

WUHAN BOILER COMPANY LIMITED

2021 ANNUAL REPORT

2022-012

April 2022

Section I Important Notes, Contents & Definition

The Board of Directors, the Board of Supervisors as well as Board Directors, Supervisors and Senior Management of Wuhan Boiler Company Limited (hereinafter referred to as “the Company”) hereby confirm that this Annual Report is authentic, accurate and complete without any misstatement, misleading statement or material omission and will take individual and joint and several liabilities for that.

Ren Hongshun, Legal Representative, Song Yuchuan, Finance Director, and Zhou Wei, Accounting Manager, hereby ensure that the Financial Report enclosed in this Annual Report is true, accurate and complete.

All Board Directors have attended the Board Meeting for reviewing this Report.

Zhongshenzhonghuan Certified Public Accountants LLP audited the financial statements of the company in 2021 and issued an unqualified audit report with the paragraph " Significant Uncertainties Related to Going Concern", which is to remind the users of the audit report to pay attention to going-concern ability of the company. We agree with the explanation of the audit institution on the significant uncertainty paragraphs related to going concern in the audit report. The board of directors and the board of supervisors of the company have made detailed explanations on relevant matters, which should be read by investors.

The Company planned not to distribute cash dividends, or grant bonus shares, or transfer capital reserve into share capital.

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Definition

Term	Refers to	Definition
CSRC	Refers to	China Securities Regulatory Commission
The Company Law	Refers to	The Company Law of the People's Republic of China
The Securities Law	Refers to	The Securities Law of the People's Republic of China
The Articles of Association	Refers to	The Articles of Association of Wuhan Boiler Company Limited
Controlling shareholder	Refers to	GE Steam Power Investment Co., Ltd.
WBG	Refers to	Wuhan Boiler Group Co., Ltd
GE	Refers to	General Electric Company
GE Albany	Refers to	GE Albany Global Holdings B.V.
Company, the Company	Refers to	Wuhan Boiler Company Limited
Report period	Refers to	Jan. 1, 2021- Dec. 31, 2021
Yuan, Thousand Yuan, Million Yuan, Billion Yuan	Refers to	RMB Yuan, RMB Thousand Yuan, RMB Million Yuan, RMB Billion Yuan

Section II Company Profile & Financial Highlights

I. Basic information of the Company

Stock abbreviation	WuguoB3	Stock code	420063
Stock abbreviation after change (if any)	None		
Stock transfer system	The STAQ, NET and delisted companies section under the management of National Equities Exchange and Quotations Co., Ltd.		
Chinese name of the Company	武汉锅炉股份有限公司		
Abbr. of the Chinese name of the Company	武锅股份		
English name of the Company (if any)	WUHAN BOILER COMPANY LIMITED		
Abbr. of the English name of the Company (if any)	WBC		
Legal representative of the Company	Ren Hongshun		
Registered address	No. 1, Liufangyuan Road, East Lake New Technology Development Zone, Wuhan, Hubei (Free Trade Zone of Wuhan)		
Zip code	430205		
Past changes of registered address	N/A		
Office address	No. 1, Liufangyuan Road, East Lake New Technology Development Zone, Wuhan, Hubei (Free Trade Zone of Wuhan)		
Zip code	430205		
Internet website of the Company	http://www.wbcl.com.cn		

II. Contact information

	Board Secretary	Securities Representative
Name	Jin Lin	Wu Yuanhua
Contact address	No. 1, Liufangyuan Road, East Lake New Technology Development Zone, Wuhan, Hubei	No. 1, Liufangyuan Road, East Lake New Technology Development Zone, Wuhan, Hubei
Tel.	(027) 81993611	(027) 81993316

Fax	(027) 81993701	(027) 81993701
E-mail	lin.jin@wbcl.cn	yuanhua.wu@wbcl.cn

III. About information disclosure and where this report is placed

Stock exchange website where this Report is disclosed	http://www.neeq.com.cn
Media and website where this Report is disclosed	Domestic: Securities Times Overseas: Ta Kung Pao
Where this report is placed	Board Office of the Company

IV. Change of the registered information

Organizational code	914200002717564326
Change of the Company's main business since listing (if any)	No change
Changes of the controlling shareholder (if any)	On November 2, 2015, General Electric Company announced that it has completed the acquisition of Alstom's power and grid businesses. The completion of the transaction follows the regulatory approval of the deal in over 20 countries and regions including the EU, U.S., China, India, Japan and Brail. The actual controller of the Company has been changed from Alstom (a France-listed company) to GE Albany Global Holdings B.V.

V. Other information

The CPA firm engaged by the Company:

Name	Zhongshenzhonghuan Certified Public Accountants LLP
Office address	2-9/F, 169 Donghu Road, Wuchang District, Wuhan City
Signing accountants	Li Yanbin and Luo Zhixiong

Sponsor engaged by the Company to conduct consistent supervision during the report period

Applicable Not applicable

Financial consultant engaged by the Company to conduct consistent supervision during the report period

Applicable Not applicable

VI. Accounting and financial highlights

Does the Company adjust retrospectively or restate accounting data of previous years?

Yes No

	2021	2020	Increase/decrease of current year over last year	2019
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Operating revenues (RMB Yuan)	517,930,505.87	937,012,352.62	-44.73%	1,457,176,506.82
Net profit attributable to shareholders of the Company (RMB Yuan)	-371,940,729.56	-248,703,817.95	-49.55%	11,726,061.93
Net profit attributable to shareholders of the Company after excluding non-recurring gains and losses (RMB Yuan)	-396,803,802.82	-275,665,340.47	-43.94%	10,838,269.98
Net cash flows from operating activities (RMB Yuan)	-309,343,589.87	-384,679,158.95	19.58%	147,624,534.31
Basic EPS (RMB Yuan/share)	-1.25	-0.84	-48.81%	0.04
Diluted EPS (RMB Yuan/share)	-1.25	-0.84	-48.81%	0.04
Weighted average ROE (%)	-23.32%	-19.00%	-4.32%	-0.99%
	As of Dec. 31, 2021	As of Dec. 31, 2020	Increase or decrease of this year-end than last year-end (%)	As of Dec. 31, 2019
Total assets (RMB Yuan)	531,532,673.45	1,126,788,400.45	-52.83%	1,355,821,884.88
Net assets attributable to shareholders of the Company (RMB Yuan)	-1,754,893,982.92	-1,434,703,865.21	-22.32%	-1,183,279,937.44

Indicate whether the lower of the net profit attributable to shareholders of the Company after excluding non-recurring gains and losses was negative for the last three accounting years, and the latest independent auditor's report indicated that there was uncertainty about the Company's ability to continue as a going concern.

Yes No

Indicate whether the lower of the net profit attributable to shareholders of the Company after excluding non-recurring gains and losses was negative.

Yes No

Item	2021	2020	Remark
Operating revenues (RMB Yuan)	517,930,505.87	937,012,352.62	No deduction
Deduction from operating revenues (RMB Yuan)	0.00	0.00	No deduction
Operating revenues after excluding the deduction (RMB Yuan)	517,930,505.87	937,012,352.62	No deduction

VII. Differences between accounting data under domestic and overseas accounting standards

1. Differences of net profit and net assets disclosed in financial reports prepared under international and Chinese accounting standards

Applicable Not applicable

There is no net profit and net assets in financial reports disclosed in accordance with international accounting standards and Chinese accounting standards during the report period.

2. Differences of net profit and net assets disclosed in financial reports prepared under overseas and Chinese accounting standards

Applicable Not applicable

There is no difference of net profit and net assets disclosed in financial reports prepared under overseas and Chinese accounting standards during the report period.

VIII. Financial highlights by quarter

Unit: RMB Yuan

	Q1	Q2	Q3	Q4
Operating revenues	97,150,560.56	145,556,509.74	120,304,640.90	154,918,794.67
Net profit attributable to shareholders of the Company	-92,295,804.69	-51,944,534.75	-76,323,441.61	-151,376,948.51
Net profit attributable to shareholders of the Company after excluding non-recurring gains and losses	-92,506,248.69	-52,013,978.75	-92,412,885.61	-159,870,689.77
Net cash flows from operating activities	-145,253,908.61	-72,124,997.95	-67,801,951.42	-24,162,731.89

Any material difference between the financial indicators above or their summations and those which have been disclosed in Quarterly or Interim reports?

Yes No

IX. Items and amounts of non-recurring gains and losses

Applicable Not applicable

Unit: RMB Yuan

Item	2021	2020	2019	Note
Gain/loss on the disposal of non-current assets (including the offset part of the asset impairment provisions)	-79,662.15		300,884.98	
Government grants recognized in the current year, except for those acquired in the ordinary course of business or granted at certain quotas or amounts according to the country's unified standards	18,808,353.00	16,297,776.00	277,776.00	
Impairment provision reversal of accounts receivable on which the impairment test is	1,220,543.83			

carried out separately				
Non-operating income and expense other than the above	-1,920,699.35	10,663,746.52	605,061.62	
Other gains and losses that meet the definition of non-recurring gain/loss	6,834,537.93			
Less: Income tax effects			295,930.65	
Total	24,863,073.26	26,961,522.52	887,791.95	--

Particulars about other gains and losses that meet the definition of non-recurring gain/loss:

√Applicable Not applicable

Being the investment income generated from the transfer of financial instruments which is the net amount of the difference between the contract consideration received for the project transfer and the present value of the future cash flow of the contract.

Explain the reasons if the Company classifies any non-recurring gain/loss item mentioned in the Explanatory Announcement No. 1 on Information Disclosure for Public Listed Companies - Non-recurring Gains and Losses as a recurrent gain/loss item.

Applicable Not applicable

The Company didn't classify any non-recurring gain/loss item mentioned in the Explanatory Announcement No. 1 on Information Disclosure for Public Listed Companies – Non-recurring Gains and Losses as a recurrent gain/loss item.

Section III Management Discussion and Analysis

I. Industry overview for report period

In 2021, China saw electricity consumption reach 8.31 trillion kilowatt-hours, up 10.3% year on year due to the consistent recovery of the domestic economy, the low level in the same period of last year, a swift rise in export, and other factors. In Q1, Q2, Q3, and Q4, China's electricity consumption climbed 21.2%, 11.8%, 7.6%, and 3.3% year on year, respectively. However, impacted by factors such as an increase in the level of the same period, the year-on-year growth fell quarter by quarter. In 2021, China's electricity consumption growth for the two years averaged 7.1%, and in four quarters, that averaged 7.0%, 8.2%, 7.1%, and 6.4%, respectively, maintaining steady and fast growth. By the end of 2021, China's total installed power generation capacity stood at 2.38 billion kilowatts, up 7.9% year on year; the electricity generation of industrial enterprises above designated size in China reached 8.11 trillion kilowatt-hours, up 8.1% year on year. Besides, the total installed non-fossil energy capacity stood at 1.12 billion kilowatts, exceeding the installed coal capacity for the first time. By the end of 2021, China's total installed thermal power capacity stood at 1.30 billion kilowatts, up 4.1% year on year. Of this amount, the installed coal capacity reached 1.11 billion kilowatts, up 2.8% year on year, and accounted for 46.7% of the total, down 2.3 percentage points year on year.

Coal-fired power enterprises saw a continuous decrease in the economic benefits due to a hike in coal prices, thus suffering losses. Some areas were even plagued by electricity restrictions arising from coal shortages. In 2021, a rise in the thermal coal price led to an increase of approximately RMB600 billion in the procurement cost of thermal coal of coal-fired power enterprises. Since August, large power groups have faced an overall loss in the coal-fired power sector, with the annual accumulative loss reaching approximately 80%. Meanwhile, defining the carbon peak and neutrality goals, China has quickened its pace in energy transition, which has led to a shrinkage of the traditional coal-fired power market and the large-scale development of the new energy. Impacted by the energy transition policy and other policies, the Company, whose main product, the utility boiler, is for thermal power generation, faces an uncertain future in its traditional business and an urgent strategic transition in its development.

II. Main business during report period

Research, development, sales, wholesales, design, manufacturing, assembling, supply, installation and commissioning of power plant boilers, special boilers, pressure vessel of Class 1, 2 & 3, boiler related system and auxiliary equipment, environmental equipment and system; research, development and application of industrial metal materials; research and development of power plant and the other energy engineering project as well as related products, contracting domestic and international EPC projects, project financing, international trade, providing technical consultancy and services. (related governmental permit shall be obtained before engaging in the special projects defined by P. R. China)

No changes occurred to the main business model and business line of the Company in the report period.

III. Core competitiveness analysis

Core competitiveness represents the ability of a company to stay competitive in competition for a long time and is the key for the sustainable development of a company. Amid domestic and overseas markets and development

opportunities, the Company is competitive in terms of brand, technology, etc.

1. Technological superiority

The advanced thermal power boiler technologies of the Company mainly include subcritical, supercritical and ultra-supercritical utility boiler technologies, as well as supercritical and subcritical circulating fluidized bed boiler technologies.

Currently, the Company licenses the latest (ultra) supercritical boiler technology, materials, software and standards, as well as relevant personnel training, and it is able to produce utility boilers and their relevant products that are in line with ASME standard, EN standard and domestic GB standard.

After the signing of a share acquisition agreement between the controlling shareholder of the Company and Daben Automobile Components Co., Ltd., the controlling shareholder of the Company has extended the technology transfer agreement with the Company so that the Company can continue to operate in the traditional coal power market.

2. Market status

Historically, the controlling shareholder of the Company and its related parties have provided all-rounded business support for the Company by helping it secure many main component subcontracting orders of overseas projects to expand the export market. However, in January 2022, the controlling shareholder of the Company completed the handover of a 51% interest in the Company to Daben Automobile Components Co., Ltd. Since then, the controlling shareholder of the Company has ceased to provide market development support for the Company on the coal power market.

IV. Main business analysis

1. Overview

2021 marked the commencement of China's "14th Five-Year Plan" and its goals to peak carbon emissions before 2030 and achieve carbon neutrality before 2060. In the year, energy transition was a hot topic, the international environment was complex and severe with a global energy crisis caused by extreme weather, economic recovery and geopolitical factors, among others, and multiple outbreaks of the COVID-19 pandemic have produced an adverse impact on economic recovery domestically. For the Company, 2021 was a year of challenges and changes. As GE announced in 2020 to withdraw from the new build coal power market and the Company, GE Steam Power Investment Co., Ltd. ("GESPI"), the controlling shareholder of the Company, and Daben Automobile Components Co., Ltd. has signed the Agreement on Acquisition of Shares in Wuhan Boiler Company Limited on September 28, 2021. And the handover of shares has been completed in January 2022.

For 2021, the Company achieved operating revenues of RMB 51,793 million, a decline of 44.7% over last year; total profit of RMB -371.94 million, representing a year-on-year increase of 53.2%; and net profit attributable to shareholders of the Company of RMB -371.94 million, increasing 49.6% from last year.

2. Revenues and costs

(1) Breakdown of operating revenues

Unit: RMB Yuan

	2021	2020	+/-

	Amount	In operating revenues	Amount	In operating revenues	
Operating revenues	517,930,505.87	100%	937,012,352.62	100%	-44.73%
By segments					
Manufacturing	507,961,598.85	98.08%	930,952,956.08	99.35%	-45.44%
Others	9,968,907.02	1.92%	6,059,396.54	0.65%	64.52%
By products					
Boilers and auxiliary	507,961,598.85	98.08%	930,952,956.08	99.35%	-45.44%
Others	9,968,907.02	1.92%	6,059,396.54	0.65%	64.52%
By area					
Domestic	9,506,224.69	1.84%	67,772,077.88	7.23%	-85.97%
Overseas	508,424,281.18	98.16%	869,240,274.74	92.77%	-41.51%
By sales model					
By point in time	66,893,455.47	12.92%	103,498,255.00	11.05%	-35.37%
By over time	451,037,050.40	87.08%	833,514,097.62	88.95%	-45.89%

(2) Segments, products, areas or sales models contributing over 10% of operating revenues or profit

Applicable Not applicable

Unit: RMB Yuan

	Operating revenue	Operating cost	Gross profit margin (%)	Operating revenue: +/-% from last year	Operating cost: +/-% from last year	Gross profit margin: +/-% from last year
By segments						
Manufacturing	507,961,598.85	590,415,205.02	-16.23%	-45.44%	-39.33%	-11.70%
By products						
Boilers and auxiliary	507,961,598.85	590,415,205.02	-16.23%	-45.44%	-39.33%	-11.70%
By areas						
Domestic	9,506,224.69	23,507,580.96	-147.29%	-84.60%	-66.96%	-132.00%
Overseas	498,455,374.16	566,907,624.06	-13.73%	-42.66%	-37.15%	-9.97%

Main business data of previous year restated according to changed statistical caliber for the report period

Applicable Not applicable

(3) Product sales revenue higher than service revenue

Yes No

Industry	Item	Unit	2021	2020	Increase or decrease over last year (%)
Machinery manufacturing (RMB)	Sales volume	RMB	507,961,598.85	930,952,956.08	-45.44%
	Output	RMB	590,415,205.02	973,122,465.35	-39.33%
	Inventory	RMB		46,393,485.77	-100.00%

Reasons for any movement of the above data over 30%

Applicable Not applicable

1. Operating revenues is 508M, decreased by 45.44%, mainly due to forecasted project were unable to be realized as of GE announcement to exit new build coal power market.

2. Inventory decreased by 100%, mainly due to the transfer and closure of projects in execution, details as company filing No. 2021-029.

(4) Execution progress of major signed sales and purchase contracts in report period

Applicable Not applicable

(5) Breakdown of operating costs

By segments and products

Unit: RMB Yuan

Segment	Item	2021		2020		+/-
		Amount	In operating costs	Amount	In operating costs	
Manufacturing	Operating cost	590,415,205.02	100.00%	973,122,465.35	100.00%	-39.33%

Unit: RMB Yuan

Product	Item	2021		2020		+/-
		Amount	In operating costs	Amount	In operating costs	
Boilers and auxiliary	Operating cost	590,415,205.02	100.00%	973,122,465.35	100.00%	-39.33%

Note: Operating cost decreased by 39.33%, mainly due to forecasted project were unable to be realized as of GE announcement to exit new build coal power market.

(6) Changes in consolidation scope for the report period

Yes No

(7) Major changes in business, products or services in the report period

Applicable Not applicable

(8) Main customers and suppliers

Main customers

Total sales to the top 5 customers (RMB Yuan)	507,203,714.33
Ratio of the total sales to the top 5 customers to the annual total sales (%)	97.93%
Ratio of total sales to top 5 customers to annual total sales from the related party (%)	82.63%

Information about top 5 customers

Serial No.	Name of customer	Sales (RMB Yuan)	Proportion in annual total sales (%)
1	Under the same controller - GE	427,974,335.50	82.63%
2	Keppel Seghers Belgium NV	68,303,783.99	13.19%
3	China Nuclear Energy Industry Co., Ltd.	4,921,780.58	0.95%
4	Tianjin Electric Power Construction Co., Ltd, subsidiary of China Energy Engineering Group Co., Ltd.,	3,646,657.69	0.70%
5	Shanghai Boiler Co.,Ltd.	2,357,156.57	0.46%
Total	--	507,203,714.33	97.93%

Other information about main customers

Applicable Not applicable

Main suppliers

Total purchases from the top 5 suppliers (RMB Yuan)	192,936,314.87
Ratio of the total purchases from the top 5 suppliers to the annual total purchases (%)	42.66%
Ratio of total purchases from top 5 suppliers to annual total purchases from related party (%)	0.00%

Information about top 5 suppliers

Serial No.	Name of supplier	Purchase amount (RMB Yuan)	Proportion in annual total purchases (%)
1	Huaye Steel Structure Co. Ltd.	76,198,182.81	16.85%
2	Shanghai Jiangong (Jiangsu) Steel Struction Co.,Ltd.	43,926,134.02	9.71%
3	Guangdong Boying Special Welding Technology Co., Ltd.	30,561,915.60	6.76%
4	Zhuji Huashang import and Export Co., Ltd	21,389,077.79	4.73%
5	Jiangsu Electric Power Equipment Co., Ltd	20,861,004.65	4.61%
Total		192,936,314.87	42.66%

Other information about main suppliers

Applicable Not applicable

3. Expense

Unit: RMB Yuan

	2021	2020	+/-	Major change
Selling expenses	3,558,022.25	12,732,228.08	-72.05%	Mainly due to significant reduction in labor costs
Administrative expenses	162,514,110.44	62,259,931.90	161.03%	Mainly due to large amount of dismissal benefits
Financial costs	84,180,329.38	75,275,293.19	11.83%	
R&D expenses			0.00%	

4. R&D input

Applicable Not applicable

5. Cash flows

Unit: RMB Yuan

Item	2021	2020	Increase or decrease over last year (%)
Subtotal of cash inflows from operating activities	894,839,601.64	1,162,298,590.07	-23.01%
Subtotal of cash outflows from operating activities	1,204,183,191.51	1,546,977,749.02	-22.16%
Net cash flows from operating activities	-309,343,589.87	-384,679,158.95	19.58%
Subtotal of cash inflows from investing activities	3,098,474.99	99,455.48	3,015.44%
Subtotal of cash outflows from investing activities	213,468.11	38,229,709.71	-99.44%
Net cash flows from investing activities	2,885,006.88	-38,130,254.23	107.57%
Subtotal of cash inflows from financing activities	590,067,236.70	600,197,215.31	-1.69%
Subtotal of cash outflows from financing activities	387,986,785.18	184,615,843.78	110.16%
Net cash flows from financing activities	202,080,451.52	415,581,371.53	-51.37%
Net increase in cash and cash equivalents	-104,898,526.77	-7,228,041.65	-1,344.07%

Main influence factors for significant YoY changes in items above

Applicable Not applicable

1. Net cash flow from operating activities increased by 19.58% over last year, mainly due to the decrease in project cash out in the current period.

2. Net cash flow from investing activities increased by 107.57% over last year, mainly due to the fixed assets transfer of Shenyang branch in this period.

3. Net cash flow from financing activities decreased by 51.37% over last year, mainly due to the net decrease in entrusted loans this year.

Reasons for big difference between net operating cash flows and net profit in the report period

Applicable Not applicable

V. Breakdown of non-core business

Applicable Not applicable

Unit: RMB Yuan

	Amount	In total profit (%)	Source/reason	Continuity
Gain/(loss) from investment	6,834,537.93	1.84%	Being the investment income generated from the transfer of financial instruments.	No
Gains/(losses) from changes in fair value	0.00	0.00%	-	-
Impairment loss on assets	63,106,602.40	16.97%	Mainly the provision for impairment of inventories and fixed assets & intangible assets	No
Non-operating income	295,008.70	0.08%		No
Non-operating expenses	1,920,699.35	0.52%		No

VI. Asset and liability analysis

1. Major changes in asset composition

Unit: RMB Yuan

	As of Dec. 31, 2021		As of Jan. 1, 2021		Change (%)	Explain any major change
	Amount	Proportion in total assets (%)	Amount	Proportion in total assets (%)		
Monetary funds	32,839,810.21	6.18%	136,010,500.73	12.07%	-5.89%	
Accounts receivable	10,736,953.35	2.02%	85,241,814.01	7.57%	-5.55%	
Contract assets	0.00	0.00%	216,649,520.32	19.23%	-19.23%	Mainly due to the transfer and closure of projects in execution.
Inventories	7,094,056.78	1.33%	46,393,485.77	4.12%	-2.79%	
Investment property		0.00%		0.00%	0.00%	

Long-term equity investment		0.00%		0.00%	0.00%	
Fixed assets	446,051,823.50	83.92%	503,150,300.22	44.65%	39.27%	Mainly due to the provision for impairment of fixed assets.
Construction in progress		0.00%	168,795.87	0.01%	-0.01%	
Right to use assets		0.00%		0.00%	0.00%	
Short-term borrowings	0.00	0.00%	1,965,139,955.97	174.06%	-174.06%	Mainly due to the withdrawal of the bank from the entrusted loan of shareholder.
Contract liabilities	7,552,751.32	1.42%	190,482,772.35	16.90%	-15.48%	
Long-term borrowings		0.00%		0.00%	0.00%	
Lease liability		0.00%		0.00%	0.00%	

Indicate whether overseas assets account for a larger proportion of total assets.

Applicable Not applicable

2. Assets and liabilities measured at fair value

Applicable Not applicable

3. Restricted assets and rights as of end of report period

Not applicable

VII. Investment analysis

1. Total investments

Applicable Not applicable

2. Major equity investments made in the report period

Applicable Not applicable

3. Major non-equity investments ongoing in the report period

Applicable Not applicable

4. Financial investments

(1) Securities investments

Applicable Not applicable

No such cases in report period

(2) Derivatives investments

Applicable Not applicable

No such cases in report period

5. Utilization of raised funds

Applicable Not applicable

No such cases in report period

VIII. Sale of major assets and equity interests

1. Sale of major assets

Applicable Not applicable

No such cases in report period

2. Sale of major equity interests

Applicable Not applicable

IX. Main subsidiaries and shareholding companies

Applicable Not applicable

No important subsidiaries and shareholding companies in the report period about which information shall be disclosed.

X. Structured bodies controlled by the Company

Applicable Not applicable

XI. Outlook of the Company's future development

(1) Strategies of the Company for future development

Along with the equity transfer by the controlling shareholder, the development strategies of the Company will be adjusted based on the plans of the new controlling shareholders. According to the disclosed acquisition report, upon the completion of the acquisition, the new controlling shareholder will leverage its customer resources in

metal materials and automobile components and WBC's brand, talent and technological advantages in relation to boilers to integrate the two companies' advantages, re-position the business of WBC, and improve WBC's sustainability and profitability by capitalizing on China's energy policy.

(2) Business plan for the coming year

Under the leadership of the new controlling shareholder, the Company will pay close attention to domestic and overseas markets movement, and focus on the following critical tasks based on its own situation:

The Company will make active efforts to develop new business and products, and work on technological accumulation with respect to new products.

The Company will continue to tap the potential of the traditional boiler business, adapt to the decreasing trend of new projects in large coal-fired power plants, expand the service business of power plants and unconventional fossil energy projects, such as biomass furnace, solar energy boiler and refuse incinerators.

The Company will strive to maintain the first class EHS (environment, health and safety) standards.

The Company will continue to improve business operation management, provide more training to on-the-job employees, continue with lean manufacturing for higher efficiency and lower costs, and reduce the cost base.

XII. Research, communication and interview received in the report period

√ Applicable □ Not applicable

Date	Place	Way of visit	Type of visitor	Visitor	Main inquiry and materials provided by the Company	Index
April 12, 2021	WBC	By phone	Individual	Shareholder with tradable shares	Whether the Company is able to continue to operate: please refer to the 2020 Annual Report to be disclosed soon	-
April 13, 2021	WBC	By phone	Individual	Shareholder with tradable shares	Annual report preparation progress and whether the audit fee is too high: The annual report is being prepared. And the audit fee has been approved by the Board of Directors and the shareholders' meeting.	-
June 3, 2021	WBC	By phone	Individual	Shareholder with tradable shares	GE's plan with the Company: No notification from GE yet. Please keep yourself informed of our announcements.	-
July 2, 2021	WBC	By phone	Individual	Shareholder with tradable shares	Any potential buyer: Unknown yet. The Company will announce it if any new progress arises.	-
October 18, 2021	WBC	By phone	Individual	Shareholder with tradable shares	Particulars about the buyer: Please see the acquisition report disclosed on September 30.	-
December 3, 2021	WBC	By phone	Individual	Shareholder with tradable shares	Handover progress: Ongoing. The Company will announce it in a timely manner as soon as the ownership transfer formalities are completed.	-

Section IV Corporate Governance

I. Basic information of corporate governance

The Board of Directors of the Company continuously improved its corporate governance and standardized the Company's operation strictly according to the requirements of the Company Law, the Securities Law and other relevant laws and regulations. In the report period, by launching specific correction activities, the Company improved many aspects of governance and internal control system, perfected its corporate governance and normalized operation. The Board of Directors thinks that the actual situation of corporate governance of the Company is in compliance with the requirements of Guiding Principle on Governing Listed Companies.

(1) About shareholders and Shareholders' Meeting:

The Company convenes and holds Shareholders' Meetings according to requirements of Opinions on Standardization of Shareholders' Meeting of Listed Companies and Rules of Procedure for the Shareholders' Meeting of Listed Companies, the Company treats all shareholders equally, especially minority shareholders are insured to be equally treated and they can fully exercise their lawful rights.

(2) About relationship between controlling shareholder and the Company:

The controlling shareholder complies with laws while exercising their rights as investors through the Shareholders' Meeting and doesn't, directly and indirectly, intervene the Company's decision-making and operation through other channels. The human resources, assets, finance, organizations and operations of the Company are independent from the controlling shareholder. The Company and the controlling shareholder maintain different financial accounts, and independently undertake commercial liabilities and market risks. Related transactions between the Company and the controlling shareholder are reasonable and fair, and its decision-making procedures comply with related regulations. The controlling shareholder doesn't occupy any fund of the Company and the Company doesn't provide any guarantee to the controlling shareholder and its subsidiaries.

(3) About directors and the Board of Directors:

The Company elects and engages directors strictly in accordance with procedure on director election, the Company Law and Articles of Association of the Company, ensuring that the director election is public, just, fair and independent. The Company ensures that the number and structure of directors is in compliance with provisions stipulated in laws and regulations. The meetings of the Board of Directors are convened and held according to the Rules of Procedure for the Board of Directors. Members of the Board of Directors perform and fulfill their duties honestly, diligently and responsibly. The Board of Directors establishes special committees, each of which performs its own duty and improves the efficiency of the Board of Directors.

(4) About supervisors and the Board of Supervisors:

The Company elects and engages supervisors strictly in accordance with procedure on supervisor election, the Company Law and Articles of Association of the Company. The Company ensures that the number and structure of supervisors is in compliance with provisions stipulated in laws and regulations. The Board of Supervisors inspects and supervises the legitimacy of activities of the Company finance, directors, senior management and other managers, safeguards the benefits and interests of shareholders.

(5) About information disclosure and its transparency:

Secretary of the Board of Directors is responsible for information disclosure and investor relationship

management, including reception of visits and consultations from investors. Securities Times, Hong Kong Ta Kung Pao and the designated information disclosure platform (www.neeq.com.cn or www.neeq.cc) are designated by the Company as the newspapers for disclosing relevant information. According to laws, regulations and requirements of the Management Rules on Information Disclosure of the Company, the Company discloses the information authentically, accurately, timely and completely to ensure all shareholders have equal opportunity to acquire information.

Whether it exists any difference between the corporate governance and the applicable laws, regulations and relevant rules of CSRC or not?

Yes No

There is no significant difference between the actual corporate governance of the Company and the applicable laws, regulations and relevant rules of CSRC regarding governance of listed companies.

II. Particulars about the Company's independence from the controlling shareholder and the actual controller in respect of assets, personnel, finance, organization and operation

The Company is independent in personnel, assets, finance, organization and operations from its controlling shareholder, GE STEAM POWER INVESTMENT CO., LTD., and independently responsible for commercial liabilities and market risks.

In personnel, the Company establishes independent labor, personnel and salaries management systems. No senior management possesses any position in the controlling shareholder entities.

In assets, the relationship regarding assets ownership between the Company and the controlling shareholder have been clearly defined, and the controlling shareholder does not in possession of any assets, capital or other resources of the Company.

In finance, the Company has its own independent financial accounting department with perfect accounting system and financial management system. Decisions in finance are made according to the stringent requirements of accounting system for listed companies, and the similar requirements have been applied to subsidiaries of the Company. The Company has its own independent bank account and its taxations are paid independently in compliance with legal requirements.

In organization structure, the Company already established independent, integrated and effective operation system and responsibility of all organizations is clear. The establishment and operation of corporate governance of the Company was already implemented strictly in accordance with Articles of Association of the Company, which introduced Independent Director System and established four special committees under the Board. The production, operation and administration of the Company are completely independent from the controlling shareholder. The Company already established organization structure suitable for requirement of self-development.

