

Stock Code: 600884

Abbreviation: NBSS

# **Ningbo Shanshan Co., Ltd. Interim Report 2025**

## **Important Notes**

**I. The Board of Directors, directors 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 of the Company attended the meetings of the Board of Directors in person.**

**III. The Interim Report is not yet audited.**

**IV. Zhou Ting, Chairman of the Company, Li Kebin, Chief Financial Officer of the Company, and Xu Lie, Person in Charge of the Accounting Office (Head of the Accounting Department), hereby warrant the truthfulness, accuracy and completeness of the financial statements contained in this Interim 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 other 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 this 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 first half of 2025
CSRC	China Securities Regulatory Commission
The SSE	Shanghai Stock Exchange
Jinzhou Court	The People's Court of Yinzhou District of Ningbo City, Zhejiang Province
the Company or Shanshan or Ningbo Shanshan Co., Ltd	Ningbo Shanshan Co., Ltd.
GDR	Global depository receipt
2022 Equity Incentive Plan	2022 Share Options and Restricted Share Incentive Plan
SP business	Special polarizer products that can be used for organic light emitting diode (OLED) displays, automotive LCD business and high-end IT LCD polarizer products
EIA	Environment Impact Assessment
Shanshan Holdings	Shanshan Holdings Co., Ltd.
Shanshan Group	Shanshan Group Co., Ltd.
Pengze Trading	Ningbo Pengze Trading Co., Ltd.
Yinzhou Jielun	Ningbo Yinzhou Jielun Investment Co., Ltd.
Shanshan Technology	Shanghai Shanshan Technology Co., Ltd.
Yongquan Investment	Ningbo Yongquan Investment Co., Ltd.
Shanshan New Energy	Ningbo Shanshan New Energy Technology Development Co., Ltd.
Quzhou Shanshan	"Shanshan Advanced Materials (Quzhou) Co., Ltd.", the Company's former electrolyte subsidiary, renamed as Sunyes Shanshan Advanced Materials (Quzhou) Co., Ltd.
Sunyes Manufacturing	Sunyes Manufacturing (Zhejiang) Holding Co., Ltd.
Sunyes Zhongning	Zhejiang Sunyes Zhongning New Energy Co., Ltd.*
Shanshan Brand Company	Shanshan Brand Management Co., Ltd
CMOC	CMOC Group Limited

\* For identification purpose only

## Section II Company Profile and Key Financial Indicators

### I. Company Information

The Chinese name of the Company	宁波杉杉股份有限公司
Chinese abbreviation of the Company	杉杉股份
Foreign name of the Company	NINGBO SHANSHAN CO.,LTD.
Foreign abbreviation of the Company	NBSS
Legal representative of the Company	Zhou Ting

### 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

### 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

### 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	SIX Swiss Exchange	Ningbo Shanshan Co., Ltd.	SSNE
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## VI. 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	9,858,484,315.28	8,819,856,035.91	11.78
Total profit	315,159,414.20	92,563,555.75	240.48
Net profits attributable to shareholders of the listed company	207,308,198.84	17,574,536.66	1,079.59
Net profit attributable to shareholders of the listed company, net of non-recurring profit/loss	168,598,915.72	23,906,435.46	605.24
Net cash flow from operating activities	1,463,129,606.60	691,472,175.58	111.60
	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 (%)
Total assets	45,077,359,818.86	46,207,982,304.59	-2.45
Net assets attributable to shareholders of the listed company	21,854,477,746.48	21,581,444,072.50	1.27
Total share capital at the end of the period	2,249,412,863.00	2,253,396,168.00	-0.18

### (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)	0.096	0.008	1,106.18
Diluted earnings per share (RMB/share)	0.096	0.008	1,106.18
Basic earnings per share after deducting non-recurring profit and loss (RMB/share)	0.078	0.011	613.42
Weighted average return on net assets (%)	0.956	0.078	Increased by 0.878 percentage points
Weighted average return on net assets ratio after deducting non-recurring profit and loss (%)	0.778	0.106	Increased by 0.672 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	Note (if available)
Gains or losses from disposal of non-current assets, including the written-off part for which provision for asset impairment has been made	1,897,094.47	
Governmental subsidies recorded into the current profits or losses, except for those that are closely associated with normal business operations of the enterprise, comply with national policies and regulations, are enjoyed according to established criteria, and have a continuous impact on the profits or losses of the enterprise	59,454,186.84	
Besides the effective hedging business related to normal business operations of the enterprise, gains or losses from changes in fair value of financial assets and financial liabilities as held by non-financial enterprises, as well as gains or losses from the disposal of financial assets and financial liabilities	-18,453,000.00	
Reversal of provision for impairment of receivables separately tested for impairment	4,101,053.98	
Other non-operating income and expenses other than the above items	-1,794,981.37	
Other profit or loss items meeting the definition of non-recurring profits or losses	2,675,600.00	During the Reporting Period, the Company received stock dividends from CMOC.
Less: Impact amount of income tax	3,670,944.49	
Impact amount of minority shareholders'	5,499,726.31	

equity (after tax)		
Total	38,709,283.12	

The reason for the Company defining items not listed in the *Information Disclosure and Presentation Rules for Companies Making Public Offering of Securities No.1 – Non-recurring Profit or Loss* (《公开发行证券的公司信息披露解释性公告第1号——非经常性损益》) as non-recurring profit or loss items with significant amount, and the reason for defining the non-recurring profit or loss items illustrated in the *Information Disclosure and Presentation Rules for Companies Making Public Offering of Securities No.1 – Non-recurring Profit or Loss* (《公开发行证券的公司信息披露解释性公告第1号——非经常性损益》) as recurring profit or loss items should be specified.

☐Applicable ☒Not Applicable

**IX. Net Profit After the Companies with Equity Incentive Plans or Employee Stock Ownership Plans Choose to Disclose the Impact of Deducting Share-Based Payments**

☒Applicable ☐Not Applicable

Unit: Yuan Currency: RMB

Main accounting data	Current reporting period (January to June)	Same period last year (January to June)	Increase or decrease in the current period over the same period of the previous year (%)
Net profit after deducting the impact of share-based payments	185,614,047.37	-8,793,416.17	N/A



## 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 has established a strategic pattern of dual-core businesses—lithium-ion battery anode materials and polarizers—developing synergistically. As the trailblazer in China's artificial graphite anode materials sector for lithium-ion batteries, the Company has dedicated over two decades to the industry, building globally leading R&D and production systems, and solidifying its position as the industry leader in artificial graphite anode materials. In 2021, the Company strategically acquired LG Chem's LCD polarizer business to become the global polarizer leader, while continuously enriching its product matrix and expanding industrial scale, thereby forming a new pattern of dual-core business development. Confronting the global wave of electrification and digitalization, the Company persistently builds technological barriers and strengthens core competitiveness to achieve steady and sustainable development.

#### (I) Anode material business

##### 1. Business profile

The Company's anode materials business covers the R&D, production and sales of anode materials for lithium-ion batteries. The main products of the Company include artificial graphite, natural graphite, and silicon-based anode. All the above products can be primarily applied in NEVs, consumer electronics and energy storage industries, etc.

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

Classification	Product	Application
Anode material	Artificial graphite	Mainly used in the 3C digitals with high-energy density and high-power density, power batteries for EVs and energy storage
	Natural graphite	Mainly used in the 3C digitals with high-energy density and high-power density and power batteries for EVs, including cylinder battery and blending
	Silicon-based anode materials	Mainly used in the 3C digitals with high-energy density, electric tools, and power batteries for EVs

##### 2. Operating model

###### (1) Procurement

The Company adopts a management model combining centralized procurement with onsite procurement.

Centralized procurement is managed through the anode headquarters' supply chain center for pricing, with execution handled by subordinate factories (production bases). Primary categories cover four modules, including bulk raw materials, auxiliary materials for graphitization processes, logistics, and outsourced processing. Onsite procurement development and execution are primarily managed by subordinate factories (production bases).

For centrally procured materials, the Company signs strategic cooperation agreements, cooperation framework agreements, and annual supply contracts with key suppliers based on demand and corporate strategy and with considerations for supply security, price advantages, and joint R&D. This approach

advances strategic supplier partnerships to achieve ensured supply, mutual benefits, and long-term development.

## (2) Production

The Company adheres to the production-to-sales principle to conduct monthly integrated planning based on sales plan, and manages inventory control based on market-driven rolling forecasts and standardized product reserves in order to shorten the delivery cycle, and improve the rate of order fulfillment and customer satisfaction. All departments coordinate closely to meet the market demand with a more flexible production model.

The Company's products primarily employ integrated production, hybrid models combining partial integration with outsourced processing, customized production, technical cooperation and joint R&D and coordinated multi-process production. Through integrated and automated production models, the Company achieves reduced production costs and enhanced production efficiency.

## (3) Sales

The Company, under the mechanism coordinated with the department of sales, R&D, quality, technical support and others, establishes the task groups in light of clients' demand for products, and forms a sales model dominated by sales, guaranteed by R&D and quality and propped up by technical supports, to provide clients with cost-effective products and services. The Company understands clients' needs and keeps abreast of their feedback on product quality, changes in demand for product types and other issues so as to respond quickly, provide better sales and technical services to them, and establish close and efficient cooperation.

# 3. Market status of products

According to ICC, the Company maintained its top position in terms of artificial graphite anode materials production volume during the first half of 2025. Meanwhile, according to Shanghai Metals Market (SMM), in the first half of 2025, anode company Shanshan Technology performed remarkably well in the artificial graphite sector, with its shipment volume ranking first in the industry, accounting for 21% of the total anode industry shipments. Owing to its technological strengths, the Company maintained its leading market share in terms of fast-charging products; simultaneously, its novel silicon-carbon products and hard carbon anode materials have been introduced to downstream customers and entered batch supply.

# 4. Key performance drivers

- (1) Robust growth momentum in downstream markets and expanding shipments in artificial graphite materials

Driven by the continued high prosperity of the new energy vehicle and energy storage markets, the demand for lithium batteries continued to grow rapidly in the first half of 2025. The growth of the downstream market has driven the demand for anode materials to rise. According to data from the GGII,

China's anode material shipments in the first half of 2025 were 1.29 million tons, representing a year-on-year increase of 37%.

(2) Consolidating technological edge in products through R&D innovation

The Company focuses on the customer needs to provide first-class, cost-effective anode products to global customers. Based on its core edges established in raw material development, product technologies, process control and customer cooperation, the Company continues to strengthen its competitiveness. During the Reporting Period, the Company achieved commercial-scale supply of novel silicon-carbon anode materials and our fast charging anode products maintained a leading share in downstream applications with excellent performance. Our cooperation with global leading battery companies has been further deepened.

(3) Technological process innovations and cost-reduction and efficiency-enhancement strategy

Facing intense competition in the anode materials industry, cost pressures drive industry-wide efforts to deepen cost reduction and efficiency enhancement. The Company proactively explores productivity improvement pathways, reducing production energy consumption through process optimizations and achieving cost savings via fully integrated production systems. During the Reporting Period, the Company's Yunnan integrated production base completed a graphitization process upgrade, where its self-developed chamber furnace technology demonstrated significant cost advantages in graphitization processing. By increasing the effective volume of anode materials through large-chamber design, chamber furnace technology enhanced furnace loading capacity while reducing unit costs, further decreasing graphitization processing costs and improving overall product profitability.

## 5. Industry Overview

Driven by both policies and markets, China's new energy vehicle market continued its high growth trend in the first half of 2025. According to the China Association of Automobile Manufacturers (CAAM), China's new energy vehicle sales reached 6.937 million units in the first half of 2025, representing a year-on-year increase of 40.3%, driven by extended vehicle trade-in subsidies and popular models. This growth directly drove the power battery market to continue its high prosperity. GGII data shows that China's power battery shipments in the first half of 2025 were 477GWh, representing a year-on-year increase of 49%.

In the energy storage sector, influenced by domestic market reforms and overseas policy uncertainties, H1 2025 witnessed a "preemptive installations wave (抢装潮)", with energy storage battery sales growth outpacing power batteries to become a key market driver. According to data of GGII, China's energy storage battery shipments in the first half of 2025 were 265GWh, representing a year-on-year increase of 128%.

The high growth rate of power batteries and energy storage batteries continues to drive expansion of market demand for anode materials. According to data of GGII, China's anode material shipments in

the first half of 2025 were 1.29 million tons, representing a year-on-year increase of 37%. At the same time, product technology iteration and the industrialization process of new anode materials were accelerating: anode materials were accelerating their development towards fast charging rate and high compaction. According to data of GGII, in terms of fast charging rate (4C) products, the industry penetration rate has exceeded 15%; shipments of new CVD silicon anodes have increased significantly; as downstream battery manufacturers promoted the implementation of sodium-ion battery products in subdivided application scenarios, shipments of hard carbon materials have also increased. Technology iteration and product innovation have become new highlights in industry development.

Table: major laws, administrative regulations, rules of ministries and industry policies issued in the first half of 2025







Publication time	Published by	Name of Policy	Main content
February 2025	Eight Ministries including Ministry of Industry and Information Technology	Notice on Issuing the Action Plan for High-Quality Development of the New Energy Storage Manufacturing Industry	Lithium batteries target new energy storage application needs by accelerating breakthroughs in long-cycle-life, high-capacity advanced active materials and efficient lithium compensation technologies, while developing high-value-added auxiliary materials. Strategic deployment prioritizes advanced energy storage lithium battery products, including large-capacity high-safety energy storage batteries, high-power batteries, full-lifecycle high-efficiency batteries, solid-state storage batteries, all-climate long-life batteries with minimal degradation, and high-consistency battery systems. Sodium battery development focuses on creating high-performance hard carbon and screened carbon anode materials alongside high-capacity cathode materials, concentrating on long cycle life, high specific energy, wide temperature-range operation, and high-power capabilities. This advances large-scale sodium battery system integration and application technologies to support the New Power System infrastructure.
February 2025	National Development and Reform Commission, and National Energy Administration	Notice on Deepening the Market-oriented Reform of New Energy Feed-in Tariffs and Promoting the High-quality Development of New Energy	New energy projects shall principally integrate all grid-fed electricity into power markets, with feed-in tariffs formed through market trading. New energy projects may participate in trading by submitting volume-price bids or accept market-formed prices.....Strengthened reform implementation must be synergized with market environment optimization, strictly prohibiting improper intervention in power market operations. Unreasonable cost allocations to new energy projects are forbidden; energy storage configuration shall not be mandated as a precondition for new project approval, grid connection, or feed-in operations.
March 2025	Three Ministries including the General Office of the Ministry of Transport	Implementation Rules for Subsidies for the Renewal of New - Energy Urban Buses and Power Batteries in 2025	Ultra-long-term special government bonds will be used to provide fixed-amount subsidies to urban public transport enterprises for the renewal of new energy urban buses and power batteries... The average subsidy per vehicle is RMB 80,000. Specifically, the average subsidy for replacing power batteries is RMB 42,000 per vehicle. Local governments shall set their subsidy standards for renewing new energy urban buses based on local demand and the proportion of vehicles requiring power battery replacement, at their discretion.


April 2025	Ministry of Industry and Information Technology	Safety Requirements for Power Batteries Used in Electric Vehicles	New test items are added, comprising battery bottom impact tests and post-fast-charge-cycle safety tests. Thermal runaway and other safety requirements are strengthened, with the standard elevating the safety target from triggering an alarm 5 minutes before fire/explosion to the prevention of fire and explosion. This standard will take effect on 1 July 2026.
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## (II) Polarizer business

### 1. Business profile

The Company's polarizer business covers the R&D, production and sales of LCD and OLED polarizers. A polarizer, a composite film consisting of multi-layer films, allows the passage of specifically polarized light waves while blocking other polarized light waves. As the core element of display technology, polarizers enable images to be displayed and seen on the screen. They are widely used in end applications such as TVs, monitors, laptops, tablets, mobile phones, commercial display and automotive display. The purposes of products are as follows:

Product	Purpose	End product	Image
Polarizer	Polarizer is the core optical film material for display panels, which controls the polarization direction of a specific light beam and is used to transform natural light into linearly polarized light or circularly polarized light, so that the screen can display images and the picture clarity can be improved.	TV	
		Monitor	
		Laptop	
		Tablet	
		Mobile phone	
		Commercial display	

Product	Purpose	End product	Image
		Automotive display	

## 2. Operating model

### (1) Procurement

The Company adopts the production-based procurement model, that is, arranging the procurement of raw materials according to the production plan formulated by the production department and the inventory status and making timely stocking according to the supply and demand of raw materials and price fluctuations. The products purchased mainly include PVA film, TAC film, PET film, protective film, release film, PSA and other raw materials.

The Company selects suppliers independently according to market principles. It first signs framework agreements with suppliers, and purchases specific raw materials by placing purchase orders to suppliers.

### (2) Production

The Company mainly adopts the sales-based production model to produce products according to the demand of clients. The Company will form a sales forecast analysis after receiving the demand and decide the production plan based on the capacity and the consideration of long-term cooperation with clients, material supply, production cycle, etc. In addition, the Company will prepare some stocks based on the past product sales and specific needs of clients.

The Company's production process includes two parts: front-end work and back-end work. The Company mainly produces by itself with some outsourcing works. The Company adopts the independent production for the front-end work as it is the core part in polarizer production, and outsources some non-core processes of back-end work for external specialized companies, thus improving production efficiency. In this process, the Company will propose processing plans to the assigned processors according to the orders from clients, and provide polarizer coils to them based on the forecast of the outsourcing quantity. The assigned processors will work according to the processing plans and deliver directly to clients according to the Company's instructions.

### (3) Sales

The Company mainly adopts the direct sales model. Its clients include BOE, China Star Optoelectronics Technology Co., Ltd (CSOT), LG Display, HKC, Sharp, Xianyang CaiHong Optoelectronics, TIANMA, AUO, Qunchuang and other mainstream panel manufacturers. Downstream major panel manufacturers have rigorous requirements for their suppliers, and will strictly review the suppliers' strength and qualifications (such as quality, R&D, production, management, etc.) before cooperation. The companies that obtain their supplier certifications must first undergo repeated inspections, improvements and acceptances. The cooperative relationships established through such restrict process will not change easily. Therefore, the Company stably cooperates with clients.

The Company's back-end production lines include industry-leading RTS (coil-to-sheet) production lines and RTP (coil-to-panel) production lines, and most of its factories are located near clients' factories, so that it can timely respond to clients and meet their needs such as quick pattern changes.

### **3. Market status of products**

According to the data of CINNO Research, the Company's market share in large-size LCD polarizer (including LCD TVs/displays/notebooks polarizer) in terms of shipment area amounted to approximately 34% in the first half of 2025, remaining the world's No. 1. In terms of the application fields, the market share of LCD TV polarizer business and LCD display polarizer business of the Company both ranked first in the world.

### **4. Key performance drivers**

In the first half of 2025, against the background of moderate growth in demand in the polarizer industry, the Company relied on over 20 years of technical research and development experience, actively optimized its product structure, and continued to strengthen its differentiated technological barriers in fields such as ultra-large sizes, ultra-thinness, high contrast and wide viewing angles, and successfully achieved a sustained and steady growth in sales volume, maintaining a leading position in the global market share. Through the strategic acquisition of the SP business, the Company has further enhanced its competitiveness in the high-end polarizer market. During the Reporting Period, high-value-added products such as OLED polarizers, automotive polarizers have achieved stable shipments, with shipment volumes of OLED TV polarizer increasing significantly year-on-year.

However, affected by the superposition of major factors such as the increase in costs of some raw materials driven by changes in the Japanese yen exchange rate, and the phased cost rise associated with the integration of the SP business, the profitability of the Company's polarizer business in the current period decreased compared with the same period last year.

### **5. Industry Overview**

In the first half of 2025, driven by multiple factors such as the continuation of China's trade-in program, the 618 shopping festival, and the adjustment of U.S. tariff policies, the stocking demand of brand manufacturers increased, and the shipment of display panels increased year-on-year. According to the data of CINNO Research, the global shipment area of LCD display panels increased by 2.2% year-on-year, of which LCD TV panels grew by 1%, LCD monitors grew by 3%, LCD laptop panels and LCD tablet panels both grew by 12%. Driven by downstream demand, the market demand for polarizers achieved a moderate year-on-year growth.

Currently, global panel production capacity is mainly concentrated in mainland China, and the production capacity of polarizers is also showing a trend of gathering in the mainland China, with the industry competition pattern continuing to reshape. Omdia's forecast shows that in 2025, the production capacity of Chinese polarizer manufacturers will account for 65% of the global total polarizer production

capacity, and this proportion is expected to approach 80% by 2027. This growth is mainly driven by the expansion and strategic mergers and acquisitions of leading Chinese enterprises, as well as the strong support from the government for the localization of the supply chain.

Table: Major laws, administrative regulations, rules of ministries and industry policies issued in the first half of 2025

Publication time	Published by	Name of Policy	Main content
January 2025	the National Development and Reform Commission and the Ministry of Finance	Notice on Expanding the Implementation of Large-scale Equipment Renewal and Consumer Goods Trade-in Policy by 2025	Continue to support the trade-in of 8 types of home appliances such as TVs and computers. Individual consumers who purchase three types of digital products such as mobile phones, tablets, smart watch and bands (the sales price of a single piece does not exceed RMB6,000) will be subsidized at 15% of the sales price of the products. Each consumer can subsidize one piece of each type of product, and the subsidy for each piece does not exceed RMB500.
March 2025	the General Office of the CPC Central Committee and the State Council	Special Initiatives to Boost Consumption	Increase support for trade-in of consumer goods. Proper utilization of ultra-long-term special government bonds to support local governments in expanding consumer goods trade-ins, promoting green and smart upgrades of durable goods such as automobiles, home appliances, and home furnishings, supporting the trade in of qualified and safe electric bicycles, and implementing purchase subsidies for three categories of digital products: mobile phones, tablets, and smart watches (bands). Promote the pilot construction of second-hand commodity circulation, cultivate diversified second-hand commodity circulation entities, and innovate second-hand commodity circulation methods.

Description of new important non-principal businesses of the Company during the Reporting Period  
☐Applicable ☒Not Applicable

## II. Operation discussion and analysis

### Operation Profile

During the Reporting Period, the Company focused on the development of anode materials and polarizer businesses, continued to strengthen operational resilience, consolidated the foundation for development, and achieved a good operating situation. The Company's anode material business has continued to maintain rapid sales growth by optimizing its customer structure, iteratively innovating products, closely matching customers' incremental demand, and other measures. Moreover, relying on measures such as the release of integrated production capacity, optimization of process technologies, improvement of graphitization technology, and refined management to reduce costs and increase



efficiency, the profitability during the Reporting Period have significantly improved compared with the same period last year. With its core advantages in technology and customers, the polarizer business actively responded to market changes, optimized its product structure, achieved steady growth in sales volume, and consolidated its global leading market share. Meanwhile, by promoting the high-end product strategy, iterating the product matrix and implementing cost reduction and efficiency improvement measures, we actively responded to the downward pressure on profits brought about by industry fluctuations.

In the first half of 2025, the Company realized an operating income of RMB9,858.4843 million, representing a year-on-year increase of 11.78%; net profit attributable to shareholders of the listed company of RMB207.3082 million, representing a year-on-year increase of 1,079.59%; and net profit attributable to shareholders of the listed company of RMB168.5989 million deducting non-recurring gains and losses, representing a year-on-year increase of 605.24%. The main factors affecting the Company's business results:

(1) The sales volume and profitability of the Company's anode material business increased significantly year-on-year. Although the profit of the polarizer business declined, it still maintained stable operation. The two core businesses achieved a total net profit of RMB414.5543 million.

(2) The financial expenses of the parent company and the losses of shareholding enterprises calculated by the equity method of long-term equity investment total affected the current profit and loss of approximately RMB-166.3032 million. The overall loss scale of non-core businesses in this period narrowed compared with the same period last year.

### **(I) Anode material business**

In the first half of 2025, the demand of the global anode material industry will continue to grow, and prices will tend to be stable. The industry will show structural optimization characteristics such as further increasing market concentration, strengthening competition barriers among leading companies, and accelerating the industrialization process of new products. The industry is gradually stepping out of the adjustment cycle. During the Reporting Period, the Company promoted significant growth in sales of anode materials through measures such as deepening cooperation with customers and maintaining a leading position in product iteration; coupled with the implementation of cost-reduction and efficiency-enhancing measures has taken effect, the net profit of the anode material business has increased significantly year-on-year.

The details are as follows:

- **Retaining the top spot in market share**

According to ICC, in the first half of 2025, the output of artificial graphite anode material of the Company remained at the top of the industry. Meanwhile, according to SMM, in the first half of 2025, anode company Shanshan Technology performed remarkably well in the artificial graphite sector, with its shipment volume ranking first in the industry, accounting for 21% of the total anode industry shipments. During the Reporting Period, the Company's anode material business continued to deepen the cooperative relationship with core customers, and by closely matching their incremental demand and relying on its leading product technology advantages, it achieved a significant year-on-year increase in anode material sales.

- **Drive product iteration and innovation with customer needs**

The Company takes technological innovation as its core driving force, focuses on customer needs to accurately promote product development, and continuously upgrades its product matrix in various application fields. In the consumer electronics field, the Company's fast-charging products are iterating rapidly, and 6C+ products have been shipped; in the power batteries field, high-energy-density and 6C ultra-fast charging products have been supplied in batches; in the energy storage field, targeted research and development have been carried out in response to the demand for long cycle performance. Among them, the ultra-long-life energy storage anode products are being transferred to mass production, and large-scale volume is expected to be achieved in the second half of the year.

In terms of layout in cutting-edge technologies, the Company has increased its R&D investment in silicon-based materials, and the performance of newly developed products has continuously gained recognition from domestic and foreign customers. During the Reporting Period, for graphite and silicon-carbon products compatible with high silicon, the Company has successfully broken through the mass production control technology for large graphite particles and mastered the independent synthesis technology for porous carbon, a raw material for spherical silicon-carbon.

Currently, the Company has achieved remarkable results in its technological and production capacity layout in cutting-edge fields such as fast-charging and silicon-based anode materials. Relevant products have been supplied in batches to leading customers, continuously consolidating its technological leading advantages.

- **Promote the layout of overseas production capacity and business cooperation**

As of the disclosure date of the Report, the anode 100,000-ton overseas production capacity project in Finland has completed EIA public notice, laying the groundwork for subsequent engineering construction. In addition, the Company has signed a strategic cooperation agreement with Falcon Energy Materials plc. to carry out market expansion of natural graphite materials, so as to quickly respond to the global market's demand for high-performance anode materials.

- **Supply chain collaboration and technological innovation in tandem, actively implementing cost reduction and efficiency enhancement**

The Company has actively facilitated supply chain collaboration and technological and process innovation to strive to realize cost reduction and efficiency improvement. During the Reporting Period, on one hand, it has deepened upstream collaboration, signed strategic cooperation agreements with domestic and foreign raw material enterprises, jointly conducted raw material development, and strengthened supply chain resilience; on the other hand, it has focused on process breakthroughs – its independently developed box-type furnace graphitization process, with its large-box design, has achieved increased furnace loading capacity, further boasting significant cost advantages. Meanwhile, it has accelerated the deployment of new graphitization technologies, remained committed to improving continuous graphitization processes, and constantly exploited cost reduction potential on the production side.

## **(II) Polarizer business**

In the first half of 2025, against a market backdrop of moderate growth in polarizer industry demand and rising partial procurement costs for raw materials driven by fluctuations in the Japanese yen exchange rate, the Company leveraged its core strengths, including a diversified product portfolio, stable production and supply capabilities, efficient supply chain management, and deep-rooted customer partnerships, to continuously deepen its high-end product strategy. It achieved steady growth in polarizer sales volume and a year-on-year increase in average product prices, with market share continuously maintaining its global leading position. During the period, year-on-year decline in net profit from the polarizer business of the Company, as impacted by factors such as market fluctuations and rising phased integration costs arising from the acquisition of the SP business, the Company, therefore, actively responded to market changes and adopted measures such as accelerating the integration and optimization of new businesses, deepening the layout of high-end products, continuously improving operational efficiency and cost control capabilities and proactively address the issue of declining profits.

The details are as follows:

### **● Deeply Focusing on High-End Products to Drive Iteration and Upgrading**

In LCD polarizers sector, the Company has continued to deepen and focus on its iteration and upgrading of large-sized and high-end products. Among which, the Company has maintained stable shipments of polarizer products for high-end TV such as those with ultra-low reflection, high transmittance, wide viewing angles, and (110/115/116 inches) extra-large sizes, while continuously carrying out iteration. The small and medium-sized polarizers, with low impedance, wide viewing angles, and ultra-thinness and other products as its cores, has completed its iteration and upgrading while maintaining stable shipments.

In OLED polarizers sector, the Company's products cover both large-sized and small and medium-sized application scenarios, having achieved the leap from technological breakthrough to large-scale supply. Among which, the Company has maintained stable productions of full-range OLED polarizers, the shipments of which have increased significantly year-on-year. Small and medium-sized OLED polarizers have been certified by a number of client-sites, with mass production scale continuing to expand. The Company concurrently advanced technological upgrading, developing new OLED polarizer products

such as those with high transmittance, ultra-low reflection, eye protection and ultra-thinness, facilitating OLED displays with optimized color performance and functional experiences.

In automotive polarizers sector, the Company has reserved a number of core technological and is capable of providing solutions such as low impedance, wide viewing angles, high transmittance, and irregular-shaped processing to meet the stringent requirements of automotive displays for high performance polarizers. Currently, the automotive polarizer business acquired by the Company has achieved stable shipments.

- **Continuing to increase R&D investment and accelerate the transformation of scientific and technological achievements**

During the Reporting Period, the Company has continued to increase investment in scientific research, deeply integrated internal advantageous resources, and accelerated the transformation of scientific and technological achievements. Meanwhile, the Company has further strengthened cooperation and exchanges with universities and research institutions to jointly promote technological innovation and industrial upgrading. In addition, through the acquisition of the SP business, the Company's overall technological have been further enhanced. The Company holds core technical patents in optics, materials, adhesive technology, and processes, with patent layouts covering multiple countries such as China, South Korea, Japan, and the United States.

- **Continuing to deepen process innovation, enhance raw material supply resilience, and improve production competitiveness**

During the Reporting Period, the Company has continued to advance process innovation. Through its mastery of ultra-thin PVA stretching technology, precision coating technology, and post-processing technologies such as laser cutting and irregular-shaped processing, it has improved production competitiveness. In addition, the Company has actively promoted the diversification and localization of raw material supply to ensure supply stability and cost advantages. It has also actively developed new adhesives and PSA materials, expanded the degree of material autonomy, and enhanced cost competitiveness.

**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

### **III. Analysis on core competitiveness during the Reporting Period**

☒Applicable ☐Not Applicable

#### **(I) Analysis of core competitiveness of anode materials**

The Company has been industrializing anode materials since 1999, and has been a pioneer and technology leader in the lithium battery anode materials industry with more than 20 years of practice in R&D and industrialized production in this field. Ningbo Shanshan New Material Technology Co., Ltd.,

the Company's anode material subsidiary, was picked to the lists of the "National Enterprise Technology Center" and "National Manufacturing Single Champion". Shanghai Shanshan Technology Co., Ltd. was listed in the third batch of state-level specialized and innovative "small giant" enterprises.

The Company takes clients' demand as the core, leads the industry development through technological innovation, and has built long-term core competitiveness in product technology, capacity size, clients and presence of industrial chain.

### **1. Deep technology accumulation and cutting-edge R&D and innovation advantages**

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. Leveraging years of its high-quality R&D investment and cultivation of independent R&D ability, the Company has developed an improved R&D and innovation system, covering robust mass production incubation technology, anode material pilot line, rapid mass production conversion technology for new material, innovation and development technology for by-product, and cutting-edge graphitization furnace technology, etc. The Company is further improving R&D innovation and mass production incubation system. Based on its positioning as an anode supplier, it will connect the upstream and downstream industrial chains, thus to establish a more sound integrated collaborative development ecosystem.

The Company attaches great importance to independent research and technological innovation by building a high-level R&D team led by industry-leading technical experts. Our research institute comprises departments focusing on artificial graphite, natural graphite, silicon-based new materials, soft and hard carbon, and mechanism research platforms as well as three postdoctoral research stations. The Company actively promotes the in-depth integration of industry, academia and research, thus ensuring that the performance of newly developed products remains at the forefront of international standards.

The Company's anode material business has completed independent technology development and patent layout in fields such as ultra-fast charging technology, self-synthesis technology of silicon-carbon anode precursors, graphitization technology, raw material development and performance evaluation technology, and customized equipment development, with relevant technologies having gradually entered mass production for application.

- High-capacity fast-charging anode products

The Company has broken through the technical bottleneck of high energy density fast charging, achieving constant iteration and upgrading of fast-charging products. In consumption field, the Consumer fast-charging products have steadily maintained a leading market share. The ultra-low expansion fast-charging graphite products for digital applications have been developed, and the 6C+ ultra-fast charging anode materials have been supplied to leading customers in the digital battery industry. In power applications field, high-energy-density 6C ultra-fast charging anode materials for power use have been

matched up to domestic leading customers. The Company's original liquid-phase coating technology has significantly improved coating uniformity, forging a strong technical barrier for high-energy-density with compatible fast-charging products.

- Silicon-based anode products

The Company has maintained a leading position in the technology and industrialization process of silicon-based anode products: Silicon-oxygen products have been supplied in batches to leading overseas customers and have been used in vehicle installations. Meanwhile, it has successfully broken through the technical bottleneck of the second-generation silicon-oxygen material in low-temperature cycling, and the relevant technologies have obtained patent authorization in the United States and Japan and have been supplied in batches to leading overseas power tool manufacturers. The independently developed homogeneous deposition technology has significantly improved the cycle stability and rate performance of silicon-carbon materials. High-compaction, long-cycle silicon-carbon anode products have achieved mass production, and the independent synthesis technology of porous carbon for spherical silicon-carbon raw materials and the development of graphite materials matching high-silicon systems have been completed. Some production capacities of the Ningbo silicon-based anode production base have been put into operation.

- Graphitization technology and related proprietary equipment development technology

In the field of graphitization technology, the Company has always focused on the improvement and innovation of graphitization processes. Through independent research and development of the box-type furnace process, it has utilized a large-box design to increase the effective volume of anode materials, achieving an increase in furnace loading capacity and a reduction in unit costs, thus forming a significant cost advantage in graphitization processing. After multiple rounds of process technology iteration, the current performance indicators of the Company's box-type furnaces can reach the same level as those of Acheson furnaces. Among them, the third-generation box-type furnace, equipped with the proprietary fixed heating device patent, has significantly improved the uniformity of the entire furnace. In addition, the innovative structural design has effectively enhanced thermal energy utilization, resulting in a substantial reduction in energy consumption, with cost advantages remaining at the forefront of the industry. Meanwhile, the Company continues to promote innovative research and development of new graphitization processes, and the cooperative development and verification of the continuous graphitization process have now been completed.

In addition, the Company has enhanced product performance by improving the strong shaping capabilities of high-end roller presses and mechanical mills, and optimizing key indicators such as powder compaction and oil absorption value.

- Raw Material Development and Performance Evaluation Technology

In terms of raw material development, the Company has jointly established a special development team with upstream enterprises to conduct collaborative research. It has carried out targeted development

of high-cost-performance raw materials based on performance needs, continuously leading the industry trend in raw material application. Meanwhile, the Company's unique raw material blending technology ensures the stability and compatibility of raw materials from the source.

As of June 30, 2025, in terms of anode materials, we had 359 authorized patents, including 12 international patents, 234 domestic invention patents and 113 utility model patents.

## **2. Superior client mix and continuous improvement in clients' recognition**

Leveraging the long-term accumulation in lithium battery material field and the high-quality products and technical services, the Company has established long-term stable partnerships with global mainstream lithium battery companies, including CATL, Ultium cells, BYD, LGES, and ATL. The Company continues to optimize its customer structure and deepen its cooperation.

## **3. Strengthening cost advantages through building integrated production capacity**

Deeply engaged in the anode material industry for more than 20 years, the Company has a stable industry leading position, continuously maintaining a leading market share in artificial graphite products, and has now formed a leading production capacity scale and a relatively complete production capacity layout advantage. Currently, the Company has completed the medium-term strategic deployment of graphite anode materials capacity, including three integrated bases in Inner Mongolia, Sichuan and Yunnan. Phase I of Inner Mongolia and Sichuan bases and phase I of Yunnan base has been put into operation. In addition, to meet the demand of overseas markets and increase its overseas market share, the Company has planned a 100,000-ton anode production capacity project in Finland. At present, the EIA public notice has been completed, and the construction and release of production capacity will be promoted in accordance with market demand in the future.

To better adapt to the trend of demand upgrading among downstream customers and firmly seize the opportunity of the explosive growth in market demand for silicon-based anode materials, the Company has taken a leading position in deploying the Ningbo silicon-based anode production base, with part of the first-phase capacity having entered trial production and achieved mass shipments.

In addition, building on its existing production capacity, the Company has adopted measures such as enhancing production output and efficiency, and upgrading technological transformation to drive full release of production capacity, improvement of yield, and optimization of costs across all processes. This further expands the production scale of integrated plants and strengthens comprehensive market competitiveness.

## **4. Deepening the cooperation with upstream and downstream partners to build a resilient supply chain**

As for the layout of upstream industry chain, the Company established a special raw material development team with upstream enterprises to conduct collaborative research develop functional raw materials, functional granulating agents and coating agents against the performance needs of anode

materials, and tailor-made raw materials for anode products with different characteristics. To enhance the quality and supply assurance, the Company has established a strategic cooperative relationship with domestic leading raw material suppliers, such as Petrochina, Sinopec, CNOOC and local refineries, and the two sides have carried out all-round cooperation in the fields of needle coke, petroleum coke, and calcined coke to ensure the stability and safety of the Company's raw material supply. In addition, the Company has established a professional team to analyze the market situation, so as to establish the price advantage of bulk purchasing by securing supply. In order to meet the needs of overseas customers, the Company has facilitated the extensive development and verification of large quantities for overseas raw materials, and established resource pools to guarantee the safety of overseas raw materials supply.

## **(II) Analysis of core competitiveness of polarizer**

### **1. Deep technology accumulation and cutting-edge R&D and innovation advantages**

As a leading enterprise in the polarizer field, the Company has leading technology advantages. Relying on over 20 years of technological R&D in the polarizer field, the Company leads the market through differentiated technologies of polarizers such as super-size, ultra-thin, high contrast and wide viewing angle. The Company has mastered a number of key polarizer process technologies and is continuously expanding its innovative polarizer technologies for high-end display applications. The Company has passed the certification of national high-tech enterprises, and has won a number of honorary titles such as new national-level specialized “little giant” enterprises, national green factory, national intelligent manufacturing excellent scene, provincial intelligent manufacturing demonstration factory, and Nanjing Top 100 Enterprises.

The Company has industry-leading manufacturing processes and continues to break through manufacturing capabilities in terms of product quality, safety and security, and production efficiency in order to improve production efficiency and product quality. The Company has customized polarizer production equipment that enables precise control of parameters in production through carefully modulated parameters to effectively improve first pass yield of product, by leveraging more comprehensive defect detection methods and automatic inspection technologies, to ensure high product yield. At the same time, Company continues to improve key processes such as film lamination and film stretching to consolidate and improve product quality while successfully applying UV curing technology to polarizer manufacturing, further to optimize the production process.

In new display technologies and applications field, the company has achieved breakthroughs - polarizers are now available for both large and small-to-medium-sized applications, making a leapfrogging development from technological breakthrough to large-scale supply with a stable shipment of automotive polarizers.

As of 30 June 2025, the Company has obtained over 1,000 LCD polarizer and OLED polarizer related patents in South Korea, China, Japan, the United States and other countries around the world, among which



1,832 patents have been authorized (including 1,453 overseas patents), covering 1,741 invention patents, 87 utility model patents, and 4 appearance patents.

## **2. Leading capacity scale, advantages of ultra-width production lines and RTP production lines**

The Company has a leading scale advantage in polarizer production capacity. By continuously strengthening its investment in production capacity in the field of LCD and OLED polarizers, the Company is able to further leverage its scale advantage to meet market and customer demand. Currently, the Company has arranged ten world-leading polarizer production lines in Nanjing, Guangzhou and Zhangjiagang, leading the word by production capacity and covering the production needs for various LCD/OLED technologies, applications and sizes.

In terms of production line competitiveness, the Company is the first in the industry to use global-leading ultra-wide production lines. and the Company possesses six ultra-wide front-end production lines, of which the 2,600mm ultra-wide production line can achieve production of polarizers over 115 inches.

Meanwhile, the Company has industry-leading RTP production lines in many cities across the country. The RTP production line is generally set in the customer's factory area, and it can achieve polarizer to coil integrated laser cutting, automatic inspection and polarizer and glass substrate attachment. With the advantages of close to customers and convenient supply, the RTP production line can reasonably control transportation and packaging costs, improve production efficiency and increase product yield while meeting the unique demands of customers' production lines.

## **3. Long-term and stable customer relationship**

The Company's downstream customers generally have a more stringent supplier certification system, and will generally establish a long-term and stable relationship upon passing their certification. The Company has established long-term good cooperative relationships and smooth communication with the world's leading panel manufacturers, namely BOE, China Star Optoelectronics Technology Co., Ltd. (CSOT), LG Display, HKC, Sharp, Xianyang CaiHong Optoelectronics, TIANMA, AUO, Qunchuang, etc., which allows us to respond to customer needs quickly and efficiently and cooperate with the development of new products. By virtue of leading technology and excellent product quality, the Company's products and services have been highly recognized by customers, and the supply relationship is further stable.

## **4. Established deep and stable cooperative relationships with upstream in the industrial chain.**

In the layout of upstream industrial chain, the company maintains long-term and stable supply relationships with upstream raw material suppliers, ensuring highly consistent collaboration. Meanwhile, the Company continued to promote the development such as the diversification, localization and self-sufficiency of raw materials. On one hand, it will further deepen strategic cooperation with global leading raw material suppliers, thus ensuring stable and secure supply chain; on the other hand, it will actively implement a localization strategy, accelerating the adoption and application of domestic materials to

enhance the autonomy and controllability of the supply chain, thereby ensure the supply security, stability and cost competitiveness of upstream raw materials.

