

Ningbo Shanshan Co., Ltd.
Interim Report 2022

Important Notes

- I. **The Board of Directors, the Board of Supervisors, and directors, supervisors and senior management of the Company confirm that the content of this Interim Report is true, accurate and complete and has no false representations, misleading statements or material omissions, and they individually and collectively accept legal responsibility for such content.**
- II. **All directors attended the meetings of the Board of Directors in person.**
- III. **The Interim Report is not yet audited.**
- IV. **Zheng Yonggang, Person in Charge of the Company, Li Keqin, Person in Charge of Accounting, and Xu Lie, Person in Charge of the Accounting Authority (Head of the Accounting Department), hereby warrant the truthfulness, accuracy and completeness of the financial statements contained in this annual report.**
- V. **Proposal of profit appropriation or proposal of transferring capital reserve into share capital for the Reporting Period was resolved by the Board of Directors.**

None

VI. Risk associated with forward-looking statements

Applicable Not applicable

The forward-looking description in this report such as the Company's future plans and development strategies do not constitute an actual commitment of the Company to investors. Investors should be aware of the investment risks.

VII. Was there any misappropriation of the Company's capital by the controlling shareholders and their related parties for non-operational purposes

No

VIII. Did the Company provide any guarantee to external parties in violation of the required decision-making process?

No

IX. Could more than half of the directors not guarantee the authenticity, accuracy or completeness of the Interim Report disclosed by the Company

No

X. Material Risk Alert

The Company has detailed the possibly relevant risk in the 2022 Interim Report, investors may refer to "(I) Risk exposures" in "V. Other Disclosure" under "Section III Management Discussion and Analysis".

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Documents Available for Inspection	Financial statements containing the signatures and seals of the legal representative, the Chief Financial Officer and the Person in Charge of the Accounting Office (Head of the Accounting Department).
	The original copies of all documents and announcements disclosed during the Reporting Period.

Section I Definitions

In this Report, unless the context otherwise requires, the following expressions shall have meanings as follows:

Definitions of Common Terms		
Reporting period, the current period	Means	The first half of 2022
CSRC	Means	China Securities Regulatory Commission
The SSE	Means	Shanghai Stock Exchange
CSDC	Means	China Securities Depository & Clearing Corporation Limited
the Company or Shanshan or Ningbo Shanshan Co., Ltd	Means	Ningbo Shanshan Co., Ltd.
2022 Equity Incentive Plan	Means	2022 Share Option and Restricted Share Incentive Plan
GDR	Means	Global depository receipt
Shanshan Holdings	Means	Shanshan Holdings Ltd.
Shanshan Group	Means	Shanshan Group Co., Ltd.
Shanghai Shanshan Lithium Battery	Means	Shanghai Shanshan Lithium Battery Materials Technology Co., Ltd.
Shanjin Optoelectronics	Means	Shanjin Optoelectronics (Suzhou) Co., Ltd. and its subsidiaries
Shanshan Energy or BASF Shanshan	Means	BASF Shanshan Battery Material Co., Ltd(formerly Hunan Shanshan Energy Technology Co., Ltd.) and its subsidiaries
BASF Shanshan Ningxia	Means	BASF Shanshan Battery Materials (Ningxia) Co., Ltd
Hunan Yongshan	Means	Hunan Yongshan Lithium Industry Co., Ltd.
Shanshan Brand Company	Means	Shanshan Brand Management Co., Ltd
LG Chem	Means	LG CHEM, LTD. (A Korean listed company, with the stock code of 051910.KS)
Bank of Ningbo	Means	Bank Of Ningbo Co., Ltd.
Chouzhou Commercial Bank	Means	Zhejiang Chouzhou Commercial Bank Co., Ltd.
Luoyang Molybdenum	Means	Luoyang Yichuan Molybdenum Group Joint-stock Company

Section II Company Profile and Key Financial Indicators

I. Company Information

The Chinese name of the Company	Ningbo Shanshan Co., Ltd. (宁波杉杉股份有限公司)
Chinese abbreviation of the Company	Ningbo Shanshan Co., Ltd. (杉杉股份)
Foreign name of the Company	NINGBO SHANSHAN CO.,LTD.
Foreign abbreviation of the Company	NBSS
Legal representative of the Company	Zheng Yonggang

II. Contact Details

	Board Secretary	Securities Representative
Name	Chen Ying	Lin Feibo
Correspondence address	F/28, Shanshan Plaza, 777 Rili Middle Road, Yinzhou District, Ningbo City, Zhejiang Province	F/28, Shanshan Plaza, 777 Rili Middle Road, Yinzhou District, Ningbo City, Zhejiang Province
Tel.:	0574-88208337	0574-88208337
Fax:	0574-88208375	0574-88208375
Email	ssgf@shanshan.com	ssgf@shanshan.com

III. Changes in General Information

Registered office of the Company	Room 801 (Shanshan Plaza), No. 777 Rili Middle Road, Shounan Street, Yinzhou District, Ningbo City, Zhejiang Province
Change of the Company's registered address	In September 1996, the registered address of the Company was changed from No. 139 Baizhang Road, Jiangdong District to No.158 Baizhang Road, Jiangdong District; In August 2007, the registered address of the Company changed from No. 158 Baizhang Road, Jiangdong District to No. 238 Central Yunlin Road, Wangchun Industrial Park, Ningbo; In February 2016, the registered address of the Company was changed from No. 238 Central Yunlin Road, Wangchun Industrial Park, Ningbo to Room 801 (Shanshan Plaza) No. 777 Rili Middle Road, Shounan Street, Yinzhou District, Ningbo City.
Office address of the Company	F/28, Shanshan Plaza, No. 777 Rili Middle Road, Yinzhou District, Ningbo City, Zhejiang Province
Postal code of the office address of the Company	315100
Company's website	www.ssgf.net
Email	ssgf@shanshan.com

In late May 2022, the office address of the Company was changed to F/28, Shanshan Plaza, No. 777 Rili Middle Road, Yinzhou District, Ningbo City, Zhejiang Province

IV. Introduction to Information Disclosures and the Change of Locations

Names of newspapers selected by the Company for information disclosure	China Securities Journal, Shanghai Securities News, Securities Daily and Securities Times (hereinafter collectively called "designated media")
Website for publication of the Interim Report	www.sse.com.cn
Location for inspection of the Interim Report of the Company	F/28, Shanshan Plaza, No. 777 Rili Middle Road, Yinzhou District, Ningbo City, Zhejiang Province

Since March 2022, the four media above are designated for its information disclosure.

V. Shares of the Company

Type of shares	Stock exchange for listing	Stock Abbreviation	Stock Code
A Share(s)	Shanghai Stock Exchange	Ningbo Shanshan Co., Ltd.	600884
GDR	Swiss Stock Exchange	Ningbo Shanshan Co., Ltd.	SSNE

VI. Other Relevant Information

Applicable Not Applicable

VII. Key Accounting Data and Financial Indicators**(I) Major accounting data**

Unit: Yuan Currency: RMB

Major accounting data	The Reporting Period (January-June)	The same period of the last year	Increase/decrease over the same period of the previous year (%)
Operating income	10,771,934,205.15	9,946,665,453.42	8.30
Net profits attributable to shareholders of the listed company	1,661,149,050.47	759,726,411.65	118.65
Net profit attributable to shareholders of the listed company, net of non-recurring profit/loss	1,420,470,242.79	723,505,636.42	96.33
Net cash flow from operating activities	1,560,449,276.28	-1,551,957,851.87	N/A
	At the end of the period	As of the end of the previous year	Increase/decrease at the end of the period as compared with the previous year-end (%)
Net assets attributable to shareholders of the listed company	20,349,698,076.40	18,928,381,475.79	7.51
Total assets	42,302,444,684.40	40,288,469,003.76	5.00
Total share capital at the end of the period	2,161,254,038.00	2,142,919,938.00	0.86

(II) Key financial indicators

Key financial indicators	The Reporting Period (January-June)	The same period of the last year	Increase/decrease over the same period of the previous year (%)
Basic earnings per share (RMB/share)	0.774	0.467	65.76
Diluted earnings per share (RMB/share)	0.774	0.467	65.76
Basic earnings per share after deducting non-recurring profit and loss (RMB/share)	0.662	0.444	49.08
Weighted average return on net assets (%)	8.419	6.162	Increased by 2.257 percentage points
Weighted average return on net assets ratio after deducting non-recurring profit and loss (%)	7.199	5.868	Increased by 1.331 percentage points

Description of key accounting data and financial indicators

Applicable Not Applicable

VII. Discrepancies in Accounting Data under Domestic Accounting Standards and Overseas Accounting Standards

Applicable Not Applicable

VIII. Non-recurring Profit and Loss Items and Amounts

Applicable Not applicable

Unit: Yuan Currency: RMB

Non-recurring profit and loss items	Amount
Gain or loss from disposal of non-current assets	194,540,089.46
Government grants included in the current profit and loss, except those closely related to the Company's normal operations, conforming to the State policies and regulations and enjoyed persistently in line with certain standard ratings or rations	58,074,551.13
Non-operating income and expenses other than those mentioned above	4,735,860.29
Less: Amount affected by income tax	13,089,092.77
Affected amount of non-controlling interest (after tax)	3,582,600.43
Total	240,678,807.68

Section III Management Discussion and Analysis

I. Description of the Industry in which the Company Operated and Its Principal Business during the Reporting Period

The Company is a global leading advanced material manufacturer, focusing on the development of lithium battery anode materials and polarizers businesses, and committed to becoming a global leader in lithium battery anode materials and polarizers segments.

(I) Lithium battery material business

1. Business overview

The lithium battery material business mainly includes the research, development, production and sales of anode materials and electrolytes for lithium ion batteries. The main products of the Company's anode materials business include artificial graphite, natural graphite, and silicon-based anode. The main products of electrolyte business include electrolyte and lithium hexafluorophosphate. All the above products can be applied to new energy vehicles, consumer electronics and energy storage industries.

The main products and applications of the Company's lithium battery materials business are detailed below:

Classification	Product	Application fields
Anode materials	Artificial graphite	Mainly used in high energy density and high power density 3C digital, electric vehicle power battery and energy storage fields
	Natural graphite	Mainly used in high energy density and high power density 3C digital, electric vehicle power battery, focusing on cylindrical battery
	Silica-based anode	Mainly used in high energy density 3C digital, electric tools, and electric vehicle power battery
	New soft/hard carbon material	Mainly used in high-power power batteries and energy storage for electric vehicles
Electrolyte	Electrolyte	Mainly used in 3C digital battery products, electric vehicle power battery and energy storage lithium battery fields
	Lithium hexafluorophosphate	Used in the production of electrolyte

2. Business model

(1) Procurement model

The Company adopts the management model combining centralized procurement and decentralized procurement.

For the raw materials, accessories, production equipment, testing equipment, logistics transportation, and general consumables required for the production, the supply chain center of each business segment

will integrate the needs of each factory, and work with the research and development, technology and quality departments to jointly screen and select the high-quality suppliers. The headquarters of each business segment will set the prices in a centralized manner through bidding, competitive negotiation, price consultation and cost analysis, and sign the framework agreements. The factory will issue purchase orders or purchase and sales contracts as required and follow up the delivery, acceptance, reconciliation, and payment request.

For the local demands of spare parts and sporadic projects, the purchasing department of each factory will, based on the business management requirements of inquiring and comparing prices of multiple companies and conducting cost analysis, develop suppliers nearby, organize business negotiations, initiate price inquiry and comparison and pricing applications, purchase order based on pricing result, and follow up delivery, in order to efficiently respond to the factory demand.

For the key materials or equipment, the supply chain center of each business segment will, based on the analysis of supply structure and market situation, select the best supplier, promote the construction of strategic cooperative relationship with suppliers, in order to ensure the supply and achieve win-win cooperation and long-term development.

(2) Production model

Based on the production principle of basing production on sales prospects, the Company will make overall planning according to the sales plan, arrange production plan according to the production line situation and submit raw materials demand to the purchasing department every month. The workshop management department will organize production according to the production plan and yield the planned output. All the departments work closely to meet the market demand with a flexible production model.

The Company's products are mainly independently developed, tested by batch and self-produced and supplied. We have a wide variety of products, including conventional products and customized products for the individual customer needs. We can also provide special line productions for customers to meet their one-stop purchasing needs.

(3) Sales model

The Company set up a working group based on the coordination mechanism of sales, R&D, quality, technical support departments as well as the product demands of customers, forming a sales model with sales as the focus, R&D and quality assurance as the guarantee, and technical support as the support, with an aim to provide customers with cost-effective products and services. The Company established local sales offices based on the concentration or significance of customers to approach the customers, and obtain the customer feedback on product quality and product type demand changes in a timely manner, so as to quickly respond to customer feedback, provide better sales and technical services for customers, and establish a close and efficient cooperative relationship with customers.

3. Market position of products

As a leading manufacturer of anode materials, the Company is a key supplier for the global leading lithium battery enterprises, such as CATL, LGES, ATL and BYD. During the Reporting Period, the Company achieved rapid growth of anode material shipment. According to the data of iccsino.com, the Company ranked second in the industry in terms of anode material shipment in the first half of 2022, further consolidating its industry position.

In the future, with the 200,000-ton integrated base project in Meishan, Sichuan Province, the 300,000-ton integrated base project in Anning, Yunnan Province, and the 40,000-ton silicon-based anode project in Ningbo put into operation, the Company's capacity and scale advantages will be further strengthened. In addition, the Company will continue to enhance the cooperation with leading lithium battery enterprises and develop high-quality customers, which will further improve the market position of the Company in the anode material industry.

4. Key performance drivers

(1) Rapid growth of NEVs in the first half of 2022

According to the data of CAAM, in the first half of 2022, the cumulative production and sales volume of new energy vehicles in China reached 2.661 million and 2.60 million, representing an increase of 1.2 times year-on-year, and the penetration rate of new energy vehicles reached 21.6%. According to the latest data of China Automotive Power Battery Industry Innovation Alliance, from January to June 2022, the total installed capacity of power battery in NEVs in China reached 110.1GWh, with a year-on-year growth of 109.8%.

(2) Better-than-expected market demand of energy storage in the first half of 2022

Due to the Russia-Ukraine war, the energy price in Europe skyrocketed, highlighting the economy significance of household energy storage in Europe, which brought a large amount of demand for installation, and the market of household energy storage was in short supply. The shipment of energy storage battery increased by 2 times year on year, and the energy storage lithium batteries were in high demand.

Driven by the downstream NEV and energy storage market demands, the demand for lithium battery materials grew significantly. According to the data of GGII, in the first half of 2022, the shipments of anode materials in China are expected to reach approximately 542,000 tons, up 69% year on year; The electrolyte shipments are expected to reach 330,000 tons, up about 64% year on year.

5. Industry overview

The terminal markets of the lithium battery material industry, in which the Company is engaged, are mainly new energy vehicle market, digital consumer product market, and energy storage market. According to the preliminary statistics of GGII, in the first half of 2022, the power battery shipments in China increased by more than 150% year on year, with shipments exceeding 200GWh, of which lithium

iron phosphate batteries accounted for 56% and ternary batteries accounted for 44%. The shipments of small power batteries and digital batteries were less than expected, mainly due to the impact of price increase of upstream raw materials and the decline of market spending power resulting from the epidemic. After the backlog of orders in the early stage, the energy storage market saw large-scale delivery of orders in the second quarter, with the shipment increasing by more than 2 times year-on-year. Despite the high product price, the energy storage lithium battery still enjoyed strong demand.

Due to the joint efforts to achieve carbon neutrality in the world, the demand for new energy vehicles and energy storage will continue to grow at a high rate. According to GGII, the global lithium battery shipment will reach 2,140GWh in 2025, among which the global power battery market shipment is 1,550GWh, with a CAGR of over 40%. In the next few years, the lithium battery material industry, in which the Company is engaged, will be in rapid development, enjoying strong market demand.


As a world leading anode material manufacturer, the Company is a key supplier of the global leading lithium battery enterprises, such as CATL, LGES, ATL, BYD, COSMX and Farasis Energy. During the Reporting Period, the Company witnessed rapid growth in the sales volume of its anode materials and further consolidated its industry leading position. According to the data of iccsino.com, the Company ranked second in the industry in terms of anode material shipment in the first half of 2022.




(II) Polarizer business

1. Business overview

The company is mainly engaged in the research and development, production and sales of LCD polarizers. Just as its name implies, polarizer controls the polarization direction of a particular beam. There are two polarizers in the LCD module, which are attached to both sides of the glass substrate respectively. The lower polarizer is used to convert the beam generated by the backlight source into polarized light, and the upper polarizer is used to analyze the polarized light modulated by the liquid crystal to produce light and dark contrast, so as to display the picture. The imaging of LCD module relies on the polarized light. Without any polarizer, the LCD module can not display the image.

Polarizer is a key component in the production of LCD, which is widely used in consumer electronics such as TVs, monitors, laptops and tablets. The main uses of the product are as follows:

Product name	Product use	End product	Picture of end product
		TV	

Product name	Product use	End product	Picture of end product
LCD polarizer	LCD polarizer is an important component of liquid crystal display panel. Its main role is to guide the light to pass through the display screen or block the unnecessary light, so that the screen can display images.	Monitor	
		Notebook	
		Tablet PC	

2. Business model

(1) Procurement model

The Company adopts the procurement model of “basing procurement on production status”, that is, we will arrange the procurement of all kinds of raw materials according to the production plan formulated by the production department as well as our own inventory situation, and stock up in time according to the market supply and demand of raw materials and price fluctuations. The products purchased mainly include PVA film, TAC film, protective film, release film, PSA, PET and other raw materials.

The Company selects the suppliers independently according to the market-based principle. Generally, we will first sign a framework agreement with the supplier and then purchase the specific raw materials by placing purchase orders with the supplier.

(2) Production model

The Company mainly adopts the production model of “basing production on sales prospects” and manufactures products according to the customer demand. After receiving customer demand, we will make sales forecast and analysis, and comprehensively develop the production plan according to capacity status, long-term cooperation with customers, material supply, product production cycle status and other aspects. We will stock up in small quantity according to the product sales history and the specific demands of customers.

Our production process includes production process includes front-end engineering and back-end engineering. We mainly adopt independent production, with commissioned processing as a supplement. Front-end engineering is the core link of polarizer production, for which the independent production mode is adopted. We entrust some non-core production processes of back-end engineering to external professional companies for processing, so as to improve production efficiency. We propose the processing

plan to the entrusted processor according to the customer's order, and provide the polarizer coils to the entrusted processor based on the forecast of the entrusted processing quantity. The entrusted processor will process according to the processing plan, and supply directly to the customer according to our instructions.

(3) Sales model

The Company mainly adopts direct sales model. Our customers include BOE, LG Display, CSOT, Sharp, CHOT, HKC and other mainstream LCD panel enterprises. Large-scale downstream panel manufacturing enterprise customers have strict requirements on their suppliers. They will conduct strict audits on the strength and qualifications of suppliers (such as quality, research and development, production, management, etc.), and certify the suppliers only after repeated inspection, improvement and acceptance. Generally, they will not easily change the established partnership. Therefore, we have stable cooperation with the customers.

The back-end production line of the Company includes industry leading RTS (roll to sheet) production line and RTP (roll to panel) production line. Most of our factories are located near the customers' factories, so that we can quickly respond to the customers and meet their needs for rapid transformation.

3. Market position of products

According to the data of Omdia, a market research firm, the Company's polarizer business ranked No.1 globally in the large-size TFT-LCD polarizer market in 2021, with a 25.1% market share, in terms of the area shipped (large-size is defined as 9 inches or larger). In terms of the major application fields, the market share of LCD TV polarizer business and LCD display polarizer business of the Company was 27% and 21% respectively, both ranking first in the world.

4. Key performance drivers

(1) Clear trend of large-sized TV panels

Following the trend of consumption upgrading, the large size screen has become the mainstream development direction of LCD TV. According to Omdia, in the five years from 2022 to 2026, the global average size of LCD TV panels will continue to grow by about 1 inch per year, with the area shipped for LCD panels of 65 inches and above maintaining a CAGR of about 12.1%. It is expected that by 2026, the area shipped for LCD panels of 65 inches or above will account for more than 50% of the world's LCD TV panels. With the development trend of downstream TV panel to large size, polarizer, as an indispensable optical component of LCD TV panel, will also enjoy continuous growth of shipped area.

(2) Strong support from national industry policies

On 31 March 2021, the Ministry of Finance, the General Administration of Customs and the State Administration of Taxation issued the Notice on Import Tax Policy for Supporting the Development of New Display Industries in 2021-2030 (Cai Guan Shui [2021] No. 19), which stipulates that from 1 January

2021 to 31 December 2030, the production enterprises of key raw materials and spare parts (including polarizer, etc.) of the new display industry will be exempted from import tariffs for the self-use productive raw materials and consumables that cannot be produced domestically or whose domestic peer's performance cannot meet the demand, reflecting the national focus on the enterprises producing key raw materials and spare parts for the new display industry. The Company enjoys the duty-free preferential policy for the import of main raw materials of polarizer. The implementation of this policy will effectively reduce the operating cost of the Company and enhance the global competitiveness of domestic polarizer manufacturers.

(3) The shift of panel production capacity, which drives the increase of supporting demand in Mainland China

According to the data of Omdia, in 2021, the LCD panel production capacity in Mainland China accounted for more than 60% of the world. Mainland China has become the largest display panel production base in the world and is expected to account for more than 75% by 2025. With the shift of panel capacity to Mainland China, the demand for upstream raw materials such as polarizers is also rising. Due to low logistics cost, manufacturers located in Mainland China can respond more quickly to the panel manufacturers in Mainland China and better cooperate with panel manufacturers in R&D and production. Therefore, the polarizer manufactures will benefit from the shift of panel capacity.

5. Industry overview

Polarizer is the key raw material for the downstream display panel. In recent years, with the growth of end markets such as TVs, monitors, laptops, tablets and mobile phones, as well as the growing demand of new application markets such as in-vehicle display, medical display, wearable products and smart home, display applications are becoming richer and application scenarios are increasingly diversified. The market size of upstream polarizer industry has exceeded 10 billion dollars.

In recent years, the global display panel industry kept shifting to Mainland China, and the panel production capacity in Mainland China is increasing year by year, driving the demand for upstream raw materials such as polarizers. At present, 45 LCD production lines have been put into production or planned or under construction in Mainland China, and the total polarizer demand is predicted to be more than 600 million square meters according to their production capacity, among which the new production lines are basically Gen 8.5/8.6/10.5/11 and other high generation lines. The demand for polarizer products of 65 inches and above increases significantly, resulting in large gap between supply and demand. In addition, due to low logistics cost, domestic polarizer manufacturers can respond more quickly to the panel manufacturers and better cooperate with panel manufacturers in R&D and production. Therefore, the polarizer localization results in strong supporting demand.

Since the beginning of 2022, under the impact of global inflation, the war between Russia and Ukraine, the continued spread of the epidemic and other factors, the global economic growth has been slowed down. The polarizer end use applications are mostly consumer electronic products, and its demand

is closely related to industry prosperity. With the weakening of downstream panel demand, the upstream polarizer industry has been affected to a certain extent. At present, there is a large gap in the supply of polarizer industry in Mainland China. Under the background of economic downturn, enterprises in Mainland China with policy, geographical and market advantages will be more competitive. Facing the short-term demand decline of the downstream panel industry, as a global polarizer leader, the Company will, based on the core concept of "quality, innovation", maintain and strengthen its global leading edge in polarizer business by constantly improving the product mix, focusing on high value-added products and improving operational efficiency.

II. Analysis on Core Competence during the Reporting Period

Applicable Not applicable

(i) Analysis on core competence of lithium battery materials

The Company began to industrialize anode materials in 1999. With more than 20 years of research and development and industrial production practice in the field of lithium battery materials, it is a pioneer and leader in the lithium battery material industry. Ningbo Shanshan New Material Technology Co., Ltd., subsidiary of the Company engaging in anode materials, was a "National Enterprise Technology Centre", "Enterprise Leading an Individual Field of the Manufacturing Industry". Shanghai Shanshan Technology Co., Ltd. was elected in the third batch of Technologically Advanced "Little Giant" Enterprises in China.

Centering on the customer demand, the Company has built long-term competition advantages in product technology, capacity scale, customer and industrial chain deployment by leading the industry development through technology innovation.

1. Strengthening innovation R&D to build comprehensive product and technology barriers

The Company is the first enterprise engaged in the research and development and production of artificial graphite anode materials for lithium-ion batteries in China, boasting independent core intellectual property rights such as material granulation, surface modification, spheroidization, and heat treatment technologies. After years of high-quality R&D investment and cultivation of independent R&D ability, the Company has developed a comprehensive R&D and innovation system. Our anode material business leads the industry in the research and development of high-end products, graphitization technology, raw material development and evaluation technology, and process equipment development.

In terms of high-end products, the high energy density low expansion technology, fast filling and coating technology, and silicon-based anode precursor synthesis technology independently developed by the Company are in the forefront of the industry. In terms of power products, the Company has broken through the bottleneck of high energy density fast charging technology and developed new generation power products with both high energy density and fast charging, which have been applied to downstream automobile enterprises in batches. In terms of anode materials for consumer electronics, thanks to our unique and continuous innovation of coating technology, deep accumulation in high energy density fast charging application field, our products continued to take a leading position in the mid and high-end consumer anode material market. In terms of silicon-based anode, the Company has broken through the

core technology of mass synthesis of silicon-based anode material precursor and completed the mass production of the second generation of silicon oxygen products, and is now in the process of developing the third generation silicon oxygen products and the new generation silicon carbon products. Our silicon oxygen products have achieved large-scale market applications in the field of consumer and power tools, and passed the product certification of the global high-quality power customers and leading power tool customers. Scale increase is expected.

In terms of graphitization technology, the company has been committed to the improvement and innovation of graphite chemical process. Our box furnace technology leads the industry in quality and cost control, supported by constant process optimization and improvement. The automation of graphitization process of box furnace in Baotou integrated base has been improved, which can effectively save labor cost, improve production efficiency, shorten production cycle, greatly increase the single furnace load, and significantly reduce the power consumption per ton. The new integrated base will adopt new processes, which will greatly enhance the flexibility of the production line to meet the production process needs of different products. In addition, the Company will enhance the innovation and R&D of new graphitization process. The Company has carried out continuous graphitization research and development and testing since 2010. Although it is not yet suitable for large-scale and multi-field scenarios due to the restriction of the upper temperature limit, the Company will continue to develop and improve the continuous graphitization process based on the original research and test work.

In terms of raw material development and evaluation, the Company cooperates with well-known raw coke manufacturers in the industry to develop customized raw coke and consolidate the competitive advantage of products. The Company has developed a rapid evaluation system for raw coke according to the characteristics of coke and the performance of anode materials, which can effectively shorten the time needed for verifying the quality of raw materials through high temperature graphitization in the past, greatly enhancing its rapid product delivery ability.

In terms of new process, the Company has completed the preliminary verification of the continuous granulation and tunnel kiln coating technology, which can further reduce the manufacturing cost and increase the competitive advantage of products on the current basis.

As of 30 June 2022, we have been granted 189 patents for anode materials, covering 151 invention patents and 38 utility model patents, including 2 international patents.

2. Boasting high-quality customer structure

Thanks to the long-term accumulation in lithium battery material field and the high-quality products and technical services, the Company has established long-term stable partnership with global mainstream lithium battery manufacturers, including CATL, LGES, ATL, BYD, Farasis Energy, COSMX, EVE, Sunwoda Electronic, SDI, LISHEN, and SVOLT Energy Technology. Based on market-oriented concept, the Company maintains close business contacts and smooth communication with customers, and keeps close contact with end customers to promote project cooperation with end customers. During the Reporting

Period, the major power customers increased their orders significantly, the concentration of high-quality customers was further improved, and the new generation silicon-based anode products passed the product certification of high-quality power customers at home and abroad and high-quality power tool customers abroad. In the future, the customer structure of the Company will be further optimized.

3. Embracing industry leading capacity scale, enhancing cost advantages through integrated capacity construction

Deeply engaged in the lithium battery material industry for more than 20 years, the Company has a stable industry leading position. During the Reporting Period, the Company had nine major production bases, covering all the processes such as raw material crushing, granulation, graphitization, carbonization and finished product processing. As of the end of the Reporting Period, the Company was expected to have the effective finished product capacity of 180,000 tons, and graphitization capacity of more than 90,000 tons.

On the basis of capacity expansion and technology upgrading in the early stage, the Company has enhanced the construction of integrated bases to achieve continuous cost reduction and efficiency improvement. The company has planned the 100,000-ton, 200,000-ton and 300,000-ton integrated bases in Baotou, Inner Mongolia, Meishan, Sichuan and Anning, Yunnan respectively. The phase 2 production line of the integrated project with annual output of 100,000 tons of anode material in Baotou, Inner Mongolia reached the designed capacity in the first half of 2022, which effectively reduced the cost and improved the profitability and competitive advantage of anode material business thanks to the advantages of local electricity price and the integrated production line in Inner Mongolia. Phase 1 of the integrated project with the output of 200,000 tons of anode material is expected to gradually release graphitization capacity in the third quarter, which will further improve the capacity and graphitization self-supply rate. Anning base is in the smooth progress of the preparation works. When the project is completed, it will enhance the scale and cost advantages of the Company.

In addition, the Company has planned a 40,000-ton silicon-based anode integrated base project in Ningbo, Zhejiang Province, covering the complete process of raw material processing, reaction synthesis, intermediate product processing, surface modification and finished product processing, which will be conducive to the forming of scale advantage in silicon-based anode material integration capacity.

4. Establishing stable cooperation with upstream partners, building core supply chain advantages

The Company enhanced the construction of strategic supply chain and the distribution of resources, screened high-quality suppliers, strengthened the development of customized coke and capacity locking, and built the core competitiveness of supply chain through technical collaboration and win-win cooperation. In the fields of needle coke, petroleum coke, coated asphalt and other major raw materials, the Company carried out all-round strategic cooperation with major suppliers in business, technology and research and development, with an aim to ensure sufficient and cost-effective raw material supply for the strategic planning of anode materials in the next 3 to 5 years. In addition, for the bottleneck processes, the

Company locked external resources in advance through long-term cooperation agreements and equity participation, which effectively guaranteed the security and stability of the supply chain.

(II) Analysis on core competence of polarizer

1. Technology R&D advantages

As the leading enterprise in the polarizer field, the Company has outstanding R&D and technical strength. Relying on the technical research and development experience of LG Chem of more than 20 years in the field of polarizer, we lead the market through the differentiated technologies of polarizer such as ultra-large size, ultra-thin, high contrast and wide viewing angle. The Company has mastered a number of key technologies of polarizer manufacturing process, and constantly develops polarizer innovation technology in the high-end display application fields.

Comprehensive use of optics, chemistry, chemical industry, materials, machinery, and electronics is required for the polarizer production process, which has high capital barriers and technical barriers due to the manufacturing difficulty. As the global leading manufacturer in the polarizer industry, the Company has mastered all the core production processes of polarizer products. In the future, under the trend of increasing diversification of polarizer terminal market demand, the Company will continue to increase research and development investment, and promote technological progress and innovation, in order to improve the global leading edge of the products.

As of 30 June 2022, the Company has applied for more than 1,000 LCD polarizer related patents in South Korea, China, Japan, the United States and other countries around the world, among which 965 patents have been authorized, covering 921 invention patents, 40 utility model patents, and 4 appearance patents, including 773 international patents.

2. Product line advantages

In recent years, the terminal consumer electronic products have shown a development trend of preferring large screens, which raised higher requirements on the size of upstream polarizers. The width of polarizer production line has great influence on the production capacity. The ultra-wide width (refers to the width of above 2 meters) production line is the key factor of competitiveness. With four 2,300mm and one 2,600mm ultra-wide width front end production lines, the Company is the world market leader in ultra-wide polarizer and the first company in the industry to use ultra-wide polarizer production line. The 2600mm ultra-wide width production line is the largest wide width production line in the world, and our production capacity of ultra-wide wide production line is in the leading position in the industry. In addition, the Company has back-end production facilities in several cities across the country, including the industry-leading RTS (roll to sheet) and RTP (roll to panel) production lines.

3. Customer advantages

The downstream customers of the Company generally have a relatively strict supplier certification system, and they will maintain long-term stable cooperation with the enterprises that have passed their

supplier certification. The Company has established long-term deep cooperation and smooth communication with global leading panel manufacturers, such as BOE, CSOT, CHOT, LG Display, Sharp, and HKC. Therefore, we can quickly and efficiently respond to the customer demands and develop new products. Thanks to leading technologies and excellent product qualities, our products and services have been highly appraised and recognized by customers, and we maintain stable supplier and customer relationship.

4. Market advantages

The Company has become the industry leader since 2013, with market share of polarizer business leading the world. According to the data of Omdia, a market research firm, the Company's polarizer business ranked No.1 globally in the large-size TFT-LCD polarizer market in 2021, with a 25.1% market share, in terms of the area shipped. In terms of the major application fields, the market share of LCD TV polarizer business and LCD display polarizer business of the Company was 27% and 21% respectively, both ranking first in the world.

III. Operation Discussion and Analysis

Operation overview

In the first half of 2022, the global macro environment was complex and volatile. Incidents such as the Russia-Ukraine conflict, the FED's monetary tightening and the repeated outbreaks in China caused significant impact on the market. The Company's two core businesses, lithium anode material business and polarizer business, were faced with different opportunities and challenges. Driven by the continuous high prosperity of the downstream NEV industry and the significant increase of demands in energy storage market, the anode material business enjoyed strong demand, but was faced with major challenges, such as significant increase of raw materials and tight graphitization capacity. Due to the decline in prosperity of downstream panel industry, the polarizer business was faced with larger operation pressure. However, the continuous expansion of market share of Chinese panel manufacturers and the large-size development trend in the TV market also brought development opportunities.

Facing complex and changeable operation environment, the Company adhered to the core principle of centering on customer demand and enhanced innovation investment to maintain the leadership of its products; Enhanced supply chain management and deepened upstream and downstream cooperation along the industrial chain to realize coordinated development; And actively promoted lean production to improve operation efficiency and reduce operation costs. During the Reporting Period, the Company maintained robust development. In the first half of 2022, the Company recorded operating revenue of RMB10,771.9342 million, up 8.30% year on year (The small year-on-year growth of the operating revenue was mainly due to the fact that the cathode material business was no longer included in the Company's consolidated statements since 1 September 2021.); Net profit attributable to shareholders of listed company of RMB1,661.1491 million, up 118.65% year on year; Net profit attributable to shareholders of listed company after deducting non-recurring profit and loss of RMB1,420.4702 million, up 96.33% year

on year. The significant growth of our business results was mainly due to the following facts:

(1) Benefiting from the continuous high prosperity of downstream NEV industry, the anode material business of the Company enjoyed strong demand. The Company enhanced the close cooperation with strategic customers. The leading customers increased their orders at a faster pace. The new capacity of phase 2 project of the Company in Baotou was released smoothly. As a result, the shipment of anode materials experienced significant year-on-year growth. During the Reporting Period, the raw material price of anode products increased significantly. The Company ensured robust product unit profitability through various measures, such as strengthening supply chain management, continuous optimization and upgrading of product structure, and improving graphitization self-supply rate.

(2) During the Reporting Period, the Company enjoyed the duty-free preferential policy for the import of main raw materials of polarizer. In addition, through adjusting the product mix, improving operation efficiency and other measures, the Company achieved steady growth of the polarizer business.

(3) The Company obtained the investment income from the disposal of 100% equity of Hunan Yongshan Lithium Industry Co., Ltd during the period.

(I) Lithium battery materials business

1. Anode material business

In the first half of 2022, driven by the strong downstream demand and excellent product performance, the Company's anode material products continued to fall short of demand. In response, the Company optimised the supply chain system to produce at full capacity, which left the Company's anode material products shipment exceeding 80,000 tons during the Reporting Period. The Company's anode material shipment ranks second in the industry, which continues cementing its market leadership, according to ICC lithium-ion Battery.

During the Reporting Period, the anode material business achieved main business revenue of RMB 3,500.0767 million, up 112.66% year on year; Net profit of RMB 426.5345 million, up 61.44% year on year; Net profit attributable to the shareholders of the listed company reached RMB 380.7324 million, up 64.59% year on year. The remarkable year-on-year growth in results mainly benefits from the continuous high prosperity of the new energy vehicle industry and the strong downstream demand of the anode material business. The Company conducted closer cooperation with strategic customers, accelerated the volume of the head customers, superposition the Company's Baotou Phase II new production capacity was released smoothly, and the shipment of anode material increased significantly year on year; In the second quarter of 2022, Inner Mongolia Baotou Phase II increased its capacity, and the Company increased its self-sufficiency rate of graphitization annulus. At the same time, the Company strengthened the supply chain management, raw anode materials saw a great price hike, and graphitization outsourcing processing fees stayed under high pressure. Despite these, the profitability of the Company per ton increased quarter on quarter in the second quarter of 2022.

During the Reporting Period, the Company continued to enhance its competitive edge in the anode material business, specifically:

(1) Stayed committed to products leading the industry by creating a diversified product matrix to build up long-term competitiveness

The Company always puts customer demand at its very core. This means innovating products to create a diversified product mix to cater to the rich market demand. Fast charge anode products with excellent performance in the downstream customer application share increase steadily. Fast charge products of the Company saw a great increase and its shipment accounted for up to some 60%, of which, fast charge products with high capacities have witnessed mass applications in 5C products and power 4C quick charge anode materials have gained momentum and elbowed its way into the head power customer supply chain; Aiming at the energy storage market, the Company has supplied long-term energy storage anode materials with a cycle life of more than 10,000 times to high-quality overseas customers in bulk. Silicon-based anode products have been applied to take the lead to achieve the large-scale market application, with a focus on the silicon oxide and silicon carbon. The second generation of silica products have seen batch shipments, and the third generation of silica and a new generation of silicon carbide products are under research and development. The company silicon-based anode materials have been certified with the global high-quality power customers and global head power tool customers, showing great promise in sales growth.

(2) Sought capacity in the integrated production line and silicon-based anode materials to sharpen its strength incapacity scale

During the Reporting Period, Baotou integration project Phase II in Inner Mongolia reached the designed capacity. Relying on the advantages of the local electricity price and integrated production line in Inner Mongolia, the cost was reduced and the efficiency was increased significantly. The Company during the Reporting Period launched the annual 300,000-ton integration project in An'ning, Yunan and the annual 40,000-ton silicon-based anode materials project in Ningbo in order to better meet the thriving market demand for anode materials and seize the silicon-based anode market development opportunities in the coming years. The former aims to lift the Company's integrated capacity and self-sufficiency in graphitisation to a higher level, lowering costs for better efficiency; The latter enables the Company to seize the market opportunity of the fast-growing silicon-based anode materials market in the future, take the initiative in the anode material technology iteration, and consolidate and enhance its global leadership in the field of high-end anode materials.

(3) Accelerated the efforts in graphitisation capacity to sustain a growing graphitisation self-sufficiency

In the first half of 2022, graphitization supply shortages in the anode materials industry had yet to be mitigated. The Company accelerated the efforts in the increasing capacity of the integration base phase II in Baotou, Inner Mongolia and the construction of the integration base phase I in Meishan, Sichuan in

order to ensure an on-time delivery. As of the end of the Reporting Period, the graphitisation capacity of the base phase II in Baotou, Inner Mongolia has basically reached the designed figure and the graphitisation production line in the integration base phase I in Meishan, Sichuan was expected to be put into production a trial basis in the third quarter of 2022.

(4) Deepened the cooperation with downstream players in the industrial chain

The Company refreshed its efforts in the in-depth cooperation with downstream leading businesses. On 19 April 2022, Ningbo Meishan Free Trade Port Wending Investment Co., Ltd. (a wholly-owned subsidiary of CATL), BYD Company Limited, Ningde New Energy Technology Co., Ltd (ATL). and CNPC Kunlun Capital Co., Ltd. increased the capital in Shanghai Shanshan Lithium Battery Material Technology Co., Ltd. by RMB 650 million. The strategic investors introduced this time are all the leading manufacturers in the upstream and downstream of the anode electrode material industry, which is conducive to the Company's coordinated development with the upstream and downstream for mutual benefit, win-win results and consolidating its core competitiveness.

2. Electrolyte business

In the first half of 2022, the Company's shipment of 6,672 tons of electrolytes, up 26.44% year on year. The shipments increase mainly benefited from the fast-growing downstream new energy vehicles and energy storage market. In the first half of 2022, the Electrolyte business achieved main business revenue of RMB 508.5668 million, up 80.15% year on year; net profit of RMB 113.0314 million, up 127.63% year on year; net profit attributable to the shareholders of the listed company reached RMB 94.8096 million, up 116.83% year on year. The visible year-on-year growth mainly benefited from: 1) The Company's electrolyte sales increased year on year; 2) The price of lithium hexafluorophosphate stayed on the rise in 2021. Although the price has declined this year, it is persistently in a high position compared with the same period last year. The Company's self-produced lithium hexafluorophosphate still excelled in costs, and the gross profit per ton of electrolyte has increased year on year.

In the first half of 2022, the Company's new production capacity project, i.e. 2,000 tons of lithium hexafluorophosphoric, progressed as scheduled and was expected to be put into trial production in the third quarter, which would improve the Company's electrolyte raw material supply.

(II) LCD Polarizer business

During the Reporting Period, benefiting from the preferential policy of duty-free import of major raw materials and product mix adjusting, the business of the Company grew steadily. In the first half of 2022, the sales reached 68.07 million square meters, with main business revenue of RMB 5,727.3275 million, and the net profit attributable to the shareholders of the listed company reached RMB 799.8102 million.

The first half of 2022 saw a forced global economic slowdown and sluggish demand in the panel industry by a combination of global inflation, the Russia-Ukraine conflict and the persistent COVID-19 disruptions. In response to the phasic decline in terminal demand, the Company witnessed a steadily-

operation of polarizer business through technological innovation by further focussing on high-value-added products and strategic markets, and operational efficiency improvement. Specifically:

(1) Invested more in R&D for stronger capacity for independent innovation

The Company proactively promoted the investment in the construction of the global polarizer research and development centre in order to strengthen the research and development strength, build an industry-university-research platform, and constantly promote product innovation. As of the disclosure date of this Report, the project approval of the R&D centre has been completed. Upon completed, the Company would fully have the R&D and production capacity of LCD/OLED polarizer and other products and materials. In terms of material development, the Company introduced environment-friendly adhesive and adhesive technology, focussed on following up the development of cutting-edge technology, and constantly improved the capacity for independent innovation.

(2) Continued to improve its global product competitiveness by focussing on high-value-added products

During the Reporting Period, the Company further enhanced its global competitiveness in products through technological innovation and product mix optimisation. In the field of large-size, the Company continued to strengthen its technical strength in the field of television applications, especially to enhance its competitiveness in the high-end application market. During the Reporting Period, the Company has realized the development and certification of new products for television, such as ultra-low reflection, wide viewing angle and circular polarizers; In addition, the Company has introduced a new compensation film on the TV products, which was certified with customers. This would help the Company to further increase its market share. In the field of medium and small size, the Company has strengthened the development of high-end medium and small polarizers in thin, differentiation, diversification and customization across the board to meet the needs of different customers. During the Reporting Period, the Company has completed the development and certification of more than 100 product models for major customers, and entered the mass production stage. In terms of new products, polarizers for VR and OLED polarizers for mobile phones have been independently developed and were expected to be certified with customers and be produced in large quantities within this year.

(3) LCD polarizer capacity expanded orderly

During the Reporting Period, the Company's production line approached a high activation level by adjusting the product mix in time in line with the market changes and customers' dynamic demands. In addition, the Company's new production line is progressing according to the plan. As of the disclosure date of this Report, the new production line in Guangzhou has achieved trial production, and is now promoting its production line certification and to its designed capacity; the Zhangjiagang production line and Sichuan Mianyang production line are progressing according to the plan.

(4) Continued to improve operation efficiency

The Company improved its operational efficiency remarkably through fine production and cost reforms. During the Reporting Period, the Company ensured a good product yield through efforts in production, management, operation and otherwise, such as continuous improvements and optimisation in automatic inspection machine parameters; reduced its production costs by continuously improving production line speed through equipment improvements and process optimisation; enhanced its competitiveness through the integrated operation among subsidiaries to have in place an interconnected and efficient operation system centred on customer satisfaction for reduced operating costs and optimised overall operation efficiency.

Given the preconditions for the delivery in Taiwan were not met during the effective period, the Company and LG Chem, through consultations between the parties to the transaction, signed a letter of confirmation for the termination of the Taiwan delivery on 1 February 2022. Subsequently, the preconditions for the delivery in Taiwan were fully satisfied. The Company, following the consideration at the General Manager's meeting, re-signed the purchase agreement with LG Chem to continue the acquisition of the LCD polarizer business in Taiwan under the same terms as the previous agreement, to ensure the integrity of the LCD polarizer acquisition assets and business in May 2022. As of the disclosure date of this Report, the Company has closed the LCD polarizer business in Taiwan, China.

(III) Relevant divestiture

The Company continued to implement the focus strategy by focussing on core business development. During the Reporting Period, the Company's charging station business has been disposed of; Photovoltaic module assets and business have signed a strategic framework cooperation agreement with the buyer, and the other party has paid the earnest money and the agreement will be advanced as planned. As of the date of this Report, 51% of the energy storage assets have been transferred.

Material changes in the Company's operating situation during the Reporting Period, and matters occurring during the Reporting Period that have a significant impact on the Company's operating situation and are expected to have a significant impact in the future

Applicable Not applicable

Issuance of GDRs and listing in the Swiss Stock Exchange

The Company plans to issue GDRs overseas and get listed on the Swiss Stock Exchange within the Reporting Period, and to complete the GDR issuance and listing on 28 July 2022 in order to expand its international financing channels, meet the needs of its business development at home and abroad, and enhance its international brand and corporate image.

The number of GDRs issued by the Company is 15,442,300, representing 77,211,500 A shares of the underlying security, raising approximately USD 319 million. The proceeds will be used to further improve the R&D, production and sales system of lithium-ion battery anode materials and LCD polarizer business, repay the loan, top up working capital and general corporate purposes, etc.

For details, please see the relevant announcement of the Company published on the website of the Shanghai Stock Exchange.

2022 share options and restricted share incentive plan

The Company implemented the 2022 Equity Incentive Plan during the Reporting Period in order to further improve its long-term incentive mechanism, give full play to its directors, subsidiaries, main management personnel and the core technical staff initiative, enthusiasm and creativity, improve team cohesion, keep the enterprise vitality and its staff interests and the interests of the company and shareholders more closely together, make the common concerns and promote its long-term sustainable development. As of the end of the Reporting Period, the Company has completed the registration of the first grant of stock options and restricted stock under the 2022 Equity Incentive Plan.

For details, please see the relevant announcement of the Company published on the website of the Shanghai Stock Exchange.

IV. Operation Situation of the Principal Business during the Reporting Period

(I) Analysis of principal businesses

1 Analysis of changes in relevant items in the financial statements

Unit: Yuan Currency: RMB

Item	Amount for the current period	Amount for the same period last year	Change ratio (%)
Operating income	10,771,934,205.15	9,946,665,453.42	8.30
Operating costs	8,040,184,170.75	7,593,785,326.39	5.88
Selling expenses	131,521,596.30	113,511,778.02	15.87
Administrative expenses	405,207,730.30	371,474,538.96	9.08
Financial expenses	376,621,067.13	342,590,378.96	9.93
Research and development expenses	419,296,358.56	353,042,165.13	18.77
Net cash flow from operating activities	1,560,449,276.28	-	N/A
Net cash flows from investment activities	-3,858,715,569.46	-	N/A
Net cash flow from financing activities	-1,708,344,209.76	7,203,459,475.50	-
Effect of foreign exchange rate changes on cash and cash equivalents	16,788,635.10	-8,275,805.88	N/A
Gains (losses) from changes in fair value		491,075.60	-
Credit impairment loss	-15,528,776.65	-162,541,564.43	N/A
Impairment losses on assets	-33,759,551.74	5,856,167.77	-676.48
Gain on disposal of assets	4,082,280.29	-3,398,670.76	N/A
Non-operating income	11,138,118.11	3,534,628.21	215.11
Investment income	655,726,177.29	72,239,129.86	807.72
Income tax expenses	316,211,188.83	223,845,459.20	41.26
Net profit attributable to owners of parent company	1,661,149,050.47	759,726,411.65	118.65
Profits and losses attributable to minority interests	67,097,205.64	117,740,896.42	-43.01

Reasons for over-30% changes year on year

Reasons for the change in net cash flows generated by operating activities: it was mainly because of the net cash inflow of the LCD polarizer business was RMB 1.708 billion during the Reporting Period. The LCD polarizer company's operation and development was stable and sound, thanks to its good

customer mix, stable payment collection, and the inventory is maintained at a reasonable level to meet its operations; The net operating cash flow of LCD polarizer business in the same period last year was RMB -1.765 billion, mainly due to its completion of shareholding rights transfer in February 2021. Due to the low level of raw material inventory before the transfer, the Company supplemented its raw material inventory after the transfer.

Reasons for the change in net cash flow generated by financing activities: it was mainly because of the repayment of a loan of RMB 600 million by the Company during the Reporting Period; The Company received a net bank loan of nearly RMB 7.6 billion in the same period last year.

The reason for the effect of foreign exchange rate changes on cash and cash equivalents: it was mainly impacted by the change in foreign exchange rates.

The reason for the change in profit and loss from changes in fair value was: that the Company had no trading financial assets during the Reporting Period.

Reasons for the change in credit impairment loss: it was mainly because the Company completed the acquisition of the LCD polarizer business in February 2021, and accrued corresponding impairment loss according to the balance of risk assets in the first half of 2021. At the end of the period, the Company made a supplementary withdrawal or write-back on the basis of the impairment of the risk assets already drawn at the end of last year, so the amount accrued decreased compared with that of last year; At the same time, BASF Shanshan was no longer included in the consolidation during the Reporting Period.

Reasons for the change in asset impairment loss: it was mainly because that at the end of the Reporting Period, the LCD polarizer business had recorded impairment loss on inventory of RMB 57.92 million; In February 2021, the Company completed the acquisition of LCD polarizer business. In the same period last year, the LCD polarizer business set aside a provision for inventory impairment of RMB 17.14 million, while BASF Shanshan made a reversal of provision for inventory impairment of RMB 23 million.

The reason for the change in asset disposal income: it was mainly because that during the Reporting Period, the subsidiary Shanghai Capenergy Technology Co., Ltd. gained an income of RMB 5.67 million from the disposal of intangible assets patent, while in the same period last year, it was mainly due to the loss of RMB 2.0906 million from the disposal of fixed assets of Ningbo Shanshan New Materials Technology Co., Ltd.

The reason for the change in non-operating income: it was mainly because the Company received an insurance claim of RMB 8.688 million during the Reporting Period.

Reasons for the change in investment income: it was mainly because that during the Reporting Period, the Company recognised BASF Shanshan's investment income of RMB 388 million in the equity method; the Company transferred Hunan Yongshan equity and recognized an investment income of RMB 183 million.

The reason for the change in income tax: it was mainly because of increased income tax as the LCD polarizer business and the anode material business grew year on year during the Reporting Period.

The reason for the change in net profit attributable to the owner of the parent company: it was mainly because that during the reporting period, the production, sales and operating results of the lithium-

ion battery business increased year on year; the LCD polarizer business developed steadily with a higher results contribution; During the same period, the Company disposed of the 100% equity of Hunan Yongshan to obtain a corresponding investment income.

The reason for the change in profit and loss of minority shareholders: it was mainly because that during the Reporting Period, the Company conducted equity accounting for BASF Shanshan. In the same period of last year, as a subsidiary, there was profit and loss of minority shareholders.

2 Detailed description of the significant change in the business type, profit composition or profit source of the Company

Applicable Not applicable

In September 2021 and January 2022, the Company completed the sale of part of the equity of Shanshan Energy, a subsidiary engaged in the anode materials business, and 100% of the equity of Hunan Yongshan, an upstream subsidiary engaged in the lithium salt manufacturing business. In 2022, the Company's business focused on lithium-ion battery anode materials and LCD polarizers.

In the first half of 2022, the Company realized a net profit attributable to shareholders of the listed company of RMB 1,661.1491 million, an increase of RMB 901.4226 million year on year; and a net profit attributable to shareholders of the listed company after deducting non-recurring profit and loss of RMB 1,420.4702 million, an increase of RMB 696.9646 million year on year. The significant increase in the year-on-year results mainly benefited from:

1. In the current period, the new energy vehicle industry stayed in high prosperity, and the downstream demand for anode materials business saw a boom. The Company continued to strengthen the close cooperation with strategic customers, accelerate the volume of head customers, plus the Company's Baotou Phase II new production capacity was released smoothly, and the shipment of anode materials increased significantly year on year; During the Reporting Period, the price of anode materials increased sharply. The Company ensured the robust unit profitability of products by strengthening the supply chain management, constantly upgrading the product mix, increasing graphitization self-supply rate and other measures. During the Reporting Period, the net profit attributable to shareholders of the listed company was RMB 380.7324 million, an increase of RMB 149.4142 million year on year.

2. In the current period, the Company's LCD polarizer business operated steadily with a greater result contribution. During the Reporting Period, the LCD polarizer business recorded a net profit attributable to shareholders of the listed company of RMB 799.8102 million.

3. The non-recurring profit and loss was RMB 240.6788 million, an increase of RMB 204.4580 million year on year. It was mainly because the Company disposed of the 100% equality in Hunan Yongshan and obtained the investment returns during the Reporting Period.

(II) Description of significant change in profit caused by non-principal business

Applicable Not Applicable

(III) Analysis of assets and liabilities

Applicable Not applicable

1. Assets and liabilities

Unit: RMB

Item	Amount at the end of the period	Proportion of the amount at the end of the period in total assets (%)	Amount at the end of the previous year	Percentage of the amount at the end of the previous year in total assets (%)	Change ratio of amount at the end of the period compared with that of the end of last year (%)	Explanation
Cash at bank and on hand	6,155,833,091.13	14.55	9,294,961,367.71	23.07	-33.77	It was mainly because that during the Reporting Period, the Company used the RMB 3.034 billion of non-public raised funds obtained at the end of last year to replace the self-raised funds invested in the earlier acquisition of Shanjin Optoelectronics, repay the merger and acquisition loans, ordinary loans and pay all kinds of taxes on equity transfer.
Notes receivable	92,202,398.62	0.22	34,666,107.26	0.09	165.97	It was mainly because that during the Reporting Period that the sales of major customers in the anode materials business and notes receivables increased; In addition, the LCD polarizer business received infrastructure subsidies in the form of bills from Zhangjiagang Municipal People's Government.
Prepayments	1,456,727,889.48	3.44	837,233,585.18	2.08	73.99	It was mainly because that during the Reporting Period, the capacity of the anode material graphite was tight, and the Company increased the graphitization prepayment and the project deposits in advance for securing volume.