In operation, the Company has independent and integrated business and has capability to self-operate, independent purchase, sales, and production systems. The purchase, production and sales of raw materials and products are all conducted through the independent system of the Company. There is no horizontal competition between the Company and the controlling shareholder in domestic market.

III. Particulars on horizontal competition

Applicable Not applicable

IV. Particulars about annual shareholders' meeting and extraordinary shareholders' meeting held during the report period

1. Particulars about shareholders' meeting held during the report period

Session	Type of meeting	Investor participation rate	Convening date	Disclosure date	Resolutions made
2020 Annual Shareholders' Meeting	Annual shareholders' meeting	58.00%	June 28, 2021	June 29, 2021	As disclosed on the designated information disclosure platforms (www.neeq.com.cn or www.neeq.cc), Securities Times, and Ta Kung Pao
The First Extraordinary Shareholders' Meeting of 2021	Extraordinary shareholders' meeting	58.00%	October 15, 2021	October 18, 2021	As disclosed on the designated information disclosure platforms (www.neeq.com.cn or www.neeq.cc), Securities Times, and Ta Kung Pao

2. Extraordinary shareholders' meetings convened upon the request of preference share holders with resumed voting right

Applicable Not applicable

V. Directors, supervisors and senior management

1. General information

Name	Title	Tenure status	Gender	Age	Beginning date of office term	Ending date of office term	Shares held at the year beginning (share)	Shares increased at the report period (share)	Shares decreased at the report period (share)	Other increase/decrease (share)	Shares held at the period-end (share)	Reason for share changes
Stuart Adam Connor	Chairman of the Board of Directors	Current	Male	43	Jun 15, 2016	Jun 21, 2023	0	0	0	0	0	
Frank Klaus Ennenbach	Director	Current	Male	57	May 27, 2019	Jun 21, 2023	0	0	0	0	0	

Gianluca Frau	Director	Current	Male	50	Jun 23, 2020	Jun 21, 2023	0	0	0	0	0	
Guan Haitao	Director	Current	Male	53	Apr. 24, 2018	Jun 21, 2023	0	0	0	0	0	
Jiang Hong	Director	Current	Female	54	Oct 10, 2013	Jun 21, 2023	0	0	0	0	0	
Raj Raman	Director	Current	Male	51	Sep 24, 2019	Jun 21, 2023	0	0	0	0	0	
Tang Jianxin	Independent Director	Current	Male	56	Oct 9, 2019	Jun 21, 2023	0	0	0	0	0	
Li Jianghong	Independent Director	Current	Female	53	Jun 4, 2018	Jun 21, 2023	0	0	0	0	0	
Wang Haisu	Independent Director	Current	Male	67	Jun 15, 2016	Jun 14, 2022	0	0	0	0	0	
Xiao Botao	Convener of the Board of Supervisors	Current	Male	50	Jun 14, 2017	Jun 21, 2023	0	0	0	0	0	
Zhang Dayong	Supervisor	Current	Male	50	May 27, 2019	Jun 21, 2023	0	0	0	0	0	
Jin Feng	Supervisor	Current	Male	44	Sep 24, 2019	Jun 21, 2023	0	0	0	0	0	
Chen Chaoming	General Manager	Current	Male	58	Oct 10, 2014	Jun 21, 2023	0	0	0	0	0	
Song Yuchuan	Finance Director and Deputy GM	Current	Male	42	Mar 3, 2021	Jun 21, 2023	0	0	0	0	0	
Bai Xixin	Deputy GM	Former	Male	58	Aug 25, 2015	Dec 20, 2021	0	0	0	0	0	
Jin Lin	Board Secretary	Current	Female	35	Oct. 29, 2018	Jun 21, 2023	0	0	0	0	0	
Total	--	--	--	--	--	--	0	0	0	0	0	--

Indicate whether any director, supervisor or senior management resigned before the expiry of their office terms

during the report period.

√ Yes No

Due to the resignation of Deputy GM Mr. Bai Xixin, Finance Director Mr. Song Yuchuan has been appointed to serve as Deputy GM concurrently.

Changes in directors, supervisors and senior management:

√ Applicable Not applicable

Name	Position	Type of change	Date	Reason
Bai Xixin	Deputy GM	Resigned	Dec 20, 2021	Resigned for personal reasons
Song Yuchuan	Deputy GM	Appointed	Dec 20, 2021	Appointed

2. Brief biographies

Professional backgrounds, main working experience and current responsibilities in the Company of current Directors, Supervisors and Senior Management

Chairman of the Board Mr. Stuart Adam Connor, Australian, was born on March 5, 1978, Australian Nationality. Stuart has a Bachelor of Science in Physics and a Bachelor of Laws from the University of New South Wales. He was admitted as a solicitor to the Supreme Court of New South Wales in 2001. Stuart has been General Counsel for GE Steam Power since its inception in November 2015. Prior to his current role, Stuart was Integration Counsel for the GE-Alstom Integration Planning team and led the European Commission merger approval process for Alstom Thermal Power, culminating the successful approval of the GE-Alstom alliance. Before this he was Chief Counsel for Alstom Gas which he held from 2012. Before being Chief Counsel he led the Asian legal and contracts department of Alstom Gas Business, based in Singapore and KL. Stuart's career with Alstom started when he joined Alstom's Legal team in 2008 after being a Senior Associate at law firm Clayton Utz in Sydney. He began with Clayton Utz in 2000. He holds no shares in WBC.

Director Mr. Frank Klaus Ennenbach, was born on August 14, 1964 and holds German nationality. Frank holds a master's degree in Engineering (German Diploma) issued by RWTH Aachen in 1992, majoring in engineering science. Frank began his career in 1992 in Krupp-Koppers in Essen, Germany, being in charge of process engineering for oil and gas plants. In 2000, he joined Siemens Industry in Karlsruhe, Germany, where he was responsible for communication and automation project management of oil and gas pipeline projects. At the end of 2001, Frank became the Global Vice President of Engineering of Lurgi AG in Frankfurt, Germany, being in charge of the oil and gas business. In 2008, Frank joined Alstom in Mannheim, Germany as the Director of the German Business Unit of Steam Power Equipment Division. Later, he held different management positions in Alstom. The previous position held by Frank was the director of engineering and new product introduction (in Baden, Switzerland and Stuttgart, Germany). In January 2019, he was appointed General Manager of the boiler product line of GE's steam power business, based in Delhi, India. Benefited from years of work in the industry, Frank is experienced in oil and gas as well as power plant EPC projects and integrated management. Mr. Frank Klaus Ennenbach holds no shares in WBC.

Director Mr. Gianluca Frau, Italian, was born in Germany on August 7, 1971. While studying economics and information systems at the University of Freiburg, Germany, he started an internship at Alstom Power in 1999. Six months later, he was offered a position as a financial analyst in the supply chain finance team of Alstom Power's hot gas path parts. Later he became the Director Finance & Control for the hot gas path parts supply chain

business in 2009. He then joined the finance team for thermal power product manufacturing in 2006 as the first Financial Director of Alstom Power's global service plant network. After successfully implementing a full income statement and establishing a well-functioning financial organization in the service plant network, he took on a new role as Finance Director Operational Performance for the transformation of Alstom Power's thermal services, as part of the Excellence Program, starting in 2014. During the integration of Alstom into GE, he led the financial integration of the power services (manufacturing, parts, maintenance and field service). With the completion of the 2015 acquisition and a focus on product costs, he was appointed finance leader for productivity and cost spend for all product lines in GE Power Services. He has been the Chief Financial Officer for GE STEAM Power - rotating equipment product lines since 2018. Since then, his role had been expanded in more areas, first power automation and control, then industrial steam turbines and then clean combustion product lines, which was started in 2020. He holds no shares in WBC.

Director Mr. Guan Haitao, Chinese, was born on February 17, 1968. He graduated from the Northeast Heavy Machinery Institute and obtained Master of Engineering in Electric Drive and Automation. He gained the MBA from Guanghua School of Management, Peking University in 2015. During the period from January 1991 to January 1999, he worked in Heilongjiang Electric Power Construction and Commission Research Institute, responsible for scientific research commission affairs of power plant construction. During the period from February 1999 to October 2004, he served for Alstom (former ABB Power Generation), engaged in installation and commission of power plant and project execution. During the period from November 2004 to February 2006, he took the position of China Service Sales Manager of Energy Service in GE (China). He started his career with Alstom in February 2006 and held several posts including Site Service Management Manager and Project Management Director in Alstom Beizhong Power (Beijing) Co., Ltd., Deputy General Manager of Turbine & Generator business in China, General Manager in Nuclear Power China and General Manager in Rotating Equipment China, General Manager in Steam Power China of GE., Since December 2019, he serves as the General Manager of Alstom Beizhong Power (Beijing) Co., Ltd.. He holds no shares in WBC.

Mr. Rajmohan Venkat Raman was born on September 18, 1970 and holds Indian nationality. He graduated with a bachelor's degree in mechanical engineering from Marathwada University in Maharashtra State. Rajmohan started his career in Larsen & Toubro in July 1992, and worked for GEC Alstom and Magui from 1995 to 1998. He also received a Postgraduate Diploma in management from Indira Gandhi National Open University. Rajmohan joined GE Healthcare in July 1999 as a Material Manager. In April 2005, he was promoted to Operation Director of GE Healthcare Wipro Plant, and Director of Lean Manufacturing in Asia in July 2009. In November 2012, he joined GE Oil & Gas and integrated the business of Dresser Machinery (India) Co., Ltd. (which was acquired by GE). In September 2015, Rajmohan was promoted to Director of Materials and Logistics and moved to the green benchmarking plant in Poona, India. In November 2017, he became the Director of transformer business of GE Power grid solutions in India. In May 2019, he took over the director of global supply chain of clean combustion in Steam Power Division. Mr. Rajmohan Venkat Raman holds no shares in WBC.

Director Ms. Jiang Hong, Chinese, was born on August 17, 1967. She graduated from East China University of Metallurgy with a bachelor's degree in engineering. She is a Senior Statistician. Ms. Jiang Hong ever worked as Deputy Director of Finance and Assets Department in Wuhan Boiler Group Co., Ltd, Director of General Management Department in Wuhan Boiler Group Co., Ltd, and Currently she is Deputy Chief economist of Wuhan Boiler Energy Engineering Co., Ltd. Ms. Jiang Hong ever worked in WBG's 51% share of WBC acquisition with the Alstom and Wuhan Boiler Group Co., Ltd. and Dongfang Electric Co., Ltd.'s capital increase

and share expansion to start up Dongfang Electric (Wuhan) Nuclear Equipment Co., Ltd. and other work. Ms. Jiang Hong is a Director of the 6th Board of Directors of WBC. She holds no shares in WBC.

Independent Director Ms. Li Jianghong, was born on 8 September 1968. She graduated from Zhongnan University of Economics and Law with a doctor degree. She is a professor, Doctoral Supervisor and member of Communist Party of China. She was given the title of national advanced female employee in 2001 by All-China Federation of Trade Unions, won the prize of Hubei Ten Young and Middle-aged Jurists in 2012. She hold a concurrent post of executive member of Economic Law Research Society of China Law Society, executive member of China Association for Fiscal and Tax Law, vice chairman of Economic Law Research Society of Hubei Province Law Society and vice chairman of Hubei Fiscal and Tax Law Research Society. She serves as the first legal advisor of Hubei Provincial People's Government, consultant expert of Financial and Economic Committee of Hubei Provincial People's Congress, member of Administrative Review Expert Committee of Hubei Provincial Tax Bureau and Hubei Local Taxation Bureau, legal advisor of Xiangyang People's Government and Judicial Supervision Expert of Committee for Internal and Judicial Affairs under the Wuhan People's Congress. Ms. Li Jianghong acts as the independent director of the 7th Board of Directors of the Company. She holds no shares in WBC and is not related in any way to WBC or WBC's controlling shareholder or actual controller.

Independent Director Mr. Tang Jianxin was born on December 21, 1965. He graduated from Wuhan University with a doctor degree. Mr. Tang Jianxin is currently Professor of Department of Accounting of Wuhan University and also Doctoral Supervisor. He is Vice President of Hubei Audit Association and Vice President of Wuhan Audit Association .He is Independent Director of Yichang HEC Chang Jiang Pharmaceutical Co. Ltd. (listed company),Wuhan Ligong Guangke Co.Ltd. (listed company)and Zhejiang Reclaim Construction Group Co.Ltd. (listed company) Mr. Tang Jianxin is the Independent Director of the 7th Board of Directors of the Company. He holds no shares in WBC and is not related in any way to WBC or WBC's controlling shareholder or actual controller.

Independent Director Mr. Wang Haisu, Chinese, was born on November 4, 1954. He is a PhD in economics, professor and doctoral supervisor. He used to serve as Dean of MBA College in Zhongnan University of Economics and Law as well as full-time researcher in Center for Studies of Intellectual Property Research Rights which is in Key Research Base of Humanities and Social Sciences of the Ministry of Education. His researches focus on industrial organization, state-owned enterprise reform and assets appraisal etc. He also works in many organizations and companies, such as, deputy director of China Society of Industrial Economics, vice-chairman of Industrial Economics Society of Hubei Province, member of China Appraisal Society, vice-chairman of Hubei Appraisal Society, counselor of Wuhan Small and Medium Enterprises Association. Mr. Wang Haisu is an Independent Director of the 6th Board of Directors of WBC. He holds no shares in WBC and is not related in any way to WBC or WBC's controlling shareholder or actual controller.

Convener of the Board of Supervisors & Employee Supervisor Mr. Xiao Botao, Chinese, was born on June 21, 1971. He is an engineer. He graduated from Taiyuan Heavy Machinery Institute (currently known as "Taiyuan University of Science and Technology") in July 1994. Since then, he had worked in WBC, successively as Human Resources Manager, the assistant manager and then the manager of a WBC branch plant until he was appointed WBC's Assistant Production Manager in December 2016. He holds no shares in WBC.

Supervisor Mr. Jin Feng, was born on December 14, 1977 and holds Chinese nationality. Mr. Jin Feng graduated from Huazhong University of Science and Technology with a master's degree in thermal engineering. He joined Alstom (Wuhan) Engineering & Technology Co., Ltd. in 2003 and served as Design Engineer of power plant and Project Technical Manager. In 2007, he was granted the project management qualification certificate issued by Project Management Institute(PMI), and then served as Project Manager and Senior Project Manager of Joint Venture. In 2014, he served as the Director of Project Management Department of Alstom (Wuhan) (nuclear business in China), and in 2016, he served as the Director of Engineering Design Department (nuclear business in China). Mr. Jin Feng has been the General Manager of Alstom (Wuhan) (currently known as GE (Wuhan) Engineering Technology Co., Ltd.) since April 2018. He holds no shares in WBC.

Supervisor Mr. Zhang Dayong, was born on October 1, 1971 and holds Chinese nationality. Mr. Jin Feng graduated from School of Energy and Power Engineering of Xi'an Jiaotong University in July 1994 with a bachelor's degree in Thermal Power Engineering in Power Plant. From July 1994 to February 2004, he worked for Anhui Electric Power Design Institute, being engaged in the design of thermal power plant. From February 2004 to April 2012, he worked for Doosan Babcock Energy Wuhan Branch, being engaged in boiler island design and project management in power plant. In April 2012, Mr. Zhang Dayong joined Wuhan Boiler Co., Ltd. and held different management positions, including Project Engineering Director, Project Management Director and Bidding Director. From July 2012 to November 2013, he served as Project Engineering Director, being responsible for the management of project engineering design. From November 2013 to July 2015, he served as Project Management Director, being responsible for the management of Engineering Design Department of Wuhan Boiler. Since July 2015, he served as Bidding Director of Wuhan Boiler, being responsible for market development and project bidding management. Mr. Zhang Dayong holds no shares in WBC.

General Manager Mr. Chen Chaoming, Chinese, was born on August 30, 1963. He graduated from Huazhong Institute of Technology (the predecessor of Huazhong University of Science and Technology), in 1983, majored in Power Plant Thermal Energy. He holds a high professional title as Senior Engineer. After started his career in 1983 as Mechanical Engineer in Central-Southern China Electric Power Design Institute, he worked as Leading Engineer, Mechanical Department Deputy Manager and then Project Manager for the following years. In May 1996, he moved to Mitsui Babcock Beijing Representative Office as Technical Sales Manager. Thereafter, Mr. Chen Chaoming joined Babcock (Shanghai) Power Technology Co. Ltd. - a subsidiary of Mitsui (Doosan) Babcock Energy Ltd in May 1998, as a General Manager of Wuhan Branch. Then he pursued further career development in Alstom (China) Investment Co., Ltd as Chief Engineer Alstom Boiler Cluster since March 2011, followed by the role of Engineering Director of Wuhan Boiler Company Limited for the next three years. In April 2014, he took the position of General Manager of Alstom (Wuhan) Engineering and Technology Co., Ltd, as well as Vice President, Alstom Nuclear Business China. He has extensive experience in P&L organization management, power project sales and tendering, engineering and project management in international and domestic markets. Mr. Chen Chaoming started to act as General Manager of WBC since October 2014. He holds no shares in WBC.

Finance Director and Deputy General Manager Mr. Song Yuchuan, Chinese, was born on August 15, 1979. He received a bachelor's degree in French literature from Wuhan University, a master's degree in corporate finance from the Rouen Business School, and a master's degree in political economy management from Paris Descartes University. He worked at French Fixed Income of ABN AMRO Bank from 2005 to 2006, where he was responsible for the tracking and analysis of French sovereign bond transactions as a middle-office officer. He

returned to Beijing in 2007 and worked as an external auditor for Mazars (Shanghai) in Beijing until early 2010. He joined ZTE Development in 2010 as Finance Manager, being responsible for finance, investment and financing of local property projects in France. He joined Wuhan Boiler Group Co., Ltd. in 2014 and has served as Project Financial Controller and Senior Project Control Manager until now, being responsible for and leading the team in the budget control and analysis of various key projects in recent years. He holds no shares in WBC.

Board Secretary Ms. Jin Lin, Chinese, was born on August 30, 1986. She graduated from University of Electronic Science and Technology of China in English Major. During the period from 2009 to 2011, she served as the training supervisor in the Customer Business Development Department of Procter&Gamble (Guangzhou) Ltd., responsible for the counter management and beauty consultant training of Olay Products and the monthly sales report of the province. During the period from November 2011 to 2014, she worked as a market researcher in Ipsos Market Consulting Company Wuhan Branch's automotive team, responsible for qualitative and quantitative research in automotive-related industries and ride research project in the Asia-Pacific region. In April 2015, she joined in WBC and took the position of the Assistant to the General Manager and obtained the Board Secretary Qualification Certificate in September 2016. She started to work as the Securities Affairs Representative in WBC since February 2017. Since October 2018, she has been the Board Secretary of the Company holding no shares in WBC.

Positions held in shareholder entities

Applicable Not applicable

Positions held in other entities

Applicable Not applicable

Punishments imposed in recent 3 years by securities regulatory authorities on current directors, supervisors and senior management as well as those who left in report period

Applicable Not applicable

3. Remuneration for directors, supervisors and senior management

Decision-making procedure, determining basis and actual payment for the remuneration of directors, supervisors and senior management

1. Decision-making procedure of remuneration: remuneration of directors, supervisors and senior management of the Company is paid in accordance with the standards stipulated by the Ministry of Labor and Social Security of PRC. Proposal on annual remuneration of directors, supervisors and senior management is formulated by the Board of Directors in compliance with the evaluation method of the Company, and then implemented after reviewed and approved by the Shareholders' Meeting.

2. The Company pays RMB 100,000 (before tax) to each independent director as allowance. Traveling and accommodation expenses incurred for attending the Board Meetings and Shareholders' Meetings will be reimbursed by the Company.

Remuneration for directors, supervisors and senior management of the Company during the report period

Unit: RMB Ten thousand

Name	Title	Gender	Age	Tenure	Total before-tax remuneration gained from	Remuneration
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				status	the Company			received from related parties or not
					Salary or allowance	Compensation and retention bonus	Total	
Stuart Adam Connor	Chairman of the Board of Directors	Male	43	Current	0	0	0	Yes
Frank Klaus Ennenbach	Director	Male	57	Current	0	0	0	Yes
Gianluca Frau	Director	Male	50	Current	0	0	0	Yes
Guan Haitao	Director	Male	53	Current	0	0	0	Yes
Jiang Hong	Director	Female	54	Current	0	0	0	Yes
Raj Raman	Director	Male	51	Current	0	0	0	Yes
Tang Jianxin	Independent Director	Male	56	Current	10	0	10	No
Li Jianghong	Independent Director	Female	53	Current	10	0	10	No
Wang Haisu	Independent Director	Male	67	Current	10	0	10	No
Xiao Botao	Convener of the Board of Supervisors	Male	50	Current	80.94	53.83	134.77	No
Zhang Dayong	Supervisor	Male	50	Current	88.94	29.37	118.31	No
Jin Feng	Supervisor	Male	44	Current	0	0	0	Yes
Chen Chaoming	General Manager	Male	58	Current	295.87	200.55	496.42	No
Song Yuchuan	Finance Director and Deputy GM	Male	42	Current	66.2	38.15	104.35	No
Bai Xixin	Deputy General Manager	Male	58	Former	127.3	74.26	201.56	No
Jin Lin	Board Secretary	Female	35	Current	22.84	16.55	39.39	No
Total	--	--	--	--	712.09	412.71	1124.8	--

VI. Performance of the directors during the report period

1. Board meetings convened during the report period

Session	Convening date	Disclosure date	Resolutions made
The Fourth Meeting of the	Mar 2, 2021	Mar 3, 2021	See the Announcement on Resolutions of

Eighth Board of Directors			the Fourth Meeting of the Eighth Board of Directors
The Fifth Meeting of the Eighth Board of Directors	Apr 28, 2021	Apr 30, 2021	See the Announcement on Resolutions of the Fifth Meeting of the Eighth Board of Directors
The Sixth Meeting of the Eighth Board of Directors	Apr 28, 2021	Apr 30, 2021	See the Announcement on Resolutions of the Sixth Meeting of the Eighth Board of Directors
The Seventh Meeting of the Eighth Board of Directors	Aug 25, 2021	Aug 27, 2021	See the Announcement on Resolutions of the Seventh Meeting of the Eighth Board of Directors
The Eighth Meeting of the Eighth Board of Directors	Sep 28, 2021	Sep 30, 2021	See the Announcement on Resolutions of the Eighth Meeting of the Eighth Board of Directors
The Ninth Meeting of the Eighth Board of Directors	Oct 27, 2021	Oct 28, 2021	See the Announcement on Resolutions of the Ninth Meeting of the Eighth Board of Directors
The Tenth Meeting of the Eighth Board of Directors	Dec 20, 2021	Dec 21, 2021	See the Announcement on Resolutions of the Tenth Meeting of the Eighth Board of Directors

2. Particulars about the directors attending the Board Meetings and the Shareholders' Meetings

Particulars about the directors attending board meetings							
Name of director	Due presence (times)	Presence in person (times)	Presence by communication (times)	Entrusted presence (times)	Absence (times)	Failing to attend in person for two consecutive Board Meetings or not	Shareholders' meetings attended
Stuart Adam Connor	7	0	7	0	0	No	0
Frank Klaus Ennenbach	7	0	7	0	0	No	0
Gianluca Frau	7	0	7	0	0	No	0
Guan Haitao	7	0	7	0	0	No	2
Jiang Hong	7	7	0	0	0	No	2
Raj Raman	7	0	7	0	0	No	2
Tang Jianxin	7	7	0	0	0	No	2

Li Jianghong	7	7	0	0	0	No	1
Wang Haisu	7	7	0	0	0	No	2

Explanation on failing to present in person for two consecutive Board Meetings

3. Particulars about objections proposed by directors on relevant events

Whether directors propose objection on relevant events or not?

Yes No

The directors didn't propose objection on relevant events during the report period.

4. Other explanation on performance of directors

Whether the advices of directors for the Company were adopted or not?

Yes No

Explanation on the advices of directors for the Company being adopted or not adopted

During the report period, the Directors of the Company according to *Articles of Association* expressed their opinions on matters such as corporate profit distribution, financial audit institution and internal control report audit institution recruit, director selection, senior manager recruit, and connected transaction. The Directors focused on the compliance of the Company with applicable laws and regulations. They also reviewed the Company's financial statements. They have worked diligently and have maintained the legal interests of the Company and all its shareholders.

VII. Performance of the Special Committees under the Board of Directors during the report period

Committee	Members	Meetings convened	Date of meeting	Topic of meeting	Significant opinions and advice	Other activities	Objections (if any)
The Strategy Committee	Stuart Adam Connor, Frank Klaus Ennenbach, Wang Haisu, Li Jianghong, and Tang Jianxin	4	Apr 6, 2021	Business continuity	Advice on business continuity	-	-
			Apr 28, 2021	Strategic plans	Selection of strategic plans and focuses	-	-
			Aug 25, 2021	Progress on GE's withdrawal from WBC	To withdraw in a mild way, and make plans for the future of WBC	-	-
			Sep 28, 2021	Preparations before the equity handover	To ensure no damages to the interests of minority shareholders	-	-
The Audit	Tang Jianxin, Wang Haisu, Li	5	Jan 14, 2021	Communication meeting before	The Financial Department was asked to focus on and	-	-

Committee	Jianghong, Guan Haitao, and Gianluca Frau			the entry of the independent auditor	handle events after the balance sheet date in strict accordance with the new accounting standards so as to ensure the fairness, authenticity and completeness of the financial statements.		
			Apr 28, 2021	To review the annual report and the quarterly one report	The annual report and the quarterly one report were approved.	-	-
			Aug 25, 2021	To review the interim report	The interim report was approved.	-	-
			Oct 27, 2021	To review the quarterly three report	The quarterly three report was approved.	-	-
			Dec 20, 2021	To change the CPA firm	It was approved to change the CPA firm.	-	-
The Nomination Committee	Wang Haisu, Li Jianghong, Tang Jianxin, Stuart Adam Connor, and Frank Klaus Ennenbach	2	Mar 2, 2021	To nominate finance director	Mr. Song Yuchuan was nominated as Finance Director	-	-
			Dec 20, 2021	To nominate deputy GM	Mr. Song Yuchuan was nominated as Deputy GM	-	-
The Remuneration and Appraisal Committee	Li Jianghong, Tang Jianxin, Wang Haisu, Gianluca Frau, and Rajmohan Venkat Raman	1	Apr 28, 2021	Remunerations for directors, supervisors and senior management for 2020	The remunerations for directors, supervisors and senior management for 2020 were approved.	-	-

VIII. Performance of the Board of Supervisors

Whether the Board of Supervisors finds the Company existing risks or not in the supervisory activities during the report period?

Yes No

The Board of Supervisors has no objection on the supervised events during the report period.

IX. Employees

1. Employees, composition of profession and education background

Number of in-service employees of the Company at the period-end	174
Number of in-service employees of main subsidiaries at the period-end	13
Total number of in-service employees at the period-end	187
Total number of employees with remuneration in this Reporting Period	187
Number of retirees to whom the Company or its main subsidiaries need to pay retirement pension	1,113
Functions	
Function	Number of employees
Production	117
Sales	1
Technical	52
Financial	8
Administrative	9
Total	187
Educational backgrounds	
Educational background	Number of employees
Doctor and Post-graduate	13
University graduate	54
Junior college	49
Other	71
Total	187

2. Employee's remuneration policy

The Company's remuneration policy is in line with laws, regulations and relevant management systems of the Company. Within the reasonable costs scope, it uses the overall remuneration system to attract, incent and retain the qualified staffs. The overall remuneration system adjusts the salary structure basing on the market data to ensure the external competitiveness, and enhances the internal fairness through the Company's internal level salary matrix. The Company emphasizes the recognition on employee's contribution through the overall (integrated) remuneration, which not only reflects through the basic salary but also will include the follows: bonus and benefit programs in other respects, the employees' learning & development opportunities and rewards, etc. The Company made rewards on performance, treated the key talents and outstanding employees differently, so as

to expect the employees to benefit from the Company's overall business performance and further ensure the Company's internal solidarity.

3. Employee's training plan

The Company had complete training system, promulgated and implemented perfect training plan in the report period, including the new employee's orientation training, know-how and skills training, special work training, management training, technology transfer training, etc. And the employees improve their knowledge, skills and methods after the training, and thus improve their performance, so as to promote the business development of the Company.

4. Labor outsource

Applicable Not applicable

X. Profit distribution to shareholders & increase of share capital from capital reserve

Formulation, execution or adjustments of profit distribution policy, especially cash dividend policy, in the report period

Applicable Not applicable

In the report period, the Company made positive profit and the profit distributable to shareholders of the parent company is positive, but there is no proposal for cash dividends distribution to shareholders.

Applicable Not applicable

Pre-plan for profit distribution and transferring capital reserve into share capital for the report period

Applicable Not applicable

The Company planned not to distribute cash dividends, or grant bonus shares, or transfer capital reserve into share capital.

XI. Implementation of equity incentive plan, employee stock ownership plan or other incentive measures for employees

Applicable Not applicable

No equity incentive plan, employee stock ownership plan or other incentive measures for employees in the report period.

XII. Formulation and implementation of internal control rules during the report period

1. Formulation and implementation of internal control rules

See "Self-evaluation report on internal control" in XIV of this section.

2. Significant internal control defects found in the report period

Yes No

XIII. Management of subsidiaries during the report period

Not applicable

XIV. Self-evaluation report or auditor's report on internal control**1. Self-evaluation report on internal control**

Disclosure date of the Internal Control Evaluation Report	April 22, 2022	
Disclosure index of the Internal Control Evaluation Report	The 2021 Internal Control Evaluation Report of the Company was disclosed on designated platforms (www.neeq.com.cn or www.neeq.cc)	
Evaluated entities' combined assets as % of consolidated total assets	100.00%	
Evaluated entities' combined operating revenue as % of consolidated operating revenue	100.00%	
Defect evaluation standards		
Type	Financial-report related	Non-financial-report related
Qualitative criteria	<p>Significant defect, refers to serious violations in accounting statements, financial report and information disclosure; the audit committee and internal audit group were failed to supervise the Company effectively; CPA issued other three types of audit opinion instead of standard unqualified audit opinion</p> <p>Important defect, refers to situations that accounting statements and financial report are not fully conform to the requirements of accounting standards for enterprises and disclosure, which leads to important misstatement in financial report; important misstatement is found in previous annual announcement of financial report and retroactive adjustment is required.</p> <p>General defects, refers to other defects except significant defect and important defect.</p>	<p>Significant defects, refers to the lack of control system or the failure of regulation system of important business; material hazard in safety was found in information system; the significant defect which was found during the internal control evaluation, its rectification remained to be unfinished.</p> <p>Important defects, refers to the lack of control system or the failure of regulation system of general business; hazard in safety was found in information system; the important defect which was found during the internal control evaluation, its rectification remained to be unfinished.</p> <p>General defects, refers to other defects except significant defect and important defect.</p>
Quantitative criteria	Significant defect, refers to the combination of one or more control defects, its' influence is greater than or equal to 1% of the operating revenues in current period	Significant defect, refers to The Direct Property Losses \geq 1% of the operating revenues in current period consolidated financial statement

	consolidated financial statement. Important defect, refers to the combination of one or more control defects, its' influence is greater than or equal to 0.5% of the operating revenues and less than 1% of the operating revenues in current period consolidated financial statement. General defects, refers to other defects except significant defect and important defect.	Important Defect, refers to 1% of the operating revenues in current period consolidated financial statement > The Direct Property Losses \geq 0.5% of the operating revenues in current period consolidated financial statement? General Defect, refers to The Direct Property Losses < 0.5% of the operating revenues in current period consolidated financial statement
Significant financial-report related defects found		0
Significant non-financial-report related defects found		0
Important financial-report related defects found		0
Important non-financial-report related defects found		0

2. Auditor's report on internal control

Applicable Not applicable

XV. Rectification of self-identified problems during listed company governance campaigns

Not applicable

Section V Environmental and Social Responsibility

I. Material environmental issues

Is the Company or any of its subsidiaries a heavily polluting business identified by the environmental protection authorities of China?