#### 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	9,858,484,315.28	8,819,856,035.91	11.78
Operating costs	8,249,225,096.47	7,537,360,721.91	9.44
Selling expenses	135,800,467.89	119,247,796.59	13.88
Administrative expenses	257,275,296.06	316,990,884.67	-18.84
Financial expenses	273,041,490.01	235,807,608.42	15.79
Research and development expenses	512,503,725.65	526,079,194.76	-2.58
Net cash flow from operating activities	1,463,129,606.60	691,472,175.58	111.60
Net cash flows from investment activities	-155,356,916.48	-829,006,001.68	N/A
Net cash flow from financing activities	-1,226,269,047.24	221,878,127.49	-652.68
Effect of foreign exchange rate changes on cash and cash equivalents	-6,394,097.47	-3,679,768.44	N/A
Other income	116,323,391.42	166,438,650.31	-30.11
Investment income	5,402,531.26	-57,812,211.73	N/A
Gains from changes in fair value	-18,453,000.00	-6,675,000.00	N/A
Credit impairment losses	11,233,904.34	-17,863,647.09	N/A
Impairment loss on assets	-162,888,685.45	-2,139,445.97	N/A
Non-operating expenses	5,433,466.57	24,611,210.76	-77.92
Net profit attributable to owners of parent company	207,308,198.84	17,574,536.66	1,079.59
Non-controlling interests	31,614,552.05	4,250,786.38	643.73
Net of tax of other comprehensive income attributable to the parent company owners	75,863,911.94	395,113,954.85	-80.80

Explanation for the year-on-year changes over 30%:

**Explanation of reasons for the change in net cash flows from operating activities:** It was mainly due to the increase in revenue from the anode business during the Reporting Period, and the corresponding increase in sales receipts. At the same time, the company has improved the cash flow from operating activities by improving the supply chain management level, strictly controlling the purchase account period, and strengthening the sales receipts.

**Explanation of reasons for the change in net cash flows from investing activities:** It was mainly due to the cash paid for the purchase and construction of fixed assets, intangible assets and other long-term assets during the Reporting Period decreased compared with the same period last year.

**Explanation of reasons for the change in net cash flows from financing activities:** It was mainly

because of the decrease in the net amount of bank loans by the Company during the Reporting Period, as compared to the same period of the previous year.

**Explanation of reasons for the effect of foreign exchange rate changes on cash and cash equivalents:**

It was mainly due to the impact of exchange rate changes.

**Explanation of reasons for the change in other income:** It was mainly due to the decrease in government subsidies received by the company for various industries during the Reporting Period.

**Explanation of reasons for the change in investment income:** It was mainly due to the increase in the company's income from equity method accounting during the Reporting Period and the loss arising from the disposal of subsidiaries in the same period last year.

**Explanation of reasons for the change in gains from changes in fair value:** It was mainly due to the change in fair value of the Company's other non-current financial assets during the Reporting Period.

**Explanation of reasons for the change in credit impairment losses:** It was mainly due to the decrease in accounts receivable of the polarizer business during the Reporting Period, and the previous provision for bad debts was reversed accordingly.

**Explanation of reasons for the change in impairment loss on assets:** It was mainly due to the company's provision for asset losses on inventory and idle fixed equipment during the Reporting Period.

**Explanation of reasons for the change in non-operating expenses:** It was mainly due to the penalty fees, litigation compensation and the year-on-year decrease in asset scrapping expenses during the Reporting Period.

**Explanation of reasons for the change in net profit attributable to owners of parent company:** It was mainly due to a significant increase in sales volume of the anode business during the Reporting Period, and the net profit achieved a notable year-on-year rise due to the effect of scale.

**Explanation of reasons for the change in non-controlling interests:** It was mainly due to a significant increase in performance results of the anode business during the Reporting Period, leading to an increase in net profits attributable to non-controlling interests.

**Explanation of reasons for the change in net of tax of other comprehensive income attributable to the parent company owners:** It was mainly due to the fair value changes of the company's financial assets during the Reporting Period.

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

☒ Applicable ☐ Not applicable

For detailed reasons for changes in current corporate performance, please refer to the "II. OPERATION DISCUSSION AND ANALYSIS" in this section.

**(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 the total assets (%)	Amount at the end of the previous year	Proportion of the amount at the end of the previous year in the total assets (%)	Change ratio of amount at the end of the current period compared with amount at the end of the previous year (%)	Explanation
Notes receivable	59,908,055.67	0.13			N/A	It was mainly due to the non-recourse commercial bills held by the anode business during the Reporting Period.
Receivable financing	98,606,699.71	0.22	42,218,961.77	0.09	133.56	It was mainly due to the Banker's acceptance bills held by the anode business during the Reporting Period.

Prepayments	645,337,162.60	1.43	1,285,909,859.83	2.78	-49.81	The main reason is that the polarizer business completed the acquisition of SP business during the Reporting Period and the balance of prepayment at the beginning of the year was transferred out during the Reporting Period.
Other receivables	295,030,216.44	0.65	1,097,253,963.21	2.37	-73.11	The main reason is that the polarizer business recovered the deposit paid last year to purchase SP business during the Reporting Period.
Construction in progress	1,557,316,372.04	3.45	3,789,117,779.51	8.20	-58.90	The main reason is that construction in progress of the anode business was transferred to fixed assets During the Reporting Period.

Goodwill	1,141,620,111.55	2.53	828,320,718.55	1.79	37.82	The main reason is that the polarizer business completed the acquisition of SP business and recognized goodwill during the Reporting Period.
Notes payable	296,985,213.74	0.66	190,995,331.81	0.41	55.49	It was mainly due to the increase in bill settlement as a result of the increase in sales volume of the anode business during the Reporting Period.
Advances from customers	663,721.32	0.00	1,827,784.11	0.00	-63.69	It mainly due to the Company's settlement of rent and property fees received in advance during the Reporting Period.
Contract liabilities	46,421,351.65	0.10	32,640,936.49	0.07	42.22	It was mainly due to the increase in advances from customers of the polarizer business during the Reporting Period.

Payroll payable	40,923,443.12	0.09	121,959,994.92	0.26	-66.45	The main reason is that during the Reporting Period, the subordinate industrial companies paid various performance wages and bonuses accrued at the end of last year.
Non-current liabilities due within one year	3,653,678,296.06	8.11	2,796,533,361.27	6.05	30.65	The main reason is that the Company reclassified long-term loans due within one year to this account during the Reporting Period.
Other current liabilities	5,073,996.50	0.01	3,391,582.34	0.01	49.61	It was mainly due to the increase of output tax to be transferred of the polarizer business during the Reporting Period.
Other comprehensive income	-157,472,637.44	-0.35	-233,336,549.38	-0.50	N/A	It was mainly due to the impact of changes in the fair value of the Company's holdings of Luoyang Molybdenum and other stocks as well as the impact of exchange rate changes during the Reporting Period.

## 2. Overseas assets

√ Applicable □ Not applicable

### (1) Asset size

Among which, overseas assets were 1,105,583,446.47 (Unit: Yuan Currency: RMB), accounting for 2.45%

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 “20. Assets with restricted ownership or use rights” 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 RMB127.5241 million, a year-on-year decrease of RMB1,222.4759 million or 90.55%. The investment projects are as follows:

Invested company name	Invested amount during the reporting period (RMB0’000)	Main business	Equity ratio (%)	Remarks
Ningbo Shanshan Silicon-based Materials Co., LTD	9,440.00	Anode	87.5137	Capital paid in
Shanjin Optoelectronics Vietnam Company Limited	3,312.41	Polarizer	100.0000	Capital paid in

### (1). Significant equity investments

☐ Applicable ☒ Not Applicable

### (2). Major Non-equity Investment

☒ Applicable ☐ Not applicable

Project name	Project amount (RMB0’000)	Investment in the year (RMB0’000)	Total investment (RMB0’000)	Source of funds	Progress of project



The lithium ion battery anode material integration base project with the annual output of 200,000 tons in Meishan, Sichuan	800,000.00	62,435.82	468,704.58	Self-owned funds + financing	The project phase I is in operation and the warehouses and dormitories of the project phase II are under construction.
The lithium ion battery anode material integration base project with the annual output of 300,000 tons in Anning, Yunnan	970,000.00	34,528.20	423,241.49	Self-owned funds + financing	The project phase I is in operation; the project phase II has not yet started.
The lithium ion battery silica-based anode material integration base project of Shanshan with the annual output of 40,000 tons	375,000.00	15,724.12	91,831.40	Self-owned funds + financing	The construction of Phase I civil engineering has been completed, and some production capacity has been put into trial production.
The LCD polarizer production line with an annual output of 40 million square meters in Zhangjiagang	218,700.00	1,319.82	185,540.20	Self-owned funds + financing	It has been put into production, and the capacity is ramping up.
The polarizer production line with an annual output of 50 million square meters in Mianyang	350,000.00	-1,782.48	47,259.11	Self-owned funds + financing	The principal building has been completed.
The high-end display polarizer production line with an annual output of 40 million square meters in Yangzhou	450,000.00	55.54	7,761.67	Self-owned funds + financing	The land payment for the project has been made.

**(3). Financial assets measured by fair value**

√ Applicable □ Not applicable

Unit: Yuan Currency: RMB

Asset Category	Balance at the beginning of the period	Gains (losses) from changes in fair value for the current period	Accumulated changes in fair value recorded into equity	Impairment accrued in the current period	Purchase amount for the current period	Disposal/redemption amount for the current period	Other changes	Balance at the end of the period
Other equity instrument investment	126,486,318.53	18,308,189.89	429,179,018.11					144,794,508.42
Other non-current financial assets	237,037,307.86		-10,576,334.68			18,453,000.00		218,584,307.86
Accounts receivable financing	42,218,961.77						56,387,737.94	98,606,699.71
Total	405,742,588.16	18,308,189.89	418,602,683.43			18,453,000.00	56,387,737.94	461,985,515.99

**Securities investments**

√ Applicable □ Not applicable

Unit: Yuan Currency: RMB

Type of securities	Stock code	Securities abbreviation	Initial investment cost	Source of funds	Opening book value	Gains (losses) from changes in fair value for the	Accumulated changes in fair value recorded into equity	Purchase amount for the current period	Disposal amount for the current period	Profit and loss of investment for the current	Ending book value	Accounting item
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						current period				period		
Stock	TSX:RM	DEFI TECHNOLOGI ES INC	9,155,041.0 1		4,953,248.68	298,393.06	-3,903,399.27				5,251,641.74	Other equity instrume nt investme nt
Stock	ASX:AR L	ARDEA RESOURCES LTD			1,803,315.81	507,122.70	-993,949.28				2,310,438.51	Other equity instrume nt investme nt
Stock	ASX:GRL	GODOLPH IN RESOURC ES LTD (GRL AT)			19,962.61	-5,550.35	14,412.26				14,412.26	Other equity instrume nt investme nt
Stock	ASX:KAL	KALGOORLIE GOLD MINING LTD ORDINARY SHARES (KALAU)			24,569.81	28,300.75	52,870.56				52,870.56	Other equity instrume nt investme nt
Stock	ASX:1MC	Morella Corporation Limited	225,883,583.9 3		2,359,770.77	-1,091,888.00	- 224,615,701.16				1,267,882.77	Other equity instrumen t investmen t

Stock	SH:603993	CMOC	40,081,537.18		69,775,450.85	18,571,811.73	658,195,247.76			2,675,600.00	88,347,262.58	Other equity instrument investment
Total	/	/	275,120,162.12	/	78,936,318.53	18,308,189.89	428,749,480.87			2,675,600.00	97,244,508.42	/

Securities investments

☐ Applicable ☒ Not Applicable

Private fund investment

☐ Applicable ☒ Not Applicable

Investment in derivatives

☐ Applicable ☒ Not Applicable

#### **(V) Disposal of major assets and equity interest**

☒ Applicable ☐ Not applicable

##### **Sale of part of the equity interests of Quzhou Shanshan**

The Company completed the delivery of the transfer of the equity interest in Quzhou Shanshan, a subsidiary of electrolyte business, on 17 February 2023. As the counterparty Sunyes Manufacturing and Sunyes Zhongning failed to pay the remaining equity transfer payment of RMB344.862 million by 30 June 2023 as agreed, after several rounds of negotiation, the parties involved in the transaction reached an agreement and entered into the Settlement Agreement, which specified the payment arrangement for the remaining equity transfer payment and capital occupancy fee. As of the date of this report, the Company has received RMB100 million in equity transfer consideration in accordance with the Settlement Agreement, with remaining equity transfer consideration receivable amounting to RMB244.862 million.

On 28 June 2024, Sunyes Manufacturing and Sunyes Zhongning filed a lawsuit against Yongquan Investment, Shanshan New Energy and the Company, alleging that the production capacity of certain production lines of Quzhou Shanshan did not align with the actual circumstances. The case was heard in court on 22 May 2025, and no first-instance judgment has been made so far. On 12 July 2024, Yongquan Investment initiated legal proceedings against Sunyes Zhongning for the latter's failing to make equity transfer payments as stipulated in the Settlement Agreement. The case was heard in court on 3 June 2025, and the court ruled to suspend the trial on 5 June of the same year.

As of the end of the Reporting Period, taking into account the financial condition of Sunyes Manufacturing, the complexity of the actual trial process, the age of accounts receivable, and other factors affecting the collectability of the receivables, the management, based on the principle of prudence, has provided for bad debts on the remaining equity transfer consideration at a rate of 30%, amounting to a cumulative total of RMB73.4586 million.

##### **Sale of part of the equity of Shanshan brand**

In 2020, the Company sold a portion of its equity interest in its apparel business subsidiary, Shanshan Brand, which was no longer included in the Company's consolidated statements from July 2020. As of the

date of this report, the Company has received a total of RMB138.1133 million of the equity transfer payment and received remaining equity transfer payment of RMB30.00 million and has provided for bad debts of RMB15.00 million. The Company will continue to follow up and urge the counterparty to pay the balance.

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

√ Applicable □ Not applicable

#### Major subsidiaries and shareholding companies whose impact on the Company's net profit exceeds 10%

√ Applicable □ Not applicable

Unit: 0'000 Currency: RMB

Company name	Company type	Main operations	Registered capital	Total assets	Net assets	Operating revenue	Operating profit	Net profit
Shanjin Optoelectronics (Suzhou) Co., Ltd.	Subsidiary	R&D, production and sales of polarizers	710,522.56	933,228.81	923,926.11	3,180.00	-924.72	-924.72
Shanjin Optoelectronics (Guangzhou) Co., Ltd.	Subsidiary		170,000.00	579,138.60	338,850.26	267,229.88	26,473.01	23,211.80
Shanjin Optoelectronics (Nanjing) Co., Ltd.	Subsidiary		380,000.00	643,997.33	478,487.32	386,151.95	8,809.70	8,183.98
ShanJin Optoelectronics Technology (Zhangjiagang) Co., Ltd.	Subsidiary		90,000.00	234,647.18	75,905.85	92,508.42	-2,852.16	-2,847.00
South Korea Shanjin Optoelectronics Co., Ltd.* (韩国杉金光电株式会社)	Subsidiary		30 billion won	78,245.20	73,679.41	24,812.36	-10,833.14	-10,833.15
Shanghai Shanshan Lithium Battery Material Technology Co., Ltd.	Subsidiary	R&D, production and sales of lithium ion battery anode materials and the carbon	118,200.00	879,098.98	586,884.01		-16.88	-16.88
Ningbo Shanshan New Material Technology Co., Ltd.	Subsidiary		280,000.00	500,261.64	339,385.55	128,119.19	7,616.79	6,643.90

Shanghai Shanshan Technology Co., Ltd.	Subsidiary	materials	30,000.00	90,823.08	73,596.44	68,567.45	6,346.52	5,854.62
Fujian Shanshan Technology Co., Ltd.	Subsidiary		20,000.00	207,048.97	74,016.75	166,794.47	16,462.65	14,697.12
Shanghai Shanshan New Material Co., Ltd.	Subsidiary		100,000.00	536,574.96	130,605.58	388,122.41	-4,372.92	-4,414.67
Inner Mongolia Shanshan Technology Co., Ltd.	Subsidiary		130,000.00	271,416.10	168,530.16	129,658.31	5,328.21	4,420.24
Sichuan Shanshan New Material Co., Ltd.	Subsidiary		250,000.00	714,779.05	243,420.91	133,391.91	2,796.76	2,809.32
Yunnan Shanshan New Material Co., Ltd.	Subsidiary		205,000.00	686,984.79	231,468.79	125,661.19	12,435.00	12,268.96
BASF Shanshan Battery Materials Co., Ltd.	Participating company	R&D, production and sale of lithium-ion battery cathode materials	57,884.55	655,690.42	482,023.25	204,064.74	-5,768.64	-6,811.34
Zhejiang Chouzhou Commercial Bank Co., Ltd.	Participating company	Raise public deposits, issue loans and handle domestic settlement, etc.	460,000.00	38,858,531.76	2,977,054.14	606,385.11	164,775.65	122,669.71

**Acquisition and disposal of subsidiaries during the Reporting Period**

☐Not applicable ☒Applicable

**(VII) Structured entities under the control of the Company**

☐Not applicable ☒Applicable

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

☒Applicable ☐Not applicable

**1. Policy risks**

The core business of the Company is aligned with the national strategic emerging industries, and the relevant policy adjustments of the State on anode materials and polarizer industries may somewhat affect the Company's operation. In addition, significant changes in global tariff policies could have an uncertain impact on the Company's production and operation.

Countermeasures: Continue to pay attention to the relevant policies of the national and local governments, conduct sufficient research and demonstration in the industrial input, and adjust investment plans in a timely manner to reduce industrial policy risks; continue to carry out technological innovation to improve profitability; strategically layout overseas production capacity to avoid trade barriers; actively promote the localization cooperation process of polarizer raw materials to reduce the risk of raw material supply.

**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, causing the tendency of fiercer market competition. If downstream demand grows sluggishly in the future, it may lead to a decline in anode demand or a continuous drop in prices, which could adversely affect the operating performance of the Company.

As the display panel industry shifts to China, the demand for domestic polarizers as upstream raw materials has increased rapidly, and a large number of domestic polarizer manufacturers begin to plan new production capacities. With the release of new production capacity for polarizers, there is a risk of intensified market competition.

Countermeasures: The Company will continue to promote product iteration and upgrading and enhance the added value of products by persisting with technological innovation, and enhance cost competitiveness by improving operational efficiency and refined production.

**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. The cost of raw materials accounts for a high proportion of the cost of anode products, and the price of raw materials is affected by the market supply and demand relationship,



and will fluctuate to different degrees. If the pressure of rising raw material prices cannot be transmitted to the downstream or the rising cost pressure cannot be offset through technological process innovation, it will cause certain impact on the Company's production and operation.

LCD polarizer raw materials are mainly supplied by the relevant enterprises in Japan and South Korea, especially PVA films, TAC films and PET films, which are mainly purchased from the relevant enterprises in Japan. 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 closely track the price fluctuation of upstream raw materials, deepen the cooperation with upstream raw material suppliers, and optimise the supply chain system, so as to secure the raw materials supply chain and reduce the risk of cost fluctuations; to establish a stable supply channel by signing long-term agreements with upstream suppliers; at the same time, a comprehensive layout of integrated production capacity is carried out to further reduce raw material costs.

#### **4. Risks of development of new products and technologies**

With changes in terminal demand and advances in technology, the industrialization process of other types of batteries such as solid-state batteries, sodium ion battery, etc., may be accelerated. If the Company fails to upgrade or innovate its products in a timely manner according to technological trends change, its market position and profitability will be impacted.

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

Countermeasures: Based on deep technology accumulation and leading research and development capabilities, the Company will continue to strengthen research and development innovation, lay out new materials such as silicon-based anodes and hard carbons, track the technological progress of solid-state batteries and sodium-ion batteries, and make early arrangements for relevant material systems to maintain technological foresight and leadership. The Company continues to consolidate the leading advantages of its LCD polarizer products, and at the same time, by strengthening the research and development and industrialization of new products, as well as merging and acquiring businesses such as polarizers for OLED and automotive polarizers, it will continuously maintain the foresight of new technologies and leading position in the market.

#### **5. Risk of changes in the international trade environment**

The current international environment is becoming increasingly complex, with geopolitical conflicts, trade protectionism and other factors exacerbating the instability of the international trade environment, resulting in significant increase of instability and uncertainty of the global supply chain. Based on the protection and localization requirements of the local industrial chain in Europe and the United States and other major countries and regions, relevant industrial policies may not be conducive to the expansion of anode overseas businesses. Overseas investment in anode projects is confronted with multiple risks such as

geopolitics, legal compliance, economic fluctuations, cultural differences, intellectual property rights, and environmental liabilities. These risks may push up construction costs, operating costs, and compliance risks, thereby restricting the company's global layout.

Countermeasures: Actively pay attention to changes in the international trade environment and respond dynamically to relevant risks; deepen strategic collaboration with overseas customers, promote localized layout oriented by demand, and enhance supply chain resilience.

## **6. Risk of exchange rate**

As part of the Company's procurement and sales come from overseas, the settlement with overseas payment channels involves USD, Euro, JPY and other currencies. Therefore, foreign currency assets are exposed to certain exchange rate fluctuation risk.

Countermeasures: To establish a dynamic monitoring mechanism, 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.

## **7. Risk of Reorganization of the Controlling Shareholders**

On February 25, 2025, Yinzhou Court ruled to accept the reorganization application filed by the relevant applicant against Shanshan Group, the controlling shareholder of the Company, and on March 20, 2025, ruled to conduct a substantive consolidated reorganization of Shanshan Group and Pengze Trading, its wholly-owned subsidiary. Although Yinzhou Court has ruled that Shanshan Group and Pengze Trading enter the substantive consolidated reorganization procedure, there is still uncertainty as to whether the reorganization can be successful in the follow-up. In addition, as Shanshan Group and Pengze Trading have entered the reorganization procedure, the subsequent implementation of the reorganization may lead to adjustments in their shareholder rights and interests in the Company, which may further reduce the number of shares they hold in the Company, and may even result in a change in the Company's control right.

Countermeasures: The Company has independent and complete business operations and independent operating capabilities, and maintains independence from the controlling shareholders in terms of assets, business, finance, etc. At present, the reorganization of the controlling shareholders has not had a significant substantial impact on the Company's daily production and operation. In the follow-up, the Company will continue to strive to do a good job in various operation and management work to ensure the stable operation of the listed company. At the same time, it will continue to maintain communication with the controlling shareholders and timely and fully disclose the information related to the reorganization of the controlling shareholders as learned.

## **(II) Other disclosure**

☐ Not applicable ☒ Applicable

## Section IV Corporate Governance, Environment and Society

### I. Changes in Directors and Senior Management of the Company

√Applicable ☐Not applicable

Name	Position held	Status of change
Zhao Zhigang	Deputy General Manager	Deliberation and adjustment by the Board of Directors

Description of changes in directors and senior management of the Company

√Applicable ☐Not applicable

On 12 February 2025, the Company convened the 18th meeting of the 11th Board of Directors, during which the Proposal on Adjusting the Positions of Senior Management of the Company was deliberated and approved. Accordingly, Mr. Zhao Zhigang would no longer serve as Deputy General Manager of the Company.

### II. 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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### III. 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

√Applicable ☐Not applicable

Overview	Index for inquiry
<p>On 12 February 2025, the 18th meeting of the 11th Board of Directors and the 12th meeting of the 11th Supervisory Committee of the Company deliberated and approved the Proposal on the Cancellation of Some Share Options and Repurchase and Cancellation of Some Restricted Shares of the Company's 2022 Share Options and Restricted Share Incentive Plan.</p> <p>On 6 March 2025 and 27 May 2025, the Company completed the cancellation of the aforementioned share options and the repurchase and cancellation of restricted shares at China Securities Depository and Clearing Co., Ltd. Shanghai Branch, respectively.</p>	<p>For details, please refer to the relevant announcements released by the Company on 13 February 2025 and 23 May 2025, in designated newspapers and media, as well as on the website of Shanghai Stock Exchange.</p>

**(II) Incentives which were undisclosed in the extraordinary announcement or might have had subsequent progress**

Share option incentive

☐Applicable ☒Not Applicable

Employee share scheme

☐Applicable ☒Not Applicable

Other incentives measures

☐Applicable ☒Not Applicable**IV. Environmental Information about Listed Companies and Their Major Subsidiaries Included in the List of Enterprises Required to Disclose Environmental Information According to Law**☒Applicable ☐Not applicable

Number of enterprises included in the list of enterprises required to disclose environmental information according to law (units)		10
Serial number	Enterprise name	Index for querying environmental information disclosure report according to law
1	Shanjin Optoelectronics (Nanjing) Co., Ltd.	<a href="http://ywxt.sthjt.jiangsu.gov.cn:18181/spsarchive-webapp/web/viewRunner.html?viewId=http://ywxt.sthjt.jiangsu.gov.cn:18181/spsarchive-webapp/web/sps/views/yfpl/views/yfplHomeNew/index.js">http://ywxt.sthjt.jiangsu.gov.cn:18181/spsarchive-webapp/web/viewRunner.html?viewId=http://ywxt.sthjt.jiangsu.gov.cn:18181/spsarchive-webapp/web/sps/views/yfpl/views/yfplHomeNew/index.js</a>
2	ShanJin Optoelectronics Technology (Zhangjiagang) Co., Ltd.	<a href="http://ywxt.sthjt.jiangsu.gov.cn:18181/spsarchive-webapp/web/viewRunner.html?viewId=http://ywxt.sthjt.jiangsu.gov.cn:18181/spsarchive-webapp/web/sps/views/yfpl/views/yfplHomeNew/index.js">http://ywxt.sthjt.jiangsu.gov.cn:18181/spsarchive-webapp/web/viewRunner.html?viewId=http://ywxt.sthjt.jiangsu.gov.cn:18181/spsarchive-webapp/web/sps/views/yfpl/views/yfplHomeNew/index.js</a>
3	Shanjin Optoelectronics (Guangzhou) Co., Ltd.	<a href="https://www-app.gdeei.cn/gdeepub/front/dal/dal/newindex">https://www-app.gdeei.cn/gdeepub/front/dal/dal/newindex</a>

4	Fujian Shanshan Technology Co., Ltd.	<a href="http://220.160.52.213:10053/idp-province/#/home">http://220.160.52.213:10053/idp-province/#/home</a>
5	Inner Mongolia Shanshan Technology Co., Ltd.	<a href="http://111.56.142.62:40010/support-yfpl-web/web/viewRunner.html?viewId=http://111.56.142.62:40010/support-yfpl-web/web/sps/views/yfpl/views/yfplHomeNew/index.js&amp;cantonCode=150000">http://111.56.142.62:40010/support-yfpl-web/web/viewRunner.html?viewId=http://111.56.142.62:40010/support-yfpl-web/web/sps/views/yfpl/views/yfplHomeNew/index.js&amp;cantonCode=150000</a>
6	Inner Mongolia Shanshan New Material Co., Ltd.	<a href="http://111.56.142.62:40010/support-yfpl-web/web/viewRunner.html?viewId=http://111.56.142.62:40010/support-yfpl-web/web/sps/views/yfpl/views/yfplHomeNew/index.js&amp;cantonCode=150000">http://111.56.142.62:40010/support-yfpl-web/web/viewRunner.html?viewId=http://111.56.142.62:40010/support-yfpl-web/web/sps/views/yfpl/views/yfplHomeNew/index.js&amp;cantonCode=150000</a>
7	Ningbo Shanshan New Material Co., Ltd.	<a href="https://mlzj.sthjt.zj.gov.cn/eps/index/enterprise-search">https://mlzj.sthjt.zj.gov.cn/eps/index/enterprise-search</a>
8	Shanghai Shanshan Technology Co., Ltd.	<a href="https://e2.sthj.sh.gov.cn/jsp/view/hjpl/index.jsp">https://e2.sthj.sh.gov.cn/jsp/view/hjpl/index.jsp</a>
9	Sichuan Shanshan New Material Co., Ltd.	<a href="https://103.203.219.138:8082/eps/index/enterprise-search">https://103.203.219.138:8082/eps/index/enterprise-search</a>
10	Yunnan Shanshan New Material Co., Ltd.	<a href="http://183.224.17.39:10097/ynyfpl/frontal/index.html#/home/index">http://183.224.17.39:10097/ynyfpl/frontal/index.html#/home/index</a>

Other description

☐ Not applicable ☒ Applicable

**V. Particulars of Consolidating and Expanding the Results of Poverty Alleviation and Rural Revitalization**

☐Not Applicable ☒Applicable

## Section V Important Matters

### I. Performance of Commitments

#### (I) Commitments of the de facto controller, shareholders, related parties and acquirer of the Company and the Company and other commitment-related parties during or subsisting at the time of the Reporting Period

√Applicable □Not applicable

Background	Type	Party(ies)	Details	Effective time	Whether the commitments have a performance deadline	Validity period	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.	31 December 2021, 22 September 2022	No	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 and 23 September 2022.	Yes
Commitments in relation to refinancing	Addressing horizontal 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 Ningbo Shanshan Co., Ltd. directly or indirectly through any other means in future, and is willing to bear the compensation liability for the economic loss caused to Ningbo Shanshan Co., Ltd. by the violation of the above commitments.	April 2001	No	The commitment was made in April 2001 and long-term effective.	Yes

Background	Type	Party(ies)	Details	Effective time	Whether the commitments have a performance deadline	Validity period	Whether the commitments have been strictly performed in a timely manner
	Addressing horizontal competition	Shanshan Holdings, Shanshan Group and Mr. Zheng Yonggang (the Covenantors)	There is no substantial horizontal competition between the enterprises directly or indirectly controlled by the Covenantors and Ningbo Shanshan Co., Ltd. and its holding enterprises. During the Period when the Covenantors are the (indirect) controlling shareholder/de facto controller of Ningbo Shanshan Co., Ltd., the Covenantors and the enterprises controlled by the Covenantors other than Ningbo Shanshan Co., Ltd. and its holding enterprises will avoid engaging in any business that competes with the main business of Ningbo Shanshan Co., Ltd. and its holding enterprises, and will not engage in any activity that causes damage to the interests of Ningbo Shanshan Co., Ltd. and its holding companies. If the Covenantors and the enterprises controlled by the Covenantors other than Ningbo Shanshan Co., Ltd. and its holding enterprises encounter business opportunities within the scope of the main business of Ningbo Shanshan Co., Ltd. and its holding enterprises, the Covenantors will facilitate the transfer of such opportunities to Ningbo Shanshan Co., Ltd. and its holding enterprises. In case of any breach of the above commitments, the Covenantors shall bear all losses caused to Ningbo Shanshan Co., Ltd.	May 2015	No	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 Ningbo Shanshan Co., Ltd.	Yes



Background	Type	Party(ies)	Details	Effective time	Whether the commitments have a performance deadline	Validity period	Whether the commitments have been strictly performed in a timely manner
	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 Ningbo Shanshan Co., Ltd.	25 June 2021	No	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
	Others	Directors, senior officers, controlling shareholders and de facto controllers of Ningbo Shanshan Co., Ltd.	Commitments on taking mitigation and remediation measures for the immediate return dilution resulting from this non-public offering of shares.	9 June 2020, 26 April 2021	No	For details, please refer to announcements of the Company released on the designated journals and media and the website of the SSE on 10 June 2020 and 27 April 2021.	Yes
	Others	Ningbo Shanshan Co., Ltd.	The Company does not provide financial assistance or compensation to investors participating in the subscription, either directly or through interested parties.	9 June 2020	No	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.	Yes
	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	9 June 2020, 26 April 2021, 29 April 2021	Yes	For details, please refer to the relevant announcements of the Company released on the designated journals	Yes

Background	Type	Party(ies)	Details	Effective time	Whether the commitments have a performance deadline	Validity period	Whether the commitments have been strictly performed in a timely manner
			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 in this non-public issue after the expiry of the lock-up period is subject to the relevant regulations of the CSRC, the SSE and other regulatory authorities.			and media and the website of the SSE on 10 June 2020, 27 April 2021 and 30 April 2021.	
Commitments in relation to equity incentive	Others	Ningbo Shanshan Co., Ltd.	The Company undertakes that none of the major shareholders or de facto controllers who hold more than 5% of shares and their spouses, parents and children participate in this incentive plan.	23 February 2022	Yes	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 24 February 2022.	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.	23 February 2022	Yes	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 24 February 2022.	Yes
Other commitments	Addressing horizontal 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 SSE on 4 February 2020.	1 February 2020	No	Until both of Shaanxi Maoye Industry and Trade Co., Ltd. (陕西茂叶工贸有限公司) and	Yes

Background	Type	Party(ies)	Details	Effective time	Whether the commitments have a performance deadline	Validity period	Whether the commitments have been strictly performed in a timely manner
						Ningbo Liankangcai Brand Management Co., Ltd. (宁波联康财品牌管理有限责任公司) cease to be shareholders of Shanshan brand companies.	
	Addressing horizontal 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.	12 December 2016	No	The Agreement shall continue to be 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.	Yes
	Addressing related transactions	Shanshan Co., Ltd., 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.	8 June 2016	No	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.	Yes

## II.Appropriation of Funds by the Controlling Shareholders and Other 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 “XVI. 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

**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 maintains a good credit standing, and there were no circumstances where the Company failed to fulfill any obligation as determined by the effective legal documents of a court or debts of a relatively large amount that were due but not settled; the controlling shareholder of the Company, Shanshan Group, and its concerted parties, Shanshan Holdings, Pengze Trading, and Yinzhou Jielun, have been listed as parties subject to enforcement and restricted from high-consumption activities by relevant courts due to litigation. Meanwhile, Shanshan Holdings was once listed as a discredited executive by the relevant court due to a debt dispute. As of the date of this Report, according to the information disclosed on the China Enforcement Information Publicity Network, Shanshan Holdings has been removed from the list of discredited executives.

In addition, Shanshan Group and its wholly-owned subsidiary, Pengze Trading, have been ordered by Yinzhou Court on 20 March 2025 to conduct substantive consolidated restructuring. For the updated restructuring progress, please refer to “Section XI, IV, 2. Application for Restructuring of Controlling Shareholder”.

**X. Major Related Transactions****(I) Related Transactions Related to Daily Operations****1. Matters 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

**(II) Related Transactions in Relation to Acquisition Assets or Acquisition and Disposal of 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

**3. Matters Undisclosed in Extraordinary Announcements**

☐ Applicable ☒ Not Applicable

**4. Discloseable Performance for the Reporting Period of Related Party Transactions with Agreed-upon Performance Targets**

☐ Applicable ☒ Not Applicable

**(III) Significant Related Party Transactions in Relation to Joint External Investment**

**1. Matters 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 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) 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 Major Related Transactions**

☐ Applicable ☒ Not Applicable

**(VII) Others**

☒ Applicable ☐ Not applicable

For details of other non-major related transactions, please refer to Note “XIV. Related parties and related transactions” to financial statements.

**XI. Material Contracts and Their Implementation**

**(I) Custody, Contracting or Leasing Business**

☐ Applicable ☒ Not Applicable

Guarantees provided by the Company (excluding the guarantees to subsidiaries)															
Guarantor	Relationship between guarantor and the listed company	Secured party	Guarantee amount	Commencement date of guarantee (date of the agreement)	Commencement date of guarantee	Expiry date of guarantee	Type of guarantee	The principal debt situation	Collateral (if any)	Whether the guarantee has been fulfilled	Guarantee overdue	Overdue amount	Counter Guarantee available	Guarantee provided to related parties	Related relationship
/	/	/	/	/	/	/	/	/	/	/	/	/	/	/	/
Total amount of guarantees incurred during the Reporting Period (excluding the guarantees provided to subsidiaries)							0								
Total balance of guarantee as at the end of the Reporting Period (A) (excluding the guarantees provided for subsidiaries)							0								
Guarantees provided by the Company to subsidiaries															
Total guarantee to subsidiaries incurred during the Reporting Period							189,557.14								
Total balance of guarantee provided to subsidiaries as at the end of the Reporting Period (B)							894,912.45								
Total guaranteed amount of the Company (including guarantees provided to subsidiaries)															
Total amount of guarantees (A+B)							894,912.45								
Total guaranteed amount as a percentage of net assets of the Company (%)							40.95								
Of which:															
Amount of guarantees provided to shareholders, de facto controller and their related parties (C)							0								
Amount of debt guarantees directly or indirectly provided to the parties with the gearing ratio exceeding 70% (D)							58,414.17								
Total amount of guarantees exceeding 50% of net assets (E)							0								
Total amount of the above three types of guarantees (C+D+E)							58,414.17								
Explanations on outstanding guarantee which may assume joint and several liabilities for repayment							N/A								

Explanations on guarantees	The statistical amount of “Guarantees provided by the Company to subsidiaries” includes mutual guarantees within the scope of consolidation.
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**(III) Other Major Contracts**

☐ Applicable ☒ Not Applicable

**XII. Use of Proceeds Raised**

☐ Applicable ☒ Not Applicable

**XIII. Description of Other Significant Events**

☐ Applicable ☒ Not Applicable

## Section VI 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	
	Quantity	Percentage (%)	Issue of new shares	Share dividend	Capitalization of capital reserve into share capital	Others	Subtotal	Quantity	Percentage (%)
I. Shares subject to trading restrictions	496,159,676	22.02				3,983,305 <sup>-</sup>	3,983,305 <sup>-</sup>	492,176,371	21.88
1. State-owned shares									
2. Shares held by state-owned legal persons									
3. Shares held by other domestic investors	495,414,176	21.99				3,597,955 <sup>-</sup>	3,597,955 <sup>-</sup>	491,816,221	21.86
Including: Shares held by domestic non-state-owned legal persons	488,402,766	21.67						488,402,766	21.71
Shares held by domestic natural persons	7,011,410	0.31				3,597,955 <sup>-</sup>	3,597,955 <sup>-</sup>	3,413,455	0.15
4. Shares held by overseas investors	745,500	0.03				-385,350	-385,350	360,150	0.02
Including: Shares held by overseas legal persons									
Shares held by overseas natural persons	745,500	0.03				-385,350	-385,350	360,150	0.02
II. Tradable shares not subject to trading restrictions	1,757,236,492	77.98						1,757,236,492	78.12
1. RMB-denominated	1,757,236,492	77.98						1,757,236,492	78.12

ordinary shares									
2. Domestic-listed foreign shares									
3. Overseas-listed foreign shares									
4. Others									
III. Total number of shares	2,253,396,168	100.00				3,983,305 <sup>-</sup>	3,983,305 <sup>-</sup>	2,249,412,863	100.00

## 2. Explanations on Changes in Shares

☒Applicable ☐Not applicable

On 27 May 2025, the Company implemented and completed the procedures for the repurchase and cancellation of certain restricted shares under the 2022 Equity Incentive Plan and 3,983,305 restricted shares were cancelled.

