Ningbo Shanshan Co., Ltd.

Interim Report 2023

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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

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	9,467,775,923.82	10,771,934,205.15	-12.11
Net profits attributable to shareholders of the listed company	1,013,091,536.67	1,661,149,050.47	-39.01
Net profit attributable to shareholders of the listed company, net of non-recurring profit/loss	587,813,365.37	1,420,470,242.79	-58.62
Net cash flow from operating activities	-1,464,124,850.13	1,560,449,276.28	-193.83
	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	47,186,207,292.63	44,925,491,219.31	5.03
Net assets attributable to shareholders of the listed company	23,247,132,512.23	23,053,341,900.80	0.84
Total share capital at the end of the period	2,263,973,358.00	2,263,973,358.00	0.00

(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)	0.542	0.774	-29.96
Diluted earnings per share (RMB/share)	0.542	0.774	-29.96
Basic earnings per share after deducting non-recurring profit and loss (RMB/share)	0.315	0.662	-52.42
Weighted average return on net assets (%)	4.340	8.419	Decreased by 4.079 percentage points
Weighted average return on net assets ratio after deducting non-recurring profit	2.518	7.199	Decreased by 4.681 percentage points

and loss (%)			

Description of key accounting data and financial indicators

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

VIII. Non-recurring Profit and Loss Items and Amounts

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Unit: Yuan Currency: RMB

Non-recurring profit and loss items	Amount	Note (if applicable)
Gain or loss from disposal of non-current assets	212,261,787.36	It was mainly the investment proceeds recognized from the disposal of 51% equity of Sunyes Shanshan Advanced Materials (Quzhou) Co., Ltd. by the Company in the Reporting Period
Government grants included in the current profit and loss, except those closely related to the Company's normal operations, conforming to the State policies and regulations and enjoyed persistently in line with certain standard ratings or rations	310,461,225.20	
Non-operating income and expenses other than those mentioned above	-2,254,944.05	
Less: Amount affected by income tax	67,042,231.16	
Affected amount of non-controlling interest (after tax)	28,147,666.05	
Total	425,278,171.30	

Section III Management Discussion and Analysis

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

The Company is a global leading high-tech company, focusing on the development of anode materials and polarizers businesses. The Company is the first company engaged in research and development and production of artificial graphite anode materials for lithiumion batteries in China. With more than 20 years of research and development and industrial production practice in the field of lithium battery materials, it is a global leader in artificial graphite anode materials field. In 2021, the Company became a global polarizer leader through the acquisition of LCD polarizer business from LG Chem. In the future, we will strive to build a global leader in the two key market segments of anode material and polarizer.

(I) Anode material business

1. Business overview

The main products of the Company's anode materials business include artificial graphite, natural graphite, silicon-based anode and hard carbon. The main application terminals of the above products are new energy vehicles, consumer electronics and energy storage industries.

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

Classification	Product	Application fields
Anode materials	Artificial graphite	Mainly used in 3C digital battery, power battery and energy storage battery fields
	Natural graphite	Mainly used in 3C digital battery, power battery, focusing on cylindrical battery and hybrid energy
	Silica-based anode	Mainly used in high energy density 3C digital battery, electric tools battery, and power battery
	hard carbon	Mainly used in 3C digital battery, power battery and energy storage battery fields, blended with graphite-based anode materials for lithium-ion batteries, and semi-solid batteries, applied for sodium-ion batteries as a major anode material

2. Business model

(1) Procurement model

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

For the raw materials, accessories, production equipment, testing equipment, logistics transportation, and general consumables required for the production, the supply chain center will integrate the needs of each factory, and work with the research and development, technology and quality departments to jointly screen and select the high-quality suppliers. The headquarters of anode business segment will set the prices in a centralized manner through bidding, competitive negotiation, price consultation and cost analysis, and sign the framework agreements. The factory will issue purchase orders or purchase and sales contracts as required and follow up the delivery, acceptance, reconciliation, and payment request.

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

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

(2) Production model

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

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

(3) Sales model

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

3. Market position of products

According to ICC, in the first half of 2023, the Company ranked the first place in the industry in terms of artificial graphite production.

4. Key performance drivers

(1) In the first half of 2023, the demand for power and energy storage lithium batteries maintained growth, especially with rapid growth in the energy storage market.

According to GGII, in the first half of 2023, China's power lithium battery shipments reached 270GWH, up 33% year on year. Driven by the growth of power storage and industrial and commercial energy storage markets, China's lithium battery shipments in the first half of 2023 reached 87GWH, up

67% year on year.

Driven by the downstream demand of power batteries and energy storage batteries, the demand for lithium battery materials continued to grow. According to ICC, in the first half of 2023, global lithium anode material shipments reached 748,000 tons, representing a yoy growth of 17.4%, and the market share of China’s lithium anode materials rose further to 97%.

(2) The market competitiveness of the Company's anode materials was further improved.

Centering on customer demand, the Company is committed to providing global customers with first of-1(necr)2.5(i)5.21(i)501(ne)12.2(n-1(d)-1(e m)15.6(3.5(op)-2.1()4.2(ao)501(nm)15.(s)2(cr)2.(l)c5.( )1

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

Our production process inc.3(s)2.oce5.3ud(hi)5.3(s)2.tocrion plaes(l)-6(pr)3.5(odu.3(s)2..6(m)16(s(l)-6(s)2.7ud(

drove the system manufacturers to expand purchase demands. With the increase of operation rate, the panel manufacturer's demand for upstream raw materials has increased significantly.

(2) The Company deepened customer cooperation, improved operational efficiency, and strengthened enterprise competitiveness.

In the first half of 2023, the Company actively expanded market space and sales scale by enhancing market promotion efforts, optimizing product structure, deepening customer cooperation and taking other measures. In addition, through active and effective fine management, manufacturing process upgrading, cost innovation and other measures, the Company effectively improved the operational efficiency, and further reduced operating costs.

