

Shaanxi Provincial Natural Gas Co.

Semi-Annual Report 2022

August 2022



陕西省天然气股份有限公司
SHAAN XI PROVINCIAL NATURAL GAS CO., LTD.

The first section of important tips, directory and interpretation

The Board of Directors, the Supervisory Committee and the Directors, Supervisors and senior management of the Company guarantee the truthfulness, accuracy and completeness of the contents of the semi-annual report, and that there are no false records, misleading statements or material omissions, and assume individual and joint legal responsibility.

Liu Hongbo, the person in charge of the company, Yan Yuheng, the person in charge of accounting work, and Wang Yan, the person in charge of accounting institution (accounting officer in charge), declare that they guarantee the truthfulness, accuracy and completeness of the financial report in this semi-annual report.

All directors were present at the board meeting at which this report was considered.

The forward-looking statements in this report, such as future plans and development strategies, do not constitute material commitments by the Company to investors and are subject to certain uncertainties, so investors are advised to pay attention to investment risks.

The Company has described the risks associated with its operations in this report. Please refer to Section III "Management Discussion and Analysis" under "X. Risks to

the Company and Countermeasures".

The profit distribution plan approved by the Board of Directors is:

1,112,075,445 shares as

The Company will distribute a cash dividend of NT\$3.00

(including tax) for every 10 shares to all shareholders, and 0

bonus shares (including tax) will be distributed to all shareholders,

and no capital increase will be made by way of bonus shares.

Catalog

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Catalog of available documents

I. A copy of the half-yearly report for 2022 containing the signature of the legal representative.

Second, the financial statements containing the signatures and seals of the legal representative, the financial officer and the head of the accounting institution.

III. The original copies of all company documents and announcements that have been

publicly disclosed in newspapers designated by the CSRC during the reporting period. IV.

Registration form for insider information informants of the semi-annual report for 2022.

V. Place of preparation of the above documents for inspection: Financial Securities Department of the Company.

Definition

Interpretation items	Refers to	Interpretation content
The Company, the Company, the Enterprise, Shaanxi Gas	Refers to	Shaanxi Provincial Natural Gas Co.
Shaanxi Gas Group, Group Companies, Controlling Shareholders	Refers to	Shaanxi Gas Group Co.
Yanchang Petroleum Group, Yanchang Petroleum, indirect controlling shareholder	Refers to	Shaanxi Yanchang Petroleum (Group) Co.
CNPC	Refers to	China National Petroleum Corporation
Sinopec	Refers to	China Petroleum & Chemical Corporation
City Fuel Company	Refers to	Shaanxi City Gas Industry Development Co.
Hanvest	Refers to	Hanzhong Natural Gas Investment and Development Co.
Shangluo Company	Refers to	Shangluo City Natural Gas Co.
Yanan Pipeline Company	Refers to	Yan'an Gas Pipeline Co.
Weinan Gas	Refers to	Weinan Natural Gas Co.
Bluefield City Burn	Refers to	Lantian County City Fuel Gas Co.
Tongchuan Natural Gas	Refers to	Tongchuan Natural Gas Co.
Shaanxi Liquefaction Company	Refers to	Shaanxi LNG Investment and Development Co.
Shaanxi Pace	Refers to	Shaanxi Pace Gas Industry Equipment Manufacturing Co.
New Energy Company	Refers to	Shaanxi Gas Group New Energy Development Co.
Hanzhong Xinhan Energy	Refers to	Hanzhong Xinhan Energy Technology Development Co.
Transportation and Energy Company	Refers to	Shaanxi Gas Group Transportation Energy Development Co.
Weihe Energy Company	Refers to	Shaanxi Gas Group Weihe Energy Development Co.
Engineering Company	Refers to	Shaanxi Gas Group Engineering Co.

Fuping Energy Company	Refers to	Shaanxi Gas Group Fuping Energy Technology Co.
West Blue Corporation	Refers to	Xi'an West Blue Gas Co.
Reporting Period	Refers to	January 1, 2022 to June 30, 2022

Section II Company Profile and Key Financial Indicators

I. Company Profile

Stock short name	Shaanxi Gas	Stock Code	002267
Stock listing stock exchange	Shenzhen Stock Exchange		
Chinese name of the company	Shaanxi Provincial Natural Gas Co.		
Chinese abbreviation of the company	Shaanxi Gas		
Legal representative of the company	Liu Hongbo		

II. Contact person and contact information

	Board Secretary	Securities Representative
Name	Biwei	Wang Yue
Contact Address	No. 2 Kaiyuan Road, Zone A1, Xi'an Economic and Technological Development Zone, Shaanxi Province, China	No. 2 Kaiyuan Road, Zone A1, Xi'an Economic and Technological Development Zone, Shaanxi Province, China
Phone	029-86156198	029-86156198
Fax	029-86156196	029-86156196
E-mail	biwei@qq.com	wangyuemail126@126.com

III. Other information

1、Company Contact

Whether the company's registered address, the company's office address and its postal code, the company's website and e-mail address have changed during the reporting period

☐ Applicable ☒ Not applicable

The Company's registered address, the Company's office address and its postal code, the Company's website and e-mail address have not changed during the reporting period and can be found in the 2021 Annual Report.

2、Disclosure of information and place of preparation

Whether the disclosure of information and the location of the provision changed during the reporting period

☐ Applicable ☒ Not applicable

The name of the newspaper selected by the Company for information disclosure, the URL of the website designated by the CSRC for posting the semi-annual report, and the place where the Company's semi-annual report is available

have not changed for the reporting period, which can be found in the 2021 Annual Report.

3. Other relevant information

Whether other relevant information has changed in the reporting period

☐ Applicable ☒ Not applicable

IV. Major accounting data and financial indicators

Whether the company is required to retroactively adjust or restate prior years' accounting data

☐ Yes ☒ No

	Current reporting period	Same period of previous year	Increase or decrease in the current reporting period compared with the same period of the previous year
Operating income (yuan)	5,291,614,324.35	3,974,313,232.76	33.15%
Net profit attributable to shareholders of listed companies (Yuan)	618,030,052.04	342,210,616.24	80.60%
Attributable to shareholders of the listed company, net of non Net income from recurring gains and losses (yuan)	616,400,861.89	334,340,865.87	84.36%
Net cash flows from operating activities (Yuan)	1,327,836,380.29	169,639,060.62	682.74%
Basic earnings per share (yuan/share)	0.5557	0.3077	80.60%
Diluted earnings per share (yuan/share)	0.5557	0.3077	80.60%
Weighted average return on net assets	9.25%	5.41%	3.84%
	At the end of this reporting period	End of previous year	Increase or decrease at the end of this report compared with the end of the previous year
Total assets (yuan)	13,191,738,354.88	12,993,310,176.30	1.53%
Net assets attributable to shareholders of listed companies (Yuan)	6,684,358,188.00	6,363,826,637.71	5.04%

V. Differences in accounting data under domestic and foreign accounting standards

1. Differences in net profit and net assets in the financial reports disclosed simultaneously in accordance with IAS and in accordance with PRC GAAP

☐ Applicable ☒ Not applicable

There is no difference between the net profit and net assets of the company in the financial report disclosed in accordance with IAS and in accordance with PRC GAAP for the reporting period.

2. The difference between the net profit and net assets in the financial reports disclosed in accordance with foreign accounting standards and Chinese accounting standards at the same time

☐ Applicable ☒ Not applicable

There is no difference between the net profit and net assets of the company in the financial reports disclosed in accordance with overseas accounting standards and in accordance with Chinese accounting standards in the reporting period.

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

☒ Applicable ☐ Not applicable

Unit: Yuan

Proj ects	Amo unt	Des cripti on
Gain or loss on disposal of non-current assets (including the write-off portion of the provision for asset impairment)	670,481.64	
Government grants (closely related to the company's normal business operations and in line with national regulations) that are charged to current profit or loss (Except for government subsidies that are provided for by policy, in accordance with certain standards of fixed or quantitative continuous enjoyment)	2,324,806.49	
Non-operating income and expenses other than those mentioned above	-1,009,304.79	
Other profit and loss items that meet the definition of non-recurring profit or loss	3,227.33	
Less: Income tax effect amount	328,881.82	
Amount of minority interest impact (after tax)	31,138.70	
Total	1,629,190.15	

Details of other profit and loss items that meet the definition of non-recurring profit or loss:

☒ Applicable ☐ Not applicable

Others are refunds of personal income tax handling fees.

Information on the definition of non-recurring items listed in "Explanatory Announcement No. 1 on Disclosure of Information by Companies Issuing Public Securities - Non-recurring Gains and Losses" as recurring items of profit or loss

☐ Applicable ☒ Not applicable

The Company does not have any non-recurring items of profit or loss listed in the "Explanatory Announcement No. 1 on Disclosure of Information by Companies Issuing Public Securities - Non-recurring Profit or Loss" defined as items of recurring profit or loss.

Section III Management Discussion and Analysis

I. Main business engaged by the company during the reporting period

1. Main business and business model

The company is a state-controlled listed company with the construction and operation of natural gas long-distance pipeline network as its core, and the downstream distribution business as one, mainly responsible for the planning, construction, operation and management of the natural gas long-distance pipeline network in Shaanxi province. With the mission of benefiting people's livelihood with natural gas, the company has achieved double pipeline supply in most areas of the province and the operation of the Guanzhong regional ring network through years of unremitting efforts and significant development, forming the province's "one network" of green resources transmission and distribution network, and is a high-quality provincial large-scale gas supplier in China.

(1) Long-Term Pipeline

The long-distance pipeline network transportation and sales business is the Company's main business, mainly providing natural gas transportation services and sales services for upstream natural gas suppliers and cities and customers along the pipeline routes in the province through its completed gas pipelines. At the end of the reporting period, the Company had completed and put into operation a total of over 3,833 km of natural gas transmission pipelines with an annual transmission capacity of 16.5 billion cubic meters, forming a natural gas pipeline network covering 11 cities (districts) in Shaanxi Province. The Company's long-distance pipeline network operation model is a mixed model of integrated purchase and sale + substitute transmission, and is gradually changing from the responsibility of resource allocation to the responsibility of providing high-quality pipeline services.

(2) City Gas

The city gas business is the second largest business of the Company. At the end of the reporting period, more than 2,200 kilometers of city gas pipeline networks of medium pressure and above were completed, and more than 650,000 customers were developed in total. During the reporting period, six industrial customers were successfully developed. In order to meet the gas demand of remote areas and counties not yet reached by pipeline gas, the Company actively met their gas demand by selling CNG and LNG. The company has built and put into operation eight CNG filling stations in the province, and Shaanxi Liquefaction Company, which was established with the company's equity participation, is responsible for the production, storage, transportation and emergency peaking of LNG, effectively enhancing the company's LNG emergency reserve capacity and relieving the tight gas supply in winter. In recent years, with the gradual increase in the area covered by the Company's long-distance pipeline, the volume of CNG sales may show a decreasing trend in the future.

2. Business Analysis

In the first half of 2022, under the leadership of the Board of Directors, the company pushed forward its work in a comprehensive and orderly manner according to the annual business plan. Against the backdrop of repeated epidemics and the volatile environment, the company made concerted efforts throughout the system, and continued the good trend of steady growth in the main economic indicators on the basis of the first quarter's "opening ceremony", and exceeded all targets. During the reporting period, the Company achieved operating revenue of RMB5,291,614,324.35, representing a year-on-year increase of 33.15%, mainly due to the increase in gas transmission volume and upstream gate price increase during the period; net profit attributable to shareholders of the listed company was RMB618,030,052.04, representing a year-on-year increase of 80.60%, mainly due to the Company's active response to the changes in international energy supply and demand, and grasping the "double carbon" target-oriented development. The net

profit attributable to shareholders of the listed company increased by 80.60% year-on-year, mainly due to the Company actively responding to the changes in international energy supply and demand, grasping the dividends of energy transformation under the guidance of “double carbon” target, broadening marketing ideas and significantly increasing gross profit from gas sales, which led to the increase in profit.

II. Core Competitiveness Analysis

1. Regional Competitive Advantage

As a natural gas pipeline planning, construction and operation management company in Shaanxi Province, the company has built a pipeline network covering 11 cities (districts) in the province, with a total mileage of 3,833 km, accounting for more than 85% of the total mileage of the province's self-built long-distance pipelines, with an annual gas transmission capacity of 16.5 billion cubic meters, forming a gas transmission trunk network that runs north and south of Shaanxi and extends east and west of Guanzhong. It has also built the province's natural gas regulation and control command center, disaster recovery center, emergency rescue and relief center and emergency rescue equipment reserve center, and formed a multi-modal gas supply guarantee pattern of pipeline natural gas, compressed natural gas and liquefied natural gas, which has obvious regional competitive advantages.

2. Resource allocation advantages

Shaanxi has abundant natural gas resources and is one of the rich natural gas producing areas in China. The company has a unique geographical advantage in obtaining gas resources by relying on PetroChina's Changqing gas field, the largest inland oil and gas field in China, and the gas field resources of Yanchang Petroleum Group in the province. During the 14th Five-Year Plan period, Yanchang Petroleum Group's 15 billion cubic meters/year gas production capacity increase will further improve the province's gas resource security capacity. In addition, with the national pipeline network group's West-East Gas Transmission Line I, Line II, Shaanxi-Beijing System Pipeline, Zhonggui Line and other national trunk lines passing through Shaanxi, the download points of pipeline resources in transit in the province will be increased, which will improve the flexibility of natural gas deployment and supply and enhance the capacity of resource security.

3. Industry Development Advantages

In the context of the carbon neutral goal, natural gas, as a clean and efficient low-carbon fossil energy source, is responsible for the important mission of transitioning the energy consumption structure from fossil energy to renewable energy, and is the most effective complementary energy source and "stabilizer" in the "double carbon" energy iteration. It plays an important role in the process of realizing the strategic goal of "double carbon" in China. In the next 10-15 years, China's natural gas market will continue to develop rapidly, and the objective conditions for continued growth in natural gas consumption still exist, and natural gas will certainly occupy a place in the future emerging energy system. The 14th Five-Year Plan for Ecological Protection in Shaanxi Province clearly proposes to promote gas, reduce carbon and strengthen ecology, and continue to fight the battle of pollution prevention and control; Shaanxi Province continues to implement the "Iron Fist Haze Control" action plan and promote township and rural gasification, which will provide huge potential for the natural gas market. Shaanxi Province continues to implement the "iron fist" action plan to combat haze and promote township and rural gasification.

4. Technological innovation advantage

During the reporting period, the company strengthened scientific and technological projects, with the main directions covering key technology research on compressor operation, natural gas calorific value metering and safety integrity-related technologies, and made phased progress in the construction of green assembly-type housing system and research on natural gas hydrogen blending and transmission technology. The company continued to promote the transformation and application of scientific and technological achievements. The project on the in-depth application of intelligent robots in field stations further carried out the preparation of corporate standards; the project on the transformation of cathodic protection remote monitoring system for long-distance pipelines is planned to be applied to long-distance pipelines in service, such as the West-Shang to West-West line and the Tongchuan to Xi'an section of the Jingxi II line, which will provide strong support for the company to improve the level of pipeline safety control. In the first half of the year, the company obtained 3 patents, declared 8 patents, received 5 commendations for various types of scientific and technological innovation, and was awarded the "Enterprise Innovation and Young Talent Support Program" by the Shaanxi Provincial Science Association.

The project "Natural Gas Green Safety Storage and Transportation and Low Carbon Efficient Utilization Integrated System" was approved by Qin Chuang Yuan "Scientist + Engineer" of Shaanxi Province

The project of team building. In addition, the company's clean energy specialized crowdsourcing space successfully hosted the evaluation meeting of the 2022 Shaanxi Provincial Science Association Young Talent Support Program project, and the company's industry influence was further enhanced.

5. Safety and security advantages

The company continues to promote the pipeline integrity management and safety production management mode transformation, around the pipeline body, external safety "double risk" management, the pipeline body to achieve the risk of knowing the bottom number of risk, control corrosion control defects "two know two control", the pipeline external risk to achieve Evaluation, inspection, prevention, control "four in place". At the same time, we improve the safety and environmental protection responsibility system, establish a "full staff, full area, full elements" safety ecosystem, and implement the construction of a dual prevention mechanism for safety risk grading and control and hidden danger investigation and management to continuously enhance the core competitiveness in the field of long-distance pipelines. At the same time, based on the construction of the integrated information platform for production data control, the company has implemented safety production assurance measures such as automatic distribution control of field stations, intelligent robot inspection, video monitoring of high-consequence areas, laser methane detection, air-space and space-integrated pipeline patrol, fiber-optic warning and mobile emergency command system, and realized intelligent upgrading of traditional manual operations such as equipment inspection, gas leak detection, process analysis and planned distribution, so as to enhance the safety production assurance capability. The company is committed to improving the safety production guarantee capability and laying a solid foundation for the safety of

pipeline system operation.

6. Multi-channel financing advantage

Since its listing, the company has made full use of multi-channel and multi-species financing tools to raise funds for the company's development in a comprehensive and three-dimensional manner, which has favorably supported the company's project construction and business development. The company's credit rating has been continuously rated "AA+", which is highly recognized by the capital market and has a good market reputation. The company has obtained stable debt funds through corporate bonds, medium-term notes, financial leases, short-term financing bonds and other financing instruments, which play a positive role in the company's operation and development, and the company has strong comprehensive financing ability.

7. Talent Management Advantage

The company has always focused on the core industries, with the goal of "creating value by all means, evaluating value scientifically and distributing value reasonably", gradually promoting the organic combination and virtuous cycle of the value creation system, value evaluation system and value distribution system of human resources management, stimulating employees to explore potential and increase efficiency, through the intensive use of human resources and maximum development. In order to achieve the optimization of talent team structure and continuous improvement of comprehensive quality, and to promote the company to achieve leap-forward development. Through the establishment of the "1+3+11" education and training system, continuous improvement of staff's personal ability, strengthening training and cultivating talents at multiple levels, the company now has a sufficient number of professional, reasonable structure and excellent quality of natural gas technical and management personnel, and has established a scientific and reasonable gas operation management system and management system. The company has established a scientific and reasonable gas operation management system and management system, and has accumulated rich experience in the construction, operation and maintenance of natural gas pipeline networks.

III. Analysis of main business

Overview

Please refer to "I. Main business of the Company

during the reporting period". Year-on-year changes

in key financial data

Unit: Yuan

	Current reporting period	Same period of previous year	Year-on-year increase or decrease	Reason for change
Operating income	5,291,614,324.35	3,974,313,232.76	33.15%	Gas transmission volume growth and upstream gate stations for the period Due to price increase
Operating Costs	4,417,589,980.92	3,470,321,721.47	27.30%	
Selling expenses	17,317,229.08	16,861,867.40	2.70%	
Overhead	67,103,538.83	62,466,285.43	7.42%	
Finance costs	43,106,602.03	50,343,911.20	-14.38%	
Income tax expense	112,360,125.76	58,096,948.54	93.40%	Due to significant increase in total profit for the period
R&D investment	9,872,729.87	5,265,024.14	87.52%	Due to the increase in renewal of technology projects during the period
Cash generated from operating activities Net flow	1,327,836,380.29	169,639,060.62	682.74%	Significant increase in profit for the period and partial up Due to the outstanding payment for the gas tour
Net cash flows from investing activities	-169,358,950.60	-242,427,164.90	30.14%	Disposal of equity interests in new participating companies and cash paid for the purchase and construction of fixed assets during the period The decrease is due to a combination of
Cash generated from financing activities Net flow	-920,185,070.21	-168,053,292.04	-447.56%	Increase in debt service and cash dividends for the period Add and decrease in borrowings combined
Net increase in cash and cash equivalents	238,292,359.48	-240,841,396.32	198.94%	Increase in net cash flows from operating activities and decrease in net cash flows from financing activities for the period combined To
Taxes and surcharges	29,050,248.11	14,953,150.73	94.28%	Due to increase in VAT surcharge during the period
Other gains	1,809,319.36	16,791,676.74	-89.22%	No winter gas supply guarantee was received during the period Due to government subsidies such as subsidies
Credit impairment losses	476,567.78	-2,360,923.91	120.19%	Partial reversal of bad debts on accounts receivable during the period Due to preparation
Gain or loss on disposal of assets	-160,953.25	983,281.24	-116.37%	Due to disposal of fixed assets during the period

Non-operating income	651,328.36	366,482.89	77.72%	Increase in liquidated damages income received during the period Add the cause
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Significant changes in the composition of the company's profit or sources of profit for the reporting period

☐ Applicable ☒ Not applicable

There were no significant changes in the composition of the Company's profit or sources of profit during the reporting period. Operating income composition

Unit: Yuan

	Current reporting period		Same period of previous year		Year-on-year increase/decrease
	Amount	Share of operating revenue	Amount	Share of operating revenue	
Total operating income	5,291,614,324.35	100%	3,974,313,232.76	100%	33.15%
By Industry					
Long-Term Pipeline	4,085,704,940.80	77.21%	3,185,653,264.97	80.16%	28.25%
City Gas	1,205,909,383.55	22.79%	788,659,967.79	19.84%	52.91%
Sub-products					
Natural Gas Sales	4,792,925,910.77	90.58%	3,493,179,776.10	87.89%	37.21%
Pipeline Transportation	401,295,956.15	7.58%	381,187,695.86	9.59%	5.28%
Gas engineering installation	72,305,576.00	1.37%	82,943,746.24	2.09%	-12.83%
Other	25,086,881.43	0.47%	17,002,014.56	0.43%	47.55%
By Region					
Shaanxi Province	5,291,614,324.35	100.00%	3,974,313,232.76	100.00%	33.15%

Industries, products or regions that account for more than 10% of the Company's operating revenues or operating profits

☒ Applicable ☐ Not applicable

Unit: Yuan

	Operating income	Operating Costs	Gross margin	Operating income over the previous Year-on-year increase/decrease	Operating costs over the previous Year-on-year increase/decrease	Gross margin compared to the previous year Increase or decrease in the same period
By Industry						
Long-Term Pipeline	4,085,704.94 0.80	3,402,455.73 1.79	16.72%	28.25%	24.33%	2.62%
City Gas	1,205,909.38 3.55	1,015,134.24 9.13	15.82%	52.91%	38.35%	8.86%
Sub-products						
Natural Gas Sales	4,792,925.91 0.77	4,148,817.22 4.91	13.44%	37.21%	27.63%	6.50%
Pipeline Transportation	401,295,956.15	215,435,572.88	46.32%	5.28%	22.49%	-7.54%
By Region						
Shaanxi Province	5,291,614.32 4.35	4,417,589.98 0.92	16.52%	33.15%	27.30%	3.84%

In the event that the statistical caliber of the Company's main business data is adjusted during the reporting period, the Company's main business data for the most recent period, as adjusted by the caliber at the end of the reporting period

☐ Applicable ☒ Not applicable

IV. Analysis of non-main business

☒ Applicable ☐ Not applicable

Unit: Yuan

	Amount	Percentage of total profit	Formation reason explanation	Sustainability
Investment income	36,421,421.64	4.89%	Mainly investments in affiliated companies Earnings	Yes
Gains or losses from changes in fair value	0.00	0.00%		
Impairment of assets	476,567.78	0.06%	Receivables mainly written back Provision for bad debts	Yes
Non-operating income	651,328.36	0.09%	Mainly government grants and defaults not related to ordinary activities Income from compensation, etc.	No

Non-operating expenses	2,030,169.61	0.27%	Mainly non-current assets disposal Losses and donations and other expenses	No
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V. Analysis of assets and liabilities

1. Significant changes in the composition of assets

Unit: Yuan

	At the end of this reporting period		End of previous year		Weight gain/loss	Description of significant changes
	Amount	Percentage of total assets	Amount	Percentage of total assets		
Monetary Funds	1,388,835,437.76	10.53%	1,150,552,113.49	8.85%	1.68%	
Accounts Receivable	449,806,828.76	3.41%	393,658,264.55	3.03%	0.38%	
Inventory	219,336,748.02	1.66%	216,855,968.23	1.67%	-0.01%	
Investment properties	13,247,990.75	0.10%	13,414,096.19	0.10%		
Long-term equity investments	477,046,784.51	3.62%	452,145,042.87	3.48%	0.14%	

Fixed Assets	8,124,752,814.27	61.59%	8,225,358,212.07	63.30%	-1.71%	
Construction in progress	1,361,954,567.72	10.32%	1,310,151,649.67	10.08%	0.24%	
Right-of-use assets	4,858,243.64	0.04%	6,386,436.96	0.05%	-0.01%	
Short-term borrowings	175,043,055.56	1.33%	613,524,944.44	4.72%	-3.39%	
Contractual Liabilities	642,058,787.50	4.87%	715,331,846.65	5.51%	-0.64%	
Long-term borrowings	565,553,761.47	4.29%	865,949,131.97	6.66%	-2.37%	
Lease liabilities	1,291,591.93	0.01%	1,721,761.75	0.01%		

2. Major foreign assets

☐ Applicable ☒ Not applicable

3. Assets and liabilities measured at fair value

☐ Applicable ☒ Not applicable

4. Restricted rights of assets as of the end of the reporting period

Restricted Asset Projects	Carrying value at the end of the period (Yuan)	Total assets as a percentage	Restricted start and end times	Restricted Type
Monetary Funds	24,392,814.08	0.185%	June 2019 to completion of land reclamation work acceptance	Land reclamation funds
Monetary Funds	4,663,035.00	0.035%	June 2021 to the end of the case	Freezing of funds by the court
Monetary Funds	1,230,000.00	0.009%	August 2021 to February 2023	Letter of Credit Margin
Monetary Funds	54,350.71	0.0004%	June to September 2022	Performance Bond
Monetary Funds	24,000.00	0.0002%	Apply for truck ETC card business to cancel the card	Truck ETC Card Deposit
Total	30,364,199.79	0.230%		

VI. Analysis of investment status

1. Overall situation

☒ Applicable ☐ Not applicable

Reporting period investment amount (yuan)	Investment amount in the same period of the previous year (yuan)	Change range
212,996,735.35	306,603,207.69	-30.53%

2. Significant equity investments acquired during the reporting period

☐ Applicable ☒ Not applicable

3. Significant non-equity investments in progress during the reporting period

☒ Applicable ☐ Not applicable

Unit: Yuan

Project Name	Investment Method	Whether it is a fixed asset investment	Investment projects involve Industry	Amount of input in the current reporting period	Cumulative actual investment as of the end of the reporting period Amount	Funding Sources	Project Progress	Expected collection Benefit	Cumulative realized revenue as of the end of the reporting period Benefit	Failure to meet planned progress and projected earnings The reason for	Date of Disclosure (e.g. (Yes))	Disclosure Index (e.g. (Yes))
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Gas pipeline from Fuxian to Yichuan Engineering	self-built	Yes	Gas production and supply should work	37,252.012.37	460,025.868.81	Own	60.43 %	0.00	0.00	Under construction		
Fu County Ganquan outbound natural gas pipeline work Program	self-built	Yes	Gas production and supply industry	13,669.734.11	15,949,892.77	Own	19.46 %	0.00	0.00	Under construction		
Natural gas city gas in Wuqi County Chemical engineering	self-built	Yes	Gas production and supply should work	11,672.678.80	60,173,306.19	Own	71.54 %	0.00	0.00	Partially completed		
Yulin Jingbian gas pressure station expansion Engineering	self-built	Yes	Gas production and supply should work	6,773,705.91	91,740,875.96	Own	70.42 %	0.00	0.00	Under construction		
Zero port to Weinan sub-transmission station branch Line Items	self-built	Yes	Gas production and supply should work	6,116,166.46	14,356,364.23	Own	104.64 %	0.00	0.00	Under construction		
Shandan Industrial Park natural gas station	self-built	Yes	Gas production and supply	4,743,009.18	44,757,039.78	Own	74.60 %	0.00	0.00	Partially completed		

construction project Table of Contents			industry									
Shangnan County natural gas utilization workers Project	self-built	Yes	Gas production and supply should work	4,721,998.79	19,178,055.01	Own	13.05 %	0.00	0.00	Partially completed		
Shangluo-Shannan gas transmission pipeline Engineering	self-built	Yes	Gas production and supply should work	4,296,458.58	197,109,923.61	Own	61.20 %	0.00	0.00	Partially completed		
Mei County Economic and Technological Development Zone natural gas comprehensive Use Engineering	self-built	Yes	Gas production and supply industry	3,744,950.83	15,600,056.98	Own	34.88 %	0.00	0.00	Partially completed		
Gas supply line from Yangquan valve room to Yanenghua Engineering	self-built	Yes	Gas production and supply industry	3,741,794.12	51,173,763.46	Own	60.93 %	0.00	0.00	Under construction		

Total	--	--	--	96,732. 509.15	970,065. 146.80	--	--	0.0 0	0.00	--	--	--
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4、Investment in financial assets

(1) Portfolio Investment Status

☐ Applicable ☒ Not applicable

The Company had no investments in securities during the reporting period.

(2) Derivatives Investment

☐ Applicable ☒ Not applicable

The Company had no derivative investments during the reporting period.

5. Use of proceeds

☐ Applicable ☒ Not applicable

The Company has no use of funds raised during the reporting period.

VII. Material assets and equity sales

1. Sale of significant assets

☐ Applicable ☒ Not applicable

The Company did not sell any significant assets during the reporting period.

2. Sale of significant equity interests

☒ Applicable ☐ Not applicable

Counter party	Equity interests sold	Sell Day	Trading Price (million yuan)	Net profit contributed by the equity interest to the listed company from the beginning of the period to the date of sale (Million \$)	Impact of the sale on the company	Percentage of net profit contributed to the listed company from equity sales to total net profit	Equity Sale Pricing Principles	Whether it is a related transaction	Affiliation with counterparties	Whether the equity interests involved have been fully transferred	Whether the implementation is on schedule as planned, and if not, the reasons and measures taken by the company to implement the plan	Date of Disclosure	Disclosure Index
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Xianyang Natural Gas Co.	Xianyang Xinke Energy Co. 40% shares Right	2022 Year 01 25 May	1,609.97	122.1	This equity sale optimizes the Company's pipeline network layout in Xianyang, and the overall benefit is expected to be better than the original effective benefit of Xianyang Xinke and Xianyang Gas, and has no impact on the Company's business continuity. Impact.	0.19%	Appraised value of net assets of Xianyang Xinke Energy Company Limited under the base date	No	No	Yes	Yes		
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VIII. Analysis of major holding and equity participation companies

☒ Applicable ☐ Not applicable

Major subsidiaries and participating companies with an impact of 10% or more on the Company's net profit

Unit: Yuan

Company Name	Company Type	Main business	Registered Capital	Total Assets	Net Assets	Operating income	Operating profit	Net Profit
Shaanxi City Gas Industry Development Co. Company	Subsidiaries	Gas production and supply industry	351,920,000 Yuan	1,689,192,607.69	772,270,274.65	725,403,571.36	111,898,507.52	92,547,635.54
Hanzhong City Natural Gas Investment and Development Co. Company	Subsidiaries	Gas production and supply industry	10,000,000 Yuan	386,277,498.28	32,779,909.26	104,159,987.82	8,387,870.99	8,305,523.67
Shangluo City Natural Gas Co. Company	Subsidiaries	Gas production and supply industry	142.25 million Yuan	409,145,860.90	251,720,884.82	104,934,717.37	3,900,180.34	3,265,137.36
Weinan Natural Gas Co. Company	Subsidiaries	Gas production and supply industry	32 million yuan	399,422,665.74	148,357,437.70	238,678,645.95	20,861,313.73	17,483,103.77
Bluefield County natural gas-fired Ltd.	Subsidiaries	Gas production and supply industry	44.01 million yuan	135,861,234.78	47,465,723.77	32,732,461.05	1,251,175.78	1,183,637.60
Yanan natural gas pipeline has Limited company	Subsidiaries	Gas production and supply industry	20,000,000 Yuan	117,061,924.30	105,742,659.80	7,215,515.65	4,406,945.82	3,587,252.06
Xianyang Natural Gas Co. Company	Participating companies	Gas production and supply industry	10,000,000 Yuan	4,074,297,206.72	634,872,356.05	554,701,372.17	12,787,417.04	11,075,073.23
Shaanxi LNG Investment and Development has Limited company	Participating companies	Gas production and supply industry	76,5 million Yuan	2,836,855,496.57	711,104,400.48	1,141,171,212.54	98,358,113.39	98,358,113.39

Acquisition and disposal of subsidiaries during the reporting period

☐ Applicable ☒ Not applicable

Description of major holding and equity participation companies

The registered capital of each of the above companies is filled in according to the data of business license of industrial and commercial registration.

IX. Information on structured subjects controlled by the company

☐ Applicable ☒ Not applicable

X. Risks faced by the company and countermeasures

1. Risk of reliance on primary gas supplier

The Company's natural gas suppliers are still mainly CNPC Changqing Oilfield and Yanchang Oil, and its dependence on major upstream suppliers such as Changqing Oilfield still exists. If the supply from upstream suppliers is significantly reduced, prices change or other force majeure factors occur, resulting in the normal supply of natural gas not being available in accordance with the contract, it may have an impact on the Company's operating business.

The company will continue to strive for resources, consolidate old resources, explore new resources and realize multiple resources, and solidify the basis of multi-point and multi-class resource allocation with **"gas sources in** northern Shaanxi Province as the main source, national transit pipeline gas sources as a supplement, and gas sources outside the province as a complement**" in** accordance with the goal of **"consolidating old resources, exploring new resources and realizing multiple resources"**. Continuously promote the construction of interconnection projects, realize the multi-path download of gas sources, and enhance the capacity of resource supply guarantee.

2. Risk of increased market competition from industry system reform

In recent years, the CPC Central Committee and the State Council have issued reform documents such as "Several Opinions on Deepening the Reform of the Oil and Gas System", which require further promotion of the independence of trunk pipelines of state-owned oil and gas enterprises, the realization of the separation of pipeline transmission and sales, the improvement of fair access mechanisms to oil and gas pipeline networks, and the fair opening of oil and gas trunk pipelines, intra-provincial and inter-provincial pipeline networks to third-party market entities. The natural gas market is becoming increasingly competitive and downstream users can independently select resources and gas supply branches, which may result in the risk of loss of the Company's users.

In accordance with the oil and gas reform policy, the Company will gradually change from the responsibility of resource allocation to the responsibility of providing high-quality pipeline services. The company will actively adjust its business strategy, change its business philosophy, adhere to the direction of specialized, market-oriented and differentiated development with the advantage of the pipeline network, and continuously improve its service guarantee capability and market competitiveness. At the same time, it will rely on science and technology and management to seek the road of intensive development, especially to make active responses and deployments in the areas of pipe network planning and construction, pipe capacity allocation, pipe network balance, safe operation and information disclosure, which affect the effectiveness of pipe network.

3. Risk of natural gas pipeline price adjustment

According to the Measures for Monitoring the Cost of Natural Gas Pipeline Transportation Pricing (for Trial Implementation), the Cost Investigation and Supervision Bureau of Shaanxi Province will conduct cost monitoring of the Company's long-distance pipeline network business every three years, which will have a certain impact on the Company's profit in the short term if the pipeline transportation price is reduced in the future.

The adjustment of pipeline price is conducive to mobilizing customers' gas consumption, releasing their gas demand and increasing sales volume. Combined with the general trend of positive development of the natural gas industry and benefited from the economy of scale effect, the Company will further open up the resource raising path in the future, and while continuing to optimize the existing purchase, sale and transmission model, explore the implementation of other various sales models to strengthen the sales business and improve the Company's operating efficiency.

XI. Registration form for receiving research, communication, interviews and other activities during the reporting period

☒ Applicable ☐ Not applicable

Reception time	Reception Location	Reception	Reception Type	Reception	The main content of the talk and the information provided	The basic situation of the research Status Index
May 2022 06 Day	Conference Room on the 12th Floor of the Company, Investor Relations Interactive	Other	Other	All investors who participated in the online results presentation	Shaanxi Gas 2021 annual results online presentation, including development strategy, market acquisitions, reasons for growth, asset injection, and investment and	Juchao Information Network

	Platform** on Panorama.com				financing plans etc.	
May 2022 13th	Conference Room on the 12th Floor of the Company, **Investor Relations Interactive Platform** on Panorama.com	Other	Other	All investors who participated in the online results presentation	2022 Collective Reception Day for Investors of Listed Companies in Shaanxi Jurisdiction and 2021 Annual Results Presentation, which mainly covers the reasons for the growth of results, the operation of the company, the Development planning, dividends, etc.	Jucha o Inform ation Networ k
June 2022 29th	Company meeting room on the 14th floor	Field Research	Institution	Dongguan Securities	The company's production and operation, strategic development, investment and financing plans, changes in natural gas prices, and research projects Progress, etc.	Jucha o Inform ation Networ k

Section IV Corporate Governance

I. Information on the annual general meeting and extraordinary general meeting held during the reporting period

1. Shareholders' meeting during the reporting period

Sessions	Conference Type	Investor participation ratio	Date	Date of Disclosure	Conference Resolutions
First Extraordinary General Meeting of Shareholders in 2022	Extraordinary General Meeting of Shareholders	64.76%	April 08, 2022 Day	April 09, 2022 Day	Juchao Information Network: Announcement of Resolutions of the First Extraordinary General Meeting of Shareholders in 2022 (Announcement number: 2022-007)
2021 Annual General Meeting of Shareholders	Annual General Meeting of Shareholders	65.21%	May 13, 2022 Day	05/14/2022 Day	Juchao Information Network: Announcement of Resolutions of the 2021 Annual General Meeting of Shareholders (Announcement) (Number: 2022-022)
Second Extraordinary General Meeting of Shareholders 2022	Extraordinary General Meeting of Shareholders	65.01%	July 20, 2022 Day	2022 Jul 21 Day	Juchao Information Network: Announcement of Resolutions of the Second Extraordinary General Meeting of Shareholders in 2022 (Announcement number: 2022-029)

2. Preferred shareholders whose voting rights have been restored request an Extraordinary General Meeting of Shareholders

☐ Applicable ☒ Not applicable

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

☐ Applicable ☒ Not applicable

There were no changes in the directors, supervisors and senior management of the Company during the reporting period, which can be found in the 2021 Annual Report.

III. Profit distribution and capitalisation of capital reserves for the reporting period

☒ Applicable ☐ Not applicable

Number of bonus shares per 10 shares (shares)	0
Number of dividends per 10 shares (yuan) (tax included)	3.00
Share capital base of the distribution proposal (shares)	1,112,075,445
Amount of cash dividends (yuan) (tax included)	333,622,633.50
Amount of cash dividends by other means (e.g. share repurchase) (yuan)	0.00
Total cash dividends (including other methods) (yuan)	333,622,633.50
Distributable profit (yuan)	3,275,506,372.03
Total cash dividends (including other methods) as a percentage of total profit distribution	100%
The current cash dividend	
If the development stage of the company is mature and there is no major capital expenditure arrangement, the minimum proportion of cash dividends in the profit distribution should be 80%.	

IV. Implementation of the company's equity incentive plan, employee stock ownership plan or other employee incentive measures

☐ Applicable ☒ Not applicable

The Company has no share incentive plan, employee stock ownership plan or other employee incentive measures and their implementation during the reporting period.

Section V. Environmental and Social Responsibility

I. Major environmental issues

Whether the listed company and its subsidiaries are among the key emission units announced by the environmental protection authorities

☐Yes ☒No

Administrative penalties imposed for environmental issues during the reporting period

Company or subsidiary name	Reasons for Penalty	Violation situation	Penalty Results	Production for listed companies Impact of operation	Corrective measures of the company
Not applicable	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable

Other environmental information disclosed with reference to key emission units

During the reporting period, the Company and its subsidiaries were not subject to administrative penalties for environmental issues.

Measures taken to reduce its carbon emissions during the reporting period and their effectiveness

☒ Applicable ☐ Not applicable

The company has passed the ISO14001 environmental management system certification and has continuously established and improved various environmental protection systems; strictly implemented the “three simultaneous” system for environmental protection of construction projects; conducted annual environmental monitoring to ensure that all environmental protection indicators meet the standards. Through the optimization of gas pipeline network operation, we reduce the amount of natural gas released before operation and effectively reduce carbon emissions; we put the concept of “three whole” safety ecosystem into the whole process of ecological protection and high-quality development, and firmly follow the modernization road of ecological priority and green development.

The company is committed to achieving zero environmental pollution, reducing pollution and carbon emissions, resolutely fighting the three major battles of blue sky, blue water and clean soil, and promoting the company's low-carbon, green and high-quality development.

Reasons for not disclosing other environmental information

The Company and its subsidiaries are not among the key emission units announced by the environmental protection authorities and have not been subject to administrative penalties for environmental issues, so there is no need to disclose other environmental information.

Second, social responsibility situation

During the reporting period, the Company actively undertook social responsibilities, actively rewarded shareholders, treated suppliers and customers in good faith, protected the legitimate rights and interests of employees, insisted on the equal importance of economic and social benefits, and strived to achieve the common development of the Company, shareholders, employees and society.

1. Continuously rewarding shareholders

Relying on the capital market, the Company has been steadily improving its comprehensive strength under the correct leadership of the Board of Directors and the support of the shareholders. The Company adheres to a stable dividend distribution policy and continues to reward investors. During the reporting period, the Company implemented the cash dividend for the year 2021 in accordance with the distribution of RMB3 per 10 shares, guiding value investment with sustainable returns and fully respecting and protecting the rights and interests of investors at large. In May 2022, the China Listed Companies Association released the list of cash dividends for A-share listed companies, and the Company was ranked on the **"List of sincere returns for listed companies"**. Its ability of value creation and value distribution has been affirmed by the market.

2. Deepen investor relationship management

The Company has always kept in mind the original intention of **"going public"** and deepened investor relations management. We will formulate and disclose the investor relations management plan for 2022 and provide timely information to investors.

To deliver the company's information and provide high-quality services to investors through Q&A on the SZSE interactive platform and reception of investor research. The Company held the 2021 Annual Net The Company also participated in the 2022 Group Reception Day for Investors of Listed Companies in Shaanxi Province and had in-depth communication with investors on hot issues such as the Company's operation and future development strategies to enhance investors' participation and recognition of the Company. An investor relations column was set up on the Company's website, and important information such as the Company's announcements and interactive platform were updated simultaneously on the Company's website for the convenience of investors. In addition, the Company actively carries out investor protection work and organizes investment education activities such as **"2022 Publicity Month for Preventing Illegal Securities and Futures"** and **"5-15 National Investor Protection Publicity Day"** to do a good job of investor education and protection and publicity in all aspects and maintain the sustainable and healthy development of the capital market. To maintain the sustainable and healthy development of the capital market.

3. Safeguarding the legal rights of employees

The company adheres to the people-oriented approach, takes the solution of the most concerned, direct and realistic interests of the workers as the fundamental starting and ending point, and strives to build harmonious labor relations. The company actively broadens the channels of democratic management and protects the legitimate rights and interests of workers; it uses the contact platform such as suggestion and suggestion and the reception day of the union chairman to guide workers to express their demands reasonably and legally. Innovative warm-hearted service initiatives, investigation and mapping of the difficulties of employees' families, timely assistance to employees' applications for assistance in difficulties; facing the occasional rebound of the new crown epidemic, in-depth sympathy to the front-line epidemic prevention and control staff and the families of employees affected by the epidemic. We held lectures on mental health knowledge to provide psychological guidance services for front-line workers and workers affected by the epidemic; and carried out health checkups for workers during the epidemic prevention and control period in a steady and orderly manner to support the "health umbrella" for workers.

4. Establishing good customer relations

The company insists on the business philosophy of honesty and law-abiding, strictly regulates the operation and operation, safeguards the legitimate rights and interests of upstream suppliers and downstream customers, accurately provides one-to-one, one-to-many, many-to-one and many-to-many gas supply services, establishes long-term good cooperative relationships with suppliers and customers, wins the respect and trust of partners, and provides a strong driving force for the development of the enterprise.

5. Fulfillment of the responsibility to protect the supply

The company actively responded to the occasional rebound of the epidemic, frequent temperature fluctuations and other adverse effects, by strengthening "monthly planning, weekly balancing, daily scheduling" operation management, strengthening the synergy of upstream, midstream and downstream linkage, effectively responding to the province's rounds of rain, snow and cooling weather, no "gas shortage" and other The company successfully completed the task of ensuring the supply of people's livelihood by strengthening the monthly planning, weekly balancing and daily scheduling.

6. Consolidate and expand the results of poverty alleviation and rural revitalization effective linkage

(1) As for the rural revitalization of Hanjiaqi Village in Qingjian County, we cooperated with the forestry department of Qingjian County to carry out greening projects and implement greening projects for the village; organized poverty alleviation files and materials, and did a good job of dynamic monitoring to prevent poverty return.

(2) Yanchuan County industrial poverty alleviation, rural safe drinking water and safe housing survey, dangerous house renovation and crop freezing and drought and flood control; carry out regular household visits to households out of poverty to check, prevent return to poverty dynamic detection and monthly income accounting; donate food and epidemic prevention materials to the village during the epidemic.

(3) In terms of rural revitalization in Baishui County, we have invested 310,000 yuan in helping the village; the broiler farm has solved more than 20 village laborers; we have assisted the village committee to do a good job of entering information on the land transfer of more than 800 mu of photovoltaic land and declaring the 500 square square self-use power generation project of the new "Yao Ke Village Party Group Service Center".

(4) In terms of consumption poverty alleviation, in accordance with the policy requirements of the provincial federation of trade unions, in the collective welfare of employees, "sending cool" and other condolence activities, consumption poverty alleviation totaled 474,400 yuan, completing 52.75% of the annual consumption poverty alleviation target, helping poor people to increase income and get rid of poverty.

Section 6 Important Matters

I. Commitments by the actual controller, shareholders, related parties, acquirers and other parties related to the Company that have been fulfilled during the reporting period and those that have been overdue as of the end of the reporting period

☐ Applicable ☒ Not applicable

During the reporting period, there were no commitments fulfilled by the actual controller, shareholders, related parties, acquirers and the Company and other parties related to the commitments during the reporting period and overdue as of the end of the reporting period.

II. Non-operating appropriation of funds by controlling shareholders and other related parties to the listed company

☐ Applicable ☒ Not applicable

There was no non-operating appropriation of funds from controlling shareholders and other related parties to the listed company during the reporting period.

III. Non-compliance with external guarantees

☐ Applicable ☒ Not applicable

The Company has no irregularities in external guarantees during the reporting period.

IV. Appointment and dismissal of accounting firm

Whether the semi-annual financial report has been audited

☐ Yes ☒ No

The company's semi-annual report is unaudited.