## 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

## 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	Number of shares subject to trading moratorium at the beginning of the Period	Number of shares released from trading moratorium during the Reporting Period	Increase in the number of shares subject to trading moratorium during the Reporting Period	Number of shares subject to trading moratorium at the end of the Reporting Period	Reasons for trading moratorium	Date of release from trading moratorium
Shanshan Group Co., Ltd.	205,264,756			205,264,756	Lock-up period for non-public issuance of shares	Subject to the relevant announcement to be made by the Company at that time.
Ningbo Pengze Trading Co., Ltd.	205,264,756			205,264,756	Lock-up period for non-public issuance of shares	
Shanghai Haiyi			48,293,254	48,293,254	Acquisition of the privately	

Supply Chain Management Co., Ltd.					placed restricted shares held by Yinzhou Jielun through court-ordered transfer	
Ningbo Yinzhou Jielun Investment Co., Ltd.	77,873,254		-48,293,254	29,580,000	Lock-up period for non-public issuance of shares	
Li Fengfeng	225,000		-112,500	112,500	Lock-up period for restricted incentive shares	Release of lock-up in accordance with the relevant provisions of the Company's 2022 Equity Incentive Plan or repurchase for cancellation, subject to the relevant announcement to be made by the Company at that time.
Zhu Zhiyong	147,000		-73,500	73,500	Lock-up period for restricted incentive shares	
Other equity incentive recipients	7,384,910		-3,797,305	3,587,605	Lock-up period for restricted incentive shares	
Total	496,159,676		-3,983,305	492,176,371	/	/

## II. Particulars of Shareholders

### (I) Total Number of Shareholders:

Total number of ordinary shareholders as of the end of the Reporting Period (shareholder)	150,513
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### (II) Shareholding of the 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

Shareholding of the top ten shareholders (excluding the shares lent through refinancing)							
Name of shareholder (Full name)	Changes during the Reporting Period	Number of shares held as at the end of the Period	Proportion (%)	Number of shares held subject to trading moratorium	Shares pledged, marked or frozen		Nature of shareholders
					Status of shares	Quantity	
Shanshan Group Co., Ltd.	-461,925,336	320,296,700	14.24	205,264,756	Pledged	287,012,100	Domestic non state-owned legal person
					Marked	287,012,036	
					Frozen	33,284,600	

Ningbo Pengze Trading Co., Ltd.	0	205,264,756	9.13	205,264,756	Pledged	205,264,756	Domestic non state-owned legal person
					Marked	205,264,756	
Hangzhou Fuyang Jinmao Equity Investment Partnership Enterprise (Limited Partnership)	92,340,557	92,340,557	4.11	0	Nil	0	Others
Shanghai Haiyi Supply Chain Management Co., Ltd.	65,293,254	65,293,254	2.90	48,293,254	Nil	0	Domestic non state-owned legal person
Shanshan Holdings Co., Ltd.	-22,159,786	50,052,403	2.23	0	Pledged	29,430,541	Domestic non state-owned legal person
					Marked	29,430,541	
					Frozen	20,621,862	
Hong Kong Securities Clearing Company Limited	3,932,115	33,362,648	1.48	0	Nil	0	Overseas legal person
Bailian Group Co., Ltd. (百联集团有限公司)	0	30,743,625	1.37	0	Nil	0	State-owned legal person
Ningbo Yinzhou Jielun Investment Co., Ltd.	-48,293,254	29,580,000	1.32	29,580,000	Pledged	29,580,000	Domestic non state-owned legal person
					Marked	29,580,000	
CITIC Securities Co., Ltd.	25,362,786	25,728,395	1.14	0	Nil	0	State-owned legal person
Agricultural Bank of China Limited - CSI 500 Open-Ended Index Securities Investment Fund	7,147,389	23,356,755	1.04	0	Nil	0	Others

## Shareholdings of top ten shareholders not subject to trading restrictions (excluding the shares lent through refinancing)

Name of shareholder	Number of tradable shares not subject to trading moratorium	Type and number of shares	
		Category	Quantity
Shanshan Group Co., Ltd.	115,031,944	RMB-denominated ordinary shares	115,031,944
Hangzhou Fuyang Jinmao Equity Investment Partnership Enterprise (Limited Partnership)	92,340,557	RMB-denominated ordinary shares	92,340,557
Shanshan Holdings Co., Ltd.	50,052,403	RMB-denominated ordinary shares	50,052,403

Hong Kong Securities Clearing Company Limited	33,362,648	RMB-denominated ordinary shares	33,362,648
Bailian Group Co., Ltd.	30,743,625	RMB-denominated ordinary shares	30,743,625
CITIC Securities Co.,Ltd.	25,728,395	RMB-denominated ordinary shares	25,728,395
Agricultural Bank of China Limited - CSI 500 Open-Ended Index Securities Investment Fund	23,356,755	RMB-denominated ordinary shares	23,356,755
Zhong Ge	22,159,786	RMB-denominated ordinary shares	22,159,786
Shanghai Haiyi Supply Chain Management Co., Ltd.	17,000,000	RMB-denominated ordinary shares	17,000,000
Tianjin Chinese Investment Management Co., Ltd. – Chinese Hexin No.3 Securities Investment Private Fund (华人和鑫 3 号证券投资私募基金)	13,439,000	RMB-denominated ordinary shares	13,439,000
Explanations on the special account for repurchase among the top ten shareholders	The top ten shareholders have “securities account for share repurchase of Ningbo Shanshan Co., Ltd.”, holding 101,219,494 tradable shares not subject to trading restrictions.		
Explanation on the above-mentioned shareholders’ proxy voting rights, entrusted voting rights, and waiver of voting rights	N/A		
Note on connected relationship or acting in concert of 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. Shanshan Group and Pengze Trading have been adjudicated by the court to perform substantive consolidated restructuring procedures on 20 March 2025. For further details, please refer to the relevant announcements released by the Company on the website of Shanghai Stock Exchange. Save for the abovementioned, the Company is not aware of whether there is any other relationship between the other 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		

## Notes:

1. As of the end of the Reporting Period, Shanshan Group Co., Ltd. held 320,296,700 shares of the Company, with a cumulative total of 287,012,100 shares pledged. Among them, the held shares and the cumulative pledged shares include a total of 64 shares transferred by Shanshan Group Co., Ltd. to Shanshan Group-LC Securities-22 S. EB1 Guarantee and Trust Property Account, Shanshan Group-LC Securities-22 S. EB2 Guarantee and Trust Property Account, Shanshan Group-LC Securities-22 S. EB3 Guarantee and Trust Property Account, and Shanshan Group-LC Securities-22 S. EB4 Guarantee and Trust Property Account due to the non-public issuance of exchangeable corporate bonds.
2. The number of marked shares in the table includes both judicial marks and judicial frozen pledges. In addition to the number of pledged, frozen and marked shares in the table, the shares held by Shanshan Group Co., Ltd., Shanshan Holdings Co., Ltd., and Ningbo Pengze Trading Co., Ltd. at the end of the period were all subject to sequential freeze, amounting to 1,232,897,386 shares, 924,459,019 shares, and 73,481,086 shares, respectively.

3、As of the end of the reporting period, the Company had 0 GDR in existence.

**Participation of shareholders holding more than 5% of the shares, top ten shareholders and top ten shareholders of unrestricted shares in lending of shares through refinancing**

☐Applicable ☒Not applicable

**Changes in top ten shareholders and top ten shareholders of unrestricted shares compared with the previous period due to lending/repayment of refinancing**

☐Applicable ☒Not applicable

**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			The shares shall not be transferred within 36 months from the date of issuance completion (among which Shanghai Haiyi Supply Chain Management Co., Ltd. obtained the non-public restricted shares held by Yinzhou Jielun through judicial transfer). The specific time for lifting the restrictions on sale shall be subject to the relevant announcements released by the Company at that time.
1	Ningbo Pengze Trading Co., Ltd.	205,264,756			
3	Shanghai Haiyi Supply Chain Management Co., Ltd.	48,293,254			
4	Ningbo Yinzhou Jielun Investment Co., Ltd.	29,580,000			
5	Li Fengfeng	112,500			These are restricted shares subject to the fourth lock-up period initially granted under the Company's 2022 Equity Incentive Plan, which will be released from
6	Ding Xiaoyang	90,000			
7	Zhu Zhiyong	73,500			
8	Geng Hailong	67,500			
8	Jiang Ninglin	67,500			
10	Zhang Hua	60,000			

10	Li Peng	60,000			restriction or repurchased for cancellation in accordance with the relevant provisions of the Company's 2022 Equity Incentive Plan, subject to the relevant announcements to be made by the Company at that time.
Note on connected relationship or acting in concert of 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).</p> <p>Ms. Li Fengfeng is a director and deputy general manager of the Company, the person in charge of the Company's anode material business, and the chairwoman of Shanghai Shanshan Lithium Battery Material Technology Co., Ltd. (a subsidiary of the Company) and its subsidiaries.</p> <p>Mr. Zhu Zhiyong is the director and deputy general manager of the Company, the head of the Company's polarizer business, and the director and general manager of Shanjin Optoelectronics (Suzhou) Co., Ltd., the Company's subsidiary.</p> <p>The other natural person shareholders are the main management/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. Particulars of Directors and Senior Management**

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

☒Applicable ☐Not applicable

Unit: Share

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
Zheng Ju	Vice chairman	1,810,000	0	-1,810,000	Judicial enforcement
Li Fengfeng	Director, deputy general manager	3,149,500	3,037,000	-112,500	Repurchase and cancellation of restricted shares
Zhu Zhiyong	Director, deputy general manager	148,200	74,700	-73,500	Repurchase and cancellation of restricted shares



**(II) Share incentives granted to directors and senior management during the Reporting Period**

□Applicable √Not applicable

**(III) Other notes**

□Applicable √Not applicable

**IV. Changes in Controlling Shareholder or De Facto Controller**

√Applicable □Not applicable

**1. Identification of de facto controller**

On 10 February 2023, Mr. Zheng Yonggang, the former de facto controller of the Company, passed away due to illness, and the shares and related rights and interests of the Company held by him entered the succession process in accordance with relevant laws and regulations. As of the date of this report, the Company has not received any legally binding written document or notice confirming the Company's new de facto controller. The Company will pay close attention to the subsequent progress and re-identify the de facto controller based on its share inheritance.

**2. Restructuring application against the controlling shareholder**

On 21 January 2025, the applicants, China Construction Bank Corporation Ningbo Branch, Ningbo Yinzhou Rural Commercial Bank Corporation Ningchuan Sub-branch, and Industrial Bank Co., Ltd. Ningbo Branch, applied to Yinzhou Court for the restructuring of Shanshan Group, the controlling shareholder of the Company. On 25 February 2025, Yinzhou Court ruled to accept the restructuring application filed by the aforementioned applicants against Shanshan Group, and appointed Zhong Lun Law Firm (Shanghai), Zhejiang Yong Tai Law Firm, and Zhejiang Zhong Xing Certified Public Accountants (Special General Partnership) as the administrators of Shanshan Group.

On 20 March 2025, upon application by the administrators of Shanshan Group, Yinzhou Court ruled Shanshan Group and its wholly-owned subsidiary, Pengze Trading to conduct substantive consolidated restructuring.

On 15 May 2025, the first creditors' meeting for the consolidated bankruptcy restructuring case involved Shanshan Group and Pengze Trading was convened, during which 8 proposals or reports, including the Report on Credits Verification Submitted to the Creditors' Meeting, were mainly heard or deliberated. The voting period for the Election Plan of the Creditors' Committee, the Rules of Procedure for the Creditors' Committee, the Plan for the Establishment of an Investor Selection Panel, and the Plan for Convening Creditors' Meetings and Voting in a Non-on-site Manner at this meeting expired at 12:00 noon on 19 May 2025, and all proposals were adopted.

From 30 May 2025 to 5 June 2025, the second creditors' meeting for the consolidated bankruptcy restructuring case of Shanshan Group and Pengze Trading was convened, during which the Announcement on the Recruitment of Prospective Investors was reviewed and approved. Accordingly, Shanshan Group released the Announcement of Shanshan Group Co., Ltd. on the Public Recruitment of Restructuring Investors for the Substantive Consolidated Restructuring Case of the Company and Its Wholly-Owned Subsidiaries on the website of the SSE on 9 June 2025, announcing the general situations of Shanshan

Group, Pengze Trading and their major assets, as well as the registration conditions for prospective investors, and clarifying the registration time, required documentation, and selection process for the Restructuring Investment Plan for prospective investors.

After the above announcement, the investor selection team of the substantive merger and reorganization case of Shanshan Group and Pengze Trading has carried out the selection work according to the Reorganization Investment Plan submitted by the intended investors in accordance with the law, and currently has undergone a conversation and negotiation with intended investors.

For details, please refer to the relevant announcements released by the Company and Shanshan Group on the website of the SSE.

It remains uncertain whether Shanshan Group and Pengze Trading can successfully restructure. Given that Shanshan Group and Pengze Trading have entered the restructuring proceedings, subsequent restructuring implementation may lead to adjustments in their shareholder rights and interests in the Company, which may in turn lead to changes in the Company's control. The Company will continue to monitor the progress of the aforementioned matters and fulfill its information disclosure obligations in a timely manner in strict accordance with relevant laws, regulations and normative documents.

## **V. Information regarding Preferred Shares**

☐Applicable ☒Not applicable

## **Section VII Information regarding Bonds**

### **I. Corporate Bonds (Including Enterprise Bonds) and Non-Financial Corporate Debt Financing Instruments**

☐Applicable ☒Not applicable

### **II. Convertible Corporate Bonds**

☐Applicable ☒Not applicable

## Section VIII Financial Report

### I. Auditor's report

☐Applicable ☒Not Applicable

### II. Financial statements

#### Consolidated Balance Sheet

30 June 2025

Prepared by: Ningbo Shanshan Co., Ltd.

Unit: Yuan Unit: Yuan

Item	Note	30 June 2025	31 December 2024
<b>Current assets:</b>			
Cash at bank and on hand	VII, 1	2,822,360,853.70	2,770,648,155.32
Deposit reservation for balance			
Lending funds			
Trading financial assets			
Derivative financial assets			
Notes receivable	VII, 2	59,908,055.67	
Accounts receivable	VII, 3	3,878,793,126.05	5,209,137,732.79
Receivables financing	VII, 4	98,606,699.71	42,218,961.77
Prepayments	VII, 5	645,337,162.60	1,285,909,859.83
Insurance premium receivable			
Reinsurance premium receivables			
Reserves for reinsurance contracts receivable			
Other receivables	VII, 6	295,030,216.44	1,097,253,963.21
Of which: Interest receivable		250,037.85	117,071.97
Dividend receivable		4,492,116.13	4,492,116.13
Financial assets purchased under agreements to resell			
Inventories	VII, 7	6,600,030,911.97	5,975,613,109.65
Of which: Data resources			
Contract assets			
Assets held for sale			
Non-current assets due within one year			
Other current assets	VII, 8	906,940,534.55	883,046,379.81
Total current assets		15,307,007,560.69	17,263,828,162.38
<b>Non-current assets:</b>			
Borrowings and			

Item	Note	30 June 2025	31 December 2024
advances issued			
Debt investment			
Other debt investment			
Long-term receivables			
Long-term equity investment	VII, 9	6,246,585,628.74	6,316,406,745.05
Investment in other equity instruments	VII, 10	144,794,508.42	126,486,318.53
Other non-current financial assets	VII, 11	218,584,307.86	237,037,307.86
Investment properties			
Fixed assets	VII, 12	16,865,429,198.20	14,256,097,096.93
Construction in progress	VII, 13	1,557,316,372.04	3,789,117,779.51
Productive biological assets			
Oil and gas assets			
Right-of-use assets	VII, 14	851,721,823.88	1,138,539,755.86
Intangible assets	VII, 15	2,375,733,982.95	1,884,619,658.23
Of which: Data resources			
Development costs			
Of which: Data resources			
Goodwill	VII, 16	1,141,620,111.55	828,320,718.55
Long-term prepaid expenses	VII, 17	62,962,240.33	73,684,563.51
Deferred income tax assets	VII, 18	290,737,108.51	278,647,868.69
Other non-current assets	VII, 19	14,866,975.69	15,196,329.49
Total non-current assets		29,770,352,258.17	28,944,154,142.21
Total assets		45,077,359,818.86	46,207,982,304.59
<b>Current liabilities:</b>			
Short-term borrowings	VII, 21	5,403,704,202.95	5,627,645,926.84
Borrowings from the Central Bank			
Borrowings from other banks and other financial institutions			
Trading financial liabilities			
Derivative financial liabilities			
Notes payable	VII, 22	296,985,213.74	190,995,331.81

Item	Note	30 June 2025	31 December 2024
Accounts payable	VII, 23	3,878,173,246.69	4,524,023,879.56
Advances from customers	VII, 24	663,721.32	1,827,784.11
Contract liabilities	VII, 25	46,421,351.65	32,640,936.49
Financial assets sold for repurchase			
Deposits from customers and inter banks			
Receiving from vicariously traded securities			
Receiving from vicariously sold securities			
Employee compensation payable	VII, 26	40,923,443.12	121,959,994.92
Taxes payable	VII, 27	169,091,423.02	240,634,882.88
Other payables	VII, 28	327,248,640.50	439,067,901.48
Of which: Interest payable			
Dividend payable		701,360.00	701,360.00
Handling charges and commissions payable			
Reinsurance premium payables			
Liabilities held for sale			
Non-current liabilities due within one year	VII, 29	3,653,678,296.06	2,796,533,361.27
Other current liabilities	VII, 30	5,073,996.50	3,391,582.34
Total current liabilities		13,821,963,535.55	13,978,721,581.70
<b>Non-current liabilities:</b>			
Reserve fund for insurance contracts			
Long-term borrowings	VII, 31	6,534,334,716.10	7,804,461,602.92
Bonds payable			
Of which: Preferred shares			
Perpetual bonds			
Lease liabilities	VII, 32	740,905,933.12	742,150,463.93
Long-term payables	VII, 33	172,103,274.93	235,291,929.72

Item	Note	30 June 2025	31 December 2024
Long-term employee compensation payable			
Estimated liabilities	VII, 34	37,781,950.15	36,047,544.20
Deferred income	VII, 35	537,898,629.58	484,764,556.10
Deferred income tax liabilities	VII, 18	396,876,646.74	392,057,243.31
Other non-current liabilities			
Total non-current liabilities		8,419,901,150.62	9,694,773,340.18
Total liabilities		22,241,864,686.17	23,673,494,921.88
<b>Owners' equity (or shareholders' equity):</b>			
Paid-in capital (or share capital)	VII, 36	2,249,412,863.00	2,253,396,168.00
Other equity instruments			
Of which: Preferred shares			
Perpetual bonds			
Capital reserve	VII, 37	8,913,592,195.35	9,014,799,973.78
Less: Treasury shares	VII, 38	1,413,658,051.37	1,469,285,164.43
Other comprehensive income	VII, 39	-157,472,637.44	-233,336,549.38
Special reserves	VII, 40	10,880.60	10,880.60
Surplus reserves	VII, 41	292,801,918.55	292,801,918.55
General risk provision			
Retained earnings	VII, 42	11,969,790,577.79	11,723,056,845.38
Total owners' equity (or shareholders' equity) attributable to parent company		21,854,477,746.48	21,581,444,072.50
Non-controlling interests		981,017,386.21	953,043,310.21
Total owners' equity (or shareholders' equity)		22,835,495,132.69	22,534,487,382.71
Total liabilities and owners' equity (or shareholders' equity)		45,077,359,818.86	46,207,982,304.59

Principal of the Company:

Zhou Ting

Person in charge of accounting:

Li Keqin

Person in charge of the  
accounting authority:

Xu Lie





**Balance Sheet of Parent Company**

30 June 2025

Prepared by: Ningbo Shanshan Co., Ltd.

Unit: Yuan      Currency: RMB

Item	Note	30 June 2025	31 December 2024
<b>Current assets:</b>			
Cash at bank and on hand		308,719,010.29	831,626,951.71
Trading financial assets			
Derivative financial assets			
Notes receivable			
Accounts receivable	XIX, 1	2,000,340.69	6,562,671.54
Receivables financing			
Prepayments		4,577,770.33	3,290,290.50
Other receivables	XIX, 2	2,783,523,902.54	2,756,065,020.15
Of which: Interest receivable			
Dividend receivable		4,000,000.00	4,000,000.00
Inventories			
Of which: Data resources			
Contract assets			
Assets held for sale			
Non-current assets due within one year			
Other current assets		65,217,020.11	
Total current assets		3,164,038,043.96	3,597,544,933.90
<b>Non-current assets:</b>			
Debt investment			
Other debt investment			
Long-term receivables			
Long-term equity investment	XIX, 3	14,596,835,165.50	14,550,062,601.02
Investment in other equity instruments		36,550,000.00	36,550,000.00
Other non-current financial assets			
Investment properties			
Fixed assets		72,850,367.95	75,657,622.25
Construction in progress			
Productive biological assets			
Oil and gas assets			
Right-of-use assets		2,203,512.13	4,407,024.23
Intangible assets		2,324,246.32	2,582,756.47
Of which: Data resources			
Development costs			
Of which: Data resources			
Goodwill			
Long-term prepaid expenses		1,268,814.82	1,884,051.27
Deferred income tax assets		36,596,330.46	36,596,330.46
Other non-current assets			
Total non-current assets		14,748,628,437.18	14,707,740,385.70
Total assets		17,912,666,481.14	18,305,285,319.60
<b>Current liabilities:</b>			
Short-term borrowings		2,437,000,000.00	2,394,317,883.32
Trading financial liabilities			
Derivative financial liabilities			

Item	Note	30 June 2025	31 December 2024
Notes payable			
Accounts payable		6,563,516.14	57,204,142.08
Advances from customers		627,323.71	1,828,953.58
Contract liabilities			
Employee compensation payable			4,874,237.69
Taxes payable		54,999,380.25	117,753,902.35
Other payables		1,577,183,656.13	1,533,804,279.28
Of which: Interest payable			
Dividend payable		701,360.00	701,360.00
Liabilities held for sale			
Non-current liabilities due within one year		2,400,826,530.99	1,547,718,353.54
Other current liabilities			
Total current liabilities		6,477,200,407.22	5,657,501,751.84
<b>Non-current liabilities:</b>			
Long-term borrowings		963,000,000.00	2,100,200,000.00
Bonds payable			
Of which: Preferred shares			
Perpetual bonds			
Lease liabilities			
Long-term payables			
Long-term employee compensation payable			
Estimated liabilities		3,000,000.00	3,000,000.00
Deferred income			
Deferred income tax liabilities			
Other non-current liabilities			
Total non-current liabilities		966,000,000.00	2,103,200,000.00
Total liabilities		7,443,200,407.22	7,760,701,751.84
<b>Owners' equity (or shareholders' equity):</b>			
Paid-in capital (or share capital)		2,249,412,863.00	2,253,396,168.00
Other equity instruments			
Of which: Preferred shares			
Perpetual bonds			
Capital reserve		7,615,890,943.40	7,667,534,751.46
Less: Treasury shares		1,413,658,051.37	1,469,285,164.43
Other comprehensive income		12,440,563.61	14,445,120.76
Special reserves			
Surplus reserves		294,927,373.13	294,927,373.13
Retained earnings		1,710,452,382.15	1,783,565,318.84
Total owners' equity (or shareholders' equity)		10,469,466,073.92	10,544,583,567.76
Total liabilities and owners' equity (or shareholders' equity)		17,912,666,481.14	18,305,285,319.60

Principal of the Company:

Zhou Ting

Person in charge of accounting:

Li Keqin

Person in charge of the  
accounting authority:

Xu Lie

**Consolidated Income Statement**

January-June 2025

Unit: Yuan Currency: RMB

Item	Note	Half year of 2025	Half year of 2024
I. Total operating income		9,858,484,315.28	8,819,856,035.91
Of which: Operating income	VII, 43	9,858,484,315.28	8,819,856,035.91
Interest income			
Premium earned			
Income for handling charges and commissions			
II. Total operating cost		9,495,045,155.75	8,790,782,115.02
Of which: Operating cost	VII, 43	8,249,225,096.47	7,537,360,721.91
Interest expenses			
Handling charges and commissions			
Surrender value			
Net amount of compensation expenses			
Net amount withdrawn for insurance contract reserves			
Policy dividend expense			
Reinsurance costs			
Taxes and surcharges	VII, 44	67,199,079.67	55,295,908.67
Sales expenses	VII, 45	135,800,467.89	119,247,796.59
Administrative expenses	VII, 46	257,275,296.06	316,990,884.67
Research and development expenses	VII, 47	512,503,725.65	526,079,194.76
Financial expenses	VII, 48	273,041,490.01	235,807,608.42
Of which: Interest expenses		261,647,123.36	277,997,627.75
Interest income		14,623,203.51	38,074,601.83
Plus: Other income	VII, 49	116,323,391.42	166,438,650.31
Investment income (loss expressed with "-")	VII, 50	5,402,531.26	-57,812,211.73
Of which: Share of profit of associates and joint ventures		2,726,931.26	-2,866,652.46
Gains from derecognition of financial assets measured at amortized cost (loss expressed with "-")			
Foreign exchange gains (losses expressed with "-")			
Net exposure hedging benefits (losses expressed with "-")			
Gains from changes in fair value (losses expressed with "-")	VII, 51	-18,453,000.00	-6,675,000.00
Credit impairment losses (losses expressed with "-")	VII, 52	11,233,904.34	-17,863,647.09
Assets impairment losses (losses expressed with "-")	VII, 53	-162,888,685.45	-2,139,445.97
Gains on disposal of assets (losses expressed with "-")	VII, 54	1,897,094.47	1,901,111.53
III. Operating profit (loss expressed with "-")		316,954,395.57	112,923,377.94

Item	Note	Half year of 2025	Half year of 2024
Plus: Non-operating income	VII, 55	3,638,485.20	4,251,388.57
Less: Non-operating expenses	VII, 56	5,433,466.57	24,611,210.76
IV. Total profit (total loss is indicated with “-”)		315,159,414.20	92,563,555.75
Less: Income tax expenses	VII, 57	76,236,663.31	70,738,232.71
V. Net profit (net loss is indicated with “-”)		238,922,750.89	21,825,323.04
(I) Classified by operating continuity			
1. Net profit from continuing operations (net loss is indicated with “-”)		238,922,750.89	21,825,323.04
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 “—”)		207,308,198.84	17,574,536.66
2. Non-controlling interests (net loss to be listed with “-”)		31,614,552.05	4,250,786.38
VI. Other comprehensive income, net of tax		75,968,169.04	395,120,153.89
(I) Net of tax of other comprehensive income attributable to the parent company owners		75,863,911.94	395,113,954.85
1. Other comprehensive income that cannot be reclassified through profit or loss		13,665,236.95	397,355,627.95
(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		13,665,236.95	397,355,627.95
(4) Changes in fair value of the enterprise's credit risk			
2. Other comprehensive income that will be re-classified into profits or losses		62,198,674.99	-2,241,673.10
(1) Other comprehensive income that can be reclassified into profits or losses under the equity method		-2,004,557.15	4,859,336.06
(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			

Item	Note	Half year of 2025	Half year of 2024
(5) Cash flow hedging reserve			
(6) Exchange differences from translation of financial statements denominated in foreign currencies		64,203,232.14	-7,101,009.16
(7) Others			
(II) Other comprehensive income attributable to minority shareholders, net of tax		104,257.10	6,199.04
VII. Total comprehensive income		314,890,919.93	416,945,476.93
(I) Total comprehensive income attributable to owners of parent company		283,172,110.78	412,688,491.51
(II) Total comprehensive income attributable to minority shareholders		31,718,809.15	4,256,985.42
VIII. Earnings per share:			
(I) Basic earnings per share (RMB/share)		0.096	0.008
(II) Diluted earnings per share (RMB/share)		0.096	0.008

Principal of the Company:  
Zhou Ting

Person in charge of accounting:  
Li Keqin

Person in charge of the  
accounting authority: Xu Lie

**Income Statement of Parent Company**

January-June 2025

Unit: Yuan Currency: RMB

Item	Note	Half year of 2025	Half year of 2024
I. Operating income	XIX, 4	6,580,894.70	35,344,058.74
Less: Operating costs	XIX, 4	1,304,835.29	6,823,111.00
Taxes and surcharges		242,414.07	512,405.12
Sales expenses		649,371.12	643,081.84
Administrative expenses		31,130,705.92	70,044,386.95
Research and development expenses			
Financial expenses		92,309,206.40	103,179,032.09
Of which: Interest expense		88,865,809.21	108,623,158.45
Interest income		-551,881.11	-9,434,737.57
Add: Other income		1,022,954.57	2,287,043.51
Investment income (loss is indicated with "-")	XIX, 5	57,966,449.56	-241,565,095.70
Of which: Share of profit of associates and joint ventures		57,966,449.56	32,079,141.63
Gains from derecognition of financial assets measured at amortized cost (loss expressed with "-")			
Net exposure hedging benefits (losses expressed with "-")			
Gains from changes in fair value (losses expressed with "-")			
Credit impairment losses (losses expressed with "-")		-4,998,183.05	170,151,831.74
Assets impairment losses (losses expressed with "-")		-9,189,327.93	
Gains on disposal of assets (losses expressed with "-")		-4,852.12	2,762,017.43
II. Operating profit (loss expressed with "-")		-74,258,597.07	-212,222,161.28
Plus: Non-operating income		1,145,660.38	165,266.59
Less: Non-operating expenses			1,000,000.00
III. Total profit (total loss expressed with "-")		-73,112,936.69	-213,056,894.69
Less: Income tax expenses			
IV. Net profit (net loss expressed with "-")		-73,112,936.69	-213,056,894.69
(I) Net profit from continuing operations (net loss is indicated with "-")		-73,112,936.69	-213,056,894.69
(II) Net profit from discontinuing operations (net loss is indicated with "-")			
V. Net other comprehensive income after tax		-2,004,557.15	4,859,336.06
(I) Other comprehensive income that cannot be reclassified through profit or loss			

Item	Note	Half year of 2025	Half year of 2024
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			
4. Changes in fair value of the enterprise's credit risk			
(II) Other comprehensive income that will be re-classified into profits or losses		-2,004,557.15	4,859,336.06
1. Other comprehensive income that can be reclassified into profits or losses under the equity method		-2,004,557.15	4,859,336.06
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			
VI. Total comprehensive income		-75,117,493.84	-208,197,558.63
VII. Earnings per share:			
(I) Basic earnings per share (RMB/share)		-0.034	-0.097
(II) Diluted earnings per share (RMB/share)		-0.034	-0.097

Principal of the Company:  
Zhou Ting

Person in charge of accounting:  
Li Keqin

Person in charge of the accounting  
authority: Xu Lie

**Consolidated Statement of Cash Flows**

January-June 2025

Unit: Yuan Currency: RMB

Item	Note	Half year of 2025	Half year of 2024
<b>I. Cash flows from operating activities:</b>			
Cash received from sales of goods or rendering of services		10,448,223,042.83	8,664,880,134.31
Net increase in deposit from customer and due from bank and other financial institutions			
Net increase in borrowing from the Central Bank			
Net increase in borrowings from other financial institutions			
Cash received from premium income from direct insurance contracts			
Net cash received from reinsurance business			
Net increase in policyholders' deposits and investments contract liabilities			
Cash received from interests, handling charges and commissions			
Net increase in borrowings from other banks and other financial institutions			
Net increase in repurchase business			
Net cash received from agency purchases and sales of securities			
Refunds of taxes and surcharges		100,871,581.77	193,484,454.93
Cash received relating to other operating activities	VII, 58	179,078,449.10	270,013,829.05
Sub-total of cash inflows from operating activities		10,728,173,073.70	9,128,378,418.29
Cash paid for goods and services		7,505,556,341.00	6,738,322,464.06
Net increase in customer loans and advances			
Net increase of deposits in the Central Bank and other financial institutions			
Cash paid for claims under direct insurance contract			
Net increase in lending funds			
Cash paid for interests, handling charges and commissions			
Cash paid for the policy dividends			
Cash paid to and on behalf of employees		725,113,058.83	700,988,386.40



Item	Note	Half year of 2025	Half year of 2024
Payments of taxes and surcharges		840,108,424.15	737,588,966.21
Cash paid relating to other operating activities	VII, 58	194,265,643.12	260,006,426.04
Sub-total of cash outflows from operating activities		9,265,043,467.10	8,436,906,242.71
Net cash flows from operating activities		1,463,129,606.60	691,472,175.58
<b>II. Cash flows from investing activities:</b>			
Cash received from disposal of investments		61,354,162.49	271,506,500.00
Cash received from returns on investments		2,675,600.00	353,423,002.82
Net cash received from disposal of fixed assets, intangible assets & other long-term assets		146,694,359.97	4,343,656.06
Net cash received from the disposal of subsidiaries and other business entities		10,199,710.43	26,257,327.43
Cash received relating to other investing activities	VII, 58	678,026,757.28	937,330,132.91
Sub-total of cash inflows from investing activities		898,950,590.17	1,592,860,619.22
Cash paid to acquire fixed assets, intangible assets and other long-term assets		1,054,307,506.65	2,123,426,597.05
Cash paid to acquire investments			148,440,023.85
Net increase in pledge loans			
Net cash paid for the acquisition of subsidiaries and other business entities			
Cash paid relating to other investing activities	VII, 58		150,000,000.00
Sub-total of cash outflows from investing activities		1,054,307,506.65	2,421,866,620.90
Net cash flows from investing activities		-155,356,916.48	-829,006,001.68
<b>III. Cash flows from financing activities:</b>			
Cash received from capital contributions			
Of which: Cash received from capital contributions by non-controlling interests of subsidiaries			
Cash received from borrowings		4,850,571,192.94	8,099,066,902.94
Cash received relating to other financing activities	VII, 58	317,433,337.58	231,184,801.23
Sub-total of cash inflows from financing activities		5,168,004,530.52	8,330,251,704.17
Cash repayments of borrowings		5,731,606,767.14	5,851,444,895.78

Item	Note	Half year of 2025	Half year of 2024
Cash payments for distribution of dividends, profits or interest expenses		288,110,035.01	752,423,448.82
Of which: Dividends and profits paid to non-controlling interests by subsidiaries			
Cash paid relating to other financing activities	VII, 58	374,556,775.61	1,504,505,232.08
Sub-total of cash outflows from financing activities		6,394,273,577.76	8,108,373,576.68
Net cash flows from financing activities		-1,226,269,047.24	221,878,127.49
<b>IV. Effect of foreign exchange rate changes on cash and cash equivalents</b>		-6,394,097.47	-3,679,768.44
<b>V. Net increase in cash and cash equivalents</b>		75,109,545.41	80,664,532.95
Plus: Opening balance of Cash and cash equivalents		1,831,148,236.87	4,024,541,676.69
<b>VI. Ending balance of Cash and cash equivalents</b>		1,906,257,782.28	4,105,206,209.64

Principal of the Company:  
Zhou Ting

Person in charge of accounting:  
Li Keqin

Person in charge of the  
accounting authority: Xu Lie

**Cash Flow Statement of Parent Company**

January-June 2025

Unit: Yuan Currency: RMB

Item	Note	Half year of 2025	Half year of 2024
<b>I. Cash flows from operating activities:</b>			
Cash received from sales of goods or rendering of services		8,223,587.35	22,089,676.88
Refunds of taxes and surcharges			
Cash received relating to other operating activities		15,233,936.46	6,904,850.52
Sub-total of cash inflows from operating activities		23,457,523.81	28,994,527.40
Cash paid for goods and services		471,284.55	3,520,903.62
Cash paid to and on behalf of employees		18,635,603.11	25,853,989.21
Payments of taxes and surcharges		7,577,018.02	8,788,967.44
Cash paid relating to other operating activities		85,043,217.75	66,642,854.66
Sub-total of cash outflows from operating activities		111,727,123.43	104,806,714.93
Net cash flows from operating activities		-88,269,599.62	-75,812,187.53
<b>II. Cash flows from investing activities:</b>			
Cash received from disposal of investments			
Cash received from returns on investments			
Net cash received from disposal of fixed assets, intangible assets & other long-term assets		55,875,679.70	3,075,942.92
Net cash received from the disposal of subsidiaries and other business entities		10,199,710.43	120,410,950.00
Cash received relating to other investing activities		2,171,828.78	622,916,202.66
Sub-total of cash inflows from investing activities		68,247,218.91	746,403,095.58
Cash paid to acquire fixed assets, intangible assets and other long-term assets		12,500.00	600,014,498.00
Cash paid to acquire investments			
Net cash paid for the acquisition of subsidiaries and other business entities			
Cash paid relating to other investing activities		117,580,000.00	
Sub-total of cash outflows from investing activities		117,592,500.00	600,014,498.00
Net cash flows from investing activities		-49,345,281.09	146,388,597.58
<b>III. Cash flows from financing activities:</b>			

Item	Note	Half year of 2025	Half year of 2024
Cash received from capital contributions			
Cash received from borrowings		1,522,000,000.00	2,030,000,000.00
Cash received relating to other financing activities		50,106,828.00	1,145,086,437.79
Sub-total of cash inflows from financing activities		1,572,106,828.00	3,175,086,437.79
Cash repayments of borrowings		1,731,100,000.00	1,677,340,000.00
Cash payments for distribution of dividends, profits or interest expenses		120,643,657.94	551,688,706.82
Cash paid relating to other financing activities		109,626,170.82	614,534,408.01
Sub-total of cash outflows from financing activities		1,961,369,828.76	2,843,563,114.83
Net cash flows from financing activities		-389,263,000.76	331,523,322.96
<b>IV. Effect of foreign exchange rate changes on cash and cash equivalents</b>		-29,117.71	39,218.30
<b>V. Net increase in cash and cash equivalents</b>		-526,906,999.18	402,138,951.31
Plus: Opening balance of Cash and cash equivalents		758,267,021.14	734,543,629.71
<b>VI. Ending balance of Cash and cash equivalents</b>		231,360,021.96	1,136,682,581.02

Principal of the Company:  
Zhou Ting

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 2025

Unit: Yuan Currency: RMB

Item	Half year of 2025														Non-controlling interests	Total owner's equity
	Owner's equity attributable to parent company															
	Paid-in capital (or share capital)	Other equity instruments			Capital reserves	Less: Treasury shares	Other comprehensive incomes	Special reserves	Surplus reserves	General risk provision	Retained earnings	Others	Subtotal			
Preferred shares	Perpetual bonds	Others														
I. Ending balance of the previous year	2,253,396,168.00				9,014,799,973.78	1,469,285,164.43	-233,336,549.38	10,880.60	292,801,918.55		11,723,056,845.38		21,581,444,072.50	953,043,310.21	22,534,487,382.71	
Plus: Changes in accounting policies																
Correction of prior period errors																
Others																
II. Opening balance of the current year	2,253,396,168.00				9,014,799,973.78	1,469,285,164.43	-233,336,549.38	10,880.60	292,801,918.55		11,723,056,845.38		21,581,444,072.50	953,043,310.21	22,534,487,382.71	
III. Increase or decrease amount in the current period (decrease expressed with "-")	3,983,305.00				-101,207,778.43	-55,627,113.06	75,863,911.94				246,733,732.41		273,033,673.98	27,974,076.00	301,007,749.98	
(I) Total comprehensive income							75,863,911.94				207,308,198.84		283,172,110.78	31,718,809.15	314,890,919.93	

(II) Capital contribution s or withdrawals by owners	3,983,305.00 <sup>-</sup>				101,207,778.43 <sup>-</sup>	55,627,113.06 <sup>-</sup>							49,563,970.37 <sup>-</sup>	3,744,733.15 <sup>-</sup>	53,308,703.52 <sup>-</sup>
1. Capital contribution s by owners															
2. Capital contribution s by other equity instruments holders															
3. Share-based payments charged into owners' equity															
4. Others	3,983,305.00 <sup>-</sup>				101,207,778.43 <sup>-</sup>	55,627,113.06 <sup>-</sup>							49,563,970.37 <sup>-</sup>	3,744,733.15 <sup>-</sup>	53,308,703.52 <sup>-</sup>
(III) Profit distribution															
1. Appropriati on to surplus reserves															
2. Appropriati on to general risk provision															
3. Distribution to owners (or shareholder s															
4. Others															

(IV) Transfer within owner's equity											39,425,533.57		39,425,533.57		39,425,533.57
1. Transfer of capital reserve to capital (or share capital)															
2. Transfer of surplus reserve to capital (or share capital)															
3. Surplus reserves used to offset accumulate d losses															
4. Transfer remeasurem ent of defined benefit obligations to retained earnings															
5. Transfer from other comprehens ive income to retained earnings											39,425,533.57		39,425,533.57		39,425,533.57
6. Others															
(V) Special reserve															

1. Provision in the current period															
2. Use in the current period															
(VI) Others															
IV. Ending balance for the period	2,249,412,863.00				8,913,592,195.35	1,413,658,051.37	-157,472,637.44	10,880.60	292,801,918.55		11,969,790,577.79		21,854,477,746.48	981,017,386.21	22,835,495,132.69

Item	Half year of 2024														
	Owner’s equity attributable to parent company													Non-controlli ng interests	Total owners’ equity
	Paid-in capital (or share capital)	Other equity instruments			Capital reserve	Less: Treasury shares	Other comprehen sive income	Special reserve s	Surplus reserves	Genera l risk provisi on	Retained earnings	Othe rs	Subtotal		
		Preferr ed shares	Perpet ual bonds	Othe rs											
I. Ending balance of the previous year	2,258,223,223.00				9,073,484,147.89	981,321,182.46	-77,894,085.74	1,724,238.27	292,801,918.55		12,102,150,807.75		22,669,169,067.26	923,686,616.30	23,592,855,683.56
Add: Changes in accounting policies															
Correction of errors in the prior period															
Others															
II. Opening balance of the current year	2,258,223,223.00				9,073,484,147.89	981,321,182.46	-77,894,085.74	1,724,238.27	292,801,918.55		12,102,150,807.75		22,669,169,067.26	923,686,616.30	23,592,855,683.56
III. Increase/decr ease for the period	- 4,381,555.00				- 86,477,602.25	494,053,571.93	118,637,970.30	- 1,713,357.67			- 143,350,517.39		- 611,338,633.94	405,722.47	- 610,932,911.47



(decrease is indicated with "-")															
(I) Total comprehensive income						395,113,954.85					17,574,536.66		412,688,491.51	4,256,985.42	416,945,476.93
(II) Contribution and withdrawal of capital by owners	4,381,555.00				-86,477,602.25	494,053,571.93							-584,912,729.18	-3,851,262.95	-588,763,992.13
1. Ordinary shares invested by owners						494,053,571.93							-494,053,571.93	-3,851,262.95	-497,904,834.88
2. Capital invested by holders of other equity instruments															
3. Amount of share payment credited to owner's equity					-30,618,739.21								-30,618,739.21		-30,618,739.21
4. Others	4,381,555.00				-55,858,863.04								-60,240,418.04		-60,240,418.04
(III) Profit distribution											-437,401,038.60		-437,401,038.60		-437,401,038.60
1. Withdrawal of surplus reserve															
2. Provision for general risk															
3. Distribution											-437,401,038.60		-437,401,038.60		-437,401,038.60

to owners (or shareholders)															
4. Others															
(IV) Internal carry-over of owner's equity							276,475,984.55	-				276,475,984.55			
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 earning															
5. Other comprehensive income carried forward to retained earnings							276,475,984.55	-				276,475,984.55			
6. Others															
(V) Special reserves								1,713,357.67	-				-1,713,357.67		-1,713,357.67
1. Provision for the period															

2. Utilization for the period															
3. Merge reduction								1,713,357.67					1,713,357.67		1,713,357.67
(VI) Others															
IV. Ending balance for the period	2,253,841,668.00				8,987,006,545.64	1,475,374,754.39	40,743,884.56	10,880.60	292,801,918.55		11,958,800,290.36		22,057,830,433.32	924,092,338.77	22,981,922,772.09

Principal of the Company: Zhou Ting

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 2025

Unit: Yuan Currency: RMB

Item	Half year of 2025										
	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							
I. Ending balance of the previous year	2,253,396,168.00				7,667,534,751.46	1,469,285,164.43	14,445,120.76		294,927,373.13	1,783,565,318.84	10,544,583,567.76
Add: Changes in accounting policies											
Correction of errors in the prior period											
Others											
II. Opening balance of the current year	2,253,396,168.00				7,667,534,751.46	1,469,285,164.43	14,445,120.76		294,927,373.13	1,783,565,318.84	10,544,583,567.76
III. Increase/decrease for the period (decrease is indicated with “-”)	-3,983,305.00				-51,643,808.06	-55,627,113.06	-2,004,557.15			-73,112,936.69	-75,117,493.84
(I) Total comprehensive income							-2,004,557.15			-73,112,936.69	-75,117,493.84
(II) Contribution and withdrawal of capital by owners	-3,983,305.00				-51,643,808.06	-55,627,113.06					
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	-3,983,305.00				-51,643,808.06	-55,627,113.06					
(III) Profit distribution											
1. Withdrawal of surplus reserve											
2. Distribution to owners (or shareholders)											
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	2,249,412,863.00				7,615,890,943.40	1,413,658,051.37	12,440,563.61		294,927,373.13	1,710,452,382.15	10,469,466,073.92

Item	Half year of 2024										
	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
		Preferred shares	Perpetual bonds	Others							
I. Ending balance of the previous year	2,258,223,223.00				7,745,144,150.74	981,321,182.46	-5,337,173.48		294,927,373.13	2,558,609,895.87	11,870,246,286.80
Add: Changes in accounting policies											
Correction of errors in the prior period											
Others											
II. Opening balance of the current year	2,258,223,223.00				7,745,144,150.74	981,321,182.46	-5,337,173.48		294,927,373.13	2,558,609,895.87	11,870,246,286.80
III. Increase/decrease for the period (decrease is indicated with "-")	-4,381,555.00				-55,858,863.04	494,053,571.93	4,859,336.06			-650,457,933.29	-1,199,892,587.20

(I) Total comprehensive income							4,859,336.06				-213,056,894.69	-208,197,558.63
(II) Contribution and withdrawal of capital by owners	-4,381,555.00				-55,858,863.04	494,053,571.93						-554,293,989.97
1. Ordinary shares invested by owners						494,053,571.93						-494,053,571.93
2. Capital invested by holders of other equity instruments												
3. Amount of share payment credited to owner's equity												
4. Others	-4,381,555.00				-55,858,863.04							-60,240,418.04
(III) Profit distribution											-437,401,038.60	-437,401,038.60
1. Withdrawal of surplus reserve												
2. Distribution to owners (or shareholders)											-437,401,038.60	-437,401,038.60
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 earning												
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	2,253,841,668.00				7,689,285,287.70	1,475,374,754.39	-477,837.42		294,927,373.13	1,908,151,962.58	10,670,353,699.60
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Person in charge of the Company: Zhou Ting  
Lie

Person in charge of accounting: Li Keqin

Person in charge of the accounting authority: Xu

### **III. Basic information about the Company**

#### **1. Company profile**

☒Applicable ☐Not applicable

Ningbo Shanshan Co., Ltd. (hereinafter referred to as Company or the Company) was approved by Ningbo Economic System Reform Office and registered with Ningbo Administration for Market Regulation on 14 December 1992, with its headquarters located in Ningbo City, Zhejiang Province. The Company currently holds a business license for corporate legal entity with the unified social credit code of 91330200704803055M, a registered capital of RMB2,253,396,200, and a total number of shares of 2,249,412,863 (with a par value of RMB1 per share). Among them, there are 492,176,371 restricted tradable A-shares and 1,757,236,492 unrestricted tradable A-shares. The shares of the Company have been listed and traded on Shanghai Stock Exchange since January 1996.