Dividend receivable	11,179,616.13	0.03	492,116.13	0.00	2171.74	It was mainly because that during the Reporting Period, a stock bonus of RMB 10.6875 million of Luoyang Molybdenum was recognized.
Other receivables	547,995,102.75	1.30	346,958,862.10	0.86	57.94	It was mainly because that during the Reporting Period, the Company had a receivable of RMB 230 million from the transfer of its wholly-owned subsidiary Hunan Yongshan.
Inventory	4,782,364,582.55	11.31	3,043,029,566.06	7.55	57.16	It was mainly because that during the Reporting Period, the stock volume increased sharply due to the Company expanding its capacity in response to the fast-growing lithium anode material industry and the increasing market demand plus the 2-3-month-long production cycle.
Non-current assets due within one year	32,961,420.70	0.08	58,264,962.45	0.14	-43.43	This was mainly because that during the Reporting Period, the withdrawal of the charging station business segment from the scope of consolidation, resulting in a decrease in the balance of long-term receivables due within one year.
Other current assets	291,884,164.41	0.69	758,646,380.73	1.88	-61.53	It was mainly because that during the Reporting Period, the LCD polarizer business VAT credit rebate and export tax rebate reduced the retained input tax reduction at the end of the period.
Other non-current financial assets	200,104,599.78	0.47	102,604,599.78	0.25	95.02	It was mainly because of an investment of RMB 97.50 million in fund partnership enterprises by the Company's subsidiary Ningbo Shanshan Venture Capital Co., Ltd. during the Reporting Period.

Construction in progress	3,138,991,334.04	7.42	2,022,341,380.07	5.02	55.22	It was mainly because of an investment of RMB 1.077 billion in the lithium-ion battery anode material project in Meishan, Sichuan during the Reporting Period.
Other non-current assets	611,566,921.99	1.45	202,053,956.06	0.50	202.68	It was mainly because of the increase in repayments for projects and equipment for lithium-ion battery anode materials during the Reporting Period compared to the beginning of the year.
Notes payable	2,340,080,402.11	5.53	1,250,062,984.06	3.10	87.20	It was mainly because that during the Reporting Period, the lithium battery business is mostly paid in the form of direct endorsement of notes receivable.
Employee benefits payable	86,528,282.81	0.20	195,657,895.94	0.49	-55.78	It was mainly because of the provision of performance bonuses and sales commissions of all kinds by its subordinate companies last year during the Reporting Period.
Tax payables	205,705,282.81	0.49	722,837,474.19	1.79	-71.54	It was mainly because that during the Reporting Period, the Company paid the income tax of RMB 372 million from the transfer of 19.6438% of Shanshan Energy's equity in 2021 and the enterprise income tax of its subordinate industrial companies accrued at the end of last year.
Dividend payable	701,360.00	0.00	10,436,999.41	0.03	-93.28	It was mainly because of the paid dividends to minority shareholders of the Company during the Reporting Period.
Long-term payable	1,290,444,662.33	3.05	2,329,233,515.94	5.78	-44.60	This was mainly due to the adjustment of the investment amount

						due to LG polarizer business within one year to the account of "non-current liabilities within one year" during the Reporting Period.
Other current liabilities	103,673,522.37	0.25	152,672,564.23	0.38	-32.09	It was mainly because the Company's payment of financial lease mature of RMB 41.40 million during the Reporting Period.
Deferred income tax liabilities	538,393,598.89	1.27	380,071,327.43	0.94	41.66	It was mainly because that during the Reporting Period, the LCD polarizer business recorded the equipment and appliances below RMB 5 million as one-time cost expense and deducted before income tax, which increased the deferred income tax liability.

2. Overseas assets

Applicable Not applicable

(1) Asset size

Among which, overseas assets were 353,277,744.97 (Unit: Yuan Currency: RMB), accounting for 0.84% of the total assets.

(2) Description of the relatively high proportion of overseas assets

Applicable Not Applicable

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

Applicable Not applicable

As of the end of the Reporting Period, the assets whose ownership or use is restricted are referred to “61. Assets with restricted ownership or use right” in note “VII. Notes to Consolidated Financial Statement Items”

(IV) Analysis of investment

1. Overall analysis of external equity investments

Applicable Not applicable

During the Reporting Period, the Company's foreign investment was RMB 3,997.60 million, a year-on-year decrease of RMB 5,480.4850 million or 57.82%. Important investment projects are as follows:

Invested company name	Invested amount during the Reporting Period (RMB0'000)	Main business	Equity ratio (%)	Remark
Shanghai Shanshan Lithium Battery Material Technology Co., Ltd.	240,000.00	Anode	87.077	Capital increase
Chenzhou Shanshan New Material Co., Ltd.	10,000.00	Anode	87.077	Capital increase
Inner Mongolia Shanshan Technology Co., Ltd.	30,000.00	Anode	87.077	Capital increase
Yunnan Shanshan New Material Co., Ltd. (云南杉杉新材料有限公司)	1,000.00	Anode	87.077	Investment in New subsidiaries
Sichuan Shanshan New Material Co., Ltd.	70,000.00	Anode	87.077	Capital increase
Shanghai Shanshan New Material Co., Ltd.	46,000.00	Anode	87.077	Capital increase
Jiangxi Zhanxiao New Energy Technology Co., Ltd.	1,760.00	Equity investments	26.830	Investment
Ningbo Haoheng Trading Co., Ltd. (宁波浩衡贸易有限公司)	1,000.00	management	100.000	Investment in New subsidiaries
Total	399,760.00			

(1) Significant equity investments

□Applicable √Not Applicable

(2) Major Non-equity Investment

√Applicable □Not applicable

Project name	Item Amount (RMB0'000)	Investment in the year (RMB0'000)	Total investments (RMB0'000)	Source of funds	Progress of project	Projected income
Integration project (phase II) of lithium-ion material anode materials in Baotou, Inner Mongolia	153,468.00	25,383.15	96,970.78	Self-raised funds	The project has been put into production	The estimates show that the pay-off period of the project (after tax, construction period inclusive) is some 5.2 years, and some 34.9% in IRR (after tax).
The annual 200,000-ton integration project for lithium-ion material anode materials in Meishan, Sichuan	800,000.00	170,791.98	190,399.05	Self-raised funds	In the civil construction and equipment installation phase of some works	The estimates show that the pay-off period of the project (after tax, construction period inclusive) is some 8.6 years, and some 20.6% in IRR (after tax).
The annual 300,000-ton integration project for lithium-ion material anode materials in An'ning, Yunan	970,000.00	48.76	48.76	Self-raised funds	Ground levelling, energy assessment, environmental assessment, general contract design, graphitization design and others are in progress.	The estimates show that the pay-off period of the project (after tax, construction period inclusive) is some 7.7 years, and some 23.6% in IRR (after tax).
Annual 40 million-square-meter LCD polarizer production line project in Zhangjiagang	218,700.00	18,701.45	29,133.67	Self-raising +registered capital	The main structure construction is in progress	The estimates show that the pay-off period of the project (after tax, construction period inclusive) is some 7.6 years, and some 13.98% in IRR (after tax).
Annual 50 million-square-meter LCD polarizer production line project in Mianyang	350,000.00	34.77	5,625.34	Self-raising +registered capital	The ground has been levelled, and preparations for the construction of main workshops are underway	The estimates show that the pay-off period of the project (after tax, construction period exclusive) is some 5.9 years, and some 14.06% in IRR (after tax).

(3) Financial assets measured by fair value

√Applicable □Not applicable

Equity in other listed companies

Unit: Yuan Currency: RMB

Stock code	Securities Abbreviation	Initial investment costs	Proportion of equity in the company(%)	Ending book value	Profit or loss during the Reporting Period	Changes in ownership equity	Accounting item
ASX:HRR	Heron Resources Limited	16,473,554.10				-251,006.72	Other equity instruments

TSX:DEFI	DEFI TECHNOLOGIES INC	9,155,041.01		515,244.24		-3,440,360.39	Other equity instruments
ASX:ARL	ARDEA RESOURCES LTD			4,177,866.92		1,612,020.50	Other equity instruments
ASX:GRL	GODOLPHIN RESOURCES LTD(GRL AT)			123,946.59		-90,039.74	Other equity instruments
ASX:KAL	KALGOORLIE GOLD MINING LTD ORDINARY SHARES(KAL AU)			137,016.59		-68,072.53	Other equity instruments
ASX:IMC	Morella Corporation Limited	225,883,583.93		35,407,710.22		-2,143,740.24	Other equity instruments
603993	Luoyang Molybdenum	573,000,000.00	0.69	859,500,000.00	10,687,500.00	27,562,500.00	Other equity instruments
Total		824,512,179.04		899,861,784.56	10,687,500.00	23,181,300.88	

(V) Disposal of major assets and equity interest

√Applicable □Not applicable

Sale of 100% equity interest in Hunan Yongshan

On 6 January 2022, the Twenty-four Meeting of the Tenth Session of the Board of Directors and the Fifteen Meeting of the Tenth Session of the Supervisory Committee of the Company deliberated and approved the "Proposal on Selling 100% Equity Interest in Hunan Yongshan Lithium Industry Co., Ltd. and Related Transaction" (For details, please see the relevant announcement issued by the Company on 7 January 2022). The asset sale aims to further deepen the Company's specialized development strategy, focus on the development of LCD polarizer and the lithium battery anode materials business, optimise the allocation of resources, and enhance the Company's core competitiveness. This transaction will not have a material adverse impact on the Company's production, operation or financial conditions.

On 25 January 2022, this equity transfer completed the industrial and commercial change registration. From January 2022, Hunan Yongshan is no longer included in the Company's consolidated statements.

(VI) Analysis of major companies in which the company has invested

√Applicable □Not applicable

Unit: Yuan Currency: RMB

Holding subsidiary	Main operations	Registered capital	Equity ratio (%)	Total ending assets	Ending net assets	Operating revenue during the Reporting Period	Profit during the Reporting Period
Shanjin Optoelectronics (Suzhou) Co., Ltd.	Production, processing and R&D of LCD polarizers	USD 1.1 billion	100.00	766,004.07	712,549.37	5,334.58	1,468.33
Shanjin Optoelectronics (Guangzhou) Co., Ltd.		170,000.00	100.00	560,982.84	245,392.41	234,837.40	27,131.83
Shanjin Optoelectronics (Nanjing) Co., Ltd.		380,000.00	100.00	736,202.04	520,721.52	425,121.65	50,745.59

Shanjin Optoelectronics (Beijing) Co., Ltd.		9,072.61	100.00	38,626.68	26,913.70	33,684.56	3,368.78	
Shanjin Optoelectronics Technology (Zhangjiagang) Co., Ltd.		90,000.00	100.00	53,196.64	39,497.79		-149.72	
Shanjin Optoelectronics (Mianyang) Co., Ltd.		100,000.00	100.00	25,750.71	25,749.12		-75.03	
Shanghai Shanshan Lithium Battery Material Technology Co., Ltd.	R&D, production and sale of lithium-ion battery anode materials and carbon materials	118,200.00	87.0770	583,073.07	583,073.07		-0.16	
Ningbo Shanshan New Material Technology Co., Ltd.		230,000.00	87.0770	536,064.19	246,622.27	152,320.32	3,276.60	
Shanghai Shanshan Technology Co., Ltd.		30,000.00	87.0770	119,397.47	54,636.24	63,750.77	4,060.41	
Chenzhou Shanshan New Material Co., Ltd.		20,000.00	87.0770	69,519.51	30,854.63	28,926.68	2,563.23	
Fujian Shanshan Technology Co., Ltd.		20,000.00	87.0770	72,687.84	31,175.65	63,718.92	4,448.17	
Huzhou Shanshan New Energy Technology Co., Ltd.		6,000.00	87.0770	35,637.97	14,786.95	41,225.16	2,045.18	
Shanghai Shanshan New Material Co., Ltd.		100,000.00	87.0770	290,378.74	133,503.22	374,484.75	12,100.19	
Inner Mongolia Shanshan Technology Co., Ltd.		130,000.00	87.0770	353,400.38	144,769.21	203,949.88	4,753.74	
Inner Mongolia Shanshan Material Technology Co., Ltd.		5,000.00	87.0770	7,572.50	7,154.51		1,064.96	
Inner Mongolia Shanshan New Material Co., Ltd.		40,000.00	87.0770	109,941.52	54,470.04	28,900.85	8,505.89	
Sichuan Shanshan New Material Co., Ltd.		120,000.00	87.0770	286,887.46	118,067.99		-100.41	
Yunnan Shanshan New Material Co., Ltd. (云南杉杉新材料有限公司)		50,000.00	87.0770	1,043.23	992.78		-7.22	
Dongguan Shanshan Battery Material Co., Ltd.		R&D, production and sale of lithium-ion battery electrolyte	10,000.00	100.00	34,113.97	21,451.08	14,297.69	1,249.14
Shanshan New Material (Quzhou) Co., Ltd.			26,405.00	82.25	106,397.71	63,394.86	46,354.72	10,265.82
Ningbo Shanshan Venture Capital Investment Co., Ltd.	Start-up investment and industrial investment	100,000.00	100.00	201,012.22	193,715.28		1,896.38	
Ningbo Ulica Solar Energy Co., Ltd.	Manufacturing, processing and	15,000.00	90.035	142,226.85	22,807.88	73,882.81	1,787.21	

	sale of wind power and solar power generation equipment and accessories as well as semiconductor materials						
Shareholding subsidiary	Main operations	Registered capital	Equity ratio(%)	Total assets	Assets (net)	Operating income	Net profit
BASF Shanshan Battery Materials Co., Ltd.	R&D, production and sale of lithium-ion battery cathode materials	57,884.55	49.00	868,133.57	531,171.03	427,601.91	79,278.13
Zhejiang Chouzhou Commercial Bank Co., Ltd.	Raise public deposits, issue loans and handle domestic settlement, etc	350,000.00	7.06	28,153,619.70	2,237,905.01	378,374.46	89,005.16

(VII) Structured entities under the control of the Company

Applicable Not Applicable

V. Other Disclosure**(I) Potential risk exposures**

Applicable Not applicable

1. Policy risks

The core business of the Company are all the key industries supported by the State, and the relevant policies of the State on lithium-ion batteries and the LCD polarizer industry will somewhat affect the Company's operation.

Countermeasures: to improve profitability through continuous technological innovation to address the impact of the adjustment in State's support policies; Continue to pay attention to the relevant policies of the national and local governments, conduct sufficient research and demonstration in the industrial input, and timely adjust the business input to reduce the impact of uncertainty caused by policy fluctuations; Timely introduction of external capital to realize complementary advantages and share investment risks.

2. Market competition risks

With the support of the State for the new energy industry, new players are attracted to enter and compete in the lithium battery material industry through direct investment, industrial transformation or merger and acquisition. At the same time, the existing lithium battery material enterprises have expanded their capacity, leaving the market competition progressively fiercer. In case of future weaker-than-expected market demand, the market may suffer from structural and staged overcapacity, alongside the increasingly fierce market competition.

LCD polarizers may suffer a price reduction due to the overcapacity left by the mass production of domestic high-generatrix LCD panels. This is worsened by the competition from its rivals.

Countermeasures: to address the risk of increasing market competition, the Company will continue to enhance its competitiveness by relying on technological innovation, product upgrading and fine management.

3. Risks of fluctuations in raw material prices

The main raw materials for the lithium-ion battery anode material business of the Company include petroleum coke and needle coke, and the cost of raw materials comprises a large proportion of its production cost. The price fluctuation of the above raw materials will have a great impact on the production and operation of the Company.

LCD polarizer raw materials are mainly concentrated in relevant enterprises in Japan and South Korea, especially PVA films and TAC films. The possible great change to the operation of upstream raw material or the foreign trade environment will add to the uncertainty for the Company's production and operation in the LCD polarizer business.

Countermeasures: to track the price fluctuation of upstream raw materials in real time, deepen the cooperation with upstream raw material suppliers, and optimise the supply chain system, so as to secure the Company's raw materials supply chain and reduce the risk of cost fluctuations.

4. Risks of development of new products and technologies

Lithium-ion batteries, the secondary battery most widely used, are subject to fast technological upgrades and unpredictable development trends. If other types of batteries, such as fuel batteries, lithium-sulfur batteries, solid-state batteries, and supercapacitor batteries make revolutionary developments by overcoming major problems in current applications, and the Company's failure to grasp the relevant technologies, the Company's market position and profitability may suffer.

LCD trends in the flat panel display industry at present, but the advancing new display technologies such as OLED and Micro LED may pose a challenge to the LCD position, thus contracting the demand and profit space of the Company's LCD polarizer business.

Countermeasures: The Company will keep pace with the cutting-edge technology and development trend of the industry, timely grasp the market information, and reserve the relevant cutting-edge technology to cope with the replacement risk imposed by technological updates.

5. Exchange rate risks

As part of the Company's procurement and sales come from overseas, the settlement with overseas payment channels involves USD, Euro and other currencies. This may come with some exchange rate risk.

Countermeasures: to keep an eye on the exchange rate dynamics, take into account the corresponding exchange rate fluctuation risks in signing contracts, and use relevant financial instruments reasonably and prudently to avoid exchange rate risks.

(II) Other disclosure

Applicable Not Applicable

Section IV Corporate Governance

I. Shareholders' General Meetings

Meeting	Date of Meeting	Websites designated for publishing the voting results	Date of publication of voting results	Meeting resolution
The first Extraordinary General Meeting for 2022	14 March 2022	Website of the SSE at http://www.sse.com.cn	15 March 2022	For details, please refer to the relevant announcements of the Company released on the designated information disclosure media and the website of the SSE.
Annual General Meeting for 2021	10 May 2022	Website of the SSE at http://www.sse.com.cn	11 May 2022	

Preferred shareholders whose voting rights have been restored requested an Extraordinary General Meeting

Applicable Not Applicable

Particulars of general meetings

Applicable Not applicable

About the additional interim proposal in the 2021 Annual General Meeting of Shareholders

On 20 April 2022, the Company announced the convening of the 2021 Annual General Meeting of shareholders. On 26 April 2022, Shanshan Group, the controlling shareholder of the Company, proposed in writing to the Board of Directors to submit the *Proposal on the Project of Ningbo Shanshan's Subsidiary to Invest in the Construction of lithium-ion Battery Anode Material Integration Base* as a provisional proposal to the 2021 Annual General Meeting of the Company for deliberation. The Board of Directors of the Company has made an announcement in accordance with the relevant provisions of the *SSE Guidelines No.1 on the Application of Self-Regulation Rules for Listed Companies -Regulated Operations*. For details, please refer to the Company's announcement on the website of the Shanghai Stock Exchange on 27 April 2022.

II. Change of the Directors, Supervisors And Senior Management of the Company

Applicable Not Applicable

Name	Title	Change
Yang Feng	Deputy general manager	Resigned

Description of the change of the directors, supervisors and senior management of the Company

Applicable Not Applicable On 9 February 2022, the Board of Directors of the Company received the Resignation Report from Mr. Yang Feng, a director and deputy general manager of the Company. For work reasons, Mr. Yang Feng applied for resignation from the position of deputy general manager of the Company and remained as a director of the Company.

III. Plan of Profit Distribution or Capitalisation of Surplus Reserve

The interim plan for profit distribution and capitalisation of capital reserves

Whether distributed or capitalised	No
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IV. Share Option Incentive Scheme, Employee Share Scheme or Other Employee Incentives And Their Impact

(I) Related matters under the Equity incentive schemes which were disclosed in the extraordinary announcements and had no further progress or change in implementation

Not Applicable Not applicable

Item Overview	Resolutions are publicized
<p>On 23 February 2022, the Twenty-fifth Meeting of the Tenth Session of the Board of Directors and the Sixteenth Meeting of the Tenth Session of the Supervisory Committee of Ningbo Shanshan Co., Ltd. were held to consider and approve the <i>2022 Stock Option and Restricted Share Incentive Plan (Draft) of Ningbo Shanshan Co. Ltd.</i> and other related proposals.</p> <p>On 14 March, the Company held the First Extraordinary General Meeting of Shareholders of 2022 and considered and approved the above proposal.</p> <p>On 18 March, the Company held the Twenty-sixth Meeting of the Tenth Board of Directors and the Seventeenth Meeting of the Tenth Supervisory Committee, and considered and passed the <i>Proposal on Adjusting the List of Incentive Recipients of the Company's 2022 Stock Option and Restricted Share Incentive Plan</i>, and the <i>Proposal on the First Grant of Stock Options to Incentive Recipients under the Company's 2022 Stock Option and Restricted Share Incentive Plan</i>. On 5 May, the Company completed the registration of the aforesaid first grant of stock options in the Shanghai Branch of CSDC.</p> <p>On 26 May, the Company held the Thirtieth Meeting of the Tenth Board of Directors and the Twentieth Meeting of the Tenth Supervisory Committee, and considered and passed the <i>Proposal on Adjusting the Exercise Price of Stock Options and Canceling Some Stock Options under the Company's 2022 Stock Option and Restricted Share Incentive Plan</i>, the <i>Proposal on Adjusting the Exercise Price of Stock Options and Canceling Some Stock Options under the Company's 2022 Stock Option and Restricted Share Incentive Plan</i>, and the <i>Proposal on the First Grant of Restricted Share to Incentive Recipients under the Company's 2022 Stock Option and Restricted Share Incentive Plan</i>. On 6 June and 21 June, the Company completed the above-mentioned registration matters concerning the first grant of restricted share, the change in the exercise price of stock options and the cancellation of some stock options at the Shanghai Branch of CSDC respectively</p>	<p>For details, please refer to the relevant announcements of the Company released on the designated information disclosure media and the website of the SSE on 24 February 2022, 15 March 2022, 22 March 2022, 7 May 2022, 27 May 2022 and 8 June 2022.</p>
<p>On 26 May 2022, the Company held the Thirtieth Meeting of the Tenth Board of Directors and the Twentieth Meeting of the Tenth Supervisory Committee, and considered and passed the <i>Proposal on Adjusting the Exercise Price of Stock Options</i></p>	<p>For details, please refer to the relevant announcements of the Company</p>

under the Company's 2019 Stock Option Plan. On 21 June, the Company completed the registration of the change in the exercise price of the above stock options in the Shanghai Branch of CSDC.

released on the designated information disclosure media and the website of the SSE on 27 May 2022.

(II) Incentives undisclosed in or subsequent to the extraordinary announcements

Share option incentive scheme

Applicable Not Applicable

Other notes

Applicable Not Applicable

Employee share scheme

Applicable Not Applicable

Other incentives

Applicable Not Applicable

Section V Environmental and Social Responsibility

I. Environmental Protection Information

(I) Explanation on environmental protection efforts of the highly polluting companies and their major subsidiaries as announced by the environmental protection authorities

√ Applicable □ Not applicable

1. Pollutant discharge

√ Applicable □ Not applicable

Company name	Shanghai Shanshan Tech Co., Ltd.	Inner Mongolia Shanshan Technology Co., Ltd.	Inner Mongolia Shanshan New Material Co., Ltd.	Shanjin Optoelectronics (Nanjing) Co., Ltd.	Shanshan New Materials(Quzhou) Co., Ltd.
Name of the Major Pollutants and Specific Pollutants	Particulate matter (waste gas)	Sulfur dioxide, nitrogen oxide, particulate matter, non-methane total hydrocarbon, asphalt fume, benzopyrene	Particulate matter, sulfur dioxide, non-methane total hydrocarbon, benzo[a]pyrene, nitrogen oxide, asphalt fume, ammonia nitrogen, chemical oxygen demand	Waste gas (non-methane total hydrocarbon, particulate matter, nitrogen oxide, sulfur dioxide), waste water (pH, COD)	Waste gas (HF, HCL, lipid-containing waste gas), waste water (COD, ammonia nitrogen), solid waste
Discharge Method	15m emission High-altitude emission through chimney	After the waste gas is treated at the tail gas station, the qualified gas is emitted into the atmosphere, and kitchen waste water passes through the grease trap before being sent to the park for purification through the pipe network together with domestic waste water (indirect discharge)	Waste gas is collected and purified before being discharged into the ambient air, kitchen waste water passes through the grease trap before being sent to the park for purification through the pipe network together with domestic waste water (indirect discharge)	Directly discharged into the atmosphere after meeting the standards through pollution treatment facilities	1. Waste gas is discharged after water washing, alkali washing or adsorption column activated carbon adsorption; 2. Production waste water is discharged to the park's waste water treatment plant after pretreatment, and domestic waste water is discharged to the park's domestic sewage pipeline. 3. Solid waste is entrusted to qualified disposal units for disposal.
Number and distribution of discharge outlets	Discharge outlets (5): workshop 2 (1), workshop 3 (2), workshop 4 (2)	8 discharge outlets in total. Distribution: one for each of the five drying ovens, one for the modification process, one for the natural gas boiler, and one for the carbonization tail gas	The plant currently has 2 waste gas discharge outlets (DA001, DA002) (both located on the west side of the graphitisation workshop) and 1 sewage outlet (DW001) (located on the west side of workshop 2)	23 discharge outlets for waste gas, 1 for waste water, and 2 for rainwater	There are three waste gas discharge outlets: one for the lithium hexafluorophosphate workshop, one for the barrel washing workshop, and one for the organic product workshop; one waste water discharge outlet (the Company's sewage treatment station); one rainwater discharge outlet (at the northwest corner of the western zone of the Company); and one domestic sewage discharge outlet (at the northwest corner of the Company's canteen).

Company name	Shanghai Shanshan Tech Co., Ltd.	Inner Mongolia Shanshan Technology Co., Ltd.	Inner Mongolia Shanshan New Material Co., Ltd.	Shanjin Optoelectronics (Nanjing) Co., Ltd.	Shanshan New Materials(Quzhou) Co., Ltd.
Emission concentration and total amount	Emission concentration: 15mg/Nm ³ ; total emission amount: 0.036362t/a	Emission concentration of sulfur dioxide was: 1.74mg/m ³ , emission in the first half of the year was 0.0954t. Emission concentration of nitrogen oxide: 4.15mg/m ³ , emission in the first half of the year: 4.22t. Emission concentration of particulate matter: 8.91mg/m ³ , emission in the first half of the year: 1.95t.	Total emission amount: 3.996t of particulate matter, 5.418t of sulfur dioxide, 7.304t of nitrogen oxide, 3.332t of non-methane total hydrocarbon, 3.432t of asphalt fume, and 0.00056t of benzo[a]pyrene. Total pollutant emission in waste water: 0.29t of ammonia nitrogen, and 1.878t of chemical oxygen demand. Pollutant concentration: 5.4mg/m ³ of particulate matter, 9mg/m ³ of sulphur dioxide, 24mg/m ³ of nitrogen oxide, 5.5mg/m ³ of total non-methane hydrocarbon, 6.3mg/m ³ of asphalt fume, benzo[a]pyrene is below the detection limit, 33.304mg/L of ammonia nitrogen, and 215mg/L of chemical oxygen demand.	Waste gas: Average emission concentration of non-methane total hydrocarbon at each discharge outlet: Q1: 1.53mg/m ³ , Q2: 1.09mg/m ³ , emission in the first half of the year: 3.36t Average emission concentration of particulate matter at each discharge outlet: Q1: 3.4mg/m ³ , Q2: 1.26mg/m ³ , emission in the first half of the year: 0.62t Average emission concentration of sulfur dioxide at each discharge outlet: Q1: 3mg/m ³ , Q2: 3.14mg/m ³ , emission in the first half of the year: 0.15t Average emission concentration of nitrogen oxide at each discharge outlet: Q1: 7.5mg/m ³ , Q2: 9.4mg/m ³ , emission in the first half of the year: 1.13t Waste water: COD: concentration in Q1: 73.7mg/L; concentration in Q2: 138.4mg/L; emission: 70.01t	Waste gases: HF average emission concentration is 0.519mg/m ³ , 0.44t emitted in the first half of the year; HCL average emission concentration is 4.45mg/m ³ , 2.73t emitted in the first half of the year; lipid-containing waste gas average emission concentration is 32.8mg/m ³ , 2.24t emitted in the first half of the year Waste water: COD concentration is 6mg/L, 54t discharged in the first half year; ammonia nitrogen concentration is 0.282mg/L, 0.25t discharged in the first half year; total phosphorus concentration is 0.210mg/L, 0.18t discharged in the first half year
Excess Discharge	None	None	None	None	None
Pollutant Discharge Standards Implemented	Integrated Emission Standard of Air Pollutants DB 31/933-2015	Waste gas emission execute the Integrated Emission Standard of Air Pollutants (GB 16297-1996), Emission Standard of Air Pollutants for Industrial Kiln and Furnace GB 9078-1996, and Emission Standard of Air Pollutants for Boiler GB 13271-2014. Waste water discharge execute the Integrated Wastewater Discharge Standard GB8978-1996.	The emission standard of waste gas executes the Integrated Emission Standard of Air Pollutants (GB 16297-1996), and the emission standard of waste water executes the Integrated Wastewater Discharge Standard (Including the Modification List) (GB 8978-1996)	Emission Standards for Odor Pollutants (GB14554-93), Integrated Emission Standard of Air Pollutants (DB32/4041-2021), Discharge Standard of Water Pollutants for Electronic Industry (GB39731-2020), and Emission Standard of Air Pollutants for Boiler (GB13271-2014)	1. Waste gas: in line with Integrated Emission Standard of Air Pollutants (GB16297-1996) 2. Waste water: in line with Integrated Wastewater Discharge Standard (GB8978-1996)

Company name	Shanghai Shanshan Tech Co., Ltd.	Inner Mongolia Shanshan Technology Co., Ltd.	Inner Mongolia Shanshan New Material Co., Ltd.	Shanjin Optoelectronics (Nanjing) Co., Ltd.	Shanshan New Materials(Quzhou) Co., Ltd.
Total Discharge Approved	Total Discharge Approved (0.036362t/a)	Sulfur dioxide: 0.72t/a, nitric oxide: 35.394t/a, particulate matter: 4.5t/a	Total half-yearly emission amount: 3.996t of particulate matter, 5.418t of sulfur dioxide, 7.304t of nitrogen oxide, 3.332t of non-methane total hydrocarbon, 3.432t of asphalt fume, and 0.00056t of benzo[a]pyrene; 0.29t of ammonia nitrogen, and 1.878t of chemical oxygen demand	Non-methane total hydrocarbon: 99.51t/a, COD: 551.674t/a	Chemical oxygen demand: 5.582t/a, ammonia nitrogen: 1.299t/a, total pollutant discharge: 4084.8t/a

2. Construction and operation of pollution prevention and control facilities√ Applicable Not applicable

During the Reporting Period, the pollution prevention and control facilities of the above subsidiaries were constructed and operated as required: waste gas and waste water generated in the production process were discharged after treatment and meeting the standards; general waste was externally transported and disposed by the designated sanitation department, and other recyclable general solid waste was recycled and disposed by entrusted manufacturers with business licenses; hazardous waste was stored in special sites and entrusted and transferred to qualified third party for disposal.

3. Evaluation on environmental impact of construction projects and other administrative permissions for environmental protection√ Applicable Not applicable

During the Reporting Period, the above subsidiaries have strictly implemented the national laws of evaluation on environmental impact, and carried out evaluation on environmental impact for relevant construction projects in accordance with the requirements. The construction of each project adheres to the principle of "Three Simultaneities" for environmental protection, i.e., environmental protection facilities are designed, constructed and put into use simultaneously with the main project, and the environmental protection completion inspection of the project is completed on schedule.

4. Environmental emergency Response Plans√ Applicable Not applicable

The above companies have prepared contingency plans for environmental emergencies, taking into account the actual situation, in order to implement the "Emergency Response Law of the People's Republic of China", "Environmental Protection Law of the People's Republic of China", "Interim Measures for the Management of Environmental Emergency Response Plans" (《突发环境事件应急预案管理暂行办法》) and other relevant laws and regulations, practice emergency rescue measures and responsibilities, guarantee the personal safety of employees, and reduce property damage and environmental pollution, thus enabling the rapid, effective and orderly implementation of emergency rescue efforts after an accident.

5. Environmental self-monitoring program√ Applicable Not applicable

All the above companies organise self-monitoring and information disclosure for the pollutants discharged in accordance with the relevant regulations, and formulate self-monitoring programs.

6. Administrative penalties for environmental problems during the Reporting Period Applicable Not applicable**7. Other environmental information that should be disclosed** Applicable Not applicable**(II) Explanation of environmental protection efforts of companies other than highly polluting companies**√ Applicable Not applicable**1. Administrative penalties for environmental problems** Applicable Not applicable

2. Disclosure of other environmental information with reference to key emission units√ Applicable Not applicable

The Company and its subsidiaries other than the above-mentioned key emission units are not among the key emission units announced by the environmental protection authorities. All aspects of the R&D, production and sales of the Company's lithium battery materials business and LCD polarizer business follow the relevant national environmental regulations; for the development of new energy industry and display industry, the Company actively promotes energy conservation and emission reduction by increasing its investment in environmental protection equipment and technical transformation.

3. Reasons for not disclosing other environmental information Applicable Not applicable**(III) Explanation of the subsequent progress or changes in the disclosure of environmental information content during the Reporting Period** Applicable Not applicable**(IV) Information that contributes to the protection of ecology, prevention of pollution and fulfillment of environmental responsibilities**√ Applicable Not applicable

The Company upholds the development concept of green and environmental protection, actively fulfills its responsibility for environmental governance, regulates production and operation activities in strict accordance with various laws, policies and social criteria, and insists on the unity of economic profit, social responsibility and environmental protection. During the Period, the Company and its subsidiaries strictly complied with the management requirements of emission permits, improved internal environmental governance, took the initiative to optimise and upgrade environmental protection treatment facilities, prevented pollution at source, vigorously implemented clean production and comprehensive utilisation of waste, and consciously reduced environmental pollution and ecological damage and other behaviours. At the same time, the Company carries environmental awareness and behaviour through the actual production operation process. For example, it actively carried out environmental education and training, and organised the practice of good environmental behaviors, such as garbage sorting and tree planting, so that employees have full knowledge and understanding of environmental protection.

(V) Measures taken to reduce its carbon emissions during the Reporting Period and the results√ Applicable Not applicable

The Company has always paid attention to the harmony and unity between its operation and resources and environment, and practiced a low-carbon and green operation mode. We continued to strengthen our investment in environmental protection. By efficiently using resources, adopting technology for energy conservation, introducing clean energy to cope with climate change, and other methods, we have reduced greenhouse gas emissions, effectively controlled harmful substances, and minimised the adverse impact of our operation on the environment.

II. Particulars of Consolidating and Expanding the Results of Poverty Alleviation and Rural Revitalization Applicable Not applicable

Section VI Important Matters

I. Performance of Commitments

(I) Commitments of obligors, including the de facto controller, shareholders, related parties and acquirer of the Company and the Company during or subsisting at the time of the Reporting Period

√ Applicable □ Not applicable

Background	Type	Party(ies)	Details	Effective time and validity period	Whether the commitments have a performance deadline	Whether the commitments have been strictly performed in a timely manner
Commitments made in the report on acquisition or the report on the change in shareholding	Others	Shanshan Group, Pengze Trading (朋泽贸易), Yinzhou Jielun (鄞州捷伦), Shanshan Holdings, and Mr. Zheng Yonggang	Commitments on the truthfulness, accuracy and completeness of the information provided, commitments on maintaining the independence of the listed company, commitments on avoiding horizontal competition, commitments on reducing and regulating related transactions, commitments on the absence of the circumstances stipulated in Article 6 of the Measures for the Administration of Acquisition of Listed Companies and compliance with Article 50 of the Measures for the Administration of Acquisition of Listed Companies	For details, please refer to the relevant announcements of the Company released on the designated journals and media and the website of the SSE on 1 January 2022.	No	Yes
Commitments in relation to major asset restructuring	Others	Directors, supervisors and senior management of Shanshan	Commitments on the truthfulness, accuracy and completeness of the information provided; commitments on penalties, litigation, arbitration and integrity in the last three years; commitments on the absence of insider trading and compliance with regulatory requirements; commitments on affiliation; commitments on share reduction plan.	For details, please refer to the relevant announcements of the Company released on the designated journals and media and the website of the SSE on 15 September 2020.	No	Yes
	Others	Directors and senior management of	Commitments on taking mitigation and remediation measures for the immediate return dilution resulting from this major asset restructuring.	For details, please refer to the relevant announcements of the Company released on the designated journals and media and	No	Yes

Background	Type	Party(ies)	Details	Effective time and validity period	Whether the commitments have a performance deadline	Whether the commitments have been strictly performed in a timely manner
		Shanshan		the website of the SSE on 15 September 2020.		
	Others	Shanshan Group, Shanshan Holdings, and Mr. Zheng Yonggang	Commitments on the truthfulness, accuracy and completeness of the information provided; commitments on penalties, litigation, arbitration and integrity in the last three years; commitments on the absence of insider trading and compliance with regulatory requirements; commitments on affiliation; commitments on share reduction plan; commitments on maintaining the independence of the listed company; commitments on opinions in principle on this major asset restructuring; commitments on taking mitigation and remediation measures for the immediate return dilution resulting from this major asset restructuring.	For details, please refer to the relevant announcements of the Company released on the designated journals and media and the website of the SSE on 15 September 2020.	No	Yes
	Non-competition	Shanshan Group, Shanshan Holdings, and Mr. Zheng Yonggang	Commitments on avoiding horizontal competition.	For details, please refer to the relevant announcements of the Company released on the designated journals and media and the website of the SSE on 15 September 2020.	No	Yes
	Addressing related transactions	Shanshan Group, Shanshan Holdings, and Mr. Zheng Yonggang	Commitments on regulating and reducing related transactions.	For details, please refer to the relevant announcements of the Company released on the designated journals and media and the website of the SSE on 15 September 2020.	No	Yes
	Others	LG Chem and other counterparties of	Commitments on the truthfulness, accuracy and completeness of the information provided.	For details, please refer to the relevant announcements of the Company released on the designated journals and media and	No	Yes

Background	Type	Party(ies)	Details	Effective time and validity period	Whether the commitments have a performance deadline	Whether the commitments have been strictly performed in a timely manner
		this restructuring		the website of the SSE on 15 September 2020.		
Commitments in relation to refinancing	Non-competition	Shanshan Group	Shanshan Group currently has no engagement and guarantees that it will not engage in business activities that compete with the business of Shanshan directly or indirectly through any other means in future, and is willing to bear the compensation liability for the economic loss caused to Shanshan by the violation of the above commitments.	The commitment was made in April 2001 and long-term effective.	No	Yes
Commitments in relation to refinancing	Non-competition	Shanshan Holdings, Shanshan Group, and Mr. Zheng Yonggang (the Covenantors)	There is no substantial competition between the enterprises directly or indirectly controlled by the Covenantors and Shanshan and its holding companies. During the period when the Covenantors are the (indirect) controlling shareholder/de facto controller of Shanshan, the Covenantors and the enterprises controlled by the Covenantors other than Shanshan and its holding companies will avoid engaging in any business that competes with the main business of Shanshan and its holding companies, and will not engage in any activity that causes damage to the interests of Shanshan and its holding companies. If the Covenantors and the enterprises controlled by the Covenantors other than Shanshan and its holding companies encounter business opportunities within the scope of the main business of Shanshan and its holding companies, the Covenantors will facilitate the transfer of such opportunities to Shanshan and its holding companies.	The commitment was made in May 2015 and became effective since its issuance, and continues to be valid and irrevocable during the period when the Covenantors are the (indirect) controlling shareholder/de facto controller of Shanshan.	No	Yes

Background	Type	Party(ies)	Details	Effective time and validity period	Whether the commitments have a performance deadline	Whether the commitments have been strictly performed in a timely manner
			In case of any breach of the above commitments, the Covenantors shall bear all losses caused to Shanshan.			
Commitments in relation to refinancing	Others	Shanshan Group, Pengze Trading (朋泽贸易), Yinzhou Jielun (鄞州捷伦)	Commitments on the source of funds for subscribing to this non-public offering of A-shares of Shanshan.	For details, please refer to the relevant announcements of the Company released on the designated journals and media and the website of the SSE on 26 June 2021.	No	Yes
Commitments in relation to refinancing	Others	Shanshan Holdings, Shanshan Group, and Mr. Zheng Yonggang	Commitments on not reducing the shareholding of Ningbo Shanshan Co., Ltd. during a specific period	For details, please refer to the relevant announcements of the Company released on the designated journals and media and the website of the SSE on 26 June 2021.	Yes	Yes
Commitments in relation to refinancing	Others	Ningbo Shanshan Co., Ltd.	Commitments on that no new capital investment will be made in finance-like business. For details, please refer to the relevant announcements of the Company released on the designated journals and media and the website of the SSE on 6 August 2021.	The commitment was made on 25 June 2021, for a period from the date of making the commitments to the completion of the use of the proceeds or within 36 months since the availability of the proceeds.	Yes	Yes
Commitments in relation to refinancing	Others	Shanshan Holdings, Shanshan Group	Commitments on taking mitigation and remediation measures for the immediate return dilution resulting from this non-public offering of shares.	For details, please refer to the relevant announcements of the Company released on the designated journals and media and the website of the SSE on 10 June 2020, 27 April and 30 April 2021.	No	Yes
Commitments in relation to refinancing	Others	Directors and senior management of Shanshan	Undertaking on taking mitigation and remediation measures for the immediate return dilution resulting from this non-public offering of shares.	For details, please refer to the relevant announcements of the Company released on the designated journals and media and the website of the SSE on 10 June 2020, 27 April and 30 April 2021.	No	Yes
Commitments	Others	Ningbo Shanshan	The Company does not provide financial assistance	For details, please refer to the relevant	No	Yes

Background	Type	Party(ies)	Details	Effective time and validity period	Whether the commitments have a performance deadline	Whether the commitments have been strictly performed in a timely manner
in relation to refinancing		Co., Ltd.	or compensation to investors participating in the subscription, either directly or through interested parties.	announcements of the Company released on the designated journals and media and the website of the SSE on 10 June 2021.		
	Shares subject to trading restrictions	Shanshan Group, Pengze Trading (朋泽贸易), Yinzhou Jielun (鄞州捷伦)	The shares subscribed for by the target subscribers in this non-public issue shall not be transferred within 36 months from the closing date of this issuance, and the shares of the Company increased after the closing of this issuance as a result of bonus issue and the conversion of capital reserve to share capital by the Company shall also comply with the above-mentioned arrangement of lock-up period. The reduction of the shares subscribed by the target subscribers after the expiry of the lock-up period is subject to the relevant regulations of the CSRC, the SSE and other regulatory authorities.	For details, please refer to the relevant announcements of the Company released on the designated journals and media and the website of the SSE on 10 June 2020, 27 April and 30 April 2021.	Yes	Yes
Commitments relation to equity incentive	Others	Ningbo Shanshan Co., Ltd.	The Company undertakes that none of the substantial shareholders or de facto controllers holding more than 5% of the shares and their spouses, parents and children have participated in this incentive plan.	For details, please refer to the relevant announcements of the Company released on the designated journals and media and the website of the SSE on 13 August 2019 and 24 February 2022.	Yes	Yes
	Others	Ningbo Shanshan Co., Ltd.	The Company undertakes that it will not provide loans and financial support in any other forms, including providing guarantee for loans, to the incentive recipients with respect to the acquisition of the relevant equity under this incentive scheme.	For details, please refer to the relevant announcements of the Company released on the designated journals and media and the website of the SSE on 13 August 2019 and 24 February 2022.	Yes	Yes
Other commitments	Non-competition	Ningbo Shanshan Co., Ltd.	For details, please refer to the relevant announcements of the Company released on the designated journals and media and the website of the	Until both of Shaanxi Maoye Industry and Trade Co., Ltd. (陕西茂叶工贸有限公司) and Ningbo Liankangcai Brand	No	Yes

Background	Type	Party(ies)	Details	Effective time and validity period	Whether the commitments have a performance deadline	Whether the commitments have been strictly performed in a timely manner
			SSE on 24 February 2020.	Management Co., Ltd. (宁波联康财品牌管理有限公司) cease to be shareholders of Shanshan Brand Company.		
	Non-competition	Shanshan Group	For details, please refer to the relevant announcements of the Company released on the designated journals and media and the website of the SSE on 13 December 2016.	The Agreement shall remain valid and irrevocable from the date of its entry into force through the term when Shanshan Group is the controlling shareholder of the listed company.	No	Yes
	Addressing related transactions	Shanshan, Mr. Zheng Yonggang	For details, please refer to the relevant announcements of the Company released on the designated journals and media and the website of the SSE on 9 June 2016.	For details, please refer to the relevant announcements of the Company released on the designated journals and media and the website of the SSE on 9 June 2016.	No	Yes

II. Appropriation of Funds by the Controlling Shareholders and Their Related Parties for Non-operating Purpose during the Reporting Period

Applicable Not Applicable

III. Illegal Guarantee

Applicable Not Applicable

IV. Interim Report Audit

Applicable Not applicable

V. Changes in and Handling of the Matters Related to Non-standard Audit Opinions in the Annual Report for the Previous Year

Applicable Not applicable

VI. Matters Relating to Bankruptcy and Restructuring

Applicable Not Applicable

VII. Significant Litigations, Arbitrations

There was material litigation or arbitration during the reporting period
 There was no material litigation or arbitration during the Reporting Period"

During the Reporting Period, other non-material litigation matters of the Company are detailed in Note "XIV. Commitments and Contingencies - 2. Contingencies" to financial statements.

VIII. Punishment on and Rectification of the Listed Company, Its Directors, Supervisors, Senior Management, Controlling Shareholders and De Facto Controllers for Suspected Breaches of Laws and Rules

Applicable Not applicable

On 13 April 2022, for failure to disclose the matter of government subsidies of subsidiaries in a timely manner, the Ningbo Securities Regulatory Bureau issued a decision letter on administrative supervisory measures to the Company, and took administrative supervisory measures of issuing warning letters to the Company and the chief financial officer and the secretary of the Board of Directors of the Company. (For details, please refer to the relevant announcement issued by the Company on 16 April 2022)

Upon receipt of the above-mentioned decision on administrative supervision measures, the Company and the relevant personnel attached great importance to the issue, and carefully sorted out, verified and analysed the issues shown in the decision on administrative supervision measures, and formulated practical and feasible rectification measures. As of the end of the period, the relevant rectification measures have been completed and will continue to be regulated subsequently.

IX. Explanation on the Integrity of the Company, Its Controlling Shareholders and De Facto Controllers during the Reporting Period

Applicable Not applicable

During the Reporting Period, the Company and its controlling shareholders and de facto controllers were in good standing, and none of them fail to comply with court judgments in force, and there were no large debts that were not settled when due.

X. Major Related Transactions**(I) Related transactions related to daily operations****1. Matters which were disclosed in extraordinary announcements without subsequent progress or changes**

Applicable Not Applicable

2. Matters disclosed in extraordinary announcements with progress or change in the follow-up implementation

Applicable Not applicable

(1) Deposit in related bank

On 18 April 2022, the 27th Meeting of the tenth Session of the Board of Directors of the Company considered and approved the "Proposal on the Estimated Amount of Daily Related Transactions of the Company for 2022", agreeing that the Company should continue to store funds with a related party, Chouzhou Bank, in 2022. (For details, please refer to the relevant announcement issued by the Company on 20 April 2022)

During the period, the Company's maximum deposit balance with Chouzhou Bank was RMB 490.4949 million and interest income was RMB 2.9888 million.

(2) Procurement of goods from related parties

On 11 June 2021, the 16th Meeting of the tenth Session of the Board of Directors considered and approved the "Proposal on Consent to Daily Related Transactions between Subsidiaries of the Company and Related Parties", agreeing that Ningbo Shanshan New Material Technology Co., Ltd., a subsidiary of the Company, and its subsidiaries would purchase graphitisation processing services from Inner Mongolia Mengji New Carbon Material Co., Ltd.(内蒙古蒙集新碳材有限公司), a related party, from May 2021 to April 2022. (For details, please refer to the relevant announcement issued by the Company on 16 June 2021)

From May 2021 to April 2022, the amount of graphitisation processing services purchased by Ningbo Shanshan New Material Technology Co., Ltd., a subsidiary of the Company, from Inner Mongolia Mengji New Carbon Material Co., Ltd. was RMB 416.9524 million.

(3) Guarantee provided to related parties

On 10 May 2022, the 2021 Annual Shareholders' General Meeting considered and approved the Proposal on the Provision of Guarantees and Related Transactions for a Participating Company, agreeing to provide a connected guarantee for BASF Shanshan, a participating company, and its wholly-owned subsidiary BASF Shanshan Ningxia (巴斯夫杉杉宁夏), respectively. (For details, please refer to the relevant announcement issued by the Company on 20 April 2022)

As of the end of the period, the guaranteed amount provided by the Company for BASF Shanshan was RMB 612 million, and no guarantee was provided for BASF Shanshan Ningxia.

3. Matters undisclosed in extraordinary announcements

Applicable Not Applicable

(II) Related transactions in relation to acquisition and disposal of assets or equity interests**1. Matters which were disclosed in extraordinary announcements without subsequent progress or changes**

Applicable Not Applicable

2. Matters disclosed in extraordinary announcements with progress or change in the follow-up implementation

Applicable Not applicable

In order to focus on the development of the Company's core business, optimize the allocation of resources and enhance the core competitiveness of the Company, on 6 January 2022, the 24th Meeting of the tenth Session of the Board of Director and the 15th Meeting of the tenth Session of the Supervisory Committee of the Company deliberated and approved the "Proposal on Selling 100% Equity Interest in Hunan Yongshan Lithium Industry Co., Ltd. (湖南永杉锂业有限公司) and Related Transactions". (For details, please refer to the relevant announcement issued by the Company on 7 January 2022)

On 25 January 2022, this equity transfer has completed the industrial and commercial change registration. From January 2022, Hunan Yongshan is no longer included in the Company's consolidated statements.

3. Matters undisclosed in extraordinary announcements

Applicable Not Applicable

4. Discloseable performance for the Reporting Period of related transactions with agreed-upon performance targets

Applicable Not Applicable

(III) Significant related party transactions in relation to joint external investment**1. Matters which were disclosed in extraordinary announcements without subsequent progress or changes**

Applicable Not Applicable

2. Matters disclosed in extraordinary announcements with progress or change in the follow-up implementation

Applicable Not Applicable

3. Matters undisclosed in extraordinary announcements

Applicable Not Applicable

(IV) Amounts due from/to related parties**1. Matters which were disclosed in extraordinary announcements without subsequent progress or changes**

Applicable Not Applicable

2. Matters disclosed in extraordinary announcements with progress or change in the follow-up implementation

Applicable Not Applicable

3. Matters undisclosed in extraordinary announcements

Applicable Not Applicable

(V) The financial business between the Company and its related financial company, and between the financial company held by the Company and its related parties

Applicable Not Applicable

(VI) Other significant related party transactions

Applicable Not applicable

On 10 May 2022, the Company's 2021 Annual General Meeting considered and approved the "Proposal on Capital Increase and Related Transaction for the Company's Holding Subsidiaries", agreeing that the Company, through its wholly-owned subsidiary Ningbo Shanshan New Energy Technology Development Co., Ltd., jointly increase the capital of Shanghai Shanshan Lithium Battery with four strategic investors, Ningbo Meishan Free Trade Port Wending Investment Co., Ltd. (宁波梅山保税港区问鼎投资有限公司), BYD Company Limited, Ningde Amperex Technology Ltd. and China National Petroleum Corporation Kunlun Capital Ltd. (中国石油集团昆仑资本有限公司). The total amount of the capital increase is RMB3.05 billion, and the total amount of the new registered capital of Shanghai Shanshan Lithium Battery is RMB305 million. After the completion of the capital increase, the registered capital of Shanghai Shanshan Lithium Battery will be changed from RMB877 million to RMB1.182 billion, the shareholding ratio of the Company in Shanghai Shanshan Lithium Battery will be changed from 89.99% to 87.08%, and Shanghai Shanshan Lithium Battery will remain as a holding subsidiary of the Company.

On 1 July 2022, this capital increase has completed the industrial and commercial change registration.

(VII) Others

Applicable Not applicable

For details of other non-major related transactions, please refer to "Note XII, Related Parties and Related Transactions".

XI. Material Contracts and Their Implementation**1 Custody, contracting or leasing business**

Applicable Not applicable

2 Major guarantees performed and outstanding during the Reporting Period

√Applicable □ Not applicable

Unit: 10,000 Yuan Currency: RMB

Guarantees in favor of external parties provided by the Company (excluding guarantees provided to subsidiaries)													
Guarantor	Relationship between guarantor and listed company	Guaranteed party	Guaranteed amount	Date of guarantee (execution date)	Guarantee Commencing date	Guarantee Maturity date	Type of guarantee	Guarantee released or not	Pass due or not	Counter guarantee	Related party guarantee	Relationship	
Ningbo Shanshan Co., Ltd.	Headquarters	BASF Shanshan Battery Materials Co., Ltd.	10,000	28 April 2021	28 April 2021	25 October 2022	Joint liability guarantee	No	No	No	Yes	Associates	
Ningbo Shanshan Co., Ltd.	Headquarters	BASF Shanshan Battery Materials Co., Ltd.	21,200	11 June 2020	11 June 2020	30 June 2023	Joint liability guarantee	No	No	No	Yes	Associates	
Ningbo Shanshan Co., Ltd.	Headquarters	BASF Shanshan Battery Materials Co., Ltd.	20,000	28 July 2021	28 July 2021	18 August 2022	Joint liability guarantee	No	No	No	Yes	Associates	
Ningbo Shanshan Co., Ltd.	Headquarters	BASF Shanshan Battery Materials Co., Ltd.	10,000	28 January 2021	28 January 2021	28 January 2023	Joint liability guarantee	No	No	No	Yes	Associates	
Ningbo Shanshan Co., Ltd.	Headquarters	Shanshan Brand Management Co., Ltd.	2,000	12 January 2022	12 January 2022	12 January 2023	Joint liability guarantee	No	No	Yes	No	Associates	
Ningbo Shanshan Co., Ltd.	Headquarters	Shanshan Brand Management Co., Ltd.	8,000	24 March 2020	24 March 2020	24 March 2023	Joint liability guarantee	No	No	Yes	No	Associates	
Total guaranteed amount during the Reporting Period (excluding guarantees provided to subsidiaries)													71,200.00
Total guaranteed balance at the end of the Reporting Period (A) (excluding guarantees provided to subsidiaries)													45,554.93

Guarantees provided by the Company to subsidiaries	
Total guaranteed amount to subsidiaries during the Reporting Period	1,060,641.29
Total guaranteed balance to subsidiaries at the end of the Reporting Period (B)	712,172.72
Total guaranteed amount of the Company (including guarantees provided to subsidiaries)	
Total guaranteed amount (A+B)	757,727.65
Total guaranteed amount as a percentage of net assets of the Company (%)	37.24
Including:	
Guaranteed amount provided for shareholders, de facto controllers and their related parties (C)	0
Guaranteed loan amount provided directly or indirectly for guaranteed parties with a gearing ratio exceeding 70% (D)	68,474.16
Total guarantee amount in excess of 50% of net asset value (E)	0
Total amount of the above three guarantees (C+D+E)	68,474.16
Statement on the contingent joint liability in connection with unexpired guarantees	None
Description of guarantees	The statistics on "Guarantees by the Company to subsidiaries" include mutual guarantees within the scope of consolidation.