V. Explanation by the Board of Directors and the Supervisory Committee on the "non-standard audit report" of the accounting firm for the current reporting period

☐ Applicable ☒ Not applicable

VI. Explanation of the Board of Directors on the "Non-standard Audit Report" of the previous year

☐ Applicable ☒ Not applicable

VII. Bankruptcy reorganization-related matters

☐ Applicable ☒ Not applicable

There were no matters related to bankruptcy reorganization during the reporting period.

VIII. Litigation Matters

Material Litigation and Arbitration Matters

☐ Applicable ☒ Not applicable

There were no significant litigation or arbitration matters in this reporting period. Other litigation matters

☒ Applicable ☐ Not applicable

Basic information on litigation (arbitration)	Amount involved (million yuan)	Whether to form a project ion Liabilities	Litigation (Arbitration) Progress	Outcome and impact of litigation (arbitration) hearings	Enforcement of litigation (arbitration) judgments	Date of Disclosure	Disclosure Index
Sinopec Shengli Oil Construction Engineering Co., Ltd. sued the Company for the payment of the project amount 12,524,501.06 in respect of the first section of the third phase of the Jingxi Line Yuan.	1,252.45	No	1. As of now, no trial has been held.	/	/		/
Sinopec Shengli Oil Construction Engineering Co., Ltd. sued the Company for payment of RMB19,576,894.43 for the project of Hanan Line and Zhonggui Liaison Line (Mianxian to Kangxian Section) and interest.	2,042.8	No	1. As of now, no trial has been held.	/	/		/
Sinopec Shengli Oil Construction Engineering Co., Ltd. applied for an order to pay the principal amount of RMB52 million and overdue interest for the Guanzhong Ring Line Gas Storage and	5,406.23	No	On June 18, 2021, the Company applied for a stay of arbitration because the criminal part of the case had not yet been determined, and the Xi'an Arbitration Commission ruled against it. 2. December 10, 2021 On May 17, 2022, the Arbitration Commission of Xi'an held a hearing on the case and accepted the Company's counter-claim for arbitration on the quality of the project.3. In April 2022, the Company added a counter-claim, requesting for an award to Victory Oil Construction to increase	/	/	2022 Year 04 December Day	2021 Annual Report

Peaking Pipeline Peaking Project.			the amount of overpayment for the project and interest. 4. On May 17, 2022, the Arbitration Commission organized the parties to exchange evidence. 5. In June 2022, the Company filed a counterclaim for the cost of rectification of the hidden danger of Cut Ear Zhuang, requesting the award of the rectification cost and interest to Shengli Oil Construction. As of So far, no ruling has been made.				
Sinopec Shengli Oil Construction Engineering Co., Ltd. applied for an order to pay the principal amount of RMB18.37 million and overdue interest for the project of Yangling Branch Line of Guanzhong Ring Road.	2,143.44	No	On June 18, 2021, the Company applied for a stay of arbitration because the criminal part of the case had not yet been determined, and the Xi'an Arbitration Commission ruled against it. 2. December 10, 2021 On May 17, 2022, the Xi'an Arbitration Commission held a hearing on the case and accepted the Company's counter-claim for arbitration on the quality of the project. 3. The Arbitration Commission organized the exchange of evidence between the two parties on Sunday. As of now, no ruling has been made Decision.	/	/	2022 Year 04 December Day	2021 Annual Report
In May 2012, the Company entered into an agreement with five parties, including Golden Flower Investment Holding Group Co. The Cooperation Agreement stipulates the	932.97	No	1. On April 9, 2021, the Yanta District Court held a hearing on this case. 2. On November 19, 2021, the Yanta District Court ruled in the first instance that it supported part of the Company's claim and ordered Golden Flower Holdings to pay the Company RMB9,459,327.5 for breach of contract, and	1. Golden Flower Holding Company paid the Company's liquidated damages 9,459,327.5 Yuan.	/	2022 Year 04 December Day	2021 Annual Report

establishment of Shaanxi LNG Investment and Development Ltd. As of			Bear the litigation costs. Golden Flower Holdings Inc.				
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In December 2020, Jinhua Investment Holding Group Co., Ltd. still owed RMB 29.4 million in unpaid capital contributions, and in order to protect the legitimate rights and interests of the company, the company filed a lawsuit with Yanta Court. Complaint.			On March 29, 2022, the Xi'an Intermediate Court held a hearing on the case. 4. On August 2, 2022, the Xi'an Intermediate Court ruled in the second instance and upheld the original decision.				
Mianxian Yuxin Mining Plant sued the Company for RMB8,419,300 for property damage in relation to the Hanan-Zhonggui Liaison Line Gas Transmission Pipeline (Mianxian to Ankang) project line overlapping its dolomite mining area.	841.93	No	On January 3, 2020, the Mian County Court organized the judicial appraisal. On July 13, 2020, the court of Mianxian County organized the examination of the mineral overburden report submitted by Yuxin Mining Plant. 3. March 31, 2021, the court of Mianxian County held a hearing on the case. 4. On June 2, 2021, the Mian County Court ruled in the first instance and supported part of the claim of Yuxin Mining Plant. Both the Company and Yuxin Mining Plant appealed. 5. On November 16, 2021, the case was heard in the Hanzhong Central Court. 6. On December 22, 2021, the Hanzhong Central Court ruled in the second instance that the appeals of the Company and Yuxin Mining Plant were rejected and the original judgment was upheld. On July 29, 2022, the Shaanxi Provincial High Court ruled to reject The company applied for a retrial.	1. The Company compensated Yuxin Mining Plant for the loss of mineral resources in the amount of \$539,250. 2. The Company compensated for the loss of roads and buildings of Yuxin Mining Plant 3,945,429.65 3. The Company compensated Yuxin Mining Plant for the loss of equipment and vehicles. 4. The Company compensated Yuxin Mining Plant for the loss of interest 6,459,164.75 Yuan.	The company is in the process of implementing the court decision.	2022 Year 04 December Day	2021 Annual Report

Hanzhong Hengzheng Modern Agricultural Comprehensive Development Co., Ltd. sued the Company for compensation for property losses, provisionally amounting to RMB30 million, in respect of the overburden of its shale mining area and the lead-zinc mining area of Mianxian Tianze Mining Development Co.	3,000	No	1. Hanzhong Central Court in 2019, respectively May 5, February 2, 2021 On April 26, 2021, the Hanzhong Central Court held a first trial and rejected the claim of Hanzhong Hengzheng Company, and Hanzhong Hengzheng Company appealed. 3. On September 17, 2021, the Shaanxi Provincial High Court heard the case. 4. On October 21, 2021, the Shaanxi Provincial High Court ruled to remand the case for retrial. On June 20, 2022, the Hanzhong Central Court held a pre-trial conference. As of So far, no verdict has been rendered.	/	/	2022 Year 04 December Day	2021 Annual Report
The Company entered into the Natural Gas Purchase and Sales Contract with West Blue Company year by year, and West Blue Company has entered into the Natural Gas Purchase and Sales Contract since 2015. Late June to October 30, 2017 The Company failed to pay the full amount of gas payment as agreed during the period from May to December 2017. The Company filed arbitration and litigation with the Xi'an Arbitration Commission and the Xi'an	13,808	No	For the period June 2015 to 2017 The Xi'an Arbitration Commission, the Xi'an Intermediate Court and the Shaanxi High Court issued awards and judgments respectively on the liability for contractual breach of contract during October of 2009.	According to the ruling and judgment, West Blue shall pay the Company the following amount for the year 6, 2015 Months to 2017 The principal amount of the gas payment and the default amount of \$138.08 million during October.	1. As of the end of the reporting period, West Blue had repaid the Company a total of 909.45 million Yuan. West Blue failed to comply with the effective judgment, and the Company issued the judgment on March 2018, respectively. In July and July, they applied to the Xi'an Central Court for enforcement, and provided the court with information about	2022 Year 04 December Day	2021 Annual Report

Intermediate Court in May and December 2017, respectively, demanding West Blue to pay the Company the contracted amount of Gas payment and liquidated damages.					the property of Xi Lan in accordance with the law, which is still in progress. Enforcement in progress.		
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					2. In response to the risk that West Blue has not made repayment, the Company has provided for bad debts of West Blue's accounts receivable, totaling 102,989,200 Yuan.		
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The total number of other lawsuits is 4.	170.6	No	<p>Item 1: Sinopec Shengli Oil Construction Engineering Co., Ltd. filed a claim against the Company for the payment of warranty deposit of RMB 294,797.53 and interest in respect of the Jingxi Line 1 Valve Room Modification Sub-transmission Station Project (Luochuan). On June 20, 2022, the Luochuan County Court held a hearing on the case. On June 29, 2022, the Luochuan County Court ruled in the first instance in favor of part of Shengli Oil Construction's claim. The company appealed. As of today, no court hearing has been held.</p> <p>Item 2: Sinopec Shengli Oil Construction Engineering Co., Ltd. sued the Company for payment of \$1 million (provisional estimate) in arrears for the Yulian Refinery Reverse Transmission Improvement Project and interest of \$48,680.56 (provisional estimate), total provisional estimate of \$1,048,680.56. 2022 On July 4, the People's Court of Jingbian County organized a cross-examination. As of now, no verdict has been made.</p> <p>Item 3: The Company, as the applicant 1 labor dispute arbitration involving 2.16 million On July 13, 2022, the Xi'an Municipal Labor Arbitration Commission, Jingkai Branch Court ruled to reject the claimant's entire arbitration claim. Request.</p> <p>Item 4: Ankang Shunkang Gas Storage Co., Ltd. on the Ankang</p>	<p>Item 1: None. Item 2: None. Item 3: The claimant's request for arbitration is rejected in its entirety. Item 4: Darui paid the natural gas advance of Ankang Shunkang Gas Storage Co. City Fuel is not responsible for the interest.</p>	/	
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			<p>Shunkang high-speed passenger bus station station operations limited liability company and Dairui cooperation during the operation of natural gas filling stations (October 26, 2015 to (October 29, 2015) for the natural gas advance it made to City Fuel, and requested Dairui to return the amount of \$264,924 of gas and bear the costs of litigation. On June 13, 2022, the People's Court of Hanbin District, Ankang City, held the first instance hearing. on June 30, 2022, the personnel of Hanbin District, Ankang City, held the first instance hearing. The court ruled in the first instance.</p>				
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IX. Punishment and rectification

☐ Applicable ☒ Not applicable

X. Integrity of the company and its controlling shareholders and actual controllers

☐ Applicable ☒ Not applicable

XI. Significant connected transactions

1. Related transactions related to daily operations

☒ Applicable ☐ Not applicable

Related parties	Affiliations	Type of connected transactions	Content of connected transactions	Pricing Principles for Connected Transactions	Related Transaction Price	Amount of connected transactions (Million \$)	of the amount of similar transactions Proportion	Amount of approved transactions (million yuan)	Whether the approved amount is exceeded	Settlement of connected transactions	Similar deals available Market Price	Date of Disclosure	Disclosure Index
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Shaanxi Yanchang Oil (Group) Limited Liability Company	Holding 52.45% of the Company's controlling shareholder of equity	Purchase of goods	Purchase of natural gas	The price of residential and non- residential gas will be negotiated under the guidance of government documents; the price of additional gas outside the contract will be executed according to the highest price of the current online auction of CNPC, and if the auction is not sold in the current period, the price of peak volume within the contract will be executed according to the principle of the higher price instead of the lower price; if	Government pricing, market pricing	193,160	47.07%	223,691	No	In principle, according to the 10-day advance payment, 7 days before billing way to perform	Negotiated Pricing	2022 Year 03 11, 2022 Year 07 05th	2022 Announcement of Estimated Daily Connected Transactions for the Year (Announcement number: 2022-004) The "Adjustment of the 2022 Announcement of Estimated Daily Connected Transactions in 2012 (Announcement number: 2022-026)
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				there is no auction in the current period, the price of peak volume within the contract will be executed ; the price of other types of gas will be executed by the market. Pricing.									
Shanxi Gas Group Co.	Controlling shareholders of the company	Purchase of goods	Purchase of natural gas	Negotiated Pricing	Negotiated Pricing	0	/	65,839	No	In principle, according to the 10-day advance Pay, 7	Negotiated Pricing	2022 Year 07 05th	About the adjustment of the 2022 Daily Affiliated Transactions Easy to anticipate

										Day one billin g met hod impl eme ntati on line			Announc ement (Anno uncem ent numbe r: 2022- 026)
Sha anxi Prov ince Petr och emic al Indu stry Trad ing Co.	The compa ny's control ling shareh older holds 52.45% of the compa ny's control ling shareh older of equity	Purc has e of goo ds	Purc has e of refin ed oil	Negotiated Pricing	Neg otiat ed Prici ng	87	/	107	No	Mon thly prep aym ent, mon thly billin g	Neg otiat ed Prici ng	2022 Year 07 05th	About the adjust ment of the 2022 Annou nceme nt of Estima ted Daily Conne cted Transa ctions in 2012 (Anno uncem ent numbe r: 2022- 026)
Sha anxi LNG Inve stm ent and Dev elop men t Co.	Same parent compa ny	Purc has e of goo ds	Buy LNG Pea king gas	Market Pricing	Mar ket Prici ng	0	/	435	No	In princi ple, accor ding to the 10- day advan ce Pay, 7 days a billin g way to perfor	Mar ket Prici ng	2022 Year 03 11, 2022 Year 07 05th	2022 Annou nceme nt of Estima ted Daily Conne cted Transa ctions for the Year (Anno uncem ent numbe r: 2022- 004) ; "About the

										m			adjust ment of the 2022 Annou nceme nt of Estima ted Daily Conne cted Transa ctions in 2012 (Anno uncem ent numbe r: 2022- 026)
Ton gch uan Natu ral Gas Co.	Same parent compa ny	Sale s of goo ds	Sale s of natur al gas	The price of gas is based on the purchase gate price plus the pipeline fee, and the pipeline fee is fixed by the governm ent.	Gov ern men t Prici ng	18,46 0	3.53 %	20,177	No	In princi ple, accor ding to the 10- day adva nce Pay, 7 days a billi ng way to perfor m	Gov ern men t Prici ng	2022 Year 03 11, 2022 Year 07 05th	2022 Annou nceme nt of Estima ted Daily Conne cted Transa ctions for the Year (Anno uncem ent numbe r: 2022- 004) ; "About the adjust ment of the 2022 Annou nceme nt of Estima ted Daily Conne cted Transa

													ctions in 2012 (Anno uncem ent numbe r: 2022- 026)
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Shaanxi Xinghua Group Co.	The company's controlling shareholder holds 52.45% of the company's controlling shareholding of equity	Sales of goods	Sales of natural gas	The price of gas is based on the purchase gate price plus the pipeline fee, and the pipeline fee is set by the government.	Government Pricing	1,925	0.37 %	3,562	No	In principle, according to the 10-day advance Pay, 7 days a billing way to perform	Government Pricing	2022 Year 03 11, 2022 Year 07 05th	2022 Announcement of Estimated Daily Connected Transactions for the Year (Announcement number: 2022-004) ; "About the adjustment of the 2022 Announcement of Estimated Daily Connected Transactions in 2012 (Announcement number: 2022-026)
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Shanxi Yanchang Petro- leum Logis- tics Group Co., Ltd. Packag- ing Products Branch	The company's indirect controlling shareholder holds 52.45% of the company's controlling shareholder of equity	Sales of goods	Sales of natural gas	The price of gas is based on the purchase gate price plus the pipeline fee, and the pipeline fee is fixed by the government.	Government Pricing	23	0.00 %	24	No	In principle, according to the 10-day advance Pay, 7 days a billing way to perform	Government Pricing	2022 Year 03 11, 2022 Year 07 05th	2022 Announcement of Estimated Daily Connected Transactions for the Year (Announcement number: 2022- 004) ; "About the adjustment of the 2022 Announcement of Estimated Daily Connected Transactions in 2012 (Announcement number: 2022- 026)
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Shaanxi Gas Group New Energy Development Co. and its holding subsidiaries	Same parent company	Sales of goods	Sales of natural gas	The price of gas is based on the purchase gate price plus the pipeline fee, and the pipeline fee is fixed by the government.	Government Pricing	0	/	97	No	In principle, according to the 10-day advance Pay, 7 days a billing way to perform	Government Pricing	2022 Year 03 11, 2022 Year 07 05th	2022 Announcement of Estimated Daily Connected Transactions for the Year (Announcement number: 2022-004) The "Adjustment of the 2022 Daily Affiliated Transactions Easy to anticipate"
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													Announcement (Announcement number: 2022-026)
Yan chang Oilfield Co.	The company's controlling shareholder holds 52.45% of the company's controlling shareholder of equity	Sale s of goods	Sale s of natural gas	The price of gas is based on the purchase gate price plus the pipeline fee, and the pipeline fee is fixed by the government.	Gov ern men t Pric ing	340	0.07 %	661	No	In princi ple, accor ding to the 10- day advance Pay, 7 days a billing way to perform	Gov ern men t Pric ing	2022 Year 03 11, 2022 Year 07 05th	2022 Annou nceme nt of Estima ted Daily Conne cted Transa ctions for the Year (Anno uncem ent numbe r: 2022- 004) ; "About the adjust ment of the 2022 Annou nceme nt of Estima ted Daily Conne cted Transa ctions in 2012 (Anno uncem ent numbe r: 2022- 026)

Shanxi Yan Chang Petroleum Group Fluorosilicon Chemical Co.	The company's indirect controlling shareholder holds 52.45% of the company's controlling shareholder of equity	Sales of goods	Sales of natural gas	Cost-plus negotiated pricing	Cost-plus negotiated pricing	1,166	0.22 %	2,876	No	In principle, according to the 10-day advance Pay, 7 days a settlement method implementation	Cost-plus negotiated pricing	2022 Year 03 11, 2022 Year 07 05th	2022 Announcement of Estimated Daily Connected Transactions for the Year (Announcement number: 2022-004) ; "About the adjustment of the 2022 Announcement of Estimated Daily Connected Transactions in 2012 (Announcement number: 2022-026)
Shanxi Yan Chang Oil (Group) Pipeline Tran	The company's head office holds 52.45% of the company's control	Sales of goods	Sales of natural gas	Cost-plus negotiated pricing	Cost-plus negotiated pricing	85	0.02 %	85	No	Monthly prepayment, monthly billing	Cost-plus negotiated pricing	2022 Year 03 11, 2022 Year 07 05th	2022 Announcement of Estimated Daily Connected Transactions for the Year

spor tatio n Co mpa ny	ling shareh older of equity												(Anno uncem ent numbe r: 2022- 004) The "Off
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													In Adjust ment 2022 Annou nceme nt of Estima ted Daily Conne cted Transa ctions in 2012 (Anno uncem ent numbe r: 2022- 026)
Sha anxi LNG Inve stm ent and Dev elop men t Co.	Same parent compa ny	Sale s of goo ds	Sale s of natur al gas	Cost- plus negotiate d pricing	Cost -plus neg otiat ed prici ng	47,96 8	9.18 %	67,229	No	In princi ple, accor ding to the 10- day advan ce Pay, 7 days a billin g way to perfor m	Cost -plus neg otiat ed prici ng	2022 Year 03 11, 2022 Year 07 05th	2022 Annou nceme nt of Estima ted Daily Conne cted Transa ctions for the Year (Anno uncem ent numbe r: 2022- 004) ; "About the adjust ment of the 2022 Annou nceme nt of Estima ted Daily Conne cted Transa

													ctions in 2012 (Anno uncem ent numbe r: 2022- 026)
Sha anxi Yan cha ng Oil (Gro up) Limit ed Liabi lity Com pan y Yan' an Oil Refi nery	The compa ny's head office holds 52.45% of the compa ny's control ling shareh older of equity	Sale s of goo ds	Sale s of natur al gas	Cost- plus negotiate d pricing	Cost -plus neg otiat ed prici ng	2,580	0.49 %	3,007	No	Mon thly prep aym ent, mon thly billin g	Cost -plus neg otiat ed prici ng	2022 Year 03 11, 2022 Year 07 05th	2022 Annou nceme nt of Estima ted Daily Conne cted Transa ctions for the Year (Anno uncem ent numbe r: 2022- 004) ; "About the adjust ment of the 2022 Annou nceme nt of Estima ted Daily Conne cted Transa ctions in

													2012 (Anno uncem ent numbe r: 2022- 026)
Sha anxi Yan cha ng Chin a Coal Yuli n Ener gy Chem ical	The control ling shareh older of the compa ny holds the control ling shareh older of the compa ny 52.45%	Sale s of goo ds	Sale s of natur al gas	Cost- plus negotiate d pricing	Cost -plus neg otiat ed prici ng	17,37 6	3.33 %	23,041	No	Mon thly prep aym ent, mon thly billin g	Cost -plus neg otiat ed prici ng	2022 Year 03 11, 2022 Year 07	2022 Annual routine related transa ctions are expect ed to be annou nced The Report

Ltd.	of equity											05th	(Anno uncm ent numbe r: 2022-004) ; "About the adjust ment of the 2022 Annou nceme nt of Estima ted Daily Conne cted Transa ctions in 2012 (Anno uncm ent numbe r: 2022-026)
Sha anxi Yan cha ng Oil Fuxi an Pow er Gen erati on Co.	The compa ny's indirec t control ling shareh older holds 52.45% of the compa ny's control ling shareh older of equity	Sale s of goo ds	Sale s of natur al gas	Cost-plus negotiate d pricing	Cost -plus negotiat ed prici ng	69	0.01 %	1,673	No	Mon thly prep aym ent, mon thly billin g	Cost -plus negotiat ed prici ng	2022 Year 07 05th	About the adjust ment of the 2022 Annou nceme nt of Estima ted Daily Conne cted Transa ctions for the Year 2012 (Anno uncm ent numbe r: 2022-026)

Shaanxi Gas Group Transportation Energy Development Co.	Same parent company	Sales of goods	Sales of natural gas	Market Pricing	Market Pricing	8,440	1.62 %	15,839	No	In principle, according to the 10-day advance Pay, 7 days a billing way to perform	Market Pricing	2022 Year 04 28th, 2022 Year 07 05th	The proposal to increase the number of 2022 Announcement of Estimated Daily Connected Transactions for the Year Ended December 31, 2012 (Announcement No. 2022-019); About the adjustment of the 2022 Announcement of Estimated Daily Connected Transactions for the Year Ended December 31, 2012 (Announcement No. 2022-026)
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Shaanxi Gas Group Transportation Energy Development Co.	Same parent company	Sales of goods	Sales of compressed natural gas	Market Pricing	Market Pricing	0	/	1,574	No	In principle, according to the 10-day advance Pay, 7 days a settlement party type of execution	Market Pricing	2022 Year 04 28th, 2022 Year 07 05th	The proposal to increase the number of 2022 Announcement of Estimated Daily Connected Transactions for the Year Ended December 31, 2012 (Announcement No: 2022-
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										line			019); About the adjust ment of the 2022 Annou nceme nt of Estima ted Daily Conne cted Transa ctions in 2012 (Anno uncem ent No. 2022- 026)
Sha anxi Tan gyu Conf eren ce Cent er Co.	The compa ny's control ling shareh older holds 52.45% of the compa ny's control ling shareh older of equity	Sale s of goo ds	Sale s of natur al gas	Governmen t Pricing	Gov ern men t Prici ng	4	0%	10	No	In princi ple, accor ding to the 10- day advan ce Pay, 7 days a billi ng way to perfor m	Gov ern men t Prici ng	2022 Year 04 28th, 2022 Year 07 05th	The propos al to increas e the number of 2022 Annou nceme nt of Estima ted Daily Conne cted Transa ctions for the Year Ended Dece mber 31, 2012 (Anno uncem ent No. 2022- 019); About the adjust ment of

													the 2022 Annou nceme nt of Estima ted Daily Conne cted Transa ctions for the Year Ended Dece mber 31, 2012 (Anno uncem ent No. 2022-026)
Sha anxi Gas Gro up Co.	Contro lling shareh olders of the compa ny	Prov ision of labo r servi ces to relat ed parti es	Tran spor ting natu ral gas	Governmen t Pricing	Gov ern men t Prici ng	0	/	11,193	No	In princi ple, accor ding to the 10-day adva nce Pay, 7 days a billing way to perfor m	Gov ern men t Prici ng	2022 Year 07 05th	About the adjust ment of the 2022 Annou nceme nt of Estima ted Daily Conne cted Transa ctions in 2012 (Anno uncem ent numbe r: 2022-026) ..

Sha anxi LNG Inve stm ent and Dev elop men t Co.	Same parent compa ny	Prov ision of labo r servi ces to relat ed parti es	Tran spor ting natur al gas	Negotiated Pricing	Neg otiat ed Prici ng	63	0.14 %	815	No	In princi ple, accor ding to the 10- day advan ce Pay, 7 days a billin g way to perfor m	Neg otiat ed Prici ng	2022 Year 03 11, 2022 Year 07 05th	2022 Annou nceme nt of Estima ted Daily Conne cted Transa ctions for the Year (Anno uncem ent numbe r: 2022- 004) The "Off In Adjustme nt
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													2022 Annou nceme nt of Estima ted Daily Conne cted Transa ctions in 2012 (Anno uncem ent numbe r: 2022- 026)
Ton gch uan Natu ral Gas Co.	Same parent compa ny	Prov ision of labo r servi ces to relat ed parti es	Tran spor ting natur al gas	Governmen t Pricing	Gov ern men t Prici ng	55	0.13 %	162	No	In princi ple, accor ding to the 10- day advan ce Pay, 7 days a billi ng way to perfor m	Gov ern men t Prici ng	2022 Year 03 11, 2022 Year 07 05th	2022 Annou nceme nt of Estima ted Daily Conne cted Transa ctions for the Year (Anno uncem ent numbe r: 2022- 004) The "Adjust ment of the 2022 Annou nceme nt of Estima ted Daily Conne cted Transa ctions in 2012 (Anno uncem

													ent numbe r: 2022- 026)
Sha anxi Xing hua Gro up Co.	The compa ny's control ling shareh older holds 52.45% of the compa ny's control ling shareh older of equity	Prov ision of labo r servi ces to relat ed parti es	Tran spor ting natur al gas	Governmen t Pricing	Gov ern men t Prici ng	2,088	4.77 %	5,254	No	In princi ple, accor ding to the 10- day advan ce Pay, 7 days a billi ng way to perfor m	Gov ern men t Prici ng	2022 Year 03 11, 2022 Year 07 05th	2022 Annou nceme nt of Estima ted Daily Conne cted Transa ctions for the Year (Anno uncem ent numbe r: 2022- 004) The "Adjust ment of the 2022 Annou nceme nt of Estima ted Daily Conne cted Transa ctions in 2012 (Anno

													uncement ent numbe r: 2022- 026)
Sha anxi Xing hua Gro up Co.	The compa ny's control ling shareh older holds 52.45% of the compa ny's control ling shareh older of equity	Prov ision of labo r servi ces to relat ed parti es	Natu ral gas pipel ine netw ork oper ation servi ces	Negotiated Pricing	Neg otiat ed Prici ng	85	100%	208	No	Qua rterl y closi ng	Neg otiat ed Prici ng	2022 Year 03 11, 2022 Year 07 Month 05	2022 Annou nceme nt of Estima ted Daily Conne cted Transa ctions for the Year (Announ cement

												Day	Number: 2022-004) The "Adjustment of the 2022 Announcement of Estimated Daily Connected Transactions in 2012 (Announcement number: 2022-026)
Han zhong Xinhuan Energy Technology Development Co.	The controlling shareholder of the company is the same parent company as the company	Provision of labor services to related parties	Transporting natural gas	Negotiated Pricing	Negotiated Pricing	0	/	30	No	Full payment within 7 days after contract signing	Negotiated Pricing	2022 Year 03 11, 2022 Year 07 05th	2022 Announcement of Estimated Daily Connected Transactions for the Year (Announcement number: 2022-004) The "Adjustment of the 2022 Announcement of Estimated Daily

													Conne cted Transa ctions in 2012 (Anno uncem ent numbe r: 2022- 026)
Sha anxi Yan cha ng Oil & Gas Co.	The compa ny's indirec t control ling shareh older holds 52.45% of the compa ny's control ling shareh older of equity	Prov ision of labo r servi ces to relat ed parti es	Tran spor ting natur al gas	Governmen t Pricing	Gov ern men t Prici ng	467	1.07 %	1,400	No	In princi ple, accor ding to the 10- day advan ce Pay, 7 days a billi ng way to perfor m	Gov ern men t Prici ng	2022 Year 03 11, 2022 Year 07 05th	2022 Annou nceme nt of Estima ted Daily Conne cted Transa ctions for the Year (Anno uncem ent numbe r: 2022- 004) The "Adjust ment of the 2022 Annou nceme nt of Estima ted Daily Conne cted Transa ctions in 2012 (Anno

													uncement ent numbe r: 2022- 026)
Shaan xi Gas	Same mother Compan y	Xiang Guan Joint Partie s	Conve ying Natur al	Governmen t Pricing	Gover nment Pricing	0	/	28	No	Principl es Press on	Gover nment Pricin g	2022 Year 04	About Add

Gro up Tran spor tatio n Ener gy Dev elop men t Co.		Prov ision of labo r servi ces	Gas							10 days prep Pay, 7 days a billing way to perfor m		28th, 2022 Year 07 05th	2022 Annou nceme nt of Estima ted Daily Conne cted Transa ctions for the Year Ended Dece mber 31, 2012 (Anno uncem ent No. 2022- 019); About the adjust ment of the 2022 Annou nceme nt of Estima ted Daily Conne cted Transa ctions for the Year Ended Dece mber 31, 2012 (Anno uncem ent No. 2022- 026)
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Shaanxi Gas Group Transportation Energy Development Co.	Same parent company	Provision of labor services to related parties	Compressed Natural Gas Technical Services	Market Pricing	Market Pricing	0	/	199	No	In principle, according to the 10-day advance Pay, 7 days a billing way to perform	Market Pricing	2022 Year 04 28th, 2022 Year 07 05th	The proposal to increase the number of 2022 Announcement of Estimated Daily Connected Transactions in 2012 (Announcement No. 2022-019); About the adjustment of the 2022 Announcement of Estimated Daily Connected Transactions in 2012 (Announcement No. 2022-026)
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Shaanxi Yanchang Oil (Group) Limited Liability Company Yanchang Oil Refinery	The company's head office holds 52.45% of the company's controlling shareholder of equity	Provision of labor services to related parties	Transporting natural gas	Negotiated Pricing	Negotiated Pricing	0	/	181	No	In principle, according to the 10-day advance Pay, 7 days a billing way to perform	Negotiated Pricing	2022 Year 03 11, 2022 Year 07 05th	2022 Announcement of Estimated Daily Connected Transactions for the Year (Announcement number: 2022-004); "About the adjustment of the 2022 Daily Affiliated Transactions Easy to anticipate"
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													Announc ement (Anno uncem ent numbe r: 2022- 026)
Sha anxi Yan cha ng Chin a Coal Yuli n Ener gy Che mica l Co.	The compa ny's control ling shareh older holds 52.45% of the compa ny's control ling shareh older of equity	Prov ision of labo r servi ces to relat ed parti es	Tran spor ting natur al gas	Negotiated Pricing	Neg otiat ed Prici ng	0	/	753	No	In princi ple, accor ding to the 10- day advan ce Pay, 7 days a billin g way to perfor m	Neg otiat ed Prici ng	2022 Year 03 11, 2022 Year 07 05th	2022 Annou nceme nt of Estima ted Daily Conne cted Transa ctions for the Year (Anno uncem ent numbe r: 2022- 004) ; "About the adjust ment of the 2022 Annou nceme nt of Estima ted Daily Conne cted Transa ctions in 2012 (Anno uncem ent numbe r: 2022- 026)

Shanxi LNG Investment and Development Co.	Same parent company	Acceptance of labor services from related parties	Leasing of gas storage and peaking facilities	Negotiated Pricing	Negotiated Pricing	0	/	98	No	In principle, according to the 10-day advance Pay, 7 days a billing way to perform	Negotiated Pricing	2022 Year 03 11, 2022 Year 07 05th	2022 Announcement of Estimated Daily Connected Transactions for the Year (Announcement number: 2022-004) The "Adjustment of the 2022 Announcement of Estimated Daily Connected Transactions in 2012 (Announcement number: 2022-026)
Shanxi Xinghua Group Co.	The company's controlling shareholder holds 52.45% of the company's control	Acceptance of labor services from related parties	Natural gas pipeline network operation services	Negotiated Pricing	Negotiated Pricing	9	100%	21	No	Quarterly closing	Negotiated Pricing	2022 Year 03 11, 2022 Year 07 05th	2022 Announcement of Estimated Daily Connected Transactions for the Year (Announcement number: 2022-026)

	ling shareh older of equity	es											ent numbe r: 2022- 004) The "Off
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													In Adjust ment 2022 Annou nceme nt of Estima ted Daily Conne cted Transa ctions in 2012 (Anno uncem ent numbe r: 2022- 026)
Total				294,4 50		450,26 9							
Details of large sales returns	None.												
Actual performance during the reporting period for daily connected transactions expected to occur in the current period in total amount by category	<p>According to the Announcement of Estimated Daily Connected Transactions for 2022 (Announcement No. 2022-004), which was considered and disclosed by the Company Announcement on the Increase of Estimated Daily Connected Transactions for 2022 (Announcement No. 2022-019), Announcement on the Adjustment of</p> <p>In the Announcement of Estimated Daily Connected Transactions for 2022 (Announcement No. 2022-026), the Company estimated the amount of connected transactions with the aforementioned related parties for 2022. As of the end of the reporting period, among the above-mentioned connected transactions, the actual amount incurred for the purchase of natural gas was RMB1,931.6 million and the purchase of refined oil was RMB0.87 million, which was within the forecast range approved at the meeting of the authority of RMB2,290.72 million.</p> <p>The actual amount of sales of natural gas business was RMB984.36 million, which did not exceed RMB139.85 million in advance approved by the meeting of authority.</p> <p>The actual amount incurred in the business of natural gas transmission and natural gas pipeline network operation services was RMB27.58 million, which was within the scope of the forecast approved at the meeting with authority of RMB202.23 million; the actual amount incurred in the business of leasing gas storage and peaking facilities and natural gas pipeline network operation services</p> <p>The amount of \$90,000 is within the projections approved at the \$1.19 million authority meeting.</p>												
Difference between transaction price and market reference price Reasons for larger (if applicable)	Not applicable.												

2. Asset or equity acquisition or sale of connected transactions occurring

☐ Applicable ☒ Not applicable

The Company did not have any connected transactions of asset or equity acquisition or sale during the reporting period.

3. Related transactions of joint foreign investment

☐ Applicable ☒ Not applicable

The Company did not have any related transactions of joint foreign investment during the reporting period.

4. Related debt transactions

☐ Applicable ☒ Not applicable

The company has no related debt transactions during the reporting period.

5. Transactions with finance companies with related relationships

☐ Applicable ☒ Not applicable

There is no deposit, loan, credit or other financial business between the company and the finance company with which the relationship exists and related parties.

6. Transactions between the finance company controlled by the company and related parties

☐ Applicable ☒ Not applicable

There is no deposit, loan, credit or other financial business between the finance company controlled by the Company and related parties.

7. Other significant connected transactions

☒Applicable

☐Not applicable

1. Purchased

goods

- (1) During the reporting period, the Company and its subsidiaries entered into related transaction contracts with Shaanxi Pace for the purchase of goods with a total amount of RMB 4,727,000. During the reporting period, the actual issuance with Shaanxi Pace

The amount of raw transaction was \$7,627,800.

- (2) During the reporting period, the Company and its subsidiaries entered into contracts with Shaanxi Gas Group Fuping Energy Technology Co., Ltd. for the total amount of RMB 8,154,600,000 for related transactions of purchasing goods.

During the reporting period, the actual transaction amount with Fuping Energy Company was RMB5,836,900.

- (3) During the reporting period, the actual settlement amounted to RMB1,050,100,000 between the Company and its subsidiaries and the garment branch of Shaanxi Yanchang Petroleum Fengyuan Co.

- (4) During the reporting period, the Company had a purchase goods related transaction of RMB1 million with Shaanxi Petrochemical Industry Trading Co.

- (5) During the reporting period, a subsidiary of the Company had a purchase transaction of RMB30,000 with Shaanxi Yanchang Petroleum Yan'an Petrochemical Trading Co.

labor services

During the reporting period, the Company entered into contracts with engineering companies for related transactions of engineering acceptance services with a total amount of RMB4,663,400. During the reporting period, the actual transactions with the engineering company

The amount of

\$207.85 million.

Lease

- (1) For office needs, Shaanxi Gas Group and some of its subsidiaries entered into an office space lease and comprehensive support services agreement with the Company, which is valid for 3 years

(From June 1, 2021 to May 31, 2024), the contract amount of related transactions is RMB2,545,900,000/year (including tax).

During the reporting period, related transactions of leasing type

The actual amount of the transaction was 2,238,100 yuan, of which Shaanxi Gas Group 1,689,100 yuan, Engineering Company 15.92 million yuan, Transportation Energy Company 283,500 yuan, Weihe Energy Company RMB 0.68 million, Fuping Energy Company RMB 9.96 million.

- (2) Ltd., a subsidiary of the Company, entered into a lease contract for part of the land use right and ground attachments with Shaanxi Province Petrochemical Industry Trade Co. During the reporting period, the actual amount of the above transaction was RMB99,700,000.

- (3) Due to the need of engineering construction, the Company entered into a warehouse lease related transaction contract with the engineering company in the amount of RMB 175,600,000. No settlement amount occurred during the reporting period. Related inquiries on the website for disclosure of interim reports of material connected transactions

Temporary Announcement Name	Interim Announcement Disclosure Date	Temporary announcement disclosure website name
Leasing of some assets of the holding subsidiary and related Announcement of the transaction	December 29, 2020	Juchao Information Network

(Announcement No. 2020-083)		
Announcement on the Signing of Office Space Lease and Comprehensive Supporting Services Agreement and Related Transaction (Announcement No. (2021-021))	April 27, 2021	Juchao Information Network

XII. Significant contracts and their performance

1. Trusteeship, contracting and leasing matters

(1) Escrow Status

☐ Applicable ☒ Not applicable

There is no escrow for the company in the reporting period.

(2) Contracting Status

☐ Applicable ☒ Not applicable

There was no contracting in the company's reporting period.

(3) Leasing Status

☒ Applicable ☐

Not applicable

Lease

description

In July 2019, the Company entered into a "sale and leaseback" **agreement** with CITIC Haizheng Finance & Leasing Co.

The financing amount is RMB 1 billion, the financing term is 36 months, and the rental payment method is equal principal repayment every six months. (April 2022)

(The matter has been considered and approved at the nineteenth meeting of the fourth session of the Board of Directors of the Company, please refer to the Company's reports dated October 29, 2018 and 2019 for details.

Announcement of Resolutions of the Nineteenth Meeting of the Fourth Session of the Board of Directors (Announcement No. 2018-054) and Announcement on the Signing of Financial Leasing Contract (Announcement No. 2019-030) disclosed on Juchao Information Website on July 11, 2018.

Items that bring profit or loss to the company amounting to more than 10% of the company's total profit for the reporting period

☐ Applicable ☒ Not applicable

There is no leasing project that brings profit or loss to the Company amounting to more than 10% of the total profit of the Company in the reporting period.

2、Material guarantee

☐ Applicable ☒ Not applicable

The Company has no significant guarantees during the reporting period.

3、Commissioned financial management

☐ Applicable ☒ Not applicable

The company has no entrusted financial management in the reporting period.

4、Other major contracts

☐ Applicable ☒ Not applicable

The Company has no other significant contracts during the reporting period.

XIII. Description of other significant matters

☐ Applicable ☒ Not applicable

There are no other significant matters that need to be clarified by the Company during the reporting period.

XIV. Significant matters of the Company's subsidiaries

☐ Applicable ☒ Not applicable

Section VII. Changes in Shares and Shareholders

I. Changes in shares

1、Change of shares

Unit: Unit

	Before this change		Increase or decrease in this change (+, -)					After this change	
	Quantity	Proportion	Issue of new shares	Share Delivery	Transfer from provident fund	Other	Subtotal	Quantity	Proportion
I. Shares subject to limited sale	0	0.00%	0	0	0	0	0	0	0.00%
1、State shareholding									
2、State-owned legal person shareholding									
3、Other domestic shareholdings									
Of which: Shares held by domestic legal persons									
Domestic natural person shareholding									

4、 Foreign sharehold ing									
Of which: shares held by foreign legal entities									
Fore ign natural person sharehold ing									
II. Shares with unlimited sale condition s	1,112,075. 445	100.00%	0	0	0	0	0	1,112,075,4 45	100.00%
1. RMB ordinary shares	1,112,075. 445	100.00%	0	0	0	0	0	1,112,075,4 45	100.00%
2、 Domestic listed foreign shares									
3、 Foreign shares listed abroad									
4、 Other									
III. Total number of shares	1,112,075. 445	100.00%	0	0	0	0	0	1,112,075,4 45	100.00%

Reasons for share changes

☐ Applicable ☒ Not applicable

Approval of share changes

☐ Applicable ☒ Not applicable

Transfer of share changes

☐ Applicable ☒ Not applicable

Progress of implementation of share buyback

☐ Applicable ☒ Not applicable

Progress in the implementation of share repurchase reduction by means of centralized competitive bidding

☐ Applicable ☒ Not applicable

Effect of share changes on financial indicators such as basic and diluted earnings per share and net assets per share attributable to ordinary shareholders of the Company for the latest year and the latest period

☐ Applicable ☒ Not applicable

Other content that the company considers necessary or that the securities regulator requires to be disclosed

☐ Applicable ☒ Not applicable

2. Change of restricted shares

☐ Applicable ☒ Not applicable

II. Securities Issuance and Listing

☐ Applicable ☒ Not applicable

III. Number of shareholders and shareholdings of the Company

Unit: Unit

Total number of ordinary shareholders at the end of the reporting period		38,618		Preferred shareholders whose voting rights were restored at the end of the reporting period Total (if any) (see Note 8)		0		
Shareholdings of common shareholders holding more than 5% or the top 10 common shareholders								
Shareholder Name	Shareholder Nature	Shareholding ratio	Number of ordinary shares held at the end of the reporting period	Increase or decrease in the reporting period	Number of ordinary shares held with limited selling conditions Quantity	Number of ordinary shares held with unlimited selling conditions Quantity	Pledged, tagged or frozen	
							Share Status	Quantity
Shaanxi Gas Group Ltd.	State-owned legal entities	64.43%	716,530,456.00		0	716,530,456.00		
Central Huijin Asset Management Co. Company	State-owned legal entities	1.42%	15,754,800.00		0	15,754,800.00		

#Dong Wei	Domestic natural persons	0.55%	6,159,130.00	4,627,500	0	6,159,130.00		
#Deer Xiangjie	Domestic natural persons	0.54%	6,025,700.00	-474,300	0	6,025,700.00		
China Southern Fund - Agricultural Bank - China Southern CSI Financial Assets Management Plan	Other	0.47%	5,270,300.00		0	5,270,300.00		
Dacheng Fund - Agricultural Bank - Dacheng CSI Financial Assets Management Plan	Other	0.47%	5,270,300.00		0	5,270,300.00		

Guangfa Fund - Agricultural Bank - Guangfa CSI Financial Assets Management Plan	Other	0.47%	5,270,300.00		0	5,270,300.00		
Yinhua Fund - Agricultural Bank - Yinhua CSI Financial Assets Management Plan	Other	0.43%	4,801,021.00	-469,279	0	4,801,021.00		
eFunds - Agricultural Bank - eFunds CSI Financial Asset Management Plan	Other	0.42%	4,647,600.00	-622,700	0	4,647,600.00		
China Europe Fund - Agricultural Bank - China Europe CSI Financial Assets Management Plan	Other	0.41%	4,572,600.00	-697,700	0	4,572,600.00		
Strategic investors or general corporations becoming the top 10 common shareholders as a result of the placement of new shares (if any) (see Note 3)		None.						
The above shareholders are related or acting in concert Description of the action		It is not known whether the top 10 common shareholders are related to each other or are acting in concert.						
The above shareholders are involved in proxy/proxy voting The statement of voting rights and abstentions		None.						
Special Note on the existence of repurchase special accounts among the top 10 shareholders, if any (see (Note 11))		Not applicable.						
Shareholdings of the top 10 holders of common shares with unlimited sales conditions								
							Type of shares	

Shareholder Name	Number of shares of common stock held under unlimited sale conditions at the end of the reporting period	Type of shares	Quantity
Shaanxi Gas Group Co.	716,530,456.00	Renminbi Pu Tong Unit	716,530,456.00
Central Huijin Asset Management Co. Company	15,754,800.00	Renminbi Pu Tong Unit	15,754,800.00
#Dong Wei	6,159,130.00	Renminbi Pu Tong Unit	6,159,130.00
#Deer Xiangjie	6,025,700.00	Renminbi Pu Tong Unit	6,025,700.00
Southern Fund-Agricultural Bank-Southern CSI Financial Asset Management Plan	5,270,300.00	Renminbi Pu Tong Unit	5,270,300.00
Dacheng Fund - Agricultural Bank - Dacheng CSI Financial Asset Management Plan	5,270,300.00	Renminbi Pu Tong Unit	5,270,300.00
Guangfa Fund - Agricultural Bank - Guangfa CSI Financial Asset Management Plan	5,270,300.00	Renminbi Pu Tong Unit	5,270,300.00
Yinhua Fund - Agricultural Bank - Yinhua CSI Financial Asset Management Plan	4,801,021.00	Renminbi Pu Tong Unit	4,801,021.00
eFunds-Agricultural Bank-Easy Fangda CSI Financial Asset Management Plan	4,647,600.00	Renminbi Pu Tong Unit	4,647,600.00
China Europe Fund - Agricultural Bank - China Europe CSI Financial Asset Management Plan	4,572,600.00	Renminbi Pu Tong Unit	4,572,600.00
Top 10 shares of common stock with unlimited sales conditions between the East and the top 10 unlimited sales The relationship between the conditional common shareholders and the top 10 common shareholders or a Note to Action	It is not known whether the top 10 shareholders of unlimited common shares are related to each other and whether they are acting in concert. Movers and shakers. The top 10 shareholders of the Company's common stock with unlimited sales are the same as the top 10 common shareholders.		

Description of the participation of the top 10 common shareholders in the	As of the end of the reporting period, among the above common shareholders, Dong Wei held 100 shares of the Company's stock through his ordinary securities account and 100 shares through The investor credit securities account holds 6,159,030 shares of the Company's stock, and
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Whether the Company's top 10 common shareholders and top 10 shareholders of common shares with unlimited selling conditions entered into repurchase transactions during the reporting period

☐ Yes ☒ No

The top 10 common shareholders and the top 10 shareholders of the Company's common shares with unlimited selling conditions did not enter into any agreed repurchase transactions during the reporting period.