5. Industry overview

In the first half of 2023, with the increase in the stocking demand of domestic TV brand manufacturers under the background of low inventory, continuous rise in TV panel prices, as well as the upcoming promotional season in the second half of the year, among other factors, the operation rate of panel manufacturers improved, and the stocking demand for upstream raw materials increased. In addition, according to AVC, in the first half of 2023, the average shipping size of TV panels was 47.8 inches, representing an increase of 2.2 inches yoy and 1.6 inches QoQ, respectively, reflecting an obvious development trend of large-size TV panels. The increase in the downstream panel operation rate contributed

cooperative development and validation.

In terms of raw material development, boasting a basic research teach of anode raw materials led by senior experts in the coal chemical industry, the Company has jointly established a special raw material development team with upstream industry chain enterprises to jointly tackle key problems, and develop functional raw materials, functional granulation agents and coating agents required for the performance of anode materials, so as to create tailor-made raw materials for anode products with different characteristics. The Company's unique raw material allocation technology ensures the stability and adaptability of raw materials from the source. As of 30 June 2023, we have been granted 245 patents for anode materials, including 4 international patents, 189 domestic invention patents and 52 utility model patents.

2. Boasting high-quality customer structure and enhanced customer recognition

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

3. Embracing leading market position and comprehensive capacity deployment advantage

Deeply engaged in the anode material industry for more than 20 years, the Company has a stable industry leading position, maintaining a leading market share of artificial graphite products. So far, the Company has completed the strategic deployment of the production capacity of about 700,000 tons of graphite anode materials, including three integrated bases in Inner Mongolia, Sichuan and Yunnan with production capacity of 100,000 tons (put into production), 200,000 tons and 300,000 tons respectively. The Company will steadily promote the construction and release of production capacity according to market demand. With the release of integrated production capacity, it will effectively reduce production costs and achieve low-carbon and green manufacturing. In addition, in order to meet the needs of overseas markets, the Company is actively exploring overseas production capacity deployment. The Company has shaped a leading capacity scale and comprehensive capacity deployment advantages.

In order to further meet the needs of downstream customers and actively seize the opportunity of demand increase of silicon-based anode market, the Company has taken the lead to deploy 40,000 tons of integrated silicon-based anode production capacity base in Ningbo. The first phase is under construction and will be put into trial production in early 2024.

4. Deepening upstream and downstream cooperation to build a resilient supply chain

In terms of upstream industry chain, the Company has jointly established a special raw material development team with upstream suppliers to jointly tackle key problems, and develop functional raw materials, functional granulation agents and coating agents required for the performance of anode materials, so as to create tailor-made raw materials for anode products with different characteristics. To further guarantee the quality and supply, the Company has established a strategic cooperative

relationship with domestic leading raw material suppliers, 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 terms of downstream industry chain, the Company continues to comprehensively deepen the cooperation relationship with power, digital and energy storage customers, and has established a good cooperation system of joint development and mutual promotion with customers, while maintaining long-term technical exchanges and joint development with end customers such as the world's leading digital enterprises and new energy vehicle enterprises, ensuring the sustainable competitiveness of the anode electrode material business development.

(II) Analysis on core competence of polarizer

1. Embracing rich technical accumulation and leading R&D and innovation advantages

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

The Company is the pioneer in the industry to import low permeability materials such as PET, Acryl and COP for polarizer manufacturing. By optimizing the above material structure, we have realized the replacement of TAC materials and improved the performance and user experience of display products. The Company's polarizer products offer strong performance in several key performance indicators such as polarization, contrast, transmittance, water resistance and resistance to high temperature and humidity.

The Company has industry-leading manufacturing technology, and has made continuous breakthrough in manufacturing capacity from product quality, safety, production efficiency and other aspects, in order to improve production efficiency and product quality. The Company has customized polarizer production equipment, which can precisely control the parameters in the production process through carefully modulated parameters, helping to improve product pass rate. In addition, the Company has comprehensive defect detection methods and automatic detection technology, ensuring product high yield. The Company continues to improve key processes such as film bonding and film stretching to ensure and improve product quality. We have successfully applied UV curing technology to polarizer manufacturing, thereby optimizing the production process.

The three polarizer group standards formulated under the leadership of the Company, "the low permeability polarizer for thin film transistor Liquid crystal display (TFT-LCD) ", "the polarizer for small and medium-sized organic light emitting diode (OLED) display ", "the organic light emitting diode (OLED) polarizer for TV" has been officially released and implemented, which will help promote the standardization and high-quality development of the polarizer industry.

In terms of new display technology and applications, the Company's OLED mobile phone polarizer

has been shipped; the Company will continue its efforts on the R&D of thin, high-contrast and low-power-consumption OLED products as well as optimization of their performance;; the independent development of the VR display polarizer has been completed, and customer certification and mass production are accelerated; technology and patent reserve for the automotive polarizer has been completed, and product development is being accelerated.

As of 30 June 2023, the Company has applied for more than 1,000 LCD polarizer related patents in South Korea, China, Japan, the United States and other countries around the world, among which 1017 patents have been authorized (including 796 overseas patents), covering 944 invention patents, 65 utility model patents, and 8 appearance patents.

2. Boasting ultra-wide width production line and KPI production line advantages

In recent years, the terminal consumer electronic products have shown a development trend of preferring large screens, which raised higher requirements on the size of upstream polarizers. The width of polarizer production line has great influence on the production capacity. The ultra-wide width (Tw T* [(of)3.48(ou

III. Operation Discussion and Analysis

Overview of Operations

During the Reporting Period, in response to the challenges from the changes of market environment and industry, the Company continued to push forward the established development strategy, focusing on the development of anode materials and polarizer business. The Company continued to make technological innovation, comprehensively implemented cost reduction initiatives, optimized product mix, and improved operation and management efficiency, achieving year-on-year sales growth in anode materials and polarizer business segements, maintaining a leading global market share, and further consolidating its leading position in the industry.

During the Reporting Period, the Company’s operating revenue reached RMB9,467.7759 million, down 12.11% year on year; the net profit attributable to shareholders of the listed company reached RMB1,013.0915 million, down 39.01% year on year; the net profit attributable to shareholders of the listed company after deducting the non-recurring profit or loss reached RMB587.8134 million, down 58.62% year on year. The year-on-year decline in results was mainly due to a large year-on-year decline in net profit of BASF Shanshan Battery Material Co., Ltd., which is accounted for with the equity accounting method. In addition, as impacted by the industry and market environment changes, the Company's anode materials and polarizer business segments experienced year-on-year price decline, resulting in year-on-year decline in operating revenue and net profit attributable to shareholders of the listed company.

