0%						

Movement of other financial instruments, such as Preference share and perpetual bonds, outstanding in each reporting period:

Financial instruments outstanding	2020.12.31		Increase		Decrease		2021.12.31	
	Quantity	Carrying amount	Quantity	Carrying amount	Quantity	Carrying amount	Quantity	Carrying amount
Convertible bonds	9,721,720.00	224,067,878.87	-	-	9,721,720.00	224,067,878.87	-	-

(Continued)

Financial instruments outstanding	2019.12.31		Increase		Decrease		2020.12.31	
	Quantity	Carrying amount	Quantity	Carrying amount	Quantity	Carrying amount	Quantity	Carrying amount
Convertible bonds	17,000,000.00	391,818,931.29	-	-	7,278,280.00	167,751,052.42	9,721,720.00	224,067,878.87

(Continued)

Financial instruments outstanding	2018.12.31		Increase		Decrease		2019.12.31	
	Quantity	Carrying amount	Quantity	Carrying amount	Quantity	Carrying amount	Quantity	Carrying amount
Convertible bonds	-	-	17,000,000.00	391,818,931.29	-	-	17,000,000.00	391,818,931.29

Note: Detail refer to Note V. 36 (2).

43. Capital reserve

Item	Capital premium	Other capital reserve	Total
2018.12.31	2,614,570,155.97	-	2,614,570,155.97
Increase	968,196,824.89	-	968,196,824.89
Decrease	-	-	-
2019.12.31	3,582,766,980.86	-	3,582,766,980.86
Increase	6,146,354,424.23	46,717,269.40	6,193,071,693.63
Decrease	-	-	-
2020.12.31	9,729,121,405.09	46,717,269.40	9,775,838,674.49
Increase	999,568,083.00	65,095,120.72	1,064,663,203.72
Decrease	145,379,421.23	28,061,192.55	173,440,613.78
2021.12.31	10,583,310,066.86	83,751,197.57	10,667,061,264.43

Note:

(1) In January 2019, the Company raised RMB 1,310,525,000.00 from the issuance of shares. After

deducting RMB 43,253,183.97 for underwriting fees (excluding tax), the actual balance of fund raising was RMB 1,267,271,816.03. In addition, after deducting the sponsorship fee (excluding tax) of RMB 4,716,981.13, the distributor distribution fee (excluding tax) of RMB 18,867.92, other issuance-related expenses (excluding tax) of RMB 27,155,114.15, the amount recognised as increase in share capital was RMB 275,900,000.00, and the amount recognised as increase in Capital reserve-Capital premium was RMB 959,480,852.83.

(2) The Company previously held 66.67% equity in Xinjiang Wanbang, and signed an "Equity Transfer Agreement" with He Zhiyong and He Huajie in January 2019, pursuant to which 33.33% equity in Xinjiang Wanbang held by them would transfer to the Company. As of 25 March 2019, the equity transfer agreement had been fulfilled and the transaction consideration was RMB 40,000,000.00. This transaction resulted in a decrease of minority interests by RMB 48,715,972.06 and an increase of capital reserve by RMB 8,715,972.06.

(3) On 20 May 2020, the Company held the fifth meeting of the second board of directors, which reviewed and approved "Proposal on Adjusting Related Matters of the 2019 Restricted Shares Incentive Plan" and "Proposal for granting" Restricted shares to first-time incentive participants", pursuant to which 23,340,400 restricted ordinary shares were granted to 220 incentive participants, and the total share capital of the company increased by RMB 23,340,400. On 12 June 2020, BDO China Shu Lun Pan Certified Public Accountants (special general partnership) issued the "capital verification report "Xinhuishibaozi [2020] No. ZC10421 for verification of the Company's first grant of restricted shares. Accordingly, share premium of RMB 98,153,849.29 was recorded.

(4) On 20 July 2020, the Company was approved by the China Securities Regulatory Commission with "Approval of the Non-public Issuance of Shares of MingYang Smart Energy Group Co., Ltd." (Zhengjian Xuke [2020] No. 1516, pursuant to which the non-public issuance of RMB ordinary 413,916,713 shares of ordinary shares (A shares), the Company's total share capital increased by RMB 413,916,713. The capital contribution was verified by Grant Thornton Certified Public Accountants (special general partnership) on 27 October 2020 by issuing the capital verification report "GTYZ (2020) No. 110ZC00394". Accordingly, share premium of RMB 5,358,130,559.19 was recorded.

(5) By the approval of the China Securities Regulatory Commission with document (Zhengjian Xuke [2019] No. 2553), the Company publicly issued 17 million convertible corporate bonds on 16 December 2019, each with a face value of RMB 100, a term of 6 years. Total issuance amount was RMB 1.70 billion. In accordance with relevant regulations and the Company's "Prospectus of Public Issuance of Convertible Corporate Bonds", the convertible corporate bonds issued by the Company can be converted into the Company's A-share ordinary shares starting from 22 June 2020. As of 31 December 2020, the cumulative number of shares being converted was 58,396,251 shares, and the total share capital of the Company increased to RMB 1,875,375,742.00. Accordingly, share premium of RMB 690,070,015.75 was recorded.

(6) By the approval of the China Securities Regulatory Commission with document (Zhengjian Xuke [2019] No. 2553), the Company publicly issued 17 million convertible corporate bonds on 16 December 2019, each with a face value of RMB 100, a term of 6 years. Total issuance amount was RMB 1.70 billion. In accordance with relevant regulations and the Company's "Prospectus of Public Issuance of Convertible Corporate Bonds", the convertible corporate bonds issued by the Company can be converted into the Company's A-share ordinary shares starting from 22 June 2020. As of 31 December 2021, the cumulative number of shares being converted was 133,949,221.00 shares. Share premium was increased by RMB 932,259,933.33 by the conversion during the year.

(7) The Company previously held a 63.67% equity in Ruide Xingyang New Energy Technology Co., Ltd.

(hereinafter referred to as "Ruide Xingyang"). On 12 July 2021, the Company and Guangdong Yuecai Equity Investment Co., Ltd. (hereinafter referred to as "Guangdong Yuecai") signed the "Ruide Xingyang New Energy Technology Co., Ltd. Equity Transfer Contract", it is agreed that Guangdong Yuecai would transfer the 29.6438% equity of Ruide Xingyang held to the Company at a consideration of RMB 201,597,222.22. As of 31 December 2021, the equity transfer agreement has been fulfilled. The transaction has resulted in a decrease of minority interests of RMB 56,217,800.99 and a decrease of capital reserve by RMB 145,379,421.23.

(8) On 12 May 2021, the Company held the 20th meeting of the second board of directors and the 16th meeting of the second board of supervisors, and reviewed and approved the "Proposal on Granting Reserved Portion of Restricted Shares to Incentive Participants of the 2019 Restricted Shares Incentive Plan", it was agreed to grant 5,498,000 restricted shares to 103 eligible participants at a grant price of RMB 8.28 per share. The transaction generates capital premium of RMB 39,604,950.87.

(9) In 2020, the share-based payments for equity settlement in this period caused the capital reserve-other capital reserves to increase by RMB 46,717,269.40; In 2021, the share-based payments for equity settlement in this period caused the capital reserve-other capital reserves to increase by RMB 65,095,120.72. The partial vesting of restricted shares resulted in the transfer of capital reserve-other capital reserves to capital reserve-capital premium of RMB 27,703,198.80. Three share incentive plan participants gave up their grants and causing capital reserve-other capital reserves to decrease by RMB 357,993.75.

44. Treasury shares

Item	2019.12.31	Increase	Decrease	2020.12.31
Restricted shares incentive plan	-	121,883,589.69	-	121,883,589.69

(Continued)

Item	2020.12.31	Increase	Decrease	2021.12.31
Restricted shares incentive plan	121,883,589.69	45,545,432.00	30,862,542.20	136,566,479.49

Note:

(1) On 20 May 2020, the Company held the fifth meeting of the second board of directors, and reviewed and approved the "Proposal on Adjusting Matters Related to the 2019 Restricted Stock Incentive Plan" and the "Proposal on Granting Restricted Shares to the First Grant of Incentive Objects", it was agreed to grant 23,340,400 restricted ordinary shares to 220 incentive objects. The repurchase obligations of restricted shares is recognized at RMB 121,883,589.69

(2) On 12 May 2021, the Company held the 20th meeting of the second board of directors and the 16th meeting of the second board of supervisors, and reviewed and approved the "Proposal on Granting Reserved Portion of Restricted Shares to Incentive Participants of the 2019 Restricted Shares Incentive Plan", it was agreed to grant 5,498,000 restricted shares to 103 eligible participants at a grant price of RMB 8.28 per share. The repurchase obligations of restricted shares is recognized at RMB 45,545,432.00.

(3) As for some of the incentive participants of the 2019 restricted shares incentive plan have resigned, according to the relevant regulations of the Company's incentive plan, the Company repurchased and cancelled the aforementioned 100,000 restricted shares that had been granted but not vested, and

treasury shares decreased by RMB 522,200.00.

(4) On 9 June 2021, the 21st meeting of the Company's second board of directors and the 17th meeting of the second board of supervisors reviewed and approved the "Proposal on the achievement of the first grant of the first phase of the 2019 restricted stock incentive plan", it was agreed to handle the relevant procedures for lifting the sales restriction for a total of 5,810,100 restricted shares held by 217 incentive participants that met the conditions for vesting, and treasury shares decreased by RMB 30,340,342.20.

45. Other comprehensive income

Item	2019.01.01	Movement in the year					2019.12.31
		Amount before tax	Less: transferred to profit or loss in current year	Less: Income tax expenses	Amount attributable to parent company after tax	Amount attributable to minority interests after tax	
Translation difference of foreign currency financial statements	42,125,079.59	128,246.78	-	-	172,155.80	-43,909.02	42,297,235.39

(Continued)

Item	2019.12.31	Current year					2020.12.31
		Amount before tax	Less: transferred to profit or loss in current year	Less: Income tax expenses	Amount attributable to parent company after tax	Amount attributable to minority interests after tax	
Translation difference of foreign currency financial statements	42,297,235.39	-3,041,946.08	-	-	-2,867,333.42	-174,612.66	39,429,901.97

(Continued)

Item	2020.12.31	Current year					2021.12.31
		Amount before tax	Less: transferred to profit or loss in current year	Less: Income tax expenses	Amount attributable to parent company after tax	Amount attributable to minority interests after tax	
I. Other comprehensive income not reclassified into profit or loss subsequently							
Changes in fair value of other equity instrument investments	-	16,476,733.31	-	2,149,139.13	14,327,594.18	-	14,327,594.18
II. Other comprehensive							

Item	2020.12.31	Current year					2021.12.31
		Amount before tax	Less: transferred to profit or loss in current year	Less: Income tax expenses	Amount attributable to parent company after tax	Amount attributable to minority interests after tax	
income that will be reclassified into profit or loss subsequently							
Translation difference of foreign currency financial statements	39,429,901.97	-9,840,879.58	-	-	-10,248,266.07	407,386.49	29,181,635.90
Total other comprehensive income	39,429,901.97	6,635,853.73	-	2,149,139.13	4,079,328.11	407,386.49	43,509,230.08

Note:

Net amount of other comprehensive income after tax for year ended 31 December 2019 was RMB 128,246.78, of which, the amount attributable to shareholders of the parent company was RMB 172,155.80 and the amount attributable to minority interests was RMB -43,909.02.

Net amount of other comprehensive income after tax for year ended 31 December 2020 was RMB -3,041,946.08, of which, the amount attributable to shareholders of the parent company was RMB -2,867,333.42 and the amount attributable to minority interests was RMB -174,612.66.

Net amount of other comprehensive income after tax for year ended 31 December 2021 was RMB 4,486,714.60, of which, the amount attributable to shareholders of the parent company was RMB 4,079,328.11 and the amount attributable to minority interests was RMB 407,386.49.

46. Special reserve

Item	Safety production fee
2018.12.31	-
Increase	10,412,730.42
Decrease	10,412,730.42
2019.12.31	-
Increase	10,057,953.91
Decrease	10,057,953.91
2020.12.31	-
Increase	12,617,877.23
Decrease	12,617,877.23
2021.12.31	-

47. Surplus reserve

Item	Statutory surplus reserve
2018.12.31	38,002,143.06
Increase	39,868,837.47
Decrease	-
2019.12.31	77,870,980.53
Adjustment	35,598,374.38
2020.01.01	113,469,354.91
Increase	127,145,054.79
Decrease	-
2020.12.31	240,614,409.70
Increase	248,039,620.26
Decrease	-
2021.12.31	488,654,029.96

48. Undistributed profits

Item	Year ended 2021.12.31	Year ended 2020.12.31	Year ended 2019.12.31
Closing balance of undistributed profits of prior year before adjustment	2,728,755,522.96	1,589,447,615.78	653,414,492.13
Total adjustments of beginning undistributed profits	-	-	-
Beginning balance of undistributed profits after adjustment	2,728,755,522.96	1,589,447,615.78	653,414,492.13
Add: Net profit attributable to parent company for the current year	3,101,123,791.52	1,374,071,306.07	712,563,192.87
Less: Appropriation of statutory surplus reserve	248,039,620.26	127,145,054.79	39,868,837.47
Appropriation of discretionary surplus reserve	-	-	-
Appropriation of general risk reserve	-	-	-
Appropriation for dividends to ordinary shares	206,281,652.29	107,618,344.10	80,006,737.80
Appropriation for dividends to other equity holders	-	-	-
Conversion to capital	-	-	-
Closing balance of undistributed profits	5,375,558,041.93	2,728,755,522.96	1,246,102,109.73
Including: Amount of surplus reserve drawn by the subsidiary that year attributable to the parent company	121,445,342.18	13,942,032.31	25,821,229.16

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49. Operating income and operating cost

(1) Operating income and operating cost

Item	Year ended 2021.12.31		Year ended 2020.12.31		Year ended 2019.12.31	
	Revenue	Cost	Revenue	Cost	Revenue	Cost
Primary operations	26,797,243,458.48	21,035,395,742.09	22,312,721,576.42	18,155,818,930.27	10,318,636,568.96	7,955,505,365.32
Other operations	360,804,902.92	302,258,806.85	144,265,784.88	131,306,491.52	174,520,464.60	160,066,309.43

(2) Operating revenue and operating costs by business

Business name	Year ended 2021.12.31		Year ended 2020.12.31		Year ended 2019.12.31	
	Revenue	Cost	Revenue	Cost	Revenue	Cost
Primary operations:						
Product sales revenue	25,263,793,361.02	20,438,115,148.58	20,971,396,802.82	17,452,377,990.78	9,241,052,207.35	7,477,862,018.80
Power generation and electricity distribution and sales income	1,412,277,407.46	491,346,721.18	1,004,632,625.86	392,688,148.81	759,736,430.94	267,980,382.16
Renewable EPC services revenue	121,172,690.00	105,933,872.33	336,692,147.74	310,752,790.68	317,847,930.67	209,662,964.36
Subtotal	26,797,243,458.48	21,035,395,742.09	22,312,721,576.42	18,155,818,930.27	10,318,636,568.96	7,955,505,365.32
Other operations:						
Others	360,804,902.92	302,258,806.85	144,265,784.88	131,306,491.52	174,520,464.60	160,066,309.43
Total	27,158,048,361.40	21,337,654,548.94	22,456,987,361.30	18,287,125,421.79	10,493,157,033.56	8,115,571,674.75

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	Year ended 2021.12.31		Year ended 2020.12.31		Year ended 2019.12.31	
	Primary operating income	Primary operating cost	Primary operating income	Primary operating cost	Primary operating income	Primary operating cost
Primary operations:						
Revenue from wind turbines and related accessories	25,247,339,983.89	20,410,886,930.87	20,947,390,161.67	17,409,516,820.96	9,237,610,066.69	7,461,963,553.00
Power generation revenue	1,410,187,916.57	487,847,985.49	990,060,485.61	378,856,947.09	754,191,251.04	267,970,632.16
Revenue from photovoltaic products	16,453,377.13	27,228,217.71	24,006,641.15	42,861,169.82	3,442,140.66	15,898,465.80
Electricity distribution and sales	2,089,490.89	3,498,735.69	14,572,140.25	13,831,201.72	5,545,179.90	9,750.00
Renewable EPC services revenue	121,172,690.00	105,933,872.33	336,692,147.74	310,752,790.68	317,847,930.67	209,662,964.36
Subtotal	26,797,243,458.48	21,035,395,742.09	22,312,721,576.42	18,155,818,930.27	10,318,636,568.96	7,955,505,365.32
Other operations:						
Others	360,804,902.92	302,258,806.85	144,265,784.88	131,306,491.52	174,520,464.60	160,066,309.43
Subtotal	27,158,048,361.40	21,337,654,548.94	22,456,987,361.30	18,287,125,421.79	10,493,157,033.56	8,115,571,674.75

(4) Segregation information of operating income

	Year ended 2021.12.31				Total
	Product sales revenue	Power generation and electricity distribution and sales income	Renewable EPC services revenue	Others	
Primary operating income					
Including: At a point in time	25,263,793,361.02	1,412,277,407.46	-	-	26,676,070,768.48
Over a period of time	-	-	121,172,690.00	-	121,172,690.00
Revenue from other business					
Others	-	-	-	360,804,902.92	360,804,902.92
Total	25,263,793,361.02	1,412,277,407.46	121,172,690.00	360,804,902.92	27,158,048,361.40

(Continued)

	Year ended 2020.12.31				Total
	Product sales revenue	Power generation and electricity distribution and sales income	Renewable EPC services revenue	Others	
Primary operating income					
Including: At a point in time	20,971,396,802.82	1,004,632,625.86	-	-	21,976,029,428.68
Over a period of time	-	-	336,692,147.74	-	336,692,147.74
Revenue from other business					
Others	-	-	-	144,265,784.88	144,265,784.88
Total	20,971,396,802.82	1,004,632,625.86	336,692,147.74	144,265,784.88	22,456,987,361.30

(5) 2020 Adopting New Revenue Standards - Description of performance obligations

- ① Sales of wind turbines and related accessories: This performance obligation is completed when the control is transferred.
- ② Operation and maintenance services: According to the contract, the performance obligation is confirmed to provide operation and maintenance services within the service period.
- ③ Sale of electric power: This obligation is usually satisfied at the time of power transmission and

measured based on the wind power transmitted and the applicable fixed tariff rate.

④ Electricity distribution and sales: This obligation is satisfied when the electricity user receives the electricity service and obtains the statement of electricity exchange amount from the electricity trading center.

⑤ Construction revenue: This obligation is usually a performance obligation for the construction of a wind farm, which is recognised according to the completion progress within a certain period of time.

(6) 2020 Adopting New Revenue Standards Disclosure - Information related to remaining performance obligations

In 2021, the transaction price allocated to the outstanding performance obligations is RMB 11,074,462,081.84; In 2020, the transaction price allocated to the outstanding performance obligations is RMB 11,653,100,125.78.

50. Taxes and surcharges

Item	Year ended 2021.12.31	Year ended 2020.12.31	Year ended 2019.12.31
Urban maintenance and construction tax	93,561,196.25	38,300,598.63	17,725,794.89
Education surcharge	66,978,607.75	27,418,073.11	12,718,718.37
Property tax	17,664,041.55	11,913,168.80	6,540,213.12
Land use tax	6,944,004.16	4,973,061.75	4,127,036.54
Vehicle and vessel use tax	263,495.57	236,052.79	191,627.93
Stamp duty	29,913,068.16	21,399,518.31	10,598,762.57
Others	927,035.34	501,815.53	127,122.56
Total	216,251,448.78	104,742,288.92	52,029,275.98

Note: Calculation and payment standards of various taxes and surcharges refer to Note IV. Taxation.

51. Selling expenses

Item	Year ended 2021.12.31	Year ended 2020.12.31	Year ended 2019.12.31
Quality assurance and after-sales service fee	664,290,300.78	525,794,486.76	269,748,807.27
Employee's salary	134,373,446.71	110,642,151.25	100,529,578.47
Material consumption	73,499,399.28	58,927,974.24	30,302,649.34
Business entertainment expenses	72,631,367.01	39,364,955.86	42,608,037.23
Bidding service fee	88,254,354.83	139,113,279.65	88,573,083.03
Travel and transportation expenses	59,835,700.37	43,348,829.40	50,166,732.56
Depreciation and amortization	19,255,569.94	14,903,437.51	15,595,358.80
Shares incentive	8,821,619.73	6,985,632.01	-

Item	Year ended 2021.12.31	Year ended 2020.12.31	Year ended 2019.12.31
Office expenses	5,878,647.92	4,467,411.07	2,662,554.35
Transportation, loading and unloading fee	-	-	265,561,465.98
Others	57,579,180.90	31,102,425.88	29,695,526.45
Total	1,184,419,587.47	974,650,583.63	895,443,793.48

52. Administrative expenses

Item	Year ended 2021.12.31	Year ended 2020.12.31	Year ended 2019.12.31
Employee's salary	278,014,629.92	215,607,541.07	194,166,025.24
Depreciation and amortization	100,997,079.24	79,906,235.88	58,524,900.01
Intermediary agency fee	65,826,454.48	49,092,497.50	46,342,012.85
Shares incentive	43,842,314.52	30,608,454.67	-
Business entertainment expenses	38,980,747.26	28,876,092.95	26,234,369.68
Travel and transportation expenses	23,374,324.12	21,294,208.25	26,613,742.42
Office expenses and conference fee	21,332,159.36	16,183,855.62	12,654,501.20
Rental fees	19,452,385.28	25,864,152.21	24,564,054.86
Service charge	22,936,842.27	4,102,129.33	2,487,646.05
Advertising fee	8,805,016.49	2,913,026.62	5,545,418.39
Repair expenses	6,434,569.43	2,466,108.35	6,584,834.59
Others	42,376,240.63	32,108,141.36	14,884,234.13
Total	672,372,763.00	509,022,443.81	418,601,739.42

53. Research and development expenses

Item	Year ended 2021.12.31	Year ended 2020.12.31	Year ended 2019.12.31
Employee's salary	253,796,461.95	220,369,414.17	122,807,514.05
Material consumption	262,936,173.37	135,968,118.50	40,841,030.37
Professional fees such as design, testing and certification	130,418,106.49	77,049,512.00	20,927,714.15
Depreciation and amortization	79,976,432.24	87,047,866.86	47,564,316.32
Repair expenses	56,346,170.42	3,492,013.17	120,319.05
Travel expenses	27,892,223.10	27,412,912.39	24,519,865.47
Rental fees	10,120,757.73	10,401,094.66	7,725,485.83
Shares incentive	12,073,446.59	8,711,432.72	-
Intermediary agency fee	8,140,872.02	8,375,339.37	8,623,334.72
Others	30,678,393.50	21,879,578.57	24,877,456.29

Item	Year ended 2021.12.31	Year ended 2020.12.31	Year ended 2019.12.31
Total	872,379,037.41	600,707,282.41	298,007,036.25

54. Financial expenses

Item	Year ended 2021.12.31	Year ended 2020.12.31	Year ended 2019.12.31
Interest expense	371,887,155.56	554,955,460.26	296,633,008.42
Reversal of unrecognized financing expenses	69,214,319.95	87,388,541.15	162,867,042.44
Less: Reversal of unrealized financing income	-	-	97,751,081.37
Less: Interest capitalized	40,027,223.09	169,727,395.52	105,073,399.71
Less: Interest income	203,258,268.93	182,090,635.27	49,323,948.04
Factoring charge on acceptance bills	2,899,420.71	7,716,638.21	13,968,472.21
Exchange gain or loss	-32,526,857.45	14,927,170.70	3,183,450.96
Bank charges and others	86,939,241.16	72,405,700.29	42,293,648.02
Total	255,127,787.91	385,575,479.82	266,797,192.93

55. Other income

Subsidy item	Year ended 2021.12.31	Year ended 2020.12.31	Year ended 2019.12.31	Related to assets/ Related to income
Government grants related to assets	18,895,603.80	20,481,339.80	24,234,552.96	Related to assets
Government grants related to income	339,344,653.99	73,463,767.60	57,820,098.23	Related to income
Refund of handling fee of individual income tax	315,450.69	755,512.77	706,095.81	-
Super-deduction of VAT input	93,762.19	-	-	Related to income
Total	358,649,470.67	94,700,620.17	82,760,747.00	--

Note: (1) Detail information of government grants refer to Note 错误!未找到引用源。 68.

(2) Government grants regarded as recurring gain or loss refer to Note XVI.1

56. Investment income

Item	Year ended 2021.12.31	Year ended 2020.12.31	Year ended 2019.12.31
Income from long-term equity investment by equity method	32,771,660.12	19,847,754.62	12,315,261.90
Gain from disposal of long-term equity investment	752,621,143.84	-3,465,481.35	277,203,016.59
Investment income from disposal of long-term equity investments classified as assets held-for-sale	59,611,639.61	-1,563,726.94	-
Bank wealth management products	72,825,275.00	1,341,520.78	222,187.50
Total	917,829,718.57	16,160,067.11	289,740,465.99

57. Gains from change in fair value

Item	Year ended 2021.12.31	Year ended 2020.12.31	Year ended 2019.12.31
Other non-current financial assets	67,654,016.40	-	-
Including: Designated as financial assets at fair value through profit or loss	67,654,016.40	-	-

58. Credit impairment loss (“-” for loss)

Item	Year ended 2021.12.31	Year ended 2020.12.31	Year ended 2019.12.31
Bad debt loss of bills receivable	1,340,754.75	-26,179.99	-1,731,376.26
Bad debt loss of accounts receivable	-144,177,641.76	-60,011,415.60	-1,103,867.45
Bad debt loss of other receivables	3,111,317.66	-11,367,657.48	627,802.49
Total	-139,725,569.35	-71,405,253.07	-2,207,441.22

59. Assets impairment loss (“-” for loss)

Item	Year ended 2021.12.31	Year ended 2020.12.31	Year ended 2019.12.31
Impairment loss of fixed assets	-38,230,731.51	-36,125,717.71	-34,406,274.72
Decline in value of inventories	-12,166,769.92	-3,441,149.93	-27,600,415.03
Impairment loss of contract assets	110,110.55	-1,391,867.15	-
Impairment loss of other non-current assets	-2,903,007.97	-10,256,602.10	-
Impairment loss of intangible assets	-127,148,000.00	-15,005,444.36	-
Impairment loss of right-of-use assets	-7,013,500.00	-	-
Impairment loss of long-term equity investment	-6,000,000.00	-	-
Impairment loss of long-term deferred expenses	-7,179,400.00	-	-
Impairment loss of goodwill	-	-	-14,608,995.57
Total	-200,531,298.85	-66,220,781.25	-76,615,685.32

60. Gains from disposal of assets

Item	Year ended 2021.12.31	Year ended 2020.12.31	Year ended 2019.12.31
Gain from disposal of fixed assets (“-” for loss)	-626,350.36	-446,618.99	-1,560,867.20
Gain from disposal of intangible assets (“-” for loss)	-	11,026,614.44	-
Total	-626,350.36	10,579,995.45	-1,560,867.20

61. Non-operating income

Item	Year ended 2021.12.31	Year ended 2020.12.31	Year ended 2019.12.31
Gain from retirement of non-current assets	4,125,139.97	1,741,203.84	526,788.83
Insurance claims	8,726,031.38	1,323,898.73	11,263,218.57
Others	9,532,420.17	8,483,956.04	5,930,322.21
Total	22,383,591.52	11,549,058.61	17,720,329.61

62. Non-operating expenses

Item	Year ended 2021.12.31	Year ended 2020.12.31	Year ended 2019.12.31
Donation expenses	20,485,919.33	37,904,464.96	2,365,000.00
Loss on retirement of non-current assets	6,156,715.63	13,842,269.52	278,368.36
Liquidated damages and compensation expenses	8,962,145.90	9,920,408.84	4,798,895.81
Late payment fees and fines	18,754,818.42	46,992,038.00	-
Others	1,723,374.27	4,768,828.03	1,591,231.87
Total	56,082,973.55	113,428,009.35	9,033,496.04

63. Income tax expenses

(1) Details of income tax expenses

Item	Year ended 2021.12.31	Year ended 2020.12.31	Year ended 2019.12.31
Current income tax	342,876,833.16	136,748,959.13	119,002,781.88
Deferred income tax	287,132,189.70	36,035,062.53	-32,826,604.00
Total	630,009,022.86	172,784,021.66	86,176,177.88

(2) Reconciliation between income tax expenses and accounting profits:

Item	Year ended 2021.12.31	Year ended 2020.12.31	Year ended 2019.12.31
Profit before tax	3,589,393,792.94	1,477,099,558.59	747,510,373.57
Income tax expenses calculated at statutory (or applicable) tax rates	538,409,068.93	195,661,996.80	112,126,556.03
Impact from tax preferential rate in certain subsidiaries	46,579,127.65	44,862,506.50	30,495,912.79
Adjustment for income tax in prior year	79,071,419.45	12,627,229.88	10,779,575.31
Gain or loss from investments in associates and joint ventures by equity method	-15,304,064.19	-5,623,113.56	-3,469,611.16
Non-taxable income	-68,978,902.75	-61,610,610.17	-88,080,223.90
Non-deductible costs, expenses and losses	24,187,686.41	14,414,706.74	19,645,252.27
Impact of changes in tax rate on beginning balance of deferred tax	6,962,600.63	-109,527.48	-
Utilization of tax losses in prior years that not recognized as deferred tax assets	-8,549,059.00	-22,716,773.25	-7,635,819.16
Unrecognized tax losses and deductible temporary differences	142,739,875.54	58,912,495.11	44,788,757.66
Impact of super-deduction of research and development expenses	-115,108,729.81	-63,634,888.91	-32,474,221.96
Others	-	-	-
Income tax expenses	630,009,022.86	172,784,021.66	86,176,177.88

64. Notes to cash flows statement

(1) Other cash received relating to operating activities

Item	Year ended 2021.12.31	Year ended 2020.12.31	Year ended 2019.12.31
Current accounts	193,654,723.60	434,158,434.52	86,379,981.22
Government grants related to assets	4,640,000.00	95,036,117.20	45,649,543.50
Government grants related to income	61,111,361.96	30,171,035.97	29,699,489.16
Deposits and bidding deposits	326,613,981.35	139,549,337.37	156,961,681.59
Interest income	32,137,836.04	1,537,978.15	993,257.66
Total	618,157,902.95	700,452,903.21	319,683,953.13

(2) Other cash paid relating to operating activities

Item	Year ended 2021.12.31	Year ended 2020.12.31	Year ended 2019.12.31
Current accounts	309,589,381.96	142,015,004.33	120,375,726.65
Expenses paid in cash	727,953,842.79	1,001,697,265.87	940,806,417.27
Deposits and bidding deposits and bidding service fee	378,391,010.09	173,821,907.17	260,332,302.85
Total	1,415,934,234.84	1,317,534,177.37	1,321,514,446.77

(3) Other cash received relating to investing activities

Item	Year ended 2021.12.31	Year ended 2020.12.31	Year ended 2019.12.31
Interest income from bank deposits	186,690,962.80	181,777,082.52	49,323,948.04
Current accounts	1,929,026,754.33	2,424,013.73	19,984,342.63
Opening balance of cash and bank in subsidiaries newly included in the scope of consolidation	1,574,444.22	-	-
Total	2,117,292,161.35	184,201,096.25	69,308,290.67

(4) Other cash paid relating to investing activities

Item	Year ended 2021.12.31	Year ended 2020.12.31	Year ended 2019.12.31
Current accounts	86,777,840.97	138,012,698.69	263,824,432.54
Negative net amount of cash in disposed subsidiaries and other entities	564,679.45	516,009,597.29	-
Total	87,342,520.42	654,022,295.98	263,824,432.54

(5) Other cash received relating to financing activities

Item	Year ended 2021.12.31	Year ended 2020.12.31	Year ended 2019.12.31
Financing lease payments	-	211,704,000.00	713,843,335.26
Discount of acceptance bills and factoring receivables	2,100,000.00	103,863,734.92	542,359,180.70
Current accounts	-	30,906.39	55,635,596.53
Proceeds from bond issuance	-	-	1,688,489,528.26
Total	2,100,000.00	315,598,641.31	3,000,327,640.75

(6) Other cash paid relating to financing activities

Item	Year ended 2021.12.31	Year ended 2020.12.31	Year ended 2019.12.31
Current accounts	-	25,052,788.38	35,696,900.74
Bank charges paid	87,507,206.67	72,333,885.21	42,293,648.02
Discount of acceptance bills (not derecognized)	-	132,409,737.51	355,932,346.82
Financing lease payments	878,553,780.11	199,101,478.04	193,335,961.71
Capital reduction	1,623,023.50	-	-
Acquire of minority interests in subsidiaries	201,597,222.22	-	-
Total	1,169,281,232.50	428,897,889.14	627,258,857.29

65. Supplement to cash flows statement

(1) Supplement to cash flows statement

Supplement information	Year ended 2021.12.31	Year ended 2020.12.31	Year ended 2019.12.31
1. Reconciliation of net profit to cash flow from operating activities:			
Net profit	2,959,384,770.08	1,304,315,536.93	661,334,195.69
Add: Assets impairment loss	200,531,298.85	66,220,781.25	76,615,685.32
Credit impairment loss	139,725,569.35	71,405,253.07	2,207,441.22
Depreciation of fixed assets	717,000,741.43	446,466,407.28	359,320,535.68
Depreciation of right-of-use assets	55,144,496.29	-	-
Amortization of intangible assets	91,966,743.02	116,382,049.67	79,907,622.03
Long-term prepaid expenses amortization	22,885,304.96	24,226,214.29	14,874,712.91
Losses on disposal of fixed assets, intangible assets and other long-term assets (Gain as in "-")	626,350.36	-10,579,995.45	1,726,760.72
Loss on retirement of fixed assets (Gain as in "-")	2,031,575.66	12,101,065.68	-248,420.46
Losses on changes in fair value (Gain as in "-")	-67,654,016.40	-	-
Financial expenses (Gain as in "-")	458,878,885.62	495,260,414.80	259,568,202.12
Investment losses (Gain as in "-")	-917,829,718.57	-16,160,067.11	-289,740,465.99

Supplement information	Year ended 2021.12.31	Year ended 2020.12.31	Year ended 2019.12.31
Decrease in deferred tax assets (Increase as in "-")	-144,987,344.38	-111,678,582.01	-40,205,577.95
Increase in deferred tax liabilities (Decrease as in "-")	318,736,659.16	212,375,185.65	14,825,558.51
Decrease in inventories (Increase as in "-")	-1,144,034,729.17	-5,653,739,637.34	-1,074,174,322.56
Decrease in operating receivables (Increase as in "-")	-2,551,005,386.11	-278,256,495.38	-2,769,840,516.81
Increase in operating payables (Decrease as in "-")	5,256,138,207.07	6,952,415,936.42	8,450,824,630.57
Others	-	-	8,268,159.02
Net cash flows from operating activities	5,397,539,407.22	3,630,754,067.75	5,755,264,200.02
2. Significant investment or finance activities not involving cash:			
Conversion of debt into capital	-	-	-
Convertible bonds mature within one year	-	-	-
Fixed assets acquired under finance leases	--	233,963,482.77	777,395,210.62
Right-of-use assets newly added in the current period	47,433,734.87	--	--
3. Net increase / (decrease) in cash and cash equivalents:			
Cash and bank balance as at end of year	13,105,847,068.63	15,292,439,894.15	10,255,861,089.76
Less: cash and bank balance at beginning of year	15,292,439,894.15	10,255,861,089.76	2,708,270,648.49
Add: cash equivalents at end of year	-	-	-
Less: cash equivalents at beginning of year	-	-	-
Net increase in cash and cash equivalents	-2,186,592,825.52	5,036,578,804.39	7,547,590,441.27

(2) Net cash paid for acquisition of subsidiaries during the year

Item	Year ended 2021.12.31	Year ended 2020.12.31	Year ended 2019.12.31
Cash and cash equivalents paid in current year for business combination happened in current year	-	-	108,637,311.00
Including: Henan Mingrun New Energy Co., Ltd.	-	-	-
Xinjiang Huaran New Energy Co., Ltd.	-	-	108,637,311.00
Less: Cash and cash equivalents held by subsidiary at acquisition date	1,574,444.22	-	3,775,320.14
Including: Henan Mingrun New Energy Co., Ltd.	1,574,444.22	-	-
Xinjiang Huaran New Energy Co., Ltd.	-	-	3,775,320.14
Add: Cash and cash equivalents paid in current year for business combination happened in previous years	-	-	-
Net cash paid for acquisition of subsidiary	-1,574,444.22	-	104,861,990.86

(3) Net cash received from disposal of subsidiaries during the year

Item	Year ended 2021.12.31	Year ended 2020.12.31	Year ended 2019.12.31
Cash and cash equivalents received in current year from disposal of subsidiary happened in current year	855,519,233.79	253,282,300.00	371,228,100.00

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Item	Year ended 2021.12.31	Year ended 2020.12.31	Year ended 2019.12.31
Including: Xilinhot MingYang Wind power generation Co., Ltd.	95,765,125.12	-	-
Qingshuihe County MingYang New Energy Co., Ltd.	98,367,301.30	-	-
Xilinhot MingYang Smart Energy Co., Ltd.	197,638,401.69	-	-
Henan Tianrun Wind Power Co., Ltd.	105,538,011.96	-	-
Pingshun County Jieyuan New Energy Co., Ltd.	112,480,000.00	-	-
Dingbian Guoneng New Energy Co., Ltd.	71,780,800.00	-	-
Jiangsu MingYang Wind Power Technology Co., Ltd.	55,203,593.72	-	-
Qingtongxia City Jieyuan New Energy Co., Ltd.	118,746,000.00	-	-
Daqing Zhongdan Ruihao Wind Power Co., Ltd., Daqing Dumeng Dairy Farm Wind Power Co., Ltd., Daqing Dumeng Huji Tumo Wind Power Co., Ltd., Daqing Dumeng Hu Town Dairy Farm Wind Power Co., Ltd.	-	253,282,300.00	-
Dachaidan MingYang New Energy Co., Ltd.	-	-	371,228,100.00
Less: Cash and cash equivalents held by subsidiary at the date of loss of control	114,074,532.81	769,291,897.29	91,709,550.59
Including: Xilinhot MingYang Wind power generation Co., Ltd.	113,805.86	-	-
Qingshuihe County MingYang New Energy Co., Ltd.	31,901,844.60	-	-
Xilinhot MingYang Smart Energy Co., Ltd.	38,338,400.97	-	-
Henan Tianrun Wind Power Co., Ltd.	11,733,851.24	-	-
Pingshun County Jieyuan New Energy Co., Ltd.	2,464,660.08	-	-
Dingbian Guoneng New Energy Co., Ltd.	22,654,067.70	-	-
Jiangsu MingYang Wind Power Technology Co., Ltd.	507,645.43	-	-
Qingtongxia City Jieyuan New Energy Co., Ltd.	6,360,256.93	-	-
Daqing Zhongdan Ruihao Wind Power Co., Ltd., Daqing Dumeng Dairy Farm Wind Power Co., Ltd., Daqing Dumeng Huji Tumo Wind Power Co., Ltd., Daqing Dumeng Hu Town Dairy Farm Wind Power Co., Ltd.	-	769,291,897.29	-
Dachaidan MingYang New Energy Co., Ltd.	-	-	91,709,550.59
Add: Cash and cash equivalents received in current year from disposal of subsidiary in previous periods	263,645,600.00	-	-
Including: Daqing Zhongdan Ruihao Wind Power Co., Ltd., Daqing Dumeng Dairy Farm Wind Power Co., Ltd., Daqing Dumeng Huji Tumo Wind Power Co., Ltd., Daqing Dumeng Hu Town Dairy Farm Wind Power Co., Ltd.	263,645,600.00	-	-
Net cash received from disposal of subsidiary	1,005,090,300.98	-516,009,597.29	279,518,549.41

(4) Details of cash and cash equivalents

Item	Year ended 2021.12.31	Year ended 2020.12.31	Year ended 2019.12.31
I. Cash	13,105,847,068.63	15,292,439,894.15	10,255,861,089.76
Including: Cash on hand	379,678.02	248,502.09	279,331.60
Cash at bank readily available for payment	13,105,467,390.61	14,924,126,981.78	10,255,581,758.16
Other monetary fund readily available for payment	-	368,064,410.28	-
II. Cash equivalents	-	-	-
Including: bonds investment mature within 3 months	-	-	-
III. Cash and cash equivalents as at closing balance	13,105,847,068.63	15,292,439,894.15	10,255,861,089.76
Including: Restricted cash and cash equivalents held by the Company or subsidiaries of the Group	-	-	-

66. Ownership or using rights of assets subject to restriction

Item	2021.12.31 Carrying amount	2020.12.31 Carrying amount	2019.12.31 Carrying amount	Reason of restriction
Cash and bank balances	958,782,030.59	1,063,088,141.42	596,086,906.39	Note 1, Note 2
Accounts receivable	870,384,034.40	834,845,802.82	2,711,593,431.87	Note 3
Long-term receivables	-	-	754,629,496.44	Note 3
Receivables financing	262,917,815.43	102,784,970.20	53,696,664.95	Note 3
Fixed assets	2,220,933,642.52	3,215,230,415.50	2,159,482,284.87	Note 4
Intangible assets	33,030,724.16	98,800,690.75	101,994,987.82	Note 4
Assets held-for-sale	592,745,950.48	236,959,282.92	766,985,125.61	Note 4
Construction in progress	7,255,454.57	1,213,793,982.24	830,051,215.72	Note 5
Long-term equity investment	1,343,256,469.00	788,499,971.00	643,063,919.97	Note 6
Right-of-use assets	257,800,464.89	--	--	Note 7
Total	6,547,106,586.04	7,554,003,256.85	8,617,584,033.64	--

Note:

Note 1: As of 31 December 2021, the Company's security deposits in total of RMB 904,168,687.82 is restricted because of the application of bank acceptance bills, letters of credit, guarantees, bank loans, and project guarantees; As of 31 December 2020, the Group's security deposits in total of RMB 1,024,286,507.31 is restricted because of the application of bank acceptance bills, letters of credit, guarantees, bank loans, and project guarantees; As of 31 December 2019, the Group's security deposits in total of RMB 542,856,243.08 is restricted because of the application of bank acceptance bills, letters of credit, guarantees, bank loans, and project guarantees.

Note 2: As of 31 December 2021, the Company was ordered by the court to implement property preservation measures due to litigation matters, which resulted in restrictions on the use of bank deposits of RMB 54,613,342.77; As of 31 December 2020, the Group was ordered by the court to implement property preservation measures due to litigation matters, which resulted in restrictions on the use of bank deposits of RMB 38,801,634.11; As of 31 December 2019, the Group was ordered by the court to

implement property preservation measures due to litigation matters, which resulted in restrictions on the use of bank deposits of RMB 53,230,663.31.

Note 3: As of 31 December 2021, the Company has pledged accounts receivable with carrying amount of RMB 870,384,034.40, receivables financing with carrying amount of RMB 262,917,815.43 in order to obtain loans, financing leases, guarantees, and bank acceptance bills and issuance of letters of credit; As of 31 December 2020, the Company has pledged accounts receivable with carrying amount of RMB 834,845,802.82, receivables financing with carrying amount of RMB 102,784,970.20 in order to obtain loans, financing leases, guarantees, and bank acceptance bills and issuance of letters of credit; As of 31 December 2019, the Company has pledged accounts receivable with carrying amount of RMB 2,711,593,431.87, long-term receivables with carrying amount of RMB 754,629,496.44, and receivables financing with carrying amount of RMB 53,696,664.95 in order to obtain loans, financial leases, guarantees, and bank acceptance bills and issuance of letters of credit.

Note 4: As of 31 December 2021, the Company has mortgaged fixed assets with carrying amount of RMB 2,220,933,642.52, intangible assets with carrying amount of RMB 33,030,724.16 and assets held-for-sale with carrying amount of RMB 592,745,950.48 in order to obtain bank loans and apply for financial leasing business; As of 31 December 2020, the Group has mortgaged fixed assets with carrying amount of RMB 3,215,230,415.50 and intangible assets with carrying amount of RMB 98,800,690.75, and mortgaged and pledged assets held-for-sale with carrying amount of RMB 236,959,282.92 in order to obtain bank loans and apply for financial leasing business; As of 31 December 2019, the Group has mortgaged fixed assets with carrying amount of RMB 2,159,482,284.87, assets for sale with carrying amount of RMB 766,985,125.61 and intangible assets with carrying amount of RMB 101,994,987.82 in order to obtain bank loans and apply for financial leasing business.

Note 5: As of 31 December 2021, the Company has mortgaged construction in progress with carrying amount of RMB 7,255,454.57 in order to apply for financial leasing business; As of 31 December 2020, the Group has mortgaged construction in progress with carrying amount of RMB 1,213,793,982.24 in order to apply for financial leasing business; As of 31 December 2019, the Group has mortgaged construction in progress with carrying amount of RMB 830,051,215.72 in order to obtain bank loans and apply for financial leasing business.

Note 6: As of 31 December 2021, the Company has pledged long-term equity investment with carrying amount of RMB 1,343,256,469.00 in order to obtain bank loans and apply for financial leasing business; As of 31 December 2020, the Group has pledged long-term equity investment with carrying amount of RMB 788,499,971.00 in order to obtain bank loans and apply for financial leasing business; As of 31 December 2019, the Group has pledged long-term equity investment with carrying amount of RMB 643,063,919.97 in order to obtain bank loans and apply for financial leasing business.

Note 7: As of 31 December 2021, the Company has pledged right-of-use assets with carrying amount of RMB 257,800,464.89 in order to apply for bank loans and financial leasing business.

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67. Items in foreign currencies

(1) Items in foreign currencies

Item	2021.12.31			2020.12.31			2019.12.31		
	Closing balance in foreign currency	Conversion rate	Closing balance translated into RMB	Closing balance in foreign currency	Conversion rate	Closing balance translated into RMB	Closing balance in foreign currency	Conversion rate	Closing balance translated into RMB
Cash and bank balances									
Including: USD	210,795,445.00	6.3757	1,343,968,518.70	2,791,530.75	6.5249	18,214,459.00	919,377.74	6.9762	6,413,763.01
EUR	15,873,239.26	7.2197	114,600,025.48	2,922,174.07	8.0250	23,450,446.90	2,192,346.27	7.8155	17,134,282.31
HKD	7,090,524.30	0.8176	5,797,212.67	7,588,870.38	0.8416	6,387,096.87	9,056,197.96	0.8958	8,112,542.13
Danish Krone	102,249.33	0.9711	99,290.47	366,519.62	1.0786	395,328.06	414,635.33	1.0459	433,667.09
Korea Won	91,867,825.00	0.0054	492,430.45	-	-	-	-	-	-
Accounts receivable									
Including: USD	3,399,048.00	6.3757	21,671,310.33	3,399,048.00	6.5249	22,178,448.30	3,399,048.00	6.9762	23,712,438.66
Other receivables									
Including: USD	2,290,296.50	6.3757	14,602,243.40	2,304,461.94	6.5249	15,036,383.72	2,552,133.19	6.9762	17,804,191.57
EUR	768,008.76	7.2197	5,544,792.88	1,071,656.81	8.0250	8,600,045.92	1,298,018.68	7.8155	10,144,664.99
HKD				45,600.03	0.8416	38,378.81	45,598.98	0.8958	40,847.57
Danish Krone	1,422.00	0.9711	1,380.85	1,422.00	1.0786	1,533.77	1,422.02	1.0459	1,487.29
Accounts payable									
Including: EUR	-	-	-	-	-	-	727,500.00	7.8155	5,685,776.25

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Item	2021.12.31			2020.12.31			2019.12.31		
	Closing balance in foreign currency	Conversion rate	Closing balance translated into RMB	Closing balance in foreign currency	Conversion rate	Closing balance translated into RMB	Closing balance in foreign currency	Conversion rate	Closing balance translated into RMB
Other payables									
Including: USD	174,028.00	6.3757	1,109,550.31	-	-	-	502,530.16	6.9762	3,505,750.88
EUR	22,951.85	7.2197	165,705.47	-	-	-	-	-	-
Danish Krone	45,932.72	0.9711	44,605.26	-	-	-	45,935.19	1.0459	48,043.61
Employee benefits payables									
Including: USD	30,774.08	6.3757	196,206.30	52,419.46	6.5249	342,031.74	62,937.68	6.9762	439,065.82
EUR	911.88	7.2197	6,583.50	-	-	-	-	-	-

(2) Foreign operating entities

- ① Ming Yang Wind Power European R&D Center Aps, its main business location is located in Denmark, and its functional currency is Denmark krona.
- ② Ming Yang Wind Power USA, Inc., its main business location is located in United States and its functional currency is USD.
- ③ MingYang New Energy International Co., Ltd., its main business location is located in Hong Kong and its functional currency is HKD.
- ④ MingYang Wind Power (International) Co., Ltd., its main business location is located in Hong Kong and its functional currency is USD.
- ⑤ MingYang Holdings (Singapore) Pte.Ltd., its main business location is located in Singapore and its functional currency is USD.
- ⑥ China Smart Electric Group Limited, its main business location is located in Hong Kong and its functional currency is USD.
- ⑦ Wise Energy Holdings Limited, its main business location is located in Hong Kong and its functional currency is USD.
- ⑧ Zhongshan Ruike New Energy (America) Co., Ltd., its main business location is located in United States and its functional currency is USD.
- ⑨ Ruike New Energy (Hong Kong) Co., Ltd., its main business location is located in Hong Kong and its functional currency is USD.
- ⑩ MingYang New Energy Holdings (Cyprus) Co., Ltd., its main business location is located in Cyprus and its functional currency is EUR.
- ⑪ Ruike Solar Energy (USA) Co., Ltd., its main business location is located in United States and its functional currency is USD.
- ⑫ MingYang European Business and Engineering Center, mainly operating in Hamburg, Germany and its functional currency is EUR.
- ⑬ Ming Yang Intelligence (BVI) Limited, mainly operating in the British Virgin Islands and its functional currency is USD.
- ⑭ MingYang Smart Energy Korea Co., Ltd., mainly operating in South Korea and its functional currency is won.

At year end, the Company has converted into RMB according to the corresponding exchange rate when preparing the consolidated financial statements, and the foreign currency statement translation differences arising from the translation of the statements are presented in other comprehensive income.

68. Government grants

(1) Government grants recorded as deferred income and measured at gross amount method subsequently

Subsidy item	Category	2020.12.31	Additions during the year	Amount recognized in profit or loss in the year	Other movement	2021.12.31	Item presented in profit or loss in the year	Related to assets/ Related to income	Note
Industrial Co-construction Fund Project	Financial allocation	92,304,130.15	-	5,149,393.08	-	87,154,737.07	Other income	Related to assets	[Note 1]
Enterprise development support funds	Financial allocation	46,045,071.74	-	1,665,062.75	-	44,380,008.99	Other income	Related to assets	[Note 2]
Soft Land Fund Compensation and Land Intensive Utilization Incentive	Financial allocation	40,277,449.00	-	1,032,755.10	-	39,244,693.90	Other income	Related to assets	[Note 3]
Special subsidy fund for R&D and industrialization projects of high-performance 6.0MW offshore wind power and marine engineering equipment	Financial allocation	22,680,000.00	-	2,835,000.00	-	19,845,000.00	Other income	Related to assets	[Note 4]
R&D and application of key technologies for 8-10MW offshore wind turbines	Financial allocation	14,000,000.00	5,300,000.00	-	-	19,300,000.00	Other income	Related to assets	[Note 5]
MySE7.0MW Offshore Wind Turbine R&D and Application Subsidy	Financial allocation	18,400,000.00	-	-	-	18,400,000.00	Other income	Related to income	[Note 6]
Government Land Incentive Fund	Financial allocation	10,707,864.10	4,150,000.00	357,255.52	-	14,500,608.58	Other income	Related to assets	[Note 7]
Special funds for offshore wind power innovation technology team	Financial allocation	14,250,000.00	-	3,000,000.00	-	11,250,000.00	Other income	Related to assets	[Note 8]
Special funds for the development and industrialization of electric control systems for megawatt wind turbines	Financial allocation	7,953,375.00	-	-	-	7,953,375.00	Other income	Related to assets	[Note 9]
Design and manufacture of permanent magnet generators for offshore wind power of 10MW and above	Financial allocation	-	6,000,000.00	-	-	6,000,000.00	Other income	Related to assets	[Note 10]
Zhongshan City Bureau of Industry and Information Technology supported the first set of research and development special funds for the	Financial allocation	6,720,000.00	-	840,000.00	-	5,880,000.00	Other income	Related to assets	[Note 11]

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Subsidy item	Category	2020.12.31	Additions during the year	Amount recognized in profit or loss in the year	Other movement	2021.12.31	Item presented in profit or loss in the year	Related to assets/ Related to income	Note
development of high-end equipment manufacturing industry in 2020	Financial allocation	7,125,000.00	-	1,500,000.00	-	5,625,000.00	Other income	Related to assets	[Note 12]
Special funds for key technology research projects of 6.0MW large wind turbine design	Financial allocation	4,200,000.00	800,000.00	-	-	5,000,000.00	Other income	Related to assets	[Note 13]
2020 Research and application of high-speed blade pressurized oxygen chamber device technology	Financial allocation	-	4,800,000.00	-	-	4,800,000.00	Other income	Related to assets	[Note 14]
Research on coupled load simulation technology and key technology of blade design and manufacture for large offshore wind turbines of 10MW and above (led by Shanwei)	Financial allocation	-	4,000,000.00	-	-	4,000,000.00	Other income	Related to income	[Note 15]
Provincial Science and Technology Innovation Strategy Special Fund (Large-area, high-efficiency cadmium telluride battery technology and equipment research and development project)	Financial allocation	3,992,712.95	-	211,068.48	-	3,781,644.47	Other income	Related to assets	[Note 16]
Industrial Co-construction Project Investment and Factory Rewards	Financial allocation	4,954,200.00	-	1,217,995.11	-	3,736,204.89	Other income	Related to income	[Note 17]
Innovation and entrepreneurship research team government subsidy	Financial allocation	1,949,353.27	-	-1,238,146.73	-	3,187,500.00	Other income	Related to assets	[Note 18]
Special funds for SCD ultra-compact hybrid drive high-power medium-speed permanent magnet generator and its advanced control system development project	Financial allocation	3,600,000.00	-	600,000.00	-	3,000,000.00	Other income	Related to assets	[Note 19]
Special funds for the construction of manufacturing big data platform	Financial allocation	3,000,000.00	-	-	-	3,000,000.00	Other income	Related to assets	[Note 20]
2018 Provincial special fund for scientific research projects to promote the development of economic law (for the development of marine economy)	Financial allocation	2,400,000.00	-	400,000.00	-	2,000,000.00	Other income	Related to	[Note
Zhongshan City established special funds for the	Financial	2,400,000.00	-	400,000.00	-	2,000,000.00	Other income	Related to	[Note

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Subsidy item	Category	2020.12.31	Additions during the year	Amount recognized in profit or loss in the year	Other movement	2021.12.31	Item presented in profit or loss in the year	Related to assets/ Related to income	Note
introduction of national innovation platform construction projects	allocation							income	21]
Research on coupled load simulation technology and key technology of blade design and manufacture for large offshore wind turbines of 10MW and above	Financial allocation	-	2,000,000.00	-	-	2,000,000.00	Other income	Related to assets	[Note 22]
Special funds for the development and industrialization of MySE5.5-155 three-blade semi-direct-drive offshore wind turbines	Financial allocation	1,400,000.00	-	-	-	1,400,000.00	Other income	Related to assets	[Note 23]
Research and Development Expenditure Subsidy for Wind Power Technology Research Institute	Financial allocation	1,300,000.00	-	-	-	1,300,000.00	Other income	Related to assets	[Note 24]
Operation Subsidy for Zhongshan Wind Power Technology Collaborative Innovation Center	Financial allocation	1,200,000.00	-	-	-	1,200,000.00	Other income	Related to income	[Note 25]
Subsidy for research and development and application of long-sized segmented blades for high-power fans	Financial allocation	1,158,786.64	-	-	-	1,158,786.64	Other income	Related to income	[Note 26]
Guangdong Province Wind Power Industry Technology Innovation Alliance Construction Demonstration Subsidy	Financial allocation	1,773,466.67	-	633,466.67	-	1,140,000.00	Other income	Related to assets	[Note 27]
Special funds for 200 MW high-power concentrating photovoltaic solar energy projects	Financial allocation	1,340,000.00	-	240,000.00	-	1,100,000.00	Other income	Related to assets	[Note 28]
Special funds for the construction of a big data analysis platform for smart wind farm operation management	Financial allocation	1,000,000.00	-	-	-	1,000,000.00	Other income	Related to assets	[Note 29]
Special funds for the construction project of power monitoring platform in Shiguai Industrial Park, Baotou	Financial allocation	1,796,250.00	-	862,200.00	-	934,050.00	Other income	Related to assets	[Note 30]
Research and development of main control device for offshore wind turbines of 10MW and above	Financial allocation	-	800,000.00	-	-	800,000.00	Other income	Related to assets	[Note 31]

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Subsidy item	Category	2020.12.31	Additions during the year	Amount recognized in profit or loss in the year	Other movement	2021.12.31	Item presented in profit or loss in the year	Related to assets/ Related to income	Note
MY2.2-121 large-scale ultra-low wind speed wind turbine research and development and industrialization funds	Financial allocation	700,000.00	-	-	-	700,000.00	Other income	Related to income	[Note 32]
Supporting funds for the development and industrialization of MySE5.5-155 three-blade semi-direct-drive offshore wind turbines	Financial allocation	700,000.00	-	-	-	700,000.00	Other income	Related to income	[Note 33]
Central large research institute project subsidy	Financial allocation	765,000.00	-	85,000.00	-	680,000.00	Other income	Related to income	[Note 34]
Special funds for the construction of innovation platforms for strategic emerging industries in Zhongshan City	Financial allocation	600,000.00	-	100,000.00	-	500,000.00	Other income	Related to assets	[Note 35]
Zhongshan City Wind Power Technology Collaborative Innovation Special Fund	Financial allocation	500,000.00	-	-	-	500,000.00	Other income	Related to assets	[Note 36]
MY2.2-121 large-scale ultra-low wind speed wind turbine research and development and industrialization funds	Financial allocation	350,000.00	-	-	-	350,000.00	Other income	Related to income	[Note 37]
Cooperation Funds for Offshore Wind Power Laboratory Projects	Financial allocation	-	300,000.00	-	-	300,000.00	Other income	Related to assets	[Note 38]
Subsidy for the construction of new R&D institutions	Financial allocation	300,000.00	-	50,000.00	-	250,000.00	Other income	Related to assets	[Note 39]
Provincial Industrial Base Subsidies	Financial allocation	300,000.00	-	50,000.00	-	250,000.00	Other income	Related to assets	[Note 40]
Encourage advanced equipment manufacturing enterprises to increase subsidies for Research and development expenses	Financial allocation	217,000.04	-	-	-	217,000.04	Other income	Related to assets	[Note 41]
Land fund rebate	Financial allocation	215,757.60	-	4,848.48	-	210,909.12	Other income	Related to income	[Note 42]
MingYang Longyuan Electric Power R&D Fund	Financial allocation	-	190,000.00	-	-	190,000.00	Other income	Related to assets	[Note 43]
Central Air Pollution Prevention and Control Special Fund-Special Government Subsidy for	Financial allocation	157,500.00	-	54,000.00	-	103,500.00	Other income	Related to assets	[Note 44]

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Subsidy item	Category	2020.12.31	Additions during the year	Amount recognized in profit or loss in the year	Other movement	2021.12.31	Item presented in profit or loss in the year	Related to assets/ Related to income	Note
Environmental Protection of VOC Equipment of Central and Municipal Governments	Financial allocation	400,000.00	-	338,786.64	-	61,213.36	Other income	Related to assets	[Note 45]
Subsidy for research and development and application of long-sized segmented blades for high-power fans	Financial allocation	114,797.61	-	77,177.62	-	37,619.99	Other income	Related to assets	[Note 46]
Special funds for scientific research support projects of key laboratories of enterprises in Guangdong Province	Financial allocation	57,712.05	-	20,986.19	-	36,725.86	Other income	Related to assets	[Note 47]
Special funds for new wind power industry chain production projects	Financial allocation	52,500.00	-	18,000.00	-	34,500.00	Other income	Related to assets	[Note 48]
Central Air Pollution Prevention and Control Special Fund - Tianjin District Government	Financial allocation	21,673.00	-	-	-	21,673.00	Other income	Related to assets	[Note 49]
Special Government Subsidy for Environmental Protection of VOC Equipment	Financial allocation	1,200,000.00	-	1,192,400.01	-	7,599.99	Other income	Related to assets	[Note 50]
Special funds for the 13th Five-Year Key Project "Research and Testing of Large Offshore Wind Turbine Blade Testing Technology"	Financial allocation	4,078,000.18	-	-	4,078,000.18	-	Other income	Related to assets	[Note 51]
Demonstration project of building integrated application of cadmium telluride thin film battery	Financial allocation	93,750.00	-	93,750.00	-	-	Other income	Related to assets	[Note 52]
Enterprise development support funds and infrastructure supporting incentives	Financial allocation	-	-	-	-	-	-	-	-
Special funds for the construction project of high-power wind turbine drive chain testing and inspection center	Financial allocation	-	-	-	-	-	-	-	-
Total		-- 326,351,350.00	28,340,000.00	21,390,998.92	4,078,000.18	329,222,350.90			

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Subsidy item	Category	2019.12.31	Additions recognized in during the year	Amount recognized in profit or loss in the year	Other move ment	2020.12.31	Item presented in profit or loss in the year	Related to assets/ Related to income	Note
Industrial Co-construction Fund Project	Financial allocation	14,758,635.24	81,000,000.00	3,454,505.09	-	92,304,130.15	Other income	Related to assets	[Note 1]
Soft Land Fund Compensation and Land Intensive Utilization Incentive	Financial allocation	41,310,204.10	-	1,032,755.10	-	40,277,449.00	Other income	Related to assets	[Note 3]
MingYang Smart Energy Group Co., Ltd. Enterprise Development Support Fund	Financial allocation	24,611,414.15	-	589,494.95	-	24,021,919.20	Other income	Related to assets	[Note 2]
Special subsidy fund for R&D and industrialization projects of high-performance 6.0MW offshore wind power and marine engineering equipment	Financial allocation	25,950,000.00	-	3,270,000.00	-	22,680,000.00	Other income	Related to assets	[Note 4]
MySE7.0MW Offshore Wind Turbine R&D and Application Subsidy	Financial allocation	18,400,000.00	-	-	-	18,400,000.00	Other income	Related to income	[Note 6]
Special funds for offshore wind power innovation technology team	Financial allocation	17,250,000.00	-	3,000,000.00	-	14,250,000.00	Other income	Related to assets	[Note 8]
Development and application of key technologies for 8-10MW offshore wind turbines	Financial allocation	14,000,000.00	-	-	-	14,000,000.00	Other income	Related to assets	[Note 5]
Tianjin Ruineng Electric Co., Ltd. Enterprise Development Support Fund	Financial allocation	12,733,220.34	-	268,067.80	-	12,465,152.54	Other income	Related to assets	[Note 2]
Tianjin Ruiyuan Electric Co., Ltd. Enterprise Development Support Fund	Financial allocation	9,794,000.00	-	236,000.00	-	9,558,000.00	Other income	Related to assets	[Note 2]
Tianjin Ruiyuan Electric Special fund for the development and industrialization of the electric control system of megawatt wind turbines	Financial allocation	8,524,875.00	-	571,500.00	-	7,953,375.00	Other income	Related to assets	[Note 9]
Special funds for key technology research projects of 6.0MW large wind turbine design	Financial allocation	8,625,000.00	-	1,500,000.00	-	7,125,000.00	Other income	Related to assets	[Note 12]
Government Land Incentive Fund	Financial allocation	7,128,781.44	-	156,817.34	-	6,971,964.10	Other income	Related to assets	[Note 7]
Zhongshan City Bureau of Industry and Information Technology supported the first set of research and development special funds for the development of high-end equipment	Financial allocation	-	7,000,000.00	280,000.00	-	6,720,000.00	Other income	Related to assets	[Note 11]

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Subsidy item	Category	2019.12.31	Additions during the year	Amount recognized in profit or loss in the year	Other movement	2020.12.31	Item presented in profit or loss in the year	Related to assets/ Related to income	Note
manufacturing industry in 2020									
Innovation and entrepreneurship research team government subsidy	Financial allocation	1,444,210.00	5,000,000.00	1,490,010.00	-	4,954,200.00	Other income	Related to income	[Note 17]
2020 Research and application of high-speed blade pressurized oxygen chamber device technology	Financial allocation	4,300,000.00	3,000,000.00	-	3,100,000.00	4,200,000.00	Other income	Related to assets	[Note 13]
Jiangsu MingYang Wind Power Technology Co., Ltd. Enterprise Development Support Fund and Infrastructure Supporting Reward	Financial allocation	4,174,000.18	-	96,000.00	-	4,078,000.18	Other income	Related to assets	[Note 51]
Industrial Co-construction Project Investment and Factory Rewards	Financial allocation	4,203,781.46	-	211,068.51	-	3,992,712.95	Other income	Related to assets	[Note 16]
Government Land Incentive	Financial allocation	3,735,900.00	-	-	-	3,735,900.00	Other income	Related to assets	[Note 7]
Special funds for the construction of manufacturing big data platform	Financial allocation	4,200,000.00	-	600,000.00	-	3,600,000.00	Other income	Related to assets	[Note 19]
Three Gorges Pearl River Power Generation Co., Ltd. special funds for the provincial-level scientific research project to promote the development of economic law in 2018 (for marine economic development purposes)	Financial allocation	3,000,000.00	-	-	-	3,000,000.00	Other income	Related to income	[Note 20]
Zhongshan City established special funds for the introduction of national innovation platform construction projects	Financial allocation	2,800,000.00	-	400,000.00	-	2,400,000.00	Other income	Related to assets	[Note 21]
Special funds for SCD ultra-compact hybrid drive high-power medium-speed permanent magnet generator and its advanced control system development project	Financial allocation	2,603,444.75	-	654,091.48	-	1,949,353.27	Other income	Related to assets	[Note 18]
Special funds for the construction project of power monitoring platform in Shiguai Industrial Park, Baotou	Financial allocation	2,658,450.00	-	862,200.00	-	1,796,250.00	Other income	Related to assets	[Note 30]

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Subsidy item	Category	2019.12.31	Additions recognized in during the year profit or loss in the year	Amount recognized in profit or loss in the year	Other move ment	2020.12.31	Item presented in profit or loss in the year	Related to assets/ Related to income	Note
Guangdong Province Wind Power Industry Technology Innovation Alliance Construction Demonstration Subsidy	Financial allocation	1,783,416.67	-	9,950.00	-	1,773,466.67	Other income	Related to assets	[Note 27]
Special funds for the development and industrialization of MySE5.5-155 three-blade semi-direct-drive offshore wind turbines	Financial allocation	1,400,000.00	-	-	-	1,400,000.00	Other income	Related to assets	[Note 23]
Special funds for 200 MW high-power concentrating photovoltaic solar energy projects	Financial allocation	1,580,000.00	-	240,000.00	-	1,340,000.00	Other income	Related to assets	[Note 28]
Guangdong MingYang Wind Power Industry Group Wind Power Technology Research Institute R&D expenditure subsidy	Financial allocation	1,300,000.00	-	-	-	1,300,000.00	Other income	Related to income	[Note 24]
Operation Subsidy for Zhongshan Wind Power Technology Collaborative Innovation Center	Financial allocation	1,200,000.00	-	-	-	1,200,000.00	Other income	Related to income	[Note 25]
Subsidy for research and development and application of long-sized segmented blades for high-power fans	Financial allocation	1,180,080.00	-	21,293.36	-	1,158,786.64	Other income	Related to assets	[Note 26]
Special funds for the construction of a big data analysis platform for smart wind farm operation management	Financial allocation	1,000,000.00	-	-	-	1,000,000.00	Other income	Related to assets	[Note 29]
Demonstration project of building integrated application of cadmium telluride thin film battery	Financial allocation	-	2,400,000.00	1,200,000.00	-	1,200,000.00	Other income	Related to income	[Note 50]
Central large research institute project subsidy	Financial allocation	850,000.00	-	85,000.00	-	765,000.00	Other income	Related to income	[Note 34]
MY2.2-121 large-scale ultra-low wind speed wind turbine research and development and industrialization funds	Financial allocation	700,000.00	-	-	-	700,000.00	Other income	Related to income	[Note 32]
Supporting funds for the development and industrialization of MySE5.5-155 three-blade semi-direct-drive offshore wind turbines	Financial allocation	700,000.00	-	-	-	700,000.00	Other income	Related to assets	[Note 33]
Special funds for the construction of innovation platforms for strategic emerging industries in	Financial allocation	700,000.00	-	100,000.00	-	600,000.00	Other income	Related to assets	[Note 35]

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Subsidy item	Category	2019.12.31	Additions during the year	Amount recognized in profit or loss in the year	Other movement	2020.12.31	Item presented in profit or loss in the year	Related to assets/ Related to income	Note
Zhongshan City									
Zhongshan City Wind Power Technology Collaborative Innovation Special Fund	Financial allocation	500,000.00	-	-	-	500,000.00	Other income	Related to assets	[Note 36]
Subsidy for research and development and application of long-sized segmented blades for high-power fans	Financial allocation	400,000.00	-	-	-	400,000.00	Other income	Related to income	[Note 45]
MY2.2-121 large-scale ultra-low wind speed wind turbine research and development and industrialization funds	Financial allocation	350,000.00	-	-	-	350,000.00	Other income	Related to assets	[Note 37]
Subsidy for the construction of new R&D institutions	Financial allocation	350,000.00	-	50,000.00	-	300,000.00	Other income	Related to assets	[Note 39]
Provincial Industrial Base Subsidies	Financial allocation	350,000.00	-	50,000.00	-	300,000.00	Other income	Related to assets	[Note 40]
Encourage advanced equipment manufacturing enterprises to increase subsidies for Research and development expenses	Financial allocation	559,313.48	-	342,313.44	-	217,000.04	Other income	Related to income	[Note 41]
2015 Qinghai Company's 300 acres of land reimbursement for the factory area	Financial allocation	220,606.08	-	4,848.48	-	215,757.60	Other income	Related to assets	[Note 42]
Tianjin City 2018 Central Air Pollution Prevention and Control Special Fund-Central and municipal government VOC equipment environmental protection special government subsidies	Financial allocation	211,500.00	-	54,000.00	-	157,500.00	Other income	Related to assets	[Note 44]
Special funds for scientific research support projects of key laboratories of enterprises in Guangdong Province	Financial allocation	221,021.90	-	106,224.29	-	114,797.61	Other income	Related to assets	[Note 46]
Special funds for the construction project of high-power wind turbine drive chain testing and inspection center	Financial allocation	187,500.00	-	93,750.00	-	93,750.00	Other income	Related to assets	[Note 52]
Special funds for new wind power industry chain production projects	Financial allocation	78,698.24	-	20,986.19	-	57,712.05	Other income	Related to assets	[Note 47]

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Subsidy item	Category	2019.12.31	Amount recognized in the year during the year	Other movement	2020.12.31	Item presented in profit or loss in the year	Related to assets/ Related to income	Note
Tianjin City 2018 Central Air Pollution Prevention and Control Special Fund-Tianjin District Government VOC equipment environmental protection special government subsidy	Financial allocation	70,500.00	- 18,000.00	-	52,500.00	Other income	Related to assets	[Note 48]
Special funds for the 13th Five-Year Key Project "Research and Testing of Large Offshore Wind Turbine Blade Testing Technology"	Financial allocation	21,673.00	-	-	21,673.00	Other income	Related to assets	[Note 49]
Research and application of high prototype blade pressurized oxygen cabin device technology in 2019	Financial allocation	6,000,000.00	-	6,000,000.00	-	Other income	Related to assets	[Note 53]
Dust removal system (integrator) transformation of high-tech zone safety supervision bureau safety production administrative award	Financial allocation	20,166.56	-	-	-	Other income	Related to assets	[Note 54]
Special fund for R&D and industrialization of super compact SCD3MW wind turbine and key components	Financial allocation	1,893,896.52	-	-	-	Other income	Related to assets	[Note 55]
Central large research institute project subsidy	Financial allocation	1,459,157.23	-	-	-	Other income	Related to income	[Note 56]
MY2.0-118 type large blade low wind speed wind turbine equipment special fund	Financial allocation	615,724.13	-	-	-	Other income	Related to assets	[Note 57]
Total		-- 262,109,170.47	98,400,000.00 25,057,820.47	9,100,000.00	326,351,350.00			

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Subsidy item	Category	2018.12.31	Additions during the year	Amount recognized in profit or loss in the year	Other movement	2019.12.31	Item presented in profit or loss in the year	Related to assets/ Related to income	Note
Soft Land Fund Compensation and Land Intensive Utilization Incentive	Financial allocation	42,342,959.20	-	1,032,755.10	-	41,310,204.10	Other income	Related to assets	[Note 3]
Special subsidy fund for R&D and industrialization projects of high-performance 6.0MW offshore wind power and marine engineering equipment	Financial allocation	28,350,000.00	-	2,400,000.00	-	25,950,000.00	Other income	Related to assets	[Note 4]
MingYang Smart Energy Group Co., Ltd. Enterprise Development Support Fund	Financial allocation	25,200,909.10	-	589,494.95	-	24,611,414.15	Other income	Related to assets	[Note 2]
MySE7.0MW Offshore Wind Turbine R&D and Application Subsidy	Financial allocation	18,400,000.00	-	-	-	18,400,000.00	Other income	Related to income	[Note 6]
Special funds for offshore wind power innovation technology team	Financial allocation	20,250,000.00	-	3,000,000.00	-	17,250,000.00	Other income	Related to assets	[Note 8]
Development and application of key technologies for 8-10MW offshore wind turbines	Financial allocation	-	14,000,000.00	-	-	14,000,000.00	Other income	Related to assets	[Note 5]
Tianjin Ruineng Electric Co., Ltd. Enterprise Development Support Fund	Financial allocation	13,001,288.14	-	268,067.80	-	12,733,220.34	Other income	Related to assets	[Note 2]
Tianjin Ruiyuan Electric Co., Ltd. Enterprise Development Support Fund	Financial allocation	10,030,000.00	-	236,000.00	-	9,794,000.00	Other income	Related to assets	[Note 2]
Industrial Co-construction Financial Support Fund Project	Financial allocation	-	15,091,968.60	333,333.36	-	14,758,635.24	Other income	Related to assets	[Note 1]
Industrial Co-construction Financial Support Fund Project	Financial allocation	-	4,693,031.40	489,249.96	-	4,203,781.44	Other income	Related to assets	[Note 16]
Special funds for key technology research projects of 6.0MW large wind turbine design	Financial allocation	10,125,000.00	-	1,500,000.00	-	8,625,000.00	Other income	Related to assets	[Note 12]
Special funds for the development and industrialization of electric control systems for megawatt wind turbines	Financial allocation	9,096,375.00	-	571,500.00	-	8,524,875.00	Other income	Related to assets	[Note 9]
2019 High prototype blade pressurized oxygen cabin device technology research and development and application funds	Financial allocation	-	6,000,000.00	-	-	6,000,000.00	Other income	Related to assets	[Note 53]
2020 High prototype blade pressurized oxygen	Financial	-	4,300,000.00	-	-	4,300,000.00	Other income	Related to	[Note 13]

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Subsidy item	Category	2018.12.31	Additions during the year	Amount recognized in profit or loss in the year	Other movement	2019.12.31	Item presented in profit or loss in the year	Related to assets/ Related to income	Note
cabin device technology research and development and application funds	allocation							assets	
Industrial Co-construction Project Investment and Factory Rewards	Financial allocation	-	4,221,370.50	17,589.04	-	4,203,781.46	Other income	Related to assets	[Note 16]
Special funds for the construction of manufacturing big data platform	Financial allocation	4,800,000.00	-	600,000.00	-	4,200,000.00	Other income	Related to assets	[Note 19]
Jiangsu MingYang Wind Power Technology Co., Ltd. Enterprise Development Support Fund and Infrastructure Supporting Reward	Financial allocation	4,270,000.18	-	96,000.00	-	4,174,000.18	Other income	Related to assets	[Note 51]
Government Land Incentive	Financial allocation	-	3,780,000.00	44,100.00	-	3,735,900.00	Other income	Related to assets	[Note 7]
Three Gorges Pearl River Power Generation Co., Ltd. special funds for the provincial-level scientific research project to promote the development of economic law in 2018 (for marine economic development purposes)	Financial allocation	3,000,000.00	-	-	-	3,000,000.00	Other income	Related to income	[Note 20]
Government Land Incentive Fund	Financial allocation	2,985,000.00	-	60,000.00	-	2,925,000.00	Other income	Related to assets	[Note 7]
Zhongshan City established special funds for the introduction of national innovation platform construction projects	Financial allocation	3,200,000.00	-	400,000.00	-	2,800,000.00	Other income	Related to assets	[Note 21]
Baotou Shiguai Industrial Park Power Monitoring Platform Project Subsidy	Financial allocation	3,520,650.00	-	862,200.00	-	2,658,450.00	Other income	Related to assets	[Note 30]
Special funds for SCD ultra-compact hybrid drive high-power medium-speed permanent magnet generator and its advanced control system development project	Financial allocation	6,900,000.00	-	4,296,555.25	-	2,603,444.75	Other income	Related to assets	[Note 18]
Special fund for R&D and industrialization of super compact SCD3MW wind turbine and key components	Financial allocation	7,575,586.10	-	5,681,689.58	-	1,893,896.52	Other income	Related to assets	[Note 55]
Guangdong Province Wind Power Industry	Financial	1,793,366.67	-	9,950.00	-	1,783,416.67	Other income	Related to	[Note 27]

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Subsidy item	Category	2018.12.31	Additions during the year	Amount recognized in profit or loss in the year	Other movement	2019.12.31	Item presented in profit or loss in the year	Related to assets/ Related to income	Note
Technology Innovation Alliance Construction Demonstration Subsidy	allocation							assets	
Special funds for 200 MW high-power concentrating photovoltaic solar energy projects	Financial allocation	1,820,000.00	-	240,000.00	-	1,580,000.00	Other income	Related to assets	[Note 28]
Central large research institute project subsidy	Financial allocation	4,893,033.33	-	3,433,876.10	-	1,459,157.23	Other income	Related to income	[Note 56]
Zhongshan City introduced financial support for innovation and entrepreneurship scientific research teams	Financial allocation	4,016,061.59	-	2,571,851.59	-	1,444,210.00	Other income	Related to income	[Note 17]
Special funds for the development and industrialization of MySE5.5-155 three-blade semi-direct-drive offshore wind turbines	Financial allocation	1,400,000.00	-	-	-	1,400,000.00	Other income	Related to assets	[Note 23]
Guangdong MingYang Wind Power Industry Group Wind Power Technology Research Institute R&D expenditure subsidy	Financial allocation	1,300,000.00	-	-	-	1,300,000.00	Other income	Related to income	[Note 24]
Operation Subsidy for Zhongshan Wind Power Technology Collaborative Innovation Center	Financial allocation	1,200,000.00	-	-	-	1,200,000.00	Other income	Related to income	[Note 25]
Subsidy for research and development and application of long-sized segmented blades for high-power fans	Financial allocation	1,200,040.00	-	19,960.00	-	1,180,080.00	Other income	Related to assets	[Note 26]
Special funds for the construction of a big data analysis platform for smart wind farm operation management	Financial allocation	1,000,000.00	-	-	-	1,000,000.00	Other income	Related to assets	[Note 29]
Central large research institute project subsidy	Financial allocation	850,000.00	-	-	-	850,000.00	Other income	Related to assets	[Note 34]
MY2.2-121 large-scale ultra-low wind speed wind turbine research and development and industrialization funds	Financial allocation	700,000.00	-	-	-	700,000.00	Other income	Related to assets	[Note 32]
Special funds for the construction of innovation platforms for strategic emerging industries in Zhongshan City	Financial allocation	800,000.00	-	100,000.00	-	700,000.00	Other income	Related to assets	[Note 35]

MingYang Smart Energy Group Co., Ltd.
Notes to the Financial Statements

For the years ended 31 December 2019, 2020 and 2021 (All amounts in RMB unless otherwise stated)
[This report is translated from the Chinese report]

Subsidy item	Category	2018.12.31	Additions during the year	Amount recognized in profit or loss in the year	Other movement	2019.12.31	Item presented in profit or loss in the year	Related to assets/ Related to income	Note
Supporting funds for the development and industrialization of MySE5.5-155 three-blade semi-direct-drive offshore wind turbines	Financial allocation	700,000.00	-	-	-	700,000.00	Other income	Related to assets	[Note 33]
MY2.0-118 type large blade low wind speed wind turbine equipment special fund	Financial allocation	1,436,689.65	-	820,965.52	-	615,724.13	Other income	Related to assets	[Note 57]
Encourage advanced equipment manufacturing enterprises to increase subsidies for Research and development expenses	Financial allocation	16,445,443.52	-	15,886,130.04	-	559,313.48	Other income	Related to income	[Note 41]
Zhongshan City Wind Power Technology Collaborative Innovation Special Fund	Financial allocation	500,000.00	-	-	-	500,000.00	Other income	Related to income	[Note 36]
Subsidy for research and development and application of long-sized segmented blades for high-power fans	Financial allocation	400,000.00	-	-	-	400,000.00	Other income	Related to income	[Note 45]
Subsidy for the construction of new R&D institutions	Financial allocation	400,000.00	-	50,000.00	-	350,000.00	Other income	Related to assets	[Note 39]
Provincial Industrial Base Subsidies	Financial allocation	400,000.00	-	50,000.00	-	350,000.00	Other income	Related to assets	[Note 40]
MY2.2-121 large-scale ultra-low wind speed wind turbine research and development and industrialization funds	Financial allocation	350,000.00	-	-	-	350,000.00	Other income	Related to assets	[Note 37]
Special funds for scientific research support projects of key laboratories of enterprises in Guangdong Province	Financial allocation	327,246.19	-	106,224.29	-	221,021.90	Other income	Related to assets	[Note 46]
Qinghai MingYang New Energy Co., Ltd. Enterprise Development Support Fund	Financial allocation	225,454.56	-	4,848.48	-	220,606.08	Other income	Related to assets	[Note 42]
Central government, Tianjin City government VOCs equipment environmental protection government subsidies	Financial allocation	-	270,000.00	58,500.00	-	211,500.00	Other income	Related to assets	[Note 44]
Special funds for the construction project of high-power wind turbine drive chain testing and inspection center	Financial allocation	281,250.00	-	93,750.00	-	187,500.00	Other income	Related to assets	[Note 52]

MingYang Smart Energy Group Co., Ltd.
Notes to the Financial Statements

For the years ended 31 December 2019, 2020 and 2021 (All amounts in RMB unless otherwise stated)
[This report is translated from the Chinese report]

Subsidy item	Category	2018.12.31	Additions during the year	Amount recognized in profit or loss in the year	Other movement	2019.12.31	Item presented in profit or loss in the year	Related to assets/ Related to income	Note
Special funds for new wind power industry chain production projects	Financial allocation	99,684.43	-	20,986.19	-	78,698.24	Other income	Related to assets	[Note 47]
Tianjin City Binhai High-tech Zone Finance VOCS Equipment Environmental Protection Government Subsidies	Financial allocation	-	90,000.00	19,500.00	-	70,500.00	Other income	Related to assets	[Note 48]
Special funds for the 13th Five-Year Key Project "Research and Testing of Large Offshore Wind Turbine Blade Testing Technology"	Financial allocation	-	21,673.00	-	-	21,673.00	Other income	Related to assets	[Note 49]
Tianjin City 2018 Central Air Pollution Prevention and Control Special Fund	Financial allocation	-	181,500.00	161,333.44	-	20,166.56	Other income	Related to assets	[Note 54]
Special funds for 200MWP high-power concentrating photovoltaic module manufacturing project	Financial allocation	7,000,000.00	-	-	7,000,000.00	-	Other income	Related to assets	[Note 58]
Postdoctoral workstation allowance subsidy	Financial allocation	92,500.80	-	92,500.80	-	-	Other income	Related to income	[Note 59]
Zhongshan Municipal Bureau of Commerce CZ038001 Special Fund for Promoting Economic Development in 2018	Financial allocation	-	5,082,000.00	5,082,000.00	-	-	Other income	Related to income	[Note 60]
Social Security Bureau Industrial Insurance Subsidy	Financial allocation	-	5,010.00	5,010.00	-	-	Other income	Related to income	[Note 61]
Social Security Bureau Talent Subsidy	Financial allocation	-	54,600.00	54,600.00	-	-	Other income	Related to income	[Note 62]
Total	--	262,678,538.46	57,791,153.50	51,360,521.49	7,000,000.00	262,109,170.47	--	--	--

Note:

[Note 1] According to the "Financial Support Policy on Supporting the Co-construction of the Pearl River Delta and the East, West and North Industries of Guangdong" (Yue Cai Gong [2016] No. 384) issued by , "Notice of the Department of Industry and Information Technology on the application and review of construction financial support funds" (Yugongxinyuanhan (2018) No. 81) , "Notice on the organization to declare the 2018 Industrial Co-construction Financial Support Fund Project" (Yangjingxintong (2018) No. 355)) and other relevant documents issued by Department of Finance of Guangdong Province, after examination by the relevant municipal departments of county (city, district) , Annual Provincial Industrial Co-construction Financial Support Fund Project award and subsidy scheme was issued. The Company's subsidiary, Guangdong MingYang New Energy Technology Co., Ltd. received RMB 9,785,000.00 on 23 January 2019 and RMB 10,000,000.00 on 30 May 2019. In 2020, the Company's subsidiary, Guangdong MingYang New Energy Technology Co., Ltd., received RMB 17,000,000.00 on 23 March, RMB 15,000,000.00 on 26 March 26, RMB 35,000,000.00 on 29 June, and RMB 6,146,800.00 on 10 November, RMB 7,853,200.00 on 31 December. These were included in deferred income and transferred to profit or loss for the current period in installments according to the benefit period.

[Note 2] The Financial Settlement Center of Torch High-tech Industrial Development Zone, Zhongshan City appropriated RMB 29,180,000.00 for the Company's corporate development support funds on 13 March 2012. It was included in deferred income and transferred to profit or loss for the current period in installments according to the benefit period. According to the investment agreement signed on 24 February 2011 and the supplementary investment agreement signed on 18 April 2018 between the Company's subsidiary, Tianjin Ruineng Electric Co., Ltd. and Tianjin Xiqing Economic and Technological Development Zone Management Committee, Xiqing Development Zone appropriated RMB 13,180,000.00 to the Company for enterprise support funds on 30 April 2018. It was included in deferred income and transferred to profit or loss for the current period in installments according to the benefit period. According to the investment agreement signed by the Company's subsidiary, Tianjin Ruiyuan Electric Co., Ltd. and Tianjin Airport Economic Zone Management Committee on 18 March 2010, Tianjin Ruiyuan Electric Co., Ltd. invests in the construction of megawatt wind power unit electric control, frequency conversion, and pitch system production project, and the Airport Economic Zone Management Committee appropriated RMB 5,000,000.00 and RMB 6,800,000.00 for the construction stage development fund on 9 September 2015 and 8 July 2016 respectively. These were included in deferred income and transferred to profit or loss for the current period in installments according to the benefit period.

[Note 3] Tianjin Binhai High-tech Industrial Development Zone Management Committee appropriated RMB 9,780,000.00 and RMB 40,825,000.00 to the Company's subsidiary, Tianjin MingYang Wind Power Technology Co., Ltd. (hereinafter referred to as "Tianjin Technology") on 20 January 2010 and 28 January 2011 for the soft-soil foundation compensation and land intensive use subsidies amounted to respectively. These amounts were recognised as deferred income and transferred to profit or loss for the current year by installments according to the benefit period. As Tianjin Technology was absorbed and merged by the Company's subsidiary, Tianjin Equipment, so the relevant deferred income was inherited by Tianjin Equipment.

[Note 4] According to the "Notice on Issuing the Total Investment and Financial Subsidy Funds Plan for Guangdong Province's 2015 Marine Economic Innovation and Development Regional Demonstration Projects" (Guangdong Yuhan [2016] No. 522) issued by Guangdong Ocean and Fisheries Bureau and the Department of Finance of Guangdong Province, the Financial Settlement Center of Torch High-tech Industrial Development Zone, Zhongshan City appropriated RMB 18,500,000.00, RMB 5,500,000.00, RMB 2,715,000.00 and RMB 2,175,000.00 to the Company on 9 September 2016, 12 December 2016, 20 December 2017 and 3 September 2018, respectively, for the research and development and

industrialization project of high-performance 6.0MW offshore wind power engineering equipment. These were included in deferred income and transferred to profit or loss for the current period in installments according to the benefit period.

[Note 5] According to the Guangdong Provincial Department of Oceans and Fisheries on the issuance of the "2019 Provincial-level Special Funds for Promoting Economic Development (Marine Economic Development) Project Database Application Guidelines", the Company received RMB 14,000,000.00 from the Zhongshan Finance Bureau CZ1490014 Marine Strategy New Project Fund for the key technology research and development of 8-10MW offshore wind turbines on 30 June 2019. It was included in deferred income and transferred to profit or loss for the current period in installments according to the benefit period.

[Note 6] According to the "2017 Applied Technology R&D and Major Technology Achievement Transformation Special Funds (Applied Technology R&D Support) Detailed Allocation Table", Zhongshan City Finance Bureau appropriated RMB 8,000,000.00, RMB 6,400,000.00 and RMB 4,000,000.00 to the Company on 20 December 2017, 7 December 2018, 10 December 2018, respectively, for research and development and application of MySE7.0MW offshore Wind power generation unit development. These were included in deferred income and transferred to profit or loss for the current period in installments according to the benefit period.

[Note 7] According to the "Measures on Encouraging Industrial Co-construction Project Investment and Factory Reward" by the Management Committee of Yangjiang High-tech Industrial Development Zone, "Opinions on Deepening the Comprehensive Assistance Work in the Pearl River Delta Region and the Eastern and Western Regions of Guangdong" (Guangdong Committee Office (2016) No. 81) , "Several Policies and Measures for Guangdong Province to Promote the Quality and Efficiency of Industrial Parks in the Eastern, Western and Northern Regions of Guangdong" (Guangdong (2016) No. 126) , "The Guangdong Provincial Economic and Information Technology Commission's Letter on Decomposing the 2017 Industrial Co-construction Goals and Tasks" (Yuejing Xinyuan Han (2017) No. 14) and other documents, rewards are granted to enterprises with industrial projects of more than RMB 100 million that have built factories or put into production between 16 August 2016 and 31 August 2019 within the area of jointly build industrial parks by Zhuhai City and Yangjiang City. The Company's subsidiary, Guangdong MingYang New Energy Technology Co., Ltd. received RMB 4,221,370.50 on 5 December 2019. It was included in deferred income and transferred to profit or loss for the current period in installments according to the benefit period. In accordance with the spirit of the Provincial Party Committee and the Provincial Government's "Decision on Further Promoting the Revitalization and Development of the East, West and North of Guangdong" and other documents, in order to accelerate the construction of the wind power industry in Yangjiang High-tech Zone, the Company's subsidiary, Guangdong MingYang New Energy Technology Co., Ltd. received the government land subsidy of RMB 3,000,000.00 from the Yangjiang High-tech Industrial Development Zone Management Committee on 30 September 2018. It was included in deferred income and transferred to profit or loss for the current period in installments according to the benefit period. In accordance with the spirit of the Provincial Party Committee and the Provincial Government's "Decision on Further Promoting the Revitalization and Development of the East, West and North of Guangdong" and other documents, in order to accelerate the construction of the wind power industry in Yangjiang High-tech Zone, the Company's subsidiary, Guangdong MingYang New Energy Technology Co., Ltd. received the government land subsidy of RMB 3,780,000.00 from the Yangjiang High-tech Industrial Development Zone Management Committee on 15 June 2019. It was included in deferred income and transferred to profit or loss for the current period in installments according to the benefit period.

[Note 8] According to the "Notice on Arranging Special Funds for the Third Batch of Innovative Scientific Research Teams" (Yue Cai Jiao [2012] No. 319) issued by Department of Finance of Guangdong

Province in 2012, Zhongshan City Finance Bureau appropriated RMB 20,000,000.00 to the Company on 6 November 2012 for the special fund of offshore wind power technological innovation team. The Organization Department of the Zhongshan Municipal Committee of the Communist Party of China promised in "Supporting Funds Commitment Letter" in 2012 that the Zhongshan Municipal Government will provide supporting facilities for the offshore wind power technological innovation team in a proportion of not less than one-half of the special work funds to be provided by the province. The Financial Settlement Center of Torch High-tech Industrial Development Zone, Zhongshan City appropriated RMB 5,000,000.00 to the Company on 14 January 2014, and the Finance Bureau of Zhongshan City appropriated RMB 5,000,000.00 to the Company on 4 July 2014. The above-mentioned special funds are in total RMB 30,000,000.00. These were included in deferred income and transferred to profit or loss for the current period in installments according to the benefit period.

[Note 9] According to the notice of the National Development and Reform Commission on issuing the first batch of investment plans within the central budget in 2013 for strategic emerging industries (energy) (Fagai Investment [2013] No. 1029) , the Finance Bureau of Tianjin appropriated RMB 1,600,000.00 and RMB 9,830,000.00 to the Company's subsidiary, Tianjin Ruiyuan Electric Co., Ltd. on 15 October 2012 and 11 September 2013 respectively for special fund of development and industrialization of the electric control system of megawatt wind turbines. These were included in deferred income and transferred to profit or loss for the current period in installments according to the benefit period.

[Note 10] According to the "Notice of the Guangdong Provincial Department of Finance on Arranging the Special Fund for the Provincial Science and Technology Innovation Strategy in 2021 (The Eighth Batch of Provincial Key Field R&D Plan Projects) " (Yue Cai Ke Jiao (2021) No. 150) , MingYang Smart Energy Co., Ltd. received RMB 6,000,000.00 from the Guangdong Provincial Department of Finance on the provincial R&D plan in key areas, which is specially used for the research and development of 10MW and above offshore wind power permanent magnet generator design and manufacturing projects. It was included in deferred income and transferred to profit or loss for the current period in installments according to the benefit period.

[Note 11] According to the "Notice of the Office of the People's Government of Zhongshan City on Printing and Distributing the Action Plan for the Development of Zhongshan City's High-end Equipment Manufacturing Industry (2018-2022) " (Zhongfu Office [2018] No. 26) , "Zhongshan Economic and Information Technology Bureau Regarding the issuance of Zhongshan City's High-end Equipment Manufacturing Industry Development Fund Management Implementation Rules (Zhongjingxin [2018] No. 824) and other document requirements, the Company received special fund of RMB 7 million on september 2020 for the "2020 High-end Equipment Manufacturing Industry Development Fund (Support first set R&D topic) Project". It was included in deferred income and transferred to profit or loss for the current period in installments according to the benefit period.

[Note 12] According to the "Notice on Issuing the First Batch of Provincial Strategic Emerging Industry Core Technology Research Projects" (Yueke Planning Zi [2011] No.167) by the Department of Science and Technology of Guangdong Province and the Department of Finance of Guangdong Province in 2011, Zhongshan Science and Technology Bureau appropriated RMB 15,000,000.00 to the Company on 1 April 2012 for the specific development of key technologies for the design of 6.0MW large wind turbines. It was included in deferred income and transferred to profit or loss for the current period in installments according to the benefit period.

[Note 13] According to the requirements of the "Notice of Haixi Prefecture of Qinghai Province on Issuing the 2019 Provincial Special Fund Budget for Scientific and Technological Development" (Dezheng Caixingzi [2019] No. 632) , Delingha City Industrial Technology and Information Technology Bureau

decided and instructed Delingha City Treasury Payment Center appropriated RMB 4,300,000.00 of provincial special fund for scientific and technological development of Qinghai MingYang New Energy Co., Ltd., a subsidiary of the Company, on 1 August 2019. On 29 July 2020, the Delingha City Treasury Payment Center appropriated another government subsidy of RMB 3,000,000.00 for the research and development of the pressurized oxygen storage device technology. Due to the failure of the research, on 14 December 2020, the subsidy of RMB 1,300,000.00 for the pressurization device project of Qinghai Provincial Department of Science and Technology was returned; the remaining funds were RMB 6,000,000.00. According to the agreement, RMB 1,800,000.00 has been booked as payable to China Shipbuilding Industry Environmental Engineering Co., Ltd., of which RMB 1,000,000.00 has been paid, and the remaining RMB 800,000.00 has not yet been paid. Due to the failure of the research, all subsidies will be refunded subsequently, and the payable of RMB 800,000.00 will no longer be paid to China Shipbuilding Industry Environmental Engineering Co., Ltd. The accounting record was adjusted to deferred income in January 2021. The remaining funds are now RMB 4,200,000.00.

[Note 14] According to the "Project Joint Application Agreement" (Research on coupled load simulation technology and blade design and manufacturing key technologies for large offshore wind turbines of 10MW and above) , Shanwei MingYang New Energy Technology Co., Ltd. received RMB 8,000,000.00 high-tech enterprise incentives from Lufeng Finance Bureau. It was included in deferred income and transferred to profit or loss for the current period in installments according to the benefit period.

[Note 15] According to the "Notice of the Guangdong Provincial Department of Finance on Arranging the Special Fund for the Provincial Science and Technology Innovation Strategy in 2021 (The Eighth Batch of Provincial Key Field R&D Plan Projects) First Phase Funds" (Yue Cai Ke Jiao (2021) No. 150) , Zhongshan Ruike New Energy Co., Ltd. received a special fund of RMB 4,000,000.00 on 18 September 2021 from the Guangdong Provincial Department of Finance for the 2021 Provincial Science and Technology Innovation Strategy. It is specially used for the research and development of large-area, high-efficiency cadmium telluride battery technology and equipment research and development projects. It was included in deferred income and transferred to profit or loss for the current period in installments according to the benefit period.

[Note 16] According to the "Measures on Encouraging Industrial Co-construction Project Investment and Factory Reward" by the Management Committee of Yangjiang High-tech Industrial Development Zone, "Opinions on Deepening the Comprehensive Assistance Work in the Pearl River Delta Region and the Eastern and Western Regions of Guangdong" (Guangdong Committee Office (2016) No. 81) , "Several Policies and Measures for Guangdong Province to Promote the Quality and Efficiency of Industrial Parks in the Eastern, Western and Northern Regions of Guangdong" (Guangdong (2016) No. 126) , "The Guangdong Provincial Economic and Information Technology Commission's Letter on Decomposing the 2017 Industrial Co-construction Goals and Tasks" (Yuejing Xinyuan Han (2017) No. 14) and other documents, rewards are granted to enterprises with industrial projects of more than RMB 100 million that have built factories or put into production between 16 August 2016 and 31 August 2019 within the area of jointly build industrial parks by Zhuhai City and Yangjiang City. The Company's subsidiary, Guangdong MingYang New Energy Technology Co., Ltd. received RMB 4,221,370.50 on 5 December 2019. It was included in deferred income and transferred to profit or loss for the current period in installments according to the benefit period.

[Note 17] According to the "Notice on Doing a Good Job in the Introduction and Construction of the Sixth Batch of Innovation and Entrepreneurship Research Teams in Zhongshan" (Zhongshan Kefa [2018] No. 219) issued by Zhongshan Science and Technology Bureau, the Company's subsidiary Zhongshan Ruisheng Antai Industrial Investment Co., Ltd. received a financial subsidy of RMB 5,000,000.00 in 2020. It was included in deferred income and transferred to profit or loss for the current period in installments

according to the benefit period.

[Note 18] According to the 2016 "Notice of Guangdong Provincial Department of Science and Technology on Issuing the 2016 Provincial Applied Science and Technology R&D Special Project Plan" (Yue Ke Gui Cai Zi [2016] No. 120), Zhongshan City Finance Bureau appropriated RMB 3,000,000.00 to the Company on 9 September 2016 for specific development of SCD ultra-compact hybrid drive high-power medium-speed permanent magnet generator and its advanced control system. It was included in deferred income and transferred to profit or loss for the current period in installments according to the benefit period. According to the Zhongshan Torch High-tech Industrial Development Zone Management Committee "Notice on Issuing Supporting Funds for 2016 Torch Zone Science and Technology Projects" (Zhongkai Management Office [2016] No. 158), Zhongshan Torch High-tech Industrial Development Zone Financial Settlement Center appropriated RMB 2,400,000.00 to the Company on 20 December 2016 for specific development of SCD ultra-compact hybrid drive high-power medium-speed permanent magnet generator and its advanced control system. It was included in deferred income and transferred to profit or loss for the current period in installments according to the benefit period. According to the "Notice on Issuing 2017 Zhongshan Science and Technology Development Special (Second Batch) Projects and Funding Arrangements" (Zhongshan Kefa [2017] No. 257) issued by Zhongshan Science and Technology Bureau, Zhongshan Finance Bureau appropriated RMB 1,500,000.00 to the Company on 30 September 2017 for specific development of SCD ultra-compact hybrid drive high-power medium-speed permanent magnet generator and its advanced control system. It was included in deferred income and transferred to profit or loss for the current period in installments according to the benefit period.

[Note 19] According to the 2016 "Notice of Guangdong Economic and Information Technology Commission and Department of Finance of Guangdong Province on the issuance of the 2016 Provincial Industrial and Information Development Special Fund (Enterprise Transformation and Upgrading Direction) Project Plan" (Guangdong Economic and Information Technology Reform [2016] No. 81), Zhongshan City Finance Bureau appropriated RMB 6,000,000.00 to the Company on 16 May 2016 for the specific construction of a big data platform for manufacturing in the direction of enterprise transformation and upgrading. It was included in deferred income and transferred to profit or loss for the current period in installments according to the benefit period.

[Note 20] According to the spirit of the "Department of Finance of Guangdong Province, the Department of Oceans and Fisheries of Guangdong Province on the issuance of the 2018 Provincial Special Funds for Promotion of Economic Development (Marine Economic Development) Project Application Guidelines" (Yuehaiyu [2018] No. 9), Three Gorges Zhujiang Power Generation Co., Ltd. takes the lead, and cooperates with the Company, South China University of Technology, and Three Gorges New Energy Yangjiang Power Co., Ltd. to apply for the special funds for promoting economic development in 2018 (for marine economic development purposes) for a total of RMB 20,000,000.00 (the contract stipulates that the Company receives 15% of the government funding). The Company received RMB 3,000,000.00 in funding on 13 November 2018. It was included in deferred income and transferred to profit or loss for the current period in installments according to the benefit period.

[Note 21] According to the 2014 "Notice on the introduction of the third batch of national innovation platforms, academician workstations, and innovative scientific research teams in the construction of Zhongshan City" (Zhongshan Group [2014] No. 124) issued by the Organization Department of the Zhongshan Municipal Committee of the Communist Party of China, the Zhongshan Science and Technology Bureau, and the Zhongshan Development and Reform Bureau, for the purpose of creating and introducing a national-level innovation platform construction project in Zhongshan City, Zhongshan City Finance Bureau appropriated RMB 1,250,000.00 and RMB 750,000.00 to the Company on 15 December 2014 and 30 November 2015 respectively; The Financial Settlement Center of Torch High-

tech Industrial Development Zone, Zhongshan City appropriated RMB 2,000,000.00 to the Company on 10 December 2015. These were included in deferred income and transferred to profit or loss for the current period in installments according to the benefit period.

[Note 22] According to the "Project Joint Application Agreement" (research on coupled load simulation technology and blade design and manufacturing key technologies for large-scale offshore wind turbines of 10MW and above), MingYang Smart New Energy Co., Ltd. received special technology funds of RMB 2,000,000.00 from Shanwei MingYang New Energy Technology Co., Ltd. It was included in deferred income and transferred to profit or loss for the current period in installments according to the benefit period.

[Note 23] According to the Zhongshan Science and Technology Bureau "Notice on Issuing the Second Batch of Special Science and Technology Innovation Projects and Funding Arrangements in Zhongshan in 2016" (Zhongshan Kefa [2016] No. 213), Zhongshan City Finance Bureau appropriated RMB 1,400,000.00 to the Company on 30 September 2016 for the development and industrialization of MySE5.5-155 three-blade semi-direct-drive offshore Wind power generation unit. It was included in deferred income and transferred to profit or loss for the current period in installments according to the benefit period.

[Note 24] According to "Notice on Issuing 2017 Provincial Special Funds for Scientific and Technological Development (Collaborative Innovation and Platform Environment Construction)" (Zhongshan Kefa [2017] No. 263) issued by Zhongshan Science and Technology Bureau, Zhongshan City Finance Bureau appropriated RMB 1,300,000.00 to the Company on 30 September 2017 for research and development expenditure subsidies of the company's wind power technology research institute. It was included in deferred income and transferred to profit or loss for the current period in installments according to the benefit period.

[Note 25] According to the regulations of Zhongshan Science and Technology Bureau "Interim Measures for the Accreditation and Management of Collaborative Innovation Centers in Zhongshan" (Zhongshan Kefa [2017] No. 113), Zhongshan City Finance Bureau appropriated RMB 800,000.00 and RMB 400,000.00 to the Company on 31 October 2017 and 12 December 2018 respectively, for subsidy of operation of the Company's wind power technology collaborative innovation center. These were included in deferred income and transferred to profit or loss for the current period in installments according to the benefit period.

[Note 26] According to "Notice on Issuing 2017 Provincial Special Funds for Scientific and Technological Development (Collaborative Innovation and Platform Environment Construction)" (Zhongshan Kefa [2017] No. 263) issued by Zhongshan Science and Technology Bureau, Zhongshan Finance Bureau appropriated RMB 1,000,000.00 and RMB 720,000.00 to the Company on 30 September 2017 and 10 November 2018 respectively, for the development and application of long-size segmented blades of high-power wind turbines. These were included in deferred income and transferred to profit or loss for the current period in installments according to the benefit period.

[Note 27] According to "Notice on Issuing 2017 Provincial Special Funds for Scientific and Technological Development (Collaborative Innovation and Platform Environment Construction)" (Zhongshan Kefa [2017] No. 263) issued by Zhongshan Science and Technology Bureau, Zhongshan City Finance Bureau appropriated RMB 1,000,000.00 and RMB 800,000.00 to the Company on 30 September 2017 and 10 December 2018 for Guangdong wind power industry technology innovation alliance construction demonstration subsidy. These were included in deferred income and transferred to profit or loss for the current period in installments according to the benefit period.

[Note 28] According to the "Notice on Distributing Funds for Supporting Industrial Economic Transformation and Upgrading in 2015" (Dezheng Caijianzi [2015] No. 443), Delingha City Finance Bureau appropriated RMB 900,000.00 and RMB 1,500,000.00 to the Company's subsidiary, Qinghai MingYang New Energy Co., Ltd. on 14 September 2015 and 15 September 2015 respectively, for 200 MW high-concentration photovoltaic solar projects. These were included in deferred income and transferred to profit or loss for the current period in installments according to the benefit period.

[Note 29] According to the "Notice on Issuing the 2016 Information Industry Development Special Fund Funding Plan of Zhongshan City" (Zhongjingxin [2016] No. 726) issued by Zhongshan Economic and Information Technology Bureau, Zhongshan City Finance Bureau appropriated RMB 1,000,000.00 to the Company on 12 December 2016 for the construction of big data analysis platform for smart wind farm operation management. It was included in deferred income and transferred to profit or loss for the current period in installments according to the benefit period.

[Note 30] In accordance with the Inner Mongolia Baotou Shiguai Industrial Park Management Committee "Request for Inner Mongolia Baotou Shiguai Industrial Park Management Committee allocation of funds for power demand management demonstration projects", Inner Mongolia Baotou Shiguai Industrial Park Management Committee appropriated RMB 1,779,000.00 and RMB 2,110,000.00 to Baotou Yibo Energy Service Co., Ltd. on 18 September 2016 and 3 December 2018 respectively, for specific power monitoring platform project of Baotou Shiguai Industrial Park. These were included in deferred income and transferred to profit or loss for the current period in installments according to the benefit period.

[Note 31] According to the "Project Joint Application Agreement" (Research and Development of Main Control Device for Offshore Wind Turbines of 10MW and above), RMB 800,000.00 was received from China Southern Power Grid Digital Power Grid Research Institute Co., Ltd. for the research and development of the main control device of 10MW and above offshore wind turbines. It was included in deferred income and transferred to profit or loss for the current period in installments according to the benefit period.

[Note 32] According to the "Notice on Issuing 2017 Zhongshan Science and Technology Development Special (Second Batch) Projects and Funding Arrangements" (Zhongshan Kefa [2017] No. 257) issued by Zhongshan Science and Technology Bureau, Zhongshan Finance Bureau appropriated RMB 700,000.00 and RMB 350,000.00 to the Company on 30 September 2017 and 10 December 2018 respectively, for the R&D and industrialization of MY2.2-121 large ultra-low wind speed Wind power generation units. These were included in deferred income and transferred to profit or loss for the current period in installments according to the benefit period.

[Note 33] According to "Notice on Issuing Supporting Funds for Science and Technology Projects in Torch District in 2017" (Zhongkaiguan [2017] No. 207) issued by Zhongshan Torch High-tech Industrial Development Zone Management Committee, Zhongshan City Finance Bureau appropriated RMB 700,000.00 to the Company on 22 December 2017 for MySE5.5-155 three-blade semi-direct-drive offshore wind power generation unit development and industrialization supporting funds. It was included in deferred income and transferred to profit or loss for the current period in installments according to the benefit period.

[Note 34] According to the, "Notice on Issuing the 2017 Provincial Industry and Information Technology Special Fund (Support Enterprise Transformation and Upgrade) Project Plan" (Guangdong Economic Letter Innovation Letter 2017 No.[75]) issued by Guangdong Provincial Economic and Information Technology Commission and the Department of Finance of Guangdong Province in 2017, Zhongshan City Finance Bureau appropriated RMB 850,000.00 to the Company on 15 June 2017 for the construction

of a big data management platform for smart wind farm operations. It was included in deferred income and transferred to profit or loss for the current period in installments according to the benefit period.

[Note 35] According to "Notice on Issuing the 2015 Zhongshan Strategic Emerging Industry Innovation Platform Construction Special Fund Use Plan" (Zhongfa Gai Hi-Tech [2015] No. 637) issued by Zhongshan Development and Reform Bureau in 2015, Zhongshan City Finance Bureau appropriated RMB 1,000,000.00 to the Company on 8 December 2015 for the construction and improvement of the big data and remote monitoring center, and the establishment of a big data center and remote monitoring room for remote transmission and real-time collection of wind turbine operating data. It was included in deferred income and transferred to profit or loss for the current period in installments according to the benefit period.

[Note 36] According to "Notice on Issuing 2016 Zhongshan Collaborative Innovation Special Fund Project" (Zhongshan Kefa [2016] No. 224) issued by Zhongshan Science and Technology Bureau, Zhongshan City Finance Bureau appropriated RMB 500,000.00 to the Company on 30 September 2016 for collaborative innovation special fund. It was included in deferred income and transferred to profit or loss for the current period in installments according to the benefit period.

[Note 37] According to the "Notice on Issuing 2017 Zhongshan Science and Technology Development Special (Second Batch) Projects and Funding Arrangements" (Zhongshan Kefa [2017] No. 257) issued by Zhongshan Science and Technology Bureau, Zhongshan Finance Bureau appropriated RMB 700,000.00 and RMB 350,000.00 to the Company on 30 September 2017 and 10 December 2018 respectively, for the R&D and industrialization of MY2.2-121 large ultra-low wind speed Wind power generation units. These were included in deferred income and transferred to profit or loss for the current period in installments according to the benefit period.

[Note 38] According to the "Notice of the Guangdong Provincial Department of Finance on Arranging the 2021 Provincial Science and Technology Innovation Strategy Special Fund (The Eighth Batch of Provincial Key Field R&D Plan Projects) First Phase Funds" (Yue Cai Ke Jiao (2021) No. 150) , Guangdong MingYang New Energy Technology Co., Ltd. received cooperation funds of RMB 300,000.00 on 16 November 2021 for Yangjiang Offshore Wind Power Laboratory Project, which is specially used for the real-time data acquisition of offshore wind power in the distant sea and the development and industrialization of high-speed economic transmission systems. It was included in deferred income and transferred to profit or loss for the current period in installments according to the benefit period.

[Note 39] According to "Notice on Issuing 2015 Zhongshan New R&D Institution Certification and Special Funds" (Zhongshan Kefa [2015] No. 215) issued by Zhongshan Science and Technology Bureau in 2015, Zhongshan City Finance Bureau appropriated RMB 500,000.00 to the Company on 30 November 2015 for new research and development institution subsidy. It was included in deferred income and transferred to profit or loss for the current period in installments according to the benefit period.

[Note 40] According to the "Notice on Printing and Distributing the "Measures for the Management of Special Funds for Technological Innovation Supporting in Zhongshan Torch Development Zone (Trial) " (Zhongkai Guanban [2015] No. 114) issued by 2015 Office of the Management Committee of Zhongshan Torch High-tech Industrial Development Zone, the Financial Settlement Center of the Torch High-tech Industrial Development Zone, Zhongshan City appropriated RMB 500,000.00 to the Company on 10 March 2016 for subsidy of provincial industrial base. It was included in deferred income and transferred to profit or loss for the current period in installments according to the benefit period.

[Note 41] According to "Notice on Issuing Zhongshan City's 2017 Pearl River West Bank Advanced

Equipment Manufacturing Development Fund Project Funding Program" (Zhongjingxin [2017] No. 454) issued by Zhongshan Economic and Information Technology Bureau and Zhongshan Finance Bureau, Zhongshan City Finance Bureau appropriated RMB 34,644,500.00 to the Company on 29 June 2017 for the encouragement of advanced equipment manufacturing companies to increase R&D expenses. It was included in deferred income and transferred to profit or loss for the current period in installments according to the benefit period.

[Note 42] The Management Committee of Delingha Industrial Park in Qaidam Circular Economy Pilot Zone appropriated RMB 240,000.00 to the Company's subsidiary, Qinghai MingYang New Energy Co., Ltd. on 17 December 2015. It was included in deferred income and transferred to profit or loss for the current period in installments according to the benefit period.

[Note 43] According to the "Joint Application Agreement for the Guangdong Provincial Key Field R&D Program (Development of Key Equipment for Distributed Offshore Wind Farm Flexible DC Transmission Stations)", Guangdong MingYang New Energy Technology Co., Ltd. received the first batch of fund of RMB 190,000.00 on 25 November 2021 from Guangdong MingYang Longyuan Power Electronics Co., Ltd. 2021 Provincial Key Field R&D Plan. It was included in deferred income and transferred to profit or loss for the current period in installments according to the benefit period.

[Note 44] According to the "Tianjin City Environmental Protection Special Fund Project Contract" issued by Tianjin City Ecological Environment Bureau, the Company's subsidiary, Tianjin MingYang Wind Energy Blade Technology Co., Ltd. received from the central financial subsidy and Tianjin City financial subsidy fund of RMB 270,000.00 in June 2019 for the purpose of purchasing VOCS processing equipment and supporting facilities. It was included in deferred income and transferred to profit or loss for the current period in installments according to the benefit period.

[Note 45] According to "Notice on Issuing 2017 Provincial Special Funds for Scientific and Technological Development (Collaborative Innovation and Platform Environment Construction)" (Zhongshan Kefa [2017] No. 263) issued by Zhongshan Science and Technology Bureau, Zhongshan Finance Bureau appropriated RMB 1,000,000.00 and RMB 720,000.00 to the Company on 30 September 2017 and 10 November 2018 respectively, for the development and application of long-size segmented blades of high-power wind turbines. These were included in deferred income and transferred to profit or loss for the current period in installments according to the benefit period.

[Note 46] According to the 2012 "Notice on Issuing the 2012 Guangdong Industrial Technology Research and Development Fund Investment Plan" by the Guangdong Provincial Development and Reform Commission and the Department of Finance of Guangdong Province (Guangdong Development and Reform High Technology [2012] No. 340), Zhongshan City Finance Bureau appropriated RMB 1,000,000.00 to the Company on 7 September 2012 for the research and development of key components such as wind power generator technology of 3.0MW and above, electronic control system, and supporting blades, and on the existing basis, construction and testing wind tower, blade static load test and anti-corrosion laboratory, wind turbine gearbox and wind turbine generator comprehensive test experiment center, wind turbine operation data real-time collection and monitoring room, etc., to build wind power equipment, wind power control, wind turbine testing and wind energy resource utilization platform. It was included in deferred income and transferred to profit or loss for the current period in installments according to the benefit period.

[Note 47] According to "Notice on Issuing Zhongshan City's 2012 Industrial Development Special Fund Project (Third Batch) Funding Plan" (Zhongjingxin [2012] No. 757) issued by Zhongshan Economic and Information Technology Bureau and Zhongshan Finance Bureau in 2012, Zhongshan City the Finance

Bureau appropriated RMB 12,000,000.00 to the Company on 18 December 2012 for the new wind power industry chain production project. It was included in deferred income and transferred to profit or loss for the current period in installments according to the benefit period.

[Note 48] According to the "Tianjin City Environmental Protection Special Fund Project Contract" issued by Tianjin City Ecological Environment Bureau, the Company's subsidiary, Tianjin MingYang Wind Energy Blade Technology Co., Ltd. received RMB 90,000.00 from Tianjin City Binhai High-tech Zone Finance in June 2019 for subsidy of purchasing VOCS processing equipment and supporting facilities. It was included in deferred income and transferred to profit or loss for the current period in installments according to the benefit period.

[Note 49] According to the national key research and development plan "Large-scale offshore wind turbine blade test technology research and test system development project", the Company received RMB 21,673.00 special fund from the Science and Technology Department of Beijing Jianheng Certification Center Co., Ltd. on 12 August 2019 for large-scale offshore wind turbines, research on wind turbine blade testing equipment and testing technology. It was included in deferred income and transferred to profit or loss for the current period in installments according to the benefit period.

[Note 50] According to the notice issued by the Qinghai Provincial Department of Finance on the release of provincial special funds for scientific and technological development (city and prefecture projects) in 2020 (Qing Cai Jiao Zi [2020] No. 366) , it implemented the technology project of "Demonstration of Integrated Application of Cadmium Telluride Thin Film Battery Modules", the Company's subsidiary Zhongshan Ruike New Energy Co., Ltd. received RMB 2.4 million of enterprise financial technology special funds from Delingha City Industrial Technology and Information Bureau in 2020. It was included in deferred income and transferred to profit or loss for the current period in installments according to the benefit period.

[Note 51] According to the committee member of Jiangsu Rudong Economic Development Zone appropriated RMB 3,000,000.00 for enterprise development support funds and RMB 1,800,000.00 for infrastructure supporting incentives to the Company's subsidiary, Jiangsu MingYang Wind Power Technology Co., Ltd. on 29 December 2012 and 12 June 2014 respectively. These were included in deferred income and transferred to profit or loss for the current period in installments according to the benefit period.

[Note 52] According to the 2012 "Notice on Issuing the Third Batch of Science and Technology Projects of Zhongshan City in 2012" by the Zhongshan Science and Technology Bureau (Zhongkefa [2012] No. 123) , Zhongshan City Finance Bureau appropriated RMB 350,000.00 and RMB 150,000.00 to the Company on 30 November 2012 and 5 November 2015 respectively, for the construction of a high-power wind turbine drive chain testing and inspection center. These were included in deferred income and transferred to profit or loss for the current period in installments according to the benefit period.

[Note 53] According to the requirements of Qinghai Province Haixi Prefecture Delingha City Education and Technology Bureau document (De Zheng Jiao Ke Zi [2019] No. 55) and a report on the application for appropriation of funding for the 2018 Haixi state-level science and technology plan project, the Treasury Payment Center of Delingha Finance Bureau allocated special subsidy of RMB 6,000,000 on 11 March 2019 to the Company's subsidiary, Qinghai MingYang New Energy Co., Ltd. for the Haixi State-level Science and Technology Plan Project "Technology R&D and Application of Plateau Fan Blade Booster Chamber Device". These were included in deferred income and transferred to profit or loss for the current period in installments according to the benefit period. Due to the failure of the research, the subsidy of RMB 6 million for the booster device project was returned to the Qinghai Provincial Department

of Science and Technology on 14 December 2021.

[Note 54] According to the notice of Tianjin City Ecological Environment Bureau and the Municipal Finance Bureau on the relevant work of the 2018 Central Air Pollution Prevention and Control Special Fund Project (Jin Huan Cai [2018] No. 20), the Company's subsidiary, Tianjin MingYang Wind Energy Blade Technology Co., Ltd. received RMB 181,500.00 from Tianjin City Binhai High-tech Zone Safety Supervision Bureau in July 2019 for the Company's dust renovation project. It was included in deferred income and transferred to profit or loss for the current period in installments according to the benefit period.

[Note 55] According to the Department of Finance of Guangdong Province "Notice on Issuing the First Batch of Special Funds for the Development of Strategic Emerging Industries (Provincial Financial Arrangements) Budget Indicators" (Yue Cai Gong [2010] No. 633) , Zhongshan City Finance Bureau appropriated RMB 20,948,373.00, RMB 18,904,400.00 and RMB 10,147,227.00 to the Company on 28 April 2011, 27 June 2011, and 1 April 2012, respectively, for specific use in the research and development and industrialization of ultra-compact SCD3MW wind turbines and key components (gearbox, generator, blade) . These were included in deferred income and transferred to profit or loss for the current period in installments according to the benefit period.

[Note 56] According to the "Notice on Issuing the 2017 Provincial Industry and Information Technology Special Fund (Support Enterprise Transformation and Upgrade) Project Plan" (Guangdong Economic Letter Innovation Letter 2017 No. [75]) issued by Guangdong Provincial Economic and Information Technology Commission and the Department of Finance of Guangdong Province in 2017, Zhongshan City Finance Bureau appropriated RMB 9,000,000.00 to the Company on 15 June 2017 for the construction of the Central Wind Power Research Institute. It was included in deferred income and transferred to profit or loss for the current period in installments according to the benefit period.

[Note 57] According to the "Notice on Issuing Special Funds for the Development of Advanced Equipment Manufacturing on the West Bank of the Pearl River at the Provincial Level in 2015 (supporting the first set (set) of equipment R&D and use topics) " (Yue Cai Gong [2015] No. 583) issued by Department of Finance of Guangdong Province in 2015, Zhongshan City Finance Bureau appropriated RMB 3,968,000.00 to the Company on 17 December 2015 for MY2.0-118 large blade low wind speed Wind power generation unit equipment. It was included in deferred income and transferred to profit or loss for the current period in installments according to the benefit period.

[Note 58] According to the Development and Reform Commission of the Xilinguole League "Notice of the Development and Reform Commission of the Xilin Gol League on Issuing the Three-Year Action Plan for Cultivating Emerging Industries in 2016 Central Budget Funds" (Xi Fa Gai Tou Zi [2016] No. 23) , Xilin Gol League Development and Reform Commission granted RMB 4,000,000.00 and RMB 3,000,000.00 to the Company's subsidiary, Xilin Gol League MingYang New Energy Co., Ltd. on 2 December 2016 and 23 January 2017 respectively, for the 200MWP high-power concentrator photovoltaic module manufacturing project. Due to the failure to start the construction of the photovoltaic project within the specified period, it was returned in September 2019.

[Note 59] According to "Notice on the establishment of post-doctoral research workstations in 39 units including Guangzhou Academy of Mechanical Sciences" (Yuerenfa [2008] No. 194) issued by Department of Personnel of Guangdong Province in 2008, the Company received subsidies of RMB 50,000.00 on 23 January 2015 and RMB 50,000.00 on 10 August 2015, for a total of RMB 100,000.00, which was included in deferred income and transferred to profit or loss for the current period.

[Note 60] According to the "Notice on Publicizing the Appropriation of Special Funds for Promoting Economic Development (Foreign Trade) in 2019" issued by Zhongshan Municipal Bureau of Commerce,

Zhongshan Municipal Bureau of Commerce appropriated RMB 5,082,000.00 to the Company on 25 January 2019, which was used to support booth fees for participating in overseas exhibitions, which was included in deferred income and transferred to profit or loss for the current period.

[Note 61] The Xilingol League Social Security Bureau appropriated RMB 5,010.00 to the Company's subsidiary, Xilingol League MingYang New Energy Co., Ltd. on 15 January 2019 for unemployment insurance subsidy, which was included in deferred income and transferred to profit or loss for the current period.

[Note 62] According to the document of the Human Resources Development Center of Xilingol League (Xihuanzi No. 3, 2011) "Notice on Recruitment of Reserve College Graduates for Small and Medium-sized Enterprises and Non-Public Enterprises", Ximeng Financial Settlement Center appropriated RMB 54,600.00 to the Company's subsidiary, Xilingol League MingYang New Energy Co., Ltd. on 27 December 2019 for employment subsidy of university students, which was included in deferred income and transferred to profit or loss for the current period.

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(2) Government grants recognized in income for the year by gross method

Subsidy item	Category	Amount recognised in profit or loss in 2019	Amount recognised in profit or loss in 2020	Amount recognised in profit or loss in 2021	Presented in income statement	Related to assets/ Related to income
Immediate refund of VAT levied	Financial allocation	5,013,459.28	39,500,933.95	298,135,697.09	Other income	Related to income
Subsidy for the development, promotion and application of CZ105001 Zhongshan's first (set) major technical equipment by Zhongshan Bureau of Industry and Information Technology	Financial allocation	-	-	9,000,000.00	Other income	Related to income
Yangjiang High-tech Industrial Development Zone Small, Medium and Micro Enterprise Service Center to support enterprise development special funds	Financial allocation	822,583.32	3,454,505.10	5,149,393.08	Other income	Related to assets
Zhongshan City Bureau of Industry and Information on CZ105001 2021 Manufacturing Leading and Backbone Enterprise Special Item Award (Operating income breakthrough)	Financial allocation	-	-	4,000,000.00	Other income	Related to income
Zhongshan Science and Technology Bureau on CZ163001 Zhongshan Kefa No. 64-2019 Annual Enterprise R&D Subsidy	Financial allocation	-	-	3,136,800.00	Other income	Related to income
Offshore Wind Power Innovation Technology Team - Provincial Special Fund	Financial allocation	2,000,000.00	2,000,000.00	3,000,000.00	Other income	Related to assets
Zhongshan Municipal Bureau of Industry and Information Technology on the 2021 Municipal High-end Equipment Manufacturing Industry Development Fund Project Funding	Financial allocation	-	-	2,950,500.00	Other income	Related to income
R&D and industrialization of high-performance 6.0MW offshore wind power marine engineering equipment	Financial allocation	2,400,000.00	2,400,000.00	2,835,000.00	Other income	Related to assets
Work-for-training subsidy	Financial allocation	-	-	2,013,500.00	Other income	Related to income
6.0MW large wind turbine design key technology research project special fund allocation	Financial allocation	1,500,000.00	1,500,000.00	1,500,000.00	Other income	Related to assets
Innovation and entrepreneurship research team government subsidy	Financial allocation	2,571,851.59	1,490,010.00	1,217,995.11	Other income	Related to income

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Subsidy item	Category	Amount recognised in profit or loss in 2019	Amount recognised in profit or loss in 2020	Amount recognised in profit or loss in 2021	Presented in income statement	Related to assets/ Related to income
Soft Land Fund Compensation and Land Intensive Utilization Incentive	Financial allocation	1,032,755.10	1,032,755.10	1,032,755.10	Other income	Related to assets
Demonstration project of building integrated application of cadmium telluride thin film battery	Financial allocation	-	1,200,000.00	300,000.00	Other income	Related to income
MingYang Wind Power Central Research Institute Project	Financial allocation	-	1,544,157.23	188,994.00	Other income	Related to income
2019 Torch District Leading Enterprise Recognition Support Fund	Financial allocation	-	5,000,000.00	-	Other income	Related to income
In 2020, special support for high-end equipment will support the first R&D special matching fund	Financial allocation	-	3,000,000.00	-	Other income	Related to income
2019 Comprehensive Economic Contribution Award	Financial allocation	-	2,000,000.00	-	Other income	Related to income
High-tech Zone Science and Technology Bureau Award (Leading Enterprise Subsidy)	Financial allocation	-	2,000,000.00	-	Other income	Related to income
R&D and industrialization project of ultra-compact SCD3MW wind turbine and key components	Financial allocation	5,681,689.58	1,893,896.52	-	Other income	Related to assets
Special Funds for Enterprise Listing Support in 2020	Financial allocation	-	1,000,000.00	-	Other income	Related to income
Introducing an innovative technology team for offshore wind power—special municipal funding	Financial allocation	1,000,000.00	1,000,000.00	-	Other income	Related to assets
Encourage advanced equipment manufacturing enterprises to increase Research and development expenses	Financial allocation	15,886,130.04	342,313.44	-	Other income	Related to income
Enterprise development support funds and infrastructure supporting incentives	Financial allocation	-	96,000.00	-	Other income	Related to assets
Zhongshan Municipal Bureau of Commerce CZ038001 Special Fund for Promoting Economic Development in 2018	Financial allocation	5,082,000.00	-	-	Other income	Related to income
Central large research institute project subsidy	Financial allocation	3,433,876.10	-	-	Other income	Related to income
Xiqing government's phased return payment-job stabilization subsidy	Financial allocation	3,363,386.96	-	-	Other income	Related to income

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Subsidy item	Category	Amount recognised in profit or loss in 2019	Amount recognised in profit or loss in 2020	Amount recognised in profit or loss in 2021	Presented in income statement	Related to assets/ Related to income
Zhongshan City Finance Bureau CZ028001 Zhongfu Office [19] The first set of insurance premium subsidies for the development of high-end equipment manufacturing industry in 2019	Financial allocation	2,950,000.00	-	-	- Other income	Related to income
Zhongshan City Finance Bureau CZ035001 listing subsidy	Financial allocation	2,000,000.00	-	-	- Other income	Related to income
Xiqing Government's 2019 Tianjin City Engineering Research Center Key Laboratory Project Subsidy	Financial allocation	1,682,000.00	-	-	- Other income	Related to income
Xiqing government's 2018 major scientific and technological innovation project award final payment	Financial allocation	1,620,000.00	-	-	- Other income	Related to income
Subsidies from Zhongshan Municipal Bureau of Commerce	Financial allocation	1,068,721.00	-	-	- Other income	Related to income
Zhongshan Torch High-tech Industrial Development Zone Economic Development and Science and Technology Information Bureau successfully listed award	Financial allocation	1,000,000.00	-	-	- Other income	Related to income
Government grants related to assets	Financial allocation	5,500,969.71	6,546,091.60	5,378,455.62	Other income	Related to assets
Government grants related to income	Financial allocation	16,445,228.51	16,944,444.46	18,401,167.79	Other income	Related to income
VAT input tax super-deduction	Financial allocation	-	-	93,762.19	Other income	--
Total	--	82,054,651.19	93,945,107.40	358,334,019.98	--	--

VI. Changes in the scope of consolidation

1. Business combination not under common control

(1) Business combination not under common control in each reporting period

Business combination not under common control occurred in 2019:

Acquiree	Timing of obtaining control	Acquisition cost	Acquired ratio (%)	Acquisition method	Acquisition date	Basis of determination of acquisition date	Revenue of acquiree from date of acquisition to year end	Net profit of acquiree from date of acquisition to year end
Xinjiang Huaran New Energy Co., Ltd.	2019.7.25	108,637,311.00	67.00	Cash acquisition	2019.7.25	Obtained control in investee	13,519,019.96	-1,696,234.37

Business combination not under common control occurred in 2020:

Acquiree	Timing of obtaining control	Acquisition cost	Acquired ratio (%)	Acquisition method	Acquisition date	Basis of determination of acquisition date	Revenue of acquiree from date of acquisition to year end	Net profit of acquiree from date of acquisition to year end
Dingbian Guoneng New Energy Co., Ltd.	2020.8.3	68,500,000.00	70.00	Cash acquisition	2020.8.3	Obtained control in investee	35,888,319.08	13,312,822.11

Business combination not under common control occurred in 2021:

A. The Company's subsidiary, Henan MingYang New Energy Co., Ltd. (hereinafter referred to as "Henan MingYang") holds a 51% equity in Henan Mingrun New Energy Co., Ltd. (hereinafter referred to as "Henan Mingrun"), and China Resources Power New Energy Investment Co., Ltd. (hereinafter referred to as "China Resources Power") holds 49% of the equity of Henan Mingrun. The Company does not participate in the daily operation or has no control over Henan Mingrun, and the investment is accounted by equity method. This year, China Resources Power and Henan MingYang signed a capital reduction agreement. After the capital reduction, China Resources Power no longer held the equity of Henan Mingrun, and the Company obtained the control of Henan Mingrun.