IV. Changes in shareholdings of directors, supervisors and senior management

☐ Applicable ☒ Not applicable

There was no change in the shareholdings of the directors, supervisors and senior management of the Company during the reporting period, which can be found in the 2021 Annual Report.

V. Change in controlling shareholders or actual controllers

Change in controlling shareholder during the reporting period

☐ Applicable ☒ Not applicable

There was no change in the controlling shareholder of the Company during the reporting period.

Change in effective control during the reporting period

☐ Applicable ☒ Not applicable

There was no change in the effective control of the Company during the reporting period.

Section VIII Preferred Stock Related Information

☐ Applicable ☒ Not applicable

The Company did not have any preferred shares during the reporting period.

Section 9: Bond-related information

☒ Applicable ☐ Not applicable

I. Corporate bonds

☐ Applicable ☒ Not applicable

The company did not have corporate bonds during the reporting period.

II. Corporate bonds

☐ Applicable ☒ Not applicable

The company did not have corporate bonds during the reporting period.

III. Non-financial corporate debt financing instruments

☒ Applicable ☐ Not applicable

1. Basic information of debt financing instruments for non-financial enterprises

Unit: Yuan

Bond Name	Bond Abbreviation	Bond Code	Release Date	Starting Date	Expiration date	Bond Balance	Interest Rate	Debt service Mode	Trading Venues
Ltd. 2020 The first period of the year Medium Term Notes	20 Shaanxi Gas MTN001	102001243	2020 06 Jun 18 Day	2020 06 Jun 22 Day	2025 06 Jun 22 Day	499,650,000.00	3.5%	Annual interest payment and principal repayment at maturity	Interbank Bond Market
Ltd. 2021 The first period of the year Medium Term Notes	21 Shaanxi Gas MTN001	102100924	2021 Apr. 28 Day	2021 Apr 30 Day	2024 Apr 30 Day	502,467,325.16	3.7%	Annual interest payment and principal repayment at maturity	Interbank Bond Market

Ltd. 2022 The first tranche of the short- term financing Vouchers	22 Shaanxi Gas CP001	04228018 7	2022 04 Apr 13 Day	2022 Apr. 15 Day	2023 Apr. 15 Day	803,697. 833.84	2.60%	Annual interest payment and principal repayment at maturity	Interbank Bond Market
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Overdue bonds

☐ Applicable ☒ Not applicable

2. Triggering and implementation of issuer or investor option clauses and investor protection clauses

☐ Applicable ☒ Not applicable

3. Adjustment of credit rating results during the reporting period

☐ Applicable ☒ Not applicable

4. Implementation of and changes in guarantees, debt service plans and other debt service guarantees during the reporting period and the impact on the rights and interests of bond investors

☐ Applicable ☒ Not applicable

IV. Convertible corporate bonds

☐ Applicable ☒ Not applicable

The Company did not have convertible bonds during the reporting period.

V. Loss in the scope of consolidated statements of income for the reporting period exceeded 10% of the net assets at the end of the previous year

☐ Applicable ☒ Not applicable

VI. Major accounting data and financial indicators of the Company for the past two years as of the end of the reporting period

Unit: million yuan

Projects	At the end of this reporting period	End of previous year	Increase or decrease at the end of the reporting period compared with the end of the previous year
Current Ratio	0.49	0.47	4.26%
Gearing ratio	47.24%	48.92%	-1.68%
Quick Ratio	0.44	0.42	4.76%
	Current reporting period	Same period of previous year	Increase or decrease in the current reporting period compared with the same period of the previous year
Net profit after non-recurring gains and losses	61,640.09	33,434.09	84.36%
EBITDA Total debt ratio	38.59%	20.90%	17.69%
Interest cover multiplier	15.12	8.06	87.59%
Cash interest coverage multiplier	23.35	5.88	297.11%
EBITDA Interest coverage multiplier	19.76	11.97	65.08%
Loan repayment rate	100.00%	100.00%	
Interest repayment rate	100.00%	100.00%	

Section X. Financial Reporting

I. Audit Report

Whether the semi-annual report is audited

☐Yes ☒No

The company's semi-annual financial report is unaudited.

II. Financial Statements

The units of the statements in the financial notes are: \$

1. Consolidated balance sheet

Prepared by: Shaanxi Provincial
Natural Gas Co.

June 30, 2022

Unit: Yuan

Projects	June 30, 2022	January 1, 2022
Current assets:		
Monetary Funds	1,388,835,437.76	1,150,552,113.49
Settlement Allowance		
Unwinding funds		
Financial assets held for trading		
Derivative financial assets		
Notes receivable		
Accounts Receivable	449,806,828.76	393,658,264.55
Receivables financing	5,500,000.00	
Prepayments	124,719,678.32	141,160,213.49
Premiums receivable		
Sub-insurance receivables		
Reserves for reinsurance contracts receivable		
Other receivables	21,521,810.59	27,813,292.81
Of which: Interest receivable		
Dividend receivable		12,000,000.00
Buy-back financial assets		
Inventory	219,336,748.02	216,855,968.23
Contract Assets		
Assets held for sale		
Non-current assets due within one year		
Other current assets	3,011,673.30	88,171,467.53

Total current assets	2,212,732,176.75	2,018,211,320.10
Non-current assets:		

Issuance of loans and advances		
Debt Investment		
Other debt investments		
Long-term receivables		
Long-term equity investments	477,046,784.51	452,145,042.87
Investments in other equity instruments		
Other non-current financial assets		
Investment properties	13,247,990.75	13,414,096.19
Fixed Assets	8,124,752,814.27	8,225,358,212.07
Construction in progress	1,361,954,567.72	1,310,151,649.67
Productive biological assets		
Oil and gas assets		
Right-of-use assets	4,858,243.64	6,386,436.96
Intangible assets	624,691,817.89	622,310,753.11
Development Expenses	14,326,398.37	11,888,372.66
Goodwill	151,717,629.35	151,717,629.35
Long-term amortized expenses	1,661,099.58	1,624,441.04
Deferred income tax assets	41,686,147.98	41,987,133.84
Other non-current assets	163,062,684.07	138,115,088.44
Total non-current assets	10,979,006,178.13	10,975,098,856.20
Total Assets	13,191,738,354.88	12,993,310,176.30
Current liabilities:		
Short-term borrowings	175,043,055.56	613,524,944.44
Borrowing from the central bank		
Unwinding funds		
Trading financial liabilities		
Derivative financial liabilities		
Notes Payable		
Accounts Payable	2,216,557,464.77	1,776,523,970.78
Receipts in advance	50,000.00	
Contractual Liabilities	642,058,787.50	715,331,846.65
Sale of repurchased financial assets		
Deposit-taking and interbank deposits		
Securities trading agency		
Underwriting securities		
Employee compensation payable	185,801,828.68	188,119,572.32
Taxes Payable	51,668,652.89	22,644,233.73
Other payables	232,914,332.92	235,256,907.47
Of which: Interest payable		
Dividends payable	7,350,000.00	4,900,000.00

Fees and commissions payable		
Sub-insurance accounts payable		

Liabilities held for sale		
Non-current liabilities due within one year	153,078,255.99	683,550,219.62
Other current liabilities	833,450,557.54	37,529,536.56
Total current liabilities	4,490,622,935.85	4,272,481,231.57
Non-current liabilities:		
Reserve for insurance contracts		
Long-term borrowings	565,553,761.47	865,949,131.97
Bonds Payable	1,002,117,325.16	1,021,030,190.05
Of which: Preferred shares		
Perpetual Debt		
Lease liabilities	1,291,591.93	1,721,761.75
Long-term payables	5,940,000.00	5,540,000.00
Long-term employee compensation payable		
Projected liabilities		
Deferred revenue	58,884,360.67	60,403,670.87
Deferred income tax liabilities	2,627,453.69	2,674,983.40
Other non-current liabilities	104,308,824.64	126,416,559.54
Total non-current liabilities	1,740,723,317.56	2,083,736,297.58
Total liabilities	6,231,346,253.41	6,356,217,529.15
Owner's Equity:		
Share Capital	1,112,075,445.00	1,112,075,445.00
Other equity instruments		
Of which: Preferred shares		
Perpetual Debt		
Capital surplus	1,246,310,481.14	1,246,310,481.14
Less: Treasury shares		
Other comprehensive income	91,295,649.87	91,295,649.87
Specialized reserves	248,752,580.66	212,628,448.91
Surplus reserves	564,197,722.50	564,197,722.50
General risk allowance		
Undistributed earnings	3,421,726,308.83	3,137,318,890.29
Total equity attributable to owners of the parent company	6,684,358,188.00	6,363,826,637.71
Minority interests	276,033,913.47	273,266,009.44
Total Owner's Equity	6,960,392,101.47	6,637,092,647.15
Total liabilities and owner's equity	13,191,738,354.88	12,993,310,176.30

Legal representative: Liu Hongbo

responsible for accounting work: Yan Yuheng

accounting institutions in charge: Wang Yan

2. Parent company balance sheet

Unit: Yuan

Projects	June 30, 2022	January 1, 2022
Current assets:		
Monetary Funds	985,375,320.92	779,840,428.48
Financial assets held for trading		

Derivative financial assets		
Notes receivable		

Accounts Receivable	649,708,234.65	569,907,811.28
Receivables financing	5,000,000.00	
Prepayments	64,939,658.89	83,000,995.15
Other receivables	20,264,553.10	25,821,989.43
Of which: Interest receivable		
Dividend receivable	3,363,430.52	14,550,000.00
Inventory	87,074,207.59	87,910,981.78
Contract Assets		
Assets held for sale		
Non-current assets due within one year		
Other current assets	30,387,489.87	167,724,834.07
Total current assets	1,842,749,465.02	1,714,207,040.19
Non-current assets:		
Debt Investment		
Other debt investments		
Long-term receivables		
Long-term equity investments	1,503,950,154.92	1,479,048,413.28
Investments in other equity instruments		
Other non-current financial assets		
Investment properties	13,247,990.75	13,414,096.19
Fixed Assets	6,617,113,768.67	6,786,872,299.54
Construction in progress	993,839,023.62	898,111,308.79
Productive biological assets		
Oil and gas assets		
Right-of-use assets	2,610,687.51	3,729,553.65
Intangible assets	354,494,822.48	353,370,729.02
Development Expenses	14,241,492.71	11,803,467.00
Goodwill		
Long-term amortized expenses	738,957.21	1,045,507.75
Deferred income tax assets	31,619,033.11	31,225,060.53
Other non-current assets	65,982,762.04	37,410,296.92
Total non-current assets	9,597,838,693.02	9,616,030,732.67
Total Assets	11,440,588,158.04	11,330,237,772.86
Current liabilities:		
Short-term borrowings	50,043,055.56	550,514,861.11
Trading financial liabilities		
Derivative financial liabilities		
Notes Payable		
Accounts Payable	1,776,811,189.55	1,298,836,923.77
Receipts in advance	57,174.27	28,697.23
Contractual Liabilities	114,719,200.47	165,584,468.96
Employee compensation payable	147,100,400.34	143,939,700.23

Taxes Payable	36,329,535.95	16,958,888.91
Other payables	185,305,239.06	186,640,314.20
Of which: Interest payable		
Dividends payable		
Liabilities held for sale		
Non-current liabilities due within one year	152,542,766.70	682,918,311.92
Other current liabilities	814,022,561.91	14,902,602.21
Total current liabilities	3,276,931,123.81	3,060,324,768.54
Non-current liabilities:		
Long-term borrowings	565,553,761.47	865,949,131.97
Bonds Payable	1,002,117,325.16	1,021,030,190.05
Of which: Preferred shares		
Perpetual Debt		
Lease liabilities		
Long-term payables	400,000.00	
Long-term employee compensation payable		
Projected liabilities		
Deferred revenue	47,849,672.23	49,179,469.71
Deferred income tax liabilities		
Other non-current liabilities		
Total non-current liabilities	1,615,920,758.86	1,936,158,791.73
Total liabilities	4,892,851,882.67	4,996,483,560.27
Owner's Equity:		
Share Capital	1,112,075,445.00	1,112,075,445.00
Other equity instruments		
Of which: Preferred shares		
Perpetual Debt		
Capital surplus	1,290,217,528.60	1,290,217,528.60
Less: Treasury shares		
Other comprehensive income	91,295,649.87	91,295,649.87
Specialized reserves	222,603,557.37	192,329,300.94
Surplus reserves	556,037,722.50	556,037,722.50
Undistributed earnings	3,275,506,372.03	3,091,798,565.68
Total Owner's Equity	6,547,736,275.37	6,333,754,212.59
Total liabilities and owner's equity	11,440,588,158.04	11,330,237,772.86

3. Consolidated income statement

Unit: Yuan

Projects	Semiannual 2022	Half year 2021
I. Total operating revenue	5,291,614,324.35	3,974,313,232.76
Of which: Operating income	5,291,614,324.35	3,974,313,232.76
Interest income		
Earned premiums		
Handling fee and commission		

income		
II. Total operating costs	4,584,040,328.84	3,620,211,960.37

Of which: Operating costs	4,417,589,980.92	3,470,321,721.47
Interest expense		
Handling fees and commission expenses		
Surrender premium		
Net benefit expenses		
Net withdrawal of insurance liability reserve		
Policy Dividend Payments		
Reinsurance costs		
Taxes and surcharges	29,050,248.11	14,953,150.73
Selling expenses	17,317,229.08	16,861,867.40
Overhead	67,103,538.83	62,466,285.43
R&D expenses	9,872,729.87	5,265,024.14
Finance costs	43,106,602.03	50,343,911.20
Of which: Interest expense	52,735,749.32	58,712,378.31
Interest income	10,411,016.97	9,014,601.64
Add: Other gains	1,809,319.36	16,791,676.74
Investment income (loss is filled with a "-" sign) (column)	36,421,421.64	47,286,727.58
Of which: for associates and joint ventures Investment income of enterprises	35,200,450.29	47,286,727.58
Measured at amortized cost Gain on derecognition of financial assets		
Foreign exchange gain (loss is filled in with a "-" sign) (column)		
Net exposure hedge gain (loss to (The "-" sign is filled in)		
Gains (losses) on changes in fair value to (The "-" sign is filled in)		
Credit impairment losses (losses are marked with a "-") (Fill in the column)	476,567.78	-2,360,923.91
Impairment loss on assets (loss marked with a "-") (Fill in the column)		
Gain on disposal of assets (loss marked with a "-") (Fill in the column)	-160,953.25	983,281.24
C. Operating profit (Loss is filled with a "-" sign) (column)	746,120,351.04	416,802,034.04

Add: Non-operating income	651,328.36	366,482.89
Less: Non-operating expenses	2,030,169.61	1,836,790.29
IV. Total profit (total loss is marked with a "-") (Fill in the column)	744,741,509.79	415,331,726.64
Less: Income tax expense	112,360,125.76	58,096,948.54
V. Net profit (net loss is filled with a "-" sign) (column)	632,381,384.03	357,234,778.10
(i) Classification by business continuity		
1. Net profit (net loss) from continuing operations to (The "-" sign is filled in)	632,381,384.03	357,234,778.10
2. Net profit from discontinued operations (net loss of less than		

(The “-” sign is filled in)		
(ii) Classification by ownership attribution		
1. Net profit attributable to owners of the parent company	618,030,052.04	342,210,616.24
2. Minority interests in profit or loss	14,351,331.99	15,024,161.86
VI. Other comprehensive income, net of tax		
Other comprehensive income attributable to owners of the parent company net of tax		
(i) Others that cannot be reclassified to profit or loss Comprehensive income		
1. Remeasurement of defined benefit plan changes forehead		
2. Others that cannot be transferred to profit or loss under the equity method Comprehensive income		
3. Fair value of investments in other equity instruments Change		
4. Fair value of the enterprise's own credit risk Change		
5. Other		
(ii) Other comprehensive income to be reclassified to profit or loss Combined revenue		
1. Other consolidation of transferable gains and losses under the equity method Combined revenue		
2. Changes in fair value of other debt investments		
3. Reclassification of financial assets to other comprehensive Amount of combined earnings		
4. Provision for credit impairment of other debt investments		
5. Cash flow hedge reserve		
6. Translation differences on foreign currency financial statements		
7. Other		
of other comprehensive income attributable to minority shareholders Net income after tax		
VII. Total comprehensive income	632,381,384.03	357,234,778.10
Total comprehensive income attributable to owners of the parent company forehead	618,030,052.04	342,210,616.24
Total comprehensive income attributable to minority shareholders	14,351,331.99	15,024,161.86
VIII. Earnings per share:		
(i) Basic earnings per share	0.5557	0.3077

(ii) Diluted earnings per share	0.5557	0.3077
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In the case of business combination under the same control in the current period, the net profit realized by the party being consolidated before the merger was: Yuan, and the net profit realized by the party being consolidated in the previous period was: Yuan. Legal representative: Liu Hongbo Person in charge of accounting work: Yan Yuheng Head of accounting institution: Wang Yan

4. Income statement of the parent company

Unit: Yuan

Projects	Semiannual 2022	Half year 2021
I. Operating income	4,561,356,726.81	3,541,853,131.24
Less: Operating costs	3,883,456,613.15	3,098,454,657.24
Taxes and surcharges	24,269,365.70	11,801,432.72
Selling expenses	5,217,912.72	5,099,555.04
Overhead	40,130,902.50	39,943,964.68
R&D expenses	6,827,904.13	4,408,276.38
Finance costs	43,307,618.95	50,361,907.90

Of which: Interest expense	51,201,270.21	56,966,769.81
Interest income	7,918,875.36	6,629,781.08
Add: Other gains	1,349,797.48	1,299,797.48
Investment income (loss is filled with a "-" sign) (column)	50,978,300.80	47,857,167.84
Of which: for associates and joint ventures	35,200,450.29	47,286,727.58
Investment income of the industry		
Gain (loss marked with a "-") on derecognition of financial assets measured at amortized cost (Fill in the column)		
Net exposure hedge gain (loss to (The "-" sign is filled in)		
Gain (loss) on change in fair value to (The "-" sign is filled in)		
Credit impairment losses (losses are marked with a "-") (Fill in the column)	-3,973,570.69	5,450,916.01
Impairment loss on assets (loss marked with a "-") (Fill in the column)		
Gain on disposal of assets (loss marked with a "-") (Fill in the column)	-160,953.25	983,281.24
II. Operating profit (Loss is filled with "-" sign) (column)	606,339,984.00	387,374,499.85
Add: Non-operating income	4,540.25	135,849.04
Less: Non-operating expenses	1,310,265.06	1,972,974.96
III. Total profit (total loss is marked with a "-") (Fill in the column)	605,034,259.19	385,537,373.93
Less: Income tax expense	87,703,819.34	53,622,642.59
IV. Net profit (net loss is filled in with a "-" sign) (column)	517,330,439.85	331,914,731.34
(i) Net profit (net loss) from continuing operations to (The "-" sign is filled in)	517,330,439.85	331,914,731.34
(ii) Net profit from discontinued operations (net loss to (The "-" sign is filled in)		
V. Other comprehensive income, net of tax		
(i) Others that cannot be reclassified to profit or loss Comprehensive income		

1. Remeasurement of defined benefit plan changes forehead		
2. Others that cannot be transferred to profit or loss under the equity method Comprehensive income		
3. Fair value of investments in other equity instruments Change		
4. Fair value of the enterprise's own credit risk Change		
5. Other		
(ii) Other comprehensive income to be reclassified to profit or loss Combined revenue		
1. Other consolidation of transferable gains and losses under the equity method Combined revenue		
2. Changes in fair value of other debt investments		
3. Reclassification of financial assets to other comprehensive Amount of combined earnings		

4. Provision for credit impairment of other debt investments		
5. Cash flow hedge reserve		
6. Translation differences on foreign currency financial statements		
7. Other		
VI. Total comprehensive income	517,330,439.85	331,914,731.34
VII. Earnings per share:		
(i) Basic earnings per share	0.4652	0.2985
(ii) Diluted earnings per share	0.4652	0.2985

5. Consolidated statement of cash flows

Unit: Yuan

Projects	Semiannual 2022	Half year 2021
I. Cash flows from operating activities:		
Cash received from the sale of goods and provision of services	5,644,592,791.18	3,975,739,509.76
Net increase in customer deposits and interbank deposits		
Net increase in borrowings from the Central Bank		
Net increase in funds borrowed from other financial institutions		
Cash received from premiums of original insurance contracts		
Net cash received from reinsurance operations		
Net increase in policyholders' savings and investment funds		
Cash received for interest, fees and commissions		
Net increase in funds transferred in		
Net increase in funding for repo operations		
Net cash received from agency purchases and sales of securities		
Tax refunds received	15,444,112.46	1,380,250.70
Other cash received in connection with operating activities	43,929,114.14	75,749,694.92
Subtotal cash inflow from operating activities	5,703,966,017.78	4,052,869,455.38
Cash paid for the purchase of goods and services	3,802,342,233.98	3,436,993,316.79
Net increase in loans and advances to customers		
Net increase in deposits with central banks and interbank		
Cash payment of benefits from the original insurance contract		
Net increase in funds transferred out		
Cash paid for interest, fees and		

commissions		
Cash paid as policy dividends		
Cash paid to and for employees	273,001,487.39	264,083,993.34
All taxes paid	237,892,148.23	102,220,862.82
Other cash paid in connection with operating activities	62,893,767.89	79,932,221.81
Subtotal cash outflow from operating activities	4,376,129,637.49	3,883,230,394.76
Net cash flows from operating activities	1,327,836,380.29	169,639,060.62
II. Cash flows from investing activities:		
Cash received from the recovery of investments	6,708,571.73	
Cash received from obtaining investment income	37,391,108.27	
Disposal of fixed assets, intangible assets and other long	6,979.00	
Net cash recovered from assets in the period		
Disposal of subsidiaries and other operating units received		
Net cash		
Other cash received in connection with investing activities	18,518,634.92	18,590,385.32
Subtotal cash inflow from investing activities	62,625,293.92	18,590,385.32
Purchase and construction of fixed assets, intangible assets and other long	211,404,244.52	256,881,107.03
Cash paid for assets in the period		
Cash paid for investments	20,580,000.00	

Net increase in pledged loans		
Acquisition of subsidiaries and other business units paid		4,136,443.19
Net cash		
Other cash paid in connection with investing activities		
Subtotal cash outflow from investing activities	231,984,244.52	261,017,550.22
Net cash flows from investing activities	-169,358,950.60	-242,427,164.90
III. Cash flows from financing activities:		
Cash received from absorption of investments		
Of which: Receipts from minority shareholders' investments in subsidiaries		
Cash arrivals		
Cash received for obtaining loans	823,200,000.00	500,000,000.00
Other cash received in connection with financing activities		499,250,000.00
Subtotal cash inflow from financing activities	823,200,000.00	999,250,000.00
Cash paid for debt service	992,000,000.00	623,500,000.00
Distribution of dividends, profits or repayment of interest paid	407,659,013.24	49,861,176.93
Cash		
Of which: Shares paid by subsidiaries to minority shareholders		
Profit, profit		
Other cash paid in connection with financing activities	343,726,056.97	493,942,115.11
Subtotal cash outflow from financing activities	1,743,385,070.21	1,167,303,292.04
Net cash flows from financing activities	-920,185,070.21	-168,053,292.04
IV. Effect of exchange rate changes on cash and cash equivalents		
Impact		
V. Net increase in cash and cash equivalents	238,292,359.48	-240,841,396.32
Add: Cash and cash equivalents balance at the beginning of the period	1,120,178,878.49	1,157,230,220.50
VI. Cash and cash equivalents at the end of the period	1,358,471,237.97	916,388,824.18

6. Parent company cash flow statement

Unit: Yuan

Projects	Semiannual 2022	Half year 2021
I. Cash flows from operating activities:		
Cash received from the sale of goods and provision of services	4,808,582,474.04	3,613,589,183.70
Tax refunds received	6,605,848.47	
Other cash received in connection with operating activities	26,064,992.89	28,832,626.96
Subtotal cash inflow from operating activities	4,841,253,315.40	3,642,421,810.66
Cash paid for the purchase of goods and services	3,314,191,055.63	3,124,151,902.96
Cash paid to and for employees	176,580,429.41	173,328,316.84
All taxes paid	203,317,495.61	83,464,644.40
Other cash paid in connection with operating activities	29,045,880.98	49,743,111.46
Subtotal cash outflow from operating activities	3,723,134,861.63	3,430,687,975.66
Net cash flows from operating activities	1,118,118,453.77	211,733,835.00

Net cash		
Other cash paid in connection with investing activities		70,000,000.00
Subtotal cash outflow from investing activities	128,493,194.36	219,116,283.88
Net cash flows from investing activities	17,987,842.79	-199,985,954.10
III. Cash flows from financing activities:		
Cash received from absorption of investments		
Cash received for obtaining loans	799,200,000.00	500,000,000.00
Other cash received in connection with financing activities		499,250,000.00
Subtotal cash inflow from financing activities	799,200,000.00	999,250,000.00
Cash paid for debt service	990,000,000.00	605,000,000.00
Distribution of dividends, profits or repayment of interest paid	396,412,393.23	48,128,188.86
Other cash paid in connection with financing activities	343,365,624.97	493,942,115.11
Subtotal cash outflow from financing activities	1,729,778,018.20	1,147,070,303.97
Net cash flows from financing activities	-930,578,018.20	-147,820,303.97
IV. Effect of exchange rate changes on cash and cash equivalents Impact		
V. Net increase in cash and cash equivalents	205,528,278.36	-136,072,423.07
Add: Cash and cash equivalents balance at the beginning of the period	750,767,193.48	839,335,116.68
VI. Cash and cash equivalents at the end of the period	956,295,471.84	703,262,693.61

7. Consolidated statement of changes in owners' equity

Amount for the period

Unit: Yuan

Proj ects	Semiannual 2022														
	Equity attributable to owners of the parent company											Mi no rit y int er es ts	T ot al O w ne r's E qu ity		
	S h a r e C a p i t a l	Other equity instruments			C a p i t a l s u r p l u s	Less : S t o c k U n i t	O t h e r c o m p r e h e n s i v e i n c o m e	S p e c i a l i z e d r e s e r v e s	S u r p l u s r e s e r v e s	- G e n e r a l r i s k q u a s i Preparation	U n d i s t r i b u t e d e a r n i n g s			O t h e r	S u b t o t a l
		Pr e f e r r e d S h a r e s	P e r p e t u a l D e b t	O t h e r											

							Benefit								
I. Prior year ending balance	1,112,075,445.00				1,246,310,481.14		91,295,649.87	212,628,448.91	564,197,722.50		3,137,318,890.29		6,363,826,637.71	273,266,091.44	6,637,092,647.15
Add: Will Change in accounting policy	0.00				0.00		0.00	0.00	0.00		0.00		0.00	0.00	0.00
Ex Correction of period errors	0.00				0.00		0.00	0.00	0.00		0.00		0.00	0.00	0.00
Same control enterprise Industry consolidation															
its															
He															
II. Opening balance of the year	1,112,075,445.00	0.00	0.00	0.00	1,246,310,481.14	0.00	91,295,649.87	212,628,448.91	564,197,722.50	0.00	3,137,318,890.29	0.00	6,363,826,637.71	273,266,091.44	6,637,092,647.15

	0				4						9		1		5
III. Amount of increase or decrease in the current period (Decrease filled in with a "—" sign (column))	0.0 0	0.0 0	0.0 0	0.0 0	0.0 0	0.0 0	0.0 0	36.124 ,13 1.7 5	0.0 0	0.0 0	284 ,40 7,4 18. 54	0.0 0	320 ,53 1,5 50. 29	2,7 67. 904 .03	323 ,29 9,4 54. 32
(i) Total comprehensive income											618 ,03 0,0 52. 04		618 ,03 0,0 52. 04	14. 351 ,33 1.9 9	632 ,38 1,3 84. 03
(ii) Owner input and reduction Less capital	0.0 0	0.0 0	0.0 0	0.0 0	0.0 0	0.0 0	0.0 0	0.0 0	0.0 0	0.0 0	0.0 0	0.0 0	0.0 0		0.0 0
1、Owner input general Share													0.0 0		0.0 0
2. Other equity instruments held Capital investment													0.0 0		0.0 0
3. Share-based payments included in owners' equity forehead													0.0 0		0.0 0
4. Other													0.0 0		0.0 0
(iii) Profit distribution									0.0 0		- 333 ,62 2,6 33. 50		- 333 ,62 2,6 33. 50	- 12. 598 ,61 3.0 8	- 346 ,22 1,2 46. 58
1. Extraction of surplus Surplus Provident Fund									0.0 0		0.0 0		0.0 0		0.0 0
2. Extract a General risk allowance													0.0 0		0.0 0

3. Distribution to owners (or shareholders)											- 333 ,62 2,6 33. 50		- 333 ,62 2,6 33. 50	- 12. 598 ,61 3.0 8	- 346 ,22 1,2 46. 58
4. Other													0.0 0		0.0 0
(iv) Within owner's equity Carryover								0.0 0		0.0 0			0.0 0		0.0 0
1. Transfer of capital surplus to capital (or equity)													0.0 0		0.0 0
2. Transfer of surplus to capital (or equity)													0.0 0		0.0 0
3. Surplus public													0.0		0.0

Accumulated losses													0		0
4. Changes in defined benefit plans carried forward for retention Earnings													0.0 0		0.0 0
5. Other comprehensive income carryforward Retained earnings													0.0 0		0.0 0
6. Other													0.0 0		0.0 0
(E) special reserve								36. 124 ,13 1.7 5					36. 124 ,13 1.7 5	1,0 15. 185 -12	37. 139 ,31 6.8 7
1. Withdrawal in the current period								58. 940 ,81 6.5 2					58. 940 ,81 6.5 2	2,5 86. 526 -56	61. 527 ,34 3.0 8
2. Used in this period								22. 816 ,68 4.7 7					22. 816 ,68 4.7 7	1,5 71. 341 -44	24. 388 ,02 6.2 1
(F) Other													0.0 0		0.0 0
IV. Closing balance of the period	1,1 12. 075 ,44 5.0 0	0.0 0	0.0 0	0.0 0	1,2 46. 310 ,48 1.1 4	0.0 0	91. 295 ,64 9.8 7	248 ,75 2,5 80. 66	564 ,19 7,7 22. 50	0.0 0	3,4 21. 726 ,30 8.8 3	0.0 0	6,6 84. 358 ,18 8.0 0	276 ,03 3,9 13. 47	6,9 60. 392 ,10 1.4 7

Prior year amount

Unit: Yuan

Proj ects	Half year 2021													
	Equity attributable to owners of the parent company												Mi no rit y int	T ot al O w
	Other equity instruments	C	Less	Ot he	S	S	- G	U						

	S ha re C ap ita l	Pr ef er red S ha res	P er pe tu al D eb t	Ot he r	ap ita l su rpl us	: St oc k U nit	r co m pr eh en si ve in co m e Ben efi t	pe ci ali ze d re se rv es	ur pl us re se rv es	en er al ris k qu as i Prepar ation	nd ist rib ut ed ea rn ing s	Ot he r	S ub tot al	er es ts	ne r's E qu ity
I. Prior year ending balance	1,1 12. 075 ,44 5.0 0				1,2 46. 310 ,48 1.1 4		91. 285 ,85 3.1 7	195 ,63 3,2 09. 10	564 ,19 7,7 22. 50		2,9 38. 477 ,01 5.7 0		6,1 47. 979 ,72 6.6 1	254 ,59 0,5 93. 60	6,4 02. 570 ,32 0.2 1
Add: Will Change in accounting policy															
Ex Correction of period errors															

S ame control enterprise Industry consolidation															
its He															
II. Opening balance of the year	1,1 12. 075 ,44 5.0 0				1,2 46. 310 ,48 1.1 4		91. 285 ,85 3.1 7	195 ,63 3,2 09. 10	564 ,19 7,7 22. 50		2,9 38. 477 ,01 5.7 0		6,1 47. 979 ,72 6.6 1	254 ,59 0,5 93. 60	6,4 02. 570 ,32 0.2 1
III. Amount of increase or decrease in the current period (Decrease filled in with a "–" sign (column))								64. 935 ,05 9.4 0			119 ,79 5,5 27. 24		184 ,73 0,5 86. 64	22. 623 ,21 6.3 7	207 ,35 3,8 03. 01
(i) Total comprehensive income											342 ,21 0,6 16. 24		342 ,21 0,6 16. 24	15. 024 ,16 1.8 6	357 ,23 4,7 78. 10
(ii) Owner input and reduction of capital														5,0 75. 038 .89	5,0 75. 038 .89
1. Owner input general Share															
2. Other equity instruments held Capital investment															
3. Share- based payments included in owners' equity forehead															

4. Other														5,075.038.89	5,075.038.89
(iii) Profit distribution											-222,415,089.00		-222,415,089.00		-222,415,089.00
1. Extraction of surplus Surplus Provident Fund															
2. Extract a General risk allowance															
3. Distribution to owners (or shareholders)											-222,415,089.00		-222,415,089.00		-222,415,089.00

4. Other															
(iv) Within owner's equity Carryover															
1. Transfer of capital surplus to capital (or equity)															
2. Transfer of surplus to capital (or equity)															
3. Surplus public Accumulated losses															
4. Changes in defined benefit plans carried forward for retention Earnings															
5. Other comprehensive income carryforward Retained earnings															
6. Other															
(E) special reserve								64. 935 ,05 9.4 0					64. 935 ,05 9.4 0	2,5 24. 015 .62	67. 459 ,07 5.0 2
1. Withdrawal in the current period								78. 862 ,42 7.7 8					78. 862 ,42 7.7 8	3,0 37. 108 .27	81. 899 ,53 6.0 5
2. Used in this period								13. 927 ,36 8.3 8					13. 927 ,36 8.3 8	513 ,09 2.6 5	14. 440 ,46 1.0 3
(F) Other															

IV. Closing balance of the period	1,112,075.44				1,246,310.48		91,285.85	260,568.2	564,197.7		3,058,272.54		6,332,710.31	277,213.89	6,609,924.12
	5.00				1.14		3.17	68.50	22.50		2.94		3.25	97	3.22

8. Parent company statement of changes in owners' equity

Amount for the period

Unit: Yuan

Proj ects	Semiannual 2022											
	Share Capital	Other equity instruments			Capi tal surp lus	Less : Trea sury stoc k	Oth er com pre hensi ve inco me	Spe ciali zed rese rves	Surp lus rese rves	Undi strib uted earn ings	Other	Tota l Own er's Equi ty Count
		Pref err ed Sh are s	Perp etu al De bt	Other								

I. Prior year ending balance	1,112,075.445.00				1,290,217.528.60		91,295,649.87	192,329,300.94	556,037,722.50	3,091,798.565.68	0.00	6,333,754.212.59
Add: Will Change in accounting policy	0.00				0.00		0.00	0.00	0.00	0.00	0.00	0.00
Ex Correction of period errors	0.00				0.00		0.00	0.00	0.00	0.00	0.00	0.00
its He	0.00				0.00		0.00	0.00	0.00	0.00	0.00	0.00
II. Opening balance of the year	1,112,075.445.00	0.00	0.00	0.00	1,290,217.528.60	0.00	91,295,649.87	192,329,300.94	556,037,722.50	3,091,798.565.68	0.00	6,333,754.212.59
III. Amount of increase or decrease in the current period (Decrease filled in with a "+" sign (column))	0.00	0.00	0.00	0.00	0.00	0.00	0.00	30,274,256.43	0.00	183,707,806.35	0.00	213,982,062.78
(i) Total comprehensive income							0.00			517,330,439.85		517,330,439.85
(ii) Owner input and reduction Less capital												0.00
1、Owner input general Shares												0.00
2. Other equity instruments held Capital investment												0.00
3. Share-based payments included in owners' equity forehead												0.00

4. Other												0.00
(iii) Profit distribution									0.00	- 333,6 22,63 3.50		- 333,6 22,63 3.50
1. Extraction of surplus Surplus Provident Fund									0.00	0.00		0.00
2. Distribution to owners (or shareholders)										- 333,6 22,63 3.50		- 333,6 22,63 3.50
3. Other												0.00
(iv) Within owner's equity Carryover												0.00
1. Transfer of capital surplus to capital (or equity)												0.00

2. Transfer of surplus to capital (or equity)												0.00
3. Surplus public Accumulated losses												0.00
4. Changes in defined benefit plans carried forward for retention Earnings												0.00
5. Other comprehensive income carryforward Retained earnings												0.00
6. Other												0.00
(E) special reserve								30,274,256.43				30,274,256.43
1. Withdrawal in the current period								49,210,247.22				49,210,247.22
2. Used in this period								18,935,990.79				18,935,990.79
(F) Other												0.00
IV. Closing balance of the period	1,112,075.445.00	0.00	0.00	0.00	1,290,217.528.60	0.00	91,295,649.87	222,603,557.37	556,037,722.50	3,275,506.372.03	0.00	6,547,736.275.37

Prior year amount

Unit: Yuan

Proj ects	Half year 2021											
	Share Capital	Other equity instruments			Capi tal surp lus	Less : Trea sury stoc k	Oth er com preh ensi ve inco me	Spe ciali zed rese rves	Surp lus rese rves	Undi strib uted earn ings	Other	Tota l Own er's Equi ty Count
		Pref err ed Share s	Perp etu al De bt	Other								

I. Prior year ending balance	1,112,075.445.00				1,290,217.549.82		91,285,853.17	175,706,097.10	556,037,722.50	2,888,102.283.87		6,113,424.951.46
Add: Will Change in accounting policy												
Ex Correction of period errors												
its He												
II. Opening balance of the year	1,112,075.445.00				1,290,217.549.82		91,285,853.17	175,706,097.10	556,037,722.50	2,888,102.283.87		6,113,424.951.46
III. Amount of increase or decrease in the current period (Reduced to The "—" sign is filled in								56,442,054.21		109,499,642.34		165,941,696.55

(column)												
(i) Total comprehensive income										331,9 14,73 1.34		331,9 14,73 1.34
(ii) Owner input and reduction Less capital												
1. Owner input general Share												
2. Other equity instrument s held Capital investment												
3. Share-based payments included in owners' equity forehead												
4. Other												
(iii) Profit distribution										- 222,4 15,08 9.00		- 222,4 15,08 9.00
1. Extraction of surplus Surplus Provident Fund												
2. Distribution to owners (or shareholders)										- 222,4 15,08 9.00		- 222,4 15,08 9.00
3. Other												
(iv) Within owner's equity Carryover												
1. Transfer of capital surplus to capital (or equity)												

2. Transfer of surplus to capital (or equity)												
3. Surplus public Accumulated losses												
4. Changes in defined benefit plans carried forward for retention Earnings												
5. Other comprehensive income carryforward Retained earnings												
6. Other												
(E) special reserve								56,44 2,054 .21				56,44 2,054 .21
1. The current period								68,39				68,39

take							7,907 .06				7,907 .06
2、Used in this period							11,95 5,852 .85				11,95 5,852 .85
(F) Other											
IV. Closing balance of the period	1,112 ,075. 445.0 0				1,290 ,217. 549.8 2		91,28 5,853 .17	232,1 48,15 1.31	556,0 37,72 2.50	2,997 ,601. 926.2 1	6,279 ,366. 648.0 1

III. Basic information of the company

Ltd. (hereinafter referred to as the Company or the Company) is a foreign-invested joint stock company with less than 25% foreign capital, which was established and legally survived by Shaanxi Natural Gas Co. The Company was registered with the Administration for Industry and Commerce of Shaanxi Province on November 1, 2005 and is headquartered in Xi'an, Shaanxi Province.

City. The company's original business license registration number is 610000400000319, has obtained three certificates in one on June 27, 2016, the unified social credit code is

The Company has a registered capital of NT\$1,112,075,445.00 and a total of 1,112,075,445 shares (par value NT\$1 per share). Company shares

On August 13, 2008, the Company's shares were listed on the Shenzhen Stock Exchange.

The Company is in the gas production and supply industry. Business scope: natural gas transmission, natural gas-related product development, comprehensive utilization of natural gas, and natural gas power generation. (Except for the special provisions of national laws and regulations in the above business scope) Main products or services provided: natural gas sales, pipeline transportation and gas engineering installation.

These financial statements were approved by the Company at the Twenty-first Meeting of the Fifth Session of the Board of Directors on August 26, 2022 for external reporting.

Ltd., Hanzhong City Gas Investment and Development Co., Ltd., Shangluo City Gas Co., Ltd., Yan'an Gas Pipeline Co., Ltd., Lantian City Gas Co., Ltd., Weinan City Gas Co., Ltd. and Meixian City Gas Co., Ltd. were included in the scope of the consolidated financial statements for the period, as described in the notes to these financial statements For details, please refer to the notes "VIII. Changes in the scope of consolidation" and "IX. Interests in other entities".

IV. Basis of preparation of financial statements

1、Basis of preparation

The Company prepares its financial statements on a going concern basis, based on transactions and events that have actually occurred and in accordance with the Accounting Standards for Business Enterprises - Basic Standards, specific accounting standards, application guidelines for accounting standards for business enterprises, interpretations of accounting standards for business enterprises and other relevant regulations issued by the Ministry of Finance (hereinafter collectively referred to as "ASBEs"). The financial statements have been prepared in accordance with the "Accounting Standards for Business Enterprises - Basic Standards" issued by the Ministry of Finance, specific accounting standards, guidelines for the application of accounting standards for business enterprises, interpretations of accounting standards for business enterprises and other relevant regulations (hereinafter collectively referred to as the "Accounting Standards for Business Enterprises") and the disclosure requirements of "No. 15 -

General Provisions on Financial Reporting" of the China Securities Regulatory Commission.

2、 Continuing business

There are no matters or circumstances that cast significant doubt on the going concern assumptions for the 12 months from the end of the reporting period.

V. Significant accounting policies and accounting estimates

Specific accounting policies and accounting estimate tips:

The Company has formulated specific accounting policies and accounting estimates for transactions or events such as provision for bad debts of receivables, depreciation of fixed assets, amortization of intangible assets and revenue recognition in accordance with actual production and operation characteristics.

1、Statement of compliance with corporate accounting standards

The financial statements prepared by the Company comply with the requirements of the Accounting Standards for Business Enterprises and give a true and complete picture of the Company's financial position, results of operations and cash flows and other relevant information.

2、Accounting period

The accounting year begins on January 1 and ends on December 31.

3、Business cycle

The Company operates a short business cycle and uses 12 months as the liquidity classification for assets and liabilities.

4、Bookkeeping currency

The RMB is used as the local currency of accounts.

5. Accounting for business combinations under common control and non-common control

1. Accounting for business combinations under common control

Assets and liabilities acquired by the Company in a business combination are measured at the carrying amount of the consolidated party in the consolidated financial statements of the ultimate controlling party at the date of the combination. The Company adjusts capital surplus by the difference between the share of the ownership interest of the consolidated party in the consolidated financial statements of the ultimate controlling party and the total carrying amount of the merger consideration paid or the aggregate nominal value of shares issued; if capital surplus is not sufficient for elimination, it is adjusted to retained earnings.

2. Accounting for business combinations not under common control

If the cost of consolidation is less than the fair value of the share of identifiable net assets of the acquiree, the fair value of the acquiree's identifiable assets, liabilities and contingent liabilities and the measurement of the cost of consolidation are first reviewed, and after the review, the cost of consolidation is still less than the share of the fair value of the acquiree's identifiable net assets. If, after such review, the cost of consolidation is still less than the share of the fair value of the identifiable net assets of the acquiree, the difference is recognized in profit or loss for the current period.

6. Method of preparing consolidated financial statements

1. Scope of consolidation

The scope of consolidation in the consolidated financial statements is determined on the basis of control. Control is defined as a company's power over an investee, **the** enjoyment of variable returns through participation in the investee's underlying activities, and the ability to use its power over the investee to affect the amount of its returns. Relevant activities are those that have a significant impact on the investee's return. A company's related activities should be judged on a case-by-case basis and usually include sales and purchases of goods or services, management of financial assets, purchases and disposals of assets, research and development activities, and financing activities.

The parent company includes all subsidiaries under its control

in the scope of consolidation of the consolidated financial statements.

2. Consolidation procedures

The consolidated financial statements are based on the financial statements of the parent company and its subsidiaries

and, based on other relevant information, are prepared by the parent company in accordance with ASBE No. 33 - "Accounting for Business Enterprises".

-Consolidated Financial Statements is prepared. They are prepared by consolidating, on an item-by-item basis, significant investments, transactions, inventory purchases and sales, and their unrealized profits between the parent company and each subsidiary and between subsidiaries, and by calculating minority interests and minority income. If the accounting policies and accounting periods adopted by the subsidiaries are not consistent with those of the parent company, the financial statements of the subsidiaries are adjusted as necessary to conform to the parent company's accounting policies and accounting periods before consolidation.

7. Classification of joint venture arrangements and accounting treatment of joint operations

1. Joint venture arrangements are divided into joint operations and joint ventures.

2. When the company is a joint venturer in a joint operation, the following items are recognized in relation to the share of interest in the joint operation:

- (1) Recognition of assets held separately and of assets held jointly on a share basis;
- (2) Recognition of liabilities assumed individually, and liabilities assumed jointly on a holding share basis;
- (3) Recognize revenue from the sale of the company's share of common operating output;
- (4) Recognition of income from joint operations arising from the sale of assets on the basis of the company's share;
- (5) Recognize expenses incurred separately, as well as expenses incurred in joint operations based on the company's share of ownership.

8. Criteria for determining cash and cash equivalents

Cash presented in the statement of cash flows represents cash on hand and deposits that are readily available for disbursement. Cash equivalents are investments held by companies with short maturities, high liquidity, easily convertible to known amounts of cash and subject to an insignificant risk of changes in value.

9. Foreign currency operations and translation of foreign currency statements

1. Translation of foreign currency operations

On initial recognition, foreign currency transactions are translated into RMB amounts using the spot exchange rate at the date of the transaction. At the balance sheet date, monetary items denominated in foreign currencies are translated using the spot exchange rate at the balance sheet date, and exchange differences arising from differences in exchange rates are recognized in profit or loss for the current period, except for exchange differences on the principal and interest of special borrowings denominated in foreign currencies relating to the acquisition of assets eligible for capitalization; non-monetary items denominated in foreign currencies measured at historical cost are still translated using the spot exchange rate at the date of the transaction without changing their RMB amounts; non-monetary items measured at fair value in foreign currencies are translated using the spot exchange rate at the date of fair value determination, and the difference is recognized in current profit or loss or other comprehensive income.