3 Other major contracts

Applicable Not applicable

XII. Explanation for Other Major Events

Applicable Not applicable

Section VII Changes in Shares and Particulars of Shareholders

I. Changes in Share Capital

(I) Changes in shares

1. Changes in shares

Unit: share

	Before this change		Increase or decrease of this change (+, -)					After this change	
	Number	Percentage of shareholding (%)	Issuance of new shares	Bonus issue	Capitalization of capital reserve into share capital	Others	Subtotal	Number	Percentage of shareholding (%)
I. Shares subject to trading restrictions	488,402,766	22.79	18,334,100				18,334,100	506,736,866	23.45
1. State-owned shares									
2. Shares held by state-owned legal persons									
3. Shares held by other domestic investors	488,402,766	22.79	16,207,220				16,207,220	504,609,986	23.35
Including: Shares held by domestic non-state-owned legal persons	488,402,766	22.79						488,402,766	22.60
Shares held by domestic natural persons			16,207,220				16,207,220	16,207,220	0.75
4. Shares held by overseas investors			2,126,880				2,126,880	2,126,880	0.10
Including: Shares held by overseas legal persons									
Shares held by overseas natural persons			2,126,880				2,126,880	2,126,880	0.10
II. Tradable Shares not subject to trading restrictions	1,654,517,172	77.21						1,654,517,172	76.55
1. RMB-denominated ordinary shares	1,654,517,172	77.21						1,654,517,172	76.55
2. Domestic-listed foreign shares									
3. Overseas-listed foreign shares									
4. Others									
III. Total number of shares	2,142,919,938	100.00	18,334,100				18,334,100	2,161,254,038	100.00

2. Explanations on changes in shares

√ Applicable □ Not applicable

On 6 June 2022, the Company completed the registration of the first grant of the restricted stock under the 2022 Equity Incentive Plan, and increased 18,334,100 shares subject to trading restrictions.

3. The impact of changes in shares on earnings per share, net asset value per share and other financial indicators at the end of Reporting Period to the date of interim report (if any)

Applicable Not applicable

The Company plans to issue GDRs overseas and get listed on the Swiss Stock Exchange within the Reporting Period, and to complete the GDR issuance and listing on 28 July 2022 in order to expand its international financing channels, meet the needs of its business development at home and abroad, and enhance its international brand and corporate image. The number of GDRs issued by the Company is 15,442,300, corresponding to 77,211,500 new domestic underlying A-shares, and the total share capital of the Company will be changed to 2,238,465,538 shares after the issue and listing. The share changes did not have any impact on the financial indicators such as earnings per share and net assets per share of the Company for the Reporting Period.

4. Other disclosures the Company deems necessary or required by securities regulators

Applicable Not Applicable

(II) Changes in restricted shares

Applicable Not applicable

Unit: share

Name of shareholder	Period beginning shares subject to trading conditions	Number of shares released from trading restrictions during the Reporting Period	Increase in shares subject to trading restrictions during the Reporting Period	Reporting period-end shares subject to trading restrictions	Reason for trading restrictions	Date of release from trading restrictions
Shanshan Group Co., Ltd.	205,264,756	0	0	205,264,756	Restricted period for non-public issuance of shares	31 December 2024
Ningbo Pengze Trading Co., Ltd. (宁波朋泽贸易有限公司)	205,264,756	0	0	205,264,756	Restricted period for non-public issuance of shares	31 December 2024
Ningbo Yinzhou Jielun Investment Co., Ltd. (宁波市鄞州捷伦投资有限公司)	77,873,254	0	0	77,873,254	Restricted period for non-public issuance of shares	31 December 2024
Li Fengfeng	0	0	450,000	450,000	Restricted period for restricted incentive shares	The restricted shares initially granted under the Company's 2022 Share Incentive Scheme were released from restriction in four tranches, with the corresponding restriction periods being 12 months, 24 months, 36 months and 48 months from the date of completion of registration of the initial
Other incentive recipients (416)	0	0	17,884,100	17,884,100	Restricted period for restricted incentive shares	

						grant respectively.
Total	488,402,766	0	18,334,100	506,736,866	/	/

II. Controlling Shareholder

(I) Total number of shareholders:

Total number of ordinary shareholders as of the end of the Reporting Period (shareholder)	159,826
Total number of holders of preference shares with reinstated voting rights as of the end of the Reporting Period (shareholder)	N/A

(II) Top ten shareholders and top ten circulating shareholders (or shareholders not subject to trading restrictions) as of the end of the Reporting Period

Unit: share

Shareholdings of the top ten shareholders							
Name of shareholders (Full name)	Changes during the Reporting Period	The number of shares held at the end of the Reporting Period	Percentage of shareholding (%)	Number of restricted tradable shares held	Number of shares pledged, marked or frozen		Type of shareholders
					Status of shares	Number	
Shanshan Group Co., Ltd.	0	737,522,036	34.12	205,264,756	Frozen	40,441,711	Domestic non state-owned legal person
Ningbo Pengze Trading Co., Ltd. (宁波朋泽贸易有限公司)	0	205,264,756	9.50	205,264,756	Pledged	78,420,000	Domestic non state-owned legal person
Shanshan Holdings Co., Ltd.	0	116,912,189	5.41	0	Frozen	63,391,443	Domestic non state-owned legal person
Ningbo Yinzhou Jielun Investment Co., Ltd. (宁波市鄞州捷伦投资有限公司)	0	77,873,254	3.60	77,873,254	Pledged	29,580,000	Domestic non state-owned legal person
Hong Kong Securities Clearing Company Limited	53,907,532	59,506,609	2.75	0	None	0	Overseas legal person
Tianan Property Insurance Co., Ltd - Bao Ying No.1	0	54,450,098	2.52	0	None	0	Domestic non state-owned legal person
Bailian Group Co., Ltd. (百联集团有限公司)	0	30,743,625	1.42	0	None	0	State-owned legal person

Postal Savings Bank of China Co., Ltd. - Orient Growth Small-Cap Hybrid Open Securities Investment Fund	1,688,397	23,317,877	1.08	0	None	0	Others
Bank of China Limited – Xincheng Emerging Industry Hybrid Securities Investment Fund	-8,773,367	17,224,269	0.80	0	None	0	Others
China Construction Bank Limited - Chuangjin Hexin New Energy Vehicle Thematic Shares Initiated Securities Investment Fund	356,831	14,553,190	0.67	0	None	0	Others

Shareholdings of top ten shareholders not subject to trading restrictions

Name of shareholders	Number of tradable shares not subject to trading restrictions	Type and Number	
		Type	Number
Shanshan Group Co., Ltd.	532,257,280	RMB ordinary shares	532,257,280
Shanshan Holdings Co., Ltd.	116,912,189	RMB ordinary shares	116,912,189
Hong Kong Securities Clearing Company Limited	59,506,609	RMB ordinary shares	59,506,609
Tianan Property Insurance Co.,Ltd - Bao Ying No.1	54,450,098	RMB ordinary shares	54,450,098
Bailian Group Co., Ltd. (百联集团有限公司)	30,743,625	RMB ordinary shares	30,743,625
Postal Savings Bank of China Co., Ltd. - Orient Fund Growing Small-Cap Hybrid Open Securities Investment Fund	23,317,877	RMB ordinary shares	23,317,877
Bank of China Limited – Xincheng Emerging Industry Hybrid Securities Investment Fund	17,224,269	RMB ordinary shares	17,224,269
China Construction Bank Limited - TruValue Asset Management New Energy Vehicle Thematic Shares Initiated Securities Investment Fund	14,553,190	RMB ordinary shares	14,553,190
CSC Financial Co., Ltd. - CCB Principle Asset Management New Energy Industry Stock Securities Investment Fund	10,283,192	RMB ordinary shares	10,283,192

Industrial and Commercial Bank of China Limited - China Universal Asset Management, China Securities New Energy Vehicle Industry Index Initiated Securities Investment Fund (LOF)	6,534,535	RMB ordinary shares	6,534,535
Explanations on the special account for repurchase among the top ten shareholders	N/A		
Explanations on the above-mentioned shareholders' proxy voting rights, entrusted voting rights, and waiver of voting rights	N/A		
Explanation on related party or concert party relationship among the above shareholders	Shanshan Holdings is the controlling shareholder of Shanshan Group, Pengze Trading is a wholly-owned subsidiary of Shanshan Group, and Yinzhou Jielun is a wholly-owned subsidiary of Shanshan Holdings, all of which are under the de facto control of the same de facto controller, Mr. Zheng Yonggang. It is not known whether there is any other relationship between the above shareholders or whether they are parties acting in concert.		
Preferred shareholders with their voting rights restored and the number of shares they hold	N/A		

The number of shares held by the top ten shareholders subject to trading restrictions and the restricted conditions

√ Applicable □ Not applicable

Unit: share

No.	Name of shareholders subject to trading restrictions	Number of shares held subject to trading restrictions	Listing and trading of shares subject to trading restrictions		trading restriction conditions
			Date eligible for listing and trading	Number of shares newly eligible for listing and trading	
1	Shanshan Group Co., Ltd.	205,264,756	31 December 2024	205,264,756	Not transferable within 36 months commencing from the listing date.
2	Ningbo Pengze Trading Co., Ltd. (宁波朋泽贸易有限公司)	205,264,756	31 December 2024	205,264,756	
3	Ningbo Yinzhou Jielun Investment Co., Ltd. (宁波市鄞州捷伦投资有限公司)	77,873,254	31 December 2024	77,873,254	
4	Li Fengfeng	450,000	6 June 2023	112,500	The restricted shares initially granted under the Company's 2022 Share Incentive Scheme were released from restriction in four tranches, with the corresponding restriction periods being 12 months, 24 months, 36 months and 48 months from the date of completion of registration of the initial
			6 June 2024	112,500	
			6 June 2025	112,500	
			6 June 2026	112,500	
5	Ding Xiaoyang	360,000	6 June 2023	90,000	
			6 June 2024	90,000	
			6 June 2025	90,000	
			6 June 2026	90,000	
6	Mr. Zhu Zhiyong	294,000	6 June 2023	73,500	
			6 June 2024	73,500	

			6 June 2025	73,500	grant respectively.
			6 June 2026	73,500	
7	Gan Lu	270,000	6 June 2023	67,500	
			6 June 2024	67,500	
			6 June 2025	67,500	
			6 June 2026	67,500	
7	Geng Hailong	270,000	6 June 2023	67,500	
			6 June 2024	67,500	
			6 June 2025	67,500	
			6 June 2026	67,500	
7	Jiang Ninglin	270,000	6 June 2023	67,500	
			6 June 2024	67,500	
			6 June 2025	67,500	
			6 June 2026	67,500	
10	Zhang Hua	240,000	6 June 2023	60,000	
			6 June 2024	60,000	
			6 June 2025	60,000	
			6 June 2026	60,000	
10	Li Peng	240,000	6 June 2023	60,000	
			6 June 2024	60,000	
			6 June 2025	60,000	
			6 June 2026	60,000	
Explanation on related party or concert party relationship among the above shareholders		<p>Pengze Trading is a wholly-owned subsidiary of Shanshan Group, and Yinzhou Jielun is a wholly-owned subsidiary of Shanshan Holdings (the controlling shareholder of Shanshan Group), all of which are under the de facto control of the same de facto controller, Mr. Zheng Yonggang.</p> <p>Ms. Li Fengfeng is a director of the Company, the person in charge of the Company's anode material business, and the chairwoman of Shanghai Shanshan Technology Co., Ltd., a subsidiary of the Company.</p> <p>The other natural person shareholders are the main management and core technical personnel of the Company's subsidiaries.</p>			

(III) Strategic investors or general legal persons who become the top ten shareholders due to the placement of new shares

Applicable Not applicable

III. Directors, Supervisors and Senior Management

(I) Particulars of changes in the shareholding of existing and resigned directors, supervisors and senior management during the Reporting Period

Applicable Not applicable

Unit: 10,000 shares

Name	Title	Number of shares held at the beginning of the period	Number of shares held at the end of the period	Change in shares during the Reporting Period	Reasons for change
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Li Fengfeng	Director	143.55	188.55	45	Restricted shares awarded under the Company's 2022 Equity Incentive Plan
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(II) Share incentives granted to directors, supervisors and senior management during the Reporting Period

Applicable Not applicable

Unit: 10,000 shares

Name	Title	Number of stock options held at the beginning of the period	Number of new stock options granted during the Reporting Period	Exercisable shares in the Reporting Period	Shares subject to exercise of stock options during the Reporting Period	Number of stock options held at the end of the period
Li Fengfeng	Director	147.9	105	0	0	252.9
Total	/	147.9	105	0	0	252.9

Applicable Not applicable

Unit: 10,000 shares

Name	Title	Number of restricted shares held at the beginning of the period	Number of restricted shares newly granted during the Reporting Period	Unlocked shares	Locked shares	Number of restricted shares held at the end of the period
Li Fengfeng	Director	0	45	0	45	45
Total	/	0	45	0	45	45

(III) Other notes

Applicable Not Applicable

IV. Changes in Controlling Shareholder or De Facto Controller

Applicable Not applicable

Section VIII Information regarding Preference Shares

Applicable Not applicable

Section IX Information regarding Bonds

I. Enterprise Bonds, Corporate Bonds and Debt Financing Instruments of Non-financial Enterprises

Applicable Not applicable

II. Convertible Corporate Bonds

Applicable Not Applicable

Section X Financial Report

I. Audit Report

Applicable Not applicable

II. Financial Statement

Consolidated Balance Sheet

30 June 2022

Prepared by: Ningbo Shanshan Co., Ltd.

Unit: Yuan Currency: RMB

Item	Note	Ending balance	Opening balance
Current assets:			
Cash at bank and on hand	VII (1)	6,155,833,091.13	9,294,961,367.71
Deposit reservation for balance			
Lending funds			
Held-for-trading financial assets			
Derivative financial assets			
Notes receivable	VII (2)	92,202,398.62	34,666,107.26
Accounts receivable	VII (3)	4,502,397,568.06	3,959,400,439.17
Accounts receivable financing	VII (4)	594,851,377.43	644,551,987.38
Prepayments	VII (5)	1,456,727,889.48	837,233,585.18
Premium receivable			
Reinsurance receivables			
Reinsurance contract reserves receivable			
Other receivables	VII (6)	547,995,102.75	346,958,862.10
Of which: Interest receivable		290,415.70	368,092.24
Dividend receivable		11,179,616.13	492,116.13
Purchase of resale financial assets			
Inventories	VII (7)	4,782,364,582.55	3,043,029,566.06
Contract assets			
Assets held for sales			
Non-current assets due within one year	VII (8)	32,961,420.70	58,264,962.45
Other current assets	VII (9)	291,884,164.41	758,646,380.73
Total current assets		18,457,217,595.13	18,977,713,258.04
Non-current assets:			
Borrowings and advances issued			
Debt investment			
Other debt investments			
Long-term receivables	VII (10)	25,040,000.00	33,196,905.37
Long-term equity investment	VII (11)	6,718,213,295.20	6,325,388,921.87
Investment in other equity instruments	VII (12)	936,778,247.32	918,659,446.44
Other non-current financial assets	VII (13)	200,104,599.78	102,604,599.78
Investment properties			
Fixed assets	VII (14)	7,780,669,241.37	7,463,359,635.73
Construction in progress	VII (15)	3,138,991,334.04	2,022,341,380.07
Productive biological assets			
Oil and gas assets			
Right-of-use assets	VII (16)	1,665,962,118.18	1,358,079,598.87
Intangible assets	VII (17)	1,439,890,251.78	1,627,091,148.67
Development costs			
Goodwill	VII (18)	914,614,122.42	914,614,122.42
Long-term deferred expense	VII (19)	117,513,681.88	103,040,763.19
Deferred income tax assets	VII (20)	295,883,275.31	240,325,267.25
Other non-current assets	VII (21)	611,566,921.99	202,053,956.06
Total non-current assets		23,845,227,089.27	21,310,755,745.72
Total assets		42,302,444,684.40	40,288,469,003.76
Current liabilities:			
Short-term borrowings	VII (22)	3,639,904,664.20	4,339,082,320.54
Borrowings from the Central Bank			
Borrowings from other banks and other financial institutions			

Held-for-trading financial liabilities			
Derivative financial liabilities			
Notes payable	VII (23)	2,340,080,402.11	1,250,062,984.06
Accounts payable	VII (24)	2,531,344,355.16	2,321,337,124.98
Advances from customers	VII (25)	1,140,332.93	1,092,883.71
Contract liabilities	VII (26)	117,928,945.14	112,277,738.49
Financial assets sold for repurchase			
Deposits from customers and interbanks			
Receiving from vicariously traded securities			
Receiving from vicariously sold securities			
Employee benefits payable	VII (27)	86,528,282.81	195,657,895.94
Tax payable	VII (28)	205,705,282.81	722,837,474.19
Other payables	VII (29)	659,841,158.81	590,223,505.57
Including: Interest payable			
Dividend payable		701,360.00	10,436,999.41
Handling charges and commissions payable			
Dividend payable for reinsurance			
Liabilities held for sale			
Non-current liabilities due within one year	VII (30)	3,458,449,456.65	3,623,549,740.51
Other current liabilities	VII (31)	103,673,522.37	152,672,564.23
Total current liabilities		13,144,596,402.99	13,308,794,232.22
Non-current liabilities:			
Reserve fund for insurance contracts			
Long-term borrowings	VII (32)	4,214,403,461.15	3,369,958,766.39
Bonds payable			
Of which: Preferred shares			
Perpetual bonds			
Lease liabilities	VII (33)	1,359,268,952.02	1,109,066,539.36
Long-term payables	VII (34)	1,290,444,662.33	2,329,233,515.94
Long-term employee benefits payable			
Estimated liabilities	VII (35)	36,894,090.80	31,315,748.16
Deferred revenue	VII (36)	349,791,797.24	409,654,327.51
Deferred income tax liabilities	VII (20)	538,393,598.89	380,071,327.43
Other non-current liabilities			
Total non-current liabilities		7,789,196,562.43	7,629,300,224.79
Total liabilities		20,933,792,965.42	20,938,094,457.01
Owners' equity (or shareholders' equity):			
Paid-in capital (or share capital)	VII (37)	2,161,254,038.00	2,142,919,938.00
Other equity instruments			
Of which: Preferred shares			
Perpetual bonds			
Capital reserve	VII (38)	6,875,879,626.14	6,477,790,953.97
Less: Treasury shares			
Other comprehensive income	VII (39)	-19,489,253.75	-31,679,676.99
Special reserves	VII (40)	2,313,465.50	2,307,702.27
Surplus reserves	VII (41)	253,716,196.59	253,716,196.59
General risk provision			
Retained earnings	VII (42)	11,076,024,003.92	10,083,326,361.95
Total owners' equity (or shareholders' equity) attributable to parent company		20,349,698,076.40	18,928,381,475.79
Minority interests		1,018,953,642.58	421,993,070.96
Total owners' equity (or shareholders' equity)		21,368,651,718.98	19,350,374,546.75
Total liabilities and owners' equity (or shareholders' equity)		42,302,444,684.40	40,288,469,003.76

Person in charge of the Company: Zheng Yonggang Person in charge of accounting: Li Keqin Person in charge of the accounting authority: Xu Lie

Balance Sheet of Parent Company

30 June 2022

Prepared by: Ningbo Shanshan Co., Ltd.

Unit: Yuan Currency: RMB

Item	Note	Ending balance	Opening balance
Current assets:			
Cash at bank and on hand		868,224,591.50	3,643,582,800.84
Held-for-trading financial assets			
Derivative financial assets			
Notes receivable		100,000.00	
Accounts receivable	XVII (1)	6,759,899.91	2,086,137.17
Accounts receivable financing			
Prepayments		311,150,439.81	953,868.82
Other receivables	XVII (2)	6,028,351,233.78	5,428,005,807.30
Of which: Interest receivable			
Dividend receivable			
Inventories			
Contract assets			
Assets held for sales			
Non-current assets due within one year			
Other current assets		1,371,463.10	54,015,140.30
Total current assets		7,215,957,628.10	9,128,643,754.43
Non-current assets:			
Debt investment			
Other debt investments			
Long-term receivables			
Long-term equity investment	XVII (3)	12,867,627,201.40	12,811,102,420.32
Investment in other equity instruments		35,916,462.76	35,916,462.76
Other non-current financial assets		10,000.00	10,000.00
Investment properties			
Fixed assets		392,786,444.24	402,493,299.15
Construction in progress			
Productive biological assets			
Oil and gas assets			
Right-of-use assets		17,940,064.89	22,425,081.12
Intangible assets		86,490,717.88	88,082,618.74
Development costs			
Goodwill			
Long-term deferred expense		18,860,176.01	20,930,252.40
Deferred income tax assets		39,182,345.89	39,182,345.89
Other non-current assets			
Total non-current assets		13,458,813,413.07	13,420,142,480.38
Total assets		20,674,771,041.17	22,548,786,234.81
Current liabilities:			
Short-term borrowings		1,102,000,000.00	1,028,154,847.21
Held-for-trading financial liabilities			
Derivative financial liabilities			

Notes payable			
Accounts payable		20,287,031.09	18,140,302.98
Advances from customers		1,139,732.93	1,092,600.61
Contract liabilities			
Employee benefits payable			6,492,303.40
Tax payable		3,200,021.46	8,029,077.33
Other payables		2,367,692,448.11	2,844,656,376.98
Including: Interest payable			
Dividend payable		701,360.00	
Liabilities held for sale			
Non-current liabilities due within one year		2,348,293,376.28	2,697,881,650.88
Other current liabilities			
Total current liabilities		5,842,612,609.87	6,604,447,159.39
Non-current liabilities:			
Long-term borrowings		3,333,340,000.00	2,773,240,722.21
Bonds payable			
Of which: Preferred shares			
Perpetual bonds			
Lease liabilities		14,422,256.85	13,963,865.45
Long-term payables		585,387,285.00	1,641,086,052.90
Long-term payroll payable			
Estimated liabilities			
Deferred revenue			
Deferred income tax liabilities			
Other non-current liabilities			
Total non-current liabilities		3,933,149,541.85	4,428,290,640.56
Total liabilities		9,775,762,151.72	11,032,737,799.95
Owners' equity (or shareholders' equity):			
Paid-in capital (or share capital)		2,161,254,038.00	2,142,919,938.00
Other equity instruments			
Of which: Preferred shares			
Perpetual bonds			
Capital reserve		5,580,360,813.81	5,334,342,133.89
Less: Treasury shares			
Other comprehensive income		-23,131,859.27	-22,828,481.63
Special reserves			
Surplus reserves		255,841,651.17	255,841,651.17
Retained earnings		2,924,684,245.74	3,805,773,193.43
Total owners' equity (or shareholders' equity)		10,899,008,889.45	11,516,048,434.86
Total liabilities and owners' equity (or shareholders' equity)		20,674,771,041.17	22,548,786,234.81

Person in charge of the Company: Zheng Yonggang Person in charge of accounting: Li Keqin Person in charge of the accounting authority: Xu Lie

Consolidated Income Statement

January-June 2022

Unit: Yuan Currency: RMB

Item	Note	Half year of 2022	Half year of 2021
I. Total operating revenue		10,771,934,205.15	9,946,665,453.42
Including: Operating income	VII (43)	10,771,934,205.15	9,946,665,453.42
Interest income			
Earned premium			
Fee and commission incomes			
II. Total operating cost		9,401,006,807.73	8,810,570,183.61
Including: Operating cost	VII (43)	8,040,184,170.75	7,593,785,326.39
Interest expenses			
Fee and commissions expenses			
Cash surrender amount			
Net payments for insurance claims			
Net provision for insurance liability reserves			
Policy dividend expenses			
Reinsurance expenses			
Tax and surcharge	VII (44)	28,175,884.69	36,165,996.15
Sales expenses	VII (45)	131,521,596.30	113,511,778.02
Administrative expenses	VII (46)	405,207,730.30	371,474,538.96
R&D expenses	VII (47)	419,296,358.56	353,042,165.13
Financial expenses	VII (48)	376,621,067.13	342,590,378.96
Including: Interest expense		312,476,352.17	330,984,465.18
Interest income		52,810,212.45	18,976,663.70
Add: Other incomes	VII (49)	58,274,058.04	55,105,066.21
Investment income (loss is indicated with “-”)	VII (50)	655,726,177.29	72,239,129.86
Including: Income from investment in associates and joint ventures		454,580,868.12	65,486,359.33
Derecognized financial assets measured by amortized cost (loss is indicated with “-”)			
Exchange gain (loss is indicated with “-”)			
Net exposure hedging income (loss is indicated with “-”)			
Income from change of fair value (loss is indicated with “-”)	VII (51)		491,075.60
Credit impairment losses (loss is indicated with “-”)	VII (52)	-15,528,776.65	-162,541,564.43
Asset impairment losses (loss is indicated with “-”)	VII (53)	-33,759,551.74	5,856,167.77
Incomes of assets disposal (loss to be listed with “-”)	VII (54)	4,082,280.29	-3,398,670.76
III. Operating profit (loss is indicated with “-”)		2,039,721,584.65	1,103,846,474.06
Add: Non-operating income	VII (55)	11,138,118.11	3,534,628.21
Less: Non-operating expenses	VII (56)	6,402,257.82	6,068,335.00
IV. Total profit (total loss is indicated with “-”)		2,044,457,444.94	1,101,312,767.27
Less: Income tax expenses	VII (57)	316,211,188.83	223,845,459.20
V. Net profit (net loss is indicated with “-”)		1,728,246,256.11	877,467,308.07
(I) Classified by operating continuity			
1. Net profit from continuing operations (net loss is indicated with “-”)		1,728,246,256.11	877,467,308.07
2. Net profit from discontinuing operations (net loss is indicated with “-”)			
(II) Classified by ownership			
1. Net profits attributable to the shareholders of the parent company (net loss to be listed with “-”)		1,661,149,050.47	759,726,411.65
2. Non-controlling interests (net loss to be listed with “-”)		67,097,205.64	117,740,896.42
VI. Other comprehensive income, net of tax		12,190,423.24	-790,051,642.28
(I) Net of tax of other comprehensive income attributable to the parent company owners		12,190,423.24	-790,051,642.28
1. Other comprehensive income that cannot be reclassified through profit or loss		12,493,800.88	-790,785,370.16
(1) Changes arising from re-measurement of the defined benefit plan			
(2) Other comprehensive income that cannot be reclassified into profits or losses under the equity method			
(3) Changes in fair value of other equity instrument investments		12,493,800.88	-790,785,370.16
(4) Changes in fair value of the enterprise's credit risk			
2. Other comprehensive income that will be re-classified into profits or losses		-303,377.64	733,727.88
(1) Other comprehensive income that can be reclassified into profits or losses under the equity method		-303,377.64	733,727.88
(2) Changes in fair value of other debt investments			
(3) Amount of financial assets reclassified into other comprehensive income			
(4) Provision for impairment of credit in other debt investments			
(5) Cash flow hedging reserve			
(6) Exchange differences from translation of financial statements denominated in foreign currencies			
(7) Others			
(II) Other comprehensive income attributable to minority interests, net of tax			
VII. Total comprehensive income		1,740,436,679.35	87,415,665.79
(I) Total comprehensive income attributable to owners of parent company		1,673,339,473.71	-30,325,230.63
(II) Total comprehensive income attributable to minority shareholders		67,097,205.64	117,740,896.42
VIII. Earnings per share:			
(I) Basic earnings per share (RMB/share)		0.774	0.467
(II) Diluted earnings per share (RMB/share)		0.774	0.467

Person in charge of the Company: Zheng Yonggang
accounting: Li Keqin

Person in charge of
Person in charge of the accounting authority: Xu Lie

Income Statement of Parent Company

January-June 2022

Unit: Yuan Currency: RMB

Item	Note	Half year of 2022	Half year of 2021
I. Operating income	XVII (4)	66,052,919.20	23,039,926.30
Less: Operating costs	XVII (4)	5,135,043.72	9,808,138.48
Tax and surcharge		558,559.58	623,930.83
Sales expenses		8,056,603.73	5,373,584.94
Administrative expenses		77,258,245.18	53,542,405.27
R&D expenses			
Financial expenses		233,211,477.50	149,833,726.68
Including: Interest expense		152,145,056.48	181,839,019.21
Interest income		20,601,203.86	32,533,465.90
Add: Other incomes		20,514,023.68	167,283.65
Investment income (loss is indicated with "-")	XVII (5)	52,144,712.40	57,944,034.75
Including: Income from investment in associates and joint ventures		51,828,158.72	57,505,059.08
Derecognized financial assets measured by amortized cost (loss is indicated with "-")			
Net exposure hedging income (loss is indicated with "-")			
Income from change of fair value (loss is indicated with "-")			
Credit impairment losses (loss is indicated with "-")		11,578,699.53	-26,308,361.45
Asset impairment losses (loss is indicated with "-")			
Incomes of assets disposal (loss to be listed with "-")		-13,961.58	
II. Operating profit (loss is indicated with "-")		-173,943,536.48	-164,338,902.95
Add: Non-operating income		87,582.72	735,504.88
Less: Non-operating expenses		50,319.39	333,753.89
III. Total profit (total loss is indicated with "-")		-173,906,273.15	-163,937,151.96
Less: Income tax expenses		19,095.00	-26,155,074.80
IV. Net profit (net loss is indicated with "-")		-173,925,368.15	-137,782,077.16
(I) Net profit from continuing operations (net loss is indicated with "-")		-173,925,368.15	-137,782,077.16
(II) Net profit from discontinuing operations (net loss is indicated with "-")			
V. Other comprehensive income, net of tax		-303,377.64	-215,847,476.12
(I) Other comprehensive income that cannot be reclassified into profit or loss			-216,581,204.00
1. Changes arising from re-measurement of the defined benefit plan			
2. Other comprehensive income that cannot be reclassified into profit or loss under the equity method			
3. Changes in fair value of other equity instrument investments			-216,581,204.00
4. Changes in fair value of the enterprise's credit risk			
(II) Other comprehensive income that will be reclassified into profit or loss		-303,377.64	733,727.88
1. Other comprehensive income that can be reclassified into profit or loss under the equity method		-303,377.64	733,727.88
2. Changes in fair value of other debt investments			
3. Amount of the financial asset reclassified into other comprehensive income			
4. Provision for credit impairment of other debt investment			
5. Cash flow hedging reserve			
6. Exchange differences from translation of statements denominated in foreign currencies			
7. Others			
VI. Total comprehensive income		-174,228,745.79	-353,629,553.28
VII. Earnings per share:			
(I) Basic earnings per share (RMB/share)		-0.081	-0.085
(II) Diluted earnings per share (RMB/share)		-0.081	-0.085

Person in charge of the Company: Zheng Yonggang Person in charge of accounting: Li Keqin Person in charge of the accounting authority: Xu Lie

Consolidated Cash Flow Statement

January-June 2022

Unit: Yuan Currency: RMB

Item	Note	Half year of 2022	Half year of 2021
I. Cash flows from operating activities:			
Cash received from sales of goods or rendering of services		9,295,922,303.60	5,103,555,234.09
Net increase in deposits from customers and placements from corporations in the same industry			
Net increase in borrowings from the central bank			
Net increase in placements from other financial institutions			
Cash received for receiving premium of original insurance contract			
Net cash received from reinsurance business			
Net increase in deposits of the insured and investment			
Cash received from interests, fees and commissions			
Net increase in placements from banks and other financial institutions			
Net increase in repurchasing			
Net cash received from acting sale of securities			
Tax refunds received		806,708,628.90	120,859,063.56
Other cash receipts related to operating activities	VII (59)	353,586,535.36	229,521,104.55
Subtotal of cash inflows from operating activities		10,456,217,467.86	5,453,935,402.20
Cash paid for goods purchased and services received		6,792,585,869.74	5,177,610,000.71
Net increase in loans and advances			
Net increase in deposits in the Central Bank and other financial institutions			
Cash paid for claim settlements on original insurance contract			
Net increase in placements to banks and other financial institutions			
Cash paid for interests, fees and commissions			
Cash paid for policy dividends			
Cash paid to and for employees		556,632,209.92	446,585,691.44
Payments of all types of taxes		983,305,445.11	840,743,737.05
Other cash paid relating to operating activities	VII (59)	563,244,666.81	540,953,824.87
Subtotal of cash outflows from operating activities		8,895,768,191.58	7,005,893,254.07
Net cash flow from operating activities		1,560,449,276.28	-1,551,957,851.87
II. Cash flows from investment activities:			
Cash received from the recovery of investments		311,480,000.00	1,895,960,619.45
Cash received from acquisition of investment income		6,538,661.68	31,256,312.12
Net amount of cash received from disposal of fixed assets, intangible assets and other long-term assets		19,902,061.40	3,334,572.70
Net cash received from disposal of subsidiaries and other business units		39,467,700.00	18,423,100.00
Other cash received relating to investment activities	VII (59)		1,148,535,983.00
Subtotal of cash inflows from investing activities		377,388,423.08	3,097,510,587.27
Cash paid for acquisition of fixed assets, intangible assets and other long-term assets		2,879,226,513.34	1,218,097,617.07
Cash paid for investments		77,500,000.00	5,105,846,195.80
Net increase in pledge loans			
Net cash paid for acquisition of subsidiaries and other business units			
Other cash paid relating to investment activities	VII (59)	1,279,377,479.20	270,617,224.15
Subtotal of cash outflows from investing activities		4,236,103,992.54	6,594,561,037.02
Net cash flows from investment activities		-3,858,715,569.46	-3,497,050,449.75
III. Cash flows from financing activities:			
Cash received from absorption of investments		902,277,216.00	11,200,000.00
Including: Cash received from subsidiaries absorbing investments from minority shareholders			11,200,000.00
Cash received from borrowings		6,776,892,235.63	10,025,941,164.20
Other cash received relating to financing activities	VII (59)	187,193,343.48	1,162,859,560.00
Subtotal of cash inflows from financing activities		7,866,362,795.11	11,200,000,724.20
Cash payments for settlement of debts		7,390,225,985.66	2,436,516,497.60
Cash paid for distributing dividends and profits or paying interests		926,940,338.57	369,466,891.41
Including: Dividends and profits paid to minority shareholders by subsidiaries		9,735,639.41	
Other cash payments relating to financing activities	VII (59)	1,257,540,680.64	1,190,557,859.69
Subtotal of cash outflows from financing activities		9,574,707,004.87	3,996,541,248.70
Net cash flows from financing activities		-1,708,344,209.76	7,203,459,475.50
IV. Effect of changes in exchange rate on cash and cash equivalents			
		16,788,635.10	-8,275,805.88
V. Net increase in cash and cash equivalents			
		-3,989,821,867.84	2,146,175,368.00
Add: Opening balance of cash and cash equivalents		8,678,782,091.61	2,563,203,640.10
VI. Ending balance of cash and cash equivalents			
		4,688,960,223.77	4,709,379,008.10

Person in charge of the Company: Zheng Yonggang
accounting: Li Keqin

Person in charge of
Person in charge of the accounting authority: Xu Lie

Cash Flow Statement of Parent Company

January-June 2022

Unit: Yuan Currency: RMB

Item	Note	Half year of 2022	Half year of 2021
I. Cash flows from operating activities:			
Cash received from sales of goods or rendering of services		22,903,772.46	15,949,797.29
Tax refunds received		55,290,225.90	
Other cash receipts related to operating activities		67,803,782.56	15,180,812.75
Subtotal of cash inflows from operating activities		145,997,780.92	31,130,610.04
Cash paid for goods purchased and services received			
Cash paid to and for employees		15,766,067.85	14,698,758.66
Payments of all types of taxes		9,767,150.60	34,339,427.67
Other cash paid relating to operating activities		89,641,355.18	79,777,328.19
Subtotal of cash outflows from operating activities		115,174,573.63	128,815,514.52
Net cash flow from operating activities		30,823,207.29	-97,684,904.48
II. Cash flows from investment activities:			
Cash received from the recovery of investments		5,000,000.00	341,757,638.18
Cash received from acquisition of investment income			27,546,000.00
Net amount of cash received from disposal of fixed assets, intangible assets and other long-term assets		29,000.00	
Net cash received from disposal of subsidiaries and other business units		10,054,253.68	16,000,000.00
Other cash received relating to investment activities		39,613,844.37	1,102,315,333.30
Subtotal of cash inflows from investing activities		54,697,098.05	1,487,618,971.48
Cash paid for acquisition of fixed assets, intangible assets and other long-term assets		750,858.00	450,513.63
Cash paid for investments			
Net cash paid for acquisition of subsidiaries and other business units		10,000,000.00	4,983,886,600.00
Other cash paid relating to investment activities		1,896,820,647.50	268,774,454.82
Subtotal of cash outflows from investing activities		1,907,571,505.50	5,253,111,568.45
Net cash flows from investment activities		-1,852,874,407.45	-3,765,492,596.97
III. Cash flows from financing activities:			
Cash received from absorption of investments		252,277,216.00	
Cash received from borrowings		3,378,000,000.00	5,052,000,000.00
Other cash received relating to financing activities		277,812,000.00	1,005,304,100.00
Subtotal of cash inflows from financing activities		3,908,089,216.00	6,057,304,100.00
Cash payments for settlement of debts		3,827,000,000.00	1,225,000,000.00
Cash paid for distributing dividends and profits or paying interests		816,240,103.43	278,333,212.64
Other cash payments relating to financing activities		210,656,121.75	1,028,625,000.00
Subtotal of cash outflows from financing activities		4,853,896,225.18	2,531,958,212.64
Net cash flows from financing activities		-945,807,009.18	3,525,345,887.36
IV. Effect of changes in exchange rate on cash and cash equivalents			
V. Net increase in cash and cash equivalents			
Add: Opening balance of cash and cash equivalents		3,636,082,800.84	892,190,484.46
VI. Ending balance of cash and cash equivalents			
		868,224,591.50	554,358,870.37

Person in charge of the Company: Zheng Yonggang Person in charge of accounting: Li Keqin Person in charge of the accounting authority: Xu Lie

Consolidated Statement of Changes in Owners' Equity
January-June 2022

Unit: Yuan Currency: RMB

Item	Half year of 2022													Minority interests	Total owners' equity
	Owner's equity attributable to parent company														
	Paid-in capital (or share capital)	Other equity instruments			Capital reserve	Less: Treasury shares	Other comprehensive income	Special reserves	Surplus reserves	General risk provision	Retained earnings	Others	Subtotal		
Preferred shares		Perpetual bonds	Others												
I. Ending balance of the previous year	2,142,919,938.00				6,477,790,953.97		-31,679,676.99	2,307,702.27	253,716,196.59		10,083,326,361.95		18,928,381,475.79	421,993,070.96	19,350,374,546.75
Add: Changes in accounting policies															
Correction of errors in the prior period															
Business combination under common control															
Others															
II. Opening balance of the current year	2,142,919,938.00				6,477,790,953.97		-31,679,676.99	2,307,702.27	253,716,196.59		10,083,326,361.95		18,928,381,475.79	421,993,070.96	19,350,374,546.75
III. Increase/decrease for the period (decrease is indicated with "-")	18,334,100.00				398,088,672.17		12,190,423.24	5,763.23			992,697,641.97		1,421,316,600.61	596,960,571.62	2,018,277,172.23
(I) Total comprehensive income							50,902,594.28				1,661,149,050.47		1,712,051,644.75	67,097,205.64	1,779,148,850.39
(II) Contribution and withdrawal of capital by owners	18,334,100.00				398,088,672.17								416,422,772.17	529,838,401.13	946,261,173.30
1. Ordinary shares invested by owners														529,015,909.64	529,015,909.64
2. Capital invested by holders of other equity instruments															
3. Amount of share payment credited to owner's equity	18,334,100.00				277,104,581.81								295,438,681.81		295,438,681.81
4. Others					120,984,090.36								120,984,090.36	822,491.49	121,806,581.85
(III) Profit distribution											-707,163,579.54		-707,163,579.54		-707,163,579.54
1. Withdrawal of surplus reserve															
2. Provision for general risk															
3. Distribution to owners (or shareholders)											-707,163,579.54		-707,163,579.54		-707,163,579.54
4. Others															
(IV) Internal carry-over of owner's equity							-38,712,171.04				38,712,171.04				
1. Transfer of capital reserve to capital (or share capital)															
2. Transfer of surplus reserve to capital (or share capital)															

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3. Covering loss with surplus reserve														
4. Change of defined benefit plan carried forward to retained earnings														
5. Other comprehensive income carried forward to retained earnings						-38,712,171.04				38,712,171.04				
6. Others														
(V) Special reserves							5,763.23				5,763.23	24,964.85	30,728.08	
1. Provision for the period							3,295,509.70				3,295,509.70	707,337.49	4,002,847.19	
2. Utilization for the period							3,289,746.47				3,289,746.47	682,372.64	3,972,119.11	
(VI) Others														
IV. Ending balance for the period	2,161,254,038.00				6,875,879,626.14	-19,489,253.75	2,313,465.50	253,716,196.59		11,076,024,003.92		20,349,698,076.40	1,018,953,642.58	21,368,651,718.98

Item	Half year of 2021													Minority interests	Total owners' equity
	Owner's equity attributable to parent company														
	Paid-in capital (or share capital)	Other equity instruments			Capital reserve	Less: Treasury shares	Other comprehensive income	Special reserves	Surplus reserves	General risk provision	Retained earnings	Others	Subtotal		
Preferred shares		Perpetual bonds	Others												
I. Ending balance of the previous year	1,628,009,229.00				3,600,459,003.45		671,319,941.31	2,363,262.14	257,570,058.94		6,248,274,179.78		12,407,995,674.62	1,499,262,591.41	13,907,258,266.03
Add: Changes in accounting policies															
Correction of errors in the prior period															
Business combination under common control															
Others						-56,818.66		-3,853,862.35		-34,684,761.15		-38,595,442.16		-38,595,442.16	
II. Opening balance of the current year	1,628,009,229.00				3,600,459,003.45		671,263,122.65	2,363,262.14	253,716,196.59		6,213,589,418.63		12,369,400,232.46	1,499,262,591.41	13,868,662,823.87
III. Increase/decrease for the period (decrease is indicated with "-")					-29,734,549.37		-790,051,642.28	686,304.70		1,264,578,331.26		445,478,444.31	160,839,033.66	606,317,477.97	
(I) Total comprehensive income							-140,722,329.59			759,726,411.65		619,004,082.06	117,740,896.42	736,744,978.48	
(II) Contribution and withdrawal of capital by owners					-29,734,549.37							-29,734,549.37	42,936,198.29	13,201,648.92	
1. Ordinary shares invested by owners													9,138,686.22	9,138,686.22	
2. Capital invested by holders of other equity instruments															
3. Amount of share payment credited to owner's equity					4,062,962.70							4,062,962.70		4,062,962.70	
4. Others					-33,797,512.07							-33,797,512.07	33,797,512.07		
(III) Profit distribution															
1. Withdrawal of surplus reserve															
2. Provision for general risk															
3. Distribution to owners (or shareholders)												-146,520,830.61	-146,520,830.61	-146,520,830.61	
4. Others															
(IV) Internal carry-over of owner's equity							-649,329,312.69			651,372,750.22		2,043,437.53		2,043,437.53	
1. Transfer of capital reserve to capital (or share capital)															

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2. Transfer of surplus reserve to capital (or share capital)															
3. Covering loss with surplus reserve															
4. Change of defined benefit plan carried forward to retained earning															
5. Other comprehensive income carried forward to retained earnings						-649,329,312.69				649,329,312.69					
6. Others										2,043,437.53		2,043,437.53			2,043,437.53
(V) Special reserves									686,304.70			686,304.70	161,938.95		848,243.65
1. Provision for the period									1,634,949.40			1,634,949.40	340,800.00		1,975,749.40
2. Utilization for the period									948,644.70			948,644.70	178,861.05		1,127,505.75
(VI) Others															
IV. Ending balance for the period	1,628,009,229.00				3,570,724,454.08	-118,788,519.63	3,049,566.84	253,716,196.59		7,478,167,749.89		12,814,878,676.77	1,660,101,625.07		14,474,980,301.84

Person in charge of the Company: Zheng Yonggang Person in charge of accounting: Li Keqin Person in charge of the accounting authority: Xu Lie

Statement of Changes in Owners' Equity of Parent Company
January-June 2022

Unit: Yuan Currency: RMB

Item	Half year of 2022										
	Paid-in capital (or share capital)	Other equity instruments			Capital reserve	Less: Treasury shares	Other comprehensive income	Special reserves	Surplus reserves	Retained earnings	Total owners' equity
		Preferred shares	Perpetual bonds	Others							
1. Ending balance of the previous year	2,142,919,938.00				5,334,342,133.89		-22,828,481.63		255,841,651.17	3,805,773,193.43	11,516,048,434.86
Add: Changes in accounting policies											
Correction of errors in the prior period											
Others											
II. Opening balance of the current year	2,142,919,938.00				5,334,342,133.89		-22,828,481.63		255,841,651.17	3,805,773,193.43	11,516,048,434.86
III. Increase/decrease for the period (decrease is indicated with "-")	18,334,100.00				246,018,679.92		-303,377.64			-881,088,947.69	-617,039,545.41
(I) Total comprehensive income							-303,377.64			-173,925,368.15	-174,228,745.79
(II) Contribution and withdrawal of capital by owners	18,334,100.00				246,018,679.92						264,352,779.92
1. Ordinary shares invested by owners											
2. Capital invested by holders of other equity instruments											
3. Amount of share payment credited to owner's equity	18,334,100.00				246,018,679.92						264,352,779.92
4. Others											
(III) Profit distribution										-707,163,579.54	-707,163,579.54
1. Withdrawal of surplus reserve											
2. Distribution to owners (or shareholders)										-707,163,579.54	-707,163,579.54
3. Others											
(IV) Internal carry-over of owner's equity											
1. Transfer of capital reserve to capital (or share capital)											
2. Transfer of surplus reserve to capital (or share capital)											
3. Covering loss with surplus reserve											
4. Change of defined benefit plan carried forward to retained earnings											
5. Other comprehensive income carried forward to retained earnings											
6. Others											
(V) Special reserves											
1. Provision for the period											
2. Utilization for the period											
(VI) Others											
IV. Ending balance for the period	2,161,254,038.00				5,580,360,813.81		-23,131,859.27		255,841,651.17	2,924,684,245.74	10,899,008,889.45

Item	Half year of 2021										
	Paid-in capital (or share capital)	Other equity instruments			Capital reserve	Less: Treasury shares	Other comprehensive income	Special reserves	Surplus reserves	Retained earnings	Total owners' equity
		Preferred shares	Perpetual bonds	Others							
1. Ending balance of the previous year	1,628,009,229.00				2,494,762,975.88		192,999,191.60		259,695,513.52	3,964,969,668.27	8,540,436,578.27

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Add: Changes in accounting policies										
Correction of errors in the prior period										
Others						-56,818.66	-3,853,862.35	-34,684,761.15	-38,595,442.16	
II. Opening balance of the current year	1,628,009,229.00			2,494,762,975.88		192,942,372.94	255,841,651.17	3,930,284,907.12	8,501,841,136.11	
III. Increase/decrease for the period (decrease is indicated with "-")						-		-57,006,983.94	-272,854,460.06	
(I) Total comprehensive income						20,733,727.88		-137,782,077.16	-117,048,349.28	
(II) Contribution and withdrawal of capital by owners										
1. Ordinary shares invested by owners										
2. Capital invested by holders of other equity instruments										
3. Amount of share payment credited to owner's equity										
4. Others										
(III) Profit distribution								-146,520,830.61	-146,520,830.61	
1. Withdrawal of surplus reserve										
2. Distribution to owners (or shareholders)								-146,520,830.61	-146,520,830.61	
3. Others										
(IV) Internal carry-over of owner's equity						-		227,295,923.83	-9,285,280.17	
1. Transfer of capital reserve to capital (or share capital)						236,581,204.00				
2. Transfer of surplus reserve to capital (or share capital)										
3. Covering loss with surplus reserve										
4. Change of defined benefit plan carried forward to retained earning										
5. Other comprehensive income carried forward to retained earnings						-		236,581,204.00		
6. Others								-9,285,280.17	-9,285,280.17	
(V) Special reserves										
1. Provision for the period										
2. Utilization for the period										
(VI) Others										
IV. Ending balance for the period	1,628,009,229.00			2,494,762,975.88		-22,905,103.18	255,841,651.17	3,873,277,923.18	8,228,986,676.05	

Person in charge of the Company: Zheng Yonggang Person in charge of accounting: Li Keqin Person in charge of the accounting authority: Xu Lie

III. Company Profile

1. Company profile

√Applicable Not applicable

Ningbo Shanshan Co., Ltd. (hereinafter the “Company”) was established on 27 November 1992 as a pilot joint-stock company with private placement upon approval of Ningbo Economic System Reform Office (Document No.: Y. T. G. 27 (1992)). The Company’s enterprise unified social credit code is 91330200704803055M. In January 1996, the Company completed the issue of A shares to domestic investors and commenced trading on the Shanghai Stock Exchange. The Company belongs to industrial sector.

As of 30 June 2022, the Company has accumulatively issued a total of 2,161,254,038 shares with its registered capital of RMB2,161,254,038. Its registered address is Room 801, ShanShan Plaza, No. 777 Rili Middle Road, Shounan Street, Yinzhou District, Ningbo, Zhejiang, PRC, and headquarter address is: 28th Floor, ShanShan Plaza, No. 777 Rili Middle Road, Yinzhou District, Ningbo, Zhejiang, PRC. Scope of business of the Company: General items: sales of special electronic materials; sales of optoelectronic devices; sales of graphite and carbon products; investment activities with own funds; non-residential real estate leasing; intellectual property services (except patent agency services); retail sales and wholesale of clothing and apparel; technology import and export; import and export of goods (except for the items subject to approval according to law, business activities shall be carried out pursuant to the business license independently according to law). Restricted to the following branches: General items: manufacturing, research and development of special electronic materials; optoelectronic device manufacturing; manufacturing of graphite and carbon products; apparel manufacturing (except for the items subject to approval according to law, business activities shall be carried out pursuant to the business license independently according to law). The parent company of the Company is Shanshan Group Co., Ltd., with Zheng Yonggang as the Company’s de facto controller.

These financial statements were approved by all directors of the Company on 11 August 2022.

2. Scope of the consolidated financial statements

√Applicable Not applicable

The subsidiaries within the scope of the Company's consolidated financial statements as of 30 June 2022 are as follows:

No.	Company name	No.	Company name
1	Shanjin Optoelectronics (Suzhou) Co., Ltd.	49	Quzhou Shanhai Photovoltaic Power Generation Co., Ltd.
2	Shanjin Optoelectronics (Guangzhou) Co., Ltd.	50	Quzhou Qujiang Henglei Energy Technology Co., Ltd.
3	Shanjin Optoelectronics (Nanjing) Co., Ltd.	51	Lanxi Shanrui New Energy Co., Ltd.
4	Shanjin Optoelectronics (Beijing) Co., Ltd.	52	Ningbo Ciguang New Energy Technology Co., Ltd.
5	Shanjin Optoelectronics Technology (Zhangjiagang) Co., Ltd.	53	Wuyi Shanrun New Energy Co., Ltd.

6	Shanjin Optoelectronics (Mianyang) Co., Ltd.	54	Taizhou Shantian Photovoltaic Power Generation Co., Ltd.
7	Ningbo Shanshan New Energy Technology Development Co., Ltd.	55	Cixi Shante Photovoltaic Co., Ltd.
8	Shanghai Shanshan Lithium Battery Material Technology Co., Ltd.	56	Shaoxing Shanchang New Energy Co., Ltd.
9	Ningbo Shanshan New Material Technology Co., Ltd.	57	Yuyao Shankai Photovoltaic Power Generation Co., Ltd.
10	Shanghai Shanshan Technology Co., Ltd.	58	Ningbo Xinquante New Energy Development Co., Ltd.
11	Chenzhou Shanshan New Material Co., Ltd.	59	Ningbo Haobo New Energy Co., Ltd.
12	Fujian Shanshan Technology Co., Ltd.	60	Jinhua Zhichao New Energy Technology Co., Ltd.
13	Huzhou Shanshan New Energy Technology Co., Ltd.	61	Ningbo Shanteng New Energy Co., Ltd.
14	Inner Mongolia Shanshan Technology Co., Ltd.	62	Nanchang Shan'ao New Energy Co., Ltd.
15	Inner Mongolia Shanshan Material Technology Co., Ltd.	63	Ningbo Yuyao Xiangtai Power Engineering Co., Ltd.
16	Inner Mongolia Shanshan New Material Co., Ltd.	64	Jinhua Shangong Photovoltaic Power Generation Co., Ltd.
17	Baotou Graphene Material Research Institute Co., Ltd.	65	Ningbo Shanwen Photovoltaic Power Generation Co., Ltd.
18	Shanghai Shanshan New Material Co., Ltd.	66	Quzhou Shanke Photovoltaic Power Generation Co., Ltd.
19	Sichuan Shanshan New Material Co., Ltd.	67	Quzhou Shanyu New Energy Development Co., Ltd.
20	Yunnan Shanshan New Material Co., Ltd. Note 1	68	Quzhou Qujiang Shanzhen New Energy Technology Co., Ltd.
21	Ningbo Yongxiang Investment Co., Ltd.	69	Sanmen Shangang Photovoltaic Power Generation Co., Ltd.
22	Ningbo Yongquan Investment Co., Ltd.	70	Jinhua Shanbao Photovoltaic Power Generation Co., Ltd.
23	Shanshan New Material (Quzhou) Co., Ltd.	71	Hangzhou Shanqiu Photovoltaic Power Generation Co., Ltd.
24	Dongguan Shanshan Battery Material Co., Ltd.	72	Jinhua Puzhong Photovoltaic Power Generation Co., Ltd.
25	Langfang Shanshan Battery Material Co., Ltd.	73	Taizhou Shanlin Photovoltaic Power Generation Co., Ltd.
26	Ningbo Shanshan Venture Capital Investment Co., Ltd.	74	Quzhou Shantao Photovoltaic Power Generation Co., Ltd.
27	Ningbo Shanshan Electric Vehicle Technology Development Co., Ltd.	75	Ningbo Taihui Photovoltaic Technology Co., Ltd.
28	Shanghai Zhanxiao New Energy Technology Co., Ltd.	76	Taizhou Shanxian Photovoltaic Power Generation Co., Ltd.
29	Ningbo Shanshan Bada Power Assembly Co., Ltd.	77	Xinchang Juheng New Energy Development Co., Ltd.
30	Ningbo Shanshan Automobile Co., Ltd.	78	Ningbo Shanshan Sunshine New Energy Co., Ltd.
31	Ningbo Qingshan Automobile Co., Ltd.	79	Zhejiang Guangliang New Energy Technology Co., Ltd.
32	Inner Mongolia Qingshan Automobile Co., Ltd.	80	Ningbo Shanxin Photovoltaic Energy Management Co., Ltd. Note 1
33	Ningbo Shanpeng Investment Co., Ltd.	81	Ningbo Shanheng Photovoltaic Power Generation Co., Ltd.
34	Ningbo Ulica Solar Energy Co., Ltd.	82	Shaoxing Shansheng Photovoltaic Power Generation Co., Ltd.
35	Ningbo Shanneng Photovoltaic Power Generation Co., Ltd.	83	Ningbo Shanshan Contract Energy Management Co., Ltd.