Yes No

Measures taken during the report period to reduce carbon emissions and the impact

Applicable Not applicable

Reasons for not disclosing other environment-related information

Applicable Not applicable

II. Social responsibility

Not applicable.

III. Efforts in poverty alleviation and rural revitalization

Not applicable.

Section VI Significant Events

I. Fulfillment of commitments

1. Commitments of the Company's actual controller, shareholders, related parties and acquirer, as well as the Company and other commitment makers, fulfilled in the report period or ongoing at the period-end

√ Applicable □ Not applicable

Commitment	Commitment maker	Type of commitment	Contents	Time of making commitment	Period of commitment	Fulfillment
Commitment on share reform						
Commitment in the acquisition report or the report on equity changes	GE Steam Power Investment Co., Ltd.	Disclosed commitment	Avoid horizontal competition	April 14, 2006	Long-term effective	Strictly fulfill the commitment and no breaches
	General Electric Company, GE Albany Global Holdings B.V.	Disclosed commitment	Ensure the independence of the Company	December 28, 2015	Long-term effective	Strictly fulfill the commitment and no breaches
	General Electric Company, GE Albany Global Holdings B.V.	Disclosed commitment	Avoid horizontal competition	December 28, 2015	Long-term effective	Strictly fulfill the commitment and no breaches
	General Electric Company, GE Albany Global Holdings B.V.	Disclosed commitment	Ensure new related party transactions will obtain appropriate approvals	December 28, 2015	Long-term effective	Strictly fulfill the commitment and no breaches
Commitments made in assets reorganization						
Commitments made in IPO or refinancing						
Equity incentive commitment						
Other commitments made to minority shareholders						
Fulfilled on time	Yes					

2. Where there had been an earnings forecast for an asset or project and the report period was still within the forecast period, explain whether the asset or project reach the original earnings forecast and the reasons

Applicable Not applicable

II. Occupation of the Company's funds for non-operating purposes by the controlling shareholder and its related parties

Applicable Not applicable

No occupation of funds for non-operating purposes by the controlling shareholder and its related parties in the report period.

III. Irregularities in the provision of guarantees

Applicable Not applicable

No irregularities in the provision of guarantees in the report period.

IV. Opinions of the Board of Directors regarding the latest "independent auditor's report with modified opinion"

Applicable Not applicable

KPMG Huazhen Certified Public Accountants (Special General Partnership) accepted a commission and audited the accompanying financial statements of Wuhan Boiler Co., Ltd. (hereinafter referred to as "the Company"), and issued an unqualified audit report with emphasis paragraphs to the Company for Year 2020 According to Interim Measures on Information Disclosure by STAQ, NET and Delisted Companies of National Equities Exchange and Quotations, Board of Directors of the Company prepared special introductions for the unqualified audit opinions with the emphasis paragraphs as follows:

I. Contents of Emphasis Paragraphs

"We draw the attention of the users of the financial statements, as reported in Note II to the financial statements, Wuhan Boiler Company incurred net losses of RMB 248,703,817.95 in 2020. On 21 September 2020, the ultimate holding company of Wuhan Boiler Company, General Electric Company ("GE"), announced its intention of pursuing an exit of the new build coal power market, on 3 December 2020, the parent company, GE Steam Power Investment Co., Ltd. ("GESPI"), informed that GESPI is planning to pursue an exit from Wuhan Boiler Company. As on 31 December 2020, Wuhan Boiler Company's accumulated losses amounted to RMB 2,006,176,661.98, the current liabilities exceeded the current assets by RMB 1,958,347,401.20 and the total liabilities exceeded the total assets by RMB 1,434,651,269.19. As on 31 December 2020, Wuhan Boiler Company's liabilities mainly include the entrusted loan provided by the parent company, GESPI, of RMB 1,798,000,000.00, and it will mature on 30 September 2021. The above matters or circumstances indicate that a material uncertainty exists that may cast significant doubts on Wuhan Boiler Company's ability to continue as a going concern. This paragraph does not affect the audit opinion that has been issued."

II. Instructions for above Emphasis Paragraphs

1. The board of directors believes that the audit opinion objectively and fairly reflects the company's financial status and operating

results in 2020

2. Based on the above situation, to further improve the company's going concern ability, the board of directors and management plan to take the following measures:

- Continue operations by maintaining first class of EHS (Environment, Health & Safety) standards, ensure the contractual delivery in time with quality, and strengthen the cash in collections from orders in hand.
- Improve the business operation management, reduce costs and expenditures, and strengthen various expenses controls. Continue to carry out LEAN production and strengthen the cost control of orders in hand.
- To adapt to the decreasing trend of new build projects in large coal-fired power plants, expand the services business of power plants and unconventional fossil energy projects, such as biomass furnaces, waste incinerators, waste heat boilers and other businesses.
- Actively explore and research for new business orientations, with open attitude to investors in the open market.

III. The changes and progress of matters related to the Emphasis Paragraphs

1. Introduction of new investors

The original controlling shareholder and the new share purchaser signed the equity transfer agreement on September 28, 2021, and both parties completed the registration procedures of share transfer on January 7, 2022.

2. Execution of orders in hand

In the past year, the company has basically completed the orders in hand, delivered on time, or closed the projects through the agreements, and received most of the project funds in accordance with the terms of the contract or agreement.

3. Major uncertainties related to the ability to continue as a going concern

Although the company has actively taken various measures to improve its continuous operation in the past year. However, with the recurrence of the COVID-19, the company is in the transition stage between previous and new shareholders, so it has not obtained major new orders, and the company still has huge liabilities to related parties carried forward by history, which needs to be solved through consultation between the new controlling shareholder and the minority investors. Therefore, there are still major doubts about the company's going-concern ability.

V. Opinions of the Board of Directors, the Board of Supervisors and Independent Directors (if any) regarding the “independent auditor’s report with modified opinion” issued for the report period

Applicable Not applicable

Zhongshen Zhonghuan Certified Public Accountants (Special General Partnership) accepted a commission and audited the accompanying financial statements of Wuhan Boiler Co., Ltd. (hereinafter referred to as “the Company”), and issued an unqualified audit report with emphasis paragraphs to the Company for Year 2021 According to Interim Measures on Information Disclosure by STAQ, NET and Delisted Companies of National Equities Exchange and Quotations, Board of Directors of the Company prepared special introductions for the unqualified audit opinions with the emphasis paragraphs as follows:

I. Contents of Emphasis Paragraphs

“We draw the attention of the users of the financial statements, as reported in Note II to the financial statements, Wuhan Boiler Company incurred net losses of RMB 371,940,729.56 in 2021. As of December 31,2021, Wuhan Boiler Company’s accumulated

losses amounted to RMB 2,378,169,987.56. Liabilities the total amount exceeds the total amount of assets by RMB 1,754,893,982.92, and the total amount of current liabilities exceeds the total amount of current assets by RMB 2,206,929,313.32. As of December 31, 2021, the liabilities of Wuhan Boiler Company mainly include the loan of RMB 2,199,000,000.00 by the related company DIG Automation Engineering (Wuhan) Co., Ltd., and will expire on December 31, 2022. In April 2022, the new controlling shareholder Daoben Auto Parts Co., Ltd. agreed to extend the maturity date of the above loan to December 31, 2024, and the interest to December 31, 2024. The above matters or circumstances indicate that a material uncertainty exists that may cast significant doubts on Wuhan Boiler Company's ability to continue as a going concern. This paragraph does not affect the audit opinion that has been issued.”

II. Instructions for above Emphasis Paragraphs

1. The board of directors believes that the audit opinion objectively and fairly reflects the company's financial status and operating results in 2021

2. Based on the above situation, to further improve the company's going concern ability, the board of directors and management plan to take the following measures:

- Combine the new controlling shareholder's own customer resources in metal materials and auto parts, as well as advantages of Wuhan Boiler Company's brand, talent, and technical in the boiler field, to complete the integration of the advantageous resources of both parties and reposition the target company with the help of the current national policy on the new energy field business.
- Actively explore new businesses and products, focus on technologies preparation & experiences accumulation for new products.
- Explore the potential of the traditional boiler industry, adapting to the decreasing trend of new large-scale coal-fired power plants, and continue to develop power plant services and unconventional fossil energy projects, such as biomass furnaces, waste incinerators, waste heat boilers, etc.
- Continue operations by maintaining first class of EHS (Environment, Health & Safety) standards. - Continuously improve the level of operation and management and strengthen the training and management of working staff. Continue to carry out lean production, reduce costs and increase efficiency, and strengthen various cost control.

Board of Directors of Wuhan Boiler Co., Ltd.

21 Apr 2022

VI. Explanation on changes in accounting policy or accounting estimates compared with those in the financial report of last year and correction of material accounting errors

Applicable Not applicable

For details, please refer to Section X-V-25. Changes in important accounting policies and accounting estimates.

VII. Explanation on changes in consolidation scope compared with the financial report of last year

Applicable Not applicable

No changes in the report period

VIII. Engagement and dismissal of CPA firm

CPA firm at present

Name of domestic CPA firm	Zhongshenzhonghuan Certified Public Accountants LLP
Remuneration of domestic CPA firm (RMB 10,000)	80
Consecutive years of the audit services provided by domestic CPA firm	1
Names of the certified public accountants from the domestic CPA firm	Li Yanbin, and Luo Zhixiong
Consecutive years of the audit services provided by the certified public accountants from the domestic CPA firm	1

Change the CPA firm at current period or not?

 Yes No

Whether the replacement accounting firm complies with the approval procedures?

 Yes No

Detailed description of the change of CPA firm

For details, see the announcement on the proposed change of CPA firm (file No.: 2021-038) disclosed on December 21, 2021

Any CPA firm, financial accountant or sponsor engaged for internal control audit

 Applicable Not applicable**IX. Delisting after disclosure of this annual report** Applicable Not applicable**X. Bankruptcy reorganization** Applicable Not applicable

No bankruptcy reorganization in the report period

XI. Significant litigations and arbitrations Applicable Not applicable

General information	Involved amount (RMB'0,000)	Provision	Progress	Decisions and effects	Execution of decisions	Disclosure date	Index to disclosed information
The Company received an arbitration notice from CIETAC in May 2020 that Yangzhou Lontrin Steel Tube Co., Ltd. (hereinafter referred to as "Lontrin"), a supplier of the Company, has initiated an	501	No	Closed	The effects of this arbitration on profits of the Company for the report period is to reduce the profit by RMB1.09	-	April 9, 2021	Announcement on Significant Litigation and Arbitrations of Wuhan Boiler Company Limited

<p>arbitration against the Company, claiming that: Lontrin entered into two purchase orders with the Company, respectively in October 2017 and April 2018. Upon signing the contracts, Lontrin has manufactured the steel tubes pursuant to the contracts and delivered them to the Company. The Company has received and accepted the goods upon inspection, and Lontrin has issued VAT invoices to the Company. However, the Company is in arrears with RMB4,363,870.73 in total under the purchase orders. Deeming that the Company's being in arrears of the payment has constituted breach of contract, Lontrin has initiated the arbitration with CIETAC, requesting the Company to pay the balance contract amount, interests, attorney fees and other related fees, amounting to RMB5,013,870.73.</p>				million.			<p>(Announcement No. 2020-016) was disclosed on May 19, 2020 by the Company on Securities Times, Ta Kung Pao, and the designated platform for information disclosure (www.neeq.com.cn or www.neeq.cc)</p> <p>Announcement on Significant Litigation and Arbitrations of Wuhan Boiler Company Limited (Announcement No. 2021-005) was disclosed on April 9, 2021 by the Company on Securities Times, Ta Kung Pao, and the designated platform for information disclosure (www.neeq.com.cn or www.neeq.cc)</p>
<p>Wu Baoping, a former employee of the Company, filed a lawsuit against the Company</p>	0.14	No	Closed	The effects of this judgment on profits of the	Executed	May 12, 2021	Announcement on Significant Litigation and

<p>with the People's Court of Wuhan East Lake High-Tech Development Zone, claiming that he left the Company on July 31, 2019, that the Company expelled him on August 30, 2019 by sending an email to all employees, and that the Company's aforementioned actions caused significant harm to his reputation. He requested the Company to compensate him for immaterial damage.</p>				<p>Company for the report period: an increase of RMB10,000 in non-operating expenses and an increase of RMB511 in legal costs for the report period.</p>		<p>Arbitrations of Wuhan Boiler Company Limited (Announcement No. 2020-043) was disclosed on October 12, 2020 by the Company on Securities Times, Ta Kung Pao, and the designated platform for information disclosure (www.neeq.com.cn or www.neeq.cc); Announcement on Significant Litigation and Arbitrations of Wuhan Boiler Company Limited (Announcement No. 2021-001) was disclosed on January 5, 2021 by the Company on Securities Times, Ta Kung Pao, and the designated platform for information disclosure (www.neeq.com.cn or</p>
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							www.neeq.cc); Announcement on Significant Litigation and Arbitrations of Wuhan Boiler Company Limited (Announcemen t No. 2021-020) was disclosed on May 12, 2021 by the Company on Securities Times, Ta Kung Pao, and the designated platform for information disclosure (www.neeq.co m.cn or www.neeq.cc).
In January 2021, the Company received an arbitration notice from the China International Economic and Trade Arbitration Commission. Huayou Tubular Co., Ltd. (hereinafter referred to as "Huayou Company"), a supplier of the Company, filed an arbitration against the Company, claiming that: Huayou Company entered into three procurement contracts with the Company on June 11, 2019, August 6, 2019 and October 9, 2019, respectively. After the contracts were executed, Huayou Company prepared and stocked the goods in accordance with the	2,275	No	Withdra wn	The effects on profits of the Company for the report period: an increase of RMB80,000 in legal costs for the report period.	Executed	May 7, 2021	Announcement on Significant Litigation and Arbitrations of Wuhan Boiler Company Limited (Announcemen t No. 2021-003) was disclosed on January 22, 2021 by the Company on Securities Times, Ta Kung Pao, and the designated platform for

<p>provisions of the contracts. However, the Company issued a contract suspension notice to Huayou Company in February 2020 on the grounds that the owner's power plant project had been suspended. When the notice was received, the goods had not been shipped and Huayou Company was unable to obtain the payments as agreed in the contracts due to its failure to fulfill its delivery obligation. In June 2020, the Company issued a contract termination notice to Huayou Company. In the belief that the Company's termination of the contracts constituted a breach of the contracts, Huayou Company filed an arbitration to the China International Economic and Trade Arbitration Commission, demanding that the Company bear the liability for loss compensation and breach of contract by paying the balance of contractual payments, freight, handling expenses, warehousing expenses, goods payment interest, available interests losses, attorney's fees, preservation fees and other related expenses totaling RMB22,747,498.71 (the warehousing expenses and goods interest from January 1, 2021 to the actual payment date are not included). After settling with the Company, Huayou Company withdrew the filing.</p>								<p>information disclosure (www.neeq.com.cn or www.neeq.cc); Announcement on Significant Litigation and Arbitrations of Wuhan Boiler Company Limited (Announcement No. 2021-019) was disclosed on May 7, 2021 by the Company on Securities Times, Ta Kung Pao, and the designated platform for information disclosure (www.neeq.com.cn or www.neeq.cc)</p>
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XII. Punishments and rectifications

Applicable Not applicable

No punishments and rectifications in the report period.

XIII. Credit conditions of the Company as well as its controlling shareholder and actual controller

Applicable Not applicable

XIV. Significant related party transactions**1. Related party transactions relevant to routine operation**

Applicable Not applicable

Related party	Relationship	Type of the related party transaction	Contents of the related party transaction	Pricing principle of the related party transaction	Transaction price	Transaction amount (RMB Ten thousand)	Proportion in same kind of transactions (%)	Limited amount approved	If exceed the limited amount	Settlement method of the related party transaction	Obtainable market price of the same kind	Disclosure date	Disclosure index
GE Power Sweden AB	A subsidiary of the ultimate actual controller	Purchasing	Raw material Purchasing	Fair market price	—	138.24	0.36%	150.00	No	Settlement as per contract term		Apr. 30, 2021	NEEQ.com.cn
General Electric (Switzerland) GmbH	A subsidiary of the ultimate actual controller	Service	IT service	Fair market price	—	1,710.99	25.96%	3,000.00	No	Settlement as per contract term		Apr. 30, 2021	NEEQ.com.cn
GE (China) Co., Ltd.	A subsidiary of the ultimate actual controller	Service	General service	Fair market price	—	515.98	7.83%	763.30	No	Settlement as per contract term		Apr. 30, 2021	NEEQ.com.cn

	er												
General Electric International,	A subsidiary of the ultimate actual controller	Service	General service	Fair market price	—	325.70	4.94%	377.27	No	Settlement as per contract term		Apr. 30, 2021	NEEQ.com.cn
ALSTOM Beizhong Power (Beijing) Co., Ltd.	A subsidiary of the ultimate actual controller	Service	General service	Fair market price	—	132.40	2.01%	165.00	No	Settlement as per contract term		Apr. 30, 2021	NEEQ.com.cn
General Electric Company	A subsidiary of the ultimate actual controller	Service	General service	Fair market price	—	54.16	0.82%	610.60	No	Settlement as per contract term		Apr. 30, 2021	NEEQ.com.cn
GE Steam Power, Inc.	A subsidiary of the ultimate actual controller	Service	Engineering Service	Fair market price	—	499.13	7.57%	500.00	No	Settlement as per contract term		Apr. 30, 2021	NEEQ.com.cn
GE Power Systems India Private	A subsidiary of the ultimate actual controller	Service	Engineering Service	Fair market price	—	202.82	3.08%	550.00	No	Settlement as per contract term		Apr. 30, 2021	NEEQ.com.cn
GE Boiler Deutschland GmbH	A subsidiary of the ultimate actual controller	Service	Engineering Service	Fair market price	—	177.79	2.70%	1,470.00	No	Settlement as per contract term		Apr. 30, 2021	NEEQ.com.cn

	er												
GE Power India Limited	A subsidiary of the ultimate actual controller	Service	Engineering Service	Fair market price	—	60.42	0.92%	200.00	No	Settlement as per contract term		Apr. 30, 2021	NEEQ.com.cn
GE Steam Power Italia S.r.l.	A subsidiary of the ultimate actual controller	Provision of service	Provision of service	Fair market price	—	147.17	53.60%	250.00	No	Settlement as per contract term		Apr. 30, 2021	NEEQ.com.cn
General Electric Global Services	A subsidiary of the ultimate actual controller	Provision of service	Provision of service	Fair market price	—	34.01	12.39%	1,619.01	No	Settlement as per contract term		Apr. 30, 2021	NEEQ.com.cn
GE Steam Power, Inc.	A subsidiary of the ultimate actual controller	Provision of service	Provision of service	Fair market price	—	14.84	5.41%	700.00	No	Settlement as per contract term		Apr. 30, 2021	NEEQ.com.cn
ALSTOM Beizhong Power (Beijing) Co., Ltd.	A subsidiary of the ultimate actual controller	Provision of service	Provision of service	Fair market price	—	10.85	3.95%	50.00	No	Settlement as per contract term		Apr. 30, 2021	NEEQ.com.cn
GE (Shanghai) Power Technology Co., Ltd.	A subsidiary of the ultimate actual controller	Provision of service	Provision of service	Fair market price	—	6.89	2.51%	750.00	No	Settlement as per contract term		Apr. 30, 2021	NEEQ.com.cn

	er												
GE (Wuhan) Engineering & Technology Co., Ltd	A subsidiary of the ultimate actual controller	Provision of service	Provision of service	Fair market price		5.97	2.18%	120.00	No	Settlement as per contract term		Apr. 30, 2021	NEEQ.com.cn
GE Power Systems India Private Limited	A subsidiary of the ultimate actual controller	Provision of service	Provision of service	Fair market price		-3.11	-1.13%	80.00	No	Settlement as per contract term		Apr. 30, 2021	NEEQ.com.cn
GE Energy Switzerland GmbH	A subsidiary of the ultimate actual controller	Sale of products	Sale of products	Fair market price	—	25,451.93	49.34%	57,515.97	No	Settlement as per contract term		Apr. 30, 2021	NEEQ.com.cn
GE Steam power Switzerland GmbH	A subsidiary of the ultimate actual controller	Sale of products	Sale of products	Fair market price	—	9,478.17	18.37%	10,000.00	No	Settlement as per contract term		Apr. 30, 2021	NEEQ.com.cn
GE Power Sweden AB	A subsidiary of the ultimate actual controller	Sale of products	Sale of products	Fair market price	—	4,506.15	8.74%	6,000.00	No	Settlement as per contract term		Apr. 30, 2021	NEEQ.com.cn
General Electric (Switzerland) GmbH	A subsidiary of the ultimate actual controller	Sale of products	Sale of products	Fair market price	—	3,086.55	5.98%	41,926.01	No	Settlement as per contract term		Apr. 30, 2021	NEEQ.com.cn

	er												
GE (Shanghai) Power Technology Co., Ltd.	A subsidiary of the ultimate actual controller	Sale of products	Sale of products	Fair market price	—	1,366.98	2.65%	16,483.60	No	Settlement as per contract term		Apr. 30, 2021	NEEQ.com.cn
GE Steam Power, Inc.	A subsidiary of the ultimate actual controller	Sale of products	Sale of products	Fair market price	—	736.11	1.43%	7,100.00	No	Settlement as per contract term		Apr. 30, 2021	NEEQ.com.cn
GE Power Systems Korea Co., Ltd.	A subsidiary of the ultimate actual controller	Sale of products	Sale of products	Fair market price	—	563.94	1.09%	2,939.80	No	Settlement as per contract term		Apr. 30, 2021	NEEQ.com.cn
GE Steam Power Systems	A subsidiary of the ultimate actual controller	Sale of products	Sale of products	Fair market price	—	362.74	0.70%	1,000.00	No	Settlement as per contract term		Apr. 30, 2021	NEEQ.com.cn
GE Power Services (Malaysia) Sdn Bhd	A subsidiary of the ultimate actual controller	Sale of products	Sale of products	Fair market price	—	175.10	0.34%	10,300.00	No	Settlement as per contract term		Apr. 30, 2021	NEEQ.com.cn
GE GAS POWER SPAIN SA	A subsidiary of the ultimate actual controller	Sale of products	Sale of products	Fair market price	—	10.74	0.02%	20.00	No	Settlement as per contract term		Apr. 30, 2021	NEEQ.com.cn

	er												
GE Middle East FZE	A subsidiary of the ultimate actual controller	Sale of products	Sale of products	Fair market price	—	7.77	0.02%	550.00	No	Settlement as per contract term			
ALSTOM Power Systems	A subsidiary of the ultimate actual controller	Sale of products	Sale of products	Fair market price	—	2.51	0.00%	10.00	No	Settlement as per contract term		Apr. 30, 2021	NEEQ.com.cn
GE Power India Limited	A subsidiary of the ultimate actual controller	Sale of products	Sale of products	Fair market price	—	0.23	0.00%	100.00	No	Settlement as per contract term		Apr. 30, 2021	NEEQ.com.cn
GE Boiler Deutschland GmbH	A subsidiary of the ultimate actual controller	Sale of products	Sale of products	Fair market price	—	-84.97	-0.16%	900.00	No	Settlement as per contract term		Apr. 30, 2021	NEEQ.com.cn
ALSTOM Boiler France	A subsidiary of the ultimate actual controller	Sale of products	Sale of products	Fair market price	—	-348.29	-0.68%	0.00	No	Settlement as per contract term		Apr. 30, 2021	NEEQ.com.cn
GE Steam Power Investment Co., Ltd.	The biggest shareholder	Payment of interest on loans	Interest on loans	Fair market price	—	7,598.19	90.15%	8,000.00	No	Settlement as per contract term		Apr. 30, 2021	NEEQ.com.cn
GE Wind	A	Rental	Workshop	Fair	—	147.28	88.41%	240.00	No	Settlement		Apr. 30,	NEEQ.

Energy Equipment Manufacturing (Shenyang) Co. Ltd	subsidiary of the ultimate actual controller		parent	market price						ent as per contract term		2021	com.cn
GE (Wuhan) Engineering & Technology co Ltd	A subsidiary of the ultimate actual controller	Rental	Office Rental	Fair market price	—	35.41	81.30%	43.49	No	Settlement as per contract term		Apr. 30, 2021	NEEQ.com.cn
GE (Shanghai) Power Technology Co.,Ltd	A subsidiary of the ultimate actual controller	Rental	Office Rental	Fair market price	—	8.15	18.70%	16.28	No	Settlement as per contract term		Apr. 30, 2021	NEEQ.com.cn
Total					--	57,138.94	--	174,500.33					
Details of large amount of sales returns				None									
As for the estimation on the total amount of routine related party transactions to be occurred in the report period by relevant types, the actual performance in the report period (if any)				1 Purchasing: Actual transaction amount is less than forecasted amount. 2.Sales of products: Actual transaction amount is less than forecasted amount.									
Reason for significant difference between the transaction price and the market price (if applicable)				None									

2. Related party transactions regarding purchase and sales of assets or equity interests

Applicable Not applicable

Related party	Relationship	Type of the	Contents of the	Pricing principle	Book value of	Appraised value of	Transfer price (ten	Settlement method	Transaction gains	Disclosure date	Disclosure index
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		related party transaction	related party transaction	of the related party transaction	transferred assets (ten thousand yuan)	transferred assets (ten thousand yuan)	thousand yuan)	of the related party transaction	and losses (ten thousand yuan)		
GE (Shanghai) Power Technology Co., Ltd.	A subsidiary of the ultimate actual controller	Sales of assets	Fixed assets transfer	Fair market price	245.76	239.64	247.48	Settlement as per contract term	1.72	30 th Sept 2021	2021-029
Reasons for the large difference between the transfer price and the book value or appraised value (if any)				Not applicable							
Impact on the company's operating results and financial status				Settlement as per contract term with gains of 17.2K RMB							
If the relevant transaction involves performance agreement, the performance achieved during the reporting period				Not applicable							

3. Significant related transitions regarding joint investments

Applicable Not applicable

No such cases in report period

4. Significant credits and liabilities with related parties

Applicable Not applicable

Was there any non-operating credit or liability with any related party?

Yes No

Related party	Relationship	Type of credit or liability	Existing non-operating funds occupation or not	Opening balance (RMB 0'000)	Current amount (RMB 0'000)	Closing balance (RMB 0'000)
GE Power Sweden AB	A subsidiary of ultimate holding company	Receivables	No	1,871.10	-1,485.23	385.86
GE Steam Power Switzerland GmbH	A subsidiary of ultimate holding	Receivables	No	0.00	129.02	129.02

	company					
GE Power Systems India Private	A subsidiary of ultimate holding company	Receivables	No	68.38	-7.08	61.30
GE Middle East FZE	A subsidiary of ultimate holding company	Receivables	No	0.00	27.48	27.48
General Electric (Shanghai) Electric Power Technology Co., Ltd.	A subsidiary of ultimate holding company	Receivables	No	48.48	-36.62	11.86
GE GAS POWER SPAIN SA	A subsidiary of ultimate holding company	Receivables	No	0.00	11.38	11.38
GE Power Estonia AS	A subsidiary of ultimate holding company	Receivables	No	4.80	0.00	4.80
GE Energy Switzerland GmbH	A subsidiary of ultimate holding company	Receivables	No	3,030.79	-3,026.69	4.10
ALSTOM Power Systems	A subsidiary of ultimate holding company	Receivables	No	0.00	2.51	2.51
GE Power Services (Malaysia) Sdn. Bhd.	A subsidiary of ultimate holding company	Receivables	No	33.41	-31.09	2.32
General Electric (Switzerland) GmbH	A subsidiary of ultimate holding company	Receivables	No	599.82	-599.82	0.00
General Electric Global Services GmbH	A subsidiary of ultimate holding company	Receivables	No	241.17	-241.17	0.00
GE steam Power Systems	A subsidiary of ultimate holding company	Receivables	No	172.21	-172.21	0.00
GE Steam Power Italia S.r.l.	A subsidiary of ultimate holding company	Receivables	No	157.08	-157.08	0.00
GENERAL ELECTRIC ENERGY UK LIMITED	A subsidiary of ultimate holding company	Receivables	No	61.37	-61.37	0.00

GE Boiler Deutschland GmbH	A subsidiary of ultimate holding company	Receivables	No	46.42	-46.42	0.00
GE Steam Power, Inc.	A subsidiary of ultimate holding company	Receivables	No	15.37	-15.37	0.00
Alstom Power Ltd	A subsidiary of ultimate holding company	Receivables	No	6.46	-6.46	0.00
GE (Wuhan) Engineering & Technology Co., Ltd	A subsidiary of ultimate holding company	Receivables	No	1.44	-1.44	0.00
Wuhan Boiler Group Co.,Ltd	The second largest shareholder	Receivables	No	129.77	0.00	129.77
General Electric Global Services GmbH	A subsidiary of ultimate holding company	Receivables	No	38.57	-4.56	34.01
GE steam Power Ltd	A subsidiary of ultimate holding company	Receivables	No	0.00	6.38	6.38
General Electric (Shanghai) Electric Power Technology Co., Ltd.	A subsidiary of ultimate holding company	Receivables	No	1.83	2.07	3.90
Wuhan Boiler Group Yuntong Co., Ltd.	A subsidiary of the second largest shareholder	Receivables	No	1.02	0.00	1.02
GE Power Sweden AB	A subsidiary of ultimate holding company	Receivables	No	124.84	-124.84	0.00
GE (Wuhan) Engineering & Technology Co., Ltd	A subsidiary of ultimate holding company	Receivables	No	12.51	-12.51	0.00
GE Power Services (Malaysia) Sdn. Bhd.	A subsidiary of ultimate holding company	Receivables	No	2.32	-2.32	0.00
GE Power Systems India Private	A subsidiary of ultimate holding company	Receivables	No	24.00	-24.00	0.00
General Electric (Shanghai)	A subsidiary of	Contract Assets	No	2,988.19	-2,988.19	0.00

Electric Power Technology Co., Ltd.	ultimate holding company					
GE Steam Power Systems	A subsidiary of ultimate holding company	Contract Assets	No	423.94	-423.94	0.00
GE Steam Power Boiler France	A subsidiary of ultimate holding company	Contract Assets	No	348.29	-348.29	0.00
GE Power India Limited	A subsidiary of ultimate holding company	Contract Assets	No	46.73	-46.73	0.00
GE Energy Switzerland GmbH	A subsidiary of ultimate holding company	Contract Liabilities	No	6,589.70	-6,568.69	21.01
GE Boiler Deutschland GmbH	A subsidiary of ultimate holding company	Contract Liabilities	No	27.08	-27.08	0.00
GE Power India Limited	A subsidiary of ultimate holding company	Contract Liabilities	No	38.58	-38.58	0.00
GE Steam power Switzerland GmbH	A subsidiary of ultimate holding company	Contract Liabilities	No	5,541.16	-5,541.16	0.00
GE Steam Power, Inc.	A subsidiary of ultimate holding company	Contract Liabilities	No	708.63	-708.63	0.00
General Electric (Switzerland) GmbH	A subsidiary of ultimate holding company	Contract Liabilities	No	1,484.16	-1,484.16	0.00
General Electric (Shanghai) Power Technology Co., Ltd.	A subsidiary of ultimate holding company	Contract Liabilities	No	0.38	-0.38	0.00
DIG Automation Engineering (Wuhan) Co.,Ltd.	A related party of new holding company	Payables	No	0.00	219,900.00	219,900.00
General Electric (Switzerland) GmbH	A subsidiary of ultimate holding company	Payables	No	1,826.95	-1,078.70	748.25
GE Power s.r.o.	A subsidiary of ultimate holding company	Payables	No	25.67	-0.80	24.87

	company					
GE Steam Power, Inc.	A subsidiary of ultimate holding company	Payables	No	0.00	18.94	18.94
General Electric (Shanghai) Power Technology Co., Ltd.	A subsidiary of ultimate holding company	Payables	No	38.81	-38.81	0.00
General Electric (China) Co.,Ltd.	A subsidiary of ultimate holding company	Payables	No	42.17	-42.17	0.00
GE Steam Power, Inc.	A subsidiary of ultimate holding company	Payables	No	82.60	-82.60	0.00
GE Boiler Deutschland GmbH	A subsidiary of ultimate holding company	Payables	No	29.23	-29.23	0.00
GE Boiler Deutschland GmbH	A subsidiary of ultimate holding company	Payables	No	2,598.58	-1,847.13	751.45
Alstom Power Inc	A subsidiary of ultimate holding company	Payables	No	0.00	569.95	569.95
GE Power India Limited	A subsidiary of ultimate holding company	Payables	No	14.16	32.10	46.26
GE Power Components (Shenyang) Co.,Ltd	A subsidiary of ultimate holding company	Payables	No	3.05	7.70	10.75
General Electric Company	A subsidiary of ultimate holding company	Payables	No	0.00	9.85	9.85
ALSTOM Holdings	A subsidiary of ultimate holding company	Payables	No	0.00	1.35	1.35
ALSTOM Power Turbomachines LLC	A subsidiary of ultimate holding company	Payables	No	0.00	1.01	1.01
GE IS&T SAS	A subsidiary of ultimate holding company	Payables	No	0.00	0.33	0.33

Dresser Machinery (Suzhou) Co., Ltd	A subsidiary of ultimate holding company	Payables	No	179.69	-179.69	0.00
GE Power Sweden AB	A subsidiary of ultimate holding company	Payables	No	39.46	-39.46	0.00
ALSTOM Power Turbomachines LLC	A subsidiary of ultimate holding company	Payables	No	1.01	-1.01	0.00
Effect of the credits and liabilities with related parties on the operating results and financial situation		None				

5. Transactions with related finance company

Applicable Not applicable

The Company did not make deposits in, receive loans or credit from and was not involved in any other finance business with any related finance company or any other related parties.