2. Translation of foreign currency financial statements

Assets and liabilities in the balance sheet are translated using the spot exchange rate at the balance sheet date; equity items, except for **“undistributed earnings”**, **are translated** using the spot exchange rate at the date of the transaction; income and expense items in the income statement are translated using the spot exchange rate at the date of the transaction. The translation differences arising from the above translation are recognized in other comprehensive income.

10. Financial instruments

A financial instrument is a contract that forms a financial asset of one party and creates a financial liability or equity instrument of another party.

For the purchase or sale of financial assets in the conventional manner, the enterprise should recognize the assets to be received and the liabilities to be assumed for this purpose on the transaction date, or derecognize the assets sold and recognize the gain or loss on disposal and the receivables receivable from the buyer at the same time on the transaction date.

Financial assets and financial liabilities are measured at fair value at initial recognition. For financial assets and financial liabilities at fair value through profit or loss, the related transaction costs are recognized directly in profit or loss; for other categories of financial assets and financial liabilities, the related transaction costs are recognized in the initial

recognition amount.

The effective interest method is a method of calculating the amortized cost of a financial asset or financial liability and of allocating interest income or interest expense to each accounting period.

The effective interest rate is the rate used to discount the estimated future cash flows of a financial asset or financial liability through its expected life to the carrying amount of the financial asset or the amortized cost of the financial liability. In determining the effective interest rate, the expected cash flows are estimated taking into account all contractual terms of the financial asset or financial liability (such as early repayment, rollover, call option or other similar options, etc.), but not the expected credit losses.

The amortized cost of a financial asset or financial liability is the accumulated amortization resulting from the initial recognition amount of the financial asset or financial liability, less the principal repaid, plus or minus the difference between that initial recognition amount and the maturity amount using the effective interest method, less accumulated provision for losses (applicable only to financial assets).

1. Classification and measurement of financial assets

After initial recognition, the Company subsequently measures different categories of financial assets at amortized cost, at fair value through other comprehensive income, or at fair value through profit or loss, respectively.

A financial asset is classified as a financial asset carried at amortized cost if the contractual terms of the financial asset provide that the only cash flows arising on a specific date are payments of principal and interest based on the principal amount outstanding and the Company's business model for managing the financial asset is to collect the contractual cash flows. Such financial assets mainly include monetary funds, notes and accounts receivable, other receivables and long-term receivables.

If the contractual terms of a financial asset provide that the cash flows arising on a specific date are solely payments of principal and interest based on the outstanding principal amount, and the Company's business model for managing the financial asset is to both collect the contractual cash flows and sell the financial asset, the financial asset is classified as a financial asset measured at fair value through other comprehensive income. Such financial assets with a maturity of more than one year from the date of acquisition are presented as other debt investments, and those maturing within one year from the balance sheet date (including one year) are presented as non-current assets maturing within one year; those with a maturity of one year or less at the time of acquisition are presented as other current assets.

Financial assets at fair value through profit or loss include financial assets classified as at fair value through profit or loss and financial assets designated as at fair value through profit or loss, which are presented as financial assets held for trading. Maturities greater than one year from the balance sheet date

(or indefinite) and are expected to be held for more than one year are presented in other non-current financial assets.

-Financial assets that do not qualify for classification as financial assets at amortized cost and financial assets at fair value through other comprehensive income are classified as financial assets at fair value through profit or loss.

-On initial recognition, in order to eliminate or significantly reduce accounting mismatches, the Company may irrevocably designate financial assets as financial assets at fair value through profit or loss.

At initial recognition, an enterprise may designate an investment in a non-trading equity instrument as a financial asset at fair value through other comprehensive income and recognize dividend income in accordance with the regulations. The designation, once made, cannot be revoked. Contingent consideration recognized by the company in a business combination not under common control that constitutes a financial asset is classified as a financial asset at fair value through profit or loss and may not be designated as a financial asset at fair value through other comprehensive income.

A financial asset meets one of the following conditions to indicate that the Company holds the financial asset for trading purposes:

-The purpose of acquiring the related financial assets is primarily for the purpose of a recent sale.

-The relevant financial assets are part of a portfolio of centrally managed identifiable financial instruments at initial recognition, and there is objective evidence of an actual recent pattern of short-term profit-taking.

-The underlying financial assets are derivatives. Except for derivatives that meet the definition of a financial guarantee contract and those that are designated as effective hedging instruments.

(1) Financial assets measured at amortized cost

Financial assets carried at amortized cost are subsequently measured at amortized cost using the effective interest method. Gains or losses arising from impairment or derecognition are recognized in profit or loss in the current period.

The Company recognizes interest income for financial assets measured at amortized cost based on the effective interest rate method. The Company determines interest income based on the carrying amount of the financial assets multiplied by the effective interest rate, except for the following cases:

-For financial assets acquired or originated with credit impairment, the Company determines the interest income from the initial recognition on the basis of the amortized cost of the financial assets and the effective interest rate adjusted for credit.

-For financial assets acquired or originated that are not credit impaired but become credit impaired in a subsequent period, the Company determines interest income in the subsequent period based on the amortized cost of the financial asset and the effective interest rate. If the financial instrument is no longer credit impaired in a subsequent period because its credit risk has improved and this improvement can be linked to an event occurring after the application of the above provisions, the Company transfers the calculation to determine interest income based on the effective interest rate multiplied by the carrying amount of the financial asset.

(2) Financial assets classified as at fair value through other comprehensive income

Impairment losses or gains related to financial assets classified as at fair value through other comprehensive income and interest income calculated using the effective interest rate method are recognized in profit or loss, except for changes in the fair value of the financial assets, which are recognized in other comprehensive income. The amount recognized in profit or loss for each period is the same as the amount recognized in profit or loss for each period as if the financial asset had been measured at amortized cost. Upon derecognition of the financial asset, the cumulative gain or loss previously recognized in other comprehensive income is transferred from other comprehensive income and recognized in profit or loss for the current period.

(3) Financial assets designated as at fair value through other comprehensive income

Upon designation of an investment in a non-trading equity instrument as a financial asset at fair value through other comprehensive income, changes in the fair value of the financial asset are recognized in other comprehensive income, and upon derecognition of the financial asset, the cumulative gain or loss previously recognized in other comprehensive income is transferred from other comprehensive income and recognized in retained earnings. Dividend income is recognized and recognized in profit or loss over the period in which the Company holds such investments in non-trading equity instruments, when the Company's right to receive the dividends has been established, it is probable that the economic benefits associated with the dividends will flow to the Company, and the amount of the dividends can be measured reliably.

(4) Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss are subsequently measured at fair value, with gains or losses arising from changes in fair value and dividend and interest income related to the financial assets recognized in profit or loss.

2. Impairment of financial instruments

For financial assets measured at amortized cost, contract assets, and investments in debt instruments and financial guarantee contracts measured at fair value through other comprehensive income, the Company recognizes loss provisions based on expected credit losses.

The Company recognizes expected credit losses by calculating the probability-weighted amount of the present value of the difference between the cash flows receivable under the contract and the cash flows expected to be received, taking into account reasonable and substantiated information about past events, current conditions and forecasts of future economic conditions, weighted by the risk of default.

At each balance sheet date, the Company measures expected credit losses separately for financial instruments that are in different stages. If the credit risk of a financial instrument has not increased significantly since initial recognition, in the first stage, the Company measures the allowance for losses based on the expected credit losses over the next 12 months; if the credit risk of a financial instrument has increased significantly since initial recognition but no credit impairment has occurred, in the second stage, the Company measures the allowance for losses based on the expected credit losses over the entire life of the financial instrument; if the credit impairment of a financial instrument has occurred since initial recognition, in the third stage, the Company measures the allowance for losses based on the expected credit losses over the entire life of the instrument. If credit impairment has occurred since the initial recognition of the financial instrument, the Company measures the allowance for loss in accordance with the expected credit loss for the entire life of the instrument in the third stage.

For financial instruments with low credit risk at the balance sheet date, the Company assumes that their credit risk has not increased significantly since initial recognition and measures the allowance for losses based on expected credit losses over the next 12 months.

The Company calculates interest income for financial instruments at stage I and II, and for financial instruments with lower credit risk, based on their carrying amounts before impairment allowances and effective interest rates. For financial instruments in the third stage, interest income is computed on the basis of their carrying amounts less provision for impairment and effective interest rates.

For notes receivable, accounts receivable, receivables financing, long-term receivables, contract assets and lease receivables, regardless of whether there is a significant financing component, the Company estimates expected credit losses on the above receivables, individually or in combination, considering all reasonable and substantiated information, including forward-looking information, and uses a simplified model of expected credit losses, always based on the expected credit over the entire duration. The allowance for losses is always measured on the basis of expected credit losses over the entire life of the receivables. The accrual method is as follows:

(1) At the end of the period, financial assets with significantly different credit risks are individually evaluated for credit risk, such as receivables in dispute with counterparties or involved in litigation or arbitration, and other receivables for which there are already clear indications that it is probable that the debtor will not be able to perform repayment operations, are individually tested for impairment, expected credit losses are recognized, and individual impairment allowances are made.

(2) When information on expected credit losses cannot be assessed at a reasonable cost for individual financial assets, the Company divides a portfolio of receivables based on credit risk characteristics and calculates expected credit losses on a portfolio basis.

The Company calculates expected credit losses on a portfolio basis based on credit risk characteristics and determines the portfolio on the following basis:

① Notes receivable

Based on the acceptor credit risk of notes receivable as a common risk characteristic, they are classified into different combinations and the expected credit loss policy is determined. Portfolio 1: Bankers' acceptances

Portfolio 2: Commercial acceptances

Expected credit loss policy for Portfolio 1: The Company evaluates this category as having low credit risk, and no bad debt provision is made for banker's acceptances.

Expected credit loss policy for Portfolio 2: Expected credit losses are calculated by taking into account historical credit loss experience, current conditions and forecasts of future economic conditions through default exposures and expected credit loss rates throughout the life of the portfolio.

②Accounts receivable

In addition to receivables for which credit risk is assessed individually, receivables are classified into different combinations based on the relationship of the counterparty to the receivables as a common risk characteristic.

Portfolio 1: Related parties within the scope of the Company's consolidated financial statements

Portfolio 2: Customer portfolios other than Portfolio 1

Expected credit loss policy for Portfolio 1: The Company evaluates the credit risk of this category to be low.

Expected credit loss policy for Portfolio 2: The aging of accounts receivable is used as the credit risk characteristic.

For accounts receivable classified as a portfolio, the Company prepares a table of aging of accounts receivable against the expected credit loss rate for the entire duration by referring to historical credit loss experience, taking into account current conditions and forecasts of future economic conditions, and calculates expected credit losses.

(iii) Receivables financing

Based on the acceptor credit risk of notes receivable as a common risk characteristic, they are classified into different portfolios as follows: Portfolio 1: Bank acceptance bills

Portfolio 2: Commercial acceptances

Expected credit loss policy for Portfolio 1: The Company evaluates this category as having low credit risk and calculates the expected credit loss by considering the default risk exposure and the expected credit loss rate over the life of the portfolio.

Expected credit loss policy for Portfolio 2: Expected credit losses are calculated by taking into account historical credit loss experience, current conditions and forecasts of future economic conditions through default exposures and expected credit loss rates throughout the life of the portfolio.

④ Other receivables

For other receivables other than those assessed individually for credit risk, the Company classifies other receivables into different combinations based on common risk characteristics such as the relationship of other receivables' counterparties and the nature of payments.

Portfolio 1: Interest receivable and dividends receivable

Portfolio 2: Various types of deposits, deposits and reserve funds to be collected

Portfolio 3: Receivables other than Portfolio 1 and 2, such as advances on behalf of and provisional payments.

Expected credit loss policy for Portfolio 1: The Company evaluates this category as having low credit risk and generally does not provide for bad debts.

Expected credit loss policy for Portfolio 2 and Portfolio 3: Compiled with reference to historical credit loss experience, taking into account current conditions and forecasts of future economic conditions

The expected credit loss is calculated by comparing the aging of other receivables with the expected credit loss rate within the next 12 months or the entire duration.

For debt investments and other debt investments, the Company calculates expected credit losses through default risk exposures and expected credit loss rates over the next 12 months or the entire duration, depending on the nature of the investments and the various types of counterparties and exposures.

Assessment of significant increase in credit risk:

The Company assesses whether the credit risk of a financial instrument has increased significantly since initial recognition by comparing the risk of default of the financial instrument at the balance sheet date with the risk of default at the date of initial recognition to determine the relative change in the risk of default over the expected life of the financial instrument.

In determining whether credit risk has increased significantly since initial recognition, the Company considers reasonable and substantiated information, including forward-looking information, that is available without undue additional cost or effort. The information considered by the Company includes:

The debtor's failure to pay principal and interest by the contractual due date;

Significant deterioration in the external or internal credit rating (if any) of

the financial instrument that has occurred or is expected; significant

deterioration in the results of operations of the debtor that has occurred or

is expected;

Existing or anticipated changes in the technological, market, economic or legal environment that would have a material adverse effect on the Debtors' ability to repay the Company.

Depending on the nature of the financial instrument, the Company assesses whether there is a significant increase in credit risk on the basis of individual financial instruments or a portfolio of financial instruments. When assessing on the basis of a portfolio of financial instruments, the Company may classify financial instruments based on common credit risk characteristics, such as past due information and credit risk ratings.

Financial assets subject to credit impairment:

The Company assesses at the balance sheet date whether financial assets measured at amortized cost and debt investments measured at fair value through other comprehensive income are credit impaired. A financial asset becomes

credit impaired when one or more events occur that have an adverse effect on the expected future cash flows of the financial asset. Evidence that a financial asset is credit impaired includes the following observable information:

Significant financial difficulties on the part of the issuer or debtor;

Breach of contract by the debtor, such as default or late payment of interest or principal;

The Company grants concessions to the debtor that it would not otherwise make because of economic or contractual considerations related to the debtor's financial difficulties; the debtor is likely to become insolvent or otherwise financially restructure;

The financial difficulties of the issuer or debtor result in the disappearance of an active market for the financial asset.

Presentation of allowance for expected credit losses:

To reflect changes in the credit risk of a financial instrument since initial recognition, the Company remeasures the expected credit losses at each balance sheet date, and the resulting increase or reversal in the allowance for losses should be recognized as an impairment loss or gain in profit or loss for the current period. For financial assets measured at amortized cost, the allowance for losses is reduced by the carrying amount of the financial assets presented in the balance sheet; for debt investments measured at fair value through other comprehensive income, the Company recognizes its allowance for losses in other comprehensive income, without reducing the carrying amount of the financial assets.

If the Company no longer has a reasonable expectation that the contractual cash flows from a financial asset will be fully or partially recovered, the carrying amount of the financial asset is written down directly. Such a write-down constitutes derecognition of the related financial asset. This usually occurs when the Company determines that the debtor has no assets or sources of income that will generate sufficient cash flows to repay the amount to be written down. However, in accordance with the Company's procedures for collecting amounts due, the financial assets being written down may still be subject to enforcement activities.

If a financial asset that has been written down is subsequently recovered, the reversal of the impairment loss is recognized as a gain or loss in the period in which it is recovered.

3. Transfer of financial assets

A financial asset is derecognized when one of the following conditions is met: (1) **the** contractual rights to receive cash flows from the financial asset are terminated; (2) **the financial asset is** transferred and substantially all the risks and rewards of ownership of the financial asset are transferred to the transferring party; (3) **the financial asset is** transferred and, although the Company neither transfers nor retains substantially all the risks and rewards of ownership of the financial asset, it does not retain control over the financial asset.

If the Company neither transfers nor retains substantially all the risks and rewards of ownership of a financial asset and retains control over the financial asset, it continues to recognize the transferred financial asset to the extent of its continuing involvement in the transferred financial asset and recognizes the related liability accordingly. The Company measures the related liabilities in the following manner:

- If the transferred financial assets are measured at amortized cost, the carrying amount of the related liabilities is equal to the carrying amount of the transferred financial assets less the amortized cost of the Company's retained rights (if the Company retains the related rights as a result of the transfer of the financial assets) and the amortized cost of the Company's obligations (if the Company assumes the related obligations as a result of the transfer of the financial assets), and the related liabilities are not designated as financial liabilities at fair value. The related liability is not designated as a financial liability at fair value through profit or loss.

- If the transferred financial asset is measured at fair value, the carrying amount of the related liability is equal to the carrying amount of the continuing involvement in the transferred financial asset less the fair value of the Company's retained rights (if the Company retains the related rights as a result of the transfer of the financial asset) and plus the fair value of the Company's obligations (if the Company assumes the related obligations as a result of the transfer of the financial asset), the fair value of the rights and obligations is fair value when measured on a stand-alone basis.

If the conditions for derecognition are met for the transfer of a financial asset as a whole, the difference between the carrying amount of the transferred financial asset at the date of derecognition and the sum of the consideration received for the transfer of the financial asset and the amount corresponding to the derecognized portion of the accumulated changes in fair value originally recognized in other comprehensive income is recognized in profit or loss for the current period. If the financial assets transferred by the Company are non-trading investments in equity instruments designated as at fair value through other comprehensive income, the cumulative gain or loss previously recognized in other comprehensive income is transferred from other comprehensive income and recognized in retained earnings.

If a partial transfer of a financial asset satisfies the conditions for derecognition, the carrying amount of the financial asset as a whole before the transfer is apportioned between the derecognized portion and the continuing recognized portion based on their respective relative fair values at the date of transfer, and the sum of the consideration received for the derecognized portion and the amount corresponding to the derecognized portion of the cumulative amount of changes in fair value previously recognized in other comprehensive income and the carrying amount of the derecognized portion at the date of derecognition is recognized in profit or loss. The difference between the consideration received and the cumulative amount of changes in fair value that was recognized in other comprehensive income and the carrying amount of the derecognized portion at the date of derecognition is recognized in profit or loss. If the financial asset transferred by the Company is a non-trading investment in equity instruments designated as at fair value through other comprehensive income, the cumulative gain or loss previously recognized in other comprehensive income is transferred from other comprehensive income and recognized in retained earnings.

If the conditions for derecognition are not met for the transfer of financial assets as a whole, the Company continues to recognize the transferred financial assets as a whole and recognizes the consideration received as a financial liability.

4. Classification of financial liabilities and equity instruments

The Company classifies a financial instrument or its components as financial liabilities or equity instruments at

initial recognition based on the contractual terms of the financial instrument issued and the economic substance reflected therein, rather than solely in legal form, in conjunction with the definitions of financial liabilities and equity instruments.

(1) Classification and measurement of financial liabilities

Financial liabilities are classified at initial recognition as financial liabilities at fair value through profit or loss and other financial liabilities.

① Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading (including derivatives that are financial liabilities) and financial liabilities designated as at fair value through profit or loss. Financial liabilities at fair value through profit or loss are presented as financial liabilities held for trading, except for derivative financial liabilities, which are presented separately.

A financial liability satisfies one of the following conditions, indicating that the purpose of the Company's assumption of the financial liability is transactional:

-The purpose of assuming the related financial liabilities is mainly for the purpose of recent repurchases.

~~The~~ related financial liabilities are part of a portfolio of centrally managed identifiable financial instruments at initial recognition, and there is objective evidence of an actual pattern of short-term profit-taking in the near term.

-The related financial liabilities are derivatives. The exceptions are derivatives that meet the definition of financial guarantee contracts and derivatives that are designated as effective hedging instruments. The Company designates financial liabilities that meet one of the following conditions as financial liabilities at fair value through profit or loss on initial recognition

debt: (1) the designation eliminates or significantly reduces an accounting mismatch; (2) ~~the~~ management and performance evaluation of a portfolio of financial liabilities or a portfolio of financial assets and financial liabilities on a fair value basis in accordance with the risk management or investment strategy set forth in a formal written document of the company; and (3) an eligible hybrid contract containing an embedded derivative.

Trading financial liabilities are subsequently measured at fair value, with gains or losses arising from changes in fair value and dividend or interest expenses related to such financial liabilities recognized in profit or loss for the current period.

For financial liabilities designated as at fair value through profit or loss, changes in fair value arising from changes in the Company's own credit risk are recognized in other comprehensive income, and other changes in fair value are recognized in current profit or loss. Upon derecognition of such financial liabilities, the cumulative changes in their fair value arising from changes in their own credit risk previously recognized in other comprehensive income are transferred to retained earnings. Dividends or interest expenses related to these financial liabilities are recognized in profit or loss. If the treatment of the effect of changes in the financial liabilities' own credit risk as described above would cause or enlarge an accounting mismatch in profit or loss, the Company recognizes all gains or losses on the financial liabilities (including the amount of the effect of changes in own credit risk) in profit or loss for the current period.

② Other financial liabilities

Financial liabilities other than those arising from transfers of financial assets that do not qualify for derecognition or from continuing involvement in the transferred financial assets and financial guarantee contracts are classified as financial liabilities measured at amortized cost and are subsequently measured at amortized cost, with gains or losses arising from derecognition or amortization recognized in profit or loss for the current period.

(2) Derecognition of financial liabilities

A financial liability or part thereof is derecognized when the present obligation of the financial liability is discharged in whole or in part. If an agreement is entered into between the Company (the borrower) and the lender to replace the original financial liability by assuming a new financial liability, and the contractual terms of the new financial liability are materially different from those of the original financial liability, the Company derecognizes the original financial liability and recognizes the new financial liability at the same time.

If a financial liability is derecognized in whole or in part, the difference between the carrying amount of the derecognized portion and the consideration paid (including non-cash assets transferred or new financial liabilities assumed) is recognized in profit or loss for the current period.

(3) Equity Tools

An equity instrument is a contract that evidences ownership of the Company's residual interest in the assets after deducting all liabilities. The Company issues (including refinancing), repurchases, sells or writes off equity instruments as changes in equity. The Company does not recognize changes in the fair value of equity instruments. Transaction costs associated with equity transactions are deducted from equity.

Distributions to holders of equity instruments are treated as profit distribution, and stock dividends issued do not affect the total shareholders' equity. 5. Offsetting of financial assets and financial liabilities

When the Company has a legal right to offset the amounts of recognized financial assets and financial liabilities, and such legal right is currently enforceable, and the Company plans to settle the financial assets and settle the financial liabilities on a net basis or simultaneously, the financial assets and financial liabilities are **p r e s e n t e d** in the balance sheet at their offsetting amounts. Otherwise, financial assets and financial liabilities are presented separately in the balance sheet without offsetting each other.

11、Notes receivable

For notes receivable, whether or not they contain a significant financing component, the Company always measures its provision at the amount of expected credit losses for a substantial portion of their lives, and the resulting increase or reversal of the provision for losses is recorded as an impairment loss or gain in profit or loss for the period.

12、Accounts receivable

For accounts receivable and contract assets, whether or not they contain significant financing components, the Company always measures its allowance for losses at an amount equal to the expected credit losses throughout their

lives, and the resulting increase or reversal of the allowance for losses is recorded as an impairment loss or gain in profit or loss for the current period. The accrual method is as follows:

When information on expected credit losses cannot be assessed at a reasonable cost for individual financial assets, the Company divides a portfolio of accounts receivable based on credit risk characteristics and calculates expected credit losses on a portfolio basis.

The Company prepares a table comparing the aging of accounts receivable with the expected credit loss rate for the entire duration by combining accounts receivable classified into risky portfolios according to similar credit risk characteristics (aging), referring to historical credit loss experience, and taking into account current conditions and forecasts of future economic conditions to calculate expected credit losses.

13. Receivables financing

The business model is to collect contractual cash flows as well as to sell notes and accounts receivable. The contractual cash flow characteristics of such financial assets are consistent with the basic borrowing and lending arrangements. The Company measures such financial assets at fair value and the changes are recognized in other comprehensive income, except for impairment losses or gains, foreign exchange gains or losses and interest income calculated under the effective interest rate method, which are recognized in profit or loss for the current period.

Notes receivable and accounts receivable under the above business model are presented in the statements as receivable financing.

14. Other receivables

Method of determining expected credit losses on other receivables and accounting treatment

Method of determining expected credit losses on other receivables and accounting treatment

The Company measures impairment losses based on whether the credit risk of other receivables has increased significantly since initial recognition, using an amount equal to the expected credit losses over the next 12 months, or the entire period of existence. Except for other receivables that are individually assessed for credit risk, expected credit losses are calculated based on their credit risk characteristics, according to their ageing portfolio with reference to historical credit loss experience, combined with current conditions and forecasts of future economic conditions.

At the end of the period, the Company calculates the estimated credit loss on other receivables and recognizes the difference as an impairment loss if the estimated credit loss is greater than the carrying amount of its current impairment allowance, or as an impairment gain if the difference is less than the carrying amount of its current impairment allowance.

15. Inventory

1. Classification of inventories

Inventories include finished goods or merchandise held for sale in the ordinary course of activities, work in process, materials and supplies used in the production process or in the provision of services, etc.

2. Valuation method for issuing inventories

Inventory is issued using the weighted-average method at the end of each month. 3. The basis for determining the net realizable value of inventories

At the balance sheet date, inventories are measured at the lower of cost or net realizable value, and a provision for inventory impairment is made for the difference between the cost of the inventory category and its net realizable value. The net realizable value of inventories used directly for sale is determined in the normal course of production and operation at the estimated selling price of the inventories, less estimated selling expenses and related taxes; the net realizable value of inventories subject to processing is determined in the normal course of production and operation at the estimated selling price of the finished goods produced, less the estimated costs to be incurred to completion, estimated selling expenses and related taxes; At the balance sheet date, if there is a contractual price agreement for part of the same inventory and no contractual price for the other part, the net realizable value is determined separately and compared with its corresponding cost to determine the amount of provision for decline in value or reversal of inventory, respectively.

4. Inventory system of inventory

The inventory system for inventories is perpetual inventory system. 5. Amortization method of low-value consumables and packaging

(1) Low-value consumables

Amortization is based on the lump-sum amortization method.

(2) Packaging

Amortization is based on the lump-sum amortization method.

16. Contract assets

1. Recognition of contract assets

The Company presents contract assets or contract liabilities in the balance sheet based on the relationship between the performance obligation and the customer's payment. 2.

Method of determining expected credit losses on contract assets

For contract assets, the Company always measures its loss allowance at an amount equal to the expected credit loss over the entire life of the asset, and the resulting increase or reversal of the loss allowance is recognized as an impairment loss or gain in profit or loss for the period.

17. Contract cost

Contract costs include incremental costs incurred to obtain the contract and contract performance costs.

Incremental costs incurred to acquire a contract are costs that the company would not have incurred without acquiring the contract (e.g., sales commissions, etc.). If such costs are expected to be recovered, the company recognizes them as an asset as contract acquisition costs. Expenses incurred by the company to acquire a contract, other than incremental costs expected to be recovered, are recognized as an asset when incurred.

It is recognized in profit or loss for the current period. Costs incurred to perform a contract that do not fall within the scope of other ASBE norms, such as inventories, and that also meet the following conditions are recognized by the company as a contract performance cost as an asset:

The cost is directly related to a current or anticipated contract, including direct labor, direct materials, manufacturing costs (or similar costs), costs explicitly borne by the customer, and other costs incurred solely as a result of the contract;

The cost increases the Company's future resources available to meet its performance obligations; the cost is expected to be recovered.

Assets recognized for contract acquisition costs and assets recognized for contract performance costs (hereinafter referred to as **“assets related to contract costs”**) are **amortized in profit or loss** using the same basis as revenue recognition for the goods or services to which the assets relate. Amortization is recognized in profit or loss when it occurs, if the amortization period does not exceed one year.

When the carrying value of assets related to contract costs is higher than the difference between the following two items, the company makes a provision for impairment for the excess and recognizes an impairment loss on the assets:

The remaining consideration that the company expects to receive for the transfer of the goods or services associated with the asset; the estimated costs to be incurred to transfer the associated goods or services.

18. Assets held for sale

1. Classification of non-current assets or disposal groups held for sale

The company classifies non-current assets or disposal groups as held for sale if they meet the following conditions: (1) they are ready for immediate sale in their current condition based on the practice of selling such assets or disposal groups in similar transactions; and (2) it is highly probable that the sale will occur, i.e., the company has resolved on a sale plan and obtained firm purchase commitments, and the sale is expected to be completed within one year. If the relevant regulations require the approval of the relevant authority or regulatory authority of the company before the sale can take place, the approval should have been obtained.

Non-current assets or disposal groups acquired by the Company for resale are classified as held for sale at the date of acquisition if the condition of **“sale expected to be completed within one year”** is met and it is probable that other conditions for classification as held for sale will be met in the short term (usually three months).

If a transaction between unrelated parties is not completed within one year due to one of the following reasons beyond the company's control, and there is sufficient evidence that the company is still committed to selling the non-current asset or disposal group, the company shall continue to classify the non-current asset or disposal group as held for sale: (1) the buyer or other party unexpectedly sets conditions that cause the sale to be postponed, the company has acted promptly in response to those conditions, and It is expected that the delay can be successfully resolved within one year from the date the conditions leading to the delay in the sale were set; (2) if the sale of the non-current assets or disposal group held for sale cannot be completed within one year due to the occurrence of rare circumstances, the company has taken necessary measures to address these new circumstances within the first year and the conditions for classification as held for sale have been met again.

2. Measurement of non-current assets or disposal groups held for sale (1) Initial and subsequent measurement

Before a company classifies a non-current asset or disposal group as held for sale for the first time, it should

measure the carrying amount of each asset and liability in the non-current asset or disposal group in accordance with the relevant accounting standards.

If the carrying amount of a non-current asset or disposal group held for sale is higher than its fair value less costs to sell at the initial measurement or remeasurement at the balance sheet date, the carrying amount is written down to its fair value less costs to sell, and the amount of the write-down is recognized as an impairment loss on the asset and charged to current profit or loss, together with a provision for impairment of assets held for sale.

For non-current assets or disposal groups classified as held for sale at the date of acquisition, the lower of the initial measurement amount that would have been determined assuming they were not classified as held for sale or the fair value less costs to sell is compared at the time of initial measurement. Except for non-current assets or disposal groups acquired in a corporate merger, the difference arising from the initial measurement of the non-current assets or disposal groups at fair value less costs to sell is recognized in profit or loss for the current period.

The amount of impairment loss recognized on assets held for sale disposal group is first set off against the carrying value of goodwill in the disposal group, and then against the carrying value of each non-current asset in the disposal group on a pro rata basis according to its proportionate share of the carrying value.

No depreciation or amortization is provided for non-current assets held for sale or non-current assets in disposal groups, and interest and other expenses continue to be recognized for liabilities in disposal groups held for sale.

(2) Accounting for reversal of impairment loss on assets

If the net increase in the fair value less costs to sell of non-current assets held for sale at a subsequent balance sheet date, the amount previously written down is restored and reversed within the amount of impairment loss recognized after classification as held for sale, and the reversal is recognized in profit or loss for the current period. Impairment losses recognized before classification as held for sale are not reversed.

If the net increase in the fair value less costs to sell of disposal groups held for sale at a subsequent balance sheet date occurs, the amount previously written down is restored and reversed within the amount of impairment loss recognized on non-current assets after classification as held for sale, and the reversal is recognized in profit or loss for the current period. The carrying amount of goodwill that has been written down and the impairment loss recognized on non-current assets before classification as held for sale are not reversed.

The amount of subsequent reversal of asset impairment loss recognized for disposal groups held for sale is increased proportionately to the carrying amount of each non-current asset in the disposal group other than goodwill.

(3) Discontinuation of classification as held for sale and accounting for derecognition

When a noncurrent asset or disposal group is no longer classified as held for sale because it no longer meets the conditions for classification as held for sale or when a noncurrent asset is removed from a disposal group held for sale, it is measured at the lower of: 1) the carrying amount before classification as held for sale, adjusted for depreciation, amortization or impairment that would have been recognized had it not been classified as held for sale; and 2) the Recoverable amount.

Upon derecognition of a non-current asset or disposal group held for sale, the unrecognized gain or loss is recognized in profit or loss for the current period.

19. Debt investment

See Note "V-10, Financial Instruments (2) Impairment of Financial Instruments" for details of the method of determining expected credit losses on debt investments and the accounting treatment.

20. Other debt investments

The method of determining expected credit losses on other debt investments and the accounting treatment are described in Note "V-10, Financial Instruments (2) Impairment of Financial Instruments".

21. Long-term receivables

Not applicable

22. Long-term equity investments

1. Judgment of common control, significant influence

Control over an arrangement that is shared in accordance with the relevant agreement, and where the activities related to the arrangement can only be decided with the unanimous consent of the participants sharing control, is considered joint control. Significant influence is considered to be exercised when the Company has the power to participate in making decisions on the financial and operating policies of the investee but does not control, or jointly controls with other parties, the formulation of those policies.

2. Determination of investment cost

(1) If a business combination under the same control is formed and the merging party pays cash, transfers non-cash assets, assumes debt or issues equity securities as consideration for the combination, the initial investment cost of the merged party is taken as its share of the book value of the ownership interest of the merged party in the consolidated financial statements of the ultimate controlling party at the date of the combination. The difference between the initial investment cost of long-term equity investments and the carrying amount of the consideration paid for the merger or the aggregate nominal value of shares issued is adjusted to capital surplus; if capital surplus is not sufficient to offset the difference, retained earnings is adjusted.

Long-term equity investments resulting from business combinations under common control are determined to be "package transactions" when they are achieved in stages through multiple transactions. If it is a "package transaction", each transaction is accounted for as a transaction to obtain control. If the transaction is not a "package transaction", the initial investment cost is determined on the basis of the share of the net assets of the consolidated party in the consolidated financial statements of the ultimate controlling party at the date of consolidation. The difference between the initial investment cost of the long-term equity investment at the date of consolidation and the sum of the book value of the long-term equity investment before the consolidation and the book value of the consideration paid for the acquisition of further shares at the date of consolidation is adjusted to capital surplus; if capital surplus is not sufficient to cover the reduction, retained earnings are adjusted.

- (2) A business combination formed under non-identical control is measured at the fair value of the merger consideration paid as the initial investment cost at the date of purchase.

The Company distinguishes between the individual financial statements and the consolidated financial statements for the relevant accounting treatment of long-term equity investments formed through a step-by-step realization of a business combination not under common control through multiple transactions:

- 1) In the individual financial statements, the sum of the book value of the equity investment originally held plus the cost of the additional investment is used as the initial cost of investment to be accounted for under the cost method.

2) In the consolidated financial statements, we determine whether a transaction is a **"package transaction"**. If it is a **"package transaction"**, each transaction is accounted for as a transaction to obtain control. If the transaction is not a **"package transaction"**, **the equity interest in the** investee held before the purchase date is remeasured at its fair value at the purchase date, and the difference between the fair value and its carrying amount is recognized as investment income for the current period; if the equity interest in the investee held before the purchase date is related to other comprehensive income under the equity method of accounting, the other comprehensive income related to it is transferred to other comprehensive income. Other comprehensive income, etc. related to it is transferred to the current income belonging to the date of purchase. However, other comprehensive income arising from the remeasurement of the net liabilities or changes in net assets of the defined benefit plans of the investee is excluded.

(3) For acquisitions other than those resulting from business combinations: if acquired by cash payment, the initial investment cost is based on the actual purchase price paid; if acquired by issuance of equity securities, the initial investment cost is based on the fair value of the equity securities issued; if acquired by debt restructuring, the initial investment cost is based on the fair value of the equity securities issued; if acquired by debt restructuring, the initial investment cost is based on the fair value of the equity securities issued in accordance with ASBE No. 12 - "Accounting for Business Enterprises".

-Debt Restructuring to determine its initial investment cost; if acquired by exchange of non-monetary assets, its initial investment cost is determined in accordance with ASBE No. 7 - Exchange of Non-monetary Assets.

3. Subsequent measurement and profit or loss recognition method

Long-term equity investments in which the Company exercises control over the investees are accounted for using the cost method; long-term equity investments in associates and joint ventures are accounted for using the equity method.

4. Disposal of investments in subsidiaries through multiple transactions in steps until loss of control

(1) Individual Financial Statements

The difference between the book value and the actual acquisition price of the disposed equity interest is recognized in profit or loss for the current period. For the remaining equity interest, if it still has significant influence over the investee or exercises joint control with other parties, it is transferred to the equity method of accounting; if it can no longer exercise control, joint control or significant influence over the investee, it is recognized as a financial asset and accounted for in accordance with the relevant provisions of AS 22 - Recognition and Measurement of Financial Instruments. If the Company can no longer exercise control, joint control or significant influence over the investee, it is recognized as a financial asset and accounted for in accordance with the relevant provisions of AS 22 - Recognition and Measurement of Financial Instruments.

(2) Consolidated Financial Statements

1) Disposal of investments in subsidiaries through multiple transactions until the loss of control, which is not a "package deal"

Prior to the loss of control, the difference between the disposal price and the share of net assets of the subsidiary corresponding to the disposal of the long-term equity investment calculated on an ongoing basis from the date of purchase or the date of consolidation is adjusted against capital surplus (capital premium), and any shortfall in capital premium is offset against retained earnings.

Upon loss of control over Atomic, the remaining equity interest is remeasured at its fair value at the date of loss of control. The difference between the sum of the consideration received for the disposal of the equity interest and the fair value of the remaining equity interest, less the share of the net assets of the original subsidiary calculated on a continuing basis from the date of purchase or the date of consolidation in proportion to the original shareholding, is recognized as investment income in the period in which control is lost and goodwill is eliminated. Other comprehensive income, etc. related to the equity investment in the original subsidiary should be transferred to investment income in the

current period when control is lost.

2) If an investment in a subsidiary is disposed of in stages through multiple transactions until control is lost and is a "package transaction", each transaction is accounted for as a disposal of the subsidiary and loss of control.

However, the difference between the disposal price and the share of the subsidiary's net assets corresponding to each disposal prior to the loss of control is recognized in the consolidated financial statements as other comprehensive income and transferred to profit or loss in the period in which control is lost.

23. Investment properties

Investment property

measurement model

Cost method of
measurement

Depreciation or amortization method

1. Investment properties include land use rights that have been leased out, land use rights that are held and intended to be transferred upon appreciation, and buildings that have been leased out.

2. Investment properties are initially measured at cost, subsequently measured using the cost model, and depreciated or amortized using the same methods as those used for fixed assets and intangible assets.

24. Fixed assets

(1) Confirmation conditions

Fixed assets are tangible assets held for production of goods, provision of services, rental or operation management and have a useful life of more than one fiscal year. Fixed assets are recognized when both the probability of inflow of economic benefits and the cost can be measured reliably are met.

(2) Depreciation Method

Category	Depreciation Method	Depreciable life	Residual Value Rate	Annual depreciation rate
House building	Annual averaging method	20, 50	3%	4.85%, 1.94%
Gas pipeline	Annual averaging method	30	0	3.33%
Gas transmission special equipment	Annual averaging method	14	3%	6.93%
Machinery and equipment	Annual averaging method	5-20	3%	19.40% – 4.85%
Transportation equipment	Annual averaging method	6-8	3%	16.17% – 12.13%
Electronic equipment and others	Annual averaging method	5-14	3%	19.40% – 6.93%

(3) Basis of recognition, valuation and depreciation methods of fixed assets leased under finance

Not applicable

25. Work in progress

1. Construction in progress is recognized when it is probable that the economic benefits will flow and the cost can be measured reliably. Construction in progress is measured at the actual cost incurred to construct the asset until it reaches its intended useable condition.

2. When the construction in progress reaches its intended useable state, it is transferred to fixed assets at the actual cost of the construction. If the project has reached its intended useable state but has not yet been completed, it is first transferred to fixed assets at the estimated value, and then adjusted to the original provisional value at actual cost after the completion of the final account, but the original depreciation is no longer adjusted.

26. Borrowing costs

1. Principles for recognition of capitalized borrowing costs

Borrowing costs incurred by the Company that are directly attributable to the acquisition or production of assets eligible for capitalization are capitalized and charged to the cost of the related assets; other borrowing costs are recognized as expenses when incurred and charged to current profit or loss.

2. Period of capitalization of borrowing costs

(1) Capitalization of borrowing costs begins when the following conditions are met simultaneously: 1) expenditure on the asset has been incurred; 2) borrowing costs have been incurred; and 3) the acquisition or production activities necessary to bring the asset to its intended use or saleable condition have commenced.

(2) If an unusual interruption occurs during the acquisition or production of an asset eligible for capitalization and the interruption lasts for more than three consecutive months, capitalization of borrowing costs is suspended; borrowing costs incurred during the interruption period are recognized as current expenses until the acquisition or production activities of the asset restart.

(3) Borrowing costs cease to be capitalized when the assets acquired or produced that are eligible for capitalization reach their intended use or saleable condition. 3. Capitalization rate and capitalization amount of borrowing costs

If special borrowings are borrowed for the purpose of acquiring or producing assets eligible for capitalization, the amount of interest to be capitalized is determined by deducting the interest income earned by depositing the unused borrowed funds in banks or the investment income earned by making temporary investments from the interest expense actually incurred during the period of special borrowings (including the amortization of discount or premium determined in accordance with the effective interest rate method); if general borrowings are used for the purpose of acquiring or producing assets eligible for capitalization. If general borrowings are used for the acquisition or production of assets eligible for capitalization, the amount of interest to be capitalized on general borrowings is determined by multiplying the weighted-average amount of accumulated asset expenditures in excess of those on special borrowings by the capitalization rate of general borrowings.

27. Biological assets

Not applicable

28. Oil and gas assets

Not applicable

29. Right-to-use assets

The Company's right-of-use asset category mainly includes leased-in buildings and structures, gas transmission pipelines, gas transmission special equipment, machinery and equipment, and transportation equipment. At the commencement date of the lease term, the Company recognizes its right to use the leased assets during the lease term as right-of-use assets, including: initial measurement of lease liabilities

The amount of the lease payments made on or before the commencement date of the lease term, less the amount related to the lease incentives already enjoyed if lease incentives exist; the initial direct costs incurred by the lessee; and the costs expected to be incurred by the lessee to disassemble and remove the leased asset, restore the site where the leased asset is located, or restore the leased asset to the condition agreed in the terms of the lease.

Subsequent depreciation is provided for right-of-use assets using the average method over time. If it is reasonably certain that ownership of the leased asset will be obtained at the end of the lease term, depreciation is provided over the remaining useful life of the leased asset. If it is not reasonably certain that ownership of the leased asset can be obtained at the end of the lease term, depreciation is provided over the shorter of the lease term and the remaining useful life of the leased asset.

When the Company remeasures the lease liability at the present value of the changed lease payments and adjusts the carrying amount of the right-of-use asset accordingly, if the carrying amount of the right-of-use asset has been reduced to zero but the lease liability still needs to be further reduced, the remaining amount is recognized in profit or loss for the current period.

30. Intangible assets

(1) Valuation methods, useful life, impairment testing

1. Intangible assets, including land use rights, franchise rights and outsourced professional software, are initially measured at cost.

2. Intangible assets with finite useful lives are amortized systematically and reasonably over their useful lives in accordance with the expected realization of the economic benefits associated with the intangible asset, or, if the expected realization cannot be reliably determined, using the straight-line method. The specific useful lives are as follows:

Item	Item	Amortization life (years)	According to	According to
Land use rights		40-50	The number of years of use listed in the land use right certificate	
Franchise		30	Year of award	
Outsourced professional software		10	Estimated number of years it can bring economic benefits	

(2) Accounting policy for internal research and development expenditures

Expenditures for the research phase of internal research and development projects are recognized in profit or loss as incurred. Expenditure on the development phase of an internal research and development project is recognized as an intangible asset if both of the following conditions are met: (1) it is technically feasible to complete the intangible asset so that it can be used or sold; (2) there is an intention to complete the intangible asset and use it or sell it; (3) the intangible asset generates economic benefits in a manner that includes the ability to demonstrate that a market exists for the product produced using the intangible asset or that the intangible asset exists for itself and the usefulness of the intangible asset can be demonstrated if it will be used internally; (4) there are sufficient technical, financial

and other resources to support the completion of the intangible asset and the ability to use or sell the intangible asset; and (5) the expenditures attributable to the development phase of the intangible asset can be measured reliably.

31. Impairment of long-lived assets

The recoverable amount of long-term equity investments, investment properties measured using the cost model, fixed assets, construction in progress, intangible assets with finite useful lives and other long-lived assets is estimated if there is any indication of impairment at the balance sheet date. Goodwill and intangible assets with indefinite useful lives resulting from business combinations are estimated to be impaired.

Goodwill is tested for impairment annually, regardless of whether there is an indication of impairment. Goodwill is tested for impairment in conjunction with the asset group or combination of asset groups to which it relates. If the recoverable amount of the aforementioned long-lived assets is less than their carrying amount, the difference is recognized as a provision for asset impairment and recognized in profit or loss for the current period.

32. Long-term amortized expenses

Long-term amortization accounts for expenses that have been expensed and are amortized over a period of one year or more (excluding one year). Long-term amortization is recorded in the accounts as incurred and is amortized equally over the benefit period or a specified period. If an item of long-term amortization does not benefit subsequent periods, the unamortized balance of the item is transferred to current profit or loss.

33. Contractual liabilities

In a contract between a company and a customer, the company is entitled to receive contractual consideration before it has transferred goods or services to the customer, while at the same time presenting the obligation to transfer goods or services to the customer for which consideration has been received or is receivable as a contractual liability. A contract liability is recognized as revenue when the company fulfills its obligation to transfer goods or provide services to the customer.

34. Employee compensation

(1) Accounting for short-term compensation

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

(2) Accounting for post-employment benefits

Post-employment benefits are divided into defined contribution plans and defined benefit plans.

(1) During the accounting period in which the employees provide services to the Company, the amount of contributions payable based on the defined contribution plan is recognized as a liability and charged to current profit or loss or to the cost of related assets.

(2) The accounting for defined benefit plans typically includes the following steps:

1) Under the expected cumulative benefit unit method, the obligation arising from the defined benefit plan is measured and the period to which the related obligation belongs is determined by estimating the relevant demographic and financial variables, etc., using unbiased and mutually consistent actuarial assumptions. At the same time, the obligations arising from the defined benefit plans are discounted to determine the present value of the defined benefit plan obligations and the current service cost;

2) If there are assets in a defined benefit plan, the deficit or surplus resulting from the present value of the defined benefit plan obligation less the fair value of the defined benefit plan assets is recognized as a net defined benefit plan liability or net asset. If a defined benefit plan has a surplus, the net defined benefit plan asset is measured at the lower of the surplus of the defined benefit plan or the asset limit;

3) At the end of the period, employee compensation costs arising from defined benefit plans are recognized as service cost, net interest on the net liabilities or net assets of the defined benefit plans and changes resulting from the remeasurement of the net liabilities or net assets of the defined benefit plans, of which service cost and net interest on the net liabilities or net assets of the defined benefit plans are recognized in profit or loss or cost of related assets, and changes resulting from the remeasurement of the net liabilities or net assets of the defined benefit plans are recognized in other comprehensive income. The changes arising from the remeasurement of the net liabilities or net assets of the defined benefit plans are recognized in other comprehensive income and are not allowed to be reversed to profit or loss in subsequent accounting periods, but these amounts recognized in other comprehensive income can be transferred within equity.