36	Taizhou Shanhe Photovoltaic Power Generation Co., Ltd.	84	Ningbo Shanshan Co., Ltd.
37	Taizhou Shanda Photovoltaic Power Generation Co., Ltd.	85	Shanghai Shanshan Garment Co., Ltd.
38	Taizhou Shantai Photovoltaic Power Generation Co., Ltd.	86	Shanghai Tunheng Trading Co., Ltd.
39	Wuyi Shansheng Photovoltaic Co., Ltd.	87	Ningbo Shanshan Tongda Trading Co., Ltd.
40	Yongkang Shanlong Photovoltaic Power Generation Co., Ltd.	88	Hong Kong Shanshan Resources Co., Ltd.
41	Ningbo Shanhua Photovoltaic Power Generation Co., Ltd.	89	Shanghai Nafei Clothing Co., Ltd. Note 2
42	Shaoxing Shandian Photovoltaic Power Generation Co., Ltd.	90	Shanghai Feihe Clothing Co., Ltd. Note 2
43	Ningbo Shanhui Photovoltaic Power Generation Co., Ltd.	91	Ningbo Yunling Zhichuang Park Operation Management Co., Ltd.
44	Ningbo Shanjie Photovoltaic Power Generation Co., Ltd.	92	Shanshan Fashion Industrial Park Suqian Co., Ltd.
45	Sanmen Shanyuan Photovoltaic Power Generation Co., Ltd.	93	Shanghai Shanshan New Energy Technology Co., Ltd.
46	Shaoxing Shanzi Photovoltaic Power Generation Co., Ltd.	94	Ningbo Haoheng Trading Co., Ltd. Note 1
47	Ningbo Shanlun Photovoltaic Power Generation Co., Ltd.	95	Ningbo Yongshan Lithium Industry Co., Ltd.
48	Taizhou Shanyan New Energy Co., Ltd.	96	Yongshan International Co., Ltd.

Note 1: The relevant subsidiaries were newly established by the current investment.

Note 2: The subsidiaries, Shanghai Nafei Clothing Co., Ltd. and Shanghai Feihe Clothing Co., Ltd. have been discontinued for years.

For details of the scope of the consolidated financial statement and its changes during the period, please refer to "VIII. Changes in the Consolidation Scope" and "IX. Equity in other Entities".

IV. Basis of Preparation of the Financial Statements

1. Basis of preparation

The financial statements were prepared in accordance with the *Accounting Standards for Business Enterprises - Basic Standards* issued by the Ministry of Finance of the PRC, and their specific accounting standards, application guidance, explanations, and other relevant regulations (collectively referred to as "Accounting Standards for Business Enterprises") as well as the relevant provisions of the *Rules on Information Disclosure and Preparation by Companies Issuing Securities Publicly No.15 - General Provisions on Financial Report* (《公开发行证券的公司信息披露编报规则第15号——财务报告的一般规定》) issued by the CSRC.

2. Going concern

Applicable Not applicable

The financial statements are prepared on a going-concern basis. The Company has the ability of sustainable operation for at least 12 months since the end of the Reporting Period, and there are no major matters affecting its ability of sustainable operation.

V. Significant Accounting Policies and Accounting Estimates

Reminders on specific accounting policies and accounting estimates:

Applicable Not applicable

The following disclosures have covered the Company's specific accounting policies and accounting estimates based on particular production and operation characteristics.

1. Statement of Compliance with the ASBEs

The financial statements prepared by the Company comply with the requirements of the ASBEs and give a true and complete picture of the Company's financial position, results of operations, changes in shareholders' equity and cash flows, etc.

2. Accounting period

The Company's fiscal year begins on 1 January and ends on 31 December in the calendar year.

3. Business cycle

Applicable Not applicable

The operating cycle of the Company is 12 months.

4. Functional currency

The functional currency of the Company is RMB.

5. Accounting treatments for merger of enterprises under common control and not under common control

Applicable Not applicable

Business combination under common control: Assets and liabilities acquired by the combining party in a business combination (including goodwill resulting from the acquisition of the combined party by the ultimate controlling party) are measured at the carrying amount of the combined party's assets and liabilities in the consolidated financial statements of the ultimate controlling party at the date of the combination. The difference between the book value of net assets acquired in the combination and the book value of the consideration paid for the combination (or the total par value of shares issued) is used to adjust the capital stock premium in the capital reserve, and when the capital stock premium in the capital reserve is insufficient for offset, it is used to adjust the retained earnings.

Business combination not under common control: The combination cost shall be fair value of the assets paid, liabilities incurred or assumed or the equity securities issued by the acquirer on the acquisition date for the control of the acquiree. The excess of the combination cost over the fair value of the identifiable net assets of the acquiree acquired in the combination is recognized as goodwill; the shortfall of the combination cost below the fair value of the identifiable net assets of the acquiree acquired in the acquisition is included in the profit or loss for the period. Each of the identifiable assets, liabilities and contingent liabilities of the acquiree acquired in the combination, which qualifies for recognition, is measured at fair value at the date of purchase.

Transaction costs associated with the issue of equity or debt securities for the business combination

are included in the initially recognized amounts of the equity or debt securities. Costs directly attributable to the combination are included in profit or loss in the period when incurred. Transaction costs associated with the issue of equity or debt securities for the combination are included in the initially recognized amounts of the equity or debt securities.

6. Methods for preparation of the consolidated financial statements

Applicable Not applicable

1. Scope of consolidation

The scope of consolidation in the consolidated financial statements is determined on a control basis and covers the Company and all of its subsidiaries. Control means that the Company has power over the investee, enjoys variable returns through its participation in the investee's related activities, and has the ability to use its power over the investee to influence the amount of its returns.

2. Procedures for consolidation

The Company, by considering the entire enterprise group as one accounting entity, prepares consolidated financial statements in accordance with uniform accounting policies, to reflect the financial position, results of operations and cash flows of the enterprise group as a whole. The effect of internal transactions that occur between the Company and its subsidiaries and between subsidiaries is offset. Where an internal transaction indicates an impairment loss on the related asset, the full amount of such loss shall be recognized. Where the accounting policies or accounting periods adopted by the subsidiaries are inconsistent with the Company, necessary adjustments will be made in accordance with the Company's accounting policies and accounting periods when preparing consolidated financial statements.

Subsidiary owners' equity, current net profit or loss, and current comprehensive income of the minority shareholders are separately presented under the owner's equity item in the consolidated balance sheet, the net profit item in the consolidated income statement, and the total comprehensive income item. If the current losses shared by the minority shareholders of a subsidiary exceed the share enjoyed by the minority shareholder in the initial owner's equity of the subsidiary, the excess is deducted from the minority interests.

(1) Increase in subsidiary or business

During the Reporting Period, where a subsidiary or business is added as a result of a business combination under common control, the operating results and cash flows of the subsidiary or business combination from the beginning of the period to the end of the Reporting Period are included in the consolidated financial statements. Meanwhile, opening figures in the

consolidated financial statements and related items in the comparative statements are adjusted as if the combined reporting entity had been in existence since the time point at which control by the ultimate controlling party began.

Where the investee under common control can be controlled due to additional investment or other reasons, for the equity investment held prior to obtaining control over the combined party, the relevant profit and loss, other comprehensive income and other changes to net assets recognized in the period from the date of acquiring the original equity or the date when the combining party and the combined party are under common control, whichever is later, to the date of combination, shall be covered by writing down the opening retained earnings or current profit and loss of the comparison period.

During the Reporting Period, the addition of a subsidiary or business as a result of a business combination not under common control is included in the consolidated financial statements from the date of purchase based on the fair value of each of the identifiable assets, liabilities and contingent liabilities determined at the date of purchase.

Where the investee under common control can be controlled due to additional investment or other reasons, the equity interest held in the acquiree prior to the acquisition date is re-measured according to its fair value on the acquisition date. The difference between the fair value and the book value is recognized as investment income for the current period. Other comprehensive income related to the equity of the acquiree held before the acquisition date, which will be reclassified into profit or loss in the future, and other changes in owners' equity under the equity method accounting are converted into the current investment income of the acquisition date.

(2) Disposal of subsidiaries

① General treatment method

If the control over the investee is lost due to the disposal of partial equity investment or other reasons, the Company shall re-measure the remaining equity investment after disposal according to the fair value on the date of losing the 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 sum of the shares of the net assets of the original subsidiary continuing to calculate from the date of purchase or merger according to the original shareholding ratios and the goodwill, is recognized as investment income in the period in which control is lost. Other comprehensive income related to the equity investment of the original subsidiary that will be reclassified into profit or loss in the future, and other changes in owners' equity under the equity method accounting are converted into the current

investment income when the control is lost.

② Disposal of subsidiaries step by step

If the equity investment in a subsidiary is disposed of step by step through multiple transactions until the loss of control, the terms, conditions, and economic impact of the disposal of the equity investment in the subsidiary meet one or more of the following conditions, it usually indicates that the multiple transactions shall be taken as a package deal:

i . These transactions are made simultaneously or with consideration of influence on each other;

ii . These transactions as a whole are required to achieve a complete business result;

iii. The occurrence of a transaction depends on the occurrence of at least one of the other transactions;

iv. A transaction is uneconomical when treated alone, but is economical when considered together with other transactions.

Where all the transactions belong to a package deal, each transaction shall be treated as a transaction for disposal of equity investment in subsidiaries and loss of control. The difference between each disposal price and the share of the subsidiary's net assets corresponding to the disposal investment before the loss of control is recognized as other comprehensive income in the consolidated financial statements, which is transferred into the current profit and loss when the control is lost.

Where all the transactions are not a package deal, before the loss of control, the accounting treatment shall be carried out for the partial disposal of the equity investment of the subsidiary without loss of control; when the control is lost, the accounting treatment shall be carried out in accordance with the general treatment method for the disposal of the subsidiary.

(3) Acquisition of minority equity in subsidiary

The difference between the additional long-term equity investment arising from the acquisition of minority equity and the share of the subsidiary's net assets, which is calculated on an ongoing basis since the acquisition date of merger according to the new holding proportion) shall be covered by adjusting the equity premium in capital reserve of the consolidated balance sheet; if the equity premium in capital reserve is not sufficient for write-off, retained earnings shall be adjusted.

(4) Partial disposal of the equity investment of the subsidiary without loss of control

The difference between the disposal price and the net assets of the subsidiary corresponding to the equity investment disposed of since the acquisition date or combination shall be covered by adjusting the equity premium in the capital reserve of the consolidated balance

sheet; if the equity premium in the capital reserve is not sufficient for write-off, retained earnings shall be adjusted.

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

√Applicable Not applicable

The joint venture arrangements are divided into joint operations and joint ventures.

Joint operation refers to a joint arrangement related to which the joint venture party enjoys assets and assumes liabilities.

The Company recognizes the following items related to the share of interests in joint operations:

- (1) Recognizes the assets assumed separately, and the assets assumed jointly according to its proportion;
- (2) Recognizes the liabilities assumed separately, and the liabilities assumed jointly according to its proportion;
- (3) Recognizes the income from the sales of its share in the outputs of joint operation;
- (4) Recognizes the income from the sales of the outputs of joint operation according to its proportion;
- (5) Recognizes the expenses incurred separately, and recognize the expenses incurred jointly according to its proportion.

The Company accounts for its investment in joint ventures using the equity method, as described in "V. Significant Accounting Policies and Accounting Estimates – 14. Long-term equity investments" in this note.

8. Determination standards for cash and cash equivalents

Cash equivalents are investments that are held for a short period of time (generally maturing within three months from the date of purchase), are highly liquid, easily convertible to known amounts of cash, and having minimal risk of changes in value.

9. Foreign currency business and foreign currency statement translation

√Applicable Not applicable

(1). Foreign currency business

Foreign currency business is charged to an account in RMB using the spot exchange rate on the date of the transaction as the conversion rate.

The balances of foreign monetary items at the balance sheet date are converted at the spot rate on the balance sheet date, and the resulting exchange differences are included in the profit or loss for the current period, except for those arising from special borrowings in foreign currencies related to the acquisition of assets eligible for capitalization, which are treated in accordance with the principle of capitalization of borrowing costs.

(2). Translation of foreign currency financial statements

The asset and liability items in the balance sheets are translated at the spot rate on the balance sheet date. Among the owners' equity items, the items other than "undistributed profits" are translated at the spot rate on the transaction date. The income and expense items in the profit statement shall be translated based on the spot rate on the transaction date.

On disposal of foreign operations, exchange differences in financial statements denominated in foreign currencies related to the foreign operations shall be transferred from owner's equity to the disposal of current profit and loss.

10. Financial instruments

Applicable Not applicable

When the Company becomes a party to a financial instrument contract, it shall recognize a financial asset, financial liability or equity instrument.

(1). Classification of financial instruments

Based on the Company's business model for managing financial assets and the contractual cash flow characteristics of the financial assets, the financial assets are classified at initial recognition as: financial assets measured at amortized cost, financial assets at fair value through other comprehensive income, and financial assets at fair value through profit or loss.

The Company classifies financial assets that meet the following conditions and are not designated as financial assets measured at fair value through profit or loss, as financial assets at amortized cost:

- The business model is targeted at collecting contractual cash flows;
- Contractual cash flows only pay for the principal and the interest based on the outstanding principal amount.

The Company classifies financial assets that simultaneously meet the following conditions and are not designated as financial assets measured at fair value through profit or loss, as financial assets at fair value through other comprehensive income (debt instruments):

- A business model with the objective of both collecting the contractual cash flows and selling the financial assets;
- Contractual cash flows only pay for the principal and the interest based on the outstanding principal amount.

For non-trading equity instrument investments, the Company can irrevocably designate

them as financial assets at fair value through other comprehensive income at the time of initial recognition (debt instruments). The designation is made on the basis of a single investment, and the relevant investment meets the definition of an equity instrument from the issuer's perspective.

Except for the aforementioned financial assets at amortized cost and at fair value through other comprehensive income, the Company classifies all other financial assets as financial assets at fair value through profit or loss. At the time of initial recognition, if the Company can eliminate or significantly reduce accounting mismatches, it may irrevocably designate the financial assets that should have been classified as financial assets at amortized cost or at fair value through other comprehensive income as financial assets at fair value through profit or loss.

Financial liabilities are classified at the time of initial recognition as: financial liabilities at fair value through profit or loss, and financial liabilities at amortized cost.

For those financial liabilities, if one of the following conditions is met, they may be designated, on initial recognition, as financial liabilities at fair value through profit or loss:

- 1) The designation can eliminate or significantly reduce accounting mismatches.
- 2) According to enterprise's risk management or investment strategy as set out in formal written documents, management and performance evaluation of a portfolio of financial liabilities or a portfolio of financial assets and financial liabilities are conducted on a fair value basis. And within the enterprise, the evaluation results are reported to key management personnel on this basis.
- 3) The financial liabilities contain embedded derivatives that are subject to separate spin-off.

There are no such cases in the Company.

(2). Determination basis and measurement method of financial instruments

(1) Financial assets measured at amortized cost

Financial assets measured at amortized cost, including notes receivable, accounts receivable, other receivables, long-term receivables and debt investments, are initially measured at fair value, with related transaction costs included in the initial recognition amount; accounts receivable that do not contain a significant financing component and those that the Company has decided not to consider a financing component of not more than one year are initially measured at the contractual transaction price.

Interest calculated using the effective interest method during the holding period is included

in the profit or loss for the current period.

During recovery or disposal, the difference between the acquired price and the book value of the financial assets shall be included in the profit or loss for the current period.

(2) Financial assets at fair value through other comprehensive income (debt instruments)

Financial assets at fair value through other comprehensive income (debt instruments), including receivables financing and other debt investments, are initially measured at fair value with related transaction costs included in the initially recognized amount. The financial assets are subsequently measured at fair value, and changes in fair value are included in other comprehensive income, except for interest, impairment losses or gains and exchange gains or losses calculated using the effective interest method.

When the derecognition is implemented, the accumulated gains or losses previously included in other comprehensive income shall be transferred from other comprehensive income and included in the current profit and loss.

(3) Financial assets at fair value through other comprehensive income (equity instruments)

Financial assets at fair value through other comprehensive income (equity instruments), including investments in other equity instruments, are initially measured at fair value, with related transaction costs included in the initial recognition amount. The financial assets are subsequently measured at fair value, with changes in fair value included in other comprehensive income. Dividends received are included in the profit or loss for the current period.

When the derecognition is implemented, the accumulated gains or losses previously included in other comprehensive income shall be transferred from other comprehensive income and included in retained earnings.

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

Financial assets at fair value through profit or loss, including financial assets held for trading, derivative financial assets and other non-current financial assets, are initially measured at fair value, with related transaction costs included in the profit or loss for the current period. The financial assets are subsequently measured at fair value, with changes in fair value included in the profit or loss for the current period.

(5) Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss, including financial liabilities held for trading and derivative financial liabilities, are initially measured at fair value, with related transaction costs included in the profit or loss for the current period. The financial liabilities are subsequently measured at fair value, with changes in fair value included in

the profit or loss for the current period.

When the derecognition is implemented, the difference between its book value and the consideration paid is included in the profit or loss for the current period.

(6) Financial liabilities at amortized cost

Financial liabilities measured at amortized cost, including short-term borrowings, notes payable, accounts payable, other payables, long-term borrowings, bonds payable and long-term payables, are initially measured at fair value, with related transaction costs included in the initial recognition amount.

Interest calculated using the effective interest method during the holding period is included in the profit or loss for the current period.

When the derecognition is implemented, the difference between the consideration paid and the book value of the financial liabilities are included in the profit or loss for the current period.

(3). Derecognition of financial assets and transfer of financial assets

The Company derecognizes financial assets when one of the following conditions is met:

- The contractual right to receive cash flows from the financial asset terminates;
- The financial assets have been transferred and substantially all the risks and rewards of ownership of the financial assets have been transferred to the transfer-in side;
- The financial assets have been transferred. Although the Company neither transfers nor retains substantially all the risks and rewards of ownership of the financial assets, it doesn't retain control over the financial assets.

The financial assets are not derecognized when the transfer of them occurs and substantially all the risks and rewards of ownership of the financial asset are retained.

In the event of determining whether the transfer of financial assets meets the derecognition conditions above, the principle of substance over form shall be adopted.

The Company divides the transfer of financial assets into the overall transfer and partial transfer. When the transfer of financial assets as a whole satisfies the derecognition condition, the difference between the following two amounts is recognized in the profit or loss for the current period:

- (1) The book value of the transferred financial assets;
- (2) The sum of the consideration received for the transfer and the cumulative amount of changes in fair value originally included directly in owners' equity (in the case where the financial assets involved in the transfer are financial assets (debt instrument) measured at

fair value through other comprehensive income).

Where the partial transfer of financial assets satisfies the derecognition condition, the carrying amount of the financial assets transferred as a whole is apportioned between the derecognized portion and the unrecognized portion based on their respective relative fair values, and the difference between the following two amounts is recognized in the profit or loss for the current period:

- (1) The book value of the derecognized portion;
- (2) The sum of the consideration received for the derecognized portion and the amount specific to the derecognized portion in the cumulative amount of changes in fair value originally included directly in owners' equity (in the case where the financial assets involved in the transfer are financial assets (debt instrument) measured at fair value through other comprehensive income).

Where the transfer of financial assets doesn't meet the recognition conditions, the financial assets shall be continually recognized, and the received consideration shall be recognized as one financial liability.

(4). Derecognition of financial liabilities

When the prevailing obligations of a financial liability are relieved in whole or in part, the financial liability can be derecognized in whole or in part. Where the Company signs an agreement with the creditor to replace the existing financial liability by undertaking a new financial liability, and the contract terms for the new financial liability and the existing financial liability are substantially different, the Company shall derecognize the existing financial liability and recognize the new financial liability.

Where contractual terms of all or part of the existing financial liability are materially modified, the existing financial liability or part of it shall be derecognized, and the modified financial liability shall be recognized as a new financial liability.

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

Where the Company repurchases a portion of the financial liability, the book value of the financial liability as a whole is distributed on the repurchase date based on the relative fair value of the portion that continues to be recognized and the portion that is derecognized. The difference between the book value of the derecognized portion and the consideration

paid (including non-cash assets transferred or new financial liabilities assumed) is recognized in the profit or loss for the current period.

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

If there is an active market for financial instruments, the fair value is determined using quoted prices in an active market. Otherwise, the fair value is determined using valuation techniques. In its valuation, the Company uses valuation techniques that are applicable in the current circumstances and supported by sufficient available data and other information, selects inputs that are consistent with the characteristics of the assets or liabilities considered by market participants in transactions for the relevant assets or liabilities, and gives preference to the use of relevant observable inputs. Unobservable inputs are used only if the relevant observable inputs are not available or not practical to obtain.

(6). Test methods and accounting treatment for impairment of financial assets

The Company estimates expected credit losses on financial assets measured at amortized cost and financial assets at fair value through other comprehensive income (debt instruments) on an individual or combined basis considering all reasonable and evidence-based information, including forward-looking information. The measurement of expected credit losses depends on whether the financial assets have experienced a significant increase in credit risk since initial recognition.

The Company calculates the probability-weighted amount of the present value for the difference between the contractual cash flow receivable and the expected cash flow received to confirm expected credit losses considering reasonable and evidence-based information such as relevant past events, current conditions, and forecasts of future economic conditions, and taking the risk of default as the weight.

If the credit risk of the financial instruments has increased significantly since initial recognition, the Company measures its allowance for loss at an amount equal to the expected credit loss over the entire life of the financial instruments. Otherwise, the Company measures its allowance for loss at an amount equal to the expected credit loss of the financial instruments over the coming 12 months. The resulting increase or reversal of the provision for loss is recognized as an impairment loss or gain in the profit or loss for the current period.

The Company compares the risk of default on the balance sheet date of financial instruments with that on the date of initial recognition, to determine the relative change in

the risk of default during the expected lifetime of the financial instruments so as to assess whether the credit risk of the financial instruments has increased significantly since initial recognition. The Company considers that the credit risk of the financial instruments has increased significantly if the financial instruments are overdue for more than 30 days, unless there is conclusive evidence that the credit risk has not increased significantly since initial recognition.

If the credit risk is low on the balance sheet date, the Company considers that the credit risk has not increased significantly since initial recognition.

If there is objective evidence that a financial asset is credit impaired, the Company shall provide for impairment of that financial asset on a single-item basis.

For receivables and contract assets resulting from transactions governed by the *Accounting Standards for Business Enterprises No. 14 – Revenue (2017)*, the Company always measures the allowance for loss at an amount equal to the expected credit loss throughout their lives, regardless of whether there is a significant financing component.

The Company no longer has a reasonable expectation that the contractual cash flows from a financial asset will be fully or partially recovered, the book balance of the financial asset shall be written down directly.

11. Inventory

Applicable Not applicable

(1). Classification and cost of inventory

Inventory is classified as: raw materials, turnover materials, finished product, semi-finished product, goods in transit, materials for consigned processing, materials in transit, etc.

Inventories are initially measured at cost. The cost of inventories includes the purchase cost, processing cost and other expenditures incurred in bringing the inventories to their present location and condition.

(2). Pricing method for inventory delivery

The weighted average method shall be used for pricing inventories when they are delivered.

(3). Basis for determining the net realizable value of different categories of inventories

On the balance sheet date, inventories are measured at the lower of the cost or the net realizable value. The provision for inventory impairment shall be made if the cost of inventories is higher than the net realizable value. The net realizable value of inventories refers to the selling price deducted by estimated costs until they are made into finished

goods, estimated selling expense and relevant taxes in daily activities.

The net realizable value of finished goods, inventories, materials for sale and other merchandise inventories used directly for sale is determined, in the normal course of production and operation, as the estimated selling price of such inventories less estimated selling expenses and related taxes. The net realizable value of material inventories subject to processing is determined, in the normal course of production operations, as the estimated selling price of the finished goods produced, less the estimated costs to be incurred to completion, estimated selling expenses and related taxes. The net realizable value of inventories held for the execution of sales contracts or labor contracts is calculated based on the contract price. If the quantity of inventories held exceeds the quantity ordered in the sales contract, the net realizable value of the excess is calculated based on the general sales price.

After the provision for inventory impairment, if the factors affecting the previous write-down of inventory value have disappeared, resulting in the net realizable value of inventories higher than their book value, the provision for inventory impairment shall be reversed to the extent of provision previously made, and the reversed amount shall be recognized in the profit or loss for the current period.

(4). Inventory system

The Company's inventory is inventoried on a perpetual basis.

(5). Amortisation of low-value consumables and packaging materials

- (1) Low value consumables adopt the one-off amortisation method;
- (2) The packaging uses the one-off amortisation method.

12. Contract assets

(1). Methods and criteria for recognition of contract assets

Applicable Not applicable

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. The right to receive consideration for goods or services that the Company has transferred to the customer (which is dependent on factors other than the passage of time) is presented as a contract asset. Contract assets and contract liabilities under the same contract are presented on a net basis. The Company's unconditional (depending only on the passage of time) right to receive consideration from the customer is presented separately as a receivable.

(2). Method of determining expected credit losses on contract assets and accounting treatment√Applicable Not applicable

The method of determining expected credit losses on contract assets and the accounting treatment are described in “V. Significant Accounting Policies and Accounting Estimates 10. (6) Test methods and accounting treatment for impairment of financial assets” in this note.

13. Assets held for sales√Applicable Not applicable

A non-current asset or disposal group whose book value is recovered principally through sale (including exchange of non-monetary assets with commercial substance) rather than through continuing use is classified as held for sale.

The Company classifies non-current assets or disposal groups as held for sale if they meet the following conditions:

(1) In accordance with the practice in similar transactions for the sale of such assets or disposal groups, they can be sold immediately in their current condition;

(2) The sale is highly likely to 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. Where the relevant regulations require the approval of the relevant authority or regulatory authority of the Company before the sale can be made, such approval has been obtained.

For non-current assets classified as held for sale (excluding financial assets, deferred income tax assets and assets arising from employee compensation) or disposal groups, if the book value is higher than the net amount of fair value minus selling expenses, the book value shall be written down to the net amount of fair value minus selling expenses. The amount written down shall be recognized as an asset impairment loss and included in the profit and loss for the current period, and the impairment provisions for assets held for sale shall be made.

14. Long-term equity investment√Applicable Not applicable**(1). Judgment standards for common control and significant influence**

Common control means the common control over certain arrangement according to relevant agreements, where the activities of the arrangement can be decided only when all the participants sharing the control reach a consensus. Where the Company and other joint ventures implement common control over the investee and have the right to the net assets of the investee, the investee is the joint venture of the Company.

Significant influence means the power to participate in decision-making for the financial and business decisions of the investee, but not to control or jointly control with other parties over the formulation of such decisions. Where the Company is able to exert significant

influence on the investee, the investee is an associate of the Company.

(2). Determination of initial investment cost

(1) Long-term equity investment formed by business combination

For the long-term equity investment in subsidiaries acquired through business combination under common control, the initial investment cost of the long-term equity investment is based on the acquired share of the ownership interest of the combined party in the book value of the consolidated financial statements of the ultimate controlling party on the combination date. The difference between the initial investment cost of the long-term equity investment and the book value of the consideration paid is used to adjust the share premium in capital reserves, and when the share premium in capital reserves is not sufficient for write-down, it is used to adjust the retained earnings. Where it is possible to exercise control over an investee under common control due to additional investment or other reasons, the difference between the initial investment cost of the long-term equity investment recognized in accordance with the above principle and the sum of the book value of the long-term equity investment before combination plus the book value of the consideration paid for further acquisition of shares at the date of combination is used to adjust the share premium, and when the share premium is not sufficient for write-down, it is used to adjust the retained earnings.

For the long-term equity investment in subsidiaries acquired through business combination under common control, the initial investment cost of the long-term equity investment is based on the cost of combination determined on the acquisition date. Where it is possible to exercise control over an investee not under common control due to additional investment or other reasons, the sum of the book value of the equity investment originally held and the new investment cost shall be taken as the initial investment cost.

(2) Long-term equity investment acquired through means other than business combination

For the long-term equity investment acquired by paying cash, the initial investment cost is based on the actual purchase price paid.

The initial investment cost of the long-term equity investment acquired by issuing equity securities shall be the fair value of the equity securities issued.

(3). Subsequent measurement and recognition method of profit and loss

(1) Long-term equity investment accounted for using the cost method

The Company accounts for its long-term equity investment in subsidiaries using the cost method, unless the investment qualifies as held for sale. In addition to the actual price paid

when the investment is acquired or the cash dividends or profits that have been declared but not issued in the consideration, the Company shall recognize the investment income for the current period according to the cash dividends or profits issued by the investee.

(2) Long-term equity investment accounted for using the equity method

The long-term equity investment in associates and joint ventures shall be accounted for using the equity method. For the positive difference between the initial investment cost and the share of the fair value of the identifiable net assets of the investee at the time of investment, the initial investment cost of the long-term equity investment shall be not adjusted; for the negative difference between the initial investment cost and the share of the fair value of the identifiable net assets of the investee at the time of investment, the initial investment cost shall be included in the profit or loss for the current period, and the cost of long-term equity investment shall be adjusted.

The Company shall recognize the investment income and other comprehensive income according to the share of the realized net profit or loss and other comprehensive income of the investee attributable to the Company, and adjust the book value of the long-term equity investment. The Company shall write down the book value of the long-term equity investment according to share of the profit or cash dividend declared by the investee attributable to the Company. Other changes to the owner's equity of the investee, other than the net profit or loss, other comprehensive income and profit distribution (hereinafter referred to as "Other Changes in Owner's Equity") shall be used to adjust the book value of the long-term equity investment and included in the owners' equity.

When recognizing its share in the net profit or loss, other comprehensive income and Other Changes in Owner's Equity of the investee, the Company shall recognize it on the basis of the fair value of the identifiable net assets of the investee when acquiring the investment and after adjusting the net profit and other comprehensive income, in accordance with the Company's accounting policies and accounting period.

The portion of the unrealized profit or loss on internal transactions between the Company and its associates plus joint ventures that is attributable to the Company in accordance with its proportionate share shall be offset, based on which the investment income shall be recognized, except when the assets invested or sold constitute a business. The unrealized internal transaction loss with the investee, which belongs to the impairment loss of assets, shall be recognized in full.

For the net loss incurred by joint ventures or associates, the Company, except for the obligation to assume additional losses, is subject to a write-down to zero of the book value

of the long-term equity investment and other long-term interests that substantially constitute the net investment in joint ventures or associates. Where joint ventures or associates later realize a net profit, the Company shall resume the recognition of the revenue sharing amount after the revenue sharing amount has made up for the unrecognized loss sharing amount.

(3) Disposal of long-term equity investment

When disposing of a long-term equity investment, the difference between its book value and the actual purchase price shall be included in the profit or loss for the current period.

If a long-term equity investment accounted for under the equity method is partially disposed of and the remaining equity interest is still accounted for under the equity method, other comprehensive income recognized under the equity method shall be carried forward in corresponding proportion using the same basis as adopted by the investee to directly dispose of the relevant assets or liabilities, and Other Changes in Owners' Equity shall be carried forward to the profit or loss for the current period in proportion.

Where the Company loses common control or significant influence over the investee due to the disposal of the equity investment or other reasons, other comprehensive income recognized due to the accounting of the original equity investment with the equity method shall be subject to accounting treatment using the same basis as adopted by the investee to directly dispose of the relevant assets or liabilities when the equity method is no longer adopted for accounting, and Other Changes in Owners' Equity are carried forward to the profit or loss for the current period when the equity method is no longer adopted for accounting.

Where the Company loses its control over the investee due to the disposal of part of the equity investment and other reasons, if the remaining equity allows the Company to implement common control or apply significant influence over the investee when the individual financial statements are prepared, the equity method shall be adopted for accounting and the remaining equity interest shall be adjusted as if it had been accounted for under the equity method from the time of acquisition. Other comprehensive income recognized prior to the acquisition of control over the investee shall be carried forward in proportion using the same basis as adopted by the investee to directly dispose of the relevant assets or liabilities, and Other Changes in Owners' Equity accounted for using the equity method shall be carried forward to the profit or loss for the current period in proportion. Where the remaining equity cannot allow the Company to implement common control or apply significant influence over the investee, it shall be recognized as a financial

asset, the difference between the fair value and the book value on the date when it loses the control shall be included in the profit and loss for the current period, and other comprehensive income and Other Changes in Owners' Equity recognized prior to the acquisition of control over the investee are carried forward.

Where the disposal of equity investments in subsidiaries through multiple transactions step by step until the loss of control is a package transaction, each transaction shall be accounted for as a disposal of equity investments in subsidiaries and loss of control; the difference between the disposal price and the book value of the long-term equity investment corresponding to the equity disposed of each time before the loss of control shall be recognized as other comprehensive income in the individual financial statements and fully transferred to the profit and loss for the current period covering the date when the control is lost. Otherwise, each transaction shall be accounted for separately.

15. Investment property

(1). Adoption of the cost measurement mode

Depreciation or amortisation method

Investment properties are real estate held for rental income or capital appreciation, or both, and include land use rights that have been leased, land use rights that are held and intended to be transferred after appreciation, and buildings that have been leased (including buildings that will be used for leasing after completion of self-construction or development activities and buildings that will be used for leasing while under construction or development).

Subsequent expenditures incurred in relation to investment properties are included in the cost of the investment properties when it is probable that the associated economic benefits will flow to the Company and their costs can be reliably measured; otherwise, the expenditures are recognized in the profit or loss for the current period in which they are incurred.

The Company adopts the cost model for existing investment properties and applies the same depreciation policy as that applied to the Company's fixed assets to investment properties measured under the cost model - buildings for leasing, and land use rights for leasing are subject to the same amortisation policy as intangible assets.

16. Fixed assets

(1). Recognition criteria

Applicable Not applicable

Fixed assets refer to the tangible assets held for producing goods, providing services, renting or operation and administration purposes with the useful life of over one accounting year. Fixed assets are recognized when both of the following conditions are met:

(1) It is probable that the economic benefits associated with the fixed assets will flow to the enterprise;

(2) The cost of the fixed asset can be measured reliably.

Fixed assets are initially measured at cost (and the effect of expected abandonment cost shall be considered).

Subsequent expenditures incurred for fixed assets are included in the cost of the fixed assets when it is probable that the associated economic benefits will flow to the Company and the related cost can be reliably measured. The book value of the replaced part is derecognized. All the other subsequent expenditures are recorded in the profit or loss for the current period in which they are incurred.

(2). Depreciation method

Applicable Not applicable

Category	Depreciation method	Period of depreciation (years)	Residual value rate	Annual depreciation rate
House buildings	Straight-line method	20-35	3%	4.85%-2.77%
Machinery and equipment	Straight-line method	8-10	3%	12.13%-9.70%
Transportation equipment — Fuel trucks and others	Straight-line method	6-10	3%	16.17%-9.70%
Transportation equipment — New energy vehicles	Straight-line method	4-8	3%	24.25%-12.13%
Other equipment	Straight-line method	5-8	3%	19.40%-12.13%
Fixed asset renovation	Straight-line method	3-5	0	33.33%-20.00%

(3). Recognition basis, valuation and depreciation method of fixed assets acquired under financing leases

Applicable Not applicable

Where one of the following conditions is specified in the clauses of the lease agreement signed by the Company and the lessor, it shall be confirmed as the assets under finance lease:

- (1) The ownership of the leased asset belongs to the Company after the expiry of lease term;
- (2) The Company has the option to buy assets, and the purchase price is much lower than the fair value of the asset at the time of exercising the right of option;
- (3) The lease term covers most of the service life of the leased asset;
- (4) The present value of the minimum lease payment on the lease beginning date doesn't differ greatly from the fair value of the asset.
- (5) The leased asset is of a special nature and can only be used by the lessee if no major changes are made.

On the lease beginning date, the Group accounts for the leased asset at the lower of the fair value of the leased asset and the present value of the minimum lease payment. The minimum lease

payment is recorded as the entry value of long-term payables, and the difference is treated as unrecognized financing expense.

17. Construction in progress

Applicable Not applicable

Construction in progress is measured at the actual cost incurred. Actual costs include construction costs, installation costs, borrowing costs eligible for capitalization and other necessary expenditures incurred to bring construction in progress to its intended serviceable condition. Construction in progress is transferred to fixed assets when it reaches its intended useable state and the provision for depreciation starts from the following month.

18. Borrowing costs

Applicable Not applicable

(1). Recognition principle of capitalization of borrowing costs

Where the borrowing costs incurred to the Company can be directly attributable to the acquisition and construction or production of assets eligible for capitalization, they shall be capitalized and included into the costs of relevant assets; Other borrowing costs shall be recognized as expenses based on the incurred amount and shall be included into the profit or loss for the current period.

Assets eligible for capitalization refer to the fixed assets, investment properties, inventories and other assets that require a substantially long period of time of acquisition and construction or production activities for intended use or for sale.

(2). Capitalization period of borrowing costs

The capitalization period refers to the period from the commencement to the cessation of capitalization of the borrowing costs, excluding the period of suspension of capitalization of the borrowing costs.

The borrowing costs shall not be capitalized unless they meet the following conditions simultaneously:

- (1) Asset expenditures have been incurred. Asset expenditures include expenditures arising from paying cash, transferring non-cash assets, or assuming interest-bearing debts for the acquisition, construction or production of assets eligible for capitalization;
- (2) Borrowing costs have been incurred;
- (3) The acquisition, construction or production activities necessary for the assets to reach the intended usable or saleable state have begun.

When the assets for acquisition, construction or production that meet the capitalization conditions reach the intended usable or saleable state, the capitalization of borrowing costs

shall be ceased.

(3). Suspension of capitalization period

Capitalization of borrowing costs is suspended if an unusual interruption occurs during the acquisition, construction or production of assets eligible for capitalization and the interruption lasts for more than three consecutive months; if the interruption is necessary to bring such assets to its intended usable or saleable state, the borrowing costs continue to be capitalized. The borrowing costs incurred during the interruption shall be recognized as the profit or loss for the current period and shall not be capitalized until the acquisition and construction or production of the assets restarts.

(4). Capitalization rate of borrowing costs and the method for calculation of capitalized amount

For the special borrowings borrowed for the acquisition and construction or production of assets eligible for capitalization, the capitalization amount of borrowing costs is determined by the borrowing costs actually incurred in the current period of the special borrowings minus the interest income obtained from the unused borrowing funds deposited in the bank or the investment income obtained from temporary investment.

Where a general borrowing is used for the acquisition and construction or production of assets eligible for capitalization, the Company shall calculate and determine the to-be-capitalized amount of borrowing costs on the general borrowing by multiplying the weighted average of cumulative asset expenditure exceeding the asset expenditure of special borrowing by the capitalization rate of the general borrowing used. The capitalization rate shall be calculated and determined based on the weighted average interest rate of the general borrowing.

During the period of capitalization, the exchange difference of principal and interest of special foreign currency borrowings shall be capitalized and included in the cost of assets eligible for capitalization. Exchange differences arising from the principal amount of foreign currency borrowings other than special foreign currency borrowings and their interest are included in the profit or loss for the current period.

19. Intangible assets

(1). Measurement method, useful life, and impairment test

Applicable Not applicable

(1). Pricing method of intangible assets

(1) Intangible asset acquired by the Company measured initially upon the cost;

The cost of outsourced intangible assets includes the purchase price, related taxes, and other expenditures directly attributable to making such asset reach intended use.

(2) Subsequent measurement

The service life of intangible assets is analyzed and judged when they are obtained.

Intangible assets with a finite service life shall be amortized over the period when economic benefits are brought to the enterprise; intangible assets with an indefinite service life shall not be amortized if it is not foreseeable that they will bring economic benefits to the enterprise.

(2). **Service life estimation for intangible assets with a finite service life**

Item	Estimated service life	Basis
Land	20-50 years	According to the use life of the land use right certificate
Proprietary technology	5-20 years	According to the estimated period of economic benefits to the enterprise
Trademark usage right	10 years	According to years of trademark usage
Special software	5-10 years	According to the estimated period of economic benefits to the enterprise

At the end of each year, the Company reviews the service life and amortisation method of intangible assets with a finite service life.

Upon review, no service life and amortisation method of intangible assets are different from the previous estimates at the end of the year.

(3). **Basis for determining intangible assets with an indefinite service life and procedures for reviewing their indefinite service life**

There are no such cases in the Company.

(2). **Accounting policies for internal research and development expenditures**

Applicable Not applicable

(4). **Specific criteria for classifying the research and development phases**

The expenditures of internal R&D projects of the Company are divided into expenditures in the research phase and those in the development phase.

Research phase: The phase in which creative and planned investigation and research activities conducted to acquire and understand new scientific or technical knowledge.

Development phase: The phase in which the application of the research findings or other knowledge to certain plan or design to manufacture new or substantially improved materials, devices or products before commercial production or application.

(5). Specific conditions for capitalization of expenditures in the development phase

Expenditures in the research phase are recognized in the profit and loss for the current period when incurred. Expenditures in the development phase are recognized as intangible assets if the following conditions are met, and those that fail to meet the following conditions are included in the profit or loss for the current period:

- (1) It is technically feasible to finish the intangible assets for use or sale;
- (2) Have the intent to complete the intangible assets and use or sell them;
- (3) The manner in which the intangible assets generate economic benefit, including the ability to demonstrate the existence of a market for the products produced using the intangible assets or the existence of a market for the intangible assets themselves, and the ability to demonstrate the usefulness of the intangible assets if they will be used internally;
- (4) Have sufficient technical, financial and other resources to support the completion of the development of the intangible assets and the ability to use or sell the intangible assets;
- (5) The expenditure attributable to the development phase of the intangible assets can be measured reliably.

Where it is not possible to distinguish the expenditures in the research phase from those in the development phase, all R&D expenditures incurred are included in the profit or loss for the current period.

20. Impairment of long-term assets

Applicable Not applicable

Long-term assets such as long-term equity investments, investment properties measured under the cost model, fixed assets, construction in progress, right-of-use assets, intangible assets with a finite service life, and oil and gas assets are tested for impairment if there is an indication of impairment on the balance sheet date. Where the result of the impairment test indicates that the recoverable amount of an asset is less than its book value, a provision for impairment shall be made for the difference and included in the impairment loss. The recoverable amount is the higher of the asset's fair value less costs of disposal and the present value of the asset's estimated cash flows. The provision for asset impairment is calculated and recognized on an individual asset basis. If it is difficult to estimate the recoverable amount of an individual asset, the recoverable amount of the asset group shall be determined using the asset group to which the asset belongs.

An asset group is the smallest combination of assets that can generate cash inflows independently. Goodwill resulting from business combinations, intangible assets with an indefinite useful life and intangible assets that have not yet reached their useful lives are tested annually for impairment regardless of whether there is an indication of impairment.

For the impairment testing of goodwill, the book value of goodwill arising from a business combination is apportioned to the relevant asset group from the acquisition date using a reasonable method; if it is difficult to apportion to the relevant asset group, it is apportioned to the relevant asset group portfolio. A relevant asset group or asset group portfolio can benefit from the synergistic effects of a business combination.

During the impairment test on the relevant asset group or asset group portfolio containing goodwill, if there are signs of impairment for the asset group or asset group portfolio, the Company will perform an impairment test on the asset group or asset group portfolio containing no goodwill, calculate the recoverable amount, compare it with the relevant book value, and recognize the corresponding impairment loss. Then, the Company will perform an impairment test on the asset group or asset group portfolio containing goodwill and compare its book value with the recoverable amount. If the recoverable amount is lower than the book value, the impairment loss is first deducted from the book value of goodwill that is apportioned to the asset group or asset group portfolio, and then deducted from the book values of other assets within the asset group or asset group portfolio in proportion to the book values of assets other than goodwill. Once the above asset impairment loss is recognized, it shall not be reversed in subsequent accounting periods.

21. Long-term deferred expense

Applicable Not applicable

Long-term deferred expenses are incurred but shall be amortized in the current and future periods with the amortisation period of more than one year.

The amortisation period and amortisation method for each expense are: The long-term deferred expense is amortized equally over the benefit period.

22. Contract liabilities

Method of recognition of contract liabilities

Applicable Not applicable

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. The Company's obligations to transfer goods or provide services to customers for consideration received or receivable are presented as contract liabilities. Contract assets and contract liabilities under the same contract are presented on a net basis.

23. Employee benefit**(1). Accounting for short-term compensation**√Applicable Not applicable

During the accounting period that employees of the Company provide services, the Company confirms the short-term compensation actually incurred as liability and includes it in the profit or loss for the current period or related asset cost.

The social insurance premiums and housing fund paid by the Company for its employees, as well as the labor union funds and employee education funds withdrawn in accordance with regulations, are used to determine the corresponding amount of employee compensation based on the prescribed accrual basis and accrual ratio during the accounting period in which the employees provide services to the Company.

Employee benefits incurred by the Company are included in the profit or loss for the current period or the related asset cost when actually incurred, based on the actual amount incurred, of which non-monetary benefits are measured at fair value.

(2). Accounting for post-employment benefits√Applicable Not applicable**(1) Defined contribution plan**

The Company shall pay basic endowment insurance and unemployment insurance for employees according to the relevant regulations of local government. During the accounting period that employees provide services to the Company, the payable amount shall be calculated according to the payment base and proportion specified locally and confirmed as liability and included in the profit or loss for the current period or related asset cost. In addition, the Company participates in corporate pension plans/supplementary pension funds approved by the relevant state authorities. The Company pays a certain proportion of the total wages of employees to the annuity plan/local social insurance institutions, with corresponding expenditures included in the profit or loss for the current period or related asset cost.

(2) Defined benefit plan

The Company attributes the welfare obligations generated from defined benefit plan through the formula determined according to the expected cumulative benefit unit to the period that employees provide services and includes them in the profit or loss for the current period or related asset cost. The deficit or surplus formed by deducting the fair value of asset in the defined benefit plan from the present value of defined benefiting obligation shall be confirmed as a net liability or net asset of the defined benefit plan. Where there is surplus in the defined benefit plan, the Company shall measure the net asset of defined benefit plan according to the lower of the surplus in the defined benefit plan and the asset ceiling.

All defined benefit obligations, including the obligation expected to be paid within 12 months after the end of annual Reporting Period that employees provide services, shall be discounted according to the national debt matched with the term and currency of defined benefit obligation on the balance sheet date or the market return of high-quality corporate bonds that are active in the market.

Service costs incurred by the defined benefit plan and the net interest on the net liability or net assets of the defined benefit plan are included in the profit or loss for the current period or the related asset cost; Changes resulting from the remeasurement of the net liabilities or net assets of the defined benefit plans are included in other comprehensive income and are not reversed to the profit or loss in subsequent accounting periods, with the entire portion previously included in other comprehensive income being carried forward to retained earnings within equity upon the termination of the original defined benefit plan.

During the settlement of defined benefit plan, the settlement gains or losses shall be recognized according to the difference between the present value of defined benefit obligation determined on the settlement date and the settlement price.

(3). Accounting treatment for termination benefits

Applicable Not applicable

When the Company provides termination benefits to employees, it recognizes a liability for employee compensation arising from termination benefits at the earlier of the following, and includes it in the profit or loss for the current period: When the Company cannot unilaterally withdraw termination benefits provided as a result of a plan for termination of employment or a proposal for redundancy; when the Company recognizes costs or expenses related to a restructuring involving the payment of termination benefits.

24. Estimated liabilities

Applicable Not applicable

Where the obligation related to the contingencies meets the following conditions simultaneously, the Company shall recognize it as an estimated liability:

- (1) The obligation is the current obligation assumed by the Company;
- (2) It is likely to cause any economic benefit to flow out of the Company because of the performance of the obligation;
- (3) The amount of the obligation can be reliably measured.

The estimated liability shall be initially measured in accordance with the best estimate of the necessary expenditures for the performance of the related current obligation.

To determine the best estimate, the Company shall take into overall consideration of the risks, uncertainty, time value of money, and other factors pertinent to the contingencies. Where the time

value of money is of great significance, the best estimate shall be determined after discounting the relevant future outflow of cash.

Where there is a continuous range of required expenditure and the possibility of various results within this range is the same, the best estimate shall be determined according to the median within this range. In other cases, the best estimates shall be handled in accordance with the following situations respectively:

- If the contingency involves a single item, it shall be determined according to the most likely amount.
- If the contingency involves multiple items, it shall be determined according to various possible results and relevant probability calculation.

If all or part of the expenditures required to pay off the provisions are expected to be compensated by third party, the compensation amount shall be recognized separately as an asset when it is basically determined that it can be received, and the recognized compensation amount shall not exceed the book value of the estimated liability.

The Company reviews the book value of the estimated liability on the balance sheet date and adjusts the book value in accordance with the current best estimate if there is conclusive evidence that the book value does not reflect the current best estimate.

25. Share-based payment

Applicable Not applicable

The Company's share-based payments are transactions in which equity instruments are granted or liabilities determined on the basis of equity instruments are assumed in order to obtain services from employees or other parties. The share-based payments of the Company are divided into equity-settled share-based payment and cash-settled share-based payment.

(1). Equity-settled share-based payment and equity instrument

The equity-settled share-based payment in return for employee services shall be measured at the fair value of the equity instruments granted to the employees. If the equity-settled share-based payment can be immediately vested after being granted, it shall be included in relevant costs or expenses at fair value of the equity instruments at grant date, and the capital reserve shall be increased accordingly. For the share-based payment in which the services are in process after the grant or the rights are exercised only after the required performance conditions are met, on each balance sheet date during the waiting period, the Company recognizes the services acquired during the period as related costs or expenses, and, based on the best estimate of the number of exercisable equity instruments and the fair value on the grant date, increases capital reserves accordingly.

If clauses of equity-settled share-based payment are modified, the acquired service shall be recognized at least according to the conditions of unmodified clauses. Moreover, in case of any modification to the fair value of granted equity instrument or of any changes in favor of employees on the date of modification due to any increase, the increase of acquired services shall be recognized.

If a grant of equity instruments is cancelled during the waiting period, the Company treats the cancellation of the granted equity instruments as accelerated exercise of right and recognizes the amount to be recognized over the remaining waiting period immediately in the profit or loss for the current period, and recognizes the capital reserves at the same time. However, if new equity instrument is granted and it is identified on the grant date of new equity instrument that the granted new equity instrument is used to replace the cancelled equity instrument, the granted alternative equity instrument shall be treated in the same manner as to treat the modification to the terms and conditions of the original equity instruments.

(2). Cash-settled share-based payment and equity instrument

A cash-settled share-based payment shall be measured in accordance with the fair value of liability calculated and confirmed based on the shares or other equity instruments undertaken by the Company. For share-based payment transactions that are immediately exercisable upon grant, the Company recognizes the related cost or expense on the grant date at the fair value of the liability assumed, with a corresponding increase in the liability. For the share-based payment in which the services are in process after the grant or the rights are exercised only after the required performance conditions are met, on each balance sheet date during the waiting period, the Company recognizes the services acquired during the period as related costs or expenses, and, based on the best estimate of the circumstances of exercisable equity and the fair value of the liability assumed by the Company, recognizes them in the liability accordingly. The Company shall, on each balance sheet date and on each account date prior to the settlement of the relevant liabilities, re-measure the fair values of the liabilities and include the changes in the profit or loss for the current period.

26. Income

(1). Accounting policies used for revenue recognition and measurement

Applicable Not applicable

The Company recognizes revenue when it has fulfilled its performance obligations under the contract, that is, when the customer obtains control of the related goods or services. Gaining

control of the relevant goods or services means being able to dominate the use of the goods or services and derive almost total economic benefit from them.

If a contract contains two or more performance obligations, the Company allocates the transaction price to each individual performance obligation on the contract commencement date in the relative proportion of the individual selling price of the goods or services promised by each individual performance obligation. The Company measures revenue based on the transaction price allocated to each individual performance obligation.

The transaction price is the amount of consideration to which the Company expects to be entitled as a result of the transfer of goods or services to the customer, excluding amounts collected on behalf of third parties and amounts expected to be refunded to the customer. The Company determines the transaction price in accordance with the terms of the contract and its past customary practices, and considers the impact of variable consideration, the existence of significant financing components in the contract, non-cash consideration, and consideration payable to customers in determining the transaction price. The Company determines the transaction price that includes variable consideration by an amount that does not exceed the amount for which it is highly probable that there will be no material reversal of the cumulative recognized revenue when the relevant uncertainty is removed. If there is a significant financing component in the contract, the Company determines the transaction price based on the amount payable in cash assuming that the customer will pay for the goods or services as soon as control is obtained, and amortizes the difference between this transaction price and the contract consideration using the effective interest method over the term of the contract.

Performance obligations are fulfilled within a certain time period if one of the following conditions is met; otherwise, performance obligations are fulfilled at a certain point in time:

- The customer acquires and consumes the economic benefits resulting from the Company's performance at the same time as the Company's performance.
- The customer is able to control the goods under construction in the course of the Company's performance.
- The goods produced in the course of the Company's performance are of irreplaceable use and the Company is entitled to receive payment for the cumulative portion of performance completed to date throughout the contract period.