B. The Company's subsidiary, Tianjin Jieyuan New Energy Investment Co., Ltd. (hereinafter referred to as "Tianjin Jieyuan") signed an equity transfer agreement with Fang Xiuli. Tianjin Jieyuan purchased 100.00% equity of Nanyang Jiegong Construction Engineering Co., Ltd. (hereinafter referred to as "Nanyang Jiegong") held by Fang Xiuli. As of 31 December 2021, the relevant equity transfer procedures have been completed, and Tianjin Jieyuan has obtained the control of Nanyang Jiegong.

(2) Combination cost and goodwill

Item	Dingbian Guoneng New Energy Co., Ltd.	Xinjiang Huaran New Energy Co., Ltd.
Combination cost:		
Cash	68,500,000.00	108,637,311.00
Less: Share of fair value of identifiable net assets acquired	55,300,000.00	71,291,501.38
Goodwill	13,200,000.00	37,345,809.62

(3) Identifiable assets and liabilities on acquisition date

Item	Dingbian Guoneng New Energy Co., Ltd.		Xinjiang Huaran New Energy Co., Ltd.	
	Fair value on acquisition date	Carrying amount on acquisition date	Fair value on acquisition date	Carrying amount on acquisition date
Assets :				
Current assets	151,456,757.04	159,954,834.35	27,114,021.08	27,114,021.08
Including: Cash and bank balances	66,848,273.93	66,848,273.93		
Accounts receivable	-	-	18,321,252.39	18,321,252.39
Other receivables	58,350,196.62	58,350,196.62		
Non-current assets	328,435,779.98	328,435,779.98	312,620,812.97	264,010,407.16
Including: Fixed assets	125,763.49	125,763.49	264,245,908.97	261,734,817.47
Intangible assets			48,374,904.00	2,275,589.69
Construction in progress	326,528,082.88	326,528,082.88	-	-
Liabilities:	-	-		
Current liabilities	184,435,498.28	184,435,498.28	228,151,771.80	228,151,771.80
Including: Accounts payable	130,313,618.00	130,313,618.00		
Other payables	60,693,532.03	60,693,532.03	222,396,734.68	222,396,734.68
Non-current liabilities	216,457,038.74	216,457,038.74	7,291,560.87	-
Including: Long-term payables	216,457,038.74	216,457,038.74	-	-
Less: Minority interests			33,000,000.00	34,416,195.46
Net assets	79,000,000.00	79,000,000.00	71,291,501.38	28,556,460.98

2. Disposal of subsidiaries

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Name of subsidiary	Disposal consideration	Shareholding being disposed %	Disposal method	Date of losing control	Basis for determining date of losing control	Difference between disposal consideration and the related share of the subsidiary's net assets in consolidated financial statements	Goodwill related to the subsidiary in consolidated financial statements
Hainan MingYang Fengsheng Energy Technology Co., Ltd.	-	51.00	Transfer	2019.1.30	Completion of equity change procedures	-	-
Dachaidan MingYang New Energy Co., Ltd.	399,170,000.00	100.00	Transfer	2019.6.26	Completion of equity change procedures	222,564,664.50	-
Daqing Zhongdan Ruihao Wind Power Co., Ltd.	107,100,000.00	85%	Transfer	2,020. 12.31	Completion of equity change procedures	893,777 .42	20,452,648.13
Daqing Dumeng Huji Tumo Wind Power Co., Ltd.	119,000,000.00	85%	Transfer	2,020. 12.31	Completion of equity change procedures	-2,861,366.29	16,682,040.49
Daqing Dumeng Dairy Farm Wind Power Co., Ltd.	155,431,000.00	85%	Transfer	2,020. 12.31	Completion of equity change procedures	21,755,851.38	6,117,681.11
Daqing Dumeng Huzhen Dairy Farm Wind Power Co., Ltd.	167,450,000.00	85%	Transfer	2,020. 12.31	Completion of equity change procedures	39,448,666.64	18,761,946.65
Xilinhot MingYang Wind power generation Co., Ltd.	108,359,726.56	100.00	Sale	2021.09.06	Completion of equity change procedures	119,224,826.48	-
Xilinhot MingYang Smart Energy Co., Ltd.	219,976,102.05	100.00	Sale	2021.08.02	Completion of equity change procedures	343,315,997.48	-
Qingshuihe County MingYang New Energy Co., Ltd.	110,001,357.40	100.00	Sale	2021.08.02	Completion of equity change procedures	45,854,744.00	-
Henan Tianrun Wind Power Co., Ltd.	111,288,011.96	100.00	Sale	2021.09.26	Completion of equity change procedures	65,794,305.18	-
Pingshun County Jieyuan New Energy Co., Ltd.	112,480,000.00	100.00	Sale	2021.10.21	Completion of equity change procedures	79,343,192.11	-
Dingbian Guoneng New Energy Co., Ltd.	89,726,000.00	100.00	Sale	2021.01.24	Completion of equity change procedures	59,611,639.61	-
Fugu Zhongrongtong New Energy Co., Ltd.	-	100.00	Sale	2021.06.17	Completion of equity change procedures	-1,359,245.28	-
Jiangsu MingYang Wind Power Technology Co., Ltd.	38,869,492.65	60.00	Sale	2021.12.09	Completion of equity change procedures	25,224,144.91	-
Qingtongxia City Jieyuan New Energy Co., Ltd.	131,940,000.00	100.00	Sale	2021.12.04	Completion of equity change procedures	75,060,434.20	-
Wuqi Ruiyuan New Energy Co., Ltd.	-	70.00	Sale	2021.07.23	Completion of equity change procedures	-	-

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Continued:

Name of subsidiary	Proportion of remaining shareholding on the date of losing control	Carrying amount of remaining equity interests on the date of losing control	Fair value of remaining equity interests on the date of losing control	Gain or loss from remeasurement of remaining equity interests to fair value	Method and key assumptions for determining the fair value of remaining equity interests	Investment income transferred from other comprehensive income related to previously equity investments in subsidiaries
Hainan MingYang Fengsheng Energy Technology Co., Ltd.						
Dachaidan MingYang New Energy Co., Ltd.						
Daqing Zhongdan Ruihao Wind Power Co., Ltd.	15%	23,052,958.05	18,900,000.00	-1,991,770.06	-	-
Daqing Dumeng Huji Tumo Wind Power Co., Ltd.	15%	20,905,776.10	21,000,000.00	-2,149,416.73	-	-
Daqing Dumeng Dairy Farm Wind Power Co., Ltd.	15%	21,813,497.83	27,429,000.00	3,186,581.65	-	-
Daqing Dumeng Huzhen Dairy Farm Wind Power Co., Ltd.	15%	22,211,835.99	29,550,000.00	4,623,822.26	-	-
Xilinhot MingYang Wind power generation Co., Ltd.	-	-	-	-	-	-
Xilinhot MingYang Smart Energy Co., Ltd.	-	-	-	-	-	-
Qingshuihe County MingYang New Energy Co., Ltd.	-	-	-	-	-	-
Henan Tianrun Wind Power Co., Ltd.	-	-	-	-	-	-
Pingshun County Jieyuan New Energy Co., Ltd.	-	-	-	-	-	-
Dingbian Guoneng New Energy Co., Ltd.	-	-	-	-	-	-
Fugu Zhongrongtong New Energy Co., Ltd.	-	-	-	-	-	-
Jiangsu MingYang Wind Power Technology Co., Ltd.	-	-	-	-	-	-
Wuqi Ruiyuan New Energy Co., Ltd.	-	-	-	-	-	-

3. Others

(1) Information of newly established subsidiaries

MingYang Smart Energy Group Co., Ltd.

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[This report is translated from the Chinese report]

Newly established subsidiaries in 2021	Newly established subsidiaries in 2020	Newly established subsidiaries in 2019
MingYang Smart Energy (Shen County) New Energy Co., Ltd.	MingYang Smart Energy Group Beijing Technology Co., Ltd.	Shanwei MingYang New Energy Technology Co., Ltd.
Wenshan MingYang Smart Energy Technology Co., Ltd.	Kailu County MingYang Smart Energy Co., Ltd.	Hubei Mingye New Energy Technology Co., Ltd.
MingYang Smart Energy (BVI) Limited	Naiman Banner MingYang Smart Energy Co., Ltd.	Inner Mongolia MingYang New Energy Technology Co., Ltd.
Dejiang MingYang New Energy Co., Ltd.	Ruike Solar (USA) Co., Ltd.	Tongliao Smart Energy Research Co., Ltd.
Yunnan MingYang New Energy Co., Ltd.	Yi'an MingYang Wind Power Co., Ltd.	Jieyuan (Tianjin) New Energy Co., Ltd.
Zhoukou Shenhuai New Energy Co., Ltd.	MingYang European Business and Engineering Center	Heilongjiang Jieyuan Wind Power Co., Ltd.
Huixian MingYang Jieyuan New Energy Co., Ltd.	Dalian Ruineng Electric Co., Ltd.	Mulei MingYang Wind Power Equipment Sales Co., Ltd.
Jilin MingYang Smart Energy Co., Ltd.	Wenshan MingYang New Energy Co., Ltd.	MingYang New Energy Holdings (Cyprus) Co., Ltd.
Quyong Jieyuan New Energy Co., Ltd.	Qujing MingYang New Energy Co., Ltd.	Tianjin Jieyuan New Energy Investment Co., Ltd.
Kangbao Jufeng New Energy Development Co., Ltd.	Suihua Jieyuan Wind Power Co., Ltd.	Fuxin Jieyuan Wind Power Co., Ltd.
Lufeng Guorun New Energy Co., Ltd.	Horqin Left-wing Middle Banner MingYang Smart Energy Co., Ltd.	Kaifeng Jieyuan New Energy Co., Ltd.
Shaanxi Shengan Juncheng New Energy Co., Ltd.	Zalute Banner MingYang Smart Energy Co., Ltd.	Inner Mongolia Jieyang New Energy Co., Ltd.
Lanzhou Jieyuan New Energy Wind Power Co., Ltd.	Yangjiang MingYang Yunhua Offshore Wind Power Development Co., Ltd.	Hexigten Banner Jieyang Wind Power Co., Ltd.
Lanzhou Jiexin New Energy Co., Ltd.	Urumqi MingYang Energy Technology Industry Co., Ltd.	Inner Mongolia Haoyang New Energy Co., Ltd.
Yangyuan Yunneng New Energy Co., Ltd.	Tianjin Smart Runyang Technology Co., Ltd.	Horqin Right Front Banner Haoyang New Energy Development Co., Ltd.
Longsheng Jieyuan New Energy Co., Ltd.	Shangqiu MingYang New Energy Technology Co., Ltd.	Inner Mongolia Hengyang New Energy Co., Ltd.
Wenxian Jieyuan New Energy Co., Ltd.	Yilan County Jieyuan Wind Power Co., Ltd.	Chahar Right-wing Houqi Hengyang Wind Power Co., Ltd.
Daqing MingYang Smart Energy Co., Ltd.	Boli County Jieyuan Wind Power Co., Ltd.	Zhenglanqi MingYang Wind Power Co., Ltd.
Zhangjiakou MingYang Smart Energy Co., Ltd.	Jingbian County Yunneng New Energy Co., Ltd.	Pingdingshan Mingneng Energy Co., Ltd.
Huozhou MingYang New Energy Co., Ltd.	Hengshan MingYang New Energy Technology Co., Ltd.	Jiaxian Jieyang Wind Power Co., Ltd.
Haixi Dejiasheng New Energy Co., Ltd.	Zhongshan MingYang New Energy Technology Co., Ltd.	Yangjiang MingYang New Energy Technology Co., Ltd.
Haixi Deguangrun New Energy Co., Ltd.	Yangjiang MingYang Ocean Fishery Co., Ltd.	Chaozhou MingYang Zhijing New Energy Investment Co., Ltd.
Bozhou Hot Spring New Energy Technology Co., Ltd.	Jieyang MingYang Yunhua Offshore Wind Power Development Co., Ltd.	Xinyang MingYang New Energy Technology Co., Ltd.
Hami MingYang New Energy Equipment Sales Co., Ltd.	Huilai MingYang Ruitian Offshore Wind Power Development Co., Ltd.	Yangxi MingYang New Energy Power Co., Ltd.
Hami Tianchengyuan New Energy Power Generation Co., Ltd.	Zhuanghe MingYang Precision New Energy Technology Co., Ltd.	Zhanjiang MingYang New Energy Technology Co., Ltd.

MingYang Smart Energy Group Co., Ltd.

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Newly established subsidiaries in 2021	Newly established subsidiaries in 2020	Newly established subsidiaries in 2019
Hami Tianyunyuan New Energy Power Generation Co., Ltd.	Fujian MingYang New Energy Technology Co., Ltd.	
Zhongshan Mingrui New Energy Co., Ltd.	Fujian MingYang Offshore Wind Power Development Co., Ltd.	
Kailu County MingYang Energy Storage Technology Co., Ltd.		
Naiman Banner MingYang Energy Storage Technology Co., Ltd.		
Baotou MingYang New Energy Co., Ltd.		
Qixian Mingneng New Energy Co., Ltd.		
Qixian Fengxi New Energy Co., Ltd.		
Kaifeng Mingneng New Energy Co., Ltd.		
Junxian Mingneng Wind Power Co., Ltd.		
Zaoyang Smart No. 1 Green Energy Co., Ltd.		
Zaoyang Mingxin Green Energy Co., Ltd.		-
Zaoyang Smart No. 2 Green Energy Co., Ltd.		-
Zaoyang Mingyi Green Energy Co., Ltd.		-
Zaoyang Smart No.3 Green Energy Co., Ltd.		-
Zaoyang Mingjun Green Energy Co., Ltd.		-
Xinyang Mingming Hongke New Energy Co., Ltd.		
Xinyang Mingyi New Energy Co., Ltd.		
Xinyang Smart Zhuopu New Energy Co., Ltd.		
Xinyang Huangming New Energy Co., Ltd.		
Xinyang Smart Chengqi New Energy Co., Ltd.		
Xinyang Mingjun New Energy Co., Ltd.		
Yunyang MingYang New Energy Technology Co., Ltd.		
Fengshun MingYang New Energy Technology Co., Ltd.		
Beijing Xiangfeng New Energy Development Co., Ltd.		
Hainan MingYang Smart Energy Co., Ltd.		
Zhanjiang MingYang Offshore Wind Power Development Co., Ltd.		
Shanwei MingYang Offshore Wind Power Co., Ltd.		
Jiangsu MingYang Smart Energy Co.,		

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Newly established subsidiaries in 2021	Newly established subsidiaries in 2020	Newly established subsidiaries in 2019
Ltd.		
MingYang Energy Korea Co., Ltd.		
Gansu MingYang Smart Energy Co., Ltd.		
Gansu Smart Xinyang New Energy Co., Ltd.		-
Yumen Xinyang Wind Power Co., Ltd.		-
Yangjiang MingYang Ruixiang Offshore Wind Power Co., Ltd.		-
Ningxia MingYang New Energy Technology Co., Ltd.		
MingYang Smart (Ningxia) Wind Power Co., Ltd.		
MingYang Yunhua (Ningxia) New Energy Technology Co., Ltd.		
Henan Mingtai New Energy Co., Ltd.		
Lingbao Sunneng New Energy Co., Ltd.		
Rushan MingYang New Energy Technology Co., Ltd.		-
Guangdong MingYang Smart Energy Co., Ltd.	-	-
Ruyuan Yao Autonomous County MingYang New Energy Technology Co., Ltd.	-	-
Lechang MingYang New Energy Co., Ltd.	-	-
Dongfeng MingYang Technology New Energy Co., Ltd.		
Guangdong MingYang Energy Technology Co., Ltd.		
Jiangsu Ruisheng Solar Technology Co., Ltd.		
Guangxi MingYang Smart Energy Co., Ltd.		
Guangxi MingYang Smart New Energy Technology Co., Ltd.		
Tianshui Ruineng Smart New Energy Technology Co., Ltd.		
Zhangjiachuan Hui Autonomous County Wisdom Ruineng New Energy Co., Ltd.	-	-
Hubei Ming'e New Energy Co., Ltd.	-	-
Hainan MingYang Smart Offshore Wind Power Development Co., Ltd.	-	-
Shengsi MingYang New Energy Sales Co., Ltd.	-	-

(2) Subsidiaries deregistered

Subsidiaries deregistered in 2021:

- ① The Company's subsidiary, Jilin MingYang Wind Power Technology Co., Ltd. was deregistered on 4 November 2021, and will no longer be consolidated from December 2021.
- ② The Company's subsidiary, Gansu MingYang New Energy Technology Co., Ltd. was deregistered on 18 September 2021, and will no longer be consolidated from October 2021.
- ③ The Company's subsidiary, Zhangbei MingYang New Energy Development Co., Ltd. was deregistered on 3 September 2021, and will no longer be consolidated from October 2021.
- ④ MingYang Smart (Xin County) New Energy Co., Ltd. was deregistered on 4 August 2021, and will no longer be included in the scope of consolidation since September 2021.

Subsidiaries deregistered in 2020:

- ① Guangdong Defeng Technology Co., Ltd., a subsidiary of the company, applied for cancellation and liquidation in this period, completed the industrial and commercial and tax cancellation procedures on 23 April 2020, and will no longer be included in the scope of consolidation from 23 April 2020.
- ② Zhongshan Ruisheng Antai Industrial Investment Co., Ltd., a subsidiary of the company, applied for cancellation and liquidation in this period, completed the industrial and commercial and tax cancellation procedures on 25 December 2020, and will no longer be included in the scope of consolidation from 25 December 2020.

Subsidiaries deregistered in 2019:

- ① The Company's subsidiary, Bangoride Xingyang New Energy Technology Co., Ltd. Applied for deregistration in this period. The deregistration procedures in industrial and commerce and taxation have been completed on 7 January 2019, it was no longer included in scope of consolidation since 7 January 2019.
- ② The Company's subsidiary, Baotou Guomeng Electric Power Sales Co., Ltd. Applied for deregistration in this period. The deregistration procedures in industrial and commerce and taxation have been completed on 7 January 2019, it was no longer included in scope of consolidation since 7 January 2019.
- ③ The Company's subsidiary, MingYang Smart (Hengqin) Equity Investment Co., Ltd. Applied for deregistration in this period. The deregistration procedures in industrial and commerce and taxation have been completed on 7 January 2019, it was no longer included in scope of consolidation since 7 January 2019.
- ④ The Company's subsidiary, Wengniute Banner MingYang New Energy Co., Ltd. Applied for deregistration in this period. The deregistration procedures in industrial and commerce and taxation have been completed on 14 January 2019, it was no longer included in scope of consolidation since 14 January 2019.
- ⑤ The Company's subsidiary, Guangling County Huayang New Energy Co., Ltd. Applied for deregistration in this period. The deregistration procedures in industrial and commerce and taxation have been completed on 12 June 2019, it was no longer included in scope of consolidation since 12 June 2019.
- ⑥ The Company's subsidiary, Xiyang County MingYang New Energy Co., Ltd. Applied for deregistration

in this period. The deregistration procedures in industrial and commerce and taxation have been completed on 24 June 2019, it was no longer included in scope of consolidation since 24 June 2019.

⑦ The Company's subsidiary, Burqin MingYang Wind Power Sales Co., Ltd. Applied for deregistration in this period. The deregistration procedures in industrial and commerce and taxation have been completed on 28 June 2019, it was no longer included in scope of consolidation since 28 June 2019.

⑧ The Company's subsidiary, Qinghai Reflex Optoelectronics Technology Co., Ltd. Applied for deregistration in this period. The deregistration procedures in industrial and commerce and taxation have been completed on 26 August 2019, it was no longer included in scope of consolidation since 26 August 2019.

⑨ The Company's subsidiary, Baicheng MingYang New Energy Equipment Co., Ltd. Applied for deregistration in this period. The deregistration procedures in industrial and commerce and taxation have been completed on 14 October 2019, it was no longer included in scope of consolidation since 14 October 2019.

⑩ The Company's subsidiary, Daan MingYang New Energy Equipment Co., Ltd. Applied for deregistration in this period. The deregistration procedures in industrial and commerce and taxation have been completed on 12 November 2019, it was no longer included in scope of consolidation since 12 November 2019.

VII. Interests in other entities

1. Interests in subsidiaries

(1) Structure of the group

Name of subsidiary	Place of business	Place of registration	Business nature	Shareholding (%)		Method of acquisition
				Direct	Indirect	
Tianjin MingYang Wind Power Equipment Co., Ltd.	Tianjin City	Tianjin City	Wind power equipment manufacturing	90.00	10.00	Set up by investment
Tianjin MingYang Wind Energy Blade Technology Co., Ltd.	Tianjin City	Tianjin City	Fan blade manufacturing	100.00	-	Set up by investment
Zhongshan MingYang Wind Power Equipment Co., Ltd.	Zhongshan, Guangdong	Zhongshan, Guangdong	Wind power equipment leases	100.00	-	Business combination under common control
Ming Yang Wind Power USA, Inc.	USA	USA	Wind power technology research and development	100.00	-	Set up by investment
Ming Yang Wind Power European R&D Center Aps	Denmark	Denmark	Wind power technology research and development	100.00	-	Set up by investment

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Name of subsidiary	Place of business	Place of registration	Business nature	Shareholding (%)		Method of acquisition
				Direct	Indirect	
Zhongshan Ruiyang Investment Management Co., Ltd.	Zhongshan, Guangdong	Zhongshan, Guangdong	Corporate investment consulting	100.00	-	Business combination under common control
Yunnan MingYang Wind Power Technology Co., Ltd.	Dali, Yunnan	Dali, Yunnan	Fan manufacturing	99.50	0.50	Set up by investment
Guangdong MingYang New Energy Technology Co., Ltd.	Yangjiang, Guangdong	Yangjiang, Guangdong	Wind power equipment manufacturing	99.80	0.20	Set up by investment
Shandong MingYang Wind Power Technology Co., Ltd.	Binzhou, Shandong	Binzhou, Shandong	Wind energy development and construction	99.00	1.00	Set up by investment
Beijing Jieyuan New Energy Investment Co., Ltd.	Beijing City	Beijing City	Wind power project investment	100.00	-	Set up by investment
MingYang New Energy International Co., Ltd.	Hong Kong	Hong Kong	Investment management	100.00	-	Set up by investment
Qinghai MingYang New Energy Co., Ltd.	Qinghai Delingha	Qinghai Delingha	Wind power equipment manufacturing	61.60	-	Set up by investment
Xilin Gol League MingYang New Energy Co., Ltd.	Xilinhot, Inner Mongolia	Xilinhot, Inner Mongolia	Wind power equipment manufacturing	100.00	-	Set up by investment
Shenzhen Liangyun Energy Network Technology Co., Ltd.	Shenzhen, Guangdong	Shenzhen, Guangdong	Wind power technology development	100.00	-	Set up by investment
Xinjiang MingYang New Energy Industry Co., Ltd.	Turpan, Xinjiang	Turpan, Xinjiang	Wind power equipment manufacturing	100.00	-	Set up by investment
Inner Mongolia MingYang Wind Power Co., Ltd.	Ulanqab, Inner Mongolia	Ulanqab, Inner Mongolia	Wind power development and operation	96.40	-	Business combination not under common control
Ruide Xinyang New Energy Technology Co., Ltd.	Zhongshan, Guangdong	Zhongshan, Guangdong	Research and development of new energy power generation products	93.32	-	Business combination under common control
Inner Mongolia MingYang New Energy Development Co., Ltd.	Hohhot, Inner Mongolia	Hohhot, Inner Mongolia	Wind power project investment	100.00	-	Set up by investment
Runyang Energy Technology Co., Ltd.	Beijing City	Beijing City	Technology development	80.00	-	Business combination not under

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Name of subsidiary	Place of business	Place of registration	Business nature	Shareholding (%)		Method of acquisition
				Direct	Indirect	
			and service			common control
Guangdong MingYang Energy System Co., Ltd.	Zhongshan, Guangdong	Zhongshan, Guangdong	Energy system development and investment	85.00	-	Set up by investment
Henan MingYang Smart Energy Co., Ltd.	Xinyang, Henan	Xinyang, Henan	Energy project development	100.00	-	Set up by investment
Lingchuan Ruifeng Wind Power Equipment Co., Ltd.	Guangxi Lingchuan	Guangxi Lingchuan	Sale of wind power equipment	100.00	-	Set up by investment
MingYang Smart Energy Group Shanghai Co., Ltd.	Shanghai City	Shanghai City	Technology development and service	100.00	-	Set up by investment
Zhongshan MingYang Wind Power Technology Research Institute Co., Ltd.	Zhongshan, Guangdong	Zhongshan, Guangdong	Technology development and service	100.00	-	Set up by investment
Huimin County China Power Construction New Energy Co., Ltd.	Binzhou, Shandong	Binzhou, Shandong	Energy project development	100.00	-	Set up by investment
Haixing MingYang Wind Power Equipment Sales Co., Ltd.	Hebei Haixing	Hebei Haixing	Sale of wind power equipment	100.00	-	Set up by investment
Henan MingYang New Energy Co., Ltd.	Zhengzhou, Henan	Zhengzhou, Henan	Energy project development	100.00	-	Set up by investment
Yangjiang MingYang Offshore Wind Power Development Co., Ltd.	Yangjiang, Guangdong	Yangjiang, Guangdong	Wind power development and operation	100.00	-	Set up by investment
Binzhou Zhanhua District MingYang Smart Wind Power Co., Ltd.	Binzhou, Shandong	Binzhou, Shandong	Wind power system research and development	100.00	-	Set up by investment
Jieyang MingYang Offshore Wind Power Development Co., Ltd.	Jieyang, Guangdong	Jieyang, Guangdong	Wind power development and operation	100.00	-	Set up by investment
Jieyang MingYang New Energy Technology Co., Ltd.	Jieyang, Guangdong	Jieyang, Guangdong	Technology development and service	100.00	-	Set up by investment
Jiaozhou MingYang Smart New Energy Co., Ltd.	Jiaozhou, Shandong	Jiaozhou, Shandong	Sale of wind power equipment	100.00	-	Set up by investment
Xinjiang Wanbang Energy Development	Urumqi, Xinjiang	Urumqi, Xinjiang	Wind power development	100.00	-	Business combination

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Name of subsidiary	Place of business	Place of registration	Business nature	Shareholding (%)		Method of acquisition
				Direct	Indirect	
Co., Ltd.			and operation			not under common control
Zhongshan MingYang New Energy Technology Co., Ltd.	Zhongshan, Guangdong	Zhongshan, Guangdong	Energy project development	100.00		Set up by investment
Zhanjiang MingYang New Energy Technology Co., Ltd.	Zhanjiang, Guangdong	Zhanjiang, Guangdong	Energy project development	100.00	-	Set up by investment
Inner Mongolia MingYang New Energy Technology Co., Ltd.	Ulanqab, Inner Mongolia	Ulanqab, Inner Mongolia	Wind power equipment manufacturing	100.00	-	Set up by investment
Shanwei MingYang New Energy Technology Co., Ltd.	Lufeng, Guangdong	Lufeng, Guangdong	Energy project development	100.00	-	Set up by investment
Xinjiang Huaran New Energy Co., Ltd.	Urumqi, Xinjiang	Urumqi, Xinjiang	Wind power generation	67.00	-	Business combination not under common control
Hubei Mingye New Energy Technology Co., Ltd.	Jingmen, Hubei	Jingmen, Hubei	Wind power equipment manufacturing	100.00	-	Set up by investment
Yangjiang MingYang Yunhua Offshore Wind Power Development Co., Ltd.	Yangjiang, Guangdong	Yangjiang, Guangdong	Energy project development	100.00	-	Set up by investment
MingYang Smart Energy Group Beijing Technology Co., Ltd.	Beijing City	Beijing City	Energy project development	100.00	-	Set up by investment
Zhongshan MingYang New Energy Technology Co., Ltd.	Zhongshan, Guangdong	Zhongshan, Guangdong	Energy project development	100.00	-	Set up by investment
Yangjiang MingYang Ocean Fishery Co., Ltd.	Yangjiang, Guangdong	Yangjiang, Guangdong	Energy project development	100.00	-	Set up by investment
Jieyang MingYang Yunhua Offshore Wind Power Development Co., Ltd.	Jieyang, Guangdong	Jieyang, Guangdong	Energy project development	100.00	-	Set up by investment
Zhuanghe MingYang Precision New Energy Technology Co., Ltd.	Zhuanghe	Zhuanghe	Energy project development	100.00	-	Set up by investment
MingYang European Business and Engineering Center	Hamburg, Germany	Hamburg, Germany	Energy project development	100.00	-	Set up by investment
Urumqi MingYang Energy Technology	Urumqi, Xinjiang	Urumqi, Xinjiang	Wind power generation	100.00	-	Set up by investment

MingYang Smart Energy Group Co., Ltd.

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Name of subsidiary	Place of business	Place of registration	Business nature	Shareholding (%)		Method of acquisition
				Direct	Indirect	
Industry Co., Ltd.						
Fujian MingYang New Energy Technology Co., Ltd.	Zhangzhou, Fujian	Zhangzhou, Fujian	Energy project development	100.00	-	Set up by investment
Fujian MingYang Offshore Wind Power Development Co., Ltd.	Zhangzhou, Fujian	Zhangzhou, Fujian	Energy project development	100.00	-	Set up by investment
Hainan MingYang Smart Energy Co., Ltd.	Sanya, Hainan	Sanya, Hainan	Energy project development	100.00	-	Set up by investment
Zhanjiang MingYang Offshore Wind Power Development Co., Ltd.	Zhanjiang, Guangdong	Zhanjiang, Guangdong	Energy project development	100.00	-	Set up by investment
Shanwei MingYang Offshore Wind Power Co., Ltd.	Shanwei, Guangdong	Shanwei, Guangdong	Energy project development	100.00	-	Set up by investment
Jiangsu MingYang Smart Energy Co., Ltd.	Yancheng, Jiangsu	Yancheng, Jiangsu	Energy project development	100.00	-	Set up by investment
MingYang Energy Korea Co., Ltd.	South Korea	South Korea	Sale of wind power equipment	100.00	-	Set up by investment
Gansu MingYang Smart Energy Co., Ltd.	Jiuquan, Gansu	Jiuquan, Gansu	Wind power equipment manufacturing	100.00	-	Set up by investment
Yangjiang MingYang Ruixiang Offshore Wind Power Co., Ltd.	Yangjiang, Guangdong	Yangjiang, Guangdong	Energy project development	100.00	-	Set up by investment
Tianjin Ruiyuan Electric Co., Ltd.	Tianjin City	Tianjin City	Wind power equipment development and sales	100.00	-	Business combination under common control
Ningxia MingYang New Energy Technology Co., Ltd.	Yinchuan, Ningxia	Yinchuan, Ningxia	Energy project development	100.00	-	Set up by investment
Henan Mingtai New Energy Co., Ltd.	Zhengzhou, Henan	Zhengzhou, Henan	Energy project development	100.00	-	Set up by investment
Rushan MingYang New Energy Technology Co., Ltd.	Weihai, Shandong	Weihai, Shandong	Energy project development	100.00	-	Set up by investment
Guangdong MingYang Smart Energy Co., Ltd.	Shaoguan, Henan	Shaoguan, Henan	Energy project development	100.00	-	Set up by investment
Dongfeng MingYang Technology New Energy Co., Ltd.	Dongfang, Hainan	Dongfang, Hainan	Wind power equipment development and sales	100.00	-	Set up by investment
Guangdong MingYang Energy Technology	Zhongshan, Guangdong	Zhongshan, Guangdong	Wind power equipment	99.00	-	Set up by investment

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Name of subsidiary	Place of business	Place of registration	Business nature	Shareholding (%)		Method of acquisition
				Direct	Indirect	
Co., Ltd.			development and sales			
Guangxi MingYang Smart Energy Co., Ltd.	Nanning, Guangxi	Nanning, Guangxi	Wind power equipment manufacturing	100.00	-	Set up by investment
Guangxi MingYang Smart New Energy Technology Co., Ltd.	Fangchenggang, Guangxi	Fangchenggang, Guangxi	Wind power equipment manufacturing	100.00	-	Set up by investment
Hongjiang Xingyang New Energy Co., Ltd.	Huaihua, Hunan	Huaihua, Hunan	Energy project development	100.00	-	Set up by investment
Tianshui Ruineng Smart New Energy Technology Co., Ltd.	Tianshui, Gansu	Tianshui, Gansu	Energy project development	100.00	-	Set up by investment
Hubei Ming'e New Energy Co., Ltd.	Xiangyang, Hubei	Xiangyang, Hubei	Energy project development	100.00	-	Set up by investment
Hainan MingYang Smart Offshore Wind Power Development Co., Ltd.	Haikou, Hainan	Haikou, Hainan	Energy project development	100.00	-	Set up by investment
Shengsi MingYang New Energy Sales Co., Ltd.	Zhoushan, Zhejiang	Zhoushan, Zhejiang	Sale of wind power equipment	100.00	-	Set up by investment

① Information of subsidiaries controlled by subsidiary MingYang New Energy International Co., Ltd.

Name of subsidiary	Main operating location	Place of registration	Business nature	Shareholding %		Acquisition method
				Direct	Indirect	
MingYang Wind Power (International) Co., Ltd.	Hong Kong	Hong Kong	Investment management	-	100.00	Business combination under common control
MingYang Holdings (Singapore) Pte.Ltd.	Singapore	Singapore	Investment management	-	98.00	Business combination under common control
China Intelligent Electric Group Co., Ltd.	Hong Kong	Cayman Islands	Investment management	-	100.00	Business combination under common control
MingYang New Energy Holdings (Cyprus) Co., Ltd.	Cyprus	Cyprus	Investment management	-	100.00	Set up by investment
Ruineng Intelligence Holdings Co., Ltd.	Hong Kong	Hong Kong	Investment management	-	100.00	Business combination under common control

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Name of subsidiary	Main operating location	Place of registration	Business nature	Shareholding %		Acquisition method
				Direct	Indirect	
Tianjin Ruineng Electric Co., Ltd.	Tianjin City	Tianjin City	Wind power equipment development and sales	-	100.00	control Business combination under common control
Dalian Ruineng Electric Co., Ltd.	Dalian, Liaoning	Dalian, Liaoning	Wind power equipment development and sales	-	100.00	Set up by investment
Wenshan MingYang Smart Energy Technology Co., Ltd.	Wenshan, Yunnan	Wenshan, Yunnan	Wind power equipment development and sales	-	100.00	Set up by investment
MingYang Smart Energy (BVI) Limited	British Virgin Islands	British Virgin Islands	Investment management	-	100.00	Set up by investment

② Information of subsidiaries controlled by subsidiary Tianjin MingYang Wind Energy Blade Technology Co., Ltd.

Name of subsidiary	Main operating location	Place of registration	Business nature	Shareholding %		Acquisition method
				Direct	Indirect	
Zhongshan MingYang Wind Energy Blade Technology Co., Ltd.	Zhongshan, Guangdong	Zhongshan, Guangdong	Fan blade manufacturing	-	100.00	Set up by investment

③ Information of subsidiaries controlled by subsidiary Yunnan MingYang Wind Power Technology Co., Ltd.

Name of subsidiary	Main operating location	Place of registration	Business nature	Shareholding %		Acquisition method
				Direct	Indirect	
Wenshan MingYang New Energy Co., Ltd.	Wenshan, Yunnan	Wenshan, Yunnan	Fan blade manufacturing	-	100.00	Set up by investment
Qujing MingYang New Energy Co., Ltd.	Qujing, Yunnan	Qujing, Yunnan	Fan blade manufacturing	-	100.00	Set up by investment
Dejiang MingYang New Energy Co., Ltd.	Tongren, Guizhou	Tongren, Guizhou	Fan blade manufacturing	-	100.00	Set up by investment
Yunnan MingYang New Energy Co., Ltd.	Dali, Yunnan	Dali, Yunnan	Fan blade manufacturing	-	100.00	Set up by investment

④ Information of subsidiaries controlled by subsidiary Beijing Jieyuan New Energy Investment Co., Ltd.

Name of subsidiary	Main operating location	Place of registration	Business nature	Shareholding %		Acquisition method
				Direct	Indirect	
Shaanxi Dingbian Jieyuan New Energy Power	Yulin, Shaanxi	Yulin, Shaanxi	Photovoltaic power generation	-	100.00	Set up by investment

Name of subsidiary	Main operating location	Place of registration	Business nature	Shareholding %		Acquisition method
				Direct	Indirect	
Generation Co., Ltd.			and operation			
Shaanxi Jingbian MingYang New Energy Power Generation Co., Ltd.	Yulin, Shaanxi	Yulin, Shaanxi	Wind power development and operation	-	100.00	Set up by investment
Hongrun (Huanghua) New Energy Co., Ltd.	Huanghua, Hebei	Huanghua, Hebei	Wind power development and operation	-	80.81	Business combination not under common control
Jieyuan Huanghua New Energy Co., Ltd.	Huanghua, Hebei	Huanghua, Hebei	Wind power development and operation	-	100.00	Set up by investment
Weishan MingYang New Energy Power Generation Co., Ltd.	Dali, Yunnan	Dali, Yunnan	Wind power development and operation	-	100.00	Set up by investment
Midu Jieyuan New Energy Power Generation Co., Ltd.	Dali, Yunnan	Dali, Yunnan	Photovoltaic power generation and operation	-	100.00	Set up by investment
Turpan Jieyuan Energy Co., Ltd.	Turpan, Xinjiang	Turpan, Xinjiang	Wind power development and operation	-	100.00	Set up by investment
Gongcheng Jieyuan New Energy Co., Ltd.	Guangxi Gongcheng	Guangxi Gongcheng	Wind power development and operation	-	100.00	Set up by investment
Baiyin Jieyuan New Energy Co., Ltd.	Baiyin, Gansu	Baiyin, Gansu	Wind power development and operation	-	100.00	Set up by investment
Jingbian Jieyuan Photovoltaic Power Generation Co., Ltd.	Yulin, Shaanxi	Yulin, Shaanxi	Photovoltaic power generation and operation	-	100.00	Set up by investment
Zhuxi Jieyuan New Energy Co., Ltd.	Shiyan, Hubei	Shiyan, Hubei	Wind power development and operation	-	100.00	Set up by investment
Shan County Jieyuan New Energy Co., Ltd.	Heze, Shandong	Heze, Shandong	Wind power development and operation	-	100.00	Set up by investment
Shuangpai Jieyuan New Energy Co., Ltd.	Yongzhou, Hunan	Yongzhou, Hunan	Wind power development and operation	-	100.00	Set up by investment
Yunxi Jieyuan New Energy Co., Ltd.	Yunxi, Hubei	Yunxi, Hubei	Wind power development and operation	-	100.00	Set up by investment
Pingle Jieyuan New Energy Co., Ltd.	Pingle, Guangxi	Pingle, Guangxi	Wind power development and operation	-	100.00	Set up by investment
Lingbi County MingYang New Energy Co., Ltd.	Lingbi, Anhui	Lingbi, Anhui	Wind power development and operation	-	100.00	Set up by investment
Shouguang MingYang New Energy Co., Ltd.	Weifang, Shandong	Weifang, Shandong	Wind power development and operation	-	90.00	Set up by investment

Name of subsidiary	Main operating location	Place of registration	Business nature	Shareholding %		Acquisition method
				Direct	Indirect	
Shaanxi Jieyao Construction Engineering Co., Ltd.	Xi'an, Shaanxi	Xi'an, Shaanxi	Engineering design and construction	-	95.00	Business combination not under common control
Qingtongxia City Jieyuan New Energy Co., Ltd.	Qingtongxia, Ningxia	Qingtongxia, Ningxia	Wind power development and operation	-	100.00	Set up by investment
Jieyuan (Tianjin) New Energy Co., Ltd.	Binhai, Tianjin	Binhai, Tianjin	Wind power development and operation	-	100.00	Set up by investment
Fuxin Jieyuan Wind Power Co., Ltd.	Fuxin, Liaoning	Fuxin, Liaoning	Wind power development and operation	-	100.00	Set up by investment
Tianjin Jieyuan New Energy Investment Co., Ltd.	Binhai, Tianjin	Binhai, Tianjin	Wind power development and operation	-	100.00	Set up by investment
Heilongjiang Jieyuan Wind Power Co., Ltd.	Harbin, Heilongjiang	Harbin, Heilongjiang	Wind power development and operation	-	100.00	Set up by investment
Kaifeng Jieyuan New Energy Co., Ltd.	Kaifeng, Henan	Kaifeng, Henan	Wind power development and operation	-	100.00	Set up by investment
Yi'an MingYang Wind Power Co., Ltd.	Yi'an, Heilongjiang	Yi'an, Heilongjiang	Wind power development and operation	-	100.00	Set up by investment
Shangqiu MingYang New Energy Technology Co., Ltd.	Shangqiu, Henan	Shangqiu, Henan	Wind power development and operation	-	100.00	Set up by investment
Zhoukou Shenhui New Energy Co., Ltd.	Zhoukou, Henan	Zhoukou, Henan	Wind power development and operation	-	100.00	Set up by investment
Huixian MingYang Jieyuan New Energy Co., Ltd.	Xinxiang, Henan	Xinxiang, Henan	Wind power development and operation	-	100.00	Set up by investment
Jilin MingYang Smart Energy Co., Ltd.	Songyuan, Jilin	Songyuan, Jilin	Wind power development and operation	-	100.00	Set up by investment
Quyuan Jieyuan New Energy Co., Ltd.	Baoding, Hebei	Baoding, Hebei	Wind power development and operation	-	100.00	Set up by investment
Kangbao Jufeng New Energy Development Co., Ltd.	Zhangjiakou, Hebei	Zhangjiakou, Hebei	Wind power development and operation	-	85.00	Set up by investment
Shaanxi Shengan Juncheng New Energy Co., Ltd.	Hanzhong, Shaanxi	Hanzhong, Shaanxi	Wind power development and operation	-	100.00	Set up by investment
Lanzhou Jieyuan New Energy Wind Power Co., Ltd.	Lanzhou, Gansu	Lanzhou, Gansu	Wind power development and operation	-	100.00	Set up by investment
Lanzhou Jiexin New Energy Co., Ltd.	Lanzhou, Gansu	Lanzhou, Gansu	Wind power development and	-	100.00	Set up by investment

Name of subsidiary	Main operating location	Place of registration	Business nature	Shareholding %		Acquisition method
				Direct	Indirect	
			operation			
Yangyuan Yunneng New Energy Co., Ltd.	Zhangjiakou, Hebei	Zhangjiakou, Hebei	Wind power development and operation	-	100.00	Set up by investment
Longsheng Jieyuan New Energy Co., Ltd.	Guilin, Guangxi	Guilin, Guangxi	Wind power development and operation	-	100.00	Set up by investment
Nanyang Jiegong Construction Engineering Co., Ltd.	Nanyang, Henan	Nanyang, Henan	Wind power development and operation	-	100.00	Business combination not under common control
Wenxian Jieyuan New Energy Co., Ltd.	Jiaozuo, Henan	Jiaozuo, Henan	Wind power development and operation	-	100.00	Set up by investment
Suihua Jieyuan Wind Power Co., Ltd.	Suihua, Heilongjiang	Suihua, Heilongjiang	Wind power development and operation	-	100.00	Set up by investment
Yilan County Jieyuan Wind Power Co., Ltd.	Yilan, Heilongjiang	Yilan, Heilongjiang	Wind power development and operation	-	100.00	Set up by investment
Boli County Jieyuan Wind Power Co., Ltd.	Boli, Heilongjiang	Boli, Heilongjiang	Wind power development and operation	-	100.00	Set up by investment
Jingbian County Yunneng New Energy Co., Ltd.	Jingbian, Shaanxi	Jingbian, Shaanxi	Wind power development and operation	-	100.00	Set up by investment
Daqing MingYang Smart Energy Co., Ltd.	Daqing, Heilongjiang	Daqing, Heilongjiang	Wind power development and operation	-	100.00	Set up by investment
Zhangjiakou MingYang Smart Energy Co., Ltd.	Zhangjiakou, Hebei	Zhangjiakou, Hebei	Wind power development and operation	-	100.00	Set up by investment
Huozhou MingYang New Energy Co., Ltd.	Linfen, Shaanxi	Linfen, Shaanxi	Wind power development and operation	-	100.00	Set up by investment

⑤ Information of subsidiaries controlled by subsidiary Qinghai MingYang New Energy Co., Ltd.

Name of subsidiary	Main operating location	Place of registration	Business nature	Shareholding %		Acquisition method
				Direct	Indirect	
Haixi Dejiasheng New Energy Co., Ltd.	Haixi, Qinghai	Haixi, Qinghai	Wind power equipment manufacturing	-	100.00	Set up by investment
Haixi Deguangrun New Energy Co., Ltd.	Haixi, Qinghai	Haixi, Qinghai	Wind power equipment manufacturing	-	100.00	Set up by investment

⑥ Information of subsidiaries controlled by subsidiary Xinjiang MingYang New Energy Industry Co., Ltd.

Name of subsidiary	Main operating location	Place of registration	Business nature	Shareholding %		Acquisition method
				Direct	Indirect	
Turpan Xinyang Energy Power Generation Co., Ltd.	Turpan, Xinjiang	Turpan, Xinjiang	Power development and operation	-	100.00	Set up by investment
Mulei MingYang Wind Power Equipment Sales Co., Ltd.	Changji, Xinjiang	Changji, Xinjiang	Sales of fan equipment	-	100.00	Set up by investment
Bozhou Hot Spring New Energy Technology Co., Ltd.	Bozhou, Xinjiang	Bozhou, Xinjiang	Sales of fan equipment	-	100.00	Set up by investment
Hami MingYang New Energy Equipment Sales Co., Ltd.	Hami, Xinjiang	Hami, Xinjiang	Sales of fan equipment	-	100.00	Set up by investment
Hami Tianchengyuan New Energy Power Generation Co., Ltd.	Xinxing, Xinjiang	Xinxing, Xinjiang	Sales of fan equipment	-	100.00	Set up by investment
Hami Tianyunyuan New Energy Power Generation Co., Ltd.	Hami, Xinjiang	Hami, Xinjiang	Sales of fan equipment	-	100.00	Set up by investment

⑦ Information of subsidiaries controlled by subsidiary Ruide Xinyang New Energy Technology Co., Ltd.

Name of subsidiary	Main operating location	Place of registration	Business nature	Shareholding %		Acquisition method
				Direct	Indirect	
Lhasa Ruide Xinyang New Energy Technology Co., Ltd.	Lhasa, Tibet	Lhasa, Tibet	Photovoltaic power generation	-	100.00	Set up by investment
Zhongshan Ruike New Energy Co., Ltd.	Zhongshan, Guangdong	Zhongshan, Guangdong	Solar cell R&D and manufacturing	-	41.27	Set up by investment
Zhongshan Ruike New Energy (America) Co., Ltd.	USA	USA	Photovoltaic R&D	-	100.00	Set up by investment
Ruikong New Energy (Hong Kong) Co., Ltd.	Hong Kong	Hong Kong	Photovoltaic R&D	-	90.00	Set up by investment
Qinghai Ruiyuan New Energy Technology Co., Ltd.	Qinghai Delingha	Qinghai Delingha	Photovoltaic power generation	-	100.00	Set up by investment
Ruikong Solar (USA) Co., Ltd.	USA	USA	Photovoltaic power generation	-	100.00	Set up by investment
Zhongshan Mingrui New Energy Co., Ltd.	Zhongshan, Guangdong	Zhongshan, Guangdong	Photovoltaic power generation	-	100.00	Set up by investment

⑧ Information of subsidiaries controlled by subsidiary Inner Mongolia MingYang New Energy Development Co., Ltd.

Name of subsidiary	Main operating location	Place of registration	Business nature	Shareholding %		Acquisition method
				Direct	Indirect	
Keshiketeng Banner MingYang New Energy Co., Ltd.	Chifeng, Inner Mongolia	Chifeng, Inner Mongolia	Wind power development and operation	-	100.00	Set up by investment
Inner Mongolia Guomeng Electric Power Sales Co., Ltd.	Wuhai in Inner Mongolia	Wuhai in Inner Mongolia	Electricity distribution and sales	-	100.00	Set up by investment
Damao Banner MingYang New Energy Co., Ltd.	Baotou, Inner Mongolia	Baotou, Inner Mongolia	Wind power development and operation	-	100.00	Set up by investment

Name of subsidiary	Main operating location	Place of registration	Business nature	Shareholding %		Acquisition method
				Direct	Indirect	
Wuhai MingYang New Energy Co., Ltd.	Wuhai in Inner Mongolia	Wuhai in Inner Mongolia	Wind power development and operation	-	100.00	Set up by investment
Inner Mongolia Haiyang Animal Husbandry Co., Ltd.	Wuhai in Inner Mongolia	Wuhai in Inner Mongolia	Livestock breeding and sales	-	100.00	Set up by investment
Tongliao MingYang Smart Energy Co., Ltd.	Tongliao, Inner Mongolia	Tongliao, Inner Mongolia	Wind power development and operation	-	100.00	Set up by investment
Inner Mongolia Haoyang New Energy Co., Ltd.	Xinggan League, Inner Mongolia	Xinggan League, Inner Mongolia	Wind power development and operation	-	100.00	Set up by investment
Tongliao Smart Energy Research Co., Ltd.	Tongliao, Inner Mongolia	Tongliao, Inner Mongolia	Technology development and service	-	100.00	Set up by investment
Zhenglanqi MingYang Wind Power Co., Ltd.	Xilingol League, Inner Mongolia	Xilingol League, Inner Mongolia	Wind power development and operation	-	100.00	Set up by investment
Hexigten Banner Jieyang Wind Power Co., Ltd.	Chifeng, Inner Mongolia	Chifeng, Inner Mongolia	Wind power development and operation	-	100.00	Set up by investment
Horqin Right Front Banner Haoyang New Energy Development Co., Ltd.	Xinggan League, Inner Mongolia	Xinggan League, Inner Mongolia	Wind power development and operation	-	100.00	Set up by investment
Chahar Right-wing Houqi Hengyang Wind Power Co., Ltd.	Ulanqab, Inner Mongolia	Ulanqab, Inner Mongolia	Wind power development and operation	-	100.00	Set up by investment
Kailu County MingYang Smart Energy Co., Ltd.	Tongliao, Inner Mongolia	Tongliao, Inner Mongolia	Wind power development and operation	-	100.00	Set up by investment
Horqin Left-wing Middle Banner MingYang Smart Energy Co., Ltd.	Tongliao, Inner Mongolia	Tongliao, Inner Mongolia	Wind power development and operation	-	100.00	Set up by investment
Naiman Banner MingYang Smart Energy Co., Ltd.	Tongliao, Inner Mongolia	Tongliao, Inner Mongolia	Wind power development and operation	-	100.00	Set up by investment
Zalute Banner MingYang Smart Energy Co., Ltd.	Tongliao, Inner Mongolia	Tongliao, Inner Mongolia	Wind power development and operation	-	100.00	Set up by investment
Kailu County MingYang Energy Storage Technology Co., Ltd.	Tongliao, Inner Mongolia	Tongliao, Inner Mongolia	Wind power development and operation	-	100.00	Set up by investment
Naiman Banner MingYang Energy Storage Technology Co., Ltd.	Tongliao, Inner Mongolia	Tongliao, Inner Mongolia	Wind power development and operation	-	100.00	Set up by investment
Baotou MingYang New Energy Co., Ltd.	Baotou, Inner Mongolia	Baotou, Inner Mongolia	Wind power development and operation	-	100.00	Set up by investment

⑨ Information of subsidiaries controlled by subsidiary Runyang Energy Technology Co., Ltd.

Name of subsidiary	Main operating location	Place of registration	Business nature	Shareholding %		Acquisition method
				Direct	Indirect	
Tianjin Smart Runyang Technology Co., Ltd.	Tianjin City	Tianjin City	Technology development and service	-	100.00	Set up by investment
Lufeng Guorun New Energy Co., Ltd.	Lufeng, Guangdong	Lufeng, Guangdong	Wind power development and operation	-	80.00	Set up by investment

⑩ Information of subsidiaries controlled by subsidiary Guangdong MingYang Energy System Co., Ltd.

Name of subsidiary	Main operating location	Place of registration	Business nature	Shareholding %		Acquisition method
				Direct	Indirect	
Guangdong MingYang Ruihua Energy Service Co., Ltd.	Zhongshan, Guangdong	Zhongshan, Guangdong	Technology development and service	-	100.00	Business combination under common control
Baotou Yibo Energy Service Co., Ltd.	Baotou, Inner Mongolia	Baotou, Inner Mongolia	Electricity energy demand management	-	100.00	Business combination not under common control
Baotou Shiyuan Boneng Electricity Sales Co., Ltd.	Baotou, Inner Mongolia	Baotou, Inner Mongolia	Electricity distribution and sales service	-	60.00	Business combination not under common control
Kaifeng Mingshun Energy Technology Co., Ltd.	Kaifeng, Henan	Kaifeng, Henan	Electricity distribution and sales service	-	86.00	Set up by investment

⑪ Information of subsidiaries controlled by subsidiary Henan MingYang Smart Energy Co., Ltd.

Name of subsidiary	Main operating location	Place of registration	Business nature	Shareholding %		Acquisition method
				Direct	Indirect	
Zhengzhou Yaxin Electrical Equipment Co., Ltd.	Zhengzhou, Henan	Zhengzhou, Henan	Electrical equipment sales	-	100.00	Business combination not under common control
Guodian Henan Zhongtou Yingke New Energy Co., Ltd.	Fangcheng, Henan	Fangcheng, Henan	Wind power project investment	-	60.00	Business combination not under common control
Fangcheng Qingshan New Energy Co., Ltd.	Fangcheng, Henan	Fangcheng, Henan	Wind power development and operation	-	100.00	Business combination not under common control
Ye County Jiangjunshan New Energy Co., Ltd.	Ye County, Henan	Ye County, Henan	Wind power development and operation	-	100.00	Business combination not under common control
Fangcheng Dushu New Energy Co., Ltd.	Fangcheng, Henan	Fangcheng, Henan	Wind power development	-	100.00	Business combination not

Name of subsidiary	Main operating location	Place of registration	Business nature	Shareholding %		Acquisition method
				Direct	Indirect	
			and operation			under common control
Luoyang Smart New Energy Co., Ltd.	Luoyang, Henan	Luoyang, Henan	New energy project development	-	70.00	Set up by investment
Luoning Nenghui New Energy Co., Ltd.	Luoyang, Henan	Luoyang, Henan	New energy project development	-	100.00	Set up by investment
Pingdingshan Mingneng Energy Co., Ltd.	Pingdingshan, Henan	Pingdingshan, Henan	Wind power development and operation	-	100.00	Set up by investment
Jiaxian Jieyang Wind Power Co., Ltd.	Jia County, Henan	Jia County, Henan	Wind power development and operation	-	100.00	Set up by investment
Qixian Mingneng New Energy Co., Ltd.	Kaifeng, Henan	Kaifeng, Henan	Wind power development and operation	-	90.00	Set up by investment
Qixian Fengxi New Energy Co., Ltd.	Kaifeng, Henan	Kaifeng, Henan	Wind power development and operation	-	100.00	Set up by investment
Kaifeng Mingneng New Energy Co., Ltd.	Kaifeng, Henan	Kaifeng, Henan	Wind power development and operation	-	100.00	Set up by investment
Junxian Mingneng Wind Power Co., Ltd.	Hebi, Henan	Hebi, Henan	Wind power development and operation	-	100.00	Set up by investment

⑫ Information of subsidiaries controlled by subsidiary Henan MingYang New Energy Co., Ltd.

Name of subsidiary	Main operating location	Place of registration	Business nature	Shareholding %		Acquisition method
				Direct	Indirect	
Xinyang Zhirun New Energy Co., Ltd.	Xinyang, Henan	Xinyang, Henan	Energy project development	-	100.00	Set up by investment
Xinyang Hongliu New Energy Co., Ltd.	Xinyang, Henan	Xinyang, Henan	Energy project development	-	100.00	Set up by investment
Henan Zhuotai New Energy Co., Ltd.	Zhengzhou, Henan	Zhengzhou, Henan	Energy project development	-	100.00	Set up by investment
Gushi County Mingwu New Energy Co., Ltd.	Xinyang, Henan	Xinyang, Henan	Energy project development	-	100.00	Set up by investment
Henan Mingrun New Energy Co., Ltd.	Zhengzhou, Henan	Zhengzhou, Henan	Energy project development	-	100.00	Set up by investment
Xinyang Rundian New Energy Co., Ltd.	Xinyang, Henan	Xinyang, Henan	Energy project development	-	100.00	Set up by investment
Zaoyang Smart No. 1 Green Energy Co., Ltd.	Xiangyang, Hubei	Xiangyang, Hubei	Energy project development	-	100.00	Set up by investment
Zaoyang Mingxin Green Energy Co., Ltd.	Xiangyang, Hubei	Xiangyang, Hubei	Energy project development	-	100.00	Set up by investment
Zaoyang Smart No. 2 Green Energy Co., Ltd.	Xiangyang, Hubei	Xiangyang, Hubei	Energy project development	-	100.00	Set up by investment
Zaoyang Mingyi Green Energy Co., Ltd.	Xiangyang, Hubei	Xiangyang, Hubei	Energy project development	-	100.00	Set up by investment

Name of subsidiary	Main operating location	Place of registration	Business nature	Shareholding %		Acquisition method
				Direct	Indirect	
Zaoyang Smart No.3 Green Energy Co., Ltd.	Xiangyang, Hubei	Xiangyang, Hubei	Energy project development	-	100.00	Set up by investment
Zaoyang Mingjun Green Energy Co., Ltd.	Xiangyang, Hubei	Xiangyang, Hubei	Energy project development	-	100.00	Set up by investment
Xinyang Mingming Hongke New Energy Co., Ltd.	Xinyang, Henan	Xinyang, Henan	Energy project development	-	100.00	Set up by investment
Xinyang Mingyi New Energy Co., Ltd.	Xinyang, Henan	Xinyang, Henan	Energy project development	-	100.00	Set up by investment
Xinyang Smart Zhuopu New Energy Co., Ltd.	Xinyang, Henan	Xinyang, Henan	Energy project development	-	100.00	Set up by investment
Xinyang Huangming New Energy Co., Ltd.	Xinyang, Henan	Xinyang, Henan	Energy project development	-	100.00	Set up by investment
Xinyang Smart Chengqi New Energy Co., Ltd.	Xinyang, Henan	Xinyang, Henan	Energy project development	-	100.00	Set up by investment
Xinyang Mingjun New Energy Co., Ltd.	Xinyang, Henan	Xinyang, Henan	Energy project development	-	100.00	Set up by investment

⑬ Information of subsidiaries controlled by subsidiary Jieyang MingYang Offshore Wind Power Development Co., Ltd.

Name of subsidiary	Main operating location	Place of registration	Business nature	Shareholding %		Acquisition method
				Direct	Indirect	
Huilai MingYang Ruicheng Offshore Wind Power Development Co., Ltd.	Jieyang, Guangdong	Jieyang, Guangdong	Wind power development and operation	-	100.00	Set up by investment

⑭ Information of subsidiaries controlled by subsidiary Zhongshan MingYang New Energy Technology Co., Ltd.

Name of subsidiary	Main operating location	Place of registration	Business nature	Shareholding %		Acquisition method
				Direct	Indirect	
Yangjiang MingYang New Energy Technology Co., Ltd.	Yangjiang, Guangdong	Yangjiang, Guangdong	Wind power development and operation	-	100.00	Set up by investment
Chaozhou MingYang Zhijing New Energy Investment Co., Ltd.	Chaozhou, Guangdong	Chaozhou, Guangdong	Energy project development	-	80.00	Set up by investment
Xinyang MingYang New Energy Technology Co., Ltd.	Xinyang, Henan	Xinyang, Henan	Wind power development and operation	-	100.00	Set up by investment
Yangxi MingYang New Energy Power Co., Ltd.	Yangxi, Guangdong	Yangxi, Guangdong	Wind power development and operation	-	100.00	Set up by investment
Hengshan MingYang New Energy Technology Co., Ltd.	Hengshan, Hunan	Hengshan, Hunan	Wind power development and operation	-	100.00	Set up by investment
Yunyang MingYang New Energy Technology Co., Ltd.	Yunyang, Chongqing	Yunyang, Chongqing	Wind power development and operation	-	100.00	Set up by investment

Name of subsidiary	Main operating location	Place of registration	Business nature	Shareholding %		Acquisition method
				Direct	Indirect	
Fengshun MingYang New Energy Technology Co., Ltd.	Meizhou, Guangdong	Meizhou, Guangdong	Wind power development and operation	-	100.00	Set up by investment

⑮ Information of subsidiaries controlled by subsidiary MingYang Smart Energy Group Beijing Technology Co., Ltd.

Name of subsidiary	Main operating location	Place of registration	Business nature	Shareholding %		Acquisition method
				Direct	Indirect	
Beijing Xiangfeng New Energy Development Co., Ltd.	Beijing City	Beijing City	Energy project development	-	100.00	Set up by investment

⑯ Information of subsidiaries controlled by subsidiary Jieyang MingYang Yunhua Offshore Wind Power Development Co., Ltd.

Name of subsidiary	Main operating location	Place of registration	Business nature	Shareholding %		Acquisition method
				Direct	Indirect	
Huilai MingYang Ruitian Offshore Wind Power Development Co., Ltd.	Jieyang, Guangdong	Jieyang, Guangdong	Technology development and service	-	100.00	Set up by investment

⑰ Information of subsidiaries controlled by subsidiary Gansu MingYang Smart Energy Co., Ltd.

Name of subsidiary	Main operating location	Place of registration	Business nature	Shareholding %		Acquisition method
				Direct	Indirect	
Gansu Smart Xingyang New Energy Co., Ltd.	Jiuquan, Gansu	Jiuquan, Gansu	Wind power development and operation	-	100.00	Set up by investment
Yumen Xingyang Wind Power Co., Ltd.	Jiuquan, Gansu	Jiuquan, Gansu	Wind power development and operation	-	100.00	Set up by investment

⑱ Information of subsidiaries controlled by subsidiary Ningxia MingYang New Energy Technology Co., Ltd.

Name of subsidiary	Main operating location	Place of registration	Business nature	Shareholding %		Acquisition method
				Direct	Indirect	
MingYang Smart (Ningxia) Wind Power Co., Ltd.	Zhongwei, Ningxia	Zhongwei, Ningxia	Wind power development and operation	-	100.00	Set up by investment
MingYang Yunhua (Ningxia) New Energy Technology Co., Ltd.	Yinchuan, Ningxia	Yinchuan, Ningxia	Wind power development and operation	-	62.00	Set up by investment

⑲ Information of subsidiaries controlled by subsidiary Henan Mingtai New Energy Co., Ltd.

Name of subsidiary	Main operating location	Place of registration	Business nature	Shareholding %		Acquisition method
				Direct	Indirect	
Lingbao Sunneng New Energy Co., Ltd.	Sanmenxia, Henan	Sanmenxia, Henan	Wind power development and operation	-	100.00	Set up by investment

⑳ Information of subsidiaries controlled by subsidiary Guangdong MingYang Smart Energy Co., Ltd.

Name of subsidiary	Main operating location	Place of registration	Business nature	Shareholding %		Acquisition method
				Direct	Indirect	
Ruyuan Yao Autonomous County MingYang New Energy Technology Co., Ltd.	Shaoguan, Guangzhou	Shaoguan, Guangzhou	Wind power development and operation	-	100.00	Set up by investment
Lechang MingYang New Energy Co., Ltd.	Shaoguan, Guangzhou	Shaoguan, Guangzhou	Wind power development and operation	-	100.00	Set up by investment

㉑ Information of subsidiaries controlled by subsidiary Guangdong MingYang Energy Technology Co., Ltd.

Name of subsidiary	Main operating location	Place of registration	Business nature	Shareholding %		Acquisition method
				Direct	Indirect	
Jiangsu Ruisheng Solar Technology Co., Ltd.	Yancheng, Jiangsu	Yancheng, Jiangsu	Wind power development and operation	-	100.00	Set up by investment

㉒ Information of subsidiaries controlled by subsidiary Hongjiang Xingyang New Energy Co., Ltd.

Name of subsidiary	Main operating location	Place of registration	Business nature	Shareholding %		Acquisition method
				Direct	Indirect	
Hongjiang MingYang New Energy Co., Ltd.	Huaihua, Hunan	Huaihua, Hunan	Wind power development and operation	-	100.00	Set up by investment

㉓ Information of subsidiaries controlled by subsidiary Tianshui Ruineng Smart New Energy Technology Co., Ltd.

Name of subsidiary	Main operating location	Place of registration	Business nature	Shareholding %		Acquisition method
				Direct	Indirect	
Zhangjiachuan Hui Autonomous County Wisdom Ruineng New Energy Co., Ltd.	Tianshui, Gansu	Tianshui, Gansu	Wind power development and operation	-	100.00	Set up by investment

Entities that was held by half or more than half of shareholding but not included in the scope of consolidation:

Company name	Shareholding %	Note
MW EP Renewables International Ltd.	66.67	Note 1
MW Wind Power OOD	66.00	Note 1

Note 1: MW EP Renewables International Ltd. and MW Wind Power OOD were not included in the scope of consolidation was because the articles of association of the investees stated that resolutions made by the board of directors must be unanimously approved by all directors to be effective. The Company only has the right to jointly control.

(2) Significant joint ventures or associates

The Company does not have significant non-wholly owned subsidiaries.

2. Interests in joint ventures or associates

(1) Significant joint ventures or associates

The Company does not have significant joint ventures and associates.

(2) Summary of financial information of other insignificant joint ventures and associates

Item	2021	2020	2019
Joint ventures:			
Total carrying amount of investment	-	6,001,398.34	6,002,000.00
The following amount are calculated on the basis of shareholding ratio	-	-	-
Net profit	-1,398.34	-601.66	-3,389,472.93
Other comprehensive income	-	-	-12,304,645.80
Total comprehensive income	-1,398.34	-601.66	-15,694,118.73
Associates:			
Total carrying amount of investment	563,579,295.41	532,616,552.12	415,889,195.84
The following amount are calculated on the basis of shareholding ratio	-	-	-
Net profit	38,199,423.91	19,848,356.28	12,315,261.90
Other comprehensive income	-	-	-
Total comprehensive income	38,199,423.91	19,848,356.28	12,315,261.90

(3) Material restrictions on transfers of funds from joint ventures or associates to the Company

There were no material restrictions on transfers of funds from joint ventures or associates to the Company.

VIII. Financial instrument and risk management

The Company's main financial instruments include cash and bank balances, notes receivable, accounts receivable, receivables financing, other receivables, non-current assets due within one year, other current assets, trading financial assets, other equity instruments investment, other non-current financial assets, long-term receivables, bills payable, accounts payable, other payables, short-term loans, non-current

liabilities due within one year, long term loans, bonds payable, lease liabilities and long-term payables. Details of each financial instrument have been disclosed in the relevant notes. The risks associated with these financial instruments, and the Company's risk management policies to mitigate these risks, are described below. The Company's management manages and monitors these risk exposures to ensure that the above risks are controlled within defined limits.

1. Risk management objectives and policies

The Company's objective in risk management is to obtain an appropriate balance between risk and profits, and strive to reduce the adverse impact of the financial risk on the Company's financial performance. Based on this objective, the Company has developed the risk management policy to identify and analyze the risks that the Company is facing, set the appropriate tolerable level of risks and design the internal control process to monitor the risk level. The Company reviews the risk management policy and relevant internal control system to adapt to the changes of market or operations regularly. The Company's internal audit department also regularly or randomly performs tests to check whether the operations of internal control system in accordance with the risk management policy.

The main risks arising from the Company's financial instruments are credit risk, liquidity risk, and market risk (including foreign exchange rate risk, interest rate risk and commodity price risk).

The Board of Directors is responsible for the planning and establishment of the Company's risk management structure, the development of the Company's risk management policies and guidelines and the monitoring of the implementation of risk management measures. The Company has developed risk management policies to identify and analyze the risks faced by the Company. These risk management policies specify specific risks, covering many aspects of credit risk, liquidity risk and market risk management. The Company regularly evaluates the market environment and changes in the Company's operating activities to determine whether the risk management policies and systems are updated. The risk management of the Company is carried out by the Risk Management Committee in accordance with the policies approved by the Board of Directors. The Risk Management Committee identifies, evaluates and circumvents the risks by working closely with other business units of the Company. The internal audit department of the Company conducts regular audits on risk management control and procedures and reports the results of the audit to the Audit Committee of the Company.

The Company diversifies the risk of financial instruments through appropriate diversified investments and business combinations and reduces the risk of focusing on any single industry, specific region, or specific counterparty by developing appropriate risk management policies.

(1) Credit risk

Credit risk is the risk that a counterparty of financial assets will cause a financial loss for the Company by failing to discharge an obligation.

The Company managed the credit risk by groups. Credit risk mainly came from bank balances, notes receivable, accounts receivable and other receivables.

The bank deposits of the Company mainly deposited in state-owned banks and other large and medium sized listed banks. The Company expects that there are no significant credit risks exist on the bank deposit.

For notes receivable, accounts receivable and other receivables, the Company makes relevant policies to control credit risk exposures. The Company assesses the quality of customers' credit rating and set their credit limits and credit period based on the customers' financial position, credit history and other

factors such as current market condition. The Company monitors the debtors' credit records regularly and ensures its overall credit risk within controllable range by written reminders, shorten or cancel credit periods to the debtors with bad credit history.

The Company's debtors of account receivables are customers distributed in different industries and geographical area. The Company continuously performs credit assessment on the debtors and purchases credit guarantee insurance when necessary.

The maximum exposure to credit risk borne by the Company is the carrying amount of each financial asset in the balance sheet. The Company does not provide any other guarantee that may expose the Company to credit risk.

Accounts receivable due from the top five customers of the Company account for 41.54% of total accounts receivable (2020: 25.31%; 2019: 23.71%); other receivables due from the top five customers of the Company account for 47.21% of total other receivables (2020: 62.52%; 2019: 47.05%).

(2) Liquidity risk

Liquidity risk is the risk that the Company is short of funds to deliver cash or other financial assets or meet settlement obligations.

To manage liquidity risk, the Company maintains cash and cash equivalents at a level that the management considers adequate and monitors them so as to meet its operation demand as well as to reduce the effect of cash flow fluctuations. The management is responsible for monitoring the usefulness of bank loans to ensure it complies with the covenants in loan agreements. Meanwhile, the management obtains the commitment from the principal financial institutions to provide enough surplus in reserve to satisfy the Company's short and long-term fund demands.

The Company finances working capital with funds arising from operation and bank and other borrowings. As at 31 December 2021, the available loan facilities for withdrawal by the Company is RMB 14,745.72 million (At 31 December 2020: RMB 13,355.03 million).

As at 31 December 2021, the analysis of due date of the Company's financial assets, financial liabilities and off-balance sheet guarantees by remaining undiscounted contractual cash flows of are as follow (unit: RMB ten thousand):

Item	2021.12.31						Total
	Within 1 year	1 to 2 years	2 to 3 years	3 to 4 years	4 to 5 years	Over 5 years	
Financial assets:							
Cash and bank balances	1,407,091.70	-	-	-	-	-	1,407,091.70
Notes receivable	1,667.21	-	-	-	-	-	1,667.21
Accounts receivable	629,173.05	-	-	-	-	-	629,173.05
Receivables financing	152,052.42	-	-	-	-	-	152,052.42
Other receivables	58,858.07	-	-	-	-	-	58,858.07
Long-term receivables	-	-	-	-	-	1,456.53	1,456.53

Item	2021.12.31						Total
	Within 1 year	1 to 2 years	2 to 3 years	3 to 4 years	4 to 5 years	Over 5 years	
Other current assets	69,504.20	-	-	-	-	-	69,504.20
Non-current assets due within one year	-	-	-	-	-	-	-
Other non-current assets	176,299.50	108,950.09	94,776.53	50,054.69	190,506.37	327,638.53	948,225.71
Total financial assets	2,494,646.15	108,950.09	94,776.53	50,054.69	190,506.37	329,095.06	3,268,028.89
Financial liabilities:							
Short-term loans	9,846.76	-	-	-	-	-	9,846.76
Bills payable	926,486.71	-	-	-	-	-	926,486.71
Accounts payable	1,017,288.52	-	-	-	-	-	1,017,288.52
Other payables	209,073.09	-	-	-	-	-	209,073.09
Non-current liabilities due within one year	111,903.98	-	-	-	-	-	111,903.98
Other current liabilities (not including deferred income)	89,403.78	-	-	-	-	-	89,403.78
Long term loans	-	29,119.14	51,098.81	39,562.12	41,416.20	182,678.56	343,874.83
Bonds payable	-	-	126,037.69	-	-	-	126,037.69
Lease liabilities	-	7,740.00	3,829.81	4,353.97	4,208.71	8,321.39	28,453.88
Long-term payables	-	28,911.11	29,784.70	59,293.96	67,312.46	54,133.52	239,435.75
Total financial liabilities and contingent liabilities	2,364,002.84	65,770.25	210,751.01	103,210.05	112,937.37	245,133.47	3,101,804.99

As at 31 December 2020, the analysis of due date of the Company's financial assets, financial liabilities and off-balance sheet guarantees by remaining contractual undiscounted cash flows of are as follow (unit: RMB ten thousand):

Item	2020.12.31						Total
	Within 1 year	1 to 2 years	2 to 3 years	3 to 4 years	4 to 5 years	Over 5 years	
Financial assets:							
Cash and bank balances	1,633,287.40	-	-	-	-	-	1,633,287.40
Notes receivable	-	-	-	-	-	-	-
Accounts receivable	400,721.66	-	-	-	-	-	400,721.66
Receivables financing	88,589.67	-	-	-	-	-	88,589.67

Item	2020.12.31						Total
	Within 1 year	1 to 2 years	2 to 3 years	3 to 4 years	4 to 5 years	Over 5 years	
Other receivables	65,242.51	-	-	-	-	-	65,242.51
Long-term receivables	-	-	-	-	-	3,247.80	3,247.80
Other current assets	131,422.20	-	-	-	-	-	131,422.20
Non-current assets due within one year	-	-	-	-	-	-	-
Other non-current assets	-	10,428.65	4,740.30	4,740.30	11,850.74	390,564.23	422,324.22
Total financial assets	2,319,263.44	10,428.65	4,740.30	4,740.30	11,850.74	393,812.03	2,744,835.46
Financial liabilities:							
Short-term loans	14,900.00	-	-	-	-	-	14,900.00
Bills payable	519,729.46	-	-	-	-	-	519,729.46
Accounts payable	785,532.65	-	-	-	-	-	785,532.65
Dividend payable	71.70	-	-	-	-	-	71.70
Other payables	182,513.69	-	-	-	-	-	182,513.69
Non-current liabilities due within one year	149,735.02	-	-	-	-	-	149,735.02
Bonds payable	78,120.79	-	-	-	-	-	78,120.79
Long term loans	-	50,598.03	49,854.53	28,565.79	26,337.97	204,485.73	359,842.05
Long-term payables	-	73,015.02	76,706.94	61,150.94	56,947.17	168,396.35	436,216.42
Unrecognized financing expenses of finance lease payables	-	23,487.58	12,790.53	10,571.50	9,147.84	25,885.78	81,883.23
Total financial liabilities	1,730,603.31	100,125.47	113,770.94	79,145.23	74,137.30	346,996.30	2,444,778.55

As at 31 December 2019, the analysis of due date of the Company's financial assets, financial liabilities and off-balance sheet guarantees by remaining contractual undiscounted cash flows of are as follow (unit: RMB ten thousand):

Item	2019.12.31						Total
	Within 1 year	1 to 2 years	2 to 3 years	3 to 4 years	4 to 5 years	Over 5 years	
Financial assets:							
Cash and bank balances	1,077,303.96	-	-	-	-	-	1,077,303.96
Notes receivable	292.50	-	-	-	-	-	292.50
Accounts receivable	475,153.07	-	-	-	-	-	475,153.07
Receivables financing	82,653.18	-	-	-	-	-	82,653.18

Item	2019.12.31						Total
	Within 1 year	1 to 2 years	2 to 3 years	3 to 4 years	4 to 5 years	Over 5 years	
Other receivables	29,846.71	-	-	-	-	-	29,846.71
Long-term receivables	-	156,593.24	29,259.05	17,837.07	46,214.24	3,500.55	253,404.15
Other current assets	33,725.42	-	-	-	-	-	33,725.42
Non-current assets due within one year	22,544.13	-	-	-	-	-	22,544.13
Other non-current assets	-	2,024.22	15,465.14	3,600.06	2,352.42	9,579.18	33,021.02
Total financial assets	1,721,518.97	158,617.46	44,724.19	21,437.13	48,566.66	13,079.73	2,007,944.14
Financial liabilities:							
Short-term loans	137,463.51	-	-	-	-	-	137,463.51
Bills payable	272,868.28	-	-	-	-	-	272,868.28
Accounts payable	480,491.10	-	-	-	-	-	480,491.10
Dividend payable	71.70	-	-	-	-	-	71.70
Other payables	61,888.42	-	-	-	-	-	61,888.42
Non-current liabilities due within one year	60,880.54	-	-	-	-	-	60,880.54
Bonds payable	129,413.56	51,129.07	-	-	-	-	180,542.63
Long term loans	-	85,407.64	17,891.74	17,665.94	17,606.00	146,278.88	284,850.20
Long-term payables	-	54,100.47	57,203.27	58,329.59	49,337.47	158,660.06	377,630.86
Unrecognized financing expenses of finance lease payables	-	15,049.82	13,787.12	11,592.13	9,196.93	22,890.49	72,516.49
Total financial liabilities	1,143,077.11	175,587.36	61,307.89	64,403.40	57,746.54	282,048.45	1,784,170.75

The amounts of financial liabilities disclosed in above are undiscounted cash flow of contracts, so they may be difference with those presented in the balance sheet.

Maximum guarantees amount in signed guarantee contract does not represent the amount expected to be paid.

(3) Market risk

Market risk of financial instrument is the risk of fluctuation in the fair value or future cash flow due to changes of market price, including interest rate risk, foreign exchange rate risk and other pricing risk.

Interest rate risk

Interest rate risk is the risk of fluctuation in the fair value or future cash flow of financial instrument due to the changes of market interest rate. Interest rate risk can come from the recognized interest-bearing financial instruments and unrecognized financial instruments (such as loan commitments).

Interest rate risk of the Company mainly arises from interest bearing borrowings, such as long-term bank loans and bonds payable. A financial liability with floating interest rates causes interest rate risks in cash flow to the Company; and a financial liability with fixed interest rates causes interest rate risks in fair value to the Company. The Company determines the proportion of bank loans with fixed and floating interest rate according to current market situation and maintains the appropriate combination of the instruments with fixed and floating interest rate by regular review and monitoring.

The Company pays close attention to the effect of interest rate changes on the Company's interest rate risk. The Company does not adopt any interest rate hedge, but the management is responsible for monitoring interest rate risk and will consider hedging on significant interest rate risk. Rising interest rates will increase the cost of new interest-bearing debts and the interest expenses of interest-bearing debts with floating interest rates that the Company has not paid in full, and will have a significant adverse impact on the Company's financial performance. The management will make timely adjustments based on the latest market conditions. These adjustments may be arrangements for interest rate swaps to reduce interest rate risk.

As at 31 December 2021, if interest rate of loans with floating interest rate goes up or drops 50 basic points and other factors remain unchanged, net profit and shareholders' equity would decrease or increase by approximately RMB 20.03 million (As at 31 December 2020: RMB 12.72 million; As at 31 December 2019: RMB 16.22 million).

For financial instruments held on the balance sheet date that expose the Company to fair value interest rate risk, the impact of net profit and shareholder's equity in the above sensitivity analysis assumes that the effect of remeasurement of financial instruments by the interest rate changes on the balance sheet date. For floating rate non-derivatives held on the balance sheet date that expose the Company to cash flow interest rate risk, the impact of net profit and shareholder's equity in the above sensitivity analysis is the estimated impact of interest expenses or revenue on an annual basis by the above interest rate changes.

Foreign exchange rate risk

Foreign exchange rate risk is the risk of fluctuation of financial instrument fair value or future cash flow fluctuation due to the changes of foreign exchange rate. Foreign exchange rate risk can arise from financial instruments measured at foreign currencies other than the functional currency.

The main operations of the Company are within China and mainly settled in RMB. Therefore, the market risk of foreign exchange changes undertaken by the Company is not significant.

2. Capital management

The purpose of the Company's capital management policy is to ensure the Company is going concern so as to provide returns to the shareholders and benefit other stakeholders and maintain the optimal capital structure to reduce capital cost.

To maintain or adjust the capital structure, the Company may adjust the amount of dividends paid to the

shareholders, return capital to the shareholders, issue new shares or sell assets to reduce debts.

The Company monitors capital structure on the basis of asset-liability ratio (Total liabilities divided by total assets). As at 31 December 2021, the Company's asset-liability ratio is 69.96% (As at 31 December 2020: 70.78%; As at 31 December 2019: 79.56%).

IX. Fair value

The level in which fair value measurement is categorized is determined by the level of the fair value hierarchy of the lowest level input that is significant to the entire fair value measurement. The levels are defined as follows:

Level 1: unadjusted quoted prices in active market for identical assets or liabilities.

Level 2: inputs other than Level 1 inputs that are either directly (i.e. price) or indirectly (i.e. derived from the price) observable for underlying assets or liabilities.

Level 3: inputs that are unobservable for underlying assets or liabilities.

(1) Item and amount measured at fair value

As at 31 December 2021, assets and liabilities measured at fair value are shown as follows:

Item	Level 1 fair value measurement	Level 2 fair value measurement	Level 3 fair value measurement	Total
I. Recurring fair value measurement				
(1) Trading financial assets	-	-	-	-
(2) Designated as financial assets at fair value through profit or loss	-	-	-	-
(3) Receivables financing	-	-	1,520,524,151.53	1,520,524,151.53
(4) Non-current assets due within one year	-	-	-	-
(6) Other equity instruments investment	-	-	101,034,699.07	101,034,699.07
(7) Other non-current financial assets	267,653,427.70	-	200,000,000.00	467,653,427.70
Total assets measured at fair value on a recurring basis	267,653,427.70	-	1,821,558,850.60	2,089,212,278.30
Total liabilities measured at fair value on a recurring basis	-	-	-	-
II. Non-recurring fair value measurements				
Assets held-for-sale	-	-	4,325,171,690.18	4,325,171,690.18
Total assets measured at fair value on a non-recurring basis	-	-	4,325,171,690.18	4,325,171,690.18
Liabilities held-for-sale	-	-	283,618,819.08	283,618,819.08
Total liabilities measured at fair value on a non-recurring basis	-	-	283,618,819.08	283,618,819.08

(Continued)

As at 31 December 2020, assets and liabilities measured at fair value are shown as follows:

Item	Level 1 fair value measurement	Level 2 fair value measurement	Level 3 fair value measurement	Total
I. Recurring fair value measurement				
Receivables financing	-	-	885,896,730.91	885,896,730.91
Other equity instruments investment	-	-	86,243,570.00	86,243,570.00
Total assets measured at fair value on a recurring basis	-	-	972,140,300.91	972,140,300.91
Total liabilities measured at fair value on a recurring basis	-	-	-	-
II. Non-recurring fair value measurements				
Assets held-for-sale	-	-	434,360,252.40	434,360,252.40
Total assets measured at fair value on a non-recurring basis	-	-	434,360,252.40	434,360,252.40
Liabilities held-for-sale	-	-	328,444,783.32	328,444,783.32
Total liabilities measured at fair value on a non-recurring basis	-	-	328,444,783.32	328,444,783.32

(Continued)

As at 31 December 2019, assets and liabilities measured at fair value are shown as follows:

Item	Level 1 fair value measurement	Level 2 fair value measurement	Level 3 fair value measurement	Total
I. Recurring fair value measurement				
Receivables financing	-	-	826,531,754.39	826,531,754.39
Other equity instruments investment	-	-	80,800,000.00	80,800,000.00
Total assets measured at fair value on a recurring basis	-	-	907,331,754.39	907,331,754.39
Total liabilities measured at fair value on a recurring basis	-	-	-	-
II. Non-recurring fair value measurements				
Assets held-for-sale	-	-	1,374,192,874.41	1,374,192,874.41
Total assets measured at fair value on a non-recurring basis	-	-	1,374,192,874.41	1,374,192,874.41
Liabilities held-for-sale	-	-	765,989,137.39	765,989,137.39
Total liabilities measured at fair value on a non-recurring basis	-	-	765,989,137.39	765,989,137.39

During the year, the fair value measurement of the Company's financial assets and financial liabilities did not have a transfer between the level 1 and level 2, and there was no transfer into or out of level 3.

For financial instruments with active market, the Company measures fair value at quoted price in active

market; for financial instrument without active market, the Company measures fair value using valuation techniques. Valuation models used are mainly cash flow discount model and market comparable entity model. Inputs include non-risk interest rate, base rate, foreign exchange rate, credit spread, liquidity premium, lack of liquidity discount, etc.

(2) Quantitative information about the significant unobservable inputs used in the fair value measurement of Level 3

Content	2021.12.31 Fair value	2020.12.31 Fair value	2019.12.31 Fair value	Valuation techniques	Unobservable inputs	Range (weighted average)
Equity instruments investment: Unlisted equity investments	101,034,699.07	86,243,570.00	80,800,000.00	Net assets value	Not applicable	N/A

X. Related parties and related party transactions

1. Ultimate controlling party of the Company

The ultimate controlling parties of the Company are Zhang Chuanwei, Wu Ling and Zhang Rui.

2. Information about the subsidiaries of the Company

For information about the subsidiaries of the Company, refer to Note VII.1.

3. Information about joint ventures and associates of the Company

Name of joint venture or associate	Main operating location	Place of registration	Business nature	Shareholding (%)		Accounting treatment of investment
				Direct	Indirect	
I. Joint ventures						
MW EP Renewables International Ltd.	Cyprus	Cyprus	Investment management	-	66.67	Equity method
MW Wind Power OOD	Bulgaria	Bulgaria	Investment management	-	66.00	Equity method
MingYang International Energy Technology Co., Ltd.	Beijing	Beijing	Technology Promotion and Energy Management	-	40.00	Equity method
Henan Mingrun New Energy Co., Ltd.	Zhengzhou, Henan	Zhengzhou, Henan	Wind power project development and operation	-	51.00	Equity method
II. Associates						
Huaneng MingYang New Energy Investment Co., Ltd.	Guangzhou, Guangdong	Guangzhou, Guangdong	Energy technology research and development	37.00	-	Equity method
China Nuclear Henan New Energy Co., Ltd.	Zhengzhou, Henan	Zhengzhou, Henan	New energy investment and R&D	25.00	-	Equity method
Guangdong Orient Prosperity Renewable Energy Industry Fund Management Co., Ltd.	Shenzhen, Guangdong	Shenzhen, Guangdong	Entrusted management of equity investment funds	28.00	-	Equity method

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[This report is translated from the Chinese report]

Name of joint venture or associate	Main operating location	Place of registration	Business nature	Shareholding (%)		Accounting treatment of investment
				Direct	Indirect	
Guangdong Renewable Energy Industry Fund No. 3 (Limited Partnership)	Guangzhou, Guangdong	Guangzhou, Guangdong	Investment Advisory and Management Services	99.90	-	Equity method
Golmud MingYang New Energy Power Generation Co., Ltd.	Haixi, Qinghai	Haixi, Qinghai	Power development and investment	-	49.00	Equity method
Guangdong Yuecai Financial Leases Co., Ltd.	Guangzhou, Guangdong	Guangzhou, Guangdong	Financial leases service	35.00	-	Equity method
Panzhuhua Renhe Jieyuan New Energy Co., Ltd.	Panzhuhua, Sichuan	Panzhuhua, Sichuan	Photovoltaic power generation	-	10.00	Equity method
Daqing Zhongdan Ruihao Wind Power Co., Ltd.	Daqing, Heilongjiang	Daqing, Heilongjiang	Wind power generation	15.00	-	Equity method
Daqing Dumeng Huji Tumo Wind Power Co., Ltd.	Daqing, Heilongjiang	Daqing, Heilongjiang	Wind power generation	15.00	-	Equity method
Daqing Dumeng Dairy Farm Wind Power Co., Ltd.	Daqing, Heilongjiang	Daqing, Heilongjiang	Wind power generation	15.00	-	Equity method
Daqing Dumeng Hu Town Dairy Farm Wind Power Co., Ltd.	Daqing, Heilongjiang	Daqing, Heilongjiang	Wind power generation	15.00	-	Equity method

4. Information on other related parties

Name of Related Parties	Relationship with the Company
(Hong Kong) Rong Xing Transport Company Limited	Controlled by relatives of the Company's senior executives
A1 Development EOOD	Subsidiary of a joint venture
Asiatech Holdings Limited	Controlled by the same ultimate controlling party
Eternity Peace Company Limited	Corporate shareholder, Controlled by the directors of the Company
First Base Investments Limited	Controlled by the same ultimate controlling party
First Windy Investment Corp.	Controlled by the same ultimate controlling party
Joint Hero International Development Limited	Shareholder
Keycorp Limited	Controlled by the same ultimate controlling party
King Venture Limited	Controlled by the same ultimate controlling party
Lucky Prosperity Company Limited	Corporate shareholder, Controlled by the directors of the Company
MW Renewable International SRL	Subsidiary of a joint venture
Nice June Limited	Controlled by relatives of directors of the Company
Rich Wind Energy One Corp	Controlled by the same ultimate controlling party
Rich Wind Energy Three Corp	Controlled by the same ultimate controlling party
Rich Wind Energy Two Corp	Controlled by the same ultimate controlling party
Rui Xi Enterprise Limited	Shareholder, controlled by senior executives of the Company
Sky Trillion Limited	Controlled by the same ultimate controlling party

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[This report is translated from the Chinese report]

Tech Sino Limited	Controlled by relatives of directors of the Company
W.Power EOOD	Subsidiary of a joint venture
W.Power-2 EOOD	Subsidiary of a joint venture
Wiser Tyson Investment Corp Limited	Controlled by the same ultimate controlling party
Baosteel Zhanjiang Iron & Steel Co., Ltd	The director of the Company serves as director
Beijing Boyang Huiyuan Electric Power Technology Co., Ltd	Controlled by the same ultimate controlling party
Beijing Kaiwu Changsheng Investment Management Co., Ltd	The Company's senior executive serves as senior executive
Beijing Xinyuan Business Club Co., Ltd	Associates of subsidiaries of the ultimate controlling party
Beijing Yueheyuan Property Management Co., Ltd	Relative of the director of the Company serves as supervisor
Beijing Zhongke Huaqiang Energy Investment Management Co., Ltd	Controlled by relatives of directors of the Company
Beijing Zizhu Xinyuan Technology Co., Ltd	Controlled by the same ultimate controlling party
Chaozhou Ziruo Tang Tea Industry Co., Ltd	Actually controlled by the relatives of the Company's senior executives
Daqing Dumeng Huji Tumo Wind Power Co., Ltd	Relative of the director of the Company serves as director
Daqing Dumenghu Town Dairy Farm Wind Power Co., Ltd	Relative of the director of the Company serves as director
Daqing Dumeng Dairy Farm Wind Power Co., Ltd	Relative of the director of the Company serves as director
Daqing Zhongdanruihao Wind Power Co., Ltd	Relative of the director of the Company serves as director
Directors, Managers, Chief Financial Officer and Secretary of the Board	Key management personnel
Dulan Daxueshan Wind Power Co., Ltd	The Company's senior executive serves as vice chairman
Fangcheng Qidingshan Wind Power Co., Ltd	Associates subsidiaries
Gongqingcheng Boyun Investment Partnership (Limited Partnership)	Relative of the director of the Company acts as delegated representatives
Gongqingcheng Lianyun Investment Partnership (Limited Partnership)	Relative of the director of the Company acts as delegated representatives
Guangdong Anpu Electric Power Technology Co., Ltd	Controlled by the same ultimate controlling party
Guangdong Chaohua Technology Co., Ltd	The Company's senior executive serves as independent director
Guangdong Oriental Shengshi Renewable Energy Industry Fund Management Co., Ltd	The director of the Company serves as chairman of the board
Guangdong Mingyang Electric Co., Ltd	Controlled by the same ultimate controlling party
Guangdong Mingyang Longyuan Power Electronics Co., Ltd	Controlled by the same ultimate controlling party
Guangdong Mingyang Ruide Venture Capital Co., Ltd	Controlled by relatives of directors of the Company
Guangdong Ruizhi Power Technology Co., Ltd	The Company's senior executive serves as chairman of the board
Guangdong Expressway Development Co., Ltd	The Company's senior executive serves as independent director
Guangdong Renewable Energy Industry Fund No. 3 (Limited Partnership)	Controlled by the same ultimate controlling party
Guangdong Wutong Asia Pacific Venture Capital Co., Ltd	The Company's senior executive serves as vice chairman

Guangdong Yuecai Financial Leasing Co., Ltd	The director of the Company serves as director
Guangdong Yuncheng Technology Co., Ltd	Controlled by relatives of directors of the Company
Guangxi Yuegui Guangye Holdings Co., Ltd	The Company's senior executive serves as independent director
Guangzhou Aofeng Huifu Private Equity Investment Fund Management Co., Ltd	The director of the Company serves as executive director
Guangzhou Oriental Shengshi Investment Management Co., Ltd	Associates subsidiaries
Guangzhou Huiyuan Aofeng Equity Investment Fund Management Co., Ltd	The director of the Company serves as chairman of the board
Guangzhou Huifu Kaile Investment Partnership (Limited Partnership)	Shareholder
Guangzhou Jinyi Film and Television Media Co., Ltd	The Company's senior executive serves as independent director
Guangzhou Nantai Culture and Sports Development Co., Ltd	Relative of the Company's senior executive serves as director
Guangzhou Suigang Zhongping Freight Co., Ltd	Controlled by relatives of the Company's senior executives
Guangzhou Zeshi Venture Capital Co., Ltd	Controlled by the Company's senior executives
Guangzhou Zhiguang Electric Co., Ltd	The Company's senior executive serves as independent director
Guangzhou Zhongying Information Technology Co., Ltd	Controlled by relatives of the Company's senior executives
Guangzhou Pearl River Industrial Development Co., Ltd	The Company's senior executive serves as independent director
Guodian Henan Electric Power Co., Ltd	The Company's senior executive serves as executive director
China Clean Energy (Beijing) Technology Limited	The Company's senior executive serves as executive director
Harbin Shiji Xiangyun Clean Energy Co., Ltd	Associate enterprise run by senior executive's relatives
Hainan Jinyuan Cheji Wind Power Co., Ltd	Shareholding company
Henan Huayang Evergreen Lubricating Oil Technology Co., Ltd	Controlled by the same ultimate controlling party
Henan Mingzhi Real Estate Co., Ltd	Controlled by the same ultimate controlling party
Henan Zhongtou Yingke Wind Power Co., Ltd	Associates subsidiaries
Huzhou Zhili Silver Lake Grain and Oil Co., Ltd	Relative of the director of the Company serves as director and general manager
Huaneng Mingyang New Energy Investment Co., Ltd	The Company's senior executive serves as director
Huayang Evergreen Investment Co., Ltd	Controlled by the same ultimate controlling party
Nanyang Branch of Huayang Evergreen Investment Co., Ltd	Controlled by the same ultimate controlling party
Jilin Zhongneng Wind Power Investment Co., Ltd	The Company's senior executive serves as executive director
Jiayuguan Ruide Xingyang New Energy Technology Co., Ltd	Controlled by the same ultimate controlling party
Jinhui Wine Co., Ltd	The Company's senior executive serves as independent director
Jinhui Mining Co., Ltd	The Company's senior executive serves as director
Jing'an Hong Dazhaokun Equity Investment Partnership (Limited Partnership)	Shareholder
Jiuhua Foundation (Beijing) Science and Technology Development Co., Ltd	Controlled by the same ultimate controlling party

Jiuhua Technology Development Co., Ltd	Controlled by the same ultimate controlling party
Odyssey Reinsurance Company Beijing Representative Office	Relative of the Company's senior executive serves as chief representative
Minquan Runheng Trading Co., Ltd	Relative of the supervisors of the Company serves as executive director
Mingyang Wind Power Investment Holdings (Tianjin) Co., Ltd	Controlled by the same ultimate controlling party
Ming Yang Energy Investment (Hong Kong) International Limited	Controlled by the same ultimate controlling party
Mingyang New Energy Investment Holding Group Co., Ltd	Controlled by the same ultimate controlling party
Nanchong Shunqing District Zhaoshun Real Estate Development Co., Ltd	The director of the Company serves as supervisor
Southern Offshore Wind Power Joint Development Co., Ltd	The director of the Company serves as director
Nantong Shenneng Electromechanical Equipment Co., Ltd	Associate run by the Company's senior executives
Inner Mongolia Mingyang Wind Power Equipment Co., Ltd	Controlled by the same ultimate controlling party
Neixiang County Hewu Electric Welding Department	Controlled by relatives of the Company's senior executives
Passaz Auto Parts (Shanghai) Co., Ltd	Relative of the Company's senior executive serves as director and general manager
Passaz Auto Parts (Suzhou) Co., Ltd	Relative of the Company's senior executive serves as director and general manager
Panjin Anlun Environmental Protection Equipment Co., Ltd	Relative of the director of the Company serves as supervisor
Pengze County Kangkang supermarket	Controlled by relatives of directors of the Company
Qinhuangdao Degang Environmental Protection Technology Co., Ltd	Associate enterprise run by actual controller's relatives Note 3
Qingdao Lanhai Kuanke Network Technology Co., Ltd	Associate run by the Company's senior executives
Rongjie Health Technology Co., Ltd	The Company's senior executive serves as independent director
Ruijin Wuyang Guangchang Food Store	Controlled by relatives of the Company's senior executives
Shandong Mingneng New Energy Co., Ltd	Controlled by the same ultimate controlling party
Shang Chu Lu YuYuan Food Co., Ltd	Associate enterprise run by senior executive's relatives
Shanghai Nichi Auto Parts Co., Ltd	Controlled by the Company's senior executives
Shenzhen Kunda Investment Partnership (Limited Partnership)	The director of the Company serves as managing partner
Shenzhen Lianhua Automobile Transport Company	Controlled by relatives of the Company's senior executives
Shenzhen Chuangxin Laser Co., Ltd	The Company's senior executive serves as independent director
Shenzhen Kelie Technology Co., Ltd	The Company's senior executive serves as independent director
Shenzhen Rongxin Hengyuan Investment and Development Co., Ltd	Controlled by the Company's senior executives
Shenzhen Tongheng Shengyuan Investment and Development Co., Ltd	Controlled by relatives of the Company's senior executives
Shenzhen Xinzhaio Kunchuang Investment Co., Ltd	The director of the Company serves as supervisor
Shenzhen Xinzhaio Zhongan Capital Management Co., Ltd	The Company's senior executive serves as director and general manager

Shenzhen Merchants Association No. 1 Equity Investment Fund Management Co., Ltd	The director of the Company serves as managing partner
Shenzhen Merchants Hongda Capital Management Co., Ltd	The Company's senior executive serves as executive director and general manager
Shihezi Zhaoda Real Estate Development Co., Ltd	The director of the Company serves as supervisor
Suzhou Fa Tai Technology Co., Ltd	Associate run by the Company's senior executives
Taicang Zhengfa Car Materials Co., Ltd	Relative of the Company's senior executive serves as director and general manager
Tianjin Mingyang Enterprise Management Consulting Co., Ltd	Controlled by the same ultimate controlling party
Tianjin Pharmaceutical Research Institute Co., Ltd	The Company's senior executive serves as director
Turpan Huayang Evergreen Non-Metallic Scrap Recycling Co., Ltd	Controlled by the same ultimate controlling party
Wuxi Yili Electronics Co., Ltd	Controlled by relatives of the Company's senior executives
Wuhu Tiejuan Investment Co., Ltd	The Company's senior executive serves as director
Wuhan Aerospace Chip Technology Co., Ltd	Controlled by relatives of directors of the Company
Wuyishan City Imperial Tea Fang Neighbor Tea House	Actually controlled by the relatives of the Company's senior executives
Wuyishan Ziruo Tang Tea Industry Co., Ltd	Controlled by relatives of the Company's senior executives
Hong Kong Zhongping Enterprises Limited	Controlled by relatives of the Company's senior executives
Xinjiang Mingyang Liyuan Energy Investment Co., Ltd	Controlled by the same ultimate controlling party
Xinjiang Xinzhaoh Kunhe Equity Investment Partnership (Limited Partnership)	Associate run by the Company's senior executives
Xinmei Life Mutual Insurance Society	Relative of the Company's senior executive serves as chairman of the board
Xinyang Rundian New Energy Co., Ltd	Subsidiary of a joint venture
Xinzhilan (Beijing) Health Management Co., Ltd	Controlled by relatives of the Company's senior executives
Yunnan Mingli Xinyuan Technology Service Co., Ltd	Controlled by the same ultimate controlling party
Yunnan Mingyang Energy Conservation and Environmental Protection Industry Co., Ltd	Controlled by relatives of directors of the Company
Yuncheng Salt Lake District Dongcheng Xingda Vice Food Store	Controlled by relatives of the Company's senior executives
China Merchants Kunlun Equity Investment Management Co., Ltd	The Company's senior executive serves as director and general manager
Zhejiang Huayun Marine Engineering Technical Service Co., Ltd	Controlled by the same ultimate controlling party
Zhejiang Mingyang Wind Power Co., Ltd	Relative of the director of the Company serves as supervisor
Zhengzhou Ruixu New Energy Technology Co., Ltd	Controlled by the same ultimate controlling party
China Mingyang Wind Power Group Co., Ltd	Controlled by the same ultimate controlling party
CNNC Huihai (Fujian) New Energy Co., Ltd	Relative of the director of the Company serves as supervisor
CNNC New Energy Putian Co., Ltd	The Company's senior executive serves as director
CNNC New Energy Co., Ltd	The Company's senior executive serves as director
Zhongshan Bochuang Enterprise Management Consulting Partnership (Limited Partnership)	Shareholder, controlled by the same ultimate controlling party

Zhongshan Bozhong Kechuang New Energy Management Consulting Co., Ltd	Controlled by the same ultimate controlling party
Zhongshan Lianchuang Enterprise Management Consulting Partnership (Limited Partnership)	Shareholder, senior executive of the Company serves as an executive partner
Zhongshan Lianhe Kechuang New Energy Management Consulting Co., Ltd	The Company's senior executive serves as executive director
Zhongshan Ruixin Enterprise Management Consulting Partnership (Limited Partnership)	Controlled by the same ultimate controlling party
Zhongshan Ruixin Intelligent Control System Co., Ltd	Controlled by the same ultimate controlling party
Zhongshan Ruiyue Industrial Investment Co., Ltd	Controlled by the same ultimate controlling party
Zhongshan Caomu Shenzong E-commerce Co., Ltd	Relative of the Company's senior executive serves as executive director
Zhongshan Longzhi Metal Surface Treatment Co., Ltd	Controlled by relatives of actual controller
Zhongshan Mingyang Electric Appliance Co., Ltd	Controlled by the same ultimate controlling party
Zhongshan Shengjun Education Information Consulting Service Co., Ltd	Actually controlled by the relatives of the Company's senior executives
Zhongshan Taiyang Kehui Industrial Co., Ltd	Controlled by the same ultimate controlling party
Zhongshan Yongchen Plastic Co., Ltd	Associate enterprise run by original actual controller's relatives Note 3
Zhongshan Yuanhuali Commercial Co., Ltd	Controlled by relatives of actual controller
Zhongshan Yunyang Technology Co., Ltd	Associate enterprise run by senior executive's relatives
Zhongshan Zhichuang Technology Investment Management Co., Ltd	Controlled by the same ultimate controlling party
Chongqing Kuailian Auto Parts Co., Ltd	Relative of the Company's senior executive serves as executive director
Zhuhai Hengqin Huiyuan Chuangfu Investment Consulting Partnership (Limited Partnership)	The director of the Company serves as managing partner
Zhuhai Hengqin Huiyuan Zhongfu Investment Consulting Partnership (Limited Partnership)	The director of the Company serves as managing partner
Zhuhai Hengqin Huizhi Jiayue Investment Consulting Partnership (Limited Partnership)	Associate run by the Company's senior executives
Zhuhai Huayun New Energy Technology Co., Ltd	Controlled by the same ultimate controlling party
Zhuhai Ruixing Aerospace New Energy Technology Co., Ltd	Controlled by the same ultimate controlling party
Pearl River Life Insurance Company Limited	The Company's senior executive serves as independent director
Zhubo Design Co., Ltd	The Company's senior executive serves as director
Zixing Furong Stomatological Hospital Co., Ltd	Relative of the Company's senior executive serves as supervisor
Zixing Tuofa Logistics Co., Ltd	Associate enterprise run by senior executive's relatives
Zixing Xiaorong Green Farm	Actually controlled by the relatives of the Company's senior executives
Zixing City Zhuliju Farm	Actually controlled by the relatives of the Company's senior executives

5. Related party transactions

(1) Purchase or sale with related parties

① Purchase of goods/receiving of services

Related party	Nature of transaction	Year ended 2021.12.31	Year ended 2020.12.31	Year ended 2019.12.31
Beijing Boyang Huiyuan Power Technology Co., Ltd.	Purchase materials	56,179,997.35	23,079,850.24	6,644,615.00
Guangdong MingYang Electric Co., Ltd.	Purchase materials	547,515,055.15	267,807,388.09	57,215,267.62
Zhongshan Dehua Chip Technology Co., Ltd.	Purchase materials	4,867,256.62	-	-
Zhongshan MingYang Electric Co., Ltd.	Purchase materials	1,053,097.34	26,930,327.26	40,766,007.82
Zhongshan Taiyang Kehui Industrial Co., Ltd.	Purchase materials	276,381,114.61	263,804,403.01	77,613,763.14
Guangdong MingYang Longyuan Power Electronics Co., Ltd.	Purchase materials	-	-	4,300,072.49
Total	--	885,996,521.07	581,621,968.60	186,539,726.07

Note: Purchase price with related parties is referencing to the purchase price of other suppliers of similar products.

② Sales of goods/rendering of services

Related party	Nature of transaction	Year ended 2021.12.31	Year ended 2020.12.31	Year ended 2019.12.31
Daqing Dumeng Huji Tumo Wind Power Co., Ltd.	Operation and maintenance services	1,617,788.85	-	-
Daqing Dumeng Hu Town Dairy Farm Wind Power Co., Ltd.	Operation and maintenance services	1,672,191.56	-	-
Daqing Dumeng Dairy Farm Wind Power Co., Ltd.	Operation and maintenance services	1,617,788.85	-	-
Daqing Zhongdan Ruihao Wind Power Co., Ltd.	Operation and maintenance services	1,617,788.85	-	-
Guangdong MingYang Electric Co., Ltd.	Electricity distribution and sale	614,360.83	562,295.66	-
Henan Zhongtou Yingke Wind Power Co., Ltd.	Sale of materials	121,290.27	411,200.00	743,058.42
Huayang Evergreen Investment Co., Ltd.	Electricity distribution and sale	243,095.28	135,988.97	-
Jilin Province Zhongneng Wind Power Investment Co., Ltd.	Service fee	30,037,200.67	30,079,062.56	-
Southern Offshore Wind Power Joint Development Co., Ltd.	Operation and maintenance services	964,776.59	39,659,632.50	2,992,500.00
Xinyang Rundian New Energy Co., Ltd.	Fan sales	37,607,105.82	-	-
Xinyang Rundian New Energy Co., Ltd.	Service fee	13,183,510.77	69,945,064.99	-
Zhongshan MingYang Electric Co., Ltd.	Sale of materials, service fee	-	135,502.21	-

Related party	Nature of transaction	Year ended 2021.12.31	Year ended 2020.12.31	Year ended 2019.12.31
Datang Gongcheng New Energy Co., Ltd.	Power station operation service fee	-	-	3,452,830.10
Total	--	115,217,037.67	140,928,746.89	7,188,388.52

Note: Sales price with related parties is referencing to the sales prices of similar products or services.

(2) Lease with related parties

① The Company as lessor

Lessee	Type of assets leased	Lease income recognized in 2021	Lease income recognized in 2020	Lease income recognized in 2019
Xinyang Rundian New Energy Co., Ltd.	Equipment lease	22,123.98	172,566.37	-
Zhongshan Dehua Chip Technology Co., Ltd.	Equipment lease	4,651,265.07	4,651,136.12	11,878,695.41
Guangdong MingYang Longyuan Power Electronics Co., Ltd.	Office building rental	-	1,011,233.74	1,103,164.08
Beijing Zhongke Huaqiang Energy Investment Management Co., Ltd.	Office building rental	-	-	194,002.90
Total	--	4,673,389.05	5,834,936.23	13,175,862.39

② The Company as lessee

Landlord	Type of assets leased	Lease expense recognized in 2021	Lease expense recognized in 2020	Lease expense recognized in 2019
Inner Mongolia MingYang Wind Power Equipment Co., Ltd.	Leased venue	4,950,000.00	5,400,000.00	1,800,000.00

Right-of-use assets newly added by the Company as a lessee in each reporting period:

Landlord	Type of assets leased	Increase in 2021
Inner Mongolia MingYang Wind Power Equipment Co., Ltd.	Yard lease	520,785.53
Inner Mongolia MingYang Wind Power Equipment Co., Ltd.	Factory lease	86,944.83

Lease liabilities and interest expenses borne by the Company as the lessee in each reporting period:

Landlord	Type of assets leased	Increase in 2021
Inner Mongolia MingYang Wind Power	Yard lease	23,630.65

MingYang Smart Energy Group Co., Ltd.

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Landlord	Type of assets leased	Increase in 2021
Equipment Co., Ltd.		
Inner Mongolia MingYang Wind Power Equipment Co., Ltd.	Factory lease	4,803.69

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(3) Guarantee with related parties

No.	Guarantee	Guarantor	Guarantee beneficiary (Full name)	Guarantee contract amount /Main creditor principal amount (RMB ten thousand)	Guarantee period	Matter of guarantee / content of guarantee	Mode of guarantee	Whether guarantee expired as of 31 December 2019	Whether guarantee expired as of 31 December 2020	Whether guarantee expired as of 31 December 2021
1	MingYang Smart Energy Group Co., Ltd.	Jilin MingYang Wind Power Technology Co., Ltd.	China Construction Bank Zhongshan Branch	160,000.00	For business that occurred during the period from 2018.1.1 to 2019.12.31, from the date of signing the main contract for a single credit extension business to two years after the expiration date of the debtor's debt performance period under the main contract	Borrowings, Opening Letters of Credit, Bank Acceptance Agreements, Letters of Guarantee or/and others	Joint liability guarantee	Yes	Yes	Yes
2	MingYang Smart Energy Group Co., Ltd.	Tianjin MingYang Wind Power Equipment Co., Ltd.	China Construction Bank Zhongshan Branch	450,000.00	Three years from the date of expiry of the repayment period of the principal debt		Joint liability guarantee	Not applicable	Not applicable	Not applicable
3	Zhongshan Ruisheng Antai Industrial Investment Co., Ltd.	Zhang Chuanwei, Wu Ling	China Construction Bank Zhongshan Branch	70,000.00	From the effective date of this contract to one year after the expiration of the debt performance period under the main contract	Loan guarantee	Joint liability guarantee	Yes	Yes	No
		MingYang Smart Energy Group Co., Ltd.	China Construction Bank Zhongshan Branch		From the effective date of the guarantee contract to one year after the expiration of the debt performance period under the main contract. If the guarantor agrees to extend the debt, the guarantee period shall end one year after the expiration of the debt performance period re-agreed in the extension agreement. If the creditor declares that the debt is due in advance according to the main contract, the guarantee period	Loan guarantee	Joint liability guarantee	Yes	Yes	No

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No.	Guarantee	Guarantor	Guarantee beneficiary (Full name)	Guarantee contract amount /Main creditor principal amount (RMB ten thousand)	Guarantee period	Matter of guarantee / content of guarantee	Mode of guarantee	Whether guarantee expired as of 31 December 2021	Whether guarantee expired as of 31 December 2020	Whether guarantee expired as of 31 December 2019			
					shall end two years after the debt is announced by the creditor in advance of the maturity date. If the debts under the main contract are to be performed in installments, the guarantee period for each installment shall end one year after the expiration of the last installment of the obligation.								
4	Guangdong MingYang New Energy Technology Co., Ltd.	MingYang Smart Energy Group Co., Ltd.	China Development Bank Guangdong Branch /The Export-import Bank of China Guangdong Branch	110,000.00	Three years from the date when the debt performance period under the main contract expires	Loan guarantee	Joint liability guarantee	Yes	No	No			
	Guangdong MingYang New Energy Technology Co., Ltd.	MingYang Smart Energy Group Co., Ltd.	China Development Bank Guangdong Branch /The Export-import Bank of China Guangdong Branch					According to the main contract numbered 4410201901100001070, 4410201901100001061, from July 12, 2019 to July 12, 2026	Loan guarantee	Pledge	Yes	No	No
	Guangdong MingYang New Energy Technology Co., Ltd.	Guangdong MingYang New Energy Technology Co., Ltd.	China Development Bank Guangdong Branch /The Export-import Bank of China Guangdong Branch					According to the main contract, from July 12, 2019 to July 12, 2026	Loan guarantee	Mortgage	Yes	No	No

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No.	Guarantee	Guarantor	Guarantee beneficiary (Full name)	Guarantee contract amount /Main creditor principal amount (RMB ten thousand)	Guarantee period	Matter of guarantee / content of guarantee	Mode of guarantee	Whether guarantee expired as of 31 December 2021	Whether guarantee expired as of 31 December 2020	Whether guarantee expired as of 31 December 2019
	Guangdong MingYang New Energy Technology Co., Ltd.	Zhang Chuanwei/Wu Ling	China Development Bank Guangdong Branch /The Export-Import Bank of China Guangdong Branch		Three years from the date when the debt performance period under the main contract expires	Loan guarantee	Joint liability guarantee	Yes	No	No
5	Guangdong MingYang New Energy Technology Co., Ltd.	MingYang Smart Energy Group Co., Ltd.	Bank of China Yangjiang Branch	4,000.00	Two years from the date of expiry of the repayment period of the principal claim	Loan guarantee	Joint liability guarantee	Yes	No	No
6	Xinjiang Wanbang Energy Development Co., Ltd.	MingYang Smart Energy Group Co., Ltd.	ICBC Financial Leases Co., Ltd.	25,000.00	After the lessee has fulfilled all its obligations under the main contract, the pledge is released	Financial lease guarantee	Pledge	Yes	No	No
	Xinjiang Wanbang Energy Development Co., Ltd.	MingYang Smart Energy Group Co., Ltd.	ICBC Financial Leases Co., Ltd.							
7	Xinjiang Wanbang Energy Development Co., Ltd.	MingYang Smart Energy Group Co., Ltd.	China Merchants Bank Co., Ltd. Zhongshan Branch	5,000.00	The period from the effective date of this contract to the expiration of the statute of limitations for claims under the main contract	Borrowings, Commercial acceptance bills, Discount of acceptance bills or letter of credit	Pledge	Yes	Yes	Yes
	Xinjiang Huaran New Energy Co., Ltd.	MingYang Smart Energy Group Co., Ltd.	China Resources Leases Co., Ltd.							
8	Xinjiang Huaran New Energy Co., Ltd.	MingYang Smart Energy Group Co., Ltd.	China Resources Leases Co., Ltd.	25,000.00	Two years from the date when the performance period of the debts under the main contract expires	Financial lease guarantee	Joint liability guarantee	No	No	No
	Xinjiang Huaran New Energy Co., Ltd.	MingYang Smart Energy Group Co., Ltd.	China Resources Leases Co., Ltd.							

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No.	Guarantee	Guarantor	Guarantee beneficiary (Full name)	Guarantee contract amount /Main creditor principal amount (RMB ten thousand)	Guarantee period	Matter of guarantee / content of guarantee	Mode of guarantee	Whether guarantee expired as of 31 December 2021	Whether guarantee expired as of 31 December 2020	Whether guarantee expired as of 31 December 2019
	Xinjiang Huaran New Energy Co., Ltd.	Xinjiang Huaran New Energy Co., Ltd.	China Resources Leases Co., Ltd.		From the effective date of this contract to the date when the obligations under this contract have been fully fulfilled	Financial lease guarantee	Pledge	No	No	No
	Keshiketeng Banner MingYang New Energy Co., Ltd.	MingYang Smart Energy Group Co., Ltd.	Industrial and Commercial Bank of China Co., Ltd. Hohhot Station Branch		Two years from the day after the expiration of the Borrowings period under the independent contract; if the creditor declares the Borrowings to expire in advance according to the main contract, the guarantee period shall be two years from the next day of the Borrowings early maturity date	Guarantee for fixed assets loan	Joint liability guarantee	No	No	No
9	Keshiketeng Banner MingYang New Energy Co., Ltd.	Inner Mongolia MingYang New Energy Development Co., Ltd.	Industrial and Commercial Bank of China Co., Ltd. Hohhot Station Branch	29,300.00	The pledge contract shall take effect from the date of signing and shall terminate on the day when the pledgee's creditor's rights under the main contract are fully repaid	Guarantee for fixed assets loan	Pledge	No	No	No
	Keshiketeng Banner MingYang New Energy Co., Ltd.	Keshiketeng Banner MingYang New Energy Co., Ltd.	Industrial and Commercial Bank of China Co., Ltd. Hohhot Station Branch		The mortgage contract takes effect from the date of signing and ends on the date when the mortgagee's creditor's rights under the main contract are fully repaid	Guarantee for fixed assets loan	Mortgage	No	No	No
	Keshiketeng Banner MingYang New Energy Co., Ltd.	Keshiketeng Banner MingYang New Energy Co., Ltd.	Industrial and Commercial Bank of China Co., Ltd. Hohhot Station Branch		The pledge contract shall take effect from the date of signing and shall terminate on the day when the pledgee's creditor's rights under the main contract are fully repaid	Guarantee for fixed assets loan	Pledge	No	No	No

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No.	Guarantee	Guarantor	Guarantee beneficiary (Full name)	Guarantee contract amount /Main creditor principal amount (RMB ten thousand)	Guarantee period	Matter of guarantee / content of guarantee	Mode of guarantee	Whether guarantee expired as of 31 December 2021	Whether guarantee expired as of 31 December 2020	Whether guarantee expired as of 31 December 2019
10	Wuhai MingYang New Energy Co., Ltd.	MingYang Smart Energy Group Co., Ltd.	Guangdong Yuecai Financial Leases Co., Ltd.	10,784.38	From the effective date of this guarantee contract to two years after the expiry date of all the debts of the lessee under the main contract	Financial lease guarantee	Joint liability guarantee	Yes	No	No
	Wuhai MingYang New Energy Co., Ltd.	Wuhai MingYang New Energy Co., Ltd.	Guangdong Yuecai Financial Leases Co., Ltd.		From the effective date of this guarantee contract to two years after the expiry date of all the debts of the lessee under the main contract	Financial lease guarantee	Pledge	Yes	No	No
	Wuhai MingYang New Energy Co., Ltd.	Inner Mongolia MingYang New Energy Development Co., Ltd.	Guangdong Yuecai Financial Leases Co., Ltd.		From the effective date of this contract until the guaranteed debts are fully paid off	Financial lease guarantee	Pledge	Yes	No	No
11	Qingshuihe County MingYang New Energy Co., Ltd.	MingYang Smart Energy Group Co., Ltd.	Huaxia Bank Hohhot New City Branch	16,007.00	The guarantee period is two years, and the starting date is determined as follows: 1. When the expiry date of the performance period of any debt is earlier than or the same as the date of determination of the secured claim, the starting date shall be the date of determination of the secured claim. 2. When the expiry date of any debt is later than or the same as the date of determination of the secured claim, the starting date shall be the expiry date of the debt's performance.	Loan guarantee	Joint liability guarantee	Yes	No	No

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No.	Guarantee	Guarantor	Guarantee beneficiary (Full name)	Guarantee contract amount /Main creditor principal amount (RMB ten thousand)	Guarantee period	Matter of guarantee / content of guarantee	Mode of guarantee	Whether guarantee expired as of 31 December 2021	Whether guarantee expired as of 31 December 2020	Whether guarantee expired as of 31 December 2019
12	Qingshuihe County MingYang New Energy Co., Ltd.	MingYang Smart Energy Group Co., Ltd.	Huaxia Bank Hohhot New City Branch	EUR 12.65 million	The guarantee period is two years, and the starting date is determined as follows: 1. When the expiry date of the performance period of any debt is earlier than or the same as the date of determination of the secured claim, the starting date shall be the date of determination of the secured claim. 2. When the expiry date of any debt is later than or the same as the date of determination of the secured claim, the starting date shall be the expiry date of the debt's performance.	Loan guarantee	Joint liability guarantee	Yes	No	No
13	Xilinhot MingYang Wind power generation Co., Ltd.	MingYang Smart Energy Group Co., Ltd.	CITIC Financial Leasing Co., Ltd.	28,000.00	Two years from the effective date of each financing Leases contract to the date of expiry of the last guaranteed debt performance period under each financing Leases contract From the effective date of this contract to the expiry date when the debtor of the principal contract performs each period of guaranteed debt From the effective date of this contract to the expiry date when the debtor of the principal contract performs each period of guaranteed debt	Financial lease guarantee	Joint liability guarantee	Yes	No	No
	Xilinhot MingYang Wind power generation Co., Ltd.	Inner Mongolia MingYang New Energy Development Co., Ltd.	CITIC Financial Leasing Co., Ltd.					Yes	No	No
	Xilinhot MingYang Wind power generation Co., Ltd.	Xilinhot MingYang Wind power generation Co., Ltd.	CITIC Financial Leasing Co., Ltd.					Yes	No	No

MingYang Smart Energy Group Co., Ltd.