(3) Accounting for Termination Benefits

Employee compensation liabilities arising from termination benefits provided to employees are recognized in profit or loss at the earlier of (1) when the company is unable to unilaterally withdraw termination benefits provided as a result of a termination plan or a proposed reduction in force; and (2) when the company recognizes costs or expenses related to a

restructuring involving the payment of termination benefits.

(4) Accounting for other long-term employee benefits

Other long-term benefits provided to employees that qualify as defined contribution plans are accounted for in accordance with the relevant provisions of defined contribution plans; otherwise, other long-term benefits are accounted for in accordance with the relevant provisions of defined benefit plans, and to simplify the related accounting treatment, the cost of employee compensation arising therefrom is recognized as service cost, net interest on the net liability or net asset for other long-term employee benefits, and the total net amount of the components of the re The total net amount of the constituent items, such as changes resulting from the measurement of net liabilities or net assets for other long-term employee benefits, is recognized in profit or loss or the cost of related assets.

35. Lease liabilities

At the commencement date of the lease term, the Company recognizes the present value of the unpaid lease payments as a lease liability, except for short-term leases and leases of low-value assets. In calculating the present value of the lease payments, the interest rate embedded in the lease is used as the discount rate; if the interest rate embedded in the lease cannot be determined, the interest rate of the lessee's incremental borrowing is used as the discount rate

Interest rate. The Company calculates interest expense on the lease liability at a fixed periodic rate for each period of the lease term and recognizes it in profit or loss for the current period, except when otherwise provided for in the cost of the related assets. Variable lease payments that are not included in the measurement of the lease liability are recognized in profit or loss when they are actually incurred, except when otherwise provided for in the cost of the related assets.

After the commencement date of the lease term, when there is a change in the substantive fixed payment amount, a change in the amount expected to be payable for the guaranteed residual value, a change in the index or rate used to determine the lease payment amount, or a change in the evaluation result or actual exercise of the purchase option, renewal option or termination option, the Company remeasures the lease liability at the present value of the lease payment amount after the change.

36. Projected liabilities

1. The Company recognizes a contingent obligation arising from external guarantees, litigation matters, product quality guarantees, loss-making contracts, etc. as a present obligation, when it is probable that the performance of the obligation will result in an outflow of economic benefits to the Company and the amount of the obligation can be measured reliably, the Company recognizes the obligation as a projected liability.

2. The Company initially measures the projected liability based on the best estimate of the expenditure required to settle the related present obligation and reviews the carrying amount of the projected liability at the balance sheet date.

37. Share-based payment

Not applicable

38. Other financial instruments such as preferred shares and perpetual bonds

Not applicable

39. Revenue

Accounting policies used for revenue recognition and measurement

1. Revenue Recognition

Revenue is the total inflow of economic benefits arising from the company's ordinary activities that would result in an increase in shareholders' equity and that are unrelated to capital contributions by shareholders. The company recognizes revenue when it has fulfilled its performance obligations under the contract, i.e., when the customer obtains control of the relevant goods or services.

If a contract contains two or more performance obligations, the company apportions the transaction price to each individual performance obligation at the contract commencement date in the relative proportion of the individual selling price of the goods or services promised by each individual performance obligation, and measures revenue based on the transaction price apportioned to each individual performance obligation.

The transaction price is the amount of consideration that the Company expects to be entitled to receive as a result of the transfer of goods or services to the customer, excluding amounts collected on behalf of third parties.

Variable consideration, where variable consideration exists in a contract, the Company determines the best estimate of variable consideration based on the expected or most likely amount. The transaction price that includes variable consideration does not exceed the amount for which it is highly probable that there will be no material reversal of revenue recognized in the aggregate when the related uncertainty is removed. At each balance sheet date, the company re-estimates the amount of variable consideration to be included in the transaction price.

Where there is a significant financing component to a contract, the Company determines the transaction price based on the amount payable in cash assuming the customer acquires control of the goods or services immediately upon acquisition. The difference between this transaction price and the contract consideration is amortized over the term of the contract using the effective interest method. If, at the contract start date, the company expects that the interval between the customer's acquisition of control of the goods or services and the customer's payment of the price does not exceed one year, the existence of a significant financing component in the contract is not considered.

Where consideration payable to a customer exists in a contract, unless the consideration is for the acquisition of other clearly distinguishable goods or services from the customer, the company reduces the transaction price by the consideration payable and eliminates current revenue at the later of the recognition of the related revenue and the payment (or promise to pay) of the customer consideration.

Primary responsible person versus agent, the company determines whether the company is the primary responsible person or agent at the time it engages in the transaction based on whether it has control over the goods or services prior to transferring them to the customer. If the company is able to control the goods or services before transferring them to the customer, the company is the primarily responsible person and recognizes revenue based on the total amount of consideration received or receivable; otherwise, the company is the agent and recognizes revenue based on the amount of commissions or fees it expects to be entitled to receive, which is determined as the net amount of the total amount of consideration received or receivable less the price payable to other related parties, or based on the established commission amount or proportion, etc. are determined.

The circumstances in which a company can control a commodity before transferring it to a customer include:

- (1) The Company acquires control of goods or other assets from third parties and then transfers them to customers.

- (2) We are able to lead third parties to provide services to our customers on behalf of our company.
- (3) After acquiring control of a commodity from a third party, the Company transfers the commodity to a customer by providing significant services to integrate the commodity with other commodities into a certain combined output. In making a specific determination of whether it has control over a commodity prior to transferring it to a customer, the Company considers all relevant facts and circumstances, which

Includes:

- (1) The Company assumes primary responsibility for the transfer of goods to the customer.
- (2) The Company assumes the inventory risk of the merchandise before or after the transfer of the merchandise.
- (3) The Company has the right to determine the price of the traded goods at its own discretion.
- (4) Other relevant facts and circumstances.

A company is in performance for a certain period of time if one of the following conditions is met, otherwise, it is in performance at a certain point in time:

- (1) The customer acquires and consumes the economic benefits resulting from the performance of the Company and its subsidiaries at the same time as the performance of the Company;
- (2) The ability of the customer to control the goods under construction in the course of the company's performance;
- (3) The goods produced in the course of the Company's performance are irreplaceable and the Company is

entitled to receive payment for the cumulative portion of performance completed to date throughout the term of the contract.

For performance obligations performed within a certain period of time, the company recognizes revenue in accordance with the progress of performance during that period. When the progress of performance is not reasonably determinable, the Company recognizes revenue in the amount of costs already incurred until the progress of performance is reasonably determinable, if the costs already incurred are expected to be reimbursed.

For performance obligations performed at a point in time, the company recognizes revenue at the point in time when the customer obtains control of the related goods or services. In determining whether a customer has acquired control of goods or services, the company considers the following indications:

- (1) the company has a present right to receive payment for the goods or services;
- (2) the company has physically transferred the merchandise to the customer;
- (3) the company has transferred legal ownership of the merchandise to the customer;
- (4) the company has transferred the principal risks and rewards of ownership of the good to the customer;
- (5) The customer has accepted the item.

Rights to receive consideration for goods or services that the company has transferred to customers (and which are dependent on factors other than the passage of time) are presented as contract assets, which are impaired on the basis of expected credit losses. The company's unconditional (depending only on the passage of time) rights to receive consideration from customers are presented as receivables. The company's obligation to transfer goods or services to customers for consideration received or receivable is presented as a contractual liability.

2. The specific accounting policies related to the Company's principal activities for obtaining revenue are described below:

- (1) Revenue from natural gas sales

The company recognizes natural gas revenue when the customer acquires control of the natural gas when the company processes the natural delivery order with the customer. That is, sales revenue is recognized when the product is delivered to the customer.

- (2) Natural gas pipeline revenue

The Company recognizes pipeline transportation revenue based on the delivery volume confirmed by both parties after acceptance by the customer. That is, pipeline transportation revenue is recognized when pipeline transportation services are completed.

- (3) Revenue from natural gas customer installation business

The Company has provided installation engineering services, the installation work has been completed and the ignition and gas conditions have been met, and the Company recognizes revenue from the installation of natural gas customers.

(4) Other service revenue

The customer obtains and consumes the economic benefits of the company's performance at the same time as the company performs, and the company recognizes revenue when the customer obtains control of the related services.

(5) Other revenue from sales of goods and materials

The company recognizes revenue when control of the goods or materials is transferred to the customer.

Differences in accounting policies for revenue recognition resulting from the adoption of different operating models for the same type of business

40. Government grants

1. Basis of judgment and accounting treatment of government grants related to assets

Government grants obtained by the Company and used to acquire or otherwise form long-term assets are classified as asset-related government grants. Government grants related to assets are recognized as deferred income and allocated equally over the useful lives of the related assets to current profit or loss. However, government grants measured at nominal amounts are recognized directly in profit or loss for the current period.

2. Basis of judgment and accounting treatment of government grants related to revenue

Government grants other than those related to assets are classified as government grants related to revenues. Government grants related to revenue that are used to compensate for related expenses or losses in subsequent periods are recognized as deferred income and recognized in profit or loss in the period in which the related expenses are recognized; those used to compensate for related expenses or losses already incurred are recognized directly in profit or loss in the current period.

3. Government subsidies related to the Company's ordinary operating activities are recorded in other income or charged to related costs and expenses in accordance with the substance of the economic operations. Government grants that are not related to the Company's daily activities are recorded as non-operating income and expenses.

41. Deferred income tax assets / deferred income tax liabilities

1. Deferred income tax assets or deferred income tax liabilities are recognized based on the difference between the carrying amount of the asset or liability and its tax basis (if the tax basis of an item not recognized as an asset or liability can be determined in accordance with the provisions of the tax law, the difference between such tax basis and its carrying amount), calculated at the tax rate applicable to the period when the asset is expected to be recovered or the liability settled.

2. Deferred tax assets are recognized to the extent that it is probable that taxable income will be available against which deductible temporary differences can be utilized. Deferred tax assets not recognized in prior accounting periods are recognized if, at the balance sheet date, there is sufficient evidence that sufficient taxable income will be available against which deductible temporary differences can be utilized in future periods.

3. The carrying amount of deferred tax assets is reviewed at the balance sheet date and the carrying amount of deferred tax assets is written down if it is more likely than not that sufficient taxable income will not be available against which the benefit of the deferred tax assets can be utilized in future periods. To the extent that it is probable that sufficient taxable income will be available, the written down amount is reversed.

4. The Company's current income taxes and deferred income taxes are recorded as income tax expense or benefit in profit or loss, excluding income taxes arising from: (1) business combinations; and (2) transactions or events recognized directly in owners' equity.

42. Leasing

(1) Accounting for operating leases

At the inception date of a lease, the Company classifies a lease that transfers substantially all the risks and rewards associated with the ownership of the leased asset as a finance lease, except for all other leases which are operating leases.

For the accounting treatment of the Company as a lessee, see the accounting treatment in V. Significant Accounting Policies and Accounting Estimates 29 and 35 of this section.

When the company is the lessor, the rent is recognized as current profit or loss on a straight-line basis during each period of the lease term, and the initial direct costs incurred are recognized directly in current profit or loss, except for the larger amount which is capitalized and amortized to profit or loss. Contingent rentals are charged to current profit or loss when they are actually incurred. Variable lease payments acquired by the Company in connection with operating leases

that are not included in the lease payments are recognized in profit or loss when they are actually incurred.

(2) Accounting treatment of finance leases

For the accounting treatment of the Company as a lessee, see the accounting treatment in V. Significant Accounting Policies and Accounting Estimates 29 and 35 of this section.

When the Company is the lessor, under a finance lease, the Company recognizes a finance lease receivable for the finance lease at the commencement date of the lease term and derecognizes the finance lease asset. When the Company makes the initial measurement of the finance lease receivable, the net lease investment is used as the recorded value of the finance lease receivable. The net lease investment is the sum of the unguaranteed residual value and the present value of the lease receipts not yet received at the commencement date of the lease term discounted at the interest rate embedded in the lease. During each period of the lease term, the Company calculates and recognizes interest income based on the interest rate embedded in the lease.

43. Other significant accounting policies and accounting estimates

Discontinued operations are recognized for components that have been disposed of by the enterprise or classified by the enterprise as held for sale and that can be separately distinguished in operations and in the preparation of financial statements that meet one of the following conditions:

- (1) The component represents a separate major business or a major operating area;
- (2) The component is part of a proposed disposal plan for a separate major business or a major operating area;
- (3) The component is a subsidiary acquired solely for the purpose of re-sale.

44. Changes in significant accounting policies and accounting estimates

(1) Changes in significant accounting policies

☐ Applicable ☒ Not applicable

(2) Changes in significant accounting estimates

☐ Applicable ☒ Not applicable

45. Other

None.

VI. Taxes

1. Main tax types and tax rates

Taxes	Taxation basis	Tax rate
Value Added Tax	Revenues from natural gas sales, pipeline transportation, gas appliance sales, natural gas customer installation services [Note 1], operating and management fees for special lines, property service revenues, real estate lease revenues, tangible movable assets, and other revenues. Property rental income	9%; 9%; 13%; 3%, 9%; 6%; 9%; 13%
City Maintenance and Construction Tax	Amount of transfer tax payable Transfer tax payable by a branch of a subsidiary [Note 2]	7%; 5%
Corporate Income Tax	Taxable income	15%
Education Fee Surcharge	Transfer tax payable	3%
Local education fee surcharge	Transfer tax payable	2%
Flood control and security key water conservancy construction fund	Operating income	0.05%

If there are taxable entities with different corporate income tax rates, disclose the description of the situation

Name of taxable entity	Income tax rate
None	

2、Tax benefits

According to the Notice of the Ministry of Finance, General Administration of Customs and State Administration of Taxation on Tax Policy Issues Related to the Further Implementation of the Western Development Strategy (Cai Shui [2011] No. 58) and the Announcement of the State Administration of Taxation on Enterprise Income Tax Issues Related to the Implementation of the Catalogue of Industries Encouraged in the Western Region (Announcement of the State Administration of Taxation 2015)

(No. 14), the State Administration of Taxation Announcement on the Issuance of the Revised Measures for Handling Preferential Enterprise Income Tax Matters (State Administration of Taxation Announcement 2018)

The Company and its holding company are subject to the preferential enterprise income tax policy of the Western Development and are subject to a preferential tax rate of 15% for the calculation of enterprise income tax.

3. Other

[Note 1]: The VAT rate of 3% shall be applied to the projects of natural gas customer installation services for those subjects who have filed with the competent taxation authorities and whose branches are small-scale taxpayers; the VAT rate of 9% shall be applied to the projects of natural gas customer installation services for those who have not filed with the competent taxation authorities.

[Note 2]: The city construction and maintenance tax rate for the company's other branches located in counties and towns is 5%.

VII. Notes to the Consolidated Financial Statements

1. Money funds

Unit: Yuan

Projects	Closing balance	Opening balance
Cash on hand	21,688.62	165,138.70
Bank deposits	1,358,449,549.35	1,120,013,739.79
Other monetary funds	30,364,199.79	30,373,235.00
Total	1,388,835,437.76	1,150,552,113.49
Total amount restricted for use due to mortgage, pledge or freeze	30,364,199.79	30,373,235.00

Other notes

Other monetary funds at the end of the period represent land reclamation funds of \$24,392,814.08, court frozen funds of \$4,663,035.00, truck ETC card deposits of \$24,000.00, performance bonds paid by subsidiaries of \$54,350.71 and letter of credit deposits of \$1,230,000.00, all of which are restricted funds, stored by the parent company.

2. Trading financial assets

Unit: Yuan

Projects	Closing balance	Opening balance
Among them:		
Among them:		

Other notes

3. Derivative financial assets

Unit: Yuan

Projects	Closing balance	Opening balance
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Other notes

4、Notes receivable

(1) Presentation of notes receivable by category

Unit: Yuan

Projects	Closing balance	Opening balance
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Unit: Yuan

Category	Closing balance					Opening balance				
	Book balance		Provision for bad debts		Carrying value	Book balance		Provision for bad debts		Carrying value
	Amount	Proportion	Amount	Accrual rate		Amount	Proportion	Amount	Accrual rate	
A among them:										
A among them:										

If the provision for bad debts on notes receivable is based on the general model of expected credit losses, please refer to the disclosure of other receivables to disclose information about the provision for bad debts:

☐ Applicable ☒ Not applicable

(2) Provision for bad debts charged, recovered or reversed during the period

Provision for bad debts for the period:

Unit: Yuan

Category	Opening balance	Amount of change during the period				Closing balance
		Accrual	Recovery or reversal	Write-offs	Other	

Of which the amount of provision for bad debts recovered or reversed during the period is significant:

☐ Applicable ☒ Not applicable

(3) Notes receivable pledged by the Company at the end of the period

Unit: Yuan

Projects	Pledged amount at the end of the period
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(4) Notes receivable that have been endorsed or discounted by the Company and are outstanding at the balance sheet date at the end of the period

Unit: Yuan

Projects	Amount derecognized at the end of the period	Amount not derecognized at the end of the period
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- (5) Notes that the Company transferred to accounts receivable at the end of the period due to the non-performance of the drawer

Unit: Yuan

Projects	Amount of accounts receivable transferred at the end of the period
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Other notes:

- (6) Actual write-off of notes receivable during the period

Unit: Yuan

Projects	Write-off amount
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Among the significant write-offs of notes receivable:

Unit: Yuan

Unit Name	Nature of notes receivable	Write-off amount	Reason for write-off	Underwriting procedures performed	Are the amounts paid by the associated Transaction Generation
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Notes receivable write-off instructions:

5. Accounts receivable

(1) Accounts receivable classification disclosure

Unit: Yuan

Category	Closing balance					Opening balance				
	Book balance		Provision for bad debts		Carrying value	Book balance		Provision for bad debts		Carrying value
	Amount	Proportion	Amount	Accrual rate		Amount	Proportion	Amount	Accrual rate	
Accounts receivable for which bad debt provision is made on an individual basis	168,138,830.54	27.49%	142,342,357.92	84.66%	25,796,472.62	168,138,830.54	30.18%	142,342,357.92	84.66%	25,796,472.62
Among them:										
Accounts receivable with provision for bad debts by portfolio	443,406,691.05	72.51%	19,396,334.91	4.37%	424,010,356.14	388,948,214.97	69.82%	21,086,423.04	5.42%	367,861,791.93
Among them:										

m:										
Total	611,545,521.59	100.00%	161,738,692.83	26.45%	449,806,828.76	557,087,045.51	100.00%	163,428,780.96	29.34%	393,658,264.55

Provision for bad debts by individual items: Xi'an Xilan Natural Gas Co.

Unit: Yuan

Name	Closing balance			
	Book balance	Provision for bad debts	Accrual rate	Reason for accrual
Xi'an West Blue Gas Unit Share Ltd.	128,982,363.08	103,185,890.46	80.00%	Expected to be difficult to recover
Total	128,982,363.08	103,185,890.46		

Provision for bad debts by individual items: Shaanxi Shuangye Petroleum & Chemical Co.

Unit: Yuan

Name	Closing balance			
	Book balance	Provision for bad debts	Accrual rate	Reason for accrual
Shaanxi Shuangye Petrochemical has Limited liability company	39,156,467.46	39,156,467.46	100.00%	Expected to be difficult to recover
Total	39,156,467.46	39,156,467.46		

Provision for bad debts by portfolio: Aged portfolio

Unit: Yuan

Nam	Closing
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	Book balance	Provision for bad debts	Accrual rate
Ageing Portfolio	443,406,691.05	19,396,334.91	4.37%
Total	443,406,691.05	19,396,334.91	

Description of the basis for determining the portfolio:

If the provision for bad debts of accounts receivable is based on the general model of expected credit losses, please refer to the disclosure of other receivables to disclose information about the provision for bad debts:

☐ Applicable ☒

Not applicable

Disclosed by

age

Unit: Yuan

Age of accounts	Closing balance
Within 1 year (including 1 year)	409,772,028.64
1 to 2 years	8,061,631.81
2 to 3 years	7,860,719.56
More than 3 years	185,851,141.58
3 to 4 years	9,188,756.69
4 to 5 years	3,762,372.95
More than 5 years	172,900,011.94
Total	611,545,521.59

(2) Provision for bad debts charged, recovered or reversed during the period

Provision for bad debts for the period:

Unit: Yuan

Category	Opening balance	Amount of change during the period				Closing balance
		Accrual	Recovery or reversal	Write-offs	Other	
Receivables with bad debt provision on a stand-alone basis Accounts	142,342,357.92					142,342,357.92
Bad debt provision by portfolio receivable Accounts	21,086,423.04		1,415,438.13	274,650.00		19,396,334.91
Total	163,428,780.96		1,415,438.13	274,650.00		161,738,692.83

Of which the amount of provision for bad debts recovered or reversed during the period is significant:

Unit: Yuan

Unit Name	Amount recovered or reversed	Recovery method
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(3) Actual write-off of accounts receivable during the period

Unit: Yuan

Projects	Write-off amount
Shaanxi City Gas Industry Development Co., Ltd. accounts receivable write-off	274,650.00

Among the significant write-offs of accounts receivable:

Unit: Yuan

Unit Name	Nature of accounts receivable	Write-off amount	Reason for write-off	Underwriting procedures performed	Are the amounts paid by the associated Transaction Generation
White River County Upper Island Coffee	Current payments	35,000.00	Not expected to be recovered	By the General Manager's Office of Shaanxi City Gas Industry Development Co. Consideration	No
Baihe County Wanjia Gourmet City	Current payments	20,400.00	Not expected to be recovered	By the General Manager's Office of Shaanxi City Gas Industry Development Co. Consideration	No
Gold Mine Community	Current payments	89,250.00	Not expected to be recovered	By the General Manager's Office of Shaanxi City Gas Industry Development Co. Consideration	No
Yongfeng New Village Villa	Current payments	14,400.00	Not expected to be recovered	By the General Manager's Office of Shaanxi City Gas Industry Development Co. Deliberations	No
Century Tower	Current payments	95,200.00	Not expected to be recovered	By the General Manager's Office of Shaanxi City Gas Industry Development Co. Consideration	No
Model residential building	Current payments	20,400.00	Not expected to be recovered	By the General Manager's Office of Shaanxi City Gas Industry Development Co. Consideration	No
Total		274,650.00			

Accounts Receivable Write-off Notes:

(4) Top five accounts receivable with closing balances grouped by party in arrears

Unit: Yuan

Unit Name	Closing balance of accounts receivable	As a percentage of the total closing balance of accounts receivable	Closing balance of provision for bad debts
Shaanxi LNG Investment and Development has Limited company	154,896,506.11	25.33%	1,548,965.06
Xi'an West Blue Gas Co. Company	128,982,363.08	21.09%	103,185,890.46
Wuqi County Urban Management Bureau	92,099,823.88	15.06%	920,998.24
Shaanxi Gas Group Transportation Energy Development Ltd.	80,756,510.21	13.21%	807,565.10
Shaanxi Shuangye Petrochemical Co. Company	39,156,467.46	6.40%	39,156,467.46
Total	495,891,670.74	81.09%	

- (5) Derecognition of receivables due to transfer of financial assets
- (6) Transfer of accounts receivable and continued involvement in the amount of assets and liabilities formed

Other notes:

6. Receivables financing

Unit: Yuan

Projects	Closing balance	Opening balance
Bank Acceptance	5,500,000.00	
Total	5,500,000.00	

Changes in receivables financing during the period and changes in fair value

☐ Applicable ☒ Not applicable

If the provision for impairment of receivables financing is made in accordance with the general model of expected credit losses, please refer to the disclosure of other receivables to disclose information about the provision for impairment:

☐ Applicable ☒ Not applicable

Not applicable

Other

Description:

7. Prepayments

(1) Prepayments by ageing

Unit: Yuan

Age of accounts	Closing balance		Opening balance	
	Amount	Proportion	Amount	Proportion
Within 1 year	120,500,280.32	96.62%	135,892,558.79	96.28%
1 to 2 years	2,095,591.02	1.68%	894,743.02	0.63%
2 to 3 years	97,803.16	0.08%	472,587.39	0.33%
More than 3 years	2,026,003.82	1.62%	3,900,324.29	2.76%
Total	124,719,678.32		141,160,213.49	

Description of the reasons for the untimely settlement of prepayments with an age of more than one year and significant amounts:

Unit Name	End of period amount	Age of accounts	Reason for non-settlement
Municipal Human Defense Office	1,718,787.00	1 to 2 years	Not yet settled
Shaanxi Province Equipment Installation Engineering Company Fifth Engineering Division	968,087.69	More than 3 years	Not yet settled
Norwell (Tianjin) Energy Equipment Co.	203,500.00	More than 3 years	Not yet settled
Weinan Tianxing Pipeline Equipment Co.	203,060.67	More than 3 years	Not yet settled

Lakin Air Conditioning Qingdao	135,000.00	More than 3 years	Not yet settled
Total Total	3,228,435.36		

(2) Top five prepayments with ending balances grouped by prepaid objects

Debtor Name	Book balance	Percentage of total prepayments (%)
China National Petroleum Corporation Gas Sales Shaanxi Branch	56,696,273.70	45.46
Shaanxi Shengdi Baicheng Petrochemical Co.	18,965,250.61	15.21
Hongchuan Construction Industry Group Co.	10,610,596.11	8.51
Shaanxi Kehai Construction Engineering Co.	5,866,042.55	4.70

Tongchuan New District Management Committee	3,100,000.00	2.49
Total Total	95,238,162.97	76.36

Other notes:

8. Other receivables

Unit: Yuan

Projects	Closing balance	Opening balance
Dividend receivable		12,000,000.00
Other receivables	21,521,810.59	15,813,292.81
Total	21,521,810.59	27,813,292.81

(1) Interest receivable

1) Classification of interest receivable

Unit: Yuan

Projects	Closing balance	Opening balance

2) Important late interest

Unit: Yuan

Borrower	Closing balance	Overdue time	Reasons for overdue	Whether impairment has occurred and the basis for its determination

Other notes:

3) Provision for bad debts

☒ Applicable ☐ Not applicable

Unit: Yuan

Provision for bad debts	Phase I	Phase II	Stage 3	Total
	Expected credit losses for the next 12 months	Expected credit loss for the entire life (no credit impairment value)	Expected credit losses for the entire duration (credit impairment incurred value)	
Balance as of January 1, 2022				
In this issue				

Movement in the carrying amount of the provision for losses for the period with significant changes

☐ Applicable ☒ Not applicable

(2) Dividends

receivable 1)

Classification

of dividends

receivable

Unit: Yuan

Project (or investee unit)	Closing balance	Opening balance
Xianyang Natural Gas Co.		12,000,000.00

Total		12,000,000.00
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2) Significant dividends receivable aged over 1 year

Unit: Yuan

Project (or investee unit)	Closing balance	Age of accounts	Reasons for non-recovery	Whether impairment has occurred and the basis for its determination
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3) Provision for bad debts

☐ Applicable ☒

Not applicable

Other

Description:

(3) Other receivables

1) Classification of other receivables by nature of amount

Unit: Yuan

Nature of payment	Closing book balance	Opening book balance
Deposit Guarantee	8,329,660.31	8,406,355.39
Reserves	1,325,075.73	674,149.83
Other	24,945,991.21	18,872,833.90
Total	34,600,727.25	27,953,339.12

2) Provision for bad debts

Unit: Yuan

Provision for bad debts	Phase I	Phase II	Stage 3	Total
	Expected credit losses for the next 12 months	Expected credit losses (no credit impairment) for the entire life	Expected credit losses (credit impairment has occurred) throughout the life of the	
Balance as of January 1, 2022	2,303,592.49	5,146,537.73	4,689,916.09	12,140,046.31
Balance at January 1, 2022 in the current period				
--Transfer to Phase II	-218,940.27	218,940.27		
--Turning to the third stage		-516,383.00	516,383.00	
Current accrual	748,981.98	-2,878,674.15	3,068,562.52	938,870.35

Balance as of June 30, 2022	2,833,634.20	1,970,420.85	8,274,861.61	13,078,916.66
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Movement in the carrying amount of the provision for losses for the period with significant changes

☐ Applicable ☒

Not applicable

Disclosed by

age

Unit: Yuan

Age of accounts	Closing balance
Within 1 year (including 1 year)	12,561,423.04
1 to 2 years	3,910,495.74

2 to 3 years	5,352,484.98
More than 3 years	12,776,323.49
3 to 4 years	389,200.00
4 to 5 years	2,802,321.88
More than 5 years	9,584,801.61
Total	34,600,727.25

3) Provision for bad debts charged, recovered or reversed during the period

Provision for bad debts for the period:

Unit: Yuan

Category	Opening balance	Amount of change during the period				Closing balance
		Accrual	Recovery or reversal	Write-offs	Other	
Other receivables bad Provision for accounts	12,140,046.31	938,870.35				13,078,916.66
Total	12,140,046.31	938,870.35				13,078,916.66

Of which the amount of provision for bad debts reversed or recovered during the period is significant:

Unit: Yuan

Unit Name	Reversal or recovery amount	Recovery method
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4) Actual write-off of other receivables during the period

Unit: Yuan

Projects	Write-off amount
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Of which significant other receivable write-offs:

Unit: Yuan

Unit Name	Nature of other receivables	Write-off amount	Reason for write-off	Underwriting procedures performed	Are the amounts paid by the associated Transaction Generation
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Other receivables write-off notes:

5) Top five other receivables with closing balances, grouped by party in arrears

Unit: Yuan

Unit Name	Nature of the payment	Closing balance	Age of accounts	As a percentage of the total ending balance of other receivables	Closing balance of provision for bad debts
Yu Xin Mineral Dispute Case Judicial Deductions	Judicial Deductions	7,061,742.63	Within 1 year	20.41%	494,321.98
China Petroleum Engineering & Construction Co. Southwest Branch	Corporate Correspondence	5,266,686.10	1-2 years, 2-3 years	15.22%	1,210,907.53
Weinan Welcome Hotel Limited Responsible Company	Investment money	3,800,000.00	More than 5 years	10.98%	3,800,000.00

Shangluo City Land Resources Shangzhou Branch of the Bureau	Deposit	2,345,200.00	4-5 years	6.78%	586,300.00
Xi'an West Blue Natural Gas Co.	Corporate Correspondence	2,016,117.00	Within 1 year, 2-3 years	5.83%	355,351.59
Total		20,489,745.73		59.22%	6,446,881.10

6) Receivables involving government grants

Unit: Yuan

Unit Name	Name of government subsidy project	Closing balance	Aging at the end of the period	Expected time, amount and basis of collection
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The Company had no receivables involving government grants during the period

7) Other receivables derecognized due to transfer of financial assets

The Company had no other receivables derecognized due to the transfer of financial assets during the period

8) Transfer of other receivables and continued involvement in the amount of assets and liabilities formed

The company has no transfer of other receivables and continues

to be involved in the amount of assets and liabilities formed during

the period. Other notes:

None.

9、Inventory

Whether the company is required to comply with the disclosure requirements of the real estate industry No

(1) Inventory classification

Unit: Yuan

Projects	Closing balance			Opening balance		
	Book balance	Provision for decline in value of inventories or provision for impairment of	Carrying value	Book balance	Provision for decline in value of inventories or provision for impairment of	Carrying value

		contract performance costs			contract performance costs	
Raw Materials	125,542,676. 68	6,301,531.52	119,241,145. 16	123,415,302. 42	6,360,931.48	117,054,370. 94
Stock items	5,666,193.23		5,666,193.23	5,196,478.02		5,196,478.02
Contract performance costs	93,586,437.7 3		93,586,437.7 3	93,418,964.2 2		93,418,964.2 2
Liquefied Petroleum Gas	842,971.90		842,971.90	1,186,155.05		1,186,155.05
Total	225,638,279. 54	6,301,531.52	219,336,748. 02	223,216,899. 71	6,360,931.48	216,855,968. 23

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

Unit: Yuan

Projects	Opening balance	Increase in the current period		Decrease for the period		Closing balance
		Accrual	Other	Reversal or write-back	Other	
Raw Materials	6,360,931.48			59,399.96		6,301,531.52
Total	6,360,931.48			59,399.96		6,301,531.52

(3) Description of the closing balance of inventories containing the amount of capitalized borrowing costs

(4) Description of the current amortization amount of contract performance costs

10. Contract assets

Unit: Yuan

Projects	Closing balance			Opening balance		
	Book balance	Provision for impairment	Carrying value	Book balance	Provision for impairment	Carrying value

Amount of and reasons for significant changes in the carrying value of contract assets during the period:

Unit: Yuan

Projects	Change amount	Reason for change
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If the provision for impairment of contract assets is made in accordance with the general model of expected credit losses, please refer to the disclosure of other receivables to disclose information about the provision for impairment:

☐ Applicable ☒ Not applicable

Provision for impairment of contract assets for the period:

Unit: Yuan

Projects	Current accrual	Current period reversal	Current write-offs/write-offs	Reason
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Other notes

11. Assets held for sale

Unit: Yuan

Projects	Closing book balance	Provision for impairment	Carrying value at the end of the period	Fair value	Expected disposal costs	Expected disposal time
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Other notes

12. Non-current assets due within one year

Unit: Yuan

Projects	Closing balance	Opening balance
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Significant debt investments/other debt investments

Unit: Yuan

Debt Projects	Closing balance				Opening balance			
	Face Value	Coupon Rate	Real Interest Rate	Expiration date	Face Value	Coupon Rate	Real Interest Rate	Expiration date

Other notes:

13. Other current assets

Unit: Yuan

Projects	Closing balance	Opening balance
Input tax to be deducted	358,122.77	86,918,485.56
Prepaid taxes	83,249.36	1,252,981.97
Input tax to be certified	2,570,301.17	
Time Deposit Interest		
Total	3,011,673.30	88,171,467.53

Other notes:

14. Debt investment

Unit: Yuan

Projects	Closing balance			Opening balance		
	Book balance	Provision for impairment	Carrying value	Book balance	Provision for impairment	Carrying value

Significant debt investments

Unit: Yuan

Debt Projects	Closing balance				Opening balance			
	Face Value	Coupon Rate	Real Interest Rate	Expiration date	Face Value	Coupon Rate	Real Interest Rate	Expiration date

Provision for impairment

Unit: Yuan

Provision for bad debts	Phase I	Phase II	Stage 3	Total
	Expected credit losses for the next 12 months	Expected credit loss for the entire life (no credit impairment) value)	Expected credit losses for the entire duration (credit impairment incurred) value)	
Balance as of January 1, 2022				
In this issue				

Movement in the carrying amount of the provision for losses for the period with significant changes

☐ Applicable ☒

Not applicable

Other

Description:

15. Other debt investments

Unit: Yuan

Projects	Opening balance	Accrued interest	Change in fair value for the period	Closing balance	Cost	Accumulated fair value changes	Accumulated provision for losses recognized in other comprehensive income	Remarks
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Significant other debt investments

Unit: Yuan

Other debt projects	Closing balance				Opening balance			
	Face Value	Coupon Rate	Real Interest Rate	Expiration date	Face Value	Coupon Rate	Real Interest Rate	Expiration date

Provision for impairment

Unit: Yuan

Provision for bad debts	Phase I	Phase II	Stage 3	Total
	Expected credit losses for the next 12 months	Expected credit loss for the entire life (no credit impairment) value)	Expected credit losses for the entire life (credit impairment incurred) value)	
Balance as of January 1, 2022				
In this issue				

Movement in the carrying amount of the provision for losses for the period with significant changes

☐ Applicable ☒ Not applicable

Not applicable

Other

Description:

16. Long-term receivables**(1) Status of long-term receivables**

Unit: Yuan

Projects	Closing balance			Opening balance			Discount rate interval
	Book balance	Provision for bad debts	Carrying value	Book balance	Provision for bad debts	Carrying value	

Impairment of provision for bad debts

Unit: Yuan

Provision for bad debts	Phase I	Phase II	Stage 3	Total
	Expected credit losses for the next 12 months	Expected credit loss for the entire life (no credit impairment) value)	Expected credit losses (credit impairment incurred) for the entire duration value)	
Balance as of January 1, 2022				
In this issue				

Movement in the carrying amount of the provision for losses for the period with significant changes

☐ Applicable ☒ Not applicable**(2) Long-term receivables derecognized due to transfer of financial assets****(3) Transfer of long-term receivables and continued involvement in the amount of assets and liabilities formed**

Other notes:

17. Long-term equity investments

Unit: Yuan

Investee Units	Opening balance (book value)	Change in the period								Closing balance (book value)	Closing balance of provision for impairment
		Additio nal investme nt	Reduc e investme nt	Gains or losses recogn ized on invest ments under the equity metho d	Adjust ments to other compr ehensi ve incom e	Other chang es in equity	Declar ation of cash dividen ds or profits	Provisi on for impair ment	Other		
I. Joint ventures											
II. Affiliates											
Xianyan g New	14,878		14,878								

Tech Energy Co. Division	,708.6 5		,708.6 5								
Xianyang Natural Gas Co. Division	261,852,113.57			13,525,939.28						275,378,052.85	
Shaanxi liquid Naturalization Gas Investment Development has Limited company	62,386,141.73			18,122,097.92						80,508,239.65	
Xi'an Zhongmin Gas Co. Division	87,705,576.09			3,552,413.09			16,000,000.00			75,257,989.18	
Qinjin Natural Gas Co. Company	25,322,502.83	20,580,000.00								45,902,502.83	
Weinan Welcome The hotel has Limited Liability Company											1,200,000.00
Subtotal	452,145,042.87	20,580,000.00	14,878,708.65	35,200,450.29			16,000,000.00			477,046,784.51	1,200,000.00
Total	452,145,042.87	20,580,000.00	14,878,708.65	35,200,450.29			16,000,000.00			477,046,784.51	1,200,000.00

Other notes

18. Investments in other equity instruments

Unit: Yuan

Projects	Closing balance	Opening balance
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Itemized disclosure of investments in non-trading equity instruments for the period

Unit: Yuan

Projects	Dividend income recogni zed	Accumulated gains	Accumulated losses	Transfer from other comprehensi ve income to retained earnings	Originally designated as at fair value through other comprehensi ve income Because	Reasons for transferring other comprehensi ve income to retained earnings
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Other notes:

19. Other non-current financial assets

Unit: Yuan

Projects	Closing balance	Opening balance
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Other notes:

20. Investment properties

(1) Investment properties using the cost measurement model

☒ Applicable ☐ Not applicable

Unit: Yuan

Projects	Houses, buildings	Land use rights	Construction in progress	Total
I. Original book value				
1. Opening balance	18,953,701.70			18,953,701.70
2. Increase in the current period				
(1) Outsourcing				
(2) Transfer of inventories, fixed assets and construction in progress Enter				
(3) Business cooperation and add				
3. Decrease in the current period				
(1) Disposal				
(2) Other transfers out				
4. Closing balance	18,953,701.70			18,953,701.70
II. Accumulated depreciation and accumulated Amortization				
1. Opening balance	5,539,605.51			5,539,605.51
2. Increase in the current period	166,105.44			166,105.44
(1) Accrual or Amortization	166,105.44			166,105.44
3. Decrease in the current period				
(1) Disposal				
(2) Other transfers out				

4. Closing balance	5,705,710.95			5,705,710.95
III. Provision for impairment				
1. Opening balance				
2. Increase in the current period				
(1) Accrual				
3. Decrease in the current period				
(1) Disposal				
(2) Other transfers out				

4. Closing balance				
IV. Book value				
1. Closing book value	13,247,990.75			13,247,990.75
2. Opening book value	13,414,096.19			13,414,096.19

(2) Investment properties using the fair value measurement model

☐ Applicable ☒ Not applicable

(3) Status of investment properties without proper title certificates

Unit: Yuan

Projects	Carrying value	Reason for not completing the title certificate
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Other notes

21. Fixed assets

Unit: Yuan

Projects	Closing balance	Opening balance
Fixed Assets	8,124,752,814.27	8,225,358,212.07
Total	8,124,752,814.27	8,225,358,212.07

(1) Fixed Assets

Unit: Yuan

Projects	Housing & Construction Things	Gas pipeline	Gas transmission special equipment Preparation	Machinery and equipment	Transportation equipment Preparation	Electronic equipment and Other	Total
I. Original book value:							
1. Opening balance	1,278,271.462.76	10,799,770,610.03	773,638,652.53	816,689,923.64	161,674,361.19	146,354,301.49	13,976,399,311.64
2. Increase in the current period	90,988,727.23	16,195,845.54	6,717,813.27	8,338,161.27	1,186,318.58	11,331,699.74	134,758,565.63
(1) Acquisition				11,951.28	244,725.66	1,337,309.37	1,593,986.31
(2) Transfer from construction in progress	90,988,727.23	16,195,845.54	6,717,813.27	8,326,209.99	941,592.92	9,994,390.37	133,164,579.32

(3)) Increase in business combinations							
3. Decrease in the current period			1,333,266. 23	869,956.27	7,690,154. 82	2,151,029. 00	12,044,406 .32
(1)) Disposal or scrapping			1,333,266. 23	869,956.27	7,690,154. 82	2,151,029. 00	12,044,406 .32

4. Final Balance	1,369,260. 189.99	10,815,966 ,455.57	779,023,19 9.57	824,158,12 8.64	155,170,52 4.95	155,534,97 2.23	14,099,113 ,470.95
II. Accumulated discount Old							
1. At the beginni ng of the period Balance	542,462,06 1.08	4,035,379. 430.93	338,406,92 0.88	592,688,90 1.85	129,840,53 1.14	107,810,46 8.62	5,746,588. 314.50
2. This period Increase amount	24,935,290 .90	145,051,60 3.71	27,233,404 .00	19,307,212 .46	2,684,799. 11	15,765,214 .52	234,977,52 4.70
(1) Accrual	24,935,290 .90	145,051,60 3.71	27,233,404 .00	19,307,212 .46	2,684,799. 11	15,765,214 .52	234,977,52 4.70
3. This period Reduction amount			1,283,359. 50	832,805.56	7,459,450. 19	2,082,352. 34	11,657,967 .59
(1) Disposal or Scrapped			1,283,359. 50	832,805.56	7,459,450. 19	2,082,352. 34	11,657,967 .59
4. Final Balance	567,397,35 1.98	4,180,431. 034.64	364,356,96 5.38	611,163,30 8.75	125,065,88 0.06	121,493,33 0.80	5,969,907. 871.61
III. Impairment quasi Preparation							
1. At the beginni ng of the period Balance	12,069.88	477,245.22		3,963,469. 97			4,452,785. 07
2. This period Increase amount							
(1) Accrual							
3. This period Reduction							

amount							
(1)) Disposal or Scrapped							
4. Final Balance	12,069.88	477,245.22		3,963,469. 97			4,452,785. 07
IV. Book price Value							
1. Final Carrying value	801,850,76 8.13	6,635,058. 175.71	414,666,23 4.19	209,031,34 9.92	30,104,644 .89	34,041,641 .43	8,124,752. 814.27
2. At the beginni ng of the period Carrying value	735,797,33 1.80	6,763,913. 933.88	435,231,73 1.65	220,037,55 1.82	31,833,830 .05	38,543,832 .87	8,225,358. 212.07

(2) Temporarily idle fixed assets

Unit: Yuan

Projects	Original book value	Accumulated depreciation	Provision for impairment	Carrying value	Remarks
House building	14,011.46	1,941.58	12,069.88		The customer Xi'an Yuxiang Natural Gas Co. Separate construction of gas transmission pipeline

					Thread
Gas pipeline	556,786.05	79,540.83	477,245.22		Xi'an Yuxiang Natural Gas Co., Ltd. has built a separate gas transmission pipe Thread
Total Total	570,797.51	81,482.41	489,315.10		

(3) Fixed assets leased out through operating leases

Unit: Yuan

Projects	Carrying value at the end of the period
Gas pipeline	968,024.37
Gas transmission special equipment	588.59
House	179,195.56
Total	1,147,808.52

(4) Fixed assets without proper title certificate

Unit: Yuan

Projects	Carrying value	Reasons for not completing the title certificate
Jingxi Third Line Phase I 1#-17# valve room	44,976,536.17	Real estate ownership certificate in process
Anbian First Station Housing	33,273,214.25	Real estate ownership certificate in process
Yongle Terminal House	18,317,335.33	Real estate ownership certificate in process
Store head clearing station housing	16,076,934.98	Real estate ownership certificate in process
Zhangchunyi gas pressure station house	14,891,587.68	Real estate ownership certificate in process
Yulin CNG filling mother station house	10,831,695.63	Real estate ownership certificate in process
Xi'an Sub-Transmission Station Complex	10,806,951.07	Real estate ownership certificate in process
Yongning Clearance Station Housing	9,397,802.20	Real estate ownership certificate in process
Yangling former thermal power plant plant, installation building, water treatment Workshops	8,355,239.95	Real estate ownership certificate in process
Ankang terminal auxiliary room	7,308,261.29	Real estate ownership certificate in process
Fengxiang station complex, auxiliary room	6,004,956.46	Real estate ownership certificate in process
Yongchuan valve chamber, Yokosui valve chamber, Tianjiazhuang sub-transmission valve room	4,860,437.82	Real estate ownership certificate in process
Xi'an Baqiao Sub-Transmission Station Compressor Plant	4,784,873.59	Real estate ownership certificate in process

Long County station auxiliary room, comprehensive building	4,719,212.04	Real estate ownership certificate in process
Cao Bi station complex, auxiliary room	4,195,853.37	Real estate ownership certificate in process
Chiyang station complex, auxiliary room	3,885,311.00	Real estate ownership certificate in process
Weinan Economic Development Zone Office Building	2,879,329.04	Real estate ownership certificate in process
Yangling Maintenance and Repair Center Depot	2,860,244.76	Real estate ownership certificate in process
Comprehensive office building of Ankang Langao joint construction station	2,684,424.93	Real estate ownership certificate in process
Xi'an Baqiao Sub-transmission Station Fire Fighting Pond and Fire Pump Room	2,457,308.05	Real estate ownership certificate in process
Weinan Guapomen Station-Office Building	2,022,558.65	Real estate ownership certificate in process
Qian County Station office and dormitory building	1,556,179.40	Real estate ownership certificate in process
Yangling station complex, production auxiliary building and workshop, the Water treatment workshop	1,507,318.59	Real estate ownership certificate in process
Yongle sub-transmission station duty room, feed pump room, boiler Room and generator room	1,473,864.46	Real estate ownership certificate in process
Shiquan Sub-transmission Station Dormitory Building	1,403,040.03	Real estate ownership certificate in process
Office and dormitory building at Yequan Station	1,312,848.74	Real estate ownership certificate in process
Ankang Sub-transmission Station Dormitory Building	1,093,870.96	Real estate ownership certificate in process
New warehouse at Lintong Station	1,057,055.22	Real estate ownership certificate in process
First stop in Meixian County 4 properties	964,787.69	Real estate ownership certificate in process
Other buildings	19,696,444.03	Real estate ownership certificate in process

Total	245,655,477.38	
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Other notes

Depreciation of \$234,977,524.70 was recorded during the period, of which \$234,925,331.80 was charged to current profit and loss and \$52,192.90 was charged to construction in progress.