6. Transactions with related parties by finance company controlled by the Company

Applicable Not applicable

The finance company controlled by the Company did not make deposits, receive loans or credit from and was not involved in any other finance business with any related parties.

7. Other major related party transactions

Applicable Not applicable

On September 30, 2021, the Board of Directors of the Company approved and published the announcement about the expected new related transactions in 2021. The relevant related transactions are presented as follows

1. Contract assignment: The controlling shareholder GE Steam Power Investment Co., Ltd. (hereinafter referred to as the "Controlling Shareholder" or "GESPI") will exit from the control of the Company. After negotiating with the buyer Daben Automobile Components Co., Ltd. (hereinafter referred to as the "Buyer" or "Daben"), the Controlling Shareholder cleared and transmitted the Company's customer and supplier orders in execution to present a clarified financial position and reduce the Company's potential business risks. Thus, the Controlling Shareholder will:

- (1) Transmit the obligations of the existing internal projects to the company held by GE and pay the outstanding amount
- (2) Take over the Company's existing customer orders at a fair value
- (3) Wuhan Boiler Company Limited Shenyang Branch (hereinafter referred to as "Shenyang Branch") has no opportunity for new orders in the expectable period. Besides, the technical support from the actual controller GE is also interrupted when GE decided to exit from the coal-fired power sector. After negotiation, GE will buy some

production equipment from Shenyang Branch at a fair value to improve the Company's cash flows.

2. Entrusted loan: GESPI plans to achieve the goal of exiting from the Company by selling its 51% equity interest of the Company and its claims under the agreement of the entrusted loan to Daben. Daben suggested DIG Auto Wuhan, its related company and one of its shareholders, should be the assignee of the claims under the agreement of the entrusted loan.

Index to the public announcements about the said related-party transactions disclosed

Title of public announcement	Disclosure date	Disclosure website
Estimated New Related Party Transactions in 2021	September 30, 2021	www.neeq.com.cn

XV. Significant contracts and execution

1. Particulars about trusteeship, contracting and lease

(1) Trusteeship

Applicable Not applicable

No such cases in report period

(2) Contracting

Applicable Not applicable

No such cases in report period

(3) Lease

Applicable Not applicable

No such cases in report period

2. Major guarantees

Applicable Not applicable

No such cases in report period

3. Cash management entrusted to others

(1) Entrusted financial management

Applicable Not applicable

No such cases in report period

(2) Entrusted loans

Applicable Not applicable

No such cases in report period

4. Other major contracts

Applicable Not applicable

No such cases in report period

XVI. Other significant events

Applicable Not applicable

On September 28, 2021, the Company's Controlling Shareholder GESPI signed the *Agreement on the Purchase of the Equity Interest of Wuhan Boiler Company Limited* with Daben. On January 7, 2022, the equity interests were delivered, which means that Daoben has become the Company's Controlling Shareholder since then.

XVII Significant events of subsidiaries

Applicable Not applicable

Section VII Changes in Shares and Particulars about Shareholders

I. Particulars about the changes in shares

1. Particulars about the changes in shares

Unit: share

	Before		Increase/decrease (+, -)					After	
	Amount	Proportion (%)	Issuance of new shares	Bonus shares	Capitalization of capital reserve	Other	Subtotal	Amount	Proportion (%)
I. Restricted shares	172,000,000	57.91%						172,000,000	57.91%
1. Shares held by state									
2. Shares held by state-owned corporation									
3. Shares held by other domestic entities	20,530,000	6.91%						20,530,000	6.91%
Of which: Shares held by domestic corporations	20,530,000	6.91%						20,530,000	6.91%
Shares held by domestic natural person									
4. Shares held by foreign entities	151,470,000	51.00%						151,470,000	51.00%
Of which: Shares held by foreign corporations									
Shares held by foreign natural person	151,470,000	51.00%						151,470,000	51.00%
II. Non-restricted shares	125,000,000	42.09%						125,000,000	42.09%
1. RMB ordinary shares									
2. Domestically listed foreign shares	125,000,000	42.09%						125,000,000	42.09%
3. Overseas listed foreign shares									
4. Others									
III. Total shares	297,000,000	100.00%						297,000,000	100.00%

Reason for the changes in shares

 Applicable Not applicable

Approval for changes in shares

Applicable Not applicable

Transfer for changes in shares

Applicable Not applicable

Effects of changes in shares on the basic EPS, diluted EPS, net assets per share attributable to common shareholders of the Company and other financial indexes over the last year and last period

Applicable Not applicable

Other contents that the Company considers necessary or required by the securities regulatory authorities to disclose

Applicable Not applicable

2. Changes in restricted shares

Applicable Not applicable

II. Issuance and listing of securities

1. Issuance of securities (not including preference shares) in report period

Applicable Not applicable

2. Explanation on changes in shares and the structure of shareholders, the structure of assets and liabilities

Applicable Not applicable

3. Particulars about employee shares

Applicable Not applicable

III. Particulars about shareholders and actual controller

1. Total number of shareholders and their shareholding

Unit: Share

Total number of shareholders with common shares at the end of the report period	5,207	Total number of shareholders with common shares at previous month-end of this report's disclosure	5,207	Total number of shareholders with preference shares who had resumed their voting right at the end of the report period (if any) (see Note 8)	0	Total number of shareholders with preference shares with resumed voting rights at previous month-end of this report's disclosure (if any) (see Note	
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Particulars about shares held by shareholders with a shareholding percentage over 5% or the top 10 shareholders								
Name of shareholder	Nature of shareholder	Shareholding percentage (%)	Total shares held at the period-end	Increase / decrease during the report period	Number of restricted shares held	Number of non-restricted shares held	Pledged, marked or frozen shares	
							Status of shares	Number of shares
GE STEAM POWER INVESTMENT CO., LTD.	Domestic non-state-owned corporation	51.00%	151,470,000		151,470,000		-	-
WUHAN BOILER GROUP CO., LTD	State-owned corporation	6.91%	20,530,000		20,530,000		-	-
WANG XIAO	Domestic natural person	0.90%	2,672,800			2,672,800	-	-
CHEN PENG	Domestic natural person	0.79%	2,331,545			2,331,545	-	-
TANG HAIMING	Domestic natural person	0.50%	1,566,099			1,566,099	-	-
HU ZHIHONG	Domestic natural person	0.47%	1,390,397			1,390,397	-	-
CHEN CHUYUN	Domestic natural person	0.46%	1,367,450			1,367,450	-	-
LI ZHIJIAN	Domestic natural person	0.43%	1,286,281			1,286,281	-	-
HSBC BROKING SECURITIES (ASIA) LIMITED-CLIENTS A/C	Foreign corporation	0.40%	1,185,114			1,185,114	-	-
CHINA MERCHANTS SECURITIES (HK) CO., LTD.	State-owned corporation	0.40%	1,176,836			1,176,836	-	-
Strategic investor or corporation becoming a top ten shareholder due to placing of new shares (if any) (see Note 3)	Not applicable							
Explanation on affiliated relationship or persons acting in concert among the	GE Steam Power Investment Co., Ltd. (the first principal shareholder of the Company) and Wuhan Boiler Group Co., Ltd. (the second principal shareholder of the Company) hold							

above-mentioned shareholders	non-tradable shares of the Company. No affiliated relationship exists between GE Steam Power Investment Co., Ltd. (the first principal shareholder of the Company), Wuhan Boiler Group Co., Ltd. (the second principal shareholder of the Company) and the other shareholders with tradable shares, and they are not persons acting in concert as defined in the Administrative Rules on Information Disclosure about Changing of Shareholding Status. The Company is not aware of whether there is any affiliated relationship among the top ten shareholders with tradable shares and whether there are persons acting in concert among them. The Company is not aware of whether there is any affiliated relationship among the top ten shareholders and the top ten shareholders with tradable share.		
Explanation on above-mentioned shareholders involved in entrusting/being entrusted with voting right and giving up voting right	Not applicable		
Particulars about top ten shareholders holding non-restricted shares			
Name of shareholder	Number of non-restricted shares held at the period-end	Type of shares	
		Type	Number
WANG XIAO	2,672,800	Domestically listed foreign shares	2,672,800
CHEN PENG	2,331,545	Domestically listed foreign shares	2,331,545
TANG HAIMING	1,566,099	Domestically listed foreign shares	1,566,099
HU ZHIHONG	1,390,397	Domestically listed foreign shares	1,390,397
CHEN CHUYUN	1,367,450	Domestically listed foreign shares	1,367,450
LI ZHIJIAN	1,286,281	Domestically listed foreign shares	1,286,281
HSBC BROKING SECURITIES (ASIA) LIMITED-CLIENTS A/C	1,185,114	Domestically listed foreign shares	1,185,114
CHINA MERCHANTS SECURITIES (HK) CO., LTD.	1,176,836	Domestically listed foreign shares	1,176,836

ZHUANG CHANGXIONG	1,045,000	Domestically listed foreign shares	1,045,000
CHEN LIREN	1,003,338	Domestically listed foreign shares	1,003,338
Explanation on affiliated relationship or persons acting in concert among the top ten shareholders with tradable shares and between the top ten shareholders with tradable shares and the top ten shareholders	The top ten shareholders of the Company are public shareholders with tradable shares. The Company is not aware of whether there is any affiliated relationship among the top ten shareholders with tradable shares and whether there are persons acting in concert among them. The Company is not aware of whether there is any affiliated relationship among the top ten shareholders and the top ten shareholders with tradable share.		
Explanation on the top 10 shareholders with common shares participating in the margin trading business (if any) (see Note 4)	GE Steam Power Investment Co., Ltd. (the first principal shareholder of the Company) and Wuhan Boiler Group Co., Ltd. (the second principal shareholder of the Company) hold non-tradable shares of the Company. No affiliated relationship exists between GE Steam Power Investment Co., Ltd. (the first principal shareholder of the Company), Wuhan Boiler Group Co., Ltd. (the second principal shareholder of the Company) and the other shareholders with tradable shares, and they are not persons acting in concert as defined in the Administrative Rules on Information Disclosure about Changing of Shareholding Status. The Company is not aware of whether there is any affiliated relationship among the top ten shareholders with tradable shares and whether there are persons acting in concert among them. The Company is not aware of whether there is any affiliated relationship among the top ten shareholders and the top ten shareholders with tradable share.		

Whether the top 10 shareholders with common shares and the top 10 shareholders with tradable common shares of the Company reach agreement of buy-back trading in the report period?

Yes No

No top 10 shareholders with common shares and top 10 shareholders with tradable common shares of the Company carried out any agreed buy-back trading in the report period.

2. Particulars about the controlling shareholder

Nature of controlling shareholder: controlled by foreign capital

Type of controlling shareholder: corporation

Name of controlling shareholder	Legal representative / company principal	Date of establishment	Organization code	Business scope
GE STEAM POWER INVESTMENT CO., LTD.	Guan Haitao	Jan. 26, 1999	91110000710923782J	Lawfully investing in fields in which foreign investment is permitted by the State; import, export, procurement (as an agent) and sale (as an agent) of equipments; providing relevant services

				including training, human resources management, consultancy, technology, storage, operating lease and etc.; participating in overseas projects from Chinese enterprises entitled to execute overseas projects.
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Change of the controlling shareholder during the report period

Applicable Not applicable

No change in the report period.

3. Particulars about the actual controller

Nature of actual controller: other foreign entity

Type of actual controller: corporation

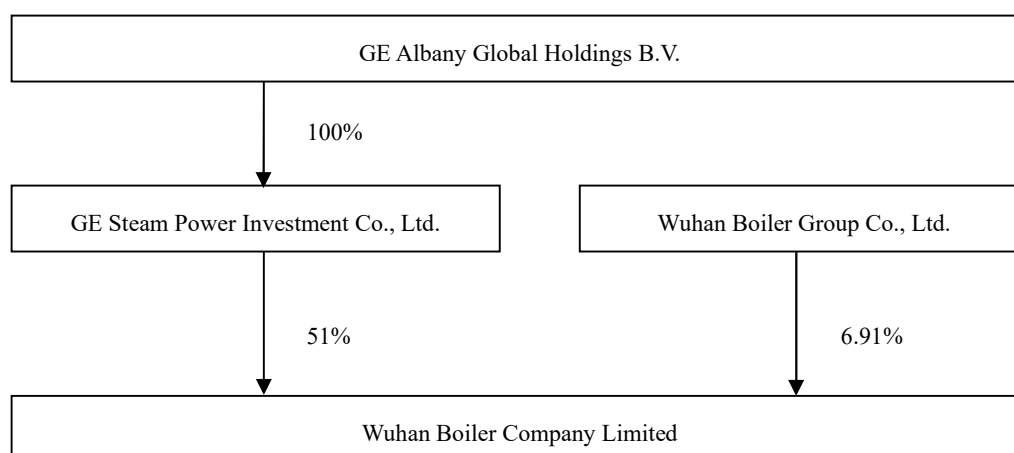
Name of the actual controller	Legal representative / company principal	Date of establishment	Organization code	Business scope
GE Albany Global Holdings B.V.	Not applicable	October 10, 2014	Not applicable (in Breda of the Netherlands)	A financial holding company serving as the holding company for the subsidiaries of General Electric.
Shares held by the actual controller in other listed companies by holding or shareholding during the report period	Not applicable			

Change of the actual controller during the report period

Applicable Not applicable

No change in the actual controller in the report period.

Block diagram of the property rights and control relationship between the company and the actual controller:



The actual controller controls the Company via trust or other ways of asset management

Applicable Not applicable

4. Number of accumulative pledged shares held by the company's controlling shareholder or the largest shareholder as well as its acting-in-concert parties accounts for 80% of all shares of the company held by them

Applicable Not applicable

5. Particulars about other corporate shareholders with more than 10% shares of the Company

Applicable Not applicable

6. Limits on reducing shares of the Company held by controlling shareholder, actual controller, reorganizer and other commitment subjects

Applicable Not applicable

IV. Particulars about execution of share repurchase

Progress on any share repurchase:

Applicable Not applicable

Progress on reducing the repurchased shares by means of centralized bidding:

Applicable Not applicable

Section VIII Preference Shares

Applicable Not applicable

No preference shares in the report period

Section IX Corporate Bonds

Applicable Not applicable

Section X Financial Report

I. Auditor's Report

Type of audit opinion	Unqualified Opinion with paragraphs about material uncertainty of going - concern
Date of signing the auditor's report	April 21, 2022
Name of audit firm	Zhongshen Zhonghuan Certified Public Accountants (Special General Partnership)
No. of the auditor's report	众环审字（2022）0111027 号
Name of registered accountant	Li Yanbin, Luo Zhixiong

AUDITOR'S REPORT

ZHSZ (2022) No. 0111027

To all shareholders of Wuhan Boiler Company Limited:

Opinion

We have audited the accompanying financial statements of Wuhan Boiler Company Limited (hereinafter referred to as "the Company"), which comprise the Company's balance sheet as at 31 December 2021, the Company's income statement, the Company's statement of cash flows, the Company's statement of changes in shareholders' equity for the year then ended, and notes to the financial statements.

In our opinion, the accompanying financial statements present fairly, in all material respects, the Company's financial position as at 31 December 2021, and its financial performance and cash flows for the year then ended in accordance with Accounting Standards for Business Enterprises.

Basis of Opinion

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

Significant Uncertainties Related to Going Concern

We remind users of the financial statements to pay attention to that, as stated in Note II 2 to the financial statements, the Company incurred a net loss of RMB 371,940,729.56 in 2021. As of 31 December 2021, the Company had a cumulative loss of RMB

2,378,169,987.56, the total liabilities exceeded the total assets by RMB 1,754,893,982.92, and the total current liabilities exceeded the total current assets by RMB 2,206,929,313.32. As of 31 December 2021, the liabilities of the Company mainly included a loan of RMB 2,199,000,000.00 from the related company DIG Automation Engineering (Wuhan) Co., Ltd., which will expire on 31 December 2022. In April 2022, the Company has signed a supplementary loan agreement with DIG Automation Engineering (Wuhan) Co., Ltd. and the new controlling shareholder Daoben Auto Parts Co., Ltd., extending the maturity date of the above loan principal and interest to 31 December 2024. The above matters or circumstances indicate that there are significant uncertainties that may lead to significant doubts about the ability of the Company to continue as a going concern. Those matters do not affect the issued audit opinion.

Other Information

The management of the Company (hereinafter referred to as “the Management”) is responsible for the other information. The other information comprises the information included in the 2021 annual report of the Company, but does not include the financial statements and our auditor’s report thereon.

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

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

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

Responsibilities of the Management and Those Charged with Governance for the Financial Statements

The Management is responsible for the preparation and fair presentation of the financial statements in accordance with Accounting Standards for Business Enterprises, and designing, implementing and maintaining internal control which is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Management is responsible for assessing 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 the Management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company’s financial reporting process.

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 CSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in 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 CSAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- 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 one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- 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 expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Management.
- 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 concluded that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair representation.

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.

Zhongshenzhonghuan Certified Public Accountants LLP

Certified Public Accountant

Certified Public Accountant

Wuhan, China

21 April 2022

II. Financial statements

Monetary unit of notes to financial statements: RMB Yuan

1. Balance sheet

Prepared by Wuhan Boiler Company Limited

Unit: RMB Yuan

Item	Balance as at Dec 31, 2021	Balance as at Dec. 31, 2020
Current assets:		
Cash and cash equivalents	32,839,810.21	136,010,500.73
Deposit reservation for balance		
Outgoing call loans		
Held for trading financial assets		
Derivative financial assets		
Notes receivable		
Accounts receivable	10,736,953.35	85,241,814.01
Financing backed by accounts receivable		
Prepayment	181,216.79	42,271,813.57
Insurance receivables		
Reinsurance Receivable		
Provision of reinsurance contracts		
Other receivables	1,309,350.07	2,400,684.58
Including: Interests receivable		
Dividends receivable		
Financial assets purchased under agreements to resell		
Inventories	7,094,056.78	46,393,485.77
Contract assets	0.00	216,649,520.32
Divided into hold for sale financial assets		
Non-current assets due within 1-year		
Other current assets	2,932,427.85	48,858,306.64
Total current assets	55,093,815.05	577,826,125.62
Non-current assets:		
Loan and payment on other's behalf disbursed		
Debt investments		
Other debt investments		
Long-term receivables		

Long-term equity investment		
Other equity investment		
Other non-current financial assets		
Investment property		
Fixed assets/Property, plant and equipment	446,051,823.50	503,150,300.22
Construction in progress		168,795.87
Bearer biological assets		
Oil and gas properties		
Right to use assets		
Intangible assets	30,387,034.90	45,643,178.74
R&D expense		
Goodwill		
Long-term deferred expenses		
Deferred tax assets		
Other non-current assets		
Total non-current assets	476,438,858.40	548,962,274.83
Total assets	531,532,673.45	1,126,788,400.45
Current liabilities:		
Short-term loans	0.00	1,965,139,955.97
Loans from central bank		
Deposits received and hold for others		
Transactional financial liabilities		
Derivative financial liabilities		
Notes payable		
Accounts payable	33,434,112.67	320,090,114.43
Advance from customers		
Contract liabilities	7,552,751.32	190,482,772.35
Financial assets sold under agreements to repurchase		
Deposits from customers and interbank		
Funds received as agent of stock exchange		

Funds received as stock underwrite		
Payroll payable	6,050,049.77	21,753,159.52
Taxes payable	1,682,844.05	1,708,730.27
Other payables	2,213,303,370.56	37,063,635.98
Including: Interests payable		
Dividends payable		
Fees and commissions payable		
Amount due to reinsurance		
Holding liabilities for sale		
Non-current liabilities due within 1-year		
Other Current liabilities		
Total Current liabilities	2,262,023,128.37	2,536,238,368.52
Non-current liabilities:		
Insurance contract provision		
Long-term loans		
Bonds payable		
Including: Preferred shares		
Perpetual Capital Securities		
Lease liability		
Long-term payables		
Long-term payroll payable	14,311,000.00	14,883,593.14
Accrued liabilities		
Deferred income	10,092,528.00	10,370,304.00
Deferred taxes liabilities		
Other non-current liabilities		
Total non-current liabilities:	24,403,528.00	25,253,897.14
Total liabilities	2,286,426,656.37	2,561,492,265.66
Owners' Equity:		
Share capital	297,000,000.00	297,000,000.00
Other equity instruments		
Including: Preferred shares		
Perpetual Capital Securities		

Capital reserve	285,128,604.11	232,627,992.26
Less: treasury stock		
Other comprehensive income	1,729,043.70	2,479,043.70
Special reserve fund		
Surplus reserve	39,418,356.83	39,418,356.83
General risk reserve		
Retained earnings	-2,378,169,987.56	-2,006,229,258.00
Total equity attributable to owners of the parent company	-1,754,893,982.92	-1,434,703,865.21
Minority interests		
Total owners' equity	-1,754,893,982.92	-1,434,703,865.21
Total liabilities & owners' equity	531,532,673.45	1,126,788,400.45

Legal representative: Ren Hongshun

CFO: Song Yuchuan

Accounting manager: Zhou Wei

2. Income statement

Unit: RMB Yuan

Item	Jan.-Dec. 2021	Jan.-Dec. 2020
I. Total revenue	517,930,505.87	937,012,352.62
Including: Sales revenue	517,930,505.87	937,012,352.62
Interest income		
Insurance fee income		
Fee and commission income		
II. Total Operating Cost	853,147,779.91	1,129,090,028.48
Including: Cost of sales	590,415,205.02	973,122,465.35
Interest expenses		
Service charge and commission income		
Insurance discharge payment		
Claim expenses-net		
Provision for insurance contract reserve-net		
Insurance policy dividend paid		

Reinsurance expense		
Business taxes and surcharges	12,480,112.82	5,700,109.96
Selling expenses	3,558,022.25	12,732,228.08
Administrative expenses	162,514,110.44	62,259,931.90
R&D expenses		
Financial costs	84,180,329.38	75,275,293.19
Including: Interest expenses	84,280,204.36	74,615,843.78
Interest income	301,924.46	33,083.95
Add: Other income	18,530,577.00	19,169,718.00
Gain/(loss) from investment ("-" means loss)	6,834,537.93	
Including: income from investment on associates and jointly ventures		
Income from the derecognition of financial assets at amortized cost ("-" means loss)		
Foreign exchange gains ("-" means loss)		
Net open hedging gains ("-" means loss)		
Gains/(losses) from changes in fair value ("-" means loss)		
Credit impairment loss ("-" means loss)	2,740,617.45	-171,249.00
Asset impairment loss ("-" means loss)	-63,106,602.40	-80,535,204.04
Gains/(losses) from disposal of assets ("-" means loss)	-96,894.85	-33,106.93
III. Operating profit/- loss	-370,315,038.91	-253,647,517.83
Add: non-operating income	295,008.70	10,941,522.52
Less: non-operating expenses	1,920,699.35	
IV. Total profit ("-" means losses)	-371,940,729.56	-242,705,995.31
Less: income tax expenses		5,997,822.64
V. Net profit ("-" means losses)	-371,940,729.56	-248,703,817.95

(I) Classification by operating continuity		
1. Net continuing operating profit("-" means losses)		
2. Termination of operating net profit ("- " means losses)		
(II) Classification by ownership		
1. Attributable to equity holders of the parent company	-371,940,729.56	-248,703,817.95
2. Minority interest		
VI. Other comprehensive income	-750,000.00	-22,012.99
Attributable to owners of the Company	-750,000.00	-22,012.99
(I) Not reclassified subsequently to profit or loss	-750,000.00	-22,012.99
1. Changes in net liabilities or assets by remeasurement of defined benefit plans	-750,000.00	-22,012.99
2. The proportion of other comprehensive income in investee entities cannot be classified as profit/loss under the equity method		
3. Changes in fair value of other equity instruments		
4. Fair value change of enterprise credit risk		
5. Others		
(II) Reclassified subsequently to profit or loss		
1. The proportion of other comprehensive income in investee entities shall be reclassified as profit/loss under the equity method		
2. Changes in fair value of other debt investments		
3. The amount of financial assets reclassified into other comprehensive income		
4. Other debt investment credit		

impairment provisions		
5. Valid proportion of profit/(loss) from hedging in cash flows		
6. Differences from translation of foreign currency financial statements		
7. Others		
Minority's total other comprehensive income after tax		
VII. Total comprehensive income attributable to:	-372,690,729.56	-248,725,830.94
Equity holders for the company	-372,690,729.56	-248,725,830.94
Minority interests		
VIII. Earnings per share		
(I) Basic earnings per share (RMB/share)	-1.25	-0.84
(II) Diluted earnings per share (RMB/share)	-1.25	-0.84

Where business mergers under the same control occurred in the report period, the net profit achieved by the merged parties before the business mergers was RMB0.00, with the corresponding amount for the last period being RMB0.00

Legal representative: Ren Hongshun

CFO: Song Yuchuan

Accounting manager: Zhou Wei

3. Cash flow statement

Unit: RMB Yuan

Item	Jan.-Dec. 2021	Jan.-Dec. 2020
I. Cash flows from operating activities		
Cash received from sales of goods or rendering of services	790,571,977.96	1,093,717,893.82
Net increase of deposits received and held for others		
Net increase of loans from central bank		
Net increase of funds borrowed from other financial institutions		
Cash received against original insurance contract		
Net Cash received from reinsurance		

Net increase of client deposit and investment		
Cash received as Interests, fees and commissions received		
Net increase of inter-bank fund received		
Net cash received under repurchasing,		
Net cash received by proxy trading securities		
Tax refunds	77,755,748.15	48,736,574.09
Other cash received relating to operating activities	26,511,875.53	19,844,122.16
Subtotal of cash inflows from operating activities	894,839,601.64	1,162,298,590.07
Cash paid for goods and services	887,482,437.02	1,274,008,705.79
Net increase of loans and advances		
Net increase of deposit in central bank, banks and other financial institutions		
Cash paid for original contract claim		
Net increase in funds dismantled		
Cash paid for interests, fees and commission		
Cash paid for policy dividend		
Cash paid to and for employees	284,859,596.35	241,551,322.84
Cash paid for all types of taxes	20,360,781.26	8,463,063.78
Other cash paid relating to operating activities	11,480,376.88	22,954,656.61
Subtotal of cash outflows from operating activities	1,204,183,191.51	1,546,977,749.02
Net cash flow from operating activities	-309,343,589.87	-384,679,158.95
II. Cash Flows from Investing Activities		
Cash received from return on investments		
Cash received from investment		

income		
Net cash received from disposal of fixed assets, intangible assets and other long-term assets	2,796,550.53	66,371.53
Net cash received from disposal of subsidiaries and other operating units		
Other cash received relating to investing activities	301,924.46	33,083.95
Subtotal of cash inflows from investing activities	3,098,474.99	99,455.48
Cash paid for acquisition of fixed assets, intangible assets and other long-term assets	213,468.11	4,868,584.63
Cash paid for investment		
Net increase of pledged loans		
Net cash paid for acquisition of subsidiaries and other operating units		33,361,125.08
Other cash paid relating to investing activities		
Subtotal of cash outflows from investing activities	213,468.11	38,229,709.71
Net cash flow from investing activities	2,885,006.88	-38,130,254.23
III. Cash Flows from Financing Activities:		
Cash received from investment		
Including: Cash received from minority shareholders of subsidiaries		
Cash received from borrowings	544,856,920.68	600,197,215.31
Other Cash received relating to financing activities	45,210,316.02	
Subtotal of cash inflows from financing activities	590,067,236.70	600,197,215.31
Cash paid for repayments of borrowings	307,310,296.57	110,000,000.00
Cash paid for dividends, profit distribution or interest	80,676,488.61	74,615,843.78
Including: dividends or profits paid to minority shareholders by		

subsidiaries		
Other cash paid relating to financing activities		
Sub-total of cash outflows from financing activities	387,986,785.18	184,615,843.78
Net cash flow from financing activities	202,080,451.52	415,581,371.53
IV. Effect of foreign exchange rate changes on cash	-520,395.30	
V. Net increase in cash and cash equivalents	-104,898,526.77	-7,228,041.65
Add: Opening balance of cash and cash equivalents	136,010,500.73	143,238,542.38
VI. Closing balance of cash and cash equivalents	31,111,973.96	136,010,500.73

Legal representative: Ren Hongshun

CFO: Song Yuchuan

Accounting manager: Zhou Wei

4. Statement of changes in owners' equity

This period

Unit: RMB Yuan

Item	2021														Minority interests	Total owner' equity
	Attributable to equity owners of the Company															
	Share capital	Other equity instruments			Capital reserve	Less: treasury stock	Other comprehensive incomes	Specific reserve	Surplus reserve	General risk reserve	Retained profit	Other	Subtotal			
		Preferred shares	Perpetual Capital Securities	Others												
I. Balance at the end of the previous year	297,000,000.00			232,627,992.26		2,479,043.70		39,418,356.83		-2,006,176,661.98					-1,434,651,269.19	
Plus: Change in accounting policies																
										-52,59					-52,59	

Correction of errors in previous period										6.02				6.02
Business combination under the same control														
Other														
II. Balance at the beginning of the year	297,000.00			232,627,992.26		2,479,043.70		39,418,356.83		-2,006,229.25				-1,434,703.86
III. Increase/-decrease during the financial year				52,500,611.85		-750,000.00				-371,940,729.56				-320,190,117.71
(I) Total comprehensive income						-750,000.00				-371,940,729.56				-372,690,729.56
(II) Contributions and decrease of capital														
1. Capital paid in by shareholders														
2. Capital paid in by holders of other equity instruments														
3. Equity settled share-based payment														
4. Others														
(III) Profit distribution														
1. Surplus reserve accrued														

2. Appropriations to general risk provisions															
3. Distribution to owners (shareholders)															
4. Others															
(IV) Transfer within owners' equity															
1. Capital reserve transferred to capital (share capital)															
2. Surplus reserve transferred to capital (share capital)															
3. Surplus reserve offsetting losses															
4. Change amount of defined benefit plans that carry forward retained earnings															
5. Other comprehensive income that carry forward retained earnings															
6. Others															
(V) Special reserve fund															
1.															

Provision for the year														
2. Use for the year														
(VI) Others				52,500,611.85										52,500,611.85
IV. Closing balance	297,000.00			285,128,604.11		1,729,043.70		39,418,356.83		-2,378,169.987.56				-1,754,893.982.92

Last Period

Unit: RMB Yuan

Item	2020														
	Attributable to equity owners of the Company												Minority interests	Total owner' equity	
	Share capital	Other equity instruments			Capital reserve	Less: treasury stock	Other comprehensive incomes	Specific reserve	Surplus reserve	General risk reserve	Retained profit	Other			Subtotal
		Preferred shares	Perpetual Capital Securities	Other											
I. Balance at the end of the previous year	297,000.00			235,273,493.07		2,501,056.69		39,418,356.83		-1,757,472.844.03				-1,183,279.937.44	
Plus: Change in accounting policies															
Correction of errors in previous period															
Business combination under the same control															
Other															

II. Balance at the beginning of the year	297,000.00				235,273,493.07		2,501,056.69		39,418,356.83		-1,757,472,844.03				-1,183,279,937.44
III. Increase/-decrease during the financial year					-2,645,500.81		-22,012.99				-248,703,817.95				-251,371,331.75
(I) Total comprehensive income							-22,012.99				-248,703,817.95				-248,725,830.94
(II) Contributions and decrease of capital															
1. Capital paid in by shareholders															
2. Capital paid in by holders of other equity instruments															
3. Equity settled share-based payment															
4. Others															
(III) Profit distribution															
1. Surplus reserve accrued															
2. Appropriations to general risk provisions															
3. Distribution to owners (shareholders)															
4. Others															

balance	00,00			7,992.		043.70		,356.8		176,66				651,269
	0.00			26				3		1.98				.19

Legal representative: Ren Hongshun

CFO: Song Yuchuan

Accounting manager: Zhou Wei

III. Company status

Wuhan Boiler Company Limited (hereinafter referred to as “the Company”) was established on 26 November 1998. As of 31 December 2021, the registered capital of the Company was RMB 297 million. The legal representative of the Company is Ren Hongshun, and the address of the Company is No. 1 Liufangyuan Road, East Lake New Technology Development Zone, Wuhan City. The controlling shareholder of the Company was GE Steam Power Investment Co., Ltd., and details of changes in shareholders refer to Note XI “Events after the balance sheet date”.

The Company is mainly engaged in the research, development, sales, wholesale, design, manufacturing, assembly, supply, installation and commissioning of utility boilers, special boilers, class I, II and III pressure vessels, boiler related systems and their auxiliary equipment, environmental protection equipment and systems, and the research, development and application of industrial metal materials; Research and development of power stations and other energy projects and products, general contracting of domestic and international projects, project financing, international trade, technical consulting and services. (For projects subject to approval according to law, business activities can be carried out only after approval by relevant departments).

IV. Basis for preparation of financial statements

1. Basis of preparation

According to the actual events and transactions, the financial statements for the Company have been prepared on the basis of going concern and in accordance with the “Accounting Standards for Business Enterprises - Basic Standards” issued by the Ministry of Finance (issued by No. 33 Order from the Ministry of Finance and revised by No. 76 Order from the Ministry of Finance), 41 specific accounting standards, the guidelines for the application of enterprise accounting standards, the interpretation of enterprise accounting standards and other relevant regulations promulgated and amended on and after 15 February 2006 (hereinafter collectively referred to as “Accounting Standards for Business Enterprises”), as well as the disclosure provisions of “Rules for the Preparation and Reporting of Information Disclosure of Companies Offering Securities to the Public No. 15 - General Provisions on Financial Reporting” (Revised in 2014) issued by the China Securities Regulatory Commission.

According to the relevant provisions of the Accounting Standards for Business Enterprises, the Company’s accounting is carried out on the accrual basis. Except some financial instruments, the financial statements are measured based on historical cost. If the asset is impaired, the corresponding impairment provision shall be made in accordance with the relevant regulations.

2. Going Concern

As disclosed in the financial statements, the Company incurred a net loss of RMB 371,940,729.56 in 2021. As of 31 December 2021, the Company had a cumulative loss of RMB 2,378,169,987.56, the total liabilities exceeded the total assets by RMB 1,754,893,982.92, and the total current liabilities exceeded the total current assets by RMB 2,206,929,313.32.

GE Steam Power Investment Co., Ltd. withdrew from the controlling shareholder status of the Company and no longer supported any market development work of the Company in the coal power market, which brought significant challenges to the Company. However, the technology transfer agreement of the Company was also extended to enable the Company to continue to operate and develop in

the traditional coal power market. At the same time, the Company will also seek the support of the new controlling shareholder, Daoben Auto Parts Co., Ltd. (hereinafter referred to as “Daoben Auto”, which is the controlling shareholder of the Company at the reporting date, and details refer to Note XI) to invest resources to develop new products for long-term business growth. On behalf of its affiliates, the new controlling shareholder promised not to require the Company to pay the principal and interests of RMB 2.199 billion within the next 12 months from the balance sheet date, and is willing to provide necessary financial support during the transformation and upgrading of the Company. After considering the above matters, the Board of Directors of the Company believes that it is appropriate to prepare the financial statements of the Company for the year ended 31 December 2021 on the basis of going concern.

V. Significant accounting policies and accounting estimates

According to the actual production and operation characteristics, the Company has formulated specific accounting policies and accounting estimates for transactions and events of revenue recognition and determination of completion percentage of construction contract in accordance with the relevant provisions of Accounting Standards for Business Enterprises, and details refer to Note V 21 “Revenue”.

1. Statement of compliance

The financial statements are in accordance with the requirements of the Accounting Standards for Business Enterprises, which have truly and completely presented the financial position of the Company as at 31 December 2021, its financial performance and cash flows for the year then ended, and other relevant information. In addition, the Company’s financial statements comply in all material respects with the disclosure requirements of the financial statements and their notes in the “Rules for the Preparation and Reporting of Information Disclosure of Companies Offering Securities to the Public No. 15 - General Provisions on Financial Reporting” (Revised in 2014) issued by the China Securities Regulatory Commission.

2. Accounting period

The accounting period of the Company is divided into annual period and interim period. Interim accounting period refers to the reporting period shorter than a complete accounting year. The Company’s accounting year adopts the Gregorian calendar year which begins on 1 January and ends on 31 December every year.

3. Operating cycle

The normal operating cycle starts from the purchase of the assets used for processing to the realization of the cash and cash equivalents. The Company takes 12 months as an operating cycle and uses it as the liquidity division standard of assets and liabilities.

4. Functional currency

Renminbi (RMB) is the currency used in the main economic environment in which the Company and its domestic subsidiaries operate. The Company and its domestic subsidiaries adopt RMB as the functional currency for accounting. The currency used by the Company in preparing the financial statements is RMB.

5. Recognition of cash and cash equivalents

Cash and cash equivalents consist of cash on hand and deposits that can be readily drawn on demand, and the short-term (normally

matured within 3 months after purchase date), highly-liquid investment which is readily convertible into known amounts of cash, subject to an insignificant risk of fluctuation in value.

6. Foreign currency business and translation of foreign currency financial statements

(1) Translation method for foreign currency transactions

When the foreign currency transactions of the Company are initially recognized, they shall be translated into the amount of functional currency at the spot exchange rate on the transaction date.

(2) Translation method for foreign currency monetary items and foreign currency non-monetary items

On balance sheet date, the monetary items denominated in foreign currencies are translated at the spot exchange rates on the balance sheet date. Foreign exchange gains and losses arising from the difference are recognized in the current profit and loss, except that: ① The exchange differences arising from the special foreign currency borrowings related to the acquisition and construction of assets eligible for capitalization shall be treated in accordance with the principle of capitalization of borrowing costs; ② For foreign currency monetary items classified as measured at fair value through other comprehensive income, the exchange differences arising from changes in other book balances, except the amortized cost (including impairment) included in other comprehensive income, are included in the current profit and loss.

Non-monetary items that are measured at historical cost in a foreign currency are translated using the spot exchange rates on the transaction dates. Non-monetary items denominated in foreign currencies that are stated at fair value are translated using the spot exchange rate on the date when the fair value is determined, the difference between the amount of functional currency after translation and the original amount of functional currency is treated as part of change in fair value (including the change in exchange rate) and recognized in the current profit and loss or other comprehensive income.

7. Financial instruments

The Company recognizes a financial asset or financial liability on its balance sheet when the Company becomes a contractual party of financial instrument.

(1) Classification, recognition and measurement of financial assets

According to the business model of financial assets managed by the Company and the contractual cash flow characteristics of financial assets, the financial assets of the Company are classified into financial assets measured at amortized cost, and financial assets at fair value through other comprehensive income and financial assets at fair value through profit or loss.

Financial assets are measured at fair value at the time of initial recognition. For financial assets at fair value through profit or loss, the relevant transaction costs are directly included in the current profit and loss, and the relevant transaction costs of other categories of financial assets are included in their initial recognition amount. For accounts receivable or notes receivable arising from the sale of goods or the rendering of services do not contain or consider significant financing components, the amount of consideration expected to be entitled to receive shall be treated as the initial recognition amount.

i. Financial assets measured at amortized cost

The business model of the Company's management of financial assets is to collect contractual cash flows, and the contractual cash flow characteristics of this kind of financial assets are consistent with the basic lending arrangement, that is, the cash flow generated on a specific date is only the payment of the principal and the interest based on the outstanding principal amount. For such financial assets, the Company shall use the effective interest rate method to carry out subsequent measurement according to the amortized cost, and the gains or losses arising from amortization or impairment shall be included in the current profit and loss.

ii. Financial assets at fair value through other comprehensive income

The business model of the Company's management of financial assets is to collect contractual cash flows and sell of financial assets,

and the contractual cash flow characteristics of this kind of financial assets are consistent with the basic lending arrangement. Such financial assets are measured at fair value by the Company and their changes in fair value are included in other comprehensive income, but impairment losses or gains, exchange gains and losses and interest income calculated according to the effective interest rate method shall be included in the current profit and loss.

In addition, some non-tradable equity instrument investments are designated as financial assets at fair value through other comprehensive income by the Company. The Company shall record the relevant dividend income of such financial assets into the current profit and loss, and the changes of fair value into other comprehensive income. When the financial asset is derecognized, the accumulated gains or losses previously included in other comprehensive income will be transferred from other comprehensive income to retained earnings which shall not be included in the current profit and loss.

iii. Financial assets at fair value through profit or loss

Except the above financial assets measured at amortized cost and financial assets at fair value through other comprehensive income, other financial assets are classified as financial assets at fair value through profit or loss. In addition, at initial recognition, in order to eliminate or significantly reduce accounting mismatches, some financial assets are designated as financial assets at fair value through profit or loss. For such financial assets, fair value shall be used for subsequent measurement, and all changes in fair value shall be included in the current profit and loss.

(2) Classification, recognition and measurement of financial liabilities

The Company's financial liabilities are classified as financial liabilities at fair value through profit or loss and other financial liabilities when they are initially recognized. For financial liabilities at fair value through profit or loss, relevant transaction costs are directly recorded into the current profit and loss. For the other financial liabilities, relevant transaction costs are included in the initial recognition amounts.

i. Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include trading financial liabilities (including derivatives belonging to the financial liabilities) and financial liabilities designated by the Company as measured at fair value through profit or loss for the initial recognition.

Trading financial liabilities (including derivatives belonging to the financial liabilities) shall be subsequently measured at fair value, and except related to the hedge accounting, the gains or losses arising from changes in fair value of derivatives are directly included in the current profit and loss.

For financial liabilities designated to be measured at fair value through profit or loss, the changes in fair value caused by changes in credit risk of companies are included in other comprehensive income. When such financial liabilities are derecognized, the accumulated changes in fair value caused by changes in credit risk of companies are transferred to retained earnings. Other changes in fair value are included in the current profit and loss. If the treatment of effects of changes in the financial liabilities' own credit risks in the above manner causes or expands the accounting mismatch in the profit or loss, the Company shall record all the gains or losses of such financial liabilities (including the impact amount of the change in the credit risk of the enterprise itself) into the current profit and loss.

ii. Other financial liabilities

Except the financial liabilities formed by the transfer of financial assets that do not meet the conditions for derecognition or continue to be involved in the transferred financial assets and financial guarantee contracts, other financial liabilities are classified as financial liabilities measured at amortized cost which shall be subsequently measured at amortized cost, and the gains or losses arising from derecognition or amortization shall be included in the current profit and loss.

(3) Determination and measurement of transfer of financial assets

The Company derecognizes financial assets when it meets one of the following conditions:

- ① The contractual right to receive the cash flow of the financial asset is terminated;

② The financial asset has been transferred and almost all the risks and rewards of the ownership of the financial asset have been transferred to the transferee; and

③ The financial asset has been transferred. Although the enterprise has neither transferred nor retained almost all the risks and rewards of the ownership of the financial asset, it has given up the control over the financial asset.

If the Company has neither transferred nor retained almost all risks and rewards of the ownership of the financial assets, and the Company has not given up the control over the financial assets, the relevant financial assets shall be recognized according to the degree of continuous involvement in the transferred financial assets, and the relevant liabilities shall be recognized accordingly. The degree of continuous involvement in the transferred financial assets refers to the risk level faced by the enterprise due to the change of the value of the financial assets.

If the overall transfer of financial assets meets the conditions for derecognition, the difference between the book value of the transferred financial assets and the sum of the consideration received due to the transfer and the accumulated changes in fair value originally included in other comprehensive income shall be included in the current profit and loss.

If the partial transfer of financial assets meets the conditions for derecognition, the book value of the transferred financial assets shall be apportioned according to its relative fair value between the derecognized part and the non-derecognized part, and the difference between the aforesaid book value apportioned and the sum of the consideration received due to the transfer and the accumulated changes in fair value originally included in other comprehensive income that should be apportioned to the derecognized part shall be included in the current profit and loss.

The Company needs to determine whether almost all risks and rewards on the ownership of the financial assets have been transferred when it sells the financial assets with recourse or transfers the financial assets held by endorsement. If almost all the risks and rewards in the ownership of the financial asset have been transferred to the transferee, the financial asset shall be derecognized; if almost all the risks and rewards in the ownership of the financial asset have been retained, the financial asset shall not be derecognized; if almost all the risks and rewards in the ownership of the financial asset have not been transferred nor retained, it shall continue to judge whether the enterprise retains the control of the asset and the accounting treatment shall be performed in accordance with the principles described in the preceding paragraphs.

(4) Derecognition of financial liabilities

Only when the prevailing obligations of a financial liability (or part of it) are relieved in all or in part, the recognition of the financial liability (or part of it) can be terminated in all or partly. Where the Company enters into an agreement with a creditor so as to substitute the existing financial liabilities by assuming a new financial liability, and if the contractual stipulations regarding the new financial liability is substantially different from that of the existing financial liability, it shall terminate the recognition of the existing financial liability and recognize the new financial liability at the same time. If the Company substantially modifies the contract terms of the existing financial liability (or part of it), the recognition of the existing financial liability shall be terminated, and a new financial liability shall be recognized in accordance with the modified terms.

Where the recognition of a financial liability is totally or partially terminated, the Company shall record the difference between the book value which has been terminated from recognition and the consideration which has been paid (including the non-cash asset which has been transferred out and the new financial liability which has been assumed) into the current profit and loss.

(5) Offsetting of financial assets and financial liabilities

When the Company has legal rights to offset the recognized financial assets and financial liabilities, and this kind of legal rights is currently executable, and the Company plans to settle in net amount, or realize the financial assets and settle the financial liabilities at the same time, financial assets and financial liabilities are presented in the balance sheet at the amount after offsetting each other. Otherwise, financial assets and financial liabilities are presented separately in the balance sheet, not offsetting each other.

(6) Methods for determining the fair value of financial assets and financial liabilities

Fair value is the price that would be received for the sale of an asset or paid to transfer a liability in an orderly transaction between market participants on the measurement date. If there is an active market for a financial instrument, the Company uses the quoted

price in the active market to determine its fair value. The quoted price in the active market refers to the price that can be easily obtained from exchanges, brokers, industry associations, pricing service agencies, etc. on a regular basis, and represents the price of market transactions that occur in fair transactions. If there is no active market for a financial instrument, the Company uses valuation techniques to determine its fair value. Valuation techniques include reference to the prices used in recent market transactions by parties familiar with the situation and voluntary transactions, reference to the current fair value of other financial instruments that are substantially the same, discounted cash flow method, and option pricing models, etc. At the time of valuation, the Company adopts valuation techniques that are applicable under the current circumstances and are supported by sufficient available data and other information, selects input values consistent with the characteristics of the assets or liabilities considered by market participants in the transactions of relevant assets or liabilities, and uses relevant observable input values as much as possible. When the relevant observable input value cannot be obtained or is not feasible to be obtained, the non-input value shall be used.

(7) Equity instrument

Equity instruments refer to contracts that can prove the remaining equity of the Company's assets after deducting all liabilities. The Company's issuance (including refinancing), repurchases, sale or cancellation of equity instruments shall be treated as changes in equity. Transaction costs related to equity transactions are deducted from equity. The Company does not recognize changes in fair value of equity instruments.

If the Company's equity instruments distribute dividends (including the "interests" generated by instruments classified as equity instruments) during the existence period, they shall be treated as profit distribution.

8. Impairment of financial assets

The financial assets that the Company needs to recognize the impairment loss are financial assets measured at amortized cost, debt instruments measured at fair value through other comprehensive income, and lease receivables, mainly including notes receivable, accounts receivable, receivables financing, other receivables, debt investments, other debt investments, long-term receivables, etc. In addition, for contract assets and some financial guarantee contracts, the provision for impairment and the recognition of credit impairment loss are also made according to the accounting policies mentioned in this section.

(1) The recognition method of impairment provision

Based on the expected credit loss, the Company accrues the impairment provision and recognizes the credit impairment loss according to the applicable expected credit loss measurement method (general method or simplified method) for each of the above items.

Credit loss refers to the difference between all contractual cash flows receivable and all cash flows expected to be collected which are both discounted by the Company at the original effective interest rate, that is, the present value of all cash shortages. Among them, for the financial assets purchased or generated by the Company with credit impairment, they shall be discounted according to the effective interest rate adjusted by credit.

The general method for the measurement of expected credit loss refers to the Company's assessment on each balance sheet date of whether the credit risk of financial assets (including other applicable items such as contract assets, the same below) has increased significantly since the initial recognition. If the credit risk has increased significantly since the initial recognition, the Company

measures the loss provision based on the amount equivalent to the expected credit loss in the entire duration. If the credit risk has not increased significantly since the initial recognition, the Company measures the loss provision based on the amount equivalent to the expected credit loss within the next 12 months. When assessing the expected credit losses, the Company considers reasonable and reliable information including forward-looking information.

For the financial instrument with lower credit risk on the balance sheet date, the Company assumes that its credit risk has not increased significantly since the initial recognition, and chooses to measure the loss provision based on expected credit losses within the next 12 months. According to whether its credit risk has increased significantly since the initial recognition, the amount of expected credit losses within the next 12 months or the entire duration is used as the basis to measure the loss provision.

(2) Criteria for judging whether credit risk has increased significantly since the initial recognition

If the default probability of a financial asset in the expected duration determined on the balance sheet date is significantly higher than that in the expected duration determined at the initial recognition, it indicates that the financial asset's credit risk has increased significantly. Except for special circumstances, the Company adopts the change in default risk that occurs within the next 12 months as a reasonable estimate of the change in default risk that occurs in the whole duration to determine whether the credit risk has increased significantly since the initial recognition.

(3) Portfolio method for assessing expected credit risk based on portfolio

The Company separately evaluates credit risk for financial assets with significantly different credit risks, such as: receivables from related parties; receivables in dispute with the other party or involving litigation and arbitration; receivables with obvious signs indicating that the debtor is likely to be unable to fulfill the repayment obligation, etc.

Except the financial assets that individually evaluate credit risk, the Company divides financial assets into different groups based on common risk characteristics and assesses the credit risk on a portfolio basis.

(4) Accounting treatment for impairment of financial assets

At the end of the reporting period, the Company calculates the estimated credit loss of various financial assets. If the estimated credit loss is greater than the current book value of the impairment provision, the difference shall be recognized as an impairment loss; if it is less than the current book value of the impairment provision, the difference shall be recognized as an impairment gain.

(5) Methods for determining credit losses of various financial assets

① Notes receivable

The Company measures the loss provision based on the amount equivalent to the expected credit loss amount within the entire duration for notes receivable. Notes receivables are divided into different portfolios based on their credit risk characteristics:

Item	Basis for determining portfolio
Bank acceptance bills	The acceptor is a bank with less credit risks.
Commercial acceptance bills	Divided into different portfolios based on credit risk characteristics of acceptors, which is the same as that of "Accounts receivable".

② Accounts receivable and contract assets

For accounts receivable and contract assets without significant financing components, the Company measures the loss provision based on the amount equivalent to the expected credit loss within the entire duration.

For accounts receivable, contract assets and leases receivable with significant financing components, the Company does not choose the simplified treatment method, and uses the amount equivalent to the expected credit loss within the next 12 months or the entire duration to measure the loss provision according to whether its credit risk has increased significantly since the initial recognition.

Except accounts receivable with individual credit risk assessment, others are divided into different portfolios based on their credit risk characteristics:

Item	Basis for determining portfolio
Accounts receivable:	
Portfolio 1: Portfolio of related parties	According to the relationship with the Company, bad debts shall be accrued at 1% for accounts receivable within the scope of GE.
Portfolio 2: Portfolio of third parties	For accounts receivable from third parties other than the above parties, bad debts shall be accrued at 5%.

③ Other receivables

Based on whether the credit risk of other receivables has increased significantly since the initial recognition, the Company adopts the amount equivalent to the expected credit loss within the next 12 months or the entire duration to measure the impairment loss. Except other receivables with individual credit risk assessment, others are divided into different portfolios based on their credit risk characteristics:

Item	Basis for determining portfolio
Portfolio 1: Portfolio of related parties	According to the relationship with the Company, bad debts shall be accrued at 0.5% for accounts receivable within the scope of GE.
Portfolio 2: Rent deposits	Bad debts shall be accrued at 1%.

Item	Basis for determining portfolio
Portfolio 3: Payments on behalf of others	Bad debts shall be accrued at 5%.
Portfolio 4: Portfolio of third parties	Except rent deposits and payments on behalf of others, bad debts shall be accrued at 3%.

9. Inventory

(1) Classification of inventory

Inventories mainly include raw materials, goods in process, revolving materials, finished goods, goods in stock, etc., and contract performance costs with an amortization period of no more than one year or one business cycle are also reported as inventories.

(2) Pricing method for inventories acquired and delivered

Inventories are priced at actual cost at the time of acquisition, and the cost of inventories includes purchase costs, conversion costs and other costs. The pricing of inventories used and delivered is determined by the weighted average method.

(3) Determination of net realizable value and method of provision for impairment of inventories

The net realizable value refers to the amount of the estimated selling price of the inventory minus the estimated cost to be incurred at the time of completion, the estimated selling expenses and the relevant taxes in daily activities. When determining the net realizable value of the inventory, it shall be based on the conclusive evidence obtained, considering the purpose of holding the inventory and the impact of events after the balance sheet date.

On the balance sheet date, the inventory is measured at the lower of cost and net realizable value. When the net realizable value is lower than the cost, the impairment provision on the inventory shall be made. The impairment provision on the inventory is usually made according to the difference between the cost of a single inventory item and its net realizable value. For the inventory with large quantity and low unit price, the impairment provision on the inventory shall be made according to the category of inventory; for the inventory related to product series produced and sold in the same region, with the same or similar end use or purpose, and which is difficult to be measured separately from other items, the impairment provision on the inventory shall be made in combination.

After making the impairment provision on the inventory, if the factors that previously written down the value of the inventory have disappeared, resulting in the net realizable value of inventory higher than its book value, it shall be reversed within the amount of the original impairment provision on the inventory, and the reversed amount shall be included in the current profit and loss.

(4) The Company adopts perpetual inventory system for its inventory taking.

(5) Amortization method for low-value consumables and packages

Low-value consumables and packages are amortized by the one-off amortization method when they are used.

10. Contract Assets

The Company shall list the rights as contract assets in the balance sheet when the following conditions are satisfied: 1) the customer has not paid the contract consideration; 2) but the Company has fulfilled its performance obligations in accordance with the contract; 3) and it is not unconditional (that is, only depending on the passage of time) right to collect payments from the customer. The contract assets and liabilities under the same contract are presented in net amount, and the contract assets and liabilities under different contracts are not offset.

The details of the determination method and accounting treatment method of expected credit loss of contract assets refer to Note V-8 “Impairment of financial assets”.

11. Fixed Assets

(1) Recognition conditions of fixed assets

Fixed assets are tangible assets that are held for use in the production or supply of goods or services, for leasing to others or for administrative purposes with useful life more than one year. A fixed asset shall be initially recognized at cost when the following conditions are satisfied: a) It is probable that future economic benefits associated with the assets will flow into the Company; b) The cost of the assets can be measured reliably. Fixed assets are initially measured at cost and considering the impact of estimated abandonment costs.

(2) Depreciation method of fixed assets

The fixed assets shall be depreciated by using the straight-line method within the useful life from the next month when the fixed assets reach the expected usable state. The useful life, estimated net residual value, and annual depreciation rate of fixed assets are shown as follows:

Category	Depreciation method	Useful life (year)	Estimated net residual value rate (%)	Annual depreciation rate (%)
Houses and buildings	Straight-line method	40	0.00	2.5
Machinery equipment	Straight-line method	7-20	0.00	5-14.29
Electronic and office equipment	Straight-line method	3-18	0.00	5.56-33.33

Category	Depreciation method	Useful life (year)	Estimated net residual value rate (%)	Annual depreciation rate (%)
Transportation	Straight-line method	6	0.00	16.67

The estimated net residual value refers to the amount obtained by the Company from the disposal of the fixed assets after deducting the estimated disposal expenses, assuming that the expected useful life of the fixed assets has been completed and is in the expected state at the end of the useful life.

(3) Impairment test method and impairment provision method for fixed assets

Details of the impairment test method and impairment provision method for fixed assets refer to Note V 16 “Impairment of long-term assets”.

(4) Other information

Subsequent expenditure relating to a fixed asset, if the economic benefits related to the fixed asset are probable to flow in and their costs can be reliably measured, shall be included in the cost of the fixed asset and the book value of the replaced part shall be derecognized. Other subsequent expenditures shall be included in the current profit and loss when they occur.

When a fixed asset is in a disposal state or it is expected to produce no economic benefits through use or disposal, the recognition of the fixed asset shall be terminated. The difference of the disposal income from the sale, transfer, scrap or damage of fixed assets after deducting the book value and relevant taxes shall be included in the current profit and loss.

The Company reviews the useful life, estimated net residual value and depreciation method of a fixed asset at the end of each financial year. If there are changes in the useful life, estimated net residual value and depreciation method, they shall be treated as changes in accounting estimates.

12. Construction in Progress

Construction in progress is recorded at actual costs incurred which include all project expenditures incurred during the construction period, capitalized borrowing costs before the project reaches the expected usable status and other related costs, etc. The Company transfers construction in progress to fixed assets when the project reaches the expected usable status.

Details of the impairment test method and impairment provision method for construction in progress refer to Note V 16 “Impairment of long-term assets”.

13. Borrowing Costs

Borrowing costs include interest on borrowings, amortization of discounts or premiums, auxiliary costs and exchange differences

arising from foreign currency borrowings, etc. When the borrowing costs incurred by the Company can be directly attributable to the acquisition and construction or production of assets which are eligible for capitalization, it shall be capitalized and recorded into the costs of relevant assets when the following requirements are simultaneously met: a) The asset disbursements have already incurred; b) The borrowing costs have already incurred; c) The acquisition and construction or production activities which are necessary to prepare the asset for its intended use or sale have already started. When the qualified asset under acquisition and construction or production is ready for the intended use or sale, the capitalization of the borrowing costs shall be ceased. Other borrowing costs shall be recorded into the current profit and loss when they occur.

The amount of interest expenses actually incurred in the current period of a special borrowing after deducting the interest income from unused borrowing funds deposited in the bank or the investment income from temporary investment shall be capitalized. The capitalization amount of a general borrowing is the capitalization rate of the general borrowing used multiplied by the portion of the weighted average asset disbursement, which is calculated by deducting the special loan from the accumulative asset disbursements. The capitalization rate shall be calculated and determined based on the weighted average interest rate of the general borrowing.

During the period of capitalization, the foreign exchange differences on foreign currency specific borrowings shall be capitalized; exchange differences on foreign currency general borrowings shall be recorded into the current profit and loss.

Assets eligible for capitalization refer to assets such as fixed assets, investment property, inventories and other assets which need to go through the acquisition and construction or production activities for quite a long time to reach the intended use or status for sale.

Where the acquisition and construction or production of a qualified asset is interrupted abnormally and the interruption period lasts for more than 3 months, the capitalization of the borrowing costs shall be suspended, till the acquisition and construction or production of the asset restarts.

14. Right-of-use Assets

Details of the determination method and accounting treatment method of right-of-use assets refer to Note V- 25 “Lease”.

15. Intangible Assets

(1) Intangible assets

Intangible assets are identifiable non-monetary asset that are owned or controlled by the Company and are without physical substance.

An intangible asset is initially measured at its cost. Subsequent expenditure relating to an intangible asset, if the economic benefits related to the intangible asset are probable to flow in and their costs can be reliably measured, shall be included in the cost of the

intangible asset. Other subsequent expenditures shall be included in the current profit and loss when they occur.

The acquired land use right is usually accounted for as an intangible asset. For self-development and construction of buildings such as factories, etc., the related land use right expenditures and building construction costs are accounted for as intangible assets and fixed assets respectively. For houses and buildings purchased, the relevant price shall be allocated between the land use rights and the buildings. If it is difficult to allocate them reasonably, all of them are treated as fixed assets.

Intangible assets with limited useful life shall be averagely amortized by the straight-line method within the expected useful life of the original value minus the estimated net residual value and the accumulated amount of the impairment provision accrued from the time they are available for use. Intangible assets with uncertain useful life shall not be amortized.

The useful life and amortization method of intangible assets are as follows:

Category	Amortization period (year)	Amortization method
Land use rights	Years specified in the land use certificates	Straight-line method
Patents	15	Straight-line method
Non-patented technology	3	Straight-line method

At the end of the reporting period, for an intangible asset with limited useful life, the useful life and amortization method shall be reviewed, if there is any change incurred, it shall be treated as an accounting estimation change. In addition, for an intangible asset with uncertain useful life, the useful life shall be reviewed, if there is any evidence indicated that the duration of bringing economic benefits to the Company from an intangible asset is foreseeable, then estimate its useful life and amortize it in accordance with the amortization policy of intangible assets with limited useful life.

(2) Research and development expenses

The expenditure from the internal research and development project of the Company shall be classified as the expenditure in research stage and in development stage.

The expenditures in research stage shall be recorded into the current profit and loss when they occur.

The expenditures in development stage shall be recognized as intangible assets that should meet all the conditions as follows, otherwise shall be recorded into the current profit and loss:

- ① It is technically feasible to finish intangible assets for use or sale;
- ② It is intended to finish and use or sell the intangible assets;
- ③ The usefulness of methods for intangible assets to generate economic benefits shall be proved, including being able to prove that

there is a potential market for the products manufactured by applying the intangible assets or there is a potential market for the intangible assets itself or the intangible assets will be used internally;

- ④ It is able to finish the development of the intangible assets, and able to use or sell the intangible assets, with the support of sufficient technologies, financial resources and other resources;
- ⑤ The development expenditures of the intangible assets can be reliably measured.

If it is impossible to distinguish the expenditure from the research stage or development stage, all the R&D expenditures incurred shall be recorded into the current profit and loss.

(3) Impairment test method and impairment provision method for intangible assets

Details of the impairment test method and impairment provision method for intangible assets refer to Note V-16 “Impairment of long-term assets”.

16. Impairment of long-term assets

For fixed assets, constructions in progress, right-of-use assets, intangible assets with limited useful life, investment property measured at cost model, long-term equity investment in subsidiaries, joint ventures and associates, and other non-current non-financial assets, the Company judges whether there is any sign of impairment on the balance sheet date. If there are signs of impairment, the recoverable amount shall be estimated and impairment test shall be conducted. The Company shall conduct impairment tests each year on goodwill, intangible assets with uncertain useful life and intangible assets that not reach the usable status yet no matter whether indication that an asset may be impaired exists or not.

If the result of impairment test indicates that the book value of an asset is higher than its recoverable amount, impairment provision should be made and recorded into the impairment loss based on the difference. Recoverable amount is measured as the higher of an asset’s fair value less disposal costs and the present value of estimated future cash flows. The fair value of the asset is determined according to the sales agreement price in the fair transaction; if there is no sales agreement but there is an active market for the asset, the fair value is determined according to the buyer’s bid for the asset; if there is no sales agreement and an active market for the asset, the fair value of the asset is estimated based on the best information available. Disposal costs include legal expenses, relevant taxes and handling expenses related to the disposal of assets and direct expenses incurred to make the assets reach a saleable state. The present value of the expected future cash flow of the asset shall be determined according to the expected future cash flow generated in the process of continuous use and final disposal of the asset, and the appropriate discount rate shall be selected to discount the amount. If there is any indication that an asset may be impaired, the Company usually estimates its recoverable amount on an individual item basis. However, if it’s not possible to estimate recoverable amount of the individual asset, the Company should

determine the recoverable amount of the asset group which the asset belongs to. An asset group is the smallest group of assets that can independently generates cash inflows.

For the goodwill separately listed in the financial statements, during the impairment test, the book value of goodwill shall be allocated to the asset group or combination of asset groups expected to benefit from the synergistic effect of business combination. If the test results show that the recoverable amount of the asset group or asset group combination containing the allocated goodwill is lower than its book value, the corresponding impairment loss shall be recognized. The amount of impairment loss shall first offset the book value of goodwill allocated to the asset group or combination of asset groups, and then offset the book value of other assets in proportion according to the proportion of the book value of assets other than goodwill in the asset group or combination of asset groups.

Once impairment loss is recognized, it cannot be reversed in the subsequent financial periods.

17. Contract Liabilities

Contract liabilities refer to the obligation of the Company to transfer goods to customers for the consideration received or receivable from customers. If the customer has paid the contract consideration or the Company has obtained the unconditional right to receive payment before the Company transfers the goods to the customer, the Company shall, at the earlier point in time between the actual payment by the customer and the payment due, present the receipt or receivable as a contract liability. The contract assets and liabilities under the same contract are presented in net amount, and the contract assets and liabilities under different contracts are not offset.

18. Employee Benefits

Employee benefits include short-term employee benefits, post-employment benefits, termination benefits and other long-term employee benefits.

Short-term employee benefits include salary, bonus, allowance & subsidy, employee welfare, medical insurance, work-related injury insurance, maternity insurance, housing fund, union funds & employee education expenses and non-monetary welfares, etc. The actual short-term employee benefits shall be recognized as the debt during the accounting period when the employees provide service and included in the current profit and loss or the cost of relevant assets, and the non-monetary welfare shall be measured at fair value.

Post-employment benefits mainly include basic endowment insurance, unemployment insurance and annuity, etc. Post-employment benefit plans include defined contribution plans and defined benefit plans. If the defined contribution plan is adopted, the corresponding amount payable shall be included in the cost of the relevant asset or the current profit and loss when it occurs. The defined benefit plan of the Company is specifically the supplementary retirement benefits paid to some retired employees. The cost of providing this benefit under the defined benefit plan is calculated using the expected cumulative unit method. At the end of the reporting period, the Company shall recognize service costs, including current service costs, past service costs and settlement gains

or losses, as well as the net interest of net liabilities or net assets of defined benefit plans, including interest income of plan assets, interest expenses of defined benefit plan obligations and interest affected by asset upper limit, as liabilities and include in the current profit and loss or the cost of relevant assets; Changes arising from remeasurement of net liabilities or net assets of defined benefit plans, including actuarial gains or losses, return on plan assets (deducting the amount included in the net interest of net liabilities or net assets of defined benefit plans), and changes affected by asset upper limit (deducting the amount included in the net interest of net liabilities or net assets of defined benefit plans), shall be included in other comprehensive income, which shall not allowed to be reversed to profit or loss in subsequent accounting periods. The Company recognizes past service costs as current expenses on the earlier of the following dates: when the defined benefit plan is modified; when the Company recognizes relevant restructuring expenses or termination benefits.

To terminate the labor relationship with the employee before the expiration of the labor contract, or to propose compensation to encourage employees to voluntarily accept the layoff, the employees' compensation liabilities arising from the termination benefits are recognized and charged into the current profit and loss at the earlier date of the two following situations: (1) the Company is unable to unilaterally withdraw the termination benefits provided by terminating the labor relationships plans or the layoff proposals; (2) the Company recognizes the costs or expenses in connection with the reorganization involving the termination benefits. However, if the termination benefits are not expected to be fully paid within 12 months after the end of the annual report period, they shall be treated as other long-term employee benefits.

Employee internal retirement plans shall be handled according to the same principles as above for termination benefits. The salaries and social insurance premiums to be paid to the early retired employees from the date when the employees stop providing services to the normal retirement date, when they meet the conditions for the recognition of accrued liabilities, shall be included in the current profit and loss (termination benefits).

If the other long-term employee benefits provided by the Company to employees are in accordance with the defined contribution plan, the accounting treatment shall be carried out in accordance with the defined contribution plan, and otherwise shall be accounted for in accordance with the defined benefit plan.

19. Lease Liabilitie

Details of the determination method and accounting treatment method of lease liabilities refer to Note V 25 "Lease".

20. Accrued Liabilities

An obligation related to a contingency is recognized as the accrued liability when all the following conditions are satisfied: a) The obligation is a present obligation of the Company; b) It is probable that an outflow of economic benefits from the Company will be

required to settle the obligation; c) The amount of the obligation can be measured reliably.

On the balance sheet date, considering the factors such as risks, uncertainties and time value of money, etc. related to the contingency, accrued liabilities are measured at the best estimate of the payment required to perform the relevant present obligations.

Where some or all the expenditures are expected to be reimbursed by a third party, the reimbursement should be separately recognized as an asset only when it is virtually received. The amount of the reimbursement should not exceed the book value of the liability recognized.

(1) Onerous contract

An onerous contract is a contract in which the inevitable cost of performing a contract obligation exceeds the expected economic benefits. If the contract to be executed becomes an onerous contract, and the obligations arising from the onerous contract meet the above-mentioned recognition conditions of accrued liabilities, the part of the estimated contract losses exceeding the recognized impairment losses (if any) of the contract target assets shall be recognized as the accrued liabilities.

(2) Restructuring obligations

For a detailed, formal, and publicly announced restructuring plan, when the aforementioned recognition conditions of accrued liabilities are met, the amount of an accrued liability shall be determined based on the direct expenditures related to the restructuring. Regarding the restructuring obligation to sell part of the business, only when the Company commits to sell part of the business (that is, when a binding sale agreement is signed), the obligation related to the restructuring shall be recognized.

21. Revenue

Revenue is the total inflow of economic benefits that are formed in the daily activities of the Company that will increase the shareholders' equity and have nothing to do with the capital invested by shareholders. When the contract between the Company and the customer meets the following conditions at the same time, the revenue shall be recognized when the customer obtains the control of the relevant goods (including labour services, the same below): 1) all parties to the contract have approved the contract and promised to perform their respective obligations; 2) the contract specifies the rights and obligations of the parties related to the transferred goods or the rendering of labour services; 3) the contract has clear payment terms related to the transferred goods; 4) the contract has commercial substance, that is, the performance of the contract will change the risk, time distribution or amount of the future cash flow of the Company; 5) the consideration that the Company is entitled to obtain due to the transfer of goods to customers is likely to be recovered. Among them, obtaining the control of related goods means being able to dominate the use of the goods and obtain almost all economic benefits from them.

On the start date of the contract, the Company identifies the individual performance obligations in the contract, and apportions the

transaction price to each individual performance obligation in accordance with the relative proportion of the stand-alone selling price of the goods promised by each individual performance obligation. When determining the transaction price, the factors such as variable consideration, major financing components in the contract, non-cash consideration, and consideration payable to customers are considered.

For each individual performance obligation in the contract, if one of the following conditions is met, the Company shall recognize the transaction price apportioned to the individual performance obligation as revenue according to the performance progress during the relevant performance period: 1) the customer obtains and consumes the economic benefits brought by the Company's performance at the same time as the Company's performance; 2) customers can control the goods under construction during the performance of the Company; 3) the goods produced during the performance of the Company have irreplaceable uses, and the Company has the right to collect the payment for the part of the contract that has been completed so far. The performance progress is determined by the input method or the output method according to the nature of the transferred goods. When the performance progress cannot be reasonably determined, if the cost incurred by the Company is expected to be compensated, the revenue shall be recognized based on the amount of the cost incurred until the performance progress can be reasonably determined.

If one of the above conditions is not met, the Company shall recognize the revenue based on the transaction price apportioned to the individual performance obligation at the time when the customer obtains the control of the relevant good. When judging whether the customer has obtained the control of the good, the Company shall consider the following signs: 1) the enterprise has the current right to collect the payment for the good, that is, the customer has the current payment obligation for the good; 2) the enterprise has transferred the legal ownership of the good to the customer, that is, the customer already has the legal ownership of the good; 3) the enterprise has transferred the good to the customer in kind, that is, the customer has physically taken possession of the good; 4) the enterprise has transferred the major risks and rewards of the ownership of the good to the customer, that is, the customer has obtained the major risks and rewards of the ownership of the good; 5) the customer has accepted the good; 6) other signs that the customer has obtained the control of the good.

The specific accounting policies related to the main activities of the Company in which the revenue is derived are described as follows:

(1) Customized goods

The Company's customized goods are mainly boilers, which are controlled by customers during the production process of customized products. Under this type of contract, the customized goods are produced according to the specific requirements of the customer. If the customer terminates the contract, the Company has the right to collect the amount of the performance that has been completed so far to compensate the incurred costs and reasonable profits. Therefore, the Company recognizes the revenue and costs related to customized goods over a period of time. The Company determines the progress of contract performance of customized

goods according to the proportion of the accumulated actual costs to the estimated total costs, and recognizes the revenue according to the progress of contract performance. If the revenue has been recognized but no bill has been issued, the Company shall recognize it as a contract asset. If a bill has been issued but the revenue has not yet been recognized, the Company shall recognize it as a contract liability.

(2) General goods

The Company's general goods are mainly boiler-related equipment. When the goods are delivered to the customer's site and the customer has accepted the goods, the customer obtains the control of the goods, and the Company recognizes the revenue at the same time. Bills issued by the Company usually give customers a credit period of 60 days and 90 days without any cash discount.

22. Contract costs

If the incremental cost incurred by the Company for obtaining the contract is expected to be recovered, it shall be recognized as an asset as the cost of obtaining the contract.

If the cost incurred for the performance of the contract is not within the scope of other accounting standards for business enterprises other than the "Accounting Standards for Business Enterprises No. 14 - Revenue (Revised in 2017)", it shall be recognized as an asset as the contract performance cost when all the following conditions have been satisfied: ① The cost is directly related to a current or expected contract, including direct labor, direct materials, manufacturing expenses (or similar expenses), costs clearly borne by the customer, and other costs incurred only due to the contract; ② The cost increases the Company's resources for fulfilling the performance obligations in the future; and ③ The cost is expected to be recovered.

The asset related to contract costs shall be amortized on the same basis as the recognition of goods revenue related to the asset, which shall be included in the current profit and loss.

23. Government Grants

Government grant refers to the monetary assets and non-monetary assets obtained by the Company from the government free of charge, excluding the capital invested by the government as an investor to gain the corresponding owner's equity. Government grant is comprised of government grants related to income and government grants related to an asset. A government grant related to an asset is a grant obtained by the Company used for purchase or construction, or forming the long-term assets by other ways. Otherwise, the government grant is treated as a government grant related to income. If the government document does not specify the grantee, the subsidy is divided into government grants related to income and government grants related to assets in the following ways: (1) If the government document specifies the specific project targeted by the subsidy, it shall be divided according to the relative proportion of the expenditure amount of the assets formed in the budget of the specific project and the expenditure amount included

in the expenses, and the division proportion shall be reviewed on each balance sheet date, and it can be changed if necessary; (2) The purpose of the subsidy in the government document is only a general statement, and there is no specific project, it shall be treated as the government grants related to income. If the government grants are monetary assets, they shall be measured according to the amount received or receivable. If the government grants are non-monetary assets, they shall be measured at fair value; if the fair value cannot be obtained reliably, they shall be measured at nominal amount. The government grants measured according to the nominal amount shall be directly included in the current profit and loss.

The Company usually recognizes and measures the government grants according to the actual amount received when they are received. However, if there is conclusive evidence at the end of the period that the relevant conditions specified in the financial support policy can be met and the financial support fund is expected to be received, it shall be measured according to the amount receivable. The government grants measured according to the receivable amount shall meet the following conditions at the same time: (1) the amount of the receivable subsidies has been confirmed by the authorized government department, or can be calculated reasonably according to the relevant provisions of the officially issued financial fund management measures, and it is expected that there is no significant uncertainty in the amount; (2) it is based on the financial support projects and financial fund management measures officially released by the local financial department and proactively disclosed in accordance with the “Regulations on Government Information Disclosure”, and those management measures shall be inclusive (any enterprise that meets the specified conditions can apply for it), rather than specially formulated for specific enterprises; (3) the relevant grant approval documents have clearly committed to the appropriation period, and the appropriation of the funds has the corresponding financial budget as the guarantee that it can be received within the specified period; (4) other relevant conditions (if any) to be met according to the specific situation of the Company and the subsidy.

The government grants pertinent to assets shall be recognized as deferred income and included in the current profit and loss within the useful lives of the relevant assets in a reasonable and systematic way. The government grants pertinent to incomes shall be treated respectively in accordance with the circumstances as follows: 1) Those subsidies used for compensating the related future expenses or losses shall be recognized as deferred income and shall be included in the current profit and loss or offset the relevant costs during the period when the relevant costs or losses are recognized; 2) Those subsidies used for compensating the related expenses or losses incurred shall be directly included in the current profit and loss.

The different parts of government grants that include both asset-related and income-related subsidies shall be distinguished for different accounting treatments. If the different parts of the government grants are difficult to distinguish, they should be classified as income-related government grants as a whole.

The government grant which is related to daily activities of the Company shall be recognized as other income or offset the related costs according to the substance of the economic business; otherwise, shall be recorded into non-operating income and expenses.

If it is necessary to refund any government grant which has been recognized, it shall be treated respectively in accordance with the circumstances as follows. If there is the deferred income concerned, the book balance of the deferred income shall be offset against, and the excessive part shall be included in the current profit and loss. In other cases, it shall be directly included in the current profit and loss.

24. Deferred Tax Assets/ Deferred Tax Liabilities

(1) Current income tax

On the balance sheet date, the current income tax liabilities (or assets) formed in the current period and previous periods shall be measured by the expected amount of income tax payable (or returned) calculated in accordance with the provisions of the tax law. The taxable income on which the current income tax expenses are calculated shall be calculated after the adjustments of the pre-tax accounting profit of the current year according to the relevant tax law.

(2) Deferred tax asset and deferred tax liability

The difference between the book value of certain assets and liabilities and their tax bases, and the temporary difference caused by the difference between the book value of the items that are not recognized as assets and liabilities but whose tax bases can be determined according to the tax law and their tax bases, shall be recognized as deferred tax assets and deferred tax liabilities by using the balance sheet liability method.

The deferred tax liabilities shall not be recognized for the taxable temporary differences related to the initial recognition of goodwill and the initial recognition of assets or liabilities arising from transactions that are neither business combination nor affect the accounting profit and taxable income (or deductible loss) when they occur. In addition, for the taxable temporary differences related to the investments in subsidiaries, associates and joint ventures, if the Company can control the time when the temporary differences are reversed, and the temporary differences are unlikely to be reversed in the foreseeable future, the relevant deferred tax liabilities shall not be recognized. Except for the above exceptions, the Company recognizes all other deferred tax liabilities arising from taxable temporary differences.

The deferred tax assets shall not be recognized for the deductible temporary differences related to the initial recognition of assets or liabilities arising from transactions that are neither business combination nor affect the accounting profit and taxable income (or deductible loss) when they occur. In addition, for the deductible temporary differences related to the investments in subsidiaries, associates and joint ventures, if the temporary differences are unlikely to be reversed in the foreseeable future, or it is unlikely to obtain taxable income that can be used to offset temporary differences in the future, the relevant deferred tax assets shall not be recognized. Except for the above exceptions, the Company recognizes all other deferred tax assets arising from deductible temporary differences to the extent of the taxable income, which is probable to be obtained by the Company to offset the deductible temporary

differences.

For the deductible losses and tax deductions that can be carried forward in subsequent years, the corresponding deferred tax assets shall be recognized to the extent of the future taxable income, which is probable to be obtained and used to offset the deductible losses and tax deductions.

On the balance sheet date, the deferred tax assets and deferred tax liabilities shall be measured according to the applicable tax rate during the period when the relevant assets are expected to be recovered or the relevant liabilities are expected to be paid off in accordance with the tax law.

On the balance sheet date, the book value of the deferred tax assets shall be reviewed. If it is probable that sufficient taxable income will not be obtained in the future to offset the benefits of the deferred tax assets, the book value of the deferred tax assets shall be written down. When it is probable to obtain sufficient taxable income, the amount written down shall be reversed.

(3) Income tax expense

Income tax expense includes current income tax and deferred income tax.

Except that the current income tax and deferred income tax related to the transactions and events recognized as other comprehensive income or directly included in the shareholders' equity are included in other comprehensive income or shareholders' equity, and the book value of goodwill is adjusted by the deferred income tax arising from the business combination, the remaining current income tax and deferred income tax expenses or income shall be included in the current profit and loss.

(4) Offset of income tax

When the Company has the legal right to settle at a net amount and intends to settle at a net amount or acquire assets and pay off liabilities at the same time, the Company's current income tax assets and current income tax liabilities are presented at the net amount after offset.

When the Company has the legal right to settle the current income tax assets and current income tax liabilities on a net basis, and the deferred tax assets and deferred tax liabilities are related to the income tax levied by the same tax collection and management department on the same taxpayer or different taxpayers, but in the future, during each period when the significant deferred tax assets and liabilities are reversed, the taxpayer involved intends to settle the current income tax assets and liabilities on a net basis or obtain assets and pay off liabilities at the same time, the Company's deferred tax assets and deferred tax liabilities are presented at the net amount after offset.

25. Lease

Lease refers to a contract in which the Company transfers or obtains the right to control the use of one or more identified assets

within a certain period of time in exchange for or paying consideration. On the start date of a contract, the Company evaluates whether the contract is a lease or includes a lease.

(1) The Company as the lessee

The Company's leased assets mainly include houses and buildings.

① Initial measurement

On the start date of the lease term, the Company recognizes the right to use the leased asset within the lease term as a right-of-use asset, and recognizes the present value of unpaid lease payments as a lease liability. When calculating the present value of lease payments, the Company uses the interest rate implicit in the lease as the discount rate; if the interest rate implicit in the lease cannot be determined, the lessee's incremental borrowing interest rate shall be used as the discount rate.

② Subsequent measurement

The Company depreciates the right-of-use assets with reference to the relevant depreciation provisions of the "Accounting Standards for Business Enterprises No. 4 - Fixed Assets" (details refer to the Note V-11 "Fixed assets"). If it can reasonably determine that the ownership of the leased asset is obtained at the expiration of the lease term, the Company accrues depreciation within the remaining useful life of the leased asset. If it is impossible to reasonably determine that the ownership of the leased asset can be obtained at the expiration of the lease term, the Company accrues depreciation within the shorter period of the lease term and the remaining useful life of the leased asset.

For lease liabilities, the Company calculates the interest expenses of each period within the lease term at a fixed periodic interest rate, which is included in the current profit and loss or included in the cost of relevant assets. The variable lease payments that are not included in the measurement of lease liabilities shall be included in the current profit and loss or the cost of relevant assets when they occur.

After the start of the lease term, when the actual fixed payment changes, the expected payable of the guaranteed residual value changes, the index or ratio used to determine the lease payment changes, the evaluation results or actual exercise of the purchase option, renewal option or termination option change, the Company remeasures the lease liability based on the present value of the lease payment after the change, and adjusts the book value of the right-of-use asset accordingly. If the book value of the right-of-use asset has been reduced to zero, but the lease liability still needs to be further reduced, the Company shall include the remaining amount in the current profit and loss.

③ Short-term leases and low-value asset leases

For short-term leases (leases whose lease term does not exceed 12 months at the start of the lease) and low-value asset leases, the Company adopts a simplified treatment method, does not recognize the right-of-use assets and lease liabilities, and in each period of

the lease term, the lease payment is included in the relevant asset cost or current profit and loss according to the straight-line method or other systematic and reasonable methods.

(2) The Company as the lessor

Based on the essence of the transaction, the Company divides the lease into financial lease and operating lease on the start date of lease. A finance lease is a lease that substantially transfers almost all the risks and rewards related to the ownership of the leased asset. Leases other than finance leases are operating leases.

① Operating lease

The Company adopts the straight-line method to recognize the lease receipts from operating leases as rental income for each period of the lease term. The variable lease payments related to operating leases that are not included in the lease receipts shall be included in the current profits and losses when they occur.

26. Changes in significant accounting policies and accounting estimates

(1) Changes in significant accounting policies

✓ Applicable □ Not applicable

Scopes and reason of the change	Approval	Note
Implementation of Lease GAAP	This accounting policy change is made in accordance with the requirements of the national unified accounting system and does not need to be submitted to the board of directors and the general meeting of shareholders for approval.	As explanation below

According to the “Accounting Standards for Business Enterprises No. 21 - Lease (Revised in 2018)” (Cai Kuai [2018] No. 35) (hereinafter referred to as “new lease standards”) issued by the Ministry of Finance on 7 December 2018, the Company has implemented the above new lease standards from 1 January 2021, and changed relevant accounting policies in accordance with the provisions of the new lease standards.

According to the provisions of the new lease standards, the Company chose not to reassess whether it is a lease or includes a lease for a contract that already exists before the first implementation date.

The Company chose to only adjust the cumulative impact of the lease contracts that have not yet been completed on 1 January 2021, and the cumulative impacts of the first implementation adjusted the amount of retained earnings and other related items in the financial statements at the beginning of the first implementation period (i.e., 1 January 2021), but did not adjust the information of the comparable period.

On the first implementation date of the new lease standards (i.e., 1 January 2021), the Company’s specific convergence treatment and

its impacts are as follows:

① The Company as the lessee

For the finance lease on the first implementation date, the Company, as the lessee, measures the right-of-use assets and lease liabilities respectively according to the original book value of the assets under finance lease and the finance lease payable; for the operating lease on the first implementation date, the Company, as the lessee, measures the lease liabilities based on the present value of the remaining lease payments discounted at the incremental borrowing interest rate on the first implementation date; the unpaid rents accrued on the accrual basis under the original lease standards shall be included in the remaining lease payments.

For the operating lease before the first implementation date, the Company measures the right-of-use asset at an amount equal to the lease liability and makes necessary adjustments based on the prepaid rent. The Company conducts an impairment test on the right-of-use asset on the first implementation date and adjusts the book value of the right-of-use asset.

The Company does not recognize the right-of-use assets and lease liabilities for operating leases where the leased assets before the first implementation date are low-value assets. For operating leases other than low-value leases on the first implementation date, the Company adopts one or more of the following simplified treatments based on each lease:

- i. Leases to be completed within 12 months after the first implementation date shall be treated as short-term leases;
- ii. When measuring lease liabilities, leases with similar characteristics adopt the same discount rate;
- iii. The measurement of right-of-use assets does not include initial direct costs;
- iv. If there is an option to renew or terminate the lease, the Company determines the lease term based on the actual exercise of the option before the first implementation date and other latest conditions;
- v. As an alternative to the impairment test of right-of-use assets, the Company assesses whether a contract containing a lease is an onerous contract before the first implementation date according to the “Accounting Standards for Business Enterprises No. 13 - Contingencies”, and adjusts the right-of-use asset based on the amount of loss reserves recorded into the balance sheet before the first implementation date;
- vi. If a lease change occurs before the first implementation date, the Company shall perform accounting treatment according to the final arrangement of the lease change.

② After checking the lease contracts before the first implementation date, the Company leased the houses and buildings of GE Wind Energy Equipment Manufacturing (Shenyang) Co., Ltd. with a lease term less than 12 months. The simplified treatment method was adopted, and the right-of-use assets and lease liabilities were not recognized. The above changes in accounting policies had no impact on the financial statements of the Company as of 1 January 2021.

(2) Changes in significant accounting estimates

Applicable Not applicable

(3) Since 2021, the new leasing standards have been implemented for the first time to adjust the items related to the financial statements at the beginning of the year in which they are implemented for the first time

Applicable Not applicable

Adjustments to the balance sheet at the beginning of the year ?

Yes No

Explanation of the reason why it is not necessary to adjust the balance sheet account at the beginning of the year:

27. Others

(1) Corrections of previous accounting errors

In the current year, the opening balance of bad debt provisions of accounts receivable was adjusted by RMB 64,841.70, the opening balance of long-term payroll payable was adjusted by RMB -12,245.68, and the opening balance of retained earnings was adjusted by RMB -52,596.02.

VI. Taxation

1. Main taxes and tax rate

Category of taxes	Tax basis	Tax rate
Value-added tax (VAT)	The sales tax and taxable labor income calculated according to the tax law are used to calculate the output VAT. After deducting the input VAT allowed for the current period, the difference is the value-added tax payable.	13%, 6%
City maintenance and construction tax	Based on VAT paid	7%
Sur-charge for education	Based on VAT paid	3%
Local sur-charge for education	Based on VAT paid	2%
Property tax	The value based part is calculated and levied according to 1.2% after deducting 30% of the original value of the property. The rent-based part is calculated and levied at 12% of the rent.	1.2%、12%
Land usage tax	per m2	4
Corporate income tax	Based on taxable profits	25%
Land value added tax	Based on the value-added amount obtained from the transfer of real estate and the prescribed tax rate	30%-60%

VII. Notes to the consolidated financial statements

1. Monetary funds

Unit: RMB Yuan

Item	Closing balance	Opening balance
Bank deposit	31,111,973.96	136,010,500.73
Other cash and cash equivalents	1,727,836.25	
Total	32,839,810.21	136,010,500.73
Total amount of funds with restrictions on use due to mortgage, pledge or frozen	1,400,000.00	

2. Accounts receivable

(1) Accounts receivable disclosed by category

Unit: RMB Yuan

Category	Closing balance					Opening Balance				
	Balance		Provision for bad & doubtful debts		Net amount	Balance		Provision for bad & doubtful debts		Net amount
	Amount	%	Amount	%		Amount	%	Amount	%	
Collectively assessed for impairment based on credit risk characteristics	11,032,316.56	100.00%	295,363.21	2.40%	10,736,953.35	87,051,046.88	100.00%	1,809,232.87	2.00%	85,241,814.01
Total	11,032,316.56	100.00%	295,363.21	2.40%	10,736,953.35	87,051,046.88	100.00%	1,809,232.87	2.00%	85,241,814.01

Receivables that are individually significant in amount and provided for bad debt separately: NO

Accounts receivable for which bad debt provision accrued by group:

Unit: RMB Yuan

Name	Balance at the end of the year		
	Book value	Provision for bad and doubtful debts	Percentage (%)
Collectively assessed for impairment based on credit risk characteristics	11,032,316.56	295,363.21	2.40%
Total	11,032,316.56	295,363.21	--

Notes of the basis of recognizing the group:

The Company always measures the impairment provision for accounts receivable based on the amount equivalent to the expected credit loss for the entire duration and calculates its expected credit loss based on provisional matrix of overdue days and default loss rate. According to the Company's historical experience, there is no significant difference in the loss of different customer segments. Therefore, when calculating the impairment provision based on the overdue information, there is no further distinction between different customer groups.

The ageing analysis of accounts receivable is as follows:

Unit: RMB Yuan

Ageing	Book value
Within 1 year (inclusive)	10,348,107.56
1 year to 2 years	684,209.00
Total	11,032,316.56

(2) Information of provided reversal or recovery amounts of Provision for bad & doubtful debts of accounts receivable in the reporting period

Movements of provisions for bad and doubtful debts:

Unit: RMB Yuan

Category	Opening balance	Changes in the reporting period				Closing balance
		Withdrawal	Reversal or recovery	Write-off	Other	
According to the combination of credit risk characteristics	1,809,232.87	290,416.52	1,804,286.18			295,363.21
Total	1,809,232.87	290,416.52	1,804,286.18			295,363.21

(3) Top 5 of the Closing balance of the accounts receivable collected according to the arrears party

Unit: RMB Yuan

Customer name	Ending balance	Proportion of total balance of accounts receivable at the end of the year (%)	Ending balance of bad debt provision
GE Power Sweden AB	3,858,630.64	34.98%	38,586.31
China Chengda Engineering Co., Ltd.	3,850,001.18	34.90%	192,500.06
GE Steam Power Switzerland GmbH	1,290,181.79	11.69%	12,901.82
GE Power Systems India Private Limited	613,000.00	5.56%	6,130.00

Huaneng Luoyuan Power Generation Co., Ltd.	500,000.00	4.53%	25,000.00
Total	10,111,813.61	91.66%	275,118.19

3. Prepayment

(1) The ageing analysis of prepayments is as follows:

Unit: RMB Yuan

Ageing	Balance at the end of the year		Balance at the beginning of the year	
	Amount	Percentage (%)	Amount	Percentage (%)
Within 1 year (including 1 year)	181,216.79	100.00	18,256,521.27	43.19
1-2 years (including 2 years)			22,897,447.57	54.17
2-3 years (including 3 years)			1,117,844.73	2.64
Total	181,216.79	100.00	42,271,813.57	100.00

(2) Five largest prepayments by debtor at the end of the year:

Unit: RMB Yuan

Name	Closing balance	Proportion in closing balance of prepayments (%)
Shanghai Huadao Industrial Co., Ltd.	33,300.00	18.38
China National Accreditation Service for Conformity Assessment	19,200.00	10.60
Wuhan Zhongsen Video Electronic Technology Co., Ltd.	51,000.00	28.14
Central Treasury	23,126.56	12.76
Wuhan Xinzheng Inspection & Testing Technology Co., Ltd.	13,100.00	7.23
Total	139,726.56	77.10

4. Other receivables

Unit: RMB Yuan

Item	Balance at the end of the year	Balance at the beginning of the year
Interests receivable		

Dividends receivable		
Other receivables	1,309,350.07	2,400,684.58
Total	1,309,350.07	2,400,684.58

(1) Other receivables**1) Other receivables classified by the nature of accounts**

Unit: RMB Yuan

Nature of other receivables	Book balance at the end of the period	Book balance at the beginning of the period
Other receivables – third parties	31,019,082.22	31,739,331.69
Other receivables – related parties	1,750,714.23	3,348,547.06
Sub-total	32,769,796.45	35,087,878.75
Less: bad debt provision	-31,460,446.38	-32,687,194.17
Total	1,309,350.07	2,400,684.58

2) Changes in bad debt provision

Unit: RMB Yuan

Bad debt provision	First stage	Second stage	Third stage	Total
	Expected credit losses in the next 12 months	Expected credit losses for the entire duration-No credit impairment occurred	Expected credit losses for the entire duration-Credit impairment has occurred	
Balance at the beginning of the year	21,322.45		32,665,871.72	32,687,194.17
Balance at the beginning of the year	—	—	—	—
Accrual in the current period	-6,203.96			-6,203.96
Reversal in the current period			-1,220,543.83	-1,220,543.83
Balance at the end of the year	15,118.49		31,445,327.89	31,460,446.38

Changes in the book balance with significant changes in the loss provision for the current period

 Applicable Not applicable

The ageing analysis of other receivables is as follows:

Unit: RMB Yuan

Ageing	Net Value
Within 1 year (including 1 year)	1,324,468.56
1-2 years (including 2 years)	
2-3 years (including 3 years)	
Over 5 years	31,445,327.89
Total	32,769,796.45

3) Other receivables withdrawn, reversed or collected during the reporting period

Information of provision for bad & doubtful debts accrued:

Unit: RMB Yuan

Category	Opening balance	Changes in the reporting period				Closing balance
		Withdrawal	Reversal or recovery	Write-off	Other	
Other receivables with provision for bad debts based on the portfolio	32,687,194.17	-6,203.96	1,220,543.83			31,460,446.38
Total	32,687,194.17	-6,203.96	1,220,543.83			31,460,446.38

4) The actual write-off other receivables

None

5) Top 5 of the Closing balance of the other receivables collected according to the arrears party

Unit: RMB Yuan

Debtors	Nature	Closing balance	Aging	Proportion of the total	Closing balance of provisions for bad & doubtful debts
Shandong Luneng Material Group Co., Ltd.	Sales tax	19,950,586.83	Over 5 years	60.88%	19,950,586.83
Shanxi Zhenxing Group Co., Ltd.	Sales tax	6,722,635.47	Over 5 years	20.52%	6,722,635.47
People's Government of East Lake Development Zone	Third party payment	1,655,647.44	Over 5 years	5.05%	1,655,647.44
Wuhan Boiler Group Co., Ltd.	Estimated compensation for plant	1,297,689.00	Over 5 years	3.96%	1,297,689.00

3RC Company limited	Liquidated damages	336,604.05	Over 5 years	1.03%	336,604.05
Total		29,963,162.79		91.44%	29,963,162.79

5. Inventory

Whether the Company needs to comply with the disclosure requirements of real estate industry

No

(1) Inventories disclosed by category

Unit: RMB Yuan

Category	Closing balance			Opening balance		
	Book balance	Book balance	Impairment provision	Book value	Provision for inventory depreciation or contract performance cost impairment provision	Net Value
Raw materials	26,638,873.48	22,396,734.24	4,242,139.24	60,554,145.55	21,451,428.62	39,102,716.93
Goods in process				4,522,115.92	236,317.08	4,285,798.84
Goods in stock	2,851,917.54		2,851,917.54	3,004,970.00		3,004,970.00
Total	29,490,791.02	22,396,734.24	7,094,056.78	68,081,231.47	21,687,745.70	46,393,485.77

(2) Provision for decline in value of inventories and impairment provision on contract performance costs

Unit: RMB Yuan

Item	Opening balance	Increase		Decrease		Closing balance
		Accrual	Other	Reversal or write-off	Other	
Raw materials	21,451,428.62	18,554,732.81		17,609,427.19		22,396,734.24
Goods in process	236,317.08			236,317.08		
Total	21,687,745.70	18,554,732.81		17,845,744.27		22,396,734.24

6. Contractual assets

Unit: RMB Yuan

Item	Closing balance			Opening balance		
	Balance	Falling price	Net amount	Balance	Falling price	Net amount

		reserves			reserves	
Contract assets generated from boiler customized good contracts				231,725,530.89	15,076,010.57	216,649,520.32
Total				231,725,530.89	15,076,010.57	216,649,520.32

Significant changes in net amount of contractual assets and reason in the reporting period:

Unit: RMB Yuan

Item	Amount changed	Reason
Altamira	-3,880,548.49	As the collection conditions were met, the payment was recovered
Luoyuan	-16,069,370.14	As the collection conditions were met, the payment was recovered
Cilacap 3 Mills	-3,032,062.25	As the collection conditions were met, the payment was recovered
HKWaste-To-Energy Boilers	- 235,957,848.96	As the collection conditions were met, the payment was recovered
Pingshan II – Boiler	-37,302,024.39	As the collection conditions were met, the payment was recovered
Pingshan II – Mills	-6,316,840.51	As the collection conditions were met, the payment was recovered
Hinkely Point C H40 L50 package	-4,239,385.41	As the collection conditions were met, the payment was recovered
Qasim Lucky	-29,881,861.34	As the collection conditions were met, the payment was recovered
FUYANG	-1,574,725.44	As the collection conditions were met, the payment was recovered
Total	-338,254,666.93	

Please refer to the relevant information of disclosure of bad debt provision of other accounts receivable if adopting the general mode of expected credit loss to withdraw bad debt provision of contractual assets.

Applicable Not applicable

Information of impairment provision withdrawn of contractual assets:

Unit: RMB Yuan

Item	Withdrawal	Reversal	Write-off	Reason
HKWaste-To-Energy Boilers	14,955,726.31		14,955,726.31	Due to project transfer
Luoyuan	120,284.26		120,284.26	Settlement completed
Total	15,076,010.57		15,076,010.57	

7. Other current assets

Unit: RMB Yuan

Item	Closing balance	Opening balance
VAT withholding allowance	2,932,427.85	44,336,330.91
Prepaid corporate income tax		3,983,010.29
Prepaid individual income taxes		538,965.44

Total	2,932,427.85	48,858,306.64
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Other note:

The decrease of prepaid corporate income tax in the current year was due to the receipt of corporate income tax refund in the current year.

8. Fixed assets

Unit: RMB Yuan

Item	Balance at the end of the year	Balance at the beginning of the year
Fixed assets	446,051,823.50	503,150,300.22
Total	446,051,823.50	503,150,300.22

(1) List of fixed assets

Unit: RMB Yuan

Item	Houses and buildings	Machinery equipment	Transportation	Electric and office equipment	Total
I. Cost:					
1. Balance at the beginning of the year	567,579,908.30	414,993,357.04	884,504.27	25,318,890.14	1,008,776,659.75
2. Additions during the year				260,935.79	260,935.79
(1) Purchases				260,935.79	260,935.79
(2) Transfers from construction in progress					
(3) Additions due to business combination					
3. Decrease during the year		10,710,346.00			10,710,346.00
(1) Disposal or scrap		10,710,346.00			10,710,346.00
4. Balance at the end of the year	567,579,908.30	404,283,011.04	884,504.27	25,579,825.93	998,327,249.54
II. Accumulated depreciation					

1. Balance at the beginning of the year	152,525,328.38	267,505,488.77	767,487.18	24,508,263.44	445,306,567.77
2. Additions during the year	14,457,103.57	7,697,682.35	14,593.16	173,460.02	22,342,839.10
(1) Charge for the year	14,457,103.57	7,697,682.35	14,593.16	173,460.02	22,342,839.10
3. Decrease during the year		8,246,019.30			8,246,019.30
(1) Disposal or scrap		8,246,019.30			8,246,019.30
4. Balance at the end of the year	166,982,431.95	266,957,151.82	782,080.34	24,681,723.46	459,403,387.57
III. Provision for impairment					
1. Balance at the beginning of the year	1,994,723.08	58,149,572.95	40,849.86	134,645.87	60,319,791.76
2. Additions during the year		32,701,785.38		54,722.22	32,756,507.60
(1) Charge for the year		32,701,785.38		54,722.22	32,756,507.60
3. Decrease during the year		204,260.89			204,260.89
(1) Disposal or scrap		204,260.89			204,260.89
4. Balance at the end of the year	1,994,723.08	90,647,097.44	40,849.86	189,368.09	92,872,038.47
IV. Net Values					
1. At the end of the year	398,602,753.27	46,678,761.78	61,574.07	708,734.38	446,051,823.50
2. At the beginning of the year	413,059,856.84	89,338,295.32	76,167.23	675,980.83	503,150,300.22

(2) Proceeds from disposal of fixed assets

Unit: RMB Yuan

Item	Closing balance	Opening balance
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Other notes:

According to the “Asset Appraisal Report on Some Non-current Assets Impairment Test Items Involved in Wuhan Boiler Company Limited for the Purpose of Financial Reporting” (Report No.: Zhonglian Ping Bao Zi [2022] No. 1051) issued by Hubei Zhonglian Assets Appraisal Co., Ltd. on 7 March 2022, the Company has made an impairment provision of machinery equipment with an amount of RMB 32,701,785.38, and an impairment provision of electronic equipment with an amount of RMB 54,722.22 in the current year.

9. Construction in progress

Unit: RMB Yuan

Item	Closing balance	Opening balance
Construction in progress		168,795.87
Total		168,795.87

(1) List of construction in progress

Unit: RMB Yuan

Item	Closing balance			Opening balance		
	Balance	Impairment	Net amount	Balance	Impairment	Net amount
Other				168,795.87		168,795.87
Total				168,795.87		168,795.87

10. Intangible assets

(1) Information

Unit: RMB Yuan

Item	Land use rights	Patent right	Non-patented technology		Total
I. Cost					
1. Opening amount	41,599,836.72	93,989,176.87	18,644,395.61		154,233,409.20
2. Increase amount in current period					
(1) Purchases					
(2) Internal research and					

development					
(3) Increased by enterprise merger					
3. Decrease amount in current period					
(1) Disposal					
4. Closing amount	41,599,836.72	93,989,176.87	18,644,395.61		154,233,409.20
II. Accumulated amortization					
1. Opening amount	10,542,468.02	79,600,338.54	18,447,423.90		108,590,230.46
2. Increase amount in current period	831,893.80	2,431,916.34	196,971.71		3,460,781.85
(1) Accrual	831,893.80	2,431,916.34	196,971.71		3,460,781.85
3. Decrease amount in current period					
(1) Disposal					
4. Closing amount	11,374,361.82	82,032,254.88	18,644,395.61		112,051,012.31
III. Impairment provision					
1. Opening amount					
2. Increase amount in current period			11,795,361.99		11,795,361.99
(1) Accrual			11,795,361.99		11,795,361.99
3. Decrease amount in current					

period					
(1) Disposal					
4. Closing amount			11,795,361.99		11,795,361.99
IV. Net book value					
1. Closing net book value	30,225,474.90	161,560.00			30,387,034.90
2. Opening net book value	31,057,368.70	14,388,838.33	196,971.71		45,643,178.74

The proportion of the intangible assets formed by internal research and development in the total amount is 0.00%.

11. Short-term loans

(1) Category of short-term loans

Unit: RMB Yuan

Category	Closing balance	Opening balance
Entrusted loan		1,798,000,000.00
Credit loan		163,453,375.89
Interests payable		3,686,580.08
Total		1,965,139,955.97

Explanation of short loan classification:

The closing balance of the entrusted loan was zero because the controlling shareholder GE Steam Power Investment Co., Ltd. transferred the entrusted loan of RMB 2.199 billion to the related party DIG Automation Engineering (Wuhan) Co., Ltd. According to the transfer agreement, the lender HSBC Bank (China) Company Limited Beijing Branch ceased to be the lender under the entrusted loan agreement and for the purpose of the entrusted loan agreement, and no longer undertook further obligations to other parties under the entrusted loan agreement, and the rights of the lender to other parties under the entrusted loan agreement were completely cancelled and relieved.

12. Accounts payable

(1) Details of accounts payable are as follows:

Unit: RMB Yuan

Item	Closing balance	Opening balance
Payable for purchase of equipment and components	22,489,090.05	307,854,848.15
Payable for purchase of materials and services	10,945,022.62	12,235,266.28

Total	33,434,112.67	320,090,114.43
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(2) Significant accounts payable with ageing of more than one year:

Unit: RMB Yuan

Item	Balance at the end of the year	Reasons why not settled
Shanghai Electric Shangzhong Nianmo Tezhuang Equipment Co., Ltd.	3,850,000.00	Purchase warranty
Total	3,850,000.00	

13. Contract liabilities

Unit: RMB Yuan

Item	Balance at the end of the year	Balance at the beginning of the year
Settled but uncompleted projects	468,632.87	190,482,772.35
Advance collection of sales of goods	7,084,118.45	
Total	7,552,751.32	190,482,772.35

Significant changes in the contract liabilities of the Company are as follows:

Unit: RMB Yuan

Item	Changes in Net Value	Reasons for changes
Karabiga	-4,824,452.58	Project closed and revenue recognized
Hassyan	-14,841,553.71	Project transferred and revenue recognized
THAR II TEL	-37,607,984.13	Project transferred and revenue recognized
ThalNova	-57,252,250.11	Project transferred and revenue recognized
Kamisu 1x50MW	-55,411,626.97	Project transferred and revenue recognized
Ostroleka	-8,434,680.61	Project closed and revenue recognized
GE Power Sweden AB	4,600,912.95	Amount increased due to cash received
Andritz AB	2,483,205.50	Amount increased due to cash received
Total	-171,288,429.66	

14. Employee benefits payable**(1) Employee benefits payable**

Unit: RMB Yuan

Item	Balance at the beginning of the year	Accrued during the year	Decreased during the year	Balance at the end of the year
1. Short-term employee benefits	19,966,633.87	115,748,868.63	134,300,859.33	1,414,643.17
2. Post-employment benefits - defined contribution plans	134,676.70	15,862,948.20	15,961,735.59	35,889.31
3. Termination benefits		136,159,669.77	132,945,152.48	3,214,517.29
4. Other benefits due within 1 year	1,651,848.95	1,385,000.00	1,651,848.95	1,385,000.00
Total	21,753,159.52	269,156,486.60	284,859,596.35	6,050,049.77

(2) Short-term employee benefits

Unit: RMB Yuan

Item	Balance at the beginning of the year	Accrued during the year	Decreased during the year	Balance at the end of the year
1. Salary, bonus, allowance and subsidy	16,185,831.47	94,923,991.00	110,428,883.17	680,939.30
2. Employee welfare	2,433,233.68	4,599,589.55	7,032,823.23	
3. Social insurance premiums	413,307.99	7,049,144.57	7,461,468.58	983.98
Including: Medical insurance premiums	-305,061.04	6,834,769.09	6,529,708.05	
Work-related injury insurance premiums	-64,892.74	436,612.51	371,719.77	
Maternity insurance premiums	320,195.97	239,844.79	560,040.76	
Supplemental medical insurance premiums	463,065.80	-462,081.82		983.98
4. Housing funds	55,460.04	6,672,130.94	6,727,590.98	
5. Union funds and employee education expenses	878,800.69	2,504,012.57	2,650,093.37	732,719.89
Total	19,966,633.87	115,748,868.63	134,300,859.33	1,414,643.17

(3) Post-employment benefits - defined contribution plans

Unit: RMB Yuan

Item	Balance at the beginning of the year	Accrued during the year	Decreased during the year	Balance at the end of the year
1. Basic endowment insurance premiums	7,210.98	13,024,898.86	13,032,109.84	
2. Unemployment insurance premiums	-124,008.25	691,091.21	567,082.96	
3. Occupational pension contribution	251,473.97	2,146,958.13	2,362,542.79	35,889.31
Total	134,676.70	15,862,948.20	15,961,735.59	35,889.31

Other note:

Other benefits due within one year are the benefits that the Company expects to pay to retirees in the next 12 months.

15. Taxes payable

Unit: RMB Yuan

Item	Closing balance	Opening balance
Property tax	1,283,297.29	1,283,279.90
Land use tax	391,112.01	312,889.64
Stamp duty	6,558.80	110,137.46
Environmental protection tax	347.19	
Individual income tax	1,528.76	2,423.27
Total	1,682,844.05	1,708,730.27

16. Other accounts payable

Unit: RMB Yuan

Item	Closing balance	Opening balance
Other payables	2,213,303,370.56	37,063,635.98
Total	2,213,303,370.56	37,063,635.98

(1) Other payables**1) Other payables listed by nature of the account**

Unit: RMB Yuan

Item	Closing balance	Opening balance
Payables to related parties	2,206,920,607.63	20,454,149.98
Payables to non-related parties	6,382,762.93	16,609,486.00
Total	2,213,303,370.56	37,063,635.98

Other notes:

Among the payables to related parties, it is mainly the loan of RMB 2.199 billion payable to DIG Automation Engineering (Wuhan) Co., Ltd. According to the entrusted loan transfer agreement, the controlling shareholder GE Steam Power Investment Co., Ltd. transferred the entrusted loan of RMB 2.199 billion to the related company DIG Automation Engineering (Wuhan) Co., Ltd., the maturity date of the loan is 31 December 2022, and the interest rate is the quoted interest rate of one-year RMB loan market published by the National Interbank Funding Center. In April 2022, the two parties signed a supplementary agreement to extend the loan principal and interest until 31 December 2024, and agreed to adjust the interest rate at 90% of the quoted interest rate of one-year RMB loan market published by the National Interbank Funding Center.

17. Long-term payroll payable**(1) List of long-term payroll payable**

Unit: RMB Yuan

Item	Closing balance	Opening balance
1. Post-employment benefits - net liabilities of defined benefit plans	15,696,000.00	15,871,075.89
2. Termination benefits		664,366.20
Less: The part paid within 1 year	-1,385,000.00	-1,651,848.95
Total	14,311,000.00	14,883,593.14

(2) Changes of defined benefit plans

Present worth of defined benefit plans obligation:

Unit: RMB Yuan

Item	Closing balance	Opening balance
I. Opening balance	15,871,075.89	16,781,158.18
4.Net interest	485,000.00	513,861.75
1.Actuarial gain (loss expressed with "-")	750,000.00	22,012.99

2. Benefits have paid	-1,410,075.89	-1,445,957.03
V. Closing balance	15,696,000.00	15,871,075.89

Plan assets:

Unit: RMB Yuan

Item	2021	2020
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Net liabilities (net assets) of defined benefit plans

Unit: RMB Yuan

Item	Closing balance	Opening balance
I. Opening balance	15,871,075.89	16,781,158.18
II. Defined benefit cost included in the current profits and losses	485,000.00	513,861.75
III. Defined benefit cost included in other comprehensive income	750,000.00	22,012.99
IV. Other changes	-1,410,075.89	-1,445,957.03
V. Closing balance	15,696,000.00	15,871,075.89

Notes of influence of content of defined benefit plans and its relevant risks to the future cash flow, time and uncertainty of the Company:

The benefit plan of the group is for retiree benefits. According to the "retirement and personnel inside meeting minutes" of the Group with Wu Guo Group Co., Ltd. signed on September 17, 2007, promise the staff who retired before the old factory relocation (December 31, 2009) can enjoy retirement subsidies in accordance with the related policy of share purchase agreement (SPA).

The above defined benefit plans expose the Company to actuarial risk such as longevity risk and inflation risk.

Notes to the results of significant actuarial assumptions and sensitivity analysis of defined benefit plans:

1. Principle actuarial assumptions

Closing date	2021/12/31
Discount rate	2.75%
Mortality rate	The mortality rate is determined based on the China Life Insurance Mortality Table for Males and Females (2010-2013)

2. Sensitivity analysis results of important actuarial assumptions

A、 Present value of defined benefit plan obligations as at 31st Dec 2021: 15,696KRMB

B、 Important actuarial assumption at 31st Dec 2021

	Sensitivity analysis	Change in present value of defined benefit plan obligations (KRMB)	Change in present value of defined benefit plan obligations (%)
Discount rate	3.25%	-623	-4.00%
Discount rate	2.25%	670	4.30%

C. Sensitivity analysis methods and assumptions

The results of the above sensitivity analysis are independent of each other at the end of the period. In fact, the plan is affected by many factors, which may affect the present value of the defined benefit plan in similar or opposite directions, and the sensitivity of the defined benefit plan will change over times.

18. Deferred income

Unit: RMB Yuan

Item	Opening balance	Increase	Decrease	Closing balance	Reason
Government grants	10,370,304.00		277,776.00	10,092,528.00	Income from land use rights of the Company's new plant
Total	10,370,304.00		277,776.00	10,092,528.00	

Items involved in government subsidies:

Unit: RMB Yuan

Item	Opening balance	New grant in current period	Amount included in non-operating gains	Amount included in other income	Amount reversed to cost/expense	Other changes	Closing balance	Assets-related/income related
Income from land use rights of the Company's new plant	10,370,304.00		277,776.00				10,092,528.00	Asset related
Total	10,370,304.00		277,776.00				10,092,528.00	

19. Share capital

Unit: RMB Yuan

	Opening balance	Increase/Decrease (+/-)					Closing balance
		New shares issued	Bonus shares	Capitalized capital reserves	Other	Subtotal	
Total shares	297,000,000.00						297,000,000.00

20. Capital reserves

Unit: RMB Yuan

Item	Opening balance	Increase	Decrease	Closing balance
Share premium	144,909,718.58			144,909,718.58
Other capital reserve	87,718,273.68	52,500,611.85		140,218,885.53
Total	232,627,992.26	52,500,611.85		285,128,604.11

Other notes, including changes and reason of changes:

The increase of RMB 52,500,611.85 in capital reserve was due to a donation of RMB 45,210,316.02 received from the controlling shareholder GE Steam Power Generation Investment Co., Ltd. in the current year, and the related party DIG Automation Engineering (Wuhan) Co., Ltd. exempted the Company from the interest of RMB 7,290,295.83 corresponding to the debt of RMB 2.199 billion for December 2021.

21. Other comprehensive income

Unit: RMB Yuan

Item	Opening balance	Reporting period						Closing balance
		Amount before income tax in current period	Less: recorded in other comprehensive income in prior period and transferred to profit or loss in current period	Less: Income tax expense	Attributable to owners of the parent company after tax	Attributable to minority shareholders after tax	Amount before income tax in current period	
I. Other comprehensive income that will not be reclassified into profit and loss	2,479,043.70	-750,000.00				-750,000.00		1,729,043.70
Including: Remeasurement of changes in defined benefit plans	2,479,043.70	-750,000.00				-750,000.00		1,729,043.70

22. Surplus reserves

Unit: RMB Yuan

Item	Opening balance	Increase	Decrease	Closing balance
Statutory surplus reserve	39,418,356.83			39,418,356.83

Total	39,418,356.83			39,418,356.83
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23. Retained earnings

Unit: RMB Yuan

Item	Reporting period	Last period
Closing balance of retained earnings of the previous year before adjustments	-2,006,176,661.98	-1,757,472,844.03
Total amount of adjustments for opening balance of retained earnings (increase: "+", decrease: "-")	-52,596.02	
Opening balance of retained earnings after adjustments	-2,006,229,258.00	-1,757,472,844.03
Add: Net profit for the current year attributable to shareholders of the parent company	-371,940,729.56	-248,703,817.95
Closing balance of retained earnings	-2,378,169,987.56	-2,006,176,661.98

List of adjustment of opening retained profits:

- 1) RMB 0.00 yuan opening retained profits was affected by retrospective adjustment conducted according to the Accounting Standards for Business Enterprises and relevant new regulations.
- 2) RMB 0.00 yuan opening retained profits was affected by changes on accounting policies.
- 3) RMB-52, 596. 02 yuan opening retained profits was affected by correction of significant accounting errors.
- 4) RMB 0.00 yuan opening retained profits was affected by changes in combination scope arising from same control.
- 5) RMB 0.00 yuan opening retained profits was affected totally by other adjustments.

24. Revenue and cost of sales

Unit: RMB Yuan

Item	Reporting period		Last period	
	Sales revenue	Cost of sales	Sales revenue	Cost of sales
Main business	507,961,598.85	590,415,205.02	930,952,956.08	973,122,465.35
Other business	9,968,907.02		6,059,396.54	
Total	517,930,505.87	590,415,205.02	937,012,352.62	973,122,465.35

Whether the lower of the net profit before and after deduction of non-recurring gains and losses through audit is negative

√ Yes No

Unit: RMB Yuan

Item	2021 (RMB'0,000 Yuan)	Specific deduction	2020 (RMB'0,000 Yuan)	Specific deduction
Operation income	517,930,505.87	No deduction	937,012,352.62	No deduction
Deductible items	0.00		0.00	

I. Other operating activities	—	—	—	—
II. None commercial incomes	—	—	—	—
Net operation incomes	517,930,505.87	No deduction	937,012,352.62	No deduction

Income related information:

Unit: RMB Yuan

Category of contracts	Segment 1	Segment 2		Total
Type of market or customers				
Of which:				
Domestic	508,424,281.18			508,424,281.18
Oversea	9,506,224.69			9,506,224.69
Total	517,930,505.87			517,930,505.87
Types of timing of title transfer				
Of which:				
Over time obligation	66,893,455.47			66,893,455.47
Point in time obligation	451,037,050.40			451,037,050.40
Total	517,930,505.87			517,930,505.87

Information related to performance obligations:

No

Information related to transaction value assigned to residual performance obligations:

The amount of revenue corresponding to performance obligations of contracts signed but not performed or not fully performed yet was RMB 0.00 at the period-end, among which RMB 0.00 is expected to be recognized in the year, RMB 0.00 in the year and RMB 0.00 in the year.

25. Business tax and surcharges

Unit: RMB Yuan

Item	Reporting period	Last period
Urban maintenance & construction tax	3,171,651.10	
Educational surcharge	1,359,279.05	
Local educational surcharge	906,186.03	
Environmental protection tax	11,986.67	

Property tax	5,137,175.39	4,355,383.93
Land use tax	1,564,643.57	940,758.11
Stamp duty	329,191.01	403,967.92
Total	12,480,112.82	5,700,109.96

Other note:

Details of the calculation and payment standards of taxes and surcharges refer to Note VI “Taxation”.

26. Selling and distribution expenses

Unit: RMB Yuan

Item	Reporting period	Last period
Salary and bonus	2,669,577.30	10,839,253.54
Social security	236,283.41	975,885.29
Travel expenses	33,307.21	37,153.09
Housing funds	140,607.50	
Depreciation expenses	231,959.09	251,210.56
Rental fees	51,928.93	77,767.63
Union funds	89,144.14	115,850.21
Bidding and other expenses	105,214.68	435,107.76
Total	3,558,022.26	12,732,228.08

27. General and administrative expenses

Unit: RMB Yuan

Item	Reporting period	Last period
Salary and welfare	18,254,472.95	13,181,897.29
Social security	1,247,601.93	1,515,129.78
Low-value consumables	487.55	
Insurance premiums		200,000.00
Housing funds	300,213.29	602,609.12
Travel expenses	326,977.88	259,033.96
Depreciation expenses	1,130,148.20	1,208,061.34
Professional consultation service fees	5,579,986.27	3,392,305.51
Rental fees	141,228.07	101,595.48
Employee retirement and other benefits	304,374.89	284,374.50

Termination benefits	130,493,471.81	35,019,467.22
Other	4,735,147.60	6,495,457.70
Total	162,514,110.44	62,259,931.90

Other note:

In 2021, the Company paid a total of RMB 130,493,471.81 as compensation for the dismissal of employees.

28. Financial expenses

Unit: RMB Yuan

Item	Reporting period	Last period
Interest expenses	84,280,204.36	74,615,843.78
Less: Interest income	301,924.46	33,083.95
Net exchange loss	-568,465.85	-632,483.75
Bank service charges	233,049.38	788,830.56
Other	537,465.95	536,186.55
Total	84,180,329.38	75,275,293.19

29. Other income

Unit: RMB Yuan

Sources	Reporting period	Last period
Special funds for the development of the central foreign trade and economy	2,294,700.00	1,029,600.00
Special subsidies for the reconstruction of the central industrial base and the high-quality development of the manufacturing industry	16,020,000.00	16,020,000.00
Subsidies for the science and technology insurance premiums	215,877.00	230,900.00
Special rewards and subsidy funds for structural adjustment and employment		689,500.00
Job stabilization subsidies		1,199,718.00
Total	18,530,577.00	19,169,718.00

30. Investment income

Unit: RMB Yuan

Item	Reporting period	Last period
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Investment income from the transfer of financial instruments	6,834,537.93	
Total	6,834,537.93	

Other note:

The investment income generated in the current year was mainly the net amount of the difference between the contract consideration received from the project transfer and the present value of the future cash flow of the contract.

31. Credit losses

Unit: RMB Yuan

Item	Reporting period	Last period
Credit impairment loss of accounts receivable	1,513,869.66	-253,982.31
Bad debt loss of other receivables	1,226,747.79	82,733.31
Total	2,740,617.45	-171,249.00

32. Assets impairment loss

Unit: RMB Yuan

Item	Reporting period	Last period
Loss for decline in value of inventories and impairment loss of contract performance costs	-18,554,732.81	-7,367,760.74
Impairment loss of fixed assets	-32,756,507.60	-58,789,365.30
Impairment loss of contract assets		-14,378,078.00
Impairment loss of intangible assets	-11,795,361.99	
Total	-63,106,602.40	-80,535,204.04

33. Asset disposal income

Unit: RMB Yuan

Sources	Reporting period	Last period
Gains from disposal of fixed assets (loss: "-")	-96,894.85	-33,106.93
Total	-96,894.85	-33,106.93

34. Non-operating gains

Unit: RMB Yuan

Item	Reporting period	Last period	Amount recorded in current non-operating gains and losses
Gains from damage and retirement of non-current assets	17,232.70		17,232.70
Including: Fixed assets	17,232.70		17,232.70
Government grants unrelated to the daily activities of the Company	277,776.00	277,776.00	277,776.00
Write-off of long aging accounts payable		10,663,746.52	
Total	295,008.70	10,941,522.52	295,008.70

List of government subsidies recorded into current profits and losses:

Unit: RMB Yuan

Item	Government Dept.	Description	Type	Impact P&L Y/N	Special grant Y/N	Reporting period	Last period	Asset-related/income-related
Income from land use rights of the Company's new plant		Government grants				277,776.00	277,776.00	Asset-related

35. Non-operating expenses

Unit: RMB Yuan

Item	Reporting period	Last period	Amount recorded in current non-operating gains and losses
Extraordinary loss	1,920,699.35		1,920,699.35
Total	1,920,699.35		1,920,699.35

36. Income tax expenses

(1) Details of income taxes expenses

Unit: RMB Yuan

Item	Reporting period	Last period
Deferred income tax adjustments		6,190,807.76
Final settlement difference of previous		-192,985.12

year		
Total		5,997,822.64

37. Information to cash flow statement

(1) Other cash received relevant to operating activities

Unit: RMB Yuan

Item	Reporting period	Last period
Government grants	18,530,577.00	19,169,718.00
Other	3,350,226.12	674,404.16
Compensation	4,631,072.41	
Total	26,511,875.53	19,844,122.16

(2) Other cash paid relevant to operating activities

Unit: RMB Yuan

Item	Reporting period	Last period
Professional consultation service fees		716,438.09
Bidding related expenses	492,254.50	
Advertising expenses		695,214.45
ITC and other services		8,521,314.20
Travel expenses	1,127,846.47	1,667,878.42
Rental fees	954,256.85	4,699,188.53
Meals	4,097,063.74	4,495,657.93
Service charges	143,774.29	1,325,017.11
Other	1,721,143.09	833,947.88
Court freeze deduction	1,400,000.00	
Arbitration and compensation	1,216,201.69	
Payment of security deposits	327,836.25	
Total	11,480,376.88	22,954,656.61

(3) Other cash received relevant to investment activities

Unit: RMB Yuan

Item	Reporting period	Last period
Interest income	301,924.46	33,083.95

Total	301,924.46	33,083.95
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(4) Other cash paid relevant to investment activities

Unit: RMB Yuan

Item	Reporting period	Last period
Cash donations received from the shareholder	45,210,316.02	
Total	45,210,316.02	

38. Supplemental information of cash flow statement**(1) Supplemental information of cash flow statement**

Unit: RMB Yuan

Supplemental information	Reporting period	Last period
1. Reconciliation between net profit and cash flows from operating activities:	--	--
Net profit	-371,940,729.56	-248,703,817.95
Add: Impairment provision on assets	66,948,603.83	80,535,204.04
Credit impairment provision	-2,740,617.45	171,249.00
Depreciation of fixed assets, depletion of oil & gas assets, depreciation of productive biological assets	22,342,839.10	30,661,662.14
Depreciation of right-of-use assets		
Amortization of intangible assets	3,460,781.85	3,647,684.58
Amortization of long-term deferred expense		
Loss from disposal of fixed assets, intangible assets and other long-term assets (gain: "-")	96,894.85	33,106.93
Loss from scrapping of fixed assets (gain: "-")	-17,232.70	
Loss from changes in fair value (gain: "-")		
Financial cost (income: "-")	83,978,279.90	74,582,759.83
Investment loss (income: "-")		
Decrease in deferred tax assets (increase: "-")		6,190,807.76
Increase in deferred tax liabilities (decrease: "-")		

Supplemental information	Reporting period	Last period
Decrease in inventory (increase: “-”)	38,590,440.45	402,605,827.27
Decrease in receivables from operating activities (increase: “-”)	78,336,812.62	-224,024,234.25
Increase in payables from operating activities (decrease: “-”)	-228,399,662.76	-510,379,408.30
Other		
Net cash flows generated from operating activities	-309,343,589.87	-384,679,158.95
2. Significant investing and financing activities without involvement of cash receipts and payments		
Debts converted to capital		
Convertible corporate bonds due within one year		
Fixed assets acquired under finance leases		
3. Change of cash and cash equivalents		
Closing balance of cash	31,111,973.96	136,010,500.73
Less: Opening balance of cash	136,010,500.73	143,238,542.38
Add: Closing balance of cash equivalents		
Less: Opening balance of cash equivalents		
The net increase in cash and cash equivalents	-104,898,526.77	-7,228,041.65

(2) Composition of cash and cash equivalents

Unit: RMB Yuan

Item	Closing balance	Opening balance
I. Cash	31,111,973.96	136,010,500.73
Bank deposits available for immediate payments	31,111,973.96	136,010,500.73
II .Closing balance of cash and cash equivalents	31,111,973.96	136,010,500.73

39. Assets with restricted ownership or right to use

Unit: RMB Yuan

Item	Closing net amount	Reason
Other cash and cash equivalents	1,400,000.00	Frozen by the court

Other cash and cash equivalents	327,836.25	Security deposits
Total	1,727,836.25	

40. Assets/Liabilities denominated in foreign currency

(1) Items in foreign currency

Unit: RMB Yuan

Item	Foreign currency amount	Exchange rate	Equivalent RMB
Cash and Cash equivalents	--	--	45.46
Including: USD	7.13	6.3757	45.46
EUR			
HKD			
Account receivable	--	--	3,858,630.64
Including: USD	605,208.94	6.3757	3,858,630.64
EUR			
HKD			
Long term loan	--	--	
Including: USD			
EUR			
SEK			

41. Government grants

(1) Basic situation of government subsidies

Unit: RMB Yuan

Item	Amount	Recognition	Amount recognized in extraordinary gain and loss
Special funds for the development of the central foreign trade and economy	2,294,700.0000	Other income	2,294,700.0000
Special subsidies for the reconstruction of the central	16,020,000.00	Other income	16,020,000.00

industrial base and the high-quality development of the manufacturing industry			
Subsidies for the science and technology insurance premiums	215,877.00	Other income	215,877.00
Total	18,530,577.00		18,530,577.00

(2) Return of government subsidies

Applicable Not applicable

VIII. Financial instruments and their risks

The Company's major financial instruments include accounts receivable and accounts payable, and details for these financial instruments refer to the relevant items in Note VII. The Company's goal in risk management is to achieve an appropriate balance between risk and return, to minimize the negative impact of risk on the Company's operating performance, and to maximize the interests of shareholders and other equity investors. Based on the objective of risk management, the basic strategy of the Company's risk management is to determine and analyze various risks faced by the Company, establish an appropriate risk tolerance bottom line and carry out risk management, and timely and reliably supervise various risks, so as to control the risks within the limited scope.