The Company is engaged in computer, communication, and other electronic equipment manufacturing. Its primary business activities include the research and development, production and sales of anode materials and polarizers.

These financial statements have been approved for external release by the 20th meeting of the 11th Board of Directors of the Company on 29 August 2025.

### **IV. Preparation basis of financial statements**

#### **1. Preparation basis**

The financial statements of the Company are prepared on a going concern basis.

#### **2. Going concern**

☒Applicable ☐Not applicable

The Company does not have any events or circumstances that cause significant doubts about its ability of going concern within 12 months from the end of the reporting period.

### **V. Significant accounting policies and accounting estimates**

Specific accounting policies and accounting estimates:

☒Applicable ☐Not applicable

According to the actual production and operation characteristics, the Company has formulated specific accounting policies and accounting estimates for transactions or events including impairment of financial instruments, inventories, depreciation of fixed assets, construction in progress, intangible assets, and revenue recognition.



**1. Statement on observing the Accounting Standards for Business Enterprises**

The financial statements prepared by the Company comply with the requirements of the *Accounting Standards for Business Enterprises* and give a true and complete view of the financial position as well as the operating results, cash flows and other relevant information about the enterprise.

**2. Accounting period**

The fiscal year of the Company is from Gregorian calendar 1st January to 31st December.

**3. Business cycle**

☒Applicable ☐Not applicable

The operating cycle of the Company is relatively short, and a 12-month period is taken as the criterion for classifying assets and liabilities as current or non-current.

**4. Bookkeeping currency**

The Company and its domestic subsidiaries adopt RMB as their bookkeeping currency. These overseas subsidiaries engaged in foreign operations choose the currency of the primary economic environment in which they operate as their bookkeeping currency.

**5. Method for determining materiality criteria and selection basis**

☒Applicable ☐Not applicable

Item	Materiality Criteria
Significant accounts receivable with single accrual for bad debt provision	A single amount exceeding RMB5 million or a single accrual accounting for 10% of the total bad debt provision for various accounts receivable
Significant accounts receivable as written off	A single amount exceeding RMB5 million or single item verification amount accounting for more than 10% of the total amount of various receivables
Significant construction-in-progress projects	Single construction-in-progress project with a budget exceeding 0.5% of the total assets
Significant joint ventures or associates	The carrying value of long-term equity investments in a single investee exceeding 3% of the total assets of the Group
Significant subsidiaries and non-wholly owned subsidiaries	Subsidiaries whose net assets account for more than 5% of the net assets of the Group or whose net profit accounts for more than 10% of the net profit of the Group
Significant cash flows from investing activities	A single item with an amount exceeding 10% of the total assets

**6. Accounting treatment methods for business combinations under the common control and not under the common control**

☒Applicable ☐Not applicable

### 1. Accounting treatment methods for business combinations under the common control

Assets and liabilities acquired by a consolidating party in a business combination (including goodwill resulting from the acquisition of the consolidated party by the ultimate controlling party) are measured at the book value of the consolidated party's assets and liabilities in the consolidated financial statements of the ultimate controlling party at the date of the consolidation. As for the balance between the carrying amount of the net assets obtained by the combining party and the carrying amount of the consideration during consolidation (or the total book value of the shares issued), the additional paid-in capital in capital reserve shall be adjusted. If the additional paid-in capital in capital reserve is not sufficient to be offset, the retained earnings shall be adjusted.

### 2. Accounting treatment methods for business combinations not under the common control

The cost of combination is the fair value of the assets paid, liabilities incurred or assumed, and equity securities issued by the acquirer to obtain control over the acquiree at the date of acquisition. Goodwill is recognized as the positive difference between the cost of the combination and the share of the fair value of the acquiree's identifiable net assets acquired in the combination. The difference which is negative between the cost of combination and the share of the fair value of the acquiree's identifiable net assets acquired in a consolidation is included in profit or loss for the current period. Each identifiable asset, liability and contingent liability of the acquiree acquired in a consolidation that qualifies for recognition is measured at fair value at the date of acquisition.

Directly related costs incurred for a business consolidation are included into profit or loss for the current period as incurred; Transaction costs for the issuance of equity securities or debt securities for a business consolidation are included into the initial recognition amount of the equity securities or debt securities.

## 7. Criteria for judgement of controlling and preparation method of consolidated financial statements

☒Applicable ☐Not applicable

### 1. Judgement of controlling

The scope of consolidated financial statements is determined on the basis of control, which includes the Company and all of its subsidiaries. The Company controls an entity where the Company is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the activities of the entity.

### 2. Method of preparation of consolidated financial statements

The Company considers the entire enterprise group as one accounting entity, and prepares consolidated financial statements in accordance with consistent accounting policies to reflect the financial position, business performance and cash flows of the enterprise group as a whole. The effects of internal transactions that occurred between the Company and its subsidiaries and between subsidiaries are offset. If an internal transaction indicates that there is an impairment loss on the related asset, the full amount of such loss is recognized. If a subsidiary adopts accounting policies and accounting periods that are not consistent with those of the Company, the subsidiary's accounting policies and accounting periods shall

be adjusted according to those of the Company as necessary in preparing the consolidated financial statements.

The shares held by non-controlling interests in owner's equity, the net profit and loss in the current period and the comprehensive income in the current period of subsidiaries, are separately listed under the items of owner's equity in the consolidated balance sheet, net profit and total comprehensive income in the consolidated income statement. The balance of current loss borne by non-controlling interests of the subsidiary subtracting the shares enjoyed by non-controlling interests from period-beginning owner's equity of the subsidiary shall offset against the non-controlling interests.

(1) Increase subsidiaries or business

During the reporting period, if a subsidiary or any business is added as a result of a business consolidation under the same control, the operating results and cash flows of the subsidiary or business from the beginning of the current consolidation period to the end of the reporting period are included in the consolidated financial statements, while the opening balance of the consolidated financial statements and the related items in the comparative statements are adjusted as if the consolidated reporting entity had been in existence since the point when the ultimate controlling party began to control it.

If additional investments enable control over an investee under the same control, the equity investment held before the acquisition of control of the consolidated party, and the relevant profit and loss, other comprehensive income and other changes in net assets that have been confirmed from the date when the original equity is acquired or the date when the consolidating party and the consolidated party are under the same control (which one is later) to the consolidation date will write down the opening retained earnings or current profit and loss for the period of comparative statement, respectively.

During the reporting period, if a subsidiary or any business is added as a result of a business consolidation not under the same control, each identifiable asset, liability and contingent liability determined at the date of acquisition based on their fair value are included in the consolidated financial statements from the date of acquisition.

Where the investees not under the same control can be controlled due to additional investment or other reasons, the Company shall re-measure the acquiree's equity held before the date of purchase according to the fair value of the equity at the date of purchase, and include the difference between the fair value and its book value into the current investment income. 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 right 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 control right. The sum of the consideration acquired by the disposal of equity and the fair value of the remaining equity minus 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, such obtained difference shall be included into the investment income on that very period of losing the control right. 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 right is lost.

## 2) Disposal of subsidiaries step by step

If the terms, conditions, and economic impacts on various transactions of disposing the equity investment of subsidiaries conform to one or more of the following situations provided that the equity investment of subsidiaries is disposed step by step through multiple transactions until the loss of control right, it usually indicates that the multiple transactions shall be taken as a package deal:

- ① These transactions are made simultaneously or in consideration of each other's influence;
- ② These transactions as a whole can achieve a complete business result;
- ③ The occurrence of a transaction depends on the occurrence of at least one of other transactions;
- ④ A transaction is uneconomical individually, but it's economical when you consider it with other transactions.

Where the transactions are part of a package, the transactions are accounted for as one disposal of subsidiaries with loss of control; The difference between each disposal price and the share of the net assets of the subsidiary corresponding to the disposal of the investment prior to the loss of control is included into the consolidated financial statements as other comprehensive income and is transferred into profit or loss for the current period when control is lost.

Where the respective transactions are not part of a package, the equity investment in the subsidiary is accounted for as a partial disposal without loss of control until such time as control is lost; Upon loss of control, accounting is performed in accordance with the general method for disposal of subsidiaries.

## (3) Purchasing minority equity of subsidiaries

The share premium in the capital reserves in the Consolidated Balance Sheet is adjusted according to the difference between the long-term equity investment newly obtained by the Company for the purchase of minority equity and the net asset share continuously calculated from the purchase date or the merger date of subsidiaries that shall be enjoyed by the Company by calculating as per the newly-increased shareholding ratio; when the share premium in the capital reserves is not sufficient to offset, the retained earnings shall be adjusted.

## (4) Disposing partly the equity investment in subsidiaries without losing the control

For the difference between the disposal price and the share of net assets of the subsidiary corresponding to the disposal of the long-term equity investment calculated on an ongoing basis from the date of acquisition or the date of consolidation, adjust the share premium in capital reserves in the Consolidated Balance Sheet, and if the share premium in capital reserves is not sufficient for write-down, adjust the retained earnings.

**8. Classification of joint venture arrangements and accounting treatment methods for joint operations**√Applicable ☐Not applicable

1. The joint venture arrangements are divided into joint operation and joint venture.
2. When the company is a joint venture party of a joint operation, the Company recognizes the following items related to its share of interest in joint operations:
  - (1) To confirm the assets held separately, and the assets jointly held according to the shares;
  - (2) To confirm the liabilities assumed separately, and the liabilities jointly assumed according to the shares;
  - (3) To confirm the revenue generated by the sale of the output shares of joint operation enjoyed by the Company;
  - (4) To confirm the revenue generated by the sale of assets of joint operation according to the shares held by the company;
  - (5) To confirm the expenses incurred separately, and the expenses incurred in joint operation according to the shares held by the company.

**9. Recognition criteria for cash and cash equivalents**

The term “cash” shown in the cash flow statement refers to cash on hand and deposits that are available for payment at any time. The term “cash equivalents” refers to short-term and highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of change in value.

**10. Foreign currency transactions and conversion of foreign currency financial statements**√Applicable ☐Not applicable**(1) Translation of foreign currency transactions**

When a foreign currency transaction is initially recognized, it shall be translated into a RMB amount at the spot exchange rate on the transaction date. On the balance sheet date, the foreign currency monetary items shall be translated at the spot exchange rate on the balance sheet date, and the exchange difference arising from different exchange rates shall be included in the current profits or losses except for the exchange difference between the principal and interest of the foreign currency special borrowings related to the acquisition and construction of assets eligible for capitalization; the non-foreign currency monetary items at historical cost shall still be translated at the spot exchange rate on the transaction date, without changing their RMB amounts; and the non-foreign currency monetary items at fair value shall be translated at the spot exchange rate on the date when the fair value is determined, with the difference included in the current profits or losses or other comprehensive income.

**2. Translation of foreign currency financial statements**

When translating foreign currency accounting statements, assets and liabilities in the balance sheet shall be translated at the spot exchange rate on the balance sheet date. Except for “retained earnings” item in the owners' equity, other items shall be translated at the spot exchange rate at the time of occurrence,

and the income and expense items in the income statement shall be translated at the spot exchange rate on the transaction date. The differences in translating the foreign currency financial statements arising from the above translations shall be included in other comprehensive income.

## 11. Financial instruments

√Applicable ☐Not applicable

### 1. Classification of financial assets and financial liabilities

Financial assets are classified into the following three categories upon initial recognition: (1) Financial assets at amortized cost; (2) Financial assets at fair value through other comprehensive income; and (3) Financial assets at fair value through profit or loss.

Financial liabilities are classified into the following four categories upon initial recognition: (1) Financial liabilities at fair value through profit or loss; (2) Financial liabilities arising from the transfer of financial assets that do not qualify for derecognition or from the continued involvement in transferred financial assets; (3) Financial guarantee contracts not falling under the above (1) or (2), and loan commitments not falling under the above (1) and made at below-market interest rates; and (4) Financial liabilities at amortized cost.

### 2. Recognition basis, measurement method and derecognition conditions of financial assets and financial liabilities

#### (1) Recognition basis and initial measurement of financial assets and financial liabilities

The Company shall recognize a financial asset or financial liability when it becomes a party to a financial instrument contract. When initially recognizing financial assets or financial liabilities, they shall be measured at fair value. For financial assets and financial liabilities at fair value through profit or loss, relevant transaction expenses shall be directly included in the current profits or losses; and for other types of financial assets or financial liabilities, relevant transaction expenses shall be included in the initial recognition amount. However, if the accounts receivable initially recognized by the Company do not contain significant financing components or the Company does not consider the financing components in the contracts less than one year, the initial measurement shall be carried out according to the transaction price defined in the *Accounting Standards for Business Enterprises No.14 - Revenue*.

#### (2) Subsequent measurement of financial assets

##### 1) Financial assets at amortized cost

The effective interest rate method shall be used for subsequent measurement at amortized cost. Gains or losses arising from financial assets that are measured at amortized cost but not part of any hedging relationship shall be included in the current profits or losses when they are derecognized, reclassified, amortized or impaired according to the effective interest method.

##### 2) Investment in debt instruments at fair value through other comprehensive income

The fair value shall be adopted for subsequent measurement. Interest, impairment losses or gains and exchange gains and losses calculated using the effective interest method shall be recognized in the current profits or losses, while other gains or losses shall be recognized in other comprehensive income. Upon

derecognition, the accumulated gains or losses previously included in other comprehensive income shall be transferred out of other comprehensive income and included in the current profits or losses.

### 3) Investment in equity instruments at fair value through other comprehensive income

The fair value shall be adopted for subsequent measurement. The dividends obtained (except those belonging to the recovery of investment costs) shall be included in the current profits or losses, and other gains or losses shall be included in other comprehensive income. Upon derecognition, the accumulated gains or losses previously included in other comprehensive income shall be transferred out of other comprehensive income and included in retained earnings.

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

The fair value shall be adopted for subsequent measurement, and the resulting gains or losses (including interest and dividend income) shall be included in the current profits or losses, unless the financial asset is part of the hedging relationship.

### (3) Subsequent measurement of financial liabilities

#### 1) Financial liabilities at fair value through profit and loss

Such financial liabilities include trading financial liabilities (including derivatives belonging to financial liabilities) and financial liabilities designated as at fair value through profit or loss. For such financial liabilities, the fair value shall be adopted for subsequent measurement. The changes in fair value of the financial liabilities designated as at fair value through profit or loss due to changes in the Company's own credit risks shall be included in other comprehensive income, unless the treatment would cause or enlarge an accounting mismatch in profit or loss. Other gains or losses arising from such financial liabilities (including interest expenses, but except changes in fair value caused by changes in the Company's own credit risks) shall be included in the current profits or losses, unless the financial liabilities are part of the hedging relationship. Upon derecognition, the accumulated gains or losses previously included in other comprehensive income shall be transferred out of other comprehensive income and included in retained earnings.

2) Financial liabilities arising from the transfer of financial assets that do not qualify for derecognition or from the continued involvement in transferred financial assets

It shall be measured in accordance with relevant provisions of the *Accounting Standards for Business Enterprises No.23 - Transfer of Financial Assets*.

3) Financial guarantee contracts not falling under the above (1) or (2), and loan commitments not falling under the above (1) and made at below-market interest rates

After initial recognition, they shall be subsequently measured at the higher of the following two amounts: ① The amount of loss allowance determined in accordance with the impairment provisions of financial instruments; and ② The balance after the initial recognition amount minus the accumulated amortization amount determined in accordance with the relevant provisions of the *Accounting Standards for Business Enterprises No.14 - Revenue*.

#### 4) Financial liabilities at amortized cost

They shall be measured at amortized cost using the effective interest method. Gains or losses arising

from financial liabilities that are measured at amortized cost but not part of any hedging relationship shall be included in the current profits or losses when they are derecognized and amortized according to the effective interest method.

#### (4) Derecognition of financial assets and financial liabilities

1) When one of the following conditions is met, a financial asset shall be derecognized:

① The contract right to receive cash flows of the financial asset is terminated; and

② The financial asset has been transferred, and the transfer meets the requirements for derecognition of financial assets under the *Accounting Standards for Business Enterprises No.23 - Transfer of Financial Assets*.

2) If the current obligations of a financial liability (or part thereof) have been discharged, the financial liability (or part thereof) shall be derecognized accordingly.

#### 3. Recognition basis and measurement method of transfer of financial assets

If almost all risks and rewards in the ownership of financial assets are transferred, the financial assets shall be derecognized; the rights and obligations arising or retained in the transfer shall be separately recognized as assets or liabilities; and if almost all risks and rewards in the ownership of financial assets are retained, the financial assets shall continue to be recognized. Where the Company has neither transferred nor retained nearly all risks and rewards in the ownership of a financial asset, it shall be treated as follows: (1) If it has not retained control over the financial asset, it shall derecognize the financial asset and recognize the generated or retained rights and obligations during the transfer as assets and liabilities separately; and (2) If it has retained control over the financial asset, the relevant financial asset shall be recognized based on its continued involvement in the transferred financial asset, and the relevant liabilities shall be recognized accordingly.

If the overall transfer of the financial asset meets the conditions for derecognition, the difference between the following two amounts shall be included in the current profits or losses: (1) The carrying value of the transferred financial asset on the derecognition date; and (2) The sum of the consideration received due to the transfer of the financial asset and the corresponding derecognized portion of the accumulated amount of changes in fair value originally and directly included in other comprehensive income (in the case where the transferred financial asset is the investments in debt instruments at fair value through other comprehensive income). When a portion of the financial asset is transferred and the transferred portion as a whole meets the conditions for derecognition, the entire carrying value of the financial asset prior to transfer shall be allocated between the derecognized portion and the continued recognized portion based on their respective relative fair values on the transfer date. The difference between the following two amounts shall be included in the current profits or losses: (1) The carrying value of the derecognized portion; and (2) The sum of the consideration received for the derecognized portion and the corresponding derecognized portion of the accumulated amount of changes in fair value originally and directly included in other comprehensive income (in the case where the transferred financial asset is the investments in debt instruments at fair value through other comprehensive income).

#### 4. Determination method of fair value of financial assets and financial liabilities



The Company shall adopt the valuation techniques that are applicable in the current situation and supported by sufficient available data and other information to determine the fair value of relevant financial assets and financial liabilities. The Company shall divide the inputs used in valuation techniques into the following levels and use them in sequence:

(1) Level 1 inputs refer to the unadjusted quoted prices that can be acquired for identical assets or liabilities in the active market at the measurement date;

(2) Level 2 inputs refer to the directly or indirectly observable inputs of related assets or liabilities in addition to Level 1 inputs, including: quotations of similar assets or liabilities in active markets; quotations of the same or similar assets or liabilities in inactive markets; other observable inputs other than quotations, including interest rate and yield curves that can be observed during normal quotation intervals; and market-verified inputs, etc.

(3) Level 3 inputs refer to unobservable inputs of related assets or liabilities, including interest rates that cannot be directly observed or verified by observable market data, stock volatility, future cash flows of abandonment obligations assumed in business combination, financial forecasts based on one's own data, etc.

#### 5. Impairment of financial instruments

On the basis of expected credit losses, the Company shall conduct impairment processing and recognize loss allowance for financial assets at amortized cost, investments in debt instruments at fair value through other comprehensive income, contract assets, lease receivables, loan commitments other than those classified as financial liabilities at fair value through profit or loss, and financial guarantee contracts that do not belong to financial liabilities at fair value through profit or loss or that arise from the transfer of financial assets where the derecognition criteria are not met or where there is continued involvement in the transferred financial assets.

Expected credit loss refers to the weighted average of credit losses of financial instruments weighted by the risk of default. Credit loss refers to the difference between all contract cash flows receivable under the contract and all cash flows expected to be received, which is discounted at the original effective interest, that is, the present value of all cash shortages. Among them, the financial assets purchased or derived by the Company that have suffered impairment of credit shall be discounted according to the effective interest rate adjusted by credit.

For the purchased or originated financial assets with credit impairment, the Company shall only recognize the cumulative change of expected credit loss in the whole existence period after initial recognition as the loss reserve on the balance sheet date.

For lease receivables, receivables arising from the transactions governed by the *Accounting Standards for Business Enterprises No.14 - Revenue*, and contract assets, the Company shall apply the simplified measurement approach by recognizing loss allowances based on an amount equivalent to the expected credit losses over the entire duration.

For financial assets other than those measured using the aforementioned method, the Company shall assess whether their credit risk has significantly increased since their initial recognition on each balance

sheet date. If the credit risks have increased significantly since the initial recognition, the Company shall measure the loss allowance according to the amount of the expected credit losses over the entire duration; and if the credit risks have not increased significantly since the initial recognition, the Company shall measure the loss allowance according to the amount of the expected credit losses in the next 12 months.

Through comparing the risk of default of financial instruments on the balance sheet date with the risk of default on the initial recognition date, the Company can determine whether the credit risk of financial instruments has increased significantly since the initial recognition by virtue of available, reasonable and well-founded information, including forward-looking information.

On the balance sheet date, once determining that a financial instrument only faces a low credit risk, the Company shall assume that the credit risk of the financial instrument has not increased significantly since the initial recognition.

The Company shall assess expected credit risks and measure expected credit losses on the basis of individual financial instruments or combination of financial instruments. When based on a combination of financial instruments, the Company shall divide financial instruments into different combinations based on common risk characteristics.

The Company shall re-measure expected credit losses on each balance sheet date, and the resulting increase or reversal amount of loss allowance shall be included in the current profits or losses as impairment losses or gains. For financial assets at amortized cost, the loss allowance shall be offset by the carrying value of the financial assets listed in the balance sheet; and for the debt investments at fair value through other comprehensive income, the Company shall recognize its loss allowance in other comprehensive income, while not offsetting the carrying value of the financial assets.

#### 6. Offsetting of financial assets and financial liabilities

The financial assets and financial liabilities shall be presented separately in the balance sheet, but not offset against each other. However, if the following conditions are satisfied simultaneously, the net amount after mutual offset shall be presented on the balance sheet: (1) The Company has the statutory right to offset the recognized amount, and such statutory right can be enforced currently; and (2) The Company plans to settle on a net basis or simultaneously realize the financial asset and pay off the financial liability.

For the transfer of financial assets that do not meet the conditions for derecognition, the Company shall not offset the transferred financial assets and the related liabilities.

## 12. Recognition criteria and provisioning methods for expected credit losses on receivables and contract assets

☒Applicable ☐Not applicable

1. Receivables and contract assets for which expected credit losses are provided based on the combination of credit risk characteristics

Combination category	Basis for determining combination	Method for measuring expected credit losses
Bank acceptance bills receivable	Type of bills	Credit rating of the acceptor
Commercial acceptance bills receivable		
Accounts receivable - aging combination	Aging combination	Expected credit loss rate determined by combining historical loss rate with forward-looking adjustments
Other receivables - business category combination	Business category	Expected credit loss rate determined by considering common credit risk characteristics of business categories and forward-looking factors

2. Criteria for recognizing receivables and contract assets for which expected credit losses are provided on an individual basis

For receivables and contract assets with credit risks significantly different from those of the combination credit risks, the Company shall provide for expected credit losses on an individual basis.

### 13. Inventories

√Applicable ☐Not applicable

#### **Inventory categories, costing methods for issues, inventory counting systems, and amortization methods for low-value consumables and packaging materials**

√Applicable ☐Not applicable

##### 1. Classification of inventories

Inventories include finished products or goods held for sale in daily activities, products in the process of production, materials and articles consumed in the process of production or labor services, etc.

##### 2. Valuation method for issued inventories

The month-end weighted average method shall be used for issued inventories.

##### 3. Inventory system of inventories

The perpetual inventory system shall be adopted as the inventory system of inventories.

##### 4. Amortization method of low-value consumables and packaging materials

###### (1) Low-value consumables

The amortization shall be carried out according to the one-time write-off method.

###### (2) Packaging materials

The amortization shall be carried out according to the one-time write-off method.

#### **Recognition criteria and accrual method of inventory depreciation reserve**

√Applicable ☐Not applicable

On the balance sheet date, inventories shall be measured at the lower of cost and net realizable value,

and inventory depreciation reserve shall be made according to the positive difference between the cost and the net realizable value. For inventories directly used for sale, the net realizable value shall be determined with the estimated selling price minus the estimated selling expenses and relevant taxes and fees in the normal process of production and operation; and for inventories that need to be processed, the net realizable value shall be determined in the normal production and operation process with the estimated selling price of the finished products produced minus the estimated cost to be incurred when completion, the estimated selling expenses and relevant taxes and fees. On the balance sheet date, if part of the same inventories has a contract price while other parts do not have a contract price, the net realizable value shall be determined respectively, and the corresponding cost shall be compared to determine the accrual or reversal amount of inventory depreciation reserve respectively.

**Categories and determination basis of provision for inventory depreciation by combination, and determination basis of net realizable value for different categories of inventory**

√Applicable □Not applicable

Combination category	Basis for Determining Combination	Basis for determining net realizable value of inventories
Storage aging combination	Storage aging period significantly affecting realizable value	Net realizable value of relevant inventories as comprehensively evaluated by referencing historical obsolescence risks and future market demand
Single-item provision		Amount after estimated selling price minus estimated costs to complete, estimated selling expenses, and relevant taxes and fees

**14. Non-current assets or disposal group held for sale**

√Applicable □Not applicable

The Company shall recognize the non-current assets or disposal group that meet the following conditions as held for sale: (1) According to the practice of selling such assets or disposal group in similar transactions, they can be sold immediately under current conditions; and (2) The sale is highly probable, that is, the Company has already made a resolution on a sale plan and obtained a definite purchase commitment, and the sale is expected to be completed within one year.

The Company shall classify the non-current assets or disposal group acquired for resale as held for sale on the acquisition date if they meet the condition of “the sale is expected to be completed within one year” and are likely to meet other classification conditions of held for sale in the short term (usually 3 months).

For one of the following reasons beyond the control of the Company, as a result, transactions among unrelated parties cannot be completed within one year, and the Company still promises to sell non-current

assets or disposal group, then the Company shall continue to classify non-current assets or disposal group as held for sale: (1) The buyer or other parties accidentally set conditions that lead to postponement of the sale, the Company has taken timely actions against such conditions, and it is expected that the delay factors can be successfully resolved within one year from the setting of the conditions that lead to the postponement; and (2) Due to rare circumstances, the non-current assets or disposal group held for sale fail to complete the sale within one year; and in the first year, the Company has taken necessary measures against such new situations and re-met the classification conditions of the categories held for sale.

### **Recognition criteria and accounting treatment methods for non-current assets or disposal group classified as held for sale**

☒Applicable ☐Not applicable

#### **1. Initial measurement and subsequent measurement**

When the Company initially measures and re-measures the non-current assets or disposal group held for sale on the balance sheet date, if the carrying value is higher than the net amount after the fair value minus the selling expenses, the carrying value shall be written down to the net amount after the fair value minus the selling expenses, and the written down amount shall be recognized as an asset impairment loss, which shall be included in the current profits or losses, and meanwhile the provision shall be made for impairment of the assets held for sale.

For non-current assets or disposal group classified as held for sale on the acquisition date, the initial measurement shall be compared with the initial measurement amount and the net amount after fair value minus the sale expenses when assuming that they are not classified as held for sale, whichever is lower. Except for the non-current assets or disposal group acquired in a business combination, the difference arising from the non-current assets or disposal group taking the net amount after deducting the selling expenses from the fair value as the initial measurement amount shall be included in the current profits or losses.

For amount of the losses on asset impairment as recognized against the disposal group held for sale, the carrying amount of goodwill in the disposal group should be offset first, and then, according to the proportion of the carrying amount of each non-current asset in the disposal group, the carrying amount of the non-current assets shall be deducted in proportion.

Held-for-sale non-current assets or non-current assets in the disposal group are not subject to depreciation or amortization. Interest on and other expenses of liabilities in the disposal group held for sale continue to be recognized.

#### **2. Accounting treatment for reversal of losses on asset impairment**

If the net amount after the fair value of non-current assets held for sale on the subsequent balance sheet dates minus the selling expenses increases, the previously written-down amount shall be restored and reversed in the amount of losses on asset impairment after being classified as held for sale, and the reversed amount shall be included in the current profits or losses. The losses on asset impairment recognized before being classified as held for sale cannot be reversed.

If the net amount after the fair value of disposal group held for sale on the subsequent balance sheet dates minus the selling expenses increases, the previously written-down amount shall be restored and reversed in the amount of losses on asset impairment after being classified as held for sale, and the reversed amount shall be included in the current profits or losses. The carrying amount of the deducted goodwill and the losses on asset impairment recognized before the non-current assets are classified as held for sale cannot be reversed.

The subsequent reversal amount of the losses on asset impairment recognized with the disposal group held for sale shall be increased its carrying amount in proportion based on the proportion of the carrying amount of each non-current asset in the disposal group, except for goodwill.

### 3. Accounting treatment for discontinuing to be classified as held for sale and derecognition

When a non-current asset or disposal group no longer meets the classification criteria for held-for-sale category, the Company shall no longer continue to classify it as a held-for-sale category or remove the non-current assets from the disposal group held for sale. And it shall be measured based on the following two: 1) The amount after the carrying value before being classified to the held-for-sale category is adjusted according to the depreciation, amortization or impairment that would have been recognized if they are assumed not to be classified as held for sale; and 2) The recoverable amount.

When the held-for-sale non-current assets or disposal group are derecognized, the Company shall record the unrecognized gains or losses into the current profits or losses.

## Recognition criteria and presentation methods for discontinued operations

☒Applicable ☐Not applicable

### 1. Recognition criteria for disconnected operations

A component that meets one of the following conditions, has been disposed of or classified as held for sale, and can be separately distinguished, shall be recognized as discontinued operations:

- (1) This component represents an independent primary business or a separate main operating area;
- (2) This component is part of an associated plan to dispose of an independent primary business or a separate main operating area; and
- (3) This component is a subsidiary acquired exclusively for resale.

### 2. Presentation methods for discontinued operations

The enterprise shall separately present gains or losses from going concern and gains or losses from disconnected operations in its income statement. Operating gains or losses such as impairment losses and reversal amounts of disconnected operations, and disposal gains or losses shall be presented as gains or losses from disconnected operations. For disconnected operations presented in the current period, the enterprise shall reclassify the information previously presented as gains and losses from going concern as gains and losses from disconnected operations for comparable accounting periods in its current financial statements. Where disconnected operations no longer meet the classification criteria for held-for-sale category, the enterprise shall reclassify the information previously presented as gains and losses from disconnected operations as gains and losses from going concern for comparable accounting periods in its

current financial statements.

## 15. Long-term equity investments

√Applicable ☐Not applicable

### 1. Judgment of joint control and significant influence

Joint control refers to the control that is common to an arrangement in accordance with relevant agreements, and relevant activities of the arrangement must be agreed upon by the parties sharing control before making a decision. Significant influence refers to the power to participate in decision-making on the financial and operational decisions of the investee, but it cannot control or jointly control the formulation of these policies with other parties.

### 2. Determination of investment cost

(1) If a business combination under the same control is formed and the combining party pays cash, transfers non-cash assets, assumes debts or issues equity securities as consideration for the combination, and then on the combination date, the initial investment cost shall be the share of the carrying amount of the owner's equity of the combined party in the consolidated financial statements of the final controlling party. The difference between the initial investment cost of the long-term equity investment and the carrying amount of the combined consideration paid or the total par value of the issued shares shall be adjusted to capital reserve. If the capital reserve is insufficient, the retained earnings shall be adjusted.

The Company shall just whether the long-term equity investment formed by the business combination under the same control step by step through multiple transactions it is a "package deal". If yes, each transaction shall be treated as a transaction for obtaining control. If not, on the combination date, the initial investment cost shall be determined according to the share of the net assets of the combined party in the carrying value of the consolidated financial statements of the final controlling party after the combination. The capital reserve shall be adjusted against the difference between the initial investment cost of the long-term equity investment on the combination date and the sum of the carrying value of the long-term equity investment before the combination and the carrying value of the newly paid consideration for the shares obtained on the combination date; and the retained earnings shall be adjusted if the capital reserve is insufficient to offset.

(2) For a business combination not under the same control, the initial investment cost shall be the fair value of the combination consideration paid on the acquisition date.

The Company shall distinguish between individual financial statement and consolidated financial statement for relevant accounting treatment against the long-term equity investment formed by the business combination not under the same control step by step through multiple transactions:

1) In an individual financial statement, the sum of the carrying value of the original equity investment plus the newly added investment cost shall be taken as the initial investment cost accounted for with the cost method instead.

2) In a consolidated financial statement, it shall judge whether it constitutes a "package deal". If yes, each transaction shall be treated as a transaction for obtaining control. If not, the equity of the acquired

party held before the acquisition date shall be re-measured at the fair value of the equity on the acquisition date, and the difference between the fair value and its carrying value shall be included in the current investment income; and if the equity of the acquiree held before the acquisition date involves other comprehensive income under the equity method, other comprehensive income related to it shall be converted into the current income on the acquisition date. However, other comprehensive income arising from the re-measurement of the changes in net liabilities or net assets of the defined benefit plans by the investee shall be excluded.

(3) Except for the ones formed through business combination: For those acquired by means of paying cash, the actual acquisition price shall be taken as the initial investment cost; for those acquired by means of issuing equity securities, the fair value of the issued equity securities shall be taken as the initial investment cost; for those acquired by means of debt restructuring, the initial investment cost shall be determined according to the *Accounting Standards for Business Enterprises No.12 - Debt Restructuring*; and for those acquired by means of exchanging non-monetary assets, the initial investment cost shall be determined according to the *Accounting Standards for Enterprises No.7 - Exchange of Non-monetary Assets*.

### 3. Subsequent measurement and profit and loss recognition method

Long-term equity investments that can exert control over the investee shall be accounted for using the cost method; and long-term equity investments in joint ventures and associates shall be accounted for using the equity method.

### 4. Treatment method of investing in subsidiaries until losing control through multiple transactions and step-by-step disposal

#### (1) Principles for determining whether it constitutes a “package deal”

When disposing of equity investments in subsidiaries through multiple transactions until control is lost, the Company shall determine whether the step-by-step transactions constitute a “package deal” by considering the terms of the transaction agreements for each step, the respective consideration received, the parties to whom the equity is sold, the methods of disposal, and the timing of disposal. If the terms, conditions and economic effects of each transaction meet one or more of the following criteria, it generally indicates that the multiple transactions constitute a “package deal”:

- 1) These transactions are made at the same time or under the circumstance of considering mutual influence;
- 2) These transactions can only reach complete business results as a whole;
- 3) The occurrence of one transaction depends on the occurrence of at least one other transaction; and/or
- 4) One single transaction seems uneconomical when considered independently, but economical when considered together with other transactions.

#### (2) Accounting treatment of those not constituting a “package deal”

##### 1) For individual financial statements

For the equity disposed of, the difference between the carrying value and the actual acquisition price



shall be included in the current profits or losses. For the remaining equity, if it still has a significant impact on the investee or implements joint control with other parties, it shall be accounted for with the equity method; and if it can no longer exert control or joint control over or significant influence on the investee, it shall be accounted for in accordance with relevant provisions of the *Accounting Standards for Business Enterprises No.22 - Recognition and Measurement of Financial Instruments*.

2) For consolidated financial statements

Before the loss of control, the difference between the disposal price and the share of net assets continuously calculated by the subsidiary from the acquisition date or combination date corresponding to the disposal of long-term equity investment shall be adjusted, and the capital reserve (capital premium) shall be adjusted. And the retained earnings shall be offset if the capital premium is insufficient to offset. In case of loss of control over the original subsidiary, the remaining equity shall be re-measured at its fair value on the date of loss of control. The balance between the sum of the consideration obtained from the disposal of the equity and the fair value of the remaining equity and the share of net asset continuously calculated since the date of acquisition of the original subsidiary calculated based on the original proportion of shareholding to which the enterprise is entitled shall be included in the investment gains of the current period when the control is lost, and the goodwill shall be charged against at the same time. Other comprehensive income relating to the equity investment of the original subsidiary shall be converted into the investment gains of the current period when the control is lost.

(3) Accounting treatment of those constituting a “package deal”

1) For individual financial statements

Each transaction shall be treated as a transaction that disposes of the subsidiary and loses control. However, in individual financial statements, the difference between the disposal price before the loss of control and the carrying value of long-term equity investment corresponding to the disposed investment shall be recognized as other comprehensive income, which shall then be transferred to the current profits or losses when the control is lost.

2) For consolidated financial statements

Each transaction shall be treated as a transaction that disposes of the subsidiary and loses control. However, the balance between the disposal funds in each transaction and corresponding share of net asset of the subsidiary before the control is lost shall be recognized as other comprehensive income in the consolidated financial statements, and shall be converted into the current profit or loss when the control is lost.

## 16. Investment property

1. Investment property includes leased land use rights, land use rights held and ready to be transferred after appreciation, and leased buildings.

2. Investment property shall be initially measured at cost and subsequently measured at cost model, and depreciated or amortized in the same way for fixed assets and intangible assets.

**17. Fixed assets****(1). Recognition criteria**√Applicable ☐Not applicable

Fixed assets refer to tangible assets that are held for the production of goods, provision of labor services, leases or business management, with a service life no less than one accounting year. Fixed assets shall be recognized when economic benefits are likely to flow in and costs can be reliably measured.

**(2). Depreciation method**√Applicable ☐Not applicable

Category	Depreciation Method	Depreciation Period (Year)	Residual Value Rate	Annual Depreciation Rate
Houses and 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	Straight-line method	4-10	3%	24.25%-9.70%
Other equipment	Straight-line method	5-8	3%	19.40%-12.13%
Renovation of fixed assets	Straight-line method	3-5	0%	33.33%-20.00%

**18. Construction in progress**√Applicable ☐Not applicable

1. Construction in progress shall be recognized when economic benefits are likely to flow in and costs can be reliably measured. Construction in progress shall be measured according to the actual cost incurred before the asset reaches the intended serviceable condition.

2. When the construction in progress reaches the preset serviceable condition, it shall be transferred to fixed assets according to the actual engineering cost. If it has reached the preset serviceable condition but has not yet been handled the final accounts for completion, it shall be transferred to fixed assets according to the estimated value, and then the original provisional valuation value shall be adjusted according to the actual cost after the final accounts for completion, but the depreciation already accrued shall not be adjusted.

Category	Standard and time point for carrying forward a construction in progress into a fixed asset
Houses and buildings	(1) The main construction project and its supporting works have been completed and accepted; (2) For buildings and structures that have reached the intended usable state

Category	Standard and time point for carrying forward a construction in progress into a fixed asset
	but have not yet completed the final account settlement, they shall be transferred to fixed assets at their estimated value based on actual construction costs from the date of reaching such usable state.
Machinery and equipment	(1) The relevant equipment and its supporting facilities have been installed; (2) If there are industry standards and specifications, they shall be followed; but if not, the criterion shall be the ability to maintain continuous and stable operation over a period of time; (3) The products manufactured by the equipment meet the predetermined qualification status.

## 19. 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, it shall be capitalized and recorded into the costs of related assets. Other borrowing costs shall be recognized as expenses on the basis of the actual amount incurred, and shall be recorded into the current profits or losses.

### 2. Capitalization period of borrowing costs

(1) The borrowing costs shall not be capitalized unless they simultaneously meet the following requirements: 1) The asset disbursements have already incurred; 2) The borrowing costs has already incurred; and 3) The acquisition and construction or production activities which are necessary to prepare the asset for its intended use or sale have already started.

(2) Where the acquisition and construction or production of a qualified asset is interrupted abnormally and the interruption period lasts for more than 3 months, the capitalization of the borrowing costs shall be suspended. The borrowing costs incurred during such period shall be recognized as expenses, and shall be recorded into the current profits or losses, till the acquisition and construction or production of the asset restarts.

(3) When the qualified asset under acquisition and construction or production is ready for the intended use or sale, the capitalization of the borrowing costs shall be ceased.

### 3. Capitalization rate and capitalization amount of borrowing costs

As for specifically borrowed loans for the acquisition and construction or production of assets eligible for capitalization, the to-be-capitalized amount of interests (including amortization of the discount or premium determined according to the effective interest rate method) shall be determined in light of the actual cost incurred of the specially borrowed loan at the present period minus the income of interests earned on the unused borrowing loans as a deposit in the bank or as a 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 interests on the general borrowing by multiplying the weighted average asset disbursement of the part of the accumulative asset disbursements minus the general borrowing by the capitalization rate of the general borrowing used.

## 20. Intangible assets

### (1). Service life and its determination basis, estimation, amortization method or review procedure

√Applicable □Not applicable

1. Intangible assets include land use rights, patented rights, software, etc., which shall be initially measured at cost.

2. Intangible assets with a limited service life shall be amortized systematically and reasonably according to the expected realization mode of economic benefits related to the intangible assets during their service life. If the expected realization mode cannot be reliably determined, the straight-line amortization method shall be adopted. The details are as follows:

Item	Service life and its determination basis	Amortization method
Land use rights	The service life is determined based on the registration period of property rights, ranging from 20 to 50 years	Straight-line method
Patent rights	The service life is determined based on the expected benefit period, ranging from 5 to 20 years	Straight-line method
Software and others	The service life is determined based on the expected benefit period, ranging from 5 to 10 years	Straight-line method
Customer relationship	The service life is determined based on the expected benefit period, being 10 years	Straight-line method

Intangible assets with an uncertain service life are not amortized, and the Company shall review the service life of the intangible assets in each accounting period.

### (2). Scope of R&D expenditure aggregation and relevant accounting treatment methods

√Applicable □Not applicable

#### 1. Scope of R&D expenditure aggregation

##### (1) Personnel labor costs

Personnel labor costs include salaries and compensations to the R&D personnel, basic pension insurance premiums, basic medical insurance premiums, unemployment insurance premiums, work-related injury insurance premiums, maternity insurance premiums, and housing provident fund, as well as service fees for externally hired R&D personnel.

When R&D personnel serve multiple research and development projects simultaneously, the

allocation of labor costs is based on the working hour records of R&D personnel for each project as provided by the management department, as proportionally distributed among different research and development projects.

For personnel directly engaged in R&D activities and external R&D personnel who also engage in non-R&D activities, the Company shall allocate the actual incurred labor costs between R&D expenses and production and operation expenses based on reasonable methods such as the proportion of actual working hours as recorded for different positions.

(2) Direct input fees

Direct input fees refer to the actual related expenditures incurred by the Company for implementing research and development activities. Including: 1) Directly consumed materials, fuel and power costs; 2) Molds, process equipment development, and manufacturing costs for intermediate test and product trial production, costs for purchasing samples, prototypes and general testing equipment that do not constitute fixed assets, and inspection costs for trial products; and 3) Costs for the operation, maintenance, adjustment, inspection, testing and repair of instruments and equipment as used in research and development activities.

(3) Depreciation expenses and long-term deferred expenses

Depreciation expenses refer to the depreciation costs of instruments, equipment and buildings in use for research and development activities.

For instruments, equipment and buildings in use that are utilized for both research and development activities and non-research and development activities, it is necessary to maintain appropriate records of their usage. The actual depreciation costs incurred shall be allocated between research and development expenses and production and operation expenses using a reasonable method, based on factors such as actual working hours and usage area.

Long-term deferred expenses refer to the expenses incurred during the renovation, modification, decoration and repair of R&D facilities, which should be aggregated based on actual expenditures and amortized evenly over the specified period.

(4) Amortization expenses of intangible assets

Amortization expenses of intangible assets refer to the amortization expenses of software, intellectual property rights, and non-patented technologies (such as proprietary technologies, licenses, designs, calculation methods, etc.) for research and development activities.

(5) Design fees

Design fees refer to the expenses incurred in conceiving, developing and manufacturing new products and processes, as well as in formulating procedures, technical specifications, regulations, and operational characteristics, including the relevant costs associated with creative design activities aimed at achieving innovative, creative and breakthrough products.

(6) Equipment commissioning and testing costs

Equipment commissioning costs refer to the expenses incurred during the preparation of tooling for research and development activities, including the development of special or dedicated production machines, the modification of production and quality control procedures, or the establishment of new

methods and standards.

The costs associated with routine tooling preparation and industrial engineering for large-scale batch and commercial production are not included in the scope of aggregation.

Testing costs include clinical trial fees for new drug development, field trial fees for exploration and development technologies, and field trial fees, among others.

(7) Outsourced research and development expenses

Outsourced research and development expenses refer to the costs incurred by the Company for entrusting research and development activities to other institutions or individuals, both domestic and overseas (the outcomes of these research and development activities are owned by the Company and are closely related to the Company's main business operations).

(8) Other expenses

Other expenses refer to the costs directly related to research and development activities beyond the aforementioned expenses, including technical book and material fees, document translation fees, expert consultation fees, high-tech research and development insurance premiums, retrieval, demonstration, evaluation, appraisal and acceptance fees for R&D achievements, application, registration and agency fees for intellectual property rights, as well as conference fees, travel expenses and communication expenses.

2. Expenditures in the research stage of internal research and development projects shall be included in the current profits or losses when incurred. Expenditures in the development stage of internal research and development projects can be recognized as intangible assets when meeting the following conditions simultaneously: (1) It is technically feasible to finish intangible assets for use or sale; (2) It is intended to finish and use or sell the intangible assets; (3) The usefulness of methods for intangible assets to generate economic benefits shall be proved, including being able to prove that there is a potential market for the products manufactured by applying the intangible assets or there is a potential market for the intangible assets itself or the intangible assets will be used internally; (4) It is able to finish the development of the intangible assets, and able to use or sell the intangible assets, with the support of sufficient technologies, financial resources and other resources; and (5) The development expenditures of the intangible assets can be reliably measured.

3. Specific standards for dividing expenditures in the research stage and expenditures in the development stage for the Company's internal research and development projects:

Research stage: The stage of original and planned investigation and research activities to acquire and understand new scientific or technical knowledge.

Development stage: The stage in which research results or other knowledge are applied to a plan or design to produce new or substantially improved materials, devices, products, etc. before commercial production or use.

## 21. Impairment of long-term assets

☒Applicable ☐Not applicable

For long-term assets such as long-term equity investments, investment property measured at cost

model, fixed assets, construction in progress, right-of-use assets, and intangible assets with a limited service life, if there are signs of impairment on the balance sheet date, the recoverable amount shall be estimated. For goodwill formed by means of business combination and intangible assets with an uncertain service life, the impairment test shall be carried out every year regardless of whether there are signs of impairment. Goodwill shall be tested for impairment in combination with its related asset groups or combination of asset groups.

If the recoverable amount of the above-mentioned long-term assets is lower than the carrying value, the asset impairment reserve shall be recognized according to the difference and included in the current profits or losses.

## **22. Long-term deferred expenses**

☒Applicable ☐Not applicable

Long-term deferred expenses refer to the expenses that have already been paid and have an amortization period over one year (excluding one year). Long-term deferred expenses shall be recorded according to the actual amount incurred and amortized evenly in stages during the benefit period or within the specified period. If an item of long-term deferred expenses cannot benefit the future accounting period, the amortized value of the item that has not been amortized shall be transferred to the current profits or losses.

## **23. Employee benefits**

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

### **(1). Accounting treatment of short-term benefits**

☒Applicable ☐Not applicable

Where an employee provides the Company with services in an accounting period, the actual short-term benefits shall be recognized as a liability and included in the current profits or losses or the cost of related assets.

### **(2). Accounting treatment of post-employment benefits**

☒Applicable ☐Not applicable

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

(1) In the accounting period in which employees render services to the Company, the amount of the deposit payable according to the defined contribution plan shall be recognized as liabilities and included in the current profits or losses or the cost of relevant assets.

(2) The accounting treatment of defined benefit plan usually includes the following steps:

1) According to the expected cumulative welfare unit method, unbiased and mutually consistent actuarial assumptions are used to estimate demographic and financial variables, while measuring the obligations arising from the defined benefit plan and determining the period to which relevant obligations

belong. At the same time, the obligations arising from the defined benefit plan shall be discounted to determine the present value and current service cost of the obligations under the defined benefit plan;

2) If there is an asset in the defined benefit plan, the deficit or surplus formed by subtracting the fair value of the assets of the defined benefit plan from the present value of the obligations of the defined benefit plan shall be recognized as a net liability or net asset of the defined benefit plan. If there is a surplus in the defined benefit plan, the enterprise shall measure net assets of the defined benefit plan at the lower of the surplus and asset limit of the defined benefit plan.

3) At the end of the reporting period, concerning the three parts including the employee benefits cost generated by the defined benefit plan as recognized as service cost, the net interest on net liabilities or net assets in the defined benefit plan and the changes caused by the re-measurement of net liabilities or net assets in the defined benefit plan, the service cost of the defined benefit plan and the net interest of the net liabilities or net assets of the defined benefit plan shall be recorded into the current profits or losses or the cost of related assets; the changes from re-measuring net liabilities or net assets of the defined benefit plan shall be recorded into other comprehensive income, may not be reversed to profit or loss in a subsequent accounting period; and part or all of the items originally recorded into other comprehensive income after the original defined benefit plan terminates shall be carried forward to retained earnings in the range of equity.

### **(3). Accounting treatment of termination benefits**

☒Applicable ☐Not applicable

For the termination benefits provided to employees, the employee benefits liabilities arising from the termination benefits shall be recognized in the earlier date of the following two and recorded into the current profits or losses: (1) the Company cannot unilaterally withdraw termination benefits due to termination of employment relationships or layoff proposal; and (2) the Company recognizes the costs or expenses related to restructuring involving payment of termination benefits.

### **(4). Accounting treatment of other long-term employee benefits**

☒Applicable ☐Not applicable

If other long-term benefits provided to the employees meet the conditions for the defined contribution plan, the accounting treatment shall be carried out in accordance with relevant provisions of the defined contribution plan; and other long-term benefits shall be accounted for according to relevant provisions of the defined benefit plan. In order to simplify the relevant accounting treatment, the employee benefits cost generated by it shall be recognized as the service cost, and the total net amount composed of the net interest of net liabilities or net assets from other long-term employee benefits and of the changes in net liabilities or net assets from other long-term employee benefits upon re-measurement shall be included in the current profits or losses or the cost of related assets.



**24. Estimated liabilities**√Applicable ☐Not applicable

1. The Company recognizes it as an estimated liability, if the obligations are present obligations undertaken by it due to foreign guarantee, pending litigation, product quality assurance, contract loss, etc.; the fulfillment of the obligations is much likely to make economic interest flow out from the enterprise; and the amount of obligations can be measured reliably.

2. Included amount of estimated liabilities shall be the best estimated number of the needed expenditure for paying the liability off. On the balance sheet date, it is required to review the carrying amount of estimated liabilities.

**25. Share-based payment**√Applicable ☐Not applicable

## 1. Type of share-based payment

The share-based payment of the Company shall be divided into equity-settled share-based payment and cash-settled share-based payment.

2. Relevant accounting treatment of implementation, modification and termination of share-based payment plan

## (1) Equity-settled share-based payment

An equity-settled share-based payment in exchange for employee services that are exercisable immediately after the grant shall be recognized on the grant date at fair value of the equity instrument in the relevant cost or expense, with a corresponding adjustment to capital reserve. An equity-settled share-based payment in exchange for employee services that are not exercisable until the completion of services within the waiting period or the achievement of specified performance conditions shall be recognized on each balance sheet date within the waiting period as the best estimate of the number of equity instruments that will be exercisable, and the services acquired in the current period shall be included in the relevant cost or expense at fair value on the grant date of the equity instruments, with a corresponding adjustment to capital reserve.

An equity-settled share-based payment in exchange for services from other parties shall be measured at fair value of the services from other parties on the acquisition date if the fair value of the services from other parties can be measured reliably; if the fair value of the services from other parties cannot be measured reliably but the fair value of the equity instruments can be measured reliably, the equity instruments shall be measured at fair value of the equity instruments on the acquisition date, which shall be included in the relevant cost or expense, with a corresponding increase in owners' equity.

## (2) Cash-settled share-based payment

A cash-settled share-based payment in exchange for employee services that are exercisable immediately after the grant shall be recognized on the grant date at fair value of the liability assumed by the Company in the relevant cost or expense, with a corresponding increase in liability. A cash-settled share-based payment in exchange for employee services that are not exercisable until the completion of

services within the waiting period or the achievement of specified performance conditions shall be recognized on each balance sheet date within the waiting period in the relevant cost or expense and the corresponding liability for the services acquired in the current period at fair value of the liability assumed by the company, based on the best estimation of the circumstances under which the right to the services would be exercisable.

### (3) Modification and termination of share-based payment plan

If the modification increases the fair value of the equity instruments granted, the Company shall recognize the increase in services according to the increase in fair value of the equity instruments; if the modification increases the number of equity instruments granted, the Company shall recognize the fair value of the increased equity instruments as an increase in services; and if the Company modifies the vesting conditions in a manner favorable to the employees, the Company shall consider the revised vesting conditions when dealing with vesting conditions.

If the modification decreases the fair value of the equity instruments granted, the Company shall recognize the amount of the services acquired by keeping based on the fair value of the equity instruments on the grant date, regardless of the decrease in fair value of the equity instruments; if the modification decreases the number of the equity instruments granted, the Company shall deal with the decreased part as the cancellation of the equity instruments granted; and if the vesting conditions are modified in a manner unfavorable to the employees, the Company shall not consider the revised vesting conditions when dealing with vesting conditions.

If the Company cancels or settles the equity instruments granted (except for cancellation due to failure to meet the vesting conditions) in the waiting period, the cancellation or settlement shall be treated as an accelerated vesting right, and the amount originally recognized in the remaining waiting period shall be recognized immediately.

## 26. Revenue

### (1). Accounting policies for revenue recognition and measurement as disclosed by business type

√Applicable ☐Not applicable

#### 1. Principle for revenue recognition

The Company shall evaluate the contract on the commencement date, identify individual performance obligations contained in the contract, and determine whether the individual performance obligations are performed within a certain period of time or at a certain point of time.

If one of the following conditions is met, it is a performance obligation to be performed within a certain period of time, otherwise at a certain point of time: (1) The customer obtains and consumes the economic benefits brought by the Company's performance while the Company performs; (2) The customer can control the goods under construction during the performance of the Company; and (3) The goods produced during the performance of the Company have irreplaceable uses, and the Company is entitled to collect money for the accumulated performance completed so far during the whole contract.

For an obligation performed within a certain period of time, the Company shall recognize revenue

according to the performance progress within that period of time. When the performance progress cannot be reasonably determined, if the costs already incurred are expected to be compensated, the Company shall recognize income only to the extent of the costs incurred until such time that it can reasonably measure the progress of performance obligation. For an obligation performed at a certain point of time, the Company shall recognize revenue at the point when a customer obtains control over relevant goods or services. When judging whether the customer has obtained control over the goods, the Company considers the following indications: (1) the Company has the current collection right for the goods, that is, the customer has the current payment obligation for the goods; (2) the Company has transferred the legal ownership of the goods to the customer, that is, the customer has the legal ownership of the goods; (3) the Company has transferred the goods in kind to the customer, that is, the customer has possessed the goods in kind; (4) the Company has transferred the main risks and rewards on the ownership of the goods to the customer, that is, the customer has obtained the main risks and rewards on the ownership of the goods; (5) the customer has accepted the goods; and (6) other signs showing that the customer has gained control over the goods.

## 2. Principles for revenue measurement

(1) The Company shall measure revenue according to the transaction price allocated to each individual performance obligation. The transaction price refers to the amount of consideration that the Company expects to be entitled to charge due to transfer of goods or services to the customers, excluding the amounts collected on behalf of third parties and expected to be refunded to customers.

(2) Where a variable consideration exists in the contract, the Company shall determine the best estimates of the variable consideration based on the expected value or the most likely amount, but the transaction price including the variable consideration shall not exceed the amount that it is highly unlikely that the accumulated recognized income will not be significantly reversed when the relevant uncertainty is eliminated.

(3) If there is a significant financing component in the contract, the Company may determine the transaction price based on the amount of cash payable when the customer assumes control over the goods or services. The difference between the transaction price and the contract consideration shall be amortized using the effective interest method in the contract period.

(4) If a contract contains two or more performance obligations, the Company shall, on the contract commencement date, allocate the transaction price to each individual performance obligation according to the relative proportion of the individual selling price of the goods or services promised by each individual performance obligation.

## **(2). Different business models within the same line of business involve different revenue recognition methods and measurement approaches**

☒Applicable ☐Not applicable

(1) Product sales and processing services: After issuing sales delivery notes and completing shipments based on customer sales contracts or orders, the revenue is recognized upon receipt of customer

sign-off or pickup receipts, or sales realization confirmation lists, when payments have been collected or payment vouchers have been obtained, and it is probable that the related economic benefits will flow in.

(2) Electricity revenue of these subsidiaries engaged in the photovoltaic industry: Revenue from self-generated and self-consumed electricity is recognized based on the electricity meter reading settlement statement as confirmed by the electricity user; and revenue from grid-connected electricity is recognized based on the settlement statement from the State Grid.

(3) Transfer of the right to use assets: When the economic benefits related to the transaction are likely to flow into the enterprise, and the amount of revenue can be reliably measured. The amount of revenue from transfer of the right to use assets is determined separately under the following circumstances:

- 1) The amount of interest income shall be calculated and determined according to the time when others use the monetary funds of the enterprise and the actual interest rate.
- 2) Operating lease-out assets: It is determined based on the duration for which others use the assets of the enterprise and the rent calculation method stipulated in the contract.

## **27. Contract acquisition cost and contract performance cost**

☒Applicable ☐Not applicable

The incremental cost incurred by the Company so as to obtain a contract, which is expected to be recovered, shall be recognized as an asset as the contract acquisition cost. The cost incurred by the Company for contract performance, which is not within the scope of relevant standards on inventories, fixed assets or intangible assets, and meets the following conditions simultaneously, shall be recognized as an asset as the contract performance cost:

1. The cost is directly related to a current or expected contract, including direct labor, direct materials, manufacturing expenses (or similar expenses), cost clearly to be borne by the customer and other costs incurred only due to the contract;
2. The cost increases the resources used by the Company to fulfill its performance obligations in the future; and
3. The cost is expected to be recovered.

Assets related to contract cost shall be amortized on the same basis as the recognition of income on goods or services related to the asset, and included in the current profits or losses.

If the carrying value of the assets related to contract cost is higher than the expected remaining consideration due to transfer of the goods or services related to the asset minus the estimated costs to be incurred, the Company shall make a provision for impairment of the excess and recognize it as a loss on asset impairment. If the factors of impairment in the prior period change later, which results in the expected remaining consideration to be obtained for transfer of the goods or services related to the asset minus the estimated cost to be incurred being higher than the carrying value of the asset, the original provision for impairment of the asset shall be reversed and included in the current profits or losses, but the carrying value of the reversed asset shall not exceed the carrying value of the asset on the reversal date assuming that no provision for impairment is made.

**28. Contract assets and contract liabilities**√Applicable ☐Not applicable

The Company shall present contractual assets or contractual liabilities in its balance sheet based on the relationship between performance obligations and customer payments. The Company shall set off the contract assets and contract liabilities under the same contract and presents them in the net amount.

Recognition methods and criteria for contract assets

√Applicable ☐Not applicable

The right of the Company to receive consideration from its customers unconditionally (i.e. subject only to the passage of time) shall be listed as receivables, and the right to receive consideration for goods transferred to its customers (depending on factors other than the passage of time) shall be listed as contract assets.

**Recognition methods and criteria for contract liabilities**√Applicable ☐Not applicable

And the obligation of the Company to transfer goods to customers due to the consideration received or receivable from customers shall be listed as contract liabilities.

**29. Government subsidy**√Applicable ☐Not applicable

1. A government subsidy shall be recognized when the following conditions are met simultaneously: (1) The Company is able to meet the conditions attached; and (2) The company can receive such government subsidy. If a government subsidy is a monetary asset, it shall be measured in the light of the received or receivable amount. If a government subsidy is a non-monetary asset, it shall be measured at fair value; and if the fair value cannot be obtained reliably, it shall be measured at the nominal amount.

2. Judgment basis and accounting treatment method of government subsidies pertinent to assets

According to government documents, government subsidies used for the purchase, construction or otherwise formation of long-term assets are classified as government subsidies pertinent to assets. If government documents do not make it unclear, the judgment shall be made on the basis of the basic conditions that must be met to obtain the subsidy, and government subsidies pertinent to assets shall be made on the basis of the purchase, construction or otherwise formation of long-term assets. Government subsidies pertinent to assets shall be offset against the carrying value of related assets or recognized as deferred income. If the government subsidies pertinent to assets are recognized as deferred income, they shall be included in gains or losses in a reasonable and systematic manner within the service life of related assets. Government subsidies measured at the nominal amount shall be recognized directly in the current profits or losses. If related assets are sold, transferred, scrapped or damaged before the end of their service life, relevant deferred income balances that have not been allocated shall be transferred to the current profits or losses at the time of asset disposal.

### 3. Judgment basis and accounting treatment method of government subsidies pertinent to income

Government subsidies other than those pertinent to assets are classified as government subsidies pertinent to income. For government subsidies that include both the assets-pertinent part and the income-pertinent part, if it is difficult to distinguish them, they shall be classified as government subsidies pertinent to income as a whole. When government subsidies pertinent to income are used to compensate for relevant costs or losses in the subsequent period, they shall be recognized as deferred income and recorded into the current profits or losses or used to offset relevant costs in the period in which relevant costs or losses are recognized; and if they are used to compensate for relevant costs or losses, they shall be directly included in the current profits or losses or used to offset relevant costs.

4. Government subsidies pertinent to daily operating activities of the Company shall be included in other income or offset relevant costs according to economic nature. And government subsidies not pertinent to such daily activities shall be included in non-operating income.

### 5. Accounting treatment method for policy-based loan with discounted interest

(1) Considering that the financial department allocates the discounted funds to the lending bank, if the lending bank provides loans to the Company at a preferential interest rate, the Company may choose to use the amount of borrowing as actually received as the entry value, and calculate relevant borrowing costs according to the loan principal and the policy preferential interest rate.

(2) When the financial department directly distributes discounted funds to the Company, the Company shall offset the corresponding borrowing costs related to discount interest.

## 30. Deferred income tax assets / deferred income tax liabilities

☒Applicable ☐Not applicable

1. According to the difference between the carrying amount of an asset or liability and its tax base (as for an item that has not been recognized as an asset or liability, if its tax base can be determined in light of the tax law, the difference can be recognized as the tax base), the deferred income tax assets and deferred income tax liabilities shall be measured at the tax rate applicable to the period during which the assets are expected to be recovered or the liabilities are expected to be settled.

2. Deferred income tax assets shall be recognized to the extent that it is likely to obtain taxable income to offset deductible temporary differences. On the balance sheet date, where there is any exact evidence indicating that it is likely to acquire sufficient amount of taxable income tax in a future period to offset against the deductible temporary difference, the deferred income tax assets unrecognized in prior periods shall be recognized.

3. On the balance sheet date, the Company may review the carrying value of deferred income tax assets. If it is probable that sufficient taxable income will not be available in the future to offset the benefits of deferred tax assets, the carrying amount of deferred tax assets shall be written down. When sufficient taxable income is likely to be obtained, the written-down amount shall be reversed.

4. The current income tax and deferred income tax of the Company shall be included in the current profits or losses as income tax expenses or income, excluding the income tax arising from the following

circumstances: (1) business combination; and (2) transactions or events directly recognized in the owners' equity.

5. Deferred tax assets and deferred tax liabilities are presented on a net basis after offsetting when the following conditions are met simultaneously: (1) There is a legal right to settle current income tax assets and current income tax liabilities on a net basis; and (2) Deferred income tax assets and deferred income tax liabilities are related to the income tax collected by the same tax collection and management department on the same taxpayer or related to different taxpayers. However, in each future reversal period coming with significant deferred income tax assets and deferred income tax liabilities, the taxpayers involved intend to settle the current income tax assets and current income tax liabilities on a net basis or acquire assets and pay off debts at the same time.

### 31. Lease

☒Applicable ☐Not applicable

#### **Judgment bases and accounting treatment methods for simplified processing of short-term leases and low-value asset leases as the lessee**

☒Applicable ☐Not applicable

On the commencement date of the lease term, the Company shall recognize the leases with a lease term no more than 12 months that do not include a purchase option as short-term leases, and recognize the leases with a lower value when the separate leased asset is a brand-new asset as low-value asset leases. If the Company sublets or expects to sublet the leased asset, the original lease shall not be deemed as a low-value asset lease.

For all short-term leases and low-value asset leases, the Company shall include the lease payment in the cost of relevant assets or the current profits or losses at the straight-line method in each period of the lease term.

Except for the above short-term leases and low-value asset leases that are adopted simplified treatment, the Company shall recognize the right-of-use assets and lease liabilities for leases on the commencement date of the lease term.

#### (1) Right-of-use assets

The right-of-use assets are initially measured at cost, including 1) the initial measurement amount of leased liabilities; 2) the lease payments paid on or before the commencement date of the lease term (after deducting the lease incentive related amount as already enjoyed); 3) the initial direct expenses incurred; and 4) the cost incurred for dismantling and removing the leased assets, restoring the site where the leased assets are located, or restoring the leased assets to the state agreed in the lease terms.

The Company shall adopt the straight-line method to accrue depreciation for the right-of-use assets. If it can be reasonably determined that the ownership of the leased assets can be acquired when the lease term expires, the Company shall accrue depreciation during the remaining service life of the leased assets. If it cannot be reasonably determined that the ownership of the leased assets can be acquired when the lease term expires, the Company shall accrue depreciation within the shorter of the lease term and the

remaining service life of the leased assets.

(2) Lease liabilities

On the commencement date of the lease term, the Company shall recognize present value of the unpaid lease payments as a lease liability. In calculating present value of the lease payment amounts, the Company shall adopt the lease embedded interest rate as the discount rate; and if the lease embedded interest rate cannot be determined, the incremental loan interest rate of the Company shall be used as the discount rate. The difference between the lease payment and its present value shall be regarded as an unrecognized financing expense, and the interest expense shall be recognized at the discount rate of the recognized present value of the lease payment in each period of the lease term, and included in the current profits or losses. Variable lease payments that are not included in the measurement of lease liabilities shall be included in the current profits or losses when actually incurred.

After the commencement of the lease term, when the actual fixed payment amount changes, the expected payable amount of the guarantee residual value changes, the index or ratio used to determine the lease payment amount changes, and/or the evaluation result or actual exercise of the purchase option, renewal option or termination option changes, the Company shall re-measure the lease liabilities based on the present value of the changed lease payments and adjust the carrying value of the right-of-use assets accordingly. And if the carrying value of the right-of-use assets has been reduced to zero, but the lease liabilities still need to be further reduced, the Company shall record the remaining amount into the current profits or losses.

**Classification criteria and accounting treatment methods for lease as the lessor**

☒Applicable ☐Not applicable

On the commencement date of the lease term, a lease for which a lessor has substantially transferred almost all risks and rewards related to the ownership of the leased assets shall be a financial lease, except that all other leases are operating leases.

(1) Operating lease

During each period of the lease term, the Company shall recognize the lease receipts as rental income using the straight-line method. The initial direct expenses incurred shall be capitalized and amortized on the same basis for rental income recognition, and included in the current profits or losses by stages. Variable lease payments acquired by the Company in connection with operating leases that are not included in lease receipts shall be included in the current profits or losses when actually incurred.

(2) Financial lease

On the lease commencement date, the net lease investment (which is the sum of the unsecured residual value and the present value of the lease receipts not received at the beginning of the lease term as discounted at the lease embedded interest rate) shall be recognized as financial lease payments, and the financial lease assets shall be derecognized. During each period of the lease term, the Company shall calculate and recognize interest income based on the lease embedded interest rate.

The amount of variable lease payments obtained by the Company that are not included in the



measurement of net lease investment shall be included in the current profits or losses when actually incurred.

### **Sale and leaseback**

The Company shall assess and determine whether an asset transfer in the sale and leaseback transaction is a sale or not in accordance with the provisions of the *Accounting Standards for Business Enterprises No.14 - Revenue*.

If the transfer of assets in the sale and leaseback transaction is a sale, the Company shall account for the asset acquisition in accordance with other applicable accounting standards for business enterprises and the asset lease according to the *Accounting Standards for Business Enterprises No.21 - Lease*.

If the transfer of assets in the sale and leaseback transaction is not a sale, the Company shall derecognize the transferred assets but recognize a financial asset equal to the transfer proceeds, as well as conduct accounting treatment for the financial asset according to the *Accounting Standards for Business Enterprises No.22 - Recognition and Measurement of Financial Instruments*.

## **32. Segment report**

The Company shall determine its operating segments based on internal organizational structure, management requirements, and internal reporting systems. An operating segment of the Company refers to a component that simultaneously meets the following conditions:

1. The component is capable of generating revenues and incurring expenses in its routine business activities;
2. The management is able to regularly assess the operating results of the component to determine resource allocation and evaluate its performance;
3. It is possible to obtain relevant accounting information regarding the financial status, operating results, and cash flows of this component through analysis.

## **33. Other significant accounting policies and accounting estimates**

Accounting treatment methods related to repurchasing shares of the Company

If the shares of the Company are acquired for reasons such as reducing registered capital or rewarding employees, the actual paid amount shall be treated as treasury stocks, and the registration shall be carried out for future reference as well. If the repurchased shares are canceled, the difference between the total par value of the shares calculated with reference to the par value and number of the canceled shares and the amount actually paid for the repurchase shall be offset against the capital reserve. If the capital reserve is insufficient to offset, the retained earnings shall be offset; and if the repurchased shares are rewarded to employees of the Company as equity-settled share-based payments, the cost of treasury stocks delivered to the employees and the accumulated amount of capital reserve (or other capital reserves) in the waiting period shall be written off when such employees exercise their rights to purchase shares of the Company and receive payments accordingly. And meantime, the capital reserve (stock premium) shall be adjusted

according to the difference.

### 34. Changes in significant accounting policies and accounting estimates

#### (1). Changes in significant accounting policies

☐Applicable ☒Not applicable

#### (2). Changes in significant accounting estimates

☐Applicable ☒Not applicable

#### (3). Initial adoption of new accounting standards or interpretations, etc., that involve adjustments to the opening financial statements for the year of initial implementation from 2025 onwards

☐Applicable ☒Not applicable

## VI. Taxes

### 1. Main taxes and tax rates

Main taxes and tax rates

☒Applicable ☐Not applicable

Tax Category	Tax Basis	Tax Rate
VAT	Pursuant to the tax law, the output tax shall be calculated on the basis of sold goods and taxable services. And after deducting the input tax allowed to be deducted in the current period, the difference shall be the value-added tax payable	13%, 9%, 6%, 5% and 3%
Consumption tax (Japan)	The difference between total sales and total purchases	10%, 8%
Land VAT	The appreciation value generated from the compensated transfer of the right to use state-owned land and the property rights of buildings and other attachments on the land	30%
Property tax	In case of price-based levy, 1.2% of the remaining value after deducting 30% from the original value of the property shall be adopted; and in case of rent-based levy, 12% of the rental income shall be adopted	1.2%, 12%
Urban maintenance and construction tax	Payment based on actual VAT and consumption tax paid	1%, 5%, 7%
Educational surcharge	Payment based on actual VAT and consumption tax paid	3%, 5%
Local educational surcharge	Turnover tax as actually paid	2%

Enterprise income tax	To be levied based on taxable income	25%, 24%, 23.20%, 21%, 20%, 19%, 16.5%, 15%, 14%, 9% and 8.25%
Local income tax (Dusseldorf)	To be levied based on taxable income	15.40%
Solidarity surcharge (Germany)	Enterprise income tax to be calculated and levied based on the actual amount	5.50%

If there are taxpayers with different corporate income tax rates, the disclosure statement shall be made as follows

√Applicable □Not applicable

Name of taxpayer	Income tax rate (%)
Shanshan New Material (Hong Kong) Limited	8.25
Shanshan New Material (Luxembourg) Sarl	14
Shanghai Shanshan Technology Co., Ltd.	15
Ningbo Shanshan New Material Technology Co., Ltd.	15
Chenzhou Shanshan New Material Co., Ltd.	15
Fujian Shanshan Technology Co., Ltd.	15
Inner Mongolia Shanshan Technology Co., Ltd.	15
Inner Mongolia Shanshan New Material Co., Ltd.	15
Shanghai Shanshan New Material Co., Ltd.	15
Sichuan Shanshan New Material Co., Ltd.	15
Yunnan Shanshan New Material Co., Ltd.	15
Shanjin Optoelectronics (Guangzhou) Co., Ltd.	15
Shanjin Optoelectronics (Nanjing) Co., Ltd.	15
Hong Kong Shanshan Resources Co., Ltd.	16.5
Shanshan New Material (Finland) Co., Ltd.	20
Taiwan Shanjin Optoelectronics Co., Ltd.	20
Shanjin Tokyo Co., Ltd. (Legal Person Tax)	23.2
South Korea Shanjin Optoelectronics Co., Ltd.	9, 19, 21, 24
Shanjin Optoelectronics Vietnam Co., Ltd.	20
Other taxable entities other than the above	25

## 2. Tax incentives

√Applicable □Not applicable

1. According to the list of high-tech enterprises as filed by government-recognized institutions, Shanghai Shanshan Technology Co., Ltd., Ningbo Shanshan New Material Technology Co., Ltd., Chenzhou Shanshan New Material Co., Ltd., Fujian Shanshan Technology Co., Ltd., Inner Mongolia Shanshan Technology Co., Ltd., Inner Mongolia Shanshan New Material Co., Ltd., Sichuan Shanshan New Material Co., Ltd., Yunnan Shanshan New Material Co., Ltd., Shanjin Optoelectronics (Guangzhou) Co., Ltd., and Shanjin Optoelectronics (Nanjing) Co., Ltd. have been recognized as high-tech enterprises and obtained high-tech enterprise certificates, thereby being subject to a reduced enterprise income tax rate of 15%.

2. According to the Notice on Enterprise Income Tax Policies for Key Industries in Lingang New Area of China (Shanghai) Pilot Free Trade Zone (CS [2020] No.38) as issued by the Ministry of Finance and the State Taxation Administration, and the Measures for the Administration of Enterprise Income Tax Preferential Qualification Recognition for Key Industries in Lingang New Area of China (Shanghai) Pilot Free Trade Zone (HCF [2020] No.12), Shanghai Shanshan New Material Co., Ltd., a subsidiary of the Company, has obtained the enterprise income tax preferential qualification recognition for the first batch of key industries in Lingang New Area in 2022. Starting from 2021, it will be subject to a reduced enterprise income tax rate of 15% for five years.

3. Pursuant to Articles 19 and 20 of Circular No. 78/2014/TT-BTC issued by the Ministry of Finance of Vietnam on 18 June 2014 regarding "preferential tax rates", income generated in the economic zone where Sanjin Optoelectronics Vietnam Co., Ltd. is located will be entitled to a preferential policy of tax exemption for four years and a 50% reduction in tax payable for the following nine years (the tax rate before preferential tax is 20%) starting from 2025.

## VII. Notes to Consolidated Financial Statement Items

### 1. Cash at bank and on hand

√Applicable □Not applicable

Unit: Yuan Currency: RMB

Item	Ending balance	Opening balance
Cash on hand	105,902.50	91,807.27
Bank deposit	1,899,854,846.17	1,843,427,935.99
Other monetary capitals	922,400,105.03	927,128,412.06
Deposit with a finance company		
Total	2,822,360,853.70	2,770,648,155.32
Of which: Total amount of money deposited abroad	119,385,831.00	90,909,125.00

### 2. Notes receivable

#### (1). Presentation of notes receivable by category

√Applicable □Not applicable

Unit: Yuan Currency: RMB

Item	Ending balance	Opening balance
Commercial acceptance bill	59,908,055.67	0.00
Total	59,908,055.67	0.00

**(2). Disclosure of classified 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 a portfolio basis	60,124,503.88	100.00	216,448.21	0.36	59,908,055.67					
Of which:										
Commercial acceptance bill	60,124,503.88	100.00	216,448.21	0.36	59,908,055.67					
Total	60,124,503.88	100.00	216,448.21	0.36	59,908,055.67		/		/	

**(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	
Provision for bad debts made on a portfolio basis		216,448.21				216,448.21
Total		216,448.21				216,448.21

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

□Applicable √Not Applicable

**3. Accounts receivable****(1). Disclosure by aging**

√Applicable □Not applicable

Unit: Yuan Currency: RMB

Aging	Book balance at the end of the period	Book balance at the beginning of the period
Within 1 year (inclusive)	3,953,562,927.35	5,325,510,069.09
Within 1 year	3,953,562,927.35	5,325,510,069.09
1-2 years	39,159,601.87	8,471,266.36
2-3 years	2,046,753.14	2,867,039.47
3-4 years	1,751,611.94	2,527,916.69
4-5 years	2,505,775.99	5,528,325.00
Above 5 years	10,438,202.39	4,909,877.39
Subtotal	4,009,464,872.68	5,349,814,494.00
Less: provision for bad debt	130,671,746.63	140,676,761.21

Total	3,878,793,126.05	5,209,137,732.79
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**(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	16,921,517.77	0.42	15,889,462.27	93.90	1,032,055.50	104,625,517.77	1.96	15,889,462.27	15.19	88,736,055.50
Provision for bad debts made on a portfolio basis	3,992,543,354.91	99.58	114,782,284.36	2.87	3,877,761,070.55	5,245,188,976.23	98.04	124,787,298.94	2.38	5,120,401,677.29
Total	4,009,464,872.68	/	130,671,746.63	/	3,878,793,126.05	5,349,814,494.00	/	140,676,761.21	/	5,209,137,732.79

Significant provision for bad debts made on an individual basis:

□Applicable √Not Applicable

Provision for bad debts made on a portfolio basis:

√Applicable □Not applicable

Combined provision items: account age portfolio

Unit: Yuan Currency: RMB

Name	Ending balance		
	Book balance	Bad Debt Provision	Withdrawal ratio (%)
Within 1 year	3,948,935,086.65	103,190,788.59	2.61
1-2 years	37,965,841.87	7,281,657.56	19.18
2-3 years	1,267,039.14	547,417.89	43.20
3-4 years	1,225,933.86	612,966.93	50.00
4-5 years			
Above 5 years	3,149,453.39	3,149,453.39	100.00
Total	3,992,543,354.91	114,782,284.36	2.87

**(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	
Provision for bad debts made on an individual basis	15,889,462.27					15,889,462.27
Provision for bad debts made on a portfolio basis	124,787,298.94	119,083,747.26	129,960,773.66	-872,011.82		114,782,284.36

Total	140,676,761.21	119,083,747.26	129,960,773.66	-872,011.82		130,671,746.63
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**(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	-872,011.82

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

Unit: Yuan Currency: RMB

Name of entity	Ending balance of accounts receivable	Ending balance of contract assets	Ending balances of accounts receivable and contract assets	Proportion in total ending balance of accounts receivable and contract assets (%)	Ending balance of bad debt provision
Customer A	629,612,362.38		629,612,362.38	15.70	31,480,618.12
Customer B	621,445,494.57		621,445,494.57	15.50	2,237,203.78
Customer C	367,375,540.51		367,375,540.51	9.16	18,368,777.03
Customer D	308,476,186.29		308,476,186.29	7.69	1,110,514.27
Customer E	290,070,415.95		290,070,415.95	7.23	12,501,915.37
Total	2,216,979,999.70		2,216,979,999.70	55.28	65,699,028.57

**4. Receivables financing****(1). Presented by classification of receivables financing**√Applicable ☐Not applicable

Unit: Yuan Currency: RMB

Item	Ending balance	Opening balance
Banker's acceptance bill	86,166,706.39	40,178,673.10
CATL financing orders	12,439,993.32	2,040,288.67
Total	98,606,699.71	42,218,961.77

**(2). Notes receivable that has been endorsed or discounted by the Company and are outstanding at the balance sheet date at the end of the period**√Applicable ☐Not applicable

Unit: Yuan Currency: RMB

Item	Amount recognized at the end of the period
Banker's acceptance bill	3,937,990,222.17
CATL financing orders	524,551,359.19
Total	4,462,541,581.36

Instructions:

The acceptor of banker's acceptance bill is a commercial bank with high credit, and the possibility of the bank's acceptance bill accepted by it will not be paid at maturity is low, so the Company will terminate the confirmation of the endorsed or discounted bank's acceptance bill. However, if these notes are not paid

at maturity, according to the provisions of the Negotiable Instruments Law, the Company will still be jointly and severally liable to the holder.

Contemporary Amperex Technology Co., Limited is a public listed company with high credit. The possibility of CATL financing orders issued by it and its affiliated units not being paid upon maturity is low, and the Company signed a non-recourse discount agreement with the bank, so the Company terminated the confirmation of the discounted CATL financing orders.