The original value of the construction work transferred to fixed assets was \$133,164,579.32.

(5) Fixed Assets Liquidation

Unit: Yuan

Projects	Closing balance	Opening balance
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Other notes:

22. Construction in progress

Unit: Yuan

Projects	Closing balance	Opening balance
Construction in progress	1,251,955,321.00	1,208,994,171.33
Engineering Materials	109,999,246.72	101,157,478.34
Total	1,361,954,567.72	1,310,151,649.67

(1) Construction in progress

Unit: Yuan

Projects	Closing balance			Opening balance		
	Book balance	Provision for impairment	Carrying value	Book balance	Provision for impairment	Carrying value
Fuxian to Yichuan Transmission Gas Pipeline Project	460,025,868.81		460,025,868.81	422,773,856.44		422,773,856.44
Yulin Jingbian pressure gas Station expansion project	91,740,875.96		91,740,875.96	84,967,170.05		84,967,170.05
Shangluo to Luonan transmission Gas Pipeline Project	55,169,028.91		55,169,028.91	52,533,915.77		52,533,915.77
Sanyang to Bikang Industrial Park Gas Supply Branch Line	53,390,348.35		53,390,348.35	50,064,392.19		50,064,392.19
Gas supply line from Yangquan valve room to	51,173,763.46		51,173,763.46	47,431,969.34		47,431,969.34

Yanenghua Engineering						
Wuqi co-built station days	43,715,303.3		43,715,303.3	40,980,040.9		40,980,040.9
Natural gas gasification project	3		3	7		7
Natural gas in Lantian County	37,715,452.2		37,715,452.2	35,970,239.0		35,970,239.0
Use of engineering	6		6	0		0
Baohan Expressway rerouting	22,111,137.5 6		22,111,137.5 6	22,104,464.5 7		22,104,464.5 7
Natural gas in Shanyang County City Gasification Project	18,821,573.6 8		18,821,573.6 8	16,465,494.7 2		16,465,494.7 2
Foping County CNG City City Gasification Project	17,656,661.3 8		17,656,661.3 8	16,652,495.6 4		16,652,495.6 4
Shandan Industrial Park natural gas station construction project Table of Contents	16,037,534.0 2		16,037,534.0 2	11,311,519.5 3		11,311,519.5 3
Luyang County CNG City City Gasification Project	13,665,484.9 5		13,665,484.9 5	13,180,551.7 2		13,180,551.7 2

Extension of Linfu County Crossroad Valve Room to Fu County Gas pressure station	15,280,942.27		15,280,942.27	15,128,991.46		15,128,991.46
Zero port to Weinan sub Transmission Station Branch Line Project	14,356,364.23		14,356,364.23	8,240,197.77		8,240,197.77
Emergency reserve peaking Facility construction projects	14,274,794.91		14,274,794.91	12,902,286.19		12,902,286.19
Shangnan County Natural Gas City Gasification Project	13,393,187.58		13,393,187.58	8,671,188.79		8,671,188.79
Ansei LNG Project Projects	2,172,957.47	2,172,957.47		2,172,957.47	2,172,957.47	
Other	313,426,999.34		313,426,999.34	349,615,397.18		349,615,397.18
Total	1,254,128,278.47	2,172,957.47	1,251,955,321.00	1,211,167,128.80	2,172,957.47	1,208,994,171.33

(2) Changes in significant construction-in-progress projects during the period

Unit: Yuan

Project Name	Budget	Opening balance	Increase in the current period	Amount transferred to fixed assets during the period	Other decreases during the period	Closing balance	Cumulative investment in the project as a percentage of the budget	Project Progress	Accumulated amount of interest capitalized	Of which: capitalized interest for the period	Current interest capitalization rate	Funding Sources
Fu County to Yichuan gas	761,250,000.00	422,773,856.44	37,252,012.37			460,025,868.81	60.43%	Under construction				Other

pipel ine work Progra m												
Zero port to Wei nan sub- tran smis sion stati on bran ch line Projects	13,72 0,000 .00	8,240 ,197. 77	6,116 ,166. 46			14,35 6,364 .23	104.6 4%	Under constru ction				Other
Gas sup ply line from Yan ggu an valv e roo m to Yan eng hua Enginee ring	83,99 0,000 .00	47,43 1,969 .34	3,741 ,794. 12			51,17 3,763 .46	60.93 %	Under constru ction				Other
Exte nsio n of Linfu Cou nty Cros sroa d Valv e Roo m to Fu Cou nty Pres sure Gas Station	22,02 0,000 .00	15,12 8,991 .46	151,9 50.81			15,28 0,942 .27	69.40 %	Under constru ction				Other

Yulin Jingbian Pressur e Gas	130,280,000.00	84,967,170.05	6,773,705.91			91,740,875.96	70.42 %	Under constru ction				Other
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Stati on Exp ansi on Proj ect Progra m												
Sha nya ng subs tatio n to Bika ng Indu strial Park gas sup ply bran ch line proj ect Progra m	48,85 0,000 .00	50,06 4,392 .19	3,325 ,956. 16			53,39 0,348 .35	109.2 9%	Under constru ction				Other
Sha nglu o to Luo nan plu mbe r Progra m	122,3 70,00 0.00	52,53 3,915 .77	2,635 ,113. 14			55,16 9,028 .91	45.08 %	Parti ally com plet ed				Other
Natu ral gas gasif icati on at Wuq i joint cons tructi on stati on Enginee ring	79,61 0,000 .00	40,98 0,040 .97	2,735 ,262. 36			43,71 5,303 .33	54.91 %	Under constru ction				Other
Bao Han Expr	89,50 0,000 .00	22,10 4,464 .57	6,672 ,999			22,11 1,137 .56	42.53 %	Under				Other

ess way reroute								constru ction				
Luyan g Count y CNG Urb an Gasi ficati on Enginee ring	27,53 1,400 .00	13,18 0,551 .72	484,9 33.23			13,66 5,484 .95	49.64 %	Under constru ction				Other
Fopin g Count y CNG Urb an Gasi ficati on Enginee ring	34,60 7,000 .00	16,65 2,495 .64	1,004 ,165. 74			17,65 6,661 .38	51.02 %	Under constru ction				Other
Natu ral gas utiliz atio n in Lanti an Cou nty Enginee ring	299,0 42,60 0.00	35,97 0,239 .00	1,745 ,213. 26			37,71 5,452 .26	41.50 %	Under constru ction				Other
Sha nda n Indu strial Park natu ral gas stati on cons tructi on proj ect Table of Conten ts	60,00 0,000 .00	11,31 1,519 .53	4,743 ,009. 18	16,99 4.69		16,03 7,534 .02	74.60 %	Parti ally com plet ed				Other

Shangnan County natural gas city gasification Engineering	147,000.00	8,671,188.79	4,721,998.79			13,393,187.58	13.05%	Partially completed				Other
Sanyang County Sky natural gas	97,710,000.00	16,465,494.72	2,375,047.96	18,969.00		18,821,573.68	21.51%	Partially completed				Other

Urban Gasification Engineering												
Emergency rescue peaking facilities construction Projects	65,000.00	12,902,286.19	1,372,508.72			14,274,794.91	21.96%	Under construction				Other
Total	2,082,481,000.00	859,378,774.15	79,185,511.20	35,963.69		938,528,321.66						

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

Unit: Yuan

Projects	Current accrual amount	Reason for accrual
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Other notes

(4) Engineering Materials

Unit: Yuan

Projects	Closing balance			Opening balance		
	Book balance	Provision for impairment	Carrying value	Book balance	Provision for impairment	Carrying value
Materials for infrastructure	103,089,549.66	5,883,903.45	97,205,646.21	92,980,663.57	5,921,792.88	87,058,870.69
Commissioned processing materials	12,793,600.51		12,793,600.51	14,098,607.65		14,098,607.65
Total	115,883,150.17	5,883,903.45	109,999,246.72	107,079,271.22	5,921,792.88	101,157,478.34

Other notes:

23. Productive biological assets

(1) Productive biological assets using the cost measurement model

☐ Applicable ☒ Not applicable

(2) Productive biological assets using the fair value measurement model

☐ Applicable ☒ Not applicable

24. Oil and gas assets

☐ Applicable ☒ Not applicable

25. Right-to-use assets

Unit: Yuan

Projects	Land	Houses and Buildings	Total
I. Original book value			
1. Opening balance	387,163.84	9,127,114.42	9,514,278.26
2. Increase in the current period			
3. Decrease in the current period			
4. Closing balance	387,163.84	9,127,114.42	9,514,278.26
II. Accumulated depreciation			
1. Opening balance	147,365.42	2,980,475.88	3,127,841.30
2. Increase in the current period	78,293.76	1,449,899.56	1,528,193.32
(1) Accrual	78,293.76	1,449,899.56	1,528,193.32
3. Decrease in the current period			
(1) Disposal			
4. Closing balance	225,659.18	4,430,375.44	4,656,034.62
III. Provision for impairment			
1. Opening balance			
2. Increase in the current period			
(1) Accrual			
3. Decrease in the current period			
(1) Disposal			
4. Closing balance			
IV. Book value			
1. Closing book value	161,504.66	4,696,738.98	4,858,243.64
2. Opening book value	239,798.42	6,146,638.54	6,386,436.96

Other notes:

26. Intangible assets

(1) Intangible assets

Unit: Yuan

Projects	Land use rights	Patents	Non-patented technology	Software	Franchise	Copyright	Total
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I. Original book value							
1. Opening balance	680,716,046.15	39,603.94		46,794,778.10	35,096,000.00	15,841.60	762,662,269.79
2. Increase in the current period	12,099,604.79			8,214.28			12,107,819.07
(1) Acquisition	12,099,604.79			8,214.28			12,107,819.07
(

2) Internal research Hair							
(3)) Business cooperation and add							
3. This period Reduction amount							
(1) Disposal							
4. Final Balance	692,815,65 0.94	39,603.94		46,802,992 .38	35,096,000 .00	15,841.60	774,770,08 8.86
II. Cumulative amortization Sales							
1. At the beginning of the period Balance	104,122,33 5.78	4,620.70		27,215,441 .40	9,007,270. 80	1,848.00	140,351,51 6.68
2. This period Increase amount	7,236,193. 50	1,980.30		1,893,875. 25	593,913.24	792.00	9,726,754. 29
(1) Accrual	7,236,193. 50	1,980.30		1,893,875. 25	593,913.24	792.00	9,726,754. 29
3. This period Reduction amount							
(1) Disposal							
4. Final Balance	111,358,52 9.28	6,601.00		29,109,316 .65	9,601,184. 04	2,640.00	150,078,27 0.97
III. Impairment quasi Preparation							
1. At the beginning of							

the period Balance							
2. This period Increase amount							
(1) Accrual							
3. This period Reduction amount							
(1) Disposal							
4. Final Balance							
IV. Book price Value							
1. Final Carrying value	581,457,12 1.66	33,002.94		17,693,675 .73	25,494,815 .96	13,201.60	624,691,81 7.89
2. At the beginni ng of the period	576,593,71	34,983.24		19,579,336	26,088,729	13,993.60	622,310,75

Carrying value	0.37			.70	.20		3.11
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Intangible assets formed through in-house research and development as a percentage of the balance of intangible assets at the end of the period 0.00%

(2) The situation of land use rights without proper title certificate

Unit: Yuan

Projects	Carrying value	Reasons for not completing the title certificate
Guanzhong Ring Road Gas Storage and Peaking Pipeline Land Use Rights	112,985,815.43	Real estate ownership certificate in process
Land use rights of the Fu County Sub-transmission Station	15,519,697.06	Real estate ownership certificate in process
Land use rights of Xi'an sub-transmission station of Xishang line	9,788,565.45	Real estate ownership certificate in process
Land use rights of Yongle Terminal	7,055,487.89	Real estate ownership certificate in process
Weinan sub-transmission station land use rights	3,765,843.19	Real estate ownership certificate in process
Land Use Right of Mianxian CNG Project	4,817,380.04	Real estate ownership certificate in process
Land use rights of Nanbu Sub-transmission Station	3,534,774.24	Real estate ownership certificate in process
Land use right of Chengbei Gas Station	2,000,000.00	Real estate ownership certificate in process
Land use rights of Wugong Sub-transmission Station	1,546,077.39	Real estate ownership certificate in process
Land use rights of Nanzheng Liangshan Industrial Park in Hanzhong	1,606,990.00	Real estate ownership certificate in process
Land use rights of Tongyuan sub-transmission valve area	1,240,200.72	Real estate ownership certificate in process
Weinan Trinity Station Land Use Rights	1,166,934.81	Real estate ownership certificate in process
Weinan refueling station land use rights	1,160,311.69	Real estate ownership certificate in process
Qianxian Sub-transmission Station Land Use Rights	1,040,636.82	Real estate ownership certificate in process
Other land use rights	3,263,244.76	Real estate ownership certificate in process
Subtotal	170,491,959.49	

Other notes

The amortization amounted to \$9,726,754.29, of which \$9,644,016.63 was charged to current profit and loss and \$82,737.66 was charged to construction in progress.

27. Development Expenses

Unit: Yuan

Projects	Opening balance	Increase in the current period			Decrease for the period			Closing balance
		Internal development expenses	Other		Recognized as intangible assets	Transfer to current profit or loss		

Long-Term Pipeline Cathodic protection Remote Monitoring System	2,761,062.00							2,761,062.00
Based on artificial Intelligent patrol Inspection of drones System	2,290,728.41							2,290,728.41
Natural gas storage Transportation project Project Information Management Management Platform	2,030,572.37							2,030,572.37
Natural Gas Trade Easy to measure since Dynamic transmission/stop Scheduler Management Control System Unity	1,955,316.48	435,748.84						2,391,065.32
Centrifugal pressure Scaling group far	1,107,137.85	792,397.07				12,906.00		1,886,628.92

Program Diagnosis								
Yan'an gas compres sor unit vibration division Analysis of the transformati on	864,945.0 5	789,520.7 8				10,605.00		1,643,860 .83
Researc h on the develop ment and manage ment mechani sm of the universal participat ion system for pipeline violations Study	793,704.8 4	443,870.0 2						1,237,574 .86
Natural gas station unattend ed manage ment system Department of Research	84,905.66	500,692.7 4				500,692.7 4		84,905.66
Collabor ation between governm ent, industry, academi a, research, applicatio n and creation based on clean energy specializ ed crowdso urcing space Innovation Constructio		1,666,258 .60				1,666,258 .60		

n								
Gas Transmission Pipeline Mechanical Monitoring and Integrity Management System Research		959,726.51				959,726.51		
In-service natural gas pipeline hydrogen-blended transmission can Feasibility study		893,259.70				893,259.70		
Natural gas "manne d and remotely operated " station feasibility study and trial Point Applications		817,225.92				817,225.92		
Natural gas energy metering laboratory capacity building and management system building Build		796,066.57				796,066.57		

Demonstration of the first set of major technical equipment for the localization of medium-sized gas turbines Applications		696,246.58				696,246.58		
The feasibility of non-remote flowmeter retrofit Research		592,284.56				592,284.56		
Compressor unit import with Pieces using the national		575,000.87				575,000.87		

Productive Research								
Insulation joint safety service performance test Research		489,190.16				489,190.16		
Green assembly type composite structure farmhouse system and its industrialized construction Technical Projects		461,001.50				461,001.50		
Other Projects		1,402,265.16				1,402,265.16		
Total	11,888,372.66	12,310,755.58				9,872,729.87		14,326,398.37

Other notes

28. Goodwill

(1) Original carrying amount of goodwill

Unit: Yuan

Name of investee or matters forming goodwill	Opening balance	Increase in the current period		Decrease for the period		Closing balance
		Formed by business combinations		Disposal		
Shaanxi City Gas Industry Development Co. Division	91,164,042.97					91,164,042.97
Weinan Gas Ltd.	75,705,852.80					75,705,852.80
Meixian City Burning Smoothly Gas Co.	755,486.71					755,486.71

Total	167,625,382.48					167,625,382.48
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(2) Provision for impairment of goodwill

Unit: Yuan

Name of investee or matters forming goodwill	Opening balance	Increase in the current period		Decrease for the period		Closing balance
		Accrual		Disposal		
Weinan Gas Ltd.	15,907,753.13					15,907,753.13
Total	15,907,753.13					15,907,753.13

Information about the asset group or combination of asset groups in which the goodwill is located

Describe the goodwill impairment testing process, key parameters (e.g. projected period growth rate at present value of expected future cash flows, stabilization period growth rate, profitability, discount rate, projection period, etc.) and the method for recognizing goodwill impairment losses:

Other notes on the

impact of goodwill

impairment testing

Note 1: In January 2019, the Company entered into the "Equity Transfer Agreement" with the former shareholders of Wuqi Baoze Natural Gas Co. The Company acquired 100% of the equity interests held by the natural persons at an appraised value of RMB 14,721.08 million. After the completion of the acquisition, the Company holds 100% equity interest in Wuqi Baoze. Wuqi Baoze has changed its business registration information on January 23, 2019, and has been included in the Company's share capital since January 31, 2019.

In the scope of consolidation, Wuqi Baoze will be absorbed and merged by Shaanxi City Gas Industry Development Co.

Note 2: The Company held the Twenty-ninth Meeting of the Fourth Session of the Board of Directors and the Twenty-sixth Meeting of the Fourth Session of the Supervisory Board on March 7, 2020 and March 25, 2020, respectively.

Ltd. and the Second Extraordinary General Meeting of 2020, considered and approved the "Proposal on the Acquisition of Equity Interests in Weinan Natural Gas Co.

(hereinafter referred to as "Weinan Natural Gas") held by Shaanxi Gas Group Co.

The Company has a 51% equity interest in Weinan Gas (the "Company"). After the completion of the acquisition, the Company holds 51% equity interest in Weinan Gas. Weinan Gas has changed its business registration letter on April 9, 2020.

The Company's interest is included in the scope of consolidation as of April 9, 2020.

Note 3: On April 25, 2021, the Company entered into an "Equity Transfer Agreement" with Meixian Science and Technology Industrial Park Development Company Limited (hereinafter referred to as "Meixian Science and Technology"), the former shareholder of Meixian City Fuel Smooth Gas Co. (hereinafter referred to as "Meixian Science and Technology"), the former shareholder of Meixian Science and Technology Industrial Park Development Co.

The Company owns 51% of the equity interest in Meixian City Fuel. After the completion of the acquisition, the Company holds 51% equity interest in Meixian City Fuel. Meixian City Fuel has changed its business registration information on May 8, 2021, and has been operating since May 8, 2021.

The Company has been included in the scope of consolidation since May 8, 2009.

29. Long-term amortized expenses

Unit: Yuan

Projects	Opening balance	Increase in the current period	Amortization amount for the period	Other decrease amount	Closing balance
Department of Materials Management Information Unified after-sales service fee		27,764.14	9,254.71		18,509.43
Renovation of leased premises Fees	1,364,042.78	472,310.12	393,046.24		1,443,306.66
Software usage fee	260,398.26	14,854.37	75,969.14		199,283.49
Total	1,624,441.04	514,928.63	478,270.09		1,661,099.58

Other notes

The current amortization amounted to \$478,270.09, all of which was recorded in the current period's profit and loss.

30. Deferred income tax assets/deferred income tax liabilities

(1) Deferred income tax assets without offsetting

Unit: Yuan

Projects	Closing balance		Opening balance	
	Deductible temporary differences	Deferred income tax assets	Deductible temporary differences	Deferred income tax assets
Provision for asset impairment	174,817,609.59	26,248,291.43	175,568,827.27	26,335,324.07
Unrealized profit on internal transactions	2,484,473.05	372,670.96	2,484,473.05	372,670.96
Provision for impairment of assets (fixed assets, construction materials and inventories) (Provision for impairment of goods)	32,105,530.65	4,793,259.10	32,052,350.07	4,807,852.50
Depreciation of fixed assets	18,882,272.05	2,832,340.81	18,961,540.07	2,844,231.01
Deferred revenue	48,149,338.90	7,234,400.84	49,479,136.38	7,421,870.46
Local development funds (accrual) (Outstanding amount)	1,367,898.95	205,184.84	1,367,898.95	205,184.84
Total	277,807,123.19	41,686,147.98	279,914,225.79	41,987,133.84

(2) Deferred income tax liabilities without offsetting

Unit: Yuan

Projects	Closing balance		Opening balance	
	Taxable temporary differences	Deferred income tax liabilities	Taxable temporary differences	Deferred income tax liabilities
Valuation increment of assets in non-simultaneously controlled business combinations	17,516,357.93	2,627,453.69	17,833,222.72	2,674,983.40
Total	17,516,357.93	2,627,453.69	17,833,222.72	2,674,983.40

(3) Deferred income tax assets or liabilities presented as net of offsetting

Unit: Yuan

Projects	Period-end mutual offset of deferred income tax assets and liabilities	Closing balance of deferred income tax assets or liabilities after offsetting	Opening offsetting amount of deferred income tax assets and liabilities	Opening balance of deferred income tax assets or liabilities after offsetting
Deferred income tax assets		41,686,147.98		41,987,133.84
Deferred income tax liabilities		2,627,453.69		2,674,983.40

(4) Details of unrecognized deferred income tax assets

Unit: Yuan

Projects	Closing balance	Opening balance
Deductible temporary differences	1,310,833.96	3,799,592.44
Total	1,310,833.96	3,799,592.44

(5) Deductible losses on unrecognized deferred income tax assets will expire in the following years

Unit: Yuan

Year	End of period amount	Opening amount	Remarks
2022			
2023			
2024	393,322.84	393,322.84	
2025	437,685.20	2,100,086.47	
2026	479,825.92	1,306,183.13	
Total	1,310,833.96	3,799,592.44	

Other notes

31. Other non-current assets

Unit: Yuan

Projects	Closing balance			Opening balance		
	Book balance	Provision for impairment	Carrying value	Book balance	Provision for impairment	Carrying value
Contract performance costs	56,510,003.71		56,510,003.71	84,117,412.06		84,117,412.06
Prepaid equipment and work Program section	106,552,680.36		106,552,680.36	53,997,676.38		53,997,676.38
Total	163,062,684.07		163,062,684.07	138,115,088.44		138,115,088.44

Other notes:

32. Short-term loans

(1) Classification of short-term borrowings

Unit: Yuan

Projects	Closing balance	Opening balance
Credit Borrowing	175,043,055.56	613,524,944.44
Total	175,043,055.56	613,524,944.44

Notes to the classification of short-term borrowings:

All of the Company's loans were on credit at the end of the period.

(2) Short-term borrowings that were past due

The total amount of short-term borrowings that were past due at the end of the period was \$, of which the significant past due short-term borrowings were as follows:

Unit: Yuan

Borrower	Closing balance	Borrowing Rate	Overdue time	Late Interest Rate
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Other notes

33. Financial liabilities held for trading

Unit: Yuan

Projects	Closing balance	Opening balance
Among them:		
Among them:		

Other notes:

34. Derivative financial liabilities

Unit: Yuan

Projects	Closing balance	Opening balance
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Other notes:

35. Notes payable

Unit: Yuan

Category	Closing balance	Opening balance
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Total notes payable that were due and unpaid at the end of the period were \$.

36. Accounts payable

(1) Presentation of accounts payable

Unit: Yuan

Projects	Closing balance	Opening balance
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Within 1 year	1,742,573,300.52	1,225,385,486.17
1-2 years	159,841,899.95	219,986,009.44
2-3 years	49,974,134.20	102,074,394.99
More than 3 years	264,168,130.10	229,078,080.18
Total	2,216,557,464.77	1,776,523,970.78

(2) Significant accounts payable aged over 1 year

Unit: Yuan

Projects	Closing balance	Reasons for non-reimbursement or carry-forward
China National Petroleum Group Engineering Design Co. Southwest Branch	102,011,676.49	Not yet settled
Xi'an Shaangu Power Co.	64,191,926.17	Not yet settled
Sinopec Shengli Oil Construction Engineering Co.	42,964,264.07	Not yet settled
Shengli Oilfield Shengli Petrochemical Construction Co. Company	29,115,686.96	Not yet settled
Shaanxi Construction and Installation Group Co.	16,147,268.91	Not yet settled
China National Petroleum Pipeline Bureau	14,256,909.84	Not yet settled
Shaanxi Sunshine Blue Sky Construction Engineering Co.	9,942,637.13	Not yet settled
China Railway 18th Bureau Group Construction and Installation Engineering Co. Division	7,126,229.42	Not yet settled
Wuqi County Gas Company	7,009,192.88	Not yet settled
Shandong Junhui Construction Group Co.	6,598,687.15	Not yet settled
China Chemical Engineering 11th Construction Co.	5,727,260.89	Not yet settled
Total	305,091,739.91	

Other notes:

37. Receipts in advance

(1) Presentation of receipts in advance

Unit: Yuan

Projects	Closing balance	Opening balance
Within 1 year	50,000.00	
Total	50,000.00	

(2) Significant receipts in advance aged over 1 year

Unit: Yuan

Projects	Closing balance	Reasons for non-reimbursement or carry-
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		forward
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Other notes:

38. Contractual liabilities

Unit: Yuan

Projects	Closing balance	Opening balance
Natural Gas	465,631,964.51	531,164,622.49
Installation model	173,340,392.69	180,416,104.18
Stove models	2,631,681.77	752,859.45
Liquefied Petroleum Gas		49,694.50

Other	454,748.53	2,948,566.03
Total	642,058,787.50	715,331,846.65

Amount of and reasons for significant changes in the carrying value during the reporting period

Unit: Yuan

Project s	Change amount	Reason for change
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39. Employee compensation payable

(1) Presentation of employee compensation payable

Unit: Yuan

Projects	Opening balance	Increase in the current period	Decrease for the period	Closing balance
I. Short-term compensation	148,172,826.31	242,682,033.87	250,807,929.98	140,046,930.20
II. Post-employment benefits - defined contribution plan	39,946,746.01	45,530,934.79	39,722,782.32	45,754,898.48
Total	188,119,572.32	288,212,968.66	290,530,712.30	185,801,828.68

(2) Presentation of short-term compensation

Unit: Yuan

Projects	Opening balance	Increase in the current period	Decrease for the period	Closing balance
1、Salary, bonuses, allowances and subsidies	114,973,161.54	197,303,454.09	210,390,712.95	101,885,902.68
2、Employee welfare expenses		9,626,987.47	9,626,987.47	
3、Social insurance premiums		10,743,359.03	10,687,590.97	55,768.06
Of which: medical insurance Fee		9,892,355.36	9,869,928.76	22,426.60
Worker's Compensation Insurance Fee		736,208.14	702,866.68	33,341.46
Maternity Insurance Fee		114,795.53	114,795.53	
4. Housing Provident Fund		17,728,487.60	17,728,487.60	

5. Trade union expenses and employee education expenses	33,199,664.77	7,279,745.68	2,374,150.99	38,105,259.46
Total	148,172,826.31	242,682,033.87	250,807,929.98	140,046,930.20

(3) Defined contribution plan presentation

Unit: Yuan

Projects	Opening balance	Increase in the current period	Decrease for the period	Closing balance
1、Basic pension insurance	3,211.50	25,171,946.61	24,942,790.78	232,367.33
2、Unemployment insurance premiums	109,533.69	965,378.34	965,378.34	109,533.69
3、Enterprise annuity contributions	7,252,723.72	11,937,442.82	11,825,344.68	7,364,821.86
4、Supplemental medical insurance	32,581,277.10	7,456,167.02	1,989,268.52	38,048,175.60
Total	39,946,746.01	45,530,934.79	39,722,782.32	45,754,898.48

Other notes

40. Taxes and fees payable

Unit: Yuan

Projects	Closing balance	Opening balance
Value Added Tax	18,041,429.39	703,710.26
Corporate Income Tax	25,143,550.57	13,482,612.61
Personal Income Tax	286,552.31	1,826,940.06
City Maintenance and Construction Tax	1,344,703.80	197,214.40
Property Tax	2,506,245.02	2,452,407.05
Land use tax	1,858,467.05	1,910,053.48
Education surcharge and local education surcharge	967,795.95	147,308.43
Flood Control and Security Water Fund	303,940.17	514,733.99
Stamp duty	1,022,385.09	1,246,020.31
Other taxes and fees	193,583.54	163,233.14
Total	51,668,652.89	22,644,233.73

Other notes

41. Other payables

Unit: Yuan

Projects	Closing balance	Opening balance
Dividends payable	7,350,000.00	4,900,000.00
Other payables	225,564,332.92	230,356,907.47
Total	232,914,332.92	235,256,907.47

(1) Interest Payable

Unit: Yuan

Projects	Closing balance	Opening balance

Significant overdue interest status:

Unit: Yuan

Borrower	Overdue amount	Reason for overdue

Other notes:

(2) Dividends payable

Unit: Yuan

Projects	Closing balance	Opening balance
Dividends on ordinary shares	7,350,000.00	4,900,000.00
Total	7,350,000.00	4,900,000.00

Other notes, including significant dividends payable outstanding for more than one year, should disclose the reason for non-payment:

(3) Other payables

1) Presentation of other payables by nature of payment

Unit: Yuan

Projects	Closing balance	Opening balance
Money for rerouting works	163,707,274.23	147,897,063.39
Provisional receivables payable	10,413,177.01	9,951,300.28
Local development funds	1,367,898.95	1,367,898.95
Deposit Guarantee	33,446,132.28	34,416,727.23
Engineering set-aside fees	4,601,145.91	6,288,310.15
Other	12,028,704.54	30,435,607.47
Total	225,564,332.92	230,356,907.47

2) Significant other payables aged over 1 year

Unit: Yuan

Projects	Closing balance	Reasons for non-reimbursement or carry-forward
Shaanxi Baohan Expressway Construction Management Co.	79,489,886.94	Not yet settled
Xi'an Huan Tong Municipal Engineering Project Management Co.	14,568,807.34	Not yet settled
Shaanxi Jiangyong Hongtai Municipal Construction Development Co.	5,300,000.00	Not yet settled
Weinan Urban and Rural Construction Bureau	4,931,690.02	Not yet settled
China Railway First Bureau Group Railway Construction Co.	4,587,155.96	Not yet settled
Xi'an City White Deer Plain Modern Agricultural Demonstration Zone Management Committee	4,125,229.36	Not yet settled
Xi'an Lintong New District Construction Management Committee	3,593,577.99	Not yet settled
Fuxian Transportation Bureau	2,818,181.82	Not yet settled
Shaanxi Province Shangzhou District Senior High School Project Construction Management Department	2,800,085.25	Not yet settled
Hamble compound line reserved	2,771,023.79	Not yet settled
CCCC Second Highway Engineering Bureau Limited Xi'an State International Port District Company	2,754,857.31	Not yet settled
Baoji City Land Port New City Development and Construction Affairs Center	2,752,293.58	Not yet settled
Yan'an City Ansai District Transportation Bureau	2,745,779.82	Not yet settled
Shangluo City Construction Investment Development Co.	2,320,850.00	Not yet settled
Yan'an City Natural Resources Bureau Ansai Branch	2,315,963.30	Not yet settled
Hanzhong Qunfeng Machinery Manufacturing Co.	1,840,000.00	Not yet settled
Xixiang County Weakou Township People's Government	1,560,275.23	Not yet settled

Total	141,275,657.71	
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Other notes

42. Liabilities held for sale

Unit: Yuan

Projects	Closing balance	Opening balance
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Other notes

43. Non-current liabilities due within one year

Unit: Yuan

Projects	Closing balance	Opening balance
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Long-term loans due within one year	150,147,016.32	340,370,761.10
Long-term payables due within one year		340,220,833.29
Lease liabilities due within one year	2,931,239.67	2,958,625.23
Total	153,078,255.99	683,550,219.62

Other notes:

All long-term borrowings due within one year at the end of the period were credit borrowings.

44. Other current liabilities

Unit: Yuan

Projects	Closing balance	Opening balance
Short-term bonds payable	803,697,833.84	
Taxes to be transferred	29,752,723.70	37,529,536.56
Total	833,450,557.54	37,529,536.56

Increase or decrease in short-term bonds payable:

Unit: Yuan

Bond Name	Face Value	Release Date	Bond Term	Issue amount	Opening balance	Current Issue	Accrued interest at par Information	Amortization of premium and discount	Current reimbursement		Closing balance
Ltd. 2022 The first short-term Financing Certificates	100.00	2022 April 13 Day	1	800,000,000.00		800,000,000.00	4,330,958.90	633,125.06			803,697,833.84
Total				800,000,000.00		800,000,000.00	4,330,958.90	633,125.06			803,697,833.84

Other notes:

45. Long-term borrowings

(1) Classification of long-term loans

Unit: Yuan

Projects	Closing balance	Opening balance
Credit Borrowing	565,553,761.47	865,949,131.97

Total	565,553,761.47	865,949,131.97
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Notes to the classification of long-term borrowings:

All of the Company's

borrowings at the end of

the period were on credit.

Other notes, including

interest rate bands:

The interest rates are floating and range from 3.40% to 3.85% per annum.

46. Bonds payable

(1) Bonds Payable

Unit: Yuan

Projects	Closing balance	Opening balance
Medium Term Notes	1,002,117,325.16	1,021,030,190.05
Total	1,002,117,325.16	1,021,030,190.05

(2) Changes in bonds payable (excluding other financial instruments such as preferred shares and perpetual bonds classified as financial liabilities)

Unit: Yuan

Bond Name	Face Value	Release Date	Bond Term	Issue amount	Opening balance	Current Issuance	Interest accrued at par value	Amortization of premium and discount	Current reimbursement		Closing balance
20 Shaanxi Gas MTN001	100.00	2020.6.18	5 years (3 years + 2) (Year)	500,000,000.00	508,853,220.03		8,678.082.20	381,302.23	17,500,000.00		499,650,000.00
21 Shaanxi Gas MTN001	100.00	2021.4.28	3 years	500,000,000.00	512,176,970.02		9,173.972.58	383,617.44	18,500,000.00		502,467,325.16
Total	—			1,000,000,000.00	1,021,030,190.05		17,852,054.78	764,919.67	36,000,000.00		1,002,117,325.16

(3) Description of the conversion conditions and conversion time of convertible corporate bonds

(4) Description of other financial instruments classified as financial liabilities

Basic information of other financial instruments such as

preferred shares and perpetual bonds issued and

outstanding at the end of the period is not available

Statement of changes in financial instruments such as preferred shares and perpetual bonds issued and outstanding at the end of the period

Unit: Yuan

Financial workers	Beginning	Increase in the current period	Decrease for the period	End of
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issued outside with	g of the perio d						term	
	Quantity	Carrying value	Quantity	Carrying value	Quantity	Carrying value	Quantity	Carrying value

Basis for classification of other financial

instruments as financial liabilities

Description of other notes

47. Lease liabilities

Unit: Yuan

Projects	Closing balance	Opening balance
Lease payment amount	4,382,562.66	4,918,937.00
Unrecognized financing costs	-159,731.06	-238,550.02
Reclassification to non-current liabilities due within one year	-2,931,239.67	-2,958,625.23
Total	1,291,591.93	1,721,761.75

Other notes:

48. Long-term payables

Unit: Yuan

Projects	Closing balance	Opening balance
Specialized accounts payable	5,940,000.00	5,540,000.00
Total	5,940,000.00	5,540,000.00

(1) Presentation of long-term payables by nature of payment

Unit: Yuan

Projects	Closing balance	Opening balance
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Other notes:

(2) Specialized accounts payable

Unit: Yuan

Projects	Opening balance	Increase in the current period	Decrease for the period	Closing balance	Reasons for formation
Taibai County Natural Gas East Transport Projects	2,000,000.00			2,000,000.00	Project construction start-up capital Gold
LNG Storage Project	3,540,000.00			3,540,000.00	Project construction start-up capital Gold
Shaanxi North Energy Chemical Base Land Construction Projects		400,000.00		400,000.00	Project construction start-up capital Gold
Total	5,540,000.00	400,000.00		5,940,000.00	

Other notes:

49. Long-term employee compensation payable**(1) Schedule of long-term employee compensation payable**

Unit: Yuan

Projects	Closing balance	Opening balance
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(2) Changes in defined benefit plans

Present value of defined benefit plan obligations:

Unit: Yuan

Projects	Current Period Incurred	Prior Period Incurrence
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Plan assets:

Unit: Yuan

Projects	Current Period Incurred	Prior Period Incurrence
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Net defined benefit plan liabilities (net assets)

Unit: Yuan

Projects	Current Period Incurred	Prior Period Incurrence
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Description of the content of the defined benefit plan and the risks associated with it, the impact on the company's future cash flows, timing and uncertainty: Description of significant actuarial assumptions and results of sensitivity analysis for the defined benefit plan:

Other notes:

50. Projected liabilities

Unit: Yuan

Projects	Closing balance	Opening balance	Reasons for formation
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Other notes, including significant assumptions related to significant projected liabilities, estimate notes:

51. Deferred revenue

Unit: Yuan

Projects	Opening balance	Increase in the current period	Decrease for the period	Closing balance	Reasons for formation
Government Grants	58,766,239.68	545,496.29	2,064,806.49	57,246,929.48	Government Subsidy Formation
Changxing Substation Relocation Compensation	917,431.19			917,431.19	Government Compensation Formation
Other	720,000.00			720,000.00	Controlling shareholder allocated into the shape Becoming
Total	60,403,670.87	545,496.29	2,064,806.49	58,884,360.67	

Projects involving government grants:

Unit: Yuan

Liability items	Opening balance	Amount of new grants for the period	Included in non-operating income for the period Income amount	Included in other income during the period Amount	Current period elimination of costs and expenses Amount	Other changes	Closing balance	Asset-related/revenue-related Related
Gas transmission from Hezhuan going to	22,793,141.41			486,686.28			22,306,455.13	Asset-related

Yao Dian Pipeline Projects								
Natural gas pipeline reshuffling in Ansei County Compensation	9,864,143.45			274,003.98			9,590,139.47	Asset-related
Yangling reroute (Phase II) Compensation	5,456,000.12			136,399.98			5,319,600.14	Asset-related
Qinghan New City Pipe Network Support Fee	3,290,982.58			67,589.95			3,223,392.63	Asset-related
Zhidan Foundation Package Fee	2,802,456.27			57,770.79			2,744,685.48	With assets Off
Baoji Chenchang reroute compensation paragraph	2,502,407.97			56,872.92			2,445,535.05	Asset-related
Xianyang Wenxing Road west section change Line compensation	2,260,064.27			49,131.84			2,210,932.43	Asset-related
Yangling Agricultural High-tech Industry Demonstration District Natural Gas	1,925,574.67			53,488.20			1,872,086.47	Asset-related

Pipeline relocation Compensation								
Yanliang Gasification Project Construction Subsidies	3,041,935.78						3,041,935.78	Asset-related
Guanzhong Ring Road Science and Technology Innovation Dedicated funds	1,053,427.25			22,983.90			1,030,443.35	Asset-related
Old pipeline accident hazards and preventive measures research project Table of Contents	80,000.00			80,000.00				Related to revenue
Xianbao natural gas pipeline crossover reshuffle patch Reimbursement	522,857.15			87,142.86			435,714.29	Asset-related
Jingxi natural gas pipeline network monitoring grant funding Gold	571,428.66			71,428.56			500,000.10	Asset-related
Xi'an New Area Qinhan New City reroute	512,993.57			11,658.96			501,334.61	Asset-related

compensation paragraph								
Yichuan Foundation Package Fee	607,260.30			14,484.60			592,775.70	With assets Off
Yanchuan Township Gasification Project Subsidies	25,088.57			25,088.57				Asset-related
Job Stabilization Subsidy	36,614.80	545,496.29			498,714.46		83,396.63	Relative to earnings Off
Enterprise technology transformation special Rewards	299,666.67						299,666.67	Asset-related
Natural gas boiler low-NOx combustion renovation project Table of Contents	23,214.29						23,214.29	Asset-related
Yanliang pipe network Package Fee	1,096,981.90			71,360.64			1,025,621.26	With assets Off
Total Total	58,766,239.68	545,496.29		1,566,092.03	498,714.46		57,246,929.48	

Other notes:

52. Other non-current liabilities

Unit: Yuan

Projects	Closing balance	Opening balance
Contractual Liabilities	104,308,824.64	126,416,559.54
Total	104,308,824.64	126,416,559.54

Other notes:

53. Share capital

Unit: Yuan

	Opening balance	Increase or decrease in this change (+, -)					Closing balance
		Issue of new shares	Share Delivery	Transfer from provident fund	Other	Subtotal	
Total number of shares	1,112,075.445.00						1,112,075.445.00

Other notes:

54. Other equity instruments

- (1) Basic information of other financial instruments such as preferred shares and perpetual bonds issued and outstanding at the end of the period
- (2) Statement of changes in financial instruments such as preferred shares and perpetual bonds issued and outstanding at the end of the period

Unit: Yuan

Financial instruments issued and outstanding	Beginning of the period		Increase in the current period		Decrease for the period		End of term	
	Quantity	Carrying value	Quantity	Carrying value	Quantity	Carrying value	Quantity	Carrying value

Explanation of changes in other equity instruments during the period, reasons for changes, and the basis for related accounting treatment: Other explanations:

55. Capital surplus

Unit: Yuan

Projects	Opening balance	Increase in the current period	Decrease for the period	Closing balance
Capital premium (equity premium)	1,246,148,298.84			1,246,148,298.84
Other capital surplus	162,182.30			162,182.30
Total	1,246,310,481.14			1,246,310,481.14

Other explanations, including changes in the current period and reasons for the changes:

56. Inventory Unit

Unit: Yuan

Projects	Opening balance	Increase in the current period	Decrease for the period	Closing balance
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Other notes, including the changes in the current period, the reasons for the changes:

57. Other comprehensive income

Unit: Yuan

Projects	Opening balance	Current Period Incurred						Closing balance
		Incurring before income tax for the period forehead	Less: Pre Included in other comprehensive income Transferred to current period Profit and loss	Less: Pre Included in other comprehensive income Transferred to current period Retained earnings	Less: Income tax expense	Attributable to the parent company after tax	Attributable to minority shares after tax East	

Second, will re Classification into loss	91,295,64							91,295,64
Other benefits	9.87							9.87
Comprehensive income								
Of which: right transferable profit or loss under the equity method	91,295,64							91,295,64
Other General Earnings	9.87							9.87
Other General Total revenue	91,295,64							91,295,64
	9.87							9.87

Other notes, including adjustments to the effective portion of the cash flow hedge gain

or loss to the amount initially recognized for the hedged item: None

58. Special reserve

Unit: Yuan

Projects	Opening balance	Increase in the current period	Decrease for the period	Closing balance
Safety production fee	212,628,448.91	58,940,816.52	22,816,684.77	248,752,580.66
Total	212,628,448.91	58,940,816.52	22,816,684.77	248,752,580.66

Other explanations, including changes in the current period and reasons for the changes:

As a high-risk industry, the Company accrues a special reserve at an average rate of 1.5% of the actual operating revenue of the previous year on a monthly basis for the expenditure of the Company's safety production activities in accordance with the "Notice on the Issuance of the Management Measures for the Extraction and Use of Enterprise Safety Production Expenses" (Cai Qi [2012] No. 16) issued by the Ministry of Finance and the General Administration of Safety Supervision. The increase of the current period is the accrual and the decrease is the use.

59. Surplus reserve

Unit: Yuan

Projects	Opening balance	Increase in the current period	Decrease for the period	Closing balance
Legal reserve	564,197,722.50			564,197,722.50
Total	564,197,722.50			564,197,722.50

Description of surplus reserves, including changes in the current period and reasons for the changes:

60. Undistributed earnings

Unit: Yuan

Projects	This issue	Previous period
Unallocated earnings at the end of the previous period before adjustment	3,137,318,890.29	2,938,477,015.70
Adjustment to unappropriated earnings at the beginning of the period	3,137,318,890.29	2,938,477,015.70
Add: Net profit attributable to owners of the parent company for the period	618,030,052.04	421,256,963.59
Dividends payable on common stock	333,622,633.50	222,415,089.00
Undistributed earnings at the end of the period	3,421,726,308.83	3,137,318,890.29

Adjustments to the opening unappropriated earnings breakdown:

- 1) The Company's unappropriated earnings at the beginning of the period were affected by \$0.00 due to the retroactive adjustment of the Accounting Standards for Business Enterprises and its related new regulations.
- 2) The change in accounting policy affected the opening unappropriated earnings by \$0.00.
- 3) The Company's opening unappropriated earnings were affected by \$0.00 due to the correction of significant accounting errors.
- 4) The change in the scope of consolidation due to the same control affected the opening unappropriated earnings by \$0.00.
- 5) The total effect of other adjustments on opening unappropriated earnings was \$0.00.

61. Operating income and operating costs

Unit: Yuan

Projects	Current Period Incurred		Prior Period Incurrence	
	Revenue	Cost	Revenue	Cost
Main Business	5,285,547,479.70	4,416,451,420.85	3,968,616,415.24	3,467,411,327.58
Other Businesses	6,066,844.65	1,138,560.07	5,696,817.52	2,910,393.89
Total	5,291,614,324.35	4,417,589,980.92	3,974,313,232.76	3,470,321,721.47

Revenue-related information:

Unit: Yuan

Contract Classification	Division 1	Division 2	Long-Term Pipeline	City Gas	Total
Product Type			4,085,704,940.80	1,205,909,383.55	5,291,614,324.35
Among them:					
Natural Gas			3,683,315,038.95	1,109,610,871.82	4,792,925,910.77
Pipeline Transportation			400,010,932.21	1,285,023.94	401,295,956.15
Gas engineering installation				72,305,576.00	72,305,576.00
Other			2,378,969.64	22,707,911.79	25,086,881.43
By business region			4,085,704,940.80	1,205,909,383.55	5,291,614,324.35
Among them:					
Northwest China			4,085,704,940.80	1,205,909,383.55	5,291,614,324.35
Other					
Market or customer type			4,085,704,940.80	1,205,909,383.55	5,291,614,324.35
Among them:					
Long-Term Pipeline			4,085,704,940.80		4,085,704,940.80
City Gas				1,205,909,383.55	1,205,909,383.55
Other					
Contract Type					
Among them:					

By the time of commodity transfer Intercategory			4,085,704,940.8 0	1,205,909,383.5 5	5,291,614,324.3 5
Among them:					
Confirmation at a point in time			4,085,704,940.8 0	1,205,909,383.5 5	5,291,614,324.3 5
Confirmation at a certain point in time					
By contract term					

Among them:					
By sales channel					
Among them:					
Total					

Information related to performance obligations:

1. The company recognizes natural gas revenue when the customer acquires control of the natural gas when the company processes the natural gas delivery order with the customer. That is, sales revenue is recognized when the product is delivered to the customer.