During the Reporting Period, operation situation of each business segment of the Company is as follows:

(I) Anode Material Business

In the first half of 2023, while the overall downstream demand of anode material industry maintained a rising trend, the yoy growth rate of new energy vehicle sales in the domestic market slowed down, downstream battery companies generally adopted staged de-stocking or low-inventory strategies, and the overall demand in the industry fell short of expectation. In addition, the decline in upstream raw materials and graphitization processing prices, and intensified competition due to the industry capacity release, among other factors, led to an overall decline in the price of anode materials and narrowed industry profit space. Despite facing many adverse factors and challenges, through positive measures such as accelerating product iteration and upgrades, deepening cooperation with major customers, and fully implementing cost reductions, in the first half of 2023, the Company saw a steady increase in the easa saD7(, d2

quarter rose significantly, with a sequential growth of more than 40%, driving the main business revenue from anode materials increased by 37.35% sequentially in the second quarter.

The details are as follows:

- **Continuous product iteration and upgrades expanded the leading edge.**

The fast charging products of the Company continuously achieved breakthroughs in new technologies and products based on downstream customer demand. In terms of consumer fast charging products, we maintained a leading market share, and have achieved bulk shipment of 5C products and sample delivery verification of 6C products. In terms of power fast charging products, our shipments have grown rapidly, and we have achieved large-scale supply of 4C products, and adopted the third generation liquid coating technology to achieve high capacity and charge and discharge ratios above 4C. We have taken the lead in supplying leading power battery enterprises, further expanding our leading edge in fast charging products.

The Company continuously made technological breakthroughs in silicon-based anode products, with higher recognition from customers at home and abroad and bulk supply. The silicon oxide products have achieved batch application in consumer electronics and power markets, and the second generation of silicon oxide anode, which adopts continuous mixture gas coating technology and features excellent low temperature cycle performance, has been supplied to overseas leading customers in bulk. Silicon carbon products are in constant iteration, and a new generation of silicon carbon products has completed route design and is now under the test of downstream customers, with core patented technologies licensed by their U.S.A and Japanese owners.

The hard carbon anode products of the Company, with its leading capacity, high-temperature and processing performance, has been bulk applied in the fields of sodium batteries, lithium batteries, and semi-solid batteries.

- **Multiple measures improved cost-effectiveness**

The Company followed the overall philosophy of "cost reduction through scale and technology" to fully implement cost reduction measures.

During the Reporting Period, the Company steadily advanced the capacity construction of its Sichuan and Yunnan integrated bases, giving priority to key capacities. As of the disclosure date of this report, the first phase of the Sichuan base was ramping up, and the grinding workshop of the first phase Yunnan base had begun trial production.

The Company continued to promote the iteration and upgrade of key processes such as graphitization and granulation. The cost of graphitization per ton has been further reduced by improving the charging amount of a single furnace and pre-graphitization processes. Additionally, the first generation box furnace graphitization technology has completed its first furnace verification.

Furthermore, the Company vigorously promoted the verification and substitution of low-cost coke and customized control of original material coke to achieve cost reduction through technology. The proportion of petroleum coke used was gradually increased, and products replacing medium-sulfur coke with low-sulfur coke have already been supplied on a large scale.

- **Deepened cooperation with major customers achieved record-high sales to top customers**

The Company continued to strengthen the cooperation with global leading battery companies in depth and breadth. In the first half of 2023, the Company saw a significant increase in the sales volume of anode material business to its main top customers, further increasing the concentration of top customers. Also, the Company intensified its research and development cooperation with top customers in new products such as high-end fast charging, silicon-based anodes and hard carbon, to accelerate product iteration and upgrades and promote industrial applications.

(II) Polarizer Business

During the Reporting Period, through continuous product structure optimization, deepening customer cooperation, and increasing sales efforts, the Company's polarizer sales volume achieved year-on-year growth. However, due to the impact of weak end-user demand and pressure on the profitability of downstream panel makers, the price of polarizer products declined year on year. In order to effectively mitigate the impact of decline in product prices, the Company took active and effective internal management measures, such as refined management, manufacturing process upgrades, and cost and expense reforms, resulting in an effective decline in unit cost and a year-on-year reduction in expenses.

In the first half of 2023, the main operating revenue from the polarizer business reached RMB5,306.0646 million, down by 7.36% year on year, and the net profit attributable to shareholders of the listed company reached RMB606.8860 million, down by 24.12% year on year. In the second quarter of 2023, the operation rate of downstream panel factories increased sequentially. The Company fully utilized its leading advantages in production capacity and products, and continued to improve operational efficiency. In the second quarter, the sales and operating revenue achieved sequential growth, and the profit level also significantly improved from the previous quarter.

The details are as follows:

- **Accelerated R&D and application of new technologies and products expanded product lines to support diversified application scenarios**

  - Continuous consolidation of leading position in polarizer

    During the Reporting Period, by focusing on the development of high-end products, improving product quality, optimizing product mix, the Company continuously consolidated its global leading position in the LCD polarizers. During the Reporting Period, the Company began mass production of new products, including high-end LCD polarizers for TV, IT, and mobile phones, and continued to maintain a significant competitive advantage in the field of polarizers for large-sized TVs, with further increase in shipment area of small and medium-sized polarizers for IT and mobile phones.

    In addition, the Company actively drove the research and development of new technologies and new products of OLED polarizers. OLED polarizers for mobile phones were shipped during the Reporting Period.

- Product lines were expanded to support diversified application scenarios and enlarge business growth space.

  During the Reporting Period, the Company constantly strengthened its expansion efforts in mature application markets such as TV, IT, and mobile phones, actively pushed forward product development for new applications such as VR, AR, and automobile, and enriched its product lines to support diversified application scenarios and expand its business growth space. So far, the Company has completed independent development of polarizers for VR displays and is working on customer certification and mass production; the Company has also completed the technological and patent reserves of polarizers for automobile and is accelerating product development.

- Continuous improvement of operational efficiency

  During the Reporting Period, the Company continued to improve operational efficiency significantly through lean production and cost innovation. During the Reporting Period, the Company took active and effective measures in production, management, and operation, resulting in continuous improvements in production indicators such as material loss rate and production line speed, thus enhancing product competitiveness. Also, the Company will continue to promote the domestic sourcing of raw materials to realize cost reduction and efficiency enhancement.

- **Orderly progress in production line construction.**

  During the Reporting Period, the Company made orderly progress in the construction of new capacity projects based on strategic planning and market demand. As of the disclosure date of this report, one of the new production lines in Shanjin Guangzhou has reached mass production and the capacity is ramping up, while another new production line is in the process of obtaining line certification after successful trial production. The factory building construction for the Zhangjiagang production line project has been completed, and one of the new production lines is in the process of obtaining line certification after successful trial production, while another new production line is at the equipment installation stage. The production line in Mianyang, Sichuan is being constructed in an orderly manner according to the plan.

(III) Other business segments

The Company continued to implement its focus strategy, concentrating on core business development and gradually divesting non-core business. The Company completed the transfer of 51% equity of Quzhou Shanshan, a subsidiary devoting to the electrolyte business, in February 2023 and sold 100% equity of Dongguan Shanshan in July 2023. In April 2023, the Company also completed the sale of 90.035% equity of Shanxin Photovoltaic, a subsidiary devoting to photovoltaic power generation.

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

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	9,467,775,923.82	10,771,934,205.15	-12.11
Operating costs	7,733,118,698.69	8,040,184,170.75	-3.82
Selling expenses	100,600,068.48	131,521,596.30	-23.51
Administrative expenses	282,685,192.20	405,207,730.30	-30.24
Financial expenses	237,542,040.30	376,621,067.13	-36.93
Research and development expenses	371,427,557.37	419,296,358.56	-11.42
Net cash flow from operating activities	-1,464,124,850.13	1,560,449,276.28	-193.83
Net cash flows from investment activities	-3,604,210,851.32	-3,858,715,569.46	N/A
Net cash flow from financing activities	4,599,271,044.86	-1,708,344,209.76	N/A
Effect of foreign exchange rate changes on cash and cash equivalents	-9,295,039.44	16,788,635.10	-155.37
Taxes and surcharges	43,989,252.34	28,175,884.69	56.12
Other income	310,461,225.20	58,274,058.04	432.76
Investment income	355,155,673.86	655,726,177.29	-45.84
Impairment loss on assets	34,871,644.47	-33,759,551.74	N/A
Gain on disposal of assets	-6,367,937.29	4,082,280.29	-255.99
Non-operating income	6,386,375.48	11,138,118.11	-42.66
Non-operating expenses	8,641,319.53	6,402,257.82	34.97
Net profit attributable to owners of parent company	1,013,091,536.67	1,661,149,050.47	-39.01
Other comprehensive income attributable to the owner of the parent company, net of tax	80,223,045.22	12,190,423.24	558.08

Reasons for over-30% changes year on year

Reasons for the change in administrative expenses: The main reason is that the share-based payment expenses accrued during the reporting period decreased year-on-year; while at the same period last year, the polarizer business recorded system personnel development service cost.

Reasons for the change in financial expenses: It was mainly due to the reduction of the financial interest expenses and exchange losses during the reporting period.

Reasons for the change in net cash flows generated by operating activities: It was mainly due to the increase in bills for purchasing goods and receiving services due in 2022 for the anode business during the reporting period.

Reasons for the change in net cash flow generated by financing activities:

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

Reasons for the changes in taxes and surcharges: It was mainly due to the increase of corporate real estate tax, land use tax and stamp duty during the reporting period.

Reasons for the change in other income: It was mainly due to the increase in government subsidies received by anode subsidiaries during the reporting period, such as various project support.

Reasons for the change in investment income: It was mainly due to the reduction in the Company's long-term equity investment in BASF Shanshan based on equity method during the reporting period.

Reasons for the change of asset impairment loss: It was mainly due to the fact that, the Company’s inventories with a long accounting age were consumed during the reporting period, and the corresponding falling prices were rushed back.

Reasons for the change in gain on disposal of assets: It was mainly because during the reporting period, the subsidiary Ulica had a loss on the disposal of fixed assets.

Reasons for the change in non-operating income: It was mainly because the Company received less insurance claim for the same period this year.

Reasons for the change in non-operating expenses: It was mainly due to the year-on-year increase of donations, asset scrapping and loss of the Company during the reporting period.

Reasons for the change in net profit attributable to the owner of the parent company: It was mainly due to the reduction in the Company's long-term equity investment in BASF Shanshan based on equity method during the reporting period.

Reasons for the change in other comprehensive income attributable to owners of parent company, net of tax: It was mainly due to the change of stock price of financial assets held and the translation difference of foreign currency statements.

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

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

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

In the current period, due to the changes in industry demand and the rapid decline in prices of upstream raw materials such as lithium carbonate, the net profit of BASF Shanshan Battery Materials Co., LTD., accounted based on equity method, declined significantly year-on-year, resulting in year-on-year decrease in the corresponding long-term equity investment income recognized by the Company.

(III) Analysis of assets and liabilities

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	460,618,977.44	0.98	227,833,088.02	0.51	102.17	It was mainly due to an increase in the use of notes for the anode business during the reporting period.
Accounts receivable financing	861,470,302.13	1.83	512,249,842.96	1.14	68.17	The main reason is that the main settlement method of anode business was bill settlement during the reporting period.
Other receivables	1,306,944,008.54	2.77	497,273,632.21	1.11	162.82	It was mainly due to the company's other receivables from Shanxin Photovoltaic and its subsidiaries before they were excluded from the consolidated statements, and the repayment in accordance with the equity transfer agreement.
Assets held for sales	176,680,015.37	0.37	1,316,864,410.82	2.93	-86.58	The main reason is that the Company completed the sale and closing of 51% equity of its subsidiary Quzhou Shanshan in February 2023, and Quzhou Shanshan withdrew from the scope of consolidation, resulting in a decrease in assets held for sales.
Other current assets	760,677,643.36	1.61	483,327,024.12	1.08	57.38	It was mainly due to an increase in the input tax retained at the end of

						the VAT period for polarizer business and lithium anode business during the reporting period.
Construction in progress	7,315,819,707.28	15.50	4,947,187,407.85	11.01	47.88	It was mainly due to the new investment in the anode and polarizer business expansion projects under construction during the reporting period.
Other non-current assets	467,304,865.17	0.99	161,095,381.56	0.36	190.08	It was mainly due to the increase in prepayment of various projects and equipment for lithium anode materials during the reporting period compared with the beginning of the year.
Advances from customers	1,981,278.91	0.004	100,196,289.48	0.22	-98.02	The main reason is that during the reporting period, the Company completed the closing of 51% equity of Quzhou Shanshan, and the equity proceeds of RMB 100 million received at the beginning of the year was transferred out.
Payroll payable	36,644,327.78	0.08	153,368,165.73	0.34	-76.11	The main reason is that during the reporting period, the subordinate industrial companies paid various performance bonuses and sales commissions accrued at the end of last year.
Taxes and duties payable	179,643,452.81	0.38	296,418,740.29	0.66	-39.40	It was mainly due to the completion of the payment of corporate income tax accrued by the Company last year during the reporting period.
Liabilities held to sale	27,538,909.94	0.06	400,317,405.67	0.89	-93.12	The main reason is that the Company completed the sale and

						closing of 51% equity of its subsidiary Quzhou Shanshan in February 2023, and Quzhou Shanshan withdrew from the scope of consolidation, resulting in a decrease in held-to-sale liabilities.
Long-term borrowings	5,993,969,175.54	12.70	4,176,085,647.01	9.30	43.53	It was mainly due to the increase in long-term loans for polarizer and anode business during the reporting period to satisfy expenditures of new capacity projects .
Estimated liabilities	114,321,216.71	0.24	62,706,582.21	0.14	82.31	It was mainly due to the losses incurred during the reporting period from the expected transfer of the shares of Dongguan Shanshan and Langfang Shanshan Battery Material Co., Ltd. in the electrolyte business segments.
Treasury stock	745,427,227.00	1.58	514,721,346.78	1.15	44.82	It was mainly due to share repurchases by the Company during the reporting period.

Other comprehensive

2. Overseas assets

(1) Asset size

Among which, overseas assets were 298,975,141.79 (Unit: Yuan Currency: RMB), accounting for 0.63% of the total assets.

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

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

As of the end of the Reporting Period, the assets whose ownership or use is restricted are referred to "62. Assets with restricted ownership or use right" in note "VII. Notes to Consolidated Financial Statement Items"

(IV) Analysis of investment

1. Overall analysis of external equity investments

During the Reporting Period, the Company's foreign investment was RMB 2,129.15 million, a year-on-year decrease of RMB 1,868.45 million or 46.74%. The investment projects are as follows:

Invested company name	Invested amount during the reporting period (RMB0'000)	Main business	Equity ratio (%)	Remarks
Yunnan Shanshan New Material Co., Ltd.	174,000.00	Anode	87.0770	Capital paid in
Ningbo Shanshan Silicon-based Materials Co., LTD	3,865.00	Anode	87.0770	Capital paid in
ShanJin Optoelectronics (Zhangjiagang) Co., Ltd.	30,000.00	Polarizer	100.0000	Capital paid in
Ningbo Yunling Zhichuang Park Operation Management Co., Ltd.	50.00	Management	100.0000	Capital Increase
Ningbo Ziheng Trading Co., Ltd. ( )	5,000.00	Management	100.0000	Investment in new subsidiaries

(1) Significant equity investments

(2) Major Non-equity Investment

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	800,000.00	57,276.35	369,811.64	Self-owned funds + financing	The graphitization production line has been put into operation,

200,000 tons in Meishan, Sichuan					and the production capacity is increasing. The remaining production lines have been put into trial production successively.
The lithium ion battery anode material integration base project with the annual output of 300,000 tons in Anning, Yunnan	970,000.00	111,318.00	142,348.00	Self-owned funds+financing	The phase I milling plant has been put into trial production, and the rest of the production line is under construction
The lithium ion battery silica-based anode material integration base project of Shanshan with the annual output of 40,000 tons	375,000.00	5,714.88	16,769.09	Self-owned funds + financing	The project phase I is in construction stage
The LCD polarizer production line with an annual output of 40 million square meters in Zhangjiagang	218,700.00	49,188.97	146,569.66	Self-owned funds + financing	Line 1 is in trial production and Line 2 is in the stage of equipment installation
The polarizer production line with an annual output of 50 million square meters in Mianyang	350,000.00	6,141.82	18,983.50	Self-owned funds + financing	The project construction is in progress

(3) Financial assets measured by fair value

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	749,414,590.01	106,633,092.42	-8,889,347.16					856,047,682.43
Other non-current financial assets	198,154,599.78		1,840,000.00					198,154,599.78
Accounts	512,249,842.96						349,220,459.17	861,470,302.13

receivable financing								
Total	1,459,819,032.75	106,633,092.42	-7,049,347.16				349,220,459.17	1,915,672,584.34

Securities investments

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 current period	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 period	Ending book value	Accounting item
Stock	TSX:RM	DEFI TECHNOLOGIES INC	9,155,041.01		182,798.70	-51,314.93	-9,023,557.24				131,483.77	Other equity instrument investment
Stock	ASX:ARL	ARDEA RESOURCES LTD			4,043,079.93	-1,996,218.58	-1,257,536.44				2,046,861.35	Other equity instrument investment
Stock	ASX:GRL	GODOLPHIN RESOURCES LTD(GRL AT)			120,879.89	-41,250.06	79,629.83				79,629.83	Other equity instrument investment
Stock	ASX:KAL	KALGOORLIE GOLD MINING LTD ORDINARY SHARES(KAL AU)			119,848.86	-75,987.39	43,861.47				43,861.47	Other equity instrument investment
Stock	ASX:1MC	Morella Corporation Limited	225,883,583.93		25,531,519.87	-8,202,136.62	-208,554,200.68				17,329,383.25	Other equity instrument investment
Stock	SH:603993	CMOC	573,000,000.00		682,500,000.00	117,000,000.00	226,500,000.00				799,500,000.00	Other equity instrument investment
Total	/	/	808,038,624.94	/	712,498,127.25	106,633,092.42	7,788,196.94				819,131,219.67	/

(V) Disposal of major assets and equity interest

Disposal of partial equity of Quzhou Shanshan

In order to further focus on the development of the core business, optimize resource allocation and improve the core competence of the Company, after the review and approval of the General Manager's office, the Company approved the transfer of 51% of the equity of Quzhou Shanshan held by its wholly-owned subsidiary Yongquan Investment to Sunyes on 8 December 2022. After the completion of the transfer of equity, the shareholding ratio the Company in Quzhou Shanshan will be reduced from 82.25% to 31.25%, which means that the Company will no longer exercise control over Quzhou Shanshan.

On 17 February 2023, the closing of the equity transfer was completed. As of the closing date, the Company has received 51% of the equity transfer equity transfer price as agreed, and the Company will actively follow up the recovery of the remaining equity transfer payment in the future.

Disposal of partial 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 equity transfer payment of RMB121.113 million, and will continue to follow up and urge the counterparty to pay the remaining equity transfer payment.

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

Unit: Yuan Currency: RMB

Holding subsidiary	Main operations	Registered capital	Equity ratio (%)	Total ending assets	Ending net assets	Operating revenue during the Reporting Period	Profit during the Reporting Period
Shanjin Optoelectronics (Suzhou) Co., Ltd.	Production, processing and R&D of LCD polarizers	USD 1.1 billion	100.00	878,175.17	713,905.17	3,600.00	452.76
Shanjin Optoelectronics (Guangzhou) Co., Ltd.		170,000.00	100.00	584,665.19	273,222.44	234,481.30	9,094.16
Shanjin Optoelectronics (Nanjing) Co., Ltd.		380,000.00	100.00	762,126.10	619,471.29	343,538.50	45,149.91
Shanjin Optoelectronics (Beijing) Co., Ltd.		9,072.61	100.00	37,070.05	27,193.71	24,082.23	620.52
Shanjin Optoelectronics Technology (Zhangjiagang) Co., Ltd.		90,000.00	100.00	189,576.23	88,452.34	29.07	-643.25
Shanjin Optoelectronics (Mianyang) Co., Ltd.		100,000.00	100.00	26,616.38	25,460.81		20.88
Shanjin Optoelectronics		NTD 1,500 million	100.00	22,292.06	14,902.15	8,975.52	-36.27
Shanghai Shanshan Lithium Battery Material Technology Co., Ltd.	R&D, production and sale of anode materials and carbon materials	118,200.00	87.0770	738,755.55	583,072.55		0.70
Ningbo Shanshan New Material Technology Co., Ltd.		230,000.00	87.0770	516,763.94	258,590.46	146,110.37	6,081.38
Shanghai Shanshan Technology Co., Ltd.		30,000.00	87.0770	120,947.25	61,755.70	45,295.66	1,189.08
Chenzhou Shanshan New Material Co., Ltd.		20,000.00	87.0770	62,654.91	34,272.47	28,172.61	211.43
Fujian Shanshan Technology Co., Ltd.		20,000.00	87.0770	124,388.23	35,336.38	84,401.72	386.38
Huzhou Shanshan New Energy Technology Co., Ltd.		6,000.00	87.0770	36,583.19	14,890.93	32,814.23	-1,987.94

Shanghai Shanshan New Material Co., Ltd.		100,000.00	87.0770	620, 556.73	152,777.88	306,778.91	8,090.54
Inner Mongolia Shanshan Technology Co., Ltd.		130,000.00	87.0770	379, 098.71	147,343.66	160,127.19	-5,205.52
Inner Mongolia Shanshan Material Technology Co., Ltd.		5,000.00	87.0770	9,466.22	9,247.23		180.24
Inner Mongolia Shanshan New Material Co., Ltd.		40,000.00	87.0770	116,582.71	71,164.97	27,057.47	851.63
Sichuan Shanshan New Material Co., Ltd.		200,000.00	87.0770	559,089.48	179,337.38	126,248.31	6,140.90
Yunnan Shanshan New Material Co., Ltd. ( )		50,000.00	87.0770	367,026.72	225,539.41		20,527.84

Section IV Corporate Governance

I. Shareholders' General Meetings

Meeting	Date of Meeting	Websites designated for publishing the voting results	Date of publication of voting results	Meeting resolution
The first Extraordinary General Meeting for 2023	23 March 2023	Website of the SSE at http://www.sse.com.cn	24 March 2023	For details, please refer to the relevant announcements of the Company released on the designated information disclosure media and the website of the SSE.
Mrd.4().568 T Annual General Meeting for 2022	10 May 2023	Website of the SSE at http://www.sse.com.cn	11 May 2023	

Preferred shareholders whose voting rights have been restored requested an Extraordinary General Meetin0.9(2.483or)3.5(e)0.8(d.4(a.31 ( )Tj EMC /P <</MCID 15 >>BD7 0.057 /C2_6 1 Tf5 Tc 0.005 Tw -1.989 -

On 23 March 2023, the Company held the first extraordinary general meeting in 2023 and elected Mr. Zheng Ju as a director of the tenth Board of Directors of the Company.

On 23 March 2023, the Company held the 40th meeting of the tenth Board of Directors and elected Mr. Zheng Ju as a chairman of the tenth Board of Directors of the Company.

On 10 May 2023, the Company held its 2022 Annual General Meeting. The proposals on the re-election of the members of the 11th Board of Directors (Mr. Zheng Ju, Mr. Zhuang Wei, Mr. Li Zhihua, Ms. Li Fengfeng, Mr. Zhu Zhiyong, Mr. Li Keqin, Ms. Zhou Ting, Mr. Zhang Chunyi, Mr. Xu Yanxiu, Mr. Zhang Yunfeng, Mr. Zhu Jingtao) and the re-election of the members of the 11th Supervisory Committee (Ms. Hong Zhibo, Ms. Xu Chao) were deliberated and approved. Before that, the Company's employee representatives elected Mr. Huang Xiaohui as the employee representative supervisor the 11th Supervisory Committee.

On 10 May 2023, the Company held the first meeting of the 11th Board of Directors, elected Mr. Zheng Ju as the chairman of the Company, elected Mr. Zhuang Wei as the vice chairman of the Company, hired Mr. Li Zhihua as the general manager of the Company, appointed Ms. Li Fengfeng, Mr. Zhu Zhiyong, Mr. Gao Ming, Mr. Zhao Zhigang as the deputy general managers of the Company, appointed Mr. Li Keqin as the chief financial Officer of the Company, and appointed Ms. Chen Ying as the secretary of the Board of Directors of the Company.

On 10 May 2023, the Company held the first meeting of the 11th Supervisory Committee and elected Mr. Huang Xiaohui as the convenor of the 11th Supervisory Committee of the Company.

III. Plan of Profit Distribution or Capitalisation of Surplus Reserve

The interim plan for profit distribution and capitalisation of capital reserves

Whether distributed or capitalised

Employee share scheme

Other incentives

Section V Environmental and Social Responsibility

I. Environmental Protection Information

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

1. Pollutant discharge

Company name	Pollutant category	Name of the Major Pollutants and Specific Pollutants	Concentration of Discharge	Total Discharge (t/a)	Total Discharge Approved (t/a)	Excess Discharge	Discharge Method	Number and Distribution of Discharge Outlets	Pollutant Discharge Standards Implemented
ShanJin Optoelectronics (Nanjing) Co., Ltd.	Waste water	Chemical oxygen demand	299.2mg/L	162.75	705.674	None	Indirect discharge	1 Discharge Outlet	Discharge Standards of Water Pollutants for Electronic Industry (GB39731-2020) and the sewage treatment plant takeover standards of Nanjing Economic and Technological Development Zone
		Ammonia nitrogen	0.56mg/L	0.347	3.347				
		Total phosphorus	0.21mg/L	0.122	0.621				
		Total nitrogen	7.9mg/L	4.734	/				
		Suspended matter	51mg/L	31.859	564.297				
	Exhaust gas	SO_2							

Company name	Pollutant category	Name of the Major Pollutants and Specific Pollutants	Concentration of Discharge	Total Discharge (t/a)	Total Discharge Approved (t/a)	Excess Discharge	Discharge Method	Number and Distribution of Discharge Outlets	Pollutant Discharge Standards Implemented
			3		amount				Pollutants from Gas-fired Boilers in Guangdong Provincial Standards for Boiler Emission of Air Pollutants (DB44/765-2019) Table 3 Limits of Emission Concentration of Air Pollutants from Gas-fired Boilers in Guangdong Provincial Standards for Boiler Emission of Air 2 Pollutants (DB44/765-2019)

Company name	Pollutant category	Name of the Major Pollutants and Specific Pollutants	Concentration of Discharge	Total Discharge (t/a)	Total Discharge Approved (t/a)	Excess Discharge	Discharge Method	Number and Distribution of Discharge Outlets	Pollutant Discharge Standards Implemented
		Particulate matter	7.17mg/m^3	0.030279	0.45			processing workshop discharge outlet 2#, semi-finished product processing workshop discharge outlet 3#, finished product processing workshop discharge outlet, organic exhaust gas exhaust funnel 1#.	Compounds for Industrial Enterprises (DB35/1782-2018) Scheme for Comprehensive Control of Air Pollution of Industrial Furnaces in Fujian Province (Min Huan Bao Da Qi (2010) No.10)

Company name	Pollutant category	Name of the Major Pollutants and Specific Pollutants	Concentration of Discharge	Total Discharge (t/a)	Total Discharge Approved (t/a)	Excess Discharge	Discharge Method	Number and Distribution of Discharge Outlets	Pollutant Discharge Standards Implemented
		Asphalt fume	16.01mg/m^3	1.4	/		waste gas treatment facilities according to the relevant standards; Unorganised discharge of exhaust gas		Emission Standards of Air Pollutants for Industrial Kiln and Furnace (GB9078 -1996)
		Benzopyrene	Not detected	$1.049*10^{-5}$	/				
	Waste water	BOD5	25.8mg/L	/	/	None	Access to sewage pipe network	3 discharge outlets: the discharge outlets are located at the east, west and south gates respectively	Integrated Wastewater Discharge Standards (GB8978-1996)
		Total salt content	849mg/L	/	/				
		animal and vegetable oil	0.32mg/L	/	/				
		COD	88mg/L	0.537	42.56				
		Total phosphorus	2.56mg/L	/	/				
		Suspended matter	24mg/L	/	/				
		Ammonia nitrogen	69mg/L	1.52532	1.76				
		Petroleum waste	0.18mg/L	/	/				

2. Construction and operation of pollution prevention and control facilities

6. Administrative penalties for environmental problems during the Reporting Period

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7. Other environmental information that should be disclosed

(II) Explanation of environmental protection efforts of companies other than highly polluting companies

1. Administrative penalties for environmental problems

2. Disclosure of other environmental information with reference to key emission units

pplicable

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

3. Reasons for not disclosing other environmental information

(III) Explanation of the subsequent progress or changes in the disclosure of environmental information content during the Reporting Period

(IV) Information that contributes to the protection of ecology, prevention of pollution and fulfillment of environmental responsibilities

comprehensive utilisation of waste, and consciously reduced environmental pollution and ecological damage and other behaviours. At the same time, the Company carries environmental awareness and behaviour through the actual production operation process. For example, it actively carried out environmental education and training, and organised the practice of good environmental behaviors, such as garbage sorting and tree planting, so that employees have full knowledge and understanding of environmental protection.

(V) Measures taken to reduce its carbon emissions during the Reporting Period and the results

The Company takes practical actions to fulfill its commitment to energy control. We are committed to reducing the environmental and climate impact caused by greenhouse gas emissions on the earth warming, promoting the concept of sustainable development, and assuming environmental social responsibility.

During the period, the Anode Company launched the environmental management system energy conservation and emission reduction project, and significantly introduced green electricity resources in the headquarters and various industrial bases, which were applied to production and operation to reduce the carbon footprint of products and promote low-carbon sustainable development. The Polarizer Company used clean energy to generate electricity, promoted the upgrading of treatment facilities, and made best efforts to drive the promotion and application of new low-carbon technologies, new processes, new equipment and new materials to reduce carbon dioxide and waste gas pollutants emitted in the production process. At the beginning of this year, the Nanjing factory of Shanjin Optoelectronics was successfully selected as the green factory in Jiangsu Province, facilitating green and low-carbon sustainable development.

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

Applicable Not applicable

Section VII mportant Matters

I. Performance of Commitments

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

Background	Type	Party(ies)	Details	Effective time and validity period	Whether the commitments have a performance deadline	Whether the commitments have been strictly performed in a timely manner
Commitments made in the report on acquisition or the report on the change in shareholding	Others	Shanshan Group, Pengze Trading ( ), Yinzhou Jielun ( ), Shanshan Holdings, and Mr. Zheng Yonggang	Commitments on the truthfulness, accuracy and completeness of the information provided, commitments on maintaining the independence of the listed company, commitments on avoiding horizontal competition, commitments on reducing and regulating related transactions, commitments on the absence of the circumstances stipulated in Article 6 of the Measures for the Administration of Acquisition of Listed Companies and compliance with Article 50 of the Measures for the Administration of Acquisition of Listed Companies	For details, please refer to the relevant announcements of the Company released on the designated journals and media and the website of the SSE on 1 January 2022 and 23 September 2022.	No	Yes
Commitments in relation to major asset restructuring	Others	Directors, supervisors and senior management of Shanshan	Commitments on the truthfulness, accuracy and completeness of the information provided; commitments on penalties, litigation, arbitration and integrity in the last three years; commitments on the absence of insider trading and compliance with regulatory requirements; commitments on affiliation; commitments on share reduction plan.	For details, please refer to the relevant announcements of the Company released on the designated journals and media and the website of the SSE on 15 September 2020.	No	Yes
	Others	Directors and senior management of Shanshan	Commitments on taking mitigation and remediation measures for the immediate return dilution resulting from this major asset restructuring.	For details, please refer to the relevant announcements of the Company released on the designated journals and media and the website of the SSE on 15 September 2020.	No	Yes
	Others	Shanshan Group, Shanshan Holdings, and Mr. Zheng Yonggang	Commitments on the truthfulness, accuracy and completeness of the information provided; commitments on penalties, litigation, arbitration and integrity in the last three years; commitments on the absence of insider trading and compliance with regulatory	For details, please refer to the relevant announcements of the Company released on the designated journals and media and the website of the SSE on 15 September 2020.	No	Yes

Background	Type	Party(ies)	Details	Effective time and validity period	Whether the commitments have a performance deadline	Whether the commitments have been strictly performed in a timely manner
			requirements; commitments on affiliation; commitments on share reduction plan; commitments on maintaining the independence of the listed company; commitments on opinions in principle on this major asset restructuring; commitments on taking mitigation and remediation measures for the immediate return dilution resulting from this major asset restructuring.			
	Non-competition	Shanshan Group, Shanshan Holdings, and Mr. Zheng Yonggang	Commitments on avoiding horizontal competition.	For details, please refer to the relevant announcements of the Company released on the designated journals and media and the website of the SSE on 15 September 2020.	No	Yes
	Addressing related transactions	Shanshan Group, Shanshan Holdings, and Mr. Zheng Yonggang	Commitments on regulating and reducing related transactions.	For details, please refer to the relevant announcements of the Company released on the designated journals and media and the website of the SSE on 15 September 2020.	No	Yes
	Others	LG Chem and other counterparties of this restructuring	Commitments on the truthfulness, accuracy and completeness of the information provided.	For details, please refer to the relevant announcements of the Company released on the desig0.007 Tcs the		

Background	Type	Party(ies)	Details	Effective time and validity period	Whether the commitments have a performance deadline	Whether the commitments have been strictly performed in a timely manner
			companies, and will not engage in any activity that causes damage to the interests of Shanshan and its holding companies. If the Covenantors and the enterprises controlled by the Covenantors other than Shanshan and its holding companies encounter business opportunities within the scope of the main business of Shanshan and its holding companies, the Covenantors will facilitate the transfer of such opportunities to Shanshan and its holding companies. In case of any breach of the above commitments, the Covenantors shall bear all losses caused to Shanshan.			
	Others	Shanshan Group, Pengze Trading ( ), Yinzhou Jielun ( )	Commitments on the source of funds for subscribing to this non			

Background	Type	Party(ies)	Details	Effective time and validity period	Whether the commitments have a performance deadline	Whether the commitments have been strictly performed in a timely manner
			Company shall also comply with the above-mentioned arrangement of lock-up period. The reduction of the shares subscribed by the target subscribers after the expiry of the lock-up period is subject to the relevant regulations of the CSRC, the SSE and other regulatory authorities.			
Commitments relation to equity incentive	Others	Ningbo Shanshan Co., Ltd.	The Company undertakes that none of the substantial shareholders or de facto controllers holding more than 5% of the shares and their spouses, parents and children have participated in this incentive plan.	For details, please refer to the relevant announcements of the Company released on the designated journals and media and the website of the SSE on 24 February 2022.	Yes	Yes
	Others	Ningbo Shanshan Co., Ltd.	The Company undertakes that it will not provide loans and financial support in any other forms, including providing guarantee for loans, to the incentive recipients with respect to the acquisition of the relevant equity under this incentive scheme.	For details, please refer to the relevant announcements of the Company released on the designated journals and media and the website of the SSE on 24 February 2022.	Yes	Yes
	Non-competition	Ningbo Shanshan Co., Ltd.	For details, please refer to the relevant announcements of the Company released on the designated journals and media and the website of the SSE on 24 February 2020.	Until both of Shaanxi Maoye Industry and Trade Co., Ltd. ( ) and Ningbo Liankangcai Brand Management Co., Ltd. ( ) cease to be shareholders of Shanshan Brand Company.	No	Yes

Other commitments

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

III. Illegal Guarantee

IV. Interim Report Audit

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

VI. Matters Relating to Bankruