Audited Project Financial Statements

Project Number: 47051-002
Loan: 3308
Period covered: 1 January to 31 December 2019

PRC: Chemical Industry Energy Efficiency and Emission Reduction Project

Prepared by China National Audit Office

For the Asian Development Bank
Date received by ADB: 11 September 2020

The audited project financial statements are documents owned by the borrower. The views expressed herein do not necessarily represent those of ADB's Board of Directors, Management, or staff. These documents are made publicly available in accordance with ADB’s Access to Information Policy and as agreed between ADB and China Construction Bank Corporation.
Audit Service Center of China National Audit Office for Foreign Loan and Assistance Projects

Audit Report

AUDIT REPORT [2020] NO.35

Project Name: Chemical Industry Energy Efficiency and Emission Reduction Project Financed by Asian Development Bank

Loan No.: 3308-PRC

Project Entity: China Construction Bank Corporation

Accounting Year: 2019

[Stamp: RECEIVED 11 SEP 2020]
目录

Contents

一、审计师意见................................................................. 1

I. Auditor’s Opinion............................................................. 3

二、财务报表及财务报表附注................................................. 5

II. Financial Statements and Notes to the Financial Statements............. 5

（一）资金平衡表.......................................................... 5

i. Balance Sheet............................................................ 5

（二）项目进度表........................................................ 6

ii. Summary of Sources and Uses of Funds by Project Component..... 6

（三）贷款协定执行情况表................................................ 7

iii. Statement of Implementation of Loan Agreement..................... 7

（四）建设银行授予最终借款方的节能子贷款明细表................... 8

iv. China Construction Bank Detailed List of EE Sub-loans Made to End Borrowers......................................................... 8

（五）财务报表附注.................................................... 9

V. Notes to the Financial Statement......................................... 12

三、审计发现问题及建议................................................... 16

III. Audit Findings and Recommendations................................. 17
一、审计师意见

审计师意见

中国建设银行股份有限公司：

我们审计了亚洲开发银行贷款中国化工集团节能减排推广项目 2019 年
12 月 31 日的资金平衡表，以及截至该日同年度的项目进度表、贷款协定执
行情况表。中国建设银行股份有限公司（以下简称“建设银行”）授予最
终借款方的节能子贷款明细表等特定目的财务报表及财务报表附注（第 5
页至第 15 页）。

（一）项目执行单位对财务报表的责任

编制上述财务报表是你单位的责任，这种责任包括：
1. 按照中国的会计准则、会计制度和本项目贷款协定的要求编制项目
财务报表，并使其实现公允反映；
2. 设计、执行和维护必要的内部控制，以使项目财务报表不存在由于
舞弊或错误而导致的重大错报。

（二）审计责任

我们的责任是在执行审计工作的基础上对财务报表发表审计意见。我
们按照中国国家审计准则和国际审计准则的规定执行了审计工作，上述准
则要求我们遵守审计职业道德要求，计划和执行审计工作以对项目财务报表是
否不存在重大错报获取合理保证。

为获取有关财务报表金额和披露信息的有关证据，我们实施了必要的
审计程序。我们运用职业判断选择审计程序，这些程序包括对由于舞弊或
错误导致的财务报表重大错报风险的评估。在进行风险评估时，为了设计
恰当的审计程序，我们考虑了与财务报表相关的内部控制，但目的并非对
内部控制的有效性发表意见。审计工作还包括评价所选用会计政策的恰当
性和作出会计估计的合理性，以及评价财务报表的总体列报。

我们相信，我们获取的审计证据是适当的、充分的，为发表审计意见
提供了基础。
（三）审计意见

我们认为，第一段所列财务报表在所有重大方面按照中国的会计准则、会计制度和本项目贷款协定的要求编制，公允反映了亚洲开发银行贷款中国化工集团节能减排推广项目 2019 年 12 月 31 日的财务状况，以及截至该日同年度的财务收支和项目执行情况。