## 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	633,719,368.39	98.20	1,274,782,361.03	99.14
1-2 years	6,310,988.32	0.98	10,596,938.56	0.82
2-3 years	5,306,005.19	0.82	504,504.54	0.04
Above 3 years	800.70	0.00	26,055.70	0.00
Total	645,337,162.60	100.00	1,285,909,859.83	100.00

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

√Applicable □Not applicable

Unit: Yuan Currency: RMB

Name of entity	Ending balance	Percentage of the total ending balance of prepayments (%)
Supplier A	145,407,359.71	22.53
Supplier B	44,517,037.07	6.90
Supplier C	43,027,217.59	6.67
Supplier D	40,287,879.41	6.24
Supplier E	32,039,535.20	4.96
Total	305,279,028.98	47.30

Other instructions

√Applicable □Not applicable

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	250,037.85	117,071.97
Dividend receivable	4,492,116.13	4,492,116.13
Other receivables	290,288,062.46	1,092,644,775.11
Total	295,030,216.44	1,097,253,963.21



**Interest receivable****(1). Classification of interest receivable**

√Applicable □Not applicable

Unit: Yuan Currency: RMB

Item	Ending balance	Opening balance
Fixed deposit	250,037.85	117,071.97
Subtotal	250,037.85	117,071.97
Less: Bad debt provision		
Total	250,037.85	117,071.97

**Dividend receivable****Details of 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
Suiyong Holdings Co., Ltd.	4,000,000.00	4,000,000.00
Subtotal	4,492,116.13	4,492,116.13
Less: Bad debt provision		
Total	4,492,116.13	4,492,116.13

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

√Applicable □Not applicable

Unit: Yuan Currency: RMB

Account age	Book balance at the end of the period	Book balance at the beginning of the period
Within 1 year (inclusive)	103,342,428.83	867,463,880.97
Within 1 year	103,342,428.83	867,463,880.97
1-2 years	46,511,715.15	293,750,283.64
2-3 years	245,334,620.87	31,321,771.57
3-4 years	22,643,470.23	19,880,305.12
4-5 years	30,404,132.97	38,043,135.04
Above 5 years	20,785,037.07	21,491,965.07
Subtotal	469,021,405.12	1,271,951,341.41
Less: Bad debt provision	178,733,342.66	179,306,566.30
Total	290,288,062.46	1,092,644,775.11

**(2). Disclosure by nature of payments**

√Applicable □Not applicable

Unit: Yuan Currency: RMB

Nature of payments	Book balance at the end of the period	Book balance at the beginning of the period
Provision for bad debts made on an individual basis	367,093,792.16	375,288,028.45
Provision for bad debts made on a portfolio basis	101,927,612.96	896,663,312.96
Total	469,021,405.12	1,271,951,341.41

**Significant provision for bad debts made on an individual basis**

Unit: Yuan Currency: RMB

Name	Ending balance	Balance at the end of last year
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	Book balance	Bad debt provision	Withdrawal ratio (%)	Withdrawal reason	Book balance	Bad debt provision	Withdrawal ratio (%)
Ningbo Liankangcai Brand Management Co., Ltd.	30,000,000.00	15,000,000.00	50.00	The final payment of equity transfer accounts receivable is overdue and there is a significant risk of recovery. The transferee has provided an equity pledge guarantee	38,000,000.00	19,000,000.00	50.00
Shandong Fanyue Information Technology Co., Ltd. Note	44,100,000.00	44,100,000.00	100.00	Overdue, not expected to be recoverable	44,100,000.00	44,100,000.00	100.00
Putian Hualin Vegetable Base Co., Ltd.	13,372,982.07	13,372,982.07	100.00	Winning the case, but unable to execute	13,372,982.07	13,372,982.07	100.00
Zhejiang Xinya Zhongning New Energy Co., Ltd.	244,862,000.00	73,458,600.00	30.00	Overdue, the management judges that there is a certain risk of litigation	244,862,000.00	73,458,600.00	30.00
Total	332,334,982.07	145,931,582.07	43.91	/	340,334,982.07	149,931,582.07	44.05

Note: Formerly known as “Zhejiang Fanyue Technology Co., Ltd.”, it was renamed “Shandong Fanyue Information Technology Co., Ltd.” during the Period, the same below.

### Provision for bad debts is made on a portfolio basis

Unit: Yuan Currency: RMB

Name	Ending balance		
	Other receivables	Bad debt provision	Withdrawal ratio (%)
Portfolio of risk-free	5,066,113.12		
Of which: Portfolio of security deposit such as amounts of government and state-owned assets portfolio Note	5,066,113.12		
Portfolio of debt receivables	20,897,999.77	2,089,799.98	10.00
Portfolio of security deposit and deposit	63,523,272.63	3,176,163.64	5.00
Portfolio of advances	11,145,389.35	218,519.50	1.96
Of which: Individual social security of settlement, collection and payment every other month	6,774,999.28		
Portfolio of reserve	1,294,838.09	64,741.90	5.00
Total	101,927,612.96	5,549,225.02	

Note: The amounts of government and state-owned assets portfolio has no risk of return, and no provision for bad debts is made.

### (3). 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 2025	2,058,713.64	100,127,509.90	77,120,342.76	179,306,566.30
Balance as of 1	2,058,713.64	100,127,509.90	77,120,342.76	179,306,566.30

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)	
January 2025 in the current period				
— Transferred to Phase II				
— Transferred to Phase III				
— Transferred back to Phase II				
— Transferred back to Phase I				
Current provision	3,490,408.87	37,318.96		3,527,727.83
Current reversal		-4,077,863.24	-23,190.74	-4,101,053.98
Current reselling				0.00
Current write-off	102.51			102.51
Other changes				
Balance as of 30 June 2025	5,549,225.02	96,086,965.62	77,097,152.02	178,733,342.66

**(4). 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 provisions of other accounts receivable	179,306,566.30	3,527,727.83	4,101,053.98	-102.51		178,733,342.66
Total	179,306,566.30	3,527,727.83	4,101,053.98	-102.51		178,733,342.66

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

√Applicable □Not applicable

Unit: Yuan Currency: RMB

Name of entity	Ending balance	Proportion in total ending balance of other receivables (%)	Nature of payment	Account age	Bad debt provision Ending balance
Zhejiang Xinya Zhongning New Energy Co., Ltd.	244,862,000.00	52.21	Equity transfer payment	2-3 years	73,458,600.00
LG Chem (China) Investment Co., Ltd.	49,473,684.21	10.55	Processing fee deposit	Within 1 year	2,473,684.21

Shandong Fanyue Information Technology Co., Ltd.	44,100,000.00	9.40	Equity transfer payment	1-2 years	44,100,000.00
Ningbo Liankangcai Brand Management Co., Ltd.	30,000,000.00	6.40	Equity transfer payment	4-5 years	15,000,000.00
Beigong Holdings (Inner Mongolia) Co., Ltd.	20,897,999.77	4.46	Equity transfer payment	1-2 years	2,089,799.98
Total	389,333,683.98	83.01	/	/	137,122,084.19

## 7. Inventories

### (1). Classification of inventories

√Applicable □Not applicable

Unit: Yuan Currency: RMB

Item	Ending balance			Opening balance		
	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
Goods in transit	318,387,863.88		318,387,863.88	335,923,398.26		335,923,398.26
Raw materials	1,302,480,517.35	30,449,578.44	1,272,030,938.91	1,034,083,552.12	15,701,063.66	1,018,382,488.46
Products in progress	2,469,616,741.50	159,884,842.50	2,309,731,899.00	2,155,425,767.21	95,880,137.77	2,059,545,629.44
Finished goods	1,526,011,993.23	115,559,420.66	1,410,452,572.57	1,482,201,564.10	76,499,768.67	1,405,701,795.43
Materials outsourced for processing	341,766,895.08	22,272,837.68	319,494,057.40	293,103,944.24	22,272,837.68	270,831,106.56
Package and low-value consumption goods	58,744,306.16		58,744,306.16	60,248,340.18		60,248,340.18
Turnover materials	912,170,084.54	980,810.49	911,189,274.05	825,961,161.81	980,810.49	824,980,351.32
Total	6,929,178,401.74	329,147,489.77	6,600,030,911.97	6,186,947,727.92	211,334,618.27	5,975,613,109.65

### (2). Provision for decline in value of inventories

√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	Other	Reversal or reselling	Other	
Raw materials	15,701,063.66	14,748,514.78				30,449,578.44
Products in progress	95,880,137.77	66,242,782.87		2,238,078.14		159,884,842.50
Finished goods	76,499,768.67	53,758,049.73		14,698,397.74		115,559,420.66
Materials outsourced for processing	22,272,837.68					22,272,837.68

Turnover material	980,810.49					980,810.49
Total	211,334,618.27	134,749,347.38		16,936,475.88		329,147,489.77

Specific basis for determining net realizable value, reasons for reversal or reselling of provision for decline in value of inventories in the current period

√Applicable □Not applicable

Item	Specific basis for determining net realizable value	Reasons for reversal of provision for decline in value of inventories	Reasons for reselling of provision for decline in value of inventories
Raw materials	The estimated selling price of the related finished goods minus the estimated costs to be incurred until completion, estimated selling expenses and relevant taxes and fees to determine the net realizable value	Increase in net realizable value of inventories for which provision for decline in value of inventories was made in previous periods	The inventories for which provision for decline in value of inventories has been accrued will be consumed in the current period
Products in progress			
Materials outsourced for processing			
Turnover material			
Finished goods	The estimated selling price of related finished products minus inventory cost, estimated selling expenses and relevant taxes and fees to determine the net realizable value		The inventories for which provision for decline in value of inventories has been made will be sold in the current period

## 8. Other current assets

√Applicable □Not applicable

Unit: Yuan Currency: RMB

Item	Ending balance	Opening balance
Prepaid income tax	23,448,510.75	21,084,957.71
Input value-added-tax to be deducted	882,957,041.75	861,231,027.10
Other prepaid taxes and fees	534,982.05	730,395.00
Total	906,940,534.55	883,046,379.81

**9. Long-term equity investment**

√Applicable □Not applicable

Unit: Yuan Currency: RMB

Name of investees	Opening balance (book value)	Opening balance of impairment provision	Increase and decrease in the current period								Ending balance (book value)	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.	104,472,187.65				-3,768,535.87						100,703,651.78	
Subtotal	104,472,187.65				-3,768,535.87						100,703,651.78	
II. associates												
BASF Shanshan Battery Materials Co., Ltd.	3,444,000,000.00	189,934,660.64			-33,375,569.89						3,410,624,430.11	189,934,660.64
Zhejiang Chouzhou Commercial Bank Co., Ltd.	1,711,849,274.93	137,050,000.00			75,181,254.95	-2,004,557.15					1,785,025,972.73	137,050,000.00
Suiyong Holdings Co., Ltd.	520,694,652.53				-18,167,375.98						502,527,276.55	
Xinya Shanshan New Material Technology (Quzhou) Co., Ltd.	165,600,000.00	79,233,851.26			- 11,640,826.55						153,959,173.45	79,233,851.26
Ningbo	183,708,163.32				-384,812.30						183,323,351.02	

Name of investees	Opening balance (book value)	Opening balance of impairment provision	Increase and decrease in the current period								Ending balance (book value)	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		
Airport Logistics Development Co., Ltd.												
Inner Mongolia Mengji New Carbon Materials Co., Ltd.	61,354,162.49	20,825,030.53		61,354,162.49								
Shanshan Brand Management Co., Ltd.	53,514,748.17				1,539,716.29						55,054,464.46	
Ningbo Shanqi Property Services Co., Ltd.	37,965,578.82				-259,417.26				9,189,327.93		28,516,833.63	9,189,327.93
Jiangxi Zhanxiao New Energy Technology Co., Ltd.	12,373,047.04				-4,704,667.60						7,668,379.44	
Shanghai Shanshan Chuanghui Venture Capital Management Co., Ltd.	13,596,379.40				-1,011,052.47						12,585,326.93	
Shenzhen Yuanshan Private	3,820,848.48				-327,728.44						3,493,120.04	

Name of investees	Opening balance (book value)	Opening balance of impairment provision	Increase and decrease in the current period								Ending balance (book value)	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		
Equity Investment Management Co., Ltd.												
Suzhou Shanyue Energy System Co., Ltd.	3,457,702.22				-354,053.62						3,103,648.60	
Winsky Gaoke Group Co., Ltd. (note)												
Subtotal	6,211,934,557.40	427,043,542.43		61,354,162.49	6,495,467.13	-2,004,557.15			9,189,327.93		6,145,881,976.96	415,407,839.83
Total	6,316,406,745.05	427,043,542.43		61,354,162.49	2,726,931.26	-2,004,557.15			9,189,327.93		6,246,585,628.74	415,407,839.83

Note: Winsky Gaoke Group Co., Ltd. is a long-term equity investment accounted for using the equity method that is written down to zero. For details, please refer to the note - Excess losses incurred by joint ventures or associates.

#### 10. Investment in other equity instruments

##### (1). Investment in other equity instruments

√Applicable □Not applicable

Unit: Yuan Currency: RMB

Item	Opening balance	Increase and decrease in the current period				Ending balance	Dividend income recognized in this period	Accumulated gains and losses recognized in other comprehensive income	Reasons for designating fair value measurement with changes recognized in other comprehensive income
		Additional investment	Decreased investment	Gains and losses recognized in other comprehensive income for the current period	Others				



Investment in other equity instruments- Investments in listed equity instruments	78,936,318.53			18,308,189.89		97,244,508.42	2,675,600.00	-66,694,648.30	This kind of investment is not aimed at short-term transactions or short-term profits, but is a long-term strategic holding, and it is planning to hold it for a long time to obtain capital appreciation and other purposes.
Investment in other equity instruments- Investments in unlisted equity instruments	47,550,000.00					47,550,000.00			
Total	126,486,318.53			18,308,189.89		144,794,508.42	2,675,600.00	-66,694,648.30	

**(2). Explanation of derecognition in the current period**

☐Applicable ☒Not applicable

**11. 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	218,584,307.86	237,037,307.86
Of which: Investment in debt instruments		
Investments in equity instruments		
Derivative financial assets		
Equity investment	218,584,307.86	237,037,307.86
Financial assets designated at fair value through profit or loss		
Of which: Investment in debt instruments		
Others		
Total	218,584,307.86	237,037,307.86

**12. Fixed assets****Presentation of items**

√Applicable □Not applicable

Unit: Yuan Currency: RMB

Item	Ending balance	Opening balance
Fixed assets	16,864,820,203.18	14,254,373,934.25
Liquidation of fixed assets	608,995.02	1,723,162.68
Total	16,865,429,198.20	14,256,097,096.93

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

√Applicable □Not applicable

Unit: Yuan Currency: RMB

Item	Houses and buildings	Machinery equipment	Transportation equipment	Other equipment	Fixed assets decoration	Total
<b>I. Original book value:</b>						
1. Opening balance	5,992,226,527.51	12,067,038,509.81	37,988,616.22	281,366,946.75	7,284,143.55	18,385,904,743.84
2. Amount increased in the current period	792,763,671.80	2,624,356,799.21	843,761.08	67,994,904.37	241,095.16	3,486,200,231.62
(1) Purchase	960,854.85	239,572,242.61	97,920.36	32,081,259.67	140,942.25	272,853,219.74
(2) Transfer of construction in progress	791,802,816.95	2,096,781,724.74	745,840.72	35,913,644.70	100,152.91	2,925,344,180.02
(3) Increase in right-of-use		288,002,831.86				288,002,831.86
3. Amount decreased in the current period		24,666,113.13	9,900.00	870,163.10		25,546,176.23
(1) Disposal or scrapping		24,666,113.13	9,900.00	870,163.10		25,546,176.23
(2) Withdrawal from the consolidation						
(3) Decrease in exchange rate changes						
4. Ending balance	6,784,990,199.31	14,666,729,195.89	38,822,477.30	348,491,688.02	7,525,238.71	21,846,558,799.23
<b>II. Accumulated depreciation</b>						
1. Opening balance	613,054,005.47	3,150,017,977.00	16,221,950.96	130,865,121.49	5,117,248.49	3,915,276,303.41
2. Amount increased in the current period	99,509,219.67	709,145,146.50	2,533,904.44	22,090,116.71	425,409.34	833,703,796.66
(1) Accrual	99,509,219.67	685,152,559.23	2,533,904.44	22,090,116.71	425,409.34	809,711,209.39

Item	Houses and buildings	Machinery equipment	Transportation equipment	Other equipment	Fixed assets decoration	Total
(2) Transfer of right-of-use assets		23,992,587.27				23,992,587.27
3. Amount decreased in the current period		20,055,338.82	1,600.50	579,735.85		20,636,675.17
(1) Disposal or scrapping		20,055,338.82	1,600.50	579,735.85		20,636,675.17
(2) Withdrawal from the consolidation						
(3) Decrease in exchange rate changes						
4. Ending balance	712,563,225.14	3,839,107,784.68	18,754,254.90	152,375,502.35	5,542,657.83	4,728,343,424.90
III. Provision for impairment						
1. Opening balance		161,684,103.79	4,433,621.19	50,136,781.20		216,254,506.18
2. Amount increased in the current period		38,209,799.55				38,209,799.55
(1) Accrual		38,209,799.55				38,209,799.55
3. Amount decreased in the current period		1,069,134.58				1,069,134.58
(1) Disposal or scrapping		1,069,134.58				1,069,134.58
(2) Withdrawal from the consolidation						
4. Ending balance		198,824,768.76	4,433,621.19	50,136,781.20		253,395,171.15
IV. Book value						
1. Ending book value	6,072,426,974.17	10,628,796,642.45	15,634,601.21	145,979,404.47	1,982,580.88	16,864,820,203.18
2. Opening book value	5,379,172,522.04	8,755,336,429.02	17,333,044.07	100,365,044.06	2,166,895.06	14,254,373,934.25

**(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	69,047,000.00	35,573,451.57		33,473,548.43
Machinery equipment	283,823,740.14	149,612,166.35	128,189,459.23	6,022,114.56
Transportation equipment	140,500.00	128,731.26		11,768.74
Others	11,896,131.52	10,275,852.12	628,454.10	991,825.30
Total	364,907,371.66	195,590,201.30	128,817,913.33	40,499,257.03

**(3). Fixed assets leased out through operating leases**

√Applicable □Not applicable

Unit: Yuan Currency: RMB

Item	Ending book value
Houses and buildings	111,512,915.76

Note: 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	3,626,522,377.01	Self-built factory building whose right certificate is still in

		process.
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**Liquidation of fixed assets**

√Applicable □Not applicable

Unit: Yuan Currency: RMB

Item	Ending balance	Opening balance
Fixed assets	608,995.02	1,723,162.68
Total	608,995.02	1,723,162.68

**13. Construction in progress****Presentation of items**

√Applicable □Not applicable

Unit: Yuan Currency: RMB

Item	Ending balance	Opening balance
Construction in progress	1,552,778,126.65	3,717,584,135.87
Engineering materials	4,538,245.39	71,533,643.64
Total	1,557,316,372.04	3,789,117,779.51

**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 technology reform and add RTP	259,675,058.58		259,675,058.58	150,093,011.75		150,093,011.75
Project of a Polarizer Production Line with an Annual Output of 40 Million Square Meters for High-end Display in Yangzhou	4,618,336.29		4,618,336.29	3,819,602.95		3,819,602.95

Project of a Polarizer Production Line with an Annual Output of 40 Million Square Meters for LCD in Zhangjiagan	20,510,687.68		20,510,687.68	13,455,711.02		13,455,711.02
Project of a polarizer production line with an annual output of 50 million square meters in Mianyang	411,500,820.66		411,500,820.66	429,325,629.17		429,325,629.17
New R&D Base for New Materials in Shanghai	7,717,420.75		7,717,420.75	41,276,458.60		41,276,458.60
Sichuan Meishan Integrated Base Project for 200,000 Tons of Lithium Ion Battery Negative Electrode Materials	124,226,695.93		124,226,695.93	70,678,945.14		70,678,945.14
Inner Mongolia Baotou Lithium Ion Battery Negative Electrode Materials Integrated Base Project (Phase II)	3,977,374.72		3,977,374.72	7,453,996.35		7,453,996.35
Negative Electrode Materials Fujian Phase II project	3,203,767.86		3,203,767.86	36,778,086.47		36,778,086.47

Negative Electrode Material Production Capacity Expansion Supporting Project	24,531,984.66		24,531,984.66	28,840,158.57		28,840,158.57
Yunnan Anning Annual Production of 300,000 tons of Lithium Ion Battery Negative Electrode Materials Integrated Base Project	119,194,771.46		119,194,771.46	2,370,783,843.22		2,370,783,843.22
Project of Integrated Base for Producing 40,000 Tons of Silicon-based Negative Electrode Materials for Lithium-ion Batteries Annually of Shanshan Company	570,935,271.54		570,935,271.54	558,048,820.55		558,048,820.55
Inner Mongolia Negative Electrode Phase III Annual Production 40,000 Tons crushing project				4,093,378.47		4,093,378.47
Others	2,685,936.52		2,685,936.52	2,936,493.61		2,936,493.61
Total	1,552,778,126.65		1,552,778,126.65	3,717,584,135.87		3,717,584,135.87

**(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	Ending balance	Proportion of cumulative project investment in budget (%)	Project progress	Source of funds
Project of a Polarizer Production Line with an Annual Output of 40 Million Square Meters for High-end Display in Yangzhou	RMB4.5 billion	3,819,602.95	798,733.34			4,618,336.29	0.10	The land payment for the project has been made	Self-financing + borrowing
Project of a Polarizer Production Line with an Annual Output of 40 Million Square Meters for LCD in Zhangjiagang	RMB2.187 billion	13,455,711.02	13,115,320.43	6,060,343.77		20,510,687.68	84.84	It has been put into production, and the capacity is ramping up	Self-financing + borrowing

Project of a Polarizer Production Line with an Annual Output of 50 Million Square Meters in Mianyang	RMB3.5 billion	429,325,629.17	9,248,757.63		27,073,566.14	411,500,820.66	15.22	The principal building has been completed	Self-financing +borrowing
New R&D Base for New Materials in Shanghai	RMB0.6 billion	41,276,458.60	14,536,506.31	47,909,703.45	185,840.71	7,717,420.75	113.38	Basically completed	Self-financing +borrowing
Sichuan Meishan Integrated Base Project for 200,000 Tons of Lithium Ion Battery Negative	RMB8 billion (Phase I RMB4.2 billion)	70,678,945.14	54,939,587.03	11,504.42	1,380,331.82	124,226,695.93	58.24	The project phase I is in operation and the warehouses and dormitories of the project phase II are under construction	Financed funds+self-financing+borrowing
Inner Mongolia Baotou Lithium Ion Battery Negative Electrode Materials Integrated Base Project (Phase II)	RMB1.535 billion	7,453,996.35	1,418,370.90	4,607,161.03	287,831.50	3,977,374.72	109.00	The project has been basically completed	Self-financing +borrowing



Negative Electrode Materials Fujian Phase II project	RMB0.526 billion	36,778,086.47	827,769.36	34,402,087.97		3,203,767.86	100.00	The project has been basically completed	
Yunnan Anning Annual Production of 300,000 tons of Lithium Ion Battery Negative Electrode Materials Integrated Base Project	RMB9.7 billion	2,370,783,843.22	357,252,720.94	2,603,439,769.07	5,402,023.63	119,194,771.46	43.67	The project phase I is in operation; the project phase II has not yet started	Self-financing +borrowing
Project of Integrated Base for Producing 40,000 Tons of Silicon-based Negative Electrode Materials for Lithium-ion Batteries Annually of Shanshan Company	RMB3.75 billion	558,048,820.55	88,779,596.87	75,893,145.88		570,935,271.54	26.70	Some production capacity of Phase I has been put into trial production	Self-financing +borrowing
Total		3,531,621,093.47	540,917,362.81	2,772,323,715.59	34,329,593.80	1,265,885,146.89	/	/	/

**Construction 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
Materials for graphitization furnace project	4,538,245.39		4,538,245.39	71,533,643.64		71,533,643.64
Total	4,538,245.39		4,538,245.39	71,533,643.64		71,533,643.64

**14. Right of use assets****(1). Right of use assets**

√Applicable □Not applicable

Unit: Yuan Currency: RMB

Item	Houses and buildings	Machinery and equipment	Others	Total
<b>I.Original book value</b>				
1.Opening balance	1,004,383,811.45	335,296,482.18	2,239,060.57	1,341,919,354.20
2.Amount increased in the current period	42,159,354.45		13,860.81	42,173,215.26
New lease	42,159,354.45		13,860.81	42,173,215.26
3.Amount decreased in the current period	68,491,156.46	288,002,831.86	374,450.86	356,868,439.18
Disposal	68,491,156.46	288,002,831.86	374,450.86	356,868,439.18
4.Ending balance	978,052,009.44	47,293,650.32	1,878,470.52	1,027,224,130.28
<b>II.Accumulated depreciation</b>				
1.Opening balance	181,973,658.12	19,252,270.32	2,153,669.90	203,379,598.34
2.Amount increased in the current period	32,515,738.92	11,693,173.94	88,886.19	44,297,799.05
New lease	32,515,738.92	11,693,173.94	88,886.19	44,297,799.05
3.    Amount decreased in the current period	47,808,052.86	23,992,587.27	374,450.86	72,175,090.99
Disposal	47,808,052.86	23,992,587.27	374,450.86	72,175,090.99
4.Ending balance	166,681,344.18	6,952,856.99	1,868,105.23	175,502,306.40
<b>III.Provision for impairment</b>				
1.Opening balance				
2.    Amount increased in the current period				
Accrual				
3.    Amount decreased in the current period				
Disposal				
4.Ending balance				
<b>IV.Book value</b>				

1. Ending value	book	811,370,665.26	40,340,793.33	10,365.29	851,721,823.88
2. Opening value	book	822,410,153.33	316,044,211.86	85,390.67	1,138,539,755.86

**(2). Impairment test of right-of-use assets**

□Applicable √Not applicable

**15. Intangible assets****(1). Intangible assets**

√Applicable □Not applicable

Unit: Yuan Currency: RMB

Item	Land-use right	Patent right	Software and others	Customer relationship	Total
<b>I. Original book value</b>					
1. Opening balance	1,402,400,628.86	710,574,630.67	126,221,046.75	153,000,000.00	2,392,196,306.28
2. Amount increased in the current period	6,038,742.80	398,190,369.33	14,606,570.27	163,000,000.00	581,835,682.40
Purchase	6,038,742.80	398,190,369.33	14,606,570.27	163,000,000.00	581,835,682.40
3. Amount decreased in the current period		25,000.00			25,000.00
Disposal or scrapping		25,000.00			25,000.00
Withdrawal from the consolidation					
4. Ending balance	1,408,439,371.66	1,108,740,000.00	140,827,617.02	316,000,000.00	2,974,006,988.68
<b>II. Accumulated amortisation</b>					
1. Opening balance	108,125,024.59	278,098,780.46	61,000,092.19	59,925,000.00	507,148,897.24
2. Amount increased in the current period	14,730,341.44	54,523,833.76	5,663,714.36	15,800,000.00	90,717,889.56
Accrual	14,730,341.44	54,523,833.76	5,663,714.36	15,800,000.00	90,717,889.56
3. Amount decreased in the current period		21,531.88			21,531.88
Disposal or scrapping		21,531.88			21,531.88
Withdrawal from the consolidation					
4. Ending balance	122,855,366.03	332,601,082.34	66,663,806.55	75,725,000.00	597,845,254.92
<b>III. Provision for impairment</b>					
1. Opening balance			427,750.81		427,750.81
2. Amount increased in the current period					
Provision					
3. Amount decreased in the current period					
Disposal or scrapping					

Withdrawal from the consolidation					
4. Ending balance			427,750.81		427,750.81
IV. Book value					
1. Ending book value	1,285,584,005.63	776,138,917.66	73,736,059.66	240,275,000.00	2,375,733,982.95
2. Opening book value	1,294,275,604.27	432,475,850.21	64,793,203.75	93,075,000.00	1,884,619,658.23

**(2). Single intellectual property with significant impact**√Applicable ☐Not applicable

The patent rights include intellectual property related to the acquisition of polarizer business, including a total of 2,719 patents and proprietary technologies, with a net value of RMB739 million at the end of the reporting period.

**16. 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
Huzhou Shanshan New Energy Technology Co., Ltd.	148,044,702.20			148,044,702.20
Polarizer business acquisition	879,235,149.99			879,235,149.99
Polarizer SP business acquisition		313,299,393.00		313,299,393.00
Total	1,027,279,852.19	313,299,393.00		1,340,579,245.19

**(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
Huzhou Shanshan New Energy Technology Co., Ltd.	148,044,702.20			148,044,702.20
Polarizer business acquisition	50,914,431.44			50,914,431.44
Polarizer SP business acquisition				
Total	198,959,133.64			198,959,133.64

**17. 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	Other decreased amount	Ending balance
Expenses for leased-in fixed assets improvement	35,630,256.54	823,392.26	9,977,220.19		26,476,428.61
Amortization of turnover materials	19,610,868.61	11,348,764.61	10,970,394.25		19,989,238.97
Others	18,443,438.36	4,019,504.86	5,966,370.47		16,496,572.75
Total	73,684,563.51	16,191,661.73	26,913,984.91		62,962,240.33

## 18. 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
Provision for impairment of assets	695,355,004.87	128,569,624.19	739,586,466.99	135,158,330.23
Unrealized profit on internal transactions	178,491,401.63	26,773,710.24	86,684,759.47	13,002,713.92
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	454,696,342.29	68,204,451.34	454,696,342.29	68,204,451.34
Payment of fees for shares not yet exercised			68,962,692.28	10,344,403.84
Income recognized by tax, not yet recognized for accounting purposes	402,883,412.05	60,432,511.82	315,949,835.88	47,392,475.39
Expenditure recognized by accounting, not yet recognized for tax purposes	245,549,155.68	37,646,719.26	236,236,015.38	35,435,402.31
Changes in fair value of other non current financial assets recognized in current period profit and loss			5,060,000.00	1,265,000.00
Deductible temporary differences formed by leasing	1,083,660,629.53	163,947,872.40	1,083,660,629.53	163,947,872.40

Item	Ending balance		Opening balance	
	Deductible temporary differences	Deferred income tax assets	Deductible temporary differences	Deferred income tax assets
Total	3,224,529,482.57	526,548,273.38	3,154,730,278.34	515,724,033.56

**(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	106,462,033.56	26,615,508.39	92,950,221.83	23,237,555.45
Difference between accelerated depreciation tax and financial caliber of fixed assets	1,147,576,125.68	172,254,853.74	1,147,576,125.68	172,254,853.74
Long term investment fair value adjustment when the original subsidiary loses control	1,237,956,808.36	309,489,202.09	1,237,956,808.36	309,489,202.09
Taxable temporary differences arising from leasing	811,408,622.35	122,151,995.78	811,408,622.35	122,151,995.78
Super deduction of equipment	13,605,473.60	2,176,251.61	12,429,137.00	1,999,801.12
Total	3,317,009,063.55	632,687,811.61	3,302,320,915.22	629,133,408.18

**(3). Deferred income tax assets or liabilities presented as net amount after offsetting**

√Applicable □Not applicable

Unit: Yuan Currency: RMB

Item	Ending balance		Opening balance	
	Offset amount between deferred income tax assets and liabilities	Balance of deferred income tax assets or liabilities after offset	Offset amount between deferred income tax assets and liabilities	Balance of deferred income tax assets or liabilities after offset
Deferred income tax assets	235,811,164.87	290,737,108.51	237,076,164.87	278,647,868.69
Deferred income tax liabilities	235,811,164.87	396,876,646.74	237,076,164.87	392,057,243.31

**19. Other non-current assets**

√Applicable □Not applicable

Unit: Yuan Currency: RMB

Item	Ending balance	Opening balance
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	Book balance	Provision for impairment	Book value	Book balance	Provision for impairment	Book value
Prepayment for engineering equipment	14,866,975.69		14,866,975.69	15,196,329.49		15,196,329.49
Total	14,866,975.69		14,866,975.69	15,196,329.49		15,196,329.49

## 20. Assets with restricted ownership or use rights

√Applicable □Not applicable

Unit: Yuan Currency: RMB

Item	End of the period				Beginning of the period			
	Book balance	Book value	Restricted type	Restricted conditions	Book balance	Book value	Restricted type	Restricted conditions
Monetary fund	894,402,074.20	894,402,074.20	Deposit	Deposit on bills	915,713,798.14	915,713,798.14	Deposit	Deposit on bills
Monetary fund	21,700,997.22	21,700,997.22	Froze	Judicial freeze	23,786,120.31	23,786,120.31	Froze	Judicial freeze
Accounts	227,651,873.42	226,832,326.68	Pledge	Used for loan pledge	177,753,693.89	177,053,693.89	Pledge	Used for loan pledge
Fixed assets	4,813,987,150.52	4,501,669,671.42	Mortgage	Used for mortgage borrowings	3,233,769,358.72	2,964,324,825.31	Mortgage	Used for mortgage borrowings
Construction in processing					490,006,291.02	490,006,291.02	Mortgage	Used for mortgage borrowings
Intangible assets	927,246,690.24	852,099,447.56	Mortgage	Used for mortgage borrowings	1,192,056,600.24	1,117,764,376.83	Mortgage	Used for mortgage borrowings
Total	6,884,988,785.60	6,496,704,517.08	/	/	6,033,085,862.32	5,688,649,105.50	/	/

## 21. Short-term borrowings

### Classification of short-term borrowings

√Applicable □Not applicable

Unit: Yuan Currency: RMB

Item	Ending balance	Opening balance
Pledged borrowings	73,000,000.00	73,055,763.89
Mortgage borrowings	995,000,000.00	600,495,000.00
Guaranteed borrowings	1,486,294,652.34	1,721,438,425.68
Credit borrowings	1,449,241,111.12	1,871,403,480.77
Mortgage and Guaranteed borrowings	370,262,787.49	486,598,462.46
Pledged and Guaranteed borrowings	99,905,652.00	63,754,794.04
Notes payable financing	930,000,000.00	810,900,000.00
Total	5,403,704,202.95	5,627,645,926.84

**22. Notes payable**

√Applicable □Not applicable

Unit: Yuan Currency: RMB

Type	Ending balance	Opening balance
Banker's acceptance bill	294,687,171.20	169,794,561.48
Commercial acceptance bill	2,298,042.54	21,200,770.33
Total	296,985,213.74	190,995,331.81

**23. Accounts payable****Presentation of accounts payable**

√Applicable □Not applicable

Unit: Yuan Currency: RMB

Item	Ending balance	Opening balance
Payables for purchase of goods or labor services	2,382,769,868.37	3,172,455,230.63
Payables for purchase of long-term assets	1,495,403,378.32	1,351,568,648.93
Total	3,878,173,246.69	4,524,023,879.56

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

**24. 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	663,721.32	1,827,784.11
Total	663,721.32	1,827,784.11

**(2). Significant account collected in advance with an aging over 1 year**

□Applicable √Not applicable

Other instructions:

√Applicable □Not applicable

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.

**25. Contract liabilities****Contract liabilities**

√Applicable □Not applicable

Unit: Yuan Currency: RMB

Item	Ending balance	Opening balance
Sales	46,421,351.65	32,640,936.49
Total	46,421,351.65	32,640,936.49

**26. 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	Ending balance
I. Short-term compensation	121,887,994.41	600,649,115.91	681,631,317.96	40,905,792.36
II. Welfare after demission - defined contribution plan	72,000.51	47,241,703.26	47,296,053.01	17,650.76
III. Dismissal welfare		5,434,481.86	5,434,481.86	
IV. Other welfare due within one year				
Total	121,959,994.92	653,325,301.03	734,361,852.83	40,923,443.12

**(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	Ending balance
I. Wages, bonuses, allowances and subsidies	120,241,624.32	518,390,033.26	600,591,786.52	38,039,871.06
II. Welfare expenses for the employees	145,714.64	26,341,841.10	25,642,450.66	845,105.08
III. Social insurance expenses	39,036.80	26,860,841.90	26,879,114.70	20,764.00
Of which: Medical insurance premiums	37,429.09	22,929,934.52	22,947,288.57	20,075.04
Industrial injury insurance premiums	1,607.71	2,706,456.99	2,707,375.74	688.96
Maternity insurance premiums		1,224,450.39	1,224,450.39	
IV. Housing accumulation fund	20,329.00	20,948,948.16	20,962,338.16	6,939.00
V. Labor union expenditure and employee education expenses	1,441,289.65	8,107,451.49	7,555,627.92	1,993,113.22
VI. Short-term paid absence				
VII. Short-term profit sharing plan				
Total	121,887,994.41	600,649,115.91	681,631,317.96	40,905,792.36

**(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	Ending balance
1、Basic endowment insurance	69,445.95	45,621,484.94	45,674,753.99	16,176.90
2、Unemployment insurance premiums	2,554.56	1,620,218.32	1,621,299.02	1,473.86
3、Enterprise annuity payment				
Total	72,000.51	47,241,703.26	47,296,053.01	17,650.76

**27. Taxes payable**

√Applicable □Not applicable

Unit: Yuan Currency: RMB

Item	Ending balance	Opening balance
Value added tax	83,398,155.52	70,231,365.85
Enterprise income tax	56,451,844.02	62,369,739.66
Withholding and remitting individual income tax	9,161,144.05	5,894,839.77
Urban maintenance and construction tax	1,397,578.81	3,716,883.55
Land value added tax		72,193,006.97
House property tax	8,230,359.33	10,970,618.40
Land use tax	4,090,625.06	5,649,957.90
Education surcharges	927,310.59	2,665,457.15
Others	5,434,405.64	6,943,013.63
Total	169,091,423.02	240,634,882.88

**28. Other payables****(1). Presentation of items**

√Applicable □Not applicable

Unit: Yuan Currency: RMB

Item	Ending balance	Opening balance
Interest payable		
Dividend payable	701,360.00	701,360.00
Other payables	326,547,280.50	438,366,541.48
Total	327,248,640.50	439,067,901.48

**(2). Dividend payable**

√Applicable □Not applicable

Unit: Yuan Currency: RMB

Item	Ending balance	Opening balance
Dividends on common shares-corporate shareholders	701,360.00	701,360.00
Dividends on common shares-subsidiaries payable to non-controlling interests		
Total	701,360.00	701,360.00

**(3). Other payables**

Other payables listed by nature of payment

√Applicable □Not applicable

Unit: Yuan Currency: RMB

Item	Ending balance	Opening balance
Accrued expenses	179,128,812.40	149,930,271.32
Contingent repurchase payables of Restricted Share	65,421,905.82	121,751,141.20
Deposit security deposit	42,283,054.59	41,000,226.14
Temporary receipts payable	32,638,439.22	118,609,834.35
Final property payment payable	7,075,068.47	7,075,068.47
Total	326,547,280.50	438,366,541.48

**29. 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	2,975,320,141.57	2,135,191,355.66
Bonds payable due within 1 year		
Long-term payables due within 1 year	312,735,380.46	298,489,480.43
Lease liabilities due within 1 year	365,622,774.03	362,852,525.18
Total	3,653,678,296.06	2,796,533,361.27

**30. Other current liabilities**

√Applicable □Not applicable

Unit: Yuan Currency: RMB

Item	Ending balance	Opening balance
Output tax to be transferred	5,073,996.50	3,391,582.34
Total	5,073,996.50	3,391,582.34

**31. Long-term borrowings****Classification of long-term borrowings**

√Applicable □Not applicable

Unit: Yuan Currency: RMB

Item	Ending balance	Opening balance
Pledged borrowings	565,000,000.00	688,000,000.00
Mortgage borrowings		12,000,000.00
Guaranteed borrowings	694,354,308.68	855,392,897.00
Credit borrowings		323,200,000.00
Mortgage and guaranteed borrowings	5,274,980,407.42	5,355,868,705.92
Pledged and guaranteed borrowings		570,000,000.00
Total	6,534,334,716.10	7,804,461,602.92

**32. Lease liabilities**

√Applicable □Not applicable

Unit: Yuan Currency: RMB

Item	Ending balance	Opening balance
Houses and buildings	693,270,800.92	700,025,004.30
Machinery and equipment	42,092,286.25	42,092,286.25
Others	5,542,845.95	33,173.38
Total	740,905,933.12	742,150,463.93

**33. Long-term payables****Presentation of items**

√Applicable □Not applicable

Unit: Yuan Currency: RMB

Item	Ending balance	Opening balance
Sale and leaseback payable	172,103,274.93	235,291,929.72
Total	172,103,274.93	235,291,929.72

**34. Estimated liabilities**

√Applicable □Not applicable

Unit: Yuan Currency: RMB

Item	Opening balance	Increase in the current period	Decrease in the current period	Ending balance
Product quality guarantee	33,047,544.20	1,734,405.95		34,781,950.15
Estimated disposal loss	3,000,000.00			3,000,000.00
Total	36,047,544.20	1,734,405.95		37,781,950.15

**35. Deferred income**

Deferred income

√Applicable □Not applicable

Unit: Yuan Currency: RMB

Item	Opening balance	Increase in the current period	Decrease in the current period	Ending balance
Government subsidies	484,764,556.10	74,597,417.59	21,463,344.11	537,898,629.58
Total	484,764,556.10	74,597,417.59	21,463,344.11	537,898,629.58

**36. 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	2,253,396,168.00				-3,983,305.00	-3,983,305.00	2,249,412,863.00

Other instructions:

During the reporting period, the share capital decreased by 3,983,305 shares, mainly due to the repurchase and cancellation of some restricted shares under equity incentives.

**37. Capital reserve**

√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)	7,619,071,362.01		51,643,808.06	7,567,427,553.95
Other capital reserve	1,395,728,611.77		49,563,970.37	1,346,164,641.40
Total	9,014,799,973.78		101,207,778.43	8,913,592,195.35

Other notes: including the increase or decrease in the Period and the reasons for the changes:

In May 2025, the Company repurchased and cancelled 3,983,305 restricted shares, offsetting capital reserves by RMB51,643,808.06.