2. The Company has provided installation work services, the installation work has been completed and the ignition and gas conditions have been met, and the Company recognizes revenue from the installation of natural gas customers. Information related to the transaction price apportioned to the remaining performance obligation:

The amount of revenue corresponding to performance obligations that have been contracted but not yet performed or not yet completed at the end of the reporting period was \$2,870,574,090.92, of which 1,320,947,115.55 is expected to be recognized as revenue in fiscal 2022 and \$1,572,951,975.37 is expected to be recognized as revenue in fiscal 2023.

Other notes

62. Taxes and surcharges

Unit: Yuan

Projects	Current Period Incurred	Prior Period Incurrence
City Maintenance and Construction Tax	7,844,249.08	206,617.61
Education Fee Surcharge	3,400,435.38	109,864.80
Property Tax	5,032,448.97	4,747,159.37
Land use tax	3,427,479.29	3,537,231.08
Vehicle use tax	27,039.30	30,589.10
Stamp duty	3,077,581.73	2,524,829.14
Local education fee surcharge	2,266,940.31	73,276.87
Water Fund	2,659,438.43	2,067,703.71
Disability Employment Guarantee Fund	1,244,816.00	1,014,755.46
Other	69,819.62	641,123.59
Total	29,050,248.11	14,953,150.73

Other notes:

63. Selling expenses

Unit: Yuan

Projects	Current Period Incurred	Prior Period Incurrence
Employee Compensation	16,003,354.96	14,500,343.72
Amortization expense	301,129.08	301,129.08

Depreciation	301,911.52	235,866.75
Labor Insurance Fee	229,592.91	178,699.61
Office expenses	92,250.51	246,090.90
Communication fee	56,353.78	138,745.36
Market Development Fee	100,515.09	94,491.71
Repair Fee	108,491.09	451,141.39
Travel expenses	22,012.27	102,653.14
Vehicle usage fee	25,400.73	33,342.72
Advertising and promotion fees	13,273.31	4,313.23
Consulting Service Fee	6,082.16	382,276.30

User management fee	36,460.52	127,867.37
Legal Services Fee		37,735.85
Other	20,401.15	27,170.27
Total	17,317,229.08	16,861,867.40

Other notes:

64. Overhead

Unit: Yuan

Projects	Current Period Incurred	Prior Period Incurrence
Employee Compensation	45,651,347.15	43,138,465.69
Depreciation	6,447,742.22	5,816,350.97
Property Fee	2,373,932.88	1,985,783.84
Amortization of intangible assets	3,399,941.62	2,746,773.55
Consulting Fee	582,988.11	1,515,770.31
Hiring agency fees	2,108,990.05	691,252.15
Vehicle usage fee	627,051.08	559,867.09
Utilities	1,465,416.10	623,125.69
Labor Insurance Fee	727,204.62	484,419.61
Communication fee	128,931.69	410,586.66
Office expenses	346,156.06	330,644.99
Repair Fee	330,864.67	498,115.56
Board Fee	125,966.68	136,656.44
Travel expenses	240,408.17	363,165.46
Party and caucus funding	262,120.28	533,094.92
Association and Society Dues	74,622.92	155,606.79
Amortization of low-value consumables	61,899.96	274,296.15
M&A service fees	139,503.58	260,905.65
Information System Service Fee	465,181.72	345,555.29
Promotion Fee	116,604.92	465,325.89
Other	1,426,664.35	1,130,522.73
Total	67,103,538.83	62,466,285.43

Other notes

65. R&D expenses

Unit: Yuan

Projects	Current Period Incurred	Prior Period Incurrence
Clean Energy Specialized Crowdspace-based "Government Industry-University-Research-Creation" Collaborative Innovation Construction	1,666,258.60	
Gas Transmission Pipeline Mechanical Monitoring and Integrity Management System Research	959,726.51	
Feasibility Study of Hydrogen Blending for In-Service Natural Gas Pipelines	893,259.70	
Natural gas "manned, remotely operated" stations	817,225.92	

Feasibility study and pilot application		
Natural gas energy metering laboratory capacity building and management Management system construction	796,066.57	
The first set of significant technology for the localization of medium-sized gas turbines Equipment demonstration application	696,246.58	300.00
Feasibility study for non-remote flow meter retrofit	592,284.56	
Compressor unit imported parts using localization study	575,000.87	
Research on unattended management system of natural gas field station	500,692.74	350,500.00
Insulation joint safety service performance test research	489,190.16	

Green assembly type composite structure farmhouse system and its work Industrialized Construction Technology Project	461,001.50	946,539.14
Research on urban pipe network line and valve well leakage monitoring system Study	312,154.94	
Research on the development and methodology of employee human effectiveness assessment system	68,511.11	233,047.76
User measurement data analysis	56,442.79	273,200.00
Other	988,667.32	3,461,437.24
Total	9,872,729.87	5,265,024.14

Other notes

66. Finance costs

Unit: Yuan

Projects	Current Period Incurred	Prior Period Incurrence
Interest expense	52,735,749.32	58,712,378.31
Less: Interest income	10,411,016.97	9,014,601.64
Foreign exchange gains and losses		
Financial institution fees and others	781,869.68	646,134.53
Total	43,106,602.03	50,343,911.20

Other notes

67. Other gains

Unit: Yuan

Generating other sources of revenue	Current Period Incurred	Prior Period Incurrence
Asset-related	1,486,092.03	1,528,396.30
Related to revenue	323,227.33	15,263,280.44
Total	1,809,319.36	16,791,676.74

68. Investment income

Unit: Yuan

Projects	Current Period Incurred	Prior Period Incurrence
Income from long-term equity investments accounted for by the equity method	35,200,450.29	47,286,727.58
Investment income from disposal of long-term equity investments	1,220,971.35	

Total	36,421,421.64	47,286,727.58
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69. Net exposure hedge gain

Unit: Yuan

Projects	Current Period Incurred	Prior Period Incurrence
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Other notes

70. Gain on changes in fair value

Unit: Yuan

Sources of gains from changes in fair value	Current Period Incurred	Prior Period Incurrence
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Other notes:

71. Credit impairment losses

Unit: Yuan

Projects	Current Period Incurred	Prior Period Incurrence
Bad debt losses on other receivables	476,567.78	-2,360,923.91
Total	476,567.78	-2,360,923.91

Other notes:

72. Impairment loss on assets

Unit: Yuan

Projects	Current Period Incurred	Prior Period Incurrence
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Other notes:

73. Gain on disposal of assets

Unit: Yuan

Sources of proceeds from asset disposal	Current Period Incurred	Prior Period Incurrence
Disposal of non-current assets	-160,953.25	983,281.24

74. Non-operating income

Unit: Yuan

Projects	Current Period Incurred	Prior Period Incurrence	Amount included in non-recurring profit or loss for the period
Government Grants	20,000.00		20,000.00
Gain on retirement of non-current assets		49,600.00	
Default, penalty income	622,515.16	228,429.82	622,515.16
Other	8,813.20	88,453.07	8,813.20
Total	651,328.36	366,482.89	651,328.36

Government grants included in current profit or loss:

Unit: Yuan

Subsidized Projects	Issuing body	Reason for issuance	Type of nature	Does the subsidy affect the current year profit and loss	Whether special subsidies	Amount incurred during the period	Amount incurred in the previous period	Asset-related/revenue-related Related
2018-2020 The second batch of incentive funds for the five enterprises of the year	Yan'an City Baota District Transportation Bureau	Rewards	Because it is in line with the local government investment promotion and other local support policies and Supplement obtained	No	No	20,000.00		Related to revenue

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Other notes:

75. Non-operating expenses

Unit: Yuan

Projects	Current Period Incurred	Prior Period Incurrence	Amount included in non-recurring profit or loss for the period
External Donation	1,320,000.00	-697,231.17	1,320,000.00
Loss on retirement of non-current assets	389,536.46	2,097,658.34	389,536.46
Penalty and late payment expenses	202,609.00	235,229.71	202,609.00
Other	118,024.15	201,133.41	118,024.15
Total	2,030,169.61	1,836,790.29	2,030,169.61

Other notes:

76. Income tax expense

(1) Income tax expense table

Unit: Yuan

Projects	Current Period Incurred	Prior Period Incurrence
Current income tax expense	112,050,794.55	60,042,046.34
Deferred income tax expense	309,331.21	-1,945,097.80
Total	112,360,125.76	58,096,948.54

(2) Accounting profit and income tax expense adjustment process

Unit: Yuan

Projects	Current Period Incurred
Total profit	744,741,509.79
Income tax expense at statutory/applicable tax rates	111,711,226.48
Effect of adjustments to income taxes of prior periods	3,930,729.01
Effect of non-deductible costs, expenses and losses	-1,952,701.67
Effect of deductible temporary differences or deductible losses on deferred tax assets not recognized during the period	-1,329,128.06
Income tax expense	112,360,125.76

Other notes:

77. Other comprehensive income

See Note 57, Other comprehensive income for details.

78. Cash flow statement items

(1) Other cash received in connection with operating activities

Unit: Yuan

Projects	Current Period Incurred	Prior Period Incurrence
Provisional Receipts	22,639,797.73	15,428,313.71
Interest income from deposits	10,411,016.97	9,014,601.64
Recovery of salary and social security advances	281,539.18	11,848,234.37
Government Grants	805,496.29	15,263,280.44
Other	9,791,263.97	24,195,264.76
Total	43,929,114.14	75,749,694.92

Other cash received in connection with operating activities Description:

(2) Other cash paid in connection with operating activities

Unit: Yuan

Projects	Current Period Incurred	Prior Period Incurrence
Temporary payment	41,186,619.20	46,835,017.90
Maintenance fee	5,385,204.57	949,256.95
Legal Services Fee	1,072,001.64	635,505.30
Consulting Service Fee	510,228.16	1,898,046.61
Property Management Fee	413,900.30	1,985,783.84
Power Charge	2,729,729.12	544,499.13
Vehicle usage fee	1,032,501.54	559,867.09
Audit Fees	242,722.00	93,482.70
Labor Insurance Fee	632,735.55	663,119.22
Travel expenses	314,589.88	465,818.60
Office expenses	219,062.73	576,735.89
Other	9,154,473.20	24,725,088.58
Total	62,893,767.89	79,932,221.81

Other cash paid in connection with operating activities Description:

(3) Other cash received in connection with investing activities

Unit: Yuan

Projects	Current Period Incurred	Prior Period Incurrence
Performance bond, rerouting works, etc.	18,518,634.92	18,590,385.32
Total	18,518,634.92	18,590,385.32

Other cash received in connection with investing activities Description:

(4) Other cash paid in connection with investing activities

Unit: Yuan

Projects	Current Period Incurred	Prior Period Incurrence

Description of other cash paid related to investing activities:

(5) Other cash received in connection with financing activities

Unit: Yuan

Projects	Current Period Incurred	Prior Period Incurrence
Receipt of medium-term notes		499,250,000.00
Total		499,250,000.00

Other cash received in connection with financing activities Description:

(6) Other cash paid in connection with financing activities

Unit: Yuan

Projects	Current Period Incurred	Prior Period Incurrence
Finance lease rental and handling fees	342,615,624.97	493,942,115.11
Acquisition of subsidiaries paid under the same control		
Other financing fees	1,110,432.00	
Total	343,726,056.97	493,942,115.11

Description of other cash paid related to financing activities:

79. Supplementary information on cash flow statement

(1) Statement of Cash Flow Supplementary Information

Unit: Yuan

Additional Information	Amount for the period	Amount of previous period
1. Reconciliation of net income to cash flows from operating activities:		
Net Profit	632,381,384.03	357,234,778.10
Add: Provision for asset impairment	-476,567.78	2,360,923.91
Depreciation of fixed assets, depreciation of oil and gas assets, depreciation of productive biological assets	234,925,331.80	194,976,729.26
Depreciation of right-to-use assets	1,528,193.32	26,488,476.36
Amortization of intangible assets	9,726,754.29	8,964,648.90
Amortization of long-term amortization	478,270.09	571,380.96
Loss on disposal of fixed assets, intangible assets and other long-lived assets (gain is presented with a "+" sign)	160,953.25	
Loss on scrapping of fixed assets (gain is presented with a "+" sign)	389,536.46	983,281.24
Loss on changes in fair value (gain is presented with a "+" sign)		
Finance costs (income is filled with a "-" sign) (column)	52,735,749.32	58,712,378.31
Investment loss (gain is filled with a "-" sign) (column)	-36,421,421.64	-47,286,727.58

Decrease in deferred income tax assets (increase is presented with a "—" sign)	300,985.86	88,950.83
Increase in deferred income tax liabilities (decrease is presented with a "—" sign)	-47,529.71	-23,834.58
Decrease in inventories (increase is shown with a "—" sign)	-2,421,379.83	24,271,024.19
Decrease in operating receivables (increase is shown with a "—" sign)	46,243,247.41	69,083,436.98
Increase in operating payables (decrease is shown with a "—" sign)	388,332,873.42	-526,786,386.26
Other		
Net cash flows from operating activities	1,327,836,380.29	169,639,060.62

2. Significant investments and financing that do not involve cash receipts or disbursements Activities:		
Conversion of debt to capital		
Convertible bonds due within one year		
Finance leased-in fixed assets		
3. Net change in cash and cash equivalents:		
Closing balance of cash	1,358,471,237.97	916,388,824.18
Less: Opening balance of cash	1,120,178,878.49	1,157,230,220.50
Add: Closing balance of cash equivalents		
Less: Opening balance of cash equivalents		
Net increase in cash and cash equivalents	238,292,359.48	-240,841,396.32

(2) Net cash paid during the period for acquisition of subsidiaries

Unit: Yuan

	Amount
Among them:	
Among them:	
Among them:	

Other notes:

(3) Net cash received during the period from disposal of subsidiaries

Unit: Yuan

	Amount
Among them:	
Among them:	
Among them:	

Other notes:

(4) Composition of cash and cash equivalents

Unit: Yuan

Projects	Closing balance	Opening balance
I. Cash	1,358,471,237.97	1,120,178,878.49
Of which: cash on hand	21,688.62	165,138.70
Bank deposits readily available for disbursement	1,358,449,549.35	1,120,013,739.79
III. Cash and cash equivalents	1,358,471,237.97	1,120,178,878.49

balances at the end of the period		
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Other notes:

80. Notes to the items in the statement of changes in owners' equity

Description of "Other" items adjusted for prior year's ending balance and the amount of the adjustment, etc:

81. Assets with restricted ownership or use rights

Unit: Yuan

Projects	Carrying value at the end of the period	Restricted Reasons
Monetary Funds	30,364,199.79	Land reclamation funds of \$24,392,814.08, Fa The frozen fund of the hospital is RMB4,663,035.00, the deposit of truck ETC card is RMB24,000.00, the performance deposit paid by the subsidiary is RMB54,350.71 and the credit The deposit of \$1,230,000.00 for the certificate of use, both of which are Restricted funds.
Total	30,364,199.79	

Other notes:

82. Foreign currency monetary items

(1) Foreign currency monetary items

Unit: Yuan

Projects	Foreign currency balance at the end of the period	Converted exchange rate	End of period translated RMB balance
Monetary Funds			
Of which: USD			
Euro			
Hong Kong Dollars			
Accounts Receivable			
Of which: USD			
Euro			
Hong Kong Dollars			
Long-term borrowings			
Of which: USD			
Euro			
Hong Kong Dollars			

Other notes:

(2) Description of foreign operating entities, including, for significant foreign operating entities, disclosure of their principal place of business outside of the country, the base currency of account and the basis of selection, and the reasons for any change in the base currency of account.

☐ Applicable ☒ Not applicable

83. Hedging

Disclose qualitative and quantitative information about the hedged item and the related hedging instrument, the hedged risk, by hedge category:

84. Government grants

(1) Basic information of government subsidies

Unit: Yuan

Category	Amount	Reported items	Amount charged to current profit or loss
Yanliang pipe network supporting fee		Other gains	71,360.64
Qinghan New City Pipe Network Supporting Fee		Other gains	67,589.95
Yanchuan township gasification project subsidies		Other gains	25,088.58
Yichuan Base Package Fee		Other gains	14,484.59
Zhidan Base Package Fee		Other gains	57,770.79
Yangling Agricultural High-tech Industry Demonstration District gas pipeline relocation compensation		Other gains	53,488.20
Natural gas pipeline redirection and replenishment in Sehra County Reimbursement		Other gains	274,003.98
Xianbao natural gas pipeline crossover reshuffle patch Reimbursement		Other gains	87,142.86
Jingxi natural gas pipeline network monitoring grant funding Gold		Other gains	71,428.56
Yangling reroute (Phase II) compensation		Other gains	136,399.98
Xi'an New Area Qinhan New City reroute compensation paragraph		Other gains	11,658.96
Baoji Chencang reroute compensation		Other gains	56,872.92
Special Funds for Science and Technology Innovation in Guanzhong Ring Road		Other gains	22,983.90
Xianyang Wenxing Road West Realignment Compensation		Other gains	49,131.84
Hezhuangping-Yaodian Gas Transmission Pipeline Project		Other gains	486,686.28
Old pipeline accident hazards and preventive measures Facility Research Projects		Other gains	80,000.00
Study on the construction of incubator for crowdsourcing space	20,000.00	Other gains	20,000.00
Yan'an City Baota District Transportation Bureau awards 2018-2020 five on the enterprise No. Second batch of incentive funds	20,000.00	Non-operating income	20,000.00

2022 No stoppage of production during Chinese New Year Government funding	50,000.00	Other gains	50,000.00
Stabilization measures for the first quarter of 2022 Financial incentive funds	50,000.00	Other gains	50,000.00
Bluefield County 2022 Industrial High Quality Development grant funds	100,000.00	Other gains	100,000.00
Zhenan County Committee Organization Department Natural Gas Appraisal Award	20,000.00	Other gains	20,000.00
Job Stabilization Subsidy	545,496.29	Cost of main operations	498,714.46
Total	805,496.29		2,324,806.49

(2) Return of government grants

☐ Applicable ☒

Not applicable

Other

Description:

85、Other

VIII. Changes in scope of consolidation

1. Business combinations not under common control

(1) Business combinations not under common control occurring during the period

Unit: Yuan

Name of Purchased Party	Point of acquisition of equity	Cost of equity acquisition	Share acquisition ratio	Share Acquisition Method	Buy Day	Basis for determining the purchase date	Revenue of the purchased party from the date of purchase to the end of the period	Net profit of the acquiree from the date of purchase to the end of the period

Other notes:

(2) Consolidation costs and goodwill

Unit: Yuan

Consolidation Costs	
--Cash	
--Fair value of non-cash assets	
--Fair value of debt issued or assumed	
--Fair value of equity securities issued	
--Fair value of contingent consideration	
- Fair value of equity interest held prior to the date of purchase at the date of purchase	
--Other	
Total Consolidated Cost	
Less: Share of fair value of identifiable net assets acquired	
Amount by which goodwill/consolidation cost is less than the share of fair value of identifiable net assets acquired	

Description of the method of determining the fair value of the cost of consolidation, contingent consideration and changes therein: The main reasons for the formation of large amounts of goodwill:

Other notes:

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

Unit: Yuan

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	Fair value at the date of purchase	Carrying value at the date of purchase
Assets:		
Monetary Funds		
Accounts receivable		
Inventory		
Fixed Assets		
Intangible assets		

Liabilities:		
Borrowing		
Payables		
Deferred income tax liabilities		
Net Assets		
Less: Minority interests		
Net assets acquired		

Method of determining the fair value of

identifiable assets and liabilities:

Contingent liabilities of the acquiree

assumed in a business combination:

Other notes:

(4) Whether gains or losses arising from the remeasurement

of equity interests held prior to the date of purchase to fair

value exist in transactions where the business combination is achieved

in stages through multiple transactions and control is acquired during the

reporting period

☐Yes ☒No

(5) Descriptions related to the inability to reasonably determine the merger consideration or the fair value of the purchasee's identifiable assets and liabilities at the date of purchase or at the end of the period of the merger

(6) Other notes

2. Business combination under common control

(1) Business combinations under common control that occurred during the period

Unit: Yuan

Name of the merged party	Percentage of equity acquired in a business combination	Basis for constituting a business combination under common control	Merger Date	Basis for determining the consolidation date	Revenue of the consolidated party from the beginning of the period of consolidation to the date of consolidation	Net profit of the consolidated party from the beginning of the period of consolidation to the date of consolidation	Revenue of the consolidated party for the comparative period	Net profit of the consolidated party for the comparative period

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Other notes:

(2) Consolidation Costs

Unit: Yuan

Consolidation Costs	
--Cash	
--Book value of non-cash assets	
--Book value of debt issued or assumed	
--The par value of equity securities issued	
--Contingent consideration	

Description of contingent
consideration and changes
therein: Other descriptions:

(3) Carrying value of the consolidated party's assets and liabilities at the date of consolidation

Unit: Yuan

	Merger Date	End of previous period
Assets:		
Monetary Funds		
Accounts receivable		
Inventory		
Fixed Assets		
Intangible assets		
Liabilities:		
Borrowing		
Payables		
Net Assets		
Less: Minority interests		
Net assets acquired		

Contingent liabilities of the consolidated party assumed in a business combination:

Other notes:

3. Reverse purchase

Basic information on the transaction, the basis on which the transaction constitutes a reverse purchase, whether the assets and liabilities retained by the listed company constitute a business and the basis thereof, the determination of the cost of the merger, the amount of adjustment to equity when treated as an equity transaction and the calculation thereof:

4. Disposal of subsidiaries

Whether there is a loss of control upon a single disposal of investment in a subsidiary

☐Yes ☒No

Whether there is any step-by-step disposal of investment in subsidiaries through multiple transactions and loss of control during the period

☐Yes ☒No

5. Changes in the scope of consolidation for other reasons

Describe changes in the scope of consolidation due to other reasons (e.g., new subsidiaries, liquidation of subsidiaries, etc.) and the related circumstances:

6. Other

IX. Interests in other subjects

1. Interests in subsidiaries

(1) Composition of an enterprise group

Subsidiary Name	Main business locations	Place of registration	Business Nature	Shareholding ratio		Acquisition method
				Direct	Indirect	
Shaanxi City Gas Industry Development Co. Company	Shaanxi Province	Xi'an	Gas production and supply industry	100.00%		Set up
Hanzhong City Natural Gas Investment and Development Co. Company	Hanzhong City	Hanzhong City	Gas production and supply industry	70.00%		Set up
Shangluo City Natural Gas Ltd.	Shangluo City	Shangluo City	Gas production and supply should work	51.00%		Set up
Yan'an natural gas pipe Road Ltd.	Yan'an City	Yan'an City	Gas production and supply should work	51.00%		Set up
Lantian County City Burning Sky Natural Gas Co.	Lantian County	Lantian County	Gas production and supply should work	70.00%		Set up
Weinan Gas Ltd.	Weinan	Weinan	Gas production and supply should work	51.00%		Purchase
Meixian City Burning Smoothly Gas Co.	Baoji	Baoji	Gas production and supply should work		51.00%	Purchase

Description of the percentage of shareholding in subsidiaries different from the percentage of voting rights:

Basis for holding half or less of the voting rights but still controlling the investee, and for holding more than half of the voting rights but not controlling the investee: For significant structured entities included in the scope of consolidation, the basis for control:

Basis for determining whether a company is an agent or a principal:

Other descriptions:

(2) Significant non-wholly owned subsidiaries

Unit: Yuan

Subsidiary Name	Minority shareholding ratio	Profit or loss attributable to minority shareholders for the period	Dividends declared to minority shareholders during the period	Balance of minority interests at the end of the period
Hanzhong Natural Gas Investment and Development Co.	30.00%	2,491,657.10		9,833,972.78
Shangluo City Natural Gas Co. Division	49.00%	1,599,917.31		123,343,233.57
Yan'an Gas Pipeline Limited Company	49.00%	1,757,753.51	2,450,000.00	51,813,903.30
Lantian County City Gas has Limited company	30.00%	355,091.28	348,613.08	14,235,317.27
Weinan Natural Gas Co. Division	49.00%	8,566,720.85	9,800,000.00	72,695,144.47

Description of the percentage of shareholding of minority shareholders of subsidiaries different from the percentage of voting rights: Other descriptions:

(3) Key financial information of significant non-wholly owned subsidiaries

Unit: Yuan

Subsidiary Name	Closing balance						Opening balance					
	Current assets	Non-current assets	Total assets	Current liabilities	Non-current liabilities	Total liabilities	Current assets	Non-current assets	Total assets	Current liabilities	Non-current liabilities	Total liabilities
Hanzhong City Natural Gas Investment and Development Co. Company	62,307,526.12	323,969,972.16	386,277,498.28	352,520,862.70	976,726.32	353,497,589.02	53,439,078.51	314,879,449.75	368,318,528.26	340,352,959.47	3,804,753.77	344,157,713.24
Shangluo City Natural Gas Co. Company	131,190,717.36	277,955,143.54	409,145,860.90	153,801,579.45	3,623,396.63	157,424,976.08	144,378,938.44	266,068,789.07	410,447,727.51	144,293,789.68	17,091,326.55	161,385,116.23
Yan'an Gas Pipeline Co. Division	56,045,802.72	61,016,121.58	117,061,924.30	11,319,264.50		11,319,264.50	52,430,953.97	62,249,747.41	114,680,701.38	7,567,326.89	36,255.41	7,603,582.30
Lantian County City Fuel Gas Co. Company	18,926,978.71	116,934,256.07	135,861,234.78	84,209,646.60	4,185,864.41	88,395,511.01	9,913,701.65	120,000,527.80	129,914,229.45	73,293,173.38	9,248,915.55	82,542,088.93

Wei nan Natu ral Gas Co. Compa ny	75,94 1,712 .58	323,4 80,95 3.16	399,4 22,66 5.74	182,9 85,28 1.30	68,07 9,946 .74	251,0 65,22 8.04	159,9 02,47 3.86	313,2 14,42 2.72	473,1 16,89 6.58	258,9 18,46 4.74	65,68 8,422 .43	324,6 06,88 7.17
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Unit: Yuan

Subsidiar y Name	Current Period Incurred				Prior Period Incurrence			
	Operating income	Net Profit	Comprehe nsive income Total amount	Business Activities Cash Flow	Operating income	Net Profit	Comprehe nsive income Total amount	Business Activities Cash Flow
Hanzhon g City Natural Gas Investme nt and Develop ment Co. Company	104,159,9 87.82	8,305,523 .67	8,305,523 .67	23,715,00 6.49	56,794,47 9.37	- 2,514,736 .41	- 2,514,736 .41	12,655,89 3.78
Shanglu o City Natural Gas Co. Company	104,934,7 17.37	3,265,137 .36	3,265,137 .36	5,474,380 .42	90,501,89 1.14	7,335,702 .23	7,335,702 .23	- 2,629,215 .02
Yanan natural gas pipeline has Limited company	7,215,515 .65	3,587,252 .06	3,587,252 .06	6,051,462 .93	7,577,265 .11	4,647,255 .63	4,647,255 .63	7,352,039 .48
Bluefield County City Gas Ltd.	32,732,46 1.05	1,183,637 .60	1,183,637 .60	5,039,622 .84	32,321,93 7.55	649,786.0 1	649,786.0 1	9,117,928 .87
Weinan Tian	238,678,6	17,483,10	17,483,10	-	204,750,2	19,974,07	19,974,07	-

Limited natural gas Company	45.95	3.77	3.77	25,099,893.06	04.08	3.23	3.23	6,418,908.89
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Other notes:

- (4) Significant restrictions on the use of enterprise group assets and the settlement of enterprise group debts
- (5) Financial or other support provided to structured subjects

included in the scope of the consolidated financial statements

Other description:

2. Transactions in which the share of ownership interest in a subsidiary changes and the subsidiary is still controlled

- (1) Description of changes in the share of ownership interests in subsidiaries
- (2) Effect of the transaction on minority interests and owners' equity attributable to the parent company

Unit: Yuan

Purchase Cost / Disposal Consideration	
--Cash	
--Fair value of non-cash assets	
Total purchase cost/disposal consideration	
Less: Share of net assets of subsidiaries based on percentage of equity acquired/disposed of	
Difference	
Of which: Adjustment to capital surplus	
Adjustment to surplus	
Adjustment to unappropriated earnings	

Other notes

3. Interest in joint venture arrangements or associates

- (1) Significant joint ventures or associates

Name of joint venture or associate	Main business locations	Place of registration	Business Nature	Shareholding ratio		Accounting for investments in joint ventures or associates Law
				Direct	Indirect	
Xi'an Zhongmin Gas Ltd.	Yanliang District, Xi'an	Yanliang District, Xi'an	Gas production and supply should work	40.00%		Equity method accounting

	City	City				
Natural gas in Xianyang City Ltd.	Xianyang City	Xianyang City	Gas production and supply should work	40.00%		Equity method accounting
Qinjin Gas has Limited liability company	Linfen City, Shanxi Province	Linfen City, Shanxi Province	Gas production and supply should work	49.00%		Equity method accounting
Shaanxi LNG Investment and Development has Limited company	Yangling District	Yangling District	Gas production and supply industry	18.15%		Equity method accounting

Description of the percentage of shareholding in a joint venture or an associate that differs from the percentage of voting rights:

Basis for holding less than 20% of the voting rights but with significant influence, or holding 20% or more of the voting rights but without significant influence:

(2) Key financial information of significant joint ventures

Unit: Yuan

	Closing balance / current period's occurrence	Opening balance/previous period's occurrence
Current assets		
Of which: Cash and cash equivalents		
Non-current assets		
Total assets		
Current liabilities		
Non-current liabilities		
Total liabilities		
Minority interests		
Equity attributable to shareholders of the parent company		
Share of net assets based on percentage of shareholding		
Adjustment matters		
--Goodwill		
- - Unrealized profit on internal transactions		
--Other		
Carrying value of equity investments in joint ventures		
Fair value of equity investments in joint ventures where publicly quoted prices exist		
Operating income		
Finance costs		
Income tax expense		
Net Profit		
Net profit from discontinued operations		
Other comprehensive income		
Total comprehensive income		
Dividends received from joint ventures during the year		

Other notes

(3) Key financial information of significant associates

Unit: Yuan

	Closing balance / current period's	Opening balance/previous period's
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	occurrence				occurrence			
	Xi'an Zhongmi n Gas Co.	Xianyang Natural Gas Co.	Qinjin Natural Gas Co.	Shaanxi LNG Investme nt and Develop ment has Limited company	Xi'an Zhongmi n Gas Co.	Xianyang Natural Gas Co.	Qinjin Natural Gas Co.	Shaanxi LNG Investme nt and Develop ment has Limited company
Current assets	106,237,1 17.43	728,905,4 80.93	223,127,1 83.84	451,206,5 01.43	153,508,8 04.25	927,174,8 85.73	162,389,4 93.59	574,958,5 06.47
Non-current capital	216,228,2	3,345,391	15,077,34	2,385,648	211,795,7	2,955,331	11,543,07	2,350,823

Product	08.87	,725.79	4.63	,995.14	45.26	,166.05	1.77	,930.46
Total assets	322,465,3 26.30	4,074,297 ,206.72	238,204,5 28.47	2,836,855 ,496.57	365,304,5 49.51	3,882,506 ,051.78	173,932,5 65.36	2,925,782 ,436.93
Current liabilities	141,482,7 12.60	1,652,066 ,916.30	1,492,821 .45	1,135,687 ,374.05	153,172,2 95.81	1,876,443 ,444.15	640,858.3 4	1,469,419 ,083.00
Non-current negative Debt	1,953,150 .00	1,787,357 ,934.37	143,045,0 00.00	990,063,7 22.04	1,870,650 .00	1,349,152 ,144.82	143,045,0 00.00	845,105,2 22.97
Total liabilities	143,435,8 62.60	3,439,424 ,850.67	144,537,8 21.45	2,125,751 ,096.09	155,042,9 45.81	3,225,595 ,588.97	143,685,8 58.34	2,314,524 ,305.97
Minority shareholders Rights and benefits								
Attributable to shareholders of the parent company Rights and benefits	179,029,4 63.70	634,872,3 56.05	93,666,70 7.02	711,104,4 00.48	210,261,6 03.70	656,910,4 62.81	30,246,70 7.02	611,258,1 30.96
Share of net assets based on percentage of shareholding forehead	71,611,78 5.48	253,948,9 42.42	45,896,68 6.44	129,065,4 48.69	84,104,64 1.48	262,764,1 85.12	14,820,88 6.44	110,943,3 50.77
Adjustment matters	3,646,203 .70	21,429,11 0.43	5,816.39	- 48,557,20 9.04	3,600,934 .61	- 912,071.5 5	10,501,61 6.39	- 48,557,20 9.04
--Goodwill								
-- Internal transactions not realized Profits								
--Other	3,646,203 .70	21,429,11 0.43	5,816.39	- 48,557,20 9.04	3,600,934 .61	- 912,071.5 5	10,501,61 6.39	- 48,557,20 9.04
Carrying amount of equity investments in associat	75,257,98 9.18	275,378,0 52.85	45,902,50 2.83	80,508,23 9.65	87,705,57 6.09	261,852,1 13.57	25,322,50 2.83	62,386,14 1.73

es Value								
The existenc e of publicly quoted equity investme nts in affiliates Fair value								
Operating income	113,332,0 18.94	554,701,3 72.17		1,141,171 ,212.54	104,341,1 82.10	468,732,7 82.81		763,336,5 50.32
Net Profit	8,315,857 .55	11,075,07 3.23		98,358,11 3.39	10,752,43 2.54	38,933,48 3.62	- 11,416.41	64,663,74 0.87
Discontinue d operations Net profit of								
Other General Earnings								
Comprehen sive income Total amount	8,315,857 .55	11,075,07 3.23		98,358,11 3.39	10,752,43 2.54	38,933,48 3.62	- 11,416.41	64,663,74 0.87
Received from associat es during the year of dividends	16,000,00 0.00	12,000,00 0.00			8,000,000 .00			

Other notes

(4) Aggregated financial information of immaterial joint ventures and associates

Unit: Yuan

	Closing balance / current period's occurrence	Opening balance/previous period's occurrence
Joint ventures:		
Total of the following in proportion to shareholdings		
Affiliates:		
Total of the following in proportion to shareholdings		

Other notes

(5) Description of significant limitations on the ability of a joint venture or associate to transfer funds to the Company

(6) Excess losses incurred by joint ventures or associates

Unit: Yuan

Name of joint venture or associate	Accumulated unrecognized prior period accumulated losses	Unrecognized loss for the period (or net profit shared for the period)	Accumulated unrecognized losses at the end of the period
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Other notes

(7) Unrecognized commitments related to investments in joint ventures

(8) Contingent liabilities related to

investments in joint ventures or associates 4.

Significant joint operations

Common business name	Main business locations	Place of registration	Business Nature	Shareholding ratio / share entitlement	
				Direct	Indirect

Description of the shareholding or share of ownership in a joint operation different from the proportion of voting rights: Where the joint operation is a separate entity, the basis for classification as a joint operation:

Other notes

5. Interests in structured entities not included in the scope of the consolidated financial statements

Notes relating to structured subjects not included in the scope of the consolidated financial statements:

6. Other

X. Risks associated with financial instruments

The Company's objective in engaging in risk management is to strike a balance between risk and return, minimize the negative impact of risk on the Company's operating performance, and maximize the interests of shareholders and other equity investors. Based on this risk management objective, the Company's basic strategy for risk management is to identify and analyze the various risks to which the Company is exposed, establish appropriate risk tolerance floors and conduct risk management, and monitor the various risks in a timely and reliable manner to control the risks within the limits. The Company is exposed to various risks related to financial instruments in its daily activities, mainly including credit risk, liquidity risk and market risk. Management has considered and Approve policies to manage these risks, as summarized below:

(i) Credit risk

Credit risk is the risk that one party to a financial instrument will fail to meet its obligations, causing the other party to incur financial losses. 1. **Credit risk management**

(1) Evaluation method of credit risk

The Company assesses at each balance sheet date whether the credit risk of the relevant financial instrument has increased significantly since initial recognition. In determining whether credit risk has increased significantly since initial recognition, the Company considers reasonable and substantiated information available without undue additional cost or effort, including qualitative and quantitative analysis based on historical data, external credit risk ratings and forward-looking information. The Company determines the change in the risk of default over the expected life of the financial instrument by comparing the risk of default of the financial instrument at the balance sheet date with the risk of default at the date of initial recognition on the basis of a single financial instrument or a portfolio of financial instruments with similar credit risk characteristics.

The company considers that a significant increase in the credit risk of a financial instrument has occurred when one or more of the following conditions are triggered: the debtor's failure to make principal and interest payments by the contractual due date;

Significant deterioration in the external or internal credit rating (if any) of the financial instrument that has occurred or is expected; significant deterioration in the results of operations of the debtor that has occurred or is expected;

Existing or anticipated changes in the technological, market, economic or legal environment that would have a material adverse effect on the debtor's ability to repay the Company. (2) Definition of defaulted and incurred credit impaired assets

The Company defines a financial asset as having defaulted when the financial instrument meets one or more of the following conditions, the criteria of which are consistent with the definition of having incurred credit impairment:

Significant financial difficulties on the part of the issuer or debtor;

Breach of contract by the debtor, such as default or late payment of interest or principal;

The Company grants concessions to the debtor that it would not otherwise make because of economic or contractual considerations related to the debtor's financial difficulties; the debtor is likely to become insolvent or otherwise financially restructure;

The financial difficulties of the issuer or debtor result in the disappearance of an active market for the financial asset. 2.

Measurement of expected credit losses

The Company recognizes expected credit losses by calculating the probability-weighted amount of the present value of the difference between the cash flows receivable under the contract and the cash flows expected to be received, taking into account reasonable and substantiated information about past events, current conditions and forecasts of future economic conditions, weighted by the risk of default.

The key parameters of expected credit loss measurement include probability of default, loss given default rate and exposure to default. The Company considers quantitative analysis of historical statistical data (such as counterparty ratings, types of security and pledges, repayment methods, etc.) and forward-looking information to establish the probability of default, loss given default rate and default risk exposure models.

3. Credit Risk Exposure and Credit Risk Concentration

The Company's credit risk mainly arises from monetary funds and receivables. To control these risks, the Company has taken the following measures, respectively.

(1) Monetary Funds

The Company places its bank deposits and other monetary funds with financial institutions that have high credit ratings, so its credit risk is low.

(2) Accounts receivable

The Company periodically conducts credit evaluations of customers who use credit-based transactions. Based on the results of the credit evaluation, the Company selects transactions with approved and creditworthy customers and monitors receivable balances on an ongoing basis to ensure that the Company is not exposed to significant bad debt risk.

No collateral is required as the Company only deals with approved and creditworthy third parties. Credit risk concentrations are managed by customer. As of June 30, 2022, the Company had a specific concentration of credit risk, with 81.09% (82.71% as of December 31, 2021) of the Company's accounts receivable arising from the top five customers in default. The Company does not hold any collateral or other credit enhancements on its accounts receivable balances.

The breakdown of the Company's receivables is as follows:

Item	Item	Closing balance	Opening balance
Notes receivable			
Accounts Receivable		449,806,828.76	393,658,264.55
Other receivables		21,521,810.59	27,813,292.81
Total	Total	471,328,639.35	421,471,557.36

The Company's maximum exposure to credit risk is the carrying amount of each financial asset in the balance sheet.

(ii) Liquidity risk

Liquidity risk is the risk that the Company will run short of funds to meet its obligations settled by delivery of cash or other financial assets. Liquidity risk may arise from the inability to sell financial assets at fair value as soon as possible; or from the inability of counterparties to repay their contractual obligations; or from early maturity of obligations; or from the inability to generate expected cash flows.

In order to control this risk, the Company uses a combination of financing instruments such as note settlement, bank borrowings and bond issuance, and adopts an appropriate combination of long- and short-term financing methods to optimize the financing structure and maintain a balance between financing continuity and flexibility. The Company has obtained bank credit lines from a number of commercial banks to meet working capital requirements and capital expenditures.

Financial liabilities are classified by remaining maturity as follows:

Item Item	Closing balance				
	Carrying value	Undiscounted contract amount	Within 1 year	1-3 years	More than 3 years
Short-term borrowings	175,043,055.56	175,637,222.22	175,637,222.22		
Accounts Payable	2,216,557,464.77	2,216,557,464.77	1,742,573,300.52	209,816,034.15	264,168,130.10
Non-current negative due within one year Debt	153,078,255.99	156,043,295.24	156,043,295.24		
Other current liabilities - short-term financing Funding Vouchers	803,697,833.84	820,166,874.94	820,166,874.94		
Long-term borrowings	565,553,761.47	597,685,672.21	20,350,777.77	577,334,894.44	
Bonds Payable	1,002,117,325.16	1,081,142,009.14	39,475,342.47	1,041,666,666.67	
Lease liabilities	1,291,591.93	1,291,591.93		1,291,591.93	
Long-term payables	5,940,000.00	5,940,000.00		5,940,000.00	
Small Count	4,923,279,288.72	5,054,464,130.45	2,954,246,813.16	1,836,049,187.19	264,168,130.10

(Continued from above table)

Item Item	Opening balance				
	Carrying value	Undiscounted contract amount	Within 1 year	1-3 years	More than 3 years
Short-term borrowings	613,524,944.44	625,184,861.12	625,184,861.12		

Notes Payable	1,776,523,970.78	1,776,523,970.78	1,225,385,486.17	322,060,404.43	229,078,080.18
Accounts Payable	683,550,219.62	696,340,052.99	696,340,052.99		
Expires within one year	865,949,131.97	930,761,236.10	31,493,923.60	899,267,312.50	
Non-current liabilities					
Long-term borrowings	1,021,030,190.05	1,126,039,954.36	57,623,287.69	559,666,666.67	508,750,000.00
Bonds Payable	1,721,761.75	1,721,761.75		1,721,761.75	
Long-term payables	5,540,000.00	5,540,000.00		5,540,000.00	
Small Count	4,101,891,086.64	5,162,111,837.10	2,636,027,611.57	1,788,256,145.35	737,828,080.18

(iii) Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate due to changes in market prices. Market risk mainly includes interest rate risk and foreign exchange risk.

1. Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate due to changes in market interest rates. The Company's exposure to the risk of changes in market interest rates relates primarily to the Company's borrowings that bear interest at floating rates.

As of June 30, 2022, the Company's bank borrowings at floating interest rates amounted to RMB715.0 million (December 31, 2021: RMB715.0 million).

175,500.00 million), assuming other variables remain unchanged and assuming a small change in interest rates, would not have a significant impact on the Company's total profit and shareholders' equity.

2. Foreign exchange risk

Foreign exchange risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Company's exposure to changes in foreign exchange rates relates primarily to the Company's foreign currency monetary assets and liabilities. For foreign currency assets and liabilities, in the event of a short-term imbalance, the Company buys and sells foreign currencies at market rates when necessary to ensure that the net exposure is maintained at an acceptable level.

The Company operates in Mainland China and its principal activities are denominated in RMB. Therefore, the Company's exposure to market risk from foreign exchange movements is not material.

xi. fair value disclosures

1. Closing fair value of assets and liabilities measured at fair value

Unit: Yuan

Projects	Fair value at end of period			
	Level 1 fair value measurements	Level 2 fair value measurements	Level 3 fair value measurements	Total
I. Ongoing fair value measurement	—	—	—	—
(viii) Receivables financing		5,500,000.00		5,500,000.00
ii. discontinued fair value measurements	—	—	—	—

2. Basis for determining the market value of ongoing and discontinued Level 1 fair value measurement items

The fair value of financial instruments traded in an active market is determined based on quoted market prices at the balance sheet date. A market is considered active when quoted prices are available in real time and periodically from stock exchanges, dealers, brokers, industry participants, pricing service providers or regulators and the quoted prices represent actual and regular market quotations for transactions conducted on an arm's length basis. The quoted market price for financial assets held by the Company and its subsidiaries is the prevailing bid price. These financial toolbars are presented in Level 1.

3. ongoing and discontinued Level 2 fair value measurement items, qualitative and quantitative information on the valuation techniques and important parameters used

The fair value of financial instruments for which there is no active market is determined using valuation techniques. Valuation techniques utilize observable market data that is available to the extent possible and rely as little as possible on subject-specific estimates. When all significant data required to determine the fair value of a financial instrument are observable, the financial tool is included in Level 2. When one or more significant pieces of information are not obtained based on observable market information, the financial toolbar is included in Level 3.

Financial instruments included in the second tier include foreign exchange forward contracts, interest rate swap contracts, etc.

4. ongoing and discontinued Level 3 fair value measurement items, qualitative and quantitative information on the valuation techniques and important parameters used

Financial instruments included in Level 3 are mainly unlisted equity investments held by the Company. The Company uses valuation techniques to determine the fair value of significant investments. The valuation models used are mainly the discounted cash flow model and the listed company comparison method, and the inputs to the valuation techniques mainly include expected return, expected period of return and weighted average cost of capital, and illiquidity discount rate.

5. ongoing Level 3 fair value measurement items, reconciliation information between opening and closing book values and sensitivity analysis of unobservable parameters
6. For ongoing fair value measurement items, if conversion between levels occurred during the period, the reasons for conversion and the policy for determining the point of conversion
7. Changes in valuation techniques that occurred during the period and the reasons for the changes
8. Fair value of financial assets and financial liabilities that are not measured at fair value
9. Other

XII. Related parties and related transactions

1. The parent company of the enterprise

Parent Company Name	Place of registration	Business Nature	Registered Capital	Parent Company to the Company of shareholding	Parent Company to the Company of voting rights
Shaanxi Gas Group has Limited company	Xi'an	Gas production and supply industry	446,156.66 million yuan	64.43%	64.43%

Description of the situation of the parent company of the Company

On February 24, 2014, the CSRC approved Shaanxi Gas Group Co., Ltd.'s announcement of the acquisition report and waiver of its obligation to make a tender offer (CSRC License (2014) No. 219). On April 15, 2014, the Company received the China Securities On April 15, 2014, the Company received the "Securities Transfer Registration Confirmation" No. 1404100006 issued by China Securities Depository and Clearing Co.