（四）其他事项

我们还审查了本期内报送给亚洲开发银行的第 004 至 006 号提款申请书及所附资料。我们认为，这些资料均符合贷款协议的要求，可以作为申请提款的依据。

本审计师意见之后，共同构成审计报告的还有两项内容：财务报表及财务报表附注、审计发现的问题及建议。

审计师：

2020 年 9 月 3 日

地址：中国北京市海淀区中关村南大街 4 号
邮政编码：100086
电话：86-10-62150750
I. Auditor's Opinion

Auditor's Opinion

To China Construction Bank Corporation

We have audited the special purpose financial statements (from page 5 to page 15) of Chemical Industry Energy Efficiency and Emission Reduction Project Financed by Asian Development Bank (hereinafter referred as ADB), which comprise the Balance Sheet as of December 31, 2019, the Summary of Sources and Uses of Funds by Project Component for the year then ended, the Statement of Implementation of Loan Agreement and China Construction Bank Corporation (hereinafter referred to as CCB) Detailed List of EE Sub-loans Made to End Borrowers for the year then ended, and Notes to the Financial Statements.

Project Entity's Responsibility for the Financial Statements

The preparation of Financial Statement mentioned above is responsibility of your entity, which includes:

i. Preparing and fair presenting the accompanying financial statements in accordance with Chinese accounting standards and system, and the requirements of the project loan agreement;

ii. Designing, implementing and maintaining necessary internal control to ensure that the financial statements are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Government Auditing Standards of the People's Republic of China and International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor’s judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entities’ preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity’s
internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is appropriate and sufficient to provide a basis for our audit opinion.

**Opinion**

In our opinion, the financial statements identified in the first paragraph present fairly, in all material respects, the financial position of Chemical Industry Energy Efficiency and Emission Reduction Project Financed by ADB on-lent through CCB as of December 31, 2019, its financial receipts and disbursements and the project implementation for the year then ended in accordance with Chinese accounting standards and system, and the requirements of the project loan agreement.

**Other Matter**

We also examined the withdrawal applications from No.004 to No.006 and the attached documents submitted to ADB during the period. In our opinion, those documents comply with the project loan agreement and can serve as basis for loan withdrawal.

The audit report consists of the Auditor’s Opinion and two more parts hereinafter: Financial Statements and Notes to the Financial Statements, Audit Findings and Recommendations.

Audit Service Center of China National Audit Office for Foreign Loan and Assistance Projects
September 7, 2020

Address: No.4 Zhongguancun South Avenue, Haidian District, Beijing, P.R.China
Postcode: 100086
Tel.: 86-10-62150750

The English translation is for the convenience of report users; Please take the Chinese audit report as the only official version.
二、财务报表及财务报表附注
II. Financial Statements and Notes to the Financial Statements
（一）资金平衡表
i. Balance Sheet

## BALANCE SHEET

2019年12月31日
(As of December 31, 2019)

<table>
<thead>
<tr>
<th>资金占用</th>
<th>期末数</th>
<th>资金来源</th>
<th>期末数</th>
</tr>
</thead>
<tbody>
<tr>
<td>Application of Fund</td>
<td>Ending Balance</td>
<td>Sources of Fund</td>
<td>Ending Balance</td>
</tr>
</tbody>
</table>

| 一、项目支出合计 | 183,843,973.84 | 353,286,792.96 | 一、项目借款合计 | 226,485,600.00 | 488,334,000.00 |
| Total Project Expenditures | 183,843,973.84 | 353,286,792.96 | Total Project Loan | 226,485,600.00 | 488,334,000.00 |
| 能源子贷款（实际支出） | 183,843,973.84 | 353,286,792.96 | EE sub-loans | 226,485,600.00 | 488,334,000.00 |
| 其中：德州实华化工 | 134,151,077.83 | 273,337,033.93 | DSC for Sub-project 1 |
| 子项目1 | 49,692,896.01 | 79,949,759.03 | Zhonghaochui for Sub-project 2 |
| 北京中昊华泰能源科技 | 5,617,113.54 | 58,972,617.47 | 子项目2 | 54,905,600.00 | 139,524,000.00 |
| 子项目2 | 5,617,113.54 | 58,972,617.47 | Zhonghaochui for Sub-project 2 |
| 二、货币资金合计 | 44,305,688.52 | 131,080,447.88 | 银行存款 | 0.00 | 0.00 |
| Total Cash and Bank | 44,305,688.52 | 131,080,447.88 | Cash in Bank | 44,305,688.52 | 44,305,688.52 |
| 其中：德州实华化工 | 38,688,574.98 | 72,107,380.41 | 2. 运行配套资金 | 298,662.36 | 399,840.84 |
| 子项目1 | 38,688,574.98 | 72,107,380.41 | CCB Counterpart Financing |
| DSC for Sub-project 1 | 5,617,113.54 | 58,972,617.47 | 北京中昊华泰能源科技子项目2 | 54,905,600.00 | 139,524,000.00 |
| Zhonghaochui for Sub-project 2 | 5,617,113.54 | 58,972,617.47 | 北京中昊华泰能源科技子项目2 |
| 三、汇兑损益 | -1,365,400.00 | 4,366,600.00 | Interest income | 298,662.36 | 399,840.84 |
| Exchange gain or loss | -1,365,400.00 | 4,366,600.00 | |
| 资金占用合计 | 226,784,262.36 | 488,733,840.84 | 资金来源合计 | 226,784,262.36 | 488,733,840.84 |
| Total Application of Fund | 226,784,262.36 | 488,733,840.84 | Total Sources of Fund | 226,784,262.36 | 488,733,840.84 |
### SUMMARY OF SOURCES AND USES OF FUNDS BY PROJECT COMPONENT

**Project Name:** Chemical Industry Energy Efficiency and Emission Reduction Project  
**Prepared by:** China Construction Bank Corporation  
**Currency Unit:** RMB Yuan  
**Project Period:** Ended December 31, 2019

<table>
<thead>
<tr>
<th>资金来源合计</th>
<th><strong>Total Sources of Funds</strong></th>
<th>本期计划额</th>
<th>Current Period Budget</th>
<th>本期发生额</th>
<th>Current Period Actual</th>
<th>本期完成比</th>
<th>Current Period % Completed</th>
<th>项目总计划额</th>
<th>Cumulative Actual</th>
<th>累计完成比</th>
<th>Cumulative % Completed</th>
</tr>
</thead>
<tbody>
<tr>
<td>贷款</td>
<td><strong>Loan</strong></td>
<td>-</td>
<td>261,949,578.48</td>
<td>-</td>
<td>624,000,000.00</td>
<td>624,000,000.00</td>
<td>488,733,840.84</td>
<td>78.32%</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>其中：德州实华化工子项目</td>
<td><strong>DSC for Sub-project 1</strong></td>
<td>-</td>
<td>177,230,000.00</td>
<td>-</td>
<td>499,200,000.00</td>
<td>348,810,000.00</td>
<td>69.87%</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>北京中奥华泰新能源科技子项目 2</td>
<td><strong>Zhonghuanxianti for Sub-project 2</strong></td>
<td>-</td>
<td>84,618,400.00</td>
<td>-</td>
<td>124,800,000.00</td>
<td>139,524,000.00</td>
<td>111.80%</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>贷款</td>
<td><strong>Loan</strong></td>
<td>-</td>
<td>0.00</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>利息收入</td>
<td><strong>Interest income</strong></td>
<td>-</td>
<td>101,178.48</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>资金运用合计</td>
<td><strong>Total Application of Funds</strong></td>
<td>-</td>
<td>169,442,819.12</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>贷款</td>
<td><strong>Loan</strong></td>
<td>-</td>
<td>169,442,819.12</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>其中：德州实华化工子项目</td>
<td><strong>DSC for Sub-project 1</strong></td>
<td>-</td>
<td>139,185,956.10</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>北京中奥华泰新能源科技子项目 2</td>
<td><strong>Zhonghuanxianti for Sub-project 2</strong></td>
<td>-</td>
<td>30,256,863.02</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>差异</td>
<td><strong>Difference</strong></td>
<td>-</td>
<td>92,596,759.36</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>财政资金变化</td>
<td><strong>Change in Cash and Bank</strong></td>
<td>-</td>
<td>86,774,759.36</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>其他</td>
<td><strong>Other</strong></td>
<td>-</td>
<td>5,732,000.00</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
### 贷款协定执行情况表