For performance obligations to be performed within a certain period of time, the Company recognizes the revenue in accordance with the progress of performance during that period, except when the progress of performance cannot be reasonably determined. The Company uses the output method or input method to determine the performance schedule considering the nature of the goods

or services. When the performance schedule is not reasonably determinable, the Company recognizes the revenue at the amount of costs already incurred until the performance schedule can be reasonably determined if the costs are expected to be reimbursed.

For performance obligations performed at a point in time, the Company recognizes the revenue at the point in time when the customer obtains or service control of the relevant goods. In determining whether a customer has acquired control of goods or services, the Company will consider the following indications:

- The Company has a present right to receive payment for the goods or services, i.e. the customer has a present obligation to pay for the goods or services.
- The Company has transferred legal ownership of the goods to the customer, i.e. the customer has legal ownership of the goods;
- The Company has physically transferred the goods to the customer, i.e. the customer has taken physical possession of the goods;
- The Company has transferred to the customer the principal risks and rewards of ownership of the goods, i.e., the customer has acquired the principal risks and rewards of ownership of the goods.
- The customer has accepted the goods or services, etc.

(2). Differences in accounting policies for revenue recognition due to different operating models for the same type of business

√Applicable Not applicable

There are no such cases in the Company.

27. Contract costs

√Applicable Not applicable

Accounting policies implemented since 1 January 2020

The contract cost includes contract performance cost and contract acquisition cost.

Costs incurred by the Company to perform a contract that are not regulated by relevant standards such as inventories, fixed assets or intangible assets are recognized as an asset of contract fulfillment cost when the following conditions are met:

- The costs are directly related to a current or anticipated contract.
- The costs increase the resources available to the Company to meet its performance obligations in the future.
- The costs are expected to be recovered.

Incremental costs incurred by the Company to acquire a contract that are expected to be recovered are recognized as assets of contract acquisition costs.

Assets related to contract costs are amortized using the same basis as revenue recognition for the goods or services to which those assets relate. However, if the amortisation period of contract

acquisition costs does not exceed one year, the Company recognizes them in the profit or loss for the current period when they are incurred.

If the book value of an asset related to contract costs is greater than the difference between the following two items, the Company makes a provision for impairment for the excess and recognizes it as an impairment loss on the asset:

1. The residual consideration expected to be obtained as a result of the transfer of goods or services related to the asset;
2. The estimated costs to be incurred for the transfer of the relevant goods or services.

If there is a subsequent change in the impairment factors in previous periods, such that the aforementioned difference is higher than the book value of the asset, the Company reverses the provision for impairment and recognizes it in the profit or loss for the current period, provided that the book value of the asset after the reversal does not exceed the book value of the asset at the date of reversal assuming no provision for impairment was made.

28. Government subsidies

Applicable Not applicable

(1). Type

Government subsidies, which are monetary or non-monetary assets acquired by the Company from the government without consideration, are classified as asset-related government subsidies and revenue-related government subsidies.

The government subsidies pertinent to assets mean the government subsidies that are obtained by the Company used for purchase and construction or forming long-term assets in other ways. The government subsidies pertinent to income refer to all the government subsidies except those pertinent to assets.

The specific criteria for the Company to classify government subsidies as asset-related are: Government subsidies obtained by the Company for the acquisition or formation of long-term assets are classified as asset-related government subsidies.

The specific criteria for the Company to classify government subsidies as revenue-related are: Government subsidies other than those related to assets are government subsidies related to revenues. The government subsidies pertinent to assets mean the government subsidies that are obtained by the Company used for purchase and construction or forming long-term assets in other ways. The government subsidies pertinent to income refer to all the government subsidies except those pertinent to assets.

(2). Time point of recognition

Government subsidies are recognized when the Company is able to meet the conditions

attached to them and is able to receive them. Subsidies are recognised and measured at the amount receivable only when there is conclusive evidence that they have been allocated at a fixed rate after meeting the relevant conditions set out in the financial support policy and that the financial support funds are expected to be received.

(3). Accounting treatment

Government subsidies related to assets are written down to the book value of the related assets or recognized as deferred income. For those recognized as deferred income, they are included in the profit or loss for the current period over the service life of the related assets in accordance with a reasonable and systematic method (those relates to the Company's ordinary activities are included in other income; those not related to the Company's ordinary activities are included in non-operating income);

Government subsidies related to revenue that are used to compensate the Company for related costs or losses in subsequent periods are recognized as deferred revenue and, when the related costs or losses are recognized, included in the profit or loss for the current period (those relates to the Company's ordinary activities are included in other income; those not related to the Company's ordinary activities are included in non-operating income) or writing down related costs or losses; those used to compensate the Company for related costs or losses already incurred are recognized directly in the profit or loss for the current period (those relates to the Company's ordinary activities are included in other income; those not related to the Company's ordinary activities are included in non-operating income) or writing down related costs or losses.

The Company distinguishes between the following two scenarios for accounting for policy-based preferential borrowing subsidies obtained:

(1) If the financial institution allocates the discounted interest funds to the lending bank, and the lending bank provides borrowings to the Company at the policy preferential interest rate, the Company uses the actual amount received as the recorded value of the borrowing and calculates the related borrowing costs in accordance with the principal amount of the borrowing and the policy preferential interest rate.

(2) If the financial institution subsidies are directly allocated to the Company, the Company will write down the corresponding subsidies against the related borrowing costs.

29. Deferred income tax assets/deferred income tax liabilities

Applicable Not applicable

Income tax includes current income tax and deferred income tax. The Company recognizes current income tax and deferred income tax in the profit or loss for the current period, except for

the income tax arising from business combinations and transactions or events directly included in owners' equity (including other comprehensive income).

Deferred income tax assets and deferred income tax liabilities are calculated and recognized based on the differences between the tax bases of assets and liabilities and their book values (temporary differences).

For the recognition of deferred income tax assets for the deductible temporary difference, the taxable income that may be obtained in future periods and is used to offset the deductible temporary difference shall prevail. As for any deductible loss or tax deduction that can be carried forward to the next year, the corresponding deferred income tax assets shall be determined to the extent that the amount of future taxable income to be offset by the deductible loss or tax deduction to be likely obtained.

For the taxable temporary differences, except in special cases, the deferred income tax liabilities shall be recognized.

Special circumstances in which deferred income tax assets or deferred income tax liabilities are not recognized include:

- Initial recognition of goodwill;
- A transaction or event that is neither a business combination nor, when it occurs, affects accounting profit and taxable income (or deductible loss).

Deferred income tax liabilities are recognized for assessable temporary differences arising from investments in subsidiaries, associates and joint ventures, except where the Company is able to control the timing of reversal of the temporary differences, and it is probable that the temporary differences will not reverse in the foreseeable future. Deferred income tax assets are recognized for deductible temporary differences associated with investments in subsidiaries, associates and joint ventures when it is probable that the temporary differences will reverse in the foreseeable future and it is probable that future taxable income will be available against which the deductible temporary differences can be utilized.

On the balance sheet date, deferred tax assets and deferred tax liabilities are measured at the tax rates applicable to the periods when the related assets are expected to be recovered or the related liabilities to be settled, in accordance with the provisions of the tax law.

On the balance sheet date, the Company reviews the book value of deferred tax assets. The book value of deferred tax assets is written down if it is more likely than not that sufficient taxable income will not be available in future periods to deduct the benefit of the deferred tax assets. When it is probable to obtain sufficient taxable income taxes, such write-down amount shall be reversed.

Current income tax assets and current income tax liabilities are offset and presented on a net basis if the Company has a legally enforceable right to set off them on a net basis and the entity intends either to settle on a net basis or to realize assets, settle the liabilities simultaneously.

On the balance sheet date, deferred tax assets and deferred tax liabilities are presented as net of offsetting amounts when both of the following conditions are met:

- The taxable entity has the legal right to settle current income tax assets and current income tax liabilities on a net basis;
- Deferred income tax assets and deferred income tax liabilities relate to income taxes levied by the same tax authority on the same taxable entity or on different taxable entities, but in each future period in which it is significant that the deferred income tax assets and liabilities reverse, the taxable entities involved intend to settle the current income tax assets and liabilities on a net basis or acquire the assets and settle the liabilities at the same time.

30. Leases

(1). Accounting treatment for operating leases

Applicable Not applicable

Lease receipts under operating leases are recognized as rental income on a straight-line basis over the respective periods of the lease term. The Company capitalizes the initial direct costs incurred in connection with operating leases, which are allocated to current profit and loss over the lease term on the same basis as rental income is recognized. Variable lease payments not included in the lease receipts are included into profit or loss for the current period when they are actually incurred. If an operating lease is changed, the Company accounts for it as a new lease from the effective date of the change, and the amount of lease receipts received in advance or receivable in connection with the lease before the change is considered to be the amount of receipts for the new lease.

(2). Accounting treatment for finance leases

Applicable Not applicable

At the inception date of the lease, the Company recognizes financial lease receivables for finance leases and derecognizes the financial lease assets. When the Company makes initial measurement of financial lease receivables, the net lease investment is used as the recorded value of the financial lease receivables. The net investment in leases 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 implicit rate of the lease.

The Company calculates and recognizes interest income for each period of the lease term based on a fixed periodic interest rate. Derecognition and impairment of finance lease receivables are accounted for in accordance with “(X) Financial Instruments of Note III”.

Variable lease payments not included in the net lease investment measurement are included into

profit or loss for the current period when they are actually incurred.

When a change in a finance lease occurs and all of the following conditions are met, the Company will account for the change as a separate lease:

- The lease change expands the scope of lease by adding one or more rights to use the leased assets;
- The increased consideration is equivalent to the separate price of the expanded portion of the lease adjusted for the circumstances of the contract.

If a change in a finance lease is not accounted for as a separate lease, the Company treats the changed lease separately in the following circumstances:

- If the change becomes effective on the commencement date of the lease and the lease would have been classified as an operating lease, the Company accounts for it as a new lease from the effective date of the lease change and uses the net investment in the lease prior to the effective date of the lease change as the book value of the leased asset;
- If the change becomes effective on the commencement date of the lease, the lease will be classified as a finance lease, and the Company will account for it in accordance with the policy of amending or renegotiating the contract as described in (X) Financial Instruments of Note III.

(3). The method of determining the lease and accounting treatment under the new lease standard

√Applicable Not applicable

Accounting policies implemented since 1 January 2021

A lease is a contract in which the lessor cedes the right to use an asset to the lessee for a certain period of time for a consideration. At the contract start date, the Company assesses whether the contract is a lease or contains a lease. A contract is a lease or contains a lease if one party to the contract cedes the right to control the use of one or more identified assets for a specified period of time in exchange for consideration.

If a contract contains several separate leases, the Company splits the contract and accounts for each separate lease separately. If the contract contains both leased and non-leased portions, the lessee and lessor split the leased and non-leased portions.

(1). The Company as the lessee

(1) Right-of-use assets

At the commencement date of the lease term, the Company recognizes right-of-use assets for leases other than short-term leases and leases of low-value assets. Right-to-use assets are initially measured at cost. This cost includes:

- The initially measured amount of the lease liabilities;
- The amount of lease payments made on or before the commencement date of the lease term for which a lease incentive exists, less the amount related to the lease incentive already taken;
- The initial direct costs incurred by the Company;
- Costs expected to be incurred by the Company to disassemble and remove the leased assets, restore the site where the leased assets are located or restore the leased assets to the agreed condition under the terms of the lease, excluding costs that are part of the costs incurred for the production of inventories.

The Company subsequently depreciates right-of-use assets using the straight-line method. If the ownership of the leased asset can be reasonably determined at the expiry of the lease term, the depreciation can be accrued within the remaining useful life of the leased asset. Otherwise, the leased asset is depreciated over the shorter of the lease term or the remaining useful life of the leased asset.

The Company determines whether a right-of-use asset is impaired and accounts for the identified impairment loss in accordance with the principles described in “(XX) Impairment of Long-term Assets of Note III”.

(2) Lease liabilities

At the commencement date of the lease term, the Company recognizes a lease liability for leases other than short-term leases and leases of low-value assets. The lease liability is initially measured at the present value of the lease payments outstanding. Lease payments include:

- Fixed payments (including material fixed payments), net of amounts related to lease incentives, if lease incentives exist;
- Variable lease payments that depend on an index or rate;
- Estimated payments due based on the residual value of guarantees provided by the Company;
- The exercise price of the purchase option, provided that the Company reasonably determines that it will exercise the option;
- The amount required to be paid to exercise the option to terminate the lease is subject to the lease term reflecting that the Company will exercise the option to terminate the lease.

The Company uses the implicit rate of the lease as the discount rate, but if the implicit rate of the lease cannot be reasonably determined, the Company's incremental borrowing rate

is used as the discount rate.

The Company calculates the interest expense on the lease liability for each period of the lease term at a fixed periodic interest rate, which is included into profit or loss for the current period or to the cost of the related assets.

Variable lease payments that are not included into the measurement of the lease liability are included into profit or loss for the current period or the cost of the related assets when they are actually incurred.

After the commencement date of the lease term, the Company remeasures the lease liability and adjusts the corresponding right-of-use asset if the book value of the right-of-use asset has been reduced to zero, but if the lease liability still needs to be further reduced, the difference is included into profit or loss for the current period:

- When there is a change in the valuation of the purchase option, lease renewal option or termination option, or when the actual exercise of the aforementioned options is not consistent with the original valuation, the Company remeasures the lease liability at the present value calculated by the changed lease payments and the revised discount rate;
- 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, or a change in the index or rate used to determine the lease payment amount, the Company remeasures the lease liability at the present value of the lease payment amount after the change and the original discount rate. However, if the changes in lease payments result from changes in floating interest rates, the present value is calculated using the revised discount rate.

(3) Short-term leases and leases of low-value assets

The Company has chosen not to recognize right-of-use assets and lease liabilities for short-term leases and leases of low-value assets, and the Company recognizes the related lease payments in profit or loss for the current period or the cost of the related assets on a straight-line basis over the respective periods of the lease term. A short-term lease is a lease with a term of not more than 12 months from the commencement date of the lease term and does not include an option to purchase. A low-value asset lease is a lease with a lower value when the single leased asset is a brand-new asset. If the Company subleases or expects to sublease a leased asset, the original lease is not a low-value asset lease.

(4) Lease change

The Company accounts for the lease change as a separate lease if the change occurs and the following conditions are all met:

- The lease change expands the scope of lease by adding one or more rights to use the leased assets;
- The increased consideration is equivalent to the separate price of the expanded portion of the lease adjusted for the circumstances of the contract.

If a lease change is not accounted for as a separate lease, on the effective date of the lease change, the Company reapportioned the consideration of the changed contract, redetermined the lease term, and remeasured the lease liability based on the present value of the changed lease payments and the revised discount rate.

If a lease change results in a reduction in the scope of the lease or a shortening of the lease term, the Company reduces the book value of the right-of-use asset accordingly and recognizes the gain or loss related to partial or complete termination of the lease in profit or loss for the current period. If other lease changes result in a remeasurement of the lease liability, the Company adjusts the book value of the right-of-use asset accordingly.

(5) Rent concessions related to the COVID-19 epidemic

For those adopting the simplified method of rent concessions related to the COVID-19 epidemic, the Company does not assess whether a lease change has occurred, but continues to calculate interest expense on lease liabilities at the same discount rate as before the concession and include it in profit or loss for the current period, and continues to depreciate right-of-use assets with the same method as before the concession. If a rent reduction occurs, the Company treats the reduced rent as a variable lease payment and writes down the cost or expense of the relevant asset by the amount discounted at the undiscounted or pre-concession discount rate when the original rental payment obligation is removed, such as by reaching an agreement on the concession, and adjusts the lease liability accordingly; if the rental payment is deferred, the Company will write down the lease liability included into prior periods when the actual payment is made.

For short-term leases and leases of low-value assets, the Company continues to recognize the original contractual rentals to the cost or expense of the related assets in a manner consistent with the method used prior to the concession. If a rent reduction occurs, the Company treats the reduced rent as a variable lease payment and writes down the cost or

expense of the related asset in the period of the reduction; if the payment of rent is deferred, the Company recognizes the rent payable in the original payment period as an amount due and writes down the amount due included into prior periods when the actual payment is made.

(2). The Company as the lessor

At the inception date of the lease, the Company classifies the lease as a finance lease and an operating lease. A finance lease is a lease that transfers substantially all of the risks and rewards associated with ownership of a leased asset, regardless of whether ownership is ultimately transferred. Operating lease refers to leases other than financial leases. When the Company acts as a sublease lessor, it classifies the sublease based on the right-of-use assets arising from the original lease.

(1) Accounting treatment for operating lease

Lease receipts under operating leases are recognized as rental income on a straight-line basis over the respective periods of the lease term. The Company capitalizes the initial direct costs incurred in connection with operating leases, which are allocated to current profit and loss over the lease term on the same basis as rental income is recognized. Variable lease payments not included in the lease receipts are included into profit or loss for the current period when they are actually incurred. If an operating lease is changed, the Company accounts for it as a new lease from the effective date of the change, and the amount of lease receipts received in advance or receivable in connection with the lease before the change is considered to be the amount of receipts for the new lease.

(2) Accounting treatment for financial leases

At the inception date of the lease, the Company recognizes financial lease receivables for finance leases and derecognizes the financial lease assets. When the Company makes initial measurement of financial lease receivables, the net lease investment is used as the recorded value of the financial lease receivables. The net investment in leases 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 implicit rate of the lease.

The Company calculates and recognizes interest income for each period of the lease term based on a fixed periodic interest rate. Derecognition and impairment of finance lease receivables are accounted for in accordance with “(X) Financial Instruments of Note III”. Variable lease payments not included in the net lease investment measurement are included into profit or loss for the current period when they are actually incurred.

When a change in a finance lease occurs and all of the following conditions are met, the Company will account for the change as a separate lease:

- The lease change expands the scope of lease by adding one or more rights to use the leased assets;
- The increased consideration is equivalent to the separate price of the expanded portion of the lease adjusted for the circumstances of the contract.

If a change in a finance lease is not accounted for as a separate lease, the Company treats the changed lease separately in the following circumstances:

- If the change becomes effective on the commencement date of the lease and the lease would have been classified as an operating lease, the Company accounts for it as a new lease from the effective date of the lease change and uses the net investment in the lease prior to the effective date of the lease change as the book value of the leased asset;
- If the change becomes effective on the commencement date of the lease, the lease will be classified as a finance lease, and the Company will account for it in accordance with the policy of amending or renegotiating the contract as described in “(X) Financial Instruments of Note III”.

(3). Sale and leaseback transactions

The Company assesses whether the transfer of assets in sale-and-leaseback transactions is a sale in accordance with the principles described in “(XXVI) Revenue of Note III”.

(1) As the lessee

Where the transfer of an asset in a sale-and-leaseback transaction is a sale, the Company, as the lessee, measures the right-of-use asset created by the sale-and-leaseback at the portion of the original asset's book value that relates to the right-of-use acquired by the leaseback and recognizes the related gain or loss only for the right transferred to the lessor; if the transfer of an asset in a sale-and-leaseback transaction is not a sale, the Company continues to recognize the transferred asset as a lessee and also recognizes a financial liability equal to the transfer proceeds. For details of the accounting treatment of financial liabilities, please refer to “V. Significant Accounting Policies and Accounting Estimates – 10. Financial Instruments”.

(2) As the lessor

If the transfer of assets in a sale-and-leaseback transaction is a sale, the Company accounts for the purchase of the assets as a lessor and accounts for the lease of the assets in accordance with the aforementioned policy “2. The Company as the lessor”; if the transfer

of assets in a sale-and-leaseback transaction is not a sale, the Company, as the lessor, does not recognize the transferred asset, but recognizes a financial asset equal to the transfer proceeds. For details of the accounting treatment of financial assets, please refer to “V. Significant Accounting Policies and Accounting Estimates – 10. Financial Instruments”.

VI. TAXES

1. Main tax categories and tax rates

Status of main tax categories and tax rates

Applicable Not applicable

Tax categories	Taxation basis	Tax rate
Value added tax	The output tax shall be calculated based on the income obtained from the sales of goods and the taxable labor and calculated as per the regulations of tax law, and the balance after deducting the input tax deductible in the current period is the VAT payable.	13%, 9%, 6%, 5%, 3%
Urban maintenance and construction tax	Payment based on actual VAT and consumption tax paid	1%, 5%, 7%
Enterprise income tax	Calculated and paid according to taxable income	15%, 25%
Education surcharges	Payment based on actual VAT and consumption tax paid	3%, 5%

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

Applicable Not applicable

Name of taxable entity	Income tax rate (%)
Shanghai Shanshan Technology Co., Ltd.	15
Ningbo Shanshan New Material Technology Co., Ltd.	15
Chenzhou Shanshan New Material Co., Ltd.	15
Huzhou Shanshan New Energy Technology Co., Ltd.	15
Inner Mongolia Shanshan Technology Co., Ltd.	15
Inner Mongolia Shanshan New Material Co., Ltd.	15
Fujian Shanshan Technology Co., Ltd.	15
Shanghai Shanshan New Material Co., Ltd.	15
Sichuan Shanshan New Material Co., Ltd.	15
Dongguan Shanshan Battery Material Co., Ltd.	15
Ningbo Ulica Solar Energy Co., Ltd.	15
Shanghai Zhanxiao New Energy Technology Co., Ltd.	15
Shanshan New Material (Quzhou) Co., Ltd.	15

2. Tax preferences

Applicable Not applicable

(1). According to the *SAT Announcement on Enterprise Income Tax Issues Related to the Further Implementation of the Western Development Strategy* (No.12, 2012), Inner Mongolia Shanshan Technology Co., Ltd. and Inner Mongolia Shanshan New Material Co., Ltd., subsidiaries of the Company, are enterprises encouraged to establish in the western region and are subject to a reduced enterprise income tax rate of 15%.

(2). According to the G.S.F [2009] No. 80: Notice on the Implementation of Preferential Corporate

Income Tax for Public Infrastructure Projects Supported by the State, the investment and operating income from public infrastructure projects that meet the scope, conditions and standards stipulated in the Catalogue of Preferential Corporate Income Tax for Public Infrastructure Projects, from the tax year in which the first production and operating income is earned, from the first to the third year, enterprises are exempt from corporate income tax, and during the fourth to the sixth year, the corporate income tax are reduced by half. The Company's subsidiary photovoltaic companies, as shown in the table below, are engaged in photovoltaic power generation projects to enjoy favorable income tax.

Unit	Favorable income tax
Ningbo Shanneng Photovoltaic Power Generation Co., Ltd.	The operating income was obtained in 2017, and 2022 is the third year of halving the corporate income tax
Taizhou Shanhe Photovoltaic Power Generation Co., Ltd.	The operating income was obtained in 2017, and 2022 is the third year of halving the corporate income tax
Taizhou Shantai Photovoltaic Power Generation Co., Ltd.	The operating income was obtained in 2017, and 2022 is the third year of halving the corporate income tax
Wuyi Shansheng Photovoltaic Co., Ltd.	The operating income was obtained in 2017, and 2022 is the third year of halving the corporate income tax
Yongkang Shanlong Photovoltaic Power Generation Co., Ltd.	The operating income was obtained in 2017, and 2022 is the third year of halving the corporate income tax
Ningbo Shanhui Photovoltaic Power Generation Co., Ltd.	The operating income was obtained in 2017, and 2022 is the third year of halving the corporate income tax
Shaoxing Shanzi Photovoltaic Power Generation Co., Ltd.	The operating income was obtained in 2017, and 2022 is the third year of halving the corporate income tax
Ningbo Shanshan Sunshine New Energy Co., Ltd.	The operating income was obtained in 2017, and 2022 is the third year of halving the corporate income tax
Shaoxing Shansheng Photovoltaic Power Generation Co., Ltd.	The operating income was obtained in 2017, and 2022 is the third year of halving the corporate income tax
Taizhou Shanda Photovoltaic Power Generation Co., Ltd.	The operating income was obtained in 2019, and 2022 is the first year of halving the corporate income tax
Ningbo Shanhua Photovoltaic Power Generation Co., Ltd.	The operating income was obtained in 2019, and 2022 is the first year of halving the corporate income tax
Shaoxing Shandian Photovoltaic Power Generation Co., Ltd.	The operating income was obtained in 2018, and 2022 is the second year of halving the corporate income tax
Ningbo Shanjie Photovoltaic Power Generation Co., Ltd.	The operating income was obtained in 2019, and 2022 is the first year of halving the corporate income tax
Sanmen Shanyuan Photovoltaic Power Generation Co., Ltd.	The operating income was obtained in 2018, and 2022 is the second year of halving the corporate income tax
Ningbo Shanlun Photovoltaic Power Generation Co., Ltd.	The operating income was obtained in 2018, and 2022 is the second year of halving the corporate income tax
Ningbo Yuyao Xiangtai Power Engineering Co., Ltd.	The operating income was obtained in 2019, and 2022 is the first year of halving the corporate income tax
Taizhou Shanyan New Energy Co., Ltd.	The operating income was obtained in 2018, and 2022 is the second year of halving the corporate income tax
Quzhou Shanhai Photovoltaic Power Generation Co., Ltd.	The operating income was obtained in 2018, and 2022 is the second year of halving the corporate income tax
Quzhou Qujiang Henglei Energy Technology Co., Ltd.	The operating income was obtained in 2018, and 2022 is the second year of halving the corporate income tax
Lanxi Shanrui New Energy Co., Ltd.	The operating income was obtained in 2019, and 2022 is the first year of halving the corporate income tax
Ningbo Ciguang New Energy Technology Co., Ltd.	The operating income was obtained in 2018, and 2022 is the second year of halving the corporate income tax
Wuyi Shanrun New Energy Co., Ltd.	The operating income was obtained in 2018, and 2022 is the second year of halving the corporate income tax
Taizhou Shantian Photovoltaic Power Generation Co., Ltd.	The operating income was obtained in 2018, and 2022 is the second year of halving the corporate income tax
Cixi Shante Photovoltaic Co., Ltd.	The operating income was obtained in 2018, and 2022 is the second year of halving the corporate income tax
Shaoxing Shanchang New Energy Co., Ltd.	The operating income was obtained in 2020, and 2022 is the third year of exemption from the corporate income tax

Yuyao Shankai Photovoltaic Power Generation Co., Ltd.	The operating income was obtained in 2019, and 2022 is the first year of halving the corporate income tax
Ningbo Xinquante New Energy Development Co., Ltd.	The operating income was obtained in 2018, and 2022 is the second year of halving the corporate income tax
Ningbo Haobo New Energy Co., Ltd.	The operating income was obtained in 2019, and 2022 is the first year of halving the corporate income tax
Jinhua Zhichao New Energy Technology Co., Ltd.	The operating income was obtained in 2019, and 2022 is the first year of halving the corporate income tax
Ningbo Shanteng New Energy Co., Ltd.	The operating income was obtained in 2018, and 2022 is the second year of halving the corporate income tax
Nanchang Shan'ao New Energy Co., Ltd.	The operating income was obtained in 2019, and 2022 is the first year of halving the corporate income tax
Jinhua Shangong Photovoltaic Power Generation Co., Ltd.	The operating income was obtained in 2019, and 2022 is the first year of halving the corporate income tax
Taizhou Shanlin Photovoltaic Power Generation Co., Ltd.	The operating income was obtained in 2019, and 2022 is the first year of halving the corporate income tax
Jinhua Shanbao Photovoltaic Power Generation Co., Ltd.	The operating income was obtained in 2019, and 2022 is the first year of halving the corporate income tax
Ningbo Shanwen Photovoltaic Power Generation Co., Ltd.	The operating income was obtained in 2019, and 2022 is the first year of halving the corporate income tax
Hangzhou Shanqiu Photovoltaic Power Generation Co., Ltd.	The operating income was obtained in 2019, and 2022 is the first year of halving the corporate income tax
Quzhou Shanke Photovoltaic Power Generation Co., Ltd.	The operating income was obtained in 2020, and 2022 is the third year of exemption from the corporate income tax
Quzhou Qujiang Shanzhen New Energy Technology Co., Ltd.	The operating income was obtained in 2019, and 2022 is the first year of halving the corporate income tax
Quzhou Shanyu New Energy Development Co., Ltd.	The operating income was obtained in 2019, and 2022 is the first year of halving the corporate income tax
Sanmen Shangang Photovoltaic Power Generation Co., Ltd.	The operating income was obtained in 2019, and 2022 is the first year of halving the corporate income tax
Jinhua Puzhong Photovoltaic Power Generation Co., Ltd.	The operating income was obtained in 2019, and 2022 is the first year of halving the corporate income tax
Taizhou Shanxian Photovoltaic Power Generation Co., Ltd.	The operating income was obtained in 2020, and 2022 is the third year of exemption from the corporate income tax
Ningbo Taihui Photovoltaic Technology Co., Ltd.	The operating income was obtained in 2020, and 2022 is the third year of exemption from the corporate income tax
Xinchang Juheng New Energy Development Co., Ltd.	The operating income was obtained in 2020, and 2022 is the third year of exemption from the corporate income tax
Zhejiang Guangliang New Energy Technology Co., Ltd.	The operating income was obtained in 2021, and 2022 is the second year of exemption from the corporate income tax
Quzhou Shantao Photovoltaic Power Generation Co., Ltd.	The operating income was obtained in 2021, and 2022 is the second year of exemption from the corporate income tax

VII. Notes to Consolidated Financial Statement Items

1. Cash at bank and on hand

Applicable Not applicable

Item	Unit: Yuan Currency: RMB	
	Ending balance	Opening balance
Cash on hand	238,361.05	220,489.88
Bank deposit	4,689,258,591.81	8,682,174,699.82
Other cash balances	1,466,336,138.27	612,566,178.01
Total	6,155,833,091.13	9,294,961,367.71
Of which: Total amount of money deposited abroad	27,755,041.72	45,499,240.52

Of these, the breakdown of cash at bank and on hand with restrictions on use due to mortgages, pledges or freezes, etc., as well as those placed outside the country with restrictions on repatriation of funds, is as follows:

Item	Unit: Yuan Currency: RMB	
	Ending balance	Balance at the beginning of the year
Deposit for bank acceptance bill	1,293,765,665.06	550,770,579.54
L/C guarantee deposits	134,015,491.13	13,967,809.83

Guarantee deposit	34,600,000.00	46,600,000.00
Other deposit	2,450,513.83	1,000,000.00
Subtotal	1,464,831,670.02	612,338,389.37
Bank deposits - litigation freeze	2,041,197.34	3,840,886.73
Total	1,466,872,867.36	616,179,276.10

2. Notes receivable

(1). Presentation of notes receivable by category

Applicable Not applicable

Item	Unit: Yuan Currency: RMB	
	Ending balance	Opening balance
Banker's acceptance bill	20,400,000.00	
Commercial acceptance bill	75,360,687.96	38,224,396.60
Less: Provision for impairment of commercial acceptance bill	3,558,289.34	3,558,289.34
Total	92,202,398.62	34,666,107.26

Provision for impairment of notes receivable:

Item	Unit: Yuan Currency: RMB		
	Opening number	Accrual	Ending number
Provision for impairment	3,558,289.34		3,558,289.34

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

Applicable Not applicable

(3). 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

Applicable Not applicable

For 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, please refer to "VII. 4. Receivables financing".

(4). Notes that the Company transferred to accounts receivable at the end of the period because of the issuer's failure to perform

Applicable Not applicable

3. Accounts receivable

(1). Disclosure by account age

Applicable Not applicable

Account age	Unit: Yuan Currency: RMB	
	Book balance at the end of the period	
Within 1 year		
Of which: sub-item within 1 year		
Within 1 year	4,631,210,917.41	
Subtotal within 1 year	4,631,210,917.41	
1-2 years	50,802,284.25	
2-3 years	2,429,374.01	
3-4 years	2,245,637.58	
4-5 years	71,261,616.97	
Above 5 years	8,854,925.79	
Subtotal	4,766,804,756.01	
Less: provision for bad debt	264,407,187.95	
Total	4,502,397,568.06	

(2). Disclosed by bad debt provision method

√Applicable □Not applicable

Unit: Yuan Currency: RMB

Category	Ending balance					Opening balance				
	Book balance		Bad debt provision		Book value	Book balance		Bad debt provision		Book value
	Amount	Proportion (%)	Amount	Withdrawal ratio (%)		Amount	Proportion (%)	Amount	Withdrawal ratio (%)	
Provision for bad debts made on an individual basis	82,418,926.05	1.73	71,774,700.55	87.09	10,644,225.50	115,013,672.06	2.72	73,350,650.99	63.78	41,663,021.07
Of which:										
Accounts receivable whose amounts are not considered individually significant but whose bad debt provision shall be withdrawn individually	82,418,926.05	1.73	71,774,700.55	87.09	10,644,225.50	115,013,672.06	2.72	73,350,650.99	63.78	41,663,021.07
Provision for bad debts made on a portfolio basis	4,684,385,829.96	98.27	192,632,487.40	4.11	4,491,753,342.56	4,105,974,159.22	97.28	188,236,741.12	4.58	3,917,737,418.10
Of which:										
Account portfolio age	4,684,385,829.96	98.27	192,632,487.40	4.11	4,491,753,342.56	4,105,974,159.22	97.28	188,236,741.12	4.58	3,917,737,418.10
Total	4,766,804,756.01	/	264,407,187.95	/	4,502,397,568.06	4,220,987,831.28	/	261,587,392.11	/	3,959,400,439.17

Provision for bad debts made on an individual basis:

√Applicable □Not applicable

Unit: Yuan Currency: RMB

Name	Ending balance			Withdrawal reason
	Book balance	Bad debt provision	Withdrawal ratio (%)	
Renewable energy subsidy receivable	995,494.99			Subsidies receivable
ZX High Energy Technology Co., Ltd.	6,958,959.00	6,958,959.00	100.00	Reconciliation, but not executed as agreed
F Public Transportation Holdings Co., Ltd.	38,500,000.00	38,500,000.00	100.00	Winning the case, execution in progress
DG Automotive Service Co., Ltd.	11,000,000.00	5,500,000.00	50.00	Significant increase in payment collection risk
YB Auto Co., Ltd.	8,520,000.00	8,520,000.00	100.00	Winning the case, execution in progress
HZ Bus Transportation Co., Ltd.	6,339,710.00	5,071,768.00	80.00	Significant increase in payment collection risk
Other sporadic customers	10,104,762.06	7,223,973.55	71.49	Significant increase in payment collection risk
Total	82,418,926.05	71,774,700.55	87.09	/

Provision for bad debts is made on a portfolio basis:

√Applicable □Not applicable

Combined provision items: account age portfolio

Unit: Yuan Currency: RMB

Name	Ending balance		
	Accounts receivable	Bad debt provision	Withdrawal ratio (%)
Within 1 year	4,629,922,628.02	157,945,115.73	3.41
1-2 years	40,999,155.25	23,082,524.41	56.30
2-3 years	2,277,556.84	1,201,411.23	52.75
3-4 years	2,245,637.58	1,462,583.76	65.13
4-5 years	642,600.00	642,600.00	100.00
Above 5 years	8,298,252.27	8,298,252.27	100.00
Total	4,684,385,829.96	192,632,487.40	

(3). Provision for bad debt

√Applicable □Not applicable

Unit: Yuan Currency: RMB

Category	Opening balance	Amount of change in the current period				Ending balance
		Accrual	Recovery or reversal	Transfer or write-off	Withdrawal from the consolidation scope	
Bad debt provision	261,587,392.11	191,971,560.62	184,878,078.76	-426,624.34	4,700,310.36	264,407,187.95
Total	261,587,392.11	191,971,560.62	184,878,078.76	-426,624.34	4,700,310.36	264,407,187.95

(4). Actual write-off of accounts receivable for the period

√Applicable □Not applicable

Unit: Yuan Currency: RMB

Item	Amount of write-off
Actual write-off of accounts receivable	-426,624.34

(5). Accounts receivable ranking the top five in the ending balance summarized by the debtors√Applicable Not applicable

Unit: Yuan Currency: RMB

Unit name	Relationship with the Company	Amount	Tenure	Proportion in total accounts receivable (%)	Bad debt provision
Customer A	Non-related party	768,494,839.30	Within 1 year (inclusive of 1 year)	16.12	24,869,008.68
Customer B	Non-related party	739,268,883.28	Within 1 year (inclusive of 1 year)	15.51	36,963,444.16
Customer C	Non-related party	575,666,297.13	Within 1 year (inclusive of 1 year)	12.08	2,820,764.86
Customer D	Non-related party	431,751,378.56	Within 1 year (inclusive of 1 year)	9.06	21,587,568.93
Customer E	Non-related party	236,611,330.00	Within 1 year (inclusive of 1 year)	4.96	1,159,395.52
Subtotal		2,751,792,728.27		57.73	87,400,182.15

4. Receivables financing√Applicable Not applicable

Unit: Yuan Currency: RMB

Item	Ending balance	Opening balance
Notes receivable	594,851,377.43	644,551,987.38
Total	594,851,377.43	644,551,987.38

Increase/decrease in receivables financing and changes in fair value during the period√Applicable Not applicable

Unit: Yuan Currency: RMB

Item	Balance at the beginning of the year	Newly increased amount in the current period	Derecognition in the current period		Ending balance	Accumulated provision for losses recognized in other comprehensive income
Notes receivable	644,551,987.38	7,460,389,304.93	7,510,089,914.88		594,851,377.43	
Total	644,551,987.38	7,460,389,304.93	7,510,089,914.88		594,851,377.43	

Other instructions:

√Applicable Not applicable**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 Currency: RMB

Item	Amount derecognized at the end of the period	Amount not derecognized at the end of the period
Endorsed but not due - bank acceptance bill	2,517,656,612.66	
Endorsed but not due - commercial acceptance bill		
Subtotal of notes receivable endorsed but not due	2,517,656,612.66	

Discounted but not due - bank acceptance bill		
Discounted but not due - commercial acceptance bill		
Subtotal of notes receivable discounted but not due		

5. Prepayment

(1). Prepayments are listed as per account age

√Applicable □Not applicable

Unit: Yuan Currency: RMB

Account age	Ending balance		Opening balance	
	Amount	Proportion (%)	Amount	Proportion (%)
Within 1 year	1,452,145,296.21	99.69	835,271,911.87	99.77
1-2 years	4,406,963.12	0.30	1,888,306.97	0.23
2-3 years	175,630.15	0.01	73,366.34	
Above 3 years				
Total	1,456,727,889.48	100.00	837,233,585.18	100.00

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

√Applicable □Not applicable

Unit: Yuan Currency: RMB

Prepaid objects	Ending balance	Percentage of the total ending balance of prepayments (%)
A	294,930,000.00	20.25
B	165,060,000.00	11.33
C	155,546,868.00	10.68
D	105,305,245.96	7.22
E	103,404,313.18	7.10
Total	824,246,427.14	56.58

Among the balance of prepayments as of the end of the period, there were no debts owed by shareholding companies holding more than 5% (including 5%) of the voting shares of the Company.

6. Other receivables

Presentation of items

√Applicable □Not applicable

Unit: Yuan Currency: RMB

Item	Ending balance	Opening balance
Interest receivable	290,415.70	368,092.24
Dividend receivable	11,179,616.13	492,116.13
Other receivables	536,525,070.92	346,098,653.73
Total	547,995,102.75	346,958,862.10

Interest receivable

(1). Classification of interest receivable

√Applicable □Not applicable

Unit: Yuan Currency: RMB

Item	Ending balance	Opening balance
Fixed deposit	290,415.70	368,092.24
Subtotal	290,415.70	368,092.24
Less: Bad debt provision		
Total	290,415.70	368,092.24

Dividend receivable**(1). Dividend receivable**

√Applicable □Not applicable

Unit: Yuan Currency: RMB

Item (or investee)	Ending balance	Opening balance
Shanghai Shanchuang Mining Investment Co., Ltd.	492,116.13	492,116.13
Luoyang Yichuan Molybdenum Group Joint-stock Company	10,687,500.00	
Subtotal	11,179,616.13	492,116.13
Less: Bad debt provision		
Total	11,179,616.13	492,116.13

Other receivables**(1). Disclosure by account age**

√Applicable□Not applicable

Unit: Yuan Currency: RMB

Account age	Book balance at the end of the period
Within 1 year	422,680,323.27
Subtotal within 1 year	422,680,323.27
1-2 years	75,509,037.70
2-3 years	70,976,445.18
3-4 years	9,282,472.28
4-5 years	2,991,331.86
Above 5 years	48,635,558.04
Subtotal	630,075,168.33
Less: Bad debt provision	93,550,097.41
Total	536,525,070.92

(2). Disclosure by category

Unit: Yuan Currency: RMB

Category	Ending balance					Balance at the beginning of the year				
	Carrying amount	Percentage of total (%)	Bad debt provision	Percentage of bad debt provision (%)	Net book value	Carrying amount	Percentage of total (%)	Bad debt provision	Percentage of bad debt provision (%)	Net book value
Provision for bad debts made on an individual basis	174,668,288.51	27.72	78,304,850.87	44.83	96,363,437.64	188,227,416.31	43.28	83,670,467.69	44.45	104,556,948.63
Provision for bad debts made on a portfolio basis	455,406,879.82	72.28	15,245,246.54	3.35	440,161,633.28	246,637,888.76	56.72	5,096,183.65	2.07	241,541,705.11
Of which:										
Risk-free portfolio	146,370,347.16	23.23			146,370,347.16	141,824,723.68	32.61			141,824,723.68
Portfolio of equity and long-term asset disposal receivables	269,113,178.00	42.71	13,455,658.90	5.00	255,657,519.10	73,746,178.00	16.96	3,687,308.90	5.00	70,058,869.10
Portfolio of current account	8,370,605.75	1.33	418,530.29	5.00	7,952,075.46	10,057,554.69	2.31	502,877.73	5.00	9,554,676.96
Portfolio of security deposit and deposit	16,817,533.89	2.67	840,876.69	5.00	15,976,657.20	14,762,506.96	3.39	738,125.35	5.00	14,024,381.61
Portfolio of advances	12,751,948.46	2.02	431,017.33	3.38	12,320,931.13	5,427,204.10	1.25	126,885.60	2.34	5,300,318.50
Portfolio of reserve and personal loan	1,983,266.56	0.31	99,163.33	5.00	1,884,103.23	819,721.33	0.19	40,986.07	5.00	778,735.26
Total	630,075,168.33	/	93,550,097.41	/	536,525,070.92	434,865,305.07	/	88,766,651.34	/	346,098,653.74

Provision for bad debts made on an individual basis

Unit: Yuan Currency: RMB

Name	Ending balance			
	Book balance	Bad debt	Withdra	Withdrawal reason

		provision	wal ratio (%)	
Beiben Heavy Duty Automobile Group Co., Ltd.	56,032,069.75	11,206,413.96	20.00	The funds of subsidiaries occupied, with certain recovery risk
Ningbo Liankangcai Brand Management Co., Ltd.	49,911,440.00	9,982,288.00	20.00	Failure to perform as originally agreed with increased risk after rollover
Li Xinghua	10,203,260.00	2,040,652.00	20.00	Failure to perform as originally agreed with increased risk after rollover
Ningbo Modun Clothing Co., Ltd.	13,404,518.87	13,404,518.87	100.00	The possibility of recovery is expected to be small
Putian Hualin Vegetable Base Co., Ltd.	13,372,982.07	13,372,982.07	100.00	Winning the case, but unenforceable
Ningbo Shanshan Suyu Clothing Co., Ltd.	10,162,742.46	10,162,742.46	100.00	Not returned as agreed and not expected to be recovered
DEUTSCHE SOLAR AG	5,302,575.00	5,302,575.00	100.00	Not returned as agreed and not expected to be recovered
Ningbo Liweineng Energy Storage System Co., Ltd.	2,246,355.50	1,123,177.75	50.00	Not returned on schedule
Petty cash and personal loans with significantly increased risk	583,126.39	583,126.39	100.00	Not returned as agreed and not expected to be recovered
Deposit with significantly increased risk	6,951,796.78	4,628,952.68	66.59	Not returned as agreed and not expected to be recovered
Advances with significantly increased risk	6,497,421.69	6,497,421.69	100.00	Not returned as agreed and not expected to be recovered
Total	174,668,288.51	78,304,850.87	/	

Provision for bad debts made on a portfolio basis

Unit: Yuan Currency: RMB

Name	Ending balance		
	Other receivables	Bad debt provision	Withdrawal ratio (%)
Portfolio of risk-free return	146,370,347.16		
Of which: Portfolio of government subsidies receivable ^{Note 1}	10,542,415.01		
Portfolio of financing deposit ^{Note 2}	118,125,178.29		
Portfolio of customs deposit receivable	17,702,753.86		
Portfolio of equity and long-term asset disposal receivables	269,113,178.00	13,455,658.90	5.00
Portfolio of current account	8,370,605.75	418,530.29	5.00
Portfolio of security deposit and deposit	16,817,533.89	840,876.69	5.00
Portfolio of advances	12,751,948.46	431,017.33	3.38
Of which: Individual social security of settlement, collection and payment every other month	4,131,601.89		
Portfolio of reserve and personal loan	1,983,266.56	99,163.33	5.00
Total	455,406,879.82	15,245,246.54	/

Note 1: The portfolio of government subsidies receivable includes export tax refund receivable, new energy vehicle subsidies receivable, local power generation subsidy receivable from distributed power plants, and electric vehicle charging subsidy receivable, which have significant characteristics of strong guarantee of payback with no provision for bad debt.

Note 2: The portfolio of financing-type deposits includes deposits paid to finance and leasing companies in machinery and equipment sale and leaseback of subsidiaries and financing borrowing deposits of subsidiaries, which will be returned after the Company returns its debts without risk of return and without provision for bad debts.

(3). Breakdown by nature of payments

√Applicable □Not applicable

Unit: Yuan Currency: RMB

Nature of funds	Book balance at the end of the period	Book balance at the beginning of the period
Current accounts	80,053,549.87	82,528,517.81
Subsidy receivable	10,542,415.01	39,237,672.14
Receivables (transfer of long-term assets such as equity, properties, etc.)	352,763,602.53	167,134,302.53
Security deposit, deposit	159,597,262.82	124,374,361.28
Advances, prepayments	24,551,945.15	20,187,603.59
Petty cash	2,566,392.95	1,402,847.72
Total	630,075,168.33	434,865,305.07

(4). Provision for bad debt

√Applicable □Not applicable

Unit: Yuan Currency: RMB

Provision for bad debts	Phase I	Phase II	Phase III	Total
	Expected credit losses for the next 12 months	Expected credit losses for the entire duration (no credit impairment occurred)	Expected credit losses for the entire duration (with credit impairment occurred)	
Balance as of 1 January 2022	5,096,183.65	26,694,081.21	56,976,386.48	88,766,651.34
Balance as of 1 January 2022 in the current period				
- Transferred to Phase II				
- Transferred to Phase III				
- Transferred back to Phase II				
- Transferred back to Phase I				
Current provision	9,026,897.09			9,026,897.09
Current reversal	-591,602.30			-591,602.30
Current reselling				
Current write-off				
Other changes	-3,651,848.72			-3,651,848.72
Balance as of 30 June 2022	9,879,629.72	26,694,081.21	56,976,386.48	93,550,097.41

(5). Bad debt provision

√Applicable □Not applicable

Unit: Yuan Currency: RMB

Category	Opening	Amount of change in the current period	Ending balance
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	balance	Accrual	Recovery or reversal	Transfer or write-off	Decrease in consolidation scope	
Provision for bad debts of other receivables	88,766,651.34	9,026,897.09	591,602.30		3,651,848.72	93,550,097.41
Total	88,766,651.34	9,026,897.09	591,602.30		3,651,848.72	93,550,097.41

(6). Other accounts receivable ranking the top five in the ending balance summarized by the debtors

√Applicable □Not applicable

Unit: Yuan Currency: RMB

Company name	Nature of amount	Ending balance	Account age	Proportion in total of ending balance of other accounts receivable (%)	Ending balance of bad debt provision
Jinzhou Jixiang Molybdenum Co., Ltd.	Equity transfer payments	230,000,000.00	Within 1 year	36.50	11,500,000.00
CMB Financial Leasing Co., Ltd.	Financing security deposit	56,070,782.40	Within 1 year	8.90	
Beiben Heavy Duty Automobile Group Co., Ltd.	Current accounts	56,032,069.75	2-3 years	8.89	11,206,413.96
Ningbo Liankangcai Brand Management Co., Ltd.	Equity transfer payments	49,911,440.00	1-2 years	7.92	9,982,288.00
Huarong Financial Leasing Joint-stock Company	Financing security deposit	45,459,000.00	Within 1 year	7.21	
Total	/	437,473,292.15	/	69.43	32,688,701.96

(7). Other receivables involving government subsidies

√Applicable □Not applicable

Unit: Yuan Currency: RMB

Unit name	Name of government subsidy project	Ending balance	Closing account age	Expected time, amount and basis of collection
Local electricity subsidy receivable	Local power generation subsidies for distributed power plants	10,542,415.01	Within 1 year and 1-2 years	PV subsidy documents from relevant county and municipal governments in Zhejiang Province

7. Inventories

(1). Classification of inventories

√Applicable □Not applicable

Unit: Yuan Currency: RMB

Item	Ending balance	Opening balance
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	Book balance	Provision for decline in value of inventories/provision for impairment of contract fulfillment costs	Book value	Book balance	Provision for decline in value of inventories/provision for impairment of contract fulfillment costs	Book value
Raw materials	948,254,394.06	20,003,869.35	928,250,524.71	961,580,716.33	19,706,782.81	941,873,933.52
Packaging materials	15,306,715.01		15,306,715.01	9,722,577.82		9,722,577.82
Low-value consumption goods	318,146,352.49	927,987.05	317,218,365.44	86,043,189.48	927,987.05	85,115,202.43
Finished goods	522,661,425.89	23,267,015.77	499,394,410.12	332,933,705.74	31,647,715.87	301,285,989.87
Products in progress	1,261,636,661.16	95,360,724.72	1,166,275,936.44	1,034,873,404.40	55,016,631.03	979,856,773.37
Materials outsourced for processing	1,164,635,534.88	265,521.34	1,164,370,013.54	437,461,669.96	329,978.16	437,131,691.80
Goods in transit	470,504,577.96	1,761,717.89	468,742,860.07	122,989,677.99	1,761,717.89	121,227,960.10
Materials in transit	222,805,757.22		222,805,757.22	166,715,102.75		166,715,102.75
Others				100,334.40		100,334.40
Total	4,923,951,418.67	141,586,836.12	4,782,364,582.55	3,152,420,378.87	109,390,812.81	3,043,029,566.06

(2). **Provision for decline in value of inventories and provision for impairment of contract fulfillment costs**

√Applicable □Not applicable

Unit: Yuan Currency: RMB

Item	Opening balance	Amount increased in the current period		Amount decreased in the current period		Ending balance
		Accrual	Others	Reversal or reselling	Others	
Raw materials	19,706,782.81	9,302,651.32		9,005,564.78		20,003,869.35
Packaging materials						
Low-value consumption goods	927,987.05					927,987.05
Finished goods	31,647,715.87	7,827,889.64		16,208,589.74		23,267,015.77
Products in progress	55,016,631.03	59,939,476.37		19,595,382.68		95,360,724.72
Materials outsourced for processing	329,978.16			64,456.82		265,521.34
Goods in transit	1,761,717.89					1,761,717.89
Materials in transit						
Others						
Total	109,390,812.81	77,070,017.33		44,873,994.02		141,586,836.12

8. **Non-current assets due within one year**

√Applicable □Not applicable

Unit: Yuan Currency: RMB

Item	Ending balance	Opening balance
Long-term receivables due within one year	32,961,420.70	58,264,962.45
Long-term unamortised expense due within one year		

Other non-current financial assets due within one year		
Total	32,961,420.70	58,264,962.45

Other instructions:

Category	Unit: Yuan		Currency: RMB
	Book balance	Bad debt provision	Book value
Installment sales of vehicles	43,989,208.62	11,027,787.92	32,961,420.70
Total	43,989,208.62	11,027,787.92	32,961,420.70

9、 Other current assets

√Applicable □Not applicable

Item	Unit: Yuan		Currency: RMB
	Ending balance	Opening balance	
Prepaid income tax	6,021,893.48	62,368,048.54	
Input value-added-tax to be deducted	285,818,807.44	696,203,285.76	
Other prepaid taxes and fees	43,463.49	75,046.43	
Total	291,884,164.41	758,646,380.73	

10、 Long-term receivables**(1) Status of long-term receivables**

√Applicable □Not applicable

Item	Unit: Yuan			Currency: RMB		
	Ending balance			Opening balance		
	Book balance	Bad debt provision	Book value	Book balance	Bad debt provision	Book value
Borrowings from Yunshan High-tech Group Co., Ltd. (云杉高科集团有限公司) and its subsidiaries ^{Note 1}				18,729,881.86	10,572,976.49	8,156,905.37
Installment sales of vehicles ^{Note 2}	31,300,000.00	6,260,000.00	25,040,000.00	31,300,000.00	6,260,000.00	25,040,000.00
Total	31,300,000.00	6,260,000.00	25,040,000.00	50,029,881.86	16,832,976.49	33,196,905.37

Note 1: long-term accounts receivable of Yunshan High-tech Group Co., Ltd. and its subsidiaries

Item	Category	Unit: Yuan			Currency: RMB		
		Ending balance			Balance at the beginning of the year		
		Book balance	Bad debt provision	Book value	Book balance	Bad debt provision	Book value
Winsky Gaoko Group Co., Ltd. (formerly Guangzhou Winsky Zhixing New Energy Vehicle Co., Ltd.)	Book value of long-term accounts receivable				8,272,719.08	3,309,087.64	4,963,631.44
	Long-term receivables due within one year				12,945,438.16	5,178,175.26	7,767,262.90
Shanghai Shenshan New Energy Vehicle Service Co., Ltd.	Book value of long-term accounts receivable				5,322,123.21	2,128,849.28	3,193,273.93
	Long-term receivables due within one year				10,644,246.42	4,257,698.57	6,386,547.85
Shenzhen Winsky Vehicle Sales & Service	Book value of long-term accounts				5,135,039.57	5,135,039.57	

Co., Ltd.	receivable						
	Long-term receivables due within one year				10,270,079.15	10,270,079.15	
Total					52,589,645.59	30,278,929.47	22,310,716.12

Note 2: Installment sales of vehicles

Unit: Yuan Currency: RMB

Item	Ending balance			Opening balance		
	Book balance	Bad debt provision	Book value	Book balance	Bad debt provision	Book value
Long-term receivables	31,300,000.00	6,260,000.00	25,040,000.00	31,300,000.00	6,260,000.00	25,040,000.00
Long-term receivables due within one year	43,989,208.62	11,027,787.92	32,961,420.70	55,138,939.62	11,027,787.92	44,111,151.70
Total	75,289,208.62	17,287,787.92	58,001,420.70	86,438,939.62	17,287,787.92	69,151,151.70

It is the receivable formed from the sale of 200 new energy vehicles by the subsidiary Inner Mongolia Qingshan Automobile Co., Ltd. to Baotou Bus Transportation Group Co., Ltd. in 2017 of RMB 197,500,000.00, with a cumulative recovery of RMB 122,210,791.38 as of 30 June 2021 and an ending balance of RMB 75,289,208.62. According to the original sales agreement the source of funding for the above amount is local finance. In 2018, according to the minutes of the special meeting of Baotou Municipal People's Government (2018) No. 94, the above amount was transferred to Baotou Bus Transportation Group Co., Ltd. to be returned in 6 years with interest, and the amount due in more than 12 months in the future was transferred to long-term receivables according to the repayment agreement.