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No.	Guaranteee	Guarantor	Guarantee beneficiary (Full name)	Guarantee contract amount /Main creditor principal amount (RMB ten thousand)	Guarantee period	Matter of guarantee / content of guarantee	Mode of guarantee	Whether guarantee expired as of 31 December 2021	Whether guarantee expired as of 31 December 2020	Whether guarantee expired as of 31 December 2019
14	Xilinhot MingYang Wind power generation Co., Ltd.	Xilinhot MingYang Wind power generation Co., Ltd.	CITIC Financial Leasing Co., Ltd.		From the effective date of this contract to the expiry date when the debtor of the principal contract performs each period of guaranteed debt	Financial lease guarantee	Pledge	Yes	No	No
	Ye County Jiangjunshan New Energy Co., Ltd.	MingYang Smart Energy Group Co., Ltd.	Huaxia Financial Leases Co., Ltd.		From the effective date of the main contract to two years after the expiration date of all debts of the debtor under the main contract	Financial lease guarantee	Joint liability guarantee	No	No	No
	Ye County Jiangjunshan New Energy Co., Ltd.	Guodian Henan Zhongtuo Yingke New Energy Co., Ltd.	Huaxia Financial Leases Co., Ltd.	28,800.00	From the date when the guarantee contract is signed and the registration procedures for Equity pledge are completed, to the date when the pledgor fulfills all the debts in a timely manner according to the main contract, or the pledgee realizes the pledge and is able to pay in full, whichever comes earlier	Financial lease guarantee	Pledge	No	No	No
15	Ye County Jiangjunshan New Energy Co., Ltd.	Ye County Jiangjunshan New Energy Co., Ltd.	Huaxia Financial Leases Co., Ltd.		From the date of signing this agreement, until the date when Party B under the main contract pays all the money in full in a timely manner or the pledgee realizes the right of pledge and is able to pay in full, whichever comes earlier	Financial lease guarantee	Pledge	No	No	No
	Guodian Henan Zhongtuo Yingke New Energy Co., Ltd.	MingYang Smart Energy Group Co., Ltd.	China Resources Leases Co., Ltd.	30,000.00	Two years from the date when the performance period of the debts under the main contract expires	Financial lease guarantee	Joint liability guarantee	No	No	No
	Guodian Henan Zhongtuo Yingke	Zhengzhou Yaxin Electrical	China Resources Leases Co., Ltd.		From the effective date of this contract to the completion of the	Financial lease guarantee	Pledge	No	No	No

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	New Energy Co., Ltd.	Equipment Co., Ltd.			full repayment of the secured creditor's rights					
	Guodian Henan Zhongtuo Yingke New Energy Co., Ltd.	Guodian Henan Zhongtuo Yingke New Energy Co., Ltd.	China Resources Leases Co., Ltd.		Until the date on which the obligations under the pledge contract have been fully fulfilled.	Financial lease guarantee	Pledge	No	No	No
	Qinghai MingYang New Energy Co., Ltd.	Qinghai Qaidam Development and Construction Investment Co., Ltd.	China Development Fund Co., Ltd.	15,000.00	Two years from the date when the debt performance period under the main contract expires	Capital increase guarantee	Joint liability guarantee	No	No	No
	Qinghai Qaidam Development and Construction Investment Co., Ltd. (Counter guaranteee)	MingYang New Energy Investment Holding Group Co., Ltd.	China Development Fund Co., Ltd.		Two years from the next day when the creditor performs the main contract obligations	Capital increase guarantee	Joint liability guarantee	No	No	No
	Qinghai Qaidam Development and Construction Investment Co., Ltd. (Counter guaranteee)	MingYang Smart Energy Group Co., Ltd.	China Development Fund Co., Ltd.	15,000.00	This contract will take effect after the legal representatives or authorized agents of both parties sign and affix the official seal to the date when the mortgagee's creditor's rights are fully repaid	Capital increase guarantee	Mortgage	No	No	No
	Qinghai Qaidam Development and Construction Investment Co., Ltd. (Counter guaranteee)	Zhongshan MingYang Wind Power Equipment Co., Ltd.	China Development Fund Co., Ltd.		Until the date when the mortgagee's creditor's rights are fully paid	Capital increase guarantee	Mortgage	No	No	No
	Qinghai Qaidam Development and Construction Investment Co., Ltd.	Zhongshan Ruiyang Investment Management Co., Ltd.	China Development Fund Co., Ltd.		This contract will take effect after the legal representatives or authorized agents of both parties sign and affix the official seal to	Capital increase guarantee	Mortgage	No	No	No

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No.	Guarantee	Guarantor	Guarantee beneficiary (Full name)	Guarantee contract amount /Main creditor principal amount (RMB ten thousand)	Guarantee period	Matter of guarantee / content of guarantee	Mode of guarantee	Whether guarantee expired as of 31 December 2021	Whether guarantee expired as of 31 December 2020	Whether guarantee expired as of 31 December 2019
	Ltd. (Counter guarantee)				the date when the mortgagee's creditor's rights are fully repaid					
	Daqing Zhongdan Ruihao Wind Power Co., Ltd.	MingYang Smart Energy Group Co., Ltd.	China Development Bank Co., Ltd.		From 2012.9.27 to 2027.9.27	Loan guarantee	Pledge	Yes	Yes	No
	Daqing Zhongdan Ruihao Wind Power Co., Ltd.	MingYang Smart Energy Group Co., Ltd.	China Development Bank Co., Ltd.		From the effective date of this agreement to the date of full repayment of Borrowings principal, interest, penalty interest, compound interest, liquidated damages, compensation, expenses for realizing the debt and all other accrued expenses under the Borrowings contract	Loan guarantee	Pledge	Yes	Yes	No
17	Daqing Zhongdan Ruihao Wind Power Co., Ltd.	MingYang Smart Energy Group Co., Ltd.	China Development Bank Co., Ltd.	30,000.00	Two years from the date when the performance period of each debt under the main contract expires	Loan guarantee	Joint liability guarantee	Yes	Yes	No
	Daqing Zhongdan Ruihao Wind Power Co., Ltd.	Daqing Zhongdan Ruihao Wind Power Co., Ltd.	China Development Bank Co., Ltd.		From 2012.9.27 to 2027.9.27	Loan guarantee	Pledge	Yes	Yes	No
	Daqing Zhongdan Ruihao Wind Power Co., Ltd.	Daqing Zhongdan Ruihao Wind Power Co., Ltd.	China Development Bank Co., Ltd.		Effective from the date of signature and seal of the mortgagor and the mortgagee	Loan guarantee	Mortgage	Yes	Yes	Yes
	Daqing Dumeng Huji Tumo Wind Power Co., Ltd.	MingYang Smart Energy Group Co., Ltd.	China Development Bank Co., Ltd.		From 2012.12.28 to 2027.12.28	Loan guarantee	Pledge	Yes	Yes	No
18	Daqing Dumeng Huji Tumo Wind Power Co., Ltd.	MingYang Smart Energy Group Co., Ltd.	China Development Bank Co., Ltd.	25,700.00	From the effective date of this agreement to the date of full repayment of Borrowings principal, interest, penalty	Loan guarantee	Pledge	Yes	Yes	No

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					interest, compound interest, liquidated damages, compensation, expenses for realizing the debt and all other accrued expenses under the Borrowings contract					
	Daqing Dumeng Huji Tumo Wind Power Co., Ltd.	MingYang Smart Energy Group Co., Ltd.	China Development Bank Co., Ltd.		Two years from the date when the performance period of each debt under the main contract expires	Loan guarantee	Joint liability guarantee	Yes	Yes	No
	Daqing Dumeng Huji Tumo Wind Power Co., Ltd.	Daqing Dumeng Huji Tumo Wind Power Co., Ltd.	China Development Bank Co., Ltd.		Effective from the date of signature and seal of the mortgagor and the mortgagee	Loan guarantee	Mortgage	Yes	Yes	Yes
	Daqing Dumeng Huji Tumo Wind Power Co., Ltd.	Daqing Dumeng Huji Tumo Wind Power Co., Ltd.	China Development Bank Co., Ltd.		Effective from the date of signature and seal of the pledgor and the pledgee	Loan guarantee	Pledge	Yes	Yes	No
	Daqing Dumeng Dairy Farm Wind Power Co., Ltd.	MingYang Smart Energy Group Co., Ltd.	China Development Bank Co., Ltd.		From 2014.2.25 to 2029.2.24	Loan guarantee	Pledge	Yes	Yes	No
19	Daqing Dumeng Dairy Farm Wind Power Co., Ltd.	MingYang Smart Energy Group Co., Ltd.	China Development Bank Co., Ltd.	27,500.00	From the effective date of this agreement to the date of full repayment of Borrowings principal, interest, penalty interest, compound interest, liquidated damages, compensation, expenses for realizing the debt and all other accrued expenses under the Borrowings contract	Loan guarantee	Pledge	Yes	Yes	No
	Daqing Dumeng Dairy Farm Wind Power Co., Ltd.	MingYang Smart Energy Group Co., Ltd.	China Development Bank Co., Ltd.		Two years from the date when the performance period of each debt under the main contract expires	Loan guarantee	Joint liability guarantee	Yes	Yes	No

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20	Daqing Dumeng Dairy Farm Wind Power Co., Ltd.	Daqing Dumeng Dairy Farm Wind Power Co., Ltd.	China Development Bank Co., Ltd.		From 2014.2.25 to 2029.2.24	Loan guarantee	Pledge	Yes	Yes	No
	Daqing Dumeng Hu Town Dairy Farm Wind Power Co., Ltd.	MingYang Smart Energy Group Co., Ltd.	China Development Bank Co., Ltd.		From 2014.2.25 to 2029.2.24	Loan guarantee	Pledge	Yes	Yes	No
	Daqing Dumeng Hu Town Dairy Farm Wind Power Co., Ltd.	MingYang Smart Energy Group Co., Ltd.	China Development Bank Co., Ltd.	27,500.00	From the effective date of this agreement to the date of full repayment of Borrowings principal, interest, penalty interest, compound interest, liquidated damages, compensation, expenses for realizing the debt and all other accrued expenses under the Borrowings contract	Loan guarantee	Pledge	Yes	Yes	No
	Daqing Dumeng Hu Town Dairy Farm Wind Power Co., Ltd.	MingYang Smart Energy Group Co., Ltd.	China Development Bank Co., Ltd.		Two years from the date when the performance period of each debt under the main contract expires	Loan guarantee	Joint liability guarantee	Yes	Yes	No
21	Daqing Dumeng Hu Town Dairy Farm Wind Power Co., Ltd.	Daqing Dumeng Hu Town Dairy Farm Wind Power Co., Ltd.	China Development Bank Co., Ltd.		From 2014.2.25 to 2029.2.24	Loan guarantee	Pledge	Yes	Yes	No
	Hongrun (Huanghua) New Energy Co., Ltd.	MingYang Smart Energy Group Co., Ltd.	Huaxia Bank Co., Ltd. Cangzhou Branch	65,000.00	The guarantee period for the guarantor to undertake the guarantee liability is two years, and the starting date is determined as follows: 1. When the expiry date of the performance period of any debt is earlier than or equal to the determination date of the	Guarantee for fixed assets loan	Joint liability guarantee	No	No	No

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					secured claim, The starting date of the guarantee period during which the guarantor assumes the guarantee responsibility for the debt shall be the date on which the guaranteed creditor's right is determined; 2. When the expiry date of the performance period of any debt is later than the confirmation date of the guaranteed creditor's right, the guarantor shall bear the guarantee responsibility for the debt. The starting date of the guarantee period is the expiry date of the performance period of the debt					
	Hongrun (Huanghua) New Energy Co., Ltd.	Hongrun (Huanghua) New Energy Co., Ltd.	Huaxia Bank Co., Ltd. Cangzhou Branch		The maturity date agreed in the main claim contract shall prevail	Guarantee for fixed assets loan	Pledge	No	No	No
	Hongrun (Huanghua) New Energy Co., Ltd.	Hongrun (Huanghua) New Energy Co., Ltd.	Huaxia Bank Co., Ltd. Cangzhou Branch		The maturity date agreed in the main claim contract shall prevail	Guarantee for fixed assets loan	Mortgage	No	No	No
	Shaanxi Dingbian Jieyuan New Energy Power Generation Co., Ltd.	MingYang Smart Energy Group Co., Ltd.	Huaneng Tiancheng Finance Leases Co., Ltd.		Two years from the date when the debtor's performance of the debt as agreed in the independent contract expires	Financial lease guarantee	Joint liability guarantee	No	No	No
22	Shaanxi Dingbian Jieyuan New Energy Power Generation Co., Ltd.	Shaanxi Dingbian Jieyuan New Energy Power Generation Co., Ltd.	Huaneng Tiancheng Finance Leases Co., Ltd.	14,374.28	This contract takes effect on the date when the legal representatives or authorized representatives of both parties sign or seal and affix the official seal of the mortgagee or the	Financial lease guarantee	Mortgage	No	No	No

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					special contract seal and the official seal of the mortgagor					
	Shaanxi Dingbian Jieyuan New Energy Power Generation Co., Ltd.	Shaanxi Dingbian Jieyuan New Energy Power Generation Co., Ltd.	Huaneng Tiancheng Finance Leases Co., Ltd.		It will come into effect after the legal representatives or authorized representatives of both parties sign or seal and affix the official seal of the pledgor and the official seal of the pledgee or the special seal of the contract, and it will be valid until the date when all the main creditor's rights guaranteed by this contract are fully paid off.	Financial lease guarantee	Pledge	No	No	No
	Shaanxi Dingbian Jieyuan New Energy Power Generation Co., Ltd.	Beijing Jieyuan New Energy Investment Co., Ltd.	Huaneng Tiancheng Finance Leases Co., Ltd.		The pledge rights under this contract are established from the date when the above-mentioned Equity pledge registration procedures are completed, and end on the date when the creditor's rights and debts under the main contract are settled.	Financial lease guarantee	Pledge	No	No	No
	Inner Mongolia MingYang Wind Power Co., Ltd.	MingYang Smart Energy Group Co., Ltd.	CGNPC International Financial Leasing Co., Ltd.		The pledge right takes effect until the expiration of the limitation period for the main claim under the main contract	Financial lease guarantee	Pledge	Yes	Yes	No
23	Inner Mongolia MingYang Wind Power Co., Ltd.	MingYang Smart Energy Group Co., Ltd.	CGNPC International Financial Leasing Co., Ltd.	22,000.00	The main contract takes effect to the date when the limitation period for the main claim under the main contract expires. According to the law and the agreement of the main contract or the agreement of both parties, if the main contract debt is due in advance, the main contract	Financial lease guarantee	Joint liability guarantee	Yes	Yes	No

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No.	Guaranteee	Guarantor	Guarantee beneficiary (Full name)	Guarantee contract amount /Main creditor principal amount (RMB ten thousand)	Guarantee period	Matter of guarantee / content of guarantee	Mode of guarantee	Whether guarantee expired as of 31 December 2021	Whether guarantee expired as of 31 December 2020	Whether guarantee expired as of 31 December 2019
					debt early maturity date is the date when the debt performance period under the main contract expires.					
	Inner Mongolia MingYang Wind Power Co., Ltd.	Inner Mongolia MingYang Wind Power Equipment Co., Ltd.	CGNPC International Financial Leasing Co., Ltd.		The pledge right takes effect until the expiration of the limitation period for the main claim under the main contract	Financial lease guarantee	Pledge	Yes	Yes	No
	Inner Mongolia MingYang Wind Power Co., Ltd.	Inner Mongolia MingYang Wind Power Co., Ltd.	CGNPC International Financial Leasing Co., Ltd.		From the effective date of the pledge right to the expiry of the statute of limitations for the secured main claim, if the debt under the main contract is to be performed in installments, for each installment of the obligation, the duration of the pledge will be until the last installment of the statute of limitations expires.	Financial lease guarantee	Pledge	Yes	Yes	No
24	Jieyuan Huanghua New Energy Co., Ltd.	MingYang Smart Energy Group Co., Ltd.	Industrial and Commercial Bank of China Co., Ltd. Huanghua Branch	60,000.00	Two years from the day after the expiration of the Borrowings period under the independent contract; if the creditor declares the Borrowings to expire in advance according to the main contract, the guarantee period shall be two years from the next day of the Borrowings early maturity date	Loan guarantee	Joint liability guarantee	No	No	No
25	Midu Jieyuan New Energy Power Generation Co., Ltd.	MingYang Smart Energy Group Co., Ltd.	Datang Financial Leasing Co., Ltd.	15,000.00	From the date of signing the guarantee contract until the expiration of three years from the day following the expiration of the debtor's last debt	Financial lease guarantee	Joint liability guarantee	Yes	No	No

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	Midu Jieyuan New Energy Power Generation Co., Ltd.	Beijing Jieyuan New Energy Investment Co., Ltd.	Datang Financial Leasing Co., Ltd.		performance period under the main contract	Financial lease guarantee	Pledge	Yes	No	No
	Midu Jieyuan New Energy Power Generation Co., Ltd.	Midu Jieyuan New Energy Power Generation Co., Ltd.	Datang Financial Leasing Co., Ltd.		Effective after the pledgee and the pledgor jointly sign or seal	Financial lease guarantee	Pledge	Yes	No	No
	Midu Jieyuan New Energy Power Generation Co., Ltd.	Midu Jieyuan New Energy Power Generation Co., Ltd.	Datang Financial Leasing Co., Ltd.		Signed by the legal representatives or authorized representatives of both parties and stamped with the official seal of the pledgee or the special seal of the contract and the official seal of the pledgor or the special seal of the contract.	Financial lease guarantee	Pledge	Yes	No	No
	Midu Jieyuan New Energy Power Generation Co., Ltd.	Midu Jieyuan New Energy Power Generation Co., Ltd.	Datang Financial Leasing Co., Ltd.		Effective from the date of signature and seal of the mortgagor and the mortgagee	Financial lease guarantee	Mortgage	Yes	No	No
26	Gongcheng Jieyuan New Energy Co., Ltd.	MingYang Smart Energy Group Co., Ltd.	Huaxia Bank Guilin Branch	30,000.00	From the effective date of the main contract to the day when all the principal and interest of the debtor under the main contract are settled	Loan guarantee	Joint liability guarantee	No	No	No
27	Shaanxi Jingbian MingYang New Energy Power Generation Co., Ltd.	MingYang Smart Energy Group Co., Ltd.	ICBC Financial Leases Co., Ltd.	100,000.00	From the effective date of the guarantee contract to three years after the expiration date of the debt performance period of each single contract under the main contract	Financial lease guarantee	Joint liability guarantee	No	No	No
	Shaanxi Jingbian MingYang New Energy Power	Beijing Jieyuan New Energy Investment Co., Ltd.	ICBC Financial Leases Co., Ltd.		The pledge right and all the creditor's rights under the main contract exist at the same time, and the pledge right will be	Financial lease guarantee	Pledge	No	No	No

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	Generation Co., Ltd.				extinguished after all the creditor's rights under the main contract are satisfied and paid off.					
	Shaanxi Jingbian MingYang New Energy Power Generation Co., Ltd.	Shaanxi Jingbian MingYang New Energy Power Generation Co., Ltd.	ICBC Financial Leases Co., Ltd.		This contract will take effect on the date of signing as stated at the beginning of the contract after being signed and sealed by the legal representatives or authorized representatives of both parties, and will terminate on the date when the pledgee's creditor's rights under the main contract are fully repaid	Financial lease guarantee	Pledge	No	No	No
28	Pingshun County Jieyuan New Energy Co., Ltd.	MingYang Smart Energy Group Co., Ltd.	CITIC Financial Leasing Co., Ltd.	31,000.00	The guarantee period under each specific main contract guaranteed by this contract is calculated separately, and the guarantee period starts from the effective date of each main contract to two years from the date when the last period of guaranteed debt performance under each main contract expires	Financial lease guarantee	Joint liability guarantee	Yes	No	No
	Pingshun County Jieyuan New Energy Co., Ltd.	Beijing Jieyuan New Energy Investment Co., Ltd.	CITIC Financial Leasing Co., Ltd.		From 2018.12.25 to 2019.12.31, a series of main contracts signed by the creditor and the debtor of the main contract to form a creditor-debt relationship, the guarantee period starts from the effective date of each main contract to two years from the date when the last period of	Financial lease guarantee	Pledge	Yes	No	No

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					guaranteed debt performance under each main contract expires					
	Pingshun County Jieyuan New Energy Co., Ltd.	Pingshun County Jieyuan New Energy Co., Ltd.	CITIC Financial Leasing Co., Ltd.		It will terminate from the effective date of this contract to the date of full repayment of the guaranteed debts under the main contract	Financial lease guarantee	Pledge	Yes	No	No
	Pingshun County Jieyuan New Energy Co., Ltd.	Pingshun County Jieyuan New Energy Co., Ltd.	CITIC Financial Leasing Co., Ltd.		From the date when the contract takes effect to the date when the principal debt is fully repaid	Financial lease guarantee	Mortgage	Yes	No	No
29	Shan County Jieyuan New Energy Co., Ltd.	MingYang Smart Energy Group Co., Ltd.	Industrial and Commercial Bank of China Limited Shan County Branch	33,000.00	Two years from the day following the expiry of the Borrowings term under the main contract	Loan guarantee	Joint liability guarantee	No	No	No
	Shan County Jieyuan New Energy Co., Ltd.	Beijing Jieyuan New Energy Investment Co., Ltd.	Industrial and Commercial Bank of China Limited Shan County Branch		Termination from the date of signing the contract to the day when all the creditor's rights under the main contract are fully repaid	Loan guarantee	Pledge	No	No	No
	Henan Tianrun Wind Power Co., Ltd.	MingYang Smart Energy Group Co., Ltd.	CITIC Financial Leasing Co., Ltd.		The guarantee expires when the repurchase contract meets the repurchase conditions	Financial lease guarantee	Repurchase	Yes	No	No
30	Henan Tianrun Wind Power Co., Ltd.	Beijing Jieyuan New Energy Investment Co., Ltd.	CITIC Financial Leasing Co., Ltd.	29,410.83	The guarantee expires after the creditor of the main contract has paid off all the debts under the main contract	Financial lease guarantee	Pledge	Yes	Yes	Yes
	Henan Tianrun Wind Power Co., Ltd.	Henan Tianrun Wind Power Co., Ltd.	CITIC Financial Leasing Co., Ltd.		After the debtor of the main contract has paid off all the debts under the main contract project, the mortgagee should assist the mortgagor to go to the mortgage department to handle	Financial lease guarantee	Mortgage	Yes	Yes	Yes

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					the mortgage cancellation registration					
	Henan Tianrun Wind Power Co., Ltd.	Henan Tianrun Wind Power Co., Ltd.	CITIC Financial Leasing Co., Ltd.		After the debtor of the main contract has paid off all the debts under the main contract item, the pledgor has the right to request the release of the pledge under this contract.	Financial lease guarantee	Pledge	Yes	Yes	Yes
	Henan Tianrun Wind Power Co., Ltd.	MingYang Smart Energy Group Co., Ltd.	CITIC Financial Leasing Co., Ltd.		Two years from the effective date of this contract to the expiry date of the last guaranteed debt performance period under the main contract	Financial lease guarantee	Joint liability guarantee	Yes	No	No
	Henan Tianrun Wind Power Co., Ltd.	Beijing Jieyuan New Energy Investment Co., Ltd.	CITIC Financial Leasing Co., Ltd.		The period for the debtor of the main contract to perform each guaranteed debt shall be subject to the agreement in the main contract	Financial lease guarantee	Pledge	Yes	No	No
	Henan Tianrun Wind Power Co., Ltd.	Henan Tianrun Wind Power Co., Ltd.	CITIC Financial Leasing Co., Ltd.		The period for the debtor of the main contract to perform each guaranteed debt shall be subject to the agreement in the main contract	Financial lease guarantee	Pledge	Yes	No	No
	Henan Tianrun Wind Power Co., Ltd.	Henan Tianrun Wind Power Co., Ltd.	CITIC Financial Leasing Co., Ltd.		The period for the debtor of the main contract to perform each guaranteed debt shall be subject to the agreement in the main contract	Financial lease guarantee	Mortgage	Yes	No	No
31	Dachaidan MingYang New Energy Co., Ltd.	MingYang Smart Energy Group Co., Ltd.	Huaneng Tiancheng Finance Leases Co., Ltd.	54,000.00	Two years from the date when the debtor's performance of the debt as agreed in the independent contract expires	Financial lease guarantee	Joint and several liability guarantee	Yes	Yes	Yes

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	Dachaidan MingYang New Energy Co., Ltd.	Beijing Jieyuan New Energy Investment Co., Ltd.	Huaneng Tiancheng Finance Leases Co., Ltd.		This contract will come into effect after the legal representatives or authorized representatives of both parties of the pledgee and the pledgee have signed or sealed it and stamped with the official seal of the pledgee or the special seal of the contract and the official seal of the pledgor.	Financial lease guarantee	Pledge	Yes	Yes	Yes
	Dachaidan MingYang New Energy Co., Ltd.	Dachaidan MingYang New Energy Co., Ltd.	Huaneng Tiancheng Finance Leases Co., Ltd.		Signed or stamped by the legal representatives or authorized representatives of both parties and stamped with the official seal of the pledgee or the special contract seal and the official seal of the pledgor.	Financial lease guarantee	Pledge	Yes	Yes	Yes
	Dachaidan MingYang New Energy Co., Ltd.	Dachaidan MingYang New Energy Co., Ltd.	Huaneng Tiancheng Finance Leases Co., Ltd.		It will take effect from the date when it is signed or sealed by the legal representatives or authorized representatives of both parties and affixed with the official seal of the mortgagee or the special seal of the contract and the official seal of the mortgagor.	Financial lease guarantee	Mortgage	Yes	Yes	Yes
32	Dachaidan MingYang New Energy Co., Ltd.	MingYang Smart Energy Group Co., Ltd.	Huaneng Tiancheng Finance Leases Co., Ltd.	54,000.00	From the effective date of this contract to two years from the date when the main contract debtor's performance period expires	Financial lease guarantee	Joint liability guarantee	Yes	Yes	Yes
	Dachaidan MingYang New Energy Co., Ltd.	Beijing Jieyuan New Energy	Huaneng Tiancheng							

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No.	Guarantee	Guarantor	Guarantee beneficiary (Full name)	Guarantee contract amount /Main creditor principal amount (RMB ten thousand)	Guarantee period	Matter of guarantee / content of guarantee	Mode of guarantee	Whether guarantee expired as of 31 December 2021	Whether guarantee expired as of 31 December 2020	Whether guarantee expired as of 31 December 2019
		Investment Co., Ltd.	Finance Leases Co., Ltd.		debtor's performance period of the main contract expires					
	Dachaidan MingYang New Energy Co., Ltd.	Dachaidan MingYang New Energy Co., Ltd.	Huaneng Tiansheng Finance Leases Co., Ltd.		From the effective date of this contract to the date when the debtor's performance period of the main contract expires	Financial lease guarantee	Mortgage	Yes	Yes	Yes
	Dachaidan MingYang New Energy Co., Ltd.	Dachaidan MingYang New Energy Co., Ltd.	Huaneng Tiansheng Finance Leases Co., Ltd.		From the effective date of this contract to the date when the debtor's performance period of the main contract expires	Financial lease guarantee	Pledge	Yes	Yes	Yes
33	Tianjin Ruineng Electric Co., Ltd.	MingYang Smart Energy Group Co., Ltd.	Zhongshan Zhongying Industrial Investment Co., Ltd.	3,000.00	The guarantee period for Party A to undertake the guarantee responsibility is two years	Open Letter of Credit, Bank Acceptance Agreement, Letter of Guarantee, etc.	Joint liability guarantee	Yes	Yes	No
34	Tianjin Ruineng Electric Co., Ltd.	MingYang Smart Energy Group Co., Ltd.	Zhongshan Zhongying Industrial Investment Co., Ltd.	10,000.00	Two years from the date when the debtor's performance of the debt as agreed in the independent contract expires	Project loan guarantee	Joint and several liability guarantee	No	No	No
	Tianjin Ruineng Electric Co., Ltd.	Tianjin Ruineng Electric Co., Ltd.	Zhongshan Zhongying Industrial Investment Co., Ltd.		From 2019.1.25 to 2022.1.25	Project loan guarantee	Mortgage guarantee			
35	Tianjin Ruineng Electric Co., Ltd.	MingYang Smart Energy Group Co., Ltd.	Bank of China Limited Tianjin Hedong Sub-branch	2,000.00	Two years from the expiry date of the main creditor's right	Credit guarantee	Joint and several liability guarantee	Yes	Yes	No
36	Tianjin Ruineng Electric Co., Ltd.	MingYang Smart Energy Group Co., Ltd.	Bank of Ningxia Co., Ltd. Tianjin Branch	3,900.00	Two years from the date of expiration of the debt performance period under the main contract corresponding to a single credit business	Credit guarantee	Joint and several liability guarantee	Yes	Yes	No

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No.	Guarantee	Guarantor	Guarantee beneficiary (Full name)	Guarantee contract amount /Main creditor principal amount (RMB ten thousand)	Guarantee period	Matter of guarantee / content of guarantee	Mode of guarantee	Whether guarantee expired as of 31 December 2021	Whether guarantee expired as of 31 December 2020	Whether guarantee expired as of 31 December 2019
37	Tianjin Ruineng Electric Co., Ltd.	MingYang Smart Energy Group Co., Ltd.	Industrial Bank Co., Ltd. Tianjin Branch	2,000.00	Two years from the date when the debt performance period under the main contract expires	Credit guarantee	Joint and several liability guarantee	Yes	Yes	No
38	Tianjin Ruineng Electric Co., Ltd.	MingYang Smart Energy Group Co., Ltd.	Bank of Ningxia Co., Ltd. Tianjin Branch	7,700.00	Two years from the date of expiration of the debt performance period under the main contract corresponding to a single credit business	Opening Letter of Credit, Bank Acceptance Agreement, Financing, etc.	Joint liability guarantee	Yes	Yes	Yes
39	Tianjin Ruineng Electric Co., Ltd.	MingYang Smart Energy Group Co., Ltd.	China Merchants Bank Co., Ltd. Tianjin Branch	5,000.00	From the effective date of the Guarantee to the Maturity date of each loan or other financing under the Credit Agreement, or the Accounts receivable creditor's rights assigned by your bank, or the opening date of each advance, plus three years. For any specific credit extension, the guarantee period will be extended to an additional three years after the expiry of the extension period.	Loan guarantee	Joint liability guarantee	No	No	Not applicable
40	Tianjin Ruineng Electric Co., Ltd.	MingYang Smart Energy Group Co., Ltd.	Zhongshan Zhongying Industrial Investment Co., Ltd.	3,000.00	The guarantee period for Party A to undertake the guarantee responsibility is three years	Loan guarantee	Joint liability guarantee	No	No	Not applicable
41	Tianjin Ruineng Electric Co., Ltd.	MingYang Smart Energy Group Co., Ltd.	Bank of Dalian Co., Ltd.	5,000.00	Three years from the date of expiration of the Borrowings period under the independent contract; if the creditor announces the early expiration of the Borrowings according to the main contract, the	Loan guarantee	Joint liability guarantee	Yes	No	Not applicable

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No.	Guarantee	Guarantor	Guarantee beneficiary (Full name)	Guarantee contract amount /Main creditor principal amount (RMB ten thousand)	Guarantee period	Matter of guarantee / content of guarantee	Mode of guarantee	Whether guarantee expired as of 31 December 2021	Whether guarantee expired as of 31 December 2020	Whether guarantee expired as of 31 December 2019
					Guarantee period is three years from the date of the early expiration of the Borrowings.					
42	Tianjin Ruineng Electric Co., Ltd.	MingYang Smart Energy Group Co., Ltd.	Industrial Bank Tianjin Branch	3,000.00	Three years from the date of expiration of the Borrowings period under the independent contract, if the creditor announces the early expiration of the Borrowings according to the main contract, the Guarantee period is three years from the date of the early expiration of the Borrowings.	Loan guarantee	Joint liability guarantee	No	Not applicable	Not applicable
43	Tianjin Ruiyuan Electric Co., Ltd.	MingYang Smart Energy Group Co., Ltd.	Bank of Ningxia Co., Ltd. Tianjin Branch	2,200.00	Two years from the date of expiration of the debt performance period under the main contract corresponding to a single credit business.	Opening Letter of Credit, Bank Acceptance Agreement, Financing, etc.	Joint liability guarantee	Yes	Yes	Yes
44	Tianjin Ruiyuan Electric Co., Ltd.	Tianjin Ruiyuan Electric Co., Ltd.	Bank of Ningxia Co., Ltd. Tianjin Branch	2,000.00	This contract takes effect after being signed or sealed by the legal representative or authorized agent of the mortgagor and stamped with the official seal, and signed or sealed by the legal representative or authorized agent of the mortgagee and stamped with the official seal or the special seal of the contract, until the guaranteed creditor's rights under this contract are fully paid off	Bank acceptance Agreement	Mortgage	Yes	Yes	Yes

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No.	Guaranteee	Guarantor	Guarantee beneficiary (Full name)	Guarantee contract amount /Main creditor principal amount (RMB ten thousand)	Guarantee period	Matter of guarantee / content of guarantee	Mode of guarantee	Whether guarantee expired as of 31 December 2021	Whether guarantee expired as of 31 December 2020	Whether guarantee expired as of 31 December 2019
45	Ruide Xingyang New Energy Technology Co., Ltd.	MingYang Smart Energy Group Co., Ltd.	China National Bank Financial Leasing Co., Ltd.	12,000.00	Two years from the day following the expiration of the debt performance period under the master contract	Financial lease guarantee	Joint liability guarantee	Yes	Yes	No
46	Ruide Xingyang New Energy Technology Co., Ltd.	MingYang Smart Energy Group Co., Ltd.	Ping An International Financial Leasing Co., Ltd.	1,579.00	The period of two years from the date of signing the guarantee contract to the date of the expiration of the debt performance period under the main contract corresponding to the performance of the main creditor's rights under the Leases contract	Financial lease guarantee	Joint liability guarantee	Yes	Yes	Yes
47	Zhongshan Ruike New Energy Co., Ltd.	MingYang Smart Energy Group Co., Ltd.	Guangdong Yuecai Financial Leases Co., Ltd.	13,460.00	From the effective date of the guarantee contract to two years after the expiry date of all the lessee's debts stipulated in the main contract	Financial lease guarantee	Joint liability guarantee	No	No	No
48	Zhongshan Ruike New Energy Co., Ltd.	MingYang Smart Energy Group Co., Ltd.	Zhongshan Zhongying Industrial Investment Co., Ltd.	4,000.00	The Guarantee period is 2 years from the date of expiry of Party C's obligations to Party A as stipulated in the Investment Agreement.	Capital increase guarantee	Joint liability guarantee	Yes	Yes	No
	Zhongshan Ruike New Energy Co., Ltd.	Ruide Xingyang New Energy Technology Co., Ltd.	Zhongshan Zhongying Industrial Investment Co., Ltd.		The Guarantee period is 2 years from the date of expiry of Party C's obligations to Party A as stipulated in the Investment Agreement.	Capital increase guarantee	Joint liability guarantee	Yes	Yes	No
	Zhongshan Ruike New Energy Co., Ltd.	Zhongshan Ruike New Energy Co., Ltd.	Zhongshan Zhongying Industrial Investment Co., Ltd.		The Guarantee period is 2 years from the date of expiry of Party C's obligations to Party A as stipulated in the Investment Agreement.	Capital increase guarantee	Joint liability guarantee	Yes	Yes	No

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No.	Guarantee	Guarantor	Guarantee beneficiary (Full name)	Guarantee contract amount /Main creditor principal amount (RMB ten thousand)	Guarantee period	Matter of guarantee / content of guarantee	Mode of guarantee	Whether guarantee expired as of 31 December 2021	Whether guarantee expired as of 31 December 2020	Whether guarantee expired as of 31 December 2019
49	Zhongshan Ruike New Energy Co., Ltd.	MingYang Smart Energy Group Co., Ltd.	Zhongshan Zhongying Industrial Investment Co., Ltd.	2,000.00	The Guarantee period is 2 years from the date of expiry of Party C's obligations to Party A as stipulated in the Investment Agreement.	Capital increase guarantee	Joint liability guarantee	No	No	Not applicable
	Zhongshan Ruike New Energy Co., Ltd.	Ruide Xinyang New Energy Technology Co., Ltd.	Zhongshan Zhongying Industrial Investment Co., Ltd.		The Guarantee period is 2 years from the date of expiry of Party C's obligations to Party A as stipulated in the Investment Agreement.	Capital increase guarantee	Equity pledge	No	No	Not applicable
50	Zhongshan Ruike New Energy Co., Ltd.	MingYang Smart Energy Group Co., Ltd.	Zhongshan Zhongying Industrial Investment Co., Ltd.	20,000.00	The guarantee period under this contract is 3 years, calculated from the date of expiration of the debt period that Party C should perform to Party A as stipulated in the "Secondary Investment Agreement".	Capital increase guarantee	Joint liability guarantee	No	No	Not applicable
	Zhongshan Ruike New Energy Co., Ltd.	Ruide Xinyang New Energy Technology Co., Ltd.	Zhongshan Zhongying Industrial Investment Co., Ltd.		The guarantee period under this contract is 3 years, calculated from the date of expiration of the debt period that Party C should perform to Party A as stipulated in the "Secondary Investment Agreement".	Capital increase guarantee	Equity pledge	No	No	Not applicable
51	Gushi Mingwu New Energy Co., Ltd.	MingYang Smart Energy Group Co., Ltd.	China Construction Bank Corporation Xinyang Branch	62,000.00	From the effective date of this contract to three years after the expiration of the debt performance period under the main contract	Loan guarantee	Joint liability guarantee	No	No	Not applicable
	Gushi Mingwu New Energy Co., Ltd.	Gushi County Mingwu New Energy Co., Ltd.	China Construction Bank Corporation Xinyang Branch		The pledge period is from the effective date of the contract to March 8, 2034. If the debt is not repaid on the expiration date of the rights, the expiration date of	Loan guarantee	Pledge	No	No	Not applicable

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No.	Guarantee	Guarantor	Guarantee beneficiary (Full name)	Guarantee contract amount /Main creditor principal amount (RMB ten thousand)	Guarantee period	Matter of guarantee / content of guarantee	Mode of guarantee	Whether guarantee expired as of 31 December 2021	Whether guarantee expired as of 31 December 2020	Whether guarantee expired as of 31 December 2019
					the rights will be automatically extended to the debt repayment date.					
	Gushi Mingwu New Energy Co., Ltd.	Henan Zhuotai New Energy Co., Ltd.	China Construction Bank Corporation Xinyang Branch		Equity pledge period is from December 8, 2020 to March 8, 2024. If the debt is not repaid on the maturity date of the rights, the maturity date of the rights will be automatically extended to the debt repayment date.	Loan guarantee	Pledge	No	No	Not applicable
52	Pingle Jieyuan New Energy Co., Ltd.	MingYang Smart Energy Group Co., Ltd.	Industrial and Commercial Bank of China Co., Ltd. Guilin Branch	38,000.00	Two years from the day after the expiration of the Borrowings period of the independent contract, if the creditor declares the Borrowings early maturity date according to the main contract, the Guarantee period is two years from the next day of the Borrowings early maturity date.	Loan guarantee	Joint liability guarantee	No	No	Not applicable
	Pingle Jieyuan New Energy Co., Ltd.	Pingle Jieyuan New Energy Co., Ltd.	Industrial and Commercial Bank of China Co., Ltd. Guilin Branch		The creditor terminates on the day when the creditor's rights under the main contract are fully repaid	Loan guarantee	Pledge	No	No	Not applicable
	Qingtongxia City Jieyuan New Energy Co., Ltd.	MingYang Smart Energy Group Co., Ltd.	China National Bank Financial Leasing Co., Ltd.		Three years after the expiry date of the lessee's last instalment of debts agreed in the master contract.	Financial lease guarantee	Joint liability guarantee	Yes	No	Not applicable
53	Qingtongxia City Jieyuan New Energy Co., Ltd.	Beijing Jieyuan New Energy Investment Co., Ltd.	China National Bank Financial Leasing Co., Ltd.	41,017.15	The pledge right and all the creditor's rights under the main contract exist at the same time, and the pledge right will be extinguished after all the	Financial lease guarantee	Pledge	Yes	No	Not applicable

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No.	Guarantee	Guarantor	Guarantee beneficiary (Full name)	Guarantee contract amount /Main creditor principal amount (RMB ten thousand)	Guarantee period	Matter of guarantee / content of guarantee	Mode of guarantee	Whether guarantee expired as of 31 December 2021	Whether guarantee expired as of 31 December 2020	Whether guarantee expired as of 31 December 2019
					creditor's rights under the main contract are fully paid off.					
	Qingtongxia City Jieyuan New Energy Co., Ltd.	Qingtongxia City Jieyuan New Energy Co., Ltd.	China National Bank Financial Leasing Co., Ltd.		The pledge right and all the creditor's rights under the main contract exist at the same time, and the pledge right will be extinguished after all the creditor's rights under the main contract are fully paid off.	Financial lease guarantee	Pledge	Yes	No	Not applicable
	Qingtongxia City Jieyuan New Energy Co., Ltd.	Qingtongxia City Jieyuan New Energy Co., Ltd.	China National Bank Financial Leasing Co., Ltd.		The mortgage right and all the creditor's rights under the main contract exist at the same time, and the mortgagee's right will be extinguished after all the creditor's rights under the main contract are fully paid off.	Financial lease guarantee	Mortgage	Yes	No	Not applicable
	Xinyang Hongliu New Energy Co., Ltd.	MingYang Smart Energy Group Co., Ltd.	China Development Bank Guangdong Branch		Three years from the date when the debt performance period under the main contract expires.	Loan guarantee	Joint liability guarantee	No	No	Not applicable
54	Xinyang Hongliu New Energy Co., Ltd.	Henan MingYang New Energy Co., Ltd.	China Development Bank Branch	50,000.00	Within 30 business days after Xinyang Hongliu repays all debts as agreed in the main contract, CDB shall return the certificate of title of the pledged object it has received to Henan MingYang	Loan guarantee	Pledge	No	No	Not applicable
	Xinyang Hongliu New Energy Co., Ltd.	Xinyang Hongliu New Energy Co., Ltd.	China Development Bank Guangdong Branch		Within 30 business days after Xinyang Hongliu repays all debts as agreed in the main contract, CDB shall return the certificate of rights of the pledged object it has received to Xinyang Hongliu.	Loan guarantee	Pledge	No	No	Not applicable

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No.	Guarantee	Guarantor	Guarantee beneficiary (Full name)	Guarantee contract amount /Main creditor principal amount (RMB ten thousand)	Guarantee period	Matter of guarantee / content of guarantee	Mode of guarantee	Whether guarantee expired as of 31 December 2021	Whether guarantee expired as of 31 December 2020	Whether guarantee expired as of 31 December 2019
55	Xinyang Zhirun New Energy Co., Ltd.	MingYang Smart Energy Group Co., Ltd.	China Development Bank Guangdong Branch	30,000.00	Three years from the date when the debt performance period under the main contract expires.	Loan guarantee	Joint liability guarantee	No	No	Not applicable
	Xinyang Zhirun New Energy Co., Ltd.	Henan MingYang New Energy Co., Ltd.	China Development Bank Guangdong Branch		Within 10 business days after Xinyang Zhirun repays all debts as agreed in the main contract, CDB shall return the certificate of rights of the pledged object it has received to Henan MingYang	Loan guarantee	Pledge	No	No	Not applicable
	Xinyang Zhirun New Energy Co., Ltd.	Xinyang Zhirun New Energy Co., Ltd.	China Development Bank Guangdong Branch		Within 10 business days after Xinyang Zhirun repays all debts as agreed in the main contract, CDB shall return the certificate of rights of the pledged object it has received to Xinyang Zhirun.	Loan guarantee	Pledge	No	No	Not applicable
56	Yi'an MingYang Wind Power Co., Ltd.	MingYang Smart Energy Group Co., Ltd.	China Merchants Bank Co., Ltd. Zhongshan Branch	56,000.00	An additional three years from the effective date of this Guarantee to the date of maturity of Borrowings or other indebtedness or due date of advance	Project loan guarantee	Joint liability guarantee	No	Not applicable	Not applicable
	Yi'an MingYang Wind Power Co., Ltd.	Yi'an MingYang Wind Power Co., Ltd.	China Merchants Bank Co., Ltd. Zhongshan Branch		The pledge period refers to the period from the effective date of this contract to the expiration of the statute of limitations for claims under the main contract	Project loan guarantee	Pledge	No	Not applicable	Not applicable
	Yi'an MingYang Wind Power Co., Ltd.	Tianjin Jieyuan New Energy Investment Co., Ltd.	China Merchants Bank Co., Ltd. Zhongshan Branch		The pledge period refers to the period from the effective date of this contract to the expiration of the statute of limitations for claims under the main contract	Project loan guarantee	Pledge	No	Not applicable	Not applicable

(4) Loans and borrowings with related party

Related party	Loan amount	Start date	Maturity date	Note
Borrowed in:				
Guangdong Yuecai Financial Leases Co., Ltd.	49,800,000.00	2017/8/31	2022/8/31	Financing lease business
Guangdong Yuecai Financial Leases Co., Ltd.	42,800,000.00	2017/12/15	2022/12/15	Financing lease business
Guangdong Yuecai Financial Leases Co., Ltd.	42,000,000.00	2018/7/16	2023/6/15	Financing lease business
Guangdong Yuecai Financial Leases Co., Ltd.	54,600,000.00	2017/12/17	2027/12/15	Financial leasing business, which has been prepaid in 2021
Guangdong Yuecai Financial Leases Co., Ltd.	53,243,741.28	2018/5/25	2028/6/15	Financial leasing business, which has been prepaid in 2021
Loans out:				
Daqing Zhongdan Ruihao Wind Power Co., Ltd.	160,000,000.00	2020/10/26	2021/2/5	Borrowings
Daqing Dumeng Huji Tumo Wind Power Co., Ltd.	151,000,000.00	2020/10/26	2021/2/5	Borrowings
Daqing Dumeng Dairy Farm Wind Power Co., Ltd.	175,000,000.00	2020/10/26	2021/2/5	Borrowings
Daqing Dumeng Hu Town Dairy Farm Wind Power Co., Ltd.	175,000,000.00	2020/10/26	2021/2/5	Borrowings

(5) Remuneration to key management personnel

The Company has 22 key management personnel as of 31 December 2021, and 27 key management personnel as of 31 December 2020, and 22 key management personnel as of 31 December 2019. The salary payments are shown in the table below:

Item	Year ended 2021.12.31	Year ended 2020.12.31	Year ended 2019.12.31
Remuneration to key management personnel	24,119,615.00	20,814,739.38	17,341,502.30

(6) Other related parties' transactions

Related party	Nature of transaction	Year ended 2021.12.31	Year ended 2020.12.31	Year ended 2019.12.31
A1 Development EOOD	Receive of loan interest	1,519,299.74	1,040,546.79	834,602.71
Daqing Zhongdan Ruihao Wind Power Co., Ltd.	Receive of loan interest	661,111.11	-	-
Daqing Dumeng Huji Tumo Wind Power Co., Ltd.	Receive of loan interest	623,923.61	-	-
Daqing Dumeng Dairy Farm Wind Power Co., Ltd.	Receive of loan interest	723,090.28	-	-

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Related party	Nature of transaction	Year ended 2021.12.31	Year ended 2020.12.31	Year ended 2019.12.31
Daqing Dumeng Hu Town Dairy Farm Wind Power Co., Ltd.	Receive of loan interest	723,090.28	-	-

6. Receivables and payables with related parties

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(1) Receivables from related parties

Item	Related party	2021.12.31		2020.12.31		2019.12.31	
		Book balance	Provision for bad debts	Book balance	Provision for bad debts	Book balance	Provision for bad debts
Accounts receivable	Daqing Dumeng Huji Tumo Wind Power Co., Ltd.	1,168,750.00	63,113.13	7,693,750.00	108,965.63	-	-
Accounts receivable	Daqing Dumeng Hu Town Dairy Farm Wind Power Co., Ltd.	1,236,593.38	64,049.36	7,693,750.00	108,965.63	-	-
Accounts receivable	Daqing Dumeng Dairy Farm Wind Power Co., Ltd.	1,168,750.00	63,113.13	7,693,750.00	108,965.63	-	-
Accounts receivable	Daqing Zhongdan Ruihao Wind Power Co., Ltd.	1,168,750.00	63,113.13	7,693,750.00	108,965.63	-	-
Accounts receivable	Guangdong MingYang Electric Co., Ltd.	74,073.09	348.14	64,449.54	317.10	-	-
Accounts receivable	Huayang Evergreen Investment Co., Ltd.	38,948.81	401.17	-	-	-	-
Accounts receivable	Jilin Province Zhongneng Wind Power Investment Co., Ltd.	3,025,997.79	23,110.62	41,248,441.24	568,194.35	-	-
Accounts receivable	Southern Offshore Wind Power Joint Development Co., Ltd.	101,126,142.30	7,592,478.61	120,324,722.89	3,377,355.91	99,358,543.59	5,603,821.86
Accounts receivable	A1 Development EOOD	24,778,798.83	24,778,798.83	25,285,936.80	25,285,936.80	26,819,927.16	23,731,394.34
Accounts receivable	Henan Zhongtou Yingke Wind Power Co., Ltd.	19,861,726.02	17,123,959.59	19,762,168.02	7,720,711.04	19,899,226.02	3,982,504.82
Accounts receivable	Guangdong MingYang Longyuan Power Electronics Co., Ltd.	-	-	1,200.00	6.65	-	-
Accounts receivable (including Contract assets)	Xinyang Rundian New Energy Co., Ltd.	-	-	73,703,629.89	368,518.15	-	-
Other receivables	Jilin Province Zhongneng Wind Power Investment Co., Ltd.	40,070,000.00	1,512,931.00	28,101,956.79	452,838.37	-	-
Other receivables	Panzhuhua Renhe Jieyuan New Energy Co., Ltd.	572,200.00	2,403.24	3,600,000.00	1,609,920.00	3,600,000.00	1,301,400.00

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Item	Related party	2021.12.31		2020.12.31		2019.12.31	
		Book balance	Provision for bad debts	Book balance	Provision for bad debts	Book balance	Provision for bad debts
Other receivables	A1DevelopmentEOD	19,992,321.45	19,992,321.45	23,385,705.47	23,385,705.47	25,952,957.43	25,952,957.43
Other receivables	Henan Zhongtou Yingke Wind Power Co., Ltd.	56,000.00	403.20	-	-	-	-
Other receivables	Henan Mingrun New Energy Co., Ltd.	-	-	10,000.00	53.00	3,000,000.00	12,900.00
Other receivables	Guangdong MingYang Electric Co., Ltd.	-	-	29,160.00	154.55	-	-
Other receivables	China Nuclear Shandong Energy Co., Ltd.	-	-	27,941,900.00	10,779,985.02	-	-
Other receivables	Xinyang Rundian New Energy Co., Ltd.	-	-	31,100,000.00	255,020.00	-	-
Other receivables	Zhongshan Dehua Chip Technology Co., Ltd.	-	-	-	-	10,461.50	44.98
Other receivables	Huayang Evergreen Investment Co., Ltd.	-	-	-	-	3,820.56	54.63
Prepayments	Guangdong MingYang Electric Co., Ltd.	5,367,743.45	-	25,213,336.57	-	2,255,740.52	-
Prepayments	Zhongshan MingYang Electric Co., Ltd.	3,428,918.31	-	11,299,665.58	-	-	-
Prepayments	Beijing Boyang Huiyuan Power Technology Co., Ltd.	-	-	43,000.00	-	-	-
Prepayments	Zhongshan Taiyang Kehui Industrial Co., Ltd.	-	-	-	-	2,018,468.50	-
Long-term receivables (warranty)	Henan CIC Yingke Wind Power Co., Ltd	-	-	-	-	11,203,110.63	-
Long-term receivables (warranty)	Southern Offshore Wind Power Joint Development Co., Ltd	-	-	-	-	15,924,251.50	-

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Item	Related party	2021.12.31		2020.12.31		2019.12.31	
		Book balance	Provision for bad debts	Book balance	Provision for bad debts	Book balance	Provision for bad debts
Other non-current assets (Contract assets)	Guangdong MingYang Electric Co., Ltd.	5,783,297.03	-	-	-	-	-
Other non-current assets (Contract assets)	Henan Zhongtou Yingke Wind Power Co., Ltd.	12,345,600.00	24,691.20	12,345,600.00	24,691.20	-	-

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(2) Payables to related parties

Item	Related party	2021.12.31	2020.12.31	2019.12.31
Accounts payable	Beijing Boyang Huiyuan Power Technology Co., Ltd.	18,195,010.35	5,400,395.71	3,505,411.18
Accounts payable	Guangdong MingYang Electric Co., Ltd.	57,042,158.23	146,655,060.55	76,767,425.94
Accounts payable	Guangdong MingYang Longyuan Power Electronics Co., Ltd.	50,000.12	262,772.69	3,137,259.38
Accounts payable	Zhongshan MingYang Electric Co., Ltd.	1,847,209.00	3,059,747.01	18,533,601.12
Accounts payable	Zhongshan Taiyang Kehui Industrial Co., Ltd.	48,826,152.49	114,172,211.55	22,457,369.36
Accounts payable	Zhongshan Honghai Precision Machinery Manufacturing Co., Ltd.	-	-	69,655.96
Other payables	Daqing Dumeng Huji Tumo Wind Power Co., Ltd.	4,000,000.00	-	-
Other payables	Daqing Dumeng Hu Town Dairy Farm Wind Power Co., Ltd.	4,000,000.00	-	-
Other payables	Daqing Dumeng Dairy Farm Wind Power Co., Ltd.	4,000,000.00	-	-
Other payables	Daqing Zhongdan Ruihao Wind Power Co., Ltd.	4,000,000.00	88,560,000.00	-
Other payables	Guangdong MingYang Electric Co., Ltd.	3,054,426.78	11,924,090.00	-
Other payables	Guangdong MingYang Longyuan Power Electronics Co., Ltd.	921,534.94	1,486,137.75	2,238,737.75
Other payables	Huayang Evergreen Investment Co., Ltd.	50,000.00	-	-
Other payables	Zhongshan MingYang Electric Co., Ltd.	85,000.00	7,365,647.31	7,566,611.12
Other payables	Zhongshan Taiyang Kehui Industrial Co., Ltd.	249,000.00	-	-
Other payables	Zhang Chuanwei	-	420,082.17	420,082.17
Other payables	Beijing Boyang Huiyuan Power Technology Co., Ltd.	-	121,767.20	-
Advances from customers	Golmud MingYang New Energy Power Generation Co., Ltd.	--	--	118,708.44
Contract liabilities	Golmud MingYang New Energy Power Generation Co., Ltd.	586,926.71	-	--
Contract liabilities	Southern Offshore Wind Power Joint Development Co., Ltd.	14,195,949.26	-	--
Contract liabilities	Henan Zhongtou Yingke Wind Power Co., Ltd.	68,533.33	-	--
Long-term payables due within one year	Beijing Boyang Huiyuan Power Technology Co., Ltd.	932,156.96	332,616.23	-
Long-term payables due within one year	Guangdong MingYang Electric Co., Ltd.	11,261,023.16	737,642.57	1,812,342.58
Long-term payables due within one year	Zhongshan MingYang Electric Co., Ltd.	336,497.77	2,358,769.80	311,402.60
Long-term payables due	Zhongshan Taiyang Kehui Industrial Co., Ltd.	7,290,508.80	-	-

Item	Related party	2021.12.31	2020.12.31	2019.12.31
within one year				
Long-term payables due within one year	Guangdong Yuecai Financial Leases Co., Ltd.	62,210,586.07	12,351,571.75	12,013,786.09
Long-term payables	Beijing Boyang Huiyuan Power Technology Co., Ltd.	2,938,240.58	1,273,139.87	331,156.23
Long-term payables	Guangdong MingYang Electric Co., Ltd.	28,689,508.38	14,219,556.05	379,082.62
Long-term payables	Guangdong MingYang Longyuan Power Electronics Co., Ltd.	150,272.67	150,272.67	-
Long-term payables	Zhongshan Taiyang Kehui Industrial Co., Ltd.	29,610,196.78	17,398,168.85	4,003,434.00
Long-term payables	Guangdong Yuecai Financial Leases Co., Ltd.	-	168,495,154.94	181,187,982.87
Long-term payables	Zhongshan MingYang Electric Co., Ltd.	-	1,668,380.46	3,325,553.29

XI. Share-based payments

1. Information about share-based payments

	Year ended 2021.12.31	Year ended 2020.12.31	Year ended 2019.12.31
Total amount of equity instruments granted during the year	5,498,000.00	23,340,400.00	-
Total amount of equity instruments exercised during the year	5,810,100.00	-	-
Total amount of equity instruments forfeited during the year	100,000.00	-	-
Range of exercise price and residual life of outstanding share options at the end of the year	Closing price on exercise date; 24 months	Closing price on exercise date; 24 months	-
Range of exercise price and residual life of outstanding other equity instruments at the end of the year	Not applicable	Not applicable	-

Note:

(1) On 20 May 2020, the Company held the fifth meeting of the second board of directors and the fifth meeting of the second board of supervisors, which reviewed and approved the "Proposal on Adjusting Related Matters of the 2019 Restricted Shares Incentive Plan" and "Proposal for granting restricted shares to first-time incentive participants", pursuant to which agreed to, on the grant date of 20 May 2020, grant restricted shares to a total of 220 qualified participants, including the Company's directors, senior managers, middle-level managers, core technical (business) staff and other employees. Total 23.34 million restricted shares were granted at a price of RMB 5.222 per share. The source of the shares was the direct issuance of A shares of ordinary shares to incentive participants.

(2) On 7 July 2020, the Company completed the registration of the first grant of restricted shares in the 2019 restricted stock incentive plan.

(3) On 12 May 2021, the Company held the 20th meeting of the second Board of Directors and the sixteenth meeting of the second Board of Supervisors, and reviewed and approved the "Proposal on

Granting Reserved Portion of Restricted Shares to Incentive Participants of the 2019 Restricted Stock Incentive Plan", pursuant to which agreed to, on the grant date of 12 May 2021, grant restricted shares to 112 qualified participants for a total of 6.00 million restricted shares at a price of RMB 8.39 per share. The source of the shares was the direct issuance of A shares of ordinary shares to incentive participants. During the process of signing the grant agreement and handling subscription fund, 2 incentive participants voluntarily gave up the granted restricted shares and 1 incentive participant partially gave up; 7 incentive participants no longer meet the incentive conditions due to their resignation. The granting quantity of reserved portion of restricted shares was adjusted from 6 million shares to 5.498 million shares, and the number of incentive participants was adjusted from 112 to 103.

(4) On June 9, 2021, the Company held the 21st meeting of the second Board of Directors and the 17th meeting of the second Board of Supervisors, which reviewed and approved the "Proposal on Adjusting the Price of the Reserved Portion of the Restricted Shares Incentive Plan and the Repurchase Price of the First Grant in 2019", "Proposal on Repurchasing and Cancelling Some Restricted Shares Granted to Incentive Participants but Not Vested" and "Proposal on the first achievement of the first phase of the 2019 restricted shares incentive plan", pursuant to which agreed to the grant price of the reserved portion of the Company's 2019 restricted shares incentive plan would be adjusted from RMB 8.39 per share to RMB 8.284 per share, and the repurchase price of the first phase of grant shares would be adjusted from RMB 5.222 per share to RMB 5.116 per share; agreed to repurchase and cancel 100,000 restricted shares that have been granted but not vested held by 3 resigned incentive participants; agreed to handle the relevant procedures for lifting the sales restrictions for 5.8101 million restricted shares held by 217 incentive participants who met the conditions for vesting.

The restriction period of restricted shares granted in first phase by this incentive plan is 12 months, the restriction period of restricted shares granted in second phase is 24 months, and the restriction period of restricted shares granted in third phase is 36 months, the restriction period of restricted shares granted in forth phase is 48 months. The restricted shares granted to the incentive participants under this incentive plan shall not be transferred, used for guarantee or debt repayment before the restricted selling period is expired.

2. Information on equity-settled share-based payments

Method in determining the fair value of equity instruments at the date of grant	Closing price of the company's shares
Basis in determining the quantity of exercisable equity instruments	At each balance sheet date during the waiting period, the best estimate is made based on the latest obtained subsequent information such as the change in the number of exercisable employees, and the number of equity instruments that are expected to be exercisable is revised. On the vesting date, the final estimated number of vested equity instruments is consistent with the actual number of vested instruments.
Reason for significant difference of estimation between current year and prior year	None
Accumulated amount recorded in capital reserve for equity-settled share-based payments	46,717,269.40
Total expenses recognized for equity-settled share-based payments in the year	46,717,269.40

3. Information on cash-settled share-based payments

Method in determining the fair value of liabilities measured on the value of shares or other equity instruments undertaken by the Company	None
Accumulated amount of liabilities arising from cash-settled share-based payments	-
Total expenses recognized for cash-settled share-based payments in the year	-

4. Information on modification and termination of share-based payment

Modification of share-based payment	None
Termination of share-based payment	None

XII. Commitment and contingencies

1. Significant commitments

(1) Capital commitment

Capital commitments entered into but not recognized in the financial statements	2021.12.31	2020.12.31	2019.12.31
Construction of long-term assets commitments	1,693,213,435.34	2,108,786,923.33	1,170,443,841.52

(2) Other commitment

As of 31 December 2021, The Company had no other commitment to disclose.

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2.Contingencies

(1) Contingent liabilities arising from pending arbitration and pending litigations and related financial impact

Plaintiff	Defendant	Case	Appellate court	Amount of the object of action	Progress of cases	Note
The Company	Hejia New Energy Automobile Co., Ltd. Qidi Environmental Technology Development Co., Ltd.	Contract dispute	Zhongshan Intermediate People's Court	85,282,529.00	In trial	Note 1
The Company	Nanjing Turbine Motor Changfeng New Energy Co., Ltd.	Contract dispute	Zhongshan First People's Court	19,652,000.00	In trial	Note 2
The Company's subsidiary, Xinjiang Wanbang Energy Development Co., Ltd.	He Zhiyong, Bai Ju, Urumqi Questyle Jinggong Building Materials Co., Ltd.	Contract dispute	Zhongshan Intermediate People's Court	51,536,199.79	In trial	Note 3
Gansu Jiugang Group Western Heavy Industry Co., Ltd.	The Company	Contract dispute	Zhongshan First People's Court	7,066,038.80	In trial	Note 4
Xihe Power Co., Ltd.	The Company	Contract dispute	Nanjing Yuhuatai District People's Court	16,378,000.00	Jurisdictional Objection Stage	Note 5
Strait (Fujian) Supply Chain Management Co., Ltd.	The Company	Contract dispute	Guangzhou Maritime Court Zhuhai Court	12,810,791.00	In trial	Note 6
Nanjing China Nuclear Energy Engineering Co., Ltd.	The Company's subsidiary, Lhasa Ruide Xinyang New Energy Technology Co., Ltd., Ruide Xinyang New Energy Technology Co., Ltd.	Contract dispute	Lhasa Intermediate People's Court	12,153,447.00	During the identification process	Note 7
The Company	Luozhou LYC Bearing Co., Ltd.	Contract dispute	Zhongshan First People's Court	3,743,587.35	In trial	Note 8
The Company's subsidiary, Guangdong MingYang New Energy Technology Co., Ltd.	Shenzhen Yunchuang Electromechanical Co., Ltd.	Contract dispute	Jiangcheng District, Yangjiang City	2,700,000.00	Pending appeal	Note 9

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Plaintiff	Defendant	Case	Appellate court	Amount of the object of action	Progress of cases	Note
Luozhou LYC Bearing Co., Ltd.	The Company	Contract dispute	Jianxi District People's Court of Luoyang City	8,765,200.00	Jurisdictional Objection Stage	Note 10
Kaifeng Wen'an Industrial Co., Ltd.	The Company's subsidiary, Kaifeng Mingshun Energy Technology Co., Ltd., Guangdong MingYang Energy System Co., Ltd.	Contract dispute	Shunhe Hui District People's Court of Kaifeng City	776,740.99	In trial	Note 11
China Cinda Assets Management Co., Ltd. Shandong Branch	The Company	Action for revocation by third party	Zhongshan First People's Court	33,795,234.28	In trial	Note 12
Zhoushan Hongchang Freight Forwarding Co., Ltd.	Defendant 1: Strait (Fujian) Supply Chain Management Co., Ltd. Defendant 2: The Company	Contract dispute	Xiamen Maritime Court	1,835,000.00	First-instance judgment	Note 13

Note 1: In April 2015, the Company won the bid to become the equipment procurement supplier of main engine in Danqinghe (Kangbao) Wind Power Project of Qidi Environmental Technology Development Co., Ltd. In August 2015, Qidi Company assigned Hejia New Energy Automobile Co., Ltd. (original company name: Sangde Environmental Resources Co., Ltd.) to sign the "Equipment Sales Contract of Kangbao Wind Farm Project Main Engine" with the Company. The contract included 33 units of wind power main engine for a total amount of RMB 198,066,000. After the contract was signed, all 33 units were produced from September to November 2015, of which 22 units were delivered, and the remaining 11 units were not accepted due to the on-site management of Hejia Company. On 30 May 2016, both parties signed and completed the signed receipts of last unit of equipment, and both parties issued a pre-acceptance certificate on 31 October 2019. According to contract terms, within 12 months from the date when the last batch of equipment arrived at the site, the contract equipment fails to carry out trial operation and performance acceptance test due to the buyer's reason, it shall be deemed to have passed the final acceptance after the expiration of 12 months. After the 240-hour test, the buyer shall make the pre-inspection payment within 15 days after the testing, and the retention deposit shall be paid within 12 months after the 240-hour trial operation is passed or 24 months after the last batch of goods arrives on site. After repeated requests from the Company, Hejia Company and Qidi Company are still in arrears with the pre-inspection payment of RMB 53,619,800.00 and the retention deposit of RMB 19,806,600.00, and causing losses to the Company. As of 31 December 2020, the Company, as the plaintiff, has brought Hejia New Energy Automobile Co., Ltd. and Qidi Environmental Technology Development Co., Ltd. to the Zhongshan People's Court. In September 2021, the first instance judged Qidi Company and Hejia Company to pay 71,426,400.00 yuan and interest. Subsequently, Qidi Company and Hejia Company filed an appeal against it. As of December 31, 2021, the case is in the stage of waiting for the second instance.

Note 2: In March 2013, the Company and Nanjing Steam Turbine Changfeng New Energy Co., Ltd. signed the "Wind power generation unit parts procurement contract in 2013". The contract stipulates that the product design life span is at least 20 years. If due to defects in design, materials, and manufacturing processes that cannot fully meet the requirements for safe and reliable operation or contractual performance, Nanjing Steam Turbine shall bear all the economic losses incurred. During the execution of the contract, the equipment provided by Nanjing Steam Turbine caused several engine explosion accidents due to design defects, which has caused serious economic losses to the Company. On 4 November 2020, the Company filed a lawsuit with First People's Court of Zhongshan, Guangdong Province, requesting an order to order Nanjing Steam Turbine to compensate the Company for economic losses of RMB 15,000,000.00 and bear all litigation costs. On 18 December 2020, the Company filed an application for a change of lawsuit with the First People's Court of Zhongshan, Guangdong Province, requesting an order for Nanjing Steam Turbine to compensate the Zhuri River project in Inner Mongolia, the Shiputang project in Yunnan, and Huanghua project in Hebei for the economic losses incurred amount to RMB 11,320,000, and requesting to order Nanjing Steam Turbine to bear a total of RMB 8,332,000 for the technical transformation costs of the equipment sold. The amount of the litigation request amounted to RMB 19,652,000. On 4 November 2021, a quality appraisal coordination meeting has been held with the court, appraisal agency, and China Southern Steam Turbine, and appraisal and cross-examination opinions have been submitted. As of 31 December 2021, the case is in the identification process.

Note 3: On 31 January 2019, The Company's subsidiary, Xinjiang Wanbang, He Zhiyong, Urumqi Kuangshi Jinggong Building Material Co., Ltd. (hereinafter referred to as "Kuangshi Jinggong Company") signed an "Agreement" (No.: MYWB-ZW-001) and reached a consensus on the corresponding payment during the cooperation period of the parties. He Zhiyong should repay the current accounts to Xinjiang Wanbang in total of RMB 69,536,199.79, and the Company (as an outsiders of the case) should pay He Zhiyong RMB 18,000,000.00, so the parties to the agreement confirmed that He Zhiyong should pay Xinjiang Wanbang in net payment of RMB 51,536,199.79, and Kuangshi Jinggong Company bears joint

and several obligations to this repayment responsibility, and the repayment period is eight months after the signing of the "agreement." In order to ensure that He Zhiyong fulfills all the repayment obligations, Bai Ju agreed to undertake mortgage guarantee by the property jointly held by her and her husband located in Building 23, Block 2, Shuiyun Fengqing Manor, Qijia Town, Changping District, Beijing City (Real Estate Certificate No.: X Jingfang Quanzheng Chang Private No. 338692). Kuangshi Jinggong Company agreed to bear the Mortgage guarantee for its property located at Room 601, 5th Floor, Residential Building, No. 6, Anli Road, West Side of Olympic Village Township, Chaoyang District, Beijing City (Real Estate Certificate: Jing (2018) Chao Real Property No. 0099618). On 2 February 2019, Xinjiang Wanbang and Kuangshi Jinggong Company signed the "Mortgage Contract for Main Credit and Real Estate", stipulating that Kuangshi Jinggong Company will provide Xinjiang Wanbang with the Mortgage guarantee for its real estate. The debtor of the Mortgage guarantee is He Zhiyong, the amount of guaranteed creditor's rights is RMB 51,536,199.79, and the scope of the guarantee is mainly creditor's rights, interest, liquidated damages, damages, and the cost of realizing the creditor's rights. Mortgage Right Real Estate Registration Certificate Beijing (2019) North Korea Real Estate Certificate No. 0004689 is obtained. He Zhiyong, Bai Ju, and Kuangshi Jinggong Company still failed to pay Xinjiang Wanbang when the debt period expired, which constituted a breach of contract. In order to protect its legitimate rights and interests, on 18 November 2019, Xinjiang Wanbang filed a lawsuit with Zhongshan Intermediate People's Court, requesting an order: ① He Zhiyong repays the principal of RMB 51,536,199.79 and the interest of RMB 381,226.68 (tentatively calculated until 16 November 2019, the interest is calculated at the same period of the People's Bank of China loan interest rate, from 1 October 2019 to the date of actual settlement); ② He Zhiyong bears RMB 500,000.00 of lawyer's fees paid by Xinjiang Wanbang to realize the debt; ③ Bai Ju and Kuangshi Jinggong Company assume joint and several liability for the settlement of He Zhiyong's debts; ④ enjoys the priority right of compensation for the disposition of the residential property located in Building 23, District 2, Shuiyunfengqing Manor, Qijia Town, Changping District, Beijing City as mortgaged by He Zhiyong; ⑤ enjoys priority right of compensation for the disposal of the residential property located in Room 601, 5th Floor, Building 3, No. 7, Anli Road, Chaoyang District, Beijing City as mortgaged by Kuangshi Jinggong Company; ⑥ bear all litigation costs in this case. As of 31 December 2021, the case is waiting for the first instance.

Note 4: The Company and Gansu Jiu Steel signed the "2015 Procurement Contract" (hereinafter referred to as the "contract") for Wind power generation unit parts in December 2014. Gansu Jiu Steel believes that after the signing of the contract, Gansu Jiu Steel has completed the production of all unit components in accordance with the Company's technical requirements, has fulfilled all obligations in accordance with the contract and delivered some unit components in accordance with the Company's requirements, but because the Company failed to notify the delivery time and delivery location of remaining components that resulted in the occupation of the Gansu Jiu Steel site, which affected the production and operation of Gansu Jiu Steel. In addition to part of the payment, the Company still owed Gansu Jiu Steel the payment of RMB 4,593,880.00, and caused economic losses to the other party. In March 2017, Gansu Jiu Steel filed a lawsuit with Zhongshan First People's Court on the grounds of contract dispute, requesting an order that the Company pay Gansu Jiu Steel for RMB 4,786,000.00 for goods and 2,280,038.80 for economic losses, totaling RMB 7,066,038.80 (amount in the indictment is 7,111,142.09, orally changed to RMB 7,066,038.80 during the trial). In the same year, the Company counterclaimed Gansu Jiu Steel for product quality issues, and requested the court to order it: ① return 2 1.5MW spindles and 3 2.0MW spindles purchased from it and bear all costs; ② refund the amount of RMB 324,000.00 that has been collected. On 29 June 2017, Zhongshan First People's Court issued a "civil judgment", ruling to dismiss all claims of Gansu Jiu Steel; rejected all counterclaims of the Company. In July 2017, both the Company and Gansu Jiu Steel refused to accept the judgment of the first instance and filed an appeal with

Zhongshan Intermediate People's Court. Zhongshan Intermediate People's Court ruled to revoke the judgment and sent it back to Zhongshan First People's Court for retrial. After Zhongshan First People's Court reopened the case on 1 November 2018, a separate collegiate panel was formed and Tianjin Equipment was added as a third party in accordance with the law. Zhongshan First People's Court made a first-instance judgment on 15 August 2019, canceling the "Wind power generation unit parts procurement contract 2015" signed on 22 December 2014 between the Company and Gansu Jiu Steel (contract number: CG1502-0340), it is judged that the Company shall pay Gansu Jiu Steel RMB 708,000.00 for processing and compensation of RMB 2,280,040.00 for losses within seven days from the effective date of the judgment. The case acceptance fee of RMB 61,262.00 shall be borne by Gansu Jiu Steel for RMB 30,558.00 and the Company for RMB 30,704.00. The counterclaim case acceptance fee of RMB 3,080.00 shall be borne by the Company. Both the Company and Gansu Jiu Steel refused to accept the judgment of the first instance and filed an appeal. In September 2020, the Zhongshan Intermediate People's Court made a ruling to revoke the Guangdong Province Zhongshan First People's Court (2018) Guangdong 2071 Minchu No. 23271 Civil Judgment and send it back to the Guangdong Province Zhongshan First People's Court for retrial. As of December 31, 2021, the case is awaiting the second hearing of the first instance.

Note 5: In August 2018, Xihe Power Co., Ltd., as the contractor, signed a contract with the developer, Xiushui County Wande Wind Power Generation Co., Ltd. (hereinafter referred to as Wande Company), for the "EPC general contract for Meimaoshan 50.6MW wind farm project in Xiushui County, Jiujiang City, Jiangxi Province", including survey and design, procurement and supply of all equipment and materials, construction and installation, etc. It is stipulated in the contract that Xihe Power Co., Ltd. entrusts the developer to pay directly to the equipment supplier. The Company and Xihe Power Co., Ltd. signed the "Wind Turbine Equipment and Related Services Purchase Contract for Xiushui Mei Maoshan Wind Farm Project" in April 2019. Xihe Power Co., Ltd. purchased wind turbine equipment and related technical services from The Company for the project involved, with a total contract price of RMB 159,390,000.00. Both parties signed a wind turbine contract. After the contract came into force, disputes occurred due to tax rate, price and other issues, and the contract could not be performed. In order to ensure the smooth progress of its engineering project, Xihe Power negotiated with the contractor Wande Company, and Xihe entrusted Wande's company to purchase its fan unit equipment and related technical services involved in the project. The equipment payment was entrusted by Xihe Power to pay directly to the equipment supplier from Wande Company and deducted from the EPC general contract. Later, Xihe Power Co., Ltd. and Wande Company chose a third-party company as a substitute equipment supplier after the Company failed to perform the contract. The total contract price was RMB 175,768,000.00, and deducted this part of the payment from the EPC general contract. Later, after Xihe Power and the Company reached a settlement agreement, the Company did not stamp it, and then Xihe Power sued the Company. In September 2021, the People's Court of Yuhuatai District, Nanjing issued a civil ruling to preserve the Company's property of RMB 16,500,000.00. As of 31 December 2021, the case is in the jurisdictional objection stage.

Note 6: The Company signed a transportation contract with Haixia (Fujian) Supply Chain Management Co., Ltd. (hereinafter referred to as "Haixia Supply Chain Company") in May 2020 for Huadian Fujian Fuqing Haitan Strait 15 sets of wind power equipment transportation project. The contract stipulates that Haixia Supply Chain Company will provide transportation services for 15 sets of main engines, hubs and blades of the Company, and the total contract price is RMB 12,000,000.00. Both parties were unable to reach a consensus on the demurrage fee due to the demurrage during the transportation of the project. In August 2021, Haixia Supply Chain Company filed a litigation with Guangzhou Maritime Court against the Company on the grounds of unpaid freight. Under litigation claims: 1. Order the Company to pay transportation fee of RMB 1,900,000.00 for Huadian Fuqing Haitan Strait Project Equipment; 2. Order the

Company to pay transportation fee of RMB 205,100.00 for the Three Gorges Shapa Phase III Equipment; 3. Order the Company to refund security deposits for contracts of RMB 500,000.00; 4. Order the Company to pay the ship demurrage fee totaling RMB 7,801,300.00 (excluding tax) ; 5. Order the Company to pay RMB 200,000.00 for the emptying fee of the vessel; 6. Order the Company to compensate for the expected loss of profits totaling RMB 1,900,000.00 caused by its unilateral termination of the contract; 7. Order the Company to compensate for the loss of interest and litigation fee. As of 31 December 2021, the case is in the first-instance trial stage.

Note 7: In September 2017, the Company's subsidiary, Lhasa Ruide Xingyang New Energy Technology Co., Ltd. (hereinafter referred to as "Lhasa Ruide Xingyang") and Nanjing China Nuclear Energy Engineering Co., Ltd. (hereinafter referred to as "Nanjing China Nuclear") signed the "Nanjing China Nuclear" EPC General Contract of Nimu Phase II 30MW Photovoltaic Power Plant Project". In October 2017, the Nimu Phase II 30MW photovoltaic power station project was suspended due to the impact of the national new energy policy. Nanjing China Nuclear has completed the 30MW phalanx civil construction foundation, box inverter foundation, on-site road constructions, as well as fences, brackets, and combiner box, box inverter integrated machine and other equipment procurement. In January 2021, Nanjing China Nuclear filed a litigation with the Lhasa Intermediate People's Court against Lhasa Ruide Xingyang and its sole shareholder Ruide Xingyang New Energy Technology Co., Ltd. (hereinafter referred to as "Ride Xingyang"). Litigation claims: 1. Request to order Lhasa Ruide Xingyang to pay RMB 6,635,596.00 for construction costs and work expenses; 2. Request to order the defendant to pay RMB 5,517,851.00 for liquidated damages; 3. Request to order Ruide Xingyang to bear joint liability; 4. Request to order Ruide Xingyang to bear litigation costs, etc. After receiving the litigation materials, Lhasa Ruide Xingyang applied to the court for appraisal of quality problems and repair costs for the completed pile foundation works. The Lhasa Intermediate People's Court failed to negotiate with both parties, and now it has started to promote the appraisal of the cost of the constructed project, the quality of the pile foundation project and the repair cost. As of 31 December 2021, the case is in the identification phase.

Note 8: In May 2013, the Company and Luoyang LYC Bearing Co., Ltd. (hereinafter referred to as "Luoyang Bearing Company") signed a purchase contract and a supplementary agreement for CG1302-0052. The Company purchased complete sets of main shaft bearings and yaw variable bearings from Luoyang Bearing Company. The contract stipulated the terms of price, quality requirements, and liability for breach of contract. After the contract was signed, the Company signed a purchase order No. 4500008417 with Luoyang Bearing Company on 20 February 2014, stipulating that Luoyang Bearing Company would provide the Company with 25 sets of main shaft bearings (model 2MW main bearing 600, FD-240/600 /w33, 2MW main bearing 750, FD-239/750CA/W33, hereinafter referred to as "spindle bearing") are used in the Jinziling project, in which the total price of the main shaft bearing is RMB 1,287,500.00. The Company purchased the main shaft bearings from Luoyang Bearing Company and used them in the wind power generation machines they produced and sold them to The Company's end customers. Due to quality problems in the spindle bearings provided by Luoyang Bearing Company, serious quality problems have occurred since September 2016. Among the 25 sets purchased in this order, up to 21 sets of quality are not up to standard, affecting normal operation. The Company communicated with Luoyang Bearing Company many times to provide a rectification plan, but Luoyang Bearing Company failed to come up with an effective solution. None of the spindle bearings were repaired or replaced, resulting in significant loss to the Company. The Company sent two sets of spindle bearings to a third-party testing agency for testing in the case of unsuccessful communication. The testing results showed that the bearing network carbide, retained austenite, and hardness difference exceeded the standard. These problems will reduce the toughness and wear resistance of the bearing material and lead to the failure of the spindle bearing. Since the main shaft bearing produced by Luoyang Bearing Company is a key component of the wind power generation machine produced by the Company, the quality problem

of the main shaft bearing has seriously affected the operation of the wind power generation machine. In the case of Luoyang Bearing Company's refusal to propose an effective solution, the Company had to replace some of the bearings with quality problems by itself. The Company incurred hoisting fee, transportation fee, material fee, labor cost, etc. for the replacement of 21 sets of main shaft bearings has reached RMB 3,743,587.35. According to the contract between both parties, Luoyang Bearing Company shall compensate the Company for the above-mentioned losses. In July 2021, The Company sued Luoyang Bearing Company in Zhongshan First People's Court, and requested that Luoyang Bearing Company be ordered to bear the replacement and maintenance costs of the Company's Jinziling project, totaling RMB 3,743,587.35, and related litigation fees. As of 31 December 2021, the case is awaiting the second hearing of the first instance.

Note 9: The Company's subsidiary, Guangdong MingYang New Energy Technology Co., Ltd. (hereinafter referred to as "Guangdong MingYang") and Shenzhen Yunchuang Electromechanical Co., Ltd. signed the "Yangjiang High-tech Zone MingYang Wind Power Equipment Manufacturing Blade Project Guangdong MingYang New Energy Technology Co., Ltd. Fixed assets contract" on 9 April 2020, which stipulated that: "Yunchuang Electromechanical builds a spray booth for the Company in Yangjiang. The total cost of the spray booth is RMB 2,700,000.00. Yunchuang Electromechanical needs to complete the installation, commissioning and delivery within 90 days after receiving the Prepayments." Subsequently, "Equipment list of spray booth in Yangjiang Blade Factory" and "Yangjiang blade factory spray booth technical agreement" were signed as attachments to the above contract. On 21 May 2020 and 27 August 2020, Guangdong MingYang New Energy Technology Co., Ltd. paid a total of RMB 1,620,000.00 through bank transfer to Yunchuang Electromechanical for prepayments and project progress. However, due to Yunchuang Electromechanical's own reasons, the construction progress of the spray booth was slow and failed to deliver on schedule. As of February 2021, the project is 90% complete and in shutdown. On 2 March 2021 and 7 September 2021, the Company respectively sent Yunchuang Electromechanical a "Communication Letter on the Overdue Construction of the Painting Room at the Yangjiang Base". Then on 10 September 2021, the Company issued a "Notification Letter" to Yunchuang Electromechanical, which mainly stated: "In view of the fact that your company has not completed the remaining project progress as required by our company, and there is no written reply, our company will entrust a third-party company to complete the remaining part of the construction of the contract. Deductions are made on the payable amount, and our company reserves the right to claim compensation for the insufficient part. We hereby inform you that you are requested to reply in writing within two days. If there is no reply, you will be deemed to have received this letter." On 13 October 2021, the Company notarized the preservation evidence of the current state of the spray booth to the notary office. On 7 October 2021, the Company signed the "Remaining Project Constructions Contract for the Blade Painting Room of the MingYang Fan Equipment Manufacturing Project in Yangjiang High-tech Zone" with a third party. In November 2021, the Company sued Yunchuang Electromechanical to the People's Court of Jiangcheng District, Yangjiang City, Guangdong Province, requesting to terminate the contract and pay a penalty of RMB 2,700,000.00. On 27 December 2021, the first-instance judgment terminated the contract, and Yunchuang Electromechanical compensated the Company for breach of contract losses of RMB 454,600.00. The Company refuses to accept the judgment and intends to file an appeal. As of 31 December 2021, the case is in the stage of appeal.

Note 10: Luoyang LYC Bearing Co., Ltd. (hereinafter referred to as "Luoyang Bearing Company") and the Company signed several sales contracts from 2014 to 2016, and there are still 351 sets of deflection bearing contracts, which were not performed due to the breach of contract by the Company. Luoyang Bearing Company specially filed a litigation to the People's Court of Jianxi District, Luoyang City, asking the Company to continue to perform and pay RMB 8,765,200.00 for the purchase of goods, including receiving 351 sets of bearing products and paying the purchase of goods of RMB 8,765,200,000, and

paying litigation fees, preservation fees, travel expenses, etc. The Company believes that the products provided by Luoyang Bearing Company have many quality problems, and the failure rate has exceeded 3% as stipulated in the contract. Luoyang Bearing Company is a breach of contract, and payment should be stopped in accordance with the contract. As of 31 December 2021, the case is at the stage of objection to its jurisdiction.

Note 11: On 27 December 2017, Kaifeng Wen'an Industrial Co., Ltd. signed a housing leases contract with the Company's subsidiary, Kaifeng Mingshun Energy Technology Co., Ltd. On 14 September 2018, Kaifeng Wen'an signed a housing leases contract with Guangdong MingYang Energy System Co., Ltd. On 1 January 2020, Kaifeng Wen'an signed a modified agreement with Kaifeng Mingshun Energy Technology Co., Ltd. and Guangdong MingYang Energy System Co., Ltd., and the house leased by Guangdong MingYang Energy System Co., Ltd. was sublease to Kaifeng Mingshun Energy Technology Co., Ltd., and bears the rights and obligations of all relevant leases contracts. The above-mentioned houses leased by Kaifeng Mingshun Company would expire on 31 December 2020. After the agreed leases period expired, Kaifeng Wen'an Industrial Co., Ltd. filed a lawsuit against Kaifeng Mingshun Energy Technology Co., Ltd. and Guangdong MingYang Energy System Co., Ltd. on 12 May 2021 to the People's Court of Shunhe Hui District, Kaifeng City on the grounds that Kaifeng Mingshun Company was in arrears of house occupancy fee, rent for houses exceeding the contracted area, air-conditioning rental fees, property fee, heating and cooling fees, air-conditioning usage fees beyond 8 hours. Kaifeng Wen'an Industrial Company claimed that the defendants paid their unpaid rental fees etc. in totaling RMB 776,740.99. The court held a public hearing on 19 October 2021. As of 31 December 2021, the case is in the first instance stage.

Note 12: In June 2017, Shandong Longma Heavy Industry Co., Ltd. (hereinafter referred to as "Longma Heavy Industry") assigned all its accounts receivable from the Company amounted to RMB 33,795,234.28 to Shandong Guochuang Wind Energy Equipment Co., Ltd. (hereinafter referred to as "Guochuang Wind Energy"). Later, because the Company failed to pay the above accounts receivable to Guochuang Wind Energy as agreed, Guochuang Wind Energy filed a litigation to Zhongshan First People's Court on 29 May 2019. Zhongshan First People's Court issued (2019) Yue 2071 Min Chu No. 14296 "Civil Mediation Letter", confirming that Longma Heavy Industry transferred its accounts receivable from the Company to Guochuang Wind Energy. In January 2021, Shandong Branch of China Cinda Asset Management Co., Ltd. (hereinafter referred to as "Cinda Asset") filed a third-party revocation petition to Zhongshan First People's Court because Longma Heavy Industry owed Cinda Assets. The petition requests: revocation of Longma Heavy Industry's transfer of its accounts receivable from the Company to Guochuang Wind Energy; order the Company to pay Longma Heavy Industry RMB 33,795,234.28; the corresponding litigation fees and preservation fees shall be borne by Longma Heavy Industry, the Company and Guochuang Wind Energy. On 23 August 2021, Zhongshan First People's Court issued a judgment (2021) Yue 2071 Min Shu No. 1, verdict: 1. Revocation of Longma Heavy Industry's transfer of the creditor's rights over the Company to Guochuang Wind Energy; 2. Revocation the relevant content of the transfer of creditor's rights in the "Civil Mediation Letter" of (2019) Yue 2071 Min Chu No. 14296; 3. Reject the plaintiff's other litigation claims. On 20 September 2021, Guochuang Wind Energy refused to accept the judgment and filed a litigation to Zhongshan Intermediate People's Court, claiming: 1. Revoke (2021) Guangdong 2071 Minshu No. 1 Civil Judgment I. Item 2; 2. Change the judgment to reject all litigation claims of Cinda Assets. As of 31 December 2021, the second instance of this case is in trial.

Note 13: On 18 November 2020, Zhoushan Hongchang Freight Forwarding Co., Ltd. (hereinafter referred to as "Zhoushan Hongchang") and Haixia (Fujian) Supply Chain Management Co., Ltd. (hereinafter referred to as "Haixia Supply Chain Company") signed the " Voyage Water Carriage Contract ". Haixia Supply Chain Company entrusted Zhoushan Hongchang to carry the fan equipment of MingYang Smart

Energy Group Co., Ltd. (hereinafter referred to as "MingYang Smart"). The contract stipulates that Zhoushan Hongchang would transport 2 pieces of 7MW main engine, 2 pieces of hubs and a set of blades from Yangjiang, Guangdong terminal to the wind turbine station of Fujian Haitan Strait Project. After the ship arrived, the blades and hubs have been unable to arrange unloading. Zhoushan Hongchang repeatedly urged and wrote to Haixia Supply Chain Company, requesting payment of freight, demurrage and arrangement for unloading. After three-party negotiation, Haixia Supply Chain Company promised to pay off the arrears of RMB 1.835 million before 8 February 2021, and issued an IOU as a payment commitment. MingYang Smart promises that if Haixia Supply Chain Company fails to pay off the RMB 1.835 million in arrears before 8 February 2021, it will pay the amount on its behalf before 10 February 2021, and the amount will be deducted from the shipping fee payable to Haixia Supply Chain Company, and a letter of commitment was issued on 26 January 2021. Since both Haixia Supply Chain Company and MingYang Smart had unpaid the amount, Zhoushan Hongchang filed a litigation with Xiamen Maritime Court on 31 May 2021 against Haixia (Fujian) Supply Chain Management Co., Ltd. and MingYang Smart. Litigation request: 1. Order Haixia Supply Chain Company and MingYang Smart to jointly pay Zhoushan Hongchang freight, demurrage of RMB 1.835 million and interest. 2. Order Haixia Supply Chain Company and MingYang Smart to bear all the litigation costs of this case. On 29 November 2021, the Xiamen Maritime Court issued a civil judgment ((2021) Min 72 Min Chu No. 485), and the judgment is as follows: 1. Haixia (Fujian) Supply Chain Management Co., Ltd. shall pay RMB 1,835,000.00 and interest to Zhoushan Hongchang Freight Forwarding Co., Ltd. within ten days after the judgment takes effect; 2. The Company assumes joint and several guarantee liability for Haixia (Fujian) Supply Chain Management Co., Ltd.'s debt of RMB 1,835,000.00, and the right to recover from defendant Haixia (Fujian) Supply Chain Management Co., Ltd. after undertaking the guarantee responsibility; 3. Dismissal of other litigation claims of the plaintiff (Zhoushan Hongchang Freight Forwarding Co., Ltd.) ; defendant Haixia (Fujian) Supply Chain Management Co., Ltd. bears the litigation fee of RMB 20,799.00, and the Company is jointly liable for RMB 20,342.00. As of 31 December 2021, the case is under the first instance judgment.

Note 14: As of 31 December 2021, in addition to the pending litigation cases listed in the above table involving significant subject amount of litigation, there are still 8 cases of pending litigation with a total amount of RMB 281,109,655.60.

(2) Product Quality Assurance Clause

The Company is obligated to guarantee the quality of the products sold. Please refer to Note V. 39 [Note] for details.

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(3) The Company provided mortgage or pledge of assets for its own's borrowings, bank acceptance bills and letter of credit are as follow:

Entity provided the mortgage / pledge	Assets under mortgage or pledge	Certificate of ownership	Value or appraised value in 2019 (in RMB ten thousand)	Whether expired as of 2019.12.31	Value or appraised value in 2020 (in RMB ten thousand)	Whether expired as of 2020.12.31	Value or appraised value in 2021 (in RMB ten thousand)	Whether expired as of 2021.12.31
MingYang Smart Energy Group Co., Ltd.	Accounts receivable	"Contract for Purchase of Wind Power Generation Units and Auxiliary Equipment for Changhengheji Wind Farm Project of State Power Investment Corporation" No.: MY-GDT- HNCYNL-201810003; "Contract for Purchase of Wind Power Generation Units and Auxiliary Equipment for Jiangxi Xinzhou Wind Farm Project" No.: XNYHT-XZ-GC-N18-021	30,791.53	No	-	-	-	-
MingYang Smart Energy Group Co., Ltd.	Accounts receivable	"Henan Tongbai Phoenix 100MW Wind Power Generation Unit and Ancillary Equipment Procurement Business Part" "Jiangxi Xinzhou Wind Farm Project Wind Power Generation Unit and Ancillary Equipment Purchase Contract", buyer's contract number: XNYHT-XZ-GC-N18- 021, seller's contract number: MY-GDT-JXJXZ-20170811	37,480.00	No	-	-	-	-
MingYang Smart Energy Group Co., Ltd.	Accounts receivable	"Kangbao Yongfeng Wind Farm Project Wind Power Generation Unit Equipment and Ancillary Equipment Purchase Contract", buyer's contract number: XNY-ZJKFN- KB4-S19-002, seller's contract number: MY-HBJT-HBKBYF- 201906005	-	-	1,655.12	No	-	-
MingYang Smart Energy Group Co., Ltd.	Accounts receivable	"Shanxi Huaping Luxin Energy Co., Ltd. Pinglu Dongpingtai Wind Power Project Wind Turbine Purchase Contract", the seller's contract number: MY-HD-SXDPT-201606005	-	-	17,391.81	No	-	-
MingYang Smart Energy Group Co., Ltd.	Accounts receivable	"China Datang Corporation Datang Duolunxuetian 175MW Wind Power Generation Unit and Ancillary Equipment Purchase Contract" (Seller Contract No.: MY-DT-NMGXTD- 201712001)	-	-	54,122.70	No	-	-
MingYang Smart Energy Group Co., Ltd.	Accounts receivable	"China Datang Corporation Datang Guangyuan Hejiashan 102MW Wind Power Generation Unit and Ancillary Equipment Procurement Contract (Commercial Part)" (Seller Contract No.: MY-DT-SCHJS-201710002)	36,849.73	No	-	-	-	-
MingYang Smart Energy Group Co., Ltd.	Accounts receivable	"China Datang Corporation Sanmenxia, Henan Qinglong San 63MW Wind Power Generation Group and Ancillary Equipment Purchase Contract", buyer's contract number: 2018-CDIT-CK-048, end-user contract number: CDT-MC- QLS-E-001-001	-	-	10,286.90	No	-	-

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Entity provided the mortgage / pledge	Assets under mortgage or pledge	Certificate of ownership	Value or appraised value in 2019 (in RMB ten thousand)	Whether expired as of 2019.12.31	Value or appraised value in 2020 (in RMB ten thousand)	Whether expired as of 2020.12.31	Value or appraised value in 2021 (in RMB ten thousand)	Whether expired as of 2021.12.31
MingYang Smart Energy Group Co., Ltd.	Accounts receivable	"China Datang Corporation Ningxia Tongxin Wind Farm (Sutai, Zhangjiayuan Township) Hui Feng 49.5MW Wind Power Generation Unit and Ancillary Equipment Purchase Contract" (Seller Contract No.: MY-DT-TXHTH-201612003)	20,235.60	No	-	-	-	-
MingYang Smart Energy Group Co., Ltd.	Accounts receivable	020-GN-B-2018-P.E.99-00021	36,578.20	No	36,578.20	No	36,578.20	No
MingYang Smart Energy Group Co., Ltd.	Accounts receivable	020-GN-B-2019-P45-P.M.99-00129	26,640.00	No	26,640.00	No	26,640.00	No
Tianjin Ruineng Electric Co., Ltd.	Bank acceptance bills	110358400012120201023751655461	-	-	3,167.36	No	-	-
Tianjin Ruineng Electric Co., Ltd.	Bank acceptance bills	110529006200320200828712920931	-	-	2,747.14	No	-	-
Tianjin Ruineng Electric Co., Ltd.	Bank acceptance bills	130160300005020201026752217156	-	-	6,942.50	No	-	-
Tianjin Ruineng Electric Co., Ltd.	Bank acceptance bills	130260304460020200828712028876	-	-	1,000.00	No	-	-
Tianjin Ruineng Electric Co., Ltd.	Bank acceptance bills	130260304460020200828712029088	-	-	1,036.47	No	-	-
Tianjin Ruineng Electric Co., Ltd.	Bank acceptance bills	130360303885020201127781316954	-	-	1,000.00	No	-	-
Tianjin Ruineng Electric Co., Ltd.	Bank acceptance bills	130360303885020201127781327483	-	-	1,000.00	No	-	-
Tianjin Ruineng Electric Co., Ltd.	Bank acceptance bills	130360303885020201127781329268	-	-	1,000.00	No	-	-
Tianjin Ruineng Electric Co., Ltd.	Bank acceptance bills	130360303885020201127781339639	-	-	500.00	No	-	-
Tianjin Ruineng Electric Co., Ltd.	Bank acceptance bills	130360303885020201127781352572	-	-	500.00	No	-	-
Tianjin Ruineng Electric Co., Ltd.	Bank acceptance bills	130360303885020201127781356246	-	-	500.00	No	-	-
Tianjin Ruineng Electric Co., Ltd.	Bank acceptance bills	130360303885020201127781361611	-	-	500.00	No	-	-
Tianjin Ruineng Electric Co., Ltd.	Bank acceptance bills	130360303885020201127781371182	-	-	500.00	No	-	-
Tianjin Ruineng Electric Co., Ltd.	Bank acceptance bills	130360303885020201127781385206	-	-	500.00	No	-	-

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Entity provided the mortgage / pledge	Assets under mortgage or pledge	Certificate of ownership	Value or appraised value in 2019 (in RMB ten thousand)	Whether expired as of 2019.12.31	Value or appraised value in 2020 (in RMB ten thousand)	Whether expired as of 2020.12.31	Value or appraised value in 2021 (in RMB ten thousand)	Whether expired as of 2021.12.31
Tianjin Ruineng Electric Co., Ltd.	Bank acceptance bills	130360303885020201127781398082	-	-	500.00	No	-	-
Tianjin Ruineng Electric Co., Ltd.	Bank acceptance bills	130360303885020201127781403728	-	-	500.00	No	-	-
Tianjin Ruineng Electric Co., Ltd.	Bank acceptance bills	130360303885020201127781407240	-	-	500.00	No	-	-
Tianjin Ruineng Electric Co., Ltd.	Bank acceptance bills	130360303885020201127781424319	-	-	500.00	No	-	-
Tianjin Ruineng Electric Co., Ltd.	Bank acceptance bills	130360303885020201127781426871	-	-	500.00	No	-	-
Tianjin Ruineng Electric Co., Ltd.	Bank acceptance bills	130360303885020201127781430482	-	-	500.00	No	-	-
Tianjin Ruineng Electric Co., Ltd.	Bank acceptance bills	130360303885020201127781434189	-	-	500.00	No	-	-
Tianjin Ruineng Electric Co., Ltd.	Bank acceptance bills	130360303885020201127781437785	-	-	500.00	No	-	-
Tianjin Ruineng Electric Co., Ltd.	Bank acceptance bills	130360303885020201127781444427	-	-	500.00	No	-	-
Tianjin Ruineng Electric Co., Ltd.	Bank acceptance bills	130660300015720200927734593618	-	-	2,000.00	No	-	-
Tianjin Ruineng Electric Co., Ltd.	Bank acceptance bills	130660300015720200927734593763	-	-	2,077.43	No	-	-
Tianjin Ruineng Electric Co., Ltd.	Bank acceptance bills	130660300015720201105763329993	-	-	500.00	No	-	-
Tianjin Ruineng Electric Co., Ltd.	Bank acceptance bills	130660300015720201127781130424	-	-	275.28	No	-	-
Tianjin Ruineng Electric Co., Ltd.	Bank acceptance bills	130660300015720201127781141417	-	-	500.00	No	-	-
Tianjin Ruineng Electric Co., Ltd.	Bank acceptance bills	130660300015720201127781141636	-	-	500.00	No	-	-
Tianjin Ruineng Electric Co., Ltd.	Bank acceptance bills	130660300015720201127781141931	-	-	1,000.00	No	-	-
Tianjin Ruineng Electric Co., Ltd.	Notes receivable	130760303101920211021056451260	-	-	-	-	2,000.00	No
Tianjin Ruineng Electric Co., Ltd.	Notes receivable	130760303101920211021056452588	-	-	-	-	3,000.00	No

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Entity provided the mortgage / pledge	Assets under mortgage or pledge	Certificate of ownership	Value or appraised value in 2019 (in RMB ten thousand)	Whether expired as of 2019.12.31	Value or appraised value in 2020 (in RMB ten thousand)	Whether expired as of 2020.12.31	Value or appraised value in 2021 (in RMB ten thousand)	Whether expired as of 2021.12.31
Tianjin Ruineng Electric Co., Ltd.	Notes receivable	130760303101920211021056452834	-	-	-	-	2,500.00	No
Tianjin Ruineng Electric Co., Ltd.	Notes receivable	130960300002920210930044516769	-	-	-	-	2,000.00	No
Tianjin Ruineng Electric Co., Ltd.	Notes receivable	130960300002920210930044516881	-	-	-	-	2,393.41	No
Tianjin Ruineng Electric Co., Ltd.	Notes receivable	130960300002920210930044930465	-	-	-	-	1,500.00	No
Tianjin Ruineng Electric Co., Ltd.	Notes receivable	130960300002920210930044930481	-	-	-	-	1,500.00	No
Tianjin Ruineng Electric Co., Ltd.	Notes receivable	130960300002920211028064415703	-	-	-	-	1,000.00	No
Tianjin Ruineng Electric Co., Ltd.	Notes receivable	130960300002920211028064415914	-	-	-	-	1,500.00	No
Tianjin Ruineng Electric Co., Ltd.	Notes receivable	131360300003120210817001147998	-	-	-	-	500.00	No
Tianjin Ruineng Electric Co., Ltd.	Notes receivable	131360300003120210817001148030	-	-	-	-	500.00	No
Tianjin Ruineng Electric Co., Ltd.	Notes receivable	131360300003120210817001148458	-	-	-	-	500.00	No
Tianjin Ruineng Electric Co., Ltd.	Notes receivable	131360300003120210817001148667	-	-	-	-	500.00	No
Tianjin Ruineng Electric Co., Ltd.	Bank acceptance bills	131388500001820201130783724642	-	-	686.70	No	-	-
Tianjin Ruineng Electric Co., Ltd.	Bank acceptance bills	131388500001820201130783724984	-	-	800.00	No	-	-
Tianjin Ruineng Electric Co., Ltd.	Bank acceptance bills	131388500001820201130783725346	-	-	800.00	No	-	-
Tianjin Ruineng Electric Co., Ltd.	Bank acceptance bills	131388500001820201130783725856	-	-	800.00	No	-	-
Tianjin Ruineng Electric Co., Ltd.	Bank acceptance bills	131388500001820201130783726521	-	-	800.00	No	-	-
Tianjin Ruineng Electric Co., Ltd.	Notes receivable	140360300000320211124085330359	-	-	-	-	2,000.00	No
Tianjin Ruineng Electric Co., Ltd.	Notes receivable	140360300000320211124085330367	-	-	-	-	2,400.00	No

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Tianjin Ruineng Electric Co., Ltd.	Notes receivable	14036030000032021124085330375	-	-	-	-	1,600.00	No
Tianjin Ruineng Electric Co., Ltd.	Bank acceptance bills	140360300003820200727687768238	-	-	5,000.00	No	-	-
Tianjin Ruineng Electric Co., Ltd.	Bank acceptance bills	140360300003820200819703256475	-	-	4,000.00	No	-	-
MingYang Smart Energy Group Co., Ltd.	Accounts receivable	2018-CDIT-FK-003	10,309.37	No	17,182.28	No	-	-
MingYang Smart Energy Group Co., Ltd.	Accounts receivable	2020 pledge No. 200	-	-	11,750.40	No	-	-
MingYang Smart Energy Group Co., Ltd.	Accounts receivable	7FCNPO-CPJJWZ-20190100002-01	-	-	21,331.91	No	21,331.91	No
MingYang Smart Energy Group Co., Ltd.	Accounts receivable	7FDLZO-CPJJWZ-20190500007	-	-	15,766.42	No	15,766.42	No
MingYang Smart Energy Group Co., Ltd.	Accounts receivable	7LZFD0-CPJJWZ-20180500001	34,841.05	No	-	-	-	-
MingYang Smart Energy Group Co., Ltd.	Accounts receivable	7NNSXO-CPJJWZ-20190800048	-	-	11,271.00	No	11,271.00	No
MingYang Smart Energy Group Co., Ltd.	Accounts receivable	7TYNP020190500001	-	-	16,399.63	No	16,399.63	No
MingYang Smart Energy Group Co., Ltd.	Accounts receivable	7ZXBFO-CPJJWZ-20190200002	70,275.71	No	70,275.71	No	70,275.71	No
MingYang Smart Energy Group Co., Ltd.	Accounts receivable	CDT-MC-QLS-E-001-001	-	-	-	-	10,286.90	No
MingYang Smart Energy Group Co., Ltd.	Accounts receivable	GDMRS-SB-2016-02	15,710.00	No	15,710.00	No	15,710.00	No
MingYang Smart Energy Group Co., Ltd.	Accounts receivable	GSDT-TMMH-QT-[2021]-002	-	-	-	-	57,940.00	No
MingYang Smart Energy Co., Ltd.	Fixed deposits	IXVII01104756	-	-	20,000.00	No	-	-
MingYang Smart Energy Co., Ltd.	Fixed deposits	IXVII01104758	-	-	20,000.00	No	-	-
MingYang Smart Energy Group Co., Ltd.	Accounts receivable	MY-DT-FCLT-201605003	20,990.00	No	20,990.00	No	20,990.00	No
MingYang Smart Energy Group Co., Ltd.	Accounts receivable	MY-DT-GCML-201605004	21,340.00	No	21,340.00	No	21,340.00	No

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Entity provided the mortgage / pledge	Assets under mortgage or pledge	Certificate of ownership	Value or appraised value in 2019 (in RMB ten thousand)	Whether expired as of 2019.12.31	Value or appraised value in 2020 (in RMB ten thousand)	Whether expired as of 2020.12.31	Value or appraised value in 2021 (in RMB ten thousand)	Whether expired as of 2021.12.31
MingYang Smart Energy Group Co., Ltd.	Accounts receivable	MY-DTGJ-FJCJJA-201710001, MY-DTGJ-FJCJJA-201710001 Supplement 1	73,823.48	No	123,039.13	No	-	-
MingYang Smart Energy Group Co., Ltd.	Accounts receivable	MY-DTGJ-XSTYS-201611001	26,419.20	No	26,419.20	No	26,419.20	No
MingYang Smart Energy Group Co., Ltd.	Accounts receivable	MY-DT-HNSCXA-201909005	-	-	-	-	16,490.00	No
MingYang Smart Energy Group Co., Ltd.	Accounts receivable	MY-DT-NMGXTD-201712001	-	-	-	-	54,122.70	No
MingYang Smart Energy Group Co., Ltd.	Accounts receivable	MY-DT-TYS-201605002	14,644.80	No	14,644.80	No	14,644.80	No
MingYang Smart Energy Group Co., Ltd.	Accounts receivable	MYDTWS- GC-201303001	18,086.40	No	18,086.40	No	18,086.40	No
MingYang Smart Energy Group Co., Ltd.	Accounts receivable	MY-DTWY-NMGXHT-201912013	-	-	-	-	15,198.48	No
MingYang Smart Energy Group Co., Ltd.	Accounts receivable	MY-FXXH-LHS-201409001	-	-	-	-	1,051.01	No
MingYang Smart Energy Group Co., Ltd.	Accounts receivable	MY-GDT-GDJYJH-201002006	91,750.54	No	91,750.54	No	91,750.54	No
MingYang Smart Energy Group Co., Ltd.	Accounts receivable	MY-GDT-GDYJSQYEBD-201902005	121,241.79	No	121,241.79	No	121,241.79	No
MingYang Smart Energy Group Co., Ltd.	Accounts receivable	MY-GDT-GSTWYG-202006002	-	-	37,600.00	No	37,600.00	No
MingYang Smart Energy Group Co., Ltd.	Accounts receivable	MY-GDT-GXLT-201703001	23,970.00	No	23,970.00	No	23,970.00	No
MingYang Smart Energy Group Co., Ltd.	Accounts receivable	MY-GDT-JXJXZ-20170811	-	-	-	-	1,655.12	No
MingYang Smart Energy Group Co., Ltd.	Accounts receivable	MY-GDT-LNJPXF-201911003	-	-	21,171.15	No	21,171.15	No
MingYang Smart Energy Group Co., Ltd.	Accounts receivable	MY-GDT-LNWFDTs-201909007	-	-	36,328.76	No	36,328.76	No
MingYang Smart Energy Group Co., Ltd.	Accounts receivable	MY-GDT-QHWL-20171105	36,407.50	No	36,407.50	No	-	-
MingYang Smart Energy Group Co., Ltd.	Accounts receivable	MY-GDT-SDDZXJLJ-201906001	17,834.70	No	17,834.70	No	17,834.70	No
MingYang Smart Energy Group Co., Ltd.	Accounts receivable	MY-GDT-XJTKXSY-202007003	-	-	20,044.08	No	20,044.08	No

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Entity provided the mortgage / pledge	Assets under mortgage or pledge	Certificate of ownership	Value or appraised value in 2019 (in RMB ten thousand)	Whether expired as of 2019.12.31	Value or appraised value in 2020 (in RMB ten thousand)	Whether expired as of 2020.12.31	Value or appraised value in 2021 (in RMB ten thousand)	Whether expired as of 2021.12.31
MingYang Smart Energy Group Co., Ltd.	Accounts receivable	MY-HBJT-FNSJT-201401002	57,870.00	Yes	-	-	-	-
MingYang Smart Energy Group Co., Ltd.	Accounts receivable	MY-HBJT-HBKBYF-201906005	-	-	-	-	17,391.81	No
MingYang Smart Energy Group Co., Ltd.	Accounts receivable	MY-HD-BYLFCL-201404003	34,716.00	No	34,716.00	No	34,716.00	No
MingYang Smart Energy Group Co., Ltd.	Accounts receivable	MY-HD-DFH-201604001	19,990.00	No	19,990.00	No	19,990.00	No
MingYang Smart Energy Group Co., Ltd.	Accounts receivable	MY-HD-FJCLT-201809004	32,562.00	No	32,562.00	No	32,562.00	No
MingYang Smart Energy Group Co., Ltd.	Accounts receivable	MY-HD-FJQH-201807004	14,588.64	No	14,588.64	No	-	-
MingYang Smart Energy Group Co., Ltd.	Accounts receivable	MY-HD-GDLCWS-201912007	-	-	-	-	33,096.00	No
MingYang Smart Energy Group Co., Ltd.	Accounts receivable	MY-HD-GDXQ-201812005	32,870.00	No	-	-	-	-
MingYang Smart Energy Group Co., Ltd.	Accounts receivable	MY-HD-GDXQ-201901	-	-	32,870.00	No	32,870.00	No
MingYang Smart Energy Group Co., Ltd.	Accounts receivable	MY-HDQH-NMH-201608005	-	-	18,250.00	No	-	-
MingYang Smart Energy Group Co., Ltd.	Accounts receivable	MY-HDQH-NMH220160805	10,950.00	No	-	-	-	-
MingYang Smart Energy Group Co., Ltd.	Accounts receivable	MY-HD-SXDPT-201606005	-	-	-	-	3,600.96	No
MingYang Smart Energy Group Co., Ltd.	Accounts receivable	MY-HD-SDXZS-20190912	-	-	19,133.44	No	19,133.44	No
MingYang Smart Energy Group Co., Ltd.	Accounts receivable	MY-HD-SXSZLSP-20190913	-	-	19,120.40	No	19,120.40	No
MingYang Smart Energy Group Co., Ltd.	Accounts receivable	MY-HD-SYWYL-201603002	20,392.00	No	20,392.00	No	20,392.00	No
MingYang Smart Energy Group Co., Ltd.	Accounts receivable	MY-HN-AHMCXJ-005WZ	22,011.00	No	-	-	-	-
MingYang Smart Energy Group Co., Ltd.	Accounts receivable	MY-HNFC-JZL-201303003	18,640.00	No	18,640.00	No	18,640.00	No
MingYang Smart Energy Group Co., Ltd.	Accounts receivable	MY-HN-HBBMT1-201807001, MY-HN-HBBMT2-201807002	42,644.01	No	71,073.34	No	-	-

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Entity provided the mortgage / pledge	Assets under mortgage or pledge	Certificate of ownership	Value or appraised value in 2019 (in RMB ten thousand)	Whether expired as of 2019.12.31	Value or appraised value in 2020 (in RMB ten thousand)	Whether expired as of 2020.12.31	Value or appraised value in 2021 (in RMB ten thousand)	Whether expired as of 2021.12.31
MingYang Smart Energy Group Co., Ltd.	Accounts receivable	MY-HN-HBJS-201708013	19,874.70	No	19,874.70	No	-	-
MingYang Smart Energy Group Co., Ltd.	Accounts receivable	MY-HN-HBLHS-201806009	10,591.55	No	17,652.58	No	-	-
MingYang Smart Energy Group Co., Ltd.	Accounts receivable	MY-HN-JLJLDA-202103011	-	-	-	-	78,950.00	No
MingYang Smart Energy Group Co., Ltd.	Accounts receivable	MYHR-HAJF-201607005	11,006.88	No	18,344.80	No	-	-
MingYang Smart Energy Group Co., Ltd.	Accounts receivable	MY-HR-HNYSMS-201704005	7,020.00	No	11,700.00	No	-	-
MingYang Smart Energy Group Co., Ltd.	Accounts receivable	MY-HR-XWFL-201604003	20,290.00	No	20,290.00	No	20,290.00	No
MingYang Smart Energy Group Co., Ltd.	Accounts receivable	MY-NMGDM-NMGHLS3-201910003	-	-	17,649.60	No	17,649.60	No
MingYang Smart Energy Group Co., Ltd.	Accounts receivable	MY-NMMY-KLX-202101016	-	-	-	-	185,026.56	No
MingYang Smart Energy Group Co., Ltd.	Accounts receivable	MY-QXG-201605012	18,063.29	No	18,063.29	No	18,063.29	No
MingYang Smart Energy Group Co., Ltd.	Accounts receivable	MY-SX-BRJX-202003001	-	-	46,100.00	No	46,100.00	No
MingYang Smart Energy Group Co., Ltd.	Accounts receivable	MY-YD-GDSP-201805003	137,810.17	No	229,683.62	No	-	-
MingYang Smart Energy Group Co., Ltd.	Accounts receivable	MY-YGDY-SXJLEQ-201911010	-	-	18,390.00	No	18,390.00	No
MingYang Smart Energy Group Co., Ltd.	Accounts receivable	MY-YN-GDWT2018005	17,831.28	No	17,831.28	No	17,831.28	No
MingYang Smart Energy Group Co., Ltd.	Accounts receivable	MY-YNT-HNCY-201907004	44,970.00	No	44,970.00	No	44,970.00	No
MingYang Smart Energy Group Co., Ltd.	Accounts receivable	MY-YSD-SDBH201711009, MY-YSD-GDDB201711008	49,581.58	No	-	-	-	-
MingYang Smart Energy Group Co., Ltd.	Accounts receivable	MY-ZGFD-AHQS201801002	-	-	-	-	4,174.29	No
MingYang Smart Energy Group Co., Ltd.	Accounts receivable	MY-ZGFD-HBXS-201803001	-	-	-	-	6,112.11	No
MingYang Smart Energy Group Co., Ltd.	Accounts receivable	MY-ZGFD-QTP-201608003	20,304.00	No	-	-	-	-

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MingYang Smart Energy Group Co., Ltd.	Accounts receivable	MY-ZGH-HNYCPQ-202003003	-	-	-	-	24,960.00	No
MingYang Smart Energy Group Co., Ltd.	Accounts receivable	MY-ZGHYJ-NPD-201806006	274,626.00	No	274,626.00	No	274,626.00	No
MingYang Smart Energy Group Co., Ltd.	Accounts receivable	MY-ZGHYJ-NPD-201606006	27,240.00	No	45,400.00	No	-	No
MingYang Smart Energy Group Co., Ltd.	Accounts receivable	MY-ZHGDLG-201903006	23,047.32	No	23,047.32	No	23,047.32	No
MingYang Smart Energy Group Co., Ltd.	Accounts receivable	MY-ZHHN-FJGS-201702001	30,506.40	Yes	-	-	-	-
MingYang Smart Energy Group Co., Ltd.	Accounts receivable	MY-ZJN-GDNPD-201808031	-	-	51,791.67	No	51,791.67	No
MingYang Smart Energy Group Co., Ltd.	Accounts receivable	MY-ZJNYJ-NPD-201808030	62,681.67	No	18,150.00	No	-	-
MingYang Smart Energy Group Co., Ltd.	Accounts receivable	YJF2015/E4	13,396.00	No	13,396.00	No	13,396.00	No
MingYang Smart Energy Group Co., Ltd.	Accounts receivable	ZCNF00210-P-CT-0003-1	149,272.37	No	149,272.37	No	149,272.37	No
MingYang Smart Energy Group Co., Ltd.	Accounts receivable	No.:05813112000691047912, 0581311200691728061, 05813112000691759699, 05813112000692029099, 05813112000703859099	48,579.46	No	-	-	-	-
MingYang Smart Energy Group Co., Ltd.	Accounts receivable	Guangdong Huadian Shaoguan Lechang Wushan 100MW Wind Power Project Wind Turbine Equipment Purchase Contract	-	-	33,096.00	No	-	-
MingYang Smart Energy Group Co., Ltd.	Accounts receivable	No. YJF2015/E4	-	-	13,396.00	No	-	-
MingYang Smart Energy Group Co., Ltd.	Accounts receivable	Huaneng Dezhou Dingzhuang 100MW wind power project Wind power generation unit and its ancillary equipment (including tower) procurement contract	34,841.50	No	-	-	-	-
MingYang Smart Energy Group Co., Ltd.	Accounts receivable	Huayin (2020) Zhongshan Forehead (Xiaolan) No. (001)	-	-	23,639.00	No	23,639.00	No
Tianjin Ruining Electric Co., Ltd.	Construction in progress	Jin (2017) Xiqing District Real Estate No. 1038533/2018 Xiqing Jian Zheng Shen Zi 0031	10,000.00	No	10,000.00	No	10,000.00	No
MingYang Smart Energy Group Co., Ltd.	Accounts receivable	Inner Mongolia Yudean Menghua Baotou Bayan Obo Wind Power Heating Project Accounts receivable (invoice No.: 38385461, 38385462, 24517465 - 24517470)	8,542.80	No	-	-	-	-

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MingYang Smart Energy Group Co., Ltd.	Accounts receivable	Shaanxi Dingbian Guliang 100MW wind power project Wind power generation unit and its ancillary equipment (including tower) procurement contract	33,185.37	No	-	-	-	-
Tianjin Ruineng Electric Co., Ltd.	Bank acceptance bills	Bank acceptance number: 110261812391320190929487053185	1,980.42	No	-	-	-	-
Tianjin Ruineng Electric Co., Ltd.	Bank acceptance bills	Bank acceptance number: 110349643551620191106509959530	1,000.00	No	-	-	-	-
Tianjin Ruineng Electric Co., Ltd.	Bank acceptance bills	Bank acceptance number: 110349643551620191125521479216	1,000.00	No	-	-	-	-
Tianjin Ruineng Electric Co., Ltd.	Bank acceptance bills	Bank acceptance number: 130358103867520191106510133585	500.00	No	-	-	-	-
Tianjin Ruineng Electric Co., Ltd.	Bank acceptance bills	Bank acceptance number: 130358103867520191106510133938	500.00	No	-	-	-	-
Tianjin Ruineng Electric Co., Ltd.	Bank acceptance bills	Bank acceptance number: 130745200481820190912474530905	200.00	No	-	-	-	-
Tianjin Ruineng Electric Co., Ltd.	Bank acceptance bills	Bank acceptance number: 130745200481820190912474530948	200.00	No	-	-	-	-
MingYang Smart Energy Group Co., Ltd.	Accounts receivable	CGN Shangqiu, Henan Yongcheng Peiqiao Wind Farm Wind power generation unit equipment procurement contract	-	-	24,960.00	No	-	-
MingYang Smart Energy Group Co., Ltd.	Accounts receivable	China Datang Corporation Inner Mongolia Datang Wanyuan New Energy Xinghe Aerospace Demonstration Wind Farm Phase I 49.5MW Wind Power Generation Unit and Ancillary Equipment Procurement Contract	-	-	15,198.48	No	-	-
MingYang Smart Energy Group Co., Ltd.	Accounts receivable	China Datang Corporation Mali Xiao'ao 50MW Wind Power Generation Unit and Ancillary Equipment Procurement Contract	-	-	16,490.00	No	-	-
MingYang Smart Energy Group Co., Ltd.	Accounts receivable	Movable Property Guarantee Registration Certificate of the Credit Information Center of the People's Bank of China	15,147.00	No	-	-	-	-
MingYang Smart Energy Group Co., Ltd.	Accounts receivable	Movable Property Guarantee Registration Certificate No. of Credit Information Center of the People's Bank of China: 07509872000888218399	5,353.55	No	-	-	-	-
MingYang Smart Energy Group Co., Ltd.	Accounts receivable	CNNC Huineng Guidong Niulang Wind Farm 48MW Wind power generation unit equipment procurement contract	19,569.60	No	19,569.60	No	-	-
MingYang Smart Energy Group Co., Ltd.	Accounts receivable	CCCC Yinzhi No. 519209002, CCCC Yinzhi No. 519209002-1	-	-	63,726.46	No	-	-

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MingYang Smart Energy Group Co., Ltd.	Accounts receivable	CCCC Yinzhizi No. 519209067, CCCC Yinzhi No. 519209067-1	-	-	5,353.55	No	-	-
MingYang Smart Energy Group Co., Ltd.	Accounts receivable	CCCC Yinzhizi No. 52020008	-	-	18,314.24	No	-	-
MingYang Smart Energy Group Co., Ltd.	Accounts receivable	CCCC Yinzhizi No. 520209002, CCCC Yinzhi No. 520209002-1	-	-	8,272.87	No	-	-
MingYang Smart Energy Group Co., Ltd.	Accounts receivable	CCCC Yinzhizi No. 520209020	-	-	7,474.36	No	-	-
MingYang Smart Energy Group Co., Ltd.	Accounts receivable	CCCC Yinzhizi No. 520209036	-	-	41,574.57	No	-	-
MingYang Smart Energy Group Co., Ltd.	Accounts receivable	CCCC Yinzhizi No. 520209039	-	-	13,580.00	No	-	-
MingYang Smart Energy Group Co., Ltd.	Accounts receivable	CCCC Yinzhizi No. 520209043	-	-	10,401.64	No	-	-

(4) Outstanding of letters of guarantee and letters of credit

The unfulfilled irrevocable letters of guarantee in each reporting period are as follows:

Number of letter of guarantee	Start date	Expiry date	Guarantee amount (RMB ten thousand)	Balance of guarantee in 2019	Balance of guarantee in 2020	Balance of guarantee in 2021
(2019) Zhongshan letter of guarantee No.006	2019/6/13	2020/6/13	1,254.00	1,254.00	-	-
(2019) Zhongshan letter of guarantee No.007	2019/6/13	2020/6/13	3,904.16	3,904.16	-	-
(2019) Zhongshan letter of guarantee No.008	2019/6/20	2020/6/20	470.00	470.00	-	-
(2019) Zhongshan letter of guarantee No.009	2019/7/4	2020/7/4	1,259.44	1,259.44	-	-
(2019) Zhongshan letter of guarantee No.010	2019/7/4	2020/7/4	1,259.44	1,259.44	-	-
(2019) Zhongshan letter of guarantee No.011	2019/7/15	2020/7/15	2,171.11	2,171.11	-	-
(2019) Zhongshan letter of guarantee No.012	2019/7/23	2020/7/23	2,040.60	2,040.60	-	-
(2019) Zhongshan letter of guarantee No.013	2019/7/23	2020/7/23	4,012.99	4,012.99	-	-
(2019) Zhongshan letter of guarantee No.014	2019/7/23	2020/7/23	1,652.83	1,652.83	-	-
(2019) Zhongshan letter of guarantee No.015	2019/7/30	2020/7/30	1,733.81	1,733.81	-	-
(2019) Zhongshan letter of guarantee No.016	2019/7/30	2020/7/30	1,616.17	1,616.17	-	-
(2019) Zhongshan letter of guarantee No.017	2019/7/30	2020/7/30	6,814.00	6,814.00	-	-
(2019) Zhongshan letter of guarantee No.018	2019/7/30	2020/7/30	682.76	682.76	-	-
(2019) Zhongshan letter of guarantee No.019	2019/7/30	2020/7/30	1,146.05	1,146.05	-	-
(2020) Zhongshan letter of guarantee No.005	2020/4/24	2021/4/24	2,305.00	-	2,305.00	-
(2020) Zhongshan letter of guarantee No.006	2020/4/24	2021/4/24	13,830.00	-	13,830.00	-
(2020) Zhongshan letter of guarantee No.007	2020/5/6	2021/5/6	109.50	-	109.50	-
(2020) Zhongshan letter of guarantee No.008	2020/5/25	2021/5/25	1,875.00	-	1,875.00	-
(2020) Zhongshan letter of guarantee No.009	2020/6/12	2021/6/12	281.54	-	281.54	-
(2020) Zhongshan letter of guarantee No.011	2020/7/10	2021/7/10	3,760.00	-	3,760.00	-
(2020) Zhongshan letter of guarantee No.012	2020/7/31	2021/7/31	6,814.00	-	6,814.00	-
(2020) Zhongshan letter of guarantee No.015	2020/9/7	2021/9/7	1,167.84	-	1,167.84	-
(2020) Zhongshan letter of guarantee No.020	2020/9/25	2021/9/25	395.50	-	395.50	-
(2020) Zhongshan letter of guarantee No.027	2020/12/15	2021/12/15	1,275.00	-	1,275.00	-

Number of letter of guarantee	Start date	Expiry date	Guarantee amount (RMB ten thousand)	Balance of guarantee in 2019	Balance of guarantee in 2020	Balance of guarantee in 2021
(2020) Zhongshan letter of guarantee No.028	2020/12/15	2021/12/15	7,650.00	-	7,650.00	-
(2021) Zhongshan letter of guarantee No.013	2021/5/8	2021/12/31	1,417.26	-	-	1,417.26
0010202000126400	2020/12/18	2023/2/20	1,675.98	-	1,675.98	1,675.98
0010202100084649	2021/11/12	2022/11/12	4,859.07	-	-	4,859.07
0201100217-2019 (guarantee) No.0108	2019/12/3	2021/9/28	5,174.53	-	5,174.53	-
0201100217-2019 (guarantee) No.0116	2019/11/18	2021/11/7	3,657.82	-	3,657.82	-
0201100217-2019 (guarantee) No.0118	2019/11/19	2021/11/10	4,497.00	-	4,497.00	-
0201100217-2019 (guarantee) No.0119	2019/12/25	2022/5/13	12,124.18	-	12,124.18	12,124.18
0201100217-2019 (guarantee) No.0120	2019/12/13	2021/11/15	9,175.05	-	9,175.05	-
0201100217-2019 (guarantee) No.0137	2019/12/25	2021/4/2	1,895.04	-	1,895.04	-
0201100217-2019 (guarantee) No.0139	2020/1/2	2022/12/16	1,831.40	-	1,831.40	1,831.40
0201100217-2019 (guarantee) No.0140	2020/1/2	2022/12/16	3,886.15	-	3,886.15	3,886.15
0201100217-2019 (guarantee) No.0142	2020/1/3	2021/12/16	3,535.79	-	3,535.79	-
0201100217-2019 (guarantee) No.0143	2020/2/26	2021/12/25	13,437.49	-	13,437.49	-
0201100217-2019 (guarantee) No.0144	2020/2/26	2021/12/25	13,074.31	-	13,074.31	-
0201100217-2020 (guarantee) No.0001	2020/2/10	2021/9/1	1,579.20	-	1,579.20	-
0201100217-2020 (guarantee) No.0002	2020/2/10	2021/4/1	1,895.04	-	1,895.04	-
0201100217-2020 (guarantee) No.0004	2020/3/5	2022/2/18	1,940.00	-	1,940.00	-
0201100217-2020 (guarantee) No.0006	2020/3/9	2022/2/18	3,680.00	-	3,680.00	-
0201100217-2020 (guarantee) No.0007	2020/3/5	2022/2/18	4,000.00	-	4,000.00	-
0201100217-2020 (guarantee) No.0008	2020/3/5	2022/5/3	997.43	-	997.43	-
0201100217-2020 (guarantee) No.0011	2020/3/13	2021/2/27	2,957.33	-	2,957.33	-
0201100217-2020 (guarantee) No.0013	2020/3/12	2023/3/1	1,944.36	-	1,944.36	-
0201100217-2020 (guarantee) No.0014	2020/3/12	2022/3/9	1,881.00	-	1,881.00	-
0201100217-2020 (guarantee) No.0017	2020/3/12	2022/3/9	1,899.81	-	1,899.81	-
0201100217-2020 (guarantee) No.0018	2020/3/27	2022/3/24	12,512.50	-	12,512.50	-

Number of letter of guarantee	Start date	Expiry date	Guarantee amount (RMB ten thousand)	Balance of guarantee in 2019	Balance of guarantee in 2020	Balance of guarantee in 2021
0201100217-2020 (guarantee) No.0020	2020/4/1	2022/3/25	2,226.26	-	2,226.26	-
0201100217-2020 (guarantee) No.0022	2020/4/7	2022/4/1	1,940.00	-	1,940.00	-
0201100217-2020 (guarantee) No.0031	2020/4/29	2022/6/23	892.76	-	892.76	-
0201100217-2020 (guarantee) No.0032	2020/4/29	2021/4/23	1,764.96	-	1,764.96	-
0201100217-2020 (guarantee) No.0034	2020/5/18	2021/5/7	1,586.38	-	1,586.38	-
0201100217-2020 (guarantee) No.0040	2020/6/1	2022/2/12	2,000.64	-	2,000.64	-
0201100217-2020 (guarantee) No.0041	2020/6/1	2021/4/2	1,949.31	-	1,949.31	-
0201100217-2020 (guarantee) No.0042	2020/6/1	2022/2/12	1,939.41	-	1,939.41	-
0201100217-2020 (guarantee) No.0043	2020/6/1	2021/3/29	1,866.50	-	1,866.50	-
0201100217-2020 (guarantee) No.0044	2020/6/1	2022/3/29	1,890.24	-	1,890.24	-
0201100217-2020 (guarantee) No.0048	2020/6/9	2023/5/26	1,613.29	-	1,613.29	-
0201100217-2020 (guarantee) No.0049	2020/6/9	2023/3/21	1,989.00	-	1,989.00	-
0201100217-2020 (guarantee) No.0051	2020/6/28	2021/6/10	4,378.03	-	4,378.03	-
0201100217-2020 (guarantee) No.0056	2020/7/10	2022/1/1	1,977.50	-	1,977.50	-
0201100217-2020 (guarantee) No.0068	2020/8/4	2021/7/22	1,702.21	-	1,702.21	-
0201100217-2020 (guarantee) No.0069	2020/8/21	2023/8/16	1,655.55	-	1,655.55	-
0201100217-2020 (guarantee) No.0077	2020/8/31	2021/8/24	291.96	-	291.96	-
0201100217-2020 (guarantee) No.0079	2020/9/3	2021/9/1	1,655.55	-	1,655.55	-
0201100217-2020 (guarantee) No.0082	2020/9/16	2023/9/8	971.62	-	971.62	-
0201100217-2020 (guarantee) No.0088	2020/10/16	2023/10/10	827.56	-	827.56	-
0201100217-2020 (guarantee) No.0094	2020/11/20	2024/11/12	1,864.00	-	1,864.00	-
0201100217-2020 (guarantee) No.0096	2020/11/20	2025/11/14	2,595.10	-	2,595.10	-
0201100217-2020 (guarantee) No.0098	2020/12/2	2025/11/25	1,349.45	-	1,349.45	-
0201100217-2020 (guarantee) No.0105	2020/12/10	2022/11/29	1,952.08	-	1,952.08	-
0201100217-2020 (guarantee) No.0107	2020/12/10	2023/12/5	1,323.10	-	1,323.10	-
0201100217-2020 (guarantee) No.0108	2020/12/10	2021/12/2	222.08	-	222.08	-

Number of letter of guarantee	Start date	Expiry date	Guarantee amount (RMB ten thousand)	Balance of guarantee in 2019	Balance of guarantee in 2020	Balance of guarantee in 2021
0201100217-2020 (guarantee) No.0114	2020/12/25	2021/6/19	3,287.00	-	3,287.00	-
0201100229-2021 (guarantee) No.0120	2020/2/26	2022/12/25	13,227.50	-	-	13,227.50
0201100229-2021 (guarantee) No.0121	2020/2/26	2022/12/25	12,870.00	-	-	12,870.00
0201100229-2021 (guarantee) No.0122	2020/3/5	2022/2/18	1,940.00	-	-	1,940.00
0201100229-2021 (guarantee) No.0123	2020/3/5	2022/2/18	4,000.00	-	-	4,000.00
0201100229-2021 (guarantee) No.0124	2020/3/5	2022/5/3	997.43	-	-	997.43
0201100229-2021 (guarantee) No.0125	2020/3/9	2022/2/18	3,680.00	-	-	3,680.00
0201100229-2021 (guarantee) No.0126	2020/3/12	2022/3/9	1,881.00	-	-	1,881.00
0201100229-2021 (guarantee) No.0127	2020/3/12	2022/3/9	1,899.81	-	-	1,899.81
0201100229-2021 (guarantee) No.0128	2020/3/12	2023/3/1	1,944.36	-	-	1,944.36
0201100229-2021 (guarantee) No.0129	2020/3/27	2022/3/24	12,512.50	-	-	12,512.50
0201100229-2021 (guarantee) No.0130	2020/4/1	2022/3/25	2,226.26	-	-	2,226.26
0201100229-2021 (guarantee) No.0131	2020/4/7	2022/4/1	1,940.00	-	-	1,940.00
0201100229-2021 (guarantee) No.0132	2020/4/29	2022/6/23	892.76	-	-	892.76
0201100229-2021 (guarantee) No.0133	2020/6/1	2022/2/12	2,000.64	-	-	2,000.64
0201100229-2021 (guarantee) No.0134	2020/6/1	2022/2/12	1,939.41	-	-	1,939.41
0201100229-2021 (guarantee) No.0135	2020/6/1	2022/3/29	1,890.24	-	-	1,890.24
0201100229-2021 (guarantee) No.0136	2020/6/9	2023/3/21	1,989.00	-	-	1,989.00
0201100229-2021 (guarantee) No.0137	2020/6/9	2023/5/26	1,613.29	-	-	1,613.29
0201100229-2021 (guarantee) No.0138	2020/7/10	2022/1/1	1,977.50	-	-	1,977.50
0201100229-2021 (guarantee) No.0139	2020/8/21	2023/8/16	1,655.55	-	-	1,655.55
0201100229-2021 (guarantee) No.0140	2020/9/16	2023/9/8	971.62	-	-	971.62
0201100229-2021 (guarantee) No.0141	2020/10/16	2023/10/10	827.56	-	-	827.56
0201100229-2021 (guarantee) No.0142	2020/11/20	2024/11/12	1,864.00	-	-	1,864.00
0201100229-2021 (guarantee) No.0143	2020/11/20	2025/11/14	2,595.10	-	-	2,595.10
0201100229-2021 (guarantee) No.0144	2020/12/2	2025/11/25	1,349.45	-	-	1,349.45

Number of letter of guarantee	Start date	Expiry date	Guarantee amount (RMB ten thousand)	Balance of guarantee in 2019	Balance of guarantee in 2020	Balance of guarantee in 2021
0201100229-2021 (guarantee) No.0145	2020/12/10	2022/11/29	1,952.08	-	-	1,952.08
0201100229-2021 (guarantee) No.0146	2020/12/10	2023/12/5	1,323.10	-	-	1,323.10
0201100229-2021 (guarantee) No.0147	2021/2/4	2026/1/27	996.00	-	-	996.00
0201100229-2021 (guarantee) No.0148	2021/2/5	2024/2/1	1,100.55	-	-	1,100.55
0201100229-2021 (guarantee) No.0149	2021/2/5	2024/2/1	1,085.56	-	-	1,085.56
0201100229-2021 (guarantee) No.0150	2021/3/31	2022/3/16	2,957.33	-	-	2,957.33
0201100229-2021 (guarantee) No.0151	2021/4/6	2022/1/1	1,866.50	-	-	1,866.50
0201100229-2021 (guarantee) No.0152	2021/6/8	2022/5/31	3,800.00	-	-	3,800.00
0201100229-2021 (guarantee) No.0153	2021/6/11	2022/1/1	4,378.03	-	-	4,378.03
0201100229-2021 (guarantee) No.0154	2021/7/22	2022/7/19	7,895.00	-	-	7,895.00
0201100229-2021 (guarantee) No.0155	2021/7/28	2022/1/25	1,934.00	-	-	1,934.00
0201100229-2021 (guarantee) No.0156	2021/8/24	2022/8/19	1,274.20	-	-	1,274.20
0201100229-2021 (guarantee) No.0157	2021/8/24	2022/8/19	554.00	-	-	554.00
0201100229-2021 (guarantee) No.0158	2021/9/22	2022/9/16	1,751.21	-	-	1,751.21
0201100229-2021 (guarantee) No.0159	2021/9/29	2022/6/28	5,174.53	-	-	5,174.53
0201100229-2021 (guarantee) No.0160	2021/12/24	2022/12/22	5,794.00	-	-	5,794.00
0201100229-2021 (guarantee) No.0161	2019/8/19	2022/8/18	1,664.65	-	-	1,664.65
0201100229-2021 (guarantee) No.0162	2020/12/8	2025/11/28	981.75	-	-	981.75
0201100229-2021 (guarantee) No.0163	2020/12/29	2022/12/28	5,890.00	-	-	5,890.00
0201100229-2021 (guarantee) No.0164	2021/1/6	2022/1/5	1,880.01	-	-	1,880.01
0201100229-2021 (guarantee) No.0165	2021/2/20	2022/1/19	1,378.08	-	-	1,378.08
0201100229-2021 (guarantee) No.0166	2021/11/15	2022/2/16	23,755.22	-	-	23,755.22
0201100229-2021 (guarantee) No.0167	2021/11/19	2026/11/18	1,007.25	-	-	1,007.25
0201100229-2021 (guarantee) No.0168	2021/7/2	2022/7/2	22,374.35	-	-	22,374.35
0201100229-2021 (guarantee) No.0169	2021/7/14	2022/7/12	2,557.30	-	-	2,557.30
0201100229-2021 (guarantee) No.0170	2021/7/19	2022/7/18	1,140.00	-	-	1,140.00

Number of letter of guarantee	Start date	Expiry date	Guarantee amount (RMB ten thousand)	Balance of guarantee in 2019	Balance of guarantee in 2020	Balance of guarantee in 2021
0201100229-2021 (guarantee) No.0171	2021/7/23	2022/7/22	570.00	-	-	570.00
0201100229-2021 (guarantee) No.0172	2021/7/23	2022/7/22	574.00	-	-	574.00
0201100229-2021 (guarantee) No.0173	2021/7/23	2022/7/22	288.44	-	-	288.44
0201100229-2021 (guarantee) No.0174	2021/3/29	2022/3/29	7,498.13	-	-	7,498.13
0201100229-2021 (guarantee) No.0175	2021/4/14	2022/4/14	1,495.50	-	-	1,495.50
0201100229-2021 (guarantee) No.0176	2021/6/10	2022/6/10	854.47	-	-	854.47
0201100229-2021 (guarantee) No.0177	2021/9/14	2023/6/25	3,513.79	-	-	3,513.79
0201100229-2021 (guarantee) No.0178	2021/11/19	2022/2/18	29,885.60	-	-	29,885.60
0201100229-2021 (guarantee) No.0179	2021/12/13	2022/12/13	30,218.72	-	-	30,218.72
0201100229-2021 (guarantee) No.0180	2021/12/24	2022/7/14	877.10	-	-	877.10
0201100229-2021 (guarantee) No.0181	2022/1/7	2022/7/14	570.00	-	-	570.00
0201100229-2021 (guarantee) No.0182	2020/5/18	2022/5/16	1,066.60	-	-	1,066.60
0201100229-2021 (guarantee) No.0183	2020/6/24	2022/6/24	788.32	-	-	788.32
0201100229-2021 (guarantee) No.0186	2020/8/28	2025/8/31	1,849.49	-	-	1,849.49
0201100229-2021 (guarantee) No.0187	2020/10/15	2021/12/31	300.00	-	-	300.00
0201100229-2021 (guarantee) No.0188	2020/10/26	2022/10/26	563.55	-	-	563.55
0201100229-2021 (guarantee) No.0189	2020/10/26	2022/10/26	2,190.95	-	-	2,190.95
0201100229-2021 (guarantee) No.0190	2020/12/15	2022/12/15	1,849.49	-	-	1,849.49
0201100229-2021 (guarantee) No.0191	2021/2/9	2022/2/8	2,657.62	-	-	2,657.62
0201100229-2021 (guarantee) No.0192	2021/2/9	2024/2/9	2,657.62	-	-	2,657.62
0201100229-2021 (guarantee) No.0193	2021/3/17	2022/3/15	2,674.88	-	-	2,674.88
0201100229-2021 (guarantee) No.0194	2021/3/17	2022/3/15	13,312.80	-	-	13,312.80
0201100229-2021 (guarantee) No.0195	2021/4/12	2023/4/11	333.48	-	-	333.48
0201100229-2021 (guarantee) No.0196	2021/4/12	2023/4/11	127.04	-	-	127.04
0201100229-2021 (guarantee) No.0197	2021/5/10	2022/5/9	1,650.00	-	-	1,650.00
0201100229-2021 (guarantee) No.0198	2021/5/10	2022/5/9	1,895.00	-	-	1,895.00

Number of letter of guarantee	Start date	Expiry date	Guarantee amount (RMB ten thousand)	Balance of guarantee in 2019	Balance of guarantee in 2020	Balance of guarantee in 2021
0201100229-2021 (guarantee) No.0199	2021/5/10	2022/5/9	6,548.36	-	-	6,548.36
0201100229-2021 (guarantee) No.0200	2021/5/10	2022/5/9	9,928.16	-	-	9,928.16
0201100229-2021 (guarantee) No.0201	2021/5/10	2022/5/9	39,290.18	-	-	39,290.18
0201100229-2021 (guarantee) No.0202	2021/5/10	2022/5/9	59,568.98	-	-	59,568.98
0201100229-2021 (guarantee) No.0203	2021/5/27	2022/5/23	40.50	-	-	40.50
0201100229-2021 (guarantee) No.0204	2021/5/27	2022/5/25	11,197.62	-	-	11,197.62
0201100229-2021 (guarantee) No.0205	2021/6/2	2025/5/20	1,185.18	-	-	1,185.18
0201100229-2021 (guarantee) No.0206	2021/6/4	2022/6/3	14.92	-	-	14.92
0201100229-2021 (guarantee) No.0207	2021/6/4	2022/6/3	1,420.00	-	-	1,420.00
0201100229-2021 (guarantee) No.0208	2021/7/20	2021/12/31	12.50	-	-	12.50
0201100229-2021 (guarantee) No.0209	2021/8/19	2021/12/31	12.56	-	-	12.56
0201100229-2021 (guarantee) No.0210	2021/8/31	2022/2/28	EUR 4.11 million	-	-	EUR 4.11 million
0201100229-2021 (guarantee) No.0211	2021/9/2	2022/2/28	15.60	-	-	15.60
0201100229-2021 (guarantee) No.0212	2021/9/2	2022/9/1	5,221.44	-	-	5,221.44
0201100229-2021 (guarantee) No.0213	2021/10/18	2022/2/28	19.70	-	-	19.70
0201100229-2021 (guarantee) No.0214	2021/11/5	2023/1/31	254.08	-	-	254.08
0201100229-2021 (guarantee) No.0215	2021/11/5	2023/1/31	666.96	-	-	666.96
0201100229-2021 (guarantee) No.0216	2021/11/17	2022/1/31	768.73	-	-	768.73
0201100229-2021 (guarantee) No.0217	2021/12/6	2022/12/5	475.40	-	-	475.40
0201100229-2021 (guarantee) No.0218	2021/12/7	2022/7/31	USD 91.41 million	-	-	USD 91.41 million
0201100229-2021 (guarantee) No.0219	2021/12/7	2022/10/31	USD 6.09 million	-	-	USD 6.09 million
0201100229-2021 (guarantee) No.0220	2021/12/16	2023/7/31	10.02	-	-	10.02
0201100229-2021 (guarantee) No.0221	2021/12/16	2022/10/31	USD 6.09 million	-	-	USD 6.09 million
0201100229-2021 (guarantee) No.0222	2021/12/16	2022/7/31	USD 9.14 million	-	-	USD 9.14 million
0201100229-2021 (guarantee) No.0223	2020/9/11	2022/2/28	1,908.48	-	-	1,908.48
0201100229-2021 (guarantee) No.0224	2021/10/29	2022/10/29	7,097.06	-	-	7,097.06

Number of letter of guarantee	Start date	Expiry date	Guarantee amount (RMB ten thousand)	Balance of guarantee in 2019	Balance of guarantee in 2020	Balance of guarantee in 2021
0201100229-2021 (guarantee) No.0225	2021/1/26	2022/1/26	3,203.00	-	-	3,203.00
0201100229-2021 (guarantee) No.0226	2021/3/18	2022/3/18	13,228.00	-	-	13,228.00
0201100229-2021 (guarantee) No.0227	2021/4/26	2022/4/26	10,576.22	-	-	10,576.22
0201100229-2021 (guarantee) No.0228	2020/3/6	2022/3/6	13,096.73	-	-	13,096.73
0201100229-2021 (guarantee) No.0229	2020/3/26	2022/3/26	19,856.33	-	-	19,856.33
0201100229-2021 (guarantee) No.0230	2019/11/28	2022/7/17	3,280.00	-	-	3,280.00
0201100229-2021 (guarantee) No.0231	2021/6/24	2022/12/31	2,000.00	-	-	2,000.00
0201100229-2021 (guarantee) No.0232	2021/3/24	2022/3/23	3,609.53	-	-	3,609.53
0201100229-2021 (guarantee) No.0233	2021/3/31	2022/3/30	44,988.75	-	-	44,988.75
0201100229-2021 (guarantee) No.0234	2021/3/24	2022/3/23	3,606.69	-	-	3,606.69
0201100229-2021 (guarantee) No.0235	2021/4/9	2022/4/8	326.16	-	-	326.16
0201100229-2021 (guarantee) No.0236	2021/8/31	2022/8/30	432.39	-	-	432.39
0201100229-2021 (guarantee) No.0237	2021/1/24	2022/2/18	624.00	-	-	624.00
0201100229-2021 (guarantee) No.0238	2021/6/2	2022/5/27	313.70	-	-	313.70
0201100229-2021 (guarantee) No.0239	2021/9/22	2022/9/13	1,335.60	-	-	1,335.60
0201100229-2021 (guarantee) No.0240	2021/10/19	2022/10/18	436.80	-	-	436.80
0201100229-2021 (guarantee) No.0241	2021/10/13	2022/10/12	3,042.00	-	-	3,042.00
0201100229-2021 (guarantee) No.0242	2021/10/13	2022/10/12	1,215.00	-	-	1,215.00
0201100229-2021 (guarantee) No.0243	2021/9/18	2022/9/17	3,300.00	-	-	3,300.00
0201100229-2021 (guarantee) No.0244	2021/9/15	2022/9/14	952.00	-	-	952.00
0201100229-2021 (guarantee) No.0245	2021/9/8	2022/9/6	723.14	-	-	723.14
0201100229-2021 (guarantee) No.0246	2021/9/1	2022/8/29	1,521.62	-	-	1,521.62
0201100229-2021 (guarantee) No.0247	2021/8/26	2022/8/24	774.00	-	-	774.00
0201100229-2021 (guarantee) No.0248	2021/8/24	2022/8/23	559.00	-	-	559.00
0201100229-2021 (guarantee) No.0249	2021/8/24	2022/8/22	1,290.00	-	-	1,290.00
0201100229-2021 (guarantee) No.0250	2021/8/24	2022/8/22	1,290.00	-	-	1,290.00

Number of letter of guarantee	Start date	Expiry date	Guarantee amount (RMB ten thousand)	Balance of guarantee in 2019	Balance of guarantee in 2020	Balance of guarantee in 2021
0201100229-2021 (guarantee) No.0251	2021/8/12	2022/8/10	1,286.40	-	-	1,286.40
0201100229-2021 (guarantee) No.0252	2021/7/28	2022/7/27	600.00	-	-	600.00
0201100229-2021 (guarantee) No.0253	2021/7/27	2022/1/26	825.22	-	-	825.22
0201100229-2021 (guarantee) No.0254	2021/7/22	2022/7/20	825.22	-	-	825.22
0201100229-2021 (guarantee) No.0255	2021/7/21	2022/7/19	1,051.01	-	-	1,051.01
0201100229-2021 (guarantee) No.0256	2021/7/19	2022/7/14	771.84	-	-	771.84
0201100229-2021 (guarantee) No.0257	2021/7/12	2022/7/11	1,446.87	-	-	1,446.87
0201100229-2021 (guarantee) No.0258	2021/7/8	2025/1/6	1,048.56	-	-	1,048.56
0201100229-2021 (guarantee) No.0259	2021/7/6	2025/1/5	819.74	-	-	819.74
0201100229-2021 (guarantee) No.0260	2021/7/5	2022/7/1	1,525.00	-	-	1,525.00
0201100229-2021 (guarantee) No.0261	2021/7/2	2025/9/13	1,950.00	-	-	1,950.00
0201100229-2021 (guarantee) No.0262	2021/6/30	2022/6/28	1,391.40	-	-	1,391.40
0201100229-2021 (guarantee) No.0263	2021/6/30	2022/6/28	1,548.00	-	-	1,548.00
0201100229-2021 (guarantee) No.0264	2021/6/29	2026/6/28	1,680.00	-	-	1,680.00
0201100229-2021 (guarantee) No.0265	2021/6/21	2022/6/18	1,240.00	-	-	1,240.00
0201100229-2021 (guarantee) No.0266	2021/6/11	2026/6/9	973.89	-	-	973.89
0201100229-2021 (guarantee) No.0267	2021/6/9	2022/6/7	1,557.30	-	-	1,557.30
0201100229-2021 (guarantee) No.0268	2021/6/9	2022/6/8	1,190.00	-	-	1,190.00
0201100229-2021 (guarantee) No.0269	2021/5/28	2022/2/28	USD 4.16 million	-	-	USD 4.16 million
0201100229-2021 (guarantee) No.0270	2021/4/19	2022/4/16	2,028.80	-	-	2,028.80
0201100229-2021 (guarantee) No.0271	2021/4/15	2022/4/15	1,394.80	-	-	1,394.80
0201100229-2021 (guarantee) No.0272	2021/3/18	2022/3/16	3,030.00	-	-	3,030.00
0201100229-2021 (guarantee) No.0273	2021/2/8	2022/3/31	1,538.51	-	-	1,538.51
0201100229-2021 (guarantee) No.0274	2021/2/4	2022/2/4	148.10	-	-	148.10
0201100229-2021 (guarantee) No.0275	2021/1/15	2024/1/14	3,190.63	-	-	3,190.63
0201100229-2021 (guarantee) No.0276	2021/5/14	2022/5/14	2,017.22	-	-	2,017.22

Number of letter of guarantee	Start date	Expiry date	Guarantee amount (RMB ten thousand)	Balance of guarantee in 2019	Balance of guarantee in 2020	Balance of guarantee in 2021
0201100229-2021 (guarantee) No.0277	2021/5/21	2022/5/21	2,683.02	-	-	2,683.02
0201100229-2021 (guarantee) No.0278	2021/5/26	2022/5/26	1,524.74	-	-	1,524.74
0201100229-2021 (guarantee) No.0279	2021/6/7	2022/6/7	3,877.00	-	-	3,877.00
0201100229-2021 (guarantee) No.0280	2021/6/29	2022/6/29	1,411.11	-	-	1,411.11
0201100229-2021 (guarantee) No.0281	2021/9/10	2022/9/10	7,431.00	-	-	7,431.00
0201100229-2021 (guarantee) No.0282	2021/9/10	2022/9/10	500.00	-	-	500.00
0201100229-2021 (guarantee) No.0283	2021/9/10	2022/9/10	7,068.38	-	-	7,068.38
0201100229-2021 (guarantee) No.0284	2021/11/8	2022/11/8	291.96	-	-	291.96
0201100229-2021 (guarantee) No.0285	2021/12/21	2024/12/21	3,438.27	-	-	3,438.27
0201100229-2021 (guarantee) No.0286	2017/1/13	2022/12/30	1,951.29	-	-	1,951.29
0201100229-2021 (guarantee) No.0287	2017/1/13	2022/1/13	1,300.86	-	-	1,300.86
0201100229-2021 (guarantee) No.0288	2019/5/17	2022/12/30	996.19	-	-	996.19
0201100229-2021 (guarantee) No.0289	2019/8/2	2022/8/5	1,742.05	-	-	1,742.05
0201100229-2021 (guarantee) No.0290	2019/8/19	2022/8/16	834.73	-	-	834.73
0201100229-2021 (guarantee) No.0291	2019/12/4	2022/12/4	745.71	-	-	745.71
0201100229-2021 (guarantee) No.0292	2020/2/27	2023/2/28	974.75	-	-	974.75
0201100229-2021 (guarantee) No.0293	2020/6/9	2022/12/12	943.25	-	-	943.25
0201100229-2021 (guarantee) No.0294	2020/6/9	2023/12/28	943.25	-	-	943.25
0201100229-2021 (guarantee) No.0295	2020/6/17	2023/6/16	1,151.38	-	-	1,151.38
0201100229-2021 (guarantee) No.0296	2020/6/30	2022/6/30	4,533.31	-	-	4,533.31
0201100229-2021 (guarantee) No.0297	2020/7/28	2025/7/28	627.00	-	-	627.00
0201100229-2021 (guarantee) No.0298	2020/11/13	2022/6/17	50.00	-	-	50.00
0201100229-2021 (guarantee) No.0299	2020/12/24	2025/8/8	825.00	-	-	825.00
0201100229-2021 (guarantee) No.0300	2020/12/29	2022/12/28	1,894.26	-	-	1,894.26
0201100229-2021 (guarantee) No.0301	2021/3/30	2022/3/29	1,216.00	-	-	1,216.00
0201100229-2021 (guarantee) No.0302	2021/3/31	2023/3/29	11,149.20	-	-	11,149.20

Number of letter of guarantee	Start date	Expiry date	Guarantee amount (RMB ten thousand)	Balance of guarantee in 2019	Balance of guarantee in 2020	Balance of guarantee in 2021
0201100229-2021 (guarantee) No.0303	2021/4/8	2022/4/8	2,313.90	-	-	2,313.90
0201100229-2021 (guarantee) No.0304	2021/4/16	2022/4/18	752.00	-	-	752.00
0201100229-2021 (guarantee) No.0305	2021/4/28	2022/4/28	1,638.03	-	-	1,638.03
0201100229-2021 (guarantee) No.0306	2021/4/30	2022/4/30	2,960.00	-	-	2,960.00
0201100229-2021 (guarantee) No.0307	2021/4/30	2022/4/30	1,480.00	-	-	1,480.00
0201100229-2021 (guarantee) No.0308	2021/5/7	2022/5/6	1,800.00	-	-	1,800.00
0201100229-2021 (guarantee) No.0309	2021/5/12	2022/6/17	20.00	-	-	20.00
0201100229-2021 (guarantee) No.0310	2021/5/12	2022/6/17	20.00	-	-	20.00
0201100229-2021 (guarantee) No.0311	2021/6/18	2023/12/31	1,422.40	-	-	1,422.40
0201100229-2021 (guarantee) No.0312	2021/6/18	2023/12/31	1,568.00	-	-	1,568.00
0201100229-2021 (guarantee) No.0313	2021/6/29	2022/6/30	3,199.57	-	-	3,199.57
0201100229-2021 (guarantee) No.0314	2021/6/30	2022/7/4	819.98	-	-	819.98
0201100229-2021 (guarantee) No.0315	2021/7/8	2023/12/31	828.80	-	-	828.80
0201100229-2021 (guarantee) No.0316	2021/7/20	2022/7/21	248.00	-	-	248.00
0201100229-2021 (guarantee) No.0317	2021/8/5	2022/8/5	3,831.06	-	-	3,831.06
0201100229-2021 (guarantee) No.0318	2021/8/5	2022/8/5	3,684.97	-	-	3,684.97
0201100229-2021 (guarantee) No.0319	2021/8/11	2022/4/22	50.00	-	-	50.00
0201100229-2021 (guarantee) No.0320	2021/8/11	2022/4/22	60.00	-	-	60.00
0201100229-2021 (guarantee) No.0321	2021/8/16	2022/12/26	80.00	-	-	80.00
0201100229-2021 (guarantee) No.0322	2021/8/16	2022/12/26	80.00	-	-	80.00
0201100229-2021 (guarantee) No.0323	2021/8/16	2022/12/26	80.00	-	-	80.00
0201100229-2021 (guarantee) No.0324	2021/8/25	2022/8/26	100.80	-	-	100.80
0201100229-2021 (guarantee) No.0325	2021/9/1	2022/9/2	397.46	-	-	397.46
0201100229-2021 (guarantee) No.0326	2021/9/2	2022/2/15	40.00	-	-	40.00
0201100229-2021 (guarantee) No.0327	2021/9/7	2022/9/7	1,252.35	-	-	1,252.35
0201100229-2021 (guarantee) No.0328	2021/9/7	2022/9/7	1,252.35	-	-	1,252.35

Number of letter of guarantee	Start date	Expiry date	Guarantee amount (RMB ten thousand)	Balance of guarantee in 2019	Balance of guarantee in 2020	Balance of guarantee in 2021
0201100229-2021 (guarantee) No.0329	2021/9/14	2022/1/20	48.00	-	-	48.00
0201100229-2021 (guarantee) No.0330	2021/9/14	2022/1/20	48.00	-	-	48.00
0201100229-2021 (guarantee) No.0331	2021/9/14	2022/2/25	80.00	-	-	80.00
0201100229-2021 (guarantee) No.0332	2021/9/23	2023/1/9	80.00	-	-	80.00
0201100229-2021 (guarantee) No.0333	2021/9/29	2022/9/30	1,723.58	-	-	1,723.58
0201100229-2021 (guarantee) No.0334	2021/10/13	2026/5/7	847.44	-	-	847.44
0201100229-2021 (guarantee) No.0335	2021/10/29	2023/10/30	915.70	-	-	915.70
0201100229-2021 (guarantee) No.0336	2021/11/3	2023/11/3	1,943.07	-	-	1,943.07
0201100229-2021 (guarantee) No.0337	2021/11/10	2022/11/11	1,080.00	-	-	1,080.00
0201100229-2021 (guarantee) No.0338	2021/11/10	2023/2/22	80.00	-	-	80.00
0201100229-2021 (guarantee) No.0339	2021/11/10	2023/2/22	80.00	-	-	80.00
0201100229-2021 (guarantee) No.0340	2021/11/10	2023/2/22	80.00	-	-	80.00
0201100229-2021 (guarantee) No.0341	2021/11/10	2023/2/22	80.00	-	-	80.00
0201100229-2021 (guarantee) No.0342	2021/11/10	2026/6/30	985.60	-	-	985.60
0201100229-2021 (guarantee) No.0343	2021/11/16	2023/1/25	80.00	-	-	80.00
0201100229-2021 (guarantee) No.0344	2021/11/16	2023/1/25	80.00	-	-	80.00
0201100229-2021 (guarantee) No.0345	2021/11/16	2026/6/21	1,569.75	-	-	1,569.75
0201100229-2021 (guarantee) No.0346	2021/11/17	2022/5/18	814.05	-	-	814.05
0201100229-2021 (guarantee) No.0347	2021/11/17	2022/5/18	814.05	-	-	814.05
0201100229-2021 (guarantee) No.0348	2021/11/19	2024/11/18	7,962.50	-	-	7,962.50
0201100229-2021 (guarantee) No.0349	2021/11/23	2022/5/7	80.00	-	-	80.00
0201100229-2021 (guarantee) No.0350	2021/12/1	2024/8/30	254.53	-	-	254.53
0201100229-2021 (guarantee) No.0351	2021/12/8	2023/12/6	5,580.00	-	-	5,580.00
0201100229-2021 (guarantee) No.0352	2021/12/8	2023/12/6	2,680.00	-	-	2,680.00
0201100229-2021 (guarantee) No.0353	2021/12/17	2022/12/17	441.53	-	-	441.53
0201100229-2021 (guarantee) No.0354	2021/12/17	2022/12/17	441.53	-	-	441.53

Number of letter of guarantee	Start date	Expiry date	Guarantee amount (RMB ten thousand)	Balance of guarantee in 2019	Balance of guarantee in 2020	Balance of guarantee in 2021
0201100229-2021 (guarantee) No.0355	2021/12/30	2023/4/11	80.00	-	-	80.00
0201100229-2021 (guarantee) No.0356	2021/12/30	2023/4/11	80.00	-	-	80.00
0201100229-2021 (guarantee) No.0357	2021/12/30	2023/4/11	80.00	-	-	80.00
0201100229-2021 (guarantee) No.0358	2021/12/30	2023/4/11	80.00	-	-	80.00
0201100229-2021 (guarantee) No.0359	2021/12/31	2023/4/11	80.00	-	-	80.00
0301DG19000114	2019/3/19	2020/3/19	807.33	807.33	-	-
0301DG19000115	2019/3/19	2020/3/19	807.33	807.33	-	-
0301DG19000116	2019/3/19	2020/3/19	1,614.66	1,614.66	-	-
0301DG19000125	2019/5/23	2020/5/23	1,151.38	1,151.38	-	-
0301DG19000126	2019/5/23	2020/5/23	1,151.38	1,151.38	-	-
0301DG19000197	2019/5/23	2020/5/23	2,302.76	2,302.76	-	-
0301DG19000209	2019/6/13	2020/6/13	4,533.31	4,533.31	-	-
0301DG19000212	2019/6/5	2020/6/5	1,922.95	1,922.95	-	-
0301DG19000280	2019/8/8	2020/7/8	3,139.50	3,139.50	-	-
0301DG20000180	2020/4/27	2021/4/27	10,576.22	-	10,576.22	-
0301DG20000627	2020/8/24	2021/8/24	3,139.50	-	3,139.50	-
0301DG20000672	2020/9/11	2021/9/11	1,908.48	-	1,908.48	-
0301DG20000787	2020/10/29	2021/10/29	7,097.06	-	7,097.06	-
0301DG20000834	2020/11/12	2021/11/12	2,956.80	-	2,956.80	-
0301DG20000846	2020/11/17	2021/11/17	743.45	-	743.45	-
0301DG20000939	2020/12/15	2021/12/15	6,699.90	-	6,699.90	-
194407800000002	2019/1/11	2020/1/10	1,944.36	1,944.36	-	-
194407800000008	2019/1/18	2020/1/17	2,189.82	2,189.82	-	-
194407800000010	2019/1/18	2020/1/17	1,049.91	1,049.91	-	-
194407800000011	2019/1/18	2020/1/17	1,049.91	1,049.91	-	-
1944078000000190	2019/9/17	2020/9/15	1,849.49	1,849.49	-	-
1944078000000195	2019/9/25	2020/9/23	563.55	563.55	-	-
1944078000000196	2019/9/25	2020/9/23	563.55	563.55	-	-
1944078000000197	2019/9/27	2020/9/25	2,190.95	2,190.95	-	-
1944078000000198	2019/10/10	2020/10/8	2,103.00	2,103.00	-	-

Number of letter of guarantee	Start date	Expiry date	Guarantee amount (RMB ten thousand)	Balance of guarantee in 2019	Balance of guarantee in 2020	Balance of guarantee in 2021
194407800000202	2019/10/25	2020/10/23	200.00	200.00	-	-
194407800000215	2019/11/7	2020/11/5	2,657.62	2,657.62	-	-
194407800000216	2019/11/7	2020/11/5	2,657.62	2,657.62	-	-
194407800000022	2019/2/26	2020/2/25	1,627.20	1,627.20	-	-
194407800000228	2019/11/22	2020/11/20	669.80	669.80	-	-
194407800000230	2019/11/26	2020/11/24	827.77	827.77	-	-
194407800000263	2020/1/3	2021/1/1	3,662.85	-	3,662.85	-
194407800000264	2020/1/3	2021/1/1	3,143.36	-	3,143.36	-
194407800000265	2020/1/3	2021/1/1	1,783.47	-	1,783.47	-
194407800000266	2020/1/3	2021/1/1	1,898.50	-	1,898.50	-
194407800000091	2019/4/30	2020/4/26	81.83	81.83	-	-
194407800000092	2019/4/30	2020/4/26	81.83	81.83	-	-
194407800000094	2019/5/8	2020/5/6	11,494.91	11,494.91	-	-
194407800000095	2019/5/8	2020/5/6	8,359.93	8,359.93	-	-
194407800000096	2019/5/8	2020/5/6	18,809.85	18,809.85	-	-
194407800000104	2019/5/17	2020/5/15	17,620.72	17,620.72	-	-
194407800000116	2019/6/5	2020/6/3	1,628.05	1,628.05	-	-
194407800000117	2019/6/5	2020/6/3	1,597.50	1,597.50	-	-
194407800000118	2019/6/5	2020/6/3	1,597.50	1,597.50	-	-
194407800000120	2019/6/14	2020/6/12	788.32	788.32	-	-
194407800000121	2019/6/14	2020/6/12	788.32	788.32	-	-
194407800000122	2019/6/14	2020/6/12	1,576.64	1,576.64	-	-
194407800000125	2019/6/21	2020/6/19	1,939.41	1,939.41	-	-
194407800000126	2019/6/21	2020/6/19	1,919.61	1,919.61	-	-
194407800000127	2019/6/21	2020/6/19	2,702.11	2,702.11	-	-
194407800000128	2019/6/21	2020/6/19	2,025.60	2,025.60	-	-
194407800000158	2019/7/24	2020/7/21	3,300.00	3,300.00	-	-
194407800000159	2019/7/24	2020/7/22	1,934.00	1,934.00	-	-
194407800000160	2019/7/24	2020/7/22	1,864.00	1,864.00	-	-
194407800000166	2019/7/29	2020/7/27	2,646.20	2,646.20	-	-
194407800000186	2019/8/30	2020/8/28	2,495.25	2,495.25	-	-

Number of letter of guarantee	Start date	Expiry date	Guarantee amount (RMB ten thousand)	Balance of guarantee in 2019	Balance of guarantee in 2020	Balance of guarantee in 2021
194407800000187	2019/8/30	2020/8/28	2,495.25	2,495.25	-	-
194407800000188	2019/8/30	2020/8/28	4,990.51	4,990.51	-	-
1950001000000167	2019/8/27	2020/8/26	21,157.79	21,157.79	-	-
2017-20110217 Letter of guarantee No.73606524	2017/12/11	2020/9/22	887.52	887.52	-	-
2017-20110217 Letter of guarantee No.73606525	2017/12/11	2020/9/22	887.52	887.52	-	-
2018-20110217 Letter of guarantee No.73606528	2018/10/18	2020/10/17	1,718.23	1,718.23	-	-
2018-20110217 Letter of guarantee No.73606536	2018/12/21	2020/12/13	1,880.01	1,880.01	-	-
2018-20110217 Letter of guarantee No.73606538	2018/12/21	2020/12/13	1,832.20	1,832.20	-	-
2018-20110217 Letter of guarantee No.73606540	2019/1/22	2020/1/11	997.43	997.43	-	-
201911140021	2019/11/15	2020/11/15	5,315.23	5,315.23	-	-
2019112800128	2019/11/29	2020/11/29	2,430.00	2,430.00	-	-
201911280127	2019/11/29	2022/7/17	3,280.00	3,280.00	3,280.00	-
201912120141	2019/12/12	2021/12/11	5,720.99	5,720.99	-	-
2019571200010222	2019/3/18	2020/3/17	2,226.26	2,226.26	-	-
2019890100022147	2019/5/15	2022/1/10	268.80	268.80	268.80	268.80
2019890100044690	2019/9/26	2021/9/25	6,013.63	6,013.63	6,013.63	-
2019890100051541	2019/11/14	2021/11/12	11,985.71	11,985.71	11,985.71	-
2019890100055237	2019/12/4	2020/12/2	1,963.50	1,963.50	-	-
2019-20110217 Letter of guarantee No.137827901	2019/12/12	2020/12/6	300.00	300.00	-	-
2019-20110217 Letter of guarantee No.73606502	2019/1/29	2020/1/21	1,670.40	1,670.40	-	-
2019-20110217 Letter of guarantee No.73606503	2019/3/2	2020/2/25	3,554.00	3,554.00	-	-
2019-20110217 Letter of guarantee No.73606504	2019/3/4	2020/2/25	3,553.00	3,553.00	-	-
2019-20110217 Letter of guarantee No.73606505	2019/3/27	2020/3/16	1,628.50	1,628.50	-	-
2019-20110217 Letter of guarantee No.73606506	2019/4/9	2020/4/3	3,287.00	3,287.00	-	-
2019-20110217 Letter of guarantee No.73606507	2019/5/7	2020/4/30	1,680.39	1,680.39	-	-
2019-20110217 Letter of guarantee No.73606508	2019/5/22	2019/12/31	420.75	420.75	-	-
2019-20110217 Letter of guarantee No.73606509	2019/5/7	2020/4/23	1,866.15	1,866.15	-	-
2019-20110217 Letter of guarantee No.73606510	2019/5/22	2019/12/31	420.75	420.75	-	-

Number of letter of guarantee	Start date	Expiry date	Guarantee amount (RMB ten thousand)	Balance of guarantee in 2019	Balance of guarantee in 2020	Balance of guarantee in 2021
2019-20110217 Letter of guarantee No.73606511	2019/5/15	2020/5/10	1,939.41	1,939.41	-	-
2019-20110217 Letter of guarantee No.73606512	2019/5/15	2020/5/10	2,000.60	2,000.60	-	-
2019-20110217 Letter of guarantee No.73606513	2019/5/15	2020/5/10	1,890.24	1,890.24	-	-
2019-20110217 Letter of guarantee No.73606514	2019/5/15	2020/5/10	1,949.31	1,949.31	-	-
2019-20110217 Letter of guarantee No.73606515	2019/6/5	2020/5/21	517.44	517.44	-	-
2019-20110217 Letter of guarantee No.73606516	2019/5/29	2020/5/17	2,304.73	2,304.73	-	-
2019-20110217 Letter of guarantee No.73606517	2019/5/29	2020/5/25	1,866.50	1,866.50	-	-
2019-20110217 Letter of guarantee No.73606518	2019/6/12	2020/6/8	2,664.00	2,664.00	-	-
2019-20110217 Letter of guarantee No.73606519	2019/9/9	2020/8/25	14,616.25	14,616.25	-	-
2019-20110217 Letter of guarantee No.73606520	2019/7/1	2020/6/14	1,665.64	1,665.64	-	-
2019-20110217 Letter of guarantee No.73606521	2019/7/18	2020/7/10	3,256.20	3,256.20	-	-
2019-20110217 Letter of guarantee No.73606522	2019/7/18	2020/9/20	2,049.30	2,049.30	-	-
2019-20110217 Letter of guarantee No.73606523	2019/9/23	2020/9/21	1,349.45	1,349.45	-	-
2019-20110217 Letter of guarantee No.73606524	2019/8/16	2020/8/21	13,852.80	13,852.80	-	-
2019-20110217 Letter of guarantee No.73606525	2019/9/29	2020/9/28	1,835.40	1,835.40	-	-
2019-20110217 Letter of guarantee No.73606526	2019/12/3	2021/9/28	5,174.53	5,174.53	-	-
2019-20110217 Letter of guarantee No.73606529	2019/11/19	2020/11/7	1,743.96	1,743.96	-	-
2019-20110217 Letter of guarantee No.73606532	2019/11/19	2021/11/10	4,497.00	4,497.00	-	-
2019-20110217 Letter of guarantee No.73606533	2019/12/25	2021/11/14	12,124.18	12,124.18	-	-
2019-20110217 Letter of guarantee No.73606534	2019/12/13	2021/11/14	9,175.05	9,175.05	-	-
2019-20110217 Letter of guarantee No.73606535	2019/12/13	2020/11/25	1,913.34	1,913.34	-	-
2019-20110217 Letter of guarantee No.73606536	2019/12/13	2020/11/25	1,912.04	1,912.04	-	-
2019-20110217 Letter of guarantee No.73606537	2019/12/13	2020/12/1	1,848.50	1,848.50	-	-
2019-20110217 Letter of guarantee No.73606538	2019/12/13	2020/12/1	1,839.00	1,839.00	-	-
2019-20110217 Letter of guarantee No.73606539	2019/12/13	2020/12/1	1,839.00	1,839.00	-	-
2019-20110217 Letter of guarantee No.73606540	2019/12/17	2020/12/3	1,560.34	1,560.34	-	-

Number of letter of guarantee	Start date	Expiry date	Guarantee amount (RMB ten thousand)	Balance of guarantee in 2019	Balance of guarantee in 2020	Balance of guarantee in 2021
2019-20110217 Letter of guarantee No.73606541	2019/12/25	2020/12/20	1,654.57	1,654.57	-	-
2019-20110217 Letter of guarantee No.73606542	2019/12/25	2021/3/31	1,895.04	1,895.04	-	-
202003030033	2020/3/6	2021/8/31	358.85	-	358.85	-
202003180079	2020/3/20	2021/3/19	509.06	-	509.06	-
202005220522	2020/5/22	2021/5/22	2,022.48	-	2,022.48	-
202006220622	2020/7/14	2021/12/11	5,720.99	-	5,720.99	-
202011300033	2020/11/30	2021/5/29	2,430.00	-	2,430.00	-
2020890100029485	2020/4/10	2022/9/19	924.50	-	924.50	924.50
2044078000000004	2020/1/10	2021/1/8	1,185.00	-	1,185.00	-
2044078000000009	2020/1/17	2021/1/15	1,534.56	-	1,534.56	-
2044078000000017	2020/2/24	2021/2/22	2,067.20	-	2,067.20	-
2044078000000018	2020/2/26	2021/2/24	2,191.04	-	2,191.04	-
2044078000000022	2020/3/5	2021/3/3	1,671.27	-	1,671.27	-
2044078000000026	2020/3/12	2021/3/10	13,312.80	-	13,312.80	-
2044078000000074	2020/5/6	2021/5/4	6,548.36	-	6,548.36	-
2044078000000075	2020/5/6	2021/5/4	9,928.16	-	9,928.16	-
2044078000000076	2020/5/6	2021/5/4	39,290.18	-	39,290.18	-
2044078000000077	2020/5/6	2021/5/4	59,568.98	-	59,568.98	-
2044078000000080	2020/5/13	2021/5/11	3,120.00	-	3,120.00	-
2044078000000082	2020/5/18	2022/5/16	1,066.60	-	1,066.60	-
2044078000000084	2020/5/26	2021/5/24	11,197.62	-	11,197.62	-
2044078000000097	2020/6/11	2021/6/9	4,072.45	-	4,072.45	-
2044078000000106	2020/6/23	2021/6/21	1,697.50	-	1,697.50	-
2044078000000107	2020/6/23	2021/6/21	1,697.50	-	1,697.50	-
2044078000000108	2020/6/24	2021/6/22	788.32	-	788.32	-
2044078000000109	2020/6/24	2022/6/24	788.32	-	788.32	-
2044078000000111	2020/7/7	2020/12/31	1,919.61	-	1,919.61	-
2044078000000112	2020/7/7	2020/12/31	1,939.41	-	1,939.41	-
2044078000000113	2020/7/7	2021/7/5	27,523.56	-	27,523.56	-
2044078000000115	2020/7/7	2021/7/5	4,587.26	-	4,587.26	-
2044078000000116	2020/7/7	2021/7/5	22,374.35	-	22,374.35	-

Number of letter of guarantee	Start date	Expiry date	Guarantee amount (RMB ten thousand)	Balance of guarantee in 2019	Balance of guarantee in 2020	Balance of guarantee in 2021
2044078000000117	2020/7/7	2021/7/5	2,025.60	-	2,025.60	-
2044078000000141	2020/8/24	2021/8/22	21,157.79	-	21,157.79	-
2044078000000142	2020/8/28	2021/8/26	2,004.41	-	2,004.41	-
2044078000000143	2020/8/28	2021/8/26	1,849.49	-	1,849.49	-
2044078000000145	2020/9/3	2021/3/2	13,354.00	-	13,354.00	-
2044078000000146	2020/9/3	2021/3/2	13,354.00	-	13,354.00	-
2044078000000155	2020/10/15	2021/12/31	300.00	-	300.00	-
2044078000000158	2020/10/26	2021/4/24	563.55	-	563.55	-
2044078000000159	2020/10/26	2022/10/26	563.55	-	563.55	-
2044078000000160	2020/10/26	2022/10/26	2,190.95	-	2,190.95	-
2044078000000162	2020/11/2	2021/6/30	135.85	-	135.85	-
2044078000000163	2020/11/2	2021/10/31	7.80	-	7.80	-
2044078000000164	2020/11/2	2021/10/31	6.48	-	6.48	-
2044078000000165	2020/11/2	2022/10/31	18,532.86	-	18,532.86	18,532.86
2044078000000166	2020/11/2	2022/10/31	18,221.82	-	18,221.82	18,221.82
2044078000000189	2020/12/4	2021/12/2	2,702.11	-	2,702.11	-
2044078000000197	2020/12/15	2022/12/15	1,849.49	-	1,849.49	-
2044078000000201	2020/12/22	2021/12/20	4,622.00	-	4,622.00	-
2044078000000202	2020/12/22	2021/12/20	4,622.00	-	4,622.00	-
2044078000000203	2020/12/25	2021/12/23	5.80	-	5.80	-
2050001000000033	2020/3/20	2021/3/20	7,498.13	-	7,498.13	-
2050001000000034	2020/3/20	2021/3/20	44,988.75	-	44,988.75	-
CGBZSKFDG2000001	2020/4/8	2021/4/3	30,520.49	-	30,520.49	-
GC3351621000344	2021/12/9	2025/1/13	20,300.00 USD	-	-	20,300.00 USD
GC3372513000541	2013/10/18	Open	383.80	383.80	383.80	-
GC3372513000646	2013/12/10	Open	1,864.00	1,864.00	-	-
GC3372515000347	2015/12/25	2020/12/25	182.00	182.00	-	-
GC3372515000348	2015/12/14	2020/12/14	300.30	300.30	-	-
GC3372517000022	2017/1/13	2022/1/13	1,300.86	1,300.86	1,300.86	-
GC3372517000023	2017/1/13	2022/1/13	1,951.29	1,951.29	1,951.29	-
GC3372517000275	2017/7/18	2020/7/18	585.00	585.00	-	-

Number of letter of guarantee	Start date	Expiry date	Guarantee amount (RMB ten thousand)	Balance of guarantee in 2019	Balance of guarantee in 2020	Balance of guarantee in 2021
GC3372517000281	2017/7/19	2020/7/19	971.50	971.50	-	-
GC3372517000372	2017/9/4	2020/7/30	1,964.16	1,964.16	-	-
GC3372517000406	2017/9/25	2020/8/30	149.95	149.95	-	-
GC3372518000305	2018/8/9	2020/8/11	1,755.50	1,755.50	-	-
GC3372518000524	2018/11/9	2019/12/31	50.00	50.00	-	-
GC3372518000547	2018/11/22	2019/12/31	80.00	80.00	-	-
GC3372518000548	2018/11/21	2019/12/31	80.00	80.00	-	-
GC3372518000560	2018/11/30	2020/1/30	50.00	50.00	-	-
GC3372519000180	2019/5/17	2022/12/30	996.19	996.19	996.19	-
GC3372519000185	2019/5/23	2020/6/30	50.00	50.00	-	-
GC3372519000209	2019/5/30	2019/12/31	40.00	40.00	-	-
GC3372519000210	2019/5/30	2019/12/31	40.00	40.00	-	-
GC3372519000211	2019/5/30	2019/12/31	20.00	20.00	-	-
GC3372519000212	2019/5/30	2019/12/31	20.00	20.00	-	-
GC3372519000213	2019/5/30	2019/12/31	40.00	40.00	-	-
GC3372519000214	2019/5/30	2019/12/31	20.00	20.00	-	-
GC3372519000225	2019/9/12	2020/4/30	80.00	80.00	-	-
GC3372519000226	2019/9/12	2020/4/30	80.00	80.00	-	-
GC3372519000227	2019/5/31	2020/5/31	3,684.97	3,684.97	-	-
GC3372519000259	2019/6/18	2020/7/31	50.00	50.00	-	-
GC3372519000260	2019/6/18	2020/7/31	50.00	50.00	-	-
GC3372519000261	2019/6/18	2020/7/31	50.00	50.00	-	-
GC3372519000262	2019/6/18	2020/7/31	50.00	50.00	-	-
GC3372519000263	2019/6/18	2020/7/31	50.00	50.00	-	-
GC3372519000266	2019/6/18	2020/7/31	50.00	50.00	-	-
GC3372519000267	2019/6/24	2021/9/30	2,063.16	2,063.16	2,063.16	-
GC3372519000268	2019/6/19	2020/7/31	50.00	50.00	-	-
GC3372519000276	2019/6/21	2021/6/21	819.98	819.98	819.98	-
GC3372519000277	2019/6/21	2021/6/21	819.98	819.98	819.98	-
GC3372519000278	2019/6/21	2020/6/21	1,639.96	1,639.96	-	-
GC3372519000285	2019/6/27	2020/7/8	404.84	404.84	-	-

Number of letter of guarantee	Start date	Expiry date	Guarantee amount (RMB ten thousand)	Balance of guarantee in 2019	Balance of guarantee in 2020	Balance of guarantee in 2021
GC3372519000288	2019/6/27	2020/7/8	494.80	494.80	-	-
GC3372519000292	2019/6/27	2020/1/31	80.00	80.00	-	-
GC3372519000309	2019/7/5	2020/2/28	80.00	80.00	-	-
GC3372519000310	2019/7/5	2020/2/28	80.00	80.00	-	-
GC3372519000352	2019/7/18	2020/2/28	95.00	95.00	-	-
GC3372519000371	2019/7/25	2020/9/30	80.00	80.00	-	-
GC3372519000372	2019/7/26	2020/9/30	80.00	80.00	-	-
GC3372519000399	2019/8/2	2022/8/5	1,742.05	1,742.05	1,742.05	-
GC3372519000400	2019/8/2	2021/8/5	2,057.38	2,057.38	2,057.38	-
GC3372519000407	2019/8/7	2020/3/31	80.00	80.00	-	-
GC3372519000414	2019/8/15	2020/3/31	80.00	80.00	-	-
GC3372519000415	2019/8/15	2020/3/31	40.00	40.00	-	-
GC3372519000427	2019/9/12	2020/4/30	80.00	80.00	-	-
GC3372519000428	2019/8/19	2020/8/16	834.73	834.73	-	-
GC3372519000429	2019/8/19	2022/8/16	834.73	834.73	834.73	-
GC3372519000430	2019/8/20	2021/8/20	1,683.92	1,683.92	1,683.92	-
GC3372519000431	2019/8/20	2020/8/16	1,475.52	1,475.52	-	-
GC3372519000432	2019/8/20	2021/8/20	2,721.60	2,721.60	2,721.60	-
GC3372519000472	2019/9/12	2020/4/30	80.00	80.00	-	-
GC3372519000494	2019/9/26	2021/4/30	50.00	50.00	-	-
GC3372519000495	2019/9/26	2021/4/30	50.00	50.00	-	-
GC3372519000496	2019/9/26	2020/10/31	50.00	50.00	-	-
GC3372519000499	2019/9/26	2020/10/31	50.00	50.00	-	-
GC3372519000516	2019/10/8	2021/5/12	80.00	80.00	80.00	-
GC3372519000517	2019/10/12	2020/7/31	80.00	80.00	-	-
GC3372519000524	2019/10/15	2020/5/22	80.00	80.00	-	-
GC3372519000528	2019/10/15	2020/5/22	80.00	80.00	-	-
GC3372519000560	2019/10/28	2020/12/7	80.00	80.00	-	-
GC3372519000604	2019/11/8	2020/7/12	80.00	80.00	-	-
GC3372519000605	2019/11/8	2020/7/12	80.00	80.00	-	-
GC3372519000629	2019/11/14	2020/5/18	10.00	10.00	-	-

Number of letter of guarantee	Start date	Expiry date	Guarantee amount (RMB ten thousand)	Balance of guarantee in 2019	Balance of guarantee in 2020	Balance of guarantee in 2021
GC3372519000666	2019/12/4	2020/12/4	745.71	745.71	-	-
GC3372519000667	2019/12/4	2022/12/4	745.71	745.71	745.71	-
GC3372519000680	2019/12/11	2021/4/20	50.00	50.00	50.00	-
GC3372519000681	2019/12/13	2021/4/20	50.00	50.00	-	-
GC3372519000682	2019/12/13	2021/4/20	50.00	50.00	-	-
GC3372519000683	2019/12/12	2021/4/20	50.00	50.00	-	-
GC3372519000684	2019/12/12	2021/4/20	50.00	50.00	50.00	-
GC3372519000685	2019/12/12	2021/4/20	50.00	50.00	-	-
GC3372519000686	2019/12/12	2021/4/20	50.00	50.00	-	-
GC3372519000705	2019/12/24	2021/4/30	50.00	50.00	-	-
GC3372519000706	2019/12/24	2021/4/30	50.00	50.00	-	-
GC3372520000066	2020/2/27	2021/2/28	974.75	-	974.75	-
GC3372520000067	2020/2/27	2023/2/28	974.75	-	974.75	-
GC3372520000110	2020/4/1	2021/10/6	80.00	-	80.00	-
GC3372520000111	2020/4/1	2021/10/6	80.00	-	80.00	-
GC3372520000129	2020/3/31	2021/3/27	1,930.50	-	1,930.50	-
GC3372520000137	2020/4/9	2021/4/3	24,483.47	-	24,483.47	-
GC3372520000163	2020/4/16	2021/4/14	1,830.02	-	1,830.02	-
GC3372520000165	2020/4/16	2021/10/21	50.00	-	50.00	-
GC3372520000206	2020/5/8	2021/2/19	200.06	-	200.06	-
GC3372520000217	2020/5/8	2021/5/6	788.54	-	788.54	-
GC3372520000280	2020/6/9	2023/12/28	943.25	-	943.25	-
GC3372520000283	2020/6/9	2022/12/12	943.25	-	943.25	-
GC3372520000304	2020/6/17	2021/6/16	1,151.38	-	1,151.38	-
GC3372520000305	2020/6/17	2023/6/16	1,151.38	-	1,151.38	-
GC3372520000340	2020/6/30	2021/7/1	4,533.31	-	4,533.31	-
GC3372520000408	2020/7/28	2025/7/28	627.00	-	627.00	-
GC3372520000421	2020/7/28	2021/2/4	80.00	-	80.00	-
GC3372520000501	2020/8/12	2021/3/31	1,664.65	-	1,664.65	-
GC3372520000570	2020/8/26	2021/8/26	2,495.25	-	2,495.25	-
GC3372520000571	2020/8/26	2023/8/26	2,495.25	-	2,495.25	-

Number of letter of guarantee	Start date	Expiry date	Guarantee amount (RMB ten thousand)	Balance of guarantee in 2019	Balance of guarantee in 2020	Balance of guarantee in 2021
GC3372520000577	2020/8/26	2021/2/28	4,990.51	-	4,990.51	-
GC3372520000626	2020/9/4	2021/3/15	100.00	-	100.00	-
GC3372520000790	2020/9/30	2021/5/13	60.00	-	60.00	-
GC3372520000951	2020/11/2	2021/7/10	60.00	-	60.00	-
GC3372520000969	2020/11/2	2021/6/13	60.00	-	60.00	-
GC3372520001025	2020/11/13	2022/6/17	50.00	-	50.00	-
GC3372520001026	2020/11/13	2022/6/17	80.00	-	80.00	-
GC3372520001027	2020/11/13	2022/6/17	80.00	-	80.00	-
GC3372520001030	2020/11/13	2022/6/17	50.00	-	50.00	-
GC3372520001031	2020/11/13	2022/6/17	50.00	-	50.00	-
GC3372520001032	2020/11/17	2021/11/11	68.00	-	68.00	-
GC3372520001045	2020/11/18	2021/11/18	335.22	-	335.22	-
GC3372520001046	2020/11/18	2021/10/4	80.00	-	80.00	-
GC3372520001098	2020/11/30	2021/6/11	50.00	-	50.00	-
GC3372520001101	2020/11/30	2021/8/10	80.00	-	80.00	-
GC3372520001187	2020/12/16	2022/7/4	50.00	-	50.00	-
GC3372520001188	2020/12/16	2021/8/18	80.00	-	80.00	-
GC3372520001189	2020/12/16	2022/7/4	80.00	-	80.00	-
GC3372520001190	2020/12/16	2022/7/4	80.00	-	80.00	-
GC3372520001191	2020/12/16	2022/7/3	80.00	-	80.00	-
GC3372520001245	2020/12/24	2025/8/8	825.00	-	825.00	-
GC3372520001267	2020/12/28	2021/9/30	80.00	-	80.00	-
GC3372520001268	2020/12/28	2021/9/30	80.00	-	80.00	-
GC3372520001269	2020/12/28	2021/9/30	80.00	-	80.00	-
GC3372520001274	2020/12/29	2022/12/28	1,894.26	-	1,894.26	-
GNK1944001331A01	2019/11/1	2020/10/25	1,783.47	1,783.47	-	-
GNK1944001331A02	2019/11/5	2020/10/29	1,884.75	1,884.75	-	-
GNK1944001331A03	2019/11/18	2020/11/2	3,600.96	3,600.96	-	-
GNK1944001331A04	2019/11/18	2020/11/2	6,876.54	6,876.54	-	-
GNK2044001331A02	2020/9/10	2021/9/9	1,825.00	-	1,825.00	-
GNK2044001331A04	2020/11/20	2021/11/12	1,737.54	-	1,737.54	-

Number of letter of guarantee	Start date	Expiry date	Guarantee amount (RMB ten thousand)	Balance of guarantee in 2019	Balance of guarantee in 2020	Balance of guarantee in 2021
GNK2044005672A01	2020/10/27	2021/10/17	780.00	-	780.00	-
LG3884190004AA	2019/8/19	2020/8/18	1,664.65	1,664.65	-	-
LG3884190005AA	2019/8/19	2022/8/18	1,664.65	1,664.65	1,664.65	-
LG3884190006AA	2019/8/19	2020/8/18	3,329.30	3,329.30	-	-
LG3884190007AA	2019/8/19	2020/8/18	2,201.10	2,201.10	-	-
LG3884190008AA	2019/8/28	2020/2/28	1,914.95	1,914.95	-	-
LG3884190010AA	2019/10/15	2021/10/14	5,134.40	5,134.40	5,134.40	-
LG3884190011AA	2019/10/25	2021/10/23	5,134.40	5,134.40	5,134.40	-
LG3884200015AA	2020/12/8	2023/12/7	981.75	-	981.75	-
LG3884200017AA	2020/12/29	2021/12/28	5,890.00	-	5,890.00	-
Huayin (2019) Zhongshan Fubaozi (Business) No.001	2019/5/30	2021/5/30	7,027.57	7,027.57	7,027.57	-
Huayin (2019) Zhongshan Performance Guarantee Letter (Business) No.001	2019/5/30	2021/5/30	3,513.79	3,513.79	3,513.79	-
Huayin (2019) Zhongshan Performance Guarantee Letter (Business) No.002	2019/5/30	2021/5/30	3,513.79	3,513.79	3,513.79	-
Huayin (2019) Zhongshan Performance Guarantee Letter (Business) No.003	2019/12/12	2021/12/12	25,300.00	25,300.00	-	-
Huayin (2019) Zhongshan Insurance (Business) No. 004	2019/4/8	2020/5/31	50.00	50.00	-	-
Huayin (2019) Zhongshan Insurance (Business) No.007	2019/6/5	2020/1/31	40.00	40.00	-	-
Huayin (2019) Zhongshan Insurance (Business) No.009	2019/9/5	2020/2/28	80.00	80.00	-	-
Huayin (2019) Zhongshan Insurance (Business) No.010	2019/9/5	2020/3/30	80.00	80.00	-	-
Huayin (2019) Zhongshan Insurance (Business) No.011	2019/9/5	2020/3/30	80.00	80.00	-	-
Huayin (2019) Zhongshan Insurance (Business) No.012	2019/9/5	2020/3/30	80.00	80.00	-	-
Huayin (2020) Zhongshan Performance Guarantee Letter (Xiaolan) No.001	2020/6/19	2021/12/12	24,497.73	-	24,497.73	-
Ping Yinsui Neng Performance Guarantee	2020/1/17	2021/1/17	3,632.88	-	3,632.88	-

Number of letter of guarantee	Start date	Expiry date	Guarantee amount (RMB ten thousand)	Balance of guarantee in 2019	Balance of guarantee in 2020	Balance of guarantee in 2021
Letter 20190912001 No.001 Ping Yinsui Neng Performance Guarantee	2020/1/20	2021/1/20	2,117.12	-	2,117.12	-
Letter 20190912001 No.002 Ping Yinsui Neng Performance Guarantee	2020/2/13	2021/2/13	2,654.40	-	2,654.40	-
Letter 20190912001 No.003 Ping Yinsui Neng Performance Guarantee	2020/2/20	2021/2/20	1,925.00	-	1,925.00	-
Letter 20190912001 No.004 Ping Yinsui Neng Performance Guarantee	2020/3/6	2022/3/6	13,096.73	-	13,096.73	-
Letter 20190912001 No.005 Ping Yinsui Neng Performance Guarantee	2020/3/6	2021/3/6	2,399.46	-	2,399.46	-
Letter 20190912001 No.006 Ping Yinsui Neng Performance Guarantee	2020/3/19	2021/3/13	2,014.50	-	2,014.50	-
Letter 20190912001 No.007 Ping Yinsui Neng Performance Guarantee	2020/3/25	2021/3/25	1,520.00	-	1,520.00	-
Letter 20190912001 No.008 Ping Yinsui Neng Performance Guarantee	2020/3/26	2022/3/26	19,856.33	-	19,856.33	-
Letter 20190912001 No.009 Bank of Communications letter No.719209019	2019/5/24	2020/5/24	1,943.23	1,943.23	-	-
Bank of Communications letter No.719209020	2019/6/14	2020/6/5	1,934.00	1,934.00	-	-
Bank of Communications letter No.719209022	2019/6/4	2020/5/31	1,054.50	1,054.50	-	-

As of 31 December 2021, the unexpired letters of credit are as follows:

Letter of credit	Financial institute providing the credit	Credit amount	Available balance	Currency	Issue date	Expiry date
0301LC21000055	Minsheng Bank Guangzhou Branch	1,100,000.00	1,100,000.00	EUR	2021/8/27	2022/2/27
0301LC21000049	Minsheng Bank Guangzhou Branch	4,213,638.00	766,116.00	EUR	2021/7/22	2022/1/13
LC2144005672A2002	Postal Savings Bank of China Zhongshan Xiaolan Sub-branch	528,500.00	528,500.00	EUR	2021/9/30	2022/3/26

Letter of credit	Financial institute providing the credit	Credit amount	Available balance	Currency	Issue date	Expiry date
LC2144005672a004	Postal Savings Bank of China Zhongshan Xiaolan Sub-branch	479,600.00	479,600.00	EUR	2021/10/29	2022/4/20
LC2144005672A005	Postal Savings Bank of China Zhongshan Xiaolan Sub-branch	1,090,000.00	1,090,000.00	EUR	2022/05/19	2022/4/28
LC3372521000151	Bank of China Zhongshan Branch	959,200.00	959,200.00	EUR	2021/11/29	2022/5/26
LC3372521000173	Bank of China Zhongshan Branch	2,250,000.00	2,250,000.00	EUR	2021/12/28	2022/3/25
LC3372521000172	Bank of China Zhongshan Branch	4,950,000.00	4,950,000.00	EUR	2021/12/28	2022/3/25

(5) As of 31 December 2021, the Company did not have any other contingencies to be disclosed.

XIII. Events after balance sheet date

1.Update on Note 6 in pending litigations: On 4 March 2022, the Guangzhou Maritime Court made a first-instance judgment ((2021) Yue 72 Min Chu No. 1133) in the case Contract dispute of Haixia (Fujian) Supply Chain Management Co., Ltd. vs. The Company. The verdict is as follows: 1.Confirm that the transportation contracts signed on July 30, 2021 and October 22, 2021 respectively between the plaintiff Haixia (Fujian) Supply Chain Management Co., Ltd. and Defendant the Company for the Fuqing Haitan Project and the Three Gorges Shapa Project were terminated; 2.The Company paid Haixia (Fujian) Supply Chain Management Co., Ltd. a transportation fee of RMB 1.9 million for the Fuqing Haitan Project; 3. The Company paid Haixia (Fujian) Supply Chain Management Co., Ltd. a transportation fee of RMB 159,400 for the Three Gorges Shapa Project; 4. The Company paid Haixia (Fujian) Supply Chain Management Co., Ltd. demurrage of RMB 5.96 million including tax and loss of interest; 5. Reject Haixia (Fujian) Supply Chain Management Co., Ltd.'s other litigation claims; The Company pays the case acceptance fee of RMB 58,212.20. As of 19 March 2022, the case is in the appeal period, and the first-instance judgment has not come into effect.

2.Update on Note 10 in pending litigations: On 20 February 2020, the People's Court of Jianxi District, Luoyang City made a first-instance judgment ((2021) Yu 0305 Min Chu No. 5538) in the case of contract dispute of Luoyang LYC Bearing Co., Ltd. vs. The Company. The verdict is as follows: 1.The Company to take away 90 sets of FD-8787/2000K7 pitch bearings and 1 set of FD-8787/2000K4 pitch bearings from Luoyang LYC Bearing Co., Ltd. within 30 days after the judgment takes in effect; 2.The Company shall pay the purchase of goods RMB 5,372,700.00 to Luoyang LYC Bearing Co., Ltd. within 30 days after the judgment takes in effect; 3. Luoyang LYC Bearing Co., Ltd.'s other litigation claims are not supported; The Company bears the litigation fee of RMB 23,744.00. On 10 March 2022, the Company filed an appeal to the Luoyang Intermediate People's Court by considering that the basic facts were unclear and the application of the law was wrong in the first-instance judgment.

3. Update on Note 11 in pending litigations: On 17 January 2022, the People's Court of Shunhe Hui District, Kaifeng City, Henan Province made a first-instance judgment ((2021) Yu 0203 Min Chu No. 1080) in the case of contract dispute of Kaifeng Wen'an Industrial Co., Ltd. vs. The Company's subsidiary, Kaifeng Mingshun Energy Technology Co., Ltd. and Guangdong MingYang Energy System Co., Ltd. The verdict is as follows: 1.Kaifeng Mingshun Energy Technology Co., Ltd. shall pay Kaifeng Wen'an Industrial Co., Ltd. occupancy fee of RMB 467,109.84 within ten days after the judgment takes in effect; 2.Kaifeng Mingshun Energy Technology Co., Ltd. shall pay Kaifeng Wen'an Industrial Co., Ltd. the rent of the 214-square-meter house in excess of the main contract area and other expenses totaling RMB 68,055.57 within ten days after the judgment takes in effect; 3. Kaifeng Mingshun Energy Technology Co., Ltd. shall pay air-conditioning

usage fees beyond 8 hours amounted to RMB 246,038.90 and utility bill for November 2020 amounted to RMB 2,323.80 within ten days after the judgment takes in effect; Guangdong MingYang Energy System Co., Ltd. assumes joint and several liability for repayment. The Company made appeal to Kaifeng Intermediate People's Court. and considered that the first-instance judgment had no factual and legal basis for Kaifeng Wen'an Industrial Co., Ltd.'s petition, the judgment procedure was illegal, the facts were not found, and the law was wrongly applied.

4. Update on Note 13 in pending litigations: On 24 January 2022, the Xiamen Maritime Court issued the "Return Certificate of Service", "Execution Notice ((2022) Min 72 Zhi No. 95) ", and a property report order. On 16 March 2022, the Company paid transportation fee of RMB 1,835,000.00 and acceptance fee of RMB 41,092.00.

5. New litigation in 2022: On 29 March 2021, Shanghai Anshun Shipping Logistics Co., Ltd. and the Company signed "Logistic Service Contracts for 4 sets of wind turbine towers and 16 sets of tower ground operation projects in Denong, Vietnam". From April to July 2021, the Company actually entrusted Shanghai Anshun Shipping Logistics Co., Ltd. to transport 13 sets of towers in three batches, and carry out the operation of shortening the 16 sets of towers. At present, both parties have disputes over the payment of transportation payment. Shanghai Anshun Shipping Logistics Co., Ltd. claims that the payment terms stipulated in the contract have been reached, but the Company unpaid part of the payment. On 14 March 2022, the Company received a notice of service from the Zhuhai Court of Guangzhou Maritime Court (Case No. (2022) Yue 72 Min Chu No. 303). In the case of contract dispute of Shanghai Anshun Shipping & Logistics Co., Ltd. vs. The Company, Shanghai Anshun Shipping & Logistics Co., Ltd. petitioned the court to order the Company: 1. Pay RMB 174,000.00 for three batches of cargo terminal transport; 2. Pay the sea freight and insurance premium of RMB 3,284,750.00 for the third batch of goods that have not been fully paid; 3. Refund the security deposit of RMB 500,000.00; 4. Bearing the litigation fees and other related expenses. The total amount of the case is RMB 3,958,750.00. The case will hold a pretrial conference in Zhuhai Court of Guangzhou Maritime Court on 28 April 2022.

6. New litigation in 2022: On 25 February 2021, Dexun (China) Freight Forwarding Co., Ltd. Shenzhen Branch signed a "Logistics Service Contract" with the Company, and Dexun (China) to carry 56 sets of wind power equipment for the Denong project in Vietnam. Later, due to the breach of the shipping schedule and the additional cost of Dexun (China) Freight Forwarding Co., Ltd. Shenzhen Branch during the execution of the contract, no agreement could be reached. On 10 March 2022, the Company received the notice of service from the Zhuhai Court of Guangzhou Maritime Court ((2022) Yue 72 Min Chu No. 280) . Dexun (China) Freight Forwarding Co., Ltd. Shenzhen Branch petitioned the court to order the Company to pay the freight forwarding fee of RMB 6,707,978.57 and the corresponding interest, and bear the litigation fee for this case.

7. After the resolution of the second extraordinary Shareholder meeting in 2021 held on 18 May 2021, and "Approval for the Non-public Issuance of Shares by MingYang Smart Energy Group Co., Ltd." (CSRC License [2022] 70) issued by the China Securities Regulatory Commission, the Company is approved non-public offering of up to 147,928,994 new shares. On 27 January 2022, the Company has received fund raising of RMB 1,995,283,017.75 (after deducting the sponsorship fee and underwriting fee of RMB 4,716,981.13) for this non-public offering. On 14 February 2022, the equity registration has been completed.

8. On 14 April 2022, upon review at the 30th meeting of the Company's second board of directors, the Company plans to distribute 2022 cash dividends of RMB 2.211 (tax inclusive) for every 10 shares to all shareholders, with a total of RMB 465,250,936.60 million) tax inclusive) in cash dividends.

9. As of 22 April 2022, the Company had no other post-balance sheet events that should be disclosed.

XIV. Other significant matters**1. Segment Reporting**

According to the Company's internal organizational structure, management requirements and the internal reporting system, the Company's operations are divided into 2 reportable segments. The reporting segments are determined based on the financial information required by routine management. The management can periodically evaluate the operating results of the component to determine its allocation of resources and evaluate their performance.

The Company's reportable segments include:

(1) High-end energy equipment manufacturing sector, wind turbine equipment manufacturing and sales, Operation and maintenance services and photovoltaic products manufacturing and sales;

(2) Energy products and services sector, energy investment project construction, management, operation and power demand side management, energy efficiency management;

The information of segment reporting is disclosed in accordance with the accounting policies the segments report to the management. The accounting policies and measurement basis of the operating segments are the same as accounting policies and measurement basis in preparing the financial statements.

(1) Profit or loss, assets and liabilities of segments

In 2021	High-end energy equipment manufacturing sector	Energy products and services sector	Elimination	Total
Operating income	28,701,644,851.82	1,412,768,539.37	-2,956,365,029.79	27,158,048,361.40
Including: External revenue	25,745,279,822.03	1,412,768,539.37	-	27,158,048,361.40
Income between segments	2,956,365,029.79	-	-2,956,365,029.79	-
Including: Primary operating income	28,031,319,418.27	1,395,465,805.74	-2,629,541,765.53	26,797,243,458.48
Operating cost	22,780,227,393.35	615,383,904.68	-2,057,956,749.09	21,337,654,548.94
Including: Primary operating cost	22,438,346,878.92	602,411,043.73	-2,005,362,180.56	21,035,395,742.09
Operating expenses	2,473,546,099.21	186,651,999.70	-462,897,461.42	2,197,300,637.49
Operating profit/(loss)	3,447,871,359.26	610,732,634.99	-435,510,819.28	3,623,093,174.97
Total assets	51,270,323,054.70	20,188,016,564.02	-9,965,410,235.08	61,492,929,383.64
Total liabilities	38,984,658,859.02	13,244,422,815.18	-9,230,299,687.26	42,998,781,986.94
Supplementary information:				
1.Capital expenditure	1,359,480,130.36	7,952,927,123.66	-1,925,347,322.08	7,387,059,931.94
2.Depreciation and amortization charge	468,872,590.26	436,139,262.77	-18,014,567.33	886,997,285.70

MingYang Smart Energy Group Co., Ltd.

Notes to the Financial Statements

For the years ended 31 December 2019, 2020 and 2021 (All amounts in RMB unless otherwise stated)

[This report is translated from the Chinese report]

In 2021	High-end energy equipment manufacturing sector	Energy products and services sector	Elimination	Total
3.Non-cash expenses besides depreciation and amortization	-	-	-	-
4.Assets impairment loss	200,712,240.13	-180,941.28	-	200,531,298.85

(Continued)

In 2020	High-end energy equipment manufacturing sector	Energy products and services sector	Elimination	Total
Operating income	22,195,196,233.37	1,318,142,993.67	-1,056,351,865.74	22,456,987,361.30
Including: External revenue	21,138,844,367.63	1,318,142,993.67	-	22,456,987,361.30
Income between segments	1,056,351,865.74	-	-1,056,351,865.74	-
Including: Primary operating income	21,974,638,979.00	1,308,303,334.87	-970,220,737.45	22,312,721,576.42
Operating cost	18,230,799,754.30	888,006,641.30	-831,680,973.81	18,287,125,421.79
Including: Primary operating cost	18,100,884,581.94	880,784,222.24	-825,849,873.91	18,155,818,930.27
Operating expenses	2,302,140,673.18	255,715,185.07	33,027,571.93	2,590,883,430.18
Operating profit/(loss)	1,662,255,805.89	174,421,167.30	-257,698,463.86	1,578,978,509.33
Total assets	45,704,034,135.09	6,751,248,318.49	-827,437,590.06	51,627,844,863.52
Total liabilities	34,616,283,244.63	2,702,542,412.58	-775,477,727.71	36,543,347,929.50
Supplementary information:				
1.Capital expenditure	2,325,264,084.30	2,593,228,297.98	-1,612,461,152.30	3,306,031,229.98
2.Depreciation and amortization charge	420,559,099.49	188,989,943.28	-22,474,371.53	587,074,671.23
3.Non-cash expenses besides depreciation and amortization	-	-	-	-
4.Assets impairment loss	113,881,244.64	24,774,383.75	-1,029,594.07	137,626,034.32

(Continued)

In 2019	High-end energy equipment manufacturing sector	Energy products and services sector	Elimination	Total
Operating income	9,468,685,972.30	1,095,432,136.70	-70,961,075.44	10,493,157,033.56
Including: External revenue	9,397,724,896.86	1,095,432,136.70	-	10,493,157,033.56
Income between segments	70,961,075.44	-	-70,961,075.44	-
Including: Primary operating income	9,281,213,820.52	1,091,173,411.52	-53,750,663.08	10,318,636,568.96
Operating cost	7,672,906,646.27	507,985,263.34	-65,320,234.86	8,115,571,674.75
Including: Primary operating cost	7,515,854,424.04	504,543,117.55	-64,892,176.27	7,955,505,365.32
Operating expenses	1,487,391,485.53	117,664,751.24	33,705,582.04	1,638,761,818.81
Operating profit/(loss)	308,387,840.50	469,782,122.12	-39,346,422.62	738,823,540.00
Total assets	29,733,136,630.04	11,295,668,629.58	-6,333,194,222.61	34,695,611,037.01
Total liabilities	23,314,983,698.88	7,192,718,715.66	-2,904,062,968.85	27,603,639,445.69
Supplementary information:				
1.Capital expenditure	903,960,876.53	1,695,520,179.40	-259,268,297.78	2,340,212,758.15
2.Depreciation and amortization charge	232,878,204.16	243,832,423.80	-22,607,757.34	454,102,870.62
3.Non-cash expenses besides depreciation and amortization	-	-	-	-
4.Assets impairment loss	-53,238,058.92	-10,976,072.05	-14,608,995.57	-78,823,126.54

(2) Geographic information

Since more than 90% of the Company's revenue comes from customers in China and more than 90% of the Company's assets are located in China, there is no need to present more detailed regional information.

2. Leases

As leasee

① The Company simplified the treatment of short-term leases and low-value asset leases, and did not recognize right-of-use assets and lease liabilities. Short-term leases, low-value assets and variable lease payments not included in the measurement of lease liabilities are charged to current expenses as follows:

Item	Year ended 2021.12.31
Short-term leases	67,124,717.45
Low-value leases	5,942,916.26
Total	73,067,633.71

As lessor**Under financing leases:**

① Rental income and separately disclose income related to variable lease payments not included in leases receipts;

Item	Year ended 2021.12.31
Rental income	11,266,180.37

② The amount of undiscounted lease receipts to be received in each of the five consecutive financial years following the balance sheet date, and the total amount of undiscounted lease receipts to be received for the remaining years.

Year	2021.12.31
Within 1 year after the balance sheet date	5,137,861.78
1 to 2 years after the balance sheet date	850,284.24
2 to 3 years after the balance sheet date	850,284.24
3 to 4 years after the balance sheet date	354,285.10
Total	7,192,715.36

XV. Notes to significant items of financial statements of parent company

1. Accounts receivable

(1) Disclosure by ageing

Ageing	2021.12.31	2020.12.31	2019.12.31
Within 1 year	4,156,046,908.42	2,642,626,973.57	2,805,391,510.44
Including: Within 6 months	3,067,519,345.18	2,406,782,959.77	2,291,241,865.19
6 months to 1 year	1,088,527,563.24	235,844,013.80	514,149,645.25
1 to 2 years	1,106,816,377.07	374,445,166.35	885,553,212.80
2 to 3 years	264,434,535.12	334,080,670.35	198,122,285.62
3 to 4 years	256,711,713.80	126,438,923.16	93,783,621.98
4 to 5 years	69,329,224.00	31,519,242.77	82,946,303.03
Over 5 years	84,004,671.10	65,650,301.04	19,225,588.98
Subtotal	5,937,343,429.51	3,574,761,277.24	4,085,022,522.85
Less: Provision for bad debts	355,814,543.72	202,650,994.16	180,709,571.30
Total	5,581,528,885.79	3,372,110,283.08	3,904,312,951.55

(2) Disclosure by method of provision for bad debts

Category	2021.12.31
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	Book balance		Provision for bad debts		Carrying amount
	Amount	Ratio (%)	Amount	Expected credit loss rate (%)	
Provision for bad debts on individual item	95,141,888.49	1.60	95,141,888.49	100.00	-
Provision for bad debts on portfolio basis	5,842,201,541.02	98.40	260,672,655.23	4.46	5,581,528,885.79
Including:					
High-end manufacturing business	5,350,644,895.80	90.12	260,672,655.23	4.87	5,089,972,240.57
Including: Related parties within scope of consolidation	491,556,645.22	8.28	-	-	491,556,645.22
Total	5,937,343,429.51	100.00	355,814,543.72	--	5,581,528,885.79

(Continued)

Category	Book balance		Provision for bad debts		Carrying amount
	Amount	Ratio (%)	Amount	Expected credit loss rate (%)	
Provision for bad debts on individual item	98,341,888.49	2.75	44,414,956.49	45.16	53,926,932.00
Provision for bad debts on portfolio basis	3,476,419,388.75	97.25	158,236,037.67	4.55	3,318,183,351.08
Including:					
High-end manufacturing business	2,481,265,603.81	69.41	158,236,037.67	6.38	2,323,029,566.14
Including: Related parties within scope of consolidation	995,153,784.94	27.84	-	-	995,153,784.94
Total	3,574,761,277.24	100.00	202,650,994.16	--	3,372,110,283.08

(Continued)

Category	Book balance		Provision for bad debts		Carrying amount
	Amount	Ratio (%)	Amount	Expected credit loss rate (%)	
Provision for bad debts on individual item	25,607,999.99	0.63	25,607,999.99	100.00	-
Provision for bad debts on portfolio basis	4,059,414,522.86	99.37	155,101,571.31	3.82	3,904,312,951.55
Including:					
High-end manufacturing business	3,846,826,676.75	94.17	155,101,571.31	4.03	3,691,725,105.44

Including: Related parties within scope of consolidation	212,587,846.11	5.20	-	-	212,587,846.11
Total	4,085,022,522.85	100.00	180,709,571.30	--	3,904,312,951.55

Provision for bad debts on individual item:

Name	2021.12.31			
	Book balance	Provision for bad debts	Expected credit loss rate (%)	Reason of provision
Shenzhen Boshijitai Power Investment Co., Ltd.	20,607,999.99	20,607,999.99	100.00	Debtor is shortage of funds
A1 Development EOOD	3,107,488.50	3,107,488.50	100.00	Debtor is shortage of funds
Hejia New Energy Automobile Co., Ltd.	71,426,400.00	71,426,400.00	100.00	Under litigation
Total	95,141,888.49	95,141,888.49	--	/

(Continued)

Name	2020.12.31			
	Book balance	Provision for bad debts	Expected credit loss rate (%)	Reason of provision
Shenzhen Boshijitai Power Investment Co., Ltd.	20,607,999.99	20,607,999.99	100.00	Debtor is shortage of funds
Mintou (Xiapu) Wind Power Co., Ltd.	3,200,000.00	3,200,000.00	100.00	Debtor is shortage of funds
A1 Development EOOD	3,107,488.50	3,107,488.50	100.00	Debtor is shortage of funds
Hejia New Energy Automobile Co., Ltd.	71,426,400.00	17,499,468.00	24.50	Under litigation
Total	98,341,888.49	44,414,956.49	--	/

(Continued)

Name	2019.12.31			
	Book balance	Provision for bad debts	Expected credit loss rate (%)	Reason of provision
Shenzhen Boshijitai Power Investment Co., Ltd.	20,607,999.99	20,607,999.99	100.00	Debtor is shortage of funds
Mintou (Xiapu) Wind Power Co., Ltd.	5,000,000.00	5,000,000.00	100.00	Debtor is shortage of funds
Total	25,607,999.99	25,607,999.99	--	/

(3) Accrual, recovery or reversal of bad debt provision during the year

	Amount of provision for bad debts
2020.12.31	202,650,994.16

	Amount of provision for bad debts
Provision for the year	156,363,549.56
Recovered or reversal in the year	3,200,000.00
Others	-
2021.12.31	355,814,543.72

(Continued)

Item	Amount of provision for bad debts
2019.12.31	180,709,571.30
Adjustment amount for the first implementation of the new revenue standard	-
2020.01.01	180,709,571.30
Provision for the year	166,764,669.96
Recovered or reversal in the year	144,823,247.10
Write-off in the year	-
2020.12.31	202,650,994.16

(Continued)

Item	Amount of provision for bad debts
2018.12.31	191,396,257.76
Adjustment amount for the first implementation of new financial instruments standards	-
2019.01.01	191,396,257.76
Provision for the year	-
Reversal in the year	10,686,686.46
2019.12.31	180,709,571.30

(4) Accounts receivable due from the top five debtors

Accounts receivable due from the top five debtors as at 31 December 2021 was totaling RMB 2,801,520,900.60, which accounted for 47.18% of total accounts receivable, and the corresponding provision for bad debts was totaling RMB 56,772,878.10.

Accounts receivable due from the top five debtors as at 31 December 2020 was totaling RMB 1,495,151,148.39, which accounted for 25.31% of total accounts receivable, and the corresponding provision for bad debts was totaling RMB 35,286,671.76.

Accounts receivable due from the top five debtors as at 31 December 2019 was totaling RMB 1,115,705,564.81, which accounted for 27.31% of total accounts receivable, and the corresponding provision for bad debts was totaling RMB 10,781,924.89.

2. Other receivables

Item	2021.12.31	2020.12.31	2019.12.31
Interest receivable	-	-	34,745,888.88
Dividends receivable	19,119,469.63	19,119,469.63	113,259,469.63
Other receivables	4,224,796,920.96	4,327,717,228.35	1,275,745,401.04
Total	4,243,916,390.59	4,346,836,697.98	1,423,750,759.55

(1) Interest receivable

Item	2021.12.31	2,020. 12.31	2019. 12.31
Interest on general borrowings	-	-	34,745,888.88

(2) Dividends receivable

Investee	2021.12.31	2020.12.31	2019.12.31
Inner Mongolia MingYang Wind Power Co., Ltd.	19,119,469.63	19,119,469.63	19,119,469.63
Daqing Dumeng Dairy Farm Wind Power Co., Ltd.	-	-	29,222,700.00
Daqing Dumeng Hu Town Dairy Farm Wind Power Co., Ltd.	-	-	27,406,100.00
Daqing Dumeng Huji Tumo Wind Power Co., Ltd.	-	-	27,131,100.00
Daqing Zhongdan Ruihao Wind Power Co., Ltd.	-	-	10,380,100.00
Total	19,119,469.63	19,119,469.63	113,259,469.63

(3) Other receivables

① by ageing

Ageing	2021.12.31	2020.12.31	2019.12.31
Within 1 year	2,950,203,573.35	4,333,853,477.02	1,281,276,429.20
Including: Within 6 months	1,773,712,242.92	4,327,948,065.49	1,258,514,544.10
6 months to 1 year	1,176,491,330.43	5,905,411.53	22,761,885.10
1 to 2 years	1,284,901,089.31	9,005,395.40	8,813,611.08
2 to 3 years	3,579,922.91	4,620,218.50	1,062,587.04
3 to 4 years	3,290,776.70	819,493.24	461,282.30
4 to 5 years	788,517.50	166,347.62	165,246.22
Over 5 years	12,269,381.15	12,479,563.81	14,224,023.78
Subtotal	4,255,033,260.92	4,360,944,495.59	1,306,003,179.62
Less: Provision for bad debts	30,236,339.96	33,227,267.24	30,257,778.58
Total	4,224,796,920.96	4,327,717,228.35	1,275,745,401.04

② Disclosure by nature

Item	2021.12.31			2020.12.31		
	Book balance	Provision for bad debts	Carrying amount	Book balance	Provision for bad debts	Carrying amount
Current accounts	4,164,224,903.49	26,010,856.71	4,138,214,046.78	4,024,442,751.22	26,018,542.73	3,998,424,208.49
Security deposits, deposits and petty cash	63,661,261.62	1,784,046.29	61,877,215.33	58,126,919.53	1,333,103.93	56,793,815.60
Equity transfer funds	5,555,000.00	1,559,844.00	3,995,156.00	269,200,600.00	-	269,200,600.00
Others	21,592,095.81	881,592.96	20,710,502.85	9,174,224.84	5,875,620.58	3,298,604.26
Total	4,255,033,260.92	30,236,339.96	4,224,796,920.96	4,360,944,495.59	33,227,267.24	4,327,717,228.35

Item	2019.12.31		
	Book balance	Provision for bad debts	Carrying amount
Current accounts	1,234,507,285.37	27,160,295.21	1,207,346,990.16
Security deposits, deposits and petty cash	65,739,322.75	2,561,075.67	63,178,247.08
Equity transfer funds	-	-	-
Others	5,756,571.50	536,407.70	5,220,163.80
Total	1,306,003,179.62	30,257,778.58	1,275,745,401.04

③ Information of provision for bad debts

As of 31 December 2021, Provision for bad debts on those in first stage:

Category	Book balance	Expected credit loss rate in the next 12 months (%)	Provision for bad debts	Carrying amount
Provision for bad debts on portfolio basis				
Current accounts	4,149,486,580.92	-	94,042.48	4,149,392,538.44
Security deposits, deposits and petty cash	53,935,281.18	0.47	251,873.52	53,683,407.66
Equity transfer funds	-	-	-	-
Others	7,563,114.65	1.90	143,575.39	7,419,539.26
Total	4,210,984,976.75	--	489,491.39	4,210,495,485.36

As of 31 December 2021, Provision for bad debts on those in second stage:

Category	Book balance	Expected credit loss rate in the next 12 months (%)	Provision for bad debts	Carrying amount
Provision for bad debts on portfolio basis				
Current accounts	662,470.50	16.29	107,904.46	554,566.04
Security deposits, deposits and petty cash	9,691,122.12	15.81	1,532,172.77	8,158,949.35
Equity transfer funds	5,555,000.00	28.08	1,559,844.00	3,995,156.00
Others	2,330,781.78	31.66	738,017.57	1,592,764.21
Total	18,239,374.40	--	3,937,938.80	14,301,435.60

As of 31 December 2021, Provision for bad debts on those in third stage:

Category	Book balance	Expected credit loss rate for the lifetime (%)	Provision for bad debts	Carrying amount
Provision for bad debts on individual item				
Fujian Huaqing Energy Co., Ltd.	10,000,000.00	100.00	10,000,000.00	-
IDSTradeAG	2,401,867.99	100.00	2,401,867.99	-
Shandong Guoyi Cable Co., Ltd.	5,987,393.63	100.00	5,987,393.63	-
Jahnel-Kestermann Getriebewerk	1,804,764.62	100.00	1,804,764.62	-
Others	5,614,883.53	100.00	5,614,883.53	-
Total	25,808,909.77	--	25,808,909.77	-

As of 31 December 2020, Provision for bad debts on those in first stage:

Category	Book balance	Expected credit loss rate in the next 12 months (%)	Provision for bad debts	Carrying amount
Provision for bad debts on portfolio basis	4,319,123,881.54	0.11	4,807,778.21	4,314,316,103.37
Current accounts	3,998,300,833.95	0.00	23,197.55	3,998,277,636.40
Security deposits, deposits and petty cash	46,157,750.63	0.86	397,900.94	45,759,849.69
Equity transfer funds	269,200,600.00	1.57	4,226,449.42	264,974,150.58
Others	5,464,696.96	2.93	160,230.30	5,304,466.70
Total	4,319,123,881.54	--	4,807,778.21	4,314,316,103.37

As of 31 December 2020, Provision for bad debts on those in second stage:

Category	Book balance	Expected credit loss rate in the next 12 months (%)	Provision for bad debts	Carrying amount
Provision for bad debts on portfolio basis	16,011,704.28	16.30	2,610,579.26	13,401,125.02
Current accounts	333,007.50	55.99	186,435.41	146,572.09
Security deposits, deposits and petty cash	11,969,168.90	7.81	935,202.99	11,033,965.91
Others	3,709,527.88	40.14	1,488,940.86	2,220,587.02
Total	16,011,704.28	--	2,610,579.26	13,401,125.02

As of 31 December 2020, Provision for bad debts on those in third stage:

Category	Book balance	Expected credit loss rate for the lifetime (%)	Provision for bad debts	Carrying amount
Provision for bad debts on individual item				
Including: Fujian Huaqing Energy Co., Ltd.	10,000,000.00	100.00	10,000,000.00	-
Shandong Guoyi Cable Co., Ltd.	5,987,393.63	100.00	5,987,393.63	-
IDS Trade AG	2,401,867.99	100.00	2,401,867.99	-
Jahnel-Kestermann Getriebewerke Boc	1,804,764.62	100.00	1,804,764.62	-
Others	5,614,883.53	100.00	5,614,883.53	-
Total	25,808,909.77	--	25,808,909.77	-

As of 31 December 2019, Provision for bad debts on those in first stage:

Category	Book balance	Expected credit loss rate in the next 12 months (%)	Provision for bad debts	Carrying amount
Provision for bad debts on portfolio basis				
Current accounts	1,206,330,684.19	-	9,236.73	1,206,321,447.46
Security deposits, deposits and petty cash	56,151,588.67	2.64	1,483,881.48	54,667,707.19
Others	4,718,304.28	2.87	135,480.33	4,582,823.95
Total	1,267,200,577.14	--	1,628,598.54	1,265,571,978.60

As of 31 December 2019, Provision for bad debts on those in second stage:

Category	Book balance	Expected credit loss rate for the lifetime (%)	Provision for bad debts	Carrying amount
Provision for bad debts on portfolio basis				
Current accounts	1,221,434.82	16.04	195,892.12	1,025,542.70
Security deposits, deposits and petty cash	9,587,734.08	11.24	1,077,194.19	8,510,539.89

Category	Book balance	Expected credit loss rate for the lifetime (%)	Provision for bad debts	Carrying amount
Others	1,038,267.22	38.62	400,927.37	637,339.85
Total	11,847,436.12	--	1,674,013.68	10,173,422.44

As of 31 December 2019, Provision for bad debts on those in third stage:

Category	Book balance	Expected credit loss rate for the lifetime (%)	Provision for bad debts	Carrying amount
Provision for bad debts on individual item				
Including: Fujian Huaqing Energy Co., Ltd.	9,346,256.59	100.00	9,346,256.59	-
Shandong Guoyi Cable Co., Ltd.	5,987,393.63	100.00	5,987,393.63	-
Qinghai Dongfang New Energy Investment Co., Ltd.	3,498,199.38	100.00	3,498,199.38	-
IDS Trade AG	2,401,867.99	100.00	2,401,867.99	-
Jahnel-Kestermann Getriebewerke Boc	1,804,764.62	100.00	1,804,764.62	-
Others	3,916,684.15	100.00	3,916,684.15	-
Total	26,955,166.36	--	26,955,166.36	-

④ Accrual, recovery or reversal of bad debt provision in each reporting period

Provision for bad debts	First stage	Second stage	Third stage	Total
	Expected credit loss within 12 months	Expected credit loss for lifetime (no credit impairment occurred)	Expected credit loss for lifetime (credit impairment has occurred)	
Balance at 31 December 2020	4,807,778.21	2,610,579.26	25,808,909.77	33,227,267.24
Movement of balance during the year ended 31 December 2021:				
--transfer to second stage	-1,328,159.54	1,328,159.54	-	-
--transfer to third stage	-	-	-	-
--Reverse to second stage	-	-	-	-
--Reverse to first stage	-	-	-	-
Provision for the year	-	-	-	-
Reversal in the year	2,990,127.28	-	-	2,990,127.28
Transfer in the year	-	-	-	-
Write-off in the year	-	800.00	-	800.00
Other movement	-	-	-	-
Balance at 31 December 2021	489,491.39	3,937,938.80	25,808,909.77	30,236,339.96

(Continued)

Provision for bad debts	First stage	Second stage	Third stage	Total
	Expected credit loss within 12 months	Expected credit loss for lifetime (no credit impairment occurred)	Expected credit loss for lifetime (credit impairment has occurred)	
Balance at 31 December 2019	1,628,598.54	1,674,013.68	26,955,166.36	30,257,778.58
Movement of balance during the year ended 31 December 2020:				
--transfer to second stage	-	-	-	-
--transfer to third stage	-	-	-	-
--Reverse to second stage	-	-	-	-
--Reverse to first stage	-	-	-	-
Provision for the year	3,179,179.67	950,605.50	-	4,129,785.17
Reversal in the year	-	-	1,146,256.59	1,146,256.59
Transfer in the year	-	-	-	-
Write-off in the year	-	14,039.92	-	14,039.92
Other movement	-	-	-	-
Balance at 31 December 2020	4,807,778.21	2,610,579.26	25,808,909.77	33,227,267.24

(Continued)

Provision for bad debts	First stage	Second stage	Third stage	Total
	Expected credit loss within 12 months	Expected credit loss for lifetime (no credit impairment occurred)	Expected credit loss for lifetime (credit impairment has occurred)	
Balance at 31 December 2018	--	--	--	34,455,189.56
Adjustment amount for the first implementation of new financial instruments standards	--	--	--	-
Balance at 1 January 2019	392,742.61	1,575,479.97	32,486,966.98	34,455,189.56
Movement of balance during the year ended 31 December 2019:				
--transfer to second stage	-	-	-	-
--transfer to third stage	-	-	-	-
--Reverse to second stage	-	-	-	-
--Reverse to first stage	-	-	-	-
Provision for the year	1,235,855.93	98,533.71	-	1,334,389.64
Reversal in the year	-	-	5,531,800.62	5,531,800.62
Transfer in the year	-	-	-	-
Write-off in the year	-	-	-	-
Balance at 31 December 2019	1,628,598.54	1,674,013.68	26,955,166.36	30,257,778.58

⑤ Actual written-off of other receivables in each reporting period

Item	Written-off amount		
	2021.12.31	2020.12.31	2019.12.31
Actual written-off of other receivables	800.00	14,039.92	-

⑥ Other receivables due from the top five debtors in each reporting period

As of 31 December 2021, Other receivables due from the top five debtors:

Name of entity	Nature	Other receivables Closing balance	Ageing	Proportion to total other receivables (%)	Provision for bad debts Closing balance
Inner Mongolia MingYang New Energy Development Co., Ltd.	Borrowings	1,202,455,848.73	Within 6 months, 6 months-1 year, 1-2 years	28.26	-
Shanwei MingYang New Energy Technology Co.,	Borrowings	1,159,024,306.69	Within 6 months, 6 months-1 year, 1-2	27.24	-

Name of entity	Nature	Other receivables Closing balance	Ageing	Proportion to total other receivables (%)	Provision for bad debts Closing balance
Ltd.			years		
Henan MingYang New Energy Co., Ltd.	Borrowings	540,871,921.05	Within 6 months	12.71	-
Beijing Jieyuan New Energy Investment Co., Ltd.	Borrowings	319,433,788.60	Within 6 months; 1-2 years	7.51	-
Dejiang MingYang New Energy Co., Ltd.	Borrowings	200,000,000.00	Within 6 months	4.70	-
Total	--	3,421,785,865.07	--	80.42	-

As of 31 December 2020, Other receivables due from the top five debtors:

Name of entity	Nature	Other receivables Closing balance	Ageing	Proportion to total other receivables (%)	Provision for bad debts Closing balance
Shanwei MingYang New Energy Technology Co., Ltd.	Related party within the scope of consolidation	1,773,682,939.86	Within 6 months	40.67	-
Xilinhote MingYang Smart Energy Co., Ltd.	Related party within the scope of consolidation	593,202,726.83	Within 6 months	13.60	-
Jieyang MingYang New Energy Technology Co., Ltd.	Related party within the scope of consolidation	377,206,522.88	Within 6 months	8.65	-
Henan MingYang New Energy Co., Ltd.	Related party within the scope of consolidation	313,652,364.48	Within 6 months	7.19	-
Beijing Jieyuan New Energy Investment Co., Ltd.	Related party within the scope of consolidation	311,441,279.66	Within 6 months	7.14	-
Total	--	3,369,185,833.71	--	77.26	-

As of 31 December 2019, Other receivables due from the top five debtors:

Name of entity	Nature	Other receivables Closing balance	Ageing	Proportion to total other receivables (%)	Provision for bad debts Closing balance
Henan MingYang Smart Energy Co., Ltd.	Current accounts	378,632,773.18	Within 6 months	28.99	-
Xilinhote MingYang Wind power generation Co., Ltd.	Current accounts	338,489,528.26	Within 6 months	25.92	-
Qingshuihe County MingYang New Energy Co., Ltd.	Current accounts	270,000,000.00	Within 6 months	20.67	-
Inner Mongolia MingYang Wind Power Co., Ltd.	Current accounts	64,862,000.00	Within 6 months	4.97	-
Yangjiang MingYang Offshore Wind	Current	44,754,577.18	Within 6	3.43	-

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Name of entity	Nature	Other receivables Closing balance	Ageing	Proportion to total other receivables (%)	Provision for bad debts Closing balance
Power Development Co., Ltd.	accounts		months		
Total	--	1,096,738,878.62	--	83.98	-

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3. Long-term equity investment

Item	2021.12.31			2020.12.31			2019.12.31		
	Book balance	Provision for impairment	Carrying amount	Book balance	Provision for impairment	Carrying amount	Book balance	Provision for impairment	Carrying amount
Investment in subsidiaries	7,325,154,906.83	-	7,325,154,906.83	6,489,957,473.57	-	6,489,957,473.57	6,198,325,047.83	-	6,198,325,047.83
Investment in associates	523,073,217.12	-	523,073,217.12	493,713,448.83	-	493,713,448.83	382,226,712.84	-	382,226,712.84
Total	7,848,228,123.95	-	7,848,228,123.95	6,983,670,922.40	-	6,983,670,922.40	6,580,551,760.67	-	6,580,551,760.67

(1) Investment in subsidiaries

Investee	2020.12.31			2021.12.31			Provision for impairment in the year		
	Book balance	Provision for impairment	Carrying amount	Book balance	Provision for impairment	Carrying amount	2021.12.31 impairment in the year	Closing balance of provision for impairment	Carrying amount
Beijing Jieyuan New Energy Investment Co., Ltd.	2,135,249,887.50	-	2,135,249,887.50	183,204,300.00	-	183,204,300.00	-	-	2,318,454,187.50
Guangdong MingYang New Energy Technology Co., Ltd.	491,160,125.00	-	491,160,125.00	225,002.23	-	225,002.23	-	-	491,385,127.23
MingYang New Energy (International) Co., Ltd.	466,000,000.00	-	466,000,000.00	-	-	-	-	-	466,000,000.00
Inner Mongolia MingYang New Energy Development Co., Ltd.	506,800,625.00	-	506,800,625.00	31,070,286.67	-	31,070,286.67	-	-	537,870,911.67
Ruide Xingyang New Energy Technology Co., Ltd.	352,968,734.58	-	352,968,734.58	201,597,222.22	-	201,597,222.22	-	-	554,565,956.80
Tianjin MingYang Wind Power Equipment Co., Ltd.	327,339,445.24	-	327,339,445.24	197,640.00	-	197,640.00	-	-	327,537,085.24
Qinghai MingYang New Energy Co., Ltd.	192,500,000.00	-	192,500,000.00	1,200,000.00	-	1,200,000.00	-	-	193,700,000.00
Xinjiang Wanbang Energy Development Co., Ltd.	124,423,919.97	-	124,423,919.97	-	-	-	-	-	124,423,919.97
Xinjiang Huaran New Energy Co., Ltd.	108,637,311.00	-	108,637,311.00	-	-	-	-	-	108,637,311.00
Inner Mongolia MingYang Wind Power Co., Ltd.	107,608,289.37	-	107,608,289.37	-	-	-	-	-	107,608,289.37

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Investee	2020.12.31	Increase	Decrease	2021.12.31	Provision for impairment in the year	Closing balance of provision for impairment
Xilin Gol League MingYang New Energy Co., Ltd.	100,000,000.00	27,362.23	-	100,027,362.23	-	-
Yunnan MingYang Wind Power Technology Co., Ltd.	99,500,000.00	-	-	99,500,000.00	-	-
Jilin MingYang Wind Power Technology Co., Ltd.	97,300,153.00	-	97,300,153.00	-	-	-
Henan MingYang New Energy Co., Ltd.	453,612,256.25	182,589,410.00	-	636,201,666.25	-	-
Tianjin MingYang Wind Energy Blade Technology Co., Ltd.	72,060,046.88	74,115.02	-	72,134,161.90	-	-
Jiangsu MingYang Wind Power Technology Co., Ltd.	72,000,000.00	-	72,000,000.00	-	-	-
Henan MingYang Smart Energy Co., Ltd.	68,460,125.00	117,373,183.70	-	185,833,308.70	-	-
MingYang Wind Power USA Inc.	64,756,728.58	-	-	64,756,728.58	-	-
Xinjiang MingYang New Energy Industry Co., Ltd.	71,502,093.63	6,552,058.91	-	78,054,152.54	-	-
Zhongshan Ruiyang Investment Management Co., Ltd.	57,862,550.00	-	-	57,862,550.00	-	-
Guangdong MingYang Energy System Co., Ltd.	51,268,466.91	-	-	51,268,466.91	-	-
Zhongshan MingYang Wind Power Equipment Co., Ltd.	50,000,000.00	-	-	50,000,000.00	-	-
Gansu MingYang New Energy Technology Co., Ltd.	50,000,000.00	-	50,000,000.00	-	-	-
Shanwei MingYang New Energy Technology Co., Ltd.	50,080,062.50	126,182.23	-	50,206,244.73	-	-
Jieyang MingYang New Energy Technology Co., Ltd.	32,156,725.24	17,843,274.76	-	50,000,000.00	-	-
Zhongshan MingYang New Energy Technology Co., Ltd.	23,000,000.00	-	-	23,000,000.00	-	-
Shandong MingYang Wind Power Technology Co., Ltd.	19,800,000.00	-	-	19,800,000.00	-	-

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Investee	2020.12.31	Increase	Decrease	2021.12.31	Provision for impairment in the year	Closing balance of provision for impairment
Runyang Energy Technology Co., Ltd.	19,092,125.00	6,295,288.89	-	25,387,413.89	-	-
Hubei Mingye New Energy Technology Co., Ltd.	20,000,000.00	-	-	20,000,000.00	-	-
Inner Mongolia MingYang New Energy Technology Co., Ltd.	20,000,000.00	-	-	20,000,000.00	-	-
MingYang Smart Energy Group Shanghai Co., Ltd.	17,000,000.00	54,724.42	-	17,054,724.42	-	-
MingYang Wind Power European R&D Center/Aps	10,701,112.28	575,701.30	-	11,276,813.58	-	-
Shenzhen Liangyun Energy Network Technology Co., Ltd.	2,420,390.63	644,987.25	-	3,065,377.88	-	-
Zhanjiang MingYang New Energy Technology Co., Ltd.	-	500,000.00	-	500,000.00	-	-
Zhongshan MingYang Wind Power Technology Research Institute Co., Ltd.	-	-	-	-	-	-
Huimin County China Power Construction New Energy Co., Ltd.	-	-	-	-	-	-
Haixing MingYang Wind Power Equipment Sales Co., Ltd.	200,000.00	-	-	200,000.00	-	-
Yangjiang MingYang Offshore Wind Power Development Co., Ltd.	-	-	-	-	-	-
Binzhou Zhanhua District MingYang Smart Wind Power Co., Ltd.	-	-	-	-	-	-
Jieyang MingYang Offshore Wind Power Development Co., Ltd.	-	-	-	-	-	-
Jiaozhou MingYang Smart New Energy Co., Ltd.	-	-	-	-	-	-
MingYang European Business and Engineering Center	195,737.50	12,706,004.25	-	12,901,741.75	-	-
MingYang Smart Energy Group Beijing Technology Co., Ltd.	153,580,000.00	-	-	153,580,000.00	-	-
Tianjin Ruineng Electric Co., Ltd.	460,359.38	595,577.25	-	1,055,936.63	-	-

MingYang Smart Energy Group Co., Ltd.

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Investee	2020.12.31	Increase	Decrease	2021.12.31	Provision for impairment in the year	Closing balance of provision for impairment
Zhongshan MingYang Wind Energy Blade Technology Co., Ltd.	260,203.13	348,527.25	-	608,730.38	-	-
Fujian MingYang New Energy Technology Co., Ltd.	-	29,617,278.08	-	29,617,278.08	-	-
Hainan MingYang Smart Energy Co., Ltd.	-	27,030,000.00	-	27,030,000.00	-	-
MingYang Energy Korea Co., Ltd.	-	589,471.60	-	589,471.60	-	-
Gansu MingYang Smart Energy Co., Ltd.	-	10,000,000.00	-	10,000,000.00	-	-
Tianjin Ruiyuan Electric Co., Ltd.	-	100,000,000.00	-	100,000,000.00	-	-
Ningxia MingYang New Energy Technology Co., Ltd.	-	10,000,000.00	-	10,000,000.00	-	-
Henan Mingtai New Energy Co., Ltd.	-	51,119,988.00	-	51,119,988.00	-	-
Dongfeng MingYang Technology New Energy Co., Ltd.	-	40,000,000.00	-	40,000,000.00	-	-
Guangdong MingYang Energy Technology Co., Ltd.	-	21,040,000.00	-	21,040,000.00	-	-
Guangxi MingYang Smart Energy Co., Ltd.	-	600,000.00	-	600,000.00	-	-
Hongjiang Xingyang New Energy Co., Ltd.	-	700,000.00	-	700,000.00	-	-
Total	6,489,957,473.57	1,054,497,586.26	219,300,153.00	7,325,154,906.83	-	-

(Continued)

MingYang Smart Energy Group Co., Ltd.

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For the years ended 31 December 2019, 2020 and 2021 (All amounts in RMB unless otherwise stated)

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Investee	2019.12.31	Increase	Decrease	2020.12.31	Provision for impairment in the year	Closing balance of provision for impairment
Beijing Jieyuan New Energy Investment Co., Ltd.	1,886,081,600.00	249,168,287.50	-	2,135,249,887.50	-	-
Zhongshan Ruisheng Antai Industrial Investment Co., Ltd.	668,343,039.00	-	668,343,039.00	-	-	-
Guangdong MingYang New Energy Technology Co., Ltd.	491,000,000.00	160,125.00	-	491,160,125.00	-	-
MingYang New Energy (International) Co., Ltd.	466,000,000.00	-	-	466,000,000.00	-	-
Inner Mongolia MingYang New Energy Development Co., Ltd.	366,721,865.52	140,078,759.48	-	506,800,625.00	-	-
Ruide Xingyang New Energy Technology Co., Ltd.	352,968,734.58	-	-	352,968,734.58	-	-
Tianjin MingYang Wind Power Equipment Co., Ltd.	327,179,320.24	160,125.00	-	327,339,445.24	-	-
Qinghai MingYang New Energy Co., Ltd.	192,500,000.00	-	-	192,500,000.00	-	-
Xinjiang Wanbang Energy Development Co., Ltd.	124,423,919.97	-	-	124,423,919.97	-	-
Xinjiang Huaran New Energy Co., Ltd.	108,637,311.00	-	-	108,637,311.00	-	-
Inner Mongolia MingYang Wind Power Co., Ltd.	107,608,289.37	-	-	107,608,289.37	-	-
Xilin Gol League MingYang New Energy Co., Ltd.	100,000,000.00	-	-	100,000,000.00	-	-
Yunnan MingYang Wind Power Technology Co., Ltd.	99,500,000.00	-	-	99,500,000.00	-	-
Jilin MingYang Wind Power Technology Co., Ltd.	97,300,153.00	-	-	97,300,153.00	-	-
Henan MingYang New Energy Co., Ltd.	72,063,600.00	381,548,656.25	-	453,612,256.25	-	-
Tianjin MingYang Wind Energy Blade Technology Co., Ltd.	72,000,000.00	60,046.88	-	72,060,046.88	-	-
Jiangsu MingYang Wind Power Technology Co., Ltd.	72,000,000.00	-	-	72,000,000.00	-	-

MingYang Smart Energy Group Co., Ltd.
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Investee	2019.12.31	Increase	Decrease	2020.12.31	Provision for impairment in the year	Closing balance of provision for impairment
Henan MingYang Smart Energy Co., Ltd.	68,300,000.00	160,125.00	-	68,460,125.00	-	-
MingYang Wind Power USA Inc.	64,756,728.58	-	-	64,756,728.58	-	-
Xinjiang MingYang New Energy Industry Co., Ltd.	60,241,491.72	11,260,601.91	-	71,502,093.63	-	-
Zhongshan Ruiyang Investment Management Co., Ltd.	57,862,550.00	-	-	57,862,550.00	-	-
Guangdong MingYang Energy System Co., Ltd.	50,027,193.48	1,241,273.43	-	51,268,466.91	-	-
Zhongshan MingYang Wind Power Equipment Co., Ltd.	50,000,000.00	-	-	50,000,000.00	-	-
Gansu MingYang New Energy Technology Co., Ltd.	50,000,000.00	-	-	50,000,000.00	-	-
Shanwei MingYang New Energy Technology Co., Ltd.	43,814,173.40	6,265,889.10	-	50,080,062.50	-	-
Jieyang MingYang New Energy Technology Co., Ltd.	26,206,030.53	5,950,694.71	-	32,156,725.24	-	-
Zhongshan MingYang New Energy Technology Co., Ltd.	21,620,000.00	1,380,000.00	-	23,000,000.00	-	-
Shandong MingYang Wind Power Technology Co., Ltd.	19,800,000.00	-	-	19,800,000.00	-	-
Runyang Energy Technology Co., Ltd.	18,200,000.00	892,125.00	-	19,092,125.00	-	-
Hubei Mingye New Energy Technology Co., Ltd.	17,948,467.82	2,051,532.18	-	20,000,000.00	-	-
Inner Mongolia MingYang New Energy Technology Co., Ltd.	17,022,259.73	2,977,740.27	-	20,000,000.00	-	-
MingYang Smart Energy Group Shanghai Co., Ltd.	17,000,000.00	-	-	17,000,000.00	-	-
MingYang Wind Power European R&D CenterAps	8,117,393.98	2,583,718.30	-	10,701,112.28	-	-

MingYang Smart Energy Group Co., Ltd.

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Investee	2019.12.31	Increase	Decrease	2020.12.31	Provision for impairment in the year	Closing balance of provision for impairment
Shenzhen Liangyun Energy Network Technology Co., Ltd.	1,920,000.00	500,390.63	-	2,420,390.63	-	-
Guangdong Defeng Technology Co., Ltd.	1,160,925.91	-	1,160,925.91	-	-	-
Zhanjiang MingYang New Energy Technology Co., Ltd.	-	-	-	-	-	-
Zhongshan MingYang Wind Power Technology Research Institute Co., Ltd.	-	-	-	-	-	-
Huimin County China Power Construction New Energy Co., Ltd.	-	-	-	-	-	-
Haixing MingYang Wind Power Equipment Sales Co., Ltd.	-	200,000.00	-	200,000.00	-	-
Yangjiang MingYang Offshore Wind Power Development Co., Ltd.	-	-	-	-	-	-
Binzhou Zhanhua District MingYang Smart Wind Power Co., Ltd.	-	-	-	-	-	-
Jieyang MingYang Offshore Wind Power Development Co., Ltd.	-	-	-	-	-	-
Jiaozhou MingYang Smart New Energy Co., Ltd.	-	-	-	-	-	-
Zhangbei MingYang New Energy Development Co., Ltd.	-	-	-	-	-	-
MingYang European Business and Engineering Center	-	195,737.50	-	195,737.50	-	-
MingYang Smart Energy Group Beijing Technology Co., Ltd.	-	153,580,000.00	-	153,580,000.00	-	-
Tianjin Ruining Electric Co., Ltd.	-	460,359.38	-	460,359.38	-	-
Zhongshan MingYang Wind Energy Blade Technology Co., Ltd.	-	260,203.13	-	260,203.13	-	-
Total	6,198,325,047.83	961,136,390.65	669,503,964.91	6,489,957,473.57	-	-

MingYang Smart Energy Group Co., Ltd.
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For the years ended 31 December 2019, 2020 and 2021 (All amounts in RMB unless otherwise stated)
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(Continued)

Investee	2018.12.31	Increase	Decrease	2019.12.31	Provision for impairment in the year	Closing balance of provision for impairment
Jilin MingYang Wind Power Technology Co., Ltd.	97,300,153.00	-	-	97,300,153.00	-	-
Tianjin MingYang Wind Power Equipment Co., Ltd.	327,179,320.24	-	-	327,179,320.24	-	-
Tianjin MingYang Wind Energy Blade Technology Co., Ltd.	72,000,000.00	-	-	72,000,000.00	-	-
Zhongshan MingYang Wind Power Equipment Co., Ltd.	50,000,000.00	-	-	50,000,000.00	-	-
Jiangsu MingYang Wind Power Technology Co., Ltd.	72,000,000.00	-	-	72,000,000.00	-	-
MingYang Wind Power USA Inc.	64,756,728.58	-	-	64,756,728.58	-	-
MingYang Wind Power European R&D Center: Aps	7,034,577.48	1,082,816.50	-	8,117,393.98	-	-
Zhongshan Ruiyang Investment Management Co., Ltd.	57,862,550.00	-	-	57,862,550.00	-	-
Gansu MingYang New Energy Technology Co., Ltd.	50,000,000.00	-	-	50,000,000.00	-	-
Yunnan MingYang Wind Power Technology Co., Ltd.	99,500,000.00	-	-	99,500,000.00	-	-
Guangdong MingYang New Energy Technology Co., Ltd.	99,000,000.00	392,000,000.00	-	491,000,000.00	-	-
Shandong MingYang Wind Power Technology Co., Ltd.	19,800,000.00	-	-	19,800,000.00	-	-
Burqin MingYang Wind Power Sales Co., Ltd.	500,000.00	-	500,000.00	-	-	-
Beijing Jieyuan New Energy Investment Co., Ltd.	1,372,081,600.00	514,000,000.00	-	1,886,081,600.00	-	-
Qinghai MingYang New Energy Co., Ltd.	162,500,000.00	30,000,000.00	-	192,500,000.00	-	-
Xilin Gol League MingYang New Energy Co., Ltd.	92,956,849.29	7,043,150.71	-	100,000,000.00	-	-

MingYang Smart Energy Group Co., Ltd.

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For the years ended 31 December 2019, 2020 and 2021 (All amounts in RMB unless otherwise stated)

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Investee	2018.12.31	Increase	Decrease	2019.12.31	Provision for impairment in the year	Closing balance of provision for impairment
Shenzhen Liangyun Energy Network Technology Co., Ltd.	1,920,000.00	-	-	1,920,000.00	-	-
Xinjiang MingYang New Energy Industry Co., Ltd.	56,074,564.88	4,166,926.84	-	60,241,491.72	-	-
Ruide Xingyang New Energy Technology Co., Ltd.	352,968,734.58	-	-	352,968,734.58	-	-
Inner Mongolia MingYang New Energy Development Co., Ltd.	169,521,865.52	197,200,000.00	-	366,721,865.52	-	-
Zhongshan Ruisheng Antai Industrial Investment Co., Ltd.	668,343,039.00	-	-	668,343,039.00	-	-
Guangdong Defeng Technology Co., Ltd.	903,556.80	257,369.11	-	1,160,925.91	-	-
Runyang Energy Technology Co., Ltd.	18,200,000.00	-	-	18,200,000.00	-	-
Inner Mongolia MingYang Wind Power Co., Ltd.	107,608,289.37	-	-	107,608,289.37	-	-
Daqing Zhongdan Ruihao Wind Power Co., Ltd.	153,686,387.01	-	153,686,387.01	-	-	-
Daqing Dumeng Huiji Tumo Wind Power Co., Ltd.	139,371,840.67	-	139,371,840.67	-	-	-
Daqing Dumeng Dairy Farm Wind Power Co., Ltd.	145,423,318.89	-	145,423,318.89	-	-	-
Daqing Dumeng Hu Town Dairy Farm Wind Power Co., Ltd.	148,078,906.63	-	148,078,906.63	-	-	-
Xinjiang Wanbang Energy Development Co., Ltd.	84,423,919.97	40,000,000.00	-	124,423,919.97	-	-
MingYang New Energy (International) Co., Ltd.	466,000,000.00	-	-	466,000,000.00	-	-
Henan MingYang Smart Energy Co., Ltd.	68,300,000.00	-	-	68,300,000.00	-	-
Guangdong MingYang Energy System Co., Ltd.	41,674,168.31	8,353,025.17	-	50,027,193.48	-	-
Henan MingYang New Energy Co., Ltd.	9,000,000.00	63,063,600.00	-	72,063,600.00	-	-
MingYang Smart Energy Group Shanghai Co., Ltd.	8,788,666.13	8,211,333.87	-	17,000,000.00	-	-
Zhongshan MingYang New Energy Technology	-	21,620,000.00	-	21,620,000.00	-	-

MingYang Smart Energy Group Co., Ltd.

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Investee	2018.12.31	Increase	Decrease	2019.12.31	Provision for impairment in the year	Closing balance of provision for impairment
Co., Ltd.						
Inner Mongolia MingYang New Energy Technology Co., Ltd.	-	17,022,259.73	-	17,022,259.73	-	-
Xinjiang Huaran New Energy Co., Ltd.	-	108,637,311.00	-	108,637,311.00	-	-
Hubei Mingye New Energy Technology Co., Ltd.	-	17,948,467.82	-	17,948,467.82	-	-
Shanwei MingYang New Energy Technology Co., Ltd.	-	43,814,173.40	-	43,814,173.40	-	-
Jieyang MingYang New Energy Technology Co., Ltd.	-	26,206,030.53	-	26,206,030.53	-	-
Zhanjiang MingYang New Energy Technology Co., Ltd.	-	-	-	-	-	-
Zhongshan MingYang Wind Power Technology Research Institute Co., Ltd.	-	-	-	-	-	-
Huimin County China Power Construction New Energy Co., Ltd.	-	-	-	-	-	-
Haixing MingYang Wind Power Equipment Sales Co., Ltd.	-	-	-	-	-	-
Yangjiang MingYang Offshore Wind Power Development Co., Ltd.	-	-	-	-	-	-
Binzhou Zhanhua District MingYang Smart Wind Power Co., Ltd.	-	-	-	-	-	-
Jieyang MingYang Offshore Wind Power Development Co., Ltd.	-	-	-	-	-	-
Jiaozhou MingYang Smart New Energy Co., Ltd.	-	-	-	-	-	-
Zhangbei MingYang New Energy Development Co., Ltd.	-	-	-	-	-	-
Total	5,284,759,036.35	1,500,626,464.68	587,060,453.20	6,198,325,047.83	-	-

(2) Investment in associates and joint ventures

MingYang Smart Energy Group Co., Ltd.

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[This report is translated from the Chinese report]

Investee	2020.12.31	Movement in the year						Closing balance of provision for impairment 2021.12.31	
		Additions	Reduction	Investment income/loss recognized under equity method	Adjustment of other comprehensive income	Changes of other equity	Announced distribution of cash dividend or profit		Provision for impairment
①Associates									
Huaneng MingYang New Energy Investment Co., Ltd.	-1,342,154.64	-	-	1,342,154.64	-	-	-	-	-
Guangdong Orient Prosperity Renewable Energy Industry Fund Management Co., Ltd.	-	-	-	-	-	-	-	-	-
China Nuclear Henan New Energy Co., Ltd.	17,377,053.14	-	-	3,745,036.85	-	-	-	-	21,122,089.99
Guangdong Yuecai Financial Leases Co., Ltd.	384,468,767.46	-	-	23,401,135.73	-	-	5,250,000.00	-	402,619,903.19
Daqing Zhongdan Ruihao Wind Power Co., Ltd.	20,891,770.05	-	-	1,414,945.71	-	-	-	-	22,306,715.76
Daqing Dumeng Huji Tumo Wind Power Co., Ltd.	23,149,416.73	-	-	1,611,853.31	-	-	-	-	24,761,270.04
Daqing Dumeng Dairy Farm Wind Power Co., Ltd.	24,242,418.35	-	-	1,570,697.61	-	-	-	-	25,813,115.96
Daqing Dumeng Huzhen Dairy Farm Wind Power Co., Ltd.	24,926,177.74	-	-	1,523,944.44	-	-	-	-	26,450,122.18
Total	493,713,448.83	-	-	34,609,768.29	-	-	5,250,000.00	-	523,073,217.12

(Continued)

Investee	2019. 12.31	Movement in the year		2020. 12.31	Closing
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MingYang Smart Energy Group Co., Ltd.

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For the years ended 31 December 2019, 2020 and 2021 (All amounts in RMB unless otherwise stated)

[This report is translated from the Chinese report]

	Additions	Reduction	Investment income/loss under equity method	Adjustment of other comprehensive income	Changes of other equity	Announced distribution of cash dividend or profit	Provision for impairment	Other	balance of provision for impairment
① Associates									
Huaneng MingYang New Energy Investment Co., Ltd.	2,929,145.19	-	-4,271,299.83	-	-	-	-	-	-1,342,154.64
China Nuclear Henan New Energy Co., Ltd.	13,385,906.47	-	3,991,146.67	-	-	-	-	-	17,377,053.14
Guangdong Yuecai Financial Leases Co., Ltd.	365,911,661.18	-	18,557,106.28	-	-	-	-	-	384,468,767.46
Daqing Zhongdan Ruihao Wind Power Co., Ltd.	-	20,891,770.05	-	-	-	-	-	-	20,891,770.05
Daqing Dumeng Huji Tumo Wind Power Co., Ltd.	-	23,149,416.73	-	-	-	-	-	-	23,149,416.73
Daqing Dumeng Dairy Farm Wind Power Co., Ltd.	-	24,242,418.35	-	-	-	-	-	-	24,242,418.35
Daqing Dumeng Huzhen Dairy Farm Wind Power Co., Ltd.	-	24,926,177.74	-	-	-	-	-	-	24,926,177.74
Total	382,226,712.84	93,209,782.87	18,276,953.12	-	-	-	-	-	493,713,448.83

(Continued)

Investee	2018.12.31	Movement in the year	2019.12.31	Closing
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MingYang Smart Energy Group Co., Ltd.

Notes to the Financial Statements

For the years ended 31 December 2019, 2020 and 2021 (All amounts in RMB unless otherwise stated)

[This report is translated from the Chinese report]

	Additions	Reduction	Investment income/loss recognized under equity method	Adjustment of other comprehensive income	Changes of other equity	Announced distribution of cash dividend or profit	Provision for impairment	Other	balance of provision for impairment
Huaneng									
MingYang New Energy Investment Co., Ltd.	3,060,489.16	-	-131,343.97	-	-	-	-	-	2,929,145.19
China Nuclear Henan New Energy Co., Ltd.	12,052,743.04	-	1,333,163.43	-	-	-	-	-	13,385,906.47
Guangdong Yuecai Financial Leases Co., Ltd.	352,616,896.92	-	13,294,764.26	-	-	-	-	-	365,911,661.18
Total	367,730,129.12	-	14,496,583.72	-	-	-	-	-	382,226,712.84

4. Operating income and operating cost

(1) Operating income and operating cost

Item	Year ended 2021.12.31		Year ended 2020.12.31		Year ended 2019.12.31	
	Revenue	Cost	Revenue	Cost	Revenue	Cost
Primary operations	27,585,405,086.54	23,503,069,619.82	21,740,527,709.35	18,803,954,421.63	8,512,425,965.30	7,207,601,560.17
Other operations	870,350,127.45	524,630,440.48	1,412,265,370.24	1,309,173,276.63	622,804,870.63	561,569,491.53

(2) Operating revenue and operating costs by business

Business name	Year ended 2021.12.31		Year ended 2020.12.31		Year ended 2019.12.31	
	Operating income	Operating cost	Operating income	Operating cost	Operating income	Operating cost
Product sales	27,585,405,086.54	23,503,069,619.82	21,740,527,709.35	18,803,954,421.63	8,512,425,965.30	7,207,601,560.17

MingYang Smart Energy Group Co., Ltd.
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revenue		Year ended 2021.12.31		Year ended 2020.12.31		Year ended 2019.12.31	
Product name	Operating income	Operating cost	Operating income	Operating cost	Operating income	Operating cost	Operating cost
Revenue from wind turbines and related accessories	27,585,405,086.54	23,503,069,619.82	21,740,527,709.35	18,803,954,421.63	8,512,425,965.30	7,207,601,560.17	
5. Investment income							
Item	Year ended 2021.12.31		Year ended 2020.12.31		Year ended 2019.12.31		
Income from long-term equity investment by cost method	-	-	-	-	-	94,140,000.00	
Income from long-term equity investment by equity method	34,609,768.29		18,276,953.12		14,496,583.72		
Gain from disposal of long-term equity investment	142,619,623.39		24,309,738.20		56,302,847.28		
Bank wealth management products	69,842,672.54		-		222,187.50		
Total	247,072,064.22		42,586,691.32		165,161,618.50		

XVI. Supplement information

1. Details of non-recurring gain or loss for the year

Item	Year ended 2021.12.31	Year ended 2020.12.31	Year ended 2019.12.31
Gain or loss on disposal of non-current assets	22,981,057.75	-4,986,551.58	5,350,928.21
Government grants that are included in the profit and loss (except for government grants that are closely related to the company's normal business operations and that meet the national policy requirements and continue to enjoy a certain amount or quantitative basis according to certain standards)	60,104,560.70	57,318,268.88	72,733,828.44
Gain or loss from entrusting others to invest or manage assets	72,641,138.29	-	-
Income from bank wealth management products	-	1,341,520.78	222,187.50
Gain or loss on changes in fair value arising from holding of trading financial assets and gain from disposal of trading financial assets, except for the effective hedging business related to the Company's normal operation	67,838,153.11	-	-
Reversal of provision for impairment of receivables and contract assets that are individually tested for impairment	4,419,682.04	1,800,000.00	10,531,800.62
Other non-operating income and expenses other than the above	-31,667,806.37	-89,777,885.06	8,438,413.10
Other gain or loss items met the definition of non-recurring item	-	-	-
Total amount of non-recurring items	196,316,785.52	-34,304,646.98	97,277,157.87
Less: effects of income tax on non-recurring items	27,621,361.72	-8,428,006.65	16,142,979.00
Net amount of non-recurring items	168,695,423.80	-25,876,640.33	81,134,178.87
Less: Non-recurring items attributable to the minority interests (after tax)	1,215,070.46	36,243.42	2,551,625.52
Non-recurring items attributable to the shareholders of the Company	167,480,353.34	-25,912,883.75	78,582,553.35

Note: For the sale of software products with value-added tax at a rate of 13%, by the Company and its subsidiaries, Tianjin Ruineng Electric Co., Ltd., Shenzhen Liangyun Energy Network Technology Co., Ltd., a portion of value-added tax is immediately refunded when the actual tax burden is exceeding 3%. For the sale of self-produced power generated by wind power of the Company's subsidiaries, Keshiketeng Banner MingYang New Energy Co., Ltd., Inner Mongolia MingYang Wind Power Co., Ltd., their value-added tax is immediate refund of 50% of that levied. As the above value-added tax has a direct relationship with primary operations, is continuous and recurring, therefore, they are included in recurring gains and losses.

Item	Year ended 2021.12.31	Year ended 2020.12.31	Year ended 2019.12.31
Immediate refund of VAT levied on software products	290,573,678.70	39,500,933.95	5,013,459.28
Immediate refund of VAT levied on wind power generation	7,562,018.39	-	-

2. Return on equity and earnings per share

Profit in reporting period	Weighted average return on equity %		
	Year ended 2021.12.31	Year ended 2020.12.31	Year ended 2019.12.31
Net profit attributable to the shareholders of the Company	18.40	15.71	12.05
Net profit attributable to the shareholders of the Company excluding non-recurring items	17.40	16.00	10.72

3. Earnings per share

Profit in reporting period	Basic earnings per share			Diluted earnings per share		
	Year ended 2021.12.31	Year ended 2020.12.31	Year ended 2019.12.31	Year ended 2021.12.31	Year ended 2020.12.31	Year ended 2019.12.31
Net profit attributable to the shareholders of the Company	1.60	0.95	0.53	1.60	0.90	0.53
Net profit attributable to the shareholders of the Company excluding non-recurring items	1.52	0.96	0.47	1.52	0.91	0.47

Calculation of earnings per share	Year ended 2021.12.31	Year ended 2020.12.31	Year ended 2019.12.31
Net profit attributable to ordinary shareholder of the parent company			
Including: Net profit from continuing operations	3,101,123,791.52	1,374,071,306.07	712,563,192.87
Net profit from discontinued operations	-	-	-
Basic earnings per share			
Including: Basic earnings per share from continuing operations	1.60	0.95	0.53
Basic earnings per share from discontinued operation	-	-	-
Diluted earnings per share			
Including: Diluted earnings per share from continuing operations	1.60	0.90	0.53
Diluted earnings per share from discontinued operations	-	-	-

**MINGYANG SMART ENERGY GROUP CO.,
LTD.**

FOR THE 3-MONTH PERIOD ENDED

31 MARCH 2022

REVIEW REPORT

(THIS REPORT IS TRANSLATED FROM THE CHINESE REPORT)

**Grant Thornton Zhitong Certified Public
Accountants LLP**

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Review Report

[English Translation for Reference Only]

GTCNSZ (2022) NO.110A021269

To all shareholders of MingYang Smart Energy Group Co., Ltd. :

We have reviewed the accompanying financial statements of MingYang Smart Energy Group Co., Ltd. (hereinafter "the Company"), which comprise the consolidated and company balance sheets as at 31 March 2022, and consolidated and company income statements, consolidated and company cash flow statements for the 3-month period then ended and notes to the financial statements. Management of the Company is responsible for the preparation of these financial statements in accordance with Accounting Standards for Business Enterprises. Our responsibility is to express a review opinion on these financial statements based on our review.

We conducted our review in accordance with <Chinese Certified Public Accountants Review Standards No. 2101 – Financial Statements Review>. Those standards require that we plan and perform the review to obtain limited assurance about whether the financial statements are free of material misstatement. A review is limited to inquire the Company's personnel concerned and analytical procedures on the financial statements data. The degree of assurance provided is less than an audit, and we did not perform an audit, accordingly we do not express an audit opinion.

Based on our review, we are not aware of any matters to cause us believe that the consolidated and company financial statements were not prepared in accordance with Accounting Standards for Business Enterprises and their financial positions as at 31 March 2022, and their financial performance and cash flows for the 3-month period then ended, in all material respects, were not presented fairly in accordance with Accounting Standards for Business Enterprises.

This report is only used to apply for the issuance of Global Depository Receipts (GDR) by MingYang Smart Energy Group Co., Ltd., a company listed on the Shanghai Stock Exchange, and shall not be used for any other purpose.

Grant Thornton Zhitong Certified
Public Accountants LLP


Grant Thornton Zhitong Certified
Public Accountants LLP

Auditor signature and stamp Zheng Jianbiao

Auditor signature and stamp Tong Xitao

Beijing, China

27 May 2022

Consolidated and Company Balance Sheets

As at 31 March 2022

Prepared by: MingYang Smart Energy Group Co., Ltd.

Expressed in RMB

Item	Note	As at 31 March 2022		As at 31 December 2021	
		Consolidated	Company	Consolidated	Company
Current assets :					
Cash and bank balances	V.1	11,330,568,171.06	9,017,038,597.56	14,070,916,969.33	9,815,164,047.41
Financial assets held for trading	V.2	764,660,472.23	764,660,472.23		
Notes receivable	V.3	17,693,900.25	8,704,400.25	16,255,258.49	8,704,400.25
Accounts receivable	V.4	7,489,227,823.09	6,419,545,039.51	5,855,787,488.09	5,581,528,885.79
Receivable financing	V.5	1,141,630,801.24	1,133,865,078.25	1,520,524,151.53	1,496,354,151.53
Prepayments	V.6	469,917,219.18	519,808,576.87	500,277,416.87	567,589,586.43
Other receivables	V.7	590,703,146.18	4,062,656,659.08	507,340,672.57	4,243,916,390.59
Including: Interest receivables					
Dividend receivables			19,119,469.63		19,119,469.63
Inventories	V.8	10,506,391,572.24	6,729,182,025.40	9,604,001,791.96	8,001,908,114.56
Contract assets	V.9	648,836,374.02	461,320,849.61	530,586,825.37	454,062,470.25
Assets held-for-sale	V.10	1,986,680.62		4,325,171,690.18	1,768,215,000.00
Non-current assets due within one year			2,505,392.87		
Other current assets	V.11	769,422,481.69	2,625,238,307.72	695,042,009.11	5,535,277,796.19
Total current assets		33,731,038,641.80	31,744,525,399.35	37,625,904,273.50	37,472,720,843.00
Non-current assets :					
Debts investment					
Other debts investment					
Long-term receivables	V.12	12,116,272.61	12,765,167.95	14,565,325.04	
Long-term equity investments	V.13	574,602,728.21	8,157,747,995.90	563,579,295.41	7,848,228,123.95
Other equity instruments investment	V.14	98,128,380.56	91,672,186.77	101,034,699.07	94,580,232.62
Other non-current financial assets	V.15	580,480,046.49	580,480,046.49	467,653,427.70	467,653,427.70
Investment properties					
Fixed assets	V.16	9,988,600,339.37	365,776,042.76	9,605,958,609.75	367,252,276.51
Construction in progress	V.17	1,471,890,669.40	39,587,186.04	1,388,631,313.97	30,190,318.78
Productive biological assets					
Oil and gas assets					
Right-of-use assets	V.18	258,970,208.16	27,653,530.35	354,097,707.74	16,071,869.78
Intangible assets	V.19	1,093,058,010.17	486,565,513.26	894,447,421.54	388,432,934.40
Development cost	V.20	347,358,784.16	308,343,824.73	314,690,450.32	275,675,490.89
Goodwill	V.21	79,147,168.84		79,147,168.84	
Long-term deferred expenses	V.22	121,515,486.15	912,794.37	124,795,293.79	1,130,465.77
Deferred tax assets	V.23	514,448,254.99	353,389,233.00	533,239,656.21	329,144,487.55
Other non-current assets	V.24	11,974,824,993.30	11,248,044,404.29	9,482,257,060.37	8,615,107,648.82
Total non-current assets		27,115,141,342.41	21,672,937,925.91	23,924,097,429.75	18,433,467,276.77
TOTAL ASSETS		60,846,179,984.21	53,417,463,325.26	61,550,001,703.25	55,906,188,119.77

Legal representative:

Principal in charge of accounting:

Head of accounting department:

Consolidated and Company Balance Sheets (Continued)

As at 31 March 2022

Prepared by: MingYang Smart Energy Group Co., Ltd.

Expressed in RMB

Item	Note	As at 31 March 2022		As at 31 December 2021	
		Consolidated	Company	Consolidated	Company
Current Liabilities :					
Short-term loans	V.25	57,358,408.13	57,358,408.13	98,467,646.02	98,467,646.02
Financial liabilities held for trading					
Notes payable	V.26	6,849,468,306.33	6,765,364,190.91	9,264,867,052.66	9,186,896,117.68
Accounts payable	V.27	11,261,303,870.89	10,337,266,698.27	10,172,885,151.76	9,985,535,737.43
Receipts in advance					
Contract liabilities	V.28	7,586,105,835.48	9,134,984,649.81	8,061,593,776.51	12,294,637,053.15
Employee benefits payable	V.29	104,723,769.13	23,103,158.19	187,395,116.34	54,168,933.82
Taxes payable	V.30	531,137,084.08	562,728,489.80	1,074,641,466.87	896,839,169.71
Other payables	V.31	1,083,170,570.00	2,081,472,670.12	2,093,647,870.19	1,755,338,611.06
Including: Interest payables					
Dividends payable		2,916,980.11		2,916,980.11	
Liabilities held-for-sale	V.10			283,618,819.08	
Non-current liabilities due within one year	V.32	1,068,802,878.54	586,036,142.83	1,119,039,821.36	537,778,009.55
Other current liabilities	V.33	746,160,775.92	964,598,450.37	894,037,794.22	1,447,064,482.10
Total current liabilities		29,288,231,498.50	30,512,912,858.43	33,250,194,515.01	36,256,725,760.52
Non-current liabilities :					
Long-term loans	V.34	3,123,297,806.60	100,000,000.00	3,438,748,336.60	220,000,000.00
Bonds payable	V.35	1,256,137,964.22		1,260,376,859.76	
Lease liabilities	V.36	226,266,905.51	24,775,046.29	284,538,794.80	8,536,252.83
Long-term payables	V.37	2,438,243,546.14	448,354,317.32	2,394,357,521.08	422,398,045.77
Long-term employee benefits payable					
Provisions	V.38	1,610,230,870.68	1,463,034,270.17	1,496,659,839.79	1,370,836,316.94
Deferred income	V.39	324,795,077.85	132,859,236.76	329,222,350.90	135,222,943.14
Deferred tax liabilities	V.23	616,328,897.77	593,158,463.97	544,683,769.00	521,426,062.55
Other non-current liabilities					
Total non-current liabilities		9,595,301,068.77	2,762,181,334.51	9,748,587,471.93	2,678,419,621.23
TOTAL LIABILITIES		38,883,532,567.27	33,275,094,192.94	42,998,781,986.94	38,935,145,381.75
Shareholders' Equity					
Share capital	V.40	2,104,255,706.00	2,104,255,706.00	1,956,326,712.00	1,956,326,712.00
Other equity instruments					
Capital reserve	V.41	12,528,351,420.00	12,510,860,877.50	10,667,061,264.43	10,649,570,721.93
Less: Treasury shares	V.42	136,566,479.49	136,566,479.49	136,566,479.49	136,566,479.49
Other comprehensive income	V.43	39,719,093.48	11,876,358.76	43,509,230.08	14,348,197.73
Specific reserve	V.44				
Surplus reserve	V.45	488,654,029.96	488,654,029.96	488,654,029.96	488,654,029.96
Undistributed profits	V.46	6,845,362,578.32	5,163,288,639.59	5,432,630,361.54	3,998,709,555.89
Total shareholders' equity attributable to the parent		21,869,776,348.27	20,142,369,132.32	18,451,615,118.52	16,971,042,738.02
Minority interests		92,871,068.67		99,604,597.79	
TOTAL SHAREHOLDERS' EQUITY		21,962,647,416.94	20,142,369,132.32	18,551,219,716.31	16,971,042,738.02
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		60,846,179,984.21	53,417,463,325.26	61,550,001,703.25	55,906,188,119.77

Legal representative:

Principal in charge of accounting:

Head of accounting department:

Consolidated and Company Income Statements

For the 3-month period ended 31 March 2022

Prepared by: MingYang Smart Energy Group Co., Ltd.