**STATEMENT OF IMPLEMENTATION OF LOAN AGREEMENT**

本期截至 2019 年 12 月 31 日
(For the period ended December 31, 2019)

货币单位：美元/人民币元

<table>
<thead>
<tr>
<th>序号</th>
<th>项目</th>
<th>被定额</th>
<th>本期发生数（额）</th>
<th>累计发生数（额）</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>总额</td>
<td>美元</td>
<td>人民币</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Total Amount Allocated for ADB Financing</td>
<td>USD</td>
<td>USD</td>
</tr>
<tr>
<td>1</td>
<td>子贷款用于德州实华化工子项目 1</td>
<td>80,000,000.00</td>
<td>25,000,000.00</td>
<td>174,405,000.00</td>
</tr>
<tr>
<td></td>
<td>Sub-loan to DSC for Sub-project 1</td>
<td>USD</td>
<td>USD</td>
<td>RMB</td>
</tr>
<tr>
<td>2</td>
<td>子贷款用于北京中昊华泰能源科技子项目 2</td>
<td>20,000,000.00</td>
<td>12,000,000.00</td>
<td>83,714,400.00</td>
</tr>
<tr>
<td></td>
<td>Sub-loan to Zhonghaotai for Sub-project 2</td>
<td>USD</td>
<td>USD</td>
<td>RMB</td>
</tr>
<tr>
<td></td>
<td>合计</td>
<td>100,000,000.00</td>
<td>37,000,000.00</td>
<td>258,119,400.00</td>
</tr>
<tr>
<td></td>
<td>Total</td>
<td>USD</td>
<td>USD</td>
<td>RMB</td>
</tr>
</tbody>
</table>

Project Name: Chemical Industry Energy Efficiency and Emission Reduction Project

编报单位：中国建设银行股份有限公司
Prepared by: China Construction Bank Corporation
### 四、建设银行授予最终借款方的节能子贷款明细表

**China Construction Bank Detailed List of EE Sub-loans Made to End Borrowers**

**项目名称：中国化工集团节能减排项目**  
*Project Name: Chemical Industry Energy Efficiency and Emission Reduction Project*

**编报单位：中国建设银行股份有限公司**  
*Prepared by: China Construction Bank Corporation*

<table>
<thead>
<tr>
<th>最终借款方名称</th>
<th>合同编号</th>
<th>合同金额</th>
<th>本期已付金额</th>
<th>累计已付金额</th>
<th>未付金额</th>
<th>已收取金额</th>
<th>货币单位：人民币元</th>
</tr>
</thead>
<tbody>
<tr>
<td>Dezhou Shihua Chemical</td>
<td>2016003 No.2016003 DSC for Sub-project 1</td>
<td>80,000,000.00</td>
<td>558,096,600.00</td>
<td>174,405,000.00</td>
<td>348,810,000.00</td>
<td>209,286,000.00</td>
<td>0.00</td>
</tr>
<tr>
<td>Beijing Zhonghaozhuanti Energy Technology Co., Ltd.</td>
<td>2016003 No.2016003 Zhonghaozhuanti for Sub-project 2</td>
<td>20,000,000.00</td>
<td>139,524,000.00</td>
<td>83,714,400.00</td>
<td>139,524,000.00</td>
<td>0.00</td>
<td>0.00</td>
</tr>
<tr>
<td>Dezhou Shihua Chemical</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Beijing Zhonghaozhuanti Energy Technology Co., Ltd.</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>合 计</td>
<td>-</td>
<td>100,000,000.00</td>
<td>697,620,000.00</td>
<td>258,119,400.00</td>
<td>488,334,000.00</td>
<td>209,286,000.00</td>
<td>0.00</td>
</tr>
</tbody>
</table>

*As of December 31, 2019*
（五）财务报表附注

财务报表附注

1. 项目描述

亚洲开发银行中国化工集团节能减排推广项目的主要目的是为了帮助中国的化工行业降低能耗、逐步淘汰使用、减少温室气体和有毒物质排放。按照财政部与亚洲开发银行签订的贷款协定，本项目由亚洲开发银行向中国建设银行提供 1 亿美元贷款。通过中国建设银行转贷给中国化工集团公司，再以委托贷款方式发放给项目公司，用于亚行认可的节能减排示范项目。中国化工集团公司和中国昊华化工集团股份有限公司确保及时提供所有的配套资金。项目贷款期限为十五年，贷款提款截止日为 2021 年 8 月 31 日，还款期为 2026 年 4 月至 2030 年 10 月。

2. 编制依据

本财务报表的编制参照《世界银行贷款项目会计核算办法》（财会字 [2000] 13 号）。

3. 会计期间

本财务报表的会计期间为 2019 年 1 月 1 日至 2019 年 12 月 31 日。

4. 会计政策

（1）本项目采用借贷复式记账法记账，会计事项均采用权责发生制处理，记账本位币为人民币。

（2）关于汇率的使用，期末余额采用财政部公布的 2019 年 12 月 31 日的美元兑人民币汇率，即 1 美元折人民币 6.9762 元。

5. 财务报表项目说明

5.1 资金平衡表

（1）“节能子贷款”反映发放的亚行贷款净额与发放的配套资金
净额之和。该项目期末余额为人民币 353 286 792.96 元，其中德州实化化工有限公司（以下简称德州实华）期末余额为人民币 273 337 033.93 元，北京中昊华泰能源科技有限公司（以下简称中昊华泰）期末余额为人民币 79 949 759.03 元。

2）“银行存款”反映已向亚洲开发银行提款，但尚未发放给项目公司，或已发放给项目公司但尚未使用的存款。该项目期末余额为人民币 131 080 447.88 元，其中德州实华期末余额为人民币 72 107 830.41 元，中昊华泰期末余额为人民币 58 972 617.47 元。

3）“汇率损益”反映由于项目支出采用业务发生时的即期汇率，资金来源采用年末汇率，因此而产生的差异。该项目期末余额为人民币 4 366 600.00 元。

4）“亚洲开发银行借款”反映亚洲开发银行提款数。该项目期末余额为人民币 488 334 000.00 元，其中德州实华向亚行提款数为人民币 348 810 000.00 元，中昊华泰向亚行提款数为人民币 139 524 000.00 元。

5）“建行配套资金”反映建行发放的配套资金贷款净额，即本期实际支付的配套资金减实际回收的配套资金。期末余额为人民币 0.00 元。

6）“利息收入”反映亚行贷款资金在人民币监管账户内产生的存款利息收入。该项目期末余额为人民币 399 840.84 元，其中德州实华监管账户产生的利息收入为人民币 239 864.34 元，中昊华泰监管账户产生的利息收入为人民币 159 976.50 元。

5.2 项目进度表

1）本表“资金来源合计”为亚洲开发银行贷款，建行配套资金，利息收入本期发生额之和。该项目本期发生额（含汇兑损益）为人民币 261 949 578.48 元。

2）“资金运用合计”为节能子贷款，本期发生额为人民币 169 442 819.12 元，其中德州实华本期支出为人民币 139 185 956.10 元，中昊华泰本期支出为人民币 30 256 863.02 元。

3）“差异”为货币资金变化及其他之和，本期发生额为人民币 92 506 759.36 元。

4）“货币资金变化”反映资金平衡表中银行存款的期末数减期初数。本期发生额为人民币 86 774 759.36 元。

5）“其他”反映本期汇兑损益的变动额，本期金额为人民币
5 732 000.00 元。

(6) 中国建设银行向亚洲开发银行累计提款 7000 万美元（本年度向亚洲开发银行提款 3700 万美元），折算人民币为 488 334 000.00 元，计划完成率为 78.26%。建行配套资金到位率为 0.00%。

5.3 贷款协定执行情况表

(1) “核定额”反映财政部与亚洲开发银行签订的国外贷款协议中规定的用于各子项目贷款的总额，其中德州实华贷款核定额为 80 000 000.00 美元，中昊华泰贷款核定额为 20 000 000.00 美元。

(2) “本期发生额”反映本期向亚洲开发银行的提款额，2019 年德州实华向亚行提款金额为 25 000 000.00 美元，2019 年中昊华泰向亚行提款金额 12 000 000.00 美元。

(3) 本表核定额、本期发生额、累计发生额均采用 2019 年底的美元兑人民币汇率折算。

5.4 建设银行授予最终借款方的节能子贷款明细表

本表反映建设银行授予最终借款方的按照贷款合同编号列示的子贷款明细情况。

本年度，德州实华收到亚行贷款金额人民币 174 405 000.00 元，截止 2019 年 12 月 31 日累计提款金额人民币 348 810 000.00 元。

本年度，中昊华泰收到亚行贷款金额人民币 83 714 400.00 元，截止 2019 年 12 月 31 日累计提款金额人民币 139 524 000.00 元。

6. 其他需要说明的事项

项目进度表累计完成额填列经中国建设银行与亚洲开发银行协商达成一致。
V. Notes to the Financial Statement

Notes to the Financial Statement

1. Description of the Project

The objective of Chemical Industry Energy Efficiency and Emission Reduction Project Financed by Asian Development Bank - China Construction Bank is to help China’s chemical industry improve energy efficiency, gradually eliminate usage of mercury, and reduce greenhouse gas (GHG) and toxic gas emissions from PVC and fluoropolymer production. According to Loan Agreement signed by Minister of Finance of China (MOF) and ADB, loan US $100 000 000 provided by ADB will be on-lent through China Construction Bank Corporation (CCB) to ChemChina. ChemChina will reallocate the loan fund to SPVs as entrust loans for demonstrative EE (Energy Efficiency and Emission Reduction) projects that approved by ADB. ChemChina and China Haohua Chemical Group co., Ltd (CHC) will ensure providing counterpart financing available. The duration of the loan period is 15 years, the loan withdrawn date will due on August 31, 2021, and the loan repayment period is from April 2026 to October 2030.

2. Basis of Presentation

The financial statements are prepared according to Accounting Methods for the World Bank Financed Project (Caijizi (2000) No. 13).

3. Accounting Period

The accounting period of the financial statements was from 1st January, 2019 to 31st December, 2019.

4. Accounting Policies

(1) The project accounting follows the principle of accrual basis, adopting double-entry bookkeeping method, with RMB as the base currency.

(2) In regard to exchange rate, the ending balance adopted the exchange rate by end of 2019, which was USD 1 = RMB 6.9762 yuan.

5. Financial Statement Item Specification

5.1 Balance Sheet
(1) “EE Sub-loans” refers to the sum of net ADB Loan and net Counterpart Financing. Ending balance of current period was RMB 353 286 792.96 yuan. In this amount, ending balance of DeZhou Shihua Chemical was RMB 273 337 033.93 yuan, ending balance of Beijing Zhonghaohuatai Energy Technology Co.,Ltd. was RMB 79 949 759.03 yuan.

(2) “Cash in Bank” refers to the amount that had been withdrawn from ADB, however not yet been reallocated to SPVs, or deposited on SPVs’ accounts without being used in the project during current period. The ending balance of current period was RMB 131 080 447.88 yuan. In this amount, ending balance of DeZhou Shihua Chemical was RMB 72 107 830.41 yuan, ending balance of Beijing Zhonghaohuatai Energy Technology Co.,Ltd. was RMB 58 972 617.47 yuan.

(3) “Exchange gain or loss” refers to the difference that occurs due to adopting different exchange rates. Project expenditure was converted by spot exchange rate while the sources of funds was converted by the exchange rate at the end of the year. The ending balance of current period was RMB 4 366 600.00 yuan.