Of the receivables due as of year-end, RMB 23,339,208.62 was overdue. The Company has assessed the operation of Baotou City Bus Company and the source of funds for repayment and confirmed that the repayment relies on local government financial arrangements, so the credit risk of the receivables has not increased significantly.

(2) Provision for bad debts of long-term receivables

Category	Balance at the end of the previous year	Amount of change in the current period			Ending balance
		Accrual	Recovery or reversal	Withdrawal from the consolidation scope	
Provision for bad debts of long-term receivables	16,832,976.49			10,572,976.49	6,260,000.00
Total	16,832,976.49			10,572,976.49	6,260,000.00

11、 Long-term equity investment

√Applicable □Not applicable

Unit: Yuan Currency: RMB

Name of investees	Opening balance	Increase and decrease in the current period								Ending balance	Ending balance of impairment provision
		Additional investment	Decreased investment	Profit and loss on investments confirmed under the equity method	Adjustment of other comprehensive incomes	Change in other equities	Cash dividends or profits declared to be issued	Provision for impairment	Others		
I. joint ventures											
Ningbo Liweineng Energy Storage System Co., Ltd.	158,564,080.55		- 15,984,455.47	-4,200,884.07						138,378,741.01	
Subtotal	158,564,080.55		- 15,984,455.47	-4,200,884.07						138,378,741.01	
2. associates											
Ningbo Airport Logistics Development Co., Ltd.	163,682,370.27			987,102.47						164,669,472.74	
Shanghai Shanshan Chuanghui Venture Capital Management Co., Ltd.	9,959,638.21			-224,611.20						9,735,027.01	
Zhejiang Chouzhou Commercial Bank Co., Ltd.	1,386,851,462.42			62,837,639.66	-303,377.64					1,449,385,724.44	137,050,000.00
Ningbo Shanqi	38,809,284.23			-348,068.76						38,461,215.47	

Property Services Co., Ltd.											
Suiyong Holdings Co., Ltd.	946,579,005.24			-8,815,680.69						937,763,324.55	
Shenzhen Yuanshan Private Equity Investment Management Co., Ltd.	4,936,082.35			540,673.13						5,476,755.48	
Shanshan Brand Management Co., Ltd.	40,967,397.77			-2,386,404.62						38,580,993.15	
Ningbo Shantai Photovoltaic Power Generation Co., Ltd.	2,588,661.68		-2,588,661.68								
Anhui Shanyue Technology Co., Ltd.	4,650,251.96			-334,471.79						4,315,780.17	
Inner Mongolia Mengji New Carbon Material Co., Ltd.	62,615,398.43			10,982,135.81						73,597,534.24	
Inner Mongolia Hengsheng New Energy Technology Co., Ltd.	53,316,666.67		60,480,000.00	7,163,333.33							
BASF Shanshan	3,451,868,622.09			388,462,838.41						3,840,331,460.50	

Battery Materials Co., Ltd.											
Jiangxi Zhanxiao New Energy Technology Co., Ltd.		17,600,000.00		-82,733.56						17,517,266.44	
Subtotal	6,166,824,841.32	17,600,000.00	63,068,661.68	458,781,752.19	-303,377.64					6,579,834,554.19	137,050,000.00
Total	6,325,388,921.87	17,600,000.00	79,053,117.15	454,580,868.12	-303,377.64					6,718,213,295.20	137,050,000.00

12、 Investments in other equity instruments**(1). Investments in other equity instruments**√Applicable Not applicable

Unit: Yuan Currency: RMB

Item	Ending balance	Opening balance
Investments in other equity instruments — Investments in listed equity instruments	899,861,784.56	881,742,983.68
Investments in other equity instruments — Investments in unlisted equity instruments	36,916,462.76	36,916,462.76
Total	936,778,247.32	918,659,446.44

(2). Investment in non-trading equity instruments√Applicable Not applicable

Unit: Yuan Currency: RMB

Item	Dividend income recognized in the current period	Accumulated gains	Accumulated losses	Amount transfer from other comprehensive income to retained earnings	Reasons for being designated as financial assets at fair value through other comprehensive income	Reasons for transferring other comprehensive income to retained earnings
Investments in other equity instruments — Investments in listed equity instruments	10,687,500.00	286,500,000.00	-211,150,394.48	437,209,424.82	Strategic purpose, plan to hold for long term	Disposal
Of which: Luoyang Molybdenum	10,687,500.00	286,500,000.00		437,209,424.82		
Australia AJM			-190,475,873.71			
Others			-20,674,520.77			
Investments in other equity instruments — Investments in unlisted equity instruments		1,121,000.00	-1,407,000.00	5,357,206.03		

13、 Other non-current financial assets√Applicable Not applicable

Unit: Yuan Currency: RMB

Item	Ending balance	Opening balance
Financial assets at fair value through profit or loss	200,104,599.78	102,604,599.78
Of which: Investment in debt instruments		
Investments in equity instruments	200,104,599.78	102,604,599.78
Derivative financial assets		
Others		
Financial assets designated at fair value through profit or loss		
Total	200,104,599.78	102,604,599.78

Other instructions:

It is the investment with the purpose of earning investment income and without significant influence.

14、 Fixed assets**Presentation of items**√Applicable Not applicable

Unit: Yuan Currency: RMB

Item	Ending balance	Opening balance
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Fixed assets	7,778,317,308.05	7,462,553,986.06
Liquidation of fixed assets	2,351,933.32	805,649.67
Total	7,780,669,241.37	7,463,359,635.73

Fixed assets**(1). Fixed assets**

√Applicable □Not applicable

Unit: Yuan Currency: RMB

Item	Houses and buildings	Machinery equipment	Transportation vehicles	Other equipment	Fixed assets decoration	Total
I. Original book value:						
1. Opening balance	2,623,143,614.05	6,931,905,539.71	49,564,694.48	180,143,984.22	66,672,694.20	9,851,430,526.66
2. Amount increased in the current period	100,287,905.33	663,201,389.58	2,424,557.52	19,858,025.22	3,857,667.05	789,629,544.70
(1) Purchase	17,065,437.66	13,803,322.78	2,424,557.52	8,890,703.22		42,184,021.18
(2) Transfer of construction in progress	83,222,467.67	649,398,066.80		10,967,322.00	3,857,667.05	747,445,523.52
3. Amount decreased in the current period	284,243.11	120,827,559.87	11,831,052.80	11,367,967.74	64,133,161.13	208,443,984.65
(1) Disposal or scrapping	284,243.11	55,367,111.84	1,121,918.71	6,672,061.68	4,930,401.36	68,375,736.70
(2) Withdrawal from the consolidation scope		65,460,448.03	10,709,134.09	4,695,906.06	59,202,759.77	140,068,247.95
4. Ending balance	2,723,147,276.27	7,474,279,369.42	40,158,199.20	188,634,041.70	6,397,200.12	10,432,616,086.71
II. Accumulated depreciation						
1. Opening balance	477,314,200.86	1,427,414,011.32	26,890,698.24	89,769,668.50	27,109,693.51	2,048,498,272.43
2. Amount increased in the current period	45,663,144.41	355,558,319.13	2,322,678.56	14,334,395.98	2,699,006.99	420,577,545.07
(1) Accrual	45,663,144.41	355,558,319.13	2,322,678.56	14,334,395.98	2,699,006.99	420,577,545.07
3. Amount decreased in the current period	27,728.16	48,879,648.07	9,489,032.55	7,866,276.88	26,781,861.25	93,044,546.91
(1) Disposal or scrapping	27,728.16	27,759,182.50	1,036,794.30	4,489,225.03	1,818,132.30	35,131,062.29
(2) Withdrawal from the consolidation scope		21,120,465.57	8,452,238.25	3,377,051.85	24,963,728.95	57,913,484.62
4. Ending balance	522,949,617.11	1,734,092,682.38	19,724,344.25	96,237,787.60	3,026,839.25	2,376,031,270.59
III. Provision for impairment						
1. Opening balance		259,419,231.68	5,232,055.29	50,136,781.20	25,590,200.00	340,378,268.17
2. Amount increased in the current period		1,563,528.43				1,563,528.43
(1) Provision		1,563,528.43				1,563,528.43
3. Amount decreased in the current period		37,884,088.53	200,000.00		25,590,200.00	63,674,288.53
(1) Disposal or scrapping		10,193,027.55			669,344.42	10,862,371.97
(2) Withdrawal from the consolidation scope		27,691,060.98	200,000.00		24,920,855.58	52,811,916.56
4. Ending balance		223,098,671.58	5,032,055.29	50,136,781.20		278,267,508.07
IV. Book value						
1. Ending book value	2,200,197,659.16	5,517,088,015.46	15,401,799.66	42,259,472.90	3,370,360.87	7,778,317,308.05
2. Opening book value	2,145,829,413.19	5,245,072,296.71	17,441,940.95	40,237,534.52	13,972,800.69	7,462,553,986.06

(2). Temporarily idle fixed assets

√Applicable □Not applicable

Unit: Yuan Currency: RMB

Item	Original book value	Accumulated depreciation	Provision for impairment	Book value
Houses and buildings	139,440,614.40	23,561,461.39		115,879,153.01
Machinery and	511,000,792.43	194,406,302.61	226,455,756.98	90,138,732.84

equipment				
Electronic equipment	5,703,701.70	3,292,705.29	598,434.10	1,812,562.31
Transportation equipment	2,085,729.37	1,959,298.42		126,430.95

(3). Fixed assets leased out through operating leases√Applicable Not applicable

Unit: Yuan Currency: RMB

Item	Ending book value
Houses and buildings	159,425,936.03
Transportation equipment	

The houses and buildings leased out by the Company through operating leases are temporarily idle self-use houses, not investment properties.

(4). Fixed assets without proper certificate of title√Applicable Not applicable

Unit: Yuan Currency: RMB

Item	Book value	Reasons for not completing the certificate of title
Houses and buildings	924,644,989.60	Self-built factory building whose right certificate is still in process

Liquidation of fixed assets√Applicable Not applicable

Unit: Yuan Currency: RMB

Item	Ending balance	Opening balance
Fixed assets	2,351,933.32	805,649.67
Total	2,351,933.32	805,649.67

15. Construction in progress**Presentation of items**√Applicable Not applicable

Unit: Yuan Currency: RMB

Item	Ending balance	Opening balance
Construction in progress	2,858,439,074.41	2,021,814,458.07
Engineering materials	280,552,259.63	526,922.00
Total	3,138,991,334.04	2,022,341,380.07

Construction in progress**(1). Construction in progress**

√Applicable □Not applicable

Unit: Yuan Currency: RMB

Item	Ending balance			Opening balance		
	Book balance	Provision for impairment	Book value	Book balance	Provision for impairment	Book value
Polarizer Guangzhou 3# 4# production line	526,956,496.57		526,956,496.57	672,695,914.37		672,695,914.37
Polarizer technology reform project	135,767,725.31		135,767,725.31	49,911,075.48		49,911,075.48
Polarizer IT development	15,599.00		15,599.00			
Polarizer Zhangjiagang	282,767,954.47		282,767,954.47	56,528,070.37		56,528,070.37
Polarizer Mianyang	285,590.83		285,590.83			
New R&D base for new materials in Shanghai	50,977,033.13		50,977,033.13	4,342,400.19		4,342,400.19
Cathode (Meishan) Project	799,185,613.28		799,185,613.28	3,131,673.77		3,131,673.77
Cathode (Inner Mongolia) 100,000 tons (Phase II)	798,119,795.34		798,119,795.34	574,770,400.07		574,770,400.07
Anode material capacity expansion supporting project	144,992,899.77		144,992,899.77	93,778,075.97		93,778,075.97
Electrolyte and supporting project (Phase II) with an annual output of 50,000 tons	79,750,764.19		79,750,764.19	21,846,300.84		21,846,300.84
Electrolyte lithium salt technical reform project	9,442,761.24		9,442,761.24	14,300,356.02		14,300,356.02
New energy vehicle charging station project				4,300,127.18	175,437.33	4,124,689.85
Distributed solar PV power plant	23,907,716.04		23,907,716.04	44,358,126.20		44,358,126.20
Solar module production line project	453,097.34		453,097.34	453,097.34		453,097.34
Energy storage projects	51,082.52		51,082.52	51,082.52		51,082.52
Yongshan 45,000-ton lithium salt project				480,450,465.01		480,450,465.01
Others	5,764,945.38		5,764,945.38	1,072,730.07		1,072,730.07
Total	2,858,439,074.41		2,858,439,074.41	2,021,989,895.40	175,437.33	2,021,814,458.07

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

√Applicable □Not applicable

Unit: Yuan Currency: RMB

Project name	Budget amount	Opening balance	Amount increased in the current period	Amount transferred to fixed assets in the current period	Other amount decreased in the current period	Withdrawal from the consolidation scope	Ending balance	Project progress	Source of funds
Polarizer Guangzhou 3# 4# production line	RMB 1.171 billion	672,695,914.37	490,407,734.22	460,195,200.02	175,951,952.00		526,956,496.57	3# has been transferred to fixed assets in June 2022; and 4# equipment has been installed, and it is expected to be put into trial operation in July 2022	Self-raised funds
Polarizer technology reform project		49,911,075.48	247,877,349.95	158,618,632.11	3,402,068.01		135,767,725.31		Self-raised funds
Polarizer IT development			15,599.00				15,599.00	The payment has been made, and it is expected to be accepted and stored in July 2022	Self-raised funds
Polarizer Zhangjiagang	RMB 2.187 billion	56,528,070.37	226,247,406.22	7,522.12			282,767,954.47	The main structure construction is in progress	Self-raised funds
Polarizer Mianyang			285,590.83				285,590.83	Land leveling is basically completed, and preparations are being made for the construction of the main plant	Self-raised funds
New R&D base for new materials in Shanghai	RMB 0.6 billion	4,342,400.19	46,634,632.94				50,977,033.13	The project has been commenced and is currently in the civil construction stage	Self-raised funds
Cathode (Meishan) Project	RMB 8 billion	3,131,673.77	796,077,416.91	23,477.40			799,185,613.28	In the phase of civil construction and partial process equipment installation	Self-raised funds
Cathode (Inner Mongolia) 100,000 tons (Phase II)	RMB 1.535 billion	574,770,400.07	284,977,095.21	61,627,699.94			798,119,795.34	The project has been put into production one after another, and the production capacity is climbing	Self-financing + borrowing
Anode material		93,778,075.97	72,727,376.16	16,755,684.24	4,756,868.12		144,992,899.77	Machine and equipment and	Self-raised funds

capacity expansion supporting project								software system installation and commissioning are in progress	
Electrolyte and supporting project (Phase II) with an annual output of 50,000 tons	RMB 180 million	21,846,300.84	57,904,463.35				79,750,764.19	The plant has been capped; and 90% of the machinery and equipment have arrived and are now under installation	Self-financing borrowing +
Electrolyte lithium salt technical reform project		14,300,356.02	8,594,227.20	13,451,821.98			9,442,761.24	The technical reform of production line and capacity has been completed. As for the technical reform of production capacity, devices those have been installed are in trial operation except that the deacidification dryer is not suitable for trial.	Self-raised funds
New energy vehicle charging station project		4,300,127.18	688,101.69	4,538,601.84	103,834.45	345,792.58			
Distributed solar PV power plant	11.8 MW	44,358,126.20	3,504,387.51	23,897,540.52	57,257.15		23,907,716.04	Individual power station is carried forward upon completion, with a total of 2 power stations under construction at the end of the period, which have been basically completed with an installed capacity of 3.3 MW	Self-financing borrowing +
Solar module production line project	RMB 128 million	453,097.34					453,097.34	The project to assemble the production line has been fully completed, the first line is still under renovation and awaiting acceptance	Self-raised funds
Energy storage projects		51,082.52					51,082.52		
Yongshan 45,000-ton lithium salt	RMB 0.7 billion	480,450,465.01				480,450,465.01			Self-financing borrowing +

project									
Others		1,072,730.07	14,473,110.35	8,329,343.35	1,451,551.69		5,764,945.38		Self-raised funds
Total		2,021,989,895.40	2,250,414,491.54	747,445,523.52	185,723,531.42	480,796,257.59	2,858,439,074.41		

Engineering materials√Applicable Not applicable

Unit: Yuan Currency: RMB

Item	Ending balance			Opening balance		
	Book balance	Provision for impairment	Book value	Book balance	Provision for impairment	Book value
Cathode (Meishan) Project	280,552,259.63		280,552,259.63			
Materials for charging station project				7,618,446.02	7,091,524.02	526,922.00
Total	280,552,259.63		280,552,259.63	7,618,446.02	7,091,524.02	526,922.00

16、 Right of use assets√Applicable Not applicable

Unit: Yuan Currency: RMB

Item	Houses and buildings	Machinery and equipment	Site	Automobiles	Others	Total
I. Original book value						
1. Opening balance	1,009,492,993.65	252,704,159.37	152,749,847.74	270,527.25	4,866,053.90	1,420,083,581.91
2. Amount increased in the current period	4,734,930.00	375,085,982.03	441,471.77		374,450.86	380,636,834.66
New lease	4,734,930.00	375,085,982.03	441,471.77		374,450.86	380,636,834.66
3. Amount decreased in the current period	3,279,109.58		34,408,926.43	270,527.25	154,504.11	38,113,067.37
Decrease in consolidation scope			34,408,926.43			34,408,926.43
Disposal	3,279,109.58			270,527.25	154,504.11	3,704,140.94
4. Ending balance	1,010,948,814.07	627,790,141.40	118,782,393.08		5,086,000.65	1,762,607,349.20
II. Accumulated depreciation						

1. Opening balance	47,173,780.02	206,686.25	13,190,639.92	224,151.15	1,208,725.70	62,003,983.04
2. Amount increased in the current period	34,522,653.88	2,701,776.75	3,597,117.72	46,376.10	938,957.80	41,806,882.25
New lease	34,522,653.88	2,701,776.75	3,597,117.72	46,376.10	938,957.80	41,806,882.25
3. Amount decreased in the current period	572,203.79		6,168,399.12	270,527.25	154,504.11	7,165,634.27
(1) Disposal	572,203.79			270,527.25	154,504.11	997,235.15
(2) Decrease in consolidation scope			6,168,399.12			6,168,399.12
4. Ending balance	81,124,230.11	2,908,463.00	10,619,358.52		1,993,179.39	96,645,231.02
III. Impairment reserve						
1. Opening balance						
2. Amount increased in the current period						
3. Amount decreased in the current period						
4. Ending balance						
IV. Book value						
1. Ending book value	929,824,583.96	624,881,678.40	108,163,034.56		3,092,821.26	1,665,962,118.18
2. Opening book value	962,319,213.63	252,497,473.12	139,559,207.82	46,376.10	3,657,328.20	1,358,079,598.87

17、 Intangible assets

(1). Intangible assets

√Applicable □Not applicable

Unit: Yuan Currency: RMB

Item	Land-use right	Patent right	Non-patent technology	Customer relationship	Total
I. Original book value					
1. Opening balance	855,020,345.14	745,329,195.90	93,283,232.38	153,000,000.00	1,846,632,773.42
2. Amount increased in the current period	1,463,262.80	21,704,568.86	943,396.20		24,111,227.86
(1) Purchase	1,463,262.80	21,704,568.86	943,396.20		24,111,227.86
3. Amount decreased in the current period	112,150,173.58	36,518,036.41	28,276,288.65		176,944,498.64
(1) Disposal		23,894,938.19	27,491,684.00		51,386,622.19
(2) Withdrawal from the consolidation scope	112,150,173.58	12,623,098.22	784,604.65		125,557,876.45
4. Ending balance	744,333,434.36	730,515,728.35	65,950,339.93	153,000,000.00	1,693,799,502.64
II. Accumulated amortisation					
1. Opening balance	76,737,080.18	107,158,812.07	12,775,781.69	14,025,000.00	210,696,673.94
2. Amount increased in the current period	7,811,089.68	33,511,996.55	3,271,675.23	7,650,000.00	52,244,761.46
(1) Accrual	7,811,089.68	33,511,996.55	3,271,675.23	7,650,000.00	52,244,761.46
3. Amount decreased in the current period	2,980,735.52	14,743,759.01	152,640.82		17,877,135.35
(1) Disposal		2,190,369.33			2,190,369.33
(2) Withdrawal from the consolidation scope	2,980,735.52	12,553,389.68	152,640.82		15,686,766.02
4. Ending balance	81,567,434.34	125,927,049.61	15,894,816.10	21,675,000.00	245,064,300.05
III. Provision for impairment					
1. Opening balance		8,460,000.00	384,950.81		8,844,950.81
2. Amount increased in the current period					
3. Amount decreased in the current period					
4. Ending balance		8,460,000.00	384,950.81		8,844,950.81
IV. Book value					
1. Ending book value	662,766,000.02	596,128,678.74	49,670,573.02	131,325,000.00	1,439,890,251.78
2. Opening book value	778,283,264.96	629,710,383.83	80,122,499.88	138,975,000.00	1,627,091,148.67

18、 Goodwill**(1). Original book value of goodwill**

√Applicable □Not applicable

Unit: Yuan Currency: RMB

Name of investee or matters forming goodwill	Opening balance	Increase in the current period		Decrease in the current period		Ending balance
		Formed by business consolidation	Others	Withdrawal from the consolidation scope	Others	
Xi'an Lvyuan Zhongxing New Energy Vehicle Technology Co., Ltd.	1,357,164.25			1,357,164.25		0.00
Huzhou Shanshan New Energy Technology Co., Ltd.	148,044,702.20					148,044,702.20
Polarizer business	786,569,420.22					786,569,420.22
Total	935,971,286.67			1,357,164.25		934,614,122.42

(2). Provision for impairment of goodwill

√Applicable □Not applicable

Unit: Yuan Currency: RMB

Name of investee or matters forming goodwill	Opening balance	Increase in the current period		Decrease in the current period		Ending balance
		Accruals	Others	Withdrawal from the consolidation scope	Others	
Xi'an Lvyuan Zhongxing New Energy Vehicle Technology Co., Ltd.	1,357,164.25			1,357,164.25		0.00
Huzhou Shanshan New Energy Technology Co., Ltd.	20,000,000.00					20,000,000.00
Total	21,357,164.25			1,357,164.25		20,000,000.00

(3). Information about the asset group or combination of asset groups corresponding to goodwill

√Applicable □Not applicable

① Huzhou Shanshan New Energy Technology Co., Ltd. is an industrial enterprise that manufactures anode materials for lithium-ion batteries. The asset group of goodwill includes fixed assets, intangible assets and long-term deferred expense.

② The polarizer business formed by the acquisition of LG Chem's LCD polarizer business and related assets in mainland China and South Korea, and the asset group corresponding to goodwill includes fixed assets, intangible assets, construction in progress, long-term deferred expense, right-of-use assets, and lease liabilities.

19、 Long-term deferred expenses

√Applicable □Not applicable

Unit: Yuan Currency: RMB

Item	Opening balance	Amount increased in the current period	Amortisation amount in the current period	Decrease in other amounts	Ending balance
Expenses for leased-in fixed	103,040,763.19	39,499,239.88	24,707,284.41	319,036.78	117,513,681.88

assets improvement					
Total	103,040,763.19	39,499,239.88	24,707,284.41	319,036.78	117,513,681.88

20、Deferred income tax assets/deferred income tax liabilities

(1). Deferred income tax assets without offsetting

√Applicable □Not applicable

Unit: Yuan Currency: RMB

Item	Ending balance		Opening balance	
	Deductible temporary differences	Deferred income tax Assets	Deductible temporary differences	Deferred income tax Assets
Credit impairment losses	202,202,618.95	44,320,421.66	202,325,441.82	43,752,467.23
Provision for Impairment of assets	382,970,051.19	94,614,578.01	384,062,179.04	94,533,903.04
Unrealized gross profit within the consolidation scope	116,513,101.25	27,085,925.32	95,024,406.73	21,727,960.03
The income from equity transfer within the consolidation scope, recognized for tax purposes and offset by accounting	163,893,536.52	40,973,384.13	163,893,536.52	40,973,384.13
Deductible losses	10,213,765.40	1,532,064.81	10,213,765.40	1,532,064.81
Payment of fees for shares not yet exercised	8,036,934.59	2,009,233.64	8,036,934.59	2,009,233.64
Income recognized by tax, not yet recognized for accounting purposes	136,684,747.53	29,351,446.99	130,025,352.10	19,702,301.72
Expenditure recognized by accounting, not yet recognized for tax purposes	238,672,406.78	55,945,220.75	79,063,334.38	16,042,952.65
Changes in fair value of other equity instruments included in other comprehensive income	204,000.00	51,000.00	204,000.00	51,000.00
Total	1,259,391,162.21	295,883,275.31	1,072,848,950.58	240,325,267.25

(2). Deferred income tax liabilities without offsetting

√Applicable □Not applicable

Unit: Yuan Currency: RMB

Item	Ending balance		Opening balance	
	Taxable temporary differences	Deferred income tax liabilities	Taxable temporary differences	Deferred income tax liabilities
Changes in fair value of other equity instruments included in other comprehensive income	286,500,000.00	71,625,000.00	264,000,000.00	66,000,000.00
Changes in fair value of other non-current financial assets included in the profit and loss in the current period	3,790,000.00	947,500.00	3,790,000.00	947,500.00

Difference between accelerated depreciation tax and financial calibre of fixed assets	630,381,053.51	156,331,896.80	19,591,967.68	3,634,625.34
Fair value adjustment to remaining equity method long-term investments	1,237,956,808.36	309,489,202.09	1,237,956,808.36	309,489,202.09
Total	2,158,627,861.87	538,393,598.89	1,525,338,776.04	380,071,327.43

21、 Other non-current assets

√Applicable □Not applicable

Unit: Yuan Currency: RMB

Item	Ending balance			Opening balance		
	Book balance	Provision for impairment	Book value	Book balance	Provision for impairment	Book value
Prepayments for engineering equipment	611,566,921.99		611,566,921.99	202,053,956.06		202,053,956.06
Total	611,566,921.99		611,566,921.99	202,053,956.06		202,053,956.06

22、 Short-term borrowings**(1). Classification of short-term borrowings**

√Applicable □Not applicable

Unit: Yuan Currency: RMB

Item	Ending balance	Opening balance
Credit borrowings	966,928,539.00	787,894,430.55
Guaranteed borrowings	2,291,576,125.20	3,479,593,765.83
Pledged borrowings	4,900,000.00	9,900,000.00
Mortgage borrowings	59,000,000.00	39,000,000.00
Bill discounting	317,500,000.00	22,694,124.16
Total	3,639,904,664.20	4,339,082,320.54

23、 Notes payable

√Applicable □Not applicable

Unit: Yuan Currency: RMB

Type	Ending balance	Opening balance
Banker's acceptance bill	2,334,996,055.11	1,243,478,441.76
Commercial acceptance bill	5,084,347.00	6,584,542.30
Total	2,340,080,402.11	1,250,062,984.06

24、 Accounts payable**(1). Presentation of accounts payable**

√Applicable □Not applicable

Unit: Yuan Currency: RMB

Item	Ending balance	Opening balance
Payables for purchase of goods or labor services	2,531,344,355.16	2,321,337,124.98
Total	2,531,344,355.16	2,321,337,124.98

Among the ending balance, there were no debts owed by shareholding companies holding more than 5% (inclusive) of the voting shares of the Company.

25、 Account collected in advance**(1). Presentation of account collected in advance**√Applicable Not applicable

Unit: Yuan Currency: RMB

Item	Ending balance	Opening balance
Pre-paid rent and others	1,140,332.93	1,092,883.71
Total	1,140,332.93	1,092,883.71

No significant account collected in advance aged over one year.

Among the ending balance, there were no account collected in advance from shareholding companies holding more than 5% (inclusive) of the voting shares of the Company.

26、 Contract liabilities**(1). Contract liabilities**√Applicable Not applicable

Unit: Yuan Currency: RMB

Item	Ending balance	Opening balance
Sales	117,928,945.14	112,277,738.49
Total	117,928,945.14	112,277,738.49

27、 Payroll payable**(1). Payroll payable list**√Applicable Not applicable

Unit: Yuan Currency: RMB

Item	Opening balance	Increase in the current period	Decrease in the current period	Decrease in consolidation scope in the current period	Ending balance
I. Short-term compensation	185,837,228.32	453,635,452.36	550,865,319.40	4,941,140.68	83,666,220.60
II. Welfare after demission — defined contribution plan	363,870.28	31,140,870.50	31,165,783.11	25,342.80	313,614.87
III. Dismissal welfare	9,456,797.34	3,474,240.00	474,240.00	9,908,350.00	2,548,447.34
IV. Other welfares due within one year					
Total	195,657,895.94	488,250,562.86	582,505,342.51	14,874,833.48	86,528,282.81

(2). Short-term compensation list√Applicable Not applicable

Unit: Yuan Currency: RMB

Item	Opening balance	Increase in the current period	Decrease in the current period	Decrease in consolidation scope in the current period	Ending balance
I. Wages, bonuses, allowances and subsidies	179,343,873.85	397,387,417.34	495,024,247.66	4,864,448.50	76,842,595.03
II. Welfare expenses for the employees	60,314.31	16,368,479.92	16,373,391.78	44,054.45	11,348.00
III. Social insurance expenses	236,352.43	19,617,106.42	19,626,116.68	17,231.66	210,110.51
Of which: Medical insurance premiums	215,428.17	17,697,882.59	17,705,399.69	17,037.60	190,873.47

Industrial injury insurance premiums	20,162.41	1,247,457.93	1,248,271.71	194.06	19,154.57
Maternity insurance premiums	761.85	671,765.90	672,445.28		82.47
IV. Housing accumulation fund	259,134.37	13,665,213.54	13,682,622.54	15,051.00	226,674.37
V. Labor union expenditure and employee education expenses	5,937,553.36	6,597,235.14	6,158,940.74	355.07	6,375,492.69
VI. Short-term paid absence					
VII. Short-term profit sharing plan					
Total	185,837,228.32	453,635,452.36	550,865,319.40	4,941,140.68	83,666,220.60

(3). Defined contribution plan list

√Applicable □Not applicable

Unit: Yuan Currency: RMB

Item	Opening balance	Increase in the current period	Decrease in the current period	Decrease in consolidation scope in the current period	Ending balance
1. Basic endowment insurance	352,770.21	30,148,825.16	30,172,906.02	24,533.12	304,156.23
2. Unemployment insurance premiums	11,100.07	992,045.34	992,877.09	809.68	9,458.64
3. Corporate pension payment					
Total	363,870.28	31,140,870.50	31,165,783.11	25,342.80	313,614.87

28、 Taxes payable

√Applicable □Not applicable

Unit: Yuan Currency: RMB

Item	Ending balance	Opening balance
Value added tax	22,917,317.68	51,598,692.40
Enterprise income tax	167,127,781.68	648,774,270.12
Individual income tax	8,989,850.78	3,968,329.74
Urban maintenance and construction tax	533,488.27	674,687.91
House property tax	1,861,641.11	9,104,390.33
Education surcharges	409,875.52	1,486,956.11
Land use tax	1,250,745.71	3,977,034.45
Others	2,614,582.06	3,253,113.13
Total	205,705,282.81	722,837,474.19

29、 Other payables**Presentation of items**

√Applicable □Not applicable

Unit: Yuan Currency: RMB

Item	Ending balance	Opening balance
Interests payable		
Dividend payable	701,360.00	10,436,999.41
Other payables	659,139,798.81	579,786,506.16
Total	659,841,158.81	590,223,505.57

Dividend payable√Applicable Not applicable

Unit: Yuan Currency: RMB

Item	Ending balance	Opening balance
Dividends of common shares	701,360.00	10,436,999.41
Dividends on common shares — corporate shareholders	701,360.00	701,360.00
Dividends on common shares — subsidiaries payable to non-controlling interests		9,735,639.41
Dividends of preference shares/perpetual bonds classified as equity instruments		
Total	701,360.00	10,436,999.41

Other payables**(1). Other payables listed by nature of payment**√Applicable Not applicable

Unit: Yuan Currency: RMB

Item	Ending balance	Opening balance
Current account		176,171.61
Security deposit	58,944,015.17	36,007,796.11
Accrued expenses	268,438,182.13	114,404,618.85
Accounts payable	41,966,489.33	54,758,676.49
Temporary receipts	282,216,043.71	366,864,174.63
Final property payment payable	7,075,068.47	7,075,068.47
Equity transfer payable	500,000.00	500,000.00
Total	659,139,798.81	579,786,506.16

(2). Other significant payables with an aging over 1 year√Applicable Not applicable

Unit: Yuan Currency: RMB

Item	Ending balance	Reasons for outstanding or carry-forward
Final payment for the purchase of Shanshan Mansion	7,075,068.47	Not yet paid
Total	7,075,068.47	/

30. Non-current liabilities due within 1 year√Applicable Not applicable

Unit: Yuan Currency: RMB

Item	Ending balance	Opening balance
Long-term borrowings due within 1 year	1,291,492,941.88	2,255,899,018.04
Bonds payable due within 1 year		
Long-term payables due within 1 year	1,907,222,808.33	1,032,542,027.19
Lease liabilities due within 1 year	259,733,706.44	335,108,695.28
Total	3,458,449,456.65	3,623,549,740.51

31. Other current liabilities√Applicable Not applicable

Unit: Yuan Currency: RMB

Item	Ending balance	Opening balance
Output tax to be transferred	6,866,761.08	14,465,802.94
Payable for sale-and-repurchase business	96,806,761.29	138,206,761.29
Total	103,673,522.37	152,672,564.23

32、 Long-term borrowings**(1). Classification of long-term borrowings**

√Applicable □Not applicable

Unit: Yuan Currency: RMB

Item	Ending balance	Opening balance
Guaranteed borrowings	2,416,461,153.18	461,387,745.65
Pledged borrowings	1,591,942,307.97	2,618,208,590.19
Mortgage borrowings	206,000,000.00	290,362,430.55
Total	4,214,403,461.15	3,369,958,766.39

Classification of long-term borrowings due within one year:

Unit: Yuan Currency: RMB

Item	Long-term borrowings due within one year	Long-term borrowings	Subtotal
Credit borrowings	430,000,000.00		430,000,000.00
Guaranteed borrowings	826,788,119.10	2,416,461,153.18	3,243,249,272.28
Pledged borrowings Note 1	34,704,822.78	1,591,942,307.97	1,626,647,130.75
Mortgage borrowings Note 2		206,000,000.00	206,000,000.00
Total	1,291,492,941.88	4,214,403,461.15	5,505,896,403.03

Note 1: Pledged borrowings

Unit: Yuan Currency: RMB

Nature of Borrowing	Pledge and mortgage projects	Pledge and mortgage	Balance of borrowings	
			Long-term borrowings due within one year	Long-term borrowings
Pledged and guaranteed	Equity interest in ShanJin Optoelectronics	70% equity interest in ShanJin Optoelectronics	-	1,427,340,000.00
Pledged and guaranteed	Power sales revenue rights of rooftop photovoltaic power generation project	Installed capacity 93.91MV	34,704,822.78	164,602,307.97
Total			34,704,822.78	1,591,942,307.97

Note 2: Mortgage borrowings

Unit: Yuan Currency: RMB

Nature of borrowing	Mortgage projects	Amount of mortgage	Balance of borrowings	
			Long-term borrowings	Long-term borrowings due within 1 year
Secured and guaranteed	Fixed assets — Machinery and equipment	81,891,069.29	206,000,000.00	
Secured and guaranteed	Intangible assets — Land use rights			
Secured and guaranteed	Fixed assets — Houses and buildings			
Total		81,891,069.29	206,000,000.00	

33、 Lease liabilities

√Applicable □Not applicable

Unit: Yuan Currency: RMB

Item	Ending balance	Opening balance
Houses and buildings	846,248,241.28	804,412,298.42
Machinery and equipment	407,925,521.55	172,990,770.07
Photovoltaic power plant sites	103,639,258.08	129,609,717.04

Others	1,455,931.11	2,053,753.83
Total	1,359,268,952.02	1,109,066,539.36

34、 Long-term payables**Presentation of items**

√Applicable □Not applicable

Unit: Yuan Currency: RMB

Item	Ending balance	Opening balance
Long-term payables	1,290,444,662.33	2,329,233,515.94
Special payables		
Total	1,290,444,662.33	2,329,233,515.94

Long-term payables

√Applicable □Not applicable

Unit: Yuan Currency: RMB

Item	Ending balance	Opening balance
Sale and leaseback payable (financial liabilities)	506,974,419.66	461,603,771.62
Cooperation project money		3,914,092.46
LG polarizer business investment payable	783,470,242.67	1,863,715,651.86
Total	1,290,444,662.33	2,329,233,515.94

35、 Estimated liabilities

√Applicable □Not applicable

Unit: Yuan Currency: RMB

Item	Ending balance	Closing balance
Pending litigation	1,250,000.00	1,250,000.00
Product quality assurance	30,065,748.16	35,644,090.80
Total	31,315,748.16	36,894,090.80

36、 Deferred income

Deferred income

√Applicable □Not applicable

Unit: Yuan Currency: RMB

Item	Opening balance	Increase in the current period	Decrease in the current period	Decrease in consolidation scope	Ending balance
Government subsidies	409,654,327.51	183,415,977.68	109,890,286.09	133,388,221.86	349,791,797.24
Total	409,654,327.51	183,415,977.68	109,890,286.09	133,388,221.86	349,791,797.24

Projects involving government subsidies:

√Applicable □Not applicable

Unit: Yuan Currency: RMB

Liability items	Opening balance	Amount of new subsidies in the current period	Other income/retained earnings included in the current period	Changes in consolidation scope	Ending balance	Asset-related/income-related
Government subsidies related to industrial	279,207,427.96	25,280,000.00	2,354,997.60	120,564,300.00	181,568,130.36	Related assets to

investment projects							
Government subsidies related to industrial support projects	124,760,759.59	65,262,201.48	14,486,512.27	12,355,331.90	163,181,116.90	Related assets	to
High-tech enterprise subsidy	5,217,550.00	506,720.00	681,720.02		5,042,549.98	Related income	to
Industrial support fund subsidy	468,589.96	35,974,868.52	35,974,868.52	468,589.96		Related income	to
Technology project subsidy		4,552,689.42	4,552,689.42			Related income	to
Other subsidies		51,839,498.26	51,839,498.26			Related income	to

37、 Share capital

√Applicable □Not applicable

Unit: Yuan Currency: RMB

	Opening balance	Change in the current period: increase (+)/decrease (-)					Ending balance
		Issuance of new shares	Share dividend	Transfer from provident fund	Others	Subtotal	
Total number of shares	2,142,919,938.00				18,334,100.00	18,334,100.00	2,161,254,038.00

Other instructions:

On 6 June 2022, the Company completed the registration of the first grant of the restricted stock under the 2022 Stock Option and Restricted Stock Incentive Scheme, and increased 18,334,100 shares subject to trading moratorium.

38、 Capital reserves

√Applicable □Not applicable

Unit: Yuan Currency: RMB

Item	Opening balance	Increase in the current period	Decrease in the current period	Ending balance
Capital premium (equity premium)	5,156,127,057.52	120,984,090.36		5,277,111,147.88
Of which: Capital increase	2,715,701,456.08			2,715,701,456.08
Performance compensation of Suiyong from assignment of related party transactions	81,662,022.30			81,662,022.30
Non-year-over-year capital increase in subsidiaries	-34,555,342.86	120,984,090.36		86,428,747.50
Other capital reserve	1,321,663,896.45	277,104,581.81		1,598,768,478.26
Of which: Equity incentives	8,050,375.94	277,104,581.81		285,154,957.75
Provision for investment in associates	107,039,627.06			107,039,627.06
Total	6,477,790,953.97	398,088,672.17		6,875,879,626.14

Note: With non-year-on-year capital increase of Shanghai Shanshan Lithium Battery Material Co., Ltd., the capital reserves increased by RMB 120,984,090.36

39、 Other comprehensive income

√Applicable □Not applicable

Unit: Yuan Currency: RMB

Item	Opening balance	Amount in the current period						Ending balance
		Amount before income tax in the current period	Less: The profit and loss transferred in the current period but previously included in other comprehensive income	Less: The retained earnings transferred in the current period but previously included in other comprehensive income	Less: income tax expenses	That attributable to the company after tax	That attributable to non-controlling interests after tax	
I. Other comprehensive incomes that will not be reclassified into profit or loss	-34,021,694.88	69,735,028.93		38,712,171.04	18,529,057.01	12,493,800.88		-21,527,894.00
Of which: Remeasurement of changes in defined benefit plans								
Other comprehensive income that cannot be transferred to profit and loss under equity method	-25,017,499.91							-25,017,499.91
Changes in fair value of other equity instrument investments	-9,004,194.97	69,735,028.93		38,712,171.04	18,529,057.01	12,493,800.88		3,489,605.91
Changes in fair value of enterprise's own credit risk								
II. Other comprehensive incomes to be reclassified into profit and loss	2,342,017.89	-303,377.64				-303,377.64		2,038,640.25
Of which: Other comprehensive income that can be transferred to profit and loss under equity method	2,342,017.89	-303,377.64				-303,377.64		2,038,640.25
Changes in fair value of other debt investments								
Amount of financial assets reclassified into other comprehensive income								
Total other comprehensive income	-31,679,676.99	69,431,651.29		38,712,171.04	18,529,057.01	12,190,423.24		-19,489,253.75

40、 Special reserves√Applicable Not applicable

Unit: Yuan Currency: RMB

Item	Opening balance	Increase in the current period	Decrease in the current period	Withdrawal from the consolidation scope	Ending balance
Safety production fund	2,307,702.27	3,295,509.70	3,182,695.30	107,051.17	2,313,465.50
Total	2,307,702.27	3,295,509.70	3,182,695.30	107,051.17	2,313,465.50

41、 Surplus reserves√Applicable Not applicable

Unit: Yuan Currency: RMB

Item	Opening balance	Increase in the current period	Decrease in the current period	Ending balance
Statutory surplus reserve	253,716,196.59			253,716,196.59
Discretionary surplus reserve				
Reserve fund				
Enterprise development fund				
Others				
Total	253,716,196.59			253,716,196.59

42、 Retained earnings√Applicable Not applicable

Unit: Yuan Currency: RMB

Item	The current period	The previous year
Retained earnings at the end of the previous period before adjustment	10,083,326,361.95	6,248,274,179.78
Adjustment to total retained earnings at the beginning of the period (+for increase and - for decrease)		-34,684,761.15
Retained earnings at the beginning of the period after adjustment	10,083,326,361.95	6,213,589,418.63
Plus: Net profits attributable to equity owners the Company's owners in the current period	1,661,149,050.47	3,339,696,517.63
Financial assets designated at fair value through other comprehensive income are disposed of in the current period, and the disposal previously recorded in other comprehensive income is transferred to retained earnings	38,712,171.04	676,561,256.30
Less: Withdrawal of legal surplus reserve		
Withdrawal of discretionary surplus reserve		
Withdrawal of common risk provision		
Common share dividends payable	707,163,579.54	146,520,830.61

Common share dividends converted to share capital		
Retained earnings at the end of the period	11,076,024,003.92	10,083,326,361.95

Instructions: According to the resolution of the shareholders' meeting on 10 May 2022, based on the total share capital of 2,142,919,938 on the equity registration date for the implementation of the 2021 profit distribution, the Company distributed a cash dividend of RMB 3.3 (tax inclusive) for every 10 shares to all shareholders from undistributed profits, and the ordinary share dividends payable by the Company amounted to RMB 707,163,579.54.

43、 Operating income and operating cost

(1). Operating income and operating cost

√Applicable □Not applicable

Unit: Yuan Currency: RMB

Item	Amount incurred in the current period		Amount incurred in the previous period	
	Income	Cost	Income	Cost
Main operations	10,575,713,028.53	7,948,115,632.23	9,823,044,747.24	7,502,817,049.86
Other operations	196,221,176.62	92,068,538.52	123,620,706.18	90,968,276.53
Total	10,771,934,205.15	8,040,184,170.75	9,946,665,453.42	7,593,785,326.39

Breakdown of operating income:

Unit: Yuan Currency: RMB

Item	Amount for the current period	Amount for the previous period
Main operations income	10,575,713,028.53	9,823,044,747.24
Of which: Commodities for sale	10,544,304,087.37	9,780,153,345.67
New energy service revenue	31,408,941.16	42,891,401.57
Other operations income	196,221,176.62	123,620,706.18
Of which: Material sales	100,535,463.91	61,146,497.08
Income from scrap materials and waste materials	34,252,726.20	21,079,570.69
Entrusted processing	16,734,205.07	25,448,952.15
Income from rent, utilities, and property fees	38,977,882.54	14,637,464.95
Guarantee fee	5,415,029.71	
Technical service income		867,598.07
Others	305,869.19	440,623.24
Total	10,771,934,205.15	9,946,665,453.42

(2). Operating income generated from contracts

√Applicable □Not applicable

Unit: Yuan Currency: RMB

Contract classification	Polarizer Segment	Lithium Battery Material Segment	New Energy Vehicle Segment	Energy Management Segment	Investment Segment	Others	Inter-segment offset	Total
Commodity type								
Revenue from sales of goods	5,727,327,497.12	4,008,655,590.41	3,588,441.68					9,739,571,529.21
Revenue from photovoltaic power generation				805,136,436.96				805,136,436.96
Revenue from entrusted processing	16,734,205.07							16,734,205.07
Revenue from charging service			29,062,276.37	2,346,664.79				31,408,941.16
Revenue from service and other sales	80,716,027.22	70,331,067.46	117,603.30	1,175,638.74		67,421,975.70	-40,679,219.67	179,083,092.75
Classified by operating areas								
Domestic sales	5,778,555,249.29	3,422,590,898.43	32,768,321.35	324,366,230.59		67,421,975.70	-40,679,219.67	9,585,023,455.69
Overseas sales	46,222,480.12	656,395,759.44		484,292,509.90				1,186,910,749.46
Classification by timing of commodity transfer								
Confirmation at a point of time	5,824,777,729.41	4,078,986,657.87	3,706,044.98	1,175,638.74		67,421,975.70	-40,679,219.67	9,935,388,827.03
Confirmation within a certain period of time			29,062,276.37	807,483,101.75				836,545,378.12
Total	5,824,777,729.41	4,078,986,657.87	32,768,321.35	808,658,740.49		67,421,975.70	-40,679,219.67	10,771,934,205.15

44、 Taxes and surcharges√Applicable Not applicable

Unit: Yuan Currency: RMB

Item	Amount incurred in the current period	Amount incurred in the previous period
Urban maintenance and construction tax	5,135,259.75	4,882,054.81
Education surcharges	3,129,052.04	4,290,719.93
Other taxes such as property tax and land use tax	19,911,572.90	26,993,221.41
Total	28,175,884.69	36,165,996.15

45、 Selling expenses√Applicable Not applicable

Unit: Yuan Currency: RMB

Item	Amount incurred in the current period	Amount incurred in the previous period
Material consumption	37,879,568.60	38,561,987.30
Employee compensation costs	19,952,253.76	21,731,251.04
Depreciation and amortisation expense for intangible assets and long-term amortisation	1,576,802.00	5,808,574.63
Rent	2,163,348.66	3,505,927.55
Transportation costs, vehicle costs and others	677,487.45	849,715.36
Consulting fees and expenses of external intermediary agencies	2,709,167.87	3,315,976.34
Marketing fees, promotion fees, meeting fees, exhibition fees and others	16,926,747.00	14,878,746.54
Withholding of sales compensation	10,427,710.79	14,466,229.24
Communication expenses, office expenses, travel expenses and others	1,026,498.74	1,666,589.18
Business entertainment fee	5,345,094.07	4,872,264.95
Insurance expenses	32,636,315.11	3,570,332.64
Others	200,602.25	284,183.25
Total	131,521,596.30	113,511,778.02

46、 Administrative expenses√Applicable Not applicable

Unit: Yuan Currency: RMB

Item	Amount incurred in the current period	Amount incurred in the previous period
Material consumption	27,332,348.30	36,334,358.70
Employee compensation costs	92,797,456.72	100,669,008.20
Depreciation and amortisation expense of intangible assets and long-term amortisation	124,987,748.53	97,180,246.50
Rent	7,362,459.56	18,952,494.30
Taxes	249,546.73	174,887.25
Transportation costs, vehicle costs and others	2,204,323.87	2,016,487.24
Consulting fees and expenses of external intermediary agencies	55,854,881.96	59,960,164.72
Conference fees and others	656,615.20	4,104,539.48
Communication expenses, office expenses, travel expenses and others	10,179,859.75	11,673,953.14
Business entertainment fee	13,127,370.62	6,705,677.49
System personnel development service fee	32,153,214.00	28,093,353.16
Share-based payments	38,091,227.71	4,062,962.70
Others	210,677.35	1,546,406.08

Total	405,207,730.30	371,474,538.96
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47、 Research and development expenses

√Applicable □Not applicable

Unit: Yuan Currency: RMB

Item	Amount incurred in the current period	Amount incurred in the previous period
Raw materials consumed	257,963,201.09	207,982,378.64
Employee benefits fees	113,555,309.91	100,354,575.53
Depreciation and amortisation expense of intangible assets and long-term amortisation	37,826,785.87	38,339,841.31
Office expenses, rental expenses, travel expenses and others	995,592.53	1,982,984.36
Energy and other manufacturing expenses	707,599.07	1,533,289.83
Consulting fees and expenses of external intermediary agencies	2,702,861.45	2,351,728.79
Business entertainment fee	381,539.87	287,813.27
Equity incentives	5,070,238.10	
Others	93,230.67	209,553.40
Total	419,296,358.56	353,042,165.13

48、 Financial expenses

√Applicable □Not applicable

Unit: Yuan Currency: RMB

Item	Amount incurred in the current period	Amount incurred in the previous period
Interest expenses	312,476,352.17	330,984,465.18
Less: interest income	-52,810,212.45	-18,976,663.70
Exchange gain/loss	109,757,578.42	24,676,801.45
Handling charges	6,819,463.77	5,596,117.15
Others	377,885.22	309,658.88
Total	376,621,067.13	342,590,378.96

49、 Other revenues

√Applicable □Not applicable

Unit: Yuan Currency: RMB

Item	Amount incurred in the current period	Amount incurred in the previous period
Government subsidies related to industrial investment projects	2,354,997.60	5,337,972.52
Government subsidies related to industrial support projects	14,486,512.27	22,431,203.81
High-tech enterprise subsidy	681,720.02	720,466.72
Industrial support fund subsidy	35,974,868.52	21,353,463.26
Technology project subsidy	4,552,689.42	4,613,869.32
Other subsidies	223,270.21	648,090.58
Total	58,274,058.04	55,105,066.21

50、 Investment income

√Applicable □Not applicable

Unit: Yuan Currency: RMB

Item	Amount incurred in the current period	Amount incurred in the previous
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		period
Long-term equity investment incomes accounted by the equity method	454,580,868.12	65,486,359.33
Investment incomes generated from disposal of long-term equity investment	190,457,809.17	-449,152.87
Investment income derived from trading financial assets during the holding period		222.00
Dividend income earned during the holding period of investments in other equity instruments	10,687,500.00	6,987,169.45
Interest income earned during the holding period of debt investments		
Interest income earned during the holding period of other debt investments		
Investment income from disposal of trading financial assets		214,531.95
Investment income from disposal of investments in other equity instruments		
Investment income from disposal of debt investments		
Investment income from disposal of other debt investments		
Income from debt restructuring		
Total	655,726,177.29	72,239,129.86

51、 Gains from changes in fair value

Applicable Not applicable

Unit: Yuan Currency: RMB

Sources of gains from changes in fair value	Amount incurred in the current period	Amount incurred in the previous period
Trading financial assets		491,075.60
Of which: Gain on fair value changes arising from derivative financial instruments		
Trading financial liabilities		
Investment properties measured at fair value		
Total		491,075.60

52、 Credit impairment losses

Applicable Not applicable

Unit: Yuan Currency: RMB

Item	Amount incurred in the current period	Amount incurred in the previous period
Bad debt losses on notes receivable		5,005,322.12
Bad debt losses on accounts receivable	7,093,481.86	144,782,920.37
Impairment losses on receivables financing		-202,816.04
Bad debt losses on other receivables	8,435,294.79	1,411,802.82
Bad debt losses on long-term receivables		7,220,297.96
Bad debt losses on long-term receivables due within one year		4,324,037.20
Total	15,528,776.65	162,541,564.43

53、 Assets impairment losses

√Applicable □Not applicable

Unit: Yuan Currency: RMB

Item	Amount incurred in the current period	Amount incurred in the previous period
I. Losses on bad debts		
II. Decline in the value of inventories and impairment loss on contract fulfillment costs	32,196,023.31	-5,856,167.77
III. Impairment loss of long-term equity investment		
IV. Impairment loss on investment properties		
V. Impairment loss of fixed assets	1,563,528.43	
VI. Impairment loss of engineering materials		
VII. Impairment loss of project under construction		
VIII. Impairment loss of productive biological assets		
IX. Impairment loss of oil and gas assets		
X. Impairment loss of intangible assets		
XI. Impairment loss of goodwill		
XII. Others		
Total	33,759,551.74	-5,856,167.77

54、 Gain on disposal of assets

√Applicable □Not applicable

Unit: Yuan Currency: RMB

Item	Amount incurred in the current period	Amount incurred in the previous period	Amounts included into the current nonrecurring profit and loss
Fixed assets	4,082,280.29	-3,398,670.76	4,082,280.29
Total	4,082,280.29	-3,398,670.76	4,082,280.29

55、 Non-operating income

√Applicable □Not applicable

Unit: Yuan Currency: RMB

Item	Amount incurred in the current period	Amount incurred in the previous period	Amounts included into the current nonrecurring profit and loss
Income from fines and liquidated damages	1,681,574.07	449,040.49	1,681,574.07
Payables that cannot be paid due to the reasons of creditors		380,522.92	
The payment for goods that has been written off before recovery	31,822.51	54,275.00	31,822.51
Loss on retirement of non-current assets	558,935.80	1,908,741.46	558,935.80
Settlement of insurance claim	8,688,828.64		8,688,828.64
Others	176,957.09	742,048.34	176,957.09
Total	11,138,118.11	3,534,628.21	11,138,118.11

56、 Non-operating expenses

√Applicable □Not applicable

Unit: Yuan Currency: RMB

Item	Amount incurred in the current period	Amount incurred in the previous period	Amounts included into the current nonrecurring profit and loss
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Loss of assets scrapped and destroyed	3,280,935.58	1,081,152.33	3,280,935.58
External donations and sponsorships	42,000.00	11,000.00	42,000.00
Compensation for Jinhua Kangchao Project		3,038,845.60	
Payment of liquidated damages	3,048,041.45	1,427,670.54	3,048,041.45
Others	31,280.79	509,666.53	31,280.79
Total	6,402,257.82	6,068,335.00	6,402,257.82

57、 Income tax expenses**(1) Table of income tax expenses**

√Applicable □Not applicable

Unit: Yuan Currency: RMB

Item	Amount incurred in the current period	Amount incurred in the previous period
Income tax expenses in the current period	340,001,518.11	227,528,727.62
Deferred income tax expenses	-23,790,329.28	-3,683,268.42
Total	316,211,188.83	223,845,459.20

(2) The reconciliation from total profit presented in the consolidated financial statements to the income tax expenses

√Applicable □Not applicable

Unit: Yuan Currency: RMB

Item	Amount incurred in the current period
Total profit	2,044,457,444.94
Profit and loss of subsidiaries cannot be offset against each other	187,037,155.33
Income tax expenses calculated at statutory/applicable tax rate	557,873,650.07
Effect of different tax rates applied to subsidiaries	-101,472,749.96
Effect of adjustments to income taxes of prior periods	591,654.07
Effect of non-taxable income	-99,283,764.69
Additional deductible expenses under the tax law	-24,329,039.78
Effect of non-deductible costs, expenses and losses	615,875.50
Effect of deductible losses on the use of deferred tax assets not recognized in prior periods	-30,064,037.25
Effect of deductible temporary differences or deductible losses on deferred income tax assets not recognized in the current period	12,279,600.87
Income tax expenses	316,211,188.83

58、 Other comprehensive income

√Applicable □Not applicable

For details, please refer to the notes.