Expressed in RMB

Item	Note	Current period		Prior period	
		Consolidated	Company	Consolidated	Company
I. Revenue from operations	V.47	7,028,511,091.05	7,171,296,264.40	4,361,250,763.06	4,148,719,395.64
Less: Cost of operations	V.47	5,145,236,111.12	5,455,419,966.15	3,428,094,001.36	3,527,510,636.11
Taxes and surcharges	V.48	13,089,455.63	2,866,985.83	15,094,994.46	5,818,081.58
Selling expenses	V.49	283,989,151.77	205,525,650.23	244,051,706.00	204,010,595.80
Administrative expenses	V.50	173,519,665.75	78,789,247.80	135,121,582.01	57,924,650.09
Research and development expenses	V.51	177,673,654.02	107,228,292.24	154,262,555.01	98,013,587.03
Financial expense	V.52	34,893,936.68	-24,175,684.42	14,823,571.52	-32,634,735.21
Including: Interest expenses		84,653,745.41	15,543,936.75	99,569,368.36	38,081,855.28
Interest income		56,674,837.33	53,005,110.01	60,944,974.01	54,589,332.34
Add: Other income	V.53	45,682,464.74	37,972,210.90	17,861,793.01	5,167,726.25
Investment income("-" for loss)	V.54	566,322,433.44	50,306,759.11	47,217,685.22	5,971,210.61
Including: Gains from investments in associates and joint ventures		6,423,432.83	6,147,404.34	6,685,459.20	5,971,210.61
Gain from derecognition of financial assets at amortized cost ("-" for loss)					
Gain from net exposure of hedging("-" for loss)					
Gains from changes of fair value("-" for loss)	V.55	-77,173,381.21	-77,173,381.21		
Credit impairment loss("-" for loss)	V.56	-66,251,726.89	-12,943,683.45	-44,068,636.85	-36,766,728.12
Assets impairment loss("-" for loss)	V.57	1,560,720.62	-486,728.12	-30,630,148.45	-393,062.48
Gain from disposal of assets("-" for loss)	V.58	16,398.46	99,395.87	862,342.35	329,301.28
II. Operating profit("-" for loss)		1,670,266,025.24	1,343,416,379.67	361,045,387.98	262,385,027.78
Add: Non-operating income	V.59	6,353,014.04	616,431.47	2,323,576.61	1,131,035.19
Less: Non-operating expenses	V.60	2,501,199.96	530,858.51	2,183,771.01	1,856,198.42
III. Total profit("-" for loss)		1,674,117,839.32	1,343,501,952.63	361,185,193.58	261,659,864.55
Less: Income tax expenses	V.61	268,129,816.12	178,922,868.93	90,097,940.04	36,546,356.40
IV. Net profit("-" for net loss)		1,405,988,023.20	1,164,579,083.70	271,087,253.54	225,113,508.15
(I) Classified by continuity of operations:					
Including: Net profit from continuing operations ("-" for net loss)		1,405,988,023.20	1,164,579,083.70	271,087,253.54	225,113,508.15
Net profit from discontinued operations ("-" for net loss)					
(II) Classified by attribution to ownership:					
Including: Net profit attributable to shareholders of the parent ("-" for net loss)		1,412,732,216.78		282,486,301.01	
Net profit attributable to minority interests ("-" for net loss)		-6,744,193.58		-11,399,047.47	
V. Other comprehensive income - after tax		-3,779,472.14	-2,471,838.97	-2,358,529.62	
Other comprehensive income - after tax attributable to shareholders of the parent		-3,790,136.60		-2,340,711.81	
(I) Other comprehensive income not reclassified into profit or loss subsequently		-2,471,838.97			
1. Changes in fair value of other equity instruments investment		-2,471,838.97			
(II) Other comprehensive income that will be reclassified into profit or loss subsequently		-1,318,297.63		-2,340,711.81	
1. Translation of foreign currency financial statements		-1,318,297.63		-2,340,711.81	
Other comprehensive income - after tax attributable to minority interests		10,664.46		-17,817.81	
VI. Total comprehensive income		1,402,208,551.06	1,162,107,244.73	268,728,723.92	225,113,508.15
Total comprehensive income attributable to shareholders of the parent		1,408,942,080.18		280,145,589.20	
Total comprehensive income attributable to minority interests		-6,733,529.12		-11,416,865.28	
VII. Earnings per share					
(I) Basic earnings per share		0.68		0.15	
(II) Diluted earnings per share		0.68		0.15	

Legal representative:

Principal in charge of accounting:

Head of accounting department:

Consolidated and Company Income Statements

For the 3-month period ended 31 March 2022

Prepared by: MingYang Smart Energy Group Co., Ltd.

Expressed in RMB

Item	Note	Current period		Prior period	
		Consolidated	Company	Consolidated	Company
I. Cash flows from operating activities :					
Cash received from sales of goods or rendering of services		3,009,379,287.71	3,323,009,715.73	3,721,876,132.09	4,691,028,570.32
Tax refund received		42,819,218.41	33,957,229.86	2,313,320.36	301,445.39
Other cash received relating to operating activities	V.62 (1)	235,202,752.84	637,004,055.66	100,014,853.97	414,152,632.78
Sub-total of cash inflows		3,287,401,258.96	3,993,971,001.25	3,824,204,306.42	5,105,482,648.49
Cash paid for goods and services		5,780,030,340.11	6,491,493,268.65	4,295,436,601.29	4,811,219,153.26
Cash paid to and on behalf of employees		492,263,373.40	185,420,873.28	410,739,922.95	150,685,977.91
Payments of all types of taxes		517,141,856.70	378,991,210.81	220,644,629.68	142,878,695.47
Other cash paid relating to operating activities	V.62 (2)	401,237,455.44	342,748,699.02	442,024,473.30	1,604,249,750.06
Sub-total of cash outflows		7,190,673,025.65	7,398,654,051.76	5,368,845,627.22	6,709,033,576.70
Net cash flows from operating activities		-3,903,271,766.69	-3,404,683,050.51	-1,544,641,320.80	-1,603,550,928.21
II. Cash flows from investing activities :					
Cash received from disposal of investments		230,498,055.52	831,038,205.52	263,683,600.00	263,683,600.00
Cash received from returns on investments		3,469,039.30	1,838,333.33		
Net cash received from disposal of fixed assets, intangible assets and other long-term assets		261,629.00	38,000.00	1,577,297.00	41,818,013.79
Cash received from disposal of subsidiaries and other business units		726,317,774.13		49,126,732.30	
Other cash received relating to investing activities	V.62 (3)	3,909,529,056.58	3,915,023,332.99	688,313,193.57	673,926,016.68
Sub-total of cash inflows		4,870,075,554.53	4,747,937,871.84	1,002,700,822.87	979,427,630.47
Cash paid to acquire fixed assets、Intangible assets and others long-term assets		1,442,228,483.94	212,751,141.94	820,170,719.78	11,258,636.62
Cash paid to acquire investments		3,520,705,111.11	3,696,285,510.80	7,700,000.00	25,301,394.39
Cash paid to acquire subsidiaries and other business units					
Other cash paid relating to investing activities			1,201,168,701.22		565,432,982.41
Sub-total of cash outflows		4,962,933,595.05	5,110,205,353.96	827,870,719.78	601,993,013.42
Net cash flows from investing activities		-92,858,040.52	-362,267,482.12	174,830,103.09	377,434,617.05
III. Cash flows from financing activities :					
Cash received from capital contribution		1,994,229,175.75	1,994,229,175.75	200,000,000.00	
Including: Cash received from investment by minority interests of subsidiaries					
Cash received from borrowings		50,000,000.00		330,662,740.17	39,655,740.17
Cash received from bonds issuance			1,245,150,720.00		
Cash received relating to other financing activities	V.62 (4)	2,274,270.64		2,100,000.00	
Sub-total of cash inflows		2,046,503,446.39	3,239,379,895.75	532,762,740.17	39,655,740.17
Cash repayments of amounts borrowed		446,753,586.60	100,000,000.00	386,888,130.19	20,000,000.00
Cash payments for interest expenses and distribution of dividends or profits		52,946,168.64	6,184,569.27	87,572,742.25	8,154,874.99
Including: Dividend paid to minority interests of subsidiaries					
Other cash payments relating to financing activities	V.62 (5)	142,522,564.81	630,947.86	33,283,679.07	5,594,412.22
Sub-total of cash outflows		642,222,320.05	106,815,517.13	507,744,551.51	33,749,287.21
Net cash flows from financing activities		1,404,281,126.34	3,132,564,378.62	25,018,188.66	5,906,452.96
IV. Effect of foreign exchange rate changes on cash		-7,767,309.40	-1,948,169.92	-2,315,056.56	-30,771.40
V. Net increase in cash and cash equivalents		-2,599,615,990.27	-636,334,323.93	-1,347,108,085.61	-1,220,240,629.60
Add: Opening balance of cash and cash equivalent		13,105,847,068.63	8,978,636,203.70	15,292,439,894.15	11,608,607,946.51
VI. Closing balance of cash and cash equivalent		10,506,231,078.36	8,342,301,879.77	13,945,331,808.54	10,388,367,316.91

Legal representative:

Principal in charge of accounting:

Head of accounting department:

Consolidated Statement of Changes in Equity

For the 3-month period ended 31 March 2022

Expressed in RMB

Prepared by: MingYang Smart Energy Group Co., Ltd.

Item	Current period								Total shareholders' equity	
	Equity attributable to the shareholders of parent company									
	Share capital	Other equity instruments	Capital reserve	Less: Treasury shares	Other comprehensive income	Special reserve	Surplus reserve	Undistributed profits		Minority interests
I. Balance at end of previous period	1,956,326,712.00		10,667,061,264.43	136,566,479.49	43,509,230.08		488,654,029.96	5,375,558,041.93	99,604,597.79	18,494,147,396.70
Add: Changes in accounting policies								57,072,319.61		57,072,319.61
Correction of errors										
Business combination under common control										
Others										
II. Balance in beginning of period	1,956,326,712.00		10,667,061,264.43	136,566,479.49	43,509,230.08		488,654,029.96	5,432,630,361.54	99,604,597.79	18,551,219,716.31
III. Movement over the period/ "- "(for decrease)	147,928,994.00		1,861,290,155.57		-3,790,136.60			1,412,732,216.78	-6,733,529.12	3,411,427,700.63
(I) Total comprehensive income for the period					-3,790,136.60			1,412,732,216.78	-6,733,529.12	1,402,208,551.06
(II) Shareholders' contributions and decrease of capital	147,928,994.00		1,861,290,155.57							2,009,219,149.57
1. Capital contributed by shareholders	147,928,994.00		1,845,282,078.47							1,993,211,072.47
2. Increase in shareholder's equity resulted from share-based payments			16,008,077.10							16,008,077.10
3. Others										
(III) Appropriation of profits										
1. Appropriation to surplus reserves										
2. Distributions to shareholders										
3. Others										
(IV) Transfer within equity										
1. Capital reserves converting into share capital										
2. Surplus reserves converting into share capital										
3. Surplus reserves cover the deficit										
4. Other comprehensive income transferred to retained earnings										
5. Others										
(V) Special reserve										
1. Appropriation for the period								4,186,577.24		4,186,577.24
2. Used for the period								-4,186,577.24		-4,186,577.24
(VI) Other										
IV. Balance at end of period	2,104,255,706.00		12,528,351,420.00	136,566,479.49	39,719,093.48		488,654,029.96	6,845,362,578.32	92,871,068.67	21,962,647,416.94

Legal representative:

Principal in charge of accounting:

Head of accounting department:

Consolidated Statement of Changes in Equity

For the 3-month period ended 31 March 2022

Item	Equity attributable to the shareholders of parent company								Minority interests	Total shareholders' equity
	Prior period									
	Share capital	Other equity instruments	Capital reserve	Less: Treasury shares	Other comprehensive income	Special reserve	Surplus reserve	Undistributed profits		
I. Balance at end of previous period	1,875,375,742.00	224,067,878.87	9,775,838,674.49	121,883,589.69	39,429,901.97		240,614,409.70	2,728,755,522.96	322,298,393.72	15,084,496,934.02
Add: Changes in accounting policies										
Correction of errors										
Business combination under common control										
Others										
II. Balance in beginning of period	1,875,375,742.00	224,067,878.87	9,775,838,674.49	121,883,589.69	39,429,901.97		240,614,409.70	2,728,755,522.96	322,298,393.72	15,084,496,934.02
III. Movement over the period ("for decrease")	75,552,970.00	-224,067,878.87	953,289,670.59		-2,340,711.81			282,486,301.01	-34,834,486.59	1,050,085,864.33
(I) Total comprehensive income for the period								282,486,301.01	-11,416,865.28	268,728,723.92
(II) Shareholders' contributions and decrease of capital									-23,417,621.31	781,357,140.41
1. Capital contributed by shareholders										
2. Increase in shareholder's equity resulted from share-based payments			20,021,686.90							20,021,686.90
3. Others									-23,417,621.31	761,335,453.51
(III) Appropriation of profits										
1. Appropriation to surplus reserves										
2. Distributions to shareholders										
3. Others										
(IV) Transfer within equity										
1. Capital reserves converting into share capital										
2. Surplus reserves converting into share capital										
3. Surplus reserves cover the deficit										
4. Other comprehensive income transferred to retained earnings										
5. Others										
(V) Special reserve										
1. Appropriation for the period								3,972,778.88		3,972,778.88
2. Used for the period								-3,972,778.88		-3,972,778.88
(VI) Other										
IV. Balance at end of period	1,950,928,712.00		10,729,128,345.08	121,883,589.69	37,089,190.16		240,614,409.70	3,011,241,823.97	287,463,907.13	16,134,582,798.35

Legal representative:

Principal in charge of accounting:

Head of accounting department:

Company Statement of Changes in Equity

For the 3-month period ended 31 March 2022

Expressed in RMB

Prepared by: MingYang Smart Energy Group Co., Ltd.

Item	Current period							Total shareholders' equity	
	Share capital	Other equity instruments	Capital reserve	Less: Treasury shares	Other comprehensive income	Special reserve	Surplus reserve		Undistributed profits
I. Balance at end of previous period	1,956,326,712.00		10,649,570,721.93	136,566,479.49	14,348,197.73		488,654,029.96	3,998,709,555.89	16,971,042,738.02
Add: Changes in accounting policies									
Correction of errors									
Others									
II. Balance in beginning of period	1,956,326,712.00		10,649,570,721.93	136,566,479.49	14,348,197.73		488,654,029.96	3,998,709,555.89	16,971,042,738.02
III. Movement over the period ("-" for decrease)	147,928,994.00		1,861,290,155.57		-2,471,838.97			1,164,579,083.70	3,171,326,394.30
(I) Total comprehensive income for the period					-2,471,838.97			1,164,579,083.70	1,162,107,244.73
(II) Shareholders' contributions and decrease of capital	147,928,994.00		1,861,290,155.57						2,009,219,149.57
1. Capital contributed by shareholders	147,928,994.00		1,845,282,078.47						1,993,211,072.47
2. Increase in shareholder's equity resulted from share-based payments			16,008,077.10						16,008,077.10
3. Others									
(III) Appropriation of profits									
1. Appropriation to surplus reserves									
2. Distributions to shareholders									
3. Others									
(IV) Transfer within equity									
1. Capital reserves converting into share capital									
2. Surplus reserves converting into share capital									
3. Surplus reserves cover the deficit									
4. Other comprehensive income transferred to retained earnings									
5. Others									
(V) Special reserve									
1. Appropriation for the period							1,185,581.61		1,185,581.61
2. Used for the period							-1,185,581.61		-1,185,581.61
(VI) Other									
IV. Balance at end of period	2,104,255,706.00		12,510,860,877.50	136,566,479.49	11,876,358.76		488,654,029.96	5,163,288,639.59	20,142,369,132.32

Legal representative: _____ Principal in charge of accounting: _____

Head of accounting department: _____

Company Statement of Changes in Equity

For the 3-month period ended 31 March 2022

Item	Prior period							Total shareholders' equity	
	Share capital	Other equity instruments	Capital reserve	Less: Treasury shares	Other comprehensive income	Special reserve	Surplus reserve		Undistributed profits
I. Balance at end of previous period	1,875,375,742.00	224,067,878.87	9,612,968,710.76	121,883,589.69			240,614,409.70	1,972,634,625.83	13,803,777,777.47
Add: Changes in accounting policies									
Correction of errors									
Others									
II. Balance in beginning of period	1,875,375,742.00	224,067,878.87	9,612,968,710.76	121,883,589.69			240,614,409.70	1,972,634,625.83	13,803,777,777.47
III. Movement over the period ("-" for decrease)	75,552,970.00	-224,067,878.87	953,289,670.59					225,113,508.15	1,029,888,269.87
(I) Total comprehensive income for the period								225,113,508.15	225,113,508.15
(II) Shareholders' contributions and decrease of capital									
1. Capital contributed by shareholders	75,552,970.00	-224,067,878.87	953,289,670.59						804,774,761.72
2. Increase in shareholder's equity resulted from share-based payments									
3. Others			20,021,686.90						20,021,686.90
(III) Appropriation of profits									
1. Appropriation to surplus reserves									
2. Distributions to shareholders									
3. Others									
(IV) Transfer within equity									
1. Capital reserves converting into share capital									
2. Surplus reserves converting into share capital									
3. Surplus reserves cover the deficit									
4. Other comprehensive income transferred to retained earnings									
5. Others									
(V) Special reserve									
1. Appropriation for the period								1,123,265.78	1,123,265.78
2. Used for the period								-1,123,265.78	-1,123,265.78
(VI) Other									
IV. Balance at end of period	1,950,928,712.00		10,566,258,381.35	121,883,589.69			240,614,409.70	2,197,748,133.98	14,833,666,047.34

Legal representative:

Principal in charge of accounting:

Head of accounting department:

Prepared by: MingYang Smart Energy Group Co., Ltd.

Expressed in RMB

Notes to Financial Statements

I. Company information

1. Company profile

MingYang Smart Energy Group Co., Ltd. (hereinafter referred to as the "Company ") was formerly known as Guangdong MingYang Wind Power Industry Group Co., Ltd.

On 22 March 2017 and 9 June 2017, all shareholders of Guangdong MingYang Wind Power Industry Group Co., Ltd. signed the "Promoter Agreement" and "Supplementary Agreement to the Promoter Agreement". On the basis of net assets on 31 January 2017, a joint stock limited company was established by means of promotion. The promoters used their respective share of net assets as of 31 January 2017 to convert into shares, and the remaining balance after the net assets converted into share capital was transferred to Capital reserve. Share capital is set at 1,103,822,378 shares, each with a par value of RMB 1. The capital contribution was verified by Grant Thornton Certified Public Accountants (Special General Partnership) on 9 June 2017 with the "Grant Thornton Yanzi (2017) No. 110ZC0128" capital verification report.

The Company was approved by the China Securities Regulatory Commission on 25 December 2018 with the document "Reply of the Approval of MingYang Smart Energy Group Co., Ltd.'s Initial Public Offering of Shares" (Zheng Jian Xuke [2018] No. 2169), pursuant to which the public issuance of 275,900,000 RMB ordinary shares (A shares) at an issue price of RMB 4.75 per share was completed and listed for trading on 23 January 2019. After the issuance, the Company's total share capital increased to RMB 1,379,722,378. This capital contribution was verified by Grant Thornton Certified Public Accountants (special general partnership) on 18 January 2019 by issuing the "Grant Thornton Yanzi (2019) No. 110ZC0017" capital verification report.

On 20 May 2020, the Company held the fifth meeting of the second board of directors, which reviewed and approved the "Proposal on Adjusting Related Matters of the 2019 Restricted Shares Incentive Plan" and "Proposal for granting restricted shares to first-time incentive participants", pursuant to which agreed to, on the grant date of 20 May 2020, grant restricted shares to a total of 220 qualified participants, including the Company's directors, senior managers, middle-level managers, core technical (business) staff and other employees. Total 23.39 million restricted shares were granted at a price of RMB 5.222 per share. The source of the shares was the direct issuance of A shares of ordinary shares to incentive participants. As of 1 June 2020, the Company has granted 23,340,400 restricted ordinary shares to 220 incentive participants at a price of RMB 5.222 per share. The Company's total share capital increased to RMB 1,403,062,778.00. On 12 June 2020, BDO China Shu Lun Pan Certified Public Accountants (Special General Partnership) issued the capital verification report "Xinhuishibaozi [2020] No. ZC10421" in verification for the Company's first grant of restricted shares.

The Company was approved by the China Securities Regulatory Commission, which issued "Reply on Approval of Non-public Issuance of Shares of MingYang Smart Energy Group Co., Ltd." (Zhenjian Xuke [2020] No. 1516) on 20 July 2020, for the non-public issuance of 413,916,713 RMB ordinary shares (A shares) at an issue price of RMB 14.02 per share. After the issuance, the Company's total share capital increased to RMB 1,816,979,491.00. The capital contribution was verified by Grant Thornton Certified Public Accountants (Special General Partnership) by issuing the capital verification report "GTYZ (2020) No. 110ZC00394" on 27 October 2020.

By the approval of the China Securities Regulatory Commission (Zhenjian Xuke [2019] No. 2553), on 16 December 2019, the Company publicly issued 17 million convertible corporate bonds each with a face value of RMB 100 each and a term is 6 years for a total issuance proceeds of RMB 1.70 billion. According to the

relevant regulations and the Company's "Prospectus of Public Issuance of Convertible Corporate Bonds", the convertible corporate bonds issued by the Company can be converted into the Company's A-share ordinary shares on or after 22 June 2020. As of 31 December 2021, all convertible bonds were converted to shares and total conversion to shares was 133,949,221 shares, and the total share capital of the Company increased to RMB 1,950,928,712.00 after the conversion.

On 9 June 2021, the Company held the 21st meeting of the second board of directors, and reviewed and approved the "Proposal on the Repurchase and Cancellation of Some Restricted Shares Granted to Incentive Participants but Not Vested from Restriction", pursuant to which agreed to repurchase and cancel 100,000 restricted shares that have been granted but have not been vested from restrictions held by 3 resigned incentive participants. As of 10 August 2021, the total share capital of the Company was changed to RMB 1,950,828,712 after the complete of cancellation.

On 12 May 2021, the Company held the twentieth meeting of the second board of directors, and reviewed and approved the "Proposal on Granting Reserved Restricted Shares to the Incentive Participants of the 2019 Restricted Stock Incentive Plan", pursuant to which agreed to, on the grant date of 12 May 2021, grant restricted shares to 103 qualified participants for a total of 5.498 million restricted shares. The source of the shares was the direct issuance of A shares of ordinary shares to incentive participants. As of 17 September 2021, the Company has granted 5,498,000 restricted ordinary shares to 103 incentive participants at a price of RMB 8.28 per share. The Company's total share capital increased to RMB 1,956,326,712.00.

On 18 May 2021, the Company held the second extraordinary shareholders' meeting, and reviewed and approved the "Proposal on the Company's Eligibility for Non-public Issuance of Shares", and it was also approved by "Approval of the Non-public Issuance of Shares by MingYang Smart Energy Group Co., Ltd." (Zheng Jian Xu Ke [2022] No. 70) issued by the China Securities Regulatory Commission, a non-public issuance of 147,928,994 RMB ordinary shares (A shares) at an issue price of RMB 13.52 per share is approved. After the issuance, the Company's total share capital is increased to RMB 2,104,255,706.00. The capital contribution was verified by Grant Thornton Certified Public Accountants (Special General Partnership) by issuing the capital verification report "GTYZ (2022) No. 110C000059" on 27 January 2022.

The unified social credit code of the Company's business license is 91442000789438199M.

The Company has established a corporate governance structure of shareholder meeting, board of directors, and board of supervisors. Currently, it has set up supervision and auditing department, finance department, strategic planning department, sales department, marketing department, engineering management department, operation and maintenance department, wind energy research institute, purchasing department, financing and capital department, human resources department, and logistics department.

The business nature and main business activities (business scope) of the Company and its subsidiaries (hereinafter referred to as the "Group"), such as: Production and operation of wind power generation host equipment and related power electronic products; wind farm operation management, technical consulting and operation and maintenance services; energy system development; investment, development and management of energy project; investment, construction, operation of new energy, distributed energy, energy storage projects; investment, development of wind power and solar power projects and research and development of related technologies and products; wind power generation; electricity sales business; investment in solar power station development, investment in mineral development; technology development, technical services, technology transfer and technical consulting; mechanical equipment maintenance; engineering project management; construction engineering, power engineering, urban road lighting engineering, etc.

The Company's intention to issue Global Depository Receipts ("GDR") and apply for listing on the London

Stock Exchange was approved by the 29th meeting of the Second Board of Directors on 31 March 2022. The issuance of this financial statement and notes to the financial statements was approved by the Company on 27 May 2022 in accordance with the relevant filing rules.

2. Scope of consolidated financial statements

The scope of and changes in consolidation of the Company refer to Note VI “Changes in scope of consolidation” and Note VII “Interests in other entities”.

II. Basis of preparation

The financial statements are prepared in accordance with the Accounting Standards for Business Enterprises and guidelines, interpretations and other related provisions promulgated by the Ministry of Finance (collectively, “Accounting Standards for Business Enterprises”). In addition, the Company also discloses relevant financial information according to Information Disclosures Regulations for Companies that Offering Shares in Public No.15-General Provision of Preparing Financial Report (revised in 2014) issued announced by China Securities Regulatory Commission.

The consolidated financial statements have been prepared on going concern basis.

The Company adopts the accrual basis of accounting. The financial statements are prepared under the historical cost convention. Non-current assets held for sale is measured at the lower of the fair value less estimated sale expenses and the initial carrying amount at the time when it met the condition as held for sale. In the event that impairment of assets occurs, a provision for impairment is made accordingly in accordance with the relevant regulations.

III. Significant accounting policies and accounting estimates

The Company determines the policies of depreciation of fixed assets, amortization of intangible assets, capitalization of research and development costs and revenue recognition according to the characteristics of its production and operation. Specific accounting policies refer to Note III. 15, 18, 19 and 26.

1. Statement of compliance with the Accounting Standards for Business Enterprises

The consolidated financial statements have been prepared in compliance with the Accounting Standards for Business Enterprises to truly and completely reflect the consolidated and Company’s financial positions as of 31 March 2022, and their operating results and their cash flows for the 3-month period ended 31 March 2022 and other relevant information.

2. Financial year

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

3. Operating cycle

The Company’s operating cycle is 12 months.

4. Functional currency

The financial statements of the Company and its domestic subsidiaries have been prepared in Renminbi (“RMB”). The Company’s foreign subsidiaries determine their functional currency according to the primary economic environment where they operate, and then translated to RMB when preparing the financial statements.

5. Accounting treatment of business combinations not involving enterprises under common control

(1) Business combinations involving enterprises under common control

For a business combination involving enterprises under common control, assets acquired and liabilities assumed by acquirer in the business combination are measured at their carrying amounts of the acquiree in the consolidated financial statements of the ultimate controlling party at the combination date, except for adjustments due to different accounting policies. The difference between the carrying amount of the consideration paid for the combination and the carrying amount of the net assets acquired is adjusted to capital reserve. If the capital reserve is not sufficient to absorb the difference, any excess is adjusted to undistributed profits.

Business combinations involving entities under common control achieved in stages and involved multiple transactions

In the separate financial statements, initial investment cost is the acquirer's share of the carrying amount of the net assets of the acquiree in the consolidated financial statements of the ultimate controlling party at the combination date. The difference between the initial investment cost and the sum of carrying amount of investment prior to combination date and carrying amount of new considerations paid for the combination at the combination date is adjusted to capital reserve. If the capital reserve is not sufficient to absorb the difference, any excess is adjusted against undistributed profits.

In the consolidated financial statements, assets acquired and liabilities assumed by acquirer in a business combination are measured at their carrying amount as recorded in the consolidated financial statements of the ultimate controlling party at the combination date, except for adjustments due to different accounting policies. The difference between the carrying amount of the net assets acquired and the sum of carrying amount of investment prior to combination date and carrying amount of new considerations paid for the combination at the combination date is adjusted to capital reserve. If the capital reserve is not sufficient to absorb the difference, any excess is adjusted against undistributed profits. The profit or loss, other comprehensive income and changes in other owner's equity recognized by the acquirer during the period from the later of initial investment date and the date that the acquirer and acquiree both under common ultimate control to the combination date are offset the opening undistributed profits or profit for loss for the current period in the comparative statements.

(2) Business combinations not involving enterprises under common control

For business combinations involving enterprises not under common control, the consideration costs include acquisition-date fair values of the assets transferred, liabilities incurred or assumed and the equity instruments issued by the acquirer in exchange for control of the acquiree. At the acquisition date, the acquired assets, liabilities and contingent liabilities of the acquiree are measured at their fair value.

Where the combination cost exceeds the acquirer's interest in the fair value of the acquiree's identifiable net assets, the difference is recognized as goodwill, and subsequently measured on the basis of its costs less accumulated impairment provisions. Where the combination cost is less than the acquirer's interest in the fair value of the acquiree's identifiable net assets, the difference is credited in profit or loss for the current period after reassessment.

Business combinations involving entities not under common control achieved in stages and involved multiple transactions

In the separate financial statements, the initial investment cost is the sum of the carrying amount of equity investment of the acquiree held prior to the acquisition date and additional investment cost at the acquisition

date. When the previously-held equity investment which was accounted for under the equity method before the acquisition date, any other comprehensive income previously recognized is not adjusted on acquisition date. When the investment is disposed of in later date, the amount that was recognized in other comprehensive income is recognized on the same basis as would be required if the investee had disposed directly of the related assets or liabilities. The owners' equity recognized as the changes of the investee's other owners' equity except for net profit or loss, other comprehensive income and profit distribution, are transferred to profit or loss for the current period when disposing the investment. When the previously-held equity investment which was measured at fair value before the acquisition date, the accumulated changes in fair value included in other comprehensive income is transferred to retained earnings upon commencement of the cost method.

In the consolidated financial statements, the combination cost is the sum of the consideration paid at the acquisition date and the fair value of equity investment of the acquiree held prior to the acquisition date. The cost of equity investment of the acquiree held prior to the acquisition date is re-measured at the fair value at the acquisition date, the difference between the fair value and carrying value is recognized as profit or loss for the current period. Other comprehensive income and changes of other owners' equity from the equity interest held in the acquiree prior to the acquisition date are transferred to profit or loss for the current period, except for other comprehensive income resulted in the change of net liabilities or assets in the investee's re-measurement of defined benefit plan.

(3) Transaction costs for business combination

The overhead for the business combination, including the expenses for audit, legal services, valuation advisory, and other administrative expenses, are recorded in profit or loss for the current period when incurred. The transaction costs of equity or debt instruments issued as the considerations of business combination are included in the initial recognition amount of the equity or debt instruments.

6. Preparation of consolidated financial statements

(1) Scope of consolidated financial statements

The scope of consolidated financial statements is determined on the basis of control. Control exists when the Company has power over the investee; exposure, or rights to variable returns from its involvement with the investee and has the ability to affect its returns through its power over the investee. A subsidiary is an entity that is controlled by the Company (including enterprise, a portion of an investee as a deemed separate component, and structured entity controlled by the enterprise).

(2) Basis of preparation of consolidated financial statements

The consolidated financial statements are prepared by the Company based on the financial statements of the Company and its subsidiaries and other relevant information. In preparation of consolidated financial statements, the accounting policies and accounting periods of the subsidiaries should be consistent with those established by the Company, and all significant intercompany accounts and transactions are eliminated.

Where a subsidiary or business was acquired during the reporting period, through a business combination involving enterprises under common control, the subsidiary or business is deemed to be included in the consolidated financial statements from the date they are controlled by the ultimate controlling party. Their operating results and cash flows are included in the consolidated income statement and consolidated cash flow statement respectively from the date they are controlled by the ultimate controlling party.

Where a subsidiary or business has been acquired during the reporting period, through a business combination not involving enterprises under common control, the revenue, expenses and profit of the subsidiary or business

after the acquisition date are included in the consolidated income statement, the cash flows after the acquisition date are included in consolidated cash flow statement.

The portion of a subsidiary's equity that is not attributable to the parent is treated as minority interests and presented separately in the consolidated balance sheet within shareholders' equity. The portion of net profit or loss of subsidiaries for the period attributable to minority interests is presented in the consolidated income statement below the "net profit" line item as "minority interests". When the amount of loss for the current period attributable to minority interests of the subsidiary exceeds the minority interests' share of the opening equity of the subsidiary, the excess is still allocated against the minority interests.

(3) Acquiring minority interests of subsidiary

Where the Company acquires a minority interest from a subsidiary's minority shareholders or disposes of a portion of an interest in a subsidiary without a change in control, the transaction is treated as equity transaction, and the book value of shareholder's equity attributed to the Company and to the minority interest is adjusted to reflect the change in the Company's interest in the subsidiaries. The difference between the proportion interests of the subsidiary's net assets being acquired or disposed and the amount of the consideration paid or received is adjusted to the capital reserve (share premium) in the consolidated balance sheet, with any excess adjusted to undistributed profits.

(4) Losing control over the subsidiary

When the Company loses control over subsidiary because of disposing part of equity investment or other reasons, the remaining part of the equity investment is re-measured at fair value at the date when losing control over the subsidiary. A gain or loss is recognized in profit or loss for the current period and is calculated by the aggregate of the consideration received in disposal and the fair value of remaining part of the equity investment deducting the share of carrying value of net assets in proportion to previous shareholding percentage in former subsidiary since acquisition date and the goodwill.

Other comprehensive income related to the former subsidiary is transferred to profit or loss for the current period when the control is lost, except for the comprehensive income arising from the movement of net liabilities or assets in the former subsidiary's re-measurement of defined benefit plan.

(5) Disposal of equity investment by stages until losing control

The Company regards arrangements of multiple transactions in disposal of equity investment by stages until losing control as a single transaction by considering all the terms and conditions of the arrangements and their economic effects. One or more of the following indicate that the Company should account for the multiple arrangements as a single transaction:

- ① The transactions are entered into at the same time or in contemplation of each other;
- ② The transactions form a single transaction designed to achieve an overall commercial effect;
- ③ The occurrence of one transaction is dependent on the occurrence of at least one other transaction;
- ④ One transaction considered on its own is not economically justified, but it is economically justified when considered together with other transactions

In the separate financial statements, for multiple transactions by disposing equity investment by stages until losing control that not qualified as a single transaction, the carrying amount of long-term equity investments

relating to each transaction of disposal is derecognized, the difference between the consideration received and the carrying amount of disposed long-term equity investments is recognized as investment income for the current period. For those arrangements qualified as a single transaction, the carrying amount of long-term equity investments relating to each transaction of disposal is derecognized, the difference between the consideration received and the carrying amount of disposed long-term equity investments is recognized as other comprehensive income, and finally is recognized in profit or loss for the current period at the date of losing control.

In the consolidated financial statements, for disposing equity investment by stages until losing control, the measurement of remaining equity and accounting for profit or loss of disposing equity refer to the above “Losing control over the subsidiary”. The difference between each consideration received and the share of carrying value of net assets in proportion to disposed portion of shareholding percentage in the subsidiary since acquisition date relevant to disposing investment before losing control:

① is recognized in other comprehensive income if the arrangements are regarded as a single transaction. Other comprehensive income is transferred to profit or loss for the current period when losing control.

② is recognized in capital reserve (share premium) as an equity transaction if the arrangements are not regarded as a single transaction. Capital reserve is not transferred to profit or loss for the current period when losing control.

7. Joint arrangement classification and accounting treatment for joint operation

A joint arrangement is an arrangement of which two or more parties have joint control. The Company classifies joint arrangements into joint operations and joint ventures.

(1) Joint operations

A joint operation is a joint arrangement whereby the joint operators have rights to the assets, and obligations for the liabilities, relating to the arrangement.

The Company recognizes the following items in relation to its interest in a joint operation, and account for them in accordance with relevant accounting standards:

- A. its solely-held assets, and its share of any liabilities incurred jointly;
- B. its solely-assumed liabilities, and its share of any liabilities incurred jointly;
- C. its revenue from the sale of its share of the output arising from the joint operation;
- D. its share of the revenue from the sale of the output by the joint operation; and
- E. its solely-incurred expenses, and its share of any expenses incurred jointly.

(2) Joint ventures

A joint venture is a joint arrangement whereby the joint venturers have rights to the net assets of the arrangement.

The Company adopts equity method under long-term equity investment in accounting for its investment in joint venture.

8. Cash and cash equivalents

Cash comprises cash on hand and deposits that can be readily drawn on demand. Cash equivalents are short-

term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of change in value.

9. Foreign currency transactions and translation of foreign currency financial statements

(1) Foreign currency transactions

Foreign currency transactions are translated into the functional currency of the Company at the spot exchange rates on the dates of the transactions.

Monetary items denominated in foreign currencies are translated to Renminbi at the spot exchange rate at the balance sheet date. The resulting exchange differences between the spot exchange rate on balance sheet date and the spot exchange rate on initial recognition or on the previous balance sheet date are recognized in profit or loss. Non-monetary items that are measured at historical cost in foreign currencies are translated to Renminbi using the exchange rate at the transaction date. Non-monetary items that are measured at fair value in foreign currencies are translated using the exchange rate at the date the fair value is determined. The resulting exchange differences are recognized in profit or loss for the current period or other comprehensive income according to the nature of non-monetary items.

(2) Translation of foreign currency financial statements

When translating the foreign currency financial statements of overseas subsidiaries, the assets and liabilities of the balance sheet are translated to RMB using the spot exchange rate at the balance sheet date. Items of the shareholders' equity, except for "undistributed profits", are translated to RMB at the spot exchange rate at the transaction dates.

Income and expenses in the income statement of foreign operation are translated to RMB at the spot exchange rate at the transaction date.

Cash flow statement of foreign operation is translated to Renminbi at the spot exchange rates [the rates determined under a systematic and rational method that approximate the spot exchange rates] at the cash flow occurrence dates. Effect of foreign exchange rate changes on cash and cash equivalents is presented separately as "Effect of foreign exchange rate changes on cash and cash equivalents" in the cash flow statement.

The resulting translation differences are recognized in other comprehensive income in shareholders' equity of balance sheet.

When the control on foreign operation is lost due to disposal, exchange differences of foreign currency financial statements attributable to the foreign operation as presented under owner's equity item in the balance sheet are transferred to profit or loss for the current period entirely or partially on disposed portion.

10. Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one enterprise and a financial liability or equity instrument of another enterprise.

(1) Recognition and derecognition of financial instruments

A financial asset or financial liability is recognized when the Company becomes a party to the contractual provisions of a financial instrument.

If one of the following conditions is met, the financial assets are derecognized:

- ① The contractual rights to the cash flows from the financial asset expire;
- ② The financial asset has been transferred, and is in accordance with the following conditions for derecognition.

A financial liability (or part of it) is derecognized when its contractual obligation (or part of it) is discharged or cancelled or expires. If the Company (as a debtor) makes an agreement with the creditor to replace the current financial liability with assuming a new financial liability, and contractual provisions are different in substance, the current financial liability is derecognized and a new financial liability is recognized meanwhile.

If the financial assets are traded routinely, the financial assets are recognized and derecognized at the transaction date.

(2) Classification and measurement of financial assets

Upon initial recognition, the Company classifies the financial assets according to the business model for managing the financial assets and characteristics of the contractual cash flows as follows: financial assets measured at amortised cost, financial assets measured at fair value through other comprehensive income, and financial assets measured at fair value through profit or loss.

Financial assets at amortized cost

Financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as measured at fair value through other comprehensive income:

- The Company's business model for managing such financial assets is to collect contractual cash flows;
- The contractual terms of the financial asset stipulate that cash flows generated on specific dates are solely payments of principal and interest on the principal amount outstanding.

Subsequent to initial recognition, such financial assets are measured at amortised cost using the effective interest method. A gain or loss on a financial asset that is measured at amortised cost and is not part of a hedging relationship shall be recognised in profit or loss for the current period when the financial asset is derecognised, amortised using the effective interest method or with impairment recognised.

Financial assets measured at fair value through other comprehensive income

A financial asset is classified as measured at fair value through other comprehensive income if it meets both of the following conditions and is not designated as measured at fair value through profit or loss:

- The Company's business model for managing such financial assets is achieved both by collecting collect contractual cash flows and selling such financial assets;
- The contractual terms of the financial asset stipulate that cash flows generated on specific dates are solely payments of principal and interest on the principal amount outstanding.

Subsequent to initial recognition, such financial assets are subsequently measured at fair value. Interest calculated using the effective interest method, impairment losses or gains and foreign exchange gains and losses are recognised in profit or loss for the current period, and other gains or losses are recognised in other comprehensive income. On derecognition, the cumulative gain or loss previously recognised in other comprehensive income is reclassified from other comprehensive income to profit or loss.

Financial assets measured at fair value through profit or loss

The Company classifies the financial assets other than those measured at amortised cost and measured at fair value through other comprehensive income as financial assets measured at fair value through profit or loss. Upon initial recognition, the Company irrevocably designates certain financial assets that are required to be measured at amortised cost or at fair value through other comprehensive income as financial assets measured at fair value through profit or loss in order to eliminate or significantly reduce accounting mismatch.

Upon initial recognition, such financial assets are measured at fair value. Except for those held for hedging purposes, gains or losses (including interests and dividend income) arising from such financial assets are recognised in the profit or loss for the current period.

However, for non-trading equity instrument investment, the Company irrevocably designates it as a financial asset measured at fair value through other comprehensive income at initial recognition. The designation is made on a single investment basis and the relevant investments meet the definition of an equity instrument from issuer's perspective.

After the initial recognition, this kind of financial assets are subsequently measured at fair value. Qualified dividend income is included in the profit or loss, other gains or losses and changes in fair value are included in other comprehensive income. When derecognized, the accumulated gains or losses previously recorded in other comprehensive income are transferred out and recorded in retained earnings.

The business model for managing financial assets refers to how the Company manages its financial assets in order to generate cash flows. That is, the Company's business model determines whether cash flows will result from collecting contractual cash flows, selling financial assets or both. The Company determines the business model for managing financial assets on the basis of objective facts and specific business objectives for managing financial assets determined by key management personnel.

The Company assesses the characteristics of the contractual cash flows of financial assets to determine whether the contractual cash flows generated by the relevant financial assets on a specific date are solely payments of principal and interest on the principal amount outstanding. The principal refers to the fair value of the financial assets at the initial recognition. Interest includes consideration for the time value of money, for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks, costs and profits. In addition, the Company evaluates the contractual terms that may result in a change in the time distribution or amount of contractual cash flows from a financial asset to determine whether it meets the requirements of the above contractual cash flow characteristics.

All affected financial assets are reclassified on the first day of the first reporting period following the change in the business model where the Company changes its business model for managing financial assets; otherwise, financial assets shall not be reclassified after initial recognition.

Financial assets are measured at fair value upon initial recognition. For financial assets measured at fair value through profit or loss, relevant transaction costs are directly recognised in profit or loss for the current period. For other categories of financial assets, relevant transaction costs are included in the amount initially recognised. Accounts receivable without significant financing component are initially recognised based on the transaction price expected to be entitled by the Company.

(3) Classification and measurement of financial liabilities

At initial recognition, financial liabilities of the Company are classified as financial liabilities measured at fair value through profit or loss and financial liabilities measured at amortised cost. For financial liabilities not classified as measured at fair value through profit or loss, relevant transaction costs are included in the amount initially recognised.

Financial liabilities measured at fair value through profit or loss

Financial liabilities measured at fair value through profit or loss comprise held-for-trading financial liabilities and financial liabilities designated as measured at fair value through profit or loss upon initial recognition. Such financial liabilities are subsequently measured at fair value, and the gains or losses from the change in fair value and the dividend or interest expenses related to the financial liabilities are included in the profit or loss of the current period.

Financial liabilities measured at amortised cost

Other financial liabilities are subsequently measured at amortised cost using the effective interest rate method, and the gains or losses arising from derecognition or amortisation are recognised in profit or loss for the current period.

Classification between financial liabilities and equity instruments

A financial liability is a liability if:

- ① it has a contractual obligation to pay in cash or other financial assets to other parties.
- ② it has a contractual obligation to exchange financial assets or financial liabilities under potential adverse condition with other parties.
- ③ it is a non-derivative instrument contract which will or may be settled with the entity's own equity instruments, and the entity will deliver a variable number of its own equity instruments according to such contract.
- ④ it is a derivative instrument contract which will or may be settled with the entity's own equity instruments, except for a derivative instrument contract that exchanges a fixed amount of cash or other financial asset with a fixed number of its own equity instruments.

Equity instruments are any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities.

If the Company cannot unconditionally avoid the performance of a contractual obligation by paying cash or delivering other financial assets, the contractual obligation meets the definition of financial liabilities.

Where a financial instrument must or may be settled with the Company's own equity instruments, the Company's own equity instruments used to settle such instrument should be considered as to whether it is as a substitute for cash or other financial assets or for the purpose of enabling the holder of the instrument to be entitled to the remaining interest in the assets of the issuer after deducting all of its liabilities. For the former, it is a financial liability of the Company ; for the latter, it is the Company's own equity instruments.

(4) Derivative financial instruments and embedded derivative instruments

The Company's derivative financial instruments are initially measured at the fair value of the date a derivative contract entered into and subsequently measured at their fair value. Derivative financial instruments of positive fair value are recognized as assets; those of negative fair value are recognized as liabilities. Any gains or losses arising from changes in fair value which do not meet the requirements of hedge accounting are directly recognized to profit or loss for the current period.

For hybrid instrument with embedded derivative, where financial assets or liabilities not designated as fair value through profit or loss, the economic features and risks of the embedded derivative are not closely related to that of the host contract, and a similar instrument with the same terms as the embedded derivative would meet

the definition of a derivative, then embedded derivative is separated from hybrid instrument and accounted for as a derivative. If embedded derivative is unable to measure separately either at acquisition or subsequently at balance sheet date, hybrid instrument as a whole is designated as financial assets or liabilities at fair value through profit or loss.

(5) Fair value of financial instruments

Determination of fair value of financial assets and financial liabilities refers to Note III.11.

(6) Impairment of financial assets

The Company makes provision for impairment based on expected credit losses (ECLs) on the following items:

- Financial assets at amortized cost;
- Receivables and debt investments measured at fair value through other comprehensive income;
- Contract assets as defined in "Accounting Standards for Business Enterprises No. 14-Revenue"
- Lease receivables;
- Financial guarantee contract (Except those measured at fair value through profit or loss, the transfer of financial assets does not meet the conditions for derecognition or continuing involvement in transferred financial assets).

Measurement of ECLs

ECLs are the weighted average of credit losses of financial instruments weighted by the risk of default. Credit losses refer to the difference between all contractual cash flows receivable according to the contract and discounted according to the original effective interest rate and all cash flows expected to be received, i.e. the present value of all cash shortages.

The Company takes into consideration of account reasonable and well-founded information such as past events, current conditions and forecasts of future economic conditions, and calculates the probability-weighted amount of the present value of the difference between the cash flows receivable from the contract and the cash flows expected to be received weighted by the risk of default.

The Company measures ECLs of financial instruments at different stages. If the credit risk of the financial instrument did not increase significantly upon initial recognition, it is at the first stage, and the Company makes provision for impairment based on the ECLs within the next 12 months; if the credit risk of a financial instrument increased significantly upon initial recognition but has not yet incurred credit impairment, it is at the second stage, and the Company makes provision for impairment based on the lifetime ECLs of the instrument; if the financial instrument incurred credit impairment upon initial recognition, it is at the third stage, and the Company makes provision for impairment based on the lifetime ECLs of the instrument.

For financial instruments with low credit risk on the balance sheet date, the Company assumes that the credit risk did not increase significantly upon initial recognition, and makes provision for impairment based on the ECLs within the next 12 months.

Lifetime ECLs represent the ECLs resulting from all possible default events over the expected life of a financial instrument. The 12-month ECLs are the ECLs resulting from possible default events on a financial instrument within 12 months (or a shorter period if the expected life of the financial instrument is less than 12 months) after

the balance sheet date, and is a portion of lifetime ECLs.

The maximum period to be considered when estimating ECLs is the maximum contractual period over which the Company is exposed to credit risk, including renewal options.

For the financial instruments at the first and second stages and with low credit risks, the Company calculates the interest income based on the book balance and the effective interest rate before deducting the impairment provisions. For financial instruments at the third stage, interest income is calculated based on the amortised cost after deducting impairment provisions made from the book balance and the effective interest rate.

Bills receivable, accounts receivable and contract assets

For bills receivable, accounts receivable and contract assets, regardless of whether there is a significant financing component, the Company always makes provision for impairment at an amount equal to lifetime ECLs.

When the Company is unable to assess the information of ECLs for an individual financial asset at a reasonable cost, it classifies Bills receivable and accounts receivable into portfolios based on the credit risk characteristics, and calculates the ECLs on a portfolio basis. The basis for determining the portfolios is as follows:

A. Bills receivable

- Bills receivable portfolio 1: Bank acceptance bills
- Bills receivable portfolio 2: Commercial acceptance bills

B. Accounts receivable

- Accounts receivable portfolio 1: Related parties within the scope of consolidation
- Accounts receivable portfolio 2: High-end manufacturing business
- Accounts receivable portfolio 3: Power generation business
- Accounts receivable portfolio 4: Engineering construction business

C. Contract assets

- Contract assets portfolio 1: High-end manufacturing business
- Contract assets portfolio 2: Power generation business
- Contract assets portfolio 3: Engineering construction business

For note receivables and contract assets classified as a portfolio, the Company refers to the historical credit loss experience, combined with the current situation and the forecast of future economic conditions, to assess the exposures to default risk and the expected credit loss rate for the lifetime and calculate the ECLs.

For accounts receivable classified as a portfolio, the Company refers to the historical credit loss experience, combined with the current situation and the forecast of future economic conditions, to compile a matrix of accounts receivable aging / overdue days and expected credit loss rate for the lifetime and calculate the ECLs.

Other receivables

The Company classifies other receivables into portfolios based on the credit risk characteristics, and calculates the ECLs on a portfolio basis. The basis for determining the portfolios is as follows:

- Other receivables portfolio 1: Receivables from related parties within the scope of consolidation
- Other receivables portfolio 2: Receivables of current account
- Other receivables portfolio 3: Security deposits, deposits and petty cash
- Other receivables portfolio 4: Equity transfer fund
- Other receivables portfolio 5: Other receivables

For other receivables divided into portfolio, the Company calculates the expected credit loss on the exposures to default risk and the expected credit loss rate within the future 12 months or the lifetime.

Long-term receivables

Long-term receivables of the Company includes security deposits of receivables financing.

The Company classifies long-term receivables into portfolios based on the credit risk characteristics, and calculates the ECLs on a portfolio basis. The basis for determining the portfolios is as follows:

- Long-term receivables portfolio 1 : Security deposits of receivables financing
- Long-term receivables portfolio 2 : Other long-term receivables

For security deposits of receivables financing, the Company refers to the historical credit loss experience, combined with the current situation and the forecast of future economic conditions, to assess the exposures to default risk and the expected credit loss rate for the lifetime and calculate the ECLs.

Except for security deposits of receivable financing, other receivables and long-term receivables divided into portfolio, the expected credit losses are calculated by default risk exposure and the expected credit loss rate within the next 12 months or the entire duration.

Debt investment and other debt investment

For debt investments and other debt investments, the Company calculates the expected credit loss on the exposures to default risk and the expected credit loss rate within the future 12 months or the lifetime, based on the nature of the investment and various types of counterparties and risk exposures.

Assessment of significant increase in credit risk

In assessing whether the credit risk of a financial instrument has increased significantly upon initial recognition, the Company compares the risk of default of the financial instrument at the balance sheet date with that at the date of initial recognition to determine the relative change in risk of default within the expected lifetime of the financial instrument.

In determining whether the credit risk has increased significantly upon initial recognition, the Company considers reasonable and well-founded information, including forward-looking information, which can be obtained without unnecessary extra costs or efforts. Information considered by the Company includes:

- The debtor's failure to make payments of principal and interest on their contractually due dates;

- An actual or expected significant deterioration in a financial instrument's external or internal credit rating (if any) ;
- An actual or expected significant deterioration in the operating results of the debtor;
- Existing or expected changes in the technological, market, economic or legal environment that have a significant adverse effect on the debtor's ability to meet its obligation to the Company .

Depending on the nature of the financial instruments, the Company assesses whether there has been a significant increase in credit risk on either an individual basis or a collective basis. When the assessment is performed on a collective basis, the financial instruments are grouped based on their common credit risk characteristics, such as past due information and credit risk ratings.

If it is more than 30 days past due, the Company determines that the credit risk of financial instruments has increased significantly.

The Company believes that financial assets default in the following situations:

- It is unlikely that the borrower will pay its debts to the Company in full, and this assessment does not consider the Company's recourse actions such as the realization of mortgaged assets (if held) ; or Financial assets are more than 90 days past due.

Credit-impaired financial assets

At balance sheet date, the Company assesses whether financial assets measured at amortised cost and debt investments measured at fair value through other comprehensive income are credit-impaired. A financial asset is credit-impaired when one or more events that have an adverse effect on the estimated future cash flows of the financial asset have occurred. Evidence that a financial asset is credit-impaired includes the following observable events:

- Significant financial difficulty of the issuer or debtor;
- A breach of contract by the debtor, such as a default or delinquency in interest or principal payments; ;
- For economic or contractual reasons relating to the debtor's financial difficulty, the Company having granted to the debtor a concession that would not otherwise consider;
- It becoming probable that the debtor will enter bankruptcy or other financial reorganization;
- The disappearance of an active market for that financial asset because of financial difficulties of the issuer or debtor.

Presentation of provisions for ECLs

ECLs are remeasured at each balance sheet date to reflect changes in the financial instrument's credit risk upon initial recognition. Any change in the ECL amount is recognised as an impairment gain or loss in profit or loss for the current period. For financial assets measured at amortised cost, the provision of impairment is deducted from the carrying amount of the financial assets presented in the balance sheet; for debt investments at fair value through other comprehensive income, the Company makes provisions of impairment in other comprehensive income without reducing the carrying amount of the financial asset.

Write-offs

The book balance of a financial asset is directly written off to the extent that there is no realistic prospect of recovery of the contractual cash flows of the financial asset (either partially or in full). Such write-off constitutes derecognition of such financial asset. This is generally the case when the Company determines that the debtor does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Company's procedures for recovery of amounts due.

If a write-off of financial assets is later recovered, the recovery is credited to profit or loss in the period in which the recovery occurs.

(7) Transfer of financial assets

Transfer of financial assets refers to the transference or deliverance of financial assets to the other party (the transferee) other than the issuer of financial assets.

The Company derecognizes a financial asset if it transfers substantially all the risks and rewards of ownership of the financial asset to the transferee. If substantially all the risks and rewards of ownership of the financial asset is retained, the financial asset is not derecognized.

The Company neither transfers nor retains substantially all the risks and rewards of ownership of the financial asset, and the accounting treatment is shown as following: if the Company has forgone control over the financial asset, the financial assets is derecognized, and new assets and liabilities are recognized. If the Company retains control over the financial asset, the financial asset is recognized to the extent of its continuing involvement in the transferred financial asset, and an associated liability is recognized.

(8) Offset of financial assets and financial liabilities

If the Company owns the legitimate rights of offsetting the recognised financial assets and financial liabilities, which are enforceable currently, and the Company plans to realise the financial assets or to clear off the financial liabilities on a net amount basis or simultaneously, the net amount of financial assets and financial liabilities shall be presented in the balance sheet upon offsetting. Otherwise, financial assets and financial liabilities are presented separately in the balance sheet without offsetting.

11. Fair value measurement

Fair value is the amount that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

The Company measures the related assets or liabilities at fair value assuming the assets or liabilities are exchanged in an orderly transaction in the principal market or, in the absence of a principal market, the most advantageous market. Principal market (or most advantageous market) is the market that the Company can normally enter into a transaction on measurement date. The Company adopts the presumptions that would be used by market participants in achieving the maximized economic value of the assets or liabilities.

For financial assets or financial liabilities in active markets, the Company uses the quoted prices in active markets as their fair value. If there is no active market, the Company uses valuation technique to determine their fair value.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs. If the observable inputs are not available or impractical, then unobservable inputs are used.

For assets and liabilities measured or disclosed at fair value in the financial statements, the level in which fair value measurement is categorized is determined by the level of the fair value hierarchy of the lowest level input that is significant to the entire fair value measurement: Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities; Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and Level 3 inputs are unobservable inputs for the asset or liability.

At the balance sheet date, the Company revalues assets and liabilities being measured at fair value continuously in the financial statements to determine whether to change the levels of fair value measurement.

12. Inventories

(1) Classification of inventories

Inventories include raw materials, work in progress, reusable materials, finished goods, issuing goods and contract fulfillment costs.

(2) Method for calculating value of inventories

Inventories of the Company are stated at actual cost when they are obtained. Inventories costs include purchase costs, processing costs and other costs. The cost of finished products and work-in-progress includes raw materials, direct labor, and all indirect production expenses that are amortized by appropriate percentages. Raw materials are priced according to the planned cost when they are received and dispatched, and the cost difference that they should bear is calculated and carried forward at the end of the month according to the weighted average method, so as to adjust the planned cost to the actual cost. Customized products include wind power generation mainframe, engine room, etc., and the cost at the time of delivery is calculated by individual pricing; non-customized products include blades, control components, etc., and the cost at the time of delivery is calculated using the weighted average method.

(3) Basis for determining the net realizable value and method for provision for decline in value of inventories

Net realizable value is the estimated selling price less estimated costs to be incurred upon completion, estimated selling expenses and related taxes. When determining the net realizable value of inventory, basis is relied on the actual evidence obtained while the objectives of inventories holding and the impact of post balance sheet date event are also considered.

At balance sheet date, when the cost of inventory exceeds its net realizable value, provision for decline in value of inventories is recognized. The Company usually recognizes provision for decline in value of inventories by a single inventory item. When the factors causing the inventory impairment no longer exist, the provision for decline in value of inventories previously made is reversed.

(4) Inventory system

The Company adopts perpetual inventory system.

(5) Amortization methods of low-value consumables

The Company adopts one-time write off when low-value consumables are taken for use.

13. Held for sale and discontinued operations

(1) Classification and measurement of non-current assets or disposal group held for sale

Non-current assets or disposal group is classified as held for sale when the Company recovers their carrying amounts principally through a sale transaction (including exchange of non-monetary assets with commercial substance) rather than through continuing use.

The above non-current assets do not include investment properties measured at fair value model, biological assets measured at fair value less costs to sell, assets arising from employee benefits, financial assets, deferred tax assets and contractual rights under insurance contracts.

Disposal group is being a group of assets to be disposed of, by sale or otherwise, together as a group in a single transaction, and liabilities directly associated with those assets that will be transferred in the transaction. In specific case, the disposal group includes goodwill acquired in the business combination.

Non-current assets or disposal group is classified as held for sale only when all of the following conditions are satisfied: the non-current asset or disposal group is available for immediate sale in its present condition subject only to terms that are usual and customary for sale of such assets or disposal groups; the sale is highly probable, provided that a plan to sell is resolved by the Company, firm purchase commitment has been received and the sale will be completed within one year. When a sale plan of investment in subsidiary is involving loss of control of the subsidiary and is satisfying the conditions of classification as held for sale, regardless of whether the Company retains a portion of equity interest, the investment in that subsidiary is classified as held for sale in separate financial statements of the Company and all the assets and liabilities of that subsidiary is classified as held for sale in consolidated financial statements.

On initial measurement or subsequent remeasurement at balance sheet date of non-current assets or disposal groups held for sale, assets impairment loss is recognized when its carrying amount is higher than its fair value less costs to sell. For impairment loss recognized for a disposal group held for sale, the impairment loss is allocated firstly to reduce the carrying amount of any goodwill in the disposal group, then to each of the non-current assets of disposal group on the pro-rata basis of the carrying amount of each asset.

When the fair value less costs to sell of a non-current asset or disposal group is increase in subsequent balance sheet date, its carrying amount is recovered and the assets impairment loss recognized after the classification as held for sale is reversed, and the reversal amount is recorded in profit or loss for current period. Impairment loss of goodwill is not reversed.

Non-current asset held for sale and the assets of a disposal group held for sale are not depreciated or amortized. Interest and other expenses attributable to the liabilities of a disposal group held for sale are continued to be recognized. For all or a portion of investment in associates or joint ventures classified as held for sale, the portion classified as held for sale is ceased for accounting under equity method, and the remaining portion (being not classified as held for sale) is continuously accounted under equity method; When the Company ceases to have significant influence on associates and joint ventures by a sale of investment, accounting under equity method is ceased.

If a non-current asset or disposal group was classified as held for sale, but the conditions of classification as held for sale are no longer met, the Company ceases to classify it as held for sale and measures it at the lower of:

- ① its carrying amount before it was classified as held for sale, adjusted for any depreciation, amortisation or impairment that would have been recognised had the asset or disposal group not been classified as held for sale;
- ② its recoverable amount.

(2) Discontinued operations

A discontinued operation is a separately identifiable component of the group that either has been disposed of, or is classified as held for sale, and satisfies one of the following:

- ① it represents a separate major line of business or geographical area of operations,
- ② it is part of a single co-ordinated plan to dispose of a separate major line of business or geographical area of operations,
- ③ it is a subsidiary acquired exclusively with a view to resale.

(3) Presentation

The Company presents a non-current asset held for sale and the assets of a disposal group held for sale as "assets held for sale" in balance sheet, and the liabilities of a disposal group held for sale as "liabilities held for sale" in balance sheet.

The Company presents separately the profit or loss from continuing operations and the profit or loss from discontinued operations. For a non-current asset held for sale or a disposal group held for sale not satisfied the definition of discontinued operation, its impairment loss, reversal and gain or loss from disposal are presented in profit or loss from continuing operations. Operating profit or loss, such as impairment loss and reversal, of a discontinued operation and its gain or loss from disposal is presented in profit or loss from discontinued operations.

A disposal group, which satisfied the definition of a component in discontinued operation, that is to be closed rather than sold, it is presented as discontinued operation at the date on which it ceases to be used.

For discontinued operations presented in current period, its comparative information in prior year should be re-presented from profit or loss from continuing operations to profit or loss from discontinued operations in the current year financial statements. For discontinued operation that no longer met the conditions of classification as held for sale, its comparative information in prior year should be re-presented from profit or loss from discontinued operations to profit or loss from continuing operations in the current year financial statements.

14. Long-term equity investments

Long-term equity investments include equity investments in subsidiaries and equity investments in joint ventures and associates. An associate is an enterprise over which the Company has significant influence.

(1) Determination of initial investment cost

Long-term equity investment acquired through a business combination: For a business combination

involving enterprises under common control, the initial investment cost of a long-term equity investment is the combining party's share of the carrying amount of the owners' equity of the combined party in the consolidated financial statements of the ultimate controlling party at the date of combination. For a business combination not involving enterprises under common control, the initial investment cost of a long-term equity investment is the cost of acquisition.

Long-term equity investment acquired other than through a business combination: For a long-term equity investment acquired by cash, the initial investment cost is the amount of cash paid. For a long-term equity investment acquired by issuing equity securities, the initial investment cost is the fair value of the equity securities issued.

(2) Subsequent measurement and recognition of profit or loss

Long-term equity investments in subsidiaries are accounted for using the cost method, unless the investment satisfies the conditions of held-for-sale. An investment in a joint venture or an associate is accounted for using the equity method for subsequent measurement.

For long-term equity investment which is accounted for using the cost method, investment income is recognized in profit or loss for the current period as the cash dividend or profit announced and distributed, except for those cash dividend or profit which have already included in the actual payment or consideration of offer when the investment was made.

For long-term equity investment which is accounted for using the equity method, where the initial investment cost of a long-term equity investment exceeds the Company's interest in the fair values of the investee's identifiable net assets, no adjustment is made to the initial investment cost. Where the initial investment cost is less than the Company's interest in the fair values of the investee's identifiable net assets, the difference is charged to profit or loss for the current period, and the carrying amount of the long-term equity investment is adjusted accordingly.

Under the equity method, the Company recognizes its share of the investee's net profit or losses and other comprehensive income as investment income or losses and other comprehensive income respectively, and adjusts the carrying amount of the investment accordingly. The carrying amount of the investment is reduced by the portion of any profit distributions or cash dividends declared by the investee that is attributable to the Company. The Company's share of the investee's owners' equity changes, other than those arising from the investee's net profit or loss, other comprehensive income or profit distribution, is recognized in the capital reserve (other capital reserve), and the carrying amount of the long-term equity investment is adjusted accordingly. The Company recognizes its share of the investee's net profits or losses based on the fair values of the investee's individual separately identifiable assets at the time of acquisition, after making appropriate adjustments thereto in conformity with the accounting policies and accounting periods of the Company.

When the Company becomes capable of exercising significant influence or joint control (but not sole control) over an investee due to additional investment or other reasons, the accounting is changed to the equity method and the initial investment cost on the date of change is the sum of the fair value of the previously-held equity investment and additional investment cost. If the original equity is classified as non-trading equity instrument investment measured at fair value through other comprehensive income, the relevant accumulative changes in fair value originally included in other comprehensive income will be transferred to retained earnings when changed to equity method accounting.

When the Company can no longer exercise joint control of or significant influence over an investee due to partial disposal of equity investment or other reasons, the remaining equity investment on the date of losing joint control or significant influence is accounted for in accordance with Accounting Standard for Business

Enterprises No.22 - Recognition and Measurement of Financial Instruments and the difference between the fair value and the carrying amount at the date of the loss of joint control or significant influence is charged to profit or loss for the current period. When the previously-held equity investment is accounted for under the equity method, any other comprehensive income previously recognized are accounted for on the same basis as if the Company directly disposes of the related assets or liabilities for the current period upon discontinuation of the equity method. Other movement of owner's equity related to previously-held equity investment is transferred in profit or loss for the current period.

When the Company can no longer exercise control over an investee due to partial disposal of equity investment or other reasons and the remaining equity investment after disposal can exercise joint control of or significant influence over an investee, the remaining equity investment is accounted for under equity method and re-measured by equity method as if it has been acquired since date of acquisition. Where the remaining equity investment can no longer exercise joint control of or significant influence over an investee, the remaining equity investment is accounted for in accordance with Accounting Standard for Business Enterprises No.22-Recognition and Measurement of Financial Instruments and the difference between the fair value and the carrying amount at the date of the loss of control is charged to profit or loss for the current period.

When the Company can no longer exercise control over an investee due to dilution of shareholding by issuance of new shares to other investors by the investee but the Company can still exercise joint control of or significant influence on the investee, the difference between the Company's share of the increment of net assets in investee by the new shareholding percentage after new share issuance and the pro-rata portion of carrying value of long term equity investment for the decreased shareholding percentage is recognized in profit or loss in the current period. The remaining equity investment is accounted for equity method as if it was acquired since initial acquisition.

The unrealized profit or loss from internal transactions entered into between the Company and its associate or joint venture is offset according to the shareholding percentage held by the Company and the remaining portion is recognized as investment income or loss. However, the unrealized loss from internal transactions entered into between the Company and its investee is not offset if it belongs to impairment loss from assets transferred.

(3) Basis for determination of joint control or significant influence over an investee

Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require the unanimous consent of the parties sharing control. In assessing whether joint control of an arrangement exists, the Company firstly assesses whether all the parties or a group of the parties control the arrangement collectively. When all the parties or a group of the parties must act together unanimously in directing the relevant activities, then all the parties or a group of the parties are regarded as having joint control of an arrangement. Then assess whether decisions about the relevant activities require the unanimous consent of those parties that control the arrangement collectively. When more than one combination of the parties can control an arrangement collectively, joint control does not exist. Protective rights of any party are not considered when determining joint control.

Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control of those policies. When determining whether an investor can exercise significant influence over an investee, the effect of potential voting rights (for example, warrants, share options and convertible bonds) held by the investors or other parties that are currently exercisable or convertible shall be considered.

When the Company, directly or indirectly through subsidiaries, owns more than 20% (20% inclusive) but less than 50% of the voting shares of the investee, the Company has significant influence on the investee unless

there is clear evidence to show that the Company cannot participate in the business and operation decisions of the investee, and accordingly cannot exercise any significant influence. When the Company owns less than 20% of the voting shares of the investee, the Company has no significant influence on the investee unless there is clear evidence to show that the Company can participate in the business and operation decisions of the investee, and accordingly can exercise a significant influence.

(4) Held-for-sale equity investment

Accounting for an entity investment in an associate or a joint venture that is classified wholly or partially as held-for-sale refers to Note III.13.

Any remaining equity investment not classified as held-for-sale is accounted for using the equity method.

When an equity investment in an associate or a joint venture previously classified as held-for-sale but no longer meets the criteria to be so classified, it is accounted for using the equity method retrospectively as from the date of its classification as held-for-sale.

(5) Method of impairment testing and impairment provision

For investment of subsidiaries, associates and joint ventures, refer to Note III. 20 for the method of asset impairment.

15. Fixed assets

(1) Recognition of fixed assets

Fixed assets are tangible assets that are held for use in the production or supply of services, for rental to others, or for administrative purposes and have useful lives more than one accounting year.

Fixed assets are only recognized when its related economic benefits are likely to flow to the Company and its cost can be reliably measured.

Fixed assets are initially measured at cost.

Subsequent expenditures related to fixed assets are included in the cost of fixed assets when the economic benefits related to them are likely to flow into the Company and their costs can be measured reliably; the daily repair expenses of fixed assets that do not meet the criteria for subsequent expenditure of fixed assets capitalization shall be included in the current profit or loss or the cost of relevant assets according to the beneficiary at the time of occurrence. The carrying amount of the replaced part shall be derecognized.

(2) Depreciation methods

The cost of a fixed asset is depreciated using the straight-line method since the state of intended use, unless the fixed asset is classified as held for sale. Not considering impairment provision, the estimated useful lives, residual rates and annual depreciation rates of each class of fixed assets are as follows:

Category	Useful life (years)	Residual rate %	Annual depreciation rate%
Plant & buildings	5-20	4-5	19.20-4.75
Production equipment	3-20	4-5	32.00-4.75
Tooling equipment	3-5	5	31.67-19.00

Testing equipment	5-10	5	19.00-9.50
Transportation equipment	4-5	5	23.75-19.00
Electronic equipment and others	3-5	5	31.67-19.00

Among the above, depreciation rate of impaired fixed assets are determined after deduction of the cumulative amount of impairment provision.

(3) Impairment testing and the impairment provision of fixed assets refers to Note III. 20.

(4) The Company reviews the useful life, estimated net residual value and the depreciation method of fixed assets at the end of each financial year

Useful lives of fixed assets are adjusted if they are different with the initial estimates. Estimated net residual values are adjusted if they are different with the initial estimates.

(5) Disposal of fixed assets

When the fixed assets are disposed, or no economic benefit is expected to be generated through the use or disposal, the fixed assets shall be derecognised. The amount of the disposal income from the sale, transfer, scrapping or destruction of fixed assets after deducting its carrying value and relevant taxes is recorded into the current profit or loss.

16. Construction in progress

Construction in progress is recognized based on the actual construction cost, including all expenditures incurred for construction projects, capitalized borrowing costs for the construction in progress before it has reached the working condition for its intended use and other related expenses during the construction period.

Construction in progress is transferred to fixed assets when it has reached the working condition for its intended use.

Provision for impairment of construction in progress refers to Note III. 20.

17. Borrowing costs

(1) Recognition of borrowing costs capitalization

Borrowing costs are capitalized when they are directly attributable to the acquisition, construction or production of a qualifying asset and included in the cost of related assets. Other borrowing costs are recognized as expenses and recorded in profit or loss for the current period when incurred. Capitalization of such borrowing costs commenced only when all of the following conditions are satisfied:

① Expenditures for the asset are being incurred, capital expenditure includes the expenditure in the form of cash payment, transfer of non-cash assets or interest bearing liabilities for the purpose of acquiring or constructing assets eligible for capitalization;

② Borrowing costs are being incurred; and

③ Activities relating to the acquisition, construction or production of the asset that are necessary to prepare the asset for its intended use or sale have commenced.

(2) Borrowing costs capitalization period

Capitalization of such borrowing costs ceases when the qualifying assets being acquired, constructed or produced become ready for their intended use or sale. Borrowing cost incurred after the qualifying assets became ready for their intended use or sale is recognized as an expense when incurred and recorded in profit or loss for the current period.

Capitalization of borrowing costs is suspended during periods in which the acquisition, construction or production of a qualifying asset is suspended abnormally and when the suspension is for a continuous period of more than 3 months. Borrowing costs continues to be capitalized during the normal suspension period.

(3) Borrowing costs capitalization rate and calculation of capitalization amount

For funds borrowed for a specific purpose, the amount of interest to be capitalized is the actual interest expense incurred on that borrowing less any bank interest earned from depositing the borrowed funds before being used into banks or any investment income on the temporary investment of those funds. For funds borrowed for general purpose, the amount of interest to be capitalized on such borrowings is calculated by applying a capitalization rate to the weighted average of the excess amounts of cumulative expenditures on the asset over and above the amounts of specific-purpose borrowings. Capitalization rate is determined as calculating weighted average interest rate of general borrowings.

In the capitalization period, exchange differences of specific borrowings in foreign currency are fully capitalized. Exchange differences of general borrowings in foreign currency are recorded in profit or loss for the current period.

18. Intangible assets

The Company's intangible assets include land use rights, patent right, non-patent technology, software and wind power projects licence.

Intangible asset is initially measured at cost and its useful life is determined on acquisition. An intangible asset with a finite useful life is amortized by a method which can reflect the expected realization of economic benefits related to the asset since the intangible asset is available for use. When the expected realization of economic benefits cannot be reliably determined, intangible asset is amortized under straight-line method. An intangible asset with an indefinite useful life is not amortized.

Amortization methods of intangible assets with finite useful life are shown as follows:

Category	Useful life	Amortization method
Land use rights	According to the certificate's useful life	Straight line method
Patent rights	According to the certificate's useful life	Straight line method
Non-patent rights	Determined by profitable period analysis	Straight line method
Software	Determined by profitable period analysis	Straight line method
Wind power project license	Determined by profitable period analysis	Straight line method

The Company reviews the finite useful life of an intangible asset and the amortization method at the end of each financial year. Any change is accounted for as a change in accounting estimate.

If an intangible asset is expected no longer in generating future economic benefits to the Company at the balance sheet date, the carrying amount of the asset is charged to profit or loss for the current period.

Impairment method of intangible assets refers to Note III. 20.

19. Research and development expenditure

Expenditure on an internal research and development project is classified into expenditure on the research phase and expenditure on the development phase.

Expenditure on the research phase is recorded in profit or loss when incurred.

Expenditure on the development phase is capitalized only when the Company can satisfy all of the following conditions: it is technical feasible that the intangible asset can be used or sold upon completion; there is intention to complete the intangible asset for use or sale; the intangible asset can generate economic benefits, including there is evidence that the products produced using the intangible asset has a market or the intangible asset itself has a market; if the intangible asset is for internal use, there is evidence that there is usage for the intangible asset; there is sufficient support in terms of technology, financial resources and other resources in order to complete the development of the intangible asset, and there is capability to use or sell the intangible asset; the expenses attributable to the development stage of the intangible asset can be measured reliably. Expenditure on the development phase is recorded in profit or loss for the current period if the above conditions are not met.

Research and development projects of the Company will enter into the development phase when they meet the above conditions and pass the technical feasibility and economic feasibility studies and necessary approval of the project.

Capitalized expenditure on the development phase is presented as “development costs” in the balance sheet and is transferred to intangible assets when the project is completed to its intended use.

Capitalization conditions of specific research and development projects:

- (1) Development project has been adequately proved by technical team;
- (2) The management has approved the budget for the development project;
- (3) Early market research and analysis shows that the products to be produced by the development project has a favorable market;
- (4) Have sufficient technical and financial support to carry out the development activities of the development project and subsequent mass production;
- (5) Expenditures for development projects can be reliably measured.

Expenditures in the development phase that do not meet the above conditions are charged to profit or loss when they occur. Development costs that have been included in profit or loss in previous periods will not be reversed and recognized as assets in subsequent periods. Expenditures in the development phase that have been capitalized are listed as development costs on the balance sheet, and they will be transferred to intangible assets from the date the project reaches its intended use. When the recoverable amount of intangible assets is lower than its carrying amount, the carrying amount is reduced to the recoverable amount.

20. Impairment of assets

The impairment of subsidiaries, associates and joint ventures in the long-term equity investments, fixed assets, construction in progress, right-of-use assets, intangible assets and goodwill (excluding inventories, deferred tax assets and financial assets) are determined as follows:

At each balance sheet date, the Company determines whether there may be indication of impairment of the assets, if there is any, the Company will estimate the recoverable amount of the asset, and perform test for

impairment. For goodwill arising from a business combination, intangible assets with indefinite useful life and intangible assets that have not reached the usable condition are tested for impairment annually regardless of whether such indication exists.

The recoverable amount of an asset is determined by the higher of the net amount after deducting the disposal costs from the asset's fair value and the present value of the asset's estimated future cash flow. The recoverable amount of asset is estimated on individual basis. If it is not possible to estimate the recoverable amount of the individual asset, the Company determines the recoverable amount of the asset group to which the asset belongs. The identification of the asset group is based on whether the cash flow generated from the asset group is independent of the major cash inflows from other assets or asset groups.

When the asset or asset group's recoverable amount is lower than its carrying amount, the Company reduces its carrying amount to its recoverable amount, the reduced amount is recorded in profit or loss for the current period and the provision for impairment of assets is recognized.

For tests of goodwill impairment, the carrying amount of goodwill arising from a business combination is allocated reasonably to the relevant asset group since the acquisition date. If the carrying value of goodwill is unable to be allocated to asset group, the carrying value of goodwill will be allocated to asset portfolio. Asset group or portfolio of asset group is asset group or portfolio of asset group which can be benefit from synergies of a business combination and is not greater than the reportable segment of the Company.

In impairment testing, if indication of impairment exists in asset group or portfolio of asset group containing allocated goodwill, impairment test is first conducted on asset group or portfolio of asset group that does not contain goodwill, and corresponding recoverable amount is estimated and any impairment loss is recognized. Then asset group or portfolio of asset group containing goodwill is conducted impairment test by comparing its carrying amount and its recoverable amount. If the recoverable amount is less than the carrying amount, impairment loss of goodwill is recognized.

Once an impairment loss is recognized, it is not reversed in a subsequent period.

21. Long-term deferred expenses

Long-term deferred expenses are recorded at the actual cost, and amortized evenly over the expected benefit period. For the long-term deferred expense that cannot benefit in future accounting period, their amortized value is recognized in profit or loss for the current period.

22. Employee benefits

(1) Scope of employee benefits

Employee benefits refer to all forms of consideration or compensation given by the Company in exchange for service rendered by employees or for the termination of employment relationship. Employee benefits include short-term employee benefits, post-employment benefits, termination benefits and other long-term employee benefits. Benefits provided to the employee's spouse, children, dependents, family members of deceased employees, or other beneficiaries are also employee benefits.

According to their liquidities, employee benefits are presented as "employee benefits payable" and "long-term employee benefits payable" on the balance sheet.

(2) Short-term employee benefits

In the accounting period in which employees have rendered services, the Company recognized the employee

wages, bonus, social security contributions according to regulations such as medical insurance, work injury insurance and maternity insurance as well as housing funds as liability, and charged to profit or loss for the current period or cost of relevant assets. If the liability is not expected to be settled wholly in twelve months after the balance sheet date, and the amount is significant, the liability is measured at the discounted amount.

(3) Post-employment benefits

Post-employment benefit plan includes defined contribution plans and defined benefit plans. Defined contribution plans are post-employment benefit plans under which a corporate pays fixed contributions into an escrow fund and will have no further obligation. Defined benefit plans are post-employment benefit plans other than defined contribution plans.

Defined contribution plans

Defined contribution plans include basic pension insurance and unemployment insurance.

In the accounting periods which employees rendered services, the amount of defined contribution plan is recognized as liability and charged to profit or loss for the current period or cost of relevant assets.

Defined benefit plans

For defined benefit plans, independent actuaries estimate the actuarial value at the balance sheet date to determine the cost of welfare by using the Projected Unit Credit method. The Company recognizes the following components of employee benefits cost arising from defined benefit plan:

- ① service cost, comprising current service cost, past service cost and any gain or loss on settlement. Current service cost is the increase in the present value of the defined benefit plan obligation resulting from employee service in the current period. Past service cost is the increase or decrease in the present value of the defined benefit plan obligation for employee service in prior periods, resulting from a plan amendment.
- ② net interest on the defined benefit plan net liabilities or assets, including interest income on plan assets, interest cost on the defined benefit plan obligation and interest on the effect of the asset ceiling.
- ③ changes as a result of remeasurement of the net defined benefit plan liabilities or assets.

Item① and item② above are recognized in profit or loss for the current period unless another Accounting Standard requires or permits the inclusion of the employee benefit costs in the cost of assets. Item③ is recognized in other comprehensive income and is not reclassified to profit or loss in subsequent period. On termination of defined benefit plans, other comprehensive income previously recognized is transferred to undistributed profits.

(4) Termination benefits

Termination benefits provided by the Company to employees are recognized as an employee benefits liability and charged to profit or loss for the current period at the earlier of the following dates: the Company cannot unilaterally withdraw the offer of termination benefits because of an employment termination plan or a curtailment proposal; and when the Company recognizes costs or expenses related to the restructuring that involves the payment of termination benefits.

For early retirement arrangement, early retirement benefits are accounted for termination benefits, in which the salaries and social security contributions to be paid to and for the early retired employees from the off-duty date

to the normal retirement date are charged to the profit or loss for the current period. Compensations after the normal retirement date (such as formal endowment insurance) are accounted for as post-employment benefits.

(5) Other long-term employee benefits

Other long-term employee benefits provided by the Company to the employees satisfied the conditions for classifying as a defined contributions plan; those benefits are accounted for in accordance with the above requirements relating to defined contribution plan. When the benefits satisfied a defined benefits plan, they are accounted for in accordance with the above requirements relating to defined benefits plan, but the movement of net liabilities or assets in re-measurement of defined benefit plan is recorded in profit or loss for the current period or cost of relevant assets.

23. Provisions

A provision is recognized as a liability when an obligation related to a contingency satisfied all of the following conditions:

- (1) The obligation is a present obligation of the Company;
- (2) It is probable that an outflow of economic benefits will be required to settle the obligation;
- (3) The amount of the obligation can be measured reliably.

Provisions are initially measured at the best estimate of the payment to settle the associated obligations and consider the relevant risk, uncertainty and time value of money. If the impact of time value of money is significant, the best estimate is determined as its present value of future cash outflow. The Company reviews the carrying amount of provisions at the balance sheet date and adjusts the carrying amount to reflect the best estimate.

If all or part of the expenses necessary for settling the provision is expected to be compensated by a third party, the amount of compensation is separately recognized as an asset when it is basically certain to be received. The recognized compensation amount shall not exceed the carrying value of the provision.

24. Share-based payment and equity instruments

(1) Types of share-based payment

The share-based payment can be distinguished into equity-settled and cash-settled share-based payment.

(2) Determination of fair value of equity instruments

If there exists an active market for options and other equity instruments granted by the Company, their fair value is determined on the price quotes in an active market. If an active market does not exist for options and other equity instruments granted by the Company, their fair value is determined by using an option pricing model. Selection of option pricing model considers the following factors: A) Exercise price of option; B) Validity period of option; C) Spot price of subject shares; D) Estimated volatility of share price; E) Estimated dividend of shares; F) Risk-free interest rate in the validity period of option.

(3) Basis for the best estimate of vested equity instruments

At each balance sheet date of the vesting period, the Company revises the number of equity instruments that will ultimately vest based on the best estimate of the latest number of eligible employees and other subsequent information. On vesting date, the number of expected vested equity instruments should be agreed with the

actual number vested.

(4) Accounting treatment for implementation, modification, and termination of share-based payment

Equity-settled share-based payments are measured at the fair value of equity instruments granted to employees. Instruments which are vested immediately upon the grant are charged to relevant costs or expenses at the fair value on the date of grant and the capital reserve is credited accordingly. Instruments of which vesting is conditional upon completion of services or fulfillment of performance conditions are measured by recognizing services rendered during the period in relevant costs or expenses and crediting the capital reserve accordingly at the fair value on the date of grant according to the best estimates conducted by the Company at each balance sheet date. No subsequent adjustment is made on the recognized relevant cost and expenses and owners' equity after the vesting date.

Cash-settled share-based payments are measured based on the value of shares or other equity instruments undertaken by the Company. Instruments which are vested immediately upon the grant are charged to relevant costs or expenses at the fair value on the date of grant and a liability is credited accordingly. Instruments of which vesting is conditional upon completion of services or fulfillment of performance conditions are measured by recognizing services rendered during the period in relevant costs or expenses and crediting a liability accordingly at the fair value on the date of grant according to the best estimates conducted by the Company at each balance sheet date. The fair value of the liability is remeasured at each balance sheet date and at the date of settlement, with any changes in fair value recognized in profit or loss for the current period.

Where the terms of an equity-settled share-based payment are modified, if the modification increases the fair value of the equity instruments granted, the incremental fair value is recognized as additional service obtained; if the modification increases the number of equity instruments granted, the incremental fair value is recognized as additional service received. The incremental fair value granted is the difference between the fair value of the modified equity instrument and that of the original equity instrument both estimated as at the date of modification. If the modification of terms and conditions of share-based payment arrangement reduces the total fair value of the share-based payment or is not otherwise beneficial to the employee, the Company nevertheless continues to account for the services received as if that modification had not occurred, other than the Company cancels some or all the equity instruments granted.

If a grant of equity instruments is cancelled during the vesting period (other than a grant cancelled by forfeiture when the vesting conditions are not satisfied), the Company accounts for the cancellation as an acceleration of vesting and recognizes immediately the amount that otherwise would have been recognized over the remainder of the vesting period and the capital reserve is credited accordingly. When employees or other parties are permitted to choose to fulfill non-vesting conditions but have not fulfilled during the vesting period, the Company deems the granted equity instruments are cancelled.

25. Preference Shares, Perpetual Bonds and other financial instruments

(1) Classification of financial liabilities and equity instruments

Financial instruments issued by the Company are classified into financial assets, financial liabilities or equity instruments on the basis of the substance of the contractual arrangements and the economic nature not only its legal form, together with the definition of financial asset, financial liability and equity instruments on initial recognition.

(2) Accounting treatment of Preference Shares, Perpetual Bonds and other financial instruments

Financial instruments issued by the Company are initially recognised and measured in accordance with the financial instrument standards; thereafter, interest or dividends are accrued on each balance sheet date and

accounted for in accordance with relevant specific ASBEs, i.e. to determine the accounting treatment for interest expenditure or dividend distribution of the instrument based on the classification of the financial instrument issued. For financial instruments classified as equity instruments, their interest expenses or dividend distributions are treated as profit distribution of the Company, and their repurchases and cancellations are treated as changes in equity; for financial instruments classified as financial liabilities, their interest expenses or dividend distribution are in principle accounted for with reference to borrowing costs, and the gains or losses arising from their repurchases or redemption are included in the profit or loss for the current period.

For the transaction costs such as fees and commissions incurred by the Company for issuing financial instruments, if such financial instruments are classified as debt instruments and measured at amortised cost, they are included in the initial measured amount of the instruments issued; if such financial instruments are classified as equity instruments, they are deducted from equity.

26. Revenue

(1) General principle

The Company recognises revenue when it satisfies a performance obligation in the contract, i.e. when the customer obtains control of the relevant goods or services.

Where a contract has two or more performance obligations, the Company allocates the transaction price to each performance obligation based on the percentage of respective unit price of goods or services guaranteed by each performance obligation, and recognises as revenue based on the transaction price that is allocated to each performance obligation.

If one of the following conditions is fulfilled, the Company performs its performance obligation within a certain period; otherwise, it performs its performance obligation at a point of time:

- ① when the customer simultaneously receives and consumes the benefits provided by the Company when the Company performs its obligations under the contract; or
- ② when the customer is able to control the goods in progress in the course of performance by the Company under the contract; or
- ③ when the goods produced by the Company under the contract are irreplaceable and the Company has the right to payment for performance completed to date during the whole contract term.

For performance obligations performed within a certain period, the Company recognises revenue by measuring the progress towards complete of that performance obligation within that certain period. When the progress of performance cannot be reasonably determined, if the costs incurred by the Company are expected to be compensated, the revenue shall be recognised at the amount of costs incurred until the progress of performance can be reasonably determined.

For performance obligation performed at a point of time, the Company recognises revenue at the point of time at which the customer obtains control of relevant goods or services. To determine whether a customer has obtained control of goods or services, the Company considers the following indications:

- ① the Company has the current right to receive payment for the goods, which is when the customer has the current payment obligations for the goods;

- ② the Company has transferred the legal title of the goods to the customer, which is when the client possesses the legal title of the goods;
- ③ the Company has transferred the physical possession of goods to the customer, which is when the customer obtains physical possession of the goods;
- ④ the Company has transferred all of the substantial risks and rewards of ownership of the goods to the customer, which is when the customer obtain all of the substantial risks and rewards of ownership of the goods to the customer;
- ⑤ the customer has accepted the goods or services;
- ⑥ other information indicates that the customer has obtained control of the goods.

The Company's right to consideration in exchange for goods or services that the Company has transferred to customers (which depends on factors other than the passage of time) as its contract assets, and contract assets are subject to impairment based on ECLs (refer to Note III. 10 (6)). The Company's unconditional right to receive consideration from customers (only depends on passage of time) is accounted for as accounts receivable. The Company's obligation to transfer goods or services to customers for which the Company has received or should receive consideration from customers is accounted for as contract liabilities.

Contract assets and contract liabilities under the same contract are presented on a net basis. Where the net amount has a debit balance, it is presented in "contract assets" or "other non-current assets" according to its liquidity. Where the net amount has a credit balance, it is presented in "contract liabilities" or "other non-current liabilities" according to its liquidity.

(2) Specific revenue recognition

- ① the Company's revenue recognition on sale of wind turbines:

The sales contract between the Company and the customer usually includes the performance obligation for the transfer of the complete wind turbine and accessories. The Company recognizes revenue when the complete wind turbine and accessories are delivered to the customer and the customer has accepted the products and the customer obtains control of the complete wind turbine and accessories.

- ② the Company's revenue recognition on operation and maintenance services:

Contract between the Company and the customer usually includes performance obligations for the operation and maintenance of wind field. During the term of the operation and maintenance contract, the Company recognizes revenue annually based on the completion of the operation and maintenance services provided.

- ③ the Company's revenue recognition on sale of electric power:

Contract between the Company and the customer usually includes performance obligations to sell electric power generated by wind turbine generators to grid companies. Electric power sales are recognised as revenue on monthly basis based on the quantity of on-grid electricity and electricity price.

- ④ Revenue on sale of electricity

The electricity sales contracts between the Company and the customer usually includes the provision of electricity sales services. Revenue of electricity trading services provided by the Company to external party is

recognised when the users consumed electricity and the electricity settlement statements is obtained from Electricity Trading Center. The difference between the sales price and purchase price of electricity is recognized as the revenue on sale of electricity.

⑤ Revenue on construction work

The construction contract between the Company and the customer usually includes performance obligations for the construction of wind field. The Company regards them as performance obligations over a period of time. The Company determines the performance progress of the services provided based on the cost incurred in accordance with the input method. When the performance progress can be reasonably determined, the revenue is recognized based on the performance progress; otherwise, the revenue is recognized on the actual amount of contract cost incurred and is expected to be recovered.

27. Contract costs

Contract costs consist of incremental costs of obtaining a contract and contract fulfillment costs.

Incremental costs of obtaining a contract are those costs that an entity incurs to obtain a contract with a customer that it would not have incurred if the contract had not been obtained (for example, a sales commission). The Company recognizes as an asset the incremental costs of obtaining a contract with a customer if those costs are expected to be recoverable. Other expenses incurred by the Company other than the incremental costs that are expected to be recovered in obtaining a contract are recognized in profit or loss for the current period when incurred.

The Company recognizes as an assets the costs incurred in fulfilling a contract with a customer if those costs are not within the scope of another Standard (for example, Inventories) and meet all of the following criteria:

- ① the costs relate directly to a contract or to an anticipated contract, including direct labour, direct materials, manufacturing costs (or similar costs), costs that are explicitly chargeable to the customer and other costs that are incurred only because the Company entered into the contract;
- ② the costs generate or enhance resources of the Company that will be used in satisfying performance obligations in the future; and
- ③ the costs are expected to be recovered.

Assets recognised on incremental costs of obtaining a contract and contract fulfillment costs (hereinafter refer as "Contract assets") are amortized on a systematic basis that is consistent to the revenue recognition of the related goods or services, and are charged to profit or loss for the current period.

The Company recognises provision for impairment of assets when the carrying amount of contract asset is higher than the difference between the following two items:

- ① the remaining amount of consideration that the Company expects to receive in exchange for the goods or services to which the asset relates;
- ② costs anticipated to be incurred for the transfer of goods or services.

As determined at contract inception, contract fulfillment costs that is recognised as an asset is presented as "inventories" if the amortization period is not more than one year or one operating cycle, or is presented as "other non-current assets" if the amortization period is more than 1 year or one operating cycle.

As determined at contract inception, incremental costs of obtaining a contract that is recognised as an asset is presented as "other current assets" if the amortization period is not more than one year or one operating cycle, or is presented as "other non-current assets" if the amortization period is more than 1 year or one operating cycle.

28. Government grants

Government grant is recognized when prescribed conditions are satisfied and the grant will be received.

If a government grant is in the form of a transfer of a monetary asset, it is measured at the amount received or receivable. If a government grant is in the form of a transfer of a non-monetary asset, it is measured at fair value. If fair value cannot be reliably determined, it is measured at a nominal amount of RMB 1.

A government grant related to an asset is a grant obtained by the Company for purchase, construction or formation of long-term assets. The grant not related to an asset is classified as government grant related to income.

For government grant with unspecified purpose, the amount of grant used to form a long-term asset or related to an asset is regarded as government grant related to an asset, the remaining amount of grant is regarded as government grant related to income. If it is not possible to distinguish, the amount of grant is treated as government grant related to income.

A government grant related to an asset is either deducted the carrying amount of the asset, or recognized as deferred income and amortized to profit or loss over the useful life of the related asset on a reasonable and systematic basis. For a government grant related to income, if the grant is a compensation for related expenses or losses already incurred, the grant is recognized immediately in profit or loss for the current period. If the grant is a compensation for related expenses or losses to be incurred in subsequent periods, the grant is recognized as deferred income, and recognized in profit or loss over the periods in which the related expenses or losses are recognized. Government grants measured at nominal amounts are directly recognized in profit or loss for the period. The Company adopts same treatment for those transactions of similar government grants.

Government grants relating to daily activities, according to the substance of business transaction, it is either recorded as other income or deduction of related expenditure. If it is not relating to daily activities, it is recorded as non-operating income.

Repayment of a government grant related to an asset, that initially deducted the carrying amount of the asset, is recognized by increasing the carrying amount of the asset; if there exists of the related deferred income balance, then the deferred income balance is reduced by the amount repayable, any excess is charged to profit or loss for the current period. Repayment of a government grant related to other situation, it is directly charged to profit or loss for the current period.

29. Deferred tax assets and deferred tax liabilities

Income tax comprises of current tax and deferred tax. Current tax and deferred tax are recognized in profit or loss except to the extent that they relate to transactions or items recognized directly in equity and goodwill arising from a business combination.

Temporary differences arising from the difference between the carrying amount of an asset or liability and its tax base are recognized as deferred tax using the balance sheet liability method.

All the taxable temporary differences are recognized as deferred tax liabilities except for those incurred in the following transactions:

- (1) Initial recognition of goodwill or initial recognition of an asset or liability in a transaction which is neither a

business combination nor affects accounting profit or taxable profit (or deductible loss) when the transaction occurs;

(2) The taxable temporary differences associated with investments in subsidiaries, associates and joint ventures, and the Company is able to control the timing of the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future.

The Company recognizes a deferred tax asset for the carry forward of deductible temporary differences, deductible losses and tax credits to subsequent periods, to the extent that it is probable that future taxable profits will be available against which the deductible temporary differences, deductible losses and tax credits can be utilized, except for those incurred in the following transactions:

(1) The transaction is neither a business combination nor affects accounting profit or taxable profit (or deductible loss) when the transaction occurs;

(2) The deductible temporary differences associated with investments in subsidiaries, associates and joint ventures, the corresponding deferred tax asset is recognized when both of the following conditions are satisfied: it is probable that the temporary difference will reverse in the foreseeable future and it is probable that taxable profits will be available in the future against which the temporary difference can be utilized.

At the balance sheet date, deferred tax assets and deferred tax liabilities are measured at the tax rates that are expected to apply to the period when the asset is realized or the liability is settled, and their tax effect is reflected.

At the balance sheet date, the Company reviews the carrying amount of a deferred tax asset. If it is probable that sufficient taxable profits will not be available in future periods to allow the benefit of the deferred tax asset to be utilized, the carrying amount of the deferred tax asset is reduced. Any such reduction in amount is reversed when it becomes probable that sufficient taxable profits will be available.

30. Leases

(1) Identification of leases

At inception of a contract, the Company, as a lessee or a lessor, shall assess whether the customer under the contract has the right to obtain substantially all of the economic benefits from use of the identified asset during the period of use and has to right to direct the use of the identified asset during the period of use. The Company considers the contract to be a lease or to include a lease if one of the parties to the contract conveys the right to control the use of one or more identified assets for a certain period of time in exchange for consideration.

(2) The Company acts as the lessee

At the commencement date, the Company recognizes the right-of-use assets and lease liabilities for all leases, except for simplified short-term leases and leases of low value assets.

For the accounting policy of the right-of-use assets, see Note III. 31.

Lease liabilities are initially measured at the present value of the outstanding lease payments at the commencement date of the lease using the interest rate implicit in the lease. If the interest rate implicit in the lease cannot be determined, the incremental borrowing rate shall be used as the discount rate. The lease payments include: fixed payments and in-substance fixed payments; if there are lease incentives, the relevant amount of lease incentives shall be deducted; variable lease payments depending on an index or a rate; the exercise price of the option provided that the lessee is reasonably certain that the option will be exercised; the amount to be paid to exercise the option to terminate the lease if the lease term reflects that the lessee will exercise the option to terminate the lease; and the amount expected to be payable based on the residual value

of the security provided by the lessee. The interest expense of the lease liability in each period of the lease term shall be calculated in accordance with the fixed periodic interest rate and recorded into the profit or loss of the current period. The variable lease payment not included in the measurement of lease liabilities shall be recorded into the current profit or loss when actually incurred.

Short-term lease

A short-term lease is a lease that, at the commencement date, has a lease term of 12 months or less, except for a lease that contains a purchase option.

The Company will record the lease payment amount of short-term lease into the cost of relevant assets or current profit or loss in each period of the lease term according to the straight-line method.

For short-term leases, the Company adopts the above simplified treatment method on all items that satisfy the conditions of short-term lease in the following assets category.

- Electronic equipment
- Transportation tools

Leases of low value assets

Low value asset lease refers to a lease with a lower value when a single leased asset is a new asset.

The Company will include the lease payment of the low-value asset lease into the cost of the relevant asset or current profit or loss in each period of the lease term according to the straight-line method.

For leases of low value assets, the Company chooses to adopt the above simplified treatment method according to the specific situation of each lease.

Lease modifications

A lessee shall account for a lease modification as a separate lease if both: ① the modification increases the scope of the lease by adding the right to use one or more underlying assets; and ② the consideration for the lease increases by an amount commensurate with the stand-alone price for the increase in scope and any appropriate adjustments to that stand-alone price to reflect the circumstances of the contract.

If lease modification that is not accounted for as a separate lease, on the day of the lease modification, the Company re-allocates the consideration in the modified lease, re-determines the lease term, and re-measures the present value of lease liability according to the revised lease payments and revised discount rate.

For lease modifications that result in decrease in the lease scope or the lease term, the Company decreases the carrying amount of the right-of-use asset accordingly and recognizes in profit or loss of current period any gain or loss relating to the partial or full termination of the lease.

For all other lease modifications that result in remeasurement of lease liabilities, the Company makes a corresponding adjustment to the carrying amount of right-of-use asset.

(3) The Company acts as the lessor

When the Company acts as the lessor, the leases that substantially transfer all the risks and rewards related to the ownership of the assets are recognized as finance leases, and other leases other than finance leases

are recognized as operating leases.

Finance leases

In the case of finance leases, the Company takes the net investments in the lease as the carrying amounts of finance lease receivables at the commencement date, and the net lease investments are the sum of the unguaranteed residual value and the present value of the lease payments receivable at the commencement date discounted at the implicit interest rate. The Company, as the lessor, calculates and recognizes interest income for each period of the lease term at a fixed periodic rate. The variable lease payments obtained by the Company as the lessor and not included in the measurement of the net lease investments shall be recorded into the current profit or loss when actually incurred.

The derecognition and impairment of finance lease receivable shall be accounted for in accordance with the provisions of the “Accounting Standards for Business Enterprises No. 22 - Recognition and Measurement of Financial Instruments” and the “Accounting Standards for Business Enterprises No. 23 - Transfer of Financial Assets”.

Operating lease

For the rent in the operating lease, the Company shall recognize the profit or loss of the current period in accordance with the straight-line method during each period of the lease term. The initial direct costs incurred in connection with the operating lease shall be capitalized, allocated on the same basis as the recognition of rental income during the lease term and recorded into the current profit or loss in installments. The variable lease payments obtained in connection with the operating lease and not included in the lease payments shall be recorded into the current profit or loss when actually incurred.

Lease modifications

If an operating lease is modified, the Company will treat it as a new lease for accounting treatment from the effective date of the modification, and the amount of lease payments received in advance or receivable related to the lease before the modification will be regarded as the amount of new lease payments.

The Company will treat the finance lease modification as a separate lease if the following conditions are met: ① the modification increases the scope of the lease by adding the right to use one or more underlying assets; and ② the consideration for the lease increases by an amount commensurate with the stand-alone price for the increase in scope and any appropriate adjustments to that stand-alone price to reflect the circumstances of the contract.

If the finance lease modification is not accounted for as a separate lease, the Company will deal with the modified lease under the following circumstances: ① If the modification takes effect on the commencement date of the lease, the lease will be classified as an operating lease, and the Company will treat it as a new lease from the effective date of the lease modification, and take the net investment in lease before the effective date of the lease modification as the carrying amount of the leased asset; ② If the modification takes effect on the commencement date of the lease, the lease will be classified as a finance lease, and the Company will conduct accounting treatment in accordance with the provisions of the “Accounting Standards for Business Enterprises No. 22 - Recognition and Measurement of Financial Instruments” concerning the modification or renegotiation of the contract.

(4) Sale and leaseback

The lessee and the lessor shall, in accordance with the “Accounting Standards for Business Enterprises No. 14 – Revenue”, evaluate and determine whether the transfer of assets in the sale and leaseback transaction

is a sale.

If the transfer of an asset in the sale and leaseback transaction is a sale, the lessee shall measure the right-of-use asset arising from the leaseback at the proportion of the previous carrying amount of the asset that relates to the right of use retained by the lessee, and recognise the relevant gains or losses only for the right transferred to the lessor. The lessor shall account for the purchase of assets in accordance with other applicable accounting standards for business enterprises, and for the lease of assets in accordance with the lease standard.

If the transfer of an asset in the sale and leaseback transaction is not a sale, the lessee shall continue to recognize the transferred asset and at the same time recognize a financial liability equal to the transfer proceeds, and conduct accounting treatment on the financial liability in accordance with the “Accounting Standards for Business Enterprises No. 22 - Recognition and Measurement of Financial Instruments”. The lessor shall not recognize the transferred asset, but shall recognise a financial asset equal to the transfer proceeds, and conducts accounting treatment on the financial asset in accordance with the “Accounting Standards for Business Enterprises No. 22 - Recognition and Measurement of Financial Instruments”.

(5) COVID-19 related rental concessions

For rental concession, such as rent reduction or deferral of payment, that the Company and lessees or lessors have reached in agreement directly caused by COVID-19, when all of the following conditions are met, the Company’s rental of properties or buildings are using simplified approach:

- ① the change in lease payments results in revised consideration for the lease that is substantially the same, or less than, the consideration for the lease immediately preceding the change. In particular, the lease payments can be undiscounted or discounted at the discount rate preceding the concessions;
- ② any reduction in lease payments affects only payments originally due on or before 30 June 2022;
- ③ there is no substantive change to other terms and conditions of the lease.

The Company does not assess whether it is a lease modification.

Where the Company as the lessee under operating leases, the Company will continue to account the rent of original contract into relevant asset or expenses in accordance with the same method preceding to the concession. If there is rent reduction or exemption, the Company will treat the exempted rent as contingent rent, and reduce costs or expenses during the relevant period. If the payment of rent is deferred, the Company recognizes the rent as payables during the original payment period, and offsets the payables accrued when the actual payment is made. For financing lease, the Company continues to recognize unrecognized financing expenses as financial cost for the current period by the same discount rate preceding to the concession, and continues to carry out subsequent measurement such as depreciation of assets under financing lease in the same manner preceding to the concession. When there is rent reduction or exemption, the Company will treat the exempted rent as contingent rent which will offset against the cost of assets or expenses when a reduction agreement is reached to relieve the original rent payment obligation. Long-term payable is also adjusted accordingly based on the discount rate preceding to the concession and the difference is recognised in profit or loss. Unrecognized financing expenses should also be adjusted. If the rental payment is deferred, the Company will offset the long-term payables previously recognised when actual payment is made.

Where the Company as a lessor under operating leases, the Company continues to recognize the rental income of original contract in the same method preceding to the concession. If there is rent reduction or exemption, the Company will treat the exempted rent as contingent rent and offset the rental income during

the exemption period. If the collection of rent is deferred, the Company recognizes a rent receivable during the original collection period, and offsets the receivables previously recognised when actual payment is received. For financing leases, the Company continues to recognize lease income on the unrealized financing income at the same interest rate implicit in the lease preceding the concession. If there is rent reduction or exemption, the Company will treat the reduced or exempted rent as contingent rent which offset the lease income previously recognised when a concession agreement is reached and the right to collect the original rent is waived. When lease income previously recognised is insufficient to offset, the excess amount is charged against investment income. Other receivable is also adjusted accordingly based on the discount rate preceding to the concession and the difference is recognised in profit or loss. Unrecognized financing income should also be adjusted. If the rental payment is deferred, the Company will offset other receivables previously recognised when actual payment is made.

31. Right-of-use assets

(1) Criteria for the recognition of right-of-use assets

The Company's right-of-use assets refer to the Company's right to use the leased assets during the lease term as the lessee.

On the commencement date, the right-of-use assets shall be initially measured at cost. The cost includes: the initial measurement of the lease liability; for the amount of lease payments paid on or before the commencement date of the lease term, if there is a lease incentive, the relevant amount of lease incentive already enjoyed will be deducted; initial direct costs incurred by the Company as the lessee; the costs which the Company, as the lessee, expects to incur in dismantling and removing the leased assets, restoring the premises on which the leased assets are located or restoring the leased assets to the state agreed in the lease terms. The Company, as the lessee, shall recognise and measure the costs of demolition and restoration in accordance with the "Accounting Standards for Business Enterprises No.13 – Contingencies". Subsequent adjustments are made for any remeasurement of lease liabilities.

(2) Depreciation method of the right-of-use assets

The company refers to the provisions on depreciation of fixed assets in note III.15, and accrues depreciation for right of use assets. Where the Company, as the lessee, can reasonably determine that it obtains the ownership of the leased assets upon expiration of the lease term, depreciation shall be accrued over the remaining useful life of the leased assets. Where it is impossible to reasonably determine that the ownership of the leased asset can be acquired at the expiration of the lease term, depreciation shall be accrued in the shorter period between the lease term and the remaining useful life of the leased asset.

(3) See Note III. 20 for the impairment test method of the right-of-use assets and the loss allowance.

32. Safety production fund and simple reproduction fee

The Company accrues for safety production fund in accordance with related regulations.

Safety production fund is recorded to the costs of related products or recognized in the profit or loss for the current period, and credited to special reserve.

When payment is made for safety production fee within the specified scope, if it is an expense, it is directly deducted from special reserve. If it is related to fixed assets, the expenditures incurred are initially accounted in "Construction in progress" and transfer to fixed assets when the safety project is completed and reaches the predetermined usable status and after that, the cost of fixed assets is deducted from special reserve and the

same amount is recognised in accumulated depreciation. Such fixed assets will not accrue for depreciation in subsequent periods.

33. Share repurchase

The Company's repurchased shares are managed as treasury stocks before cancellation or transfer, all expenditures of repurchased shares are transferred to the cost of treasury stocks. The consideration paid and transaction costs of repurchased shares reduce the owner's equity, gains or losses is not recognized when repurchasing, transferring or canceling the shares of the Company.

On transfer of treasury stocks, the difference between the amount actually received and the carrying amount of treasury stocks is recorded in capital reserve. If capital reserve is insufficient for deduction, then the excess is deducting the surplus reserves and undistributed profits. On retirement of treasury stocks, share capital is reduced by the par value of shares and number of shares canceled, the difference between the carrying amount of canceled treasury stocks and their par value is recorded in capital reserve. If the capital reserve is insufficient for deduction, then the excess is deducting the surplus reserves and undistributed profits.

34. Restricted shares

The Company grants restricted shares to participants in share incentive scheme and the participants subscribes the shares. If vesting conditions in share incentive scheme are not achieved subsequently, the Company repurchases the shares based on the pre-determined price. The restricted shares that issued to employees are registered as new shares according to relevant provisions. The subscription price received by the Company is recognized as paid-in capital and capital reserve (share premium) and the obligation of shares repurchase is recognized as treasury shares and other payable.

35. Significant accounting judgments and estimates

The Company makes continuous evaluation on critical accounting estimates and key assumptions based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The followings are the critical accounting estimations and key assumptions that have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities within the next financial year:

(1) Classification of financial assets

Significant judgements involved in determining the classification of financial assets include the analysis of business models and contractual cash flow characteristics.

Factors considered by the Company in determining the business model for a group of financial assets include how the asset's performance is evaluated and reported to key management personnel, how risks are assessed and managed and how the relevant management personnel are compensated.

When the Company assesses whether the contractual cash flows of the financial assets are consistent with basic lending arrangements, the main judgements are described as below: whether the principal amount may change over the life of the financial asset (for example, if there are repayments of principal) ; whether the interest includes only consideration for the time value of money, credit risk, other basic lending risks and a profit margin and cost. For example, whether the amount repaid in advance reflects only the outstanding principal and interest thereon, as well as reasonable compensation paid for early termination of the contract.

(2) Measurement of the ECLs of accounts receivable

The Company calculates the ECLs of accounts receivable using the exposure to default risk and ECL rate of accounts receivable, and determines the ECL rate based on default probability and default loss rate. When determining the ECL rate, the Company adjusts its historical data by referring to information such as historical credit loss experience as well as current situation and forward-looking information. When considering the forward-looking information, indicators used by the Company include the risk of economic downturn, external market environment, technology environment and changes in customers. The assumptions relating to the ECL calculation are monitored and reviewed by the Company on a regularly basis.

(3) Provision for decline in value of inventories

In accordance with the accounting policies of inventories and by measuring at the lower of cost and net realisable value, the Company makes allowance for inventories which have costs higher than net realisable value. Write-down of inventories to their net realisable values is based on the valuation of marketability and net realisable values of inventories. The net realizable value of inventories is determined based on the estimated selling price in daily activities minus the estimated costs that will be incurred upon completion, estimated selling expenses and related taxes and fees. Net realizable value of inventories is determined based on the estimated selling price in daily activities minus the estimated costs that will be incurred upon completion, estimated selling expenses and related taxes and fees. These estimates are based on current market conditions and previous experience in selling similar products. The identification of impairment of Inventories requires management to make judgments and estimates on the basis of obtaining conclusive evidence and considering the purpose of holding inventories and the impact of events after the balance sheet date. When the actual selling price or cost or expense is different from the previous estimate, the management will adjust the net realizable value accordingly. Therefore, the estimated result based on current experience may be different from the actual result afterwards. The difference between the actual result and the original estimate will affect the carrying amount of Inventories and the withdrawal or reversal of provision for decline in value of inventories during the period when the estimate is changed.

(4) Impairment of fixed assets, construction in progress and intangible assets

On each balance sheet date, the Company determines whether there is any evidence indicating potential impairment on fixed assets, construction in progress and intangible assets. Fixed assets, construction in progress and Intangible assets with indefinite useful life shall be tested for impairment when there is any indication of impairment. The recoverable amount of fixed assets, construction in progress and intangible assets is the higher of the present value of the estimated future cash flow and the net amount of the asset's fair value minus the disposal expenses. The calculation of recoverable amount requires accounting estimates. When estimating the present value of future cash flows, the management estimates the expected future cash flow of the asset or asset group, and selects an appropriate discount rate to determine the present value of future cash flows.

(5) Capitalization of development costs

Development costs that can be capitalized is the expenditures in the development phase that meet the capitalization conditions. There is uncertainty in determining the nature of expenditures incurred in internal research and development project and the final formation of intangible assets, therefore, it is necessary to make judgments when deciding whether the expenditures of internal research and development projects meet the conditions of capitalization. When determining the amount of capitalization, management must make assumptions about the expected future cash flow of the asset, the appropriate discount rate and the expected benefit period.

(6) Impairment of goodwill

The Company assesses whether goodwill is impaired at least annually. This requires an estimation of the value in use of the asset group to which goodwill is allocated. When estimating the value in use, the Company needs to estimate the future cash flow from the asset group, and choose an appropriate discount rate to calculate the present value of the future cash flow.

(7) Revenue recognition of infrastructure construction business

The determination of revenue and expenses for the infrastructure business in accordance with the performance schedule is subject to the judgment of management. If a loss is expected to be incurred in an infrastructure contract, such loss shall be recognized as cost for the current year. The management of the Company estimates possible losses based on the budget of the infrastructure contract. Due to the characteristics of infrastructure construction, the date of contract signing and the date of project completion often belong to different accounting periods.

The Company determines the transaction price in accordance with the terms of the contract in combination with past customary practices, taking into account the impact of variable consideration, the presence of significant financing components in the contract and other factors. During the performance process, the Company continuously reviews the estimated total revenue of the contract and the estimated total cost of the contract, and revises the estimated total revenue of the contract and the estimated total cost of the contract when there is any changes of initial estimation, such as contract changes, claims and awards. When the estimated total cost of the contract exceeds the total revenue of the contract, the cost of the primary operation and the accrual of liability are recognized in accordance with the unfinished loss contract. At the same time, the Company will continue to monitor the payment progress of the project owner and regularly evaluate the creditworthiness of the project owner in accordance with the terms of the contract. If it becomes apparent that the project owner is likely to default on the payment of all or part of the contract price, the Company will reassess the impact on the financial statements of the expected credit loss over the lifetime of the contract asset and may revise the amount of the credit loss allowance. This modification will be reflected in the Company's financial statements for the current period in which the credit loss allowance is reassessed.

(8) Deferred tax assets

To the extent that it is likely that there will be sufficient taxable profits to offset the losses, the Company recognizes deferred tax assets for all unused tax losses. This requires the management to use substantial judgment to estimate the time and amount of future taxable profits, together with tax planning strategies, to determine the amount of deferred tax assets that should be recognized.

The Company is a high-tech enterprise. The validity period of the high-tech enterprise qualification is three years, after which it is necessary to resubmit the application for high-tech enterprise certification to the relevant government departments. Based on the historical experience and actual situation of the re-identification of high-tech enterprises in previous years, the management believes that the Company can continue to obtain high-tech enterprise identification in the coming years, and then calculate its corresponding deferred income tax at a preferential tax rate of 15%. If in the future, the Company fails to obtain a re-identification of the high-tech enterprise qualification after expiry, it will need to calculate the deferred income tax at the statutory tax rate of 25%, which will increase the net amount of deferred tax assets recognised and reduce the deferred income tax expense.

(9) Provisions

Provision for matters including product quality guarantee, expected contract loss, late delivery default shall be recognised in terms of contract, current knowledge and historical experience. If the contingent event has formed a practical obligation which probably results in outflow of economic benefits from the Company, a

provisions shall be recognised on the basis of the best estimate of the expenditures to settle relevant practical obligation. Recognition and measurement of the provisions significantly rely on the management's judgments in consideration of the assessment of factors including relevant risks and uncertainties and time value of money related to the contingent events.

In particular, the Company makes provisions for after-sales quality maintenance commitments to the customers in respect of sold, maintenance and repaired goods. In making provisions, the Company considers recent repair experience and data, but recent repair experience may not be able to reflect the future repair situation. Any increase or decrease in such provisions may affect the profit or loss in the future years.

(10) Determination of fair value of unlisted equity investments

The fair value of unlisted equity investments is the discounted estimated future cash flows based on the current discount rate of projects with similar terms and risk characteristics. This valuation requires the Company to estimate the expected future cash flows and the applicable discount rate, which caused uncertainty. Under limited circumstances, if the information used to determine the fair value is insufficient, or the possible estimate of fair value has a diverse range, and the cost represents the best estimate of fair value within that range, then the cost can represent an appropriate estimate of fair value within the diverse range.

36. Changes in accounting policies and accounting estimates

(1) Changes in significant accounting policies

① Interpretation No. 15 of Accounting Standards for Business Enterprises

The Ministry of Finance issued the Interpretation No. 15 of Accounting Standards for Business Enterprises (Cai Kuai [2021] No. 35, hereinafter referred to as "Interpretation No. 15") in December 2021. The 30th meeting of the second board of directors held by the Company on 13 April 2022, approved the implementation of Interpretation No. 15 from 1 January 2022, and adjusted the relevant content of accounting policies.

According to Interpretation No. 15, if the Company sells the products or by-products produced before the fixed assets reach the status of intended use or during the research and development process (hereinafter collectively referred to as "revenue in trial operation"), in accordance with the Accounting Standards for Business Enterprises No. 14 - Revenue", "Accounting Standards for Business Enterprises No. 1 - Inventories" and other regulations, the revenue and costs related to revenue in trial operation are separately accounted for and included in the profit or loss for the period.

Before the relevant products or by-products produced by the trial operation are sold externally, the products shall be recognized as inventories if it comply with the "Accounting Standards for Business Enterprises No. 1 - Inventories", or recognized as relevant assets if it meet the recognition conditions for assets in other relevant enterprise accounting standards. "Products or by-products produced before fixed assets are ready for their intended use", including the samples produced when testing fixed assets for normal operation.

The expenses incurred to testing whether the fixed assets can operate normally are necessary expenses before the Fixed Assets reach the status of intended use. The Company included the cost of the fixed assets in accordance with the relevant regulations of Accounting Standards for Business Enterprises No. 4 - Fixed assets. "Testing whether the fixed assets can operate normally" refers to the activities of evaluating whether the technical and physical properties of the fixed assets meet the standards for producing products, providing services, external leasing or administrative use, etc., excluding evaluating the financial performance of the fixed assets.

In accordance with Accounting Standards for Business Enterprises No. 1 - Inventories, Accounting Standards for Business Enterprises No. 14 - Revenue, Accounting Standards for Business Enterprises No. 30 - Presentation of Financial Statements, the Company determines whether revenue in trial operation belongs to the enterprise daily activities, and presents the relevant revenue and costs of revenue in trial operation separately in the financial statements for daily activities and non-daily activities. Those belonging to daily activities are presented in "Operating income" and "Operating costs", and those belonging to non-daily activities are presented in "Gains from disposal of assets".

The Company makes retrospective adjustments in accordance with Interpretation No. 15 for revenue in trial operations that occurred between the beginning of the earliest period in which Interpretation No. 15 was first implemented and the date on which this Interpretation applies.

The impact of the implementation of the Interpretation No. 15 of Accounting Standards for Business Enterprises on the consolidated balance sheet items as at 31 December 2021 is as follows:

Item from consolidated balance sheet	Carrying amount before adjustments (31 December 2021)	Reclassification	Remeasurement	Carrying amount after adjustments (31 December 2021)
Assets:				
Fixed assets	9,548,886,290.14	-	57,072,319.61	9,605,958,609.75
Owners' equity:				
Undistributed profits	5,375,558,041.93	-	57,072,319.61	5,432,630,361.54

Item from consolidated income statement	Carrying amount before adjustments (March 2022)	Reclassification	Remeasurement	Carrying amount after adjustments (March 2022)
Operating Revenue	4,334,149,363.29	-	27,101,399.77	4,361,250,763.06
Operating Cost	3,427,585,885.48	-	508,115.88	3,428,094,001.36

The impact of the implementation of the Interpretation No. 15 of Accounting Standards for Business Enterprises on the items in the financial statements of 3-month ended 31 March 2022 is as follows:

Items in consolidated balance sheet	Amount in financial statements of 31 March 2022	Assuming applying the original lease standard	Increase / decrease (-)
Assets:			
Fixed assets	9,988,244,292.16	9,931,859,355.63	56,384,936.53
Owners' equity:			
Undistributed profits	6,840,920,146.65	6,784,535,210.12	56,384,936.53

Items in consolidated income statement	Amount in financial statements of 31 March 2022	Assuming applying the original lease standard	Increase / decrease (-)
Operating costs	5,238,317,823.63	5,237,630,440.55	687,383.08

(2) Significant changes in accounting estimates

There is no significant change of accounting estimates during the reporting period.

(3) Adjustment of related items of the financial statements at the beginning of the year of first time adoption according to the Interpretation No. 15 of Accounting Standards for Business Enterprises

Consolidated balance sheet

Item	2021.12.31 (Before adjustment)	2021.12.31 (After adjustment)	Adjustment
Current assets:			
Cash and bank balances	14,070,916,969.33	14,070,916,969.33	-
Financial assets held for trading	-	-	-
Derivative financial assets	-	-	-
Notes receivable	16,255,258.49	16,255,258.49	-
Accounts receivable	5,855,787,488.09	5,855,787,488.09	-
Receivables financing	1,520,524,151.53	1,520,524,151.53	-
Prepayments	500,277,416.87	500,277,416.87	-
Other receivables	507,340,672.57	507,340,672.57	-
Including: Interest receivable	-	-	-
Dividends receivable	-	-	-
Inventories	9,604,001,791.96	9,604,001,791.96	-
Contract assets	530,586,825.37	530,586,825.37	-
Assets held-for-sale	4,325,171,690.18	4,325,171,690.18	-
Non-current assets due within one year	-	-	-
Other current assets	695,042,009.11	695,042,009.11	-
Total current assets	37,625,904,273.50	37,625,904,273.50	-
Non-current assets:			
Debts investment	-	-	-
Other debt investments	-	-	-
Long-term receivables	14,565,325.04	14,565,325.04	-
Defined benefit plan net assets	-	-	-
Long-term equity investment	563,579,295.41	563,579,295.41	-
Other equity instruments investment	101,034,699.07	101,034,699.07	-
Other non-current financial assets	467,653,427.70	467,653,427.70	-
Investment properties	-	-	-
Fixed assets	9,548,886,290.14	9,605,958,609.75	57,072,319.61
Construction in progress	1,388,631,313.97	1,388,631,313.97	-
Productive biological assets	-	-	-
Oil and gas assets	-	-	-
Right-of-use assets	354,097,707.74	354,097,707.74	-

MingYang Smart Energy Group Co., Ltd.
Notes to the Financial Statements
For the 3-month period ended 31 March 2022 (All amounts in RMB unless otherwise stated)
[English Translation for Reference Only]

Intangible assets	894,447,421.54	894,447,421.54	-
Development costs	314,690,450.32	314,690,450.32	-
Goodwill	79,147,168.84	79,147,168.84	-
Long-term deferred expenses	124,795,293.79	124,795,293.79	-
Deferred tax assets	533,239,656.21	533,239,656.21	-
Other non-current assets	9,482,257,060.37	9,482,257,060.37	-
Total non-current assets	23,867,025,110.14	23,924,097,429.75	57,072,319.61
Total assets	61,492,929,383.64	61,550,001,703.25	57,072,319.61
Current liabilities:			
Short-term loans	98,467,646.02	98,467,646.02	-
Trading financial liabilities	-	-	-
Derivative financial liabilities	-	-	-
Notes payable	9,264,867,052.66	9,264,867,052.66	-
Accounts payable	10,172,885,151.76	10,172,885,151.76	-
Advances from customers	-	-	-
Contract liabilities	8,061,593,776.51	8,061,593,776.51	-
Employee benefits payables	187,395,116.34	187,395,116.34	-
Taxes payable	1,074,641,466.87	1,074,641,466.87	-
Other payables	2,093,647,870.19	2,093,647,870.19	-
Including: Interest payable	-	-	-
Dividend payable	2,916,980.11	2,916,980.11	-
Liabilities held-for-sale	283,618,819.08	283,618,819.08	-
Non-current liabilities due within one year	1,119,039,821.36	1,119,039,821.36	-
Other current liabilities	894,037,794.22	894,037,794.22	-
Total current liabilities	33,250,194,515.01	33,250,194,515.01	-
Non-current liabilities:			
Long term loans	3,438,748,336.60	3,438,748,336.60	-
Bonds payable	1,260,376,859.76	1,260,376,859.76	-
Including: Preference shares	-	-	-
Perpetual bonds	-	-	-
Lease liabilities	284,538,794.80	284,538,794.80	-
Long-term payables	2,394,357,521.08	2,394,357,521.08	-
Long-term employee benefits payable	-	-	-
Provisions	1,496,659,839.79	1,496,659,839.79	-
Deferred income	329,222,350.90	329,222,350.90	-
Deferred tax liabilities	544,683,769.00	544,683,769.00	-
Other non-current liabilities	-	-	-
Total non-current liabilities	9,748,587,471.93	9,748,587,471.93	-
Total liabilities	42,998,781,986.94	42,998,781,986.94	-

MingYang Smart Energy Group Co., Ltd.
Notes to the Financial Statements
For the 3-month period ended 31 March 2022 (All amounts in RMB unless otherwise stated)
[English Translation for Reference Only]

Shareholders' equity:			
Share capital	1,956,326,712.00	1,956,326,712.00	-
Other equity instruments	-	-	-
Including: Preference shares	-	-	-
Perpetual bonds	-	-	-
Capital reserve	10,667,061,264.43	10,667,061,264.43	-
Less: Treasury shares	136,566,479.49	136,566,479.49	-
Other comprehensive income	43,509,230.08	43,509,230.08	-
Special reserves	-	-	-
Surplus reserve	488,654,029.96	488,654,029.96	-
Undistributed profits	5,375,558,041.93	5,432,630,361.54	57,072,319.61
Total equity attributable to the shareholders of parent	18,394,542,798.91	18,451,615,118.52	57,072,319.61
Minority interests	99,604,597.79	99,604,597.79	-
Total equity attributable to the shareholders of parent	18,494,147,396.70	18,551,219,716.31	57,072,319.61
Total liabilities and shareholders' equity	61,492,929,383.64	61,550,001,703.25	57,072,319.61

Parent Company Balance Sheet

Item	2021.12.31 (Before adjustment)	2021.12.31 (After adjustment)	Adjustment
Current assets:			
Cash and bank balances	9,815,164,047.41	9,815,164,047.41	-
Financial assets held for trading	-	-	-
Derivative financial assets	-	-	-
Notes receivable	8,704,400.25	8,704,400.25	-
Accounts receivable	5,581,528,885.79	5,581,528,885.79	-
Receivables financing	1,496,354,151.53	1,496,354,151.53	-
Prepayments	567,589,586.43	567,589,586.43	-
Other receivables	4,243,916,390.59	4,243,916,390.59	-
Including: Interest receivable	-	-	-
Dividends receivable	19,119,469.63	19,119,469.63	-
Inventories	8,001,908,114.56	8,001,908,114.56	-
Contract assets	454,062,470.25	454,062,470.25	-
Assets held-for-sale	1,768,215,000.00	1,768,215,000.00	-
Non-current assets due within one year	-	-	-
Other current assets	5,535,277,796.19	5,535,277,796.19	-
Total current assets	37,472,720,843.00	37,472,720,843.00	-
Non-current assets:			
Debts investment	-	-	-
Other debt investments	-	-	-

MingYang Smart Energy Group Co., Ltd.
Notes to the Financial Statements
For the 3-month period ended 31 March 2022 (All amounts in RMB unless otherwise stated)
[English Translation for Reference Only]

Long-term receivables	-	-	-
Defined benefit plan net assets	-	-	-
Long-term equity investment	7,848,228,123.95	7,848,228,123.95	-
Other equity instruments investment	94,580,232.62	94,580,232.62	-
Other non-current financial assets	467,653,427.70	467,653,427.70	-
Investment properties	-	-	-
Fixed assets	367,252,276.51	367,252,276.51	-
Construction in progress	30,190,318.78	30,190,318.78	-
Productive biological assets	-	-	-
Oil and gas assets	-	-	-
Right-of-use assets	16,071,869.78	16,071,869.78	-
Intangible assets	388,432,934.40	388,432,934.40	-
Development costs	275,675,490.89	275,675,490.89	-
Goodwill	-	-	-
Long-term deferred expenses	1,130,465.77	1,130,465.77	-
Deferred tax assets	329,144,487.55	329,144,487.55	-
Other non-current assets	8,615,107,648.82	8,615,107,648.82	-
Total non-current assets	18,433,467,276.77	18,433,467,276.77	-
Total assets	55,906,188,119.77	55,906,188,119.77	-
Current liabilities:			
Short-term loans	98,467,646.02	98,467,646.02	-
Trading financial liabilities	-	-	-
Derivative financial liabilities	-	-	-
Notes payable	9,186,896,117.68	9,186,896,117.68	-
Accounts payable	9,985,535,737.43	9,985,535,737.43	-
Advances from customers	-	-	-
Contract liabilities	12,294,637,053.15	12,294,637,053.15	-
Employee benefits payables	54,168,933.82	54,168,933.82	-
Taxes payable	896,839,169.71	896,839,169.71	-
Other payables	1,755,338,611.06	1,755,338,611.06	-
Including: Interest payable	-	-	-
Dividend payable	-	-	-
Liabilities held-for-sale	-	-	-
Non-current liabilities due within one year	537,778,009.55	537,778,009.55	-
Other current liabilities	1,447,064,482.10	1,447,064,482.10	-
Total current liabilities	36,256,725,760.52	36,256,725,760.52	-
Non-current liabilities:			
Long term loans	220,000,000.00	220,000,000.00	-
Bonds payable	-	-	-

MingYang Smart Energy Group Co., Ltd.
Notes to the Financial Statements
For the 3-month period ended 31 March 2022 (All amounts in RMB unless otherwise stated)
[English Translation for Reference Only]

Including: Preference shares	-	-	-
Perpetual bonds	-	-	-
Lease liabilities	8,536,252.83	8,536,252.83	-
Long-term payables	422,398,045.77	422,398,045.77	-
Long-term employee benefits payable	-	-	-
Provisions	1,370,836,316.94	1,370,836,316.94	-
Deferred income	135,222,943.14	135,222,943.14	-
Deferred tax liabilities	521,426,062.55	521,426,062.55	-
Other non-current liabilities	-	-	-
Total non-current liabilities	2,678,419,621.23	2,678,419,621.23	-
Total liabilities	38,935,145,381.75	38,935,145,381.75	-
Shareholders' equity:			
Share capital	1,956,326,712.00	1,956,326,712.00	-
Other equity instruments	-	-	-
Including: Preference shares	-	-	-
Perpetual bonds	-	-	-
Capital reserve	10,649,570,721.93	10,649,570,721.93	-
Less: Treasury shares	136,566,479.49	136,566,479.49	-
Other comprehensive income	14,348,197.73	14,348,197.73	-
Special reserves	-	-	-
Surplus reserve	488,654,029.96	488,654,029.96	-
Undistributed profits	3,998,709,555.89	3,998,709,555.89	-
Total shareholders' equity	16,971,042,738.02	16,971,042,738.02	-
Total liabilities and shareholders' equity	55,906,188,119.77	55,906,188,119.77	-

IV. Taxation

1. Major taxes and their tax rates

Taxes	Tax basis	Statutory tax rate %
Value-added tax	Taxable revenue	3, 5, 6, 9, 13
Urban maintenance and construction tax	Subject to turnover tax payable	1, 5, 7
Education surcharge	Subject to turnover tax payable	1.5, 2, 3
Enterprise income tax ^{Note}	Subject to taxable profit	16.5, 25

Note: The Company's subsidiaries established and operated in Hong Kong are subject to an Enterprise income tax rate of 16.5%.