1. Market risk

Market risk of financial instruments refers to the risk that the fair value or future cash flow of financial instruments will fluctuate due to changes in market prices, including exchange rate risk, interest rate risk and other price risks.

The Company adopts sensitivity analysis techniques to analyze the possible impact of reasonable and possible changes in risk variables on the current profit and loss or shareholders' equity. Since any risk variable rarely changes in isolation, and the correlation between the variables will have a significant impact on the final amounts of changes in a certain risk variable, the following content is based on the assumption that each variable changes independently.

(1) Exchange rate risk

Exchange rate risk refers to the risk that the fair value or future cash flows of financial instruments will fluctuate due to changes in foreign exchange rates. The Company's exposure to foreign exchange risks is mainly related to USD and EUR, and the exchange rate risk has an impact on the Company's transactions. As of 31 December 2021, the balance of foreign currency monetary items of the Company refers to Note VII-40 "Foreign currency monetary items". At present, the Company has not taken any measures to avoid exchange rate risks.

Assuming that other risk variables other than the exchange rate remain unchanged, the Company's exchange rate changes between

the RMB against the USD and the EUR on December 31 will appreciate / depreciate the RMB by 5%, which will lead to an increase / decrease of shareholders' equity by RMB 15,215.03 (2020: RMB 64,862.53), an increase / decrease of net profit by RMB 15,215.03 (2020: RMB 64,862.53).

(2) Interest rate risk

Interest rate risk refers to the risk that the fair value or future cash flows of financial instruments will fluctuate due to changes in market interest rates. The interest rate risk of the Company arises from interest-bearing debts such as bank borrowings. The Company determines the relative proportion of fixed-rate and floating-rate contracts based on the prevailing market environment. As at 31 December 2021, the Company's interest-bearing debts were mainly fixed-rate loan contracts denominated in RMB, with a total amount of RMB 2,199,000,000.00 (31 December 2020: RMB 1,798,000,000.00).

On 31 December 2021, assuming that other variables remain unchanged, an increase / decrease of interest rate by 50 basis points will lead to a decrease / increase of shareholders' equity of the Company by RMB 10,830,800.95 (2020: RMB 9,127,214.38), and a decrease / increase of net profit by RMB 10,830,800.95 (2020: RMB 9,127,214.38).

(3) Other price risks

Other price risk refers to the risk that the fair value or future cash flows of financial instruments will fluctuate due to changes in market prices other than exchange rate risk and interest rate risk, whether these changes are due to factors related to a single financial instrument or its issuer, or factors related to all similar financial instruments traded in the market. The investments of financial assets that are measured at fair value through profits or losses and measured at fair value through other comprehensive income held by the Company are measured at fair value on the balance sheet date. Therefore, the Company bears the risk of changes in the securities market. The Company reduces the price risk of equity securities investment by holding a variety of equity securities portfolio.

As at the end of the reporting period, the Company had no other price risk.

2. Credit risk

Credit risk refers to the risk that one party of a financial instrument fails to perform its obligations, causing financial losses to the other party.

On 31 December 2021, the credit risk of the Company was mainly due to the financial assets recognized by the Company, specifically including:

The Company's accounts receivable are mainly receivables from the sales of boiler equipment. Most of the customers are domestic large-scale thermal power plants and GE companies and its subsidiaries that are related to the Company. These customers have good reputation and do not have significant credit risks. Moreover, the Company regularly carries out credit rating on customers every year and continuously monitors their credit to ensure that the Company does not have significant credit risk. The credit risk of the

Company may be that the payment cannot be recovered due to the product quality problem and the need to compensate the customer, or the debtor goes bankrupt and has no property for execution. For accounts receivable, the Company will make bad debt provisions according to credit risk and safeguard relevant rights and interests through legal means. Under normal circumstances, the Company will not require customers to provide collateral. The Company's credit risk is mainly affected by each customer's own characteristics, rather than the customer's industry or country and region. Therefore, the concentration of significant credit risk is mainly due to the existence of significant accounts receivable and contract assets of the Company from individual customers. On the balance sheet date, the accounts receivable of the Company's top five customers accounted for 91.66% of the Company's total accounts receivable.

For accounts receivable, the Company has formulated a credit policy according to the actual situation, and conducts credit evaluation on customers to determine the credit sales amount and credit period. Credit assessment is mainly based on the customer's financial situation, external rating and bank credit record (if possible).

3. Liquidity risk

Liquidity risk refers to the risk of a shortage of funds when an enterprise fulfills its obligation to settle by cash or other financial assets.

When managing the liquidity risk, the Company maintains and monitors cash and cash equivalents deemed sufficient by the management of the Company to meet the Company's operational needs and reduce the impact of cash flow fluctuations. The management of the Company monitors the use of bank borrowings and ensures compliance with the loan agreements.

As of 31 December 2021, the financial liabilities held by the Company are analyzed according to the maturity of undiscounted residual contractual obligations as follows:

Item	Within 1 year (including 1 year)	1-3 years (including 3 years)	3-5 years (including 5 years)	Over 5 years	Total
Accounts payable	33,434,112.67				33,434,112.67
Other payables	2,213,303,370.56				2,213,303,370.56
Total	2,246,737,483.23				2,246,737,483.23

IX. Related party relationships and transactions

1. The parent company of the Company

Name of the parent company	Registration address	Business nature	Registered capital	The parent company's shareholding (%)	The parent company's voting right (%)
GE Steam Power Investment Co., Ltd.	5 th Floor, Qiankun Building, No. 6 Sanlitun West 6 th Street, Chaoyang District, Beijing	Investment in the fields where foreign investment is allowed by the state according to law	USD 60,964,400.00	51.00%	51.00%

Note:

On 28 September 2021, Daoben Auto Parts Co., Ltd. signed the "Share Purchase Agreement" with GE Steam Power Investment Co., Ltd., the largest shareholder and controlling shareholder of the Company. On 7 January 2022, the transfer procedures of 151,470,000 non-state-owned legal person shares (non-tradable shares) of the Company held by GE Steam Power Investment Co., Ltd. were completed, and the "Securities Transfer Registration Confirmation" was issued by the Beijing Branch of China Securities Depository and Clearing Co., Ltd. Details refer to Note XI "Events after the balance sheet date".

2. Other related parties

Name	Relationship with the Company
ALSTOM Bharat Forge Power Private Limited	Subsidiary of the ultimate controlling party of the Company
ALSTOM Boiler France	Subsidiary of the ultimate controlling party of the Company
ALSTOM Estonia AS	Subsidiary of the ultimate controlling party of the Company
ALSTOM Holdings	Subsidiary of the ultimate controlling party of the Company
ALSTOM Power Energy	Subsidiary of the ultimate controlling party of the Company
Alstom Power Inc.	Subsidiary of the ultimate controlling party of the Company
ALSTOM Power Italia S.p.A.	Subsidiary of the ultimate controlling party of the Company
ALSTOM Power Systems	Subsidiary of the ultimate controlling party of the Company

Name	Relationship with the Company
ALSTOM Power Systems Indonesia	Subsidiary of the ultimate controlling party of the Company
ALSTOM Power Turbomachines LLC.	Subsidiary of the ultimate controlling party of the Company
DIG自动化工程（武汉）有限公司	Other related party
GE Boiler Deutschland GmbH	Subsidiary of the ultimate controlling party of the Company
GE Energy Switzerland GmbH	Subsidiary of the ultimate controlling party of the Company
GE Enerji Endüstri Ticaret ve Servis Anonim Şirketi	Subsidiary of the ultimate controlling party of the Company
GE GAS POWER SPAIN SA	Subsidiary of the ultimate controlling party of the Company
GE IS&T SAS	Subsidiary of the ultimate controlling party of the Company
GE Middle East FZE	Subsidiary of the ultimate controlling party of the Company
GE Power AG	Subsidiary of the ultimate controlling party of the Company
GE Power Estonia AS	Subsidiary of the ultimate controlling party of the Company
GE Power India Limited	Subsidiary of the ultimate controlling party of the Company
GE Power s.r.o.	Subsidiary of the ultimate controlling party of the Company
GE Power Services (Malaysia) Sdn. Bhd.	Subsidiary of the ultimate controlling party of the Company
GE Power Sp.z o.o.	Subsidiary of the ultimate controlling party of the Company
GE Power Sweden AB	Subsidiary of the ultimate controlling party of the Company
GE Power Systems GmbH	Subsidiary of the ultimate controlling party of the Company
GE Power Systems India Private	Subsidiary of the ultimate controlling party of the Company
GE Power Systems Korea Co., Ltd.	Subsidiary of the ultimate controlling party of the Company
GE Power Taiwan Ltd.	Subsidiary of the ultimate controlling party of the Company
GE Power Vietnam Company Limited	Subsidiary of the ultimate controlling party of the Company
GE Steam Power Boiler France	Subsidiary of the ultimate controlling party of the Company
GE Steam Power Italia S.r.l.	Subsidiary of the ultimate controlling party of the Company

Name	Relationship with the Company
GE Steam Power Ltd.	Subsidiary of the ultimate controlling party of the Company
GE Steam Power Switzerland GmbH	Subsidiary of the ultimate controlling party of the Company
GE Steam Power Systems	Subsidiary of the ultimate controlling party of the Company
GE Technology GmbH	Subsidiary of the ultimate controlling party of the Company
General Electric (Switzerland) GmbH	Subsidiary of the ultimate controlling party of the Company
General Electric Company	The ultimate controlling party of the Company
GENERAL ELECTRIC ENERGY UK LIMITED	Subsidiary of the ultimate controlling party of the Company
General Electric Global Services GmbH	Subsidiary of the ultimate controlling party of the Company
General Electric International Operations Company, Inc.	Subsidiary of the ultimate controlling party of the Company
General Electric Technology GmbH	Subsidiary of the ultimate controlling party of the Company
PT GE Operations Indonesia	Subsidiary of the ultimate controlling party of the Company
PT General Electric Power Solutions	Subsidiary of the ultimate controlling party of the Company
Alstom Energy Chattanooga Plant	Subsidiary of the ultimate controlling party of the Company
Alstom Beizhong Power (Beijing) Co., Ltd.	Subsidiary of the ultimate controlling party of the Company
Daoben Metal Technology (Wuhan) Co., Ltd.	Other related party
FieldCore Technical Service (Beijing) Co., Ltd.	Subsidiary of the ultimate controlling party of the Company
GE (Shanghai) Power Technology Co., Ltd.	Subsidiary of the ultimate controlling party of the Company
GE (Wuhan) Engineering & Technology Co., Ltd.	Subsidiary of the ultimate controlling party of the Company
GE (China) Co., Ltd.	Subsidiary of the ultimate controlling party of the Company
GE (Beijing) Power Technology Co., Ltd.	Subsidiary of the ultimate controlling party of the Company
GE Grid Engineering (Shanghai) Co., Ltd.	Subsidiary of the ultimate controlling party of the Company
GE Energy (Shenyang) Co., Ltd.	Subsidiary of the ultimate controlling party of the Company

Name	Relationship with the Company
GE Wind Power Equipment Manufacturing (Shenyang) Co., Ltd.	GE Wind Power Equipment Manufacturing (Shenyang) Co., Ltd.
GE High Voltage Equipment (Wuhan) Co., Ltd.	Subsidiary of the ultimate controlling party of the Company
GE Energy (Shenyang) Co., Ltd.	Subsidiary of the ultimate controlling party of the Company
GE Hydropower Equipment (China) Co., Ltd.	Subsidiary of the ultimate controlling party of the Company
GE Medical Systems (Tianjin) Co., Ltd.	Subsidiary of the ultimate controlling party of the Company
Wuhan Boiler Group Co., Ltd.	The second largest shareholder of the Company
Wuhan Boiler Group Yuntong Co., Ltd.	Subsidiary of the second largest shareholder of the Company

3. Related party transactions

(1) Purchase and sale of goods, and rendering and acceptance of labor service

Purchase of goods and acceptance of labor service

Unit: RMB Yuan

Related party	Content of related transaction	2021	Limited transaction amount approved	Exceed the limited amount or not	2020
General Electric (Switzerland) GmbH	IT services and training	17,109,940.14	30,000,000.00	No	18,269,473.54
GE Power Sweden AB	Material procurement	1,382,370.77	1,500,000.00	No	394,560.02
GE (China) Co., Ltd.	Service charge	5,159,804.59	7,633,015.00	No	
General Electric International,	Service charge	3,257,013.78	3,772,697.00	No	
Alstom Beizhong Power (Beijing) Co., Ltd.	Service charge	1,324,030.34	1,650,000.00	No	376,112.72
General Electric	Service charge	541,626.03	6,106,000.00	No	

Company					
GE Steam Power, Inc.	Technical service	4,991,305.00	5,000,000.00	No	
GE Power Systems India Private	Technical service	2,028,232.44	5,500,000.00	No	
GE Boiler Deutschland GmbH	Technical service	1,777,859.11	14,700,000.00	No	19,326,137.04
GE Power India Limited	Technical service	604,176.17	2,000,000.00	No	141,580.40
GE Boiler Deutschland GmbH	Material procurement		0.00	No	3,064,709.77
Dresser Machinery (Suzhou) Co., Ltd.	Material procurement		0.00	No	1,590,172.38
FieldCore Technical Service (Beijing) Co., Ltd.	Material procurement		0.00	No	943,396.23
GE High Voltage Equipment (Wuhan) Co., Ltd.	Material procurement		0.00	No	33,063.05
GE (Shanghai) Power Technology Co., Ltd.	Service charge		0.00	No	921,709.22

Sales of goods and rendering of labor service

Unit: RMB Yuan

Related party	Content of related transaction	2021	2020
GE Steam Power Italia S.r.l.	Rendering of service	1,471,667.89	
General Electric Global Services	Rendering of service	340,122.04	385,700.00
GE Steam Power, Inc.	Rendering of service	148,436.31	29,000.00
Alstom Beizhong Power (Beijing) Co., Ltd.	Rendering of service	108,474.74	66,000.00
GE (Shanghai) Power Technology Co., Ltd.	Rendering of service	68,902.26	598,400.00
GE (Wuhan) Engineering & Technology Co., Ltd.	Rendering of service	59,716.55	77,700.00
GE Power Systems India Private Limited	Rendering of service	-31,139.00	

ALSTOM Power Ltd.	Rendering of service		-72,400.00
ALSTOM Power Ltd.	Rendering of service		-284,100.00
General Electric (Switzerland) GmbH	Rendering of service		4,200.00
GENERAL ELECTRIC ENERGY UK LIMITED	Rendering of service		291,900.00
GE High Voltage Equipment (Wuhan) Co., Ltd.	Rendering of service		1,900.00
GE Power Taiwan Ltd.	Rendering of service		207,500.00
GE Energy Switzerland GmbH	Sales of goods	254,519,293.15	202,068,500.00
GE Steam power Switzerland GmbH	Sales of goods	94,781,694.89	16,934,600.00
GE Power Sweden AB	Sales of goods	45,061,468.68	40,012,900.00
General Electric (Switzerland) GmbH	Sales of goods	30,865,451.69	297,751,400.00
GE (Shanghai) Power Technology Co., Ltd.	Sales of goods	13,669,789.19	82,745,400.00
GE Steam Power, Inc.	Sales of goods	7,361,141.80	2,839,400.00
GE Power Systems Korea Co., Ltd.	Sales of goods	5,639,390.90	5,847,700.00
GE Steam Power Systems	Sales of goods	3,627,428.80	4,010,700.00
GE Power Services (Malaysia) Sdn Bhd	Sales of goods	1,750,977.00	819,200.00
GE GAS POWER SPAIN SA	Sales of goods	107,377.36	
GE Middle East FZE	Sales of goods	77,736.38	244,300.00
ALSTOM Power Systems	Sales of goods	25,091.16	
GE Power India Limited	Sales of goods	2,302.53	3,411,200.00
GE Boiler Deutschland GmbH	Sales of goods	-849,661.59	20,704,100.00
ALSTOM Boiler France	Sales of goods	-3,482,870.65	
GE Power Sp.z.o.o.	Sales of goods		100.00
General Electric International Operations Company, Inc.	Sales of goods		-647,200.00
PT GE Operations Indonesia	Sales of goods		6,399,700.00

Note:

The above related party transactions do not include the sales of materials of RMB 26,784,797.58 with Daoben Metal Technology (Wuhan) Co., Ltd. Daoben Metal Technology (Wuhan) Co., Ltd. is a long-term cooperative supplier of the Company. The above

transaction with Daoben Metal Technology (Wuhan) Co., Ltd. occurred in June 2021, that is, before the controlling shareholder signed the share purchase agreement with Daoben Auto Parts Co., Ltd.

(2) Related party leases

The Company as the lessor

Unit: RMB Yuan

Name of lessee	Category of leased assets	Lease income recognized in 2021	Lease income recognized in 2020
GE (Wuhan) Engineering & Technology Co., Ltd.	Office space rental	354,099.09	386,290.00
GE (Shanghai) Power Technology Co., Ltd.	Office space rental	81,470.00	135,120.20
Total		435,569.09	521,410.20

The Company as the lessee

Unit: RMB Yuan

Name of lessor	Category of leased assets	Lease fee recognized in 2021	Lease fee recognized in 2020
GE Wind Power Equipment Manufacturing (Shenyang) Co., Ltd.	Plant	1,472,839.61	
GE Power Components (Shenyang) Co., Ltd.	Plant		886,289.18
Total		1,472,839.61	886,289.18

(3) Related party funds lending

Unit: RMB Yuan

Related party	Amount	Start date	Expiry date	Explanation
Borrowing from:				
GE Steam Power Investment Co., Ltd.	441,000,000.00	No fixed term	No fixed term	Interest rates of 4.1325% and 3.85%
Lending to:				
GE Steam Power Investment Co., Ltd.	40,000,000.00	No fixed term	No fixed term	Interest rates of 4.1325% and 3.85%

(4) Asset transfer and debt restructuring of related parties

Unit: RMB Yuan

Related party	Content of related transaction	2021	2020
GE (Shanghai) Power Technology Co., Ltd.	Transfer of fixed assets	2,474,823.48	
Total		2,474,823.48	

(5) Remuneration for the key management

Unit: RMB Yuan

Item	2021	2020
Remuneration for the key management	10,948,000.00	8,031,000.00

(6) Other related transactions

① Transfer of future collection rights, contract assets and accounts receivable

Unit: RMB Yuan

Related party	Transfer of future collection rights	Transfer of contract assets	Transfer of accounts receivable
GE Energy Switzerland GmbH	5,534,189.49		
GE Steam Power Switzerland GmbH	12,525,324.30	53,474,350.50	
General Electric (Switzerland) GmbH	39,753,450.60		
GE (Shanghai) Power Technology Co., Ltd.	9,604,176.10	28,365,299.07	29,176,844.09
Total	67,417,140.49	81,839,649.57	29,176,844.09

② Transfer of future obligations, contract liabilities and accounts payable

Unit: RMB Yuan

Related party	Transfer of future obligations	Transfer of contract liabilities	Transfer of accounts payable
GE (Shanghai) Power Technology Co., Ltd.	74,932,825.86	4,353,569.53	53,309,870.69

Related party	Transfer of future obligations	Transfer of contract liabilities	Transfer of accounts payable
Total	74,932,825.86	4,353,569.53	53,309,870.69

4. Amounts due from / to related parties

(1) Amounts due from related parties

Unit: RMB Yuan

Item	Related party	Closing balance		Opening balance	
		Book balance	Bad debt provision	Book balance	Bad debt provision
Accounts receivable	GE Power Sweden AB	3,858,630.64	38,586.31	18,710,970.64	187,109.71
Accounts receivable	GE Steam Power Switzerland GmbH	1,290,181.79	12,901.82		
Accounts receivable	GE Power Systems India Private	613,000.00	6,130.00	683,789.00	6,837.89
Accounts receivable	GE Middle East FZE	274,839.80	2,748.40		
Accounts receivable	GE (Shanghai) Power Technology Co., Ltd.	118,550.99	1,185.51	484,776.16	4,847.76
Accounts receivable	GE GAS POWER SPAIN SA	113,820.00	1,138.20		
Accounts receivable	GE Power Estonia AS	48,000.00	480.00	48,000.00	480.00
Accounts receivable	GE Energy Switzerland GmbH	40,992.00	409.92	30,307,920.26	303,079.20
Accounts receivable	ALSTOM Power Systems	25,091.16	250.91		
Accounts receivable	GE Power Services (Malaysia) Sdn. Bhd.	23,209.00	232.09	334,143.21	3,341.43
Accounts receivable	General Electric (Switzerland) GmbH			5,998,151.00	59,981.51
Accounts receivable	General Electric Global Services GmbH			2,411,661.87	24,116.62
Accounts receivable	GE steam Power			1,722,100.00	17,221.00

	Systems				
Accounts receivable	GE Steam Power Italia S.r.l.			1,570,800.00	15,708.00
Accounts receivable	GENERAL ELECTRIC ENERGY UK LIMITED			613,726.80	6,137.27
Accounts receivable	GE Boiler Deutschland GmbH			464,216.07	4,642.17
Accounts receivable	GE Steam Power, Inc.			153,737.84	1,537.38
Accounts receivable	Alstom Power Ltd			64,578.12	645.78
Accounts receivable	GE (Wuhan) Engineering & Technology Co., Ltd.			14,416.00	144.16
Other receivables:	Wuhan Boiler Group Co., Ltd.	1,297,689.00	1,297,689.00	1,297,689.00	1,297,689.00
Other receivables:	General Electric Global Services GmbH	340,122.04	1,700.61	385,698.61	
Other receivables:	GE steam Power Ltd	63,774.18	18,527.38		
Other receivables:	GE (Shanghai) Power Technology Co., Ltd.	38,958.00	194.79	18,300.01	18,300.01
Other receivables:	Wuhan Boiler Group Yuntong Co., Ltd.	10,171.01	10,171.01	10,171.01	10,171.01
Other receivables:	GE Power Sweden AB			1,248,360.88	12,483.61
Other receivables:	GE (Wuhan) Engineering & Technology Co., Ltd.			125,118.55	
Other receivables:	GE Power Services (Malaysia) Sdn. Bhd.			23,209.00	232.09
Other receivables:	GE Power Systems India Private			240,000.00	2,400.00
Contract assets	GE (Shanghai) Power Technology Co., Ltd.			29,881,861.34	

Contract assets	GE Steam Power Systems			4,239,385.41	
Contract assets	GE Steam Power Boiler France			3,482,870.65	
Contract assets	GE Power India Limited			467,302.04	

(2) Amounts due to related parties

Unit: RMB Yuan

Item	Related parties	Closing balance	Opening balance
Contract liabilities	GE Energy Switzerland GmbH	210,095.82	65,897,026.55
Contract liabilities	GE Boiler Deutschland GmbH		270,818.87
Contract liabilities	GE Power India Limited		385,759.90
Contract liabilities	GE Steam power Switzerland GmbH		55,411,626.97
Contract liabilities	GE Steam Power, Inc.		7,086,302.00
Contract liabilities	General Electric (Switzerland) GmbH		14,841,553.71
Contract liabilities	GE (Shanghai) Power Technology Co., Ltd.		3,823.13
Other payables	DIG Automation Engineering (Wuhan) Co., Ltd.	2,199,000,000.00	
Other payables	General Electric (Switzerland) GmbH	7,482,464.14	18,269,473.54
Other payables	GE Power s.r.o.	248,734.19	256,715.85
Other payables	GE Steam Power, Inc.	189,409.30	825,974.82
Other payables	GE (Shanghai) Power Technology Co., Ltd.		388,069.58
Other payables	GE (China) Co., Ltd.		421,652.96
Other payables	GE Boiler Deutschland GmbH		292,263.23
Accounts payable	GE Boiler Deutschland GmbH	7,514,538.68	25,985,835.55
Accounts payable	Alstom Power Inc	5,699,533.14	
Accounts payable	GE Power India Limited	462,595.77	141,580.40
Accounts payable	GE Power Components (Shenyang) Co., Ltd.	107,516.64	30,492.79
Accounts payable	General Electric Company	98,460.57	

Accounts payable	ALSTOM Holdings	13,500.84	
Accounts payable	ALSTOM Power Turbomachines LLC	10,143.07	10,143.07
Accounts payable	GE IS&T SAS	3,307.50	
Accounts payable	Dresser Machinery (Suzhou) Co., Ltd.		1,796,894.78
Accounts payable	GE Power Sweden AB		394,560.02

X. Commitments and Contingencies

1. Contingencies

(1) Letter of guarantee

Unit: RMB Yuan

Item	Closing balance	Opening balance
1. Letter of guarantee that has not been released from performance liability		
Performance guarantee	258,750.00	108,317,747.00
2. Performance of early performance liability		
Performance guarantee	108,058,997.00	71,269,777.00

XI. Events after the balance sheet date

On 28 September 2021, Daoben Auto Parts Co., Ltd. signed the “Share Purchase Agreement” with GE Steam Power Investment Co., Ltd., the largest shareholder and controlling shareholder of the Company, which agreed that Daoben Auto Parts Co., Ltd. shall take the equivalent RMB of USD 12 million as the basic cash consideration, and acquire a total of 151,470,000 shares of the Company held by GE Steam Power Investment Co., Ltd. and the creditor’s rights of GE Steam Power Investment Co., Ltd. on the Company with a principal of RMB 2.199 billion based on the entrusted loan agreement. On 23 November 2021, both parties signed the “First Amendment to the Share Purchase Agreement” in Wuhan.

On 7 January 2022, the Company received a written notice from the controlling shareholder, GE Steam Power Investment Co., Ltd., which completed the transfer procedures of 151,470,000 non-state-owned legal person shares (non-tradable shares) of the Company held by GE Steam Power Investment Co., Ltd. on 7 January 2022, and the “Securities Transfer Registration Confirmation” was issued by the Beijing Branch of China Securities Depository and Clearing Co., Ltd. The controlling shareholder, GE Steam Power

Investment Co., Ltd., transferred its 151,470,000 shares of the Company (corresponding to 51% of the total share capital) to Daoben Auto Parts Co., Ltd. and completed the company change registration procedures on 17 February 2022.

XII. Other significant events

1. With the progress of the equity acquisition agreement signed on 28 September 2021 between the controlling shareholder GE Steam Power Investment Co., Ltd. and the acquirer Daoben Auto Parts Co., Ltd., and the promotion of GE's global strategy to withdraw from the coal power business, GE will no longer provide technical and market support for the switch-type integrated rectifier assembly business of Wuhan Boiler Company Limited Shenyang Branch, and the Company has no technical and market capacity to continue to operate the only switch-type integrated rectifier assembly business of Wuhan Boiler Company Limited Shenyang Branch. The Board of Directors of the Company decided to cancel and close Wuhan Boiler Company Limited Shenyang Branch according to laws and regulations on 21 December 2021. At present, the industrial and commercial cancellation procedures are still being further handled.

2. In 2021, the controlling shareholder GE Steam Power Investment Co., Ltd. withdrew from the traditional coal power business and transferred 51% of shares of the Company to Daoben Auto Parts Co., Ltd. At the same time, the Company signed a transfer agreement with the related company to transfer the rights and obligations involved in the eight projects under construction to the related company. After the agreement took effect, the Company's rights and obligations stipulated in the original contract were terminated, and the Company no longer enjoyed contractual rights and undertook contractual obligations to the customers and suppliers involved in the transfer projects.

XIII. Supplemental information

1. Schedule of non-recurring gains and losses

Unit: RMB Yuan

Item	2020	Note
Gains / losses from the disposal of non-current assets	-79,662.15	
Government grant recognized in the current profit and loss (excluding those closely related to the Company's business and granted under the state's policies according to certain quota of amount or volume)	18,808,353.00	
Enterprise reorganization fee, such as expenses for arrangement for employees,		

integration fee, etc.		
Reversal of the impairment provision of receivables and contract assets tested for impairment individually	1,220,543.83	
Non-operating income and expenses excluding the above-mentioned items	-1,920,699.35	
Other gains / losses in compliance with the definition of non-recurring gains and losses	6,834,537.93	
Total	24,863,073.26	--

Others that meets the definition of extraordinary profit/loss:

Applicable Not applicable

No such cases in report period

Concerning the extraordinary profit (gain)/loss defined by Q&A Announcement No.1 on Information Disclosure for Companies Offering Their Securities to the Public --- Extraordinary Profit/loss, and the items defined as recurring profit (gain)/loss according to the lists of extraordinary profit (gain)/loss in Q&A Announcement No.1 on Information Disclosure for Companies Offering Their Securities to the Public --- Extraordinary Profit/loss, explain reasons

Applicable Not applicable

2. Return on equity (ROE) and earnings per share (EPS)

Unit: RMB Yuan

Profit for the reporting period	The weighted average ROE (%)	EPS	
		Basic EPS	Diluted EPS
Net profit attributable to shareholders of the Company's ordinary shares	23.32%	-1.25	-1.25
Net profit attributable to shareholders of the Company's ordinary shares after deducting non-recurring gains and losses	24.88%	-1.34	-1.34

3. Differences between accounting data under domestic and overseas accounting standards

(1) Differences of net profit and net assets disclosed in financial reports prepared under international and Chinese accounting standards

Applicable Not applicable

(2) Differences of net profit and net assets disclosed in financial reports prepared under overseas and Chinese accounting standards

Applicable Not applicable