(4) “ADB Loan” refers to amount that has been utilized from ADB. The ending balance of current period was RMB 488 334 000.00 yuan, in which the amount that has been utilized from ADB of DeZhou Shihua Chemical was RMB 348 810 000.00 yuan, the amount of Beijing Zhonghaohuatai Energy Technology Co.,Ltd. was RMB 139 524 000.00 yuan.

(5) “CCB Counterpart Financing” refers to net amount of counterpart financing loan that CCB offered, namely current period actual counterpart financing utilization minus current period actual counterpart financing repayment. Current period ending balance was 0.00.

(6) “Interest Income” refers to interest income generated while ADB Loan Fund deposited in RMB regulatory account. Current period ending balance was RMB 399 840.84 yuan. In this amount, interest income generated by the regulatory account of DeZhou Shihua Chemical was RMB 239 864.34 yuan, interest income of Beijing Zhonghaohuatai Energy Technology Co.,Ltd. was RMB 159 976.50 yuan.

5.2 Summary of Sources and Uses of Funds by Project Component

(1) “Total Sources Funds” refers to the sum of ADB Loan, CCB Counterpart Financing and Current Period Interest Income. Total amount of current period (including exchange gain and loss) under this column was RMB 261 949 578.48 yuan.

(2) “Total Application of Funds” refers to EE Sub-loan. Current period total amount was RMB 169 442 819.12 yuan. In this amount, DeZhou Shihua Chemical’s expenditure of current period amounted to RMB
139 185 956.10 yuan, Beijing Zhonghaohuatai Energy Technology Co., Ltd.’s expenditure amounted to RMB30 256 863.02 yuan.

(3) “Difference” refers to the sum of Change in Cash and Bank and Others. Current period amount was RMB 92 506 759.36 yuan.

(4) “Change in Cash and Bank” refers to the ending balance of Cash in Bank minus its beginning balance in Balance Sheet. Current period of amount Change in Cash and Bank was RMB 86 774 759.36 yuan.

(5) “Others” refers to the variation amount of exchange gain or loss in current period. Current period amount was RMB 5 732 000.00 yuan.

(6) So far CCB has accumulative withdrawn USD 70 000 000.00 from ADB (in this year CCB withdrew USD 37 000 000.00 from ADB), equivalent to RMB 488 344 000.00 yuan, Cumulative Percentage Completed was 78.26%. “CCB Counterpart Financing” Fund in-position rate was 0.00%.

5.3 Statement of Implementation of Loan Agreement

(1) “Total Amount Allocated for ADB Financing” refers to the total amount of sub-loans for each sub-projects, which was specified in Loan Agreement between ADB and MOF of China. The amount allocated for ADB Financing of DeZhou Shihua Chemical was USD 80 000 000.00, the amount allocated for ADB Financing of Beijing Zhonghaohuatai Energy Technology Co., Ltd. was USD 20 000 000.00.

(2) “Amount of Current Withdrawals” refers to the amount of loans withdrawn from ADB in current period. DeZhou Shihua Chemical withdrew USD 25 000 000.00, and Beijing Zhonghaohuatai Energy Technology Co., Ltd. withdrew USD 12 000 000.00 from ADB in 2019.

(3) In this financial statement, Total Amount Allocated for ADB Financing, Amount of Current Withdrawals, and Accumulated Amount of Withdrawals adopted the exchange rate by the end of year 2019.

5.4 China Construction Bank Detailed List of EE Sub-loans Made to End Borrowers

The list reflects the detailed information of sub-loans extended to end borrowers following the order of contract numbers.

For the year, DeZhou Shihua Chemical received the loan amount RMB 174 405 000.00 yuan from ADB. As at 31 December 2019, DeZhou Shihua Chemical has withdrawn RMB 348 810 000.00 yuan.

For the year, Beijing Zhonghaohuatai Energy Technology Co., Ltd. received the loan amount RMB 83 714 400.00 yuan from ADB. As at 31 December 2019, Beijing Zhonghaohuatai Energy Technology Co., Ltd. has withdrawn RMB 139 524 000.00 yuan.
6. Other Information
CCB and ADB have reached an agreement on the presentation of Cumulative of Summary of Sources and Uses of Funds.