2. Tax incentives and approval documents

- (1) The Company has been recognized as a high-tech enterprise by Department of Science and Technology of Guangdong Province, Department of Finance of Guangdong Province, Guangdong Provincial Taxation Bureau of the State Administration of Taxation, with certificate number: GR202144005870, which is issued

on 20 December 2021 with validity for 3 years. According to the “Enterprise Income Tax Law of the People’s Republic of China” and its implementation regulations, the tax rate of enterprise income tax is reduced to 15%.

- (2) The Company’s subsidiary, Tianjin MingYang Wind Energy Blade Technology Co., Ltd., has been recognized as a high-tech enterprise by Tianjin Municipal Science and Technology Bureau, Tianjin Municipal Finance Bureau, Tianjin Municipal Taxation Bureau of State Administration of Taxation, with certificate number: GR202012000046, which is issued on 28 October 2020 with validity for 3 years. According to the “Enterprise Income Tax Law of the People’s Republic of China” and its implementation regulations, the tax rate of enterprise income tax is reduced to 15%.
- (3) The Company’s subsidiary, Tianjin MingYang Wind Power Equipment Co., Ltd., has been recognized as a high-tech enterprise by Tianjin Municipal Science and Technology Bureau, Tianjin Municipal Finance Bureau, State Administration of Taxation Tianjin Municipal Taxation Bureau, with certificate number: GR202012000259, which is issued on 28 October 2020 with validity for 3 years. According to the “Enterprise Income Tax Law of the People’s Republic of China” and its implementation regulations, the tax rate of enterprise income tax is reduced to 15%.
- (4) The Company’s subsidiary, Yunnan MingYang Wind Power Technology Co., Ltd., has been recognized as a high-tech enterprise by Yunnan Provincial Science and Technology Bureau, Yunnan Provincial Finance Bureau, Yunnan Provincial Taxation Bureau of State Administration of Taxation, with certificate number: GR202053000423, which is issued on 23 November 2020 with validity for 3 years. According to the “Enterprise Income Tax Law of the People’s Republic of China” and its implementation regulations, the tax rate of enterprise income tax is reduced to 15%.
- (5) The Company’s subsidiary, Zhongshan MingYang Wind Energy Blade Technology Co., Ltd., has been recognized as a high-tech enterprise by Guangdong Provincial Science and Technology Bureau, Guangdong Provincial Finance Bureau, Guangdong Provincial Taxation Bureau of State Administration of Taxation, with certificate number: GR201944008148, which is issued on 2 December 2019 with validity for 3 years. According to the “Enterprise Income Tax Law of the People’s Republic of China” and its implementation regulations, the tax rate of enterprise income tax is reduced to 15%.
- (6) The Company’s subsidiary, Tianjin Ruineng Electric Co., Ltd. has been recognized as a high-tech enterprise by Science and Technology Committee of Tianjin, Finance Bureau of Tianjin, State Taxation Bureau of Tianjin, with certificate number: GR202112000152, which is issued on 9 October 2021 with validity for 3 years. According to the “Enterprise Income Tax Law of the People’s Republic of China” and its implementation regulations, the tax rate of enterprise income tax is reduced to 15%.
- (7) The Company’s subsidiary, Tianjin Ruiyuan Electric Co., Ltd. has been recognized as a high-tech enterprise by Science and Technology Committee of Tianjin, Finance Bureau of Tianjin, State Taxation Bureau of Tianjin, with certificate number: GR201912000621, which is issued on 28 November 2019 with validity for 3 years. According to the “Enterprise Income Tax Law of the People’s Republic of China” and its implementation regulations, the tax rate of enterprise income tax is reduced to 15%.
- (8) The Company’s subsidiary, Shenzhen Liangyun Energy Network Technology Co., Ltd. has been recognized as a high-tech enterprise by Shenzhen Science and Technology Innovation Committee, Shenzhen Municipal Finance Committee, Shenzhen Municipal Taxation Bureau of the State Administration of Taxation, with certificate number: GR202144201165, which is issued on 23 December 2021 with validity for 3 years. According to the “Enterprise Income Tax Law of the People’s Republic of China” and its implementation regulations, the tax rate of enterprise income tax is reduced to 15%.

- (9) The Company's subsidiary, Runyang Energy Technology Co., Ltd. has been recognized as a high-tech enterprise by Beijing Municipal Commission of Science and Technology, Beijing Municipal Finance Bureau, Beijing Municipal Taxation Bureau of the State Administration of Taxation, with certificate number: GR202011000362, which is issued on 31 July 2020 with validity for 3 years. According to the "Enterprise Income Tax Law of the People's Republic of China" and its implementation regulations, the tax rate of enterprise income tax is reduced to 15%.
- (10) The Company's subsidiary, Henan MingYang Smart Energy Co., Ltd. has been recognized as a high-tech enterprise by Henan Provincial Department of Science and Technology, Henan Provincial Department of Finance, Henan Provincial Taxation Bureau of the State Administration of Taxation, with certificate number: GR202041000411, which is issued on 9 September 2020 with validity for 3 years. According to the "Enterprise Income Tax Law of the People's Republic of China" and its implementation regulations, the tax rate of enterprise income tax is reduced to 15%.
- (11) The Company's subsidiary, Guangdong MingYang New Energy Technology Co., Ltd. has been recognized as a high-tech enterprise by Guangdong Provincial Department of Science and Technology, Guangdong Provincial Department of Finance, Guangdong Provincial Taxation Bureau of the State Administration of Taxation, with certificate number: GR202044004695, which is issued on 9 December 2020 with validity for 3 years. According to the "Enterprise Income Tax Law of the People's Republic of China" and its implementation regulations, the tax rate of enterprise income tax is reduced to 15%.
- (12) The Company's subsidiary, MingYang Smart Energy Group Beijing Technology Co., Ltd. has been recognized as a high-tech enterprise by Beijing Municipal Commission of Science and Technology, Beijing Municipal Finance Bureau, Beijing Municipal Taxation Bureau of the State Administration of Taxation, with certificate number: GR202111005678, which is issued on 21 December 2021 with validity for 3 years. According to the "Enterprise Income Tax Law of the People's Republic of China" and its implementation regulations, the tax rate of enterprise income tax is reduced to 15%.
- (13) The Company's subsidiary, Qinghai MingYang New Energy Co., Ltd. has been reduced the tax rate of enterprise income tax to 15% from the year 2021 to 2030. According to Article 1 of the "Announcement of the Ministry of Finance, the State Administration of Taxation and the National Development and Reform Commission on Continuing the Enterprise Income Tax Policy for the Great Western Development" (Announcement of the Ministry of Finance 2020 No. 23) : From 1 January 2021 to 31 December 2030, the tax rate of enterprise income tax is imposed on encouraged industrial enterprises located in the western region is reduced to 15%. The encouraged industries in this article refer to enterprises whose primary business is the industry project specified in the "Catalog of Encouraged Industries in the Western Region" and whose primary business income accounts for more than 60% of the total corporate income; The "Catalogue of Encouraged Industries in the Western Region (2020 edition)" was implemented on 1 March 2021.
- (14) The Company's subsidiary, Inner Mongolia MingYang Wind Power Co., Ltd. has been reduced the tax rate of enterprise income tax to 15% from the year 2021 to 2030. According to Article 1 of the "Announcement of the Ministry of Finance, the State Administration of Taxation and the National Development and Reform Commission on Continuing the Enterprise Income Tax Policy for the Great Western Development" (Announcement of the Ministry of Finance 2020 No. 23) : From 1 January 2021 to 31 December 2030, the tax rate of enterprise income tax is imposed on encouraged industrial enterprises located in the western region is reduced to 15%. The encouraged industries in this article refer to enterprises whose primary business is the industry project specified in the "Catalog of Encouraged Industries in the Western Region" and whose primary business income accounts for more than 60% of the total corporate income; The "Catalogue of Encouraged Industries in the Western Region (2020 edition)" was implemented on 1 March 2021.

edition) ” was implemented on 1 March 2021.

- (15) The Company’s subsidiary, Xinjiang MingYang New Energy Industry Co., Ltd. has been reduced the tax rate of enterprise income tax to 15% from the year 2021 to 2030. According to Article 1 of the “Announcement of the Ministry of Finance, the State Administration of Taxation and the National Development and Reform Commission on Continuing the Enterprise Income Tax Policy for the Great Western Development” (Announcement of the Ministry of Finance 2020 No. 23) : From 1 January 2021 to 31 December 2030, the tax rate of enterprise income tax is imposed on encouraged industrial enterprises located in the western region is reduced to 15%. The encouraged industries in this article refer to enterprises whose primary business is the industry project specified in the “Catalog of Encouraged Industries in the Western Region” and whose primary business income accounts for more than 60% of the total corporate income; The “Catalogue of Encouraged Industries in the Western Region (2020 edition) ” was implemented on 1 March 2021.
- (16) The Company’s subsidiary, Xinjiang Wanbang Energy Development Co., Ltd. (hereinafter referred to as "Xinjiang Wanbang") has been reduced the tax rate of enterprise income tax to 15% from the year 2021 to 2030. According to Article 1 of the “Announcement of the Ministry of Finance, the State Administration of Taxation and the National Development and Reform Commission on Continuing the Enterprise Income Tax Policy for the Great Western Development” (Announcement of the Ministry of Finance 2020 No. 23) : From 1 January 2021 to 31 December 2030, the tax rate of enterprise income tax is imposed on encouraged industrial enterprises located in the western region is reduced to 15%. The encouraged industries in this article refer to enterprises whose primary business is the industry project specified in the “Catalog of Encouraged Industries in the Western Region” and whose primary business income accounts for more than 60% of the total corporate income; The “Catalogue of Encouraged Industries in the Western Region (2020 edition) ” was implemented on 1 March 2021.
- (17) The Company’s subsidiary, Xilin Gol League MingYang New Energy Co., Ltd. has been reduced the tax rate of enterprise income tax to 15% from the year 2021 to 2030. According to Article 1 of the “Announcement of the Ministry of Finance, the State Administration of Taxation and the National Development and Reform Commission on Continuing the Enterprise Income Tax Policy for the Great Western Development” (Announcement of the Ministry of Finance 2020 No. 23) : From 1 January 2021 to 31 December 2030, the tax rate of enterprise income tax is imposed on encouraged industrial enterprises located in the western region is reduced to 15%. The encouraged industries in this article refer to enterprises whose primary business is the industry project specified in the “Catalog of Encouraged Industries in the Western Region” and whose primary business income accounts for more than 60% of the total corporate income; The “Catalogue of Encouraged Industries in the Western Region (2020 edition) ” was implemented on 1 March 2021.
- (18) The Company’s subsidiary, Keshiketeng Banner MingYang New Energy Co., Ltd. has been reduced the tax rate of enterprise income tax to 15% from the year 2021 to 2030. According to Article 1 of the “Announcement of the Ministry of Finance, the State Administration of Taxation and the National Development and Reform Commission on Continuing the Enterprise Income Tax Policy for the Great Western Development” (Announcement of the Ministry of Finance 2020 No. 23) : From 1 January 2021 to 31 December 2030, the tax rate of enterprise income tax is imposed on encouraged industrial enterprises located in the western region is reduced to 15%. The encouraged industries in this article refer to enterprises whose primary business is the industry project specified in the “Catalog of Encouraged Industries in the Western Region” and whose primary business income accounts for more than 60% of the total corporate income; The “Catalogue of Encouraged Industries in the Western Region (2020 edition) ” was implemented on 1 March 2021.

- (19) The Company's subsidiary, Inner Mongolia Haoyang New Energy Co., Ltd. has been reduced the tax rate of enterprise income tax to 15% from the year 2021 to 2030. According to Article 1 of the "Announcement of the Ministry of Finance, the State Administration of Taxation and the National Development and Reform Commission on Continuing the Enterprise Income Tax Policy for the Great Western Development" (Announcement of the Ministry of Finance 2020 No. 23) : From 1 January 2021 to 31 December 2030, the tax rate of enterprise income tax is imposed on encouraged industrial enterprises located in the western region is reduced to 15%. The encouraged industries in this article refer to enterprises whose primary business is the industry project specified in the "Catalog of Encouraged Industries in the Western Region" and whose primary business income accounts for more than 60% of the total corporate income; The "Catalogue of Encouraged Industries in the Western Region (2020 edition)" was implemented on 1 March 2021.
- (20) The Company's subsidiary, Shaanxi Jingbian MingYang New Energy Power Generation Co., Ltd. has been reduced the tax rate of enterprise income tax to 15% from the year 2021 to 2030. According to Article 1 of the "Announcement of the Ministry of Finance, the State Administration of Taxation and the National Development and Reform Commission on Continuing the Enterprise Income Tax Policy for the Great Western Development" (Announcement of the Ministry of Finance 2020 No. 23) : From 1 January 2021 to 31 December 2030, the tax rate of enterprise income tax is imposed on encouraged industrial enterprises located in the western region is reduced to 15%. The encouraged industries in this article refer to enterprises whose primary business is the industry project specified in the "Catalog of Encouraged Industries in the Western Region" and whose primary business income accounts for more than 60% of the total corporate income; The "Catalogue of Encouraged Industries in the Western Region (2020 edition)" was implemented on 1 March 2021.
- (21) The Company's subsidiary, Midu Jieyuan New Energy Power Generation Co., Ltd. has been reduced the tax rate of enterprise income tax to 15% from the year 2021 to 2030. According to Article 1 of the "Announcement of the Ministry of Finance, the State Administration of Taxation and the National Development and Reform Commission on Continuing the Enterprise Income Tax Policy for the Great Western Development" (Announcement of the Ministry of Finance 2020 No. 23) : From 1 January 2021 to 31 December 2030, the tax rate of enterprise income tax is imposed on encouraged industrial enterprises located in the western region is reduced to 15%. The encouraged industries in this article refer to enterprises whose primary business is the industry project specified in the "Catalog of Encouraged Industries in the Western Region" and whose primary business income accounts for more than 60% of the total corporate income; The "Catalogue of Encouraged Industries in the Western Region (2020 edition)" was implemented on 1 March 2021.
- (22) The Company's subsidiary, Shaanxi Dingbian Jieyuan New Energy Power Generation Co., Ltd. has been reduced the tax rate of enterprise income tax to 15% from the year 2021 to 2030. According to Article 1 of the "Announcement of the Ministry of Finance, the State Administration of Taxation and the National Development and Reform Commission on Continuing the Enterprise Income Tax Policy for the Great Western Development" (Announcement of the Ministry of Finance 2020 No. 23) : From 1 January 2021 to 31 December 2030, the tax rate of enterprise income tax is imposed on encouraged industrial enterprises located in the western region is reduced to 15%. The encouraged industries in this article refer to enterprises whose primary business is the industry project specified in the "Catalog of Encouraged Industries in the Western Region" and whose primary business income accounts for more than 60% of the total corporate income; The "Catalogue of Encouraged Industries in the Western Region (2020 edition)" was implemented on 1 March 2021.
- (23) The Company's subsidiary, Keshiketeng Banner MingYang New Energy Co., Ltd. has been reduced half of the enterprise income tax rate from 1 January 2020 to 31 December 2022. According to Article 27

stipulated in “Enterprise Income Tax Law of the People’s Republic of China” and its implementing regulations: The income from investment and operation of public infrastructure projects supported by the state can be reduced and exempted from enterprise income tax.

- (24) The Company’s subsidiary, Hongrun (Huanghua) New Energy Co., Ltd. has been reduced half of the enterprise income tax rate from 1 January 2020 to 31 December 2022. According to Article 27 stipulated in “Enterprise Income Tax Law of the People’s Republic of China” and its implementing regulations: The income from investment and operation of public infrastructure projects supported by the state can be reduced and exempted from enterprise income tax.
- (25) The Company’s subsidiary, Midu Jieyuan New Energy Power Generation Co., Ltd. has been reduced half of the enterprise income tax rate from 1 January 2021 to 31 December 2023. According to Article 27 stipulated in “Enterprise Income Tax Law of the People’s Republic of China” and its implementing regulations: The income from investment and operation of public infrastructure projects supported by the state can be reduced and exempted from enterprise income tax.
- (26) The Company’s subsidiary, Jieyuan Huanghua New Energy Co., Ltd. has been reduced half of the enterprise income tax rate from 1 January 2021 to 31 December 2023. According to Article 27 stipulated in “Enterprise Income Tax Law of the People’s Republic of China” and its implementing regulations: The income from investment and operation of public infrastructure projects supported by the state can be reduced and exempted from enterprise income tax.
- (27) The Company’s subsidiary, Wuhai MingYang New Energy Co., Ltd. has been reduced half of the enterprise income tax rate from 1 January 2021 to 31 December 2023. According to Article 27 stipulated in “Enterprise Income Tax Law of the People’s Republic of China” and its implementing regulations: The income from investment and operation of public infrastructure projects supported by the state can be reduced and exempted from enterprise income tax.
- (28) The Company’s subsidiary, Tongliao MingYang Smart Energy Co., Ltd. has been reduced half of the enterprise income tax rate from 1 January 2021 to 31 December 2023. According to Article 27 stipulated in “Enterprise Income Tax Law of the People’s Republic of China” and its implementing regulations: The income from investment and operation of public infrastructure projects supported by the state can be reduced and exempted from enterprise income tax.
- (29) The Company’s subsidiary, Gongcheng Jieyuan New Energy Co., Ltd. has been regularly exempted from enterprise income tax from 1 January 2020 to 31 December 2022, and reduced half of the enterprise income tax rate from 1 January 2023 to 31 December 2025. According to Article 27 stipulated in “Enterprise Income Tax Law of the People’s Republic of China” and its implementing regulations: The income from investment and operation of public infrastructure projects supported by the state can be reduced and exempted from enterprise income tax.
- (30) The Company’s subsidiary, Xinyang Rundian New Energy Co., Ltd. has been regularly exempted from enterprise income tax from 1 January 2021 to 31 December 2023, and reduced half of the enterprise income tax rate from 1 January 2024 to 31 December 2026. According to Article 27 stipulated in “Enterprise Income Tax Law of the People’s Republic of China” and its implementing regulations: The income from investment and operation of public infrastructure projects supported by the state can be reduced and exempted from enterprise income tax.
- (31) The Company’s subsidiary, Shan County Jieyuan New Energy Co., Ltd. has been regularly exempted from enterprise income tax from 1 January 2021 to 31 December 2023, and reduced half of the enterprise income tax rate from 1 January 2024 to 31 December 2026. According to Article 27 stipulated in

“Enterprise Income Tax Law of the People’s Republic of China” and its implementing regulations: The income from investment and operation of public infrastructure projects supported by the state can be reduced and exempted from enterprise income tax.

- (32) The Company’s subsidiary, Ye County Jiangjunshan New Energy Co., Ltd. has been regularly exempted from enterprise income tax from 1 January 2020 to 31 December 2022, and reduced half of the enterprise income tax rate from 1 January 2023 to 31 December 2025. According to Article 27 stipulated in “Enterprise Income Tax Law of the People’s Republic of China” and its implementing regulations: The income from investment and operation of public infrastructure projects supported by the state can be reduced and exempted from enterprise income tax.
- (33) The Company’s subsidiary, Pingle Jieyuan New Energy Co., Ltd. has been regularly exempted from enterprise income tax from 1 January 2020 to 31 December 2022, and reduced half of the enterprise income tax rate from 1 January 2023 to 31 December 2025. According to Article 27 stipulated in “Enterprise Income Tax Law of the People’s Republic of China” and its implementing regulations: The income from investment and operation of public infrastructure projects supported by the state can be reduced and exempted from enterprise income tax.
- (34) The Company’s subsidiary, Shaanxi Dingbian Jieyuan New Energy Power Generation Co., Ltd. has been regularly exempted from enterprise income tax from 1 January 2019 to 31 December 2021, and reduced half of the enterprise income tax rate from 1 January 2022 to 31 December 2024. According to Article 27 stipulated in “Enterprise Income Tax Law of the People’s Republic of China” and its implementing regulations: The income from investment and operation of public infrastructure projects supported by the state can be reduced and exempted from enterprise income tax.
- (35) The Company’s subsidiary, Xinyang Zhirun New Energy Co., Ltd. has been regularly exempted from enterprise income tax from 1 January 2021 to 31 December 2023, and reduced half of the enterprise income tax rate from 1 January 2024 to 31 December 2026. According to Article 27 stipulated in “Enterprise Income Tax Law of the People’s Republic of China” and its implementing regulations: The income from investment and operation of public infrastructure projects supported by the state can be reduced and exempted from enterprise income tax.
- (36) The Company’s subsidiary, Xinyang Hongliu New Energy Co., Ltd. has been regularly exempted from enterprise income tax from 1 January 2021 to 31 December 2023, and reduced half of the enterprise income tax rate from 1 January 2024 to 31 December 2026. According to Article 27 stipulated in “Enterprise Income Tax Law of the People’s Republic of China” and its implementing regulations: The income from investment and operation of public infrastructure projects supported by the state can be reduced and exempted from enterprise income tax.
- (37) The Company’s subsidiary, Gushi County Mingwu New Energy Co., Ltd. has been regularly exempted from enterprise income tax from 1 January 2021 to 31 December 2023, and reduced half of the enterprise income tax rate from 1 January 2024 to 31 December 2026. According to Article 27 stipulated in “Enterprise Income Tax Law of the People’s Republic of China” and its implementing regulations: The income from investment and operation of public infrastructure projects supported by the state can be reduced and exempted from enterprise income tax.
- (38) The Company’s subsidiary, Guodian Henan Zhongtuo Yingke New Energy Co., Ltd. has been regularly exempted from enterprise income tax from 1 January 2021 to 31 December 2023, and reduced half of the enterprise income tax rate from 1 January 2024 to 31 December 2026. According to Article 27 stipulated in “Enterprise Income Tax Law of the People’s Republic of China” and its implementing

regulations: The income from investment and operation of public infrastructure projects supported by the state can be reduced and exempted from enterprise income tax.

- (39) The Company's subsidiary, Shaanxi Jingbian MingYang New Energy Power Generation Co., Ltd. has been regularly exempted from enterprise income tax from 1 January 2021 to 31 December 2023, and reduced half of the enterprise income tax rate from 1 January 2024 to 31 December 2026. According to Article 27 stipulated in "Enterprise Income Tax Law of the People's Republic of China" and its implementing regulations: The income from investment and operation of public infrastructure projects supported by the state can be reduced and exempted from enterprise income tax.
- (40) The Company's subsidiary, Zhongshan MingYang New Energy Technology Co., Ltd. has been regularly exempted from enterprise income tax from 1 January 2019 to 31 December 2021, and reduced half of the enterprise income tax rate from 1 January 2022 to 31 December 2024. According to Article 27 stipulated in "Enterprise Income Tax Law of the People's Republic of China" and its implementing regulations: The income from investment and operation of public infrastructure projects supported by the state can be reduced and exempted from enterprise income tax.
- (41) The Company's subsidiary, Yangjiang MingYang New Energy Technology Co., Ltd. has been regularly exempted from enterprise income tax from 1 January 2021 to 31 December 2023, and reduced half of the enterprise income tax rate from 1 January 2024 to 31 December 2026. According to Article 27 stipulated in "Enterprise Income Tax Law of the People's Republic of China" and its implementing regulations: The income from investment and operation of public infrastructure projects supported by the state can be reduced and exempted from enterprise income tax.
- (42) The Company's subsidiary, Xinyang MingYang New Energy Technology Co., Ltd. has been regularly exempted from enterprise income tax from 1 January 2020 to 31 December 2022, and reduced half of the enterprise income tax rate from 1 January 2023 to 31 December 2025. According to Article 27 stipulated in "Enterprise Income Tax Law of the People's Republic of China" and its implementing regulations: The income from investment and operation of public infrastructure projects supported by the state can be reduced and exempted from enterprise income tax.
- (43) The Company's subsidiary, Tongliao MingYang Smart Energy Co., Ltd. has benefited from "Notice on Implementing Inclusive Tax Reduction and Exemption Policies for Small and Low-profit Enterprises" (Caishui [2019] No. 13) issued by the Ministry of Finance and the State Administration of Taxation : From 1 January 2019 to 31 December 2021, value added tax is exempted for small-scale taxpayers with monthly sales of less than RMB 100,000 (including this amount) ; For small and low-profit enterprises whose annual taxable income does not exceed RMB 1 million, the taxable profit subject to tax is reduced by 25%, and the tax rate of enterprise income tax will be 20%; For the portion of annual taxable profit exceeding RMB 1 million but not exceeding RMB 3 million, the taxable profit subject to tax is reduced by 50%, and the tax rate of enterprise income tax will be 20%. According to the "Announcement on Implementing Preferential Income Tax Policies for Small and Low-profit Enterprises and Individual Industrial and Commercial Households" (Announcement No. 12 [2021] of the Ministry of Finance and the State Administration of Taxation) : For the portion of the annual taxable profit of Small and Low-profit Enterprises that does not exceed RMB 1 million, on the basis of the preferential policies stipulated in Article 1 in the "Notice on Implementing Inclusive Tax Reduction and Exemption Policies for Small and Low-profit Enterprises" (Caishui [2019] No. 13) second, the corporate income tax will be halved.
- (44) The Company's subsidiary, Inner Mongolia Guomeng Electric Power Sales Co., Ltd. has benefited from "Notice on Implementing Inclusive Tax Reduction and Exemption Policies for Small and Low-profit Enterprises" issued by the Ministry of Finance and the State Administration of Taxation (Caishui [2019]

No. 13) : From 1 January 2019 to 31 December 2021, value added tax is exempted for small-scale taxpayers with monthly sales of less than RMB 100,000 (including this amount) ; For small and low-profit enterprises whose annual taxable income does not exceed RMB 1 million, the taxable profit subject to tax is reduced by 25%, and the tax rate of enterprise income tax will be 20%; For the portion of annual taxable profit exceeding RMB 1 million but not exceeding RMB 3 million, the taxable profit subject to tax is reduced by 50%, and the tax rate of enterprise income tax will be 20%. According to the "Announcement on Implementing Preferential Income Tax Policies for Small and Low-profit Enterprises and Individual Industrial and Commercial Households" (Announcement No. 12 [2021] of the Ministry of Finance and the State Administration of Taxation) : For the portion of the annual taxable profit of Small and Low-profit Enterprises that does not exceed RMB 1 million, on the basis of the preferential policies stipulated in Article 1 in the "Notice on Implementing Inclusive Tax Reduction and Exemption Policies for Small and Low-profit Enterprises" (Caishui [2019] No. 13) second, the corporate income tax will be halved.

- (45) The Company's subsidiary, Tianjin Ruineng Electric Co., Ltd. has been confirmed by the State Taxation Bureau of Xiqing District, Tianjin City to enjoy the value added tax refund policy since 1 January 2021. According to "Notice of the Ministry of Finance and the State Administration of Taxation on the Value Added Tax Policy for Software Products" (Caishui [2011] No. 100) : For value added tax general taxpayers sell software products developed and produced by them, after the value added tax is levied at a tax rate of 17%, the portion of the actual value added tax that exceeds 3% will entitle to the immediate refund policy.
- (46) The Company's subsidiary, Inner Mongolia MingYang Wind Power Co., Ltd. has been confirmed by the State Taxation Bureau of Chayouyihouqi, Inner Mongolia Autonomous Region, since 13 April 2016, to enjoy the 50% of value added tax pay and immediate refund policy. According to "Notice of the Ministry of Finance and the State Administration of Taxation on Wind power generation Value added tax policy" (Caishui [2015] No. 74) : Since 1 July 2015, self-produced wind power products sold by taxpayers, 50% of value added tax is enjoying pay and immediate refund policy.
- (47) The Company's subsidiary, Keshiketeng Banner MingYang New Energy Co., Ltd. has been confirmed by the State Taxation Bureau of Inner Mongolia Autonomous Region, since 20 March 2017, to enjoy the 50% of value added tax pay and immediate refund policy. According to "Notice of the Ministry of Finance and the State Administration of Taxation on Wind power generation Value added tax policy" (Caishui [2015] No. 74) : Since 1 July 2015, self-produced wind power products sold by taxpayers, 50% of value added tax is enjoying pay and immediate refund policy.
- (48) The Company's subsidiary, Shenzhen Liangyun Energy Network Technology Co., Ltd. has been confirmed by Shenzhen Qianhai State Taxation Bureau, since 1 March 2016, to enjoy the preferential policy of value added tax pay and immediate refund policy. According to "Notice on Printing and Distributing Several Policies to Further Encourage the Development of Software Industry and Integrated Circuit Industry" (Guo Fa [2011] No. 4), "Notice of the Ministry of Finance and the State Administration of Taxation on the Value Added Tax Policy for Software Products" (Caishui [2011] No. 100) : For value added tax general taxpayers sell software products developed and produced by them, after the value added tax is levied at a tax rate of 17%, the portion of the actual value added tax that exceeds 3% will entitle to the immediate refund policy.
- (49) The Company has been confirmed by Zhongshan Taxation Bureau of State Administration of Taxation to enjoy the preferential policy of value added tax pay and immediate refund policy for the period from 1 October 2020. According to "Notice on Printing and Distributing Several Policies to Further Encourage the Development of Software Industry and Integrated Circuit Industry" (Guo Fa [2011] No. 4), "Notice of the Ministry of Finance and the State Administration of Taxation on the Value Added Tax Policy for Software Products" (Caishui [2011] No. 100) : For value added tax general taxpayers who sell software products

developed and produced by them, after the value added tax is levied at a tax rate of 17%, the portion of the actual value added tax that exceeds 3% will entitle to the immediate refund policy.

(50) The Company's subsidiary, Xinjiang Wanbang Energy Development Co., Ltd. has been confirmed by the State Taxation Bureau of Urumqi County to enjoy 50% of value added tax pay and immediate refund policy since 1 March 2014. According to the Notice of the Ministry of Finance and the State Administration of Taxation on the Comprehensive Utilization of Resources and the Value added tax policy of other products (Caishui [2008] No. 156) : Using wind power to generate electricity, value added tax is belonged to 50% immediate refund policy.

(51) The Company's subsidiary, Xinjiang Huaran New Energy Co., Ltd. has been confirmed by Taxation Bureau of Daban District, Urumqi City to enjoy the value added tax refund policy since April 2020. According to "Notice of the Ministry of Finance and the State Administration of Taxation on Wind power generation Value added tax policy" (Caishui [2015] No. 74) : Since 1 July 2015, self-produced wind power products sold by taxpayers, 50% of value added tax is enjoying pay and immediate refund policy.

V. Notes to the items of consolidated financial statements

1. Cash and bank balances

Item	2022.03.31	2021.12.31
Cash on hand	181,018.71	379,678.02
Cash at bank	10,517,973,702.32	13,111,755,260.72
Other monetary funds	812,413,450.03	958,782,030.59
Total	11,330,568,171.06	14,070,916,969.33
Including: Total amount of money deposited abroad	183,979,818.04	1,379,025,055.93

Note: At period end, the Company's bank balance or other monetary funds that are restricted because being mortgaged or pledged as security, or frozen or overseas balances that have restriction on remittance back to the home country refer to Note V.64.

2. Financial assets held for trading

Item	2022.03.31	2021.12.31
Financial assets held for trading	764,660,472.23	-
Including: Financial products	764,660,472.23	-
Total	764,660,472.23	-

3. Notes receivable

Category	2022.03.31			2021.12.31		
	Book balance	Provision for bad debts	Carrying amount	Book balance	Provision for bad debts	Carrying amount
Commercial acceptance bills	18,147,590.00	453,689.75	17,693,900.25	16,672,059.99	416,801.50	16,255,258.49

(1) Disclosure by method of provision for bad debts

Category	2022.03.31					Carrying amount
	Book balance		Provision for bad debts		Expected credit loss rate (%)	
	Amount	Ratio (%)	Amount	Expected credit loss rate (%)		
Provision for bad debts on portfolio basis	18,147,590.00	100.00	453,689.75	2.50	17,693,900.25	

Continued:

Category	2021.12.31					Carrying amount
	Book balance		Provision for bad debts		Expected credit loss rate (%)	
	Amount	Ratio (%)	Amount	Expected credit loss rate (%)		
Provision for bad debts on portfolio basis	16,672,059.99	100.00	416,801.50	2.50	16,255,258.49	

Provision for bad debts on portfolio basis:

Provision for bad debts on portfolio basis:Commercial acceptance bills

Category	2022.03.31			2021.12.31		
	Notes receivable	Provision for bad debts	Expected credit loss rate (%)	Notes receivable	Provision for bad debts	Expected credit loss rate (%)
Commercial acceptance bills	18,147,590.00	453,689.75	2.50	16,672,059.99	416,801.50	2.50

(2) Accrual, recovery or reversal of bad debt provision during the period

	Amount of provision for bad debts
2021.12.31	416,801.50
Provision for the period	36,888.25
Recovered or reversal in the period	-
Write-off in the period	-
2022.03.31	453,689.75

4. Accounts receivable

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(1) Disclosure by ageing

Ageing	2022.03.31	2021.12.31
Within one year	5,548,850,228.95	4,181,817,736.32
Including: Within 6 months	3,940,034,168.46	2,882,088,599.83
6 months to 1 year	1,608,816,060.49	1,299,729,136.49
1 to 2 years	1,146,345,694.74	1,053,290,387.79
2 to 3 years	651,159,691.71	528,567,874.01
3 to 4 years	375,480,227.97	351,430,411.83
4 to 5 years	152,511,540.47	69,474,224.00
Over 5 years	103,138,851.84	107,149,908.15
Subtotal	7,977,486,235.68	6,291,730,542.10
Less: Provision for bad debts	488,258,412.59	435,943,054.01
Total	7,489,227,823.09	5,855,787,488.09

(2) Disclosure by method of provision for bad debts

Category	Book balance		Provision for bad debts		Carrying amount
	Amount	Ratio (%)	Amount	Expected credit loss rate (%)	
Provision for bad debts on individual item	137,626,675.09	1.73	137,626,675.09	100.00	-
Provision for bad debts on portfolio basis	7,839,859,560.59	98.27	350,631,737.50	4.47	7,489,227,823.09
Including:					
High-end manufacturing business	6,300,902,564.02	78.98	279,007,155.22	4.43	6,021,895,408.80
Power generation business	1,479,663,119.84	18.55	71,328,112.89	4.82	1,408,335,006.95
Project construction business	59,293,876.73	0.74	296,469.39	0.50	58,997,407.34
Total	7,977,486,235.68	100.00	488,258,412.59	--	7,489,227,823.09

Continued:

Category	Book balance		Provision for bad debts		Carrying amount
	Amount	Ratio (%)	Amount	Expected credit loss rate (%)	
Provision for bad debts on individual item	137,720,148.91	2.19	137,720,148.91	100.00	-

Provision for bad debts on portfolio basis	6,154,010,393.19	97.81	298,222,905.10	4.85	5,855,787,488.09
Including:					
High-end manufacturing business	4,804,658,874.64	76.36	239,989,591.91	4.99	4,564,669,282.73
Power generation business	1,327,975,203.59	21.11	58,102,806.62	4.38	1,269,872,396.97
Project construction business	21,376,314.96	0.34	130,506.57	0.61	21,245,808.39
Total	6,291,730,542.10	100.00	435,943,054.01	--	5,855,787,488.09

Provision for bad debts on individual item:

Company	2022.03.31				Reason of provision
	Book balance	Provision for bad debts	Expected credit loss rate (%)		
Company 1	24,685,325.01	24,685,325.01	100.00		Debtor is shortage of funds
Company 2	71,426,400.00	71,426,400.00	100.00		Under litigation
Company 3	20,607,999.99	20,607,999.99	100.00		Debtor is shortage of funds
Company 4	18,906,950.09	18,906,950.09	100.00		Under litigation
Company 5	2,000,000.00	2,000,000.00	100.00		Debtor is shortage of funds
Total	137,626,675.09	137,626,675.09	--	--	--

Continued:

Company	2021.12.31				Reason of provision
	Book balance	Provision for bad debts	Expected credit loss rate (%)		
Company 1	24,778,798.83	24,778,798.83	100.00		Debtor is shortage of funds
Company 2	71,426,400.00	71,426,400.00	100.00		Under litigation
Company 3	20,607,999.99	20,607,999.99	100.00		Debtor is shortage of funds
Company 4	18,906,950.09	18,906,950.09	100.00		Under litigation
Company 5	2,000,000.00	2,000,000.00	100.00		Debtor is shortage of funds
Total	137,720,148.91	137,720,148.91	--	--	--

Provision for bad debts on portfolio basis:

Provision for bad debts on portfolio basis:High-end manufacturing business

	2022.03.31			2021.12.31		
	Accounts receivable	Provision for bad debts	Expected credit loss rate (%)	Accounts receivable	Provision for bad debts	Expected credit loss rate (%)
Within 6 months	3,367,643,082.12	24,054,638.09	0.71	2,380,409,693.70	24,756,260.81	1.04
6 months to 1 year	1,386,465,937.49	22,743,386.18	1.64	1,102,695,383.17	26,244,150.12	2.38

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1 to 2 years	764,845,675.29	44,930,037.63	5.87	664,916,824.54	41,424,318.17	6.23
2 to 3 years	385,765,738.24	37,056,480.12	9.61	316,700,700.80	31,004,998.61	9.79
3 to 4 years	239,068,169.89	42,790,658.77	17.90	258,512,286.10	46,402,955.35	17.95
4 to 5 years	74,583,109.14	33,154,187.76	44.45	6,856,877.00	3,046,510.45	44.43
Over 5 years	82,530,851.85	74,277,766.67	90.00	74,567,109.33	67,110,398.40	90.00
Total	6,300,902,564.02	279,007,155.22	--	4,804,658,874.64	239,989,591.91	--

Provision for bad debts on portfolio basis:Power generation business

	2022.03.31			2021.12.31		
	Accounts receivable	Provision for bad debts	Expected credit loss rate (%)	Accounts receivable	Provision for bad debts	Expected credit loss rate (%)
Within 6 months	491,519,373.10	4,490,688.53	0.91	485,057,591.15	4,996,093.19	1.03
6 months to 1 year	222,350,123.00	2,831,799.64	1.27	191,320,400.33	2,640,221.52	1.38
1 to 2 years	379,500,019.45	17,949,815.68	4.73	365,718,863.26	18,395,658.82	5.03
2 to 3 years	265,391,713.47	22,558,295.64	8.50	211,867,173.21	18,008,709.72	8.50
3 to 4 years	117,507,347.99	22,326,396.12	19.00	74,011,175.64	14,062,123.37	19.00
4 to 5 years	3,394,542.83	1,171,117.28	34.50	-	-	-
Total	1,479,663,119.84	71,328,112.89	--	1,327,975,203.59	58,102,806.62	--

Provision for bad debts on portfolio basis:Project construction business

	2022.03.31			2021.12.31		
	Accounts receivable	Provision for bad debts	Expected credit loss rate (%)	Accounts receivable	Provision for bad debts	Expected credit loss rate (%)
Within 6 months	59,293,876.73	296,469.39	0.50	16,651,314.96	83,256.57	0.50
6 months to 1 year	-	-	-	4,725,000.00	47,250.00	1.00
Total	59,293,876.73	296,469.39	0.50	21,376,314.96	130,506.57	--

(3) Accrual, recovery or reversal of bad debt provision during the period

	Amount of provision for bad debts
2021.12.31	435,943,054.01
Provision for the period	52,315,358.58
Recovered or reversal in the period	-
Write-off in the period	-
2022.03.31	488,258,412.59

(4) Accounts receivable written-off during the period

Item	Written-off amount
Actual written-off of accounts receivable	-

(5) Accounts receivable due from the top five debtors

Accounts receivable due from the top five debtors as at period end was totaling RMB 3,172,034,237.85, which accounted for 39.71% of total accounts receivable, and the corresponding provision for bad debts was totaling RMB 75,583,212.36.

(6) Transfer of financial assets of accounts receivable that do not meet the conditions for derecognition

The detail of Transfer of financial assets of accounts receivable that do not meet the conditions for derecognition of the Company as of 31 December 2021 refers to Note V.64.

5. Receivables financing

Item	2022.03.31	2021.12.31
Notes receivable	1,013,939,501.25	1,459,832,851.54
Ronshine and CSCC	127,691,299.99	60,691,299.99
Less: Other comprehensive income-Changes in fair value	-	-
Fair value at period end	1,141,630,801.24	1,520,524,151.53

(1) Notes receivable pledged by the Company at the end of the period

Category	Pledged amount at period end
Bank acceptance bills	1,050,000.00

(2) Closing balance of notes receivable being endorsed or factored and not yet matured

Category	Amount derecognized at period end	Amount not derecognized at period end
Bank acceptance bills	577,523,385.78	-

6. Prepayments

(1) Prepayments by ageing

Ageing	2022.03.31		2021.12.31	
	Amount	Ratio %	Amount	Ratio %
Within one year	323,369,385.44	68.81	357,786,117.94	71.52
1 to 2 years	70,709,753.50	15.05	101,154,972.31	20.22
2 to 3 years	72,639,688.04	15.46	39,166,622.70	7.83
Over 3 years	3,198,392.20	0.68	2,169,703.92	0.43
Total	469,917,219.18	100.00	500,277,416.87	100.00

(2) Prepayments due from the top five debtors

Prepayments due from the top five debtors as at period end was totaling RMB 219,964,334.09, which accounted for 46.81% of total prepayments.

7. Other receivables

(1) by ageing

Ageing	2022.03.31	2021.12.31
Within one year	467,586,846.09	390,839,202.42
Including: Within 6 months	385,752,062.42	352,225,958.69
6 months to 1 year	81,834,783.67	38,613,243.73
1 to 2 years	60,756,979.75	42,132,683.25
2 to 3 years	60,507,408.35	63,593,673.01
3 to 4 years	10,485,986.14	5,616,975.18
4 to 5 years	999,303.20	812,517.50
Over 5 years	85,423,685.43	85,585,682.28
Subtotal	685,760,208.96	588,580,733.64
Less: Provision for bad debts	95,057,062.78	81,240,061.07
Total	590,703,146.18	507,340,672.57

(2) Disclosure by nature

Item	2022.03.31			2021.12.31		
	Book balance	Provision for bad debts	Carrying amount	Book balance	Provision for bad debts	Carrying amount
Current accounts	125,676,694.25	48,861,596.26	76,815,097.99	136,185,867.37	60,519,214.80	75,666,652.57
Security deposits, deposits and petty cash	235,873,983.63	10,162,196.23	225,711,787.40	319,613,798.82	5,823,893.55	313,789,905.27
Equity transfer funds	278,904,329.85	21,498,419.34	257,405,910.51	94,785,857.90	11,938,876.12	82,846,981.78
Others	45,305,201.23	14,534,850.95	30,770,350.28	37,995,209.55	2,958,076.60	35,037,132.95
Total	685,760,208.96	95,057,062.78	590,703,146.18	588,580,733.64	81,240,061.07	507,340,672.57

(3) Information of provision for bad debts

As at 31 March 2022, provision for bad debts on those in first stage:

Category	Book balance	Expected credit loss rate in the next 12 months (%)	Provision for bad debts	Carrying amount
Provision for bad debts on portfolio basis				
Current accounts	157,958,165.38	0.56	887,098.22	157,071,067.16
Security deposits, deposits and petty cash	30,707,598.99	1.47	452,827.78	30,254,771.21
Equity transfer funds	235,434,829.85	3.68	8,652,567.75	226,782,262.10
Others	29,410,399.80	2.03	595,976.22	28,814,423.58
Total	453,510,994.02	2.33	10,588,469.97	442,922,524.05

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As at 31 March 2022, provision for bad debts on those in second stage:

Category	Book balance	Expected credit loss rate in the next 12 months (%)	Provision for bad debts	Carrying amount
Provision for bad debts on portfolio basis				
Current accounts	77,880,959.96	7.32	5,697,024.14	72,183,935.82
Security deposits, deposits and petty cash	4,969,382.23	8.93	443,923.23	4,525,459.00
Equity transfer funds	43,469,500.00	29.55	12,845,851.59	30,623,648.41
Others	4,196,602.05	53.39	2,240,675.34	1,955,926.71
Total	130,516,444.24	16.26	21,227,474.30	109,288,969.94

As at 31 March 2022, provision for bad debts on those in third stage:

Category	Book balance	Expected credit loss rate for the lifetime(%)	Provision for bad debts	Carrying amount
Provision for bad debts on individual item				
He Zhiyong	51,546,199.79	25.33	13,054,547.60	38,491,652.19
A1 Development EOOD	19,826,324.60	100.00	19,826,324.60	-
Fujian Huaqing Energy Co., Ltd.	10,000,000.00	100.00	10,000,000.00	-
Shandong Guoyi Cable Co., Ltd.	5,987,393.63	100.00	5,987,393.63	-
Beijing Kunting Asset Management Co., Ltd	4,551,336.54	100.00	4,551,336.54	-
Others	9,821,516.14	100.00	9,821,516.14	-
Total	101,732,770.70	62.16	63,241,118.51	38,491,652.19

As of 31 December 2021, information of provision for bad debts:

Provision for bad debts on those in first stage:

Category	Book balance	Expected credit loss rate in the next 12 months (%)	Provision for bad debts	Carrying amount
Provision for bad debts on portfolio basis				
Current accounts	41,379,024.50	0.80	332,864.96	41,046,159.54
Security deposits, deposits and petty cash	251,341,830.89	0.51	1,283,915.27	250,057,915.62
Equity transfer funds	61,288,957.90	3.13	1,915,430.61	59,373,527.29
Others	22,900,073.56	1.78	407,699.28	22,492,374.28
Total	376,909,886.85	--	3,939,910.12	372,969,976.73

Provision for bad debts on those in second stage:

Category	Book balance	Expected credit loss rate in the next 12 months (%)	Provision for bad debts	Carrying amount
Provision for bad debts on portfolio basis				
Current accounts	8,392,942.86	15.85	1,330,571.02	7,062,371.84
Security deposits, deposits and petty cash	68,240,176.13	6.65	4,539,978.28	63,700,197.85
Equity transfer funds	33,496,900.00	29.92	10,023,445.51	23,473,454.49
Others	2,400,658.40	31.56	757,638.93	1,643,019.47
Total	112,530,677.39	--	16,651,633.74	95,879,043.65

Provision for bad debts on those in third stage:

Category	Book balance	Expected credit loss rate for the lifetime(%)	Provision for bad debts	Carrying amount
Provision for bad debts on individual item				
He Zhiyong	51,546,199.79	25.33	13,054,547.60	38,491,652.19
A1 Development EOOD	19,992,321.45	100.00	19,992,321.45	-
Fujian Huaqing Energy Co., Ltd.	10,000,000.00	100.00	10,000,000.00	-
Shandong Guoyi Cable Co., Ltd.	5,987,393.63	100.00	5,987,393.63	-
Others	11,614,254.53	100.00	11,614,254.53	-
Total	99,140,169.40	--	60,648,517.21	38,491,652.19

(4) Accrual, recovery or reversal of bad debt provision during the period

Provision for bad debts	First stage	Second stage	Third stage	Total
	Expected credit loss within 12 months	Expected credit loss for lifetime (no credit impairment occurred)	Expected credit loss for lifetime (credit impairment has occurred)	
Balance at 31 December 2021	3,939,910.12	16,651,633.74	60,648,517.21	81,240,061.07
Movement of balance during the period:				
--transfer to second stage	-	-	-	-
--transfer to third stage	-	-	-	-
--Reverse to second stage	-	-	-	-
--Reverse to first stage	-	-	-	-
Provision for the period	6,648,559.85	4,658,318.91	4,551,336.54	15,858,215.30

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Reversal in the period	-	-	1,958,735.24	1,958,735.24
Transfer in the period	-	-	-	-
Write-off in the period	-	82,478.35	-	82,478.35
Other movement	-	-	-	-
Balance at 31 March 2022	10,588,469.97	21,227,474.30	63,241,118.51	95,057,062.78

(5) Actual written-off of other receivables in the period

Item	Written-off amount
Actual written-off of other receivables	82,478.35

(6) Other receivables due from the top five debtors

Name of entity	Nature	Other receivables Closing balance	Ageing	Proportion to total other receivables (%)	Closing balance of provision for bad debts
China Three Gorges New Energy (Group) Co., Ltd.	Equity transfer funds	175,741,500.00	Within 6 months	25.63	2,723,993.25
He Zhiyong	Current accounts	51,546,199.79	Over 5 years	7.52	13,054,547.60
Jilin Province Zhongneng Wind Power Investment Co., Ltd.	Security deposits, deposits and petty cash	41,223,624.13	Within 6 months, 6 months to 1 year, 1 to 2 years, 2 to 3 years	6.01	1,576,174.22
Wuling Power Co., Ltd.	Equity transfer funds	40,809,329.85	6 months to 1 year	5.95	5,016,494.50
Taonan Baiqiang New Energy Co., Ltd.	Security deposits, deposits and petty cash	30,214,572.00	Within 6 months, 6 months to 1 year, 1-2 years	4.41	526,658.82
Total	--	339,535,225.77	--	49.52	22,897,868.39

8. Inventories

(1) Inventories by category

Item	2022.03.31			2021.12.31		
	Book balance	Provision for decline in value	Carrying amount	Book balance	Provision for decline in value	Carrying amount
Raw materials	1,719,016,188.93	8,819,372.02	1,710,196,816.91	1,255,950,437.86	8,819,372.02	1,247,131,065.84
Work-in-progress	1,268,005,780.86	-	1,268,005,780.86	1,045,743,296.62	-	1,045,743,296.62
Semi-finished goods	52,145,288.64	-	52,145,288.64	54,943,192.79	-	54,943,192.79
Finished goods	1,285,790,165.20	26,116,061.94	1,259,674,103.26	752,122,270.11	26,116,061.94	726,006,208.17
Issuing goods	6,205,432,873.61	-	6,205,432,873.61	6,517,082,436.37	-	6,517,082,436.37
Reusable materials	10,936,708.96	-	10,936,708.96	13,095,592.17	-	13,095,592.17
Total	10,541,327,006.20	34,935,433.96	10,506,391,572.24	9,638,937,225.92	34,935,433.96	9,604,001,791.96

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

Item	2022.01.01	Increase		Decrease		2022.03.31
		Provision	Other	Reversal or written-off	Other	
Raw materials	8,819,372.02	-	-	-	-	8,819,372.02
Finished goods	26,116,061.94	-	-	-	-	26,116,061.94
Total	34,935,433.96	-	-	-	-	34,935,433.96

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

Item	Basis in determination of net recoverable amount/residual value and cost to be incurred	Reversal or written-off of provision for decline in value of inventories
Raw materials	[Note 1]	-
Work-in-progress	[Note 2]	-
Finished goods	[Note 3]	-

[Note 1]: In the production and operation process, the contract price of the finished product produced is deducted by the estimated cost, estimated selling expenses and related taxes and fees at the time of completion.

[Note 2]: In the production and operation process, the contract price of the finished product produced is deducted by the estimated cost, estimated selling expenses and related taxes and fees at the time of completion.

[Note 3]: According to the contract price of inventories less the estimated selling expenses and related taxes and fees.

9. Contract assets

Item	2022.03.31			2021.12.31		
	Book balance	Provision for impairment	Carrying amount	Book balance	Provision for impairment	Carrying amount
High-end manufacturing business	5,876,324,670.77	11,752,649.34	5,864,572,021.43	5,648,334,859.97	11,338,669.72	5,636,996,190.25
Project construction business	225,599,342.24	1,127,996.71	224,471,345.53	120,086,476.68	3,102,696.95	116,983,779.73
Subtotal	6,101,924,013.01	12,880,646.05	6,089,043,366.96	5,768,421,336.65	14,441,366.67	5,753,979,969.98
Less: Contract assets as presented as other non-current assets	5,451,233,617.29	11,026,624.35	5,440,206,992.94	5,236,552,754.68	13,159,610.07	5,223,393,144.61
Total	650,690,395.72	1,854,021.70	648,836,374.02	531,868,581.97	1,281,756.60	530,586,825.37

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(1) Information of impairment of contract assets

Category	2022.03.31					2021.12.31				
	Book balance		Provision for impairment		Carrying amount	Book balance		Provision for impairment		Carrying amount
	Amount	Ratio (%)	Amount	Expected credit loss rate (%)		Amount	Ratio (%)	Amount	Expected credit loss rate (%)	
Provision for bad debts on portfolio basis	650,690,395.72	100	1,854,021.70	0.28	648,836,374.02	531,868,581.97	100.00	1,281,756.60	0.24	530,586,825.37
Including:										
High-end manufacturing business	466,476,758.98	71.69	932,953.52	0.20	465,543,805.46	459,195,436.79	86.34	918,390.87	0.20	458,277,045.92
Project construction business	184,213,636.74	28.31	921,068.18	0.50	183,292,568.56	72,673,145.18	13.66	363,365.73	0.50	72,309,779.45
Total	650,690,395.72	100	1,854,021.70	--	648,836,374.02	531,868,581.97	--	1,281,756.60	--	530,586,825.37

Provision for bad debts on portfolio basis:

Provision for bad debts on portfolio basis:High-end manufacturing business

	2022.03.31			2021.12.31		
	Contract assets	Provision for bad debts	Expected credit loss rate (%)	Contract assets	Provision for bad debts	Expected credit loss rate (%)
Within one year	466,476,758.98	932,953.52	0.20	459,195,436.79	918,390.87	0.20

Provision for bad debts on portfolio basis:Project construction business

	2022.03.31			2021.12.31		
	Contract assets	Provision for bad debts	Expected credit loss rate (%)	Contract assets	Provision for bad debts	Expected credit loss rate (%)
Within one year	184,213,636.74	921,068.18	0.50	72,673,145.18	363,365.73	0.50

(2) Additions, recoveries or reversals of provision for impairment of contract assets

Item	Provision for the period	Reversal in the period	Written-off in the period	Reason
High-end manufacturing business	14,562.65	-	-	-
Project construction business	557,702.45	-	-	-
Total	572,265.10	-	-	-

10. Assets held-for-sale and liabilities held-for-sale

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Item	2022.03.31			2021.12.31		
	Book balance	Provision for impairment	Carrying amount	Book balance	Provision for impairment	Carrying amount
(I) Assets held-for-sale	1,986,680.62	-	1,986,680.62	12,786,680.62	-	12,786,680.62
Including: Long-term equity investment	1,986,680.62	-	1,986,680.62	1,986,680.62	-	1,986,680.62
Other equity instruments investment	-	-	-	10,800,000.00	-	10,800,000.00
(II) Assets in disposal group held-for-sale	-	-	-	4,312,385,009.56	-	4,312,385,009.56
Including: Yangjiang MingYang Offshore Wind Power Development Co., Ltd.	-	-	-	4,312,385,009.56	-	4,312,385,009.56
Total	1,986,680.62	-	1,986,680.62	4,325,171,690.18	-	4,325,171,690.18

Item	2022.03.31	2021.12.31
Liabilities held-for-sale:	-	-
Liabilities held-for-sale in disposal group	-	283,618,819.08
Including: Yangjiang MingYang Offshore Wind Power Development Co., Ltd.	-	283,618,819.08
Total	-	283,618,819.08

Note: On 23 November 2021, the Company's subsidiary, Beijing Jieyuan New Energy Investment Co., Ltd. (hereinafter referred to as "Beijing Jieyuan") signed an equity transfer agreement with Mianyang Shuaicheng Electric Power Engineering Co., Ltd. (hereinafter referred to as "Mianyang Shuaicheng"), pursuant to which agreed to transfer the 10% equity of Panzihua Renhe Jieyuan New Energy Co., Ltd. held by Beijing Jieyuan to Mianyang Shuaicheng for a consideration of RMB 2.02 million. As of 31 March 2022, the relevant procedures have not been completed, and the Company classifies this long-term equity investment as held-for-sale.

(1) Non-current assets held-for-sale

At period end, information of assets held-for-sale is as follow:

Item	Carrying value at period end	Fair value at period end	Expected selling expenses	Time schedule
Panzihua Renhe Jieyuan New Energy Co., Ltd	1,986,680.62	1,986,680.62	-	December 2022

11. Other current assets

Item	2022.03.31	2021.12.31
Other borrowings	288,773,550.81	285,988,087.01
VAT carry forward	422,168,871.41	351,979,422.71
Endorsed bills receivable not yet derecogized	-	13,097,256.79

Input tax pending for verification	30,612,883.64	15,459,074.96
Prepaid income tax	27,717,746.55	28,510,340.91
Prepaid other taxes	149,429.28	7,826.73
Total	769,422,481.69	695,042,009.11

12. Long-term receivables

(1) Long-term receivables by nature

Item	2022.03.31			2021.12.31			Range of discount rate
	Book balance	Provision for bad debts	Carrying amount	Book balance	Provision for bad debts	Carrying amount	
Security deposits of financing Leases	19,616,000.00		19,616,000.00	23,366,000.00	-	23,366,000.00	3.98-10.47
Including: Unrealized financing income of security deposits of financing Leases	7,499,727.39		7,499,727.39	8,800,674.96	-	8,800,674.96	-
Subtotal	12,116,272.61	-	12,116,272.61	14,565,325.04	-	14,565,325.04	-
Less: Long-term receivables due within one year			-	-	-	-	-
Total	12,116,272.61	-	12,116,272.61	14,565,325.04	-	14,565,325.04	--

Note: Long-term receivables with a collection period of more than one year use the effective interest method to calculate amortized cost. The Company considers all contractual terms and estimates future cash flows based on contract cash flows. The discount rate used to calculate the present value of future cash flows varies with the contract period.

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13. Long-term equity investment

Investee	2021.12.31	Additions in investment	Decrease in investment	Movement in the period				2022.03.31	Closing balance of provision for impairment
				Investment income/loss recognized under equity method	Adjustment of other comprehensive income	Changes of other equity	Announced distribution of cash dividend or profit		
① Joint ventures									
MW EP Renewables International Ltd.	-	-	-	-	-	-	-	-	-
MW Wind Power OOD	-	-	-	-	-	-	-	-	-
MingYang International Energy Technology Co., Ltd.	-	-	-	-	-	-	-	-	6,000,000.00
Subtotal	-	-	-	-	-	-	-	-	6,000,000.00
② Associates									
Huaneng MingYang New Energy Investment Co., Ltd.	-	-	-	-	-	-	-	-	-
China Nuclear Henan New Energy Co., Ltd.	32,248,411.67	-	-	516,312.97	-	-	-	-	32,764,724.64
Golmud MingYang New Energy Power Generation Co., Ltd.	25,710,539.48	-	-	276,028.46	-	-	-	-	25,986,567.94
Guangdong Yuecai Financial Leasing Co., Ltd.	402,619,903.19	-	-	5,619,773.86	-	-	-	-	408,239,677.05
Daqing Zhongdan Ruihao Wind Power Co., Ltd.	20,314,945.71	-	-	-32,898.25	-	-	-	-	20,282,047.46
Daqing Dumeng Huji Tumo Wind Power Co., Ltd.	22,611,853.31	-	-	-132,774.46	-	-	-	-	22,479,078.85
Daqing Dumeng Dairy Farm Wind Power Co., Ltd.	28,999,697.61	-	-	78,980.28	-	-	-	-	29,078,677.89
Daqing Dumeng Huzhen Dairy Farm Wind Power Co., Ltd.	31,073,944.44	-	-	98,009.94	-	-	-	-	31,171,954.38
CNNC Huihai (Fujian) New Energy Co., Ltd.	-	3,600,000.00	-	-	-	-	-	-	3,600,000.00
Inner Mongolia MingYang North Smart Energy Research Institute	-	1,000,000.00	-	-	-	-	-	-	1,000,000.00
Subtotal	563,579,295.41	4,600,000.00	-	6,423,432.80	-	-	-	-	574,602,728.21
Total	563,579,295.41	4,600,000.00	-	6,423,432.80	-	-	-	-	6,000,000.00

Note:

- (1) MW EP Renewables International Ltd. was established on 18 September 2012. It is invested and established by the Company's subsidiary, MingYang Wind Power (International) Co., Ltd. (hereinafter referred to as "MingYang International") and Grission Management, of which MingYang International invested an amount of EUR 680.00 for a shareholding of 66.67%.
- (2) MW Wind Power OOD was established on 17 June 2011, and was invested by W.Power Group EOOD. On 19 July 2011, MingYang International acquired 66% of MW Wind Power OOD for Bulgarian Lev 660.00.
- (3) Due to the insolvency of MW EP Renewables International Ltd., MW Wind Power OOD and Huaneng MingYang New Energy Investment Co., Ltd., according to the long-term equity investment standard, the equity method is adopted for treatment of long-term equity investment, and the carrying amount is written down to zero.
- (4) On 25 November 2021, The Company signed the "CNNC Huihai (Fujian) New Energy Co., Ltd. Investment Agreement" together with CNNC Huineng Co., Ltd., CITIC Heavy Industry Equipment Manufacturing (Zhangzhou) Co., Ltd., Beijing Jianheng Certification Center Co., Ltd., Fujian Nanping Sun Cable Co., Ltd., and China Power Construction Group Fujian Electric Power Survey and Design Institute Co., Ltd. According to the agreement, the above parties jointly invested in the establishment of CNNC Huihai (Fujian) New Energy Co., Ltd., of which the Company contributed RMB 3.60 million, accounting for 18.00%, and assigned a director, and has significant influence, so the equity method is used for accounting .
- (5) In September 2021, The Company signed the "Strategic Cooperation Agreement for the Purchase and Construction of New Energy Industry Clusters" with the Baotou Municipal People's Government. Both parties will cooperate to build the core area of the new energy high-end equipment industry cluster. The Company invested RMB 1 million to establish Inner Mongolia MingYang Beijing Smart Energy Research Institute. According to its articles of association, the resolution of board of directors must be passed by more than half of the voting rights of the directors. There are 3 members of the board of directors, and 1 is assigned by the Company. The Company has significant influence, so the equity method is used for accounting.
- (6) Details of mortgage or pledge of long-term equity investments refer to Note V64.

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14. Other equity instruments investment

Item	2022.03.31	2021.12.31
Southern Offshore Wind Power Joint Development Co., Ltd.	83,794,295.38	86,929,464.38
Guohua (Shantui) Wind Power Co., Ltd.	1,031,500.00	1,031,500.00
Inner Mongolia Eastern Electric Power Trading Center	5,424,693.79	5,422,966.45
Hainan Jinyuanqieji Wind Power Co., Ltd.	7,877,891.40	7,650,768.24
Total	98,128,380.57	101,034,699.07

15. Other non-current financial assets

Category	2022.03.31	2021.12.31
Designated as financial assets at fair value through profit or loss	580,480,046.49	467,653,427.70

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16. Fixed assets

(1) Fixed assets

Item	Housing and buildings	Production equipment	Tooling equipment	Testing equipment	Motor vehicles	Electronic equipment and others	Total
I. Book value:							
1.2021.12.31	3,113,853,625.82	7,907,216,049.22	178,507,046.19	97,944,065.67	245,923,169.30	104,214,290.68	11,647,658,246.88
2.Increase	82,958,488.49	517,005,799.24	3,214,817.99	15,091,034.04	5,031,201.61	1,597,757.85	624,899,099.22
(1) Purchase	3,515,955.22	164,616,462.71	1,921,283.02	8,880,766.77	4,257,415.21	1,543,507.40	184,735,390.33
(2) Transfer from construction in progress	79,442,533.27	352,389,336.53	1,293,534.97	6,210,267.27	773,786.40	54,250.45	440,163,708.89
3.Decrease	488,312.78	1,492,235.75	2,023,376.57	4,274,210.32	601,618.57	414,945.99	9,294,699.98
(1) Disposal or scrap	488,312.78	1,492,235.75	2,023,376.57	4,274,210.32	601,618.57	414,945.99	9,294,699.98
4.2022.03.31	3,196,323,801.53	8,422,729,612.71	179,698,487.61	108,760,889.39	250,352,752.34	105,397,102.54	12,263,262,646.12
II. Accumulated depreciation							
1.2021.12.31	477,430,519.27	1,209,961,770.79	99,641,509.22	65,844,704.64	66,506,679.50	63,068,576.33	1,982,453,759.75
2.Increase	35,817,572.91	166,230,692.93	9,735,227.46	8,669,123.23	5,239,447.75	3,868,714.70	229,560,778.98
(1) Provision	35,817,572.91	166,230,692.93	9,735,227.46	8,669,123.23	5,239,447.75	3,868,714.70	229,560,778.98
3.Decrease	101,909.60	332,705.55	1,498,732.16	975,344.10	308,719.21	394,198.74	3,611,609.36
(1) Disposal or scrap	101,909.60	332,705.55	1,498,732.16	975,344.10	308,719.21	394,198.74	3,611,609.36
4.2022.03.31	513,146,182.58	1,375,859,758.17	107,878,004.52	73,538,483.77	71,437,408.04	66,543,092.29	2,208,402,929.37
III. Provision for impairment							
1.2021.12.31	-	58,336,586.00	-	297,664.34	28,078.47	583,548.57	59,245,877.38
2.Increase	-	7,013,500.00	-	-	-	-	7,013,500.00
(1) Provision	-	7,013,500.00	-	-	-	-	7,013,500.00

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3. Decrease	-	-	-	-	-	-	-	-	-
(1) Disposal or scrap	-	-	-	-	-	-	-	-	-
4. 2022.03.31	-	65,350,086.00	-	297,664.34	28,078.47	583,548.57	66,259,377.38		
IV. Carrying amount									
1. 2022.03.31 Carrying amount	2,683,177,618.95	6,981,519,768.54	71,820,483.09	34,924,741.28	178,887,265.83	38,270,461.68	9,988,600,339.37		
2. 2021.12.31 Carrying amount	2,636,423,106.55	6,638,917,692.43	78,865,536.97	31,801,696.69	179,388,411.33	40,562,165.78	9,605,958,609.75		

(2) Information of mortgage or pledge of fixed assets

Item	Carrying amount
Housing and buildings	116,132,163.80
Production equipment	1,968,079,042.56
Total	2,084,211,206.36

(3) Fixed assets with temporary idle

Item	Book value	Accumulated depreciation	Provision for impairment	Carrying amount
Production equipment	41,273,411.35	27,843,792.05	-	13,429,619.30
Tooling equipment	3,174,447.70	1,770,100.30	-	1,404,347.40
Testing equipment	7,502,639.33	7,066,789.31	-	435,850.02
Motor vehicles	263,000.00	249,850.00	-	13,150.00
Electronic equipment and others	1,598,450.76	1,400,966.66	-	197,484.10
Total	53,811,949.14	38,331,498.32	-	15,480,450.82

(4) Fixed assets held under operating leases

Item	Carrying amount
Housing and buildings	7,428,496.81
Production equipment	22,351,545.46
Total	29,780,042.27

(5) Fixed assets without property certificate

Item	Carrying amount	Reasons for pending title certificate
MingYang Wind turbines Equipment Manufacturing Plant in Yangjiang High-tech Zone	320,417,072.34	Still in application process
Jieyuan Dingbian Photovoltaic Power Station Boost Station and Comprehensive Building	64,461,077.46	Still in application process
Hongrun Huanghua Comprehensive Building & Dormitory Building	5,354,266.47	Still in application process
Xinjiang Wanbang Photovoltaic Power Station Boost Station and Comprehensive Building	18,625,646.54	Still in application process
Guangdong MingYang Industrial Park Comprehensive Building	9,116,856.64	Still in application process
Lhasa Ruide Xingyang Dormitory Building, Comprehensive Building	1,308,745.27	Still in application process
Xinjiang Huaran Boost Station and Comprehensive Building	4,166,130.65	Still in application process
Main control room and living building of Hongtující Wind Farm	4,059,560.79	Still in application process
220KV power transmission line of Baiyinchagan wind farm	12,668,034.28	Still in application process
Shanwei MingYang factory transfer yard, pipeline network, office building	431,262,797.41	Still in application process
Beijing central office and above-ground business	236,716,885.84	Still in application process

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17. Construction in progress

(1) Information of construction in progress

Item	2022.03.31			2021.12.31		
	Book balance	Provision for impairment	Net book value	Book balance	Provision for impairment	Net book value
Kailu County MingYang Smart Energy Co., Ltd. 600MW wind power project	442,308,455.63	-	442,308,455.63	216,899,154.47	-	216,899,154.47
Ruining Electric's new plant and auxiliary housing project	160,004,166.13	-	160,004,166.13	157,572,473.64	-	157,572,473.64
Naiman Banner MingYang Smart Energy Co., Ltd. 300MW Wind Power Project	118,184,345.05	-	118,184,345.05	94,631,047.34	-	94,631,047.34
Yi'an Furao Township 100MW Wind Parity Project	111,012,498.55	-	111,012,498.55	72,747,986.50	-	72,747,986.50
Shaanxi Jingbian Jing'an 30MW/Xincheng 20MW Distributed Wind Power Project	75,435,508.92	-	75,435,508.92	234,257,210.46	-	234,257,210.46
Xinjiang MingYang New Energy Industrial Cluster Base Construction Project	74,607,002.70	-	74,607,002.70	72,884,275.07	-	72,884,275.07
Lingbao Yuling 48MW Wind Power Project	71,351,959.24	-	71,351,959.24	49,690,896.50	-	49,690,896.50
MingYang Yangjiang Qingzhou Four Offshore Wind Farm Project	68,293,244.77	-	68,293,244.77	67,299,664.12	-	67,299,664.12
Xinjiang Wabang Dabancheng 49.5MW Wind Power Project	43,264,206.03	-	43,264,206.03	43,260,206.03	-	43,260,206.03
MingYang Zhongning Smart Energy Industrial Park Project	20,869,915.72	-	20,869,915.72	19,388,964.93	-	19,388,964.93
Shanwei MingYang Floating Fan Foundation Project	10,145,514.64	-	10,145,514.64	9,970,275.91	-	9,970,275.91
Shaanxi Yulin Jingbian Ningtiaoliang Phase II Wind Power Project	1,574,844.49	-	1,574,844.49	682,364.67	-	682,364.67
Others	274,839,007.53	-	274,839,007.53	349,346,794.33	-	349,346,794.33
Total	1,471,890,669.40	-	1,471,890,669.40	1,388,631,313.97	-	1,388,631,313.97

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(2) Changes in significant construction in progress

Project item	2021.12.31	Increase	Transfer to fixed assets	Other decrease	Cumulative amount of interest capitalization	Including: interest capitalized in the period	Interest capitalization rate in the period %	2022.03.31
Kailu County MingYang Smart Energy Co., Ltd. 600MW wind power project	216,899,154.47	225,409,301.16	-	-	364,942.92	364,942.92	4.20	442,308,455.63
Ruining Electric's new plant and auxiliary housing project	157,572,473.64	4,018,684.49	1,586,992.00	-	7,084,681.22	81,394.28	5.18	160,004,166.13
Naiman Banner MingYang Smart Energy Co., Ltd. 300MW Wind Power Project	94,631,047.34	23,553,297.71	-	-	-	-	-	118,184,345.05
Yi'an Furao Township 100MW Wind Parity Project	72,747,986.50	38,264,512.05	-	-	317,333.33	254,999.99	3.40	111,012,498.55
Shaanxi Jingbian Jing'an 30MW/Xincheng 20MW Distributed Wind Power Project	234,257,210.46	67,045,224.10	225,056,925.64	810,000.00	-	-	-	75,435,508.92
Xinjiang MingYang New Energy Industrial Cluster Base Construction Project	72,884,275.07	1,722,727.63	-	-	-	-	-	74,607,002.70
Lingbao Yuling 48MW Wind Power Project	49,690,896.50	21,661,062.74	-	-	-	-	-	71,351,959.24
MingYang Yangjiang Qingzhou Four Offshore Wind Farm Project	67,299,664.11	993,580.66	-	-	1,367,446.11	850,106.49	1.70	68,293,244.77
Xinjiang Wanbang Dabancheng 49.5MW Wind Power Project	43,260,206.03	4,000.00	-	-	-	-	-	43,264,206.03
Shaanxi Yulin Jingbian Ningtiaoliang Phase II Wind Power Project	682,364.67	19,158,405.99	18,265,926.17	-	37,902,435.44	-	-	1,574,844.49
Total	1,009,925,278.79	401,830,796.53	244,909,843.81	810,000.00	47,036,839.02	1,551,443.68	-	1,166,036,231.51

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Changes in significant construction in progress (Continued) :

Project item	Budget	Proportion of cumulative input to budget %	Progress %%	Source of fund
Kailu County MingYang Smart Energy Co., Ltd. 600MW wind power project	4,683,180,000.00	9.44	12.00	Self-financing, Loans from financial institutions
Ruining Electric's new plant and auxiliary housing project	176,510,879.00	91.55	95.00	Self-financing, Loans from financial institutions
Naiman Banner MingYang Smart Energy Co., Ltd. 300MW Wind Power Project	2,516,160,000.00	4.70	15.00	Self-financing, Loans from financial institutions
Yi'an Furao Township 100MW Wind Parity Project	803,805,700.00	9.41	9.41	Self-financing, Loans from financial institutions
Shaanxi Jingbian Jing'an 30MW/Xincheng 20MW Distributed Wind Power Project	403,340,100.00	75.32	76.00	Self-financing, Loans from financial institutions, Fund raising
Xinjiang MingYang New Energy Industrial Cluster Base Construction Project	1,500,000,000.00	4.97	4.97	Self-financing, Loans from financial institutions
Lingbao Yuling 48MW Wind Power Project	330,000,000.00	21.62	21.62	Self-financing, Loans from financial institutions
MingYang Yangjiang Qingzhou Four Offshore Wind Farm Project	9,002,290,000.00	0.77	0.77	Self-financing
Xinjiang Wabang Dabancheng 49.5MW Wind Power Project	300,000,000.00	14.42	17.00	Self-financing, Loans from financial institutions
Shaanxi Yulin Jingbian Ningxiaoliang Phase II Wind Power Project	846,400,000.00	90.00	100.00	Self-financing, Loans from financial institutions, Fund raising
Total	20,561,686,679.00	--	--	--

Note: Other decrease is the transfer of land transfer fees for the Jing'an 30MW/Xincheng 20MW decentralized wind power project in Jingbian, Shaanxi to intangible assets.

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18. Right-of-use assets

Item	Housing and buildings	Production equipment	Testing equipment	Motor vehicles	Electronic equipment and others	Total
I. Book value:						
1.2021.12.31	112,551,945.31	387,337,162.78	6,698,744.51	12,352,323.71	199,633.81	519,139,810.12
2.Increase	30,057,798.83	-	-	-	-	30,057,798.83
(1) Purchase	30,057,798.83	-	-	-	-	30,057,798.83
3.Decrease	-	164,863,024.85	6,698,744.51	-	-	171,561,769.36
(1) Disposal or scrap	-	164,863,024.85	6,698,744.51	-	-	171,561,769.36
4.2022.03.31	142,609,744.14	222,474,137.93	-	12,352,323.71	199,633.81	377,635,839.59
II. Accumulated depreciation						
1.2021.12.31	16,901,904.96	131,887,086.10	4,348,356.30	4,848,476.35	42,778.67	158,028,602.38
2.Increase	1,820,161.57	5,037,166.55	318,225.03	6,098,308.80	10,694.67	13,284,556.62
(1) Provision	1,820,161.57	5,037,166.55	318,225.03	6,098,308.80	10,694.67	13,284,556.62
3.Decrease	-	47,980,946.24	4,666,581.33	-	-	52,647,527.57
(1) Disposal or scrap	-	47,980,946.24	4,666,581.33	-	-	52,647,527.57
4.2022.03.31	18,722,066.53	88,943,306.41	-	10,946,785.15	53,473.34	118,665,631.43
III. Provision for impairment						
1.2021.12.31	-	7,013,500.00	-	-	-	7,013,500.00
2.Increase	-	-	-	-	-	-
3.Decrease	-	7,013,500.00	-	-	-	7,013,500.00
(1) Disposal or scrap	-	7,013,500.00	-	-	-	7,013,500.00
4.2022.03.31	-	-	-	-	-	-
IV. Carrying amount						
1.2022.03.31 Carrying amount	123,887,677.61	133,530,831.52	-	1,405,538.56	146,160.47	258,970,208.16
2.2021.12.31 Carrying amount	95,650,040.35	248,436,576.68	2,350,388.21	7,503,847.36	156,855.14	354,097,707.74

Note 1:As of 31 March 2022, the Company recognized the rental fees related to short-term leases and low-value asset leases refer to Note XIV.2.

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19. Intangible assets

(1) Details of intangible assets

Item	Land use rights	Patent rights	Software	Non-patent rights	Wind power project license	Total
I. Book value						
1.2021.12.31	675,988,981.67	153,343,963.35	75,312,156.73	667,692,642.24	44,934,200.00	1,617,271,943.99
2.Increase	207,957,424.30	-	1,749,789.76	8,420,083.37	-	218,127,297.43
(1) Purchase	207,957,424.30	-	1,749,789.76	-	-	209,707,214.06
(2) Internal development cost	-	-	-	8,420,083.37	-	8,420,083.37
3.Decrease	-	-	54,837.61	-	-	54,837.61
(1) Disposal	-	-	54,837.61	-	-	54,837.61
4.2022.03.31	883,946,405.97	153,343,963.35	77,007,108.88	676,112,725.61	44,934,200.00	1,835,344,403.81
II. Accumulated amortisation						
1.2021.12.31	94,505,190.00	6,906,423.95	37,068,964.66	426,769,802.03	5,158,071.71	570,408,452.35
2.Increase	4,158,058.62	62,950.48	1,798,465.49	12,963,640.58	533,593.63	19,516,708.80
(1) Provision	4,158,058.62	62,950.48	1,798,465.49	12,963,640.58	533,593.63	19,516,708.80
3.Decrease	-	-	54,837.61	-	-	54,837.61
(1) Disposal	-	-	54,837.61	-	-	54,837.61
4.2022.03.31	98,663,248.62	6,969,374.43	38,812,592.54	439,733,442.61	5,691,665.34	589,870,323.54

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III. Provision for impairment								
1.2021.12.31	-	-	-	152,416,070.10	-	-	-	152,416,070.10
2.Increase	-	-	-	-	-	-	-	-
3.Decrease	-	-	-	-	-	-	-	-
4.2022.03.31	-	-	-	152,416,070.10	-	-	-	152,416,070.10
IV. Carrying amount								
1.2022.03.31Carrying amount	785,283,157.35	146,374,588.92	38,194,516.34	83,963,212.90	39,242,534.66			1,093,058,010.17
2.2021.12.31Carrying amount	581,483,791.67	146,437,539.40	38,243,192.07	88,506,770.11	39,776,128.29			894,447,421.54

Note:

- ① As at 31 March 2022, intangible assets formed through internal research and development accounted for 32.24%.
- ② Details of the Company's intangible assets where the ownership or use rights are restricted refer to Note V.64.

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(2) Land use rights pending for ownership certificates

Item	Carrying amount	Reasons for pending title certificate
Land use rights	151,953,502.76	Still in application process

20. Development costs

Item	2021.12.31	Increase		Decrease		2022.03.31
		Internal development costs	Other increase	Recognized as intangible assets	Charged to profit or loss	
1.5/2.0MW wind turbine development and improvement	-	7,436,352.95	-	-	7,436,352.95	-
3.0MW wind turbine research and development and improvement	-	7,790,200.45	-	-	7,790,200.45	-
4MW wind turbine research and development and improvement	14,413,989.84	20,104,053.89	-	8,420,083.37	16,211,765.33	9,886,195.03
5-7MW wind turbine research and development and improvement	29,592,924.31	26,033,676.46	-	-	10,171,596.73	45,455,004.04
8MW wind turbine research and development and improvement	128,638,120.96	7,058,395.45	-	-	5,587,656.99	130,108,859.42
10MW wind turbine research and development and improvement	56,034,801.54	7,273,182.23	-	-	95,486.72	63,212,497.05
10MW offshore floating wind turbine design and development project	5,508,370.12	40,012,966.05	-	-	36,728,515.11	8,792,821.06
Power system product development	13,804,749.00	1,020,640.42	-	-	-	14,825,389.42
Research and development of offshore wind power grid-connected system products	20,245,482.12	5,286,215.94	-	-	-	25,531,698.06
6MW Offshore Wind Full Power Converter	18,541,674.08	-	-	-	-	18,541,674.08
Low-voltage three-level 8MW full power converter project	5,153,016.94	-	-	-	-	5,153,016.94
Smart Microgrid R&D Project	8,298,867.26	-	-	-	-	8,298,867.26
Other capitalized R&D projects	14,458,454.15	3,094,307.65	-	-	-	17,552,761.80
Expenditure R&D projects	-	93,652,079.74	-	-	93,652,079.74	-
Total	314,690,450.32	218,762,071.23	-	8,420,083.37	177,673,654.02	347,358,784.16

Continued:

Item	Start of capitalization	Specific basis for capitalization	R&D progress as of the end of the period
4MW wind turbine research and development and improvement	2021-5-24, 2021-9-29	Completed research and design work, to a large extent have the basic conditions for forming a new product or new technology	MySE4.0-84.3 blade R&D and trial production project is in development stage

5-7MW wind turbine research and development and improvement	2021-6-26, 2021-9-18, 2021-6-29	Completed research and design work, to a large extent have the basic conditions for forming a new product or new technology	MySE5.0-166 unit is in the development stage; MySE6.25-182 Wind power generation unit project development and MySE6.25-89 blade R&D and trial production project are in the development stage
8MW wind turbine research and development and improvement	2019-8-20	Completed research and design work, to a large extent have the basic conditions for forming a new product or new technology	The 8.3MW unit R&D project is in the development stage, and 240 units are in trial operation
10MW wind turbine research and development and improvement	2021-1-26, 2020-10-12, 2021-4-17	Completed research and design work, to a large extent have the basic conditions for forming a new product or new technology	The unit gearbox research and development project has been in the development stage since January 2021, the unit generator research and development project has been in the development stage since October 2020, and the MySE10MW offshore wind turbine development project has been in the development stage since April 2021 The 10MW-class offshore floating wind turbine research and development project-prefabricated component production process technology development project will be in the development stage from March 2021; the 10MW-class offshore floating wind turbine project-gearbox research and development project will be in the development stage from June 2021; Floating wind turbine pontoon project in development phase from January 2022
10MW offshore floating wind turbine design and development project	2021-3-8, 2021-6-29, 2022-1-20	Completed research and design work, to a large extent have the basic conditions for forming a new product or new technology	
Power system product development	2021-6-10	Completed research and design work, to a large extent have the basic conditions for forming a new product or new technology	Power system product development item is under development stage
Research and development of offshore wind power grid-connected system products	2020-7-1	Completed research and design work, to a large extent have the basic conditions for forming a new product or new technology	The medium voltage project is in the development stage
6MW Offshore Wind Full Power Converter	2019-1-1	Overall design scheme has been reviewed and approved	Pending items

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Low-voltage three-level 8MW full power converter project	2019-3-21	Overall design scheme has been reviewed and approved	Pending items
Smart Microgrid R&D Project	2019-01-01	Overall design scheme has been reviewed and approved	Pending items
Other capitalized R&D projects	--	Completed research and design work, to a large extent have the basic conditions for forming a new product or new technology	--

21. Goodwill

(1) Book value of goodwill

Investee or matters formed the goodwill	2021.12.31	Formation by business combination	Disposal	2022.03.31
Xinjiang Huaran New Energy Co., Ltd.	37,345,809.62	-	-	37,345,809.62
Hongrun (Huanghua) New Energy Co., Ltd.	27,500,000.00	-	-	27,500,000.00
Baotou Yibo Energy Service Co., Ltd.	14,608,995.57	-	-	14,608,995.57
Inner Mongolia MingYang Wind Power Co., Ltd.	9,878,006.16	-	-	9,878,006.16
Xinjiang Wanbang Energy Development Co., Ltd.	3,361,632.30	-	-	3,361,632.30
Zhengzhou Yaxin Electrical Equipment Co., Ltd.	699,786.77	-	-	699,786.77
Shaanxi Jieyao Construction Engineering Co., Ltd.	361,933.99	-	-	361,933.99
Total	93,756,164.41	-	-	93,756,164.41

(2) Provision for impairment of goodwill

Investee or matters formed the goodwill	2021.12.31	Provision	Disposal	2022.03.31
Baotou Yibo Energy Service Co., Ltd.	14,608,995.57	-	-	14,608,995.57

Note: The Company uses the method of forecasted future cash flow to calculate the recoverable amount of the asset group. Based on the financial budget approved by the management, the Company estimate the forecast cash flow in the next 5 years, and the cash flow growth rate used in subsequent years is expected to be 0.00% (previous period: 0.00%) which is not exceeding the long-term average growth rate of the asset group's operating business. The management prepares the above financial budget based on past performance and its expectations for market development. The pre-tax discount rate used to calculate the present value of future cash flows is 8.63%-9.42% (previous period: 11.31%-12.80%), which has reflected the relative risk of relevant segment. According to the result of the impairment test, the impairment of goodwill at the end of the period is as described in the above table (previous period: RMB 14,608,995.57).

22. Long-term deferred expenses

Item	2021.12.31	Increase	Decrease		2022.03.31
			Amortization	Other decrease	
Leasehold improvement on leased property	19,471,712.32	-	1,178,365.11	-	18,293,347.21
Plant renovation	5,079,674.26	-	263,790.96	-	4,815,883.30
Booster station shared expenditure	94,526,596.05	-	1,161,220.02	-	93,365,376.03
Others	5,717,311.16	262,712.37	939,143.92	-	5,040,879.61
Total	124,795,293.79	262,712.37	3,542,520.01	-	121,515,486.15

23. Deferred tax assets and deferred tax liabilities

Item	2022.03.31		2021.12.31	
	Deductible or taxable timing differences	Deferred tax assets or liabilities	Deductible or taxable timing differences	Deferred tax assets or liabilities
Deferred tax assets:				
Provision for credit loss	566,073,635.67	92,312,087.67	507,788,822.76	81,315,135.01
Provision for impairment of assets	42,815,193.14	6,676,148.84	43,247,917.05	6,797,457.26
Accrued expenses and provisions	1,481,480,778.40	222,372,971.25	1,722,136,706.70	258,320,506.03
Deductible tax loss	57,550,979.89	10,317,449.55	61,469,581.08	10,265,533.82
Unrealized profit of internal transactions	954,744,026.52	143,211,603.98	922,977,684.47	138,446,652.67
Unrealized financing income	3,450,433.52	517,565.03	-	-
Deferred income-government grants	178,589,274.15	27,268,391.12	197,913,630.90	30,167,044.64
Difference in amortization of intangible assets	2,074,429.27	311,164.38	2,074,429.26	311,164.39
Difference in depreciation of fixed assets	7,129,701.32	1,782,425.33	8,316,446.60	2,079,111.65
Shares incentive	51,672,458.01	8,246,767.88	36,712,220.80	5,532,930.03
Changes in fair values of other non-current financial assets	9,519,364.81	1,427,904.72	-	-
Changes in fair value of other equity instrument investments recorded in other comprehensive income	18,876.21	3,775.24	20,603.55	4,120.71
Subtotal	3,355,119,150.91	514,448,254.99	3,502,658,043.17	533,239,656.21
Deferred tax liabilities:				
Changes in fair value of other equity instrument investments recorded in other comprehensive income	13,972,186.80	2,095,828.02	16,880,232.62	2,532,034.89
Fair value adjustment of business combination not under common control	55,648,529.13	8,347,279.37	52,012,799.01	8,434,552.02

Difference in accelerated depreciation of fixed assets	174,244,472.33	26,136,670.85	174,244,472.30	26,136,670.85
Retention fund that have not yet incurred tax liability	3,864,994,130.27	579,749,119.53	3,316,216,058.53	497,432,408.78
Changes in fair value of other non-current financial assets	-	-	67,654,016.40	10,148,102.46
Subtotal	4,108,859,318.53	616,328,897.77	3,627,007,578.86	544,683,769.00

24. Other non-current assets

Item	2022.03.31			2021.12.31		
	Book balance	Provision for impairment	Carrying amount	Book balance	Provision for impairment	Carrying amount
Prepaid land transfer fund	276,358,085.48	-	276,358,085.48	192,867,283.28	-	192,867,283.28
Prepaid construction fees	20,199.65	-	20,199.65	24,290,880.75	-	24,290,880.75
Prepaid equipment fee	454,589,184.55	-	454,589,184.55	434,235,908.42	-	434,235,908.42
Certificates of deposit with lumpsum amount	5,577,685,824.63	-	5,577,685,824.63	3,203,659,803.19	-	3,203,659,803.19
Input tax pending for verification	225,964,706.05	-	225,964,706.05	403,810,040.12	-	403,810,040.12
Contract assets	5,451,233,617.29	11,026,624.35	5,440,206,992.94	5,236,552,754.68	13,159,610.07	5,223,393,144.61
Total	11,985,851,617.65	11,026,624.35	11,974,824,993.30	9,495,416,670.44	13,159,610.07	9,482,257,060.37

25. Short-term loans

Item	2022.03.31	2021.12.31
Pledge loans	57,358,408.13	98,467,646.02

Note: As at 31 March 2022, the pledge of properties refers to Note V. 64.

26. Notes payable

Category	2022.03.31	2021.12.31
Commercial acceptance bills	522,030,736.52	692,915,154.94
Bank acceptance bills	6,327,437,569.81	8,571,951,897.72
Total	6,849,468,306.33	9,264,867,052.66

27. Accounts payable

Item	2022.03.31	2021.12.31
Purchase of goods	11,261,303,870.89	10,172,885,151.76

Including, Significant accounts payable with ageing over one year

Item	Closing balance	Reasons for outstanding or not transferred
Gansu Chongtong Chengfei New Material Co., Ltd.	25,766,999.85	Not yet due for settlement
Jilin Chongtong Chengfei New Materials Co., Ltd.	40,137,766.44	Not yet due for settlement
Chongtong Chengfei Wind Power Equipment Jiangsu Co., Ltd.	20,980,333.30	Not yet due for settlement
Hunan Zhongdian Logistics Co., Ltd.	87,654,272.70	Not yet due for settlement
Beijing Xianglong Logistics (Group) Co., Ltd.	38,364,364.94	Not yet due for settlement
Total	212,903,737.23	--

28. Contract liabilities

Item	2022.03.31	2021.12.31
Advance receipts of sales	5,871,109,265.42	6,890,803,754.57
Advance receipts for operation and maintenance services	1,639,374,441.49	1,138,955,633.89
Advance receipts of construction fees	75,622,128.57	31,834,388.05
Total	7,586,105,835.48	8,061,593,776.51

29. Employee benefits payables

Item	2021.12.31	Increase	Decrease	2022.03.31
Short-term employee benefits	187,319,660.39	404,813,524.54	487,730,916.23	104,402,268.70
Post-employment benefits - Defined contribution plans	75,455.95	32,897,291.72	32,651,247.24	321,500.43
Termination benefits	-	1,473,783.00	1,473,783.00	-
Total	187,395,116.34	439,184,599.26	521,855,946.47	104,723,769.13

(1) Short-term employee benefits

Item	2021.12.31	Increase	Decrease	2022.03.31
Salaries, bonus and allowances	170,234,765.72	354,573,628.76	437,524,415.98	87,283,978.50
Staff welfare	-	18,884,379.89	18,884,379.89	-
Social insurances	296,616.96	15,075,120.38	15,222,355.88	149,381.46
Including: 1. Medical insurance	269,191.96	11,653,973.64	11,791,848.29	131,317.31
2. Supplementary medical insurance	-	2,371,919.40	2,371,919.40	-
3. Work injury insurance	16,164.23	808,979.22	807,079.30	18,064.15
4. Maternity insurance	11,260.77	240,248.12	251,508.89	-
Housing fund	479,567.57	12,651,178.87	12,637,565.11	493,181.33
Union funds and staff education	16,308,710.14	3,629,216.64	3,462,199.37	16,475,727.41
Total	187,319,660.39	404,813,524.54	487,730,916.23	104,402,268.70

(2) Defined contribution plans

Item	2021.12.31	Increase	Decrease	2022.03.31
Post-employment benefits	75,455.95	32,897,291.72	32,651,247.24	321,500.43
Including: Basic pension insurance	73,288.63	32,099,827.96	31,861,612.07	311,504.52
Unemployment insurance	2,167.32	797,463.76	789,635.17	9,995.91
Total	75,455.95	32,897,291.72	32,651,247.24	321,500.43

30. Taxes payable

Taxes	2022.03.31	2021.12.31
Value-added tax	119,966,676.95	705,627,203.64
Enterprise income tax	353,368,996.24	258,880,132.30
Individual income Tax	6,988,130.89	10,556,482.90
Urban maintenance and construction tax	24,465,615.15	49,075,667.55
Education surcharge	18,263,033.66	35,849,732.85
Stamp duty	3,581,111.57	4,285,866.66
Land use tax	1,288,391.41	590,660.43
Property tax	2,314,777.56	677,323.02
Other taxes	900,350.65	9,098,397.52
Total	531,137,084.08	1,074,641,466.87

31. Other payables

Item	2022.03.31	2021.12.31
Dividend payable	2,916,980.11	2,916,980.11
Other payables	1,080,253,589.89	2,090,730,890.08
Total	1,083,170,570.00	2,093,647,870.19

(1) Dividend payable

Item	2022.03.31	2021.12.31
Inner Mongolia MingYang Wind Power Equipment Co., Ltd.	716,980.11	716,980.11
Hebei Hongrun Nuclear Equipment Technology Co., Ltd.	2,200,000.00	2,200,000.00
Total	2,916,980.11	2,916,980.11

(2) Other payables

Item	2022.03.31	2021.12.31
Construction fee	141,949,766.20	298,315,930.49
Current accounts	402,788,396.20	1,306,775,462.35
Accrued expenses	166,839,495.95	140,226,976.74
Restricted shares repurchase obligations	134,302,296.99	135,356,138.99

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Security deposits & deposits	86,051,334.84	63,936,884.18
Others	148,322,299.71	146,119,497.33
Total	1,080,253,589.89	2,090,730,890.08

Including, Significant other payables with ageing over one year

Item	Amount	Reasons for outstanding or not transferred
Nanjing China Nuclear Energy Engineering Co., Ltd.	13,855,200.00	Not yet due for settlement
Wuchang Shipbuilding Industry Group Co., Ltd.	9,868,258.00	Not yet due for settlement
Nanyang Feilong Electric Power Group Co., Ltd.	5,676,035.80	Not yet due for settlement
Total	29,399,493.80	--

32. Non-current liabilities due within one year

Item	2022.03.31	2021.12.31
Long-term loans due within one year	468,219,450.42	494,652,011.55
Bonds payable due within one year	6,010,788.79	1,006,137.87
Long-term payables due within one year	320,280,195.32	300,897,697.85
Provisions that expire within one year	220,313,999.63	208,457,488.98
Lease liabilities due within one year	53,978,444.38	114,026,485.11
Total	1,068,802,878.54	1,119,039,821.36

(1) Long-term loans due within one year

Item	2022.03.31	2021.12.31
Pledge loans	299,465,934.99	234,736,148.61
Mortgage loans	20,559,242.32	61,642,075.61
Guaranteed loans	148,194,273.11	198,273,787.33
Total	468,219,450.42	494,652,011.55

(2) Bonds payable due within one year

Bond name	Face value	Issuance date	Bond term	Issuance amount
MingYang Smart Energy Group Co., Ltd. 2021 first phase of green medium-term notes	6,367.50	2021/12/14	3 years	1,273,500,000.00

Bonds payable due within one year (Continued)

Bond name	2021.12.31	Issued in the period	Interest accrual on face value	Amortization of discount or premium	Repaid in the period	2022.03.31
MingYang Smart Energy Group Co., Ltd. 2021 first phase of green medium-term notes	1,006,137.87	-	5,004,650.92	-	-	6,010,788.79

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(3) Long-term payables due within one year

Item	2022.03.31	2021.12.31
Finance lease payable	204,643,607.89	202,937,667.82
Less: Unrecognized financing expenses	70,298,611.12	72,938,247.47
Retention payable	185,935,198.55	170,898,277.50
Total	320,280,195.32	300,897,697.85

33. Other current liabilities

Item	2022.03.31	2021.12.31
Output VAT pending for transfer	746,160,775.92	894,037,794.22

34. Long term loans

Item	2022.03.31	Range of interest rate	2021.12.31	Range of interest rate
Pledge loans	1,369,065,934.99	3.00-5.39	1,263,236,148.61	3.00-5.39
Mortgage loans	242,359,242.32	3.00-6.18	407,042,075.61	3.00-6.18
Guaranteed loans	1,980,092,079.71	3.00-6.00	2,263,122,123.93	3.00-6.00
Subtotal	3,591,517,257.02	--	3,933,400,348.15	--
Less: Long-term loans due within one year	468,219,450.42	--	494,652,011.55	--
Total	3,123,297,806.60	--	3,438,748,336.6	--

Note: The Company's properties used as mortgage and pledge are detailed in Note V. 64.

35. Bonds payable

Item	2022.03.31	2021.12.31
MingYang Smart Energy Group Co., Ltd. 2021 first phase of green medium-term notes	1,256,137,964.22	1,260,376,859.76
Total	1,256,137,964.22	1,260,376,859.76

(1) Changes in bonds payable

Bond name	Face value	Issuance date	Bond term	Issuance amount
MingYang Smart Energy Group Co., Ltd. 2021 first phase of green medium-term notes	6,367.50	2021/12/14	3 years	1,273,500,000.00

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Bonds payable (Continued)

Bond name	2021.12.31	Issued in the period	Interest accrual on face value	Amortization of discount or premium	Repaid in the period	Exchange difference	2022.03.31
MingYang Smart Energy Group Co., Ltd. 2021 first phase of green medium-term notes	1,261,382,997.63	-	5,004,650.92	1,202,614.50	-	-5,441,510.04	1,262,148,753.01
Less: Bonds payable due within one year	1,006,137.87	-	5,004,650.92	-	-	-	6,010,788.79
Total	1,260,376,859.76	-	-	1,202,614.50	-	-5,441,510.04	1,256,137,964.22

Note: On 26 October 2021, by the approval of National Development and Reform Commission of the People's Republic of China (Fa Gai Ban Wai Zi Bei [2021] No. 873), it agreed to accept the registration of the Company's overseas green bonds. The registered amount is US dollar 200 million, and the registration amount shall be valid for 1 years from the date of notice. The Company issued the first phase of 2021 overseas green bonds on 14 December 2021. The note symbol is "MingYang Smart Energy Group Co., Ltd. 2021 first phase of green medium-term notes", with a total issuance amount of US dollar 200 million. The term of the note is 3 years, and the coupon rate is 1.60%.

36. Lease liabilities

Item	2022.03.31	2021.12.31
Housing and buildings	108,907,538.27	50,428,751.40
Production equipment	169,954,752.55	329,923,408.15
Testing equipment	-	10,427,223.06
Motor vehicles	1,274,336.28	7,625,581.57
Electronic equipment and others	108,722.79	160,315.73
Subtotal	280,245,349.89	398,565,279.91
Less: Lease liabilities due within one year	53,978,444.38	114,026,485.11
Total	226,266,905.51	284,538,794.80

Note: The interest expense of lease liabilities accrued in the 3-month ended 31 March 2022 is RMB 38.50 million, which is included in financial expense - interest expense.

37. Long-term payables

Item	2022.03.31	2021.12.31
Finance lease payable	1,569,606,953.05	1,617,982,436.21
Less: Unrecognized financing expenses	326,563,602.69	344,261,411.82
Retention payable	1,515,480,391.10	1,421,534,194.54
Subtotal	2,758,523,741.46	2,695,255,218.93
Less: Long-term payables due within one year	320,280,195.32	300,897,697.85
Total	2,438,243,546.14	2,394,357,521.08

38. Provisions

Item	2022.03.31	2021.12.31	Reason of formation
Product quality warranties	1,564,768,557.24	1,459,543,168.82	[Note 1]
Pending litigations	45,462,313.44	37,116,670.97	--
Total	1,610,230,870.68	1,496,659,839.79	--

[Note 1]: The product sales contracts signed by the Company and customers stipulate that the Company shall provide warranty to the quality of the products sold during the warranty period agreed in the contract. The warranty costs for repairs and replacements arising from product quality defects will be borne by the Company. Based on historical data and product characteristics, the Company accrues product quality warranty based on a certain percentage of product sales revenue.

39. Deferred income

Item	2021.12.31	Increase	Decrease	2022.03.31	Reason of formation
Government grants related to assets	295,581,545.98	200,000.00	4,574,505.93	291,207,040.05	Refer to note
Government grants related to income	33,640,804.92	-	52,767.12	33,588,037.80	Refer to note
Total	329,222,350.90	200,000.00	4,627,273.05	324,795,077.85	--

Note: Detail of government grants recorded in deferred income refers to 0 66.

40. Share capital (Unit: share)

Item	2021.12.31	Movement in the period				Subtotal	2022.03.31
		Issue of new shares	Bonus shares	Conversion from capital reserve	Other		
Total shares	1,956,326,712.00	147,928,994.00	-	-	-	147,928,994.00	2,104,255,706.00

Note: On 18 May 2021, the Company held the second extraordinary shareholders' meeting, and reviewed and approved the "Proposal on the Company's Eligibility for Non-public Issuance of Shares", and it was also approved by "Approval of the Non-public Issuance of Shares by MingYang Smart Energy Group Co., Ltd." (Zheng Jian Xu Ke [2022] No. 70) issued by the China Securities Regulatory Commission, a non-public issuance of 147,928,994 RMB ordinary shares (A shares) at an issue price of RMB 13.52 per share is approved. After the issuance, the Company's total share capital is increased to RMB 2,104,255,706.00. The capital contribution was verified by Grant Thornton Certified Public Accountants (Special General Partnership) by issuing the capital verification report "GTYZ (2022) No. 110C000059" on 27 January 2022.

41. Capital reserve

Item	2021.12.31	Increase	Decrease	2022.03.31
Capital premium	10,583,310,066.86	1,845,282,078.47	-	12,428,592,145.33
Other capital reserves	83,751,197.57	16,008,077.10	-	99,759,274.67
Total	10,667,061,264.43	1,861,290,155.57	-	12,528,351,420.00

Note: (1) On 18 May 2021, the Company held the second extraordinary shareholders' meeting, and reviewed and approved the "Proposal on the Company's Eligibility for Non-public Issuance of Shares", and it was also approved by "Approval of the Non-public Issuance of Shares by MingYang Smart Energy Group Co., Ltd." (Zheng Jian Xu Ke [2022] No. 70) issued by the China Securities Regulatory Commission, a non-public issuance of 147,928,994 RMB ordinary shares (A shares) at an issue price of RMB 13.52 per share is approved. After the issuance, the Company's total share capital is increased to RMB 2,104,255,706.00. The capital contribution was verified by Grant Thornton Certified Public Accountants (Special General Partnership) by issuing the capital verification report "GTYZ (2022) No. 110C000059" on 27 January 2022. Capital premium of RMB 1,845,282,078.47 is recorded.

(2) The share-based payments for equity settlement in this period caused the capital reserve-other capital reserves to increase by RMB 16,008,077.10.

42. Treasury shares

Item	2021.12.31	Increase	Decrease	2022.03.31
Restricted shares incentive plan	136,566,479.49	-	-	136,566,479.49

43. Other comprehensive income

Item	2021.12.31	Current period					2022.03.31
		Amount before tax	Less: transferred to profit or loss in current year	Less: Income tax expenses	Amount attributable to parent company after tax	Amount attributable to minority interests after tax	
I. Other comprehensive income not reclassified into profit or loss subsequently							
Changes in fair value of other equity instrument investments	14,327,594.18	-2,905,742.67	-	-435,861.40	-2,470,111.63	-	11,857,482.55
II. Other comprehensive income that will be reclassified into profit or loss subsequently							
Translation difference of foreign currency financial statements	29,181,635.90	-1,309,360.51	-	-	-1,320,024.97	10,664.46	27,861,610.93
Total other comprehensive income	43,509,230.08	-4,215,103.18	-	-435,861.40	-3,790,136.60	10,664.46	39,719,093.48

Note: Net amount of other comprehensive income after tax for 3-month ended 31 March 2022 was RMB - 3,779,472.14, of which, the amount attributable to shareholders of the parent company was RMB - 3,790,136.60 and the amount attributable to minority interests was RMB 10,664.46.

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44. Special reserves

Item	2021.12.31	Increase	Decrease	2022.03.31
Safety production fee	-	4,186,577.24	4,186,577.24	-

45. Surplus reserve

Item	2021.12.31	Increase	Decrease	2022.03.31
Statutory surplus reserve	488,654,029.96	-	-	488,654,029.96

46. Undistributed profits

Item	Current period	Prior period	Appropriation ratio
Closing balance of undistributed profits of prior year before adjustment	5,375,558,041.93	2,728,755,522.96	--
Total adjustments of beginning undistributed profits	57,072,319.61	-	--
Beginning balance of undistributed profits after adjustment	5,432,630,361.54	2,728,755,522.96	--
Add: Net profit attributable to parent company for the current year	1,412,732,216.78	282,486,301.01	--
Less: Appropriation of statutory surplus reserve	-	-	--
Appropriation of discretionary surplus reserve	-	-	--
Appropriation of general risk reserve	-	-	--
Appropriation for dividends to ordinary shares	-	-	--
Appropriation for dividends to other equity holders	-	-	--
Conversion to capital	-	-	--
Closing balance of undistributed profits	6,845,362,578.32	3,011,241,823.97	--
Including: Amount of surplus reserve drawn by the subsidiary that year attributable to the parent company	-	-	--

47. Operating income and operating costs

(1) Operating income and operating costs

Item	Current period		Prior period	
	Revenue	Cost	Revenue	Cost
Primary operations	6,999,934,632.32	5,124,399,134.29	4,320,660,068.55	3,391,413,029.52
Other operations	28,576,458.73	20,836,976.83	40,590,694.51	36,680,971.84
Total	7,028,511,091.05	5,145,236,111.12	4,361,250,763.06	3,428,094,001.36

Note: For the analysis of operating income and operating costs of the Company by industry and region, please refer to Note XIV. 1.

(2) Operating revenue and operating costs by business

Business name	Current period		Prior period	
	Revenue	Cost	Revenue	Cost
Primary operations:				
Product sales revenue	6,532,007,931.43	4,857,328,694.63	3,923,916,377.78	3,260,711,972.81
Power generation and electricity sales income	310,296,367.49	121,593,483.98	355,510,540.55	89,865,402.86
Wind farm construction revenue	157,630,333.40	145,476,955.68	41,233,150.22	40,835,653.85
Subtotal	6,999,934,632.32	5,124,399,134.29	4,320,660,068.55	3,391,413,029.52
Other operations:				
Others	28,576,458.73	20,836,976.83	40,590,694.51	36,680,971.84
Total	7,028,511,091.05	5,145,236,111.12	4,361,250,763.06	3,428,094,001.36

(3) Operating income and operating cost by products

	Current period		Prior period	
	Revenue from primary business	Primary operating cost	Revenue from primary business	Primary operating cost
Primary operations:				
Revenue from wind turbines and related accessories	6,528,650,668.21	4,852,162,163.52	3,923,440,179.02	3,257,657,655.82
Power generation revenue	310,296,367.49	121,435,247.19	353,660,442.82	88,123,504.01
Revenue from photovoltaic products	3,357,263.22	5,166,531.11	476,198.76	3,054,316.99
Electricity sales revenue	-	158,236.79	1,850,097.73	1,741,898.85
Wind farm construction revenue	157,630,333.40	145,476,955.68	41,233,150.22	40,835,653.85
Subtotal	6,999,934,632.32	5,124,399,134.29	4,320,660,068.55	3,391,413,029.52
Other operations:				
Others	28,576,458.73	20,836,976.83	40,590,694.51	36,680,971.84
Subtotal	7,028,511,091.05	5,145,236,111.12	4,361,250,763.06	3,428,094,001.36

(4) Disaggregate information of operating income

	Current period				Total
	Product sales revenue	Power generation and electricity sales income	Wind farm construction revenue	Others	
Revenue from primary business					
Including: At a point in time	6,532,007,931.43	310,296,367.49	-	-	6,842,304,298.92
Over a period of time	-	-	157,630,333.40	-	157,630,333.40
Revenue from other business					
Others	-	-	-	28,576,458.73	28,576,458.73
Total	6,532,007,931.43	310,296,367.49	157,630,333.40	28,576,458.73	7,028,511,091.05

(5) Description of performance obligations

- ① Sales of wind turbines and related accessories: This performance obligation is completed when the control is transferred.
- ② Operation and maintenance services: According to the contract, the performance obligation is confirmed to provide operation and maintenance services within the service period.
- ③ Sale of electric power: This obligation is usually satisfied at the time of power transmission and measured based on the wind power transmitted and the applicable fixed tariff rate.
- ④ Electricity sale: This obligation is satisfied when the electricity user receives the electricity service and obtains the statement of electricity exchange amount from the electricity trading center.
- ⑤ Construction revenue: This obligation is usually a performance obligation for the construction of a wind farm, which is recognised according to the completion progress within a certain period of time.

(6) Information related to remaining performance obligations

According to the contracts, the transaction price allocated to the outstanding performance obligations is RMB 11,614,724,518.46.

48. Taxes and surcharges

Item	Current period	Prior period
Urban maintenance and construction tax	1,923,484.48	3,957,211.85
Education surcharge	1,476,926.86	2,765,962.61
Property tax	2,377,980.72	2,464,079.50
Land use tax	1,056,258.94	848,614.94
Vehicle and vessel use tax	43,324.06	46,083.97
Stamp duty	6,205,342.40	4,937,692.69
Others	6,138.17	75,348.90
Total	13,089,455.63	15,094,994.46

Note: Details of standards of each taxes and surcharges refer to Note IV. 1.

49. Selling expenses

Item	Current period	Prior period
Quality assurance and after-sales service fee	176,871,742.35	98,266,125.17
Employee's salary	38,664,824.80	30,841,643.52
Business entertainment expenses	21,654,306.43	12,838,641.46
Material consumption	17,280,525.32	11,361,214.74
Travel and transportation expenses	13,402,598.75	10,954,282.55

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Depreciation and amortization	7,119,067.16	4,885,682.18
Share-based payments	1,845,161.45	2,993,842.30
Office expenses	968,927.14	441,577.32
Bidding service fee	706,648.43	62,623,617.54
Others	5,475,349.94	8,845,079.22
Total	283,989,151.77	244,051,706.00

50. Administrative expenses

Item	Current period	Prior period
Employee's salary	93,111,145.92	65,863,661.18
Depreciation and amortization	24,349,755.16	24,513,167.45
Share-based payments	11,150,821.36	12,951,248.45
Business entertainment expenses	11,140,154.92	8,919,345.21
Intermediary agency fee	9,927,756.97	4,251,374.71
Office expenses and conference fee	6,959,264.98	5,242,515.22
Travel and transportation expenses	4,347,380.81	3,256,868.13
Rental fees	3,878,404.03	3,536,111.60
Service charge	2,576,104.69	3,904,564.51
Repair expenses	2,003,289.93	922,622.71
Advertising fee	1,401,520.63	472,270.91
Others	2,674,066.35	1,287,831.93
Total	173,519,665.75	135,121,582.01

51. Research and development expenses

Item	Current period	Prior period
Employee's salary	74,082,811.67	65,674,543.13
Material consumption	57,539,380.62	38,445,395.30
Depreciation and amortization	23,547,392.55	18,300,303.63
Professional fees such as design, testing and certification	6,933,876.46	11,399,559.76
Travel expenses	5,423,713.81	5,976,528.70
Rental fees	3,118,805.11	2,650,727.27
Share-based payments	2,991,522.72	3,733,471.15
Intermediary agency fee	173,028.63	2,409,584.85
Repair expenses	72,236.24	22,045.08
Others	3,790,886.21	5,650,396.13
Total	177,673,654.02	154,262,555.01

52. Financial expenses

Item	Current period	Prior period
Interest expense	47,771,640.53	93,476,301.53
Reversal of unrecognized financing expense	38,500,433.57	58,651,987.70
Less: Reversal of unrealized financing income	45,791.50	160,366.90
Less: Interest capitalized	1,618,328.69	53,777,147.60
Less: Interest income	56,629,045.83	60,944,974.01
Exchange gain or loss	-17,141,771.90	-40,605,219.86
Bank charges	24,056,800.50	18,182,990.66
Total	34,893,936.68	14,823,571.52

53. Other income

Subsidy item	Current period	Prior period	Related to assets/ Related to income
Government grants related to assets	4,728,671.41	4,790,393.55	Related to assets
Government grants related to income	40,706,870.55	12,847,818.89	Related to income
Refund of handling fee of individual income tax	246,922.78	223,580.57	-
Total	45,682,464.74	17,861,793.01	--

Note: (1) Detail information of government grants refer to Note 066.

(2) Government grants regarded as recurring gain or loss refer to Note XVI.1

54. Investment income

Item	Current period	Prior period
Income from long-term equity investment by equity method	6,423,432.83	6,685,459.20
Investment income from disposal of long-term equity investments classified as assets held for sale	514,108,939.87	40,532,226.02
Bank wealth management products	45,790,060.74	-
Total	566,322,433.44	47,217,685.22

55. Gains from changes in fair value

Source of gains from changes in fair value	Current period	Prior period
Other non-current financial assets	-77,173,381.21	-
Including: Designated as financial assets at fair value through profit or loss	-77,173,381.21	-

56. Credit impairment loss (“-” for loss)

Item	Current period	Prior period
Bad debt loss of notes receivable	-36,888.25	10,396.67
Bad debt loss of receivables financing	-	-1,157,951.49
Bad debt loss of accounts receivable	-52,315,358.58	-46,354,796.78
Bad debt loss of other receivables	-13,899,480.06	3,433,714.75
Total	-66,251,726.89	-44,068,636.85

57. Assets impairment loss (“-” for loss)

Item	Current period	Prior period
Decline in value of inventories	-	-10,536,605.46
Impairment loss of fixed assets	-	-19,855,717.48
Impairment loss of contract assets	1,560,720.62	-237,825.51
Total	1,560,720.62	-30,630,148.45

58. Gains from disposal of assets (“-” for Loss)

Item	Current period	Prior period
Gain from disposal of fixed assets	16,398.46	862,342.35

59. Non-operating income

Item	Current period	Prior period	Amount included in non-recurring gains and losses
Gain from retirement of non-current assets	157,759.03	1,062,756.84	157,759.03
Insurance claims	5,559,290.42	183,324.79	5,559,290.42
Others	635,964.59	1,077,494.98	635,964.59
Total	6,353,014.04	2,323,576.61	6,353,014.04

60. Non-operating expenses

Item	Current period	Prior period	Amount included in non-recurring gains and losses
Donation expenses	100,000.00	1,300,000.00	100,000.00
Loss on retirement of non-current assets	467,518.06	356,239.60	467,518.06
Liquidated damages and compensation expenses	401,682.00	375,094.75	401,682.00
Fines and penalty	1,504,756.90	-	1,504,756.90
Others	27,243.00	152,436.66	27,243.00
Total	2,501,199.96	2,183,771.01	2,501,199.96

61. Income tax expenses

(1) Details of income tax expenses

Item	Current period	Prior period
Current income tax	177,257,424.74	99,514,438.98
Deferred income tax	90,872,391.38	-9,416,498.94
Total	268,129,816.12	90,097,940.04

62. Notes to cash flows statement

(1) Other cash received relating to operating activities

Item	Current period	Prior period
Deposits and bidding deposits	106,645,298.37	35,181,014.64
Government grants related to income	6,468,200.33	8,733,630.07
Government grants related to assets	200,000.00	4,150,000.00
Current accounts	63,078,355.19	16,281,233.65
Interest income	58,810,898.95	35,668,975.61
Total	235,202,752.84	100,014,853.97

(2) Other cash paid relating to operating activities

Item	Current period	Prior period
Deposit, bidding deposits and bid winning service fee	70,651,766.01	38,434,550.72
Current accounts	109,268,283.20	164,028,374.41
Expenses paid in cash	221,317,406.23	239,561,548.17
Total	401,237,455.44	442,024,473.30

(3) Other cash received relating to investing activities

Item	Current period	Prior period
Interest income from bank deposits	5,423.59	135,146.89
Current accounts	3,909,523,632.99	688,178,046.68
Total	3,909,529,056.58	688,313,193.57

(4) Other cash received relating to financing activities

Item	Current period	Prior period
Financing lease payments	-	2,100,000.00
Current accounts	2,274,270.64	-
Total	2,274,270.64	2,100,000.00

(5) Other cash paid relating to financing activities

Item	Current period	Prior period
Current accounts	1,238,766.66	7,522,965.22
Bank charges paid	1,201,387.33	1,205,486.99
Financing lease payments	140,082,410.82	24,555,226.86
Total	142,522,564.81	33,283,679.07

63. Supplement to cash flow statement

(1) Supplement to cash flow statement

Supplement information	Current period	Prior period
1. Reconciliation of net profit to cash flow from operating activities:		
Net profit	1,405,988,023.20	271,087,253.54
Add: Assets impairment loss	-1,560,720.62	30,630,148.45
Credit impairment loss	66,251,726.89	44,068,636.85
Depreciation of fixed assets	229,560,778.98	167,383,282.63
Depreciation of right-of-use assets	13,284,556.62	27,212,315.39
Amortization of intangible assets	19,516,708.80	22,385,999.89
Long-term prepaid expenses amortization	3,542,520.01	15,205,188.29
Losses on disposal of fixed assets, intangible assets and other long-term assets (Gain as in "-")	-16,398.46	-862,342.35
Loss on retirement of fixed assets (Gain as in "-")	309,759.03	-706,517.24
Losses on changes in fair value (Gain as in "-")	77,173,381.21	-
Financial expenses (Gain as in "-")	-42,229,485.67	-43,668,049.28
Investment losses (Gain as in "-")	-566,322,433.44	-47,217,685.22
Decrease in deferred tax assets (Increase as in "-")	18,791,401.22	-47,663,298.27
Increase in deferred tax liabilities (Decrease as in "-")	71,645,128.77	38,246,799.33
Decrease in inventories (Increase as in "-")	-902,389,780.28	-783,807,387.33
Decrease in operating receivables (Increase as in "-")	-1,489,842,956.13	-766,635,324.73
Increase in operating payables (Decrease as in "-")	-2,953,342,557.38	-124,926,694.65
Others	146,368,580.56	-345,373,646.10
Net cash flows from operating activities	-3,903,271,766.69	-1,544,641,320.80
2. Significant investment or finance activities not involving cash:		
Conversion of debt into capital	-	-
Convertible debts mature within one year	-	-
Fixed assets acquired under finance leases	-	-
Right-of-use assets newly added in the current period	30,057,798.83	-
3. Net increase/(decrease) in cash and cash equivalents:		
Cash and bank balance as at end of year	10,506,231,078.36	13,945,331,808.54
Less: cash and bank balance at beginning of year	13,105,847,068.63	15,292,439,894.15
Add: cash equivalents at end of year	-	-

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Less: cash equivalents at beginning of year	-	-
Net increase in cash and cash equivalents	-2,599,615,990.27	-1,347,108,085.61

(2) Net cash received from disposal of subsidiaries during the period

Item	Current period
Cash and cash equivalents received in current year from disposal of subsidiary happened in current year	720,540,150.00
Including: Yangjiang MingYang Offshore Wind Power Development Co., Ltd.	720,540,150.00
Less: Cash and cash equivalents held by subsidiary at the date of loss of control	39,403.92
Including: Yangjiang MingYang Offshore Wind Power Development Co., Ltd.	39,403.92
Add: Cash and cash equivalents received in current year from disposal of subsidiary in previous periods	5,817,028.05
Including: Qingshuihe MingYang New Energy Co., Ltd.	5,817,028.05
Net cash received from disposal of subsidiary	726,317,774.13

(3) Details of cash and cash equivalents

Item	Closing balance	Beginning balance
I. Cash	10,506,231,078.36	13,945,331,808.54
Including: Cash on hand	181,018.71	191,898.33
Cash at bank readily available for payment	10,506,050,059.65	13,945,139,910.21
Other monetary funds readily available for payment	-	-
II. Cash equivalents	-	-
Including: bonds investment mature within 3 months	-	-
III. Cash and cash equivalents as at closing balance	10,506,231,078.36	13,945,331,808.54
Including: Restricted cash and cash equivalents held by the Company or subsidiaries of the Group	-	-

64. Ownership or using rights of assets subject to restriction

Item	Carrying value at period end	Reason of restriction
Cash and bank balances	812,413,450.03	Note 1, Note 2
Accounts receivable	763,875,181.11	Note 3
Receivables financing	1,050,000.00	Note 3
Fixed assets	2,084,211,206.36	Note 4
Right-of-use assets	122,963,309.96	Note 4
Intangible assets	32,692,922.49	Note 4
Construction in progress	7,357,039.82	Note 5
Long-term equity investment	1,272,656,469.00	Note 6
Total	5,097,219,578.77	--

Note:

Note 1: As of 31 March 2022, the Company's security deposits in total of RMB 790,426,528.60 is restricted because of the application of bank acceptance bills, letters of credit, guarantees, bank loans, and project guarantees;

Note 2: As of 31 March 2022, the Company was ordered by the court to implement property preservation measures due to litigation matters, which resulted in restrictions on the use of bank deposits of RMB 21,986,921.43;

Note 3: As of 31 March 2022, the Company has pledged accounts receivable with carrying amount of RMB 763,875,181.11, receivables financing with carrying amount of RMB 1,050,000.0 in order to obtain loans, financing leases, guarantees, and bank acceptance bills and issuance of letters of credit;

Note 4: As of 31 March 2022, the Company has mortgaged fixed assets with carrying amount of RMB 2,084,211,206.36, intangible assets with carrying amount of RMB 32,692,922.49 and right-of-use assets with carrying amount of RMB 122,963,309.96 in order to obtain bank loans and apply for financial leasing business;

Note 5: As of 31 March 2022, the Company has mortgaged construction in progress with carrying amount of RMB 7,357,039.82 in order to apply for financial leasing business;

Note 6: As of 31 March 2022, the Company has pledged right-of-use assets with carrying amount of RMB 1,272,656,469.00 in order to apply for bank loans and financial leasing business.

65. Items in foreign currencies

(1) Items in foreign currencies

Item	Closing balance in foreign currency	Conversion rate	Closing balance translated into RMB
Cash and bank balances			
Including: USD	19,833,263.35	6.3482	125,905,522.39
EUR	6,149,104.72	7.0847	43,564,562.22
HKD	7,071,668.93	0.8110	5,735,123.50
Danish Krone	6,100.06	0.9526	5,810.92
Korea Won	286,400,392.31	0.0052	1,489,282.04
Accounts receivable			
Including: USD	6,718,231.51	6.3482	42,648,677.29
EUR	4,107,914.90	7.0847	29,103,344.69
Other receivables			
Including: USD	2,307,356.89	6.3482	14,647,563.01
EUR	768,007.15	7.0847	5,441,100.26
Danish Krone	1,421.94	0.9526	1,354.54
Other payables			
Including: EUR	1,537,523.50	7.0847	10,892,892.74
Danish Krone	45,932.69	0.9526	43,755.48
Employee benefits payables			
Including: USD	26,456.75	6.3482	167,952.74
EUR	946.98	7.0847	6,709.07

(2) Foreign operating entities

① Ming Yang Wind Power European R&D Center Aps, its main business location is located in Denmark, and

its functional currency is Denmark krona.

② Ming Yang Wind Power USA, Inc., its main business location is located in United States and its functional currency is USD.

③ MingYang New Energy International Co., Ltd., its main business location is located in Hong Kong and its functional currency is HKD.

④ MingYang Wind Power (International) Co., Ltd., its main business location is located in Hong Kong and its functional currency is USD.

⑤ MingYang Holdings(Singapore) Pte.Ltd., its main business location is located in Singapore and its functional currency is USD.

⑥ China Smart Electric Group Limited, its main business location is located in Hong Kong and its functional currency is USD.

⑦ Wise Energy Holdings Limited, its main business location is located in Hong Kong and its functional currency is USD.

⑧ Zhongshan Ruike New Energy (America) Co., Ltd., its main business location is located in United States and its functional currency is USD.

⑨ Ruike New Energy (Hong Kong) Co., Ltd., its main business location is located in Hong Kong and its functional currency is USD.

⑩ MingYang New Energy Holdings (Cyprus) Co., Ltd., its main business location is located in Cyprus and its functional currency is EUR.

⑪ Ruike Solar Energy (USA) Co., Ltd., its main business location is located in United States and its functional currency is USD.

⑫ MingYang European Business and Engineering Center, mainly operating in Hamburg, Germany and its functional currency is EUR.

⑬ Ming Yang Intelligence (BVI) Limited, mainly operating in the British Virgin Islands and its functional currency is USD.

⑭ MingYang Smart Energy Korea Co., Ltd., mainly operating in South Korea and its functional currency is won.

At period end, the Company has converted into RMB according to the corresponding exchange rate when preparing the consolidated financial statements, and the foreign currency statement translation differences arising from the translation of the statements are presented in other comprehensive income.

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66. Government grants

(1) Government grants recorded as deferred income and measured at gross amount method subsequently

Subsidy item	Category	2021.12.31	Additions during the period	Amount recognized in profit or loss in the period	Other movement	2022.03.31	Item presented in profit or loss in the period	Related to assets/ Related to income	Note
Industrial Co-construction Financial Support Fund Project	Financial allocation	87,154,737.06	-	-1,287,348.27	-	85,867,388.79	Other income	Related to assets	[Note 1]
MingYang Smart Energy Group Co., Ltd. Enterprise development support funds	Financial allocation	44,951,508.99	-	357,265.69	-	44,594,243.30	Other income	Related to assets	[Note 2]
Soft Land Fund Compensation and Land Intensive Utilization Incentive	Financial allocation	39,244,693.90	-	258,188.77	-	38,986,505.13	Other income	Related to assets	[Note 3]
R&D and application of key technologies for 8-10MW offshore wind turbines	Financial allocation	19,300,000.00	-	-	-	19,300,000.00	Other income	Related to assets	[Note 5]
Special subsidy fund for R&D and industrialization projects of high-performance 6.0MW offshore wind power and marine engineering equipment	Financial allocation	19,845,000.00	-	600,000.00	-	19,245,000.00	Other income	Related to assets	[Note 4]
MySE7.0MW Offshore Wind Turbine R&D and Application Subsidy	Financial allocation	18,400,000.00	-	-	-	18,400,000.00	Other income	Related to income	[Note 6]
Government Land Incentive Fund	Financial allocation	14,856,366.18	-	95,220.57	-	14,761,145.61	Other income	Related to assets	[Note 7]
Special funds for offshore wind power innovation technology team	Financial allocation	11,250,000.00	-	773,250.00	-	10,476,750.00	Other income	Related to assets	[Note 8]
Special funds for key technology research projects of 6.0MW large wind turbine design	Financial allocation	9,512,500.00	-	56,088.32	-	9,456,411.68	Other income	Related to assets	[Note 12]
Tianjin Ruiyuan Electric Special funds for the development and industrialization of electric control systems for megawatt wind turbines	Financial allocation	7,381,875.00	-	59,000.00	-	7,322,875.00	Other income	Related to assets	[Note 9]

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Zhongshan City Bureau of Industry and Information Technology supported the first set of research and development special funds for the development of high-end equipment manufacturing industry in 2020	Financial allocation	6,442,751.51	-	2,592.88	-	6,440,158.63	Other income	Related to assets	[Note 11]
Design and manufacture of permanent magnet generators for offshore wind power of 10MW and above	Financial allocation	6,000,000.00	-	-	-	6,000,000.00	Other income	Related to assets	[Note 10]
Research project on coupled load simulation technology and key technology of blade design and manufacture for large offshore wind turbines of 10MW and above	Financial allocation	4,800,000.00	-	-	-	4,800,000.00	Other income	Related to assets	[Note 14]
2020 Research and application of high-speed blade pressurized oxygen chamber device technology	Financial allocation	4,200,000.00	-	-	-	4,200,000.00	Other income	Related to assets	[Note 13]
Provincial Science and Technology Innovation Strategy Special Fund (Large-area, high-efficiency cadmium telluride battery technology and equipment research and development project)	Financial allocation	4,000,000.00	-	-	-	4,000,000.00	Other income	Related to income	[Note 15]
Financial support for the introduction of innovative and entrepreneurial scientific research teams in Zhongshan City	Financial allocation	3,736,204.89	-	-	-	3,736,204.89	Other income	Related to income	[Note 17]
Industrial Co-construction Project Investment and Factory Rewards	Financial allocation	3,781,644.48	-	52,767.12	-	3,728,877.36	Other income	Related to assets	[Note 16]
Special funds for the construction of a big data analysis platform for smart wind farm operation management	Financial allocation	4,000,000.00	-	349,344.57	-	3,650,655.43	Other income	Related to assets	[Note 27]
Three Gorges Pearl River Power Generation Co., Ltd. 2018 Provincial special fund for scientific research projects to promote the development of economic law (for the development of marine economy)	Financial allocation	3,000,000.00	-	-	-	3,000,000.00	Other income	Related to income	[Note 19]
Research on coupled load simulation technology and key technology of blade design and manufacture for large offshore wind turbines of 10MW and above (led by Shanwei)	Financial allocation	2,000,000.00	-	-	-	2,000,000.00	Other income	Related to assets	[Note 21]
Zhongshan City established special funds for the introduction of national innovation platform construction projects	Financial allocation	2,000,000.00	-	100,000.00	-	1,900,000.00	Other income	Related to assets	[Note 20]
Special funds for the development and industrialization of MySE5.5-155 three-blade semi-direct-drive offshore wind turbines	Financial allocation	1,400,000.00	-	-	-	1,400,000.00	Other income	Related to assets	[Note 22]

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Guangdong MingYang Wind Power Industry Group Research and Development Expenditure Subsidy for Wind Power Technology Research Institute	Financial allocation	1,300,000.00	-	-	-	1,300,000.00	Other income	Related to income	[Note 23]
Operation Subsidy for Zhongshan Wind Power Technology Collaborative Innovation Center	Financial allocation	1,200,000.00	-	-	-	1,200,000.00	Other income	Related to assets	[Note 24]
Subsidy for research and development and application of long-sized segmented blades for high-power fans	Financial allocation	1,220,000.00	-	72,029.99	-	1,147,970.01	Other income	Related to assets	[Note 41]
Special funds for 200 MW high-power concentrating photovoltaic solar energy projects	Financial allocation	1,200,000.00	-	60,000.00	-	1,140,000.00	Other income	Related to assets	[Note 26]
Guangdong Province Wind Power Industry Technology Innovation Alliance Construction Demonstration Subsidy	Financial allocation	1,140,000.00	-	158,366.67	-	981,633.33	Other income	Related to assets	[Note 25]
Central large research institute project subsidy	Financial allocation	897,000.04	-	21,001.66	-	875,998.38	Other income	Related to income	[Note 31]
Research and development of main control device for offshore wind turbines of 10MW and above	Financial allocation	800,000.00	-	-	-	800,000.00	Other income	Related to assets	[Note 29]
Beitou Shiguai Industrial Park Power Monitoring Platform Project Subsidy	Financial allocation	934,050.00	-	215,550.00	-	718,500.00	Other income	Related to assets	[Note 28]
Supporting funds for the development and industrialization of MySE5.5-155 three-blade semi-direct-drive offshore wind turbines	Financial allocation	700,000.00	-	-	-	700,000.00	Other income	Related to assets	[Note 30]
Zhongshan City Wind Power Technology Collaborative Innovation Special Fund	Financial allocation	500,000.00	-	-	-	500,000.00	Other income	Related to assets	[Note 33]
Subsidy for the construction of new R&D institutions	Financial allocation	500,000.00	-	12,500.00	-	487,500.00	Other income	Related to assets	[Note 36]
2015 Special funds for the construction of innovation platforms for strategic emerging industries in Zhongshan City	Financial allocation	500,000.00	-	48,437.50	-	451,562.50	Other income	Related to assets	[Note 32]
MY2.2-121 LARGE-SCALE ULTRA-LOW WIND SPEED WIND TURBINE RESEARCH AND DEVELOPMENT AND INDUSTRIALIZATION FUNDS	Financial allocation	350,000.00	-	-	-	350,000.00	Other income	Related to assets	[Note 34]
Cooperation Funds for Offshore Wind Power Laboratory Projects	Financial allocation	300,000.00	-	-	-	300,000.00	Other income	Related to assets	[Note 35]

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Received the 2021 provincial small upgrade award and subsidy from the Finance Bureau of Yangjiang High-tech Zone	Financial allocation	- 200,000.00	-	200,000.00	Related to assets	[Note 47]
2021 Provincial Key Field R&D Plan Project First Phase Fund (MingYang Longyuan Electric Power R&D Fund)	Financial allocation	190,000.00	-	190,000.00	Related to assets	[Note 39]
Tianjin City 2018 Central Air Pollution Prevention and Control Special Fund	Financial allocation	138,000.00	18,000.00	120,000.00	Related to assets	[Note 40]
Zhongjingxin (2012) No. 757 12 million new wind power industry chain production project	Financial allocation	36,725.86	11,026.64	25,699.22	Related to assets	[Note 43]
Special funds for the 13th Five-Year Key Project "Research and Testing of Large Offshore Wind Turbine Blade Testing Technology"	Financial allocation	21,673.00	-	21,673.00	Related to assets	[Note 44]
Special funds for scientific research support projects of key laboratories of enterprises in Guangdong Province	Financial allocation	37,619.99	19,294.40	18,325.59	Related to assets	[Note 42]
Total		-- 329,222,350.90	200,000.00	4,627,273.05	--	--
				-324,795,077.85	--	--

Note:

[Note 1] According to the financial support policy on supporting the joint construction of industries in the Pearl River Delta and the East and northwest of Guangdong Province (YCG [2016] No. 384) issued by the Department of finance of Guangdong Province, and the notice of the Department of industry and information technology of Guangdong Province on carrying out the application and review of financial support funds for joint construction of provincial industries in 2018 (ygyh [2018] No. 81) According to the notice on organizing the application for the financial support fund project of Industrial Co Construction in 2018 (yangjingxintong (2018) No. 355) and other relevant documents, after the preliminary review of the county (city, district), the relevant departments directly under the municipal government issued the annual provincial financial support fund project reward and Subsidy Plan for industrial co construction. The Company's subsidiary, Guangdong MingYang New Energy Technology Co., Ltd. received RMB 9,785,000.00 on 23 January 2019 and RMB 10,000,000.00 on 30 May 2019. In 2020, the Company's subsidiary, Guangdong MingYang New Energy Technology Co., Ltd., received RMB 17,000,000.00 on 23 March, RMB 15,000,000.00 on 26 March 26, RMB 35,000,000.00 on 29 June, and RMB 6,146,800.00 on 10 November, RMB 7,853,200.00 on 31 December. These were included in deferred income and transferred to profit or loss for the current period in installments according to the benefit period.