Ltd. as the controlling shareholder of the Company (transfer date: April 11, 2014). Ltd. was

confirmed as the controlling shareholder of the Company. The ultimate controlling party of the

Company is Shaanxi State-owned Assets Supervision and Administration Commission.

Other notes:

2. Information on the Company's subsidiaries

For details of the Company's subsidiaries, see Note 9, Interests in other entities.

3. The enterprise joint ventures and associates

For details of the Company's significant joint ventures or associates, see Note 9, Interests in other entities.

Other joint ventures or associates with which the Company had related party transactions during the period, or with which the Company had related party transactions in prior periods that resulted in balances, are as follows

Name of joint venture or associate	Relationship with our company
Xianyang Natural Gas Co.	Affiliates

Shaanxi LNG Investment and Development Co.	Affiliates
Xi'an Zhongmin Gas Co.	Affiliates
Qinjin Natural Gas Co.	Affiliates

Other notes

4. Other related parties

Name of other related parties	Relationship between other related parties and the enterprise
Shaanxi Pace Gas Industry Equipment Manufacturing Co.	Holding subsidiary of the parent company
Shaanxi Gas Group New Energy Development Co.	Holding subsidiary of the parent company
Shaanxi Gas Group Transportation Energy Development Co.	Holding subsidiary of the parent company

Shaanxi LNG Investment and Development Co.	Holding subsidiary of the parent company
Shaanxi Gas Group Weihe Energy Development Co.	Holding subsidiary of the parent company
Tongchuan Natural Gas Co.	Holding subsidiary of the parent company
Shaanxi Gas Group Engineering Co.	A wholly-owned subsidiary of the parent company
Shaanxi Gas Group Fuping Energy Technology Co.	Holding subsidiary of the parent company
Hanzhong Xinhua Energy Technology Development Co.	Holding company of the parent company's holding subsidiary
Shaanxi Yanchang Petroleum (Group) Co.	Controlling shareholder holding 52.45% of the parent company
Shaanxi Yanchang China Coal Yulin Energy Chemical Co.	Subsidiary of a controlling shareholder holding 52.45% of the parent company
Shaanxi Xinghua Group Co.	Subsidiary of a controlling shareholder holding 52.45% of the parent company
Shaanxi Yanchang Oil & Gas Co.	Subsidiary of a controlling shareholder holding 52.45% of the parent company
Shaanxi Yanchang Petroleum Logistics Group Co.	Subsidiary of a controlling shareholder holding 52.45% of the parent company
Yanchang Oilfield Co.	Subsidiary of a controlling shareholder holding 52.45% of the parent company
Shaanxi Province Petrochemical Industry Trading Co.	Subsidiary of a controlling shareholder holding 52.45% of the parent company
Shaanxi Yanchang Petroleum Group Fluorosilicon Chemical Co.	Subsidiary of a controlling shareholder holding 52.45% of the parent company
Shaanxi Tangyu Conference Center Co.	Subsidiary of a controlling shareholder holding 52.45% of the parent company
Yongan Property & Casualty Insurance Co.	Associates of the controlling shareholder holding 52.45% of the parent company
Shaanxi Yanchang Oil Fuxian Power Generation Co.	Subsidiary of a controlling shareholder holding 52.45% of the parent company
Shaanxi Yanchang Petroleum Fengyuan Co.	Subsidiary of a controlling shareholder holding 52.45% of the parent company
Shaanxi Yanchang Petroleum Yan'an Petrochemical Trading Co.	Subsidiary of a controlling shareholder holding 52.45% of the parent company
Shaanxi Huatech New Materials Co.	Subsidiary of a controlling shareholder holding 52.45% of the parent company

Other notes

5. Related transactions

(1) Related transactions for the purchase and sale of goods, provision and receipt of services

Purchase of goods/acceptance of services table

Unit: Yuan

Related Parties	Content of connected transactions	Current Period Incurred	Amount of approved transactions	Does it exceed the transaction amount degree	Prior Period Incurrence
Shaanxi Pace Gas Industry Equipment Manufacturing Co. Company	Equipment and material procurement	6,750,266.45		No	6,630,082.70
Shaanxi LNG Investment and Development Co. Division	Lease Fee			No	178,857.03

Shaanxi LNG Investment and Development Co. Division	Procurement of LNG peaking gas			No	4,358,807.34
Shaanxi Yanchang Oil (Group) Limited Liability YAM Corporation	Purchasing Natural Gas	1,772,106,829.34		No	1,129,142,383.23
Shaanxi Gas Group Work Engineering Co.	Engineering Labor	1,906,883.58		No	
Shaanxi Xinghua Group has Limited liability company	Device Maintenance Services	80,198.33		No	88,171.45
Shaanxi Gas Group Fuping Energy Technology Co. Company	Procurement of labor protection supplies and office supplies	5,165,406.31		No	
Shaanxi Province Petrochemical Industry Trade Co. Division	Purchase of refined oil products	767,463.21		No	
Shaanxi Yanchang Petroleum Yan An Petrochemical Trading Co.	Purchase of refined oil products	28,214.79		No	

Company					
Shaanxi Yanchang Oil Fung Source Limited Liability Company	Procurement of labor protection supplies	929,287.00		No	
Yongan Property and Casualty Insurance Unit Share Ltd.	Buy Insurance	37,400.00		No	

Sale of goods/provision of services

Unit: Yuan

Related Parties	Content of connected transactions	Current Period Incurred	Prior Period Incurrence
Shaanxi LNG Investment and Development has Limited company	Natural Gas Sales	440,071,759.92	240,776,816.69
Shaanxi LNG Investment and Development has Limited company	Transporting natural gas	573,394.50	1,176,064.91
Xianyang Xinke Energy Co.	Natural Gas Sales		563,414.66
Xianyang Natural Gas Co.	Natural Gas Sales	138,510,327.16	175,511,685.75
Xi'an Zhongmin Gas Co.	Natural Gas Sales	75,797,242.20	68,424,930.75
Tongchuan Natural Gas Co.	Natural Gas Sales	169,357,090.22	149,016,927.95
Tongchuan Natural Gas Co.	Transporting natural gas	503,422.03	1,282,449.01
Shaanxi Yanchang Petroleum (Group) Co. Responsible Company	Natural Gas Sales	24,446,719.66	29,923,672.86
Shaanxi Yanchang Petroleum Logistics Group Co. Company	Natural Gas Sales	209,348.78	216,719.79
Shaanxi Xinghua Group Co.	Natural Gas Sales	17,658,136.65	
Shaanxi Xinghua Group Co.	Transporting natural gas	19,157,566.33	26,838,096.86
Shaanxi Xinghua Group Co.	Pipeline Operations Management Services	801,983.30	881,714.55
Yanchang Oilfield Co.	Natural Gas Sales	3,119,860.71	2,579,266.06
Shaanxi Yanchang China Coal Yulin Energy Chemical Ltd.	Natural Gas Sales	159,416,190.75	142,531,245.97
Shaanxi Gas Group Co.	Property Services	223,494.86	178,382.77
Shaanxi Gas Group Engineering Co.	Property Services	21,204.25	21,589.01
Shaanxi Gas Group Transportation Energy Development Ltd.	Property Services	37,756.16	35,172.55
Shaanxi Gas Group Weihe Energy Development Ltd.	Property Services	6,196.76	40,786.63
Shaanxi Gas Group Fuping Energy Technology Ltd.	Property Services	9,295.14	
Shaanxi Yanchang Oil Fuxian Power Generation Co. Company	Natural Gas Sales	636,117.92	70,188.17

Shaanxi Gas Group Transportation Energy Development Ltd.	Natural Gas Sales	77,435,330.47	
Shaanxi Yanchang Oil & Gas Co. Limited company	Transporting natural gas	4,288,246.89	
Shaanxi Tangyu Conference Center Co.	Natural Gas Sales	33,412.12	
Shaanxi Yanchang Petroleum Group Fluorosilicon Chemical Ltd.	Natural Gas Sales	10,696,913.10	

Description of related transactions for the purchase and sale of goods, provision and receipt of services

(2) Affiliated management/contracting and entrusted management/contracting

The Company is entrusted with the management/contracting status table:

Unit: Yuan

Name of the principal/ contract or	Name of the trustee/c ontractor	Type of assets entrusted /contract ed	Commission ing/Contr acting Start Date	Trustee/cont racting terminat ion date	The pricing of escrow revenue/contr acting revenue is based on According to	Escrow income recognized during the period/contra cting Earnings
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Description of affiliated hosting/contracting

Table of our entrusted management/contracting status:

Unit: Yuan

Consignor/contracting Party Name	Trustee/Contractor Party Name	Commissioning/contracting Product Type	Commissioning/contracting from Beginning of the day	Commissioning/contracting end Stop Date	Custodial fee/out of package Fee Pricing Basis	The current period confirmed TO Management fee/package out fee
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Affiliate management/out-sourcing description

(3) Associated Leases

The Company as lessor:

Unit: Yuan

Name of lessee	Types of leased assets	Lease income recognized during the period	Lease income recognized in the prior period
Shaanxi Gas Group Co.	Office space and vehicle rental	1,362,992.02	581,398.13
Shaanxi Gas Group Engineering Co.	Office space rental	128,376.00	128,594.10
Shaanxi Gas Group Transportation Energy Development Ltd.	Office space rental, vehicle rental	228,585.60	219,250.46
Shaanxi Gas Group Weihe Energy Development Ltd.	Office space rental, vehicle rental		122,465.11
Shaanxi Gas Group Fuping Energy Technology Ltd.	Office space rental	84,412.80	
Shaanxi Province Petrochemical Industry Trade has Limited company	Income from real estate leasing		91,422.02
Total		1,804,366.42	1,143,129.82

The Company as lessee:

Unit: Yuan

Lessors Name	Lease Capital Product Type	Short-term simplification of processing Leasing and low value assets Rental fees for property leasing Use (if applicable)		Not included in lease liabilities Variable leases measured Payment amount (if applicable) (Use)		Rent paid		Lease liabilities assumed Interest expense		Increased right-to-use capital Product	
		Issued in this issue Raw amount	Previous Issue Raw amount	Issued in this issue Raw amount	Previous Issue Raw amount	Issued in this issue Raw amount	Previous Issue Raw amount	Issued in this issue Raw amount	Previous Issue Raw amount	Issued in this issue Raw amount	Previous Issue Raw amount

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Description of affiliated leases

(4) Affiliated Guarantees

The Company as guarantor

Unit: Yuan

Secured party	Guarantee amount	Guarantee start date	Guarantee maturity date	Whether the guarantee has been fulfilled Bi
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The Company as the guaranteed party

Unit: Yuan

Guarantor	Guarantee amount	Guarantee start date	Guarantee maturity date	Whether the guarantee has been fulfilled Bi
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Description of related guarantees

(5) Related party funds borrowing and lending

Unit: Yuan

Related Parties	Amount of loan	Start date	Expiration date	Description
Split into				
take apart				

(6) Transfer of assets and debt restructuring by related parties

Unit: Yuan

Related Parties	Content of connected transactions	Current Period Incurred	Prior Period Incurrence
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(7) Key Management Compensation

Unit: Yuan

Projects	Current Period Incurred	Prior Period Incurrence
Key Management Compensation	1,925,400.00	2,115,143.74

(8) Other Related Transactions

6. Amounts due from and to related parties

(1) Receivable items

Unit: Yuan

Project Name	Related Parties	Closing balance		Opening balance	
		Book balance	Provision for bad debts	Book balance	Provision for bad debts
Accounts Receivable	Xi'an Zhongmin Gas has Limited company			14,751.29	147.51
Accounts Receivable	Shaanxi LNG Investment and Development Co. Division	154,896,506.11	1,548,965.06	194,293,287.78	1,942,932.88
Accounts Receivable	Shaanxi Gas Group Transportation Energy Development Co. Company	80,756,510.21	807,565.10		
Accounts Receivable	Shaanxi Yanchang China Coal Yulin Energy Chemical Co.	22,116,407.70	221,164.08		

	Company				
Accounts Receivable	Tongchuan natural gas has Limited company	8,841,998.63	88,419.99		
Accounts Receivable	Shaanxi Yanchang Oil & Gas Co. Division	188,314.56	1,883.15		
Accounts Receivable	Hanzhong Xinhua Energy Section Technology Development Co.	549,200.00	21,620.00	699,200.00	41,000.00
Accounts Receivable	Shaanxi Yanchang Oil (Group) Limited Liability YAM Corporation	13,212,590.67	132,125.90	6,862,666.83	68,626.66
Accounts Receivable	Shaanxi Gas Group New Energy Development Co. Limited company	14,480.46	1,448.05	14,480.46	144.80

Subtotal		280,576,008.34	2,823,191.33	201,884,386.36	2,052,851.85
Prepayments	Shaanxi Pace Gas Industry Equipment Manufacturing Co. Company			18,400.00	
Prepayments	Shaanxi LNG Investment and Development Co. Division			45,585.00	
Prepayments	Shaanxi Yanchang Oil (Group) Limited Liability Corporation			8,162,773.67	
Prepayments	Shaanxi Province Petrochemical Industry Trade Co. Division	415,014.40		13,734.12	
Prepayments	Shaanxi Yanchang Petroleum Yan'an Petrochemical Trading Co. Company	4,386.73		24,115.24	
Prepayments	Xianyang City Natural Gas has Limited company	248,458.63		409,788.91	
Subtotal		667,859.76		8,674,396.94	
Other receivables	Shaanxi Gas Group Work Engineering Co.	162,406.34	11,368.44		
Other receivables	Shaanxi Gas Group Weihe Energy Development Co. Company	6,568.57	459.80		
Other receivables	Shaanxi Gas Group has Limited company	262,500.00	65,625.00		
Other receivables	Shaanxi Gas Group Fuping Energy Technology Co. Company	101,862.80	7,130.40		
Subtotal		533,337.71	84,583.64		
Other non-current assets	Shaanxi Gas Group Work Engineering Co.	791,727.75		695,047.72	
Subtotal		791,727.75		695,047.72	

(2) Payable items

Unit: Yuan

Project Name	Related Parties	Closing book balance	Opening book balance
Accounts Payable	Shaanxi Pace Gas Industry Equipment Manufacturing Ltd.	18,199,990.43	17,793,334.22
Accounts Payable	Shaanxi Gas Group Engineering Co.		16,026,477.12
Accounts Payable	Shaanxi Yanchang Petroleum (Group) Co. Responsible Company	1,151,090,990.37	642,764,403.53
Accounts Payable	Shaanxi Gas Group Fuping Energy Technology Ltd.	575,490.13	8,864.03
Small Count		1,169,866,470.93	676,593,078.90
Contractual Liabilities	Shaanxi Yanchang Oil & Gas Co. Limited company		570,527.10
Contractual Liabilities	Shaanxi Yanchang Petroleum (Group) Co. Responsible Company	120,289.60	678,459.66
Contractual Liabilities	Shaanxi Xinghua Group Co.	2,971,297.24	6,094,251.57
Contractual Liabilities	Shaanxi Yanchang Petroleum Logistics Group Co. Company	16,133.45	18,012.24
Contractual Liabilities	Shaanxi Yanchang China Coal Yulin Energy Chemical Ltd.		8,602,963.39
Contractual Liabilities	Xianyang Natural Gas Co.	7,455,365.31	24,771,337.60

Contractual Liabilities	Tongchuan Natural Gas Co.		6,945,531.60
Contractual Liabilities	Shaanxi Huate New Materials Co. Division	1,607.57	1,607.57
Contractual Liabilities	Xi'an Zhongmin Gas Co.	150,356.18	
Contractual Liabilities	Xianyang Xinke Energy Co.		2,790,721.90
Contractual Liabilities	Shaanxi Tangyu Conference Center Co.	11,917.24	41,209.94
Contractual Liabilities	Shaanxi Yanchang Petroleum Group Fluorosilicon Chemical Ltd.	681,291.56	
Small Count		11,408,258.15	50,514,622.57
Other payables	Shaanxi Gas Group Co.		1,550.00
Other payables	Shaanxi Gas Group Engineering Co.		162,513.22
Other payables	Shaanxi Pace Gas Industry Equipment Manufacturing Ltd.	655,400.00	329,400.00
Small Count		655,400.00	493,463.22
Other current liabilities	Shaanxi Yanchang Oil & Gas Co. Limited company		51,347.44
Other current liabilities	Shaanxi Yanchang Petroleum (Group) Co. Responsible Company	10,826.06	61,061.37
Other current liabilities	Shaanxi Xinghua Group Co.	267,416.75	548,482.64
Other current liabilities	Shaanxi Yanchang Petroleum Logistics Group Co. Company	1,452.01	1,621.10
Other current liabilities	Shaanxi Yanchang China Coal Yulin Energy Chemical Ltd.		774,266.71
Other current liabilities	Xianyang Natural Gas Co.	670,982.88	2,229,420.38
Other current liabilities	Tongchuan Natural Gas Co.		625,097.84
Other current liabilities	Shaanxi Huate New Materials Co. Division	144.68	144.68
Other current liabilities	Xi'an Zhongmin Gas Co.	13,532.06	
Other current liabilities	Xianyang Xinke Energy Co.		251,164.97
Other current liabilities	Shaanxi Tangyu Conference Center Co.	1,072.55	3,708.89
Other current liabilities	Shaanxi Yanchang Petroleum Group Fluorosilicon Chemical Ltd.	61,316.24	
Small Count		1,026,743.23	4,546,316.02

7、Commitment from related parties

1. Shaanxi Gas Group Co., Ltd. on assistance in land and property ownership certificate commitment matters

Ltd. prospectus, the Company undertook that "the Company still has some land and properties for which the title certificates have not been obtained, and the Company undertakes to obtain the relevant title certificates by the end of July 2008". The change or waiver of the Company in respect of such commitment has been considered and approved

at the Twelfth Meeting of the Third Session of the Board of Directors and the First Extraordinary General Meeting of 2014.

The parent company, Shaanxi Gas Group Co. on January 24, 2014, undertook to

Shaanxi Gas Group will assist Shaanxi Gas in obtaining proof of ownership of the aforementioned two pieces of land and one property; if Shaanxi Gas fails to obtain proof of ownership of the aforementioned two pieces of land and one property in accordance with its undertaking, Shaanxi Gas Group undertakes to bear all direct or indirect losses of Shaanxi Gas as a result of such failure in accordance with the law.

According to the application for change and exemption, there are still 2 lands and 1 property remaining to apply for the certificate of ownership. As of the reporting period, the certificate of ownership of 1 land and 1 property has been obtained, and only the land certificate of Hanjiatun Valve Room remains to be obtained and is currently being processed.

2. Ltd. on the matter of commitment to avoid inter-competition by Tongchuan

Natural Gas Co. The parent company, Shaanxi Gas Group Co. on June 8,

2017, undertook to:

(hereinafter referred to as Tongchuan Natural Gas) within 36 months from the date when the conditions for its injection into the listed company (including but not limited to clear property rights, compliance and integrity of assets, compliance with relevant laws and regulations and regulatory rules, etc.) have been met by Shaanxi Gas Group on the premise of protecting the interests of investors in the listed company. If the Company considers that Tongchuan Natural Gas is not suitable for injection into the listed company due to policy changes or other reasons, the Gas Group shall resolve the issue of inter-sector competition by transferring the controlling interest in Tongchuan Natural Gas to an external party within 36 months from the date of the approval of the resolution on the unsuitability of Tongchuan Natural Gas for injection into the listed company at the general meeting of the Company. This commitment letter shall be effective from the date of issuance until the completion of the commitment or the date when the Company ceases to be a shareholder of Shaanxi Gas. Shaanxi Gas Group undertakes to perform this undertaking on time and to bear all direct or indirect losses caused to Shaanxi Gas as a result of its failure to perform this undertaking. At the same time, it will amend the Cultivation Agreement on behalf of Tongchuan Gas with the Company in accordance with the contents of this undertaking within 90 days from the date of this undertaking letter.

At present, the controlling shareholder is actively promoting the clear property rights of

Tongchuan Gas, asset compliance and other related work, and the commitments are being

fulfilled. 3. Shaanxi Yanchang Petroleum (Group) Co., Ltd. on the commitment to avoid

competition in the same industry

Shaanxi Yanchang Petroleum (Group) Co., Ltd. on November 8, 2019 undertakes to:

Shaanxi Yanchang Petroleum (Group) Co., Ltd. issued a "Letter of Commitment to Avoid Competition in the Same Industry", promising the following: After the completion of the acquisition, Shaanxi Yanchang Petroleum

(Group) Limited Liability Company, as the indirect controlling shareholder of Shaanxi Gas Co., Ltd. undertakes to gradually inject the natural gas pipeline transmission assets and business of the Pipeline Transmission Company into Shaanxi Gas Co. On February 20, 2021, Shaanxi Gas Group, the controlling shareholder of the Company, completed the change of business and obtained the Business License issued by Shaanxi Provincial Market Supervision Administration. Yanchang Petroleum Group indirectly holds 64.43% of the Company's shares through its holding in Shaanxi Gas Group, and there is no change in the Company's controlling shareholder and actual controller. In the next step, the Company will cooperate with Yanchang Petroleum Group to actively fulfill the relevant commitments in accordance with the requirements of the commitments.

8、Other

None.

XIII. Share-based payment

1. General situation of share-based payment

☐ Applicable ☒ Not applicable

2. Equity-settled share-based payments

☐ Applicable ☒ Not applicable

3. Cash-settled share-based payments

☐ Applicable ☒ Not applicable

4. Modification and termination of share-based payment

5. Other

XIV. Commitments and Contingencies

1. Important commitment matters

Significant commitments in existence at the balance sheet date

As of the balance sheet date, the Company has no material commitments that require disclosure.

2. Contingencies

(1) Significant contingencies existing at the balance sheet date

The Company and Hanzhong Hengzheng Modern Agricultural Comprehensive Development Co.

In 2016, the Company's construction of Zhonggui Liaison Line overlapped the shale mine mining area of Hanzhong Hengzheng Modern Agricultural Comprehensive Development Company Limited and the lead-zinc mine mining area of Mianxian Tianze Mining Development Company Limited. As the parties failed to reach an agreement on the amount of compensation for the overburden, in March 2019, Hanzhong Hengzheng sued the Hanzhong Central Court, requesting the Company to compensate for its mineral resources, fixed assets, overall resources of the mine and financial losses of approximately RMB 30 million, and bear the litigation costs and appraisal fees. Hanzhong Central Court respectively in May 2019

On April 26, 2021, the Hanzhong Central Court ruled at first instance that Hanzhong Hengzheng Company's case was dismissed. On September 17, 2021, the Shaanxi Provincial High Court held a hearing on the case. On October 21, 2021, the Shaanxi Provincial High Court ruled to remand the case to

On June 20, 2022, the Hanzhong Central Court held a pre-trial conference.

(2) There are no material contingencies that the company is required to disclose, which should also be stated

There are no material contingencies that the Company is required to disclose.

3. Other

None.

XV. Events after the balance sheet date

1. Significant non-adjusting events

Unit: Yuan

Projects	Content	Effect on financial position and results of operations	Reasons for not being able to estimate the number of impacts
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2. Profit distribution

Unit: Yuan

Profit or dividends to be distributed	333,622,633.50
Profit or dividends declared after consideration and approval	333,622,633.50
Profit Distribution Plan	Based on the total share capital of 1,112,075,445 shares as of June 30, 2022 Cash dividend of NT\$3.00 per 10 shares (tax included), total cash dividend

333,622,633.5 Yuan (including tax)

3、Sales return

None.

4. Description of other post-balance sheet events

None.

XVI. Other important matters

1. Correction of prior period accounting errors

(1) Retrospective Restatement Method

Unit: Yuan

Content of accounting error correction	Processing Procedures	Name of each comparative period statement item affected	Cumulative number of impacts

(2) Future Applicable Law

Content of accounting error correction	Approval Process	Reasons for adopting the prospective application method

2、Debt restructuring

None.

3、Asset replacement

(1) Non-monetary asset exchange

None.

(2) Other asset swaps

None.

4、Annuity plan

On March 22, 2006, the third session of the Board of Directors of the Company considered and approved the "Proposal to Terminate the Implementation of the Existing Supplemental and Individual Pension Insurance System and Establish an Enterprise Annuity System", and the Company formulated the implementation plan of the enterprise annuity in accordance with the resolution of the Board of Directors. In August 2015, the Company joined the corporate pension plan of the Group, which is managed by a legal entity under the trusteeship model. In August 2015, the company joined the

corporate pension plan of the Group and adopted the trustee management mode of the corporate institution. Starting from 2019, the company will contribute 8% of the total annual salary as the base.

5、Termination of business

Unit: Yuan

Projects	Revenue	Fees	Total profit	Income tax expense	Net Profit	Profit from discontinued operations attributable to owners of the parent company
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Other

descripti

ons are

not

available.

6、Division information

(1) Basis of determination of reportable segments and accounting policies

The Company determines operating segments based on internal organizational structure, management requirements, internal reporting system, etc. An operating segment of the Company is defined as a component that also meets the following conditions:

- (1) The component is capable of generating revenue and incurring expenses in the ordinary course of its activities;
- (2) Management is able to periodically evaluate the operating results of the component to determine the allocation of resources to it and to evaluate its performance;
- (3) To be able to obtain relevant accounting information such as the financial position, results of operations and cash flows of the component through analysis.

The Company determines its reportable segments based on business segments, and the assets and liabilities used in common with each segment are allocated among the different segments in proportion to their size.

(2) Financial information for reportable segments

Unit: Yuan

Projects	Long-Term Pipeline	City Gas	Intersegment Offset	Total
Revenue from main business	4,565,193,621.29	1,202,221,508.54	481,867,650.13	5,285,547,479.70
Cost of main operations	3,884,719,944.57	1,014,175,819.17	482,444,342.89	4,416,451,420.85
Total Assets	11,557,650,082.34	3,019,899,867.39	1,385,811,594.85	13,191,738,354.88
Total liabilities	4,904,171,147.17	1,767,305,637.19	440,130,530.95	6,231,346,253.41

(3) If the company has no reportable segments or cannot disclose the total assets and total liabilities of each reportable segment, it should state the reasons

Not applicable.

(4) Other notes

7. Other important transactions and matters that have an impact on investors' decisions

None.

8. Other

1. (hereinafter referred to as City Fuel), a subsidiary of Shaanxi City Gas Industry Development Co.

Ltd. (hereinafter referred to as Shuangyi Petrochemical), **with** an age of 4-5 years and over 5 years;

On October 15, 2018, the People's Court of Fuxian County issued a notice of bankruptcy reorganization of Shuangye Petrochemical. on May 7, 2019, the court held the first creditors' meeting and confirmed the city

The full amount of the principal amount applied for by the Gas Company. According to the Draft Reorganization, Double Wing Petrochemical will choose one or two investors who have clearly expressed their willingness to invest to transform and cooperate and resume production. the third creditors' committee of the bankruptcy reorganization of Double Wing Petrochemical was held on November 15, 2019, and the meeting mainly explained the continued operation and the termination of

The Trusteeship Operation", the introduction of the debtor former construction party to carry out maintenance and resume operations, and through the identification of audit, evaluation agencies and external borrowing and other related issues. April 14, 2020, Double Wing Petrochemical Manager issued an investor recruitment announcement, the announcement mainly on Double Wing Petrochemical assets, debt-related circumstances, the announcement also on the recruitment of investors

On July 24, 2020 and July 27, 2020, Shuangyi Petrochemical announced the announcement of verification of claims, mainly for the first meeting of creditors.

On December 14, 2020, the People's Court of Fuxian County, Shaanxi Province made a ruling to terminate the bankruptcy reorganization proceedings of Shuangyi Petrochemical and declared Shuangyi Petrochemical Company bankrupt. As of the reporting date, due to the entry of Shuangyi Petrochemical into bankruptcy proceedings, the liquidation of Shuangyi Petrochemical's property has been aborted after several auctions, and it is expected that the liquidation of the property cannot be completed in the short term. Considering the difficulty in recovering the outstanding amount, the provision for bad debts of the Company has been increased to 100%.

2. (hereinafter referred to as Xi'an West Blue Natural Gas Company) from 2015 to 2017 four contract disputes litigation matters follow-up implementation of West Blue Company from 2015 to October 2017 owes the Company gas payment 13,808.00 million yuan, the Company in June 2017 to the Xi'an Arbitration Commission, Xi'an Central Court

The four cases have been concluded and entered into enforcement proceedings. According to the verdict, West Blue is required to pay the principal amount of 13,808.00 million yuan owed by the company and the liquidated damages (paid until the date of actual payment).

Westland failed to fulfill the effective judgment, the Company applied to the Xi'an Central Court for enforcement in March and July 2018, respectively, and provided the court with relevant property information of Westland in accordance with the law, which is still under enforcement. The Company will do the relevant information disclosure work in accordance with the regulations.

In view of the risk that Xilan Company cannot repay the loan for the time being, the Company has provided bad debt provision for the accounts receivable of Xilan Company totaling

RMB103,185,900. 3. Implementation of the cooperation agreement between the Company and Golden Flower Investment Holding Group Co.

In May 2012, the Company entered into a Cooperation Agreement with five parties, including Golden Flower Investment Holding Group Co.

Ltd. As of the agreed contribution date, Golden Flower Holdings still owed RMB29.4 million in capital contribution. The Company filed a lawsuit with the court in December 2020. After Yanta The District Court in the first instance and the Xi'an Intermediate Court in the second instance ruled that Golden Flower Holdings was required to pay the Company RMB9,459,300 in liquidated damages and RMB77,100 in court costs, totaling RMB9,536,400.

As the Xi'an Intermediate Court ruled on April 22, 2022 that Jinhua Holding Company entered into bankruptcy reorganization proceedings, the Company filed its claims on August 11, 2022 in accordance with the judgment of the second instance, and will subsequently attend the creditors' meetings in a timely manner in accordance with the bankruptcy reorganization procedures to safeguard the legitimate rights and interests of the Company.

XVII. Notes to the main items of the parent company's financial statements

1、Accounts receivable

(1) Accounts receivable classification disclosure

Unit: Yuan

Category	Closing balance					Opening balance				
	Book balance		Provision for bad debts		Carrying value	Book balance		Provision for bad debts		Carrying value
	Amount	Proportion	Amount	Accrual rate		Amount	Proportion	Amount	Accrual rate	

Receivables with bad debt provision on a stand-alone basis Accounts	128,982,363.08	16.54%	103,185,890.46	80.00%	25,796,472.62	128,982,363.08	18.51%	103,185,890.46	80.00%	25,796,472.62
its Middle:										
Bad debt provision by portfolio of receivable Accounts	650,711,824.05	83.46%	26,800,062.02	4.12%	623,911,762.03	567,858,765.56	81.49%	23,747,426.90	4.18%	544,111,338.66
its Middle:										
Total	779,694,187.13	100.00%	129,985,952.48	16.67%	649,708,234.65	696,841,128.64	100.00%	126,933,317.36	18.22%	569,907,811.28

Provision for bad debts by individual items: Xi'an Xilan Natural Gas Co.

Unit: Yuan

Name	Closing balance			
	Book balance	Provision for bad debts	Accrual rate	Reason for accrual
Xi'an West Blue Gas Unit Share Ltd.	128,982,363.08	103,185,890.46	80.00%	Expected to be difficult to recover
Total	128,982,363.08	103,185,890.46		

Provision for bad debts by portfolio: Aged portfolio

Unit: Yuan

Name	Closing balance		
	Book balance	Provision for bad debts	Accrual rate
Within 1 year (including 1 year)	514,596,485.07	5,145,964.85	1.00%
1 to 2 years	82,498,250.51	8,249,825.05	10.00%
2 to 3 years	53,617,088.47	13,404,272.12	25.00%
More than 3 years			
3 to 4 years			

4 to 5 years			
More than 5 years			
Total	650,711,824.05	26,800,062.02	

Description of the basis for determining the portfolio:

If the provision for bad debts of accounts receivable is based on the general model of expected credit losses, please refer to the disclosure of other receivables to disclose information about the provision for bad debts:

☐ Applicable ☒

Not applicable

Disclosed by

age

Unit: Yuan

Age of accounts	Closing balance
Within 1 year (including 1 year)	514,596,485.07
1 to 2 years	82,498,250.51
2 to 3 years	53,617,088.47
More than 3 years	128,982,363.08
More than 5 years	128,982,363.08

Total	779,694,187.13
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(2) Provision for bad debts charged, recovered or reversed during the period

Provision for bad debts for the period:

Unit: Yuan

Category	Opening balance	Amount of change during the period				Closing balance
		Accrual	Recovery or reversal	Write-offs	Other	
Receivables with bad debt provision on a stand-alone basis Accounts	103,185,890.46					103,185,890.46
Bad debt provision by portfolio receivable Accounts	23,747,426.90	3,052,635.12				26,800,062.02
Total	126,933,317.36	3,052,635.12				129,985,952.48

Of which the amount of provision for bad debts recovered or reversed during the period is significant:

Unit: Yuan

Unit Name	Amount recovered or reversed	Recovery method
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(3) Actual write-off of accounts receivable during the period

Unit: Yuan

Projects	Write-off amount
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Among the significant write-offs of accounts receivable:

Unit: Yuan

Unit Name	Nature of accounts receivable	Write-off amount	Reason for write-off	Underwriting procedures performed	Are the amounts paid by the associated Transaction Generation
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Accounts Receivable Write-off Notes:

(4) Top five accounts receivable with closing balances grouped by party in arrears

Unit: Yuan

Unit	Closing balance of	As a percentage of the total closing balance	Closing balance of
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Name	accounts receivable	of accounts receivable	provision for bad debts
Hanzhong City Natural Gas Investment and Development Co. Company	246,891,494.27	31.67%	20,613,083.49
Shaanxi LNG Investment and Development has Limited company	154,896,506.11	19.87%	1,548,965.06
Xi'an West Blue Gas Co. Company	128,982,363.08	16.54%	103,185,890.46
Shaanxi City Gas Industry Development Co. Company	103,496,323.94	13.27%	1,034,963.24
Shaanxi Gas Group Transportation Energy Development Ltd.	80,756,510.21	10.36%	807,565.10
Total	715,023,197.61	91.71%	

(5) Derecognition of receivables due to transfer of financial assets

None

(6) Transfer of accounts receivable and continued involvement in the amount of assets and liabilities formed

None

Other notes:

2. Other receivables

Unit: Yuan

Projects	Closing balance	Opening balance
Dividend receivable	3,363,430.52	14,550,000.00
Other receivables	16,901,122.58	11,271,989.43
Total	20,264,553.10	25,821,989.43

(1) Interest

receivable 1)

Classification

of interest

receivable

Unit: Yuan

Projects	Closing balance	Opening balance
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2) Important late interest

Unit: Yuan

Borrower	Closing balance	Overdue time	Reason for overdue	Whether impairment has occurred and the basis for its determination
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Other notes:

3) Provision for bad debts

☐ Applicable ☒ Not applicable

(2) Dividends

receivable 1)

Classification

of dividends

receivable

Unit: Yuan

Project (or investee unit)	Closing balance	Opening balance
Shangluo City Natural Gas Co.		2,550,000.00
Xianyang Natural Gas Co.		12,000,000.00
Yan'an Gas Pipeline Co.	2,550,000.00	
Lantian County City Fuel Gas Co.	813,430.52	
Total	3,363,430.52	14,550,000.00

2) Significant dividends receivable aged over 1 year

Unit: Yuan

Project (or investee unit)	Closing balance	Age of accounts	Reasons for non-recovery	Whether impairment has occurred and the basis for its determination
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3) Provision for bad debts

☐ Applicable ☒

Not applicable

Other

Description:

(3) Other receivables

1) Classification of other receivables by nature of amount

Unit: Yuan

Nature of payment	Closing book balance	Opening book balance
Deposit Guarantee	4,982,979.62	5,857,979.62
Reserves	572,032.22	96,124.91
Other	14,829,383.44	7,880,222.03
Total	20,384,395.28	13,834,326.56

2) Provision for bad debts

Unit: Yuan

Provision for bad debts	Phase I	Phase II	Stage 3	Total
	Expected credit losses for the next 12 months	Expected credit losses (no credit impairment) for the entire life	Expected credit losses (credit impairment has occurred) throughout the life of the	
Balance as of January 1, 2022	1,596,495.46	965,841.67		2,562,337.13
Balance at January 1, 2022 in the current period				
--Transfer to Phase II	-98,512.27	98,512.27		
Current accrual	485,180.39	435,755.18		920,935.57
Balance as of June 30, 2022	1,983,163.58	1,500,109.12		3,483,272.70

Movement in the carrying amount of the provision for losses for the period with significant changes

☐ Applicable ☒ Not applicable

Disclosure by age

Unit: Yuan

Age of accounts	Closing balance
Within 1 year (including 1 year)	10,316,504.56
1 to 2 years	1,792,205.74
2 to 3 years	4,930,484.98
More than 3 years	3,345,200.00
4 to 5 years	2,345,200.00

More than 5 years	1,000,000.00
Total	20,384,395.28

3) Provision for bad debts charged, recovered or reversed during the period

Provision for bad debts for the period:

Unit: Yuan

Category	Opening balance	Amount of change during the period				Closing balance
		Accrual	Recovery or reversal	Write-offs	Other	
Other receivables bad Provision for accounts	2,562,337.13	920,935.57				3,483,272.70
Total	2,562,337.13	920,935.57				3,483,272.70

Of which the amount of provision for bad debts reversed or recovered during the period is significant:

Unit: Yuan

Unit Name	Reversal or recovery amount	Recovery method
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4) Actual write-off of other receivables during the period

Unit: Yuan

Projects	Write-off amount
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Of the significant other receivables written off:

Unit: Yuan

Unit Name	Nature of other receivables	Write-off amount	Reason for write-off	Underwriting procedures performed	Are the amounts paid by the associated Transaction Generation
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Other receivables write-off notes:

5) Top five other receivables with closing balances, grouped by party in arrears

Unit: Yuan

Unit Name	Nature of the payment	Closing balance	Age of accounts	As a percentage of the total ending balance of other receivables	Closing balance of provision for bad debts
Yu Xin Mineral Dispute Case Judicial Deductions	Judicial Deductions	7,061,742.63	Within 1 year	34.64%	494,321.98

China Petroleum Engineering & Construction Co. Southwest Branch	Current payments	5,266,686.10	1-2 years, 2-3 years	25.84%	1,210,907.53
Shangluo City Land Resources Shangzhou Branch of the Bureau	Deposit	2,345,200.00	4-5 years	11.50%	586,300.00
Xi'an West Blue Natural Gas Co.	Current payments	2,016,117.00	Within 1 year, 2-3 years	9.89%	355,351.59
Hanzhong Hengzheng Modern Agricultural Comprehensive Development Co. Responsible Company	Deposit	1,000,000.00	More than 5 years	7.38%	250,000.00
Total		17,689,745.73		89.25%	2,896,881.10

6) Receivables involving government grants

Unit: Yuan

Unit Name	Name of government subsidy project	Closing balance	Aging at the end of the period	Expected time, amount and basis of collection
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7) Other receivables derecognized due to transfer of financial assets

8) Transfer of other receivables and continued

involvement in the amount of assets and

liabilities formed Other notes:

3. Long-term equity investments

Unit: Yuan

Projects	Closing balance			Opening balance		
	Book balance	Provision for impairment	Carrying value	Book balance	Provision for impairment	Carrying value
Investment in subsidiaries	1,026,903,37 0.41		1,026,903,37 0.41	1,026,903,37 0.41		1,026,903,37 0.41
Investment in associates and joint ventures	477,046,784. 51		477,046,784. 51	452,145,042. 87		452,145,042. 87
Total	1,503,950,15 4.92		1,503,950,15 4.92	1,479,048,41 3.28		1,479,048,41 3.28

(1) Investment in subsidiaries

Unit: Yuan

Investee Units	Opening balance (Book value)	Change in the period				Closing balance (Book value)	Closing balance of provision for impairment
		Additional investment	Reduce investment	Provision for impairment	Other		
Shaanxi City Gas Industry Development Ltd.	654,128,92 8.44					654,128,92 8.44	
Hanzhong Natural Gas Investment	70,000,000 .00					70,000,000 .00	

Developme nt Ltd.							
Shangluo City Natural Gas Co.	72,550,000 .00					72,550,000 .00	
Yan'an Gas Pipeline Co. Division	51,000,000 .00					51,000,000 .00	
Weinan Natural Gas Co.	146,923,76 3.19					146,923,76 3.19	
Lantian County City Fuel Natural Gas Co. Company	32,300,678 .78					32,300,678 .78	
Total	1,026,903. 370.41					1,026,903. 370.41	

(2) Investment in associates and joint ventures

Unit: Yuan

Investment unit	Opening balance (book value)	Change in the period								Closing balance (book value)	Closing balance of provision for impairment
		Additional investment	Reduction of investment	Gains or losses recognized on investments under the equity method	Adjustments to other comprehensive income	Other changes in equity	Declaration of cash dividends or profits	Provision for impairment	Other		
I. Joint ventures											
II. Affiliates											
Xianyang Xinke Energy Co. Division	14,878,708.65		14,878,708.65								
Xianyang Natural Gas Co. Division	261,852,113.57			13,525,939.28						275,378,052.85	
Shaanxi LNG Investment and Development has Limited company	62,386,141.73			18,122,097.92						80,508,239.65	
Xi'an Zhongmin Gas Co. Division	87,705,576.09			3,552,413.09			16,000,000.00			75,257,989.18	
Qinjin Natural Gas Co. Company	25,322,502.83	20,580,000.00								45,902,502.83	
Subtotal	452,145,042.87	20,580,000.00	14,878,708.65	35,200,450.29			16,000,000.00			477,046,784.51	

Total	452,145,042.87	20,580,000.00	14,878,708.65	35,200,450.29			16,000,000.00			477,046,784.51	
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(3) Other notes

4. Operating income and operating costs

Unit: Yuan

Projects	Current Period Incurred		Prior Period Incurrence	
	Revenue	Cost	Revenue	Cost
Main Business	4,557,978,105.64	3,882,875,047.23	3,538,638,061.90	3,097,208,219.68
Other Businesses	3,378,621.17	581,565.92	3,215,069.34	1,246,437.56
Total	4,561,356,726.81	3,883,456,613.15	3,541,853,131.24	3,098,454,657.24

Revenue-related information:

Unit: Yuan

Contract Classification	Division 1	Division 2	Long-Term Pipeline	Total
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Product Type			4,561,356,726.81	4,561,356,726.81
Among them:				
Natural Gas			4,119,386,569.00	4,119,386,569.00
Pipeline transportation			438,591,536.64	438,591,536.64
Other			3,378,621.17	3,378,621.17
By region of operation			4,561,356,726.81	4,561,356,726.81
Among them:				
Northwest China			4,561,356,726.81	4,561,356,726.81
Market or customer type			4,561,356,726.81	4,561,356,726.81
Among them:				
Long-Term Pipeline			4,561,356,726.81	4,561,356,726.81
Contract Type				
Among them:				
By the time of commodity transfer Class			4,561,356,726.81	4,561,356,726.81
Among them:				
Confirmation at a point in time			4,561,356,726.81	4,561,356,726.81
By contract term				
Among them:				
By sales channel				
Among them:				
Total			4,561,356,726.81	4,561,356,726.81

Information related to performance obligations:

1. The company recognizes natural gas revenue when the customer acquires control of the natural gas when the company processes the natural gas delivery order with the customer. That is, sales revenue is recognized when the product is delivered to the customer.

2. The Company has provided installation work services, the installation work has been completed and the ignition and gas conditions have been met, and the Company recognizes revenue from the installation of natural gas customers. Information related to the transaction price apportioned to the remaining performance obligation:

The amount of revenue corresponding to performance obligations that have been contracted but not yet performed or not yet completed at the end of the reporting period was \$2,791,424,701.84, of which 1,257,527,388.94 is expected to be recognized as revenue in fiscal 2022 and \$1,533,897,312.90 is expected to be recognized as revenue in fiscal 2023.

Other notes:

5. Investment income

Unit: Yuan

Projects	Current Period	Prior Period Incurrence
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	Incurred	
Income from long-term equity investments accounted for by the equity method	35,200,450.29	47,286,727.58
Investment income from disposal of long-term equity investments	1,220,971.35	
Period of investment income earned on held-to-maturity investments Investment income earned	993,448.64	570,440.26
Gain on long-term equity investments accounted for under the cost method	13,563,430.52	
Total	50,978,300.80	47,857,167.84

6, Other

XVIII. Additional information

1. Breakdown of non-recurring gains and losses for the period

☒ Applicable ☐ Not applicable

Unit: Yuan

Projects	Amount	Description
Gain or loss on disposal of non-current assets	670,481.64	
Government subsidies (closely related to the company's normal business operations, in accordance with national policies, and in accordance with certain standards, on a fixed or quantitative basis) that are recognized in the current period's profit or loss (Except for the government subsidies enjoyed)	2,324,806.49	
Non-operating income other than those mentioned above and Expenses	-1,009,304.79	
Other gains and losses that meet the definition of non-recurring gains and losses Table of Contents	3,227.33	
Less: Income tax effect amount	328,881.82	
Minority interest impact amount	31,138.70	
Total	1,629,190.15	--

Details of other profit and loss items that meet the definition of non-recurring profit or loss:

☒ Applicable ☐ Not applicable

Others are refunds of personal income tax handling fees.

Information on the definition of non-recurring items listed in "Explanatory Announcement No. 1 on Disclosure of Information by Companies Issuing Public Securities - Non-recurring Gains and Losses" as recurring items of profit or loss

☐ Applicable ☒ Not applicable

2, Revenue on net assets and earnings per share

Profit for the reporting period	Weighted average return on net assets	Earnings per share	
		Basic earnings per share (yuan/share)	Diluted earnings per share (yuan/share)
Net attributable to common shareholders of the Company	9.25%	0.5557	0.5557

Profits			
Attributable to after non-recurring gains and losses	9.23%	0.5543	0.5543
Net income for the Company's common shareholders			

3. Differences in accounting data under domestic and foreign accounting standards

(1) Differences in net profit and net assets in financial reports disclosed simultaneously under IAS and under PRC GAAP

☐ Applicable ☒ Not applicable

- (2) Differences in net profit and net assets in financial reports disclosed in accordance with foreign accounting standards and in accordance with PRC accounting standards at the same time

☐ Applicable ☒ Not applicable

- (3) Explanation of the reasons for differences in accounting data under domestic and foreign accounting standards, and the name of the foreign institution should be indicated if the data that has been audited by the foreign auditor has been reconciled for differences

4、Other