59. Cash flow statement items**(1). Other cash received related to operating activities**

√Applicable □Not applicable

Unit: Yuan Currency: RMB

Item	Amount incurred in the current period	Amount incurred in the previous period
Brand fee, rent fee & interest income from bank deposits	84,310,498.37	26,945,516.70
Government subsidies received	183,415,977.68	86,933,907.48
Receipt of various business-related deposits & customer security deposits	73,182,494.48	54,615,725.88

Receipt of patent technology royalties from LG CHEM		57,545,601.28
Current temporary borrowings received	377,488.93	
Non-operating income received related to business activities	10,929,338.51	3,480,353.21
Others	1,370,737.39	
Total	353,586,535.36	229,521,104.55

(2). Other cash paid related to operating activities

√Applicable □Not applicable

Unit: Yuan Currency: RMB

Item	Amount incurred in the current period	Amount incurred in the previous period
Operating-related expenses	435,915,551.51	454,814,882.23
Payment of various types of business-related deposits and security deposits	124,330,732.30	86,138,942.64
Payment of temporary borrowings	80,000.00	
Non-operating expenses paid related to operating activities	2,918,383.00	
Total	563,244,666.81	540,953,824.87

(3). Other cash received related to investing activities

√Applicable □Not applicable

Unit: Yuan Currency: RMB

Item	Amount incurred in the current period	Amount incurred in the previous period
Company recovered the deposits for acquisition of LCD polarizer business		1,004,634,400.00
Merger of LCD polarizer business brought in funds at the beginning of the year		51,663,080.70
Company received the performance bond of Blest DCS Phase II project		10,576,480.00
Company received compensation from Shanshan Holdings for equity in Suiyong Holdings		81,662,022.30
Total		1,148,535,983.00

(4). Other cash received related to investing activities

√Applicable □Not applicable

Unit: Yuan Currency: RMB

Item	Amount incurred in the current period	Amount incurred in the previous period
Payment of income tax expense on the sale of Bank of Ningbo shares		268,774,454.83
Equity transfer of subsidiary Zhangjiajie Jiaotou Winsky Travel out of the scope of consolidation to reduce the capital		1,842,769.32
Payment of the remaining portion of the principal and interest on the acquisition of the LCD polarizer business	472,262,241.00	
Payment of income tax expense on transfer of equity interest in BASF Shanshan	372,513,659.04	
Hunan Yongshan Lithium Industry Co., Ltd., Beijing Shanshan Venture Capital Investment Co., Ltd. and charging station business segments out of the statement to led to a decline in cash at bank and on hand	139,671,579.16	
Payment of investment deposits	294,930,000.00	
Total	1,279,377,479.20	270,617,224.15

(5). Other cash received related to financing activities

√Applicable □Not applicable

Unit: Yuan Currency: RMB

Item	Amount incurred in the current period	Amount incurred in the previous period
Interest received on funds from China Fortune International Trust Co., Ltd.		2,000,000.00
Received financing from Taijin Leasing (台金租赁)		46,617,000.00
Received current account from Ningbo Shanli Packaging (宁波杉栎包装)		60,000,000.00
Received a loan from Shanyuan Graphene		2,600,000.00
Received current account from Shanshan Holdings		1,000,000,000.00
Received payments from International Far Eastern Leasing Co., Ltd.		20,000,000.00
Received financing from Hongling Financial Leasing Co., Ltd.		23,717,300.00
Advances from customers for cooperative projects		7,925,260.00
Received current account from Ningbo Liweineng Energy Storage System Co., Ltd.	312,000.00	
Deposits on bills and guarantee deposit for financing	124,381,343.48	
Letter of credit financing discount of Bank of Dalian	62,500,000.00	
Total	187,193,343.48	1,162,859,560.00

(6). Other cash paid related to financing activities

√Applicable □Not applicable

Unit: Yuan Currency: RMB

Item	Amount incurred in the current period	Amount incurred in the previous period
Principal and interest payable to Shanghai Sumitomo Mitsui Financial Leasing Co., Ltd.		26,335,736.01
Current account payment to Ningbo Shanli Packaging (宁波杉栎包装)		60,000,000.00
Paying for the share of Zhineng Wulian-Chuanggu (智电物联-创谷) charging station		3,220.97
Sale and leaseback payable to International Far Eastern Leasing	10,775,200.00	5,228,000.00
Net outflows of restricted deposits		98,990,902.71
Payment of current account to Shanshan Holdings		1,000,000,000.00
Payment of finance leasing fees and deposits	975,074,934.74	
Payment of individual tax for employee equity incentive	210,656,121.75	
Paying the SCI Group for the use of the plant	58,108,238.40	
Paying for the share of Shenzhen Sunyu Tech Co., Ltd. charging station	98,219.17	
Payment of lease rental to Suzhou Financial Leasing Co., Ltd.	2,827,966.58	
Total	1,257,540,680.64	1,190,557,859.69

60. Supplementary materials of cash flow statement**(1) Supplementary materials of cash flow statement**

√Applicable □Not applicable

Unit: Yuan Currency: RMB

Supplementary information	Amount for the current period	Amount for the previous period
1. Cash flow for adjusting net profits to operating activities:		
Net profit	1,728,246,256.11	877,467,308.07
Plus: Impairment reserves of assets	33,759,551.74	-5,856,167.77
Credit impairment loss	15,528,776.65	162,541,564.43
Depreciation of fixed assets, depreciation of oil and gas assets, depreciation of productive biological assets	420,577,545.07	450,479,547.32

Amortisation of right-to-use assets	41,806,882.25	18,919,397.29
Amortisation of intangible assets	52,244,761.46	53,478,090.13
Amortisation of long-term deferred expenses	24,707,284.41	17,957,234.54
Loss on disposal of fixed assets, intangible assets and other long-term assets (gains expressed with “-”)	-4,082,280.29	3,398,670.76
Losses on scrapping of fixed assets (gains expressed with “-”)	3,280,935.58	1,081,152.33
Losses on changes in fair value (gain expressed with “-”)		-491,075.60
Financial expenses (gain expressed with “-”)	422,233,930.59	355,661,266.63
Investment losses (gain expressed with “-”)	-655,726,177.29	-72,239,129.86
Decrease of deferred income tax assets (increase expressed with “-”)	-55,558,008.06	-18,352,649.31
Increase of deferred income tax liabilities (decrease expressed with “-”)	152,697,271.46	
Decrease in inventories (increase expressed with “-”)	-1,671,257,244.47	-2,085,288,922.25
Decrease in operating receivable items (increase expressed with “-”)	-376,339,256.26	-3,525,020,130.64
Increase in operating payable items (decrease expressed with “-”)	1,486,603,105.37	2,269,411,058.27
Deferred income carried forward to other income	-58,274,058.04	-55,105,066.21
Net cash flow from operating activities	1,560,449,276.28	-1,551,957,851.87
2. Major investment and financing activities irrelevant to cash income and expenditure:		
Conversion of debts into capital		
Convertible corporate bonds due within one year		
Fixed assets acquired under finance leases		
3. Net changes in cash and cash equivalents:		
Ending balance of cash	4,688,960,223.77	4,709,379,008.10
Less: Opening balance of cash	8,678,782,091.61	2,563,203,640.10
Plus: Ending balance of cash equivalents		
Less: Opening balance of cash equivalents		
Net increase in cash and cash equivalents	-3,989,821,867.84	2,146,175,368.00

(2) Net cash paid for acquiring subsidiaries in the current period

Applicable Not Applicable

(3) Net cash received from disposal of subsidiaries in the current period

Applicable Not applicable

Unit: Yuan Currency: RMB

	Amount
Cash or cash equivalents received in the current period from disposal of subsidiaries in the current period	278,730,000.00
Of which: Hunan Yongshan Lithium Industry Co., Ltd.	250,000,000.00
Of which: Beijing Shanshan Venture Capital Investment Co., Ltd.	1,730,000.00
Of which: Winsky New Energy Technology Co., Ltd.	27,000,000.00
Less: Cash and cash equivalents held by the subsidiaries on the date of loss of control	139,671,579.16
Of which: Hunan Yongshan Lithium Industry Co., Ltd.	128,518,943.04
Of which: Beijing Shanshan Venture Capital Investment Co., Ltd.	2,464,429.78
Of which: Winsky New Energy Technology Co., Ltd.	8,688,206.34
Plus: Cash or cash equivalents received in the current period from disposal of subsidiaries during the previous periods	
Net cash received from disposal of subsidiaries	139,058,420.84

(4) Composition of cash and cash equivalents

Applicable Not applicable

Unit: Yuan Currency: RMB

Item	Ending balance	Opening balance
I. Cash	4,688,960,223.77	8,678,782,091.61

Of which: Cash on hand	238,361.05	220,489.88
Bank deposit available for payment at any time	4,687,217,394.47	8,678,333,813.09
Other monetary capitals available for payment at any time	1,504,468.25	227,788.64
Deposits in the Central Bank for payment		
Deposit of interbank funds		
Deposit and lending of interbank funds		
II. Cash equivalents		
Of which: Bond investment due within 3 months		
III. Cash and cash equivalents balance at the end of the period	4,688,960,223.77	8,678,782,091.61
Of which: Cash and cash equivalents with restricted use in the company or subsidiaries of the Group		

61. Assets with restricted ownership or use right

√Applicable □Not applicable

Unit: Yuan Currency: RMB

Item	Closing book value	Reason of restrictions
Cash at bank and on hand	1,464,831,670.02	Deposit
Cash at bank and on hand	2,041,197.34	Frozen
Accounts receivable	13,805,599.36	Pledge borrowings
Fixed assets	2,487,473,078.26	Financial leasing, mortgage financing
Intangible assets	24,371,747.73	Mortgage financing
Long-term equity investment	6,395,630,229.28	Pledge financing
Total	10,388,153,521.99	/

62. Foreign currency monetary items**(1). Foreign currency monetary items**

√Applicable □Not applicable

Unit: RMB

Item	Foreign currency balance at the end of the period	Exchange rate	Converted RMB balance at the end of the period
Cash at bank and on hand	-	-	180,037,796.55
Of which: USD	13,397,580.07	6.7114	89,916,518.88
Euro	9,831,798.53	7.0084	68,905,176.82
HKD	18,203,014.99	0.8552	15,567,036.39
Pound	26.04	8.1365	211.87
Japanese yen	114,963,427.00	0.0491	5,648,842.95
Australian dollar	2.09	4.6145	9.64
Other equity instruments	-	-	40,361,784.56
Of which: Canadian dollar	98,975.04	5.2058	515,244.25
Australian dollar	8,635,072.12	4.6145	39,846,540.31
Accounts receivable	-	-	501,265,113.64
Of which: USD	62,362,153.16	6.7114	418,537,354.72
Euro	11,804,086.37	7.0084	82,727,758.92
Short-term borrowings	-	-	8,962,926.65
Of which: USD	1,335,477.94	6.7114	8,962,926.65
Accounts payable	-	-	260,591,328.15
Of which: USD	38,673,601.21	6.7114	259,554,007.16
South Korean won	201,031,200.00	0.005160	1,037,320.99

Japanese yen	0.05	0.049136	
Long-term payable	-	-	1,909,780,585.63
Of which: USD	284,557,705.64	6.7114	1,909,780,585.63
Non-current liabilities due within one year	-	-	506,622,101.40
Of which: USD	75,486,798.79	6.7114	506,622,101.40

63. Government subsidies

1. Overview of government subsidies

Applicable Not applicable

Unit: Yuan Currency: RMB

Government subsidies related to assets

Category	Amounts included in profit or loss for the current period or written off against related costs and expenses losses		Items included in profit or loss for the current period or written off against related costs and expenses losses
	Amount for the current period	Amount for the previous period	
Government subsidies related to industrial investment projects	2,354,997.60	5,337,972.52	Other income
Government subsidies related to supporting industrial projects	14,486,512.27	22,431,203.81	Other income
Total	16,841,509.87	27,769,176.33	

Government subsidies related to income

Category	Amounts included in profit or loss for the current period or written off against related costs and expenses losses			Items included in profit or loss for the current period or written off against related costs and expenses losses
	Amount for the current period	Retained earnings transferred	Amount for the previous period	
High-tech enterprise subsidy	681,720.02		720,466.72	Other income
Industrial support fund subsidy	35,974,868.52		21,353,463.26	Other income
Technology project subsidy	4,552,689.42		4,613,869.32	Other income
Other subsidies	223,270.21	51,616,228.05	648,090.58	Other income, retained earnings
Total	41,432,548.17	51,616,228.05	27,335,889.88	

VIII. Change in Scope of Consolidation

1. Business combination not under the same control

Applicable Not Applicable

2. Business combination under the same control

Applicable Not Applicable

3. Reverse purchase

Applicable Not Applicable

4. Disposal of subsidiaries

Loss of control upon a single disposal of an investment in a subsidiary

√Applicable □Not applicable

Unit: Yuan Currency: RMB

Name of subsidiary	Equity disposal price	Equity disposal ratio (%)	Equity disposal method	The time point of loss of control	Basis for determining the time point at which control is lost	The difference between the disposal price and the share of the net assets of the subsidiary at the consolidated financial statement level corresponding to the disposal of the investment	Ratio of the remaining equity at the date of loss of control (%)	Book value of the remaining equity at the date of loss of control	Fair value of the remaining equity at the date of loss of control	Gains or losses on re-measurement of remaining equity at fair value	Methods and key assumptions for determining the fair value of the remaining equity at the date of loss of control	Amount transferred from other comprehensive income related to equity investment in former subsidiaries to investment profit and loss
Hunan Yongshan Lithium Industry Co., Ltd.	480,000,000.00	100.00	Transfer of shares	January 2022	Delivery of control power	183,309,394.71	/	/	/	/	/	/
Beijing Shanshan Venture Capital Investment Co., Ltd.	1,730,000.00	100.00		June 2022		-3,605.77	/	/	/	/	/	/
Winsky New Energy Technology Co., Ltd.	45,000,000.00	100.00		May 2022		9,318,665.70	/	/	/	/	/	/
Quzhou Shanyou Photovoltaic Power Generation Co., Ltd. (衢州杉游光伏发电有限公司)	0.00	100.00		May 2022		0.00						

5. Change in scope of consolidation for other reasons

Describe the change in scope of consolidation for other reasons (e.g. Establishing new subsidiaries, liquidating subsidiaries, etc.) and its details:

√Applicable □Not applicable

(1) New subsidiaries added to the scope of consolidation during the current period

No.	New subsidiaries added to the scope of consolidation	Reasons
1	Ningbo Haoheng Trading Co., Ltd. (宁波浩衡贸易有限公司)	Investment in establishing new subsidiaries
2	Ningbo Shanxin Photovoltaic Energy Management Co., Ltd. (宁波杉鑫光伏能源管理有限公司)	Investment in establishing new subsidiaries
3	Yunnan Shanshan New Material Co., Ltd. (云南杉杉新材料有限公司)	Investment in establishing new subsidiaries

(2) Reducing subsidiaries from the scope of consolidation during the current period

No.	Reducing subsidiaries from the scope of consolidation	Reasons
1	Hunan Yongshan Lithium Industry Co., Ltd.	Transfer of shares
2	Ningbo Weihang Trading Co., Ltd.	Company cancellation
3	Quzhou Shanyou Photovoltaic Power Generation Co., Ltd. (衢州杉游光伏发电有限公司)	Transfer of shares
4	Winsky New Energy Technology Co., Ltd.	Transfer of shares
5	Ningbo Winsky New Energy Co., Ltd.	Transfer of shares
6	Shanghai Turong Car Rental Service Co., Ltd.	Transfer of shares
7	Hunan Winsky New Energy Co., Ltd.	Transfer of shares
8	Hefei Spruce New Energy Co., Ltd.	Transfer of shares
9	Xi'an Winsky New Energy Technology Co., Ltd.	Transfer of shares
10	Xi'an Lv Yuan Zhongxing New Energy Vehicle Technology Co., Ltd.	Transfer of shares

11	Hebei Winsky New Energy Technology Co., Ltd.	Transfer of shares
12	Jiangsu Spruce New Energy Technology Co., Ltd.	Transfer of shares
13	Winsky (Suzhou) New Energy Technology Co., Ltd.	Transfer of shares
14	Winsky New Energy Technology (Shenzhen) Co., Ltd.	Transfer of shares
15	Shenzhen Winsky Information Technology Co., Ltd.	Transfer of shares
16	Henan Winsky New Energy Technology Co., Ltd.	Transfer of shares
17	Xinxiang Winsky New Energy Co., Ltd.	Transfer of shares
18	Sichuan Winsky New Energy Technology Co., Ltd.	Transfer of shares
19	Chongqing Winsky New Energy Technology Co., Ltd.	Transfer of shares
20	Winsky (Xiamen) New Energy Technology Co., Ltd.	Transfer of shares
21	Guangzhou Winsky New Energy Technology Co., Ltd.	Transfer of shares
22	Zhejiang Winsky New Energy Technology Co., Ltd.	Transfer of shares
23	Shanghai Wanshan New Energy Technology Co., Ltd.	Transfer of shares
24	Suzhou Yiyun New Energy Technology Co., Ltd.	Transfer of shares
25	Winsky New Energy Technology (Tianjin) Co., Ltd.	Transfer of shares
26	Winsky (Dalian) New Energy Technology Co., Ltd.	Transfer of shares
27	Beijing Shanshan Venture Capital Investment Co., Ltd.	Transfer of shares

IX. Interests in other Subjects

1. Interests in subsidiaries

(1). Composition of enterprise groups

√Applicable □Not applicable

Name of subsidiary	Main business locations	Place of registration	Business nature	Shareholding ratio (%)		Acquisition method
				Direct	Indirect	
ShanJin Optoelectronics (Suzhou) Co., Ltd.	Suzhou	Suzhou	Investment	100		Consolidation not under the same control
ShanJin Optoelectronics (Guangzhou) Co., Ltd.	Guangzhou	Guangzhou	Industry		100	Consolidation not under the same control
ShanJin Optoelectronics (Nanjing) Co., Ltd.	Nanjing	Nanjing	Industry		100	Consolidation not under the same control
ShanJin Optoelectronics (Beijing) Co., Ltd.	Beijing	Beijing	Industry		100	Consolidation not under the same control
ShanJin Optoelectronics Technology (Zhangjiagang) Co., Ltd.	Suzhou	Suzhou	Industry		100	Consolidation not under the same control
ShanJin Optoelectronics (Mianyang) Co., Ltd.	Sichuan	Sichuan	Industry		100	Consolidation not under the same control
Ningbo Shanshan New Energy Technology Development Co., Ltd.	Ningbo	Ningbo	Investment	98	2	Newly established
Shanghai Shanshan Lithium Battery Material Co., Ltd.	Ningbo	Ningbo	Investment		87.0770	Newly established
Ningbo Shanshan New Material Technology Co., Ltd.	Ningbo	Ningbo	Industry		100	Newly established
Shanghai Shanshan Technology Co., Ltd.	Shanghai	Shanghai	Industry		100	Consolidation under the same control
Chenzhou Shanshan New Material Co., Ltd.	Hunan	Hunan	Industry		100	Newly established
Fujian Shanshan Technology Co., Ltd.	Fujian	Fujian	Industry		100	Newly established

Huzhou Shanshan New Energy Technology Co., Ltd.	Huzhou	Huzhou	Industry		100	Consolidation not under the same control
Inner Mongolia Shanshan Technology Co., Ltd.	Inner Mongolia	Inner Mongolia	Industry		100	Newly established
Inner Mongolia Shanshan New Material Co., Ltd.	Inner Mongolia	Inner Mongolia	Industry		100	Newly established
Inner Mongolia Shanshan Material Technology Co., Ltd.	Inner Mongolia	Inner Mongolia	Industry		100	Newly established
Baotou Graphene Material Research Institute Co., Ltd. Note 1	Inner Mongolia	Inner Mongolia	Industry		50	Newly established
Shanghai Shanshan New Material Co., Ltd.	Shanghai	Shanghai	Industry		100	Newly established
Yunnan Shanshan New Material Co., Ltd. (云南杉杉新材料有限公司)	Yunnan	Yunnan	Industry		100	Newly established
Sichuan Shanshan New Material Co., Ltd.	Sichuan	Sichuan	Industry		100	Newly established
Ningbo Yongxiang Investment Co., Ltd.	Ningbo	Ningbo	Investment		100	Newly established
Ningbo Yongquan Investment Co., Ltd.	Ningbo	Ningbo	Investment		100	Newly established
Dongguan Shanshan Battery Material Co., Ltd.	Guangdong	Guangdong	Industry		100	Newly established
Langfang Shanshan Battery Material Co., Ltd.	Langfang	Langfang	Industry		100	Newly established
Shanshan New Material (Quzhou) Co., Ltd.	Zhejiang	Zhejiang	Industry		82.25	Consolidation not under the same control
Ningbo Shanshan Venture Capital Investment Co., Ltd.	Ningbo	Ningbo	Investment	100		Newly established
Ningbo Shanshan Electric Vehicle Technology Development Co., Ltd.	Ningbo	Ningbo	Investment	90	10	Newly established
Ningbo Qingshan Automobile Co., Ltd.	Ningbo	Ningbo	Investment		100	Newly established
Inner Mongolia Qingshan Automobile Co., Ltd.	Inner Mongolia	Inner Mongolia	Industry		94.43	Newly established
Shanghai Zhanxiao New Energy Technology Co., Ltd.	Shanghai	Shanghai	Industry		60.98	Newly established
Ningbo Shanshan Bada Power Assembly Co., Ltd.	Ningbo	Ningbo	Industry		70	Newly established
Ningbo Shanshan Automobile Co., Ltd.	Ningbo	Ningbo	Industry		100	Newly established
Suqian Shanshan Yuntong New Energy System Co., Ltd.	Suqian	Suqian	Industry		100	Newly established
Ningbo Shanpeng Investment Co., Ltd.	Ningbo	Ningbo	Investment		100	Newly established
Ningbo Ulica Solar Energy Co., Ltd.	Ningbo	Ningbo	Industry	90.035		Consolidation under the same control
Ningbo Shanneng Photovoltaic Power Generation Co., Ltd.	Ningbo	Ningbo	Industry		100	Consolidation under the same control
Taizhou Shanhe Photovoltaic Power Generation Co., Ltd.	Zhejiang	Zhejiang	Industry		100	Consolidation under the same control
Taizhou Shanda Photovoltaic Power Generation Co., Ltd.	Zhejiang	Zhejiang	Industry		100	Newly established
Taizhou Shantai Photovoltaic	Zhejiang	Zhejiang	Industry		100	Newly established

Power Generation Co., Ltd.						
Wuyi Shansheng Photovoltaic Co., Ltd.	Zhejiang	Zhejiang	Industry		100	Newly established
Yongkang Shanlong Photovoltaic Power Generation Co., Ltd.	Zhejiang	Zhejiang	Industry		100	Newly established
Ningbo Shanhua Photovoltaic Power Generation Co., Ltd.	Ningbo	Ningbo	Industry		100	Newly established
Shaoxing Shandian Photovoltaic Power Generation Co., Ltd.	Zhejiang	Zhejiang	Industry		100	Newly established
Ningbo Shanhui Photovoltaic Power Generation Co., Ltd.	Ningbo	Ningbo	Industry		100	Newly established
Ningbo Shanjie Photovoltaic Power Generation Co., Ltd.	Ningbo	Ningbo	Industry		100	Newly established
Sanmen Shanyuan Photovoltaic Power Generation Co., Ltd.	Zhejiang	Zhejiang	Industry		100	Newly established
Shaoxing Shanzi Photovoltaic Power Generation Co., Ltd.	Zhejiang	Zhejiang	Industry		100	Newly established
Ningbo Shanlun Photovoltaic Power Generation Co., Ltd.	Ningbo	Ningbo	Industry		100	Newly established
Taizhou Shanyan New Energy Co., Ltd.	Zhejiang	Zhejiang	Industry		100	Newly established
Quzhou Shanhai Photovoltaic Power Generation Co., Ltd.	Zhejiang	Zhejiang	Industry		100	Newly established
Quzhou Qujiang Henglei Energy Technology Co., Ltd.	Zhejiang	Zhejiang	Industry		100	Consolidation not under the same control
Ningbo Shanwen Photovoltaic Power Generation Co., Ltd.	Zhejiang	Zhejiang	Industry		100	Newly established
Quzhou Shanke Photovoltaic Power Generation Co., Ltd.	Zhejiang	Zhejiang	Industry		100	Newly established
Quzhou Shanyu New Energy Development Co., Ltd.	Zhejiang	Zhejiang	Industry		100	Newly established
Quzhou Qujiang Shanzhen New Energy Technology Co., Ltd.	Zhejiang	Zhejiang	Industry		100	Newly established
Sanmen Shangang Photovoltaic Power Generation Co., Ltd.	Zhejiang	Zhejiang	Industry		100	Newly established
Jinhua Shanbao Photovoltaic Power Generation Co., Ltd.	Zhejiang	Zhejiang	Industry		100	Newly established
Hangzhou Shanqiu Photovoltaic Power Generation Co., Ltd.	Zhejiang	Zhejiang	Industry		100	Newly established
Jinhua Puzhong Photovoltaic Power Generation Co., Ltd.	Zhejiang	Zhejiang	Industry		100	Newly established
Taizhou Shanlin Photovoltaic Power Generation Co., Ltd.	Zhejiang	Zhejiang	Industry		100	Newly established
Quzhou Shantao Photovoltaic Power Generation Co., Ltd.	Zhejiang	Zhejiang	Industry		100	Newly established
Ningbo Shanshan Sunshine New Energy Co., Ltd.	Ningbo	Ningbo	Industry		100	Newly established
Ningbo Shanheng Photovoltaic Power Generation Co., Ltd.	Ningbo	Ningbo	Industry		100	Newly established
Shaoxing Shansheng	Zhejiang	Zhejiang	Industry		100	Newly established

Photovoltaic Power Generation Co., Ltd.						
Lanxi Shanrui New Energy Co., Ltd.	Zhejiang	Zhejiang	Industry		100	Newly established
Ningbo Ciguang New Energy Technology Co., Ltd.	Zhejiang	Zhejiang	Industry		100	Consolidation not under the same control
Wuyi Shanrun New Energy Co., Ltd.	Zhejiang	Zhejiang	Industry		100	Newly established
Taizhou Shantian Photovoltaic Power Generation Co., Ltd.	Zhejiang	Zhejiang	Industry		100	Newly established
Cixi Shante Photovoltaic Co., Ltd.	Zhejiang	Zhejiang	Industry		100	Newly established
Shaoxing Shanchang New Energy Co., Ltd.	Zhejiang	Zhejiang	Industry		100	Newly established
Yuyao Shankai Photovoltaic Power Generation Co., Ltd.	Zhejiang	Zhejiang	Industry		100	Newly established
Jinhua Shangong Photovoltaic Power Generation Co., Ltd.	Zhejiang	Zhejiang	Industry		100	Newly established
Ningbo Xinquante New Energy Development Co., Ltd.	Zhejiang	Zhejiang	Industry		100	Consolidation not under the same control
Ningbo Haobo New Energy Co., Ltd.	Zhejiang	Zhejiang	Industry		100	Consolidation not under the same control
Jinhua Zhichao New Energy Technology Co., Ltd.	Zhejiang	Zhejiang	Industry		100	Consolidation not under the same control
Ningbo Shanteng New Energy Co., Ltd.	Zhejiang	Zhejiang	Industry		100	Newly established
Nanchang Shan'ao New Energy Co., Ltd.	Zhejiang	Zhejiang	Industry		100	Newly established
Ningbo Yuyao Xiangtai Power Engineering Co., Ltd.	Zhejiang	Zhejiang	Industry		100	Consolidation not under the same control
Ningbo Taihui Photovoltaic Technology Co., Ltd.	Zhejiang	Zhejiang	Industry		100	Newly established
Taizhou Shanxian Photovoltaic Power Generation Co., Ltd.	Zhejiang	Zhejiang	Industry		100	Newly established
Xinchang Juheng New Energy Development Co., Ltd.	Zhejiang	Zhejiang	Industry		100	Newly established
Zhejiang Guangliang New Energy Technology Co., Ltd.	Zhejiang	Zhejiang	Industry		100	Newly established
Ningbo Shanxin Photovoltaic Energy Management Co., Ltd. (宁波杉鑫光伏能源管理有限公司)	Zhejiang	Zhejiang	Industry	90.035		Newly established
Ningbo Shanshan Contract Energy Management Co., Ltd.	Ningbo	Ningbo	Industry		100	Newly established
Ningbo Yongshan Lithium Industry Co., Ltd.	Zhejiang	Zhejiang	Industry	100		Newly established
Yongshan International Co., Ltd.	Zhejiang	Hong Kong	Industry		100	Newly established
Hong Kong Shanshan Resources Co., Ltd.	Zhejiang	Hong Kong	Investment	100		Newly established
Ningbo Yunling Zhichuang Park Operation Management Co., Ltd.	Ningbo	Ningbo	Investment	100		Newly established
Ningbo Shanshan Tongda Trading Co., Ltd.	Ningbo	Ningbo	Industry	100		Newly established
Shanghai Shanshan Garment	Zhejiang	Zhejiang	Industry	90	10	Newly established

Co., Ltd.						
Shanghai Tunheng Trading Co., Ltd.	Shanghai	Shanghai	Industry	95	5	Newly established
Shanghai Feihe Clothing Co., Ltd.	Shanghai	Shanghai	Industry		90	Newly established
Shanghai Nafei Clothing Co., Ltd.	Shanghai	Shanghai	Industry		90	Newly established
Shanghai Shanshan New Energy Technology Co., Ltd.	Shanghai	Shanghai	Industry	100		Newly established
Shanshan Fashion Industrial Park Suqian Co., Ltd.	Suqian	Suqian	Industry	66.67	33.33	Newly established
Ningbo Haoheng Trading Co., Ltd. (宁波浩衡贸易有限公司)	Ningbo	Ningbo	Investment	100		Newly established

Note 1: Holding half or less of the voting rights but still controlling the investee:

Baotou Graphene Material Research Institute Co., Ltd. is 50% owned by the Company, and the Company sends a majority of its directors and appoints all key management personnel.

(2). **Significant non-wholly owned subsidiaries**

√Applicable □Not applicable

Unit: Yuan Currency: RMB

Name of subsidiary	Shareholding ratio of non-controlling interests (%)	Profit and loss attributable to non-controlling interests in the current period	Dividends declared to non-controlling interests in the current period	Balance of non-controlling interests' equity at the end of the period
Shanghai Shanshan Lithium Battery Material Technology Co., Ltd. (lithium anode material)	12.923	46,087,780.63		961,614,932.13

(3). Key financial information of significant non-wholly owned subsidiaries

√Applicable □Not applicable

Unit: 0'000 Currency: RMB

Name of subsidiary	Ending 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
Shanghai Shanshan Lithium Battery Material Technology Co., Ltd.	840,886.04	604,246.00	1,445,132.04	605,263.96	132,371.51	737,635.47	628,941.82	391,370.42	1,020,312.24	598,127.87	64,179.52	662,307.39

Name of subsidiary	Amount incurred in the current period				Amount incurred in the previous period			
	Operating income	Net profit	Total comprehensive income	Cash flows from operating activities	Operating income	Net profit	Total comprehensive income	Cash flows from operating activities
Shanghai Shanshan Lithium Battery Material Technology Co., Ltd.	356,772.21	42,653.45	42,653.45	-55,449.67	166,176.60	26,421.34	26,421.34	32,094.82

2. Transactions in which the share of ownership interest in a subsidiary changes but the subsidiary is still under control

√Applicable □Not applicable

(1). Explanation of changes in the share of ownership interests in subsidiaries

√Applicable □Not applicable

During the Reporting Period, a non-year-on-year capital increase occurred in Shanghai Shanshan Lithium Material Technology Co., Ltd. In May 2022, a capital increase of RMB 3,050 million was made in cash by Ningbo Shanshan New Energy Technology Development Co., Ltd. (a wholly-owned subsidiary of the Company), Ningbo Meishan Bonded Port Wending Investment Co., Ltd., BYD Company Limited, Ningde New Energy Technology Co., Ltd. and CNPC Kunlun Capital Co., Ltd., of which RMB 305 million were included in the registered capital and RMB 2,745 million were included in the capital reserve. During the Reporting Period, all of the above investments have been paid and it was agreed that each shareholder would enjoy the shareholders' rights and interests in proportion to the amount subscribed from the date the funds were made available.

(2). Effect of the transactions on minority interests and owners' equity attributable to equity owners of the Company

Item	Shanghai Shanshan Lithium Material Technology Co., Ltd.
	Non-year-on-year capital increase
Change proportion of equity held by the parent company (%)	-2.9173
Adjustment to capital reserve for changes in share of net assets attributable to the parent company due to capital increase (RMB)	120,984,090.36

3. Interest in joint ventures or associates

√Applicable □Not applicable

(1). Significant joint ventures or associates

√Applicable □Not applicable

Unit: Yuan Currency: RMB

Name of joint venture or associate	Main business locations	Place of registration	Business nature	Shareholding ratio (%)		The accounting method for investments in joint ventures or associates
				Direct	Indirect	
Zhejiang Chouzhou Commercial Bank Co., Ltd.	Zhejiang	Yiwu	Commercial bank	7.06		Equity method
BASF Shanshan Battery Materials Co., Ltd.	Hunan	Changsha	Industry		49.00	Equity method

(2). Key financial information of important joint ventures

□Applicable √Not Applicable

(3). Key financial information of important associates

√Applicable □Not applicable

Unit: Yuan Currency: RMB

	Ending balance/Amount incurred in the current period		Opening balance/Amount incurred in the previous period	
	Zhejiang Chouzhou Commercial Bank Co., Ltd.	BASF Shanshan Battery Materials Co., Ltd.	Zhejiang Chouzhou Commercial Bank Co., Ltd.	BASF Shanshan Battery Materials Co., Ltd.

Current assets	198,782,191,677.83	5,589,488,655.95	274,797,589,971.30	5,118,867,809.08
Non-current assets	82,754,005,349.94	3,091,847,015.05	21,248,176,771.50	2,976,570,323.65
Total assets	281,536,197,027.77	8,681,335,671.00	296,045,766,742.80	8,095,438,132.73
Current liabilities	219,528,526,547.02	3,323,184,395.09	230,575,217,312.74	3,483,280,589.95
Non-current liabilities	39,628,620,378.94	46,440,944.69	42,163,213,117.44	93,970,167.80
Total liabilities	259,157,146,925.96	3,369,625,339.78	272,738,430,430.18	3,577,250,757.75
Equity of non-controlling interests			1,163,862,870.19	
Equity attributable to shareholders of the company	22,379,050,101.81	5,311,710,331.22	22,143,473,442.43	4,518,187,374.98
Share of net assets based on percentage of shareholding	1,449,299,487.05	2,602,738,062.30	1,386,765,225.03	2,213,911,813.74
Adjustment matters	137,136,237.39	1,237,593,398.20	137,136,237.39	1,237,956,808.35
— Goodwill				
— Unrealized profit on internal transactions				
— Others	137,136,237.39	1,237,593,398.20	137,136,237.39	1,237,956,808.35
Book value of equity investment in associates	1,586,435,724.44	3,840,331,460.50	1,523,901,462.42	3,451,868,622.09
Fair value of equity investments in associates for which publicly quoted prices exist				
Operating income	3,783,744,612.56	4,276,019,081.97	3,339,262,129.65	2,750,414,156.20
Net profit	890,051,553.24	792,781,302.87	883,140,939.47	256,620,079.69
Of which: Net profit attributable to the company		792,781,302.87		256,620,079.69
Net profit from discontinued operations				
Other comprehensive incomes				
Total comprehensive income		792,781,302.87		256,620,079.69
Dividends received from associates during the year			24,726,000.00	

(4). Aggregated financial information of immaterial joint ventures and associates

√Applicable □Not applicable

Unit: Yuan Currency: RMB

	Ending balance/Amount incurred in the current period	Opening balance/Amount incurred in the previous period
Joint ventures:		
Ningbo Liweineng Energy Storage System Co., Ltd.	138,378,741.01	158,564,080.55
Total book value of investments	138,378,741.01	158,564,080.55
Associates:		
Ningbo Airport Logistics Development Co., Ltd.	164,669,472.74	163,682,370.27
Ningbo Shanqi Property Services Co., Ltd.	38,461,215.47	38,809,284.23
Suiyong Holdings Co., Ltd.	937,763,324.55	946,579,005.24
Shanghai Shanshan Chuanghui Venture Capital Management Co., Ltd.	9,735,027.01	9,959,638.21
Ningbo Shantai Photovoltaic Power Generation Co., Ltd.		2,588,661.68

Anhui Shanyue New Material Co., Ltd.	4,315,780.17	4,650,251.96
Shanshan Brand Management Co., Ltd.	38,580,993.15	40,967,397.77
Shenzhen Yuanshan Private Equity Investment Management Co., Ltd.	5,476,755.48	4,936,082.35
Inner Mongolia Mengji New Carbon Material Co., Ltd.	73,597,534.24	62,615,398.43
Inner Mongolia Hengsheng New Energy Technology Co., Ltd.		53,316,666.67
Jiangxi Zhanxiao New Energy Technology Co., Ltd.	17,517,266.44	
Total book value of investments	1,428,496,110.26	1,486,668,837.36
Total of the following in proportion to shareholdings		
— Net profit	3,280,390.05	-3,804,940.00
— Other comprehensive income		
— Total comprehensive income	3,280,390.05	-3,804,940.00

(5). Excess losses incurred by joint ventures or associates√Applicable Not applicable

Unit: Yuan Currency: RMB

Name of joint venture or associate	Accumulated losses in the previous periods that are accumulated and unrecognized	Unrecognized loss in the current period (or net profit shared in the current period)	Accumulated unrecognized losses at the end of the period
Winsky Gaoke Group Co., Ltd.	-4,609,459.21	-2,557,100.47	-7,166,559.68
Beijing Shanshan Kaili New Energy Technology Co., Ltd.	-1,145,730.20	-21,624.12	-1,167,354.32

X. Risks Associated with Financial Instruments√Applicable Not applicable

The Company is exposed to various financial risks in the course of its business: Credit risk, market risk and liquidity risk. The Company's Board of Directors has overall responsibility for the determination of risk management objectives and policies and is ultimately accountable for them, but the Board has delegated to the Company's internal control department the authority to design and implement procedures that will ensure that risk management objectives and policies are effectively implemented. The Company's internal auditors also audit risk management policies and procedures, and report findings to the Audit Committee.

The goal of corporate risk management is to get a balance between risk and return, to minimize the negative impact of risk on daily operating performance, and to maximize the interests of shareholders and other equity investors. Based on this risk management objective, the basic strategy of corporate risk management is to identify and analyze the various risks faced by the Company, establish an appropriate risk tolerance floor and manage the risks, and develop a risk management policy that minimizes risks without unduly affecting the company's competitiveness and resilience.

Based on the current scope and effectiveness of the Company's business operations and the Company's assets and liabilities, mainly financial instruments such as accounts receivable and investments in other equity instruments are exposed to certain risks.

(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. The Company's credit risk mainly arises from cash at bank and on hand and receivables. In order to control the above related risks, the Company has taken the following measures respectively:

(1) Cash at bank and on hand

The Company places its bank deposits and other cash balances with financial institutions with high credit ratings, so its credit risk is low.

(2) Accounts receivable

It mainly refers to receivables resulting from credit sales by customers, and the main control measures adopted are as follows: Prepare and continuously revise and improve sales and credit management systems and processes related to customer information collection, customer development, customer maintenance, customer credit investigation, credit assessment, credit limit management, customer blacklist management, bad debt assessment and recovery, customer file management, etc.; At the same time, the internal risk management mechanism of risk identification, response, tracking and control has been established with the risk asset management team as the responsible institution, which regularly organizes risk asset management meetings, evaluates the performance of credit-granting customers, defines the risk level based on the credit information and statistical data analysis of customers, and takes risk control measures such as key monitoring, letter issuance, collection, control, stopping delivery, lawyer's letter, filing lawsuits, as well as adopts information notification mechanisms for customers with different risk levels.

On the basis of strengthening the above-mentioned internal management, the Company has prepared a sales and credit risk evaluation system around customer fundamentals and different risk levels for customer's accounts receivable management, while conducting biannual internal control evaluation activities and corresponding control measures rectification activities on a regular basis.

As of the end of the period, the book value of accounts receivable within the scope of consolidated statements was RMB 4,502,397,568.06, accounting for 10.63% of the total assets at the end of the period, representing an increase of 13.71% year-over-year. The control of credit risk faces certain challenges, but under the implementation of the Company's strict risk management policy, the credit risk is still under control and the provision for impairment of accounts receivable already made is sufficient to cover its credit risk.

(II) Market risk

Market risk of financial instruments is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices, including exchange rate risk, interest rate risk and other price risks.

1. Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's exposure to interest rate risk arises mainly from interest-bearing liabilities such as bank borrowings. As of 30 June 2022, the Company's bank

borrowings totaled approximately RMB 8.92 billion, mainly bank borrowings with the Loan Prime Rate (LPR) denominated in RMB floating up and down by a certain percentage; The Company has obtained 1.73 billion of medium- and long-term bank borrowings with a three-year term at the company level, and the maturity and interest rate structure of the financing is reasonable overall.

The Company's Finance and Capital Department continuously monitors interest rate levels. An increase in interest rates will increase the cost of new interest-bearing debt and interest expense on the Company's outstanding interest-bearing debt with floating interest rates and adversely affect the Company's financial results. The Management Layer will make timely adjustments based on the latest market conditions, such as appropriate arrangements to increase the fixed interest rate ratio to address the risks associated with financial instruments.

2. Exchange rate risk

Exchange rate 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 exchange rate changes is mainly related to the Company's foreign currency monetary assets and liabilities. For foreign currency assets and liabilities, if there is a short-term imbalance, the company will adopt various foreign exchange tools such as buying and selling foreign currencies at market rates to control the exchange rate risk when necessary to ensure that the net exposure is maintained at an acceptable level.

3. Other price risk

The Company holds equity investments in other listed companies and the Management Layer believes that the market price risk to which these investment activities are exposed is acceptable.

Item	Ending balance (RMB)	Balance at the beginning of the year (RMB)
Investments in other equity instruments — Investments in listed equity instruments	899,861,781.56	881,742,983.68
Total	899,861,784.56	881,742,983.68

As of 30 June 2022, with all other variables held constant, if the value of the Company's financial instruments held rose or fell by 10%, the net assets at the end of the period would rise or fall by 0.32% accordingly, with little impact on the Company's net assets in the long run.

(III) Liquidity risk

Liquidity risk is the risk that a company will run short of funds to meet its obligations settled by delivering cash or other financial assets. It is the Company's policy to ensure that it has sufficient cash to pay its debts as they fall due. Liquidity risk is centrally controlled by the Company's Finance and Capital Department. The Finance and Capital Department ensures that the Company has sufficient funds to service its debt with all reasonable projections by monitoring cash balances, readily realizable marketable securities and rolling projections of cash flows for the next 12 months. As of the end of the period, the Company's current ratio of 1.49 and quick ratio of 1.10 were within a reasonable range, while the

Company had other tools and strategies to protect against liquidity risk: First, as of 30 June 2022, the Company and the consolidated subsidiaries had obtained bank credit facilities totaling RMB 19.448 billion, with RMB 7.238 billion in unused credit lines. Based on the Company's credit capacity and the bank's cooperative relationship, the Company can obtain bank financing in a short term. Second, the Company also has assets with good liquid such as the equity in Luoyang Molybdenum. Third, the Finance and Capital Department will make monthly statistics on the plan for the use of funds in the coming month and arrange a reasonable allocation of funds to improve the efficiency of the use of funds and reduce the flow risk.

XI. Disclosure of Fair Value

1. Ending fair value of assets and liabilities measured at fair value

Applicable Not applicable

Unit: Yuan Currency: RMB

Item	Ending fair value			Total
	Level I fair value measurement	Level II fair value measurement	Level III fair value measurement	
I. Continuous fair value measurement				
(I) Held-for-trading financial assets				
1. Financial assets at fair value through profit or loss				
(1) Investment in debt instruments				
(2) Investment in equity instruments				
(3) Derivative financial assets				
2. Financial assets designated at fair value through profit or loss				
(1) Investment in debt instruments				
(2) Investment in equity instruments				
(II) Other debt investments				
(III) Investments in other equity instruments	899,861,784.56		36,916,462.76	936,778,247.32
1. Investment in listed equity instruments	899,861,784.56			899,861,784.56
2. Investment in unlisted equity instruments			36,916,462.76	36,916,462.76
(IV) Receivables financing		594,851,377.43		594,851,377.43
(V) Other non-current financial assets		24,090,000.00	176,014,599.78	200,104,599.78
1. Financial assets at fair value through profit or loss		24,090,000.00	176,014,599.78	200,104,599.78
(1) Investment in debt instruments				
(2) Investment in equity instruments		24,090,000.00	176,014,599.78	200,104,599.78
(3) Derivative financial assets				
(4) Others				
2. Financial assets designated at fair value through profit or loss				
(1) Investment in debt instruments				
(2) Others				
Total assets continuously measured at fair value	899,861,784.56	618,941,377.43	212,931,062.54	1,731,734,224.53
(VI) Held-for-trading financial liabilities				

1. Financial liabilities at fair value through profit or loss				
Of which: Held-for-trading bonds issued				
Derivative financial liabilities				
Others				
2. Financial assets designated at fair value through profit or loss				
Total liabilities continuously measured at fair value				
II. Non-continuous fair value measurement				
Total assets not continuously measured at fair value				
Total liabilities not continuously measured at fair value				

2. Basis for determining the market value of continuing and discontinuing Level-1 fair value measurement items

Applicable Not applicable

The closing price of the company's shares held on the balance sheet date is used as the market price.

3. Continuing and discontinuing Level-2 fair value measurement items, qualitative and quantitative information on the valuation techniques and significant parameters used

Applicable Not applicable

Item	Ending fair value	Valuation technology
LP shares held in limited partnerships	24,090,000.00	The quoted prices of the shares of the companies in which the fund invests after the penetration exist in an active market and are recognized according to the shares of the fund held

4. Continuing and discontinuing Level-3 fair value measurement items, qualitative and quantitative information on the valuation techniques and significant parameters used

Applicable Not applicable

The Company's Level-3 fair value measurement items are investments in other equity instruments, which are the "Three Nil" equity investments in which the Company has no control, joint control or significant influence, including the following:

(1) The Company measured the investment at cost as a reasonable estimate of fair value because there were no significant changes in the business environment and operating conditions and financial position of the investee;

(2) The Company measured the investee at RMB 0 as a reasonable estimate of fair value because of the deterioration of the business environment and operating conditions and financial position of the investee;

(3) The business environment and operating conditions and financial position of the investee have improved significantly, and there are comparable listed companies with sufficient reliable access to operating and financial data of comparable companies, so the market approach and the PB of comparable companies are averaged and liquidity discount is considered to measure the fair value of the equity in the investee.

XII. Related Parties and Related Transactions**1. Information about the parent company of the Company**√Applicable Not applicable

Unit: 0'000 Currency: RMB

Parent company name	Place of registration	Business nature	Registered capital	Parent company's shareholding ratio in the Company (%)	Parent company's voting right ratio in the Company (%)
Shanshan Group Co., Ltd.	26F, No.777, Rili Middle Road, Shounan Street, Yinzhou District, Ningbo City, Zhejiang Province	Investment	26,815.42	34.12	34.12

Controlling shareholder of the Company: Shanshan Holdings Co., Ltd., in addition to the shares of the Company held by Shanshan Group Co., Ltd., directly holds 116,912,189 shares of the Company, accounting for 5.41%. Ningbo Pengze Trading Co. Ltd. directly holds 205,264,756 shares of the Company, accounting for 9.50%. Ningbo Yinzhou Jielun Investment Co., Ltd., directly holds 77,873,254 shares of the Company, accounting for 3.60%. Actual control person: Zheng Yonggang.

2. Information about the subsidiaries of the Company

For details of the Company's subsidiaries, see "Interests in Other Entities of Note IX".

3. Information on the Company's joint ventures and associates

For details of the Company's significant joint ventures or associates, see "Interests in Other Entities" of Note IX.