[Note 2] The Financial Settlement Center of Torch High-tech Industrial Development Zone, Zhongshan City appropriated RMB 29,180,000.00 for the Company's corporate development support funds on 13 March 2012. It was included in deferred income and transferred to profit or loss for the current period in installments according to the benefit period. According to the investment agreement signed on 24 February 2011 and the supplementary investment agreement signed on 18 April 2018 between the Company's subsidiary, Tianjin Ruineng Electric Co., Ltd. and Tianjin Xiqing Economic and Technological Development Zone Management Committee, Xiqing Development Zone appropriated RMB 13,180,000.00 to the Company for enterprise support funds on 30 April 2018. It was included in deferred income and transferred to profit or loss for the current period in installments according to the benefit period. According to the investment agreement signed by the Company's subsidiary, Tianjin Ruiyuan Electric Co., Ltd. and Tianjin Airport Economic Zone Management Committee on 18 March 2010, Tianjin Ruiyuan Electric Co., Ltd. invests in the construction of megawatt wind power unit electric control, frequency conversion, and pitch system production project, and the Airport Economic Zone Management Committee appropriated RMB 5,000,000.00 and RMB 6,800,000.00 for the construction stage development fund on 9 September 2015 and 8 July 2016 respectively. These were included in deferred income and transferred to profit or loss for the current period in installments according to the benefit period.

[Note 3] Tianjin Binhai High-tech Industrial Development Zone Management Committee appropriated RMB 9,780,000.00 and RMB 40,825,000.00 to the Company's subsidiary, Tianjin MingYang Wind Power Technology Co., Ltd. (hereinafter referred to as "Tianjin Technology") on 20 January 2010 and 28 January 2011 for the soft-soil foundation compensation and land intensive use subsidies amounted to respectively. These amounts were recognised as deferred income and transferred to profit or loss for the current year by installments according to the benefit period. As Tianjin Technology was absorbed and merged by the Company's subsidiary, Tianjin Equipment, so the relevant deferred income was inherited by Tianjin Equipment.

[Note 4] According to the Guangdong Provincial Department of Oceans and Fisheries on the issuance of the "2019 Provincial-level Special Funds for Promoting Economic Development (Marine Economic Development) Project Database Application Guidelines", the Company received RMB 14,000,000.00 from the Zhongshan Finance Bureau CZ1490014 Marine Strategy New Project Fund for the key technology research and development of 8-10MW offshore wind turbines on 30 June 2019. It was included in deferred income and transferred to profit or loss for the current period in installments according to the benefit period.

[Note 5] According to the "Notice on Issuing the Total Investment and Financial Subsidy Funds Plan for

Guangdong Province's 2015 Marine Economic Innovation and Development Regional Demonstration Projects" (Guangdong Yuhan [2016] No. 522) issued by Guangdong Ocean and Fisheries Bureau and the Department of Finance of Guangdong Province, the Financial Settlement Center of Torch High-tech Industrial Development Zone, Zhongshan City appropriated RMB 18,500,000.00, RMB 5,500,000.00, RMB 2,715,000.00 and RMB 2,715,000.00 to the Company on 9 September 2016, 12 December 2016, 20 December 2017 and 3 September 2018, respectively, for the research and development and industrialization project of high-performance 6.0MW offshore wind power engineering equipment. These were included in deferred income and transferred to profit or loss for the current period in installments according to the benefit period.

[Note 6] According to the "2017 Applied Technology R&D and Major Technology Achievement Transformation Special Funds (Applied Technology R&D Support) Detailed Allocation Table", Zhongshan City Finance Bureau appropriated RMB 8,000,000.00, RMB 6,400,000.00 and RMB 4,000,000.00 to the Company on 20 December 2017, 7 December 2018, 10 December 2018, respectively, for research and development and application of MySE7.0MW offshore Wind power generation unit development. These were included in deferred income and transferred to profit or loss for the current period in installments according to the benefit period.

[Note 7] According to the "Measures on Encouraging Industrial Co-construction Project Investment and Factory Reward" by the Management Committee of Yangjiang High-tech Industrial Development Zone, "Opinions on Deepening the Comprehensive Assistance Work in the Pearl River Delta Region and the Eastern and Western Regions of Guangdong" (Guangdong Committee Office (2016) No. 81), "Several Policies and Measures for Guangdong Province to Promote the Quality and Efficiency of Industrial Parks in the Eastern, Western and Northern Regions of Guangdong" (Guangdong (2016) No. 126), "The Guangdong Provincial Economic and Information Technology Commission's Letter on Decomposing the 2017 Industrial Co-construction Goals and Tasks" (Yuejing Xinyuan Han (2017) No. 14) and other documents, rewards are granted to enterprises with industrial projects of more than RMB 100 million that have built factories or put into production between 16 August 2016 and 31 August 2019 within the area of jointly build industrial parks by Zhuhai City and Yangjiang City. The Company's subsidiary, Guangdong MingYang New Energy Technology Co., Ltd. received RMB 4,221,370.50 on 5 December 2019. It was included in deferred income and transferred to profit or loss for the current period in installments according to the benefit period. In accordance with the spirit of the Provincial Party Committee and the Provincial Government's "Decision on Further Promoting the Revitalization and Development of the East, West and North of Guangdong" and other documents, in order to accelerate the construction of the wind power industry in Yangjiang High-tech Zone, the Company's subsidiary, Guangdong MingYang New Energy Technology Co., Ltd. received the government land subsidy of RMB 3,000,000.00 from the Yangjiang High-tech Industrial Development Zone Management Committee on 30 September 2018. It was included in deferred income and transferred to profit or loss for the current period in installments according to the benefit period. In accordance with the spirit of the Provincial Party Committee and the Provincial Government's "Decision on Further Promoting the Revitalization and Development of the East, West and North of Guangdong" and other documents, in order to accelerate the construction of the wind power industry in Yangjiang High-tech Zone, the Company's subsidiary, Guangdong MingYang New Energy Technology Co., Ltd. received the government land subsidy of RMB 3,780,000.00 from the Yangjiang High-tech Industrial Development Zone Management Committee on 15 June 2019. It was included in deferred income and transferred to profit or loss for the current period in installments according to the benefit period.

[Note 8] According to the "Notice on Arranging Special Funds for the Third Batch of Innovative Scientific Research Teams" (Yue Cai Jiao [2012] No. 319) issued by Department of Finance of Guangdong Province in 2012, Zhongshan City Finance Bureau appropriated RMB 20,000,000.00 to the Company on 6 November 2012 for the special fund of offshore wind power technological innovation team. The Organization Department of the Zhongshan Municipal Committee of the Communist Party of China promised in "Supporting Funds Commitment Letter" in 2012 that the Zhongshan Municipal Government will provide supporting facilities for the

offshore wind power technological innovation team in a proportion of not less than one-half of the special work funds to be provided by the province. The Financial Settlement Center of Torch High-tech Industrial Development Zone, Zhongshan City appropriated RMB 5,000,000.00 to the Company on 14 January 2014, and the Finance Bureau of Zhongshan City appropriated RMB 5,000,000.00 to the Company on 4 July 2014. The above-mentioned special funds is in total RMB 30,000,000.00. These were included in deferred income and transferred to profit or loss for the current period in installments according to the benefit period.

[Note 9] According to the "Notice on Issuing the First Batch of Provincial Strategic Emerging Industry Core Technology Research Projects" (Yueke Planning Zi [2011] No.167) by the Department of Science and Technology of Guangdong Province and the Department of Finance of Guangdong Province in 2011, Zhongshan Science and Technology Bureau appropriated RMB 15,000,000.00 to the Company on 1 April 2012 for the specific development of key technologies for the design of 6.0MW large wind turbines. It was included in deferred income and transferred to profit or loss for the current period in installments according to the benefit period.

[Note 10] According to the notice of the National Development and Reform Commission on issuing the first batch of investment plans within the central budget in 2013 for strategic emerging industries (energy) (Fagai Investment [2013] No. 1029), the Finance Bureau of Tianjin appropriated RMB 1,600,000.00 and RMB 9,830,000.00 to the Company's subsidiary, Tianjin Ruiyuan Electric Co., Ltd. on 15 October 2012 and 11 September 2013 respectively for special fund of development and industrialization of the electric control system of megawatt wind turbines. These were included in deferred income and transferred to profit or loss for the current period in installments according to the benefit period.

[Note 11] According to the "Notice of the Office of the People's Government of Zhongshan City on Printing and Distributing the Action Plan for the Development of Zhongshan City's High-end Equipment Manufacturing Industry (2018-2022)" (Zhongfu Office [2018] No. 26), "Zhongshan Economic and Information Technology Bureau Regarding the issuance of Zhongshan City's High-end Equipment Manufacturing Industry Development Fund Management Implementation Rules (Zhongjingxin [2018] No. 824) and other document requirements, the Company received special fund of RMB 7 million for the "2020 High-end Equipment Manufacturing Industry Development Fund (Support first set R&D topic) Project". It was included in deferred income and transferred to profit or loss for the current period in installments according to the benefit period.

[Note 12] According to the "Notice of the Guangdong Provincial Department of Finance on Arranging the Special Fund for the Provincial Science and Technology Innovation Strategy in 2021 (The Eighth Batch of Provincial Key Field R&D Plan Projects)" (Yue Cai Ke Jiao (2021) No. 150), the Company received RMB 6,000,000.00 from the Guangdong Provincial Department of Finance on the provincial R&D plan in key areas, which is specially used for the research and development of 10MW and above offshore wind power permanent magnet generator design and manufacturing projects. It was included in deferred income and transferred to profit or loss for the current period in installments according to the benefit period.

[Note 13] According to the "Project Joint Application Agreement" (Research on coupled load simulation technology and blade design and manufacturing key technologies for large offshore wind turbines of 10MW and above), Shanwei MingYang New Energy Technology Co., Ltd. received RMB 8,000,000.00 high-tech enterprise incentives from Lufeng Finance Bureau. It was included in deferred income and transferred to profit or loss for the current period in installments according to the benefit period.

[Note 14] According to the requirements of the "Notice of Haixi Prefecture of Qinghai Province on Issuing the 2019 Provincial Special Fund Budget for Scientific and Technological Development" (Dezheng Caixingzi [2019] No. 632), Delingha City Industrial Technology and Information Technology Bureau decided and instructed Delingha City Treasury Payment Center appropriated RMB 4,300,000.00 of provincial special fund for scientific

and technological development of Qinghai MingYang New Energy Co., Ltd., a subsidiary of the Company, on 1 August 2019. On 29 July 2020, the Delingha City Treasury Payment Center appropriated another government subsidy of RMB 3,000,000.00 for the research and development of the pressurized oxygen storage device technology. Due to the failure of the research, on 14 December 2020, the subsidy of RMB 1,300,000.00 for the pressurization device project of Qinghai Provincial Department of Science and Technology was returned; the remaining funds were RMB 6,000,000.00. According to the agreement, RMB 1,800,000.00 has been booked as payable to China Shipbuilding Industry Environmental Engineering Co., Ltd., of which RMB 1,000,000.00 has been paid, and the remaining RMB 800,000.00 has not yet been paid. Due to the failure of the research, all subsidies will be refunded subsequently, and the payable of RMB 800,000.00 will no longer be paid to China Shipbuilding Industry Environmental Engineering Co., Ltd. The accounting record was adjusted to deferred income in January 2021. The remaining funds are now RMB 4,200,000.00.

[Note 15] According to the "Notice of the Guangdong Provincial Department of Finance on Arranging the Special Fund for the Provincial Science and Technology Innovation Strategy in 2021 (The Eighth Batch of Provincial Key Field R&D Plan Projects) First Phase Funds" (Yue Cai Ke Jiao (2021) No. 150), Zhongshan Ruike New Energy Co., Ltd. received a special fund of RMB 4,000,000.00 on 18 September 2021 from the Guangdong Provincial Department of Finance for the 2021 Provincial Science and Technology Innovation Strategy. It is specially used for the research and development of large-area, high-efficiency cadmium telluride battery technology and equipment research and development projects. It was included in deferred income and transferred to profit or loss for the current period in installments according to the benefit period.

[Note 16] According to the "Notice on Doing a Good Job in the Introduction and Construction of the Sixth Batch of Innovation and Entrepreneurship Research Teams in Zhongshan" (Zhongshan Kefa [2018] No. 219) issued by Zhongshan Science and Technology Bureau, the Company's subsidiary Zhongshan Ruisheng Antai Industrial Investment Co., Ltd. received a financial subsidy of RMB 5,000,000.00 in 2020. It was included in deferred income and transferred to profit or loss for the current period in installments according to the benefit period.

[Note 17] According to the "Measures on Encouraging Industrial Co-construction Project Investment and Factory Reward" by the Management Committee of Yangjiang High-tech Industrial Development Zone, "Opinions on Deepening the Comprehensive Assistance Work in the Pearl River Delta Region and the Eastern and Western Regions of Guangdong" (Guangdong Committee Office (2016) No. 81), "Several Policies and Measures for Guangdong Province to Promote the Quality and Efficiency of Industrial Parks in the Eastern, Western and Northern Regions of Guangdong" (Guangdong (2016) No. 126), "The Guangdong Provincial Economic and Information Technology Commission's Letter on Decomposing the 2017 Industrial Co-construction Goals and Tasks" (Yuejing Xinyuan Han (2017) No. 14) and other documents, rewards are granted to enterprises with industrial projects of more than RMB 100 million that have built factories or put into production between 16 August 2016 and 31 August 2019 within the area of jointly build industrial parks by Zhuhai City and Yangjiang City. The Company's subsidiary, Guangdong MingYang New Energy Technology Co., Ltd. received RMB 4,221,370.50 on 5 December 2019. It was included in deferred income and transferred to profit or loss for the current period in installments according to the benefit period.

[Note 18] According to the "Notice on Issuing the 2016 Information Industry Development Special Fund Funding Plan of Zhongshan City" (Zhongjingxin [2016] No. 726) issued by Zhongshan Economic and Information Technology Bureau, Zhongshan City Finance Bureau appropriated RMB 1,000,000.00 to the Company on 12 December 2016 for the construction of big data analysis platform for smart wind farm operation management. It was included in deferred income and transferred to profit or loss for the current period in installments according to the benefit period.

[Note 19] According to the spirit of the "Department of Finance of Guangdong Province, the Department of

Oceans and Fisheries of Guangdong Province on the issuance of the 2018 Provincial Special Funds for Promotion of Economic Development (Marine Economic Development) Project Application Guidelines" (Yuehaiyu [2018] No. 9), Three Gorges Zhujiang Power Generation Co., Ltd. takes the lead, and cooperates with the Company, South China University of Technology, and Three Gorges New Energy Yangjiang Power Co., Ltd. to apply for the special funds for promoting economic development in 2018 (for marine economic development purposes) for a total of RMB 20,000,000.00 (the contract stipulates that the Company receives 15% of the government funding). The Company received RMB 3,000,000.00 in funding on 13 November 2018. It was included in deferred income and transferred to profit or loss for the current period in installments according to the benefit period.

[Note 20] According to the "Project Joint Application Agreement" (research on coupled load simulation technology and blade design and manufacturing key technologies for large-scale offshore wind turbines of 10MW and above), MingYang Smart New Energy Co., Ltd. received special technology funds of RMB 2,000,000.00 from Shanwei MingYang New Energy Technology Co., Ltd. It was included in deferred income and transferred to profit or loss for the current period in installments according to the benefit period.

[Note 21] According to the 2014 "Notice on the introduction of the third batch of national innovation platforms, academician workstations, and innovative scientific research teams in the construction of Zhongshan City" (Zhongshan Group [2014] No. 124) issued by the Organization Department of the Zhongshan Municipal Committee of the Communist Party of China, the Zhongshan Science and Technology Bureau, and the Zhongshan Development and Reform Bureau, for the purpose of creating and introducing a national-level innovation platform construction project in Zhongshan City, Zhongshan City Finance Bureau appropriated RMB 1,250,000.00 and RMB 750,000.00 to the Company on 15 December 2014 and 30 November 2015 respectively; The Financial Settlement Center of Torch High-tech Industrial Development Zone, Zhongshan City appropriated RMB 2,000,000.00 to the Company on 10 December 2015. These were included in deferred income and transferred to profit or loss for the current period in installments according to the benefit period.

[Note 22] According to the Zhongshan Science and Technology Bureau "Notice on Issuing the Second Batch of Special Science and Technology Innovation Projects and Funding Arrangements in Zhongshan in 2016" (Zhongshan Kefa [2016] No. 213), Zhongshan City Finance Bureau appropriated RMB 1,400,000.00 to the Company on 30 September 2016 for the development and industrialization of MySE5.5-155 three-blade semi-direct-drive offshore Wind power generation unit. It was included in deferred income and transferred to profit or loss for the current period in installments according to the benefit period.

[Note 23] According to "Notice on Issuing 2017 Provincial Special Funds for Scientific and Technological Development (Collaborative Innovation and Platform Environment Construction) " (Zhongshan Kefa [2017] No. 263) issued by Zhongshan Science and Technology Bureau, Zhongshan City Finance Bureau appropriated RMB 1,300,000.00 to the Company on 30 September 2017 for research and development expenditure subsidies of the company's wind power technology research institute. It was included in deferred income and transferred to profit or loss for the current period in installments according to the benefit period.

[Note 24] According to the regulations of Zhongshan Science and Technology Bureau "Interim Measures for the Accreditation and Management of Collaborative Innovation Centers in Zhongshan" (Zhongshan Kefa [2017] No. 113), Zhongshan City Finance Bureau appropriated RMB 800,000.00 and RMB 400,000.00 to the Company on 31 October 2017 and 12 December 2018 respectively, for subsidy of operation of the Company's wind power technology collaborative innovation center. These were included in deferred income and transferred to profit or loss for the current period in installments according to the benefit period.

[Note 25] According to "Notice on Issuing 2017 Provincial Special Funds for Scientific and Technological Development (Collaborative Innovation and Platform Environment Construction) " (Zhongshan Kefa [2017] No.

263) issued by Zhongshan Science and Technology Bureau, Zhongshan Finance Bureau appropriated RMB 1,000,000.00 and RMB 720,000.00 to the Company on 30 September 2017 and 10 November 2018 respectively, for the development and application of long-size segmented blades of high-power wind turbines. These were included in deferred income and transferred to profit or loss for the current period in installments according to the benefit period.

[Note 26] According to the "Notice on Distributing Funds for Supporting Industrial Economic Transformation and Upgrading in 2015" (Dezheng Caijianzi [2015] No. 443), Delingha City Finance Bureau appropriated RMB 900,000.00 and RMB 1,500,000.00 to the Company's subsidiary, Qinghai MingYang New Energy Co., Ltd. on 14 September 2015 and 15 September 2015 respectively, for 200 MW high-concentration photovoltaic solar projects. These were included in deferred income and transferred to profit or loss for the current period in installments according to the benefit period.

[Note 27] According to "Notice on Issuing 2017 Provincial Special Funds for Scientific and Technological Development (Collaborative Innovation and Platform Environment Construction)" (Zhongshan Kefa [2017] No. 263) issued by Zhongshan Science and Technology Bureau, Zhongshan City Finance Bureau appropriated RMB 1,000,000.00 and RMB 800,000.00 to the Company on 30 September 2017 and 10 December 2018 for Guangdong wind power industry technology innovation alliance construction demonstration subsidy. These were included in deferred income and transferred to profit or loss for the current period in installments according to the benefit period.

[Note 28] According to the, "Notice on Issuing the 2017 Provincial Industry and Information Technology Special Fund (Support Enterprise Transformation and Upgrade) Project Plan" (Guangdong Economic Letter Innovation Letter 2017 No.[75]) issued by Guangdong Provincial Economic and Information Technology Commission and the Department of Finance of Guangdong Province in 2017, Zhongshan City Finance Bureau appropriated RMB 850,000.00 to the Company on 15 June 2017 for the construction of a big data management platform for smart wind farm operations. It was included in deferred income and transferred to profit or loss for the current period in installments according to the benefit period.

[Note 29] According to the "Project Joint Application Agreement" (Research and Development of Main Control Device for Offshore Wind Turbines of 10MW and above), RMB 800,000.00 was received from China Southern Power Grid Digital Power Grid Research Institute Co., Ltd. for the research and development of the main control device of 10MW and above offshore wind turbines. It was included in deferred income and transferred to profit or loss for the current period in installments according to the benefit period.

[Note 30] In accordance with the Inner Mongolia Baotou Shiguai Industrial Park Management Committee "Request for Inner Mongolia Baotou Shiguai Industrial Park Management Committee allocation of funds for power demand management demonstration projects", Inner Mongolia Baotou Shiguai Industrial Park Management Committee appropriated RMB 1,779,000.00 and RMB 2,110,000.00 to Baotou Yibo Energy Service Co., Ltd. on 18 September 2016 and 3 December 2018 respectively, for specific power monitoring platform project of Baotou Shiguai Industrial Park. These were included in deferred income and transferred to profit or loss for the current period in installments according to the benefit period.

[Note 31] According to "Notice on Issuing Supporting Funds for Science and Technology Projects in Torch District in 2017" (Zhongkaiguan [2017] No. 207) issued by Zhongshan Torch High-tech Industrial Development Zone Management Committee, Zhongshan City Finance Bureau appropriated RMB 700,000.00 to the Company on 22 December 2017 for MySE5.5-155 three-blade semi-direct-drive offshore wind power generation unit development and industrialization supporting funds. It was included in deferred income and transferred to profit or loss for the current period in installments according to the benefit period.

[Note 32] According to "Notice on Issuing 2016 Zhongshan Collaborative Innovation Special Fund Project" (Zhongshan Kefa [2016] No. 224) issued by Zhongshan Science and Technology Bureau, Zhongshan City Finance Bureau appropriated RMB 500,000.00 to the Company on 30 September 2016 for collaborative innovation special fund. It was included in deferred income and transferred to profit or loss for the current period in installments according to the benefit period.

[Note 33] According to "Notice on Issuing 2015 Zhongshan New R&D Institution Certification and Special Funds" (Zhongshan Kefa [2015] No. 215) issued by Zhongshan Science and Technology Bureau in 2015, Zhongshan City Finance Bureau appropriated RMB 500,000.00 to the Company on 30 November 2015 for new research and development institution subsidy. It was included in deferred income and transferred to profit or loss for the current period in installments according to the benefit period.

[Note 34] According to "Notice on Issuing the 2015 Zhongshan Strategic Emerging Industry Innovation Platform Construction Special Fund Use Plan" (Zhongfa Gai Hi-Tech [2015] No. 637) issued by Zhongshan Development and Reform Bureau in 2015, Zhongshan City Finance Bureau appropriated RMB 1,000,000.00 to the Company on 8 December 2015 for the construction and improvement of the big data and remote monitoring center, and the establishment of a big data center and remote monitoring room for remote transmission and real-time collection of wind turbine operating data. It was included in deferred income and transferred to profit or loss for the current period in installments according to the benefit period.

[Note 35] According to the "Notice on Issuing 2017 Zhongshan Science and Technology Development Special (Second Batch) Projects and Funding Arrangements" (Zhongshan Kefa [2017] No. 257) issued by Zhongshan Science and Technology Bureau, Zhongshan Finance Bureau appropriated RMB 700,000.00 and RMB 350,000.00 to the Company on 30 September 2017 and 10 December 2018 respectively, for the R&D and industrialization of MY2.2-121 large ultra-low wind speed Wind power generation units. These were included in deferred income and transferred to profit or loss for the current period in installments according to the benefit period.

[Note 36] According to the "Notice of the Guangdong Provincial Department of Finance on Arranging the 2021 Provincial Science and Technology Innovation Strategy Special Fund (The Eighth Batch of Provincial Key Field R&D Plan Projects) First Phase Funds" (Yue Cai Ke Jiao (2021) No. 150), Guangdong MingYang New Energy Technology Co., Ltd. received cooperation funds of RMB 300,000.00 on 16 November 2021 for Yangjiang Offshore Wind Power Laboratory Project, which is specially used for the real-time data acquisition of offshore wind power in the distant sea and the development and industrialization of high-speed economic transmission systems. It was included in deferred income and transferred to profit or loss for the current period in installments according to the benefit period.

[Note 37] According to the notice of the Yangjiang City Department of Industry and Information Technology on the arrangement of the 2021 small upgrade award and subsidy fund, on March 7, 2022, RMB 200,000 was received from the Yangjiang Finance Bureau for the provincial small upgrade award in 2021. These were included in deferred income and transferred to profit or loss for the current period in installments according to the benefit period.

[Note 38] According to the "Joint Application Agreement for the Guangdong Provincial Key Field R&D Program (Development of Key Equipment for Distributed Offshore Wind Farm Flexible DC Transmission Stations)", Guangdong MingYang New Energy Technology Co., Ltd. received the first batch of fund of RMB 190,000.00 on 25 November 2021 from Guangdong MingYang Longyuan Power Electronics Co., Ltd. 2021 Provincial Key Field R&D Plan. It was included in deferred income and transferred to profit or loss for the current period in installments according to the benefit period.

[Note 39] According to the "Tianjin City Environmental Protection Special Fund Project Contract" issued by Tianjin City Ecological Environment Bureau, the Company's subsidiary, Tianjin MingYang Wind Energy Blade Technology Co., Ltd. received from the central financial subsidy and Tianjin City financial subsidy fund of RMB 270,000.00 in June 2019 for the purpose of purchasing VOCS processing equipment and supporting facilities. It was included in deferred income and transferred to profit or loss for the current period in installments according to the benefit period.

[Note 40] According to "Notice on Issuing Zhongshan City's 2012 Industrial Development Special Fund Project (Third Batch) Funding Plan" (Zhongjingxin [2012] No. 757) issued by Zhongshan Economic and Information Technology Bureau and Zhongshan Finance Bureau in 2012, Zhongshan City The Finance Bureau appropriated RMB 12,000,000.00 to the Company on 18 December 2012 for the new wind power industry chain production project. It was included in deferred income and transferred to profit or loss for the current period in installments according to the benefit period.

[Note 41] according to the national key R & D plan "blade test technology research and test system development project of large offshore wind turbine", the company received a special fund of RMB 21673.00 from the science and Technology Department of Beijing Jianheng Certification Center Co., Ltd. on August 12, 2019 for the research on large offshore wind turbine blade test equipment and test technology, which is included in deferred income and transferred to the current profit and loss by stages according to the benefit period.

[Note 42] According to the 2012 "Notice on Issuing the 2012 Guangdong Industrial Technology Research and Development Fund Investment Plan" by the Guangdong Provincial Development and Reform Commission and the Department of Finance of Guangdong Province (Guangdong Development and Reform High Technology [2012] No. 340), Zhongshan City Finance Bureau appropriated RMB 1,000,000.00 to the Company on 7 September 2012 for the research and development of key components such as wind power generator technology of 3.0MW and above, electronic control system, and supporting blades, and on the existing basis, construction and testing wind tower, blade static load test and anti-corrosion laboratory, wind turbine gearbox and wind turbine generator comprehensive test experiment center, wind turbine operation data real-time collection and monitoring room, etc., to build wind power equipment, wind power control, wind turbine testing and wind energy resource utilization platform. It was included in deferred income and transferred to profit or loss for the current period in installments according to the benefit period.

(2) Government subsidies included in deferred income are subsequently measured with the net amount method

Subsidy item	Category	2021. Additions during the period	Amount recognized in profit or loss in the period	Other movement	2022. 03.31	Amount of related cost written down or carried forward during the current period	Related to assets/Related to income
Economic Development and Science and Technology Information Bureau of Development Zone special Discount interest on Supporting enterprises in 2021 (Finance Section)	Financial allocation	- 3,000,000.00	3,000,000.00	-	-	Finance charges	Related to income

Note: according to several measures of Zhongshan Torch Development Zone on supporting enterprises to return to work and increase production (torch dangzheng ban Han [2020] No. 19), the economic development and science and Technology Information Bureau of Zhongshan Torch High tech Industrial Development Zone

allocated 3million yuan of the company's special fund for "supporting the excellent and the strong" to the above listed enterprises on march8,2022, as a discount support for the three-year and above medium and long-term loans to the above listed industrial enterprises.

(3) Government grants recognized in income for the period by gross method

Subsidy item	Category	Amount recognised in profit or loss in prior year	Amount recognised in profit or loss in the period	Presented in income statement	Related to assets/Related to income
Taxes rebate of immediate refund of VAT levied	Financial allocation	2,370,892.37	36,854,466.39	Other income	Related to income
Received special funds from Zhongshan Municipal Administration of Market Supervision on the implementation of standardization strategy in Zhongshan City	Financial allocation	571,500.00	2,400,000.00	Other income	Related to income
Yangjiang High-tech Industrial Development Zone Small, Medium and Micro Enterprise Service Center to support enterprise development special funds	Financial allocation	1,287,348.27	1,287,348.27	Other income	Related to assets
Special funds for offshore wind power innovation technology team	Financial allocation	-	773,250.00	Other income	Related to assets
R&D and industrialization of high-performance 6.0MW offshore wind power marine engineering equipment	Financial allocation	-	600,000.00	Other income	Related to assets
Special funds for key technology research projects of 6.0MW large wind turbine design	Financial allocation	-	375,000.00	Other income	Related to assets
Smart Wind Farm Operation Management Big Data Analysis Platform Construction Subsidy	Financial allocation	335,002.50	349,344.58	Other income	Related to assets
Individual income Tax fee refund	Financial allocation	223,580.57	246,922.78	Other income	Related to income
2021 Property tax refund	Financial allocation	-	226,763.24	Other income	Related to income
Baotou Shiguai Industrial Park Power Monitoring Platform Project Subsidy	Financial allocation	215,550.00	215,550.00	Other income	Related to assets
Demonstration of Guangdong Wind Power Industry Technology Innovation Alliance Construction	Financial allocation	2,487.50	158,366.67	Other income	Related to assets
MingYang Smart Energy Group Co., Ltd. Enterprise development support funds	Financial allocation	24,000.00	147,373.74	Other income	Related to assets
Tianjin Ruiyuan Electric Special funds for the development and industrialization of electric control systems for megawatt wind turbines	Financial allocation	-	142,875.00	Other income	Related to assets
Enterprise high-tech subsidy	Financial allocation	-	130,000.00	Other income	Related to assets
Zhongshan City established special funds for the introduction of national innovation platform construction projects	Financial allocation	100,000.00	100,000.00	Other income	Related to assets
Job stabilization subsidy	Financial allocation	4,644,367.68	-	Other income	Related to income
Work-for-training subsidy	Financial allocation	2,178,100.00	-	Other income	Related to income

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Innovation and entrepreneurship research team government subsidy	Financial allocation	1,120,910.93	-	Other income	Related to income
Government subsidies related to assets	Financial allocation	2,826,005.28	449,563.15	Other income	Related to assets
Government subsidies related to revenue	Financial allocation	1,962,047.91	1,225,640.92	Other income	Related to income
Total		-- 17,861,793.01	45,682,464.74	--	--

VI. Changes in the scope of consolidation

1. Business combination not under common control

There was no business combination not under common control during the period.

2. Disposal of subsidiaries

Name of subsidiary	Disposal consideration	Shareholding being disposed %	Disposal method	Date of losing control	Basis for determining date of losing control	Difference between disposal consideration and the related share of the subsidiary's net assets in consolidated financial statements	Goodwill related to the subsidiary in consolidated financial statements
Yangjiang MingYang Offshore Wind Power Development Co., Ltd.	1,757,415,000.00	100.00	Sold	January 2022	Completion of equity change procedures	514,108,939.87	-

Continued:

Name of subsidiary	Proportion of remaining shareholding on the date of losing control	Carrying amount of remaining equity interests on the date of losing control	Fair value of remaining equity interests on the date of losing control	Gain or loss from remeasurement of remaining equity interests to fair value	Method and key assumptions for determining the fair value of remaining equity interests	Investment income transferred from other comprehensive income related to previously equity investments in subsidiaries
Yangjiang MingYang Offshore Wind Power Development Co., Ltd.	-	-	-	-	-	-

3. Others

(1) Information of newly established subsidiaries

Name	Net assets at 2022.03.31	Net profit for 3-month ended 31 March 2022
Chongqing MingYang New Energy Co., Ltd.	-	-
Shuangjiang MingYang New Energy Co., Ltd.	-	-
Juancheng Jieyuan Liyuan New Energy Co., Ltd.	-	-
Haixi Jiaao New Energy Co., Ltd.	-	-
Beitun MingYang Photovoltaic power generation Co., Ltd.	-	-
Xinyang Mingzeng New Energy Co., Ltd.	-	-

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Phoenix County Shuanghe New Energy Co., Ltd.	-	-
Huyanghe MingYang New Energy Power Generation Co., Ltd.	-	-
MingYang (Zhongwei Shapotou District) New Energy Technology Co., Ltd.	-	-
MingYang Wisdom (Zhongwei) Wind power generation Co., Ltd.	-	-
MingYang Wisdom (Wuzhong) Wind power generation Co., Ltd.	-	-
Zuhai MingYang New Energy Development Co., Ltd.	-	-
Zhongshan MingYang Ruishan New Energy Investment Co., Ltd.	-	-
Zhongshan MingYang Yunhua New Energy Investment Co., Ltd.	-	-

Note: Net assets of the newly established subsidiary in this period is zero mainly due to it has not yet contributed capital and has not carried out related business activities.

(2) Subsidiary deregistered in the current period

There was no subsidiary deregistered in the current period.

VII. Interests in other entities

1. Interests in subsidiaries

(1) Group structure

Name of subsidiary	Main operating location	Place of registration	Business nature	Shareholding %		Acquisition method
				Direct	Indirect	
Tianjin MingYang Wind Power Equipment Co., Ltd.	Tianjin City	Tianjin City	Wind power equipment manufacturing	90.00	10.00	Set up by investment
Tianjin MingYang Wind Energy Blade Technology Co., Ltd.	Tianjin City	Tianjin City	Fan blade manufacturing	100.00	-	Set up by investment
Zhongshan MingYang Wind Power Equipment Co., Ltd.	Zhongshan, Guangdong	Zhongshan, Guangdong	Wind power equipment leases	100.00	-	Business combination under common control
Ming Yang Wind Power USA, Inc	USA	USA	Wind power technology research and development	100.00	-	Set up by investment
Ming Yang Wind Power European R&D Center Aps	Denmark	Denmark	Wind power technology research and development	100.00	-	Set up by investment
Zhongshan Ruiyang Investment Management Co., Ltd.	Zhongshan, Guangdong	Zhongshan, Guangdong	Corporate investment consulting	100.00	-	Business combination under common control
Yunnan MingYang Wind Power Technology Co., Ltd.	Dali, Yunnan	Dali, Yunnan	Fan manufacturing	99.50	0.50	Set up by investment
Guangdong MingYang New Energy Technology Co., Ltd.	Yangjiang, Guangdong	Yangjiang, Guangdong	Wind power equipment manufacturing	99.80	0.20	Set up by investment
Shandong MingYang Wind Power Technology Co., Ltd.	Binzhou, Shandong	Binzhou, Shandong	Wind energy development and construction	99.00	1.00	Set up by investment
Beijing Jieyuan New Energy Investment Co., Ltd.	Beijing	Beijing	Wind power project investment	100.00	-	Set up by investment

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[English Translation for Reference Only]

MingYang New Energy International Co., Ltd.	Hong Kong	Hong Kong	Investment management	100.00	-	Set up by investment
Qinghai MingYang New Energy Co., Ltd.	Qinghai Delingha	Qinghai Delingha	Wind power equipment manufacturing	61.60	-	Set up by investment
Xilin Gol League MingYang New Energy Co., Ltd.	Xilinhot, Inner Mongolia	Xilinhot, Inner Mongolia	Wind power equipment manufacturing	100.00	-	Set up by investment
Shenzhen Liangyun Energy Network Technology Co., Ltd.	Shenzhen, Guangdong	Shenzhen, Guangdong	Wind power technology development	100.00	-	Set up by investment
Xinjiang MingYang New Energy Industry Co., Ltd.	Xinjiang Turpan	Xinjiang Turpan	Wind power equipment manufacturing	100.00	-	Set up by investment
Inner Mongolia MingYang Wind Power Co., Ltd.	Ulanqab, Inner Mongolia	Ulanqab, Inner Mongolia	Wind power development and operation	96.40	-	Business combination not under common control
Ruide Xingyang New Energy Technology Co., Ltd.	Zhongshan, Guangdong	Zhongshan, Guangdong	Research and development of new energy power generation products	93.32	-	Business combination under common control
Inner Mongolia MingYang New Energy Development Co., Ltd.	Hohhot, Inner Mongolia	Hohhot, Inner Mongolia	Wind power project investment	100.00	-	Set up by investment
Runyang Energy Technology Co., Ltd.	Beijing	Beijing	Technology development and service	80.00	-	Business combination not under common control
Guangdong MingYang Energy System Co., Ltd.	Zhongshan, Guangdong	Zhongshan, Guangdong	Energy system development and investment	85.00	-	Set up by investment
Henan MingYang Smart Energy Co., Ltd.	Xinyang, Henan	Xinyang, Henan	Energy project development	100.00	-	Set up by investment
Lingchuan Ruifeng Wind Power Equipment Co., Ltd.	Lingchuan, Guangxi	Lingchuan, Guangxi	Sale of wind power equipment	100.00	-	Set up by investment
MingYang Smart Energy Group Shanghai Co., Ltd.	Shanghai	Shanghai	Technology development and service	100.00	-	Set up by investment
Zhongshan MingYang Wind Power Technology Research Institute Co., Ltd.	Zhongshan, Guangdong	Zhongshan, Guangdong	Technology development and service	100.00	-	Set up by investment
Huimin County China Power Construction New Energy Co., Ltd.	Binzhou, Shandong	Binzhou, Shandong	Energy project development	100.00	-	Set up by investment
Haixing MingYang Wind Power Equipment Sales Co., Ltd.	Haixing, Hebei	Haixing, Hebei	Sale of wind power equipment	100.00	-	Set up by investment
Henan MingYang New Energy Co., Ltd.	Zhengzhou, Henan	Zhengzhou, Henan	Energy project development	100.00	-	Set up by investment
Binzhou Zhanhua District MingYang Smart Wind Power Co., Ltd.	Binzhou, Shandong	Binzhou, Shandong	Wind power system research and development	100.00	-	Set up by investment
Jieyang MingYang Offshore Wind Power Development Co., Ltd.	Jieyang, Guangdong	Jieyang, Guangdong	Wind power development and operation	100.00	-	Set up by investment
Jieyang MingYang New Energy Technology Co., Ltd.	Jieyang, Guangdong	Jieyang, Guangdong	Technology development and service	100.00	-	Set up by investment
Jiaozhou MingYang Smart New Energy Co., Ltd.	Jiaozhou, Shandong	Jiaozhou, Shandong	Sale of wind power equipment	100.00	-	Set up by investment
Xinjiang Wanbang Energy Development Co., Ltd.	Urumqi, Xinjiang	Urumqi, Xinjiang	Wind power development and operation	100.00	-	Business combination not under common control
Zhongshan MingYang New Energy Technology Co., Ltd.	Zhongshan, Guangdong	Zhongshan, Guangdong	Energy project development	100.00	-	Set up by investment

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Zhanjiang MingYang New Energy Technology Co., Ltd.	Zhanjiang, Guangdong	Zhanjiang, Guangdong	Energy project development	100.00	-	Set up by investment
Inner Mongolia MingYang New Energy Technology Co., Ltd.	Ulanqab, Inner Mongolia	Ulanqab, Inner Mongolia	Wind power equipment manufacturing	100.00	-	Set up by investment
Shanwei MingYang New Energy Technology Co., Ltd.	Lufeng, Guangdong	Lufeng, Guangdong	Energy project development	100.00	-	Set up by investment
Xinjiang Huaran New Energy Co., Ltd.	Urumqi, Xinjiang	Urumqi, Xinjiang	Wind power generation	67.00	-	Business combination not under common control
Hubei Mingye New Energy Technology Co., Ltd.	Jingmen, Hubei	Jingmen, Hubei	Wind power equipment manufacturing	100.00	-	Set up by investment
Yangjiang MingYang Yunhua Offshore Wind Power Development Co., Ltd.	Yangjiang, Guangdong	Yangjiang, Guangdong	Energy project development	100.00	-	Set up by investment
MingYang Smart Energy Group Beijing Technology Co., Ltd.	Beijing	Beijing	Energy project development	100.00	-	Set up by investment
Zhongshan MingYang New Energy Technology Co., Ltd.	Zhongshan, Guangdong	Zhongshan, Guangdong	Energy project development	100.00	-	Set up by investment
Yangjiang MingYang Ocean Fishery Co., Ltd.	Yangjiang, Guangdong	Yangjiang, Guangdong	Energy project development	100.00	-	Set up by investment
Jieyang MingYang Yunhua Offshore Wind Power Development Co., Ltd.	Jieyang, Guangdong	Jieyang, Guangdong	Energy project development	100.00	-	Set up by investment
Zhuanghe MingYang Precision New Energy Technology Co., Ltd.	Zhuanghe	Zhuanghe	Energy project development	100.00	-	Set up by investment
MingYang European Business and Engineering Center	Hamburg, Germany	Hamburg, Germany	Energy project development	100.00	-	Set up by investment
Urumqi MingYang Energy Technology Industry Co., Ltd.	Urumqi, Xinjiang	Urumqi, Xinjiang	Wind power generation	100.00	-	Set up by investment
Fujian MingYang New Energy Technology Co., Ltd.	Zhangzhou, Fujian	Zhangzhou, Fujian	Energy project development	100.00	-	Set up by investment
Fujian MingYang Offshore Wind Power Development Co., Ltd.	Zhangzhou, Fujian	Zhangzhou, Fujian	Energy project development	100.00	-	Set up by investment
Hainan MingYang Smart Energy Co., Ltd.	Sanya, Hainan	Sanya, Hainan	Energy project development	100.00	-	Set up by investment
Zhanjiang MingYang Offshore Wind Power Development Co., Ltd.	Zhanjiang, Guangdong	Zhanjiang, Guangdong	Energy project development	100.00	-	Set up by investment
Shanwei MingYang Offshore Wind Power Co., Ltd.	Shanwei, Guangdong	Shanwei, Guangdong	Energy project development	100.00	-	Set up by investment
Jiangsu MingYang Smart Energy Co., Ltd.	Yancheng, Jiangsu	Yancheng, Jiangsu	Energy project development	100.00	-	Set up by investment
MingYang Energy Korea Co., Ltd.	South Korea	South Korea	Sale of wind power equipment	100.00	-	Set up by investment
Gansu MingYang Smart Energy Co., Ltd.	Jiuquan, Gansu	Jiuquan, Gansu	Wind power equipment manufacturing	100.00	-	Set up by investment
Yangjiang MingYang Ruixiang Offshore Wind Power Co., Ltd.	Yangjiang, Guangdong	Yangjiang, Guangdong	Energy project development	100.00	-	Set up by investment
Tianjin Ruiyuan Electric Co., Ltd.	Tianjin City	Tianjin City	Wind power equipment development and sales	100.00	-	Business combination under common control
Ningxia MingYang New Energy Technology Co., Ltd.	Yinchuan, Ningxia	Yinchuan, Ningxia	Energy project development	100.00	-	Set up by investment
Henan Mingtai New Energy Co., Ltd.	Zhengzhou, Henan	Zhengzhou, Henan	Energy project development	100.00	-	Set up by investment
Rushan MingYang New Energy Technology Co., Ltd.	Weihai, Shandong	Weihai, Shandong	Energy project development	100.00	-	Set up by investment
Guangdong MingYang Smart Energy Co., Ltd.	Shaoguan, Henan	Shaoguan, Henan	Energy project development	100.00	-	Set up by investment
Dongfeng MingYang Technology New Energy Co., Ltd.	Dongfang, Hainan	Dongfang, Hainan	Wind power equipment	100.00	-	Set up by investment

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Guangdong MingYang Solar Energy Technology Co., Ltd.	Zhongshan, Guangdong	Zhongshan, Guangdong	development and sales Wind power equipment development and sales	99.00	-	Set up by investment
Guangxi MingYang Smart Energy Co., Ltd.	Nanning, Guangxi	Nanning, Guangxi	Wind power equipment manufacturing	100.00	-	Set up by investment
Guangxi MingYang Smart New Energy Technology Co., Ltd.	Fangchenggang, Guangxi	Fangchenggang, Guangxi	Wind power equipment manufacturing	100.00	-	Set up by investment
Hongjiang Xingyang New Energy Co., Ltd.	Huaihua, Hunan	Huaihua, Hunan	Energy project development	100.00	-	Set up by investment
Tianshui Ruineng Smart New Energy Technology Co., Ltd.	Tianshui, Gansu	Tianshui, Gansu	Energy project development	100.00	-	Set up by investment
Hubei Ming'e New Energy Co., Ltd.	Xiangyang, Hubei	Xiangyang, Hubei	Energy project development	100.00	-	Set up by investment
Hainan MingYang Smart Offshore Wind Power Development Co., Ltd.	Haikou, Hainan	Haikou, Hainan	Energy project development	100.00	-	Set up by investment
Shengsi MingYang New Energy Sales Co., Ltd.	Zhoushan, Zhejiang	Zhoushan, Zhejiang	Sale of wind power equipment	100.00	-	Set up by investment
Jilin Ruiyangcheng Innovation Energy Equipment Co., Ltd.	Baicheng, Jilin	Baicheng, Jilin	Energy project development	100.00	-	Set up by investment
Zhuhai MingYang New Energy Development Co., Ltd.	Zhuhai, Guangdong	Zhuhai, Guangdong	Technology development and service	100.00	-	Set up by investment
Zhongshan MingYang Ruishan New Energy Investment Co., Ltd.	Zhongshan, Guangdong	Zhongshan, Guangdong	Technology development and service	100.00	-	Set up by investment
Zhongshan MingYang Yunhua New Energy Investment Co., Ltd.	Zhongshan, Guangdong	Zhongshan, Guangdong	Technology development and service	100.00	-	Set up by investment

① Information of subsidiaries controlled by subsidiary MingYang New Energy International Co., Ltd.

Name of subsidiary	Main operating location	Place of registration	Business nature	Shareholding %		Acquisition method
				Direct	Indirect	
MingYang Wind Power (International) Co., Ltd.	Hong Kong	Hong Kong	Investment management	-	100.00	Business combination under common control
MingYang Holdings (Singapore) Pte.Ltd	Singapore	Singapore	Investment management	-	98.00	Business combination under common control
China Intelligent Electric Group Co., Ltd.	Hong Kong	Hong Kong	Investment management	-	100.00	Business combination under common control
MingYang New Energy Holdings (Cyprus) Co., Ltd.	Cyprus	Cyprus	Investment management	-	100.00	Set up by investment
Ruineng Intelligence Holdings Co., Ltd.	Hong Kong	Hong Kong	Investment management	-	100.00	Business combination under common control
Tianjin Ruineng Electric Co., Ltd.	Tianjin City	Tianjin City	Wind power equipment development and sales	-	100.00	Business combination under common control
Dalian Ruineng Electric Co., Ltd.	Dalian, Liaoning	Dalian, Liaoning	Wind power equipment development and sales	-	100.00	Set up by investment
Wenshan MingYang Smart Energy Technology Co., Ltd.	Wenshan, Yunnan	Wenshan, Yunnan	Wind power equipment development and sales	-	100.00	Set up by investment
MingYang Smart Energy (BVI) Limited	British Virgin Islands	British Virgin Islands	Investment management	-	100.00	Set up by investment

② Information of subsidiaries controlled by subsidiary Tianjin MingYang Wind Energy Blade Technology Co., Ltd.

Name of subsidiary	Main operating location	Place of registration	Business nature	Shareholding %		Acquisition method
				Direct	Indirect	
Zhongshan MingYang Wind Energy Blade Technology Co., Ltd.	Zhongshan, Guangdong	Zhongshan, Guangdong	Fan blade manufacturing	-	100.00	Set up by investment

③ Information of subsidiaries controlled by subsidiary Yunnan MingYang Wind Power Technology Co., Ltd.

Name of subsidiary	Main operating location	Place of registration	Business nature	Shareholding %		Acquisition method
				Direct	Indirect	
Wenshan MingYang New Energy Co., Ltd.	Wenshan, Yunnan	Wenshan, Yunnan	Fan blade manufacturing	-	100.00	Set up by investment
Qujing MingYang New Energy Co., Ltd.	Qujing, Yunnan	Qujing, Yunnan	Fan blade manufacturing	-	100.00	Set up by investment
Dejiang MingYang New Energy Co., Ltd.	Tongren, Guizhou	Tongren, Guizhou	Fan blade manufacturing	-	100.00	Set up by investment
Yunnan MingYang New Energy Co., Ltd.	Dali, Yunnan	Dali, Yunnan	Fan blade manufacturing	-	100.00	Set up by investment
Shiqian MingYang New Energy Co., Ltd.	Tongren, Guizhou	Tongren, Guizhou	Technology development and service	-	100.00	Set up by investment
Chongqing MingYang New Energy Co., Ltd.	Chongqing	Chongqing	Technology development and service	-	100.00	Set up by investment
Shuangjiang MingYang New Energy Co., Ltd.	Lincang, Yunnan	Lincang, Yunnan	Technology development and service	-	100.00	Set up by investment

④ Information of subsidiaries controlled by subsidiary Beijing Jieyuan New Energy Investment Co., Ltd.

Name of subsidiary	Main operating location	Place of registration	Business nature	Shareholding %		Acquisition method
				Direct	Indirect	
Shaanxi Dingbian Jieyuan New Energy Power Generation Co., Ltd.	Yulin, Shaanxi	Yulin, Shaanxi	Photovoltaic power generation and operation	-	100.00	Set up by investment
Shaanxi Jingbian MingYang New Energy Power Generation Co., Ltd.	Yulin, Shaanxi	Yulin, Shaanxi	Wind power development and operation	-	100.00	Set up by investment
Hongrun (Huanghua) New Energy Co., Ltd.	Huanghua, Hebei	Huanghua, Hebei	Wind power development and operation	-	80.81	Business combination not under common control
Jieyuan Huanghua New Energy Co., Ltd.	Huanghua, Hebei	Huanghua, Hebei	Wind power development and operation	-	100.00	Set up by investment
Weishan MingYang New Energy Power Generation Co., Ltd.	Dali, Yunnan	Dali, Yunnan	Wind power development and operation	-	100.00	Set up by investment
Midu Jieyuan New Energy Power Generation Co., Ltd.	Dali, Yunnan	Dali, Yunnan	Photovoltaic power generation and operation	-	100.00	Set up by investment
Turpan Jieyuan Energy Co., Ltd.	Xinjiang Turpan	Xinjiang Turpan	Wind power development and operation	-	100.00	Set up by investment
Gongcheng Jieyuan New Energy Co., Ltd.	Guangxi Gongcheng	Guangxi Gongcheng	Wind power development and operation	-	100.00	Set up by investment
Baiyin Jieyuan New Energy Co., Ltd.	Baiyin, Gansu	Baiyin, Gansu	Wind power development and operation	-	100.00	Set up by investment
Jingbian Jieyuan Photovoltaic Power Generation Co., Ltd.	Yulin, Shaanxi	Yulin, Shaanxi	Photovoltaic power generation and operation	-	100.00	Set up by investment

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Zhuxi Jieyuan New Energy Co., Ltd.	Shiyan, Hubei	Shiyan, Hubei	Wind power development and operation	- 100.00	Set up by investment
Shan County Jieyuan New Energy Co., Ltd.	Heze, Shandong	Heze, Shandong	Wind power development and operation	- 100.00	Set up by investment
Shuangpai Jieyuan New Energy Co., Ltd.	Yongzhou, Hunan	Yongzhou, Hunan	Wind power development and operation	- 100.00	Set up by investment
Yunxi Jieyuan New Energy Co., Ltd.	Yunxi, Hubei	Yunxi, Hubei	Wind power development and operation	- 100.00	Set up by investment
Pingle Jieyuan New Energy Co., Ltd.	Pingle, Guangxi	Pingle, Guangxi	Wind power development and operation	- 100.00	Set up by investment
Lingbi County MingYang New Energy Co., Ltd.	Lingbi, Anhui	Lingbi, Anhui	Wind power development and operation	- 100.00	Set up by investment
Shouguang MingYang New Energy Co., Ltd.	Weifang, Shandong	Weifang, Shandong	Wind power development and operation	- 90.00	Set up by investment
Shaanxi Jieyao Construction Engineering Co., Ltd.	Xi'an, Shaanxi	Xi'an, Shaanxi	Engineering design and construction	- 95.00	Business combination not under common control
Jieyuan (Tianjin) New Energy Co., Ltd.	Binhai, Tianjin	Binhai, Tianjin	Wind power development and operation	- 100.00	Set up by investment
Fuxin Jieyuan Wind Power Co., Ltd.	Fuxin, Liaoning	Fuxin, Liaoning	Wind power development and operation	- 100.00	Set up by investment
Tianjin Jieyuan New Energy Investment Co., Ltd.	Binhai, Tianjin	Binhai, Tianjin	Wind power development and operation	- 100.00	Set up by investment
Heilongjiang Jieyuan WindPower Co., Ltd.	Harbin, Heilongjiang	Harbin, Heilongjiang	Wind power development and operation	- 100.00	Set up by investment
Kaifeng Jieyuan New Energy Co., Ltd.	Kaifeng, Henan	Kaifeng, Henan	Wind power development and operation	- 100.00	Set up by investment
Yi'an MingYang Wind Power Co., Ltd.	Yi'an, Heilongjiang	Yi'an, Heilongjiang	Wind power development and operation	- 100.00	Set up by investment
Shangqiu MingYang New Energy Technology Co., Ltd.	Shangqiu, Henan	Shangqiu, Henan	Wind power development and operation	- 100.00	Set up by investment
Zhoukou Shenhua New Energy Co., Ltd.	Zhoukou, Henan	Zhoukou, Henan	Wind power development and operation	- 100.00	Set up by investment
Huixian MingYang Jieyuan New Energy Co., Ltd.	Xinxiang, Henan	Xinxiang, Henan	Wind power development and operation	- 100.00	Set up by investment
Jilin MingYang Smart Energy Co., Ltd.	Songyuan, Jilin	Songyuan, Jilin	Wind power development and operation	- 100.00	Set up by investment
Quyuan Jieyuan New Energy Co., Ltd.	Baoding, Hebei	Baoding, Hebei	Wind power development and operation	- 100.00	Set up by investment
Kangbao Jufeng New Energy Development Co., Ltd.	Zhangjiakou, Hebei	Zhangjiakou, Hebei	Wind power development and operation	- 85.00	Set up by investment
Shaanxi Shengan Juncheng New Energy Co., Ltd.	Hanzhong, Shaanxi	Hanzhong, Shaanxi	Wind power development and operation	- 100.00	Set up by investment
Lanzhou Jieyuan New Energy Wind Power Co., Ltd.	Lanzhou, Gansu	Lanzhou, Gansu	Wind power development and operation	- 100.00	Set up by investment
Lanzhou Jiexin New Energy Co., Ltd.	Lanzhou, Gansu	Lanzhou, Gansu	Wind power development and operation	- 100.00	Set up by investment
Yangyuan Yunneng New Energy Co., Ltd.	Zhangjiakou, Hebei	Zhangjiakou, Hebei	Wind power development and operation	- 100.00	Set up by investment
Longsheng Jieyuan New Energy Co., Ltd.	Guilin, Guangxi	Guilin, Guangxi	Wind power development and operation	- 100.00	Set up by investment
Nanyang Jiegong Construction Engineering Co., Ltd.	Nanyang, Henan	Nanyang, Henan	Wind power development and operation	- 100.00	Business combination not under common control
Wenxian Jieyuan New Energy Co., Ltd.	Jiaozuo, Henan	Jiaozuo, Henan	Wind power development and operation	- 100.00	Set up by investment
Suihua Jieyuan Wind Power Co., Ltd.	Suihua, Heilongjiang	Suihua, Heilongjiang	Wind power development and operation	- 100.00	Set up by investment
Yilan County Jieyuan Wind Power Co., Ltd.	Yilan, Heilongjiang	Yilan, Heilongjiang	Wind power development and operation	- 100.00	Set up by investment

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Boli County Jieyuan Wind Power Co., Ltd.	Boli, Heilongjiang	Boli, Heilongjiang	Wind power development and operation	-	100.00	Set up by investment
Jingbian Yunneng New Energy Co., Ltd.	Jingbian, Shaanxi	Jingbian, Shaanxi	Wind power development and operation	-	100.00	Set up by investment
Daqing MingYang Smart Energy Co., Ltd.	Daqing, Heilongjiang	Daqing, Heilongjiang	Wind power development and operation	-	100.00	Set up by investment
Zhangjiakou MingYang Smart Energy Co., Ltd.	Zhangjiakou, Hebei	Zhangjiakou, Hebei	Wind power development and operation	-	100.00	Set up by investment
Huozhou MingYang New Energy Co., Ltd.	Linfen, Shaanxi	Linfen, Shaanxi	Wind power development and operation	-	100.00	Set up by investment
Huozhou Jieyuan Energy Storage Co., Ltd.	Linfen, Shanxi	Linfen, Shanxi	Wind power development and operation	-	100.00	Set up by investment
Baoding Lanfeng New Energy Co., Ltd.	Baoding, Hebei	Baoding, Hebei	Wind power development and operation	-	51.00	Set up by investment
Juancheng Jieyuan Liyuan New Energy Co., Ltd.	Heze, Shandong	Heze, Shandong	Wind power development and operation	-	100.00	Set up by investment

⑤ Information of subsidiaries controlled by subsidiary Qinghai MingYang New Energy Co., Ltd.

Name of subsidiary	Main operating location	Place of registration	Business nature	Shareholding %		Acquisition method
				Direct	Indirect	
Haixi Dejiasheng New Energy Co., Ltd.	Haixi, Qinghai	Haixi, Qinghai	Wind power equipment manufacturing	-	100.00	Set up by investment
Haixi Deguangrun New Energy Co., Ltd.	Haixi, Qinghai	Haixi, Qinghai	Wind power equipment manufacturing	-	100.00	Set up by investment
Haixi Jiaao New Energy Co., Ltd.	Qinghai Delingha	Qinghai Delingha	Technology development and service	-	100.00	Set up by investment

⑥ Information of subsidiaries controlled by subsidiary Xinjiang MingYang New Energy Industry Co., Ltd.

Name of subsidiary	Main operating location	Place of registration	Business nature	Shareholding %		Acquisition method
				Direct	Indirect	
Turpan Xinyang Energy Power Generation Co., Ltd.	Xinjiang Turpan	Xinjiang Turpan	Power development and operation	-	100.00	Set up by investment
Mulei MingYang Wind Power Equipment Sales Co., Ltd.	Xinjiang Changji	Xinjiang Changji	Sales of fan equipment	-	100.00	Set up by investment
Bozhou Wenquan Boxin Energy Technology Co., Ltd.	Xinjiang Bozhou	Xinjiang Bozhou	Sales of fan equipment	-	100.00	Set up by investment
Hami MingYang New Energy Equipment Sales Co., Ltd.	Xinjiang Hami	Xinjiang Hami	Sales of fan equipment	-	100.00	Set up by investment
Hami Tianchengyuan New Energy Power Generation Co., Ltd.	Xinjiang Xinxing	Xinjiang Xinxing	Sales of fan equipment	-	100.00	Set up by investment
Hami Tianyunyuan New Energy Power Generation Co., Ltd.	Xinjiang Hami	Xinjiang Hami	Sales of fan equipment	-	100.00	Set up by investment
Hami Tiancheng New Energy Power Generation Co., Ltd.	Xinjiang Xinxing	Xinjiang Xinxing	Sales of fan equipment	-	100.00	Set up by investment
Bazhou MingYang New Energy Industry Co., Ltd.	Xinjiang Bayinguolen	Xinjiang Bayinguolen	Sales of fan equipment	-	100.00	Set up by investment
Hami Tianyun New Energy Power Generation Co., Ltd.	Xinjiang Xinxing	Xinjiang Xinxing	Sales of fan equipment	-	100.00	Set up by investment
Hami MingYang New Energy Industry Co., Ltd.	Xinjiang Hami	Xinjiang Hami	Sales of fan equipment	-	100.00	Set up by investment
Beitun MingYang Photovoltaic Power Generation Co., Ltd.	Xinjiang Beitun	Xinjiang Beitun	Wind power equipment development and sales	-	100.00	Set up by investment

⑦ Information of subsidiaries controlled by subsidiary Ruide Xinyang New Energy Technology Co., Ltd.

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Name of subsidiary	Main operating location	Place of registration	Business nature	Shareholding %		Acquisition method
				Direct	Indirect	
Lhasa Ruide Xinyang New Energy Technology Co., Ltd.	Lhasa, Tibet	Lhasa, Tibet	Photovoltaic power generation	-	100.00	Set up by investment
Zhongshan Ruike New Energy Co., Ltd.	Zhongshan, Guangdong	Zhongshan, Guangdong	Solar cell R&D and manufacturing	-	41.27	Set up by investment
Zhongshan Ruike New Energy (America) Co., Ltd.	USA	USA	Photovoltaic R&D	-	100.00	Set up by investment
Ruike New Energy (Hong Kong) Co., Ltd.	Hong Kong	Hong Kong	Photovoltaic R&D	-	90.00	Set up by investment
Qinghai Ruiyuan New Energy Technology Co., Ltd.	Qinghai Delingha	Qinghai Delingha	Photovoltaic power generation	-	100.00	Set up by investment
Ruike Solar (USA) Co., Ltd.	USA	USA	Photovoltaic power generation	-	100.00	Set up by investment
Zhongshan Mingrui New Energy Co., Ltd.	Zhongshan, Guangdong	Zhongshan, Guangdong	Photovoltaic power generation	-	100.00	Set up by investment

⑧ Information of subsidiaries controlled by subsidiary Inner Mongolia MingYang New Energy Development Co., Ltd.

Name of subsidiary	Main operating location	Place of registration	Business nature	Shareholding %		Acquisition method
				Direct	Indirect	
Keshiketeng Banner MingYang New Energy Co., Ltd.	Chifeng, Inner Mongolia	Chifeng, Inner Mongolia	Wind power development and operation	-	100.00	Set up by investment
Inner Mongolia Guomeng Energy Technology Co., Ltd.	Hohhot, Inner Mongolia	Hohhot, Inner Mongolia	Energy project development	-	100.00	Set up by investment
Damao Banner MingYang New Energy Co., Ltd.	Baotou, Inner Mongolia	Baotou, Inner Mongolia	Wind power development and operation	-	100.00	Set up by investment
Wuhai MingYang New Energy Co., Ltd.	Wuhai, Inner Mongolia	Wuhai, Inner Mongolia	Wind power development and operation	-	100.00	Set up by investment
Inner Mongolia Haiyang Animal Husbandry Co., Ltd.	Wuhai, Inner Mongolia	Wuhai, Inner Mongolia	Livestock breeding and sales	-	100.00	Set up by investment
Tongliao MingYang Smart Energy Co., Ltd.	Tongliao, Inner Mongolia	Tongliao, Inner Mongolia	Wind power development and operation	-	100.00	Set up by investment
Inner Mongolia Haoyang New Energy Co., Ltd.	Xinggan League, Inner Mongolia	Xinggan League, Inner Mongolia	Wind power development and operation	-	100.00	Set up by investment
Tongliao Smart Energy Research Co., Ltd.	Tongliao, Inner Mongolia	Tongliao, Inner Mongolia	Technology development and service	-	100.00	Set up by investment
Zhenglanqi MingYang Wind Power Co., Ltd.	Xilingol League, Inner Mongolia	Xilingol League, Inner Mongolia	Wind power development and operation	-	100.00	Set up by investment
Hexigten Banner Jieyang Wind Power Co., Ltd.	Chifeng, Inner Mongolia	Chifeng, Inner Mongolia	Wind power development and operation	-	100.00	Set up by investment
Horqin Right Front Banner Haoyang New Energy Development Co., Ltd.	Xinggan League, Inner Mongolia	Xinggan League, Inner Mongolia	Wind power development and operation	-	100.00	Set up by investment
Chahar Right-wing Houqi Hengyang Wind Power Co., Ltd.	Ulanqab, Inner Mongolia	Ulanqab, Inner Mongolia	Wind power development and operation	-	100.00	Set up by investment
Kailu County MingYang Smart Energy Co., Ltd.	Tongliao, Inner Mongolia	Tongliao, Inner Mongolia	Wind power development and operation	-	100.00	Set up by investment
Horqin Left-wing Middle Banner MingYang Smart Energy Co., Ltd.	Tongliao, Inner Mongolia	Tongliao, Inner Mongolia	Wind power development and operation	-	100.00	Set up by investment

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Naiman Banner MingYang Smart Energy Co., Ltd.	Tongliao, Inner Mongolia	Tongliao, Inner Mongolia	Wind power development and operation	-	100.00	Set up by investment
Zalute Banner MingYang Smart Energy Co., Ltd.	Tongliao, Inner Mongolia	Tongliao, Inner Mongolia	Wind power development and operation	-	100.00	Set up by investment
Kailu County MingYang Energy Storage Technology Co., Ltd.	Tongliao, Inner Mongolia	Tongliao, Inner Mongolia	Wind power development and operation	-	100.00	Set up by investment
Naiman Banner MingYang Energy Storage Technology Co., Ltd.	Tongliao, Inner Mongolia	Tongliao, Inner Mongolia	Wind power development and operation	-	100.00	Set up by investment
Baotou MingYang New Energy Co., Ltd.	Baotou, Inner Mongolia	Baotou, Inner Mongolia	Wind power development and operation	-	100.00	Set up by investment
MingYang North Smart Energy (Inner Mongolia) Co., Ltd.	Baotou, Inner Mongolia	Baotou, Inner Mongolia	Wind power development and operation	-	100.00	Set up by investment

⑨ Information of subsidiaries controlled by subsidiary Runyang Energy Technology Co., Ltd.

Name of subsidiary	Main operating location	Place of registration	Business nature	Shareholding %		Acquisition method
				Direct	Indirect	
Tianjin Smart Runyang Technology Co., Ltd.	Tianjin City	Tianjin City	Technology development and service	-	100.00	Set up by investment
Lufeng Guorun New Energy Co., Ltd.	Lufeng, Guangdong	Lufeng, Guangdong	Wind power development and operation	-	80.00	Set up by investment
Lufeng Runyang New Energy Co., Ltd.	Lufeng, Guangdong	Lufeng, Guangdong	Wind power development and operation	-	100.00	Set up by investment

⑩ Information of subsidiaries controlled by subsidiary Guangdong MingYang Energy System Co., Ltd.

Name of subsidiary	Main operating location	Place of registration	Business nature	Shareholding %		Acquisition method
				Direct	Indirect	
Guangdong MingYang Ruihua Energy Service Co., Ltd.	Zhongshan, Guangdong	Zhongshan, Guangdong	Technology development and service	-	100.00	Business combination under common control
Baotou Yibo Energy Service Co., Ltd.	Baotou, Inner Mongolia	Baotou, Inner Mongolia	Electricity energy demand management	-	100.00	Business combination not under common control
Baotou Shiyuan Boneng Electricity Sales Co., Ltd.	Baotou, Inner Mongolia	Baotou, Inner Mongolia	Electricity sales service	-	60.00	Business combination not under common control
Kaifeng Mingshun Energy Technology Co., Ltd.	Kaifeng, Henan	Kaifeng, Henan	Electricity sales service	-	86.00	Set up by investment

⑪ Information of subsidiaries controlled by subsidiary Henan MingYang Smart Energy Co., Ltd.

Name of subsidiary	Main operating location	Place of registration	Business nature	Shareholding %		Acquisition method
				Direct	Indirect	
Zhengzhou Yaxin Electrical Equipment Co., Ltd.	Zhengzhou, Henan	Zhengzhou, Henan	Electrical equipment sales	-	100.00	Business combination not under common control
Guodian Henan Zhongtuo Yingke New Energy Co., Ltd.	Fangcheng, Henan	Fangcheng, Henan	Wind power project investment	-	60.00	Business combination not under common control
Fangcheng Qingshan New Energy Co., Ltd.	Fangcheng, Henan	Fangcheng, Henan	Wind power development and operation	-	100.00	Business combination not under common control

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Ye County Jiangjunshan New Energy Co., Ltd.	Ye County, Henan	Ye County, Henan	Wind power development and operation	-	100.00	Business combination not under common control
Fangcheng Dushu New Energy Co., Ltd.	Fangcheng, Henan	Fangcheng, Henan	Wind power development and operation	-	100.00	Business combination not under common control
Luoyang Smart New Energy Co., Ltd.	Luoyang, Henan	Luoyang, Henan	New energy project development	-	70.00	Set up by investment
Luoning Nenghui New Energy Co., Ltd.	Luoyang, Henan	Luoyang, Henan	New energy project development	-	100.00	Set up by investment
Pingdingshan Mingneng Energy Co., Ltd.	Pingdingshan, Henan	Pingdingshan, Henan	Wind power development and operation	-	100.00	Set up by investment
Jiaxian Jieyang Wind Power Co., Ltd.	Jia County, Henan	Jia County, Henan	Wind power development and operation	-	100.00	Set up by investment
Qixian Mingneng New Energy Co., Ltd.	Kaifeng, Henan	Kaifeng, Henan	Wind power development and operation	-	90.00	Set up by investment
Qixian Fengxi New Energy Co., Ltd.	Kaifeng, Henan	Kaifeng, Henan	Wind power development and operation	-	100.00	Set up by investment
Kaifeng Mingneng New Energy Co., Ltd.	Kaifeng, Henan	Kaifeng, Henan	Wind power development and operation	-	100.00	Set up by investment
Junxian Mingneng Wind Power Co., Ltd.	Hebi, Henan	Hebi, Henan	Wind power development and operation	-	100.00	Set up by investment
Xinyang Mingxin New Energy Co., Ltd.	Xinyang, Henan	Xinyang, Henan	Wind power development and operation	-	100.00	Set up by investment
Xinyang Mingke New Energy Co., Ltd.	Xinyang, Henan	Xinyang, Henan	Wind power development and operation	-	100.00	Set up by investment

⑫ Information of subsidiaries controlled by subsidiary Henan MingYang New Energy Co., Ltd.

Name of subsidiary	Main operating location	Place of registration	Business nature	Shareholding %		Acquisition method
				Direct	Indirect	
Xinyang Zhirun New Energy Co., Ltd.	Xinyang, Henan	Xinyang, Henan	Energy project development	-	100.00	Set up by investment
Xinyang Hongliu New Energy Co., Ltd.	Xinyang, Henan	Xinyang, Henan	Energy project development	-	100.00	Set up by investment
Henan Zhuotai New Energy Co., Ltd.	Zhengzhou, Henan	Zhengzhou, Henan	Energy project development	-	100.00	Set up by investment
Gushi County Mingwu New Energy Co., Ltd.	Xinyang, Henan	Xinyang, Henan	Energy project development	-	100.00	Set up by investment
Henan Mingrun New Energy Co., Ltd.	Zhengzhou, Henan	Zhengzhou, Henan	Energy project development	-	100.00	Set up by investment
Xinyang Rundian New Energy Co., Ltd.	Xinyang, Henan	Xinyang, Henan	Energy project development	-	100.00	Set up by investment
Zaoyang Smart No. 1 Green Energy Co., Ltd.	Xiangyang, Hubei	Xiangyang, Hubei	Energy project development	-	100.00	Set up by investment
Zaoyang Mingxin Green Energy Co., Ltd.	Xiangyang, Hubei	Xiangyang, Hubei	Energy project development	-	100.00	Set up by investment
Zaoyang Smart No. 2 Green Energy Co., Ltd.	Xiangyang, Hubei	Xiangyang, Hubei	Energy project development	-	100.00	Set up by investment
Zaoyang Mingyi Green Energy Co., Ltd.	Xiangyang, Hubei	Xiangyang, Hubei	Energy project development	-	100.00	Set up by investment
Zaoyang Smart No.3 Green Energy Co., Ltd.	Xiangyang, Hubei	Xiangyang, Hubei	Energy project development	-	100.00	Set up by investment
Zaoyang Mingjun Green Energy Co., Ltd.	Xiangyang, Hubei	Xiangyang, Hubei	Energy project development	-	100.00	Set up by investment

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Xinyang Mingzhi Hongke New Energy Co., Ltd.	Xinyang, Henan	Xinyang, Henan	Energy project development	-	100.00	Set up by investment
Xinyang Mingyi New Energy Co., Ltd.	Xinyang, Henan	Xinyang, Henan	Energy project development	-	100.00	Set up by investment
Xinyang Smart Zhuopu New Energy Co., Ltd.	Xinyang, Henan	Xinyang, Henan	Energy project development	-	100.00	Set up by investment
Xinyang Huangming New Energy Co., Ltd.	Xinyang, Henan	Xinyang, Henan	Energy project development	-	100.00	Set up by investment
Xinyang Smart Chengqi New Energy Co., Ltd.	Xinyang, Henan	Xinyang, Henan	Energy project development	-	100.00	Set up by investment
Xinyang Mingjun New Energy Co., Ltd.	Xinyang, Henan	Xinyang, Henan	Energy project development	-	100.00	Set up by investment
Xinyang Mingheng New Energy Co., Ltd.	Xinyang, Henan	Xinyang, Henan	Energy project development	-	100.00	Set up by investment
Xinyang Mingguang New Energy Co., Ltd.	Xinyang, Henan	Xinyang, Henan	Energy project development	-	100.00	Set up by investment
Luohe Yangyuan New Energy Co., Ltd.	Luohe, Henan	Luohe, Henan	Energy project development	-	100.00	Set up by investment
Zaoyang Runqing New Energy Co., Ltd.	Zaoyang, Hubei	Zaoyang, Hubei	Energy project development	-	100.00	Set up by investment
Luohe Xindian New Energy Co., Ltd.	Luohe, Henan	Luohe, Henan	Energy project development	-	100.00	Set up by investment
Zaoyang Runquan New Energy Co., Ltd.	Zaoyang, Hubei	Zaoyang, Hubei	Energy project development	-	100.00	Set up by investment
Xinyang Mingzeng New Energy Co., Ltd.	Xinyang, Henan	Xinyang, Henan	Energy project development	-	100.00	Set up by investment
Xinyang Minghong New Energy Co., Ltd.	Xinyang, Henan	Xinyang, Henan	Wind power development and operation	-	100.00	Set up by investment

⑬ Information of subsidiaries controlled by subsidiary Jieyang MingYang Offshore Wind Power Development Co., Ltd.

Name of subsidiary	Main operating location	Place of registration	Business nature	Shareholding %		Acquisition method
				Direct	Indirect	
Huilai MingYang Ruicheng Offshore Wind Power Development Co., Ltd.	Jieyang, Guangdong	Jieyang, Guangdong	Wind power development and operation	-	100.00	Set up by investment

⑭ Information of subsidiaries controlled by subsidiary Zhongshan MingYang New Energy Technology Co., Ltd.

Name of subsidiary	Main operating location	Place of registration	Business nature	Shareholding %		Acquisition method
				Direct	Indirect	
Yangjiang MingYang New Energy Technology Co., Ltd.	Yangjiang, Guangdong	Yangjiang, Guangdong	Wind power development and operation	-	100.00	Set up by investment
Chaozhou MingYang Zhijing New Energy Investment Co., Ltd.	Chaozhou, Guangdong	Chaozhou, Guangdong	Energy project development	-	80.00	Set up by investment
Xinyang MingYang New Energy Technology Co., Ltd.	Xinyang, Henan	Xinyang, Henan	Wind power development and operation	-	100.00	Set up by investment
Yangxi MingYang New Energy Power Co., Ltd.	Yangxi, Guangdong	Yangxi, Guangdong	Wind power development and operation	-	100.00	Set up by investment
Hengshan MingYang New Energy Technology Co., Ltd.	Hengshan, Hunan	Hengshan, Hunan	Wind power development and operation	-	100.00	Set up by investment
Yunyang MingYang New Energy Technology Co., Ltd.	Yunyang, Chongqing	Yunyang, Chongqing	Wind power development and operation	-	100.00	Set up by investment
Fengshun MingYang New Energy Technology Co., Ltd.	Meizhou, Guangdong	Meizhou, Guangdong	Wind power development and operation	-	100.00	Set up by investment

⑮ Information of subsidiaries controlled by subsidiary MingYang Smart Energy Group Beijing Technology Co., Ltd.

Name of subsidiary	Main operating location	Place of registration	Business nature	Shareholding %		Acquisition method
				Direct	Indirect	
Beijing Xiangfeng New Energy Development Co., Ltd.	Beijing	Beijing	Energy project development	-	100.00	Set up by investment
Beijing MingYang New Energy Technology Co., Ltd.	Beijing	Beijing	Energy project development	-	100.00	Set up by investment
Fenghuang Shuanghe New Energy Co., Ltd.	Xiangxi, Hunan	Xiangxi, Hunan	Energy project development	-	100.00	Set up by investment
Huyanghe MingYang New Energy Power Generation Co., Ltd.	Huyanghe, Xinjiang	Huyanghe, Xinjiang	Energy project development	-	100.00	Set up by investment

⑯ Information of subsidiaries controlled by subsidiary Jieyang MingYang Yunhua Offshore Wind Power Development Co., Ltd.

Name of subsidiary	Main operating location	Place of registration	Business nature	Shareholding %		Acquisition method
				Direct	Indirect	
Huilai MingYang Ruitian Offshore Wind Power Development Co., Ltd.	Jieyang, Guangdong	Jieyang, Guangdong	Technology development and service	-	100.00	Set up by investment

⑰ Information of subsidiaries controlled by subsidiary Gansu MingYang Smart Energy Co., Ltd.

Name of subsidiary	Main operating location	Place of registration	Business nature	Shareholding %		Acquisition method
				Direct	Indirect	
Gansu Smart Xinyang New Energy Co., Ltd.	Jiuquan, Gansu	Jiuquan, Gansu	Wind power development and operation	-	100.00	Set up by investment
Yumen Xinyang Wind Power Co., Ltd.	Jiuquan, Gansu	Jiuquan, Gansu	Wind power development and operation	-	100.00	Set up by investment

⑱ Information of subsidiaries controlled by subsidiary Ningxia MingYang New Energy Technology Co., Ltd.

Name of subsidiary	Main operating location	Place of registration	Business nature	Shareholding %		Acquisition method
				Direct	Indirect	
MingYang Smart (Ningxia) Wind Power Co., Ltd.	Zhongwei, Ningxia	Zhongwei, Ningxia	Wind power development and operation	-	100.00	Set up by investment
MingYang Yunhua (Ningxia) New Energy Technology Co., Ltd.	Yinchuan, Ningxia	Yinchuan, Ningxia	Wind power development and operation	-	62.00	Set up by investment
MingYang Yunhua (Zhongning County) New Energy Technology Co., Ltd.	Zhongning, Ningxia	Zhongning, Ningxia	Wind power development and operation	-	62.00	Set up by investment
MingYang Yunhua (Zhongwei) New Energy Technology Co., Ltd.	Zhongwei, Ningxia	Zhongwei, Ningxia	Wind power development and operation	-	62.00	Set up by investment
MingYang (Shapotou District, Zhongwei) New Energy Technology Co., Ltd.	Zhongwei, Ningxia	Zhongwei, Ningxia	Wind power development and operation	-	62.00	Set up by investment
MingYang Wisdom (Zhongwei) Wind power generation Co., Ltd.	Zhongwei, Ningxia	Zhongwei, Ningxia	Wind power development and operation	-	100.00	Set up by investment
MingYang Wisdom (Wuzhong) Wind power generation Co., Ltd.	Wuzhong, Ningxia	Wuzhong, Ningxia	Wind power development and operation	-	100.00	Set up by investment
MingYang Wisdom (Zhongwei City) New Energy Technology Co., Ltd.	Zhongwei, Ningxia	Zhongwei, Ningxia	Wind power equipment development and sales	-	62.00	Set up by investment

⑲ Information of subsidiaries controlled by subsidiary Henan Mingtai New Energy Co., Ltd.

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Name of subsidiary	Main operating location	Place of registration	Business nature	Shareholding %		Acquisition method
				Direct	Indirect	
Lingbao Sunneng New Energy Co., Ltd.	Sanmenxia, Henan	Sanmenxia, Henan	Wind power development and operation	-	100.00	Set up by investment

⑳ Information of subsidiaries controlled by subsidiary Guangdong MingYang Smart Energy Co., Ltd.

Name of subsidiary	Main operating location	Place of registration	Business nature	Shareholding %		Acquisition method
				Direct	Indirect	
Ruyuan Yao Autonomous County MingYang New Energy Technology Co., Ltd.	Shaoguan, Guangzhou	Shaoguan, Guangzhou	Wind power development and operation	-	100.00	Set up by investment
Lechang MingYang New Energy Co., Ltd.	Shaoguan, Guangzhou	Shaoguan, Guangzhou	Wind power development and operation	-	100.00	Set up by investment

㉑ Information of subsidiaries controlled by subsidiary Guangdong MingYang Solar Energy Technology Co., Ltd.

Name of subsidiary	Main operating location	Place of registration	Business nature	Shareholding %		Acquisition method
				Direct	Indirect	
Jiangsu Ruisheng Solar Technology Co., Ltd.	Yancheng, Jiangsu	Yancheng, Jiangsu	Wind power development and operation	-	100.00	Set up by investment
Henan MingYang Solar Energy Technology Co., Ltd.	Xinyang, Henan	Xinyang, Henan	Photovoltaic power generation and operation	-	100.00	Set up by investment

㉒ Information of subsidiaries controlled by subsidiary Hongjiang Xinyang New Energy Co., Ltd.

Name of subsidiary	Main operating location	Place of registration	Business nature	Shareholding %		Acquisition method
				Direct	Indirect	
Hongjiang MingYang New Energy Co., Ltd.	Huaihua, Hunan	Huaihua, Hunan	Wind power development and operation	-	100.00	Set up by investment

㉓ Information of subsidiaries controlled by subsidiary Tianshui Ruineng Smart New Energy Technology Co., Ltd.

Name of subsidiary	Main operating location	Place of registration	Business nature	Shareholding %		Acquisition method
				Direct	Indirect	
Zhangjiachuan Hui Autonomous County Wisdom Ruineng New Energy Co., Ltd.	Tianshui, Gansu	Tianshui, Gansu	Wind power development and operation	-	100.00	Set up by investment

㉔ Information of subsidiaries controlled by subsidiary Xilin Gol League MingYang New Energy Co., Ltd.

Name of subsidiary	Main operating location	Place of registration	Business nature	Shareholding %		Acquisition method
				Direct	Indirect	
Xilin Gol League MingYang Wind Power Blade Technology Co., Ltd.	Xilinhot, Inner Mongolia	Xilinhot, Inner Mongolia	Wind power equipment manufacturing	-	100.00	Set up by investment

Entities that was held by half or more than half of shareholding but not included in the scope of consolidation:

Name of company	Shareholding %	Note
MW EP Renewables International Ltd.	66.67	Note 1
MW Wind Power OOD	66.00	Note 1

Note 1: MW EP Renewables International Ltd. and MW Wind Power OOD were not included in the scope of consolidation was because the articles of association of the investees stated that resolutions made by the board of directors must be unanimously approved by all directors to be effective. The Company only has the right to jointly control.

(2) Significant joint ventures or associates

The Company does not have significant non-wholly owned subsidiaries.

2. Interests in joint ventures or associates

(1) Significant joint ventures or associates

The Company does not have significant joint ventures and associates.

(2) Summary of financial information of other insignificant joint ventures and associates

Item	2022.03.31/Current period	2021.12.31/Prior period
Joint ventures:		
Total carrying amount of investment	-	-
The following amount are calculated on the basis of shareholding ratio	-	-
Net profit	-	3.35
Other comprehensive income	-	-
Total comprehensive income	-	3.35
Associates:		
Total carrying amount of investment	574,602,728.21	563,579,295.41
The following amount are calculated on the basis of shareholding ratio	-	-
Net profit	6,423,432.80	6,685,455.85
Other comprehensive income	-	-
Total comprehensive income	6,423,432.80	6,685,455.85

(3) Material restrictions on transfers of funds from joint ventures or associates to the Company

There was no material restrictions on transfers of funds from joint ventures or associates to the Company.

VIII. Financial instrument and risk management

The Company's main financial instruments include cash and bank balances, notes receivable, accounts receivable, receivables financing, other receivables, non-current assets due within one year, other current assets, financial assets held for trading, other equity instruments investment, other non-current financial assets, long-term receivables, notes payable, accounts payable, other payables, short-term loans, non-current

liabilities due within one year, long term loans, bonds payable, lease liabilities and long-term payables. Details of each financial instrument have been disclosed in the relevant notes. The risks associated with these financial instruments, and the Company's risk management policies to mitigate these risks, are described below. The Company's management manages and monitors these risk exposures to ensure that the above risks are controlled within defined limits.

1. Risk management objectives and policies

The Company's objective in risk management is to obtain an appropriate balance between risk and profits, and strive to reduce the adverse impact of the financial risk on the Company's financial performance. Based on this objective, the Company has developed the risk management policy to identify and analyze the risks that the Company is facing, set the appropriate tolerable level of risks and design the internal control process to monitor the risk level. The Company reviews the risk management policy and relevant internal control system to adapt to the changes of market or operations regularly. The Company's internal audit department also regularly or randomly performs tests to check whether the operations of internal control system in accordance with the risk management policy.

The main risks arising from the Company's financial instruments are credit risk, liquidity risk, and market risk (including foreign exchange rate risk, interest rate risk and commodity price risk).

The Board of Directors is responsible for the planning and establishment of the Company's risk management structure, the development of the Company's risk management policies and guidelines and the monitoring of the implementation of risk management measures. The Company has developed risk management policies to identify and analyze the risks faced by the Company. These risk management policies specify specific risks, covering many aspects of credit risk, liquidity risk and market risk management. The Company regularly evaluates the market environment and changes in the Company's operating activities to determine whether the risk management policies and systems are updated. The risk management of the Company is carried out by the Risk Management Committee in accordance with the policies approved by the Board of Directors. The Risk Management Committee identifies, evaluates and circumvents the risks by working closely with other business units of the Company. The internal audit department of the Company conducts regular audits on risk management control and procedures and reports the results of the audit to the Audit Committee of the Company.

The Company diversifies the risk of financial instruments through appropriate diversified investments and business combinations and reduces the risk of focusing on any single industry, specific region, or specific counterparty by developing appropriate risk management policies.

(1) Credit risk

Credit risk is the risk that a counterparty of financial assets will cause a financial loss for the Company by failing to discharge an obligation.

The Company managed the credit risk by groups. Credit risk mainly came from bank balances, notes receivable, accounts receivable and other receivables.

The bank deposits of the Company mainly deposited in state-owned banks and other large and medium sized listed banks. The Company expects that there is no significant credit risks exist on the bank deposit.

For notes receivable, accounts receivable and other receivables, the Company makes relevant policies to control credit risk exposures. The Company assesses the quality of customers' credit rating and set their credit limits and credit period based on the customers' financial position, credit history and other factors such as current market condition. The Company monitors the debtors' credit records regularly and ensures its overall

credit risk within controllable range by written reminders, shorten or cancel credit periods to the debtors with bad credit history.

The Company's debtors of account receivables are customers distributed in different industries and geographical area. The Company continuously performs credit assessment on the debtors and purchases credit guarantee insurance when necessary.

The maximum exposure to credit risk borne by the Company is the carrying amount of each financial asset in the balance sheet. The Company does not provide any other guarantee that may expose the Company to credit risk.

Accounts receivable due from the top five customers of the Company account for 41.98% of total accounts receivable (2021: 41.54%); other receivables due from the top five customers of the Company account for 49.04% of total other receivables (2021: 47.21%).

(2) Liquidity risk

Liquidity risk is the risk that the Company is short of funds to deliver cash or other financial assets or meet settlement obligations.

To manage liquidity risk, the Company maintains cash and cash equivalents at a level that the management considers adequate and monitors them so as to meet its operation demand as well as to reduce the effect of cash flow fluctuations. The management is responsible for monitoring the usefulness of bank loans to ensure it complies with the covenants in loan agreements. Meanwhile, the management obtains the commitment from the principal financial institutions to provide enough surplus in reserve to satisfy the Company's short and long-term fund demands.

The Company finances working capital with funds arising from operation and bank and other borrowings. As at 31 March 2022, the available loan facilities for withdrawal by the Company is RMB 22,132.38 million (At 31 December 2021: RMB 14,745.72 million).

As at 31 March 2022, the analysis of due date of the Company's financial assets, financial liabilities and off-balance sheet guarantees by remaining undiscounted contractual cash flows of are as follow (unit: RMB ten thousand):

Item	2022.03.31						Total
	Within 1 year	1 to 2 years	2 to 3 years	3 to 4 years	4 to 5 years	Over 5 years	
Financial assets:							
Cash and bank balances	1,133,056.82	-	-	-	-	-	1,133,056.82
Notes receivable	1,814.76	-	-	-	-	-	1,814.76
Accounts receivable	797,748.62	-	-	-	-	-	797,748.62
Receivables financing	114,163.08	-	-	-	-	-	114,163.08
Other receivables	68,576.02	-	-	-	-	-	68,576.02
Long-term receivables	-	-	-	-	-	1,961.60	1,961.60
Other current assets	76,942.25	-	-	-	-	-	76,942.25
Non-current assets due within one year	-	-	-	-	-	-	-

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Other non-current assets	-	137,716.12	342,648.07	63,270.60	240,805.65	414,144.73	1,198,585.17
Total financial assets	2,192,301.55	137,716.12	342,648.07	63,270.60	240,805.65	416,106.33	3,392,848.32
Financial liabilities:							
Short-term loans	5,735.84	-	-	-	-	-	5,735.84
Notes payable	684,946.83	-	-	-	-	-	684,946.83
Accounts payable	1,126,130.39	-	-	-	-	-	1,126,130.39
Other payables	108,025.36	-	-	-	-	-	108,025.36
Non-current liabilities due within one year	106,880.29	-	-	-	-	-	106,880.29
Other current liabilities (not including deferred income)	74,616.08	-	-	-	-	-	74,616.08
Long term loans	-	34,220.27	27,925.49	38,634.82	39,742.07	171,807.13	312,329.78
Bonds payable	-	-	125,613.80	-	-	-	125,613.80
Lease liabilities	-	7,545.63	3,733.63	4,244.63	4,103.02	8,112.42	27,739.33
Long-term payables	-	36,089.12	38,326.76	67,755.21	72,137.98	55,141.78	269,450.85
Total financial liabilities and contingent liabilities	2,106,334.78	77,855.03	195,599.68	110,634.66	115,983.07	235,061.33	2,841,468.55

As at 31 December 2021, the analysis of due date of the Company's financial assets, financial liabilities and off-balance sheet guarantees by remaining contractual undiscounted cash flows of are as follow (unit: RMB ten thousand) :

Item	2021.12.31						Total
	Within 1 year	1 to 2 years	2 to 3 years	3 to 4 years	4 to 5 years	Over 5 years	
Financial assets:							
Cash and bank balances	1,407,091.70	-	-	-	-	-	1,407,091.70
Notes receivable	1,667.21	-	-	-	-	-	1,667.21
Accounts receivable	629,173.05	-	-	-	-	-	629,173.05
Receivables financing	152,052.42	-	-	-	-	-	152,052.42
Other receivables	58,858.07	-	-	-	-	-	58,858.07
Long-term receivables	-	-	-	-	-	1,456.53	1,456.53
Other current assets	69,504.20	-	-	-	-	-	69,504.20
Non-current assets due within one year	-	-	-	-	-	-	-
Other non-current assets	176,299.50	108,950.09	94,776.53	50,054.69	190,506.37	327,638.53	948,225.71
Total financial assets	2,494,646.15	108,950.09	94,776.53	50,054.69	190,506.37	329,095.06	3,268,028.89
Financial liabilities:							
Short-term loans	9,846.76	-	-	-	-	-	9,846.76
Notes payable	926,486.71	-	-	-	-	-	926,486.71
Accounts payable	1,017,288.52	-	-	-	-	-	1,017,288.52
Other payables	209,073.09	-	-	-	-	-	209,073.09
Non-current liabilities due within one year	111,903.98	-	-	-	-	-	111,903.98

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Other current liabilities (not including deferred income)	89,403.78	-	-	-	-	-	89,403.78
Long term loans	-	29,119.14	51,098.81	39,562.12	41,416.20	182,678.56	343,874.83
Bonds payable	-	-	126,037.69	-	-	-	126,037.69
Lease liabilities	-	7,740.00	3,829.81	4,353.97	4,208.71	8,321.39	28,453.88
Long-term payables	-	28,911.11	29,784.70	59,293.96	67,312.46	54,133.52	239,435.75
Total financial liabilities and contingent liabilities	2,364,002.84	65,770.25	210,751.01	103,210.05	112,937.37	245,133.47	3,101,804.99

The amounts of financial liabilities disclosed in above are undiscounted cash flow of contracts, so they may be difference with those presented in the balance sheet.

Maximum guarantee amount in signed guarantee contract does not represent the amount expected to be paid.

(3) Market risk

Market risk of financial instrument is the risk of fluctuation in the fair value or future cash flow due to changes of market price, including interest rate risk, foreign exchange rate risk and other pricing risk.

Interest rate risk

Interest rate risk is the risk of fluctuation in the fair value or future cash flow of financial instrument due to the changes of market interest rate. Interest rate risk can come from the recognized interest-bearing financial instruments and unrecognized financial instruments (such as loan commitments).

Interest rate risk of the Company mainly arises from interest bearing borrowings, such as long-term bank loans and bonds payable. A financial liability with floating interest rates causes interest rate risks in cash flow to the Company; and a financial liability with fixed interest rates causes interest rate risks in fair value to the Company. The Company determines the proportion of bank loans with fixed and floating interest rate according to current market situation and maintains the appropriate combination of the instruments with fixed and floating interest rate by regular review and monitoring.

The Company pays close attention to the effect of interest rate changes on the Company's interest rate risk. The Company does not adopt any interest rate hedge, but the management is responsible for monitoring interest rate risk and will consider hedging on significant interest rate risk. Rising interest rates will increase the cost of new interest-bearing debts and the interest expenses of interest-bearing debts with floating interest rates that the Company has not paid in full, and will have a significant adverse impact on the Company's financial performance. The management will make timely adjustments based on the latest market conditions. These adjustments may be arrangements for interest rate swaps to reduce interest rate risk.

As at 31 March 2022, if interest rate of loans with floating interest rate goes up or drops 50 basic points and other factors remain unchanged, net profit and shareholders' equity would decrease or increase by approximately RMB 2.74 million (As at 31 December 2021: RMB 20.03 million).

For financial instruments held on the balance sheet date that expose the Company to fair value interest rate risk, the impact of net profit and shareholder's equity in the above sensitivity analysis assumes that the effect of remeasurement of financial instruments by the interest rate changes on the balance sheet date. For floating rate non-derivatives held on the balance sheet date that expose the Company to cash flow interest rate risk, the impact of net profit and shareholder's equity in the above sensitivity analysis is the estimated impact of interest expenses or revenue on an annual basis by the above interest rate changes.

Foreign exchange rate risk

Foreign exchange rate risk is the risk of fluctuation of financial instrument fair value or future cash flow fluctuation due to the changes of foreign exchange rate. Foreign exchange rate risk can arise from financial instruments measured at foreign currencies other than the functional currency.

The main operations of the Company are within China and mainly settled in RMB. Therefore, the market risk of foreign exchange changes undertaken by the Company is not significant.

2. Capital management

The purpose of the Company's capital management policy is to ensure the Company is going concern so as to provide returns to the shareholders and benefit other stakeholders and maintain the optimal capital structure to reduce capital cost.

To maintain or adjust the capital structure, the Company may adjust the amount of dividends paid to the shareholders, return capital to the shareholders, issue new shares or sell assets to reduce debts.

The Company monitors capital structure on the basis of asset-liability ratio (Total liabilities divided by total assets). As at 31 March 2022, the Company's asset-liability ratio is 63.90% (As at 31 December 2021: 69.86%).

IX. Fair value

The level in which fair value measurement is categorized is determined by the level of the fair value hierarchy of the lowest level input that is significant to the entire fair value measurement. The levels are defined as follows:

Level 1: unadjusted quoted prices in active market for identical assets or liabilities.

Level 2: inputs other than Level 1 inputs that are either directly (i.e. price) or indirectly (i.e. derived from the price) observable for underlying assets or liabilities.

Level 3: inputs that are unobservable for underlying assets or liabilities.

(1) Item and amount measured at fair value

As at 31 March 2022, assets and liabilities measured at fair value are shown as follows:

Item	Level 1 fair value measurement	Level 2 fair value measurement	Level 3 fair value measurement	Total
I. Recurring fair value measurement				
(I) Financial assets held for trading	-	764,660,472.23	-	764,660,472.23
(II) Designated as financial assets at fair value through profit or loss	-	-	-	-
(III) Receivables financing	-	-	1,141,630,801.24	1,141,630,801.24
(IV) Non-current assets due within one year	-	-	-	-
(VI) Other equity instruments investment	-	-	98,128,380.56	98,128,380.56
(VII) Other non-current financial assets	380,480,046.49	-	200,000,000.00	580,480,046.49
Total assets measured at fair value on a recurring basis	380,480,046.49	764,660,472.23	1,439,759,181.80	2,584,899,700.52

Total liabilities measured at fair value on a recurring basis	-	-	-	-
II. Non-recurring fair value measurements	-	-	-	-
Assets held-for-sale	-	-	1,986,680.62	1,986,680.62
Total assets measured at fair value on a non-recurring basis	-	-	1,986,680.62	1,986,680.62
Liabilities held-for-sale	-	-	-	-
Total liabilities measured at fair value on a non-recurring basis	-	-	-	-

During the year, the fair value measurement of the Company's financial assets and financial liabilities did not have a transfer between the level 1 and level 2, and there was no transfer into or out of level 3.

For financial instruments with active market, the Company measures fair value at quoted price in active market; for financial instrument without active market, the Company measures fair value using valuation techniques. Valuation models used are mainly cash flow discount model and market comparable entity model. Inputs include non-risk interest rate, base rate, foreign exchange rate, credit spread, liquidity premium, lack of liquidity discount, etc.

(2) Quantitative information of important unobservable input values used in level 3 of fair value measurement

Content	Fair value at period end	Valuation techniques	Unobservable inputs	Range (weighted average)
Equity instruments investment: Unlisted equity investments	298,128,380.56	Net assets value	Not applicable	N/A

X. Related parties and related party transactions

1. Ultimate controlling party of the Company

The ultimate controlling parties of the Company are Zhang Chuanwei, Wu Ling and Zhang Rui.

2. Information about the subsidiaries of the Company

For information about the subsidiaries of the Company, refer to Note VII.1.

3. Information about joint ventures and associates of the Company

Name of joint venture or associate Name of entity	Main operating location	Place of registration	Business nature	Shareholding (%)		Accounting treatment of investment
				Direct	Indirect	
I. Joint ventures						
MW EP Renewables International Ltd.	Cyprus	Cyprus	Investment management	-	66.67	Equity method
MW Wind Power OOD	Bulgaria	Bulgaria	Investment management	-	66.00	Equity method
MingYang International Energy Technology Co., Ltd.	Beijing	Beijing	Technology Promotion and Energy Management	-	40.00	Equity method
Henan Mingrun New Energy Co., Ltd.	Zhengzhou, Henan	Zhengzhou, Henan	Wind power project development and operation	-	51.00	Equity method

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II. Associates

Huaneng MingYang New Energy Investment Co., Ltd.	Guangzhou, Guangdong	Guangzhou, Guangdong	Energy technology research and development	37.00	-	Equity method
China Nuclear Henan New Energy Co., Ltd.	Zhengzhou, Henan	Zhengzhou, Henan	New energy investment and R&D	25.00	-	Equity method
Guangdong Orient Prosperity Renewable Energy Industry Fund Management Co., Ltd.	Shenzhen, Guangdong	Shenzhen, Guangdong	Entrusted management of equity investment funds	28.00	-	Equity method
Guangdong Renewable Energy Industry Fund No. 3 (Limited Partnership)	Guangzhou, Guangdong	Guangzhou, Guangdong	Investment Advisory and Management Services	99.90	-	Equity method
Golmud MingYang New Energy Power Generation Co., Ltd.	Haixi, Qinghai	Haixi, Qinghai	Power development and investment	-	49.00	Equity method
Guangdong Yuecai Financial Leasing Co., Ltd.	Guangzhou, Guangdong	Guangzhou, Guangdong	Financial leases service	35.00	-	Equity method
Panzhuhua Renhe Jieyuan New Energy Co., Ltd	Panzhuhua, Sichuan	Panzhuhua, Sichuan	Photovoltaic power generation	-	10.00	Equity method
Daqing Zhongdan Ruihao Wind Power Co., Ltd.	Daqing, Heilongjiang	Daqing, Heilongjiang	Wind power generation	15.00	-	Equity method
Daqing Dumeng Huji Tumo Wind Power Co., Ltd.	Daqing, Heilongjiang	Daqing, Heilongjiang	Wind power generation	15.00	-	Equity method
Daqing Dumeng Dairy Farm Wind Power Co., Ltd.	Daqing, Heilongjiang	Daqing, Heilongjiang	Wind power generation	15.00	-	Equity method
Daqing Dumeng Hu Town Dairy Farm Wind Power Co., Ltd.	Daqing, Heilongjiang	Daqing, Heilongjiang	Wind power generation	15.00	-	Equity method
CNNC Huihai (Fujian) New Energy Co., Ltd.	Zhangzhou, Fujian	Zhangzhou, Fujian	Wind power generation	18.00	-	Equity method
Inner Mongolia MingYang North Smart Energy Research Institute	Baotou, Inner Mongolia	Baotou, Inner Mongolia	Scientific research	100.00	-	Equity method

4. Information on other related parties

Name of related parties	Relationship with the Company
Asiatech Holdings Limited	Under the control of ultimate controlling party
Eternity Peace Company Limited	Under the control of the Company's shareholder and director
First Base Investments Limited	Under the control of ultimate controlling party
First Windy Investment Corp.	Under the control of ultimate controlling party
Keycorp Limited	Under the control of ultimate controlling party
King Venture Limited	Under the control of ultimate controlling party
Lucky Prosperity Company Limited	Under the control of the Company's shareholder and director
Nice June Limited	Under the control of the relatives of the Company's director
Rich Wind Energy One Corp	Under the control of ultimate controlling party
Rich Wind Energy Three Corp	Under the control of ultimate controlling party
Rich Wind Energy Two Corp	Under the control of ultimate controlling party
Sky Trillion Limited	Under the control of ultimate controlling party
Tech Sino Limited	Under the control of the relatives of the Company's director
Wiser Tyson Investment Corp Limited	Under the control of ultimate controlling party

Baosteel Zhanjiang Iron and Steel Co., Ltd.	The Company's director serve as director
Beijing Boyang Huiyuan Power Technology Co., Ltd.	Under the control of ultimate controlling party
Beijing Kaiwuchangsheng Investment Management Co., Ltd.	The Company's executive serves as executive
Beijing Yueheyuan Property Management Co., Ltd.	The relatives of the directors of the Company serve as supervisor
Beijing Zhongke Huaqiang Energy Investment Management Co., Ltd.	Under the control of the relatives of the Company's director
Chaozhou Ziruo Tang Tea Industry Co., Ltd.	Under the control of the relatives of executives of the Company
Daqing Dumeng Huji Tumo Wind Power Co., Ltd.	Relatives of director of the Company serve as director
Daqing Dumeng Hu Town Dairy Farm Wind Power Co., Ltd.	Relatives of director of the Company serve as director
Daqing Dumeng Dairy Farm Wind Power Co., Ltd.	Relatives of director of the Company serve as director
Daqing Zhongdan Ruihao Wind Power Co., Ltd.	Relatives of director of the Company serve as director
Gongqingcheng Boyun Investment Partnership (Limited Partnership)	Relatives of director of the Company serve as delegated representatives
Gongqingcheng Lianyun Investment Partnership (Limited Partnership)	Relatives of director of the Company serve as delegated representatives
Guangdong Anpu Power Technology Co., Ltd.	Under the control of ultimate controlling party
Guangdong Orient Prosperity Renewable Energy Industry Fund Management Co., Ltd.	The Company's director serve as Chairman
Guangdong Liwan Venture Investment Management Co., Ltd.	Relatives of director of the Company serve as director
Guangdong MingYang Electric Co., Ltd.	Under the control of ultimate controlling party
Guangdong MingYang Longyuan Power Electronics Co., Ltd.	Under the control of ultimate controlling party
Guangdong MingYang Ruide Venture Capital Co., Ltd.	Under the control of the relatives of the Company's director
Guangdong Renewable Energy Industry Fund No. 3 (Limited Partnership)	Under the control of ultimate controlling party
Guangdong Yuecai Financial Leasing Co., Ltd.	The Company's director serve as director
Guangdong Yuncheng Technology Co., Ltd.	Under the control of the relatives of the Company's director
Guangzhou Aofeng Huifu Consulting Service Co., Ltd.	The Company's director serve as executive director
Guangzhou Huiyin Aofeng Equity Investment Fund Management Co., Ltd.	The Company's director serve as chairman
Guangzhou Huiyin Dajian Investment Consulting Partnership (Limited Partnership)	The Company's director serve as executive partner
Guangzhou Huiyin Kaishuo Investment Consulting Partnership (Limited Partnership)	The Company's director serve as executive partner
Guangzhou Rhine Intelligent Equipment Co., Ltd.	The Company's independent director serve as supervisor
Guangzhou Nantai Culture and Sports Development Co., Ltd.	Relatives of independent director of the Company serve as director
Guangzhou Zhongying Information Technology Co., Ltd.	Under the control of the relatives of independent director of the Company
National Clean Energy (Beijing) Technology Co., Ltd.	Senior executive of the Company serve as executive director
Henan Huayang Evergreen Lubricant Technology Co., Ltd.	Under the control of ultimate controlling party

Henan Mingzhi Real Estate Co., Ltd.	Under the control of ultimate controlling party
Huzhou Zhili Yinhu Cereals And Oils Co., Ltd.	Relatives of director of the Company serve as director and general manager
Huaneng MingYang New Energy Investment Co., Ltd.	Senior executive of the Company serve as director
Huayang Evergreen Investment Co., Ltd.	Under the control of ultimate controlling party
Huayang Evergreen Investment Co., Ltd. Nanyang Branch	Under the control of ultimate controlling party
Jilin Province Zhongneng Wind Power Investment Co., Ltd.	Senior executive of the Company serve as executive director
Jiayuguan Ruide Xingyang New Energy Technology Co., Ltd.	Under the control of ultimate controlling party
Jiuhua Foundation (Beijing) Technology Development Co., Ltd.	Under the control of ultimate controlling party
Jiuhua Technology Development Co., Ltd.	Relatives of the supervisor of the Company serve as executive director
Minquan Runheng Trading Co., Ltd.	Under the control of ultimate controlling party
MingYang Wind Power Investment Holdings (Tianjin) Co., Ltd.	Under the control of ultimate controlling party
MingYang Energy Investment (Hong Kong) International Co., Ltd.	Under the control of ultimate controlling party
MingYang New Energy Investment Holding Group Co., Ltd.	The Company's director serve as supervisor
Zhaoshun Real Estate Development Co., Ltd., Shunqing District, Nanchong City	The Company's director serve as director
Southern Offshore Wind Power Joint Development Co., Ltd.	The Company's director serve as director
Inner Mongolia MingYang Wind Power Equipment Co., Ltd.	Under the control of ultimate controlling party
Panjin Anlun Environmental Protection Equipment Co., Ltd.	The relatives of the directors of the Company serve as supervisor
Kangkang Supermarket in Pengze County	Under the control of the relatives of the Company's director
Shenzhen Kunda Investment Partnership (Limited Partnership)	The Company's director serve as executive partner
Shenzhen Xinzhaoh Kunchuang Investment Co., Ltd.	The Company's director serve as supervisor
Shenzhen China Merchants Guoxie No. 1 Equity Investment Fund Management Co., Ltd.	The Company's director serve as executive partner
Shihezi Zhaoda Real Estate Development Co., Ltd.	The Company's director serve as supervisor
Tianjin MingYang Enterprise Management Consulting Co., Ltd.	Under the control of ultimate controlling party
Turpan Huayang Evergreen Non-metallic Waste Recycling Co., Ltd.	Under the control of ultimate controlling party
Wuxi Yili Electronics Co., Ltd.	Relatives of independent director of the Company serve as executive director and general manager
Wuhan Kongtian Chip Technology Co., Ltd.	Under the control of the relatives of the Company's director
Wuyishan City Yucha Fanglin Tea House	Under the control of the relatives of executives of the Company
Xinjiang MingYang Liyuan Energy Investment Co., Ltd.	Under the control of ultimate controlling party
Yunnan Mingli Xinyuan Technology Service Co., Ltd.	Under the control of ultimate controlling party
Yunnan MingYang Energy Saving and Environmental Protection Industry Co., Ltd.	Under the control of the relatives of the Company's director
Yuncheng Yanhu District Dongcheng Xingda Non-staple Food Restaurant	Under the control of relatives of independent director of the Company
Zhaoming Qianfan (Tianjin) Equity Investment Partnership (Limited Partnership)	Under the control of ultimate controlling party

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Zhaoming Tongchuang (Tianjin) Equity Investment Partnership (Limited Partnership)	Under the control of ultimate controlling party
Zhejiang Huayun Offshore Engineering Technology Service Co., Ltd.	Under the control of ultimate controlling party
Zhejiang MingYang Wind power generation Co., Ltd.	The relatives of the directors of the Company serve as supervisor
Zhengzhou Ruixu New Energy Technology Co., Ltd.	Under the control of ultimate controlling party
China MingYang Wind Power Group Co., Ltd.	Under the control of ultimate controlling party
CNNC Huihai (Fujian) New Energy Co., Ltd.	The relatives of the directors of the Company serve as supervisor
Zhongshan Bozhongke Innovative Energy Management Consulting Co., Ltd.	Under the control of ultimate controlling party
Zhongshan Dehua Chip Technology Co., Ltd.	Under the control of the relatives of the Company's director
Zhongshan Guangrui Xinhui Enterprise Management Consulting Partnership (Limited Partnership)	Under the control of the relatives of the Company's director
Zhongshan Torch Development Zone Dongju Hardware Factory	Under the control of relatives of director of the Company
Zhongshan Lianke Innovative Energy Management Consulting Co., Ltd.	Senior executive of the Company serve as executive director
Zhongshan Ruixin Enterprise Management Consulting Partnership (Limited Partnership)	Under the control of ultimate controlling party
Zhongshan Ruixin Intelligent Control System Co., Ltd.	Under the control of ultimate controlling party
Zhongshan Ruiyue Industrial Investment Co., Ltd.	Under the control of ultimate controlling party
Zhongshan Caomu Shencong Electronic Commerce Co., Ltd.	Relatives of the Company's executives serve as executive director
Zhongshan MingYang Electric Co., Ltd.	Under the control of ultimate controlling party
Zhongshan Ruijin New Energy Investment Development Co., Ltd.	Under the control of the relatives of executives of the Company
Zhongshan Shengjun Educational Information Consulting Service Co., Ltd.	Under the control of ultimate controlling party
Zhongshan Taiyang Kehui Industrial Co., Ltd.	Under the control of ultimate controlling party
Zhongshan Zhichuang Technology Investment Management Co., Ltd.	Under the control of ultimate controlling party
Zhuhai Hengqin Huiyin Chuangfu Investment Consulting Partnership (Limited Partnership)	The Company's director serve as executive partner
Zhuhai Hengqin Huiyin Zhongfu Investment Consulting Partnership (Limited Partnership)	The Company's director serve as executive partner
Zhuhai Huayun New Energy Technology Co., Ltd.	Under the control of ultimate controlling party
Zixing Furong Dental Hospital Co., Ltd.	Relatives of the Company's executive serve as supervisor
Xiaorong Green Farm in Zixing City	Under the control of the relatives of executives of the Company
Zhuliju Farmhouse in Zixing City	Under the control of the relatives of executives of the Company
Henan Zhongtou Yingke Wind Power Co., Ltd.	Subsidiary of associate
Directors, managers, chief financial officers and board secretary	Key management personnel

5. Related party transactions

(1) Purchase or sale with related parties

① Purchase of goods/receiving of services

Related party	Nature of transaction	Current period	Prior period
Zhongshan Taiyang Kehui Industrial Co., Ltd.	Purchase materials	74,471,151.60	85,809,186.18
Guangdong MingYang Electric Co., Ltd.	Purchase materials	63,024,964.99	82,140,109.73
Zhongshan MingYang Electric Co., Ltd.	Purchase materials	-	168,062.99
Beijing Boyang Huiyuan Power Technology Co., Ltd.	Purchase materials	4,798,433.24	14,283,769.10
Total	--	142,294,549.83	182,401,128.00

Note: Purchase price with related parties is referencing to the purchase price of other suppliers of similar products.

② Sales of goods/rendering of services

Related party	Nature of transaction	Current period	Prior period
Xinyang Rundian New Energy Co., Ltd.	Sales of fans and service	-	82,216,577.26
Jilin Province Zhongneng Wind Power Investment Co., Ltd.	Service fee	5,425,793.29	750,683.16
Guangdong MingYang Electric Co., Ltd.	Electricity sales revenue	106,615.86	97,679.90
Huayang Evergreen Investment Co., Ltd.	Electricity sales revenue	39,051.07	50,770.29
Total	--	5,571,460.22	83,115,710.61

Note: Sales price with related parties is referencing to the sales prices of similar products or services.