**38. Treasury shares**

√ Applicable □ Not applicable

Unit: Yuan Currency: RMB

Item	Beginning balance	Increase in the Period	Decrease in the Period	Ending balance
Treasury shares from centralized bidding repurchase	1,346,952,290.86			1,346,952,290.86
Treasury shares repurchased from stock option incentive plan	122,332,873.57		55,627,113.06	66,705,760.51
Total	1,469,285,164.43		55,627,113.06	1,413,658,051.37

Other notes: including the increase or decrease in the Period and the reasons for the changes:

In the first half of 2025, the company repurchased and cancelled a total of 3,983,305 restricted shares, reducing the total amount of treasury shares by RMB55,627,113.06, correspondingly reducing the capital premium by RMB51,643,808.06, and reducing the share capital by RMB3,983,305.

**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	
1. Other comprehensive incomes that will not be reclassified into profit or loss	-210,642,242.21	18,308,189.88			4,642,952.93	13,665,236.95		-196,977,005.26
Of which: Remeasurement of changes in defined benefit plans								
Other comprehensive income that cannot be transferred to profit and loss under equity method	8,823,480.57							8,823,480.57
Changes in fair value of other equity instrument investments	-219,465,722.78	18,308,189.88			4,642,952.93	13,665,236.95		-205,800,485.83
Changes in fair value of enterprise's own credit risk								
2. Other comprehensive incomes to be reclassified into profit and loss	-22,694,307.17	62,198,674.99				62,198,674.99	104,257.10	39,504,367.82

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	
Of which: Other comprehensive income that can be transferred to profit and loss under equity method	12,200,968.75	-2,004,557.15				-2,004,557.15		10,196,411.60
Changes in fair value of other debt investments								
The balance arisen from the translation of foreign currency financial statements	-34,895,275.92	64,203,232.14				64,203,232.14	104,257.10	29,307,956.22
Total other comprehensive income	-233,336,549.38	80,506,864.87			4,642,952.93	75,863,911.94	104,257.10	-157,472,637.44

**40. Special reserve**√Applicable ☐Not applicable

Unit: Yuan Currency: RMB

Item	Opening balance	Increase in the current period	Decrease in the current period	Ending balance
Safety production fund	10,880.60			10,880.60
Total	10,880.60			10,880.60

**41. Surplus reserve**√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	292,801,918.55			292,801,918.55
Total	292,801,918.55			292,801,918.55

**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	11,723,056,845.38	12,102,150,807.75
Adjustment to total retained earnings at the beginning of the period(+for increase and - for decrease)		
Retained earnings at the beginning of the period after adjustment	11,723,056,845.38	12,102,150,807.75

Item	The current period	The previous year
Plus: Net profits attributable to equity owners the Company's owners in the current period	207,308,198.84	-367,136,028.73
Less: Withdrawal of legal surplus reserve		
Withdrawal of discretionary surplus reserve		
Withdrawal of reserve funds		
Withdrawal of enterprise development fund		
Withdrawal of workers' compensation and welfare fund		
Withdrawal of common risk provision		
Common share dividends payable		437,401,038.60
Common share dividends converted to share capital		
Add: The retained earnings transferred in the current period but previously included in other comprehensive income	39,425,533.57	425,443,104.96
Retained earnings at the end of the period	11,969,790,577.79	11,723,056,845.38

**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	9,801,941,138.25	8,247,092,561.06	8,684,161,532.12	7,470,818,877.18
Other operations	56,543,177.03	2,132,535.41	135,694,503.79	66,541,844.73
Total	9,858,484,315.28	8,249,225,096.47	8,819,856,035.91	7,537,360,721.91
Of which: Income from contracts with customers	9,848,188,753.31	8,242,085,574.95	8,788,785,988.49	7,520,684,842.72

Breakdown of operating income:

Unit: Yuan Currency: RMB

Item	Amount incurred in the current period	Amount incurred in the previous period
Main operations income	9,801,941,138.25	8,684,161,532.12
Of which: Commodities for sale	9,801,941,138.25	8,684,161,532.12
Other operations income	56,543,177.03	135,694,503.79
Of which: Material sales	2,100,307.57	54,793,545.13
Income from scrap materials and waste materials	40,401,500.17	28,860,991.83
Entrusted processing	1,041,269.42	14,115,543.29
Income from rent, utilities, and property fees	11,847,551.76	36,355,744.85
Guarantee fee	342,538.94	220,714.68
Technical service income	185,079.25	367,202.83
Others	624,929.92	980,761.18
Total	9,858,484,315.28	8,819,856,035.91

**(2). Breakdown information of operating income and operating costs**

√Applicable □Not applicable

1) The breakdown of income from contracts with customers by type of goods or services

The breakdown information of revenue by type of goods or services is detailed in the segment report within the notes to these financial statements.

2) The breakdown of income from contracts with customers by operating region

The breakdown information of revenue by operating region is detailed in the segment report within the notes to these financial statements.

3) The breakdown of income from contracts with customers by timing of transfer of goods or services

Unit: Yuan Currency: RMB

Item	Amount for the current period	Amount for the same period last year
Recognition of income at a point in time	9,846,636,763.52	8,783,500,291.06
Recognition of income over a period of time	1,551,989.79	5,285,697.43
Subtotal	9,848,188,753.31	8,788,785,988.49

**44. Taxes and surcharges**

☒Applicable ☐Not applicable

Unit: Yuan Currency: RMB

Item	Amount incurred in the current period	Amount incurred in the previous period
Property tax and land use tax	36,924,797.43	29,934,058.91
Stamp duty	12,023,286.62	11,849,403.85
Urban maintenance and construction tax	7,819,530.93	7,270,474.82
Education surcharges	5,602,763.10	5,209,560.50
Others	4,828,701.59	1,032,410.59
Total	67,199,079.67	55,295,908.67

**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, transportation costs, vehicle costs and others	50,285,776.46	53,224,919.09
Marketing fees, promotion fees, meeting fees, exhibition fees and others	36,713,908.33	27,889,424.10
Employee compensation payables	20,029,128.55	17,792,944.35
Office expenses, travel expenses and easy rental	4,391,561.78	3,234,263.30
Consulting fees and expenses of external intermediary agencies	14,243,787.35	6,217,027.74
Depreciation and amortisation expense for intangible assets and long-term amortisation	7,739,238.93	8,278,529.67
Business entertainment fee	2,220,745.35	3,574,207.08
Share-based payment expenses	-117,324.89	-1,014,854.14
Others	293,646.03	51,335.40
Total	135,800,467.89	119,247,796.59

**46. Administrative expenses**

☒Applicable ☐Not applicable

Unit: Yuan Currency: RMB



Item	Amount incurred in the current period	Amount incurred in the previous period
Employee compensation payables	119,668,978.88	110,933,106.23
Depreciation and amortisation expense for intangible assets and long-term amortisation	99,973,614.94	98,961,487.16
Consulting fees and expenses of external intermediary agencies	53,331,004.76	87,227,092.80
Office expenses, travel expenses and easy rental	13,149,351.60	23,718,336.83
Business entertainment fee	5,821,770.21	9,509,335.53
Information technology expenses	2,797,874.00	2,978,271.00
Transportation costs, vehicle costs and others	1,068,433.16	2,723,826.10
Material consumption	2,217,923.28	7,789,687.14
Conference fees and others	438,524.35	385,835.72
Share-based payment expenses	-41,247,906.82	-28,193,327.91
Taxes	37,625.30	793,785.05
Others	18,102.40	163,449.02
Total	257,275,296.06	316,990,884.67

**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 and utilities	319,261,390.24	351,233,885.40
Employee compensation payables	162,181,881.66	140,266,027.62
Depreciation and amortisation expense	31,754,858.23	21,780,049.69
Consulting fees and expenses of external intermediary agencies	8,765,363.18	10,449,927.45
Office expenses, travel expenses and easy rental	2,029,475.09	3,394,953.85
Share-based payment expenses	-11,943,471.81	-1,410,557.16
Business entertainment fee	454,229.06	364,907.91
Total	512,503,725.65	526,079,194.76

**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	261,647,123.36	277,997,627.75
Less: interest income	14,623,203.51	38,074,601.83
Exchange gain/loss	16,995,375.68	-10,690,444.32
Handling charges	9,022,194.48	6,575,026.82
Total	273,041,490.01	235,807,608.42

**49. Other revenues**

√Applicable □Not applicable

Unit: Yuan Currency: RMB

Classification by nature	Amount incurred in the current period	Amount incurred in the previous period	Amounts included into the current non-recurring profit and loss
Assets related government subsidies	21,463,344.11	42,502,688.22	21,463,344.11

Gains related government subsidies	37,990,842.73	88,243,592.44	37,990,842.73
Refund of handling fees for withholding individual income tax	1,497,600.37	3,091,332.93	
VAT deduction	55,371,604.21	32,601,036.72	
Total	116,323,391.42	166,438,650.31	59,454,186.84

**50. 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 equity method	2,726,931.26	-2,866,652.46
Investment incomes generated from disposal of long-term equity investment		-54,945,559.27
Dividend income earned during the holding period of investments in other equity instruments	2,675,600.00	
Total	5,402,531.26	-57,812,211.73

**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
Other non-current financial assets	-18,453,000.00	-6,675,000.00
Total	-18,453,000.00	-6,675,000.00

**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	216,448.21	
Bad debt losses on accounts receivable	-10,877,026.40	10,922,573.08
Bad debt losses on other receivables	-573,326.15	6,941,074.01
Total	-11,233,904.34	17,863,647.09

**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. Impairment losses on contract assets		
II. Decline in the value of inventories and impairment loss on contract fulfilment costs impairment losses	115,489,557.97	-3,920,800.57
III. Impairment loss of long-term equity investment	9,189,327.93	
IV. Impairment loss on investment properties		
V. Impairment loss of fixed assets	38,209,799.55	6,060,246.54
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		

Item	Amount incurred in the current period	Amount incurred in the previous period
X. Impairment loss of intangible assets		
XI. Impairment loss of goodwill		
XII. Others		
Total	162,888,685.45	2,139,445.97

**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 non-recurring profit and loss
Fixed assets	299,667.29	1,901,111.53	299,667.29
Right-of-use assets	1,597,427.18		1,597,427.18
Total	1,897,094.47	1,901,111.53	1,897,094.47

**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 non-recurring profit and loss
Income from fines and liquidated damages	2,019,731.21	3,348,927.53	2,019,731.21
Gains from destroyed and damaged non-current asset	1,208,272.75	716,640.71	1,208,272.75
Payables that cannot be paid due to the reasons of creditors	127,150.00	300.00	127,150.00
Settlement of insurance claim	117,843.21	177,207.44	117,843.21
Others	165,488.03	8,312.89	165,488.03
Total	3,638,485.20	4,251,388.57	3,638,485.20

**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 non-recurring profit and loss
Payment for liquidated damages, litigation and others	2,125,309.21	15,529,677.32	2,125,309.21
Loss from destroyed and damaged non-current asset	3,290,271.18	8,081,516.24	3,290,271.18
External donations	10,000.00	1,000,000.00	10,000.00
Others	7,886.18	17.20	7,886.18
Total	5,433,466.57	24,611,210.76	5,433,466.57

**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	96,110,838.43	74,596,359.40
Deferred income tax expenses	-19,874,175.12	-3,858,126.69
Total	76,236,663.31	70,738,232.71

**(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	315,159,414.20
Income tax expenses calculated at the applicable tax rate of the parent company	114,367,182.95
Effect of different tax rates applied to subsidiaries	-63,171,018.66
Effect of adjustments to income taxes of prior periods	1,322,618.27
Effect of non-taxable income	16,146,296.66
Effect of non-deductible costs, expenses and losses	5,686.53
Effect of deductible losses on the use of deferred tax assets not recognized in prior periods	7,835,399.51
Effect of deductible temporary differences or deductible losses on deferred income tax assets not recognized in the current period	16,983,053.16
Additional deductible expenses under the tax law	-17,252,555.11
Income tax expenses	76,236,663.31

**58. Cash flow statement items**

**(1). Cash related to operating activities**

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
Government subsidies received	116,239,638.68	195,803,462.05
Receipt of business-related deposits or current accounts	29,543,392.54	35,904,653.23
Rent fee and interest income from bank deposits	11,279,179.01	34,770,965.91
Non-operating income received related to business activities	22,016,238.87	3,534,747.86
Total	179,078,449.10	270,013,829.05

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	126,632,595.66	222,238,692.27
Payment of various types of business-related deposits and security deposits	67,623,047.46	36,767,733.77
Non-operating expenses paid related to operating activities	10,000.00	1,000,000.00
Total	194,265,643.12	260,006,426.04

**(2). Cash related to investing activities**

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
Non-transactional current fund received from the controlling shareholders		253,342,202.74
Retrieve the house purchasing payment of Junkang Finance Square and interest		683,753,972.61
Guarantee fees received from BASF Shanshan		233,957.56
Guarantee fees received from Ningbo Ulica Solar Co., Ltd.	363,091.28	
Retrieve the investment SP business deposit for polarizers	637,997,335.00	
Tax refund received related to the disposal of shares of Luoyang Molybdenum	39,666,331.00	
Total	678,026,757.28	937,330,132.91

Cash related to financing activities

√ Applicable ☐ Not applicable

Unit: Yuan Currency: RMB

Item	Amount incurred in the current period	Amount incurred in the previous period
Non-transactional current fund paid to the controlling shareholders		150,000,000.00
Total		150,000,000.00

**(3). Cash related to financing activities**

Other cash received related to financing activities

√ Applicable ☐ Not applicable

Unit: Yuan Currency: RMB

Item	Amount for the current period	Amount for the previous period
Receipt of sale and leaseback borrowings		100,000,000.00
Recovery of deposits on bills and letters of credit used for financing	267,326,509.58	131,184,801.23
Current accounts received from Ningbo Liweineng Energy Storage System Co., Ltd.	106,828.00	
Current accounts received from Shanghai Shanrong Industrial Co., Ltd. (上海杉融实业有限公司)	50,000,000.00	
Total	317,433,337.58	231,184,801.23

Other cash paid related to financing activities

√ Applicable ☐ Not applicable

Unit: Yuan Currency: RMB

Item	Amount for the current period	Amount for the previous period
Repurchase of treasury shares		554,293,989.97
Repurchase of restricted shares	55,627,113.06	60,240,418.04
Repayment of finance lease loans or payment of finance lease deposits	25,000,000.00	199,254,329.46
Payment of deposits on bills and letters of credit used for financing	243,929,662.55	690,716,494.61

Payment of current accounts payable to Shanghai Shanrong Industrial Co., Ltd. (上海杉融实业有限公司)	50,000,000.00	
<b>Total</b>	<b>374,556,775.61</b>	<b>1,504,505,232.08</b>

Changes in liabilities arising from financing activities

√Applicable □Not applicable

Unit: Yuan Currency: RMB

Item	Opening balance	Increase in the current period		Decrease in the current period		Ending balance
		Cash changes	Non-cash changes	Cash changes	Non-cash changes	
Short-term loans	5,627,645,926.84	4,484,643,090.78		4,708,584,814.67		5,403,704,202.95
Long-term loans (including long-term loans due within one year)	9,939,652,958.58		1,205,216,858.18	442,594,385.19	1,192,620,573.90	9,509,654,857.67
Lease liabilities (including lease liabilities due within one year)	1,105,002,989.11		40,055,815.18	35,371,972.26	3,158,124.88	1,106,528,707.15
<b>Total</b>	<b>16,672,301,874.53</b>	<b>4,484,643,090.78</b>	<b>1,245,272,673.36</b>	<b>5,186,551,172.12</b>	<b>1,195,778,698.78</b>	<b>16,019,887,767.77</b>

**(4). Significant activities and financial impacts that do not involve current cash income and expenditure but affect the financial position of the enterprise or may affect the cash flow of the enterprise in the future**

√Applicable □Not applicable

Endorsement transfer amount of commercial bills not involving cash income and expenditure

Unit: Yuan Currency: RMB

Item	Amount for the current period	Amount for the previous period
Amount of commercial bills transferred by endorsement	4,404,424,985.10	2,731,440,983.89
Of which: payment of goods	4,254,318,644.93	2,463,544,882.62
Payment for the purchase of long-term assets such as fixed assets	150,106,340.17	267,896,101.27

**59. 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
<b>1. Cash flow for adjusting net profits to operating activities:</b>		
Net profit	238,922,750.89	21,825,323.04
Plus: Impairment reserves of assets	162,888,685.45	2,139,445.97
Credit impairment losses	-11,233,904.34	17,863,647.09
Depreciation of fixed assets, depletion of oil and gas assets, depreciation of productive biological assets	809,711,209.39	507,648,785.61
Amortisation of right-to-use assets	44,297,799.05	69,274,684.34

Supplementary information	Amount for the current period	Amount for the previous period
Amortisation of intangible assets	90,717,889.56	64,031,793.62
Amortisation of long-term deferred expenses	26,913,984.91	38,832,933.22
Loss on disposal of fixed assets, intangible assets and other long-term assets (gains expressed with "-")	-1,897,094.47	-1,901,111.53
Losses on scrapping of fixed assets (gains expressed with "-")	3,290,271.18	8,081,516.24
Losses on changes in fair value (gain expressed with "-")	18,453,000.00	6,675,000.00
Financial expenses (gain expressed with "-")	278,642,499.04	267,307,183.43
Investment losses (gain expressed with "-")	-5,402,531.26	57,812,211.73
Decrease of deferred income tax assets (increase expressed with "-")	-12,089,239.82	3,971,517.54
Increase of deferred income tax liabilities (decrease expressed with "-")	176,450.49	-834,703.77
Decrease in inventories (increase expressed with "-")	-742,230,673.82	-922,033,330.80
Decrease in operating receivable items (increase expressed with "-")	1,260,428,041.01	-429,958,137.27
Increase in operating payable items (decrease expressed with "-")	-620,126,981.97	1,023,565,605.38
Deferred income carried forward to other income	-78,332,548.69	-42,830,188.26
Net cash flow from operating activities	1,463,129,606.60	691,472,175.58
<b>2. Major investment and financing activities irrelevant to cash income and expenditure:</b>		
Conversion of debts into capital		
Convertible corporate bonds due within one year		
Fixed assets acquired under finance leases		
<b>3. Net changes in cash and cash equivalents:</b>		
Ending balance of cash	1,906,257,782.28	4,105,206,209.64
Less: Opening balance of cash	1,831,148,236.87	4,024,541,676.69
Plus: Ending balance of cash equivalents		0.00
Less: Opening balance of cash equivalents		
Net increase in cash and cash equivalents	75,109,545.41	80,664,532.95

**(2). Net cash received from disposal of subsidiaries in the current period**

√ Applicable □ Not applicable

Unit: Yuan Currency: RMB

Item	Amount
Cash or cash equivalents received in the current period from disposal of subsidiaries in the current period	0.00
Less: Cash and cash equivalents held by the subsidiaries on the date of loss of control	0.00
Plus: Cash or cash equivalents received in the current period from disposal of subsidiaries during the previous periods	10,199,710.43
Of which: Ningbo Shanxin Photovoltaic Energy Management Co., Ltd.	1,787,310.43
Ningbo Liankangcai Brand Management Co., Ltd.	8,412,400.00
Net cash received from disposal of subsidiaries	10,199,710.43

**(3). Composition of cash and cash equivalents**

√ Applicable □ Not applicable

Unit: Yuan Currency: RMB

Item	Ending balance	Opening balance
I. Cash	1,906,257,782.28	1,831,148,236.87

Of which: Cash on hand	105,902.50	91,807.27
Bank deposit available for payment at any time	1,878,153,848.95	1,819,641,815.68
Other monetary capitals available for payment at any time	27,998,030.83	11,414,613.92
II. Cash equivalents		
Of which: Bond investment due within 3 months		
III. Cash and cash equivalents balance at the end of the period	1,906,257,782.28	1,831,148,236.87
Of which: Cash and cash equivalents with restricted use in the company or subsidiaries of the Group		

**(4). Cash at bank and on hand that are not cash and cash equivalents**

√ Applicable □ Not applicable

Unit: Yuan Currency: RMB

Item	Ending balance	Opening balance	Reason
Cash at bank and on hand	894,402,074.20	915,713,798.14	Deposit
Cash at bank and on hand	21,700,997.22	23,786,120.31	Froze
Total	916,103,071.42	939,499,918.45	/

**60. Foreign currency monetary items****(1). Foreign currency monetary items**

√ Applicable □ Not applicable

Unit: Yuan

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	-	-	220,163,953.09
Of which: USD	25,445,397.80	7.1586	182,153,424.69
Euro	1,792.15	8.4024	15,058.36
HKD	17,656,798.75	0.9120	16,102,117.62
AUD	2.09	4.6817	9.78
VND	483,547,840.00	0.0003	145,064.35
TWD	11,315,043.00	0.2444	2,765,396.51
KRW	2,956,708,554.00	0.0053	15,670,555.34
JPY	66,780,775.00	0.0496	3,312,326.44
Other equity instruments	-	-	8,897,245.99
Of which: USD	1,065,761.91	7.1586	7,629,363.21
AUD	270,816.75	4.6817	1,267,882.78
Accounts receivable	-	-	343,103,784.20
Of which: USD	47,919,797.95	7.1586	343,038,665.60
Euro	7,750.00	8.4024	65,118.60
Prepayments	-	-	390,382,335.39
Of which: USD	6,892,464.70	7.1586	49,340,397.80
JPY	6,488,030,981.00	0.0496	321,767,408.47
KRW	2,887,522.00	0.0053	15,197.48
VND	69,843,021,810.00	0.0003	19,187,643.35
TWD	293,323.61	0.2444	71,688.29



Item	Foreign currency balance at the end of the period	Exchange rate	Converted RMB balance at the end of the period
Other receivables	-	-	54,511,653.73
Of which: USD	100,000.00	7.1586	715,860.00
VND	138,800,000.00	0.0003	38,131.87
JPY	610,000.00	0.0496	30,252.34
TWD	499,780.51	0.2444	122,146.36
KRW	10,185,000,000.00	0.0053	53,605,263.16
Accounts payable			273,199,138.03
Of which: USD	27,607,853.14	7.1586	197,633,577.49
JPY	1,205,695,411.00	0.0496	59,795,258.21
KRW	2,994,947,238.00	0.0053	15,762,880.20
TWD	30,368.77	0.2444	7,422.13
Other payables	-	-	31,150,951.45
Of which: USD	192,466.18	7.1586	1,377,788.40
HKD	14,900.00	0.9120	13,588.06
JPY	134,949.00	0.0496	6,692.66
TWD	9,849,949.76	0.2444	2,407,327.72
KRW	5,195,655,375.00	0.0053	27,345,554.61
Non-current Liabilities Due within One Year	-	-	330,951.03
Of which: TWD	1,354,136.80	0.2444	330,951.03

(2). Disclosures regarding overseas operations, including for significant overseas entities, should include their overseas primary operating locations, functional currencies, and the basis for their selection. If the functional currency has changed, the reasons for the change should also be disclosed

☐ Applicable ☒ Not applicable

## 61. Leases

### (1). The Company as the lessee

☒ Applicable ☐ Not applicable

1) Information regarding right-of-use assets is detailed in the notes to these financial statements.

2) The Company's accounting policies for short-term leases and leases of low-value assets are detailed in the notes to these financial statements. The amounts of short-term lease expenses and low-value asset lease expenses included in profit or loss for the current period are as follows:

Unit: Yuan Currency: RMB

Item	Amount for the current period	Amount for the same period last year
Short-term lease expenses	33,839,252.11	14,601,288.77
Lease expenses for low-value assets (excluding short-term leases)	310,814.09	0.00
Total	34,150,066.20	14,601,288.77

3) Profit or loss for the current period and cash flows related to leases

Unit: Yuan Currency: RMB

Item	Amount for the current period	Amount for the same period last year
Interest expense on lease liabilities	34,254,123.22	40,287,542.88
Total cash outflows related to leases	72,027,670.10	102,593,127.22

4) For the maturity analysis of lease liabilities and corresponding liquidity risk management, please refer to the notes to these financial statements.

## (2). The Company as the lessor

Operating lease as the lessor

### 1) Lease income

Unit: Yuan Currency: RMB

Item	Amount for the current period	Amount for the same period last year
Operating lease income	10,445,511.58	31,070,047.42
Of which: Income related to variable lease payments not included in lease payments		

### 2) Operating lease assets

Unit: Yuan Currency: RMB

Item	Balance at the end of the period	Amount at the end of the previous year
Fixed assets	111,512,915.76	66,944,689.40
Subtotal	111,512,915.76	66,944,689.40

3) According to the lease contracts signed with lessees, the undiscounted lease receipts to be received in the future from non-cancellable leases

Unit: Yuan Currency: RMB

Remaining Terms:	Amount for the current period	Amount at the end of the previous year
Within 1 year	3,534,115.00	5,197,753.95
1 to 2 years	1,927,005.84	1,205,609.40
2 to 3 years	75,600.00	
3 to 4 years	37,800.00	
4 to 5 years		
Over 5 years		
Total	5,574,520.84	6,403,363.35

## VIII. Research and development expenses

### By nature of expenses

√Applicable □ Not applicable

Unit: Yuan Currency: RMB

Item	Amount incurred in the current period	Amount incurred in previous period
Material consumption and utility fees	319,261,390.24	351,233,885.40
Employee compensation payable	162,181,881.66	140,266,027.62
Depreciation and amortization expenses	31,754,858.23	21,780,049.69
Consulting fees and expenses of external intermediary agencies	8,765,363.18	10,449,927.45
Office expenses, travel expenses, and temporary lease	2,029,475.09	3,394,953.85
Share-based payment expenses	-11,943,471.81	-1,410,557.16

Business entertainment expenses	454,229.06	364,907.91
Total	512,503,725.65	526,079,194.76
Of which: Expensed R&D expenses	512,503,725.65	526,079,194.76
Capitalized R&D expenses		

**IX. Changes in the 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**

Whether there are any transactions or events that result in the loss of control over subsidiaries in the current period

☐ Applicable ☒ Not applicable

Whether there is a situation where the investment in a subsidiary is disposed of in steps through multiple transactions and control is lost in the current period.

☐ Applicable ☒ Not applicable

**5. Changes in the scope of consolidation for other reasons**

Description of the changes in the scope of consolidation caused by other reasons (such as establishment of new subsidiaries, and liquidation of subsidiaries) and related information:

☒ Applicable ☐ Not applicable

Newly established subsidiaries in the current period

Name of subsidiary	Registered capital (RMB 0'000)	Main business locations	Place of registration	Business nature	Shareholding ratio (%)		Acquisition method
					Direct	Indirect	
Shanghai Shanshan New Energy Materials Co., Ltd. (上海杉杉新能源材料有限公司)	10,000.00	Shanghai	Shanghai	Manufacturing		100	Newly established

**X. Interests in other subjects****1. Interests in subsidiaries****(1). Composition of enterprise groups**

☒ Applicable ☐ Not applicable

1. The Company includes 50 subsidiaries such as Shanghai Shanshan Technology Co., Ltd., Ningbo Shanshan New Material Technology Co., Ltd., Shanghai Shanshan New Material Co., Ltd., Shanjin Optoelectronics (Guangzhou) Co., Ltd., Shanjin Optoelectronics (Nanjing) Co., Ltd., ShanJin

Optoelectronics Technology (Zhangjiagang) Co., Ltd., and Sichuan Shanshan New Material Co., Ltd. in the scope of consolidated financial statements.

## 2. Basic information of important subsidiaries

Unit: 100 million Currency: RMB

Name of subsidiary	Main business locations	Registered capital	Place of registration	Business nature	Shareholding ratio (%)		Acquisition method
					Direct	Indirect	
Shanjin Optoelectronics (Suzhou) Co., Ltd.	Suzhou, Jiangsu	71.05	Suzhou, Jiangsu	Manufacturing	100		Establishment
Shanjin Optoelectronics (Guangzhou) Co., Ltd.	Guangzhou, Guangdong	17	Guangzhou, Guangdong	Manufacturing		100	Establishment
Shanjin Optoelectronics (Nanjing) Co., Ltd.	Nanjing, Jiangsu	38	Nanjing, Jiangsu	Manufacturing		100	Establishment
ShanJin Optoelectronics Technology (Zhangjiagang) Co., Ltd.	Zhangjiagang, Jiangsu	9	Zhangjiagang, Jiangsu	Manufacturing		100	Establishment
South Korea Shanjin Optoelectronics Co., Ltd.* (韩国杉金光电株式会社)	Republic of Korea	30.0 billion won	Republic of Korea	Manufacturing		100	Establishment
Shanghai Shanshan Lithium Battery Material Technology Co., Ltd.	Shanghai	11.82	Shanghai	Investment	87.51 37		Establishment
Ningbo Shanshan New Material Technology Co., Ltd.	Ningbo, Zhejiang	28	Ningbo, Zhejiang	Manufacturing		100	Establishment
Shanghai Shanshan Technology Co., Ltd.	Shanghai	3	Shanghai	Manufacturing		100	Consolidation under same control
Fujian Shanshan	Ningde, Fujian	2	Ningde, Fujian	Manufacturing		100	Establishment

Technology Co., Ltd.							
Shanghai Shanshan New Material Co., Ltd.	Shanghai	10	Shanghai	Manufacturing		100	Establishment
Inner Mongolia Shanshan Technology Co., Ltd.	Baotou, Inner Mongolia	13	Baotou, Inner Mongolia	Manufacturing		100	Establishment
Sichuan Shanshan New Material Co., Ltd.	Mengshan, Sichuan	25	Mengshan, Sichuan	Manufacturing		100	Establishment
Yunnan Shanshan New Material Co., Ltd.	Kunming, Yunnan	20.5	Kunming, Yunnan	Manufacturing		100	Establishment

### 3. Other explanations

Basis of 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)	12.4863	33,837,744.66	0.00	1,011,252,502.46

**(3). Key financial information of significant non-wholly owned subsidiaries**

√ Applicable □ Not applicable

Unit: Yuan 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.	8,745,414,138.13	13,488,026,291.92	22,233,440,430.05	8,571,303,583.49	5,386,315,906.97	13,957,619,490.46	8,805,105,079.14	13,571,354,152.29	22,376,459,231.43	8,770,100,960.46	5,440,113,204.95	14,210,214,165.41

Name of subsidiary	Amount incurred in the current period				Amount incurred in 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.	4,118,229,108.58	270,639,838.61	270,639,838.61	1,095,260,880.14	3,453,214,138.20	50,253,651.09	50,253,651.09	130,500,827.55

**2. Transactions where the share of owners' equity in subsidiaries changes but control over the subsidiaries is still maintained**

√ Applicable □ Not applicable

**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	6.45		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	360,455,854,550.94	3,596,426,092.35	346,453,430,077.02	3,390,460,867.65
Non-current assets	28,129,463,010.99	2,960,478,153.12	28,697,143,834.76	3,098,219,452.24
Total assets	388,585,317,561.93	6,556,904,245.47	375,150,573,911.78	6,488,680,319.89
Current liabilities	321,561,366,511.01	1,729,938,475.96	306,119,393,509.34	1,599,265,610.03
Non-current liabilities	37,253,409,663.60	6,733,250.55	40,760,110,854.08	2,005,819.28
Total liabilities	358,814,776,174.61	1,736,671,726.51	346,879,504,363.42	1,601,271,429.31
Equity of non-controlling interests	1,611,132,520.53		1,506,383,829.19	
Equity attributable to shareholders of the company	28,159,408,866.79	4,820,232,518.96	26,764,685,719.17	4,887,408,890.58
Share of net assets based on percentage of shareholding	1,647,889,735.34	2,172,667,621.75	1,574,713,037.54	2,206,043,191.64
Adjustment matters	137,136,237.39	1,237,956,808.36	137,136,237.39	1,237,956,808.36
--Goodwill				

	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.
--Unrealized profit on internal transactions				
--Others	137,136,237.39	1,237,956,808.36	137,136,237.39	1,237,956,808.36
Book value of equity investment in associates	1,785,025,972.73	3,410,624,430.11	1,711,849,274.93	3,444,000,000.00
Fair value of equity investments in associates for which publicly quoted prices exist				
Operating income	6,063,851,072.76	2,040,647,356.21	4,629,011,268.88	1,970,278,336.76
Net profit	1,226,697,117.39	-68,113,407.91	898,056,394.79	-6,778,279.95
Of which: Net profit attributable to owners of the company	1,117,173,963.48	-68,113,407.91	898,056,394.79	-6,778,279.95
Net profit from discontinued operations				
Other comprehensive income	-28,393,160.83			
Total comprehensive income	1,198,303,956.56	-68,113,407.91	898,056,394.79	-6,778,279.95
Dividends received from associates during the year				

**(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 previous period
<b>Joint ventures:</b>		
Ningbo Liweineng Energy Storage System Co., Ltd.	100,703,651.78	104,472,187.65
<b>Associates:</b>		
Ningbo Airport Logistics Development Co., Ltd.	183,323,351.02	183,708,163.32
Ningbo Shanqi Property Services Co., Ltd.	28,516,833.63	37,965,578.82
Suiyong Holdings Co., Ltd.	502,527,276.55	520,694,652.53
Shanghai Shanshan Chuanghui Venture Capital Management Co., Ltd.	12,585,326.93	13,596,379.40
Suzhou Shanyue Energy System Co., Ltd.	3,103,648.60	3,457,702.22



Shanshan Brand Management Co., Ltd.	55,054,464.46	53,514,748.17
Shenzhen Yuanshan Private Equity Investment Management Co., Ltd.	3,493,120.04	3,820,848.48
Inner Mongolia Mengji New Carbon Material Co., Ltd.	0.00	61,354,162.49
Jiangxi Zhanxiao New Energy Technology Co., Ltd.	7,668,379.44	12,373,047.04
Xinya Shanshan New Material Technology (Quzhou) Co., Ltd.	153,959,173.45	165,600,000.00
Total book value of investments	1,050,935,225.90	1,160,557,470.12
Total of the following in proportion to shareholdings		
--Net profit	-39,078,753.80	-62,948,076.76
--Other comprehensive income		
--Total comprehensive income	-39,078,753.80	-62,948,076.76

**(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.	-25,942,613.10	-1,435,801.89	-27,378,414.99

**XI. Government Subsidies****1. Situation of government subsidies newly added in the current period**

Unit: Yuan Currency: RMB

Item	Amount of newly added subsidies in the current period
Assets related government subsidies	74,597,417.59
Of which: included in deferred income	74,597,417.59
Gains related government subsidies	37,990,842.73
Of which: included in other income	37,990,842.73
Total	112,588,260.32

**2. Liabilities involving government subsidies**

√ Applicable □ Not applicable

Unit: Yuan Currency: RMB

Items in financial statement	Opening balance	Newly increased subsidy amount in the Period	Amount included in non-operating income in the Period	Amount transferred to other income in the Period	Other changes in the Period	Ending balance
Related to assets	484,764,556.10	74,597,417.59		21,463,344.11		537,898,629.58
Related to gains						
Total	484,764,556.10	74,597,417.59		21,463,344.11		537,898,629.58

**3. Government subsidies included in current profits and losses**

√ Applicable □ Not applicable

Unit: Yuan Currency: RMB

Category	Amount incurred in the current period	Amount incurred in previous period
Amount of government subsidies included in other income	59,454,186.84	130,746,280.66
Total	59,454,186.84	130,746,280.66

## XII. Risks associated with financial instruments

### Risks of financial instruments

√ Applicable □ Not applicable

The objective of the Company's risk management is to strike a balance between risk and return, minimize the negative impact of risks on the Company's operating results, and maximize the interests of shareholders and other equity investors. Based on this risk management objective, the basic strategy of the Company's risk management is to identify and analyze various risks faced by the Company, establish appropriate risk tolerance thresholds, conduct risk management, supervise various risks in a timely and reliable manner, and control risks within the specified scope.

The Company faces various risks related to financial instruments in its daily activities, mainly including credit risk, liquidity risk and market risk. The management has reviewed and approved policies for managing these risks, which are summarized as follows.

#### (I) Credit Risk

Credit risk refers to the risk that one party to a financial instrument fails to fulfill its obligations, resulting in financial losses to the other party.

##### 1. Credit Risk Management Practices

##### (1) Methods for Evaluating Credit Risk

The Company assesses, on each balance sheet date, whether the credit risk of the relevant financial instruments has increased significantly since initial recognition. When determining whether credit risk has increased significantly since initial recognition, the Company considers reasonable and supportable information that is available without undue cost or effort, including qualitative and quantitative analysis based on historical data, external credit risk ratings and forward-looking information. The Company determines the change in the risk of default of a financial instrument during its expected life by comparing the risk of default of the financial instrument on the balance sheet date with that on the initial recognition date, on the basis of individual financial instruments or groups of financial instruments with similar credit risk characteristics.

The Company considers that the credit risk of a financial instrument has increased significantly when one or more of the following quantitative or qualitative criteria are triggered:

1) The quantitative criteria mainly refer to the fact that the default probability of the remaining life on the balance sheet date has increased by more than a certain percentage compared with that at the initial recognition;

2) The qualitative criteria mainly refer to significant adverse changes in the debtor's operating or financial conditions, existing or expected changes in the technical, market, economic or legal environment that will have a significant adverse impact on the debtor's ability to repay the Company, etc.

## (2) Definition of default and credit-impaired assets

A financial instrument is considered to be in default by the Company when it meets one or more of the following conditions, which align with the definition of credit-impaired:

- 1) the debtor is in significant financial difficulty;
- 2) The debtor breaches the binding clauses of the contract on the debtor;
- 3) It is probable that the debtor will enter bankruptcy or other financial reorganisation;
- 4) The creditor, for economic or contractual considerations relating to the debtor's financial difficulty, gives the debtor a concession that it would not have made under any other circumstances.

## 2. Measurement of expected credit losses (ECL)

The key parameters for measuring ECL include probability of default, loss given default and exposure at default. The Company considers quantitative analysis of historical statistical data (such as counterparty ratings, guarantee methods and collateral categories, repayment methods, etc.) and forward-looking information to establish models for the probability of default, loss given default and exposure at default.

3. For details of the reconciliation statement between the opening balance and the closing balance of financial instrument loss provision, please refer to the explanations in Notes 7(2), 7(3), 7(4) and 7(6) to these financial statements.

## 4. Credit risk exposure and credit risk concentration

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

The Company regularly conducts credit assessments on customers who use credit transactions. Based

on the results of credit evaluation, the Company chooses to trade with approved and creditworthy customers, and monitors their receivable balances to ensure that the Company does not face significant bad debt risks.

As the Company only transacts with approved and creditworthy third parties, no collateral is required. Credit risk is managed centrally by customer. As of June 30, 2025, the Company has a certain concentration of credit risk, with 55.29% (31 December 2024: 59%) of the Company's accounts receivable originated from the top five customers in balance. The Company does not hold any collateral or other credit enhancement on the balance of accounts receivable.

The Company's maximum credit risk exposure is the carrying amount of each financial asset in the balance sheet.

## (II) Liquidity risk

Liquidity risk refers to the risk of shortage of funds when the Company fulfills its obligation to settle by delivering cash or other financial assets. Liquidity risk may arise from the inability to sell financial assets promptly at fair value; or from the other party's inability to repay its contractual debts; or from a debt that become due earlier than anticipated; or from an inability to generate the expected cash flows.

In order to control this risk, the Company comprehensively uses various financing methods such as bill settlement and bank borrowings, and adopts an appropriate combination of long-term and short-term financing methods to optimize the financing structure, so as to maintain a balance between financing continuity and flexibility. The Company has secured banking facilities from multiple commercial banks to meet working capital requirements and capital expenditures.

## Financial liabilities classified by remaining maturity

Unit: Yuan Currency: RMB

Item	Amount at the end				
	Book value	Undiscounted contract amounts	Within 1 year	1-3 years	Above 3 years
Bank borrowings	14,913,359,060.62	14,943,000,436.94	8,288,629,294.58	3,405,593,117.99	3,248,778,024.37
Notes payable	296,985,213.74	296,985,213.74	296,985,213.74		
Accounts payable	3,878,173,246.69	3,878,173,246.69	3,878,173,246.69		
Other payables	327,248,640.50	327,248,640.50	327,248,640.50		
Lease liabilities	1,106,528,707.15	1,870,175,868.63	391,820,330.16	240,891,715.76	1,237,463,822.71
Long-term	484,838,655.39	484,838,655.39	484,838,655.39		

Item	Amount at the end				
	Book value	Undiscounted contract amounts	Within 1 year	1-3 years	Above 3 years
payables					
Sub-total	21,007,133,524.09	21,800,422,061.89	13,667,695,381.06	3,646,484,833.75	4,486,241,847.08

(Continued above)

Item	Amount at the end of the previous year				
	Book value	Undiscounted contract amounts	Within 1 year	1-3 years	Above 3 years
Bank borrowings	15,567,298,885.42	16,002,289,880.45	7,014,700,204.70	5,541,241,956.79	3,446,347,718.96
Notes payable	190,995,331.81	190,995,331.81	190,995,331.81		
Accounts payable	4,524,023,879.56	4,524,023,879.56	4,524,023,879.56		
Other payables	439,067,901.48	439,067,901.48	439,067,901.48		
Lease liabilities	1,105,002,989.11	1,860,885,764.83	392,552,413.08	222,461,623.76	1,245,871,727.99
Long-term payables	533,781,410.15	533,781,410.15	533,781,410.15		
Sub-total	22,360,170,397.53	23,551,044,168.28	13,095,121,140.78	5,763,703,580.55	4,692,219,446.95

## (III) Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices, the market risk mainly including interest rate risk and foreign exchange 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. Interest-bearing financial instruments with fixed interest rates expose the Company to fair value interest rate risk, and interest-bearing financial instruments with floating interest rates expose the Company to cash flow interest rate risk. The Company determines the proportion of fixed-rate and floating-rate financial instruments according to the market environment, and maintains an appropriate portfolio of financial instruments through regular review and monitoring. The Company's exposure to cash flow interest rate risk is mainly related to the Company's bank borrowings bearing interest at floating rates.