Other joint ventures or associates with which the Company had related party transactions during the Reporting Period, or with which the Company had related party transactions forming the balance in prior periods, are as follows

√Applicable Not applicable

Name of joint venture or associate	Relationship with the Company
Shanshan Brand Management Co., Ltd.	An associate
Zhejiang Chouzhou Commercial Bank Co., Ltd.	An associate
Ningbo Airport Logistics Development Co., Ltd.	An associate
Ningbo Liweineng Energy Storage System Co., Ltd.	A joint venture
Anhui Liweineng Power Battery Co., Ltd.	A joint venture
Winsky Gaoke Group Co., Ltd.	An associate
Shanghai Shanshan Chuanghui Venture Capital Management Co., Ltd.	An associate
Anhui Shanyue Technology Co., Ltd.	An associate
Ningbo Shanqi Property Services Co., Ltd.	An associate
BASF Shanshan Battery Materials Co., Ltd.	An associate
BASF Shanshan Battery Materials (Ningxiang) Co., Ltd.	An associate
BASF Shanshan Battery Materials (Ningxia) Co., Ltd.	An associate
Inner Mongolia Mengji New Carbon Material Co., Ltd.	An associate
Inner Mongolia Hengsheng New Energy Technology Co., Ltd.	An associate

4. Information on other related parties√Applicable Not applicable

Name of other related parties	Relationship between other related parties and the Company
Shanshan Holdings Co., Ltd.	Ultimate controller
Ningbo Ligang Technology Service Co., Ltd.	Affiliated enterprises of controlling shareholders
Ningbo Xinmingda Knitting Co., Ltd.	Investees without significant influence (participating companies)
Changsha Huashan Investment Management Co., Ltd.	Former non-controlling interests of BASF Shanshan
Beiben Heavy Duty Automobile Group Co., Ltd.	Non-controlling interests of subsidiaries
Ningbo Shanshan Products Co., Ltd.	Affiliated enterprises of the ultimate controller
Shanghai Mingda Junli Weaving Co., Ltd.	Controlling shareholder of the participating company
Shanghai Shanhui Financial Consulting Co., Ltd.	Subsidiaries of associates
Beijing Longding Huayuan Real Estate Development Co., Ltd.	Other shareholders of associates
Shanghai Shankong Investment Co., Ltd.	Affiliated enterprises of the ultimate controller
Shanghai Shanshan Trading Co., Ltd.	Affiliated enterprises of the ultimate controller
Shanshan Products Group Co., Ltd.	Affiliated enterprises of the ultimate controller
Ningbo Shanshan Energy & Chemical Co., Ltd.	Affiliated enterprises of the ultimate controller
Shanghai Shanshan Industrial Co., Ltd.	Affiliated enterprises of the ultimate controller
Shanghai Zhiwei Asset Management Co., Ltd.	Affiliated enterprises of the ultimate controller
Ningbo Shunnuo Trading Co., Ltd.	Affiliated enterprises of the ultimate controller
Jinzhou Jixiang Molybdenum Co., Ltd.	Affiliated enterprises of the ultimate controller
Hunan Yongshan Lithium Industry Co., Ltd.	Affiliated enterprises of the ultimate controller
Ningbo Shanshan Technology Venture Service Co., Ltd. (宁波杉杉科技创业服务有限公司)	Affiliated enterprises of the ultimate controller
Shanghai Mingxu Import & Export Co., Ltd.	Affiliated enterprises of controlling shareholders

5. Related transactions

(1). Related transactions for the purchase and sale of goods, provision and receipt of services

Information of commodities purchased/labor services accepted

√Applicable □Not applicable

Unit: 0'000 Currency: RMB

Related party	Contents of related transaction	Amount incurred in the current period	Amount incurred in the previous period
Fujian Evergreen New Energy Technology Co., Ltd.	Purchase of cobalt tetraoxide		24,508.98
Shanshan Brand Management Co., Ltd.	Purchase of clothing	206.98	1.71
Inner Mongolia Mengji New Carbon Material Co., Ltd.	Graphitisation processing services	27,031.41	7,021.80
Inner Mongolia Hengsheng New Energy Technology Co., Ltd.	Purchase goods	22,420.07	
Ningbo New Airport International Logistics Co., Ltd.	Transportation fee	632.31	
Ningbo Ligang Technology Service Co., Ltd.	Utilities, property fees	8.72	10.96
Ningbo Shanshan Technology Venture Service Co., Ltd. (宁波杉杉科技创业服务有限公司)	Leasing service fees	69.37	
Shanghai Shenshan New Energy Vehicle Service Co., Ltd.	Electricity charge		15.55
Ningbo Airport Logistics Development Co., Ltd.	Electricity charge		0.18
Winsky Gaoke Group Co., Ltd.	Charging car service fees		5.11

Information of commodities sold/labor services provided

√Applicable □Not applicable

Unit: 0'000 Currency: RMB

Related party	Contents of related transaction	Amount incurred in the current period	Amount incurred in the previous period
Anhui Liweineng Power Battery Co., Ltd.	Sales of goods	2.26	535.84
Ningbo Ligang Technology Service Co., Ltd.	Photovoltaic power sales	17.13	16.92
Fujian Evergreen New Energy Technology Co., Ltd.	Sales of goods		4,745.49
Ningbo Shanjing Clothing Co., Ltd.	Utilities	40.52	42.17
Shanshan Brand Management Co., Ltd.	Utilities, property fees	77.23	49.84
Shanshan Brand Management Co., Ltd.	Decoration	23.65	
Ningbo Liweineng Energy Storage System Co., Ltd.	Utilities, property fees	0.53	8.02
Anhui Shanyue Technology Co., Ltd.	Utilities, property fees		0.13
Shenzhen Xin'anshuntong Car Rental Co., Ltd.	Charging station operation service fee		3.50
Winsky Gaoke Group Co., Ltd.	Charging station operation service fee		5.12

(2). Related leases

The Company as the lessor:

Unit: 0'000 Currency: RMB

Name of lessee	Types of leased assets	Rental income recognized in the current period	Rental income recognized in the previous period
Ningbo New Mingda Knitting Co., Ltd.	House buildings	98.18	
Ningbo Shanjing Apparels Co., Ltd.	House buildings	1.37	2.06
Shanshan Brand Management Co., Ltd.	House buildings	149.66	40.67
Evps Ningbo Energy Storage System Co., Ltd.	House buildings	0.50	4.83
Shanghai Shanshan Industrial Co., Ltd.	House buildings		17.34
Ningbo Shanshan Resources Corporation	House buildings	34.39	36.09
Shanshan Resources Group Co., Ltd.	House buildings	14.77	14.34
Ningbo Shanshan Energy Co., Ltd.	House buildings	45.48	32.94
Shanghai Shanshan Trading Co., Ltd.	House buildings	20.53	41.33
Shanghai Zhiwei Asset Management Co., Ltd.	House buildings	6.84	13.78
Shanghai Mingxu Import & Export Co., Ltd.	House buildings	2.67	5.34
Shenzhen Yunshan Zhixing Information Technology Co., Ltd.	House buildings		15.40
Total		374.39	224.12

The Company as the lessee:

Unit: 0'000 Currency: RMB

Name of lessor	Types of leased assets	Amount incurred in the current period				Amount incurred in the previous period
		Rental costs for short-term leases and leases of low-value assets that are streamlined and variable lease payments that are not included in the measurement of the lease liability	Rent paid	Increased right-to-use assets	Interest expense on lease liabilities assumed	Lease fees recognized
Ningbo Ligang Technology Service Co., Ltd.	House buildings	1.00	168.38	0	11.12	75.98
Ningbo Shunnuo Trading Co., Ltd.	House buildings	0.10	41.28	147.84	2.63	2
Shanshan Group Co., Ltd.	House buildings		30.12	168.79	3.63	
Ningbo Shanqi Property Services Co., Ltd.	House buildings	0.58				
Shanghai Shenshan New Energy Vehicle Service Co., Ltd.	House buildings					38.52
Shanghai Shenshan New Energy Vehicle Service Co., Ltd.	Vehicle					53.62
Shanghai Huanbai Car Rental Co., Ltd.	Vehicle					7.08
Winsky Gaoke Group Co., Ltd.	Vehicle	1.38				0.46
Total		3.06	239.78	316.63	17.38	177.66

(3). Related guarantees

The Company as the guarantor
Applicable Not applicable

Unit: 0'000 Currency: RMB

Guaranteed party	Guarantee amount	Guarantee start date	Guarantee expiration date	Whether the guarantee has been fulfilled
BASF Shanshan Battery Materials Co., Ltd.	10,000.00	2021/4/28	2022/10/25	No
BASF Shanshan Battery Materials Co., Ltd.	20,000.00	2021/12/7	2022/12/7	No
BASF Shanshan Battery Materials Co., Ltd.	21,200.00	2020/6/11	2023/6/30	No
BASF Shanshan Battery Materials Co., Ltd.		2020/6/11	2023/6/30	No
BASF Shanshan Battery Materials Co., Ltd.	10,000.00	2021/1/28	2023/1/28	No
Shanshan Brand Management Co., Ltd.	2,000.00	2022/1/12	2023/1/12	No
Shanshan Brand Management Co., Ltd.	8,000.00	2020/3/24	2023/3/24	No
Shanshan Brand Management Co., Ltd.		2020/3/24	2023/3/24	No
Shanshan Brand Management Co., Ltd.		2020/3/24	2023/3/24	No

The Company as the guaranteed party
Applicable Not applicable

Unit: 0'000 Currency: RMB

Guarantor	Guarantee amount	Guarantee start date	Guarantee expiration date	Whether the guarantee has been fulfilled
Ningbo Shanshan New Material Technology Co., Ltd.	67,500.00	2021/2/3	2024/2/2	No
Shanshan Group Co., Ltd.	10,000.00	2022/3/24	2025/3/11	No
Shanshan Group Co., Ltd.	40,000.00	2019/11/18	2022/12/31	No
Shanshan Group Co., Ltd.	20,000.00	2021/9/3	2024/10/3	No
Shanshan Group Co., Ltd.	50,000.00	2020/10/30	2022/1/29	No
Shanshan Group Co., Ltd.	50,000.00	2022/6/28	2024/2/28	No
Shanshan Holdings Co., Ltd.	20,000.00	2021/4/15	2023/4/14	No
Shanshan Holdings Co., Ltd.	300,000.00	2021/1/19	2026/1/19	No
Shanshan Holdings Co., Ltd.	20,000.00	2022/3/31	2025/3/31	No

(4). Remuneration to key management personnel

Applicable Not applicable

Unit: 0'000 Currency: RMB

Item	Amount for the current period	Amount for previous period
Remuneration to key management personnel	308.23	336.88

(5). Other related transactions

Applicable Not applicable

①Deposit in related bank

In June 2022, the Company and its subsidiaries did not incur any bank borrowings with Zhejiang Chouzhou Commercial Bank Co., Ltd. As of 30 June 2022, the Company and its subsidiaries had a deposit balance of RMB 323,647,700 with Zhejiang Chouzhou Commercial Bank Co., Ltd., with accumulated interest income of RMB 2,988,800 in the first half of 2022.

②Selling 100% Equity Interest in Hunan Yongshan and Related Transactions

In order to focus on the development of the Company's core business, optimize the allocation of resources and enhance the core competitiveness of the Company, on 6 January 2022, the 24th Meeting of the tenth Session of the Board of Director and the 15th Meeting of the tenth Session of the Supervisory

Committee of the Company deliberated and approved the "Proposal on Selling 100% Equity Interest in Hunan Yongshan Lithium Industry Co., Ltd. (湖南永杉锂业有限公司) and Related Transactions". (For details, please refer to the relevant announcement issued by the Company on 7 January 2022)

On 25 January 2022, this equity transfer has completed the industrial and commercial change registration. From January 2022, Hunan Yongshan is no longer included in the Company's consolidated statements.

6. Receivables and payables of associated parties

(1). Receivable items

√Applicable □Not applicable

Unit: 0'000 Currency: RMB

Project name	Related party	Ending balance		Opening balance	
		Book balance	Bad debt provision	Book balance	Bad debt provision
Accounts receivable	Shanghai Shanshan Chuanghui Venture Capital Management Co., Ltd.			38.15	1.91
	Ningbo Shanjing Clothing Co., Ltd.	17.24	0.86	2.61	0.13
	Ningbo Liweineng Energy Storage System Co., Ltd.	257.56	12.88	210.33	10.89
	Shanshan Brand Management Co., Ltd.	116.47	5.82	24.35	1.22
Other receivables	Winsky Gaoke Group Co., Ltd.			2.20	0.11
	Ningbo Liweineng Energy Storage System Co., Ltd.	224.64	112.32	303.44	151.72
	Beiben Heavy Duty Automobile Group Co., Ltd.	5,603.21	1,120.64	5,603.21	1,120.64
	Shanghai Shanshan Chuanghui Venture Capital Management Co., Ltd.			4,000.00	200.00
	Jinzhou Jixiang Molybdenum Co., Ltd.	23,000.00	1,150.00		
Long-term receivables and long-term receivables due within one year	Winsky Gaoke Group Co., Ltd.			2,121.82	848.73
	Shanghai Shenshan New Energy Vehicle Service Co., Ltd.			1,596.64	638.65

(2). Payable items

√Applicable □Not applicable

Unit: 0'000 Currency: RMB

Project name	Related party	Book balance at the end of the period	Book balance at the beginning of the period
Accounts payable	Ningbo Liweineng Energy Storage System Co., Ltd.	102.80	102.80
	Shanghai Huanbai Car Rental Co., Ltd.	8.00	8.00
	Shanghai Shenshan New Energy Vehicle Service Co., Ltd.		133.29
	Inner Mongolia Mengji New Carbon Material Co., Ltd.	6,276.25	3,768.00
	Inner Mongolia Hengsheng New Energy Technology Co., Ltd.	1,125.41	2,816.01
	Ningbo New Airport International Logistics Co., Ltd.	78.15	109.34
	Jiangxi Winsky Intelligent Technology Co., Ltd.		745.84
	Shanshan Group Co., Ltd.	7.91	
Other payables	Ningbo Ligang Technology Service Co., Ltd.	1.08	
	Anhui Shanyue Technology Co., Ltd.	1.82	1.82
	Ningbo Liweineng Energy Storage System Co., Ltd.	11.32	29.99
	Ningbo Shanshan Products Co., Ltd.	8.82	9.61
	Ningbo Shanqi Property Services Co., Ltd.	707.51	707.51
	Ningbo Xinmingda Knitting Co., Ltd.	13.00	13

	Shanshan Products Group Co., Ltd.	4.00	4
	Shanzhong Investment Management (Shanghai) Co., Ltd.	21.61	21.61
	Shanghai Shanhui Financial Consulting Co., Ltd.	7.69	7.69
	Shanghai Shanshan Industrial Co., Ltd.	14.63	14.63
	Shanghai Shenshan New Energy Vehicle Service Co., Ltd.		38.63
	Ningbo Shanjing Clothing Co., Ltd.	1.44	1.44
	Ningbo Airport Logistics Development Co., Ltd.	2.00	2
	Shanghai Shanshan Trading Co., Ltd.	11.58	11.58
	Shanghai Zhiwei Asset Management Co., Ltd.	3.86	3.86
	Shanghai Mingxu Import & Export Co., Ltd.	2.21	2.21
	Jiangxi Winsky Intelligent Technology Co., Ltd.		100
	Shanshan Brand Management Co., Ltd.	58.71	
	Shanghai Shanshan Chuanghui Venture Capital Management Co., Ltd.	8.80	
Advances from clients	Ningbo Liweineng Energy Storage System Co., Ltd.		0.38
	Shenzhen Branch of Jiangxi Winsky Intelligent Technology Co., Ltd.		3.07

XIII. Share-based Payment

1. Share payment in general

(1) 2019 Share Option Incentive Plan

Authorized by the First Extraordinary General Meeting of Shanshan for 2019 held on 12 August 2019, 34th Meeting of the Ninth Board of Directors held on 2 September considered and approved the Proposal on the First Grant of Share Options to the Incentive Targets under the Company's 2019 Share Option Incentive Plan. On 27 October 2021, the Company held the 21st Meeting of the Tenth Board of Directors, and considered and approved the Proposal on Adjusting Some Performance Assessment Targets of the Company's 2019 Share Option Incentive Plan and Amending the Relevant Documents, and the Proposal on Cancelling Some Share Options under the Company's 2019 Share Option Incentive Plan, agreeing to adjust some of the performance assessment targets in the 2019 Share Option Incentive Plan in light of the actual situation and to cancel the share options corresponding to the second exercise period of the first grant for the quitted incentive recipients and for failure to complete the performance assessment targets. On 12 November 2021, the Sixth Extraordinary General Meeting of the Company for 2021 was held to consider and approve the above-mentioned Proposal on Adjusting Some Performance Assessment Targets of the Company's 2019 Share Option Incentive Plan and Amending the Relevant Documents. At the same time, as there are matters such as dividend distribution, capitalisation of capital reserve, distribution of stock dividends before the exercise, the exercise price should be adjusted accordingly. The Proposal on Adjusting the Exercise Price of the 2019 Share Option Incentive Plan of the Company was considered and approved at the 30th Meeting of the Tenth Board of Directors held on 26 May 2022. Up to now, the number of Incentive Recipients corresponding to the third exercise period of the first grant of the 2019 Share Option Incentive Plan has been adjusted to 117, and the number of share options granted but not yet exercised has been adjusted to 27,287,550 with an exercise price of RMB7.28 per share.

(2) 2022 Share Option and Restricted Share Incentive Plan

On 23 February 2022, the 25th Meeting of the Tenth Board of Directors and the 16th Meeting of the Tenth Supervisory Committee of Ningbo Shanshan Co., Ltd. were held to consider and approve the 2022 Share Option and Restricted Share Incentive Plan (Draft) of Ningbo Shanshan Co. Ltd. and Its Summary, the 2022 Share Option and Restricted Share Incentive Plan Implementation Assessment Measures" and other relevant proposals. The names and titles of the proposed incentive recipients were then announced internally and there were no objections. On 14 March 2022, the Company held the 2022 First Extraordinary General Meeting and considered and approved the above proposals. On 18 March 2022, the Company held the 26th Meeting of the Tenth Board of Directors and the 17th Meeting of the Tenth Supervisory Committee to consider and approve the Proposal on Adjusting the List of Incentive Recipients of the Company's 2022 Share Option and Restricted Share Incentive Plan, and the Proposal on the First Grant of Share Options to Incentive Recipients under the Company's 2022 Share Option and Restricted Share Incentive Plan, and the independent directors, the

Supervisory Committee and the lawyers of the Company had expressed their clear opinions on the proposals.

The Incentive Plan originally proposed to grant 437 incentive recipients with a total of 70,000,000 shares, including 49,000,000 share options and 21,000,000 restricted shares, involving the underlying stock type of ordinary RMB A-shares, representing approximately 3.27% of the total share capital of the Company of 2,142,919,938 shares at the time of the announcement of the draft incentive plan. Of these, 45,080,000 share options were granted for the first time and 3,920,000 were reserved for grant. 19,320,000 restricted shares were granted for the first time and 1,680,000 shares were reserved for grant.

The 30th meeting of the Tenth Board of Directors and the 20th meeting of the Tenth Board of Supervisors held on 26 May 2022 reviewed and approved the Proposal on the Adjustment of the List of Restricted Share Incentive Participants, Grant Price and Grant Quantity of the Company's 2022 Stock Option and Restricted Share Incentive Plan, the Proposal on the First Grant of Share Options to Incentive Targets under the Company's 2022 Share Option and Restricted Share Incentive Plan, the Proposal on Adjustment of Exercise Price of Share Options and Restricted Share Incentive Plan of the Company in 2022 and Cancellation of Part of Share Options and other related proposals, based on which the independent directors, the supervisory committee and lawyers of the Company have expressed their opinions.

Details of the initial share option grant:

(1) Grant date: 18 March 2022; completion of registration of the initial grant of share options: 5 May 2022.

(2) Number of share options granted: 45.01 million.

(3) Number of persons being granted: 435.

(4) Exercise price: RMB28.18 per share.

(5) On 26 May 2022, with the approval of the Board of Directors, due to the resignation of some incentive participants, 490,000 share options were canceled, the number of share options was changed to 44.52 million, and the number of persons being granted was changed to 430. Meanwhile, the exercise price was adjusted to RMB27.85/share due to the equity distribution in 2021.

(6) Stock source: The Company issued A shares of common stock to the incentive participants.

(7) The share options granted initially shall be valid for a maximum of 72 months from the date of the initial share option grant to the date of exercise or cancellation of all share options granted to the incentive participants initially. After the expiration of the waiting period for share options initially granted, and only when the Company and the incentive participants meet the relevant conditions and the performance target, the Company can grant share options to the incentive participants and start exercising the options based on this incentive plan. The exercise ratio specific to the performance appraisal level of the incentive participants shall be determined according to the results of the comprehensive performance appraisal, and the incentive participants shall exercise the share options in phases in accordance with the prescribed exercise ratio within the exercise period of the share options.

Details of the initial grant of restricted shares:

(1) Grant date: 26 May 2022; payment of capital contribution was completed on the same date.

(2) Number of shares granted: 18.3341 million restricted shares.

(3) Number of persons being granted: 417.

(4) Exercise price: RMB13.76 per share.

(5) Stock source: The Company issued A shares of common stock to the incentive recipients.

(6) The validity period of the Restricted Share Incentive Plan shall commence from the date of completion of registration of the restricted shares and end on the date when all the restricted shares granted to the incentive participants are fully unlocked, repurchased and deregistered, for a maximum of 72 months. The reserved portion shall be granted within 12 months after the consideration and approval of the Restricted Share Incentive Plan by the general meeting of the Company. The restricted shares initially granted under the Restricted Share Incentive Plan were unlocked in four tranches, with the corresponding restriction periods being 12 months, 24 months, 36 months and 48 months from the date of initial grant respectively. For the restricted shares granted, the Company and the incentive participants can only unlock the restricted shares if they meet the relevant conditions and

the performance appraisal in four fiscal years of the unlocking period and reach the performance appraisal target. The unlocking ratio specific to the performance appraisal level of the incentive participants shall be determined according to the results of the comprehensive performance appraisal. Restricted shares that cannot be unlocked by the incentive participants in the current period due to performance appraisal are repurchased and cancelled by the Company, and the repurchase price is the sum of the grant price plus the interest of bank deposits for the same period.

2. Equity-settled share-based payments

On the balance sheet date, the Company revised the number of share options available for exercise according to the latest changes in the number of available options, the completion of performance indicators and other subsequent information, and recorded the services acquired in the current period into the relevant costs or expenses and capital reserves according to the fair value of the share option on the grant date.

The Company calculated the fair value of the share option based on the Black-Scholes model and estimated the share options granted this time using the closing price on the grant date as the benchmark price.

Restricted shares are calculated based on the difference between the closing price and the exercise price on the grant date, and the services acquired in the current period are charged to the relevant cost or the expense and capital reserve.

Reasons for any significant difference between current estimate and previous estimate: None.

As of the balance sheet date, the number of share options available for exercise was changed, as detailed in (3) below.

3. Modification and termination of share-based payment

Applicable Not applicable

(1) 2019 Share Option Incentive Plan

1. As approved by the first extraordinary general meeting of the Company for 2019, 6.6 million share options in the 2019 Share Option Incentive Plan would be reserved for the incentive targets that have not been identified in 12 months after the incentive plan. The reserved interests expired on 14 August 2020, and the number of granted options was confirmed as 59.40 million.

2. The 3rd meeting of the Tenth Board of Directors and the 3rd meeting of the Tenth Board of Supervisors held on 24 August 2020 reviewed and approved the Proposal on Adjusting the Exercise Price and Quantity of the Company's 2019 Share Option Incentive Plan. Because the distribution for 2019 had been completed, it was approved to adjust the exercise price of the share options that had been granted but had not been exercised from RMB11.29 per share to RMB7.70 per share, and the number of options for exercise from 59.4 million to 86.13 million.

3. In 2020, the compound growth rate of the Company's operating revenue was lower than 10%, and the compound growth rate of the consolidated operating revenue of lithium battery business was lower than 20%, which did not meet the performance assessment target of the second exercise period and the exercise conditions. Therefore, the options granted for the second exercise period, 28.2602 million shares, were no longer recognized as exercisable, and the equity incentive expenses were adjusted correspondingly.

4. The 16th meeting of the Tenth Board of Directors and the 11th meeting of the Tenth Board of Supervisors held on 11 June 2021 reviewed and approved the Proposal on Adjusting the Exercise Price of the Company's 2019 Share Option Incentive Plan. Because the distribution for 2020 had been completed on 11 June 2021, it was approved to adjust the exercise price of the share options that had been granted but had not been exercised from RMB7.70 per share to RMB7.61 per share.

5. The 30th meeting of the Tenth Board of Directors and the 20th meeting of the Tenth Board of Supervisors held on 26 May 2022 reviewed and approved the Proposal on Adjusting the Exercise Price the Company's 2019 Share Option Incentive Plan. Because the distribution for 2021 had been completed on 25 May 2022, it was approved to adjust the exercise price of the share options that had been granted but had not been exercised from RMB7.61 per share to RMB7.28 per share.

(2) 2022 Share Option and Restricted Share Incentive Plan

The 30th meeting of the Tenth Board of Directors and the 20th meeting of the Tenth Board of Supervisors held on 26 May 2022 reviewed and approved the Proposal on Adjusting the Exercise Price of the Share Options and Cancelling Some Options under the Company's 2022 Share Option

and Restricted Share Incentive Plan and the Proposal on Adjusting the List of Incentive Targets, Grant Price and Quantity of the Restricted Shares under the Company's 2022 Share Option and Restricted Share Incentive Plan. Because the distribution for 2021 had been completed on 25 May 2022, the Board of Directors agreed to adjust the exercise price of the share options under the incentive plan from RMB28.18 per share to RMB27.85 per share, and the grant price of the restricted shares from RMB14.09 per share to RMB13.76 per share.

XIV. Commitment and Contingencies

1. Important commitments

√Applicable □Not applicable

Significant external commitments existing at the balance sheet date, nature and amount

(All units are in RMB if not otherwise stated)

(1) Mortgaged assets:

Item	Original value of collateral	Net value of collateral	
Intangible assets — borrowings mortgage	27,538,698.00	24,371,747.73	Note 1
Fixed assets — borrowings mortgage	797,518,942.38	725,693,553.22	Note 1
Fixed assets — financial lease	2,327,812,125.17	1,761,779,525.04	Note 2
Total	3,152,869,765.55	2,511,844,825.99	

Note 1: The details of mortgage credit to banks with assets are as follows:

Item	Net value of collateral	Beneficiary banks	Credit terms	Credit limit	Short-term borrowing balance	Balance of long-term borrowings due within one year	Long-term borrowing balance	Total use amount of credit
House, land	115,035,911.99	Qujiang Agricultural and Commercial Bank, Nanhui Sub-branch	Mortgage	113,398,800.00	38,000,000.00			73,000,000.00
		CCB Quzhou Branch			18,000,000.00			
		CCB Quzhou Branch			17,000,000.00			
House	635,029,388.96	The Export-Import Bank of China Ningbo Branch	Mortgage	400,000,000.00			206,000,000.00	194,000,000.00
Total	750,065,300.95			513,398,800.00	73,000,000.00		206,000,000.00	267,000,000.00

Note 2: The subsidiaries of Ningbo Ulica Solar Energy Technology Development Co., Ltd., Inner Mongolia Shanshan New Material Co., Ltd., Inner Mongolia Shanshan Technology Co., Ltd., Fujian Shanshan Technology Co., Ltd., Shanghai Shanshan Technology Co., Ltd., Ningbo Shanshan New Material Technology Co., Ltd., Shanshan New Material (Quzhou) Co., Ltd. and Chenzhou Shanshan New Material Co., Ltd. rented the equipment in the form of financial lease. As of the end of the period, the situation is as follows:

Company	Net value of fixed assets	Balance of long-term accounts payable due within one year	Balance of long-term account payable	Other current liabilities
Subsidiaries of Ningbo Ulica Solar Energy Technology Development Co., Ltd.	613,709,656.65	95,367,695.42	175,558,481.50	
Shanshan New Material (Quzhou) Co., Ltd.	35,556,641.73	20,357,966.32	2,764,584.73	
Inner Mongolia Shanshan New	248,522,609.97	65,753,113.78	7,571,541.96	

Material Co., Ltd.				
Inner Mongolia Shanshan Technology Co., Ltd.	424,257,129.69	295,809,006.00	106,300,264.20	
Fujian Shanshan Technology Co., Ltd.	135,552,670.74	23,333,333.34	101,156,222.22	
Chenzhou Shanshan New Material Co., Ltd.	150,943,860.90	30,108,766.38	120,895,426.07	
Shanghai Shanshan Technology Co., Ltd.	36,330,830.03	33,768,248.54	73,787.88	
Ningbo Shanshan New Material Technology Co., Ltd.	116,906,125.33			96,806,761.29
Total	1,761,779,525.04	564,498,129.78	514,320,308.56	96,806,761.29

(2) Pledged assets

Pledged assets	Carrying amount	Contents of guaranteed debts
Other cash balances — bank acceptance deposit	1,293,765,665.06	Bank acceptance bill issued
Other cash balances — letter of credit deposit	134,015,491.13	Letter of credit issued
Other cash balances — guarantee deposit	34,600,000.00	Guarantee issued
Other cash balances — other deposits	2,450,513.83	Photovoltaic borrowings deposit
Accounts receivable	13,805,599.36	Borrowings
Long term equity investment — Suzhou Shanjin equity Note 1	6,395,630,229.28	Borrowings
Subtotal	7,874,267,498.66	

Note 1: In the year, Ningbo Shanshan Co., Ltd. pledged 70% equity of ShanJin Optoelectronics (Suzhou) Co., Ltd. to Ningbo Branch of China Merchants Bank Co., Ltd. to obtain borrowings. As of the end of the period, the situation is as follows:

Restricted items	Creditor	Pledge amount	Long-term borrowings	Non-current liabilities due within one year
Long term equity investment — Suzhou Shanjin equity	The syndicate formed by Ningbo Branch of China Merchants Bank Co., Ltd., Ningbo Branch of China Construction Bank Co., Ltd. and Zhangjiang Science and Technology Branch of Shanghai Rural Commercial Bank Co., Ltd.	6,395,630,229.28	1,427,340,000.00	

Note 2: In addition, ten subsidiaries engaged in distributed photovoltaic power plants borrowed from banks by pledging the future usufructs of the power sales contracts signed with the State Grid to the banks, with Ningbo Shanshan Co., Ltd. as the guarantor.

Subject of borrowings contract	Pledge and mortgage		Balance of borrowings	
	Item	Scale of relevant power stations	Long-term borrowings due within 1 year	Long-term borrowings
Subsidiaries of Ningbo Ulica Solar Energy Technology Development Co., Ltd.	Beneficial right of distributed solar photovoltaic power stations	The total installed capacity is 93.914MW	34,704,822.78	164,602,307.97

(3) Outstanding letters of credit

Currency	Amount in original currency
Japanese yen	5,045,057,730.00
USD	2,201,669.00
RMB	193,500,000.00

(4) Outstanding letters of guarantee

Category	Currency	Amount in original currency
Aggregate taxation guarantee	RMB	27,000,000.00
Quality guarantee	RMB	7,600,000.00

(5) Agreed expenditure

The main expenditure items agreed in the contract signed by the company are as follows:

Item	Content	Contract amount
Cathode Project (Meishan)	Equipment	1,301,809,189.48
	Exploration design	12,921,339.56
	Civil works	211,402,810.00
	Subtotal	1,526,133,339.04
Relocation and reconstruction of polarizer Guangzhou Korean production line (3#, 4#)	Workshop construction	80,895,330.00
	Equipment	266,401,818.31
	Subtotal	347,297,148.31
Purchase of 30% equity held by LG Chemical subsequent to polarizer acquisition	Purchase of 5% in 2022	US\$ 74.0850 million
	Purchase of 10% in 2023	US\$ 126.0720 million
	Purchase of 15% in 2024	US\$ 204.8670 million
	Subtotal	US\$ 405.0240 million
Acquisition of polarizer business from Taiwan, China	Subtotal of purchase of polarizer business and related assets from Taiwan, China, which was owned by LG Chemical	US\$ 49.4000 million

2. Contingencies**(1). Significant contingencies existing as at the balance sheet date**

√Applicable □Not applicable

(All units are in RMB if not otherwise stated)

① Guarantee item

Guaranteed unit	Total guarantee	Balance of guaranteed borrowings (with margin deducted)	Balance of guarantee for issuing bank acceptance bill (with bill margin deducted)	Letter of credit (with margin deducted) and others	Financial lease	Actual use limit at the end of the period
Subsidiaries within the consolidation scope guaranteed by the company	9,505,987,658.94	3,363,221,296.66	1,070,194,448.08	503,436,485.64	1,607,268,987.27	6,544,121,217.65
Subsidiaries within the consolidation scope guaranteed mutually	270,235,665.40	30,000,000.00	70,000,000.00		103,131,671.42	203,131,671.42
Company guaranteed by subsidiaries within the consolidation scope.	950,000,000.00	460,000,000.00				460,000,000.00
Company	5,100,000,000.00	3,527,340,000.00				3,527,340,000.00

guaranteed by non-consolidated related parties						
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② Pending litigation

Litigation with the company as the plaintiff

Plaintiff	Defendant	Prosecution time	Amount of litigation	Book amount receivable at the end of the period	Proportion of accrued bad debt reserves (%)	Case progress
Ningbo Ulica Solar Energy Co., Ltd.	ZJ Co., Ltd.	Year 2020	Pay for the balance payment of goods, interest, guarantee fee and lawyer's fee, totaling RMB 1,106,974.02	995,490.63	61.3	Still in arbitration
Chenzhou Shanshan New Material Co., Ltd.	Ningbo Kerongsheng Machinery Co., Ltd. (宁波科容盛机械有限公司)	Year 2021	RMB 4,720,186.63 for breach of contract; RMB 15,279,813.37 for damages; litigation costs, lawyer's fees, preservation costs and other expenses incurred by the Company in connection with the case	The trial is still in progress and the result cannot be predicted		In the first instance trial

Litigation with the company as the defendant

Plaintiff	Defendant	Prosecution time	Litigation request	Provisions	Case progress
GT Company Limited	Ningbo Ulica Solar Energy Co., Ltd.	Year 2020	Compensate for economic losses, estimated losses, appraisal fee and lawyer's fee, totaling RMB 7,889,079.58	It is still in arbitration and the result cannot be predicted	Still in arbitration
Guangzhou Jingyi Automobile Air Conditioning Co., Ltd.	Ningbo Qingshan Automobile Co., Ltd.	Year 2021	Pay RMB 2.36 million to Inner Mongolia Qingshan for the outstanding goods payment, with the overdue fine compensated at 0.05% per day. Ningbo Qingshan is required to pay off on its behalf since it withdrew the capital from Inner Mongolia Qingshan.	RMB 1.25 million (overdue fine)	The second trial rejected the appeal and upheld the original verdict, and the Company intends to file a retrial application to the Supreme Court.

Pending litigation with the company as a third party

Plaintiff	Defendant	The third party in the litigation	Prosecution time	Litigation request	Case progress
Shaanxi Zhongdian Jingtai Electronic Engineering Co., Ltd.	Zhejiang Dongfu Plastic Technology Co., Ltd.	Shanshan New Material (Quzhou) Co., Ltd.	Year 2020	The plaintiff sued the defendant for the dispute over the <i>Construction Contract</i> with the defendant and asked the defendant to repay the project settlement payment paid by the plaintiff, totaling RMB 13,402,861.18. The plaintiff requested that the Company be added as a third party without independent claim in the above construction contract dispute case.	In the first instance trial

③ Significant litigation cases that have been closed or settled but not implemented

Plaintiff	Defendant	Amount of litigation	Carrying amount at the	Proportion of accrued provision	Case progress
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			end of the period	for asset impairment (%)	
Shanghai Shanshan Technology Co., Ltd.	Customer ZX	10,938,575.00	6,958,959.00	100	Enforcement in progress

XV. Matters after the Balance Sheet Date

1. Important non-adjusting matters

The Company plans to issue GDRs overseas and get listed on the Swiss Stock Exchange within the Reporting Period, and to complete the GDR issuance and listing on 28 July 2022 in order to expand its international financing channels, meet the needs of its business development at home and abroad, and enhance its international brand and corporate image. The number of GDRS issued by the Company is 15,442,300, representing 77,211,500 A shares of the underlying security, raising some USD 319 million.

2. Profit distribution

Applicable Not Applicable

XVI. Other Important Matters

1. Correction of previous accounting errors

Applicable Not applicable

2. Segment information

(1). Basis of determination of report segments and accounting policies

Applicable Not applicable

Each of the Company's report segments provides different products or services, or operates in different geographic areas. Because each segment requires a different technology or market strategy, the Company's Management Layer manages the operating activities of each report segment separately and periodically evaluates the operating results of these report segments to determine the allocation of resources to them and to evaluate their performance.

Inter-segment transfer prices are determined on the basis of actual transaction prices, and costs indirectly attributable to each segment are allocated among the segments on an inter-segment basis. Assets are allocated based on the operations of the segment and the location of the assets. Segment liabilities include liabilities attributable to the segment resulting from the segment's operating activities. If the costs associated with liabilities shared by multiple operating segments are allocated to those operating segments, the shared liability is also allocated to those operating segments.

(2). Financial information for report segments

√Applicable □Not applicable

Unit: Yuan Currency: RMB

Item	Polarizer segment	Anode material	Electrolyte material	New energy vehicle	Energy management	Investment	Others	Inter-segment offset	Total
I. Foreign transaction income	5,824,777,729.41	3,567,722,055.45	511,264,602.42	32,768,321.35	808,658,740.49		67,421,975.70		10,812,613,424.82
II. Operating income from inter-segment transactions								-40,679,219.67	-40,679,219.67
III. External transaction cost	4,176,318,319.36	2,760,317,971.18	337,182,070.22	31,105,886.76	729,461,221.19		5,820,090.88		8,040,205,559.59
IV. Inter-segment transaction cost								-21,388.84	-21,388.84
V. Share of profit of associates and joint ventures		18,145,469.14		-4,618,089.42		762,491.27	440,290,997.13		454,580,868.12
VI. Credit impairment loss	11,386,804.62	3,199,541.64	-8,208,720.02	-5.17			217,177.20	8,933,978.38	15,528,776.65
VII. Assets impairment loss	32,272,302.35	-76,279.04	1,563,528.43						33,759,551.74
VIII. Depreciation and amortisation expenses	270,684,987.02	148,805,496.34	27,926,798.77	10,975,711.91	56,781,702.31	4,963,610.46	19,198,166.38		539,336,473.19
IX. Total profit (total loss)	1,054,303,823.29	474,710,024.66	134,334,857.42	-12,564,949.97	17,879,942.43	8,117,729.08	396,372,426.82	-28,696,408.79	2,044,457,444.94
X. Income tax expenses	246,843,590.61	48,175,477.23	21,303,458.81		2,544,599.68	-3,025,787.47	369,849.97		316,211,188.83
XI. Net profit (net loss)	807,460,232.68	426,534,547.43	113,031,398.61	-12,564,949.97	15,335,342.75	11,143,516.55	396,002,576.85	-28,696,408.79	1,728,246,256.11
XII. Total assets	13,531,267,412.66	14,455,183,940.67	1,194,541,496.08	599,929,260.25	2,253,478,787.21	2,066,952,451.03	44,603,050,433.39	36,401,959,096.89	42,302,444,684.40
XIII. Total liabilities	4,394,652,799.40	7,376,354,708.43	711,737,603.73	1,038,997,059.78	1,765,291,990.38	72,969,418.10	14,267,629,639.04	-8,693,840,253.44	20,933,792,965.42
Long-term equity investments in associates and joint ventures		73,597,534.24		160,211,787.62		174,404,499.75	6,309,999,473.59		6,718,213,295.20
Increase in non-current assets other than long-term equity investments	572,573,675.15	2,171,090,287.31	50,279,869.67	-90,426,459.49	-50,150,046.52	119,997,004.95	1,837,557,422.68	-2,469,274,783.53	2,141,646,970.22

XVII. Notes to Major Items of Financial Statements of the Parent Company**1. Accounts receivable****(1). Disclosure by aging**

√Applicable □Not applicable

Unit: Yuan Currency: RMB

Aging	Book balance at the end of the period
Within 1 year	6,870,726.12
Subtotal within one year	6,870,726.12
1-2 years	
2-3 years	332,443.00
3-4 years	
4-5 years	40,118.46
Over 5 years	1,135,317.45
Subtotal	8,378,605.03
Less: Bad debt provision	1,618,705.12
Total	6,759,899.91

(2). Disclosure by bad debt provision method

√Applicable □Not applicable

Unit: Yuan Currency: RMB

Category	Ending balance					Opening balance				
	Book balance		Provision for bad debts		Book value	Book balance		Provision for bad debts		Book value
	Amount	Proportion (%)	Amount	Withdrawal ratio (%)		Amount	Proportion (%)	Amount	Withdrawal ratio (%)	
Provision for bad debts is made on an individual basis	596,791.98	7.12	596,791.98	100.00		596,791.98	17.11	596,791.98	100.00	
Of which:										
Accounts receivable whose amounts are not considered individually significant but whose bad debt provision shall be withdrawn individually	596,791.98	7.12	596,791.98	100.00		596,791.98	17.11	596,791.98	100.00	
Provision for bad debts made on a portfolio basis	7,781,813.05	92.88	1,021,913.14	13.13	6,759,899.91	2,890,873.11	82.89	804,735.94	27.84	2,086,137.17
Of which:										
Combination of related parties	3,695,385.58	44.11	664,542.27	17.98	3,030,843.31	1,655,303.41	47.46	623,064.51	37.64	1,032,238.90
Account age portfolio	4,086,427.47	48.77	357,370.87	8.75	3,729,056.60	1,235,569.70	35.43	181,671.43	14.70	1,053,898.27
Total	8,378,605.03	/	1,618,705.12	/	6,759,899.91	3,487,665.09	/	1,401,527.92	/	2,086,137.17

Provision for bad debts is made on an individual basis

√Applicable □Not applicable

Unit: Yuan Currency: RMB

Name	Ending balance			
	Book balance	Bad debt provision	Withdrawal ratio (%)	Withdrawal reason
Ningbo Modun Clothing Co., Ltd.	73,576.21	73,576.21	100	Not expected to be recovered
Ningbo RENOMA Clothing Co., Ltd.	307,134.00	307,134.00	100	Not expected to be recovered
Ningbo Kuwa Clothing Co., Ltd.	216,081.77	216,081.77	100	Not expected to be recovered
Total	596,791.98	596,791.98	100	

Provision for bad debts is made on a portfolio basis:

√Applicable □Not applicable

Combined provision items: account age portfolio

Unit: Yuan Currency: RMB

Name	Ending balance		
	Accounts receivable	Bad debt provision	Withdrawal ratio (%)
Within 1 year	3,732,890.70	186,644.54	5.00%
1-2 years			

2-3 years	261,157.77	78,347.33	30.00%
3-4 years			
4-5 years			
Over 5 years	92,379.00	92,379.00	100.00%
Total	4,086,427.47	357,370.87	

(3). Bad debt provision

√Applicable □Not applicable

Unit: Yuan Currency: RMB

Category	Opening balance	Changes in amount for the current period				Ending balance
		Accrual	Recovery or reversal	Transfer or write-off	Other changes	
Bad debt provision	1,401,527.92	217,177.20				1,618,705.12
Total	1,401,527.92	217,177.20				1,618,705.12

(4). Other accounts receivable ranking the top five in the ending balance summarized by the debtors

√Applicable □Not applicable

Unit: Yuan Currency: RMB

Unit name	Ending balance		
	Accounts receivable	Percentage of total accounts receivable (%)	Bad debt provision
Ningbo Ulica Solar Energy Co., Ltd.	2,287,612.99	27.30	114,380.65
Shanshan Brand Management Co., Ltd.	1,155,710.63	13.79	57,785.53
Shanghai Shanshan New Energy Technology Co., Ltd.	750,249.97	8.95	37,512.50
Ningbo Shanshan Fashion Co., Ltd. (宁波杉杉时装有限公司)	643,087.08	7.68	32,154.35
Ningbo Shanshan Automobile Co., Ltd.	557,550.16	6.65	557,550.16
Total	5,394,210.83	64.38	799,383.19

2. Other receivables**Presentation of items**

√Applicable □Not applicable

Unit: Yuan Currency: RMB

Item	Ending balance	Opening balance
Interest receivable		
Dividend receivable		
Other receivables	6,028,351,233.78	5,428,005,807.30
Total	6,028,351,233.78	5,428,005,807.30

Other receivables**(1). Disclosure by aging**

√Applicable □Not applicable

Unit: Yuan Currency: RMB

Aging	Book balance at the end of the period
Within 1 year	6,110,672,612.88
Subtotal within 1 year	6,110,672,612.88
1-2 years	32,051,987.50
2-3 years	65,224,054.18
3-4 years	7,181,293.28
4-5 years	2,246,355.50
Over 5 years	24,213,392.42
Less: Bad debt provision	-213,238,461.98
Total	6,028,351,233.78

(2). Classified disclosure by bad debt provision method

Unit: Yuan Currency: RMB

Type	Ending balance					Balance at the beginning of the year				
	Carrying amount	Percentage of total(%)	Bad debt provision	Percentage of bad debt provision (%)	Book value	Carrying amount	Percentage of total(%)	Bad debt provision	Percentage of bad debt provision (%)	Book value
Provision for bad debts is made on an individual basis	93,674,447.92	1.50	44,459,510.17	47.46	49,214,937.75	104,200,166.92	1.84	46,801,059.67	44.91	57,399,107.25
Of which:										
Accounts receivable whose amounts are not considered individually significant but whose bad debt provision shall be withdrawn individually	93,674,447.92	1.50	44,459,510.17		49,214,937.75	104,200,166.92	1.84	46,801,059.67	44.91	57,399,107.25
Provision for bad debt by portfolio	6,147,915,247.84	98.50	168,778,951.81	2.75	5,979,136,296.03	5,548,839,979.09	98.16	178,233,279.04	3.21	5,370,606,700.05
Total	6,241,589,695.76	100.00	213,238,461.98	/	6,028,351,233.78	5,653,040,146.01	100.00	225,034,338.71	/	5,428,005,807.30

Provision for bad debts is made on an individual basis:

Unit: Yuan Currency: RMB

Name	Ending balance				Provision reason
	Book balance	Provision for bad debts	Withdrawal ratio (%)		
Li Xinghua	10,203,260.00	2,040,652.00	20.00		The possibility of recovery is expected to be small
Ningbo Liankangcai Brand Management Co., Ltd.	49,911,440.00	9,982,288.00	20.00		The possibility of recovery is expected to be small
Ningbo Shanshan Suyu Clothing Co., Ltd.	10,162,742.46	10,162,742.46	100.00		The possibility of recovery is expected to be small
Ningbo Modun Clothing Co., Ltd.	13,404,518.87	13,404,518.87	100.00		The possibility of recovery is expected to be small
Beijing Shanshan Kaili New Energy Technology Co., Ltd.	7,100,000.00	7,100,000.00	100.00		The possibility of recovery is expected to be small
Ningbo Liweineng Energy Storage System Co., Ltd.	2,246,355.50	1,123,177.75	50.00		The possibility of recovery is expected to be small
Other sporadic customers	646,131.09	646,131.09	100.00		The possibility of recovery is expected to be small
Total	93,674,447.92	44,459,510.17			

Provision for bad debts is made on a portfolio basis:

Unit: Yuan Currency: RMB

Name	Ending balance		
	Other receivables	Provision for bad debts	Withdrawal ratio (%)
Combination of related parties	6,142,823,201.14	168,531,843.70	2.74
Portfolio of security deposit and deposit	37,000.00	1,850.00	5.00
Portfolio of collection and payment of personal social security in advances	149,884.62		
Portfolio of advances other than social security	4,851,156.74	242,557.84	5.00
Portfolio of reserve and personal borrowings	54,005.34	2,700.27	5.00
Total	6,147,915,247.84	168,778,951.81	

(3). Breakdown by nature of payments

Applicable Not applicable

Unit: Yuan Currency: RMB

Nature of funds	Book balance at the end of the period	Book balance at the beginning of the Reporting Period
Combination of related parties	6,143,469,332.23	5,547,041,876.67
Borrowings of former subsidiaries exiting the consolidation scope	22,750,874.37	23,538,893.37
Equity transfer receivables	70,277,442.46	80,015,142.46
Security deposit, deposit	37,000.00	244,185.70
Portfolio of reserve and personal borrowings	54,005.34	34,000.00
Advances	5,001,041.36	2,166,047.81
Total	6,241,589,695.76	5,653,040,146.01

(4). Provision for bad debt

Applicable Not applicable

Unit: Yuan Currency: RMB

Bad debt provision	Phase I	Phase II	Phase III	Total
	Expected credit losses for the next 12 months	Expected credit losses for the entire duration (no credit impairment occurred)	Expected credit losses for the entire duration (with credit impairment occurred)	
Balance as of 1 January 2022	178,233,279.04	15,487,667.25	31,313,392.42	225,034,338.71
Balance as of 1 January 2022 in the current period	178,233,279.04	15,487,667.25	31,313,392.42	225,034,338.71
— Transferred to Phase II				
— Transferred to Phase III				
— Transferred back to Phase II				
— Transferred back to Phase I				
Current provision				
Current reversal	-9,454,327.23	-2,341,549.50		-11,795,876.73
Current reselling				
Current write-off				
Other changes				
Balance as of 30 June 2022	168,778,951.81	13,146,117.75	31,313,392.42	213,238,461.98

(5). Provision for bad debt

√Applicable □Not applicable

Unit: Yuan Currency: RMB

Category	Opening balance	Amount of change in the current period				Ending balance
		Accrual	Recovery or reversal	Transfer or write-off	Other changes	
Bad debt provision	225,034,338.71		11,795,876.73			213,238,461.98
Total	225,034,338.71		11,795,876.73			213,238,461.98

(6). Other accounts receivable ranking the top five in the ending balance summarized by the debtors

√Applicable □Not applicable

Unit: Yuan Currency: RMB

Unit name	Nature of amount	Ending balance	Aging	Proportion in total of ending balance of other receivables (%)	Provision for bad debts Ending balance
Ningbo Shanshan New Energy Technology Development Co., Ltd.	Consolidated current accounts of related parties	3,723,655,592.74	Within 1 year	61.77	
Ningbo Shanshan Electric Vehicle Technology Development Co., Ltd.	Consolidated current accounts of related parties	599,160,401.11	Within 1 year	9.94	
Shanghai Shanshan New Material Co., Ltd.	Consolidated current accounts of related parties	340,000,000.00	Within 1 year	5.64	
Inner Mongolia Qingshan Automobile Co., Ltd.	Consolidated current accounts of related parties	298,810,846.89	Within 1 year	4.96	149,405,423.45
Ningbo Shanshan New Material Technology Co., Ltd.	Consolidated current accounts of related parties	217,588,608.69	Within 1 year	3.61	
Total	/	5,179,215,449.43	/	85.90	149,405,423.45

3. Long-term equity investment

√Applicable □Not applicable

Unit: Yuan Currency: RMB

Item	Ending balance			Opening balance		
	Book balance	Provision for impairment	Book value	Book balance	Provision for impairment	Book value
Investments in subsidiaries	10,397,959,188.31		10,397,959,188.31	10,392,959,188.31		10,392,959,188.31
Investments in associates and joint ventures	2,606,718,013.09	137,050,000.00	2,469,668,013.09	2,555,193,232.01	137,050,000.00	2,418,143,232.01
Total	13,004,677,201.40	137,050,000.00	12,867,627,201.40	12,948,152,420.32	137,050,000.00	12,811,102,420.32

(1) Investments in subsidiaries

√Applicable □Not applicable

Unit: Yuan Currency: RMB

Name of investees	Opening balance	Increase in the current period	Decrease in the current period	Ending balance	Provision for impairment in the current period	Ending balance of provision for impairment
Ningbo Shanshan Tongda Trading Co., Ltd.	2,000,000.00			2,000,000.00		
Ningbo Shanshan Electric Vehicle Technology Development Co., Ltd.	486,918,700.00			486,918,700.00		
Shanghai Tunheng Trading Co., Ltd.	47,500,000.00			47,500,000.00		
Shanghai Shanshan Garment Co., Ltd.	72,000,000.00			72,000,000.00		
Ningbo Shanshan New Energy Technology Development Co., Ltd.	497,262,110.45			497,262,110.45		
Ningbo Shanshan Venture Capital Investment Co., Ltd.	1,000,000,000.00			1,000,000,000.00		
Hong Kong Shanshan Resources Co., Ltd.	314,542,830.00			314,542,830.00		
Ningbo Ulica Solar Energy Technology Development Co., Ltd.	198,440,453.92			198,440,453.92		
Ningbo Weihang Trading Co., Ltd.	5,000,000.00		5,000,000.00			
Ningbo Yuanzhong Investment Co., Ltd. (宁波源中投资有限公司)	1,500,000.00			1,500,000.00		
Shanshan Fashion Industrial Park Suqian Co., Ltd.	59,941,524.23			59,941,524.23		
ShanJin Optoelectronics (Suzhou) Co., Ltd.	7,105,225,600.00			7,105,225,600.00		
Shanghai Shanshan New Energy Technology Co., Ltd.	102,627,969.71			102,627,969.71		
Ningbo Yongshan Lithium Industry Co., Ltd.	500,000,000.00			500,000,000.00		
Ningbo Haoheng Trading Co., Ltd. (宁波浩衡贸易有限公司)		10,000,000.00		10,000,000.00		
Total	10,392,959,188.31	10,000,000.00	5,000,000.00	10,397,959,188.31		

(2) Investments in associates and joint ventures

√Applicable □Not applicable

Unit: Yuan Currency: RMB

Investees	Opening balance	Increase and decrease in the current period								Ending balance	Ending balance of impairment provision
		Increase in investment	Decrease in investment	Investment profit or loss recognized under equity method	Adjustment of other comprehensive income	Change in other equities	Cash dividends or profit declared to be issued	Provision for impairment	Others		
II. Associates											
Ningbo Shanqi Property Services Co., Ltd.	38,809,284.23			-348,068.76						38,461,215.47	
Zhejiang Chouzhou Commercial Bank Co., Ltd.	1,386,851,462.42			62,837,639.66	-303,377.64					1,449,385,724.44	137,050,000.00
Shanshan Brand Management Co., Ltd.	40,967,397.77			-2,386,404.62						38,580,993.15	
Shenzhen Yuanshan Private Equity Investment Management Co., Ltd.	4,936,082.35			540,673.13						5,476,755.48	
Suiyong Holdings Co., Ltd.	946,579,005.24			-8,815,680.69						937,763,324.55	
Subtotal	2,418,143,232.01			51,828,158.72	-303,377.64					2,469,668,013.09	137,050,000.00
Total	2,418,143,232.01			51,828,158.72	-303,377.64					2,469,668,013.09	137,050,000.00

4. Operating income and operating cost**(1). Operating income and operating costs**

√Applicable □Not applicable

Unit: Yuan Currency: RMB

Item	Amount incurred in the current period		Amount incurred in the previous period	
	Income	Cost	Income	Cost
Main business				
Other business	66,052,919.20	5,135,043.72	23,039,926.30	9,808,138.48
Total	66,052,919.20	5,135,043.72	23,039,926.30	9,808,138.48

Breakdown of operating income:

Unit: Yuan Currency: RMB

Item	Amount incurred in the current period	Amount incurred in the previous period
Main business income		
Other operating income	66,052,919.20	23,039,926.30
Of which: Subsidiaries' financing services revenue Note	44,520,579.03	7,932,000.87
Housing rental income	21,532,340.17	15,107,925.43
Others		
Total	66,052,919.20	23,039,926.30

Note: Interest, guarantee fees and financing service fees charged to subsidiaries within the scope of consolidation.

5. Investment income

√Applicable □Not applicable

Unit: Yuan Currency: RMB

Item	Amount incurred in the current period	Amount incurred in the previous period
Long-term equity investment incomes accounted by the cost method		
Long-term equity investment incomes accounted by the equity method	52,144,712.40	57,505,059.08
Investment incomes generated from disposal of long-term equity investment		1.00
Investment income on trading financial assets		
Dividend income earned during the holding period of investments in other equity instruments		438,974.67
Interest income earned during the holding period of debt investments		
Interest income earned during the holding period of other debt investments		
Investment income from disposal of trading financial assets		
Investment income from disposal of investments in other equity instruments		
Investment income from disposal of debt investment		
Investment income from disposal of other debt investments		
Income from debt restructuring		
Total	52,144,712.40	57,944,034.75

XVIII. Supplementary Information**1 Breakdown of non-recurring gains and losses**

√Applicable □Not applicable

Unit: Yuan Currency: RMB

Item	Amount	Explanation
Profit and loss on disposal of non-current assets	194,540,089.46	Mainly attributable to the investment income from the transfer of equity interest in Hunan Yongshan Lithium Industry Co., Ltd. during the period
Government subsidies recognized in profit or loss for the current period (except those closely related to the business of the enterprise and enjoyed in a fixed or quantitative amount according to the national uniform standard)	58,074,551.13	
Non-operating income and expenses other than those mentioned above	4,735,860.29	
Other profit and loss items that meet the definition of non-recurring profit and loss		
Less: Amount impacted by income tax	-13,089,092.77	
Affected amount of non-controlling interest (after tax)	-3,582,600.43	
Total	240,678,807.68	

2 Return on net assets and earnings per share

√Applicable □Not applicable

Profit during the Reporting Period	Weighted average return on net assets (%)	Earnings per share	
		Basic earnings per share	Diluted earnings per share
Net profits attributable to common shareholders of the Company	8.419	0.774	0.774
Net profits attributable to common shareholders of the Company after deducting extraordinary profit and loss	7.199	0.662	0.662

3 Discrepancies in Accounting Data under Domestic Accounting Standards and Overseas Accounting Standards

□Applicable √Not Applicable

Chairman: Zheng Yonggang

Date of approval by the Board of Directors: 11 August 2022