(2) Rental with related party

① The Company as lessor

Lessee	Type of assets leased	Rental income recognized in current year	Rental income recognized in prior year
Xinyang Rundian New Energy Co., Ltd.	Equipment lease	-	22,123.98
Zhongshan Dehua Chip Technology Co., Ltd.	Equipment lease	1,144,681.16	1,162,784.03
Total	--	1,144,681.16	1,184,908.01

② The Company as lessee

Landlord	Type of assets leased	Rental expense recognized in current year	Rental expense recognized in prior year
Inner Mongolia MingYang Wind Power Equipment Co., Ltd.	Leased venue	1,350,000.00	1,350,000.00

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(3) Guarantee with related parties

No.	Guaranteee	Guarantor	Guarantee beneficiary (Full name)	Guarantee contract amount /Main creditor principal amount (RMB ten thousand)	Guarantee period	Matter of guarantee / content of guarantee	Mode of guarantee	Whether guarantee expired as of 31 March 2022
1	Xinjiang Huaran New Energy Co., Ltd.	MingYang Smart Energy Group Co., Ltd.	China Resources Leases Co., Ltd.	25,000.00	Two years from the date of expiry of the performance period of the debt under the main contract	Financial lease guarantee	Joint liability guarantee	No
	Xinjiang Huaran New Energy Co., Ltd.	MingYang Smart Energy Group Co., Ltd.	China Resources Leases Co., Ltd.		From the effective date of this contract to the date when the creditor's rights under the main contract are fully paid off	Financial lease guarantee	Pledge	No
	Xinjiang Huaran New Energy Co., Ltd.	Xinjiang Huaran New Energy Co., Ltd.	China Resources Leases Co., Ltd.		From the effective date of this contract to the date when the obligations under this contract have been fully performed	Financial lease guarantee	Pledge	No
2	Keshiketeng Banner MingYang New Energy Co., Ltd.	MingYang Smart Energy Group Co., Ltd.	Industrial and Commercial Bank of China Co., Ltd. Hohhot Station Branch	29,300.00	Two years from the day following the expiration of the loan period under the main contract; if the creditor announces the early maturity of the loan in accordance with the main contract, the guarantee period shall be two years from the day following the early maturity date of the loan.	Fixed assets loan guarantee	Joint liability guarantee	No
	Keshiketeng Banner MingYang New Energy Co., Ltd.	Inner Mongolia MingYang New Energy Development Co., Ltd.	Industrial and Commercial Bank of China Co., Ltd. Hohhot Station Branch		The pledge contract will take effect from the date of signing, and terminates on the day when the pledgee's creditor's rights under the main contract are fully paid off	Fixed assets loan guarantee	Pledge	No
	Keshiketeng Banner MingYang New Energy Co., Ltd.	Keshiketeng Banner MingYang New Energy Co., Ltd.	Industrial and Commercial Bank of China Co., Ltd. Hohhot Station Branch		The mortgage contract takes effect from the date of signing and ends on the date when the mortgage holder's creditor's rights under the main contract are fully paid off	Fixed assets loan guarantee	Mortgage	No
	Keshiketeng Banner MingYang New Energy Co., Ltd.	Keshiketeng Banner MingYang New Energy Co., Ltd.	Industrial and Commercial Bank of China Co., Ltd. Hohhot Station Branch		The pledge contract will take effect from the date of signing, and terminates on the day when the pledgee's creditor's rights under the main contract are fully paid off	Fixed assets loan guarantee	Pledge	No

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3	Ye County Jiangjunshan New Energy Co., Ltd.	MingYang Smart Energy Group Co., Ltd.	Huaxia Financial Leases Co., Ltd.	28,800.00	From the effective date of the main contract to two years after the expiry date of all debts of the debtor under the main contract	Financial lease guarantee	Joint liability guarantee	No
	Ye County Jiangjunshan New Energy Co., Ltd.	Guodian Henan Zhongtou Yingke New Energy Co., Ltd.	Huaxia Financial Leases Co., Ltd.		From the date when the guarantee contract is signed and the registration procedures in the Pledge of shares are completed, to the date when the pledgor performs all the debts in a timely and complete manner in accordance with the main contract, or when the pledgee realizes the pledge and is able to pay in full, whichever is earlier	Financial lease guarantee	Pledge	No
4	Ye County Jiangjunshan New Energy Co., Ltd.	Ye County Jiangjunshan New Energy Co., Ltd.	Huaxia Financial Leases Co., Ltd.	30,000.00	From the date of signing this agreement, to the date when Party B under the main contract pays all the money in full in a timely manner according to the main contract, or when the pledgee realizes the Pledge and is able to pay in full, whichever is earlier	Financial lease guarantee	Pledge	No
	Guodian Henan Zhongtou Yingke New Energy Co., Ltd.	MingYang Smart Energy Group Co., Ltd.	China Resources Leases Co., Ltd.		Two years from the date of expiry of the performance period of the debt under the main contract	Financial lease guarantee	Joint liability guarantee	No
	Guodian Henan Zhongtou Yingke New Energy Co., Ltd.	Zhengzhou Yaxin Electrical Equipment Co., Ltd.	China Resources Leases Co., Ltd.		From the effective date of this contract to after the secured creditor's rights are fully paid off	Financial lease guarantee	Pledge	No
	Guodian Henan Zhongtou Yingke New Energy Co., Ltd.	Guodian Henan Zhongtou Yingke New Energy Co., Ltd.	China Resources Leases Co., Ltd.		From the effective date of this contract to after the secured creditor's rights are fully paid off	Financial lease guarantee	Pledge	No

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5	Qinghai MingYang New Energy Co., Ltd.	Qinghai Qaidam Development and Construction Investment Co., Ltd.	China Development Fund Co., Ltd.	15,000.00	Two years from the date of expiry of the debt performance period under the main contract	Capital increase guarantee	Joint liability guarantee	No
	Qinghai Qaidam Development and Construction Investment Co., Ltd. (Counter guarantee)	MingYang New Energy Investment Holding Group Co., Ltd.	China Development Fund Co., Ltd.	15,000.00	Two years from the day after the creditor performs the obligations of the master contract	Capital increase guarantee	Joint liability guarantee	No
	Qinghai Qaidam Development and Construction Investment Co., Ltd. (Counter guarantee)	MingYang Smart Energy Group Co., Ltd.	China Development Fund Co., Ltd.		This contract will take effect after the legal representatives or authorized agents of both parties sign and affix the official seal to the date when all the creditors of the mortgage right holder are paid off	Capital increase guarantee	Mortgage	No
	Qinghai Qaidam Development and Construction Investment Co., Ltd. (Counter guarantee)	Zhongshan MingYang Wind Power Equipment Co., Ltd.	China Development Fund Co., Ltd.	15,000.00	Until the date when all the debts of the mortgage holder are paid off	Capital increase guarantee	Mortgage	No
	Qinghai Qaidam Development and Construction Investment Co., Ltd. (Counter guarantee)	Zhongshan Ruiyang Investment Management Co., Ltd.	China Development Fund Co., Ltd.		This contract will take effect after the legal representatives or authorized agents of both parties sign and affix the official seal to the date when all the creditors of the mortgage right holder are paid off	Capital increase guarantee	Mortgage	No

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6	Hongrun (Huanghua) New Energy Co., Ltd.	MingYang Smart Energy Group Co., Ltd.	Huaxia Bank Co., Ltd. Cangzhou Branch	65,000.00	The guarantee period for the guarantor to undertake the guarantee responsibility is two years, and the starting date is determined as follows: 1. When the expiry date of the performance period of any debt is earlier than or the same as the date of determination of the secured creditor's right, the starting date of the guarantee period for which the guarantor assumes the guarantee responsibility for the debt is the date of determination of the secured creditor's right; 2. When the expiry date of the performance period of any debt is later than the determination date of the secured creditor's right, the starting date of the guarantee period for which the guarantor assumes the guarantee responsibility for the debt shall be the expiry date of the performance period of the debt.	Fixed assets loan guarantee	Joint liability guarantee	No
		Hongrun (Huanghua) New Energy Co., Ltd.	Huaxia Bank Co., Ltd. Cangzhou Branch			Fixed assets loan guarantee	Pledge	No
7	Jieyuan Huanghua New Energy Co., Ltd.	MingYang Smart Energy Group Co., Ltd.	Huaxia Bank Co., Ltd. Cangzhou Branch	60,000.00	Two years from the day following the expiration of the loan period under the main contract; if the creditor announces the early maturity of the loan in accordance with the main contract, the guarantee period shall be two years from the day following the early maturity date of the loan.	Fixed assets loan guarantee	Mortgage	No
			Industrial and Commercial Bank of China Co., Ltd. Huanghua Branch			Loan guarantee	Joint liability guarantee	No

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8	Shaanxi Jingbian MingYang New Energy Power Generation Co., Ltd.	MingYang Smart Energy Group Co., Ltd.	ICBC Financial Leases Co., Ltd.	100,000.00	Three years from the effective date of the guarantee contract to the expiry date of the debt performance period of each individual contract under the main contract The pledge rights and all the creditor's rights under the main contract exist at the same time, and the pledge rights are extinguished after all the creditors' rights under the main contract are satisfied and repaid This contract shall take effect on the date of signing stated at the beginning of the contract after being signed and sealed by the legal representatives or authorized representatives of both parties, and terminates on the day when the pledgee's creditor's rights under the main contract are fully paid off	Financial lease guarantee	Joint liability guarantee	No
	Shaanxi Jingbian MingYang New Energy Power Generation Co., Ltd.	Beijing Jieyuan New Energy Investment Co., Ltd.	ICBC Financial Leases Co., Ltd.					
9	Shan County Jieyuan New Energy Co., Ltd.	MingYang Smart Energy Group Co., Ltd.	Industrial and Commercial Bank of China Limited Shan County Branch	33,000.00	Two years from the day following the expiration of the loan period under the main contract From the date of signing the contract to the date when all claims under the main contract are fully paid off	Loan guarantee	Joint liability guarantee	No
	Shan County Jieyuan New Energy Co., Ltd.	Beijing Jieyuan New Energy Investment Co., Ltd.	Industrial and Commercial Bank of China Limited Shan County Branch					
10	Pingle Jieyuan New Energy Co., Ltd.	MingYang Smart Energy Group Co., Ltd.	Industrial and Commercial Bank of China Co., Ltd. Guilin Branch	38,000.00	Two years from the day following the expiry of the loan term under the independent contract; if the creditor announces the loan expiry in advance according to the main contract, the guarantee period shall be two years from the day following the loan expiry date. The creditor terminates on the date when the creditor's rights under the master contract are fully paid off	Loan guarantee	Joint liability guarantee	No
	Pingle Jieyuan New Energy Co., Ltd.	Pingle Jieyuan New Energy Co., Ltd.	Industrial and Commercial Bank of China Co., Ltd. Guilin Branch					

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11	Zhongshan Ruike New Energy Co., Ltd.	MingYang Smart Energy Group Co., Ltd.	Zhongshan Zhongyong Industrial Investment Co., Ltd.	2,000.00	Calculated from the expiry date of the obligations of Party C to Party A stipulated in the "Investment Agreement", the guarantee period is 2 years	Capital increase guarantee	Joint liability guarantee	No			
	Zhongshan Ruike New Energy Co., Ltd.	Ruide Xinyang New Energy Technology Co., Ltd.	Zhongshan Zhongyong Industrial Investment Co., Ltd.						Capital increase guarantee	Pledge of shares	No
12	Zhongshan Ruike New Energy Co., Ltd.	MingYang Smart Energy Group Co., Ltd.	Zhongshan Zhongyong Industrial Investment Co., Ltd.	20,000.00	The guarantee period under this contract is 3 years, counted from the date of expiration of the debt period that Party C should perform to Party A as stipulated in the "Secondary Investment Agreement".	Capital increase guarantee	Joint liability guarantee	No			
	Zhongshan Ruike New Energy Co., Ltd.	Ruide Xinyang New Energy Technology Co., Ltd.	Zhongshan Zhongyong Industrial Investment Co., Ltd.						Capital increase guarantee	Pledge of shares	No
13	Xinyang Zhirun New Energy Co., Ltd.	MingYang Smart Energy Group Co., Ltd.	China Development Bank Guangdong Branch	30,000.00	Three years from the date of expiry of the debt performance period under the main contract.	Loan guarantee	Joint liability guarantee	No			
	Xinyang Zhirun New Energy Co., Ltd.	Henan MingYang New Energy Co., Ltd.	China Development Bank Guangdong Branch						Loan guarantee	Pledge	No
	Xinyang Zhirun New Energy Co., Ltd.	Xinyang Zhirun New Energy Co., Ltd.	China Development Bank Guangdong Branch						Loan guarantee	Pledge	No
14	Tianjin Ruimeng Electric Co., Ltd.	MingYang Smart Energy Group Co., Ltd.	Industrial Bank Tianjin Branch	3,000.00	Three years from the date of expiration of the loan term under the independent contract; if the creditor declares the loan to expire early according to the main contract, the guarantee period is three years from the date of the early loan expiry.	Loan guarantee	Joint liability guarantee	No			

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15	Tianjin Ruimeng Electric Co., Ltd.	MingYang Smart Energy Group Co., Ltd.	China Merchants Bank Co., Ltd. Tianjin Branch	5,000.00	From the effective date of the guarantee letter to the maturity date of each loan or other financing under the Credit Agreement, or the due date of the creditor's rights of the accounts receivable assigned by your bank, or the date of opening of each advance, plus three years. For any specific credit extension, the guarantee period will be extended to an additional three years after the expiry of the extension period.	Loan guarantee	Joint liability guarantee	No
16	Tianjin Ruimeng Electric Co., Ltd.	MingYang Smart Energy Group Co., Ltd.	Zhongshan Zhongying Industrial Investment Co., Ltd.	3,000.00	The guarantee period for Party A to assume the guarantee responsibility is three years	Loan guarantee	Joint liability guarantee	No
17	Tianjin Ruimeng Electric Co., Ltd.	MingYang Smart Energy Group Co., Ltd.	China Construction Bank Tianjin Dagang Sub-branch	18,000.00	The guarantee period for Party A to assume the guarantee responsibility is three years	Loan guarantee	Joint liability guarantee	No
18	Xinyang Hongliu New Energy Co., Ltd.	MingYang Smart Energy Group Co., Ltd.	China Development Bank Guangdong Branch	50,000.00	Three years from the date of expiry of the debt performance period under the main contract.	Loan guarantee	Joint liability guarantee	No
	Xinyang Hongliu New Energy Co., Ltd.	Henan MingYang New Energy Co., Ltd.	China Development Bank Guangdong Branch		Within 30 business days after Xinyang Hongliu repays all debts as agreed in the main contract, CDB shall return the certificate of rights of the pledged object it has received to Henan MingYang	Loan guarantee	Pledge	No
	Xinyang Hongliu New Energy Co., Ltd.	Xinyang Hongliu New Energy Co., Ltd.	China Development Bank Guangdong Branch		Within 30 business days after Xinyang Hongliu repays all debts as agreed in the main contract, CDB shall return the certificate of rights of the pledged object to Xinyang Hongliu.	Loan guarantee	Pledge	No

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19	Gushi Mingwu New Energy Co., Ltd.	MingYang Smart Energy Group Co., Ltd.	China Construction Bank Corporation Xinyang Branch	62,000.00	Three years from the effective date of this contract to the expiry date of the debt performance period under the main contract	Loan guarantee	Joint liability guarantee	No
	Gushi Mingwu New Energy Co., Ltd.	Gushi County Mingwu New Energy Co., Ltd.	China Construction Bank Corporation Xinyang Branch		The Pledge period is from the effective date of the contract to March 8, 2034. If the debt is not repaid on the maturity date of the rights, the maturity date of the rights will be automatically extended to the debt repayment date.	Loan guarantee	Pledge	No
20	Gushi Mingwu New Energy Co., Ltd.	Henan Zhuotai New Energy Co., Ltd.	China Construction Bank Corporation Xinyang Branch	450,000.00	The term of the Pledge of shares is from December 8, 2020 to March 8, 2034. If the debt is not repaid on the maturity date of the rights, the maturity date of the rights will be automatically extended to the debt repayment date.	Loan guarantee	Pledge	No
	MingYang Smart Energy Group Co., Ltd.	Tianjin MingYang Wind Power Equipment Co., Ltd.	China Construction Bank Zhongshan Branch		Three years from the date of expiry of the repayment period of the principal debt		Joint liability guarantee	No
21	Y'ian MingYang Wind Power Co., Ltd.	MingYang Smart Energy Group Co., Ltd.	China Merchants Bank Co., Ltd. Zhongshan Branch	56,000.00	Additional three years from the effective date of this Guarantee to the date of maturity of the loan or other indebtedness or the date of the maturity of loan	Project loan guarantee	Joint liability guarantee	No
		Y'ian MingYang Wind Power Co., Ltd.	China Merchants Bank Co., Ltd. Zhongshan Branch		Pledge period refers to the period from the effective date of this contract to the expiration of the statute of limitations for claims under the main contract	Project loan guarantee	Pledge	No
		Tianjin Jieyuan New Energy Investment Co., Ltd.	China Merchants Bank Co., Ltd. Zhongshan Branch		Pledge period refers to the period from the effective date of this contract to the expiration of the statute of limitations for claims under the main contract	Project loan guarantee	Pledge	No

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22	Kailu County MingYang Smart Energy Co., Ltd.	MingYang Smart Energy Group Co., Ltd.	Shanghai Pudong Development Bank Co., Ltd. Baotou Branch	3,400,000,000.00	The guarantee period is from the date of expiration of the debt performance period of each period to three years after the expiration of the last period of repayment of the single contract.	Project loan guarantee	Joint liability guarantee	No
		Inner Mongolia MingYang New Energy Development Co., Ltd.	Shanghai Pudong Development Bank Co., Ltd. Baotou Branch					

(4) Loans and borrowings with related party

Related party	Loan amount	Start date	Maturity date	Note
Borrowed in:				
Guangdong Yuecai Financial Leasing Co., Ltd.	49,800,000.00	2017/8/31	2022/8/31	Financing lease business
Guangdong Yuecai Financial Leasing Co., Ltd.	42,800,000.00	2017/12/15	2022/12/15	Financing lease business
Guangdong Yuecai Financial Leasing Co., Ltd.	42,000,000.00	2018/7/16	2023/6/15	Financing lease business

(5) Remuneration to key management personnel

The Company has 27 key management personnel in the current period and 27 key management personnel in the previous period. The salary payment is shown in the table below:

Item	Current period	Prior period
Remuneration to key management personnel	6,216,385.00	5,237,192.00

(6) Other related party transactions

Related party	Nature of transaction	Current period	Prior period
Daqing Zhongdan Ruihao Wind Power Co., Ltd.	Receive of loan interest	-	777,777.78
Daqing Dumeng Huji Tumo Wind Power Co., Ltd.	Receive of loan interest	-	734,027.78
Daqing Dumeng Dairy Farm Wind Power Co., Ltd.	Receive of loan interest	-	850,694.44
Daqing Dumeng Hu Town Dairy Farm Wind Power Co., Ltd.	Receive of loan interest	-	850,694.44

6. Receivables and payables with related party

(1) Receivable from related parties

Item	Related party	2022.03.31		2021.12.31	
		Book balance	Provision for bad debts	Book balance	Provision for bad debts
Accounts receivable	Daqing Dumeng Huji Tumo Wind Power Co., Ltd.	1,168,750.00	75,405.27	1,168,750.00	63,113.13
Accounts receivable	Daqing Dumeng Hu Town Dairy Farm Wind Power Co., Ltd.	1,236,593.38	78,614.17	1,236,593.38	64,049.36
Accounts receivable	Daqing Dumeng Dairy Farm Wind Power Co., Ltd.	1,168,750.00	75,405.27	1,168,750.00	63,113.13
Accounts receivable	Daqing Zhongdan Ruihao Wind Power Co., Ltd.	1,168,750.00	75,405.27	1,168,750.00	63,113.13
Accounts receivable	Guangdong MingYang Electric Co., Ltd.	194,549.01	1,777.47	74,073.09	348.14
Accounts receivable	Huayang Evergreen Investment Co., Ltd.	83,076.52	759.02	38,948.81	401.17
Accounts receivable (including contract assets)	Jilin Province Zhongneng Wind Power Investment Co., Ltd.	76,626,226.60	391,310.19	3,025,997.79	23,110.62

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Accounts receivable	Southern Offshore Wind Power Joint Development Co., Ltd.	101,126,142.30	8,542,606.82	101,126,142.30	7,592,478.61
Accounts receivable	A1 Development EOOD	24,685,325.01	24,685,325.01	24,778,798.83	24,778,798.83
Accounts receivable	Henan Zhongtou Yingke Wind Power Co., Ltd.	32,207,326.02	17,230,753.30	19,861,726.02	17,123,959.59
Other receivables	Jilin Province Zhongneng Wind Power Investment Co., Ltd.	41,223,624.13	1,576,174.22	40,070,000.00	1,512,931.00
Other receivables	Panzhuhua Renhe Jieyuan New Energy Co., Ltd	572,200.00	2,403.24	572,200.00	2,403.24
Other receivables	A1DevelopmentEOOD	19,826,324.60	19,826,324.60	19,992,321.45	19,992,321.45
Other receivables	Henan Zhongtou Yingke Wind Power Co., Ltd.	-	-	56,000.00	403.20
Other receivables	Zhongshan Dehua Chip Technology Co., Ltd.	1,073,740.66	7,730.93	-	-
Other receivables	China Nuclear Shandong Energy Co., Ltd.	27,941,900.00	8,463,601.51	-	-
Prepayments	Guangdong MingYang Electric Co., Ltd.	-	-	5,367,743.45	-
Prepayments	Zhongshan MingYang Electric Co., Ltd.	2,780,994.86	-	3,428,918.31	-
Other non-current assets	Guangdong MingYang Electric Co., Ltd.	2,850,874.97	-	5,783,297.03	-
Other non-current assets (Contract assets)	Henan Zhongtou Yingke Wind Power Co., Ltd.	-	-	12,345,600.00	24,691.20

(2) Payables to related party

Item	Related party	2022.03.31	2021.12.31
Accounts payable	Beijing Boyang Huiyuan Power Technology Co., Ltd.	15,294,328.09	18,195,010.35
Accounts payable	Guangdong MingYang Electric Co., Ltd.	77,489,943.34	57,042,158.23
Accounts payable	Guangdong MingYang Longyuan Power Electronics Co., Ltd.	50,000.12	50,000.12
Accounts payable	Zhongshan MingYang Electric Co., Ltd.	-	1,847,209.00
Accounts payable	Zhongshan Taiyang Kehui Industrial Co., Ltd.	54,343,599.07	48,826,152.49
Other payables	Daqing Dumeng Huji Tumo Wind Power Co., Ltd.	-	4,000,000.00
Other payables	Daqing Dumeng Hu Town Dairy Farm Wind Power Co., Ltd.	-	4,000,000.00
Other payables	Daqing Dumeng Dairy Farm Wind Power Co., Ltd.	-	4,000,000.00
Other payables	Daqing Zhongdan Ruihao Wind Power Co., Ltd.	-	4,000,000.00
Other payables	Guangdong MingYang Electric Co., Ltd.	6,487,672.92	3,054,426.78
Other payables	Guangdong MingYang Longyuan Power Electronics Co., Ltd.	927,534.94	921,534.94
Other payables	Huayang Evergreen Investment Co., Ltd.	50,000.00	50,000.00
Other payables	Zhongshan MingYang Electric Co., Ltd.	678,284.00	85,000.00
Other payables	Zhongshan Taiyang Kehui Industrial Co., Ltd.	249,000.00	249,000.00
Other payables	Zhang Chuanwei	420,082.17	420,082.17
Other payables	Beijing Boyang Huiyuan Power Technology Co., Ltd.	121,767.20	-
Contract liabilities	Golmud MingYang New Energy Power Generation Co., Ltd.	118,708.44	586,926.71
Contract liabilities	Southern Offshore Wind Power Joint Development Co., Ltd.	-	14,195,949.26
Contract liabilities	Henan Zhongtou Yingke Wind Power Co., Ltd.	-	68,533.33

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Long-term payables due within one year	Beijing Boyang Huiyuan Power Technology Co., Ltd.	-	932,156.96
Long-term payables due within one year	Guangdong MingYang Electric Co., Ltd.	16,022,733.17	11,261,023.16
Long-term payables due within one year	Zhongshan MingYang Electric Co., Ltd.	-	336,497.77
Long-term payables due within one year	Zhongshan Taiyang Kehui Industrial Co., Ltd.	-	7,290,508.80
Long-term payables due within one year	Guangdong Yuecai Financial Leasing Co., Ltd.	-	62,210,586.07
Long-term payables	Beijing Boyang Huiyuan Power Technology Co., Ltd.	2,824,872.24	2,938,240.58
Long-term payables	Guangdong MingYang Electric Co., Ltd.	29,045,809.49	28,689,508.38
Long-term payables	Guangdong MingYang Longyuan Power Electronics Co., Ltd.	150,272.67	150,272.67
Long-term payables	Zhongshan Taiyang Kehui Industrial Co., Ltd.	29,862,981.80	29,610,196.78
Non-current liabilities due within one year	Zhongshan MingYang Electric Co., Ltd.	942,499.32	-
Non-current liabilities due within one year	Beijing Boyang Huiyuan Power Technology Co., Ltd.	1,427,012.86	-
Non-current liabilities due within one year	Zhongshan Taiyang Kehui Industrial Co., Ltd.	10,661,272.50	-

XI. Share-based payments

1. Information about share-based payments

Total amount of equity instruments granted in the previous period	28,838,400.00
Total amount of equity instruments granted during the period	-
Total amount of equity instruments exercised during the period	-
Total amount of equity instruments forfeited during the period	-
Range of exercise price and residual life of outstanding share options at the end of the year	Closing price on exercise date; 24 months
Range of exercise price and residual life of outstanding other equity instruments at the end of the year	Not applicable

2. Equity-settled share-based payments

Method in determining the fair value of equity instruments at the date of grant	Closing price of the company's shares
Basis in determining the quantity of exercisable equity instruments	At each balance sheet date during the vesting period, the best estimate is made based on the latest obtained subsequent information such as the change in the number of exercisable employees, and the number of equity instruments that are expected to be exercisable is revised. On the vesting date, the final estimated number of vested equity instruments is consistent with the actual number of vested instruments
Reason for significant difference of estimation between current year and prior year	None
Accumulated amount recorded in capital reserve for equity-settled share-based payments	99,759,274.67
Total expenses recognized for equity-settled share-based payments in the period	16,008,077.10

3. Information on cash-settled share-based payments

Method in determining the fair value of liabilities measured on the value of shares or other equity instruments undertaken by the Company	None
Accumulated amount of liabilities arising from cash-settled share-based payments	-
Total expenses recognized for cash-settled share-based payments in the period	-

4. Information on modification and termination of share-based payment

Modification of share-based payment	None
Termination of share-based payment	None

XII. Commitment and contingencies

1. Significant commitments

(1) Capital commitment

Capital commitments entered into but not recognized in the financial statements	2022.03.31	2021.12.31
Construction of long-term assets commitments	722,164,995.89	1,693,213,435.34

(2) Other commitment

As of 31 March 2022, the Company had no other commitment to disclose

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2. Contingencies

(1) Contingent liabilities arising from pending litigation arbitration and their financial impact

Plaintiff	Defendant	Case	Appellate court	Amount of the object of action (RMB)	Progress of cases	Note
The Company	Hejia New Energy Automobile Co., Ltd., Qidi Environmental Technology Development Co., Ltd.	Contract dispute	Zhongshan Intermediate People's Court	85,282,529.00	In trial	Note 1
The Company	Nanjing Turbine Motor Changfeng New Energy Co., Ltd.	Contract dispute	Zhongshan First People's Court	19,652,000.00	In trial	Note 2
The Company's subsidiary, Xinjiang Wanbang Energy Development Co., Ltd.	He Zhiyong, Bai Ju, Urumqi Questyle Jinggong Building Materials Co., Ltd.	Contract dispute	Zhongshan Intermediate People's Court	51,536,199.79	In trial	Note 3
Gansu Jiugang Group Western Heavy Industry Co., Ltd.	The Company	Contract dispute	Zhongshan First People's Court	7,066,038.80	In trial	Note 4
Xihe Power Co., Ltd.	The Company	Contract dispute	Nanjing Yuhuatai District People's Court	16,378,000.00	In trial	Note 5
Nanjing China Nuclear Energy Engineering Co., Ltd.	The Company's subsidiary, Lhasa Ruide Xingyang New Energy Technology Co., Ltd., Ruide Xingyang New Energy Technology Co., Ltd.	Contract dispute	Lhasa Intermediate People's Court	12,153,447.00	During the identification process	Note 6
The Company	Luozhou LYC Bearing Co., Ltd.	Contract dispute	Zhongshan First People's Court	3,743,587.35	In trial	Note 7
The Company's subsidiaries, Guangdong MingYang New Energy Technology Co., Ltd.	Shenzhen Yunchuang Electromechanical Co., Ltd.	Contract dispute	Yangjiang Jiangcheng District People's Court	2,700,000.00	In trial	Note 8
Luozhou LYC Bearing Co., Ltd.	The Company	Contract dispute	Jianxi District People's Court of Luoyang City	8,765,200.00	In trial	Note 9
Kaifeng Wen'an Industrial Co., Ltd.	The Company's subsidiary, Kaifeng Mingshun Energy Technology Co., Ltd., Guangdong MingYang Energy System Co., Ltd.	Contract dispute	Shunhe Hui District People's Court of Kaifeng City	776,740.99	In trial	Note 10
China Cinda Asset Management Co., Ltd. Shandong Branch	The Company	Action for revocation by third party	Zhongshan First People's Court	33,795,234.28	In trial	Note 11
Dexun (China) Freight Forwarding Co., Ltd. Shenzhen Branch	MingYang Smart Energy Group Co., Ltd.	Contract dispute	Guangzhou Maritime Court Zhuhai Court	6,707,978.57	In trial	Note 12

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Shanghai Anshun Shipping Logistics Co., Ltd.	MingYang Smart Energy Group Co., Ltd.	Contract dispute	Guangzhou Maritime Court Zhuhai Court	3,958,750.00	In trial	Note 13
The Company's subsidiaries, Tianjin Ruineng Electric Co., Ltd.	Tianjin Ruixunde Electrical Technology Co., Ltd., Li Jian	Contract dispute	People's Court of Jiangjin District, Chongqing	8,789,710.09	in the second instance	Note 14
Beijing Jieyuan Xinneng Investment Co., Ltd., Shaanxi Jieyao Construction Engineering Co., Ltd	Beijing Kuntong Asset Management Co., Ltd	Contract dispute	Dongcheng District People's Court of Beijing Municipality	4,566,166.00	In trial	Note 15

Note 1: In April 2015, the Company won the bid to become the equipment procurement supplier of main engine in Danqinghe (Kangbao) Wind Power Project of Qidi Environmental Technology Development Co., Ltd. In August 2015, Qidi Company assigned Hejia New Energy Automobile Co., Ltd. (original company name: Sangde Environmental Resources Co., Ltd.) to sign the "Equipment Sales Contract of Kangbao Wind Farm Project Main Engine" with the Company. The contract included 33 units of wind power main engine for a total amount of RMB 198,066,000. After the contract was signed, all 33 units were produced from September to November 2015, of which 22 units were delivered, and the remaining 11 units were not accepted due to the on-site management of Hejia Company. On 30 May 2016, both parties signed and completed the signed receipts of last unit of equipment, and both parties issued a pre-acceptance certificate on 31 October 2019. According to contract terms, within 12 months from the date when the last batch of equipment arrived at the site, the contract equipment fails to carry out trial operation and performance acceptance test due to the buyer's reason, it shall be deemed to have passed the final acceptance after the expiration of 12 months. After the 240-hour test, the buyer shall make the pre-inspection payment within 15 days after the testing, and the retention deposit shall be paid within 12 months after the 240-hour trial operation is passed or 24 months after the last batch of goods arrives on site. After repeated requests from the Company, Hejia Company and Qidi Company are still in arrears with the pre-inspection payment of RMB 53,619,800.00 and the retention deposit of RMB 19,806,600.00, and causing losses to the Company. As of 31 December 2020, the Company, as the plaintiff, has brought Hejia New Energy Automobile Co., Ltd. and Qidi Environmental Technology Development Co., Ltd. to the Zhongshan People's Court. In September 2021, the first instance judged Qidi Company and Hejia Company to pay 71,426,400.00 yuan and interest. Subsequently, Qidi Company and Hejia Company filed an appeal against it. As of 31 March 2022, the case is in the stage of waiting for the second instance.

Note 2: In March 2013, the Company and Nanjing Steam Turbine Changfeng New Energy Co., Ltd. signed the "Wind power generation unit parts procurement contract in 2013". The contract stipulates that the product design life span is at least 20 years. If due to defects in design, materials, and manufacturing processes that cannot fully meet the requirements for safe and reliable operation or contractual performance, Nanjing Steam Turbine shall bear all the economic losses incurred. During the execution of the contract, the equipment provided by Nanjing Steam Turbine caused several engine explosion accidents due to design defects, which has caused serious economic losses to the Company. On 4 November 2020, the Company filed a lawsuit with First People's Court of Zhongshan, Guangdong Province, requesting an order to order Nanjing Steam Turbine to compensate the Company for economic losses of RMB 15,000,000.00 and bear all litigation costs. On 18 December 2020, the Company filed an application for a change of lawsuit with the First People's Court of Zhongshan, Guangdong Province, requesting an order for Nanjing Steam Turbine to compensate the Zhuri River project in Inner Mongolia, the Shiputang project in Yunnan, and Huanghua project in Hebei for the economic losses incurred amount to RMB 11,320,000, and requesting to order Nanjing Steam Turbine to bear a total of RMB 8,332,000 for the technical transformation costs of the equipment sold. The amount of the litigation request amounted to RMB 19,652,000. On 4 November 2021, a quality appraisal coordination meeting has been held with the court, appraisal agency, and China Southern Steam Turbine, and appraisal and cross-examination opinions have been submitted. As of 31 March 2022, the case is in the identification process.

Note 3: On 31 January 2019, The Company's subsidiary, Xinjiang Wanbang, He Zhiyong, Urumqi Kuangshi Jinggong Building Material Co., Ltd. (hereinafter referred to as "Kuangshi Jinggong Company") signed an "Agreement" (No.: MYWB-ZW-001) and reached a consensus on the corresponding payment during the cooperation period of the parties. He Zhiyong should repay the current accounts to Xinjiang Wanbang in total of RMB 69,536,199.79, and the Company (as an outsiders of the case) should pay He Zhiyong RMB 18,000,000.00, so the parties to the agreement confirmed that He Zhiyong should pay Xinjiang Wanbang in net payment of RMB 51,536,199.79, and Kuangshi Jinggong Company bears joint and several obligation to this repayment responsibility, and the repayment period is eight months after the signing of the "agreement." In order to ensure that He Zhiyong fulfills all the repayment obligations, Bai Ju agreed to undertake mortgage

guarantee by the property jointly held by her and her husband located in Building 23, Block 2, Shuiyun Fengqing Manor, Qijia Town, Changping District, Beijing City (Real Estate Certificate No.: X Jingfang Quanzheng Chang Private No. 338692). Kuangshi Jinggong Company agreed to bear the Mortgage guarantee for its property located at Room 601, 5th Floor, Residential Building, No. 6, Anli Road, West Side of Olympic Village Township, Chaoyang District, Beijing City (Real Estate Certificate: Jing (2018) Chao Real Property No. 0099618). On 2 February 2019, Xinjiang Wanbang and Kuangshi Jinggong Company signed the "Mortgage Contract for Main Credit and Real Estate", stipulating that Kuangshi Jinggong Company will provide Xinjiang Wanbang with the Mortgage guarantee for its real estate. The debtor of the Mortgage guarantee is He Zhiyong, the amount of guaranteed creditor's rights is RMB 51,536,199.79, and the scope of the guarantee is mainly creditor's rights, interest, liquidated damages, damages, and the cost of realizing the creditor's rights. Mortgage Right Real Estate Registration Certificate Beijing (2019) North Korea Real Estate Certificate No. 0004689 is obtained. He Zhiyong, Bai Ju, and Kuangshi Jinggong Company still failed to pay Xinjiang Wanbang when the debt period expired, which constituted a breach of contract. In order to protect its legitimate rights and interests, on 18 November 2019, Xinjiang Wanbang filed a lawsuit with Zhongshan Intermediate People's Court, requesting an order: ① He Zhiyong repays the principal of RMB 51,536,199.79 and the interest of RMB 381,226.68 (tentatively calculated until 16 November 2019, the interest is calculated at the same period of the People's Bank of China loan interest rate, from 1 October 2019 to the date of actual settlement); ② He Zhiyong bears RMB 500,000.00 of lawyer's fees paid by Xinjiang Wanbang to realize the debt; ③ Bai Ju and Kuangshi Jinggong Company assume joint and several liability for the settlement of He Zhiyong's debts; ④ enjoys the priority right of compensation for the disposition of the residential property located in Building 23, District 2, Shuiyunfengqing Manor, Qijia Town, Changping District, Beijing City as mortgaged by He Zhiyong; ⑤ enjoys priority right of compensation for the disposal of the residential property located in Room 601, 5th Floor, Building 3, No. 7, Anli Road, Chaoyang District, Beijing City as mortgaged by Kuangshi Jinggong Company; ⑥ bear all litigation costs in this case. As of 31 March 2022, the case is waiting for the first instance.

Note 4: The Company and Gansu Jiu Steel signed the "2015 Procurement Contract" (hereinafter referred to as the "contract") for Wind power generation unit parts in December 2014. Gansu Jiu Steel believes that after the signing of the contract, Gansu Jiu Steel has completed the production of all unit components in accordance with the Company's technical requirements, has fulfilled all obligations in accordance with the contract and delivered some unit components in accordance with the Company's requirements, but because the Company failed to notify the delivery time and delivery location of remaining components that resulted in the occupation of the Gansu Jiu Steel site, which affected the production and operation of Gansu Jiu Steel. In addition to part of the payment, the Company still owed Gansu Jiu Steel the payment of RMB 4,593,880.00, and caused economic losses to the other party. In March 2017, Gansu Jiu Steel filed a lawsuit with Zhongshan First People's Court on the grounds of contract dispute, requesting an order that the Company pay Gansu Jiu Steel for RMB 4,786,000.00 for goods and 2,280,038.80 for economic losses, totaling RMB 7,066,038.80 (amount in the indictment is 7,111,142.09, orally changed to RMB 7,066,038.80 during the trial). In the same year, the Company counterclaimed Gansu Jiu Steel for product quality issues, and requested the court to order it: ① return 2 1.5MW spindles and 3 2.0MW spindles purchased from it and bear all costs; ② refund the amount of RMB 324,000.00 that has been collected. On 29 June 2017, Zhongshan First People's Court issued a "civil judgment", ruling to dismiss all claims of Gansu Jiu Steel; rejected all counterclaims of the Company. In July 2017, both the Company and Gansu Jiu Steel refused to accept the judgment of the first instance and filed an appeal with Zhongshan Intermediate People's Court. Zhongshan Intermediate People's Court ruled to revoke the judgment and sent it back to Zhongshan First People's Court for retrial. After Zhongshan First People's Court reopened the case on 1 November 2018, a separate collegiate panel was formed and Tianjin Equipment was added as a third party in accordance with the law. Zhongshan First People's Court made a first-instance judgment on 15 August 2019, canceling the "Wind power generation unit parts procurement contract 2015"

signed on 22 December 2014 between the Company and Gansu Jiu Steel (contract number: CG1502-0340), it is judged that the Company shall pay Gansu Jiu Steel RMB 708,000.00 for processing and compensation of RMB 2,280,040.00 for losses within seven days from the effective date of the judgment. The case acceptance fee of RMB 61,262.00 shall be borne by Gansu Jiu Steel for RMB 30,558.00 and the Company for RMB 30,704.00. The counterclaim case acceptance fee of RMB 3,080.00 shall be borne by the Company. In September 2019, both the Company and Gansu Jiu Steel refused to accept the judgment of the first instance and filed an appeal. In September 2020, the Zhongshan Intermediate People's Court made a ruling to revoke the Guangdong Province Zhongshan First People's Court (2018) Guangdong 2071 Minchu No. 23271 Civil Judgment and send it back to the Guangdong Province Zhongshan First People's Court for retrial. As of December 31, 2021, the appraisal result of the case has been released, and the first-instance judgment is pending.

Note 5 : In August 2018, Xihe Power Co., Ltd., as the contractor, signed a contract with the developer, Xiushui County Wande Wind Power Generation Co., Ltd. (hereinafter referred to as Wande Company), for the " EPC general contract for Meimaoshan 50.6MW wind farm project in Xiushui County, Jiujiang City, Jiangxi Province", including survey and design, procurement and supply of all equipment and materials, construction and installation, etc. It is stipulated in the contract that Xihe Power Co., Ltd. entrusts the developer to pay directly to the equipment supplier. The Company and Xihe Power Co., Ltd. signed the "Wind Turbine Equipment and Related Services Purchase Contract for Xiushui Mei Maoshan Wind Farm Project" in April 2019. Xihe Power Co., Ltd. purchased wind turbine equipment and related technical services from The Company for the project involved, with a total contract price of RMB 159,390,000.00. Both parties signed a wind turbine contract. After the contract came into force, disputes occurred due to tax rate, price and other issues, and the contract could not be performed. In order to ensure the smooth progress of its engineering project, Xihe Power negotiated with the contractor Wande Company, and Xihe entrusted Wande's company to purchase its fan unit equipment and related technical services involved in the project. The equipment payment was entrusted by Xihe Power to pay directly to the equipment supplier from Wande Company and deducted from the EPC general contract. Later, Xihe Power Co., Ltd. and Wande Company chose a third-party company as a substitute equipment supplier after the Company failed to perform the contract. The total contract price was RMB 175,768,000.00, and deducted this part of the payment from the EPC general contract. Later, after Xihe Power and the Company reached a settlement agreement, the Company did not stamp it, and then Xihe Power sued the Company. In September 2021, the People's Court of Yuhuatai District, Nanjing issued a civil ruling to preserve the Company's property of RMB 16,500,000.00. As of 31 March 2022, the case is in the second trial stage of the first instance.

Note 6: In September 2017, the Company's subsidiary, Lhasa Ruide Xingyang New Energy Technology Co., Ltd. (hereinafter referred to as "Lhasa Ruide Xingyang") and Nanjing China Nuclear Energy Engineering Co., Ltd. (hereinafter referred to as "Nanjing China Nuclear") signed the "Nanjing China Nuclear" EPC General Contract of Nimu Phase II 30MW Photovoltaic Power Plant Project". In October 2017, the Nimu Phase II 30MW photovoltaic power station project was suspended due to the impact of the national new energy policy. Nanjing China Nuclear has completed the 30MW phalanx civil construction foundation, box inverter foundation, on-site road constructions, as well as fences, brackets, and combiner box, box inverter integrated machine and other equipment procurement. In January 2021, Nanjing China Nuclear filed a litigation with the Lhasa Intermediate People's Court against Lhasa Ruide Xingyang and its sole shareholder Ruide Xingyang New Energy Technology Co., Ltd. (hereinafter referred to as "Ride Xingyang"). Litigation claims: 1. Request to order Lhasa Ruide Xingyang to pay RMB 6,635,596 for construction costs and work expenses; 2. Request to order the defendant to pay RMB 5,517,851 for liquidated damages; 3. Request to order Ruide Xingyang to bear joint liability; 4. Request to order Ruide Xingyang to bear litigation costs, etc. After receiving the litigation materials, Lhasa Ruide Xingyang applied to the court for appraisal of quality problems and repair costs for the completed pile foundation works. The Lhasa Intermediate People's Court failed to negotiate with both parties, and now it

has started to promote the appraisal of the cost of the constructed project, the quality of the pile foundation project and the repair cost. As of 31 March 2022, the case is in the identification phase.

Note 7: In May 2013, the Company and Luoyang LYC Bearing Co., Ltd. (hereinafter referred to as "Luoyang Bearing Company") signed a purchase contract and a supplementary agreement for CG1302-0052. The Company purchased complete sets of main shaft bearings and yaw variable bearings from Luoyang Bearing Company. The contract stipulated the terms of price, quality requirements, and liability for breach of contract. After the contract was signed, the Company signed a purchase order No. 4500008417 with Luoyang Bearing Company on 20 February 2014, stipulating that Luoyang Bearing Company would provide the Company with 25 sets of main shaft bearings (model 2MW main bearing 600, FD-240/600 /w33, 2MW main bearing 750, FD-239/750CA/W33, hereinafter referred to as "spindle bearing") are used in the Jinziling project, in which the total price of the main shaft bearing is RMB 1,287,500.00. The Company purchased the main shaft bearings from Luoyang Bearing Company and used them in the wind power generation machines they produced and sold them to The Company's end customers. Due to quality problems in the spindle bearings provided by Luoyang Bearing Company, serious quality problems have occurred since September 2016. Among the 25 sets purchased in this order, up to 21 sets of quality are not up to standard, affecting normal operation. The Company communicated with Luoyang Bearing Company many times to provide a rectification plan, but Luoyang Bearing Company failed to come up with an effective solution. None of the spindle bearings were repaired or replaced, resulting in significant loss to the Company. The Company sent two sets of spindle bearings to a third-party testing agency for testing in the case of unsuccessful communication. The testing results showed that the bearing network carbide, retained austenite, and hardness difference exceeded the standard. These problems will reduce the toughness and wear resistance of the bearing material and lead to the failure of the spindle bearing. Since the main shaft bearing produced by Luoyang Bearing Company is a key component of the wind power generation machine produced by the Company, the quality problem of the main shaft bearing has seriously affected the operation of the wind power generation machine. In the case of Luoyang Bearing Company's refusal to propose an effective solution, the Company had to replace some of the bearings with quality problems by itself. The Company incurred hoisting fee, transportation fee, material fee, labor cost, etc. for the replacement of 21 sets of main shaft bearings has reached RMB 3,743,587.35. According to the contract between both parties, Luoyang Bearing Company shall compensate the Company for the above-mentioned losses. In July 2021, The Company sued Luoyang Bearing Company in Zhongshan First People's Court, and requested that Luoyang Bearing Company be ordered to bear the replacement and maintenance costs of the Company's Jinziling project, totaling RMB 3,743,587.35, and related litigation fees. As of 31 March 2022, the case is pending for first-instance judgment.

Note 8: The Company's subsidiary, Guangdong MingYang New Energy Technology Co., Ltd. (hereinafter referred to as "Guangdong MingYang") and Shenzhen Yunchuang Electromechanical Co., Ltd. signed the "Yangjiang High-tech Zone MingYang Wind Power Equipment Manufacturing Blade Project Guangdong MingYang New Energy Technology Co., Ltd. Fixed assets contract" on 9 April 2020, which stipulated that: "Yunchuang Electromechanical builds a spray booth for the Company in Yangjiang. The total cost of the spray booth is RMB 2,700,000.00. Yunchuang Electromechanical needs to complete the installation, commissioning and delivery within 90 days after receiving the Prepayments." Subsequently, "Equipment list of spray booth in Yangjiang Blade Factory" and "Yangjiang blade factory spray booth technical agreement" were signed as attachments to the above contract. On 21 May 2020 and 27 August 2020, Guangdong MingYang New Energy Technology Co., Ltd. paid a total of RMB 1,620,000.00 through bank transfer to Yunchuang Electromechanical for prepayments and project progress. However, due to Yunchuang Electromechanical's own reasons, the construction progress of the spray booth was slow and failed to deliver on schedule. As of February 2021, the project is 90% complete and in shutdown. On 2 March 2021 and 7 September 2021, the Company respectively sent Yunchuang Electromechanical a "Communication Letter on the Overdue Construction of the Painting Room at the Yangjiang Base". Then on 10 September 2021, the Company issued a "Notification Letter" to

Yunchuang Electromechanical, which mainly stated: "In view of the fact that your company has not completed the remaining project progress as required by our company, and there is no written reply, our company will entrust a third-party company to complete the remaining part of the construction of the contract. Deductions are made on the payable amount, and our company reserves the right to claim compensation for the insufficient part. We hereby inform you that you are requested to reply in writing within two days. If there is no reply, you will be deemed to have received this letter." On 13 October 2021, the Company notarized the preservation evidence of the current state of the spray booth to the notary office. On 7 October 2021, the Company signed the "Remaining Project Constructions Contract for the Blade Painting Room of the MingYang Fan Equipment Manufacturing Project in Yangjiang High-tech Zone" with a third party. In November 2021, the Company sued Yunchuang Electromechanical to the People's Court of Jiangcheng District, Yangjiang City, Guangdong Province, requesting to terminate the contract and pay a penalty of RMB 2,700,000.00. On 27 December 2021, the first-instance judgment terminated the contract, and Yunchuang Electromechanical compensated the Company for breach of contract losses of RMB 454,600.00. The Company refuses to accept the judgment and intends to file an appeal. As of 31 March 2022, the case is in the second instance stage.

Note 9: Luoyang LYC Bearing Co., Ltd. (hereinafter referred to as "Luoyang Bearing Company") and the Company signed several sales contracts from 2014 to 2016, and there are still 351 sets of deflection bearing contracts, which were not performed due to the breach of contract by the Company. Luoyang Bearing Company specially filed a litigation to the People's Court of Jianxi District, Luoyang City, asking the Company to continue to perform and pay RMB 8,765,200.00 for the purchase of goods, including receiving 351 sets of bearing products and paying the purchase of goods of RMB 8,765,200.00, and paying litigation fees, preservation fees, travel expenses, etc. The Company believes that the products provided by Luoyang Bearing Company have many quality problems, and the failure rate has exceeded 3% as stipulated in the contract. Luoyang Bearing Company is a breach of contract, and payment should be stopped in accordance with the contract. As of 31 March 2022, the case is in the second instance stage.

Note 10: On 27 December 2017, Kaifeng Wen'an Industrial Co., Ltd. signed a housing leases contract with the Company's subsidiary, Kaifeng Mingshun Energy Technology Co., Ltd. On 14 September 2018, Kaifeng Wen'an signed a housing leases contract with Guangdong MingYang Energy System Co., Ltd. On 1 January 2020, Kaifeng Wen'an signed a modified agreement with Kaifeng Mingshun Energy Technology Co., Ltd. and Guangdong MingYang Energy System Co., Ltd., and the house leased by Guangdong MingYang Energy System Co., Ltd. was sublease to Kaifeng Mingshun Energy Technology Co., Ltd., and bears the rights and obligations of all relevant leases contracts. The above-mentioned houses leased by Kaifeng Mingshun Company would expire on 31 December 2020. After the agreed leases period expired, Kaifeng Wen'an Industrial Co., Ltd. filed a lawsuit against Kaifeng Mingshun Energy Technology Co., Ltd. and Guangdong MingYang Energy System Co., Ltd. on 12 May 2021 to the People's Court of Shunhe Hui District, Kaifeng City on the grounds that Kaifeng Mingshun Company was in arrears of house occupancy fee, rent for houses exceeding the contracted area, air-conditioning rental fees, property fee, heating and cooling fees, air-conditioning usage fees beyond 8 hours. Kaifeng Wen'an Industrial Company claimed that the defendants paid their unpaid rental fees etc in totaling RMB 776,740.99. The court held a public hearing on 19 October 2021. As of 31 March 2022, the case is in the second instance stage.

Note 11: In June 2017, Shandong Longma Heavy Industry Co., Ltd. (hereinafter referred to as "Longma Heavy Industry") assigned all its accounts receivable from the Company amounted to RMB 33,795,234.28 to Shandong Guochuang Wind Energy Equipment Co., Ltd. (hereinafter referred to as "Guochuang Wind Energy"). Later, because the Company failed to pay the above accounts receivable to Guochuang Wind Energy as agreed, Guochuang Wind Energy filed a litigation to Zhongshan First People's Court on 29 May 2019. Zhongshan First People's Court issued (2019) Yue 2071 Min Chu No. 14296 "Civil Mediation Letter", confirming that Longma Heavy Industry transferred its accounts receivable from the Company to Guochuang

Wind Energy. In January 2021, Shandong Branch of China Cinda Asset Management Co., Ltd. (hereinafter referred to as "Cinda Asset") filed a third-party revocation petition to Zhongshan First People's Court because Longma Heavy Industry owed Cinda Assets. The petition requests: revocation of Longma Heavy Industry's transfer of its accounts receivable from the Company to Guochuang Wind Energy; order the Company to pay Longma Heavy Industry RMB 33,795,234.28; the corresponding litigation fees and preservation fees shall be borne by Longma Heavy Industry, the Company and Guochuang Wind Energy. On 23 August 2021, Zhongshan First People's Court issued a judgment (2021) Yue 2071 Min Shu No. 1, verdict: 1. Revocation of Longma Heavy Industry's transfer of the creditor's rights over the Company to Guochuang Wind Energy; 2. Revocation the relevant content of the transfer of creditor's rights in the "Civil Mediation Letter" of (2019) Yue 2071 Min Chu No. 14296; 3. Reject the plaintiff's other litigation claims. On 20 September 2021, Guochuang Wind Energy refused to accept the judgment and filed a litigation to Zhongshan Intermediate People's Court, claiming: 1. Revoke (2021) Guangdong 2071 Minshu No. 1 Civil Judgment I. Item 2; 2. Change the judgment to reject all litigation claims of Cinda Assets. As of 31 March 2022, the case is pending for second-instance judgment.

Note 12: On 25 February 2021, Dexun (China) Freight Forwarding Co., Ltd. Shenzhen Branch and MingYang Smart Energy Group Co., Ltd. signed a "Logistics Service Contract", it was agreed that Dexun (China) Freight Forwarding Co., Ltd. Shenzhen Branch to carry 56 sets of wind power equipment for the Denong project in Vietnam. Later, due to the breach of shipping schedule by Dexun (China) Freight Forwarding Co., Ltd. Shenzhen Branch and the failure to reach an agreement on supplementary fees during the execution of the contract, both parties could not reach an agreement on the fees other than those stipulated in the contract. Therefore, Dexun (China) Freight Forwarding Co., Ltd. Shenzhen Branch filed a litigation and asked for the payment of RMB 1,485,007.96 for the shipping cost, RMB 2,567,985.66 for waiting for berthing and wharf, RMB 316,549.59 for sea freight and terminal fee, RMB 100,000 for overdue container rental, RMB 695,709 for the return cargo terminal, RMB 256,100.24 for the first voyage fee, RMB 654,643.48 for second voyage blade charge, RMB 495,482.64 for insurance premium and RMB 136,500 for Installation supervision fee, in total of RMB 6,707,978.57 and corresponding interest and bear the litigation fee of the case. As of 31 March 2022, this case is in the stage of first-instance trial.

Note 13: On March 29, 2021, Shanghai Anshun Shipping Logistics Co., Ltd. and MingYang Smart Energy Group Co., Ltd. signed the "Logistics Service Contracts for 4 sets of wind turbine towers and 16 sets of tower ground operation projects in Denong, Vietnam", it was agreed that from April to July 2021, MingYang Smart Energy Group Co., Ltd. actually entrusted Shanghai Anshun Shipping Logistics Co., Ltd. to transport 13 sets of towers in three batches, and carry out the operation of shortening the 16 sets of towers. Now both parties have disputes over the payment of transportation payment. Shanghai Anshun Shipping Logistics Co., Ltd. claims that the payment terms stipulated in the contract have been reached, but MingYang Smart Energy Group Co., Ltd. did not pay for part of the payment. Therefore, Shanghai Anshun Shipping Logistics Co., Ltd. sued MingYang Smart Energy Group Co., Ltd.: 1. Pay RMB 174,000 for the terminal shortfall of the three batches of goods; 2. Pay RMB 3,284,750 for the sea freight that has not been fully paid for the third batch of goods and insurance premium; 3. Refund Security deposits of RMB 500,000; 4. Bear the litigation fee and others related expenses. As of 31 March 2022, this case is in the stage of first-instance trial.

Note 14: On 3 May 2012, Tianjin Ruineng Electric Co., Ltd. and Tianjin Ruixunde Electrical Technology Co., Ltd. signed the "2012 Wind power generation unit electrical control system framework procurement contract". Tianjin Ruixunde Electrical Technology Co., Ltd. failed to pay for the purchase of goods (including retention deposits) as agreed. Li Jian is the shareholder of Tianjin Ruixunde Electrical Technology Co., Ltd. Tianjin Ruineng Electric Co., Ltd. took action to sue Tianjin Ruixunde Electrical Technology Co., Ltd. for: 1. paid plaintiff for purchase of goods amounted to RMB 8,789,710.09, and compensate for the loss of overdue payment; 2. Li Jian assumes joint and several liability for repayment; 3. Bear the litigation fee. As of 31 March 2022, this

case is in the second instance stage.

Note 15: in 2018, Beijing Jieyuan Xinneng Investment Co., Ltd., Shaanxi jiejiao Construction Engineering Co., Ltd. and Beijing Kunting Asset Management Co., Ltd. signed the office building lease contract and paid the deposit. In 2020, Mingyang Group invested in the construction of Beijing headquarters and industrial base in Changping District, Relevant companies including Beijing Jieyuan Xinneng Investment Co., Ltd. and its subsidiary Shaanxi jiejiao Construction Engineering Co., Ltd. need to move to the office building purchased by Mingyang group in Changping District. In 2021, both parties agreed to terminate the office building lease contract, but Beijing Kunting Asset Management Co., Ltd. refused to return the deposit. Therefore, we request Beijing Kunting Asset Management Co., Ltd. to return the house lease deposit and temporary interest of Beijing Jieyuan Xinneng Investment Co., Ltd. and Shaanxi jiejiao Construction Engineering Co., Ltd. totaling RMB4,566,166.00. As of March 31, 2022, the case is awaiting the opening of the first instance.

Note 16: As of 31 March 2022, in addition to the pending litigation cases listed in the above table involving significant subject amount of litigation, there are still 9 cases of pending litigation with a total amount of RMB 10,288,290.92.

(2) Product quality assurance clause.

The Company is obligated to guarantee the quality of the products sold. Please refer to Note V. 38 [Note1] for details.

(3) The Company provided mortgage or pledge of assets for its own's borrowings, bank acceptance bills and letter of credit are as follow:

Entity provided the mortgage / pledge	Assets under mortgage or pledge	Certificate of ownership	Value or appraised value (RMB ten thousand)	Whether expired as of 2021.03.31
MingYang Smart Energy Group Co., Ltd.	Accounts receivable	MY-DT-NMGXTD-201712001	54,122.70	No
MingYang Smart Energy Group Co., Ltd.	Accounts receivable	MY-NMMY-KLX-202101016	185,026.56	No
MingYang Smart Energy Group Co., Ltd.	Accounts receivable	7ZXBPO-CPJJWZ-20190200002	70,275.71	No
MingYang Smart Energy Group Co., Ltd.	Accounts receivable	7NNSXO-CPJJWZ-2019080048	11,271.00	No
MingYang Smart Energy Group Co., Ltd.	Accounts receivable	7TYNP020190500001	16,399.63	No
MingYang Smart Energy Group Co., Ltd.	Accounts receivable	7FDLZO-CPJJWZ-20190500007	15,766.42	No
MingYang Smart Energy Group Co., Ltd.	Accounts receivable	Huayin (2020) Zhongshan ezzi (Xiaolan) No. (001)	23,639.00	No
MingYang Smart Energy Group Co., Ltd.	Accounts receivable	7FCNPO-CPJJWZ-20190100002-01	21,331.91	No
MingYang Smart Energy Group Co., Ltd.	Accounts receivable	MY-HBJT-HBKBYF-201906005	17,391.81	No
MingYang Smart Energy Group Co., Ltd.	Accounts receivable	MY-GDT-JXJXZ-20170811	1,655.12	No
MingYang Smart Energy Group Co., Ltd.	Accounts receivable	CDT-MC-QLS-E-001-001	10,286.90	No
MingYang Smart Energy Group Co., Ltd.	Accounts receivable	MY-HD-SXDPT-201606005	3,600.96	No
MingYang Smart Energy Group Co., Ltd.	Accounts receivable	MY-GDT-SDDZXJLJ-201906001	17,834.70	No
MingYang Smart Energy Group Co., Ltd.	Accounts receivable	MY-YN-GDWTS2018005	17,831.28	No
MingYang Smart Energy Group Co., Ltd.	Accounts receivable	MY-ZGFD-HBXS-201803001	6,112.11	No

MingYang Smart Energy Group Co., Ltd.
Notes to the Financial Statements
For the 3-month period ended 31 March 2022 (All amounts in RMB unless otherwise stated)
[English Translation for Reference Only]

MingYang Smart Energy Group Co., Ltd.	Accounts receivable	MY-FXXH-LHS-201409001	1,051.01	No
MingYang Smart Energy Group Co., Ltd.	Accounts receivable	MY-HD-BYLFCL-201404003	34,716.00	No
MingYang Smart Energy Group Co., Ltd.	Accounts receivable	MY-HR-XWFL-201604003	20,290.00	No
MingYang Smart Energy Group Co., Ltd.	Accounts receivable	MY-HNFC-JZL-201303003	18,640.00	No
MingYang Smart Energy Group Co., Ltd.	Accounts receivable	MYDTWS-GC-201303001	18,086.40	No
MingYang Smart Energy Group Co., Ltd.	Accounts receivable	MY-DT-FCLT-201605003	20,990.00	No
MingYang Smart Energy Group Co., Ltd.	Accounts receivable	MY-DT-TYS-201605002	14,644.80	No
MingYang Smart Energy Group Co., Ltd.	Accounts receivable	MY-GDT-GXLT-201703001	23,970.00	No
MingYang Smart Energy Group Co., Ltd.	Accounts receivable	MY-DTGJ-XSTYS-201611001	26,419.20	No
MingYang Smart Energy Group Co., Ltd.	Accounts receivable	YJF2015/E4	13,396.00	No
MingYang Smart Energy Group Co., Ltd.	Accounts receivable	MY-HD-SYWYL-201603002	20,392.00	No
MingYang Smart Energy Group Co., Ltd.	Accounts receivable	ZCNF00210-P-CT-0003-1	149,272.37	No
MingYang Smart Energy Group Co., Ltd.	Accounts receivable	MY-ZHGDLG-201903006	23,047.32	No
MingYang Smart Energy Group Co., Ltd.	Accounts receivable	020-GN-B-2019-P45-P.M.99-00129	26,640.00	No
MingYang Smart Energy Group Co., Ltd.	Accounts receivable	020-GN-B-2018-P.E.99-00021	36,578.20	No
MingYang Smart Energy Group Co., Ltd.	Accounts receivable	MY-GDT-GDYJSQYEBD-201902005	121,241.79	No
MingYang Smart Energy Group Co., Ltd.	Accounts receivable	MY-GDT-GDJYJH-201002006	91,750.54	No
MingYang Smart Energy Group Co., Ltd.	Accounts receivable	MY-HD-FJCJLT-201809004	32,562.00	No
MingYang Smart Energy Group Co., Ltd.	Accounts receivable	MY-YNT-HNCY-201907004	44,970.00	No
MingYang Smart Energy Group Co., Ltd.	Accounts receivable	MY-GDT-LNJPXF-201911003	21,171.15	No
MingYang Smart Energy Group Co., Ltd.	Accounts receivable	MY-HD-SXDXXZS-20190912	19,133.44	No
MingYang Smart Energy Group Co., Ltd.	Accounts receivable	MY-HD-SXSZLSP-20190913	19,120.40	No
MingYang Smart Energy Group Co., Ltd.	Accounts receivable	MY-NMGDM-NMGHLS3-201910003	17,649.60	No
MingYang Smart Energy Group Co., Ltd.	Accounts receivable	MY-HD-GDXQ-201901	32,870.00	No
MingYang Smart Energy Group Co., Ltd.	Accounts receivable	MY-ZJN-GDNPD-201808031	51,791.67	No
MingYang Smart Energy Group Co., Ltd.	Accounts receivable	MY-ZGHYJ-NPD-201806006	274,626.00	No
MingYang Smart Energy Group Co., Ltd.	Accounts receivable	MY-GDT-XJTKXS-202007003	20,044.08	No
MingYang Smart Energy Group Co., Ltd.	Accounts receivable	MY-GDT-GSTWYG-202006002	37,600.00	No
MingYang Smart Energy Group Co., Ltd.	Accounts receivable	MY-HN-JLJLDA-202103011	78,950.00	No
MingYang Smart Energy Group Co., Ltd.	Accounts receivable	GSDT-TMMH-QT-[2021]-002	57,940.00	No
MingYang Smart Energy Group Co., Ltd.	Accounts receivable	MY-LN-LNHLD-WJT1-202101005. MY-LN-LNHLD-WJT1-202101006	41,250.00	No
MingYang Smart Energy Group Co., Ltd.	Accounts receivable	MY-SX-BRJCX-202003001	46,100.00	No

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MingYang Smart Energy Group Co., Ltd.	Accounts receivable	MY-GDT-LNWFDTs-201909007	36,328.76	No
Tianjin Ruineng Electric Co., Ltd.	Construction in progress	Jin (2017) Xiqing District Real Estate Property No. 1038533/2018 Xiqing Jian Zheng Shen Zi 0031	10,000.00	No
Tianjin Ruineng Electric Co., Ltd.	Notes receivable	130960300002920210930044930481	1,500.00	No
Tianjin Ruineng Electric Co., Ltd.	Notes receivable	130960300002920210930044516881	2,393.41	No
Tianjin Ruineng Electric Co., Ltd.	Notes receivable	130960300002920210930044930465	1,500.00	No
Tianjin Ruineng Electric Co., Ltd.	Notes receivable	130960300002920210930044516769	2,000.00	No
Tianjin Ruineng Electric Co., Ltd.	Notes receivable	130760303101920211021056452834	2,500.00	No
Tianjin Ruineng Electric Co., Ltd.	Notes receivable	130760303101920211021056451260	2,000.00	No
Tianjin Ruineng Electric Co., Ltd.	Notes receivable	130960300002920211028064415703	1,000.00	No
Tianjin Ruineng Electric Co., Ltd.	Notes receivable	130760303101920211021056452588	3,000.00	No
Tianjin Ruineng Electric Co., Ltd.	Notes receivable	140360300000320211124085330359	2,000.00	No
Tianjin Ruineng Electric Co., Ltd.	Notes receivable	130960300002920211028064415914	1,500.00	No
Tianjin Ruineng Electric Co., Ltd.	Notes receivable	140360300000320211124085330367	2,400.00	No
Tianjin Ruineng Electric Co., Ltd.	Notes receivable	140360300000320211124085330375	1,600.00	No

(4) Outstanding of letters of guarantee and letters of credit

As of 31 March 2022, the unfulfilled irrevocable letters of guarantee are as follows:

Letter of guarantee	Bank issuing letter of guarantee	Beneficiary	Start date	Expiry date	Guarantee amount (in RMB ten thousand)	Balance of guarantee (in RMB ten thousand)
555023028045	Standard Chartered Bank (China) Limited Guangzhou Branch	Guohong New Energy Power Generation Co., Ltd.	2022-1-13	2023-4-30	14.00	14.00
555023027974	Standard Chartered Bank (China) Limited Guangzhou Branch	Huining Wind power generation branch of Gansu China Power Investment New Energy Power Generation Co., Ltd.	2022-1-7	2022-12-31	2.94	2.94
2020890100029485	Bank of Dongguan Zhongshan Branch	Guohong New Energy Power Generation Co., Ltd.	2020-4-10	2022-9-19	924.50	924.50
0010202000126400	Bank of Dongguan Zhongshan Branch	Three Gorges New Energy Siziwang Wind Power Co., Ltd.	2020-12-18	2023-2-20	1,675.98	1,675.98
0010202100084649	Bank of Dongguan Zhongshan Branch	Fujian Pingtan Datang Offshore Wind Power Co., Ltd.	2021-11-12	2022-11-12	4,859.07	4,859.07
0010202200001350	Bank of Dongguan Zhongshan Branch	Fujian Pingtan Datang Offshore Wind Power Co., Ltd.	2022-1-10	2023-1-7	7,126.64	7,126.64

MingYang Smart Energy Group Co., Ltd.

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2019-20110217 (Letter of Guarantee) No.73606533	ICBC Zhongshan Branch	Jieyang Qianzhan Wind Power Co., Ltd.	2019-12-25	2022-5-13	12,124.18	12,124.18
2019-20110217 (Letter of Guarantee) No.73606544	ICBC Zhongshan Branch	China Datang Group International Trade Co., Ltd.	2020-1-2	2022-12-16	1,831.40	1,831.40
2019-20110217 (Letter of Guarantee) No.73606545	ICBC Zhongshan Branch	China Datang Group International Trade Co., Ltd.	2020-1-2	2022-12-16	3,886.15	3,886.15
2020-20110217 (Letter of Guarantee) No.73606504	ICBC Zhongshan Branch	CECEP (Fengzhen) Wind Power Generation Co., Ltd.	2020-3-12	2023-2-28	1,944.36	1,944.36
2020-20110217 (Letter of Guarantee) No.73606508	ICBC Zhongshan Branch	Powerchina Northwest Engineering Corporation Limited	2020-3-4	2022-5-2	997.43	997.43
2020-20110217 (Letter of Guarantee) No.73606516	ICBC Zhongshan Branch	Datang Qiubei Wind Power Co., Ltd.	2020-4-29	2022-6-22	892.76	892.76
2020-20110217 (Letter of Guarantee) No.73606525	ICBC Zhongshan Branch	CGN Power (Guangning) New Energy Co., Ltd.	2020-6-9	2023-5-25	1,613.29	1,613.29
2020-20110217 (Letter of Guarantee) No.73606526	ICBC Zhongshan Branch	Inner Mongolia Electric Power Survey and Design Institute Co., Ltd.	2020-6-9	2023-3-20	1,989.00	1,989.00
2020-20110217 (Letter of Guarantee) No.73606531	ICBC Zhongshan Branch	Inner Mongolia Electric Power Survey and Design Institute Co., Ltd.	2020-8-21	2023-8-15	1,655.55	1,655.55
2020-20110217 (Letter of Guarantee) No.73606534	ICBC Zhongshan Branch	Huaneng Jiuquan Wind Power Co., Ltd.	2020-9-16	2023-9-7	971.62	971.62
2020-20110217 (Letter of Guarantee) No.73606535	ICBC Zhongshan Branch	Jiangxi China Power Investment New Energy Power Generation Co., Ltd.	2020-10-16	2023-10-9	827.56	827.56
2020-20110217 (Letter of Guarantee) No.73606536	ICBC Zhongshan Branch	Huaneng Fuchuan Wind Power Generation Co., Ltd.	2020-11-20	2024-11-11	1,864.00	1,864.00
2020-20110217 (Letter of Guarantee) No.73606537	ICBC Zhongshan Branch	CGN Guigang Gangnan Wind Power Generation Co., Ltd.	2020-11-20	2025-11-13	2,595.10	2,595.10
2020-20110217 (Letter of Guarantee) No.73606538	ICBC Zhongshan Branch	CGN Guigang Gangnan Wind Power Generation Co., Ltd.	2020-12-2	2025-11-24	1,349.45	1,349.45
2020-20110217 (Letter of Guarantee) No.73606539	ICBC Zhongshan Branch	Huaneng Shaanxi Dingbian Electric Power Co., Ltd.	2020-12-10	2022-11-28	1,952.08	1,952.08
2020-20110217 (Letter of Guarantee) No.73606541	ICBC Zhongshan Branch	Huaneng Nanning Clean Energy Co., Ltd.	2020-12-10	2023-12-4	1,323.10	1,323.10
2021-20110217 (Letter of Guarantee) No.73606501	ICBC Zhongshan Branch	Shandong CRRC Wind Power Co., Ltd.	2021-2-4	2026-1-26	996.00	996.00
2021-20110217 (Letter of Guarantee) No.73606502	ICBC Zhongshan Branch	Huaneng Anhui Mengcheng Wind Power Generation Co., Ltd.	2021-2-4	2023-1-31	1,100.55	1,100.55
2021-20110217 (Letter of Guarantee) No.73606503	ICBC Zhongshan Branch	Huaneng Anhui Mengcheng Wind Power Generation Co., Ltd.	2021-2-4	2023-1-31	1,085.56	1,085.56

MingYang Smart Energy Group Co., Ltd.

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2021-20110229 (Letter of Guarantee) No.73606501	ICBC Zhongshan Branch	Yongqing Environmental Protection Co., Ltd.	2021-6-8	2022-5-30	3,800.00	3,800.00
2021-20110229 (Letter of Guarantee) No.73606503	ICBC Zhongshan Branch	Huaneng Daan Clean Energy Power Co., Ltd.	2021-7-21	2022-7-18	7,895.00	7,895.00
2021-20110229 (Letter of Guarantee) No.73606505	ICBC Zhongshan Branch	Jiaozuo Hongliang Electric Power Technology Consulting Co., Ltd.	2021-8-24	2022-8-18	1,274.20	1,274.20
2021-20110229 (Letter of Guarantee) No.73606506	ICBC Zhongshan Branch	Jiaozuo Hongliang Electric Power Technology Consulting Co., Ltd.	2021-8-24	2022-8-18	554.00	554.00
2021-20110229 (Letter of Guarantee) No.73606507	ICBC Zhongshan Branch	CECEP (Yangjiang) Wind Power Co., Ltd.	2021-9-22	2023-10-20	1,751.21	1,751.21
2021-20110229 (Letter of Guarantee) No.73606509	ICBC Zhongshan Branch	CGN Engineering Co., Ltd.	2021-12-27	2022-12-24	12,870.00	12,870.00
2021-20110229 (Letter of Guarantee) No.73606510	ICBC Zhongshan Branch	China Energy Construction Group Guangdong Electric Power Design and Research Institute Co., Ltd.	2021-12-27	2022-12-24	13,227.50	13,227.50
2021-20110229 (Letter of Guarantee) No.73606511	ICBC Zhongshan Branch	Gansu Yumen Huineng New Energy Development Co., Ltd.	2021-12-24	2022-12-21	5,794.00	5,794.00
2021-20110229 (Letter of Guarantee) No.73606512	ICBC Zhongshan Branch	CECEP (Yangjiang) Wind Power Co., Ltd.	2021-12-28	2022-6-27	5,174.53	5,174.53
2022-20110229 (Letter of Guarantee) No.73606501	ICBC Zhongshan Branch	Liaoneng (Nanpiao) New Energy Co., Ltd.	2022-1-10	2023-1-9	2,791.25	2,791.25
2022-20110229 (Letter of Guarantee) No.73606502	ICBC Zhongshan Branch	Liaoneng (Nanpiao) New Energy Co., Ltd.	2022-1-10	2023-1-9	1,333.75	1,333.75
2022-20110229 (Letter of Guarantee) No.73606503	ICBC Zhongshan Branch	Inner Mongolia Fengchangyuan New Energy Development Co., Ltd.	2022-1-11	2026-12-30	1,472.21	1,472.21
2022-20110229 (Letter of Guarantee) No.73606504	ICBC Zhongshan Branch	Huaneng Laiyuan Wind Power Generation Co., Ltd.	2022-1-12	2025-12-30	1,743.96	1,743.96
2022-20110229 (Letter of Guarantee) No.73606505	ICBC Zhongshan Branch	China Energy Construction Group Guangdong Electric Power Design and Research Institute Co., Ltd.	2022-1-27	2024-1-22	18,503.20	18,503.20
2022-20110229 (Letter of Guarantee) No.73606506	ICBC Zhongshan Branch	China Energy Construction Group Guangdong Electric Power Design and Research Institute Co., Ltd.	2022-1-27	2024-1-22	27,571.60	27,571.60
2022-20110229 (Letter of Guarantee) No.73606507	ICBC Zhongshan Branch	China Machinery Guoneng Power Engineering Co., Ltd.	2022-1-27	2026-12-30	1,875.00	1,875.00

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2022-20110229 (Letter of Guarantee) No.73606508	ICBC Zhongshan Branch	China Power Investment Xide Power Co., Ltd.	2022-2-17	2026-12-30	1,327.20	1,327.20
2022-20110229 (Letter of Guarantee) No.73606509	ICBC Zhongshan Branch	Wuling Yuanling Electric Power Co., Ltd.	2022-3-1	2027-2-25	902.25	902.25
2022-20110229 (Letter of Guarantee) No.73606510	ICBC Zhongshan Branch	China Energy Construction Group Guangdong Electric Power Design and Research Institute Co., Ltd.	2022-3-17	2023-3-15	2,957.33	2,957.33
2022-20110229 (Letter of Guarantee) No.73606511	ICBC Zhongshan Branch	CECEP (Yangjiang) Wind Power Co., Ltd.	2022-3-24	2023-3-23	12,512.50	12,512.50
2022-20110229 (Letter of Guarantee) No.73606512	ICBC Zhongshan Branch	Wuling Yongshun Electric Power Co., Ltd.	2022-3-22	2022-12-31	99.00	99.00
2020-20110217 (Letter of Guarantee) No.73606514	ICBC Zhongshan Branch	China Water Resources and Electric Power Materials Group Co., Ltd.	2020-4-7	2022-3-31	1,940.00	1,940.00
LG3884190005AA	China Everbright Bank Guangzhou Branch	Rundian Wind Energy (Qingdao) Co., Ltd.	2019-8-19	2022-8-18	1,664.65	1,664.65
LG3884200015AA	China Everbright Bank Guangzhou Branch	Qinghai Huangdian Gonghe Wind Power Co., Ltd.	2020-12-8	2025-11-28	981.75	981.75
LG3884200017AA	China Everbright Bank Guangzhou Branch	China Water Resources and Electric Power Materials Group Co., Ltd.	2020-12-29	2022-12-28	5,890.00	5,890.00
LG3884210006AA	China Everbright Bank Guangzhou Branch	Hainan Jinyuanqieji Wind Power Co., Ltd.	2021-11-19	2026-11-18	1,007.25	1,007.25
LG3884220001AA	China Everbright Bank Guangzhou Branch	Chengde Dayuan New Energy Co., Ltd.	2022-2-17	2024-2-16	1,511.40	1,511.40
LG3884220002AA	China Everbright Bank Guangzhou Branch	CGN Engineering Co., Ltd.	2022-2-21	2023-2-20	17,200.00	17,200.00
LG3884220003AA	China Everbright Bank Guangzhou Branch	China Datang Group International Trade Co., Ltd.	2022-3-17	2023-3-16	5,196.00	5,196.00
CGBDG21070200023	China Guangfa Bank	Guangdong Yudean Yangjiang Offshore Wind Power Co., Ltd.	2021-7-2	2022-7-2	22,374.35	22,374.35
CGBDG21071400001	China Guangfa Bank	Xi'an Xidian New Energy Co., Ltd.	2021-7-14	2022-7-12	2,557.30	2,557.30
CGBDG21071900028	China Guangfa Bank	Shanxi Province Industrial Equipment Installation Group Co., Ltd.	2021-7-19	2022-7-18	1,140.00	1,140.00
CGBDG21072300020	China Guangfa Bank	Shanxi Province Industrial Equipment Installation Group Co., Ltd.	2021-7-23	2022-7-22	570.00	570.00
CGBDG21072300019	China Guangfa Bank	Shanxi Province Industrial Equipment Installation Group Co., Ltd.	2021-7-23	2022-7-22	574.00	574.00

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CGBDG21072300021	China Guangfa Bank	Installation Group Co., Ltd. Shanxi Province Industrial Equipment Installation Group Co., Ltd.	2021-7-23	2022-7-22	288.44	288.44
CGBDG21072800022	China Guangfa Bank	CGN Engineering Co., Ltd.	2021-7-28	2022-7-27	13,200.00	13,200.00
GTESZH220002	Hang Seng Bank (China) Limited Shenzhen Branch	State Grid Sichuan Electric Power Company	2022-1-13	2022-5-20	6.00	6.00
GTESZH220001	Hang Seng Bank (China) Limited Shenzhen Branch	State Grid Sichuan Electric Power Company	2022-1-13	2022-5-20	1.00	1.00
PEBSZH220009	Hang Seng Bank (China) Limited Shenzhen Branch	Yantai Huayang Electric Co., Ltd.	2022-1-21	2022-6-30	69.30	69.30
Huayin (2021) Zhongshan Lvbaozi (Xiaolan) No. 002	Zhuhai China Resources Bank Co., Ltd. Zhongshan Branch	China Resources Wind Power (Qingyuan Fresh) Co., Ltd.	2021-4-14	2022-4-14	1,495.50	1,495.50
Huayin (2021) Zhongshan Lvbaozi (Xiaolan) No. 003	Zhuhai China Resources Bank Co., Ltd. Zhongshan Branch	China Resources Wind Power (Jiaozhou) Co., Ltd.	2021-6-10	2022-6-10	854.47	854.47
Huayin (2021) Zhongshan Lvbaozi (Xiaolan) No. 006	Zhuhai China Resources Bank Co., Ltd. Zhongshan Branch	China Resources New Energy (Zhengxiang White Flag) Co., Ltd.	2021-9-14	2023-6-25	3,513.79	3,513.79
Huayin (2021) Zhongshan Lvbaozi (Xiaolan) No. 008	Zhuhai China Resources Bank Co., Ltd. Zhongshan Branch	CGN Engineering Co., Ltd.	2021-12-13	2022-12-13	30,218.72	30,218.72
Huayin (2021) Zhongshan Lvbaozi (Xiaolan) No. 013	Zhuhai China Resources Bank Co., Ltd. Zhongshan Branch	Xinyang Yaoming New Energy Co., Ltd.	2021-12-24	2022-7-14	877.10	877.10
Huayin (2021) Zhongshan Lvbaozi (Xiaolan) No. 014	Zhuhai China Resources Bank Co., Ltd. Zhongshan Branch	Xinyang Mingjie New Energy Co., Ltd.	2022-1-7	2022-7-14	570.00	570.00
Huayin (2022) Zhongshan Lvbaozi (Xiaolan) No. 002	Zhuhai China Resources Bank Co., Ltd. Zhongshan Branch	CGN Engineering Co., Ltd.	2022-2-21	2023-2-21	23,645.70	23,645.70
Huayin (2022) Zhongshan Lvbaozi (Xiaolan) No. 003	Zhuhai China Resources Bank Co., Ltd. Zhongshan Branch	Three Gorges New Energy Yangjiang Power Generation Co., Ltd.	2022-3-28	2023-3-28	7,498.13	7,498.13
PEBSLH204941	HSBC Bank (China) Limited Zhongshan	Datang Duolun Ruiyuan New Energy Co., Ltd.	2022-3-23	2023-3-23	29.90	29.90

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	Central Plaza Sub-branch						
0301DG20000672	Minsheng Bank Guangzhou Branch	Three Gorges New Energy Shidian Power Generation Co., Ltd.	2020-9-11	2022-12-30	1,908.48	1,908.48	
0301DG20000787	Minsheng Bank Guangzhou Branch	Shanghai Haiwan New Energy Wind Power Generation Co., Ltd.	2021-10-29	2022-10-29	7,097.06	7,097.06	
0301DG21000271	Minsheng Bank Guangzhou Branch	Huadian (Fujian) Wind Power Co., Ltd.	2021-4-26	2022-4-26	10,576.22	10,576.22	
19DLG2103120019	Agricultural Bank Zhongshan Development Zone Sub-branch	China Energy Construction Group Guangdong Electric Power Design and Research Institute Co., Ltd.	2021-4-9	2022-4-8	326.16	326.16	
19DLG2108120068	Agricultural Bank Zhongshan Development Zone Sub-branch	PowerChina Hebei Engineering Co., Ltd.	2021-8-31	2022-8-30	432.94	432.94	
Pingyin Suineng Lvbaoz 20210326001 No. 002	Ping An Bank Guangzhou Branch	State Power Investment Corporation Xuwen Wind Power Generation Co., Ltd.	2022-3-28	2023-3-28	19,856.33	19,856.33	
201911280127	Industrial Bank Zhongshan Branch	China Huadian Science and Industry Group Co., Ltd.	2019-11-28	2022-7-17	3,280.00	3,280.00	
202106230001	Industrial Bank Zhongshan Branch	Timken Trading (Shanghai) Co., Ltd.	2021-6-24	2022-12-31	2,000.00	2,000.00	
GNK2144001331A02	China Postal Savings Bank Zhongshan Branch	State Power Investment Corporation Nuclear Power Equipment Co., Ltd.	2021-6-2	2022-5-27	313.70	313.70	
GNK2144005672A02	China Postal Savings Bank Zhongshan Branch	Shaanxi Coal Chemical Industry Group Fugu Energy Development Co., Ltd.	2021-9-22	2022-9-13	1,335.60	1,335.60	
757HT2022065354	China Merchants Bank Zhongshan Branch Shiqi Technology Sub-branch	China Energy Construction Group Zhejiang Electric Power Design Institute Co., Ltd.	2022-03-29	2023-03-28	1,171.20	1,171.20	
757HT2022047425	China Merchants Bank Zhongshan Branch Shiqi Technology Sub-branch	State Power Investment Corporation Fanzhi Yunwuyu Wind Power Co., Ltd.	2022-03-03	2023-03-03	420.00	420.00	
757HT2022046670	China Merchants Bank Zhongshan Branch Shiqi Technology Sub-branch	Inner Mongolia Tianneng Heavy Industry New Energy Technology Co., Ltd.	2022-03-03	2023-03-02	3,115.50	3,115.50	
757HT2022041354	China Merchants Bank Zhongshan Branch Shiqi Technology Sub-branch	Huadian (Fujian) Wind Power Co., Ltd.	2022-02-24	2027-02-23	10,576.22	10,576.22	

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757HT2022041349	China Merchants Bank Zhongshan Branch Shiqi Technology Sub-branch	Shandong Electric Power Engineering Consulting Institute Co., Ltd.	2022-02-24	2023-02-23	1,020.71	1,020.71
757HT2021205401	China Merchants Bank Zhongshan Branch Shiqi Technology Sub-branch	Zalute Banner Jieyuan New Energy Co., Ltd.	2021-10-19	2022-10-18	436.80	436.80
757HT2021201390	China Merchants Bank Zhongshan Branch Shiqi Technology Sub-branch	China Power Construction Engineering Consulting Co., Ltd.	2021-10-13	2022-10-12	3,042.00	3,042.00
757HT2021201337	China Merchants Bank Zhongshan Branch Shiqi Technology Sub-branch	PowerChina Jiangxi Hydropower Engineering Bureau Co., Ltd.	2021-10-13	2022-10-12	1,215.00	1,215.00
757HT2021184411	China Merchants Bank Zhongshan Branch Shiqi Technology Sub-branch	CGN Engineering Co., Ltd.	2021-09-18	2022-09-17	3,300.00	3,300.00
757HT2021180379	China Merchants Bank Zhongshan Branch Shiqi Technology Sub-branch	Nanjing Wind Power Technology Co., Ltd.	2021-09-15	2022-09-14	952.00	952.00
757HT2021173763	China Merchants Bank Zhongshan Branch Shiqi Technology Sub-branch	Tianwei (Da'an) New Energy Co., Ltd.	2021-09-08	2022-09-06	723.14	723.14
757HT2021167690	China Merchants Bank Zhongshan Branch Shiqi Technology Sub-branch	China Water Resources and Hydropower Ninth Engineering Bureau Co., Ltd.	2021-09-01	2022-08-29	1,521.62	1,521.62
757HT2021163695	China Merchants Bank Zhongshan Branch Shiqi Technology Sub-branch	China New Energy Construction Group Zhejiang Thermal Power Construction Co., Ltd.	2021-08-26	2022-08-24	774.00	774.00
757HT2021161864	China Merchants Bank Zhongshan Branch Shiqi Technology Sub-branch	Xi'an West Electric Surge Arrester Co., Ltd.	2021-08-24	2022-08-23	559.00	559.00
757HT2021160479	China Merchants Bank Zhongshan Branch Shiqi Technology Sub-branch	China Power Construction Hubei Electric Power Construction Co., Ltd.	2021-08-24	2022-08-22	1,290.00	1,290.00
757HT2021160563	China Merchants Bank Zhongshan Branch Shiqi Technology Sub-branch	China Power Construction Hubei Electric Power Construction Co., Ltd.	2021-08-24	2022-08-22	1,290.00	1,290.00
757HT2021152538	China Merchants Bank Zhongshan Branch Shiqi Technology Sub-branch	Nanjing Wind Power Technology Co., Ltd.	2021-08-12	2022-08-10	1,286.40	1,286.40

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757HT2021140754	China Merchants Bank Zhongshan Branch Shiqi Technology Sub-branch	China Aviation Industry New Energy Investment Co., Ltd.	2021-07-28	2022-07-27	600.00	600.00
757HT2021135400	China Merchants Bank Zhongshan Branch Shiqi Technology Sub-branch	PowerChina Chengdu Survey and Design Research Institute Co., Ltd.	2021-07-22	2022-07-20	825.22	825.22
757HT2021135082	China Merchants Bank Zhongshan Branch Shiqi Technology Sub-branch	Tianjin Xiehe Huaxing Wind Power Equipment Co., Ltd.	2021-07-21	2022-07-19	1,051.01	1,051.01
757HT2021131728	China Merchants Bank Zhongshan Branch Shiqi Technology Sub-branch	State Nuclear Power Planning and Design Institute Chongqing Co., Ltd.	2021-07-19	2022-07-14	771.84	771.84
757HT2021128463	China Merchants Bank Zhongshan Branch Shiqi Technology Sub-branch	Wuling Yuanling Electric Power Co., Ltd.	2021-07-12	2022-07-11	1,446.87	1,446.87
757HT2021125257	China Merchants Bank Zhongshan Branch Shiqi Technology Sub-branch	Fugu County Jingneng New Energy Co., Ltd.	2021-07-08	2025-01-06	1,048.56	1,048.56
757HT2021124303	China Merchants Bank Zhongshan Branch Shiqi Technology Sub-branch	Ningxia Jingneng Lingwu Wind Power Co., Ltd.	2021-07-06	2025-01-05	819.74	819.74
757HT2021122804	China Merchants Bank Zhongshan Branch Shiqi Technology Sub-branch	AVIC Shenxin Wind Power Generation Co., Ltd.	2021-07-05	2022-07-01	1,525.00	1,525.00
757HT2021122805	China Merchants Bank Zhongshan Branch Shiqi Technology Sub-branch	Pingshun County Jieyuan New Energy Co., Ltd.	2021-07-02	2025-09-13	1,950.00	1,950.00
757HT2021119726	China Merchants Bank Zhongshan Branch Shiqi Technology Sub-branch	PowerChina Jiangxi Hydropower Engineering Bureau Co., Ltd.	2021-06-30	2022-06-28	1,391.40	1,391.40
757HT2021119121	China Merchants Bank Zhongshan Branch Shiqi Technology Sub-branch	PowerChina Chongqing Engineering Co., Ltd.	2021-06-30	2022-06-28	1,548.00	1,548.00
757HT2021119104	China Merchants Bank Zhongshan Branch Shiqi Technology Sub-branch	Qingtongxia City Jieyuan New Energy Co., Ltd.	2021-06-29	2026-06-28	1,680.00	1,680.00
757HT2021110725	China Merchants Bank Zhongshan Branch Shiqi Technology Sub-branch	CPI Ronghe Financing Leases Co., Ltd.	2021-06-21	2022-06-18	1,240.00	1,240.00

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757HT2021104649	China Merchants Bank Zhongshan Branch Shiqi Technology Sub-branch	China Power Construction Group Guizhou Engineering Co., Ltd.	2021-06-11	2026-06-09	973.89	973.89
757HT2021102663	China Merchants Bank Zhongshan Branch Shiqi Technology Sub-branch	CECEP Qinzhou Wind Power Generation Co., Ltd.	2021-06-09	2022-06-07	1,557.30	1,557.30
757HT2021102653	China Merchants Bank Zhongshan Branch Shiqi Technology Sub-branch	CECEP Laibin Wind Power Generation Co., Ltd.	2021-06-09	2022-06-08	1,190.00	1,190.00
760LG2100002	China Merchants Bank Zhongshan Branch Shiqi Technology Sub-branch	CSEPD I PROJECT OFFICE FOR VIEN AN 50MW OFF-SHORE WIND FARM PROJECT IN CA MAU PROVINCE, VIETNAM	2021-05-28	2022-05-31	USD 4.16 million	USD 4.16 million
757HT2021067283	China Merchants Bank Zhongshan Branch Shiqi Technology Sub-branch	Northwest Electric Power Materials Co., Ltd.	2021-04-19	2022-04-16	2,028.80	2,028.80
757HT2021065753	China Merchants Bank Zhongshan Branch Shiqi Technology Sub-branch	Northwest Electric Power Materials Co., Ltd.	2021-04-15	2022-04-15	1,394.80	1,394.80
757HT2021031090	China Merchants Bank Zhongshan Branch Shiqi Technology Sub-branch	Huaneng Yingcheng New Energy Co., Ltd.	2021-02-08	2022-03-31	1,538.51	1,538.51
757HT2021008230	China Merchants Bank Zhongshan Branch Shiqi Technology Sub-branch	CECEP Wind Power Generation (Henan) Co., Ltd.	2021-01-15	2024-01-14	3,190.63	3,190.63
(2021) Zhongshan Letter of Guarantee No. 014	China CITIC Bank Zhongshan Branch	Huaneng Longdong Energy Co., Ltd.	2021-05-14	2022-05-14	2,017.22	2,017.22
(2021) Zhongshan Letter of Guarantee No. 015	China CITIC Bank Zhongshan Branch	Huaneng Chongqing Fengjie Wind Power Co., Ltd.	2021-05-21	2022-05-21	2,683.02	2,683.02
(2021) Zhongshan Letter of Guarantee No. 017	China CITIC Bank Zhongshan Branch	Huaneng Yongdeng New Energy Co., Ltd.	2021-05-26	2022-05-26	1,524.74	1,524.74
(2021) Zhongshan Letter of Guarantee No. 018	China CITIC Bank Zhongshan Branch	Zhangjiakou Cathay Energy Co., Ltd.	2021-06-07	2022-06-07	3,877.00	3,877.00
(2021) Zhongshan Letter of Guarantee No. 022	China CITIC Bank Zhongshan Branch	Hubei Electric Power Survey and Design Institute Co., Ltd.	2021-06-29	2022-06-29	1,411.11	1,411.11
LG202109107446410105	China CITIC Bank Zhongshan Branch	Giroux (Changling) New Energy Co., Ltd.	2021-09-10	2022-09-10	7,431.00	7,431.00

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LG202109107446410107	China CITIC Bank Zhongshan Branch	China Power Construction Ningxia Engineering Co., Ltd.	2021-09-10	2022-09-10	500.00	500.00
LG202109107446410077	China CITIC Bank Zhongshan Branch	Tongliao Qingge'er New Energy Co., Ltd.	2021-09-10	2022-09-10	7,068.38	7,068.38
LG202111087446410031	China CITIC Bank Zhongshan Branch	Fuqing Strait Power Generation Co., Ltd.	2021-11-8	2022-11-8	291.96	291.96
LG202112217446410037	China CITIC Bank Zhongshan Branch	Abaga Banner Green Energy New Energy Co., Ltd.	2021-12-21	2024-12-21	3,438.27	3,438.27
LG202201217446410155	China CITIC Bank Zhongshan Branch	China Power Construction Ningxia Engineering Co., Ltd.	2022-01-21	2023-01-21	1,215.20	1,215.20
LG202202107446410033	China CITIC Bank Zhongshan Branch	Heze Lv Yuan New Energy Co., Ltd.	2022-02-10	2023-02-10	1,238.50	1,238.50
GC3372517000023	Bank of China Zhongshan Branch	Binchuan Branch of Dali Juneng Investment Co., Ltd., Hydropower 14th Bureau	2017-1-13	2022-12-30	1,951.29	1,951.29
GC3372519000180	Bank of China Zhongshan Branch	Qinghai Juhong New Energy Co., Ltd.	2019-5-17	2022-12-30	996.19	996.19
GC3372519000399	Bank of China Zhongshan Branch	China Resources Wind Power (Leizhou) Co., Ltd.	2019-8-2	2022-8-5	1,742.05	1,742.05
GC3372519000429	Bank of China Zhongshan Branch	China Resources New Energy (Sui County Tianhekou) Wind Power Co., Ltd.	2019-8-19	2022-8-16	834.73	834.73
GC3372519000667	Bank of China Zhongshan Branch	China Resources New Energy (Qingyuan Fogang) Co., Ltd.	2019-12-4	2022-12-4	745.71	745.71
GC3372520000067	Bank of China Zhongshan Branch	China Resources New Energy (Yan'an) Co., Ltd.	2020-2-27	2023-2-28	974.75	974.75
GC3372520000280	Bank of China Zhongshan Branch	State Power Investment Corporation Guangxi Xing'an Wind Power Co., Ltd. (former CPI Guangxi Xing'an Wind Power Co., Ltd.)	2020-6-9	2023-12-28	943.25	943.25
GC3372520000283	Bank of China Zhongshan Branch	State Power Investment Corporation Guangxi Xing'an Wind Power Co., Ltd. (former CPI Guangxi Xing'an Wind Power Co., Ltd.)	2020-6-9	2022-12-12	943.25	943.25
GC3372520000305	Bank of China Zhongshan Branch	China Resources Wind Power (Dingnan) Co., Ltd.	2020-6-17	2023-6-16	1,151.38	1,151.38

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GC3372520000340	Bank of China Zhongshan Branch	Southern Offshore Wind Power Joint Development Co., Ltd.	2020-6-30	2022-6-30	4,533.31	4,533.31
GC3372520000408	Bank of China Zhongshan Branch	Yunnan Huadian Daheishan Wind Power Generation Co., Ltd. Heiba Branch	2020-7-28	2025-7-28	627.00	627.00
GC3372520000571	Bank of China Zhongshan Branch	China Resources Wind Power (Hua County) Co., Ltd.	2020-8-26	2023-8-26	2,495.25	2,495.25
GC3372520001031	Bank of China Zhongshan Branch	China Guangdong Nuclear Power New Energy Wind Power (Lufeng) Co., Ltd.	2020-11-13	2022-6-17	50.00	50.00
GC3372520001245	Bank of China Zhongshan Branch	Dingbian Guoneng New Energy Co., Ltd.	2020-12-24	2025-8-8	825.00	825.00
GC3372520001274	Bank of China Zhongshan Branch	Shaanxi Huadian Dingbian Wind Power Generation Co., Ltd.	2020-12-29	2022-12-28	1,894.26	1,894.26
GC3372521000485	Bank of China Zhongshan Branch	China Datang Group International Trade Co., Ltd.	2021-3-31	2023-3-29	11,149.20	11,149.20
GC3372521000537	Bank of China Zhongshan Branch	China Electric Power Engineering Consulting Group Zhongnan Electric Power Design Institute Co., Ltd.	2021-4-8	2022-4-8	2,313.90	2,313.90
GC3372521000579	Bank of China Zhongshan Branch	Tianjin Jinghe New Energy Co., Ltd.	2021-4-16	2022-4-18	752.00	752.00
GC3372521000631	Bank of China Zhongshan Branch	China Water Resources and Electric Power Materials Group Co., Ltd.	2021-4-28	2022-4-28	1,638.03	1,638.03
GC3372521000653	Bank of China Zhongshan Branch	PowerChina Hebei Engineering Co., Ltd.	2021-4-30	2022-4-30	1,480.00	1,480.00
GC3372521000654	Bank of China Zhongshan Branch	PowerChina Hebei Engineering Co., Ltd.	2021-4-30	2022-4-30	2,960.00	2,960.00
GC3372521000655	Bank of China Zhongshan Branch	China Electric Power Engineering Consulting Group Zhongnan Electric Power Design Institute Co., Ltd.	2021-5-7	2022-5-6	1,800.00	1,800.00
GC3372521000693	Bank of China Zhongshan Branch	Sichuan Diyu Construction Co., Ltd.	2021-5-12	2022-6-17	20.00	20.00
GC3372521000694	Bank of China Zhongshan Branch	Sichuan Diyu Construction Co., Ltd.	2021-5-12	2022-6-17	20.00	20.00
GC3372521000919	Bank of China Zhongshan Branch	China Datang Group International Trade Co., Ltd.	2021-6-18	2023-12-31	1,568.00	1,568.00
GC3372521000920	Bank of China Zhongshan Branch	China Datang Group International Trade Co., Ltd.	2021-6-18	2023-12-31	1,422.40	1,422.40

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GC3372521000987	Bank of China Zhongshan Branch	CGN New Energy Haiyan Co., Ltd.	2021-6-29	2022-6-30	3,199.57	3,199.57
GC3372521001002	Bank of China Zhongshan Branch	China Resources New Energy (Taiyuan) Co., Ltd.	2021-6-30	2022-7-4	819.98	819.98
GC3372521001046	Bank of China Zhongshan Branch	China Datang Group International Trade Co., Ltd.	2021-7-8	2023-12-31	828.80	828.80
GC3372521001108	Bank of China Zhongshan Branch	Datang Liangshan New Energy Co., Ltd.	2021-7-20	2022-7-21	248.00	248.00
GC3372521001211	Bank of China Zhongshan Branch	China Datang Group International Trade Co., Ltd.	2021-8-5	2022-8-5	3,684.97	3,684.97
GC3372521001212	Bank of China Zhongshan Branch	CGN Qinghai Lenghu Wind Power Generation Co., Ltd.	2021-8-5	2022-8-5	3,831.06	3,831.06
GC3372521001243	Bank of China Zhongshan Branch	Harbin Ruifeng New Energy Co., Ltd.	2021-8-11	2022-4-22	60.00	60.00
GC3372521001244	Bank of China Zhongshan Branch	Chengde Dayuan New Energy Co., Ltd.	2021-8-11	2022-4-22	50.00	50.00
GC3372521001257	Bank of China Zhongshan Branch	CGN New Energy (Malipo) Co., Ltd.	2021-8-16	2022-12-26	80.00	80.00
GC3372521001258	Bank of China Zhongshan Branch	CGN Qujing Xuanwei Wind Power Generation Co., Ltd.	2021-8-16	2022-12-26	80.00	80.00
GC3372521001259	Bank of China Zhongshan Branch	CGN (Ulanqab) Wind Power Generation Co., Ltd.	2021-8-16	2022-12-26	80.00	80.00
GC3372521001323	Bank of China Zhongshan Branch	Datang Liangshan New Energy Co., Ltd.	2021-8-25	2022-8-26	100.80	100.80
GC3372521001373	Bank of China Zhongshan Branch	Southern Offshore Wind Power Joint Development Co., Ltd.	2021-9-1	2022-9-2	397.46	397.46
GC3372521001401	Bank of China Zhongshan Branch	Dali Northwest Hydropower New Energy Co., Ltd.	2021-9-7	2022-9-7	1,252.35	1,252.35
GC3372521001402	Bank of China Zhongshan Branch	Dali Northwest Hydropower New Energy Co., Ltd.	2021-9-7	2022-9-7	1,252.35	1,252.35
GC3372521001447	Bank of China Zhongshan Branch	China Water Resources and Electric Power Materials Group Co., Ltd.	2021-10-13	2026-5-7	847.44	847.44
GC3372521001480	Bank of China Zhongshan Branch	CGN New Energy (Xiangshan) Co., Ltd.	2021-9-23	2023-1-9	80.00	80.00
GC3372521001520	Bank of China Zhongshan Branch	China Electric Power Engineering Consulting Group Zhongnan Electric Power Design Institute Co., Ltd.	2021-9-29	2022-9-30	1,723.58	1,723.58
GC3372521001658	Bank of China Zhongshan Branch	China Datang Group International Trade Co., Ltd.	2021-10-29	2023-10-30	915.70	915.70

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GC3372521001677	Bank of China Zhongshan Branch	China Datang Group International Trade Co., Ltd.	2021-11-3	2023-11-3	1,943.07	1,943.07
GC3372521001722	Bank of China Zhongshan Branch	Hubei Electric Power Survey and Design Institute Co., Ltd.	2021-11-10	2026-6-30	985.60	985.60
GC3372521001723	Bank of China Zhongshan Branch	Dezhou Shangtang New Energy Co., Ltd.	2021-11-10	2023-2-22	80.00	80.00
GC3372521001724	Bank of China Zhongshan Branch	CGN (Ulanqab) Wind Power Generation Co., Ltd.	2021-11-10	2023-2-22	80.00	80.00
GC3372521001725	Bank of China Zhongshan Branch	Dezhou Shangtang New Energy Co., Ltd.	2021-11-10	2023-2-22	80.00	80.00
GC3372521001726	Bank of China Zhongshan Branch	CGN Guizhou Duyun Wind Power Generation Co., Ltd.	2021-11-10	2023-2-22	80.00	80.00
GC3372521001727	Bank of China Zhongshan Branch	China Power Construction Group Guizhou Engineering Co., Ltd.	2021-11-10	2022-11-11	1,080.00	1,080.00
GC3372521001748	Bank of China Zhongshan Branch	Changzi County Langqing Xiehe Wind Power Co., Ltd.	2021-11-16	2026-6-21	1,569.75	1,569.75
GC3372521001751	Bank of China Zhongshan Branch	CGN Qinghai Lenghu Wind Power Generation Co., Ltd.	2021-11-16	2023-1-25	80.00	80.00
GC3372521001752	Bank of China Zhongshan Branch	CGN Qinghai Lenghu Wind Power Generation Co., Ltd.	2021-11-16	2023-1-25	80.00	80.00
GC3372521001762	Bank of China Zhongshan Branch	China Electric Power Engineering Consulting Group North China Electric Power Design Institute Co., Ltd.	2021-11-17	2022-5-18	814.05	814.05
GC3372521001763	Bank of China Zhongshan Branch	China Electric Power Engineering Consulting Group North China Electric Power Design Institute Co., Ltd.	2021-11-17	2022-5-18	814.05	814.05
GC3372521001770	Bank of China Zhongshan Branch	China Datang Group International Trade Co., Ltd.	2021-11-19	2024-11-18	7,962.50	7,962.50
GC3372521001790	Bank of China Zhongshan Branch	Pingding Zhongneng Construction Investment New Energy Co., Ltd.	2021-11-23	2022-5-7	80.00	80.00
GC3372521001834	Bank of China Zhongshan Branch	Pinggao Group Co., Ltd.	2021-12-1	2024-8-30	254.53	254.53
GC3372521001877	Bank of China Zhongshan Branch	Inner Mongolia Bayin New Energy Co., Ltd.	2021-12-8	2023-12-6	5,580.00	5,580.00
GC3372521001879	Bank of China Zhongshan Branch	China Datang Group International Trade Co., Ltd.	2021-12-8	2023-12-6	2,680.00	2,680.00

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GC3372521001953	Bank of China Zhongshan Branch	CNOOC Rongfeng Energy Co., Ltd.	2021-12-17	2022-12-17	441.53	441.53
GC3372521001954	Bank of China Zhongshan Branch	CNOOC Rongfeng Energy Co., Ltd.	2021-12-17	2022-12-17	441.53	441.53
GC3372521002002	Bank of China Zhongshan Branch	CGN Industrial Wind Power Generation Co., Ltd.	2021-12-30	2023-4-11	80.00	80.00
GC3372521002003	Bank of China Zhongshan Branch	China Guangdong Nuclear Power New Energy (Tianjin Ninghe) Co., Ltd.	2021-12-30	2023-4-11	80.00	80.00
GC3372521002004	Bank of China Zhongshan Branch	Xiangxiang China Guangdong Nuclear Power New Energy Co., Ltd.	2021-12-30	2023-4-11	80.00	80.00
GC3372521002005	Bank of China Zhongshan Branch	CGN Chuxiong Dayao Wind Power Generation Co., Ltd.	2021-12-31	2023-4-11	80.00	80.00
GC3372521002006	Bank of China Zhongshan Branch	CGN Yuxi Huaning Wind Power Generation Co., Ltd.	2021-12-30	2023-4-11	80.00	80.00
GC3372522000009	Bank of China Zhongshan Branch	SDIC Gansu New Energy Co., Ltd.	2022-1-7	2022-7-19	80.00	80.00
GC3372522000046	Bank of China Zhongshan Branch	State Power Investment Corporation Gushi New Energy Co., Ltd.	2022-1-12	2023-1-15	1,028.30	1,028.30
GC3372522000215	Bank of China Zhongshan Branch	China International Tendering Co., Ltd.	2022-2-22	2022-11-8	80.00	80.00
GC3372522000255	Bank of China Zhongshan Branch	Datang Liangshan New Energy Co., Ltd.	2022-3-2	2025-3-5	281.54	281.54
GC3372522000295	Bank of China Zhongshan Branch	CNNC (Shanghai) Supply Chain Management Co., Ltd.	2022-3-11	2022-11-18	30.00	30.00
GC3372522000327	Bank of China Zhongshan Branch	CGN New Energy Qinzhou Co., Ltd.	2022-3-18	2023-5-23	80.00	80.00
GC3372522000358	Bank of China Zhongshan Branch	China Electric Power Engineering Consulting Group Zhongnan Electric Power Design Institute Co., Ltd.	2022-3-23	2023-3-23	5,175.00	5,175.00
GC3351621000344	Bank of China Zhongshan Branch	LUSO INTERNATIONAL BANKING LIMITED	2021-12-9	2025-1-13	USD 203.00 million	USD 203.00 million
2044078000000155	CCB Zhongshan Branch	Guangdong Power Grid Co., Ltd.	2020-10-15	2022-3-31	300.00	300.00
2144078000000007	CCB Zhongshan Branch	China Resources New Energy (Tanghe) Co., Ltd.	2021-2-9	2024-2-9	2,657.62	2,657.62
2144078000070019	CCB Zhongshan Branch	Inner Mongolia Chahar New Energy Co., Ltd.	2021-12-16	2023-7-31	10.02	10.02
2144078000070015	CCB Zhongshan Branch	China Hydropower Construction Group International	2021-12-7	2022-7-31	USD 9.14 million	USD 9.14 million

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2144078000070011	CCB Zhongshan Branch	Engineering Co., Ltd. Hangjinqi Mengdian Comprehensive Energy New Energy Co., Ltd.	2021-12-6	2022-12-5	475.40	475.40
2144078000070013	CCB Zhongshan Branch	China Hydropower Construction Group International Engineering Co., Ltd.	2021-12-7	2022-10-31	USD 6.09 million	USD 6.09 million
2144078000000030	CCB Zhongshan Branch	Three Gorges New Energy Yangjiang Power Generation Co., Ltd.	2021-5-10	2022-5-9	59,568.98	59,568.98
2144078000070016	CCB Zhongshan Branch	China Hydropower Construction Group International Engineering Co., Ltd.	2021-12-16	2022-7-31	USD 9.14 million	USD 9.14 million
2144078000000038	CCB Zhongshan Branch	China Power Investment Power Engineering Co., Ltd.	2021-6-4	2022-6-3	14.92	14.92
2144078000070006	CCB Zhongshan Branch	China Gezhouba Group Electric Power Co., Ltd.	2021-11-5	2023-1-31	666.96	666.96
2144078000000033	CCB Zhongshan Branch	Three Gorges New Energy Yangjiang Power Generation Co., Ltd.	2021-5-27	2022-5-25	11,197.62	11,197.62
2144078000070005	CCB Zhongshan Branch	Qinghai MingYang New Energy Co., Ltd.	2021-11-5	2023-1-31	254.08	254.08
2044078000000197	CCB Zhongshan Branch	Delingha Cooperation Photovoltaic power generation Co., Ltd.	2020-12-15	2022-12-15	1,849.49	1,849.49
2144078000000017	CCB Zhongshan Branch	China Gezhouba Group Electric Power Co., Ltd.	2021-4-12	2023-4-11	127.04	127.04
2144078000000018	CCB Zhongshan Branch	China Gezhouba Group Electric Power Co., Ltd.	2021-4-12	2023-4-11	333.48	333.48
2144078000000029	CCB Zhongshan Branch	Three Gorges New Energy Yangjiang Power Generation Co., Ltd.	2021-5-10	2022-5-9	39,290.18	39,290.18
2144078000000026	CCB Zhongshan Branch	Dachaidan MingYang New Energy Co., Ltd.	2021-5-10	2022-5-9	1,895.00	1,895.00
2144078000000027	CCB Zhongshan Branch	Three Gorges New Energy Yangjiang Power Generation Co., Ltd.	2021-5-10	2022-5-9	6,548.36	6,548.36
GD203LG000002500	CCB Zhongshan Branch	BELEOLICO S.R.L.	2021-8-31	2022-8-15	EUR 4.11 million	EUR 4.11 million
2144078000000028	CCB Zhongshan Branch	Three Gorges New Energy Yangjiang Power Generation Co., Ltd.	2021-5-10	2022-5-9	9,928.16	9,928.16
2144078000000039	CCB Zhongshan Branch	Taisheng Wind Energy Songxian New Energy	2021-6-4	2022-6-3	1,420.00	1,420.00

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2144078000000031	CCB Zhongshan Branch	Development Co., Ltd. Inner Mongolia Jingneng Shangdu Wind Power Generation Co., Ltd.	2021-5-27	2022-5-23	40.50	40.50
2144078000000025	CCB Zhongshan Branch	Dachaidan MingYang New Energy Co., Ltd.	2021-5-10	2022-5-9	1,650.00	1,650.00
2044078000000160	CCB Zhongshan Branch	Qinghai Dongfang Hualu New Energy Investment Co., Ltd.	2020-10-26	2022-10-26	2,190.95	2,190.95
2044078000000109	CCB Zhongshan Branch	China Resources Wind Power (Lianzhou) Co., Ltd.	2020-6-24	2022-6-24	788.32	788.32
2044078000000143	CCB Zhongshan Branch	Qinghai Dongfang Hualu New Energy Investment Co., Ltd.	2020-8-28	2025-8-31	1,849.49	1,849.49
2144078000000037	CCB Zhongshan Branch	State Power Investment Group Guangxi Lingchuan Wind Power Co., Ltd.	2021-6-2	2025-5-20	1,185.18	1,185.18
2144078000000045	CCB Zhongshan Branch	CGN Gansu Guazhou Second Wind Power Generation Co., Ltd.	2021-9-2	2022-9-1	5,221.44	5,221.44
2044078000000166	CCB Zhongshan Branch	Guangdong Huadian Fuxin Yangjiang Offshore Wind Power Co., Ltd.	2020-11-2	2022-10-31	18,221.82	18,221.82
2044078000000159	CCB Zhongshan Branch	China Resources New Energy (Sui County Tianhekou) Wind Power Co., Ltd.	2020-10-26	2022-10-26	563.55	563.55
2044078000000082	CCB Zhongshan Branch	China Resources New Energy (Fucheng) Co., Ltd.	2020-5-18	2022-5-16	1,066.60	1,066.60
2044078000000165	CCB Zhongshan Branch	Guangdong Huadian Fuxin Yangjiang Offshore Wind Power Co., Ltd.	2020-11-2	2022-10-31	18,532.86	18,532.86
2244078000070029	CCB Zhongshan Branch	China Energy Construction Group Yunnan Electric Power Design Institute Co., Ltd.	2022-4-15	2023-4-13	4,622.00	4,622.00
2244078000070016	CCB Zhongshan Branch	Qinghai Qiming New Energy Co., Ltd.	2022-3-25	2023-3-23	1,604.00	1,604.00
2244078000070017	CCB Zhongshan Branch	Qinghai Qiming New Energy Co., Ltd.	2022-3-25	2023-3-25	2,033.50	2,033.50
2244078000070011	CCB Zhongshan Branch	State Power Investment Group Damaoqi New Energy Power Generation Co., Ltd.	2022-3-11	2022-10-31	18.50	18.50
2244078000070013	CCB Zhongshan Branch	State Power Investment Group Damaoqi New	2022-3-11	2022-10-31	20.00	20.00

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2244078000070001	CCB Zhongshan Branch	Energy Power Generation Co., Ltd. China Hydropower Construction Group International Engineering Co., Ltd.	2022-1-19	2022-12-31	USD 6.09 million	USD 6.09 million
2244078000070015	CCB Zhongshan Branch	China Energy Construction Group Guangdong Electric Power Design and Research Institute Co., Ltd.	2022-3-15	2023-3-14	13,312.80	13,312.80

(5) As of 31 March 2022, the unexpired letters of credit are as follows:

Letter of credit	Financial institute providing the credit	Credit amount	Available balance	Currency	Issue date	Expiry date
LC2144001331A04	Postal Savings Bank of China Co., Ltd. Zhongshan Xiaolan Sub-branch	3,941,341.60	528,500.00	EUR	2021-10-11	2021-3-26
LC2144005672A004	Postal Savings Bank of China Co., Ltd. Zhongshan Xiaolan Sub-branch	3,558,967.72	479,600.00	EUR	2021-10-29	2022-4-20
LC2144005672A005	Postal Savings Bank of China Co., Ltd. Zhongshan Xiaolan Sub-branch	7,845,820.00	1,090,000.00	EUR	2021-11-30	2022-5-19
LC2244005672A001	Postal Savings Bank of China Co., Ltd. Zhongshan Xiaolan Sub-branch	7,776,954.60	1,086,000.00	EUR	2022-1-26	2022-7-21
LC2244005672A002	Postal Savings Bank of China Co., Ltd. Zhongshan Xiaolan Sub-branch	20,861,046.40	2,896,000.00	EUR	2022-2-22	2022-8-21
LC2244005672A003	Postal Savings Bank of China Co., Ltd. Zhongshan Xiaolan Sub-branch	7,699,023.00	1,080,000.00	EUR	2022-2-24	2022-8-10
LC2244005672A004	Postal Savings Bank of China Co., Ltd. Zhongshan Xiaolan Sub-branch	4,828,342.50	675,000.00	EUR	2022-2-25	2022-8-16
LC3372521000151	Bank of China Zhongshan Branch Business Department	959,200.00	959,200.00	EUR	2021-11-29	2022-5-26
LC3372521000173	Bank of China Zhongshan Branch Business Department	2,250,000.00	2,250,000.00	EUR	2021-12-28	2022-3-25
LC3372521000172	Bank of China Zhongshan Branch Business Department	4,950,000.00	1,650,000.00	EUR	2021-12-28	2022-3-25
LC3372521000028	Bank of China Zhongshan Branch Business Department	7,806,492.00	189,200.00	EUR	2021-3-5	2022-9-16
LC44404C200015	ICBC Zhangjiabian Sub-branch	6,120,000.00	6,120,000.00	EUR	2022-1-27	2022-7-15

(6) Contingencies formed by providing guarantees to other party and their financial implications

As of 31 March 2022, the Company provides guarantee for the borrowings of the following party:

Company being guaranteed	Guarantee matter	Amount (RMB ten thousand)	Term
Taonan Baiqiang New Energy Co., Ltd.	Financial lease guarantee	30,452.67	Three years from the date when the debtor's performance period of the principal contract expires

(7) As of 31 March 2022, the Company did not have any other contingencies to be disclosed.

XIII. Events after balance sheet date

As of 27 May 2022, the Company does not have an event after balance sheet date that should be disclosed.

XIV. Other significant matters

1. Segment Reporting

According to the Company's internal organizational structure, management requirements and the internal reporting system, the Company's operations are divided into 2 reportable segments. The reporting segments are determined based on the financial information required by routine management. The management can periodically evaluate the operating results of the component to determine its allocation of resources and evaluate their performance.

The Company's reportable segments include:

- (1) High-end energy equipment manufacturing sector, wind turbine equipment manufacturing and sales, Operation and maintenance services and photovoltaic products manufacturing and sales;
- (2) Energy products and services sector, energy investment project construction, management, operation and power demand side management, energy efficiency management;

The information of segment reporting is disclosed in accordance with the accounting policies the segments report to the management. The accounting policies and measurement basis of the operating segments are the same as accounting policies and measurement basis in preparing the financial statements.

(1) Profit or loss, assets and liabilities of segments

As at / period ended 31 March 2022	High-end energy equipment manufacturing sector	Energy products and services sector	Elimination	Total
Operating income	7,280,826,842.76	474,774,107.88	-727,089,859.59	7,028,511,091.05
Including: Income from external customers	6,553,736,983.17	474,774,107.88	-	7,028,511,091.05
Income between segments	727,089,859.59	-	-727,089,859.59	-
Including: Primary business income	7,121,613,404.18	468,490,876.57	-590,169,648.43	6,999,934,632.32
Operating costs	5,286,457,693.56	292,767,985.58	-433,989,568.02	5,145,236,111.12
Including: Primary business costs	5,263,863,492.11	290,016,607.29	-429,480,965.11	5,124,399,134.29

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Operating expenses	593,584,523.54	97,000,062.63	-477,575,631.48	213,008,954.69
Operating profit/(loss)	1,400,784,625.65	85,006,059.67	184,475,339.92	1,670,266,025.24
Total assets	58,805,723,235.13	16,129,862,788.00	-4,089,406,038.92	60,846,179,984.21
Total liabilities	37,870,473,475.46	10,311,685,880.85	-9,298,626,789.04	38,883,532,567.27
Supplementary information:				
1.Capital expenditure	281,435,847.09	1,258,704,774.36	-97,912,137.51	1,442,228,483.94
2.Depreciation and amortization charge	168,765,386.27	107,642,046.71	-10,502,868.57	265,904,564.41
3.Non-cash expenses besides depreciation and amortization	-	-	-	-
4.Assets impairment loss	-413,979.62	1,974,700.24	-	1,560,720.62

As at / period ended 31 March 2021	High-end energy equipment manufacturing sector	Energy products and services sector	Elimination	Total
Operating income	4,213,282,050.74	362,376,176.45	-214,407,464.13	4,361,250,763.06
Including: Income from external customers	3,998,874,586.61	362,376,176.45	-	4,361,250,763.06
Income between segments	214,407,464.13	-	-214,407,464.13	-
Including: Primary business income	4,145,540,684.37	357,370,177.02	-182,250,792.84	4,320,660,068.55
Operating costs	3,455,131,734.91	132,076,669.92	-159,114,403.47	3,428,094,001.36
Including: Primary business costs	3,420,230,974.13	128,854,029.62	-157,671,974.23	3,391,413,029.52
Operating expenses	546,995,502.27	46,836,972.17	-21,721,100.72	572,111,373.72
Operating profit/(loss)	211,154,813.56	183,462,534.37	-33,571,959.95	361,045,387.98
Total assets	51,270,323,054.70	20,245,088,883.63	-9,965,410,235.08	61,550,001,703.25
Total liabilities	38,984,658,859.02	13,244,422,815.18	-9,230,299,687.26	42,998,781,986.94
Supplementary information:				
1.Capital expenditure	330,576,496.39	1,638,603,127.26	-1,149,008,903.87	820,170,719.78
2.Depreciation and amortization charge	110,510,378.51	118,961,786.31	-7,016,583.83	222,455,580.99
3.Non-cash expenses besides depreciation and amortization	-	-	-	-
4.Assets impairment loss	-30,819,621.47	189,473.02	-	-30,630,148.45

(2) Geographic information

Since more than 90% of the Company's revenue comes from customers in China and more than 90% of the Company's assets are located in China, there is no need to present more detailed regional information.

2. Leases

As lessee

① The Company simplified the treatment of short-term leases and low-value asset leases, and did not recognize right-of-use assets and lease liabilities. Short-term leases, low-value assets and variable lease payments not included in the measurement of lease liabilities are charged to current expenses as follows:

Item	2022.03.31
Short-term leases	15,891,451.19
Leases of low value assets	5,426,682.30
Total	21,318,133.49

As lessor

Under operating leases:

① Rental income and separately disclose income related to variable lease payments not included in leases receipts;

Item	2022.03.31
Rental income	2,622,961.02

② The amount of undiscounted lease receipts to be received in each of the five consecutive financial years following the balance sheet date, and the total amount of undiscounted lease receipts to be received for the remaining years

Year	2022.03.31
Within 1 year after the balance sheet date	8,568,179.80
1 to 2 years after the balance sheet date	850,284.24
2 to 3 years after the balance sheet date	850,284.24
3 to 4 years after the balance sheet date	141,714.04
Total	10,410,462.32

XV. Notes to significant items of financial statements of parent company

1. Accounts receivable

(1) Disclosure by ageing

Ageing	2022.03.31	2021.12.31
Within one year	5,203,300,364.05	4,156,046,908.42
Including: Within 6 months	3,400,612,599.82	3,067,519,345.18
6 months to 1 year	1,802,687,764.23	1,088,527,563.24
1 to 2 years	732,199,638.28	1,106,816,377.07

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2 to 3 years	369,288,812.87	264,434,535.12
3 to 4 years	229,969,048.64	256,711,713.80
4 to 5 years	148,481,378.33	69,329,224.00
Over 5 years	101,938,851.84	84,004,671.10
Subtotal	6,785,178,094.01	5,937,343,429.51
Less: Provision for bad debts	365,633,054.50	355,814,543.72
Total	6,419,545,039.51	5,581,528,885.79

(2) Disclosure by method of provision for bad debts

Category	2022.03.31				
	Book balance		Provision for bad debts		Carrying amount
	Amount	Ratio (%)	Amount	Expected credit loss rate (%)	
Provision for bad debts on individual item	95,141,888.49	1.40	95,141,888.49	100.00	-
Provision for bad debts on portfolio basis	6,690,036,205.52	98.60	270,491,166.01	4.04	6,419,545,039.51
Including:					
High-end manufacturing business	6,070,967,832.56	89.47	270,491,166.01	4.46	5,800,476,666.55
Related parties within scope of consolidation	619,068,372.96	9.12	-	-	619,068,372.96
Total	6,785,178,094.01	100.00	365,633,054.50	--	6,419,545,039.51

Continued:

Category	2021.12.31				
	Book balance		Provision for bad debts		Carrying amount
	Amount	Ratio (%)	Amount	Expected credit loss rate (%)	
Provision for bad debts on individual item	95,141,888.49	1.60	95,141,888.49	100.00	-
Provision for bad debts on portfolio basis	5,842,201,541.02	98.40	260,672,655.23	4.46	5,581,528,885.79
Including:					
High-end manufacturing business	5,350,644,895.80	90.12	260,672,655.23	4.87	5,089,972,240.57
Related parties within scope of consolidation	491,556,645.22	8.28	-	-	491,556,645.22
Total	5,937,343,429.51	100.00	355,814,543.72	--	5,581,528,885.79

Provision for bad debts on individual item:

Name	Book balance	2022.03.31		Reason of provision
		Provision for bad debts	Expected credit loss rate (%)	
Company 1	20,607,999.99	20,607,999.99	100.00	Debtor is shortage of funds
Company 2	3,107,488.50	3,107,488.50	100.00	Debtor is shortage of funds
Company 3	71,426,400.00	71,426,400.00	100.00	Under litigation
Total	95,141,888.49	95,141,888.49	--	--

Continued:

Name	Book balance	2021.12.31		Reason of provision
		Provision for bad debts	Expected credit loss rate (%)	
Company 1	20,607,999.99	20,607,999.99	100.00	Debtor is shortage of funds
Company 2	3,107,488.50	3,107,488.50	100.00	Debtor is shortage of funds
Company 3	71,426,400.00	71,426,400.00	100.00	Under litigation
Total	95,141,888.49	95,141,888.49	--	--

(3) Accrual, recovery or reversal of bad debt provision during the period

	Amount of provision for bad debts
2021.12.31	355,814,543.72
Provision for the period	9,818,510.78
Recovered or reversal in the period	-
Others	-
2022.03.31	365,633,054.50

(4) Accounts receivable due from the top five debtors

Accounts receivable due from the top five debtors as at 31 March 2022 was totaling RMB 2,871,832,360.43, which accounted for 42.83% of total accounts receivable, and the corresponding provision for bad debts was totaling RMB 42,565,273.26.

2. Other receivables

Item	2022.03.31	2021.12.31
Dividends receivable	19,119,469.63	19,119,469.63
Other receivables	4,043,537,189.45	4,224,796,920.96
Total	4,062,656,659.08	4,243,916,390.59

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(1) Dividends receivable

Investee	2022.03.31	2021.12.31
Inner Mongolia MingYang Wind Power Co., Ltd.	19,119,469.63	19,119,469.63

(2) Other receivables

① by ageing

Ageing	2022.03.31	2021.12.31
Within one year	2,770,179,624.81	2,950,203,573.35
Including: Within 6 months	1,569,583,503.01	1,773,712,242.92
6 months to 1 year	1,200,596,121.80	1,176,491,330.43
1 to 2 years	1,286,781,607.81	1,284,901,089.31
2 to 3 years	3,569,509.69	3,579,922.91
3 to 4 years	3,310,061.12	3,290,776.70
4 to 5 years	788,517.50	788,517.50
Over 5 years	12,269,381.15	12,269,381.15
Subtotal	4,076,898,702.08	4,255,033,260.92
Less: Provision for bad debts	33,361,512.63	30,236,339.96
Total	4,043,537,189.45	4,224,796,920.96

② Disclosure by nature

Item	2022.03.31			2021.12.31		
	Book balance	Provision for bad debts	Carrying amount	Book balance	Provision for bad debts	Carrying amount
Current accounts	3,755,508,213.85	14,294,953.85	3,741,213,260.00	4,164,224,903.49	26,010,856.71	4,138,214,046.78
Security deposits, deposits and petty cash	107,884,436.95	2,038,358.63	105,846,078.32	63,661,261.62	1,784,046.29	61,877,215.33
Equity transfer funds	181,296,500.00	4,283,837.25	177,012,662.75	5,555,000.00	1,559,844.00	3,995,156.00
Others	32,209,551.28	12,744,362.90	19,465,188.38	21,592,095.81	881,592.96	20,710,502.85
Total	4,076,898,702.08	33,361,512.63	4,043,537,189.45	4,255,033,260.92	30,236,339.96	4,224,796,920.96

③ Information of provision for bad debts

As at 31 March 2022, provision for bad debts on those in first stage:

Category	Book balance	Expected credit loss rate in the next 12 months (%)	Provision for bad debts	Carrying amount
Provision for bad debts on portfolio basis				
Current accounts	3,740,769,891.28	-	111,197.32	3,740,658,693.96
Security deposits, deposits and petty cash	98,471,253.14	0.49	477,825.49	97,993,427.65
Equity transfer funds	175,741,500.00	1.55	2,723,993.25	173,017,506.75
Others	18,180,570.12	1.69	308,145.95	17,872,424.17
Total	4,033,163,214.54	--	3,621,162.01	4,029,542,052.53

As at 31 March 2022, provision for bad debts on those in second stage:

Category	Book balance	Expected credit loss rate in the next 12 months (%)	Provision for bad debts	Carrying amount
Provision for bad debts on portfolio basis				
Current accounts	662,470.50	16.29	107,904.46	554,566.04
Security deposits, deposits and petty cash	9,378,325.49	16.27	1,525,674.82	7,852,650.67
Equity transfer funds	5,555,000.00	28.08	1,559,844.00	3,995,156.00
Others	2,330,781.78	31.66	738,017.57	1,592,764.21
Total	17,926,577.77	--	3,931,440.84	13,995,136.93

As at 31 March 2022, provision for bad debts on those in third stage:

Category	Book balance	Expected credit loss rate for the lifetime(%)	Provision for bad debts	Carrying amount
Provision for bad debts on individual item				
Fujian Huaqing Energy Co., Ltd.	10,000,000.00	100.00	10,000,000.00	-
IDSTradeAG	2,401,867.99	100.00	2,401,867.99	-
Shandong Guoyi Cable Co., Ltd.	5,987,393.63	100.00	5,987,393.63	-
Jahnel-Kestermann Getriebewerk	1,804,764.62	100.00	1,804,764.62	-
Others	5,614,883.53	100.00	5,614,883.53	-
Total	25,808,909.77	--	25,808,909.77	-

As at 31 December 2021, information of provision for bad debts:

Provision for bad debts on those in first stage:

Category	Book balance	Expected credit loss rate in the next 12 months (%)	Provision for bad debts	Carrying amount
Provision for bad debts on portfolio basis				
Current accounts	4,149,486,580.92	-	94,042.48	4,149,392,538.44
Security deposits, deposits and petty cash	53,935,281.18	0.47	251,873.52	53,683,407.66
Equity transfer funds	-	-	-	-
Others	7,563,114.65	1.90	143,575.39	7,419,539.26
Total	4,210,984,976.75	--	489,491.39	4,210,495,485.36

Provision for bad debts on those in second stage:

Category	Book balance	Expected credit loss rate in the next 12 months (%)	Provision for bad debts	Carrying amount
Provision for bad debts on portfolio basis				
Current accounts	662,470.50	16.29	107,904.46	554,566.04
Security deposits, deposits and petty cash	9,691,122.12	15.81	1,532,172.77	8,158,949.35
Equity transfer funds	5,555,000.00	28.08	1,559,844.00	3,995,156.00
Others	2,330,781.78	31.66	738,017.57	1,592,764.21
Total	18,239,374.40	--	3,937,938.80	14,301,435.60

Provision for bad debts on those in third stage:

Category	Book balance	Expected credit loss rate for the lifetime(%)	Provision for bad debts	Carrying amount
Provision for bad debts on individual item				
Fujian Huaqing Energy Co., Ltd.	10,000,000.00	100.00	10,000,000.00	-
IDS Trade AG	2,401,867.99	100.00	2,401,867.99	-
Shandong Guoyi Cable Co., Ltd.	5,987,393.63	100.00	5,987,393.63	-
Jahnel-Kestermann Getriebewerk	1,804,764.62	100.00	1,804,764.62	-
Others	5,614,883.53	100.00	5,614,883.53	-
Total	25,808,909.77	--	25,808,909.77	-

④ Accrual, recovery or reversal of bad debt provision during the period

Provision for bad debts	First stage	Second stage	Third stage	Total
	Expected credit loss within 12 months	Expected credit loss for lifetime (no credit impairment occurred)	Expected credit loss for lifetime (credit impairment has occurred)	
Balance at 31 December 2021	489,491.39	3,937,938.80	25,808,909.77	30,236,339.96
Movement of balance in the period				
--transfer to second stage	-	-	-	-
--transfer to third stage	-	-	-	-
--Reverse to second stage	-	-	-	-
--Reverse to first stage	-	-	-	-
Provision for the period	3,131,670.62	-	-	3,131,670.62
Reversal in the period	-	6,497.96	-	6,497.96
Transfer in the period	-	-	-	-
Write-off in the period	-	-	-	-
Other movement	-	-	-	-
Balance at 31 March 2022	3,621,162.01	3,931,440.84	25,808,909.77	33,361,512.62

⑤ Actual written-off of other receivables

Item	Written-off amount
Actual written-off of other receivables	-

⑥ Other receivables due from the top five debtors

Name of entity	Nature	Other receivables Closing balance	Ageing	Proportion to total other receivables (%)	Closing balance of provision for bad debts
Inner Mongolia MingYang New Energy Development Co., Ltd.	Current accounts	1,174,294,170.56	Within 6 months, 6 months to 1 year, 1-2 years	26.92	-
Shanwei MingYang New Energy Technology Co., Ltd.	Current accounts	947,591,160.93	Within 6 months, 6 months to 1 year, 1-2 years	14.73	-
Henan MingYang New Energy Co., Ltd.	Current accounts	540,758,816.91	Within 6 months	15.41	-
Beijing Jieyuan New Energy Investment Co., Ltd.	Current accounts	319,399,928.43	Within 6 months, 1-2 years	13.48	-
Jieyang MingYang New Energy Technology Co., Ltd.	Current accounts	191,314,370.69	Within 6 months, 6 months to 1 year, 1-2 years	4.21	-
Total	--	3,173,358,447.52	--	74.75	-

3. Long-term equity investment

Item	2022.03.31			2021.12.31		
	Book balance	Provision for impairment	Carrying amount	Book balance	Provision for impairment	Carrying amount
Investment in subsidiaries	7,623,927,374.44	-	7,623,927,374.44	7,325,154,906.83	-	7,325,154,906.83
Investment in associates	533,820,621.46	-	533,820,621.46	523,073,217.12	-	523,073,217.12
Total	8,157,747,995.90	-	8,157,747,995.90	7,848,228,123.95	-	7,848,228,123.95

MingYang Smart Energy Group Co., Ltd.
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(1) Investment in subsidiaries

Investee	2021.12.31	Increase	Decrease	2022.03.31	Provision for impairment in the period	Closing balance of provision for impairment
Beijing Jieyuan New Energy Investment Co., Ltd.	2,318,454,187.50	177,051,887.50	-	2,495,506,075.00	-	-
Guangdong MingYang New Energy Technology Co., Ltd.	491,385,127.23	56,206.67	-	491,441,333.90	-	-
MingYang New Energy (International) Co., Ltd.	466,000,000.00	-	-	466,000,000.00	-	-
Inner Mongolia MingYang New Energy Development Co., Ltd.	537,870,911.67	239,990.00	-	538,110,901.67	-	-
Ruide Xinyang New Energy Technology Co., Ltd.	554,565,956.80	-	-	554,565,956.80	-	-
Tianjin MingYang Wind Power Equipment Co., Ltd.	327,537,085.24	35,685.00	-	327,572,770.24	-	-
Qinghai MingYang New Energy Co., Ltd.	193,700,000.00	-	-	193,700,000.00	-	-
Xinjiang Wanbang Energy Development Co., Ltd.	124,423,919.97	-	-	124,423,919.97	-	-
Xinjiang Huaran New Energy Co., Ltd.	108,637,311.00	-	-	108,637,311.00	-	-
Inner Mongolia MingYang Wind Power Co., Ltd.	107,608,289.37	-	-	107,608,289.37	-	-
Xilin Gol League MingYang New Energy Co., Ltd.	100,027,362.23	20,521.67	-	100,047,883.90	-	-
Yunnan MingYang Wind Power Technology Co., Ltd.	99,500,000.00	-	-	99,500,000.00	-	-
Henan MingYang New Energy Co., Ltd.	636,201,666.25	8,921.25	-	636,210,587.50	-	-
Tianjin MingYang Wind Energy Blade Technology Co., Ltd.	72,134,161.90	13,381.88	-	72,147,543.78	-	-
Henan MingYang Smart Energy Co., Ltd.	185,833,308.70	83,417,856.42	-	269,251,165.12	-	-
MingYang Wind Power USA Inc.	64,756,728.58	-	-	64,756,728.58	-	-
Xinjiang MingYang New Energy Industry Co., Ltd.	78,054,152.54	1,185,188.43	-	79,239,340.97	-	-
Zhongshan Ruiyang Investment Management Co., Ltd.	57,862,550.00	-	-	57,862,550.00	-	-
Guangdong MingYang Energy System Co., Ltd.	51,268,466.91	-	-	51,268,466.91	-	-
Zhongshan MingYang Wind Power Equipment Co., Ltd.	50,000,000.00	-	-	50,000,000.00	-	-
Shanwei MingYang New Energy Technology Co., Ltd.	50,206,244.73	38,364.17	-	50,244,608.90	-	-
Jieyang MingYang New Energy Technology Co., Ltd.	50,000,000.00	-	-	50,000,000.00	-	-
Zhongshan MingYang New Energy Technology Co., Ltd.	23,000,000.00	-	-	23,000,000.00	-	-

MingYang SmartEnergy Group Co., Ltd.
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For the 3-month period ended 31 March 2022 (All amounts in RMB unless otherwise stated)
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Shandong MingYang Wind Power Technology Co., Ltd.	19,800,000.00	-	-	19,800,000.00	-
Runyang Energy Technology Co., Ltd.	25,387,413.89	296,196.67	-	25,683,610.56	-
Hubei Mingye New Energy Technology Co., Ltd.	20,000,000.00	-	-	20,000,000.00	-
Inner Mongolia MingYang New Energy Technology Co., Ltd.	20,000,000.00	-	-	20,000,000.00	-
MingYang Smart Energy Group Shanghai Co., Ltd.	17,054,724.42	41,043.31	-	17,095,767.73	-
MingYang Wind Power European R&D CenterAps	11,276,813.58	-	-	11,276,813.58	-
Shenzhen Liangyun Energy Network Technology Co., Ltd.	3,065,377.88	132,037.30	-	3,197,415.18	-
Zhanjiang MingYang New Energy Technology Co., Ltd.	500,000.00	-	-	500,000.00	-
Haixing MingYang Wind Power Equipment Sales Co., Ltd.	200,000.00	-	-	200,000.00	-
MingYang European Business and Engineering Center	12,901,741.75	-	-	12,901,741.75	-
MingYang Smart Energy Group Beijing Technology Co., Ltd.	153,580,000.00	-	-	153,580,000.00	-
Tianjin Ruineng Electric Co., Ltd.	1,055,936.63	123,116.05	-	1,179,052.68	-
Zhongshan MingYang Wind Energy Blade Technology Co., Ltd.	608,730.38	78,509.78	-	687,240.16	-
Fujian MingYang New Energy Technology Co., Ltd.	29,617,278.08	773,268.63	-	30,390,546.71	-
Hainan MingYang Smart Energy Co., Ltd.	27,030,000.00	-	-	27,030,000.00	-
MingYang Energy Korea Co., Ltd.	589,471.60	1,227,600.00	-	1,817,071.60	-
Gansu MingYang Smart Energy Co., Ltd.	10,000,000.00	-	-	10,000,000.00	-
Tianjin Ruiyuan Electric Co., Ltd.	100,000,000.00	-	-	100,000,000.00	-
Ningxia MingYang New Energy Technology Co., Ltd.	10,000,000.00	16,200,000.00	-	26,200,000.00	-
Henan Mingtai New Energy Co., Ltd.	51,119,988.00	12,178,051.66	-	63,298,039.66	-
Dongfeng MingYang Technology New Energy Co., Ltd.	40,000,000.00	2,651,314.90	-	42,651,314.90	-
Guangdong MingYang Solar Energy Technology Co., Ltd.	21,040,000.00	-	-	21,040,000.00	-
Guangxi MingYang Smart Energy Co., Ltd.	600,000.00	498,161.12	-	1,098,161.12	-
Hongjiang Xinyang New Energy Co., Ltd.	700,000.00	1,000.00	-	701,000.00	-
Guangdong MingYang Smart Energy Co., Ltd.	-	2,504,165.20	-	2,504,165.20	-
Total	7,325,154,906.83	298,772,467.61	-	7,623,927,374.44	-

MingYang Smart Energy Group Co., Ltd.
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(2) Investment in associates and joint ventures

Investee	2021.12.31	Movement in the period						Closing balance of provision for impairment		
		Additions in investment	Decrease in investment	Investment income/loss recognized under equity method	Adjustment of other comprehensive income	Changes of other equity	Announced distribution of cash dividend or profit		Provision for impairment	Other
Associates										
Huaneng MingYang New Energy Investment Co., Ltd.	-	-	-	-	-	-	-	-	-	-
CHNC Huihai (Fujian) New Energy Co., Ltd.	-	3,600,000.00	-	-	-	-	-	-	-	3,600,000.00
Inner Mongolia MingYang North Smart Energy Research Institute	-	1,000,000.00	-	-	-	-	-	-	-	1,000,000.00
China Nuclear Henan New Energy Co., Ltd.	21,122,089.99	-	-	516,312.97	-	-	-	-	-	21,638,402.96
Guangdong Yuecai Financial Leasing Co., Ltd.	402,619,903.19	-	-	5,619,773.86	-	-	-	-	-	408,239,677.05
Daqing Zhongdan Ruihao Wind Power Co., Ltd.	22,306,715.76	-	-	-32,898.25	-	-	-	-	-	22,273,817.51
Daqing Dumeng Huji Tumo Wind Power Co., Ltd.	24,761,270.04	-	-	-132,774.46	-	-	-	-	-	24,628,495.58
Daqing Dumeng Dairy Farm Wind Power Co., Ltd.	25,813,115.96	-	-	78,980.28	-	-	-	-	-	25,892,096.24
Daqing Dumeng Huzhen Dairy Farm Wind Power Co., Ltd.	26,450,122.18	-	-	98,009.94	-	-	-	-	-	26,548,132.12
Total	523,073,217.12	194,600,000.00	-	6,147,404.34	-	-	-	-	-	533,820,621.46

4. Operating income and operating cost

Item	Current period		Prior period	
	Revenue	Cost	Revenue	Cost
Primary operations	7,005,887,875.33	5,435,835,056.61	4,064,519,562.75	3,479,877,711.48
Other operations	165,408,389.07	19,584,909.54	84,199,832.89	47,632,924.63

(1) Primary operations (by business)

Business name	Current period		Prior period	
	Operating income	Operating costs	Operating income	Operating costs
Product sales revenue	7,005,887,875.33	5,435,835,056.61	4,064,519,562.75	3,479,877,711.48

(2) Primary operations (by product)

Product name	Current period		Prior period	
	Operating income	Operating costs	Operating income	Operating costs
Revenue from wind turbines and related accessories	7,005,887,875.33	5,435,835,056.61	4,064,519,562.75	3,479,877,711.48

(3) Information related to remaining performance obligations

According to the contracts, the transaction price allocated to the outstanding performance obligations is RMB 15,747,156,316.07.

5. Investment income

Item	Current period	Prior period
Income from long-term equity investment by equity method	6,147,404.34	5,971,210.61
Gain from disposal of long-term equity investment	-	-
Bank wealth management products	44,159,354.77	-
Total	50,306,759.11	5,971,210.61

XVI. Supplementary information

1. Details of non-recurring gain or loss for the period

Item	Current period	Note
Gain or loss on disposal of non-current assets	-293,360.54	--
Government grants that are included in the profit and loss (except for government grants that are closely related to the company's normal business operations and that meet the national policy requirements and continue to enjoy a certain amount or quantitative basis according to certain standards)	11,643,721.04	--
Gain or loss from entrusting others to invest or manage assets	45,790,060.74	--
Gain or loss on changes in fair value arising from holding of trading financial assets and gain from disposal of financial assets held for trading, except for the effective hedging business related to the Company's normal operation	-77,173,381.21	--

MingYang Smart Energy Group Co., Ltd.
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Various provisions for impairment of assets accrued due to force majeure factors, such as natural disasters	-	--
Reversal of provision for impairment of receivables and contract assets that are individually tested for impairment	2,052,209.06	--
Other non-operating income and expenses other than the above	4,161,572.63	--
Other gain or loss items met the definition of non-recurring item	-	--
Total amount of non-recurring items	-13,819,178.28	--
Less: effects of income tax on non-recurring items	-2,369,447.82	--
Net amount of non-recurring items	-11,449,730.46	--
Less: Non-recurring items attributable to the minority interests (after tax)	5,759.70	--
Non-recurring items attributable to the shareholders of the Company	-11,455,490.16	--

Note:

As the above value-added tax has a direct relationship with primary operations, is continuous and recurring, therefore, they are included in recurring gains and losses.

Item	Amount involved
Immediate refund of VAT	36,775,915.88

2. Return on equity and earnings per share

Profit in reporting period	Weighted average return on equity %	Earnings per share	
		Basic earnings per share	Diluted earnings per share
Net profit attributable to the shareholders of the Company	6.68	0.68	0.68
Net profit excluding non-recurring items attributable to the shareholders of the Company	6.73	0.68	0.68

Calculation of earnings per share	Current period	Prior period
Net profit attributable to ordinary shareholder of the parent company		
Including: Net profit from continuing operations	1,412,732,216.78	282,486,301.01
Net profit from discontinued operations	-	-
Basic earnings per share		
Including: Basic earnings per share from continuing operations	0.68	0.15
Basic earnings per share from discontinued operations	-	-
Diluted earnings per share		
Including: Diluted earnings per share from continuing operations	0.68	0.15
Diluted earnings per share from discontinued operations	-	-

MingYang Smart Energy Group Co., Ltd.

27 May 2022

THE COMPANY

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