As of 30 June 2025, the Company's bank borrowings at floating interest rates amounted to RMB8,607,446,900.00 (31 December 2024: RMB10,323,564,066.46). The increase in interest rates will raise the cost of new interest-bearing debts and the interest expenses of the Company's outstanding interest-bearing debts at floating interest rates, and adversely affect the financial performance of the

Company. Management will make timely adjustments based on the latest market conditions, such as appropriate increases in fixed interest rate arrangements to address the risks associated with financial instruments.

## 2. Foreign exchange risks

Foreign exchange risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Company's exposure to 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 buy and sell foreign currencies at market rates when necessary to ensure that the net exposure is maintained at an acceptable level.

For details of the Company's foreign currency monetary assets and liabilities at the end of the period, please refer to Note VII, 60 to financial statements.

## XIII. 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			
	Level I fair value measurement	Level II fair value measurement	Level III fair value measurement	Total
<b>Continuous fair value measurement</b>				
(I) Receivables financing			98,606,699.71	98,606,699.71
(II) Investment in other equity instruments	97,244,508.42		47,550,000.00	144,794,508.42
1. Investment in listed equity instruments	97,244,508.42			97,244,508.42
2. Investments in unlisted equity instruments			47,550,000.00	47,550,000.00
(III) Other non-current financial assets		12,613,000.00	205,971,307.86	218,584,307.86
1. Financial assets at fair value through profit or loss		12,613,000.00	205,971,307.86	218,584,307.86
(1) Investment in debt instruments				
(2) Investment in equity instruments		12,613,000.00	205,971,307.86	218,584,307.86
(3) Derivative financial assets				
(4) Others				
<b>Total assets continuously measured at fair value</b>	97,244,508.42	12,613,000.00	352,128,007.57	461,985,515.99

### 2. Basis for determining the market value of continuing and discontinuing Level I fair value measurement items

√Applicable □Not applicable

Other equity instruments held by the Company at Level I fair value measurement are stocks traded in active markets, and the Company determines the fair values based on their quoted prices in active markets.

**3. Continuing and discontinuing Level II fair value measurement items, qualitative and quantitative information on the valuation techniques and significant parameters used**√Applicable ☐Not applicable

Other non-current financial assets at Level II fair value measurement held by the company are LP shares of limited partnerships. The quoted prices of the shares of the companies in which the fund invests after the penetration exist in an active market and their fair values are recognized according to the shares of the fund held.

**4. Continuing and discontinuing Level III fair value measurement items, qualitative and quantitative information on the valuation techniques and significant parameters used**√Applicable ☐Not applicable

1. The financing of receivables at Level III fair value measurement held by the Company is bank acceptance bills receivable, which have small credit risk and short remaining term. The Company determines its fair value based on its face balance.

2. Investment in other equity instruments and other non-current financial assets at Level III fair value measurement held by the company are equity of unlisted companies. For unlisted equity instrument investments, the Company comprehensively considers the use of market method and discounted future cash flow methods to estimate the fair value. If there is no significant change in the operating environment, operating conditions and financial status of the investee, the Company uses the investment cost as a reasonable estimate of fair value for measurement.

**XIV.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	29,841.8756	14.24	14.91

**Description of the parent company of the Company**

Details of the shareholding and pledge status of the Company's controlling shareholder at the end of the period are set out in "Section VI, II, (II) Table of Shareholdings of the Top Ten Shareholders and Top Ten Tradable Shareholders (or Shareholders with Unrestricted Sale Conditions) as at the Reporting Period End".

On 10 February 2023, Mr. Zheng Yonggang, the original actual controller of the company, passed

away due to illness. The company's shares and related rights and interests he held are planned to enter the inheritance procedure in accordance with relevant laws and regulations. As of the date of approval of these financial statements, the company has not received any legally binding written documents or notices confirming the new actual controller of the company. The company will pay close attention to the follow-up progress and re-identify the actual controller according to its share inheritance.

Currently, Shanshan Group and its wholly-owned subsidiary Pengze Trading have been ruled by Yinzhou Court to undergo substantive merger and reorganization. The investor selection team of the substantive merger and reorganization case of Shanshan Group and Pengze Trading has carried out the selection work according to the Reorganization Investment Plan submitted by the intended investors in accordance with the law, and currently has undergone a conversation and negotiation with intended investors. There is still uncertainty about whether Shanshan Group and Pengze Trading can reorganize successfully. Given that Shanshan Group and Pengze Trading have entered the reorganization procedure, the subsequent implementation of reorganization may lead to the adjustment of their shareholders' equity in the company, which may lead to changes in the company's control rights.

## 2. Information about the subsidiaries of the Company

√Applicable ☐Not applicable

For details of the Company's subsidiaries, see "Note X. Interests in Other Entities".

## 3. Information on the Company's joint ventures and associates

√Applicable ☐Not applicable

For details of the Company's significant joint ventures or associates, see "X. Interests in Other Entities".

The details of other joint ventures or associates that had related party transactions with the Company during the period, or had related party transactions with the Company in the prior period resulting in balances 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 Liweineng Energy Storage System Co., Ltd.	A joint venture
Anhui Liweineng Power Battery Co., Ltd.	A joint venture
Shanghai Shanshan Chuanghui Venture Capital Management Co., Ltd.	An associate
Shenzhen Shanchuang Equity Investment Management Co., Ltd.	An associate
Suzhou Shanyue Energy System 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
Inner Mongolia Mengji New Carbon Material Co., Ltd. (note)	An associate
Suiyong Holdings Co., Ltd.	An associate
Jiangxi Zhanxiao New Energy Technology Co., Ltd.	An associate



Name of joint venture or associate	Relationship with the Company
Xinya Shanshan New Material Technology (Quzhou) Co., Ltd.	An associate
Ningbo New Airport International Logistics Co., Ltd.	A subsidiary of the associate
Ningbo Shanjing Clothing Co., Ltd.	A associate of the associate

Note: As of the end of the Reporting Period, the Company has fully recovered its investment in Inner Mongolia Mengji New Carbon Material Co., Ltd.

#### 4. Information on other related parties

√Applicable □Not applicable

Names of other related parties	Relationship between other related parties and the Company
Ningbo Shanli Packaging Products Co., Ltd.	Other enterprises controlled by controlling shareholder
Ningbo Shanju Industrial Co., Ltd.	Other enterprises controlled by controlling shareholder
Ningbo Shanqi Property Services Co., Ltd.	Other enterprises controlled by controlling shareholder
Ningbo Shanshan Energy & Chemical Co., Ltd.	Other enterprises controlled by controlling shareholder
Ningbo Shanshan Products Co., Ltd.	Other enterprises controlled by controlling shareholder
Ningbo Shanxin Commercial Real Estate Management Co., Ltd.	Other enterprises controlled by controlling shareholder
Shanshan Products Group Co., Ltd.	Other enterprises controlled by controlling shareholder
Shanghai Shanshan Trading Co., Ltd.	Other enterprises controlled by controlling shareholder
Shanghai Shanshan Industrial Co., Ltd.	Other enterprises controlled by controlling shareholder
Zhejiang Shanshan Hongzhi Trading Co., Ltd.	Other enterprises controlled by controlling shareholder
Ningbo Langhe New Materials Technology Co., Ltd.	Other
Shanghai Shanrong Industrial Co., Ltd.	Other enterprises controlled by controlling shareholder
Junkang General Hospital (Shanghai) Co., Ltd.	Other enterprises controlled by controlling shareholder
Shanghai Junsheng Tongda Real Estate Co., Ltd.	Actual control of enterprises with significant influence from controlling shareholder
Ningbo Yuantong Trading Co., Ltd.	Other enterprises with significant influence from controlling shareholder
Jiangsu Shanyuan Technology Co., Ltd.	Participating company

#### 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
Jiangsu Shanyuan Technology Co., Ltd.	Purchase of goods	5.31	6.95
BASF Shanshan Battery Materials Co., Ltd.	Purchase of goods	3.47	
Inner Mongolia Mengji New Carbon Materials Co., Ltd. Note	Purchase of goods	262.57	1,505.90
Shanshan Brand Management Co., Ltd.	Purchase of goods	24.23	65.28

Related party	Contents of related transaction	Amount incurred in the current period	Amount incurred in the previous period
Xinya Shanshan New Material Technology (Quzhou) Co., Ltd.	Purchase of goods	1.46	2.48
Ningbo Yuantong Trading Co., Ltd.	Purchase of goods		718.72
Junkang General Hospital (Shanghai) Co., Ltd.	Service fee	14.32	
Ningbo New Airport International Logistics Co., Ltd.	Transportation expenses	187.95	1,023.48
Total		499.31	3,322.81

Note: As of the end of April 2025, the Company has fully recovered its investment in Inner Mongolia Mengji New Carbon Materials Co., Ltd., and the amount incurred in this period is the cumulative amount incurred from January to April.

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
Ningbo Shanli Packaging Products Co., Ltd.	Water charges	0.06	0.09
Ningbo Shanjing Clothing Co., Ltd.	Utilities	4.80	27.52
Shanshan Brand Management Co., Ltd.	Utilities	7.83	72.17
Ningbo Liweineng Energy Storage System Co., Ltd.	Utilities		0.03
Anhui Liweineng Power Battery Co., Ltd.	Sales of goods	532.51	99.58
Ningbo Liweineng Energy Storage System Co., Ltd.	Sales of goods		188.58
Jiangxi Zhanxiao New Energy Technology Co., Ltd.	Sales of goods		19.71
Jiangsu Shanyuan Technology Co., Ltd.	Sales of goods	0.08	
BASF Shanshan Battery Materials Co., Ltd.	Financial services		22.07
Total		545.28	429.75

## (2). Related leases

The Company as the lessor:

√ Applicable □ Not applicable

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
Shanghai Shanshan Trading Co., Ltd. (上海杉杉贸易有限公司)	House buildings	17.21	
Zhejiang Shanshan Hongzhi Trading Co., Ltd. (浙江杉杉鸿志贸易有限公司)	House buildings	24.23	
Shanshan Brand Management Co., Ltd.	House buildings		188.02
Ningbo Shanxin Commercial Real Estate Management Co., Ltd.	House buildings		10.31
Ningbo Shanshan Products Co., Ltd.	House buildings		30.91

Name of lessee	Types of leased assets	Rental income recognized in the current period	Rental income recognized in the previous period
Shanshan Products Group Co., Ltd.	House buildings		28.07
Ningbo Shanshan Energy & Chemical Co., Ltd.	House buildings		85.69
Ningbo Shanju Industrial Co., Ltd.	House buildings		12.53
Shanghai Shanshan Industrial Co., Ltd.	House buildings		69.35
Total		41.44	424.88

The Company as the lessee:

√ Applicable □ Not applicable

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 (if applicable)	Variable lease payments that are not included in the measurement of the lease liability (if applicable)	Rent paid	Interest expense on lease liabilities assumed	Increased right-to-use assets	Rental costs for short-term leases and leases of low-value assets that are streamlined (if applicable)	Variable lease payments that are not included in the measurement of the lease liability (if applicable)	Rent paid	Interest expense on lease liabilities assumed	Increased right-to-use assets
Ningbo Shanqi Property Services Co., Ltd.	House buildings						0.58				
Shanghai Junsheng Tongda Real Estate Co., Ltd.	House buildings								452.12	53.69	
Shanshan Group Co., Ltd.	House buildings			53.19	1.25				75.77	4.18	

**(3). Related guarantees**

The Company as the guarantor

□ Applicable √ Not applicable

The Company as the guaranteed party

√ Applicable □ Not applicable

Unit: 0'000 Currency: RMB

Guarantor	Guarantee amount	Guarantee start date	Guarantee expiration date	Guaranteed borrowings balance (with margin deducted, excluding accrued interest at the end of the period)	Amount used as of the end of the period	Whether the guarantee has been fulfilled
Shanshan Group Co., Ltd.	30,000.00	2023-10-01	2025-10-01	10,000.00	10,000.00	No
Shanshan Group Co., Ltd.	10,000.00	2022-03-24	2026-03-11	10,000.00	10,000.00	No
Shanshan Group Co., Ltd.	40,000.00	2022-12-14	2025-12-14	35,000.00	35,000.00	No
Shanshan Holdings Co., Ltd.	10,000.00	2025-04-01	2026-04-01	10,000.00	10,000.00	No
Shanshan Holdings Co., Ltd.	30,000.00	2024-01-02	2027-01-01	29,900.00	29,900.00	No
Shanshan Holdings Co., Ltd.	300,000.00	2021-01-19	2026-01-19	117,000.00	117,000.00	No
Total	420,000.00			211,900.00	211,900.00	

**(4). Inter-bank lending of related parties**

√ Applicable □ Not applicable

Unit: 0'000 Currency: RMB

Related party	Inter-bank lending amount	Inception date	Maturity date	Explanation
Inter-bank borrowing				
Shanghai Shanrong Industrial Co., Ltd. (上海杉融实业有限公司)	5,000.00	2025-03-12	2025-03-13	The Company received financial assistance funds of RMB50 million from Shanghai Shanrong Industrial Co., Ltd. (上海杉融实业有限公司) on 12 March 2025, which was temporarily used for capital turnover, and returned RMB50 million to Shanghai Shanrong Industrial Co., Ltd. (上海杉融实业有限公司) the next day.

**(5). Remuneration to key management personnel**

√ Applicable □ Not applicable

Unit: 0'000 Currency: RMB

Item	Amount incurred in the current period	Amount incurred in the previous period
Remuneration to key management personnel	1,494.74	1,321.42

**(6). Other related transactions**

√ Applicable □ Not applicable

In 2025, the Company and its subsidiaries did not incur any bank borrowings with Zhejiang Chouzhou Commercial Bank Co., Ltd. As of 30 June 2025, the Company and its subsidiaries had a deposit balance of RMB937,700 with Zhejiang Chouzhou Commercial Bank Co., Ltd., with interest income of RMB2,300 in the first half of 2025.

## 6. Unsettled items receivable from/payable to related parties

### (1). Receivable items

√ Applicable □ Not applicable

Unit: 0'000 Currency: RMB

Item name	Related party	Ending balance		Opening balance	
		Book balance	Bad debt provision	Book balance	Bad debt provision
Accounts receivable	Anhui Liweineng Power Battery Co., Ltd.	518.94	25.93	502.19	25.09
	Jiangxi Zhanxiao New Energy Technology Co., Ltd.	77.82	3.89	77.83	3.89
	Ningbo Liweineng Energy Storage System Co., Ltd.	406.93	81.29	406.40	81.18
	Ningbo Yuantong Trading Co., Ltd.	142.38		142.38	
	Shenzhen Shanchuang Equity Investment Management Co., Ltd. (深圳杉创股权投资管理有限公司)	0.30			
Prepayments	Ningbo Yuantong Trading Co., Ltd.			702.06	
	Xinya Shanshan New Material Technology (Quzhou) Co., Ltd.	0.39			
Other receivables	Ningbo Liweineng Energy Storage System Co., Ltd.	70.70	35.35	81.38	40.69
	Suiyong Holdings Co., Ltd.	400.00		400.00	

### (2). Payable items

√ Applicable □ Not applicable

Unit: 0'000 Currency: RMB

Item name	Related party	Book balance at the end of the period	Book balance at the beginning of the period
Accounts payable	Jiangsu Shanyuan Technology Co., Ltd.	0.32	8.10
	Inner Mongolia Mengji New Carbon Materials Co., Ltd. Note		3,314.98
	Ningbo Liweineng Energy Storage System Co., Ltd.	74.80	74.80
	Ningbo New Airport International Logistics Co., Ltd.	363.35	738.49
	Shanshan Brand Management Co., Ltd.	38.56	80.87
	Ningbo Yuantong Trading Co., Ltd.	0.05	
	Ningbo Langhe New Materials Technology Co., Ltd. (宁波朗和新材料科技有限公司)	24.23	
	Xinya Shanshan New Material Technology (Quzhou) Co., Ltd.		0.09
Other payables	Suzhou Shanyue Energy System Co., Ltd. (苏州杉越能源系统有限公司)	1.82	1.82
	Ningbo New Airport International Logistics Co., Ltd.	100.80	100.80

Item name	Related party	Book balance at the end of the period	Book balance at the beginning of the period
	Ningbo Liweineng Energy Storage System Co., Ltd.		0.12
	Shanshan Brand Management Co., Ltd.	2.00	60.71
	Ningbo Shanqi Property Services Co., Ltd.	707.51	707.51
	Ningbo Shanxin Commercial Real Estate Management Co., Ltd.	16.49	16.49
	Shanghai Shanshan Industrial Co., Ltd.	14.63	14.63
	Shanghai Shanshan Trading Co., Ltd. (上海杉杉贸易有限公司)	4.17	
	Shanghai Shanshan Chuanghui Venture Capital Management Co., Ltd.	50.03	

Note: As of the end of April 2025, the Company has fully recovered its investment in Inner Mongolia Mengji New Carbon Materials Co., Ltd., with an ending balance of nil for the period.

## XV. Share-based payment

### 1. Equity instruments

#### (1). Breakdown

√ Applicable ☐ Not applicable

Unit: Share Unit: Yuan Currency: RMB

Category of granting object	Granted in the current period		Exercised in the current period		Unlocked in the current period		Expired in the current period	
	Quantity	Amount	Quantity	Amount	Quantity	Amount	Quantity	Amount
Stock Options							0.00	0.00
Restricted Stock							0.00	0.00
Total							0.00	0.00

#### (2). Share options or other equity instruments issued to the public at the end of the period

√ Applicable ☐ Not applicable

Category of granting object	Share options issued to the public at the end of the period		Other equity instruments issued to the public at the end of the period	
	The range of exercise price	Contract remaining period	The range of exercise price	Contract remaining period
Stock Options	27.85	9 months		
Restricted Stock			13.76	11 months

### 2. Equity-settled share-based payments

√ Applicable ☐ Not applicable

Unit: Yuan Currency: RMB

Participants of equity-settled share-based payment	2022 Stock Options
Method for recognizing the fair value of equity instruments on the grant date	Use the option BS model to value the equity of the company on the grant date and recognize its fair value.
Important parameters of fair value of equity instruments on grant date	Market price of shares
Basis for recognizing the amount of exercisable equity instruments	During the waiting period, on each balance sheet date, the best estimate is made based on the latest changes in the number of vested employees, the performance conditions for vesting/unlocking sales, and whether

	performance appraisals have been completed and other follow-up information, and the estimated quantity of eligible equity instruments is corrected
Reasons for significant differences between the current estimate and the previous estimate	No
Accumulated amount of equity-settled share-based payments recognized in capital reserves	-
Participants of equity-settled share-based payment	2022 Restricted Shares
Method for recognizing the fair value of equity instruments on the grant date	The fair value of the Company's shares on the grant date (calculated based on the closing price of the Company's listed A-shares on that day)
Important parameters of fair value of equity instruments on grant date	Expected time before maturity, historical volatility, dividend yield, risk-free return, exercise price, market price of shares
Basis for recognizing the amount of exercisable equity instruments	During the waiting period, on each balance sheet date, the best estimate is made based on the latest changes in the number of vested employees, the performance conditions for vesting/unlocking sales, and whether performance appraisals have been completed and other follow-up information, and the estimated quantity of eligible equity instruments is corrected
Reasons for significant differences between the current estimate and the previous estimate	No
Accumulated amount of equity-settled share-based payments recognized in capital reserves	-

#### Other description

On the balance sheet date, the Company revises the estimated number of exercisable stock options based on subsequently obtained information, such as changes in the number of eligible participants and the achievement of performance indicators. The services acquired during the period are recognized as related costs or expenses and capital reserve, based on the fair value of the stock options on the grant date. The Company uses the Black-Scholes model to calculate the fair value of the options and conducts a preliminary estimation of the 45.08 million stock options initially granted, based on the closing price on 23 February 2022. On the balance sheet date, the Company also revises the estimated number of restricted stocks expected to be released from restrictions based on subsequently obtained information, such as changes in the number of participants eligible for release and the achievement of performance indicators. The services acquired during the period are recognized as related assets, costs or expenses, and capital reserve, based on the fair value of the restricted stocks on the grant date.

### 3. Share-based payment expenses in the current period

☒ Applicable ☐ Not applicable

Unit: Yuan Currency: RMB

Category of granting object	Equity-settled share-based payments	Cash-settled share-based payment
Management personnel	-41,247,906.82	
R&D personnel	-11,943,471.81	
Salesperson	-117,324.89	
Total	-53,308,703.52	

## XVI. Commitments and contingencies

(All units are in RMB if not otherwise stated in this section)

### 1. Important commitments

√ Applicable □ Not applicable

Significant external commitments existing at the balance sheet date, nature and amount

#### (1). Outstanding letters of credit

Currency	Amount in original currency
RMB	392,298,042.54
Japanese yen	185,044,200.00

#### (2). Outstanding letters of guarantee

Category	Currency	Amount in original currency
Quality guarantee	RMB	3,040,000.00
Aggregate taxation guarantee	RMB	151,000,000.00

### 2. Contingencies

Significant contingencies existing as at the balance sheet date

√ Applicable □ Not applicable

#### 1. Contingent liabilities arising from pending litigation and arbitration and their financial impact

On 28 June 2024, Sunyes Manufacturing (Zhejiang) Holding Co., Ltd. (hereinafter referred to as “Sunyes Manufacturing”) and Zhejiang Sunyes Zhongning New Energy Co., Ltd. (浙江新亚中宁新能源有限公司, hereinafter referred to as “Sunyes Zhongning”) filed a lawsuit against Ningbo Yongquan Investment Co., Ltd. (hereinafter referred to as “Yongquan Investment”), Ningbo Shanshan New Energy Technology Development Co., Ltd., and the Company, on the grounds that the production capacity of certain production lines of Sunyes Shanshan Advanced Materials (Quzhou) Co., Ltd. did not match the actual situation. The case was heard in court on 22 May 2025, and as of now, no first-instance judgment has been rendered. On 12 July 2024, Yongquan Investment filed a lawsuit against Sunyes Zhongning for failing to pay the equity transfer amount in accordance with the Settlement Agreement. The case was heard in court on 3 June 2025 and was subsequently suspended by the court on 5 June of the same year.

The Company believes that the lawsuit filed by Sunyes Manufacturing against Yongquan Investment lacks factual basis, as Yongquan Investment did not make any actual production capacity commitments, and the agreement did not stipulate the required production capacity status corresponding to the payment nodes for the equity transfer amount. Based on the fundamental facts of the case and legal advice, the Company considers the likelihood of a favorable judgment to be high and, therefore, has not accrued



estimated liabilities. However, taking into comprehensive consideration factors such as Sunyes Manufacturing's operational and financial condition, the complexity of the actual litigation process, and the aging of receivables, which may impact the recoverability of the amount, the management has prudently made a provision for bad debts totaling RMB73.4586 million for other receivables from Sunyes Zhongning on a 30% individual basis.

2. There were no contingent liabilities arising from debt guarantees provided to other entities or their financial impact in the current period.

## **XVII. Matters after the balance sheet date**

### **1. Significant non-adjusting matters**

☐ Applicable ☒ Not applicable

### **2. Profit distribution**

☐ Applicable ☒ Not applicable

### **3. Sales returns**

☐ Applicable ☒ Not applicable

### **4. Description of other matters after the balance sheet date**

☐ Applicable ☒ Not applicable

## **XVIII. Other important matters**

### **1. Correction of prior accounting errors**

#### **(1). Retrospective restatement**

☐ Applicable ☒ Not applicable

#### **(2). Future application**

☐ Applicable ☒ Not applicable

### **2. Major debt restructuring**

☐ Applicable ☒ Not applicable

### **3. Asset swaps**

#### **(1). Non-monetary asset exchange**

☐ Applicable ☒ Not applicable

#### **(2). Other asset swaps**

☐ Applicable ☒ Not applicable

### **4. Annuity plan**

☐ Applicable ☒ Not applicable

### **5. Discontinuation of operations**

☐ Applicable ☒ Not applicable

### **6. Segment information**

#### **(1). Basis of determination of report segments and accounting policies**

☒ Applicable ☐ Not applicable

The Company determines report segments based on internal organizational structure, management requirements and internal reporting system, etc., and determines report segments based on business segments. Operating income and operating cost are categorised according to revenue from sales of goods, revenue from entrusted processing and revenue from services and other sales.

The Company determines report segments based on regional segments. Operating income and operating cost are categorised according to the location where the final sale is realized. The total assets and total liabilities of each report segment are not disclosed due to the inability to categorise them accurately.

**(2). Financial information for report segments**

√ Applicable □ Not applicable

**1. Business distribution**

Unit: Yuan Currency: RMB

Item	Polarizer segment	Lithium battery material segment	New energy vehicle segment	Investment segment	Others	Inter-segment offset	Total
Operating income	5,733,035,282.54	4,118,229,108.58			9,306,283.22	-2,086,359.06	9,858,484,315.28
Of which: Revenue from sales of goods	5,727,484,646.47	4,116,958,299.52					9,844,442,945.99
Revenue from entrusted processing	1,041,269.42						1,041,269.42
Revenue from service and other sales	4,509,366.65	1,270,809.06			9,306,283.22	-2,086,359.06	13,000,099.87
Operating cost	5,005,524,693.46	3,240,842,730.72			2,857,672.29		8,249,225,096.47
Total assets	15,089,314,084.83	26,095,063,968.89	39,114,565.37	1,575,501,259.08	29,498,899,960.89	-27,220,534,020.20	45,077,359,818.86
Total liabilities	3,705,115,135.69	15,182,638,823.51	127,367,079.64	16,004,183.26	7,656,560,674.01	-4,445,821,209.94	22,241,864,686.17

**2. Regional distribution**

Unit: Yuan Currency: RMB

Item	Income	Cost
Sales in mainland China	8,989,218,665.68	7,521,336,004.13
Taiwan China	66,779,714.47	61,251,661.48
Overseas sales	802,485,935.13	666,637,430.86
Subtotal	9,858,484,315.28	8,249,225,096.47



**XIX. Notes to major items of financial statements of the parent company****1. Accounts receivable****(1). Disclosed by aging**

√ Applicable □ Not applicable

Unit: Yuan Currency: RMB

Aging	Book balance at the end of the period	Book balance at the beginning of the period
Within 1 year (including 1 year)	918,549.76	5,195,776.91
Within 1 year	918,549.76	5,195,776.91
1-2 years	2,079.64	732,685.45
2-3 years	732,685.45	1,225,933.86
3-4 years	1,225,933.86	
4-5 years		
Over 5 years	92,379.00	92,379.00
Subtotal	2,971,627.71	7,246,775.22
Less: Bad debt provision	971,287.02	684,103.68
Total	2,000,340.69	6,562,671.54

**(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										
Provision for bad debts made on a portfolio basis	2,971,627.71	100.00	971,287.02	32.69	2,000,340.69	7,246,775.22	100.00	684,103.68	9.44	6,562,671.54
Of which:										
Combination of related parties						2,182,257.50	30.11			2,182,257.50
Account age portfolio	2,971,627.71	100.00	971,287.02	32.69	2,000,340.69	5,064,517.72	69.89	684,103.68	13.51	4,380,414.04
Total	2,971,627.71	/	971,287.02	/	2,000,340.69	7,246,775.22	/	684,103.68	/	6,562,671.54

Provision for bad debts made on a portfolio basis:

√ Applicable □ Not applicable

Combined provision items: Account age portfolio

Unit: Yuan Currency: RMB

Name	Ending balance		
	Book balance	Bad debt provision	Withdrawal ratio (%)
Within 1 year	918,549.76	45,927.49	5.00

Name	Ending balance		
	Book balance	Bad debt provision	Withdrawal ratio (%)
1-2 years	2,079.64	207.96	10.00
2-3 years	732,685.45	219,805.64	30.00
3-4 years	1,225,933.86	612,966.93	50.00
4-5 years			
Over 5 years	92,379.00	92,379.00	100.00
Total	2,971,627.71	971,287.02	32.69

**(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	684,103.68	287,183.34				971,287.02
Total	684,103.68	287,183.34				971,287.02

**(4). Accounts receivable and contract assets ranking the top five in the ending balance summarized by the debtors**

√Applicable □Not applicable

Unit: Yuan Currency: RMB

Name of entity	Ending balance of accounts receivable	Ending balance of contract assets	Ending balance of accounts receivable and contract assets	Percentage of the total ending balance of accounts receivable and contract assets (%)	Ending balance of bad debt provision
Ningbo Liweineng Energy Storage System Co., Ltd.	1,966,013.63		1,966,013.63	66.16	833,246.26
Ningbo Mingbang Entrepreneurship Service Co., Ltd. (宁波明邦创业服务有限公司)	332,036.30		332,036.30	11.17	16,601.82
Ningbo Shanda Import and Export Co., Ltd. (宁波杉大进出口有限公司)	256,392.43		256,392.43	8.63	12,819.62
Ningbo Dexin Construction Decoration Engineering Co., Ltd. (宁波德鑫建筑装饰工程有限公司)	228,855.00		228,855.00	7.70	11,442.75

Zhejiang Ningbo Costco Electric Appliance Co., Ltd. (浙江宁波市开市客电器有限公司)	69,081.08		69,081.08	2.32	3,454.05
Total	2,852,378.44		2,852,378.44	95.98	877,564.50

## 2. Other receivables

### Presentation of items

☒Applicable ☐Not applicable

Unit: Yuan Currency: RMB

Item	Ending balance	Opening balance
Interest receivable		
Dividend receivable	4,000,000.00	4,000,000.00
Other receivables	2,779,523,902.54	2,752,065,020.15
Total	2,783,523,902.54	2,756,065,020.15

### Dividend receivable

☒Applicable ☐Not applicable

Unit: Yuan Currency: RMB

Item (or investee)	Ending balance	Opening balance
Suiyong Holdings Co., Ltd.	4,000,000.00	4,000,000.00
Total	4,000,000.00	4,000,000.00

## Other receivables

### (1). Disclosure by aging

☒Applicable ☐Not applicable

Unit: Yuan Currency: RMB

Aging	Book balance at the end of the period	Book balance at the beginning of the period
Within 1 year (inclusive)	2,132,367,463.95	2,052,706,254.60
Within 1 year	2,132,367,463.95	2,052,706,254.60
1-2 years	691,450,177.47	733,902,265.83
2-3 years	3,067,589.11	
3-4 years	143,185.70	160,887.34
4-5 years	30,017,701.64	38,000,000.00
Over 5 years	18,605,888.03	18,712,716.03
Subtotal	2,875,652,005.90	2,843,482,123.80
Less: provision for bad debt	96,128,103.36	91,417,103.65
Total	2,779,523,902.54	2,752,065,020.15

**(2). Disclosed by nature of the amount**

Unit: Yuan Currency: RMB

Category	Ending balance					Balance at the beginning of the year				
	Carrying amount	Percentage in total (%)	Amount of bad debt provision	Percentage of bad debt provision (%)	Book value	Carrying amount	Percentage in total (%)	Amount of bad debt provision	Percentage of bad debt provision (%)	Book value
Provision for bad debts made on an individual basis	48,605,888.03	1.69	33,252,380.79	68.41	15,353,507.24	56,712,716.03	1.99	37,305,794.79	65.78	19,406,921.24
Provision for bad debts made on a portfolio basis	2,827,046,117.87	98.31	62,875,722.57	2.22	2,764,170,395.30	2,786,769,407.77	98.01	54,111,308.86	1.94	2,732,658,098.91
Total	2,875,652,005.90	100.00	96,128,103.36	3.34	2,779,523,902.54	2,843,482,123.80	100.00	91,417,103.65	3.21	2,752,065,020.15

Significant provision for bad debts made on an individual basis Other receivables:

Unit: Yuan Currency: RMB

Name	Ending balance				Balance at the end of the previous year	
	Book balance	Bad debt provision	Withdrawal ratio (%)	Provision reason	Book balance	Bad debt provision
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	7,100,000.00	7,100,000.00
Ningbo Liankangcai Brand Management Co., Ltd.	30,000,000.00	15,000,000.00	50.00	Received equity transfer funds last payment, overdue, with significant risk of recovery	38,000,000.00	19,000,000.00
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	10,162,742.46	10,162,742.46
Total	47,262,742.46	32,262,742.46		/	55,262,742.46	36,262,742.46

Provision for bad debts made on a portfolio basis:

Unit: Yuan Currency: RMB

Name	Ending balance	Balance at the end of the previous year
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	Other receivables	Bad debt provision	Withdrawal ratio (%)	Book balance	Bad debt provision	Withdrawal ratio (%)
Combination of related parties	2,798,561,275.0 <sub>9</sub>	60,751,662.71	2.17	2,573,244,172.4 <sub>6</sub>	53,040,478.35	2.06
Portfolio of receivables from the government and state-owned assets	5,066,113.12	0.00	0.00	191,900,010.43	0.00	0.00
Portfolio of receivables from deposits and guarantees	178,887.34	8,944.37	5.00	160,887.34	8,044.37	5.00
Collection and payment of personal social security in advances	1,835,532.75	0.00	0.00	209,314.62	0.00	0.00
Portfolio of other advances exclude social insurance	506,309.80	25,315.51	5.00	357,023.15	17,886.15	5.00
Debt transfer receivables	20,897,999.77	2,089,799.98	10.00	20,897,999.77	1,044,899.99	5.00
Total	2,827,046,117.8 <sub>7</sub>	62,875,722.57	2.22	2,786,769,407.7 <sub>7</sub>	54,111,308.86	1.94

**(3). Provision for bad debts**

√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 2025	54,111,308.86	19,406,921.24	17,898,873.55	91,417,103.65
Balance as of 1 January 2025 in the current period	54,111,308.86	19,406,921.24	17,898,873.55	91,417,103.65
-- Transferred to Phase II				
-- Transferred to Phase III				
-- Transferred back to Phase II				
-- Transferred back to Phase I				
Current provision	8,764,413.71			8,764,413.71
Current reversal		-4,053,414.00		-4,053,414.00
Current reselling				
Current write-off				
Other changes				
Balance as of 30 June 2025	62,875,722.57	15,353,507.24	17,898,873.55	96,128,103.36

**(4). Other receivable ranking the top five in the ending balance summarized by the debtors**

√Applicable □Not applicable

Unit: Yuan Currency: RMB

Name of entity	Ending balance	Proportion in total of ending balance of other receivable (%)	Nature of amount	Aging	Ending balance of bad debt provision
Shanghai Shanshan Lithium Battery Material Technology Co., Ltd.	1,406,000,000.00	50.58	Consolidated current accounts of related parties	Within 1 year	
Ningbo Shanshan New Energy Technology Development Co., Ltd.	652,437,592.74	23.47	Consolidated current accounts of related parties	Within 1 year and 1-2 years	
Ningbo Yongquan Investment Co., Ltd.	212,363,759.64	7.64	Consolidated current accounts of related parties	Within 1 year	

Ningbo Shanshan New Material Technology Co., Ltd.	148,000,000.00	5.32	Consolidated current accounts of related parties	Within 1 year	
ShanJin Optoelectronics (Nanjing) Co., Ltd.	100,000,000.00	3.60	Consolidated current accounts of related parties	Within 1 year	
ShanJin Optoelectronics (Guangzhou) Co., Ltd.	100,000,000.00	3.60	Consolidated current accounts of related parties	Within 1 year	
Total	2,618,801,352.38	94.21	/	/	

**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	12,220,970,523.87		12,220,970,523.87	12,220,970,523.87		12,220,970,523.87
Investments in associates and joint ventures	2,522,103,969.56	146,239,327.93	2,375,864,641.63	2,466,142,077.15	137,050,000.00	2,329,092,077.15
Total	14,743,074,493.43	146,239,327.93	14,596,835,165.50	14,687,112,601.02	137,050,000.00	14,550,062,601.02

**(1). Investments in subsidiaries**

√Applicable □Not applicable

Unit: Yuan Currency: RMB

Name of investees	Opening balance (Book value)	Opening balance of impairment provision	Increase and decrease in the current period				Ending balance (Book value)	Ending balance of impairment provision
			Increased investment	Decreased investment	Provision for impairment	Others		
Ningbo Shanshan Tongda Trading Co., Ltd.	32,000,000.00						32,000,000.00	
Ningbo Shanshan Electric Vehicle Technology Development Co., Ltd.	986,918,700.00						986,918,700.00	
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.	2,127,252,845.50						2,127,252,845.50	
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 Yunling Zhichuang Park Operation Management Co., Ltd.	10,000,000.00						10,000,000.00	

Shanshan Fashion Industrial Park Suqian Co., Ltd.	59,941,524.23						59,941,524.23	
ShanJin Optoelectronics (Suzhou) Co., Ltd.	7,348,348,654.43						7,348,348,654.43	
Shanghai Shanshan New Energy Technology Co., Ltd.	112,627,969.71						112,627,969.71	
Ningbo Haoheng Trading Co., Ltd. (宁波浩衡贸易有限公司)	50,000,000.00						50,000,000.00	
Ningbo Ziheng Trading Co., Ltd.	50,000,000.00						50,000,000.00	
Shanjin Tokyo Co., Ltd.	9,838,000.00						9,838,000.00	
Total	12,220,970,523.87						12,220,970,523.87	

**(2). Investments in associates and joint ventures**

√Applicable □Not applicable

Unit: Yuan Currency: RMB

Investees	Opening balance (Book value)	Opening balance of impairment provision	Increase and decrease in the current period								Ending balance (Book value)	Ending balance of impairment provision
			Increased investment	Decreased 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		
I. Joint ventures												
II. Associates												
Ningbo Shanqi Property Services Co., Ltd.	37,965,578.82				-259,417.26				9,189,327.93		28,516,833.63	9,189,327.93
Zhejiang Chouzhou Commercial Bank Co., Ltd.	1,713,096,249.15	137,050,000.00			75,181,254.95	2,004,557.15	-				1,786,272,946.95	137,050,000.00

Shanshan Brand Management Co., Ltd.	53,514,748.17				1,539,716.29						55,054,464.46	
Shenzhen Yuanshan Private Equity Investment Management Co., Ltd.	3,820,848.48				-327,728.44						3,493,120.04	
Suiyong Holdings Co., Ltd.	520,694,652.53				- 18,167,375.98						502,527,276.55	
Subtotal	2,329,092,077.15	137,050,000.00			57,966,449.56	- 2,004,557.15			9,189,327.93		2,375,864,641.63	146,239,327.93
Total	2,329,092,077.15	137,050,000.00			57,966,449.56	- 2,004,557.15			9,189,327.93		2,375,864,641.63	146,239,327.93

**4. 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 Business				
Other business	6,580,894.70	1,304,835.29	35,344,058.74	6,823,111.00
Total	6,580,894.70	1,304,835.29	35,344,058.74	6,823,111.00
Of which: Income from contracts with customers	3,748,154.18		12,167,091.88	

**(2). Breakdown information of operating income and operating costs**

√Applicable □Not applicable

## 1) Revenue generated from contracts with customers by type of goods or services

Unit: Yuan Currency: RMB

Item	Amount incurred in the current period	Amount incurred in the previous period
Expenses for property utilities income	1,310,202.50	8,410,762.69
Guarantee fee income	2,437,951.68	3,756,329.19
Total	3,748,154.18	12,167,091.88

## 2) Revenue generated from contracts with customers by operating region

Unit: Yuan Currency: RMB

Item	Amount for the current period		Amount for the same period last year	
	Income	Cost	Income	Cost
Sales in mainland China	3,748,154.18		12,167,091.88	
Subtotal	3,748,154.18		12,167,091.88	

## 3) Revenue generated from contracts with customers by the time of transfer of goods or services

Unit: Yuan Currency: RMB

Item	Amount for the current period	Amount for the same period last year
Recognition of income at a point of time	2,437,951.68	3,756,329.19
Recognition of income over a period of time	1,310,202.50	8,410,762.69
Subtotal	3,748,154.18	12,167,091.88

**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 equity method	57,966,449.56	32,079,141.63

Investment incomes generated from disposal of long-term equity investment		-273,644,237.33
Total	57,966,449.56	-241,565,095.70

**XX. Supplementary information****1. Breakdown of non-recurring profits and losses**

√Applicable □Not applicable

Unit: Yuan Currency: RMB

Item	Amount	Instruction
Non-current asset disposal gains and losses, including the offsetting portion of the provision for impairment of assets	1,897,094.47	
Government subsidies recognized in profit or loss for the current period except those closely related to the Company's normal operating business, and compliant with national policies, available according to determined requirements, and having a continuous impact on the Company's profit or loss	59,454,186.84	
Except for effective hedging business related to the Company's normal operating business, the fair value gains and losses arising from the holding of financial assets and financial liabilities by non-financial enterprises, as well as the gains and losses arising from the disposal of financial assets and financial liabilities	-18,453,000.00	
Reversal of impairment provision for receivables subject to separate impairment testing	4,101,053.98	
Other non-operating income and expenses other than those mentioned above	-1,794,981.37	
Other profit and loss items that meet the definition of non-recurring profit and loss	2,675,600.00	During the Reporting Period, the Company received stock dividends from CMOC.
Less: Amount impacted by income tax	3,670,944.49	
Amount impacted by non-controlling interests' equity (after tax)	5,499,726.31	
Total	38,709,283.12	

The reason for the Company defining items not listed in the Information Disclosure and Presentation Rules for Companies Making Public Offering of Securities No.1 – Non-recurring Profit or Loss (《公开发行证券的公司信息披露解释性公告第1号——非经常性损益》) as non-recurring profit or loss items with significant amount, and the reason for defining the non-recurring profit or loss items illustrated in the Information Disclosure and Presentation Rules for Companies Making Public Offering of Securities No.1 – Non-recurring Profit or Loss (《公开发行证券的公司信息披露解释性公告第1号——非经常性损益》) as recurring profit or loss items should be specified.

□Applicable √Not applicable

**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 ordinary shareholders of the Company	0.956	0.096	0.096
Net profits attributable to ordinary shareholders of the Company after deducting non-recurring profits and losses	0.778	0.078	0.078



**3. Differences in accounting data under domestic and foreign accounting standards**

☐Applicable ☒Not applicable

Chairman: Zhou Ting

Date of approval by the Board of Directors: 29 August 2025

**Information on amendments**

☐Applicable ☒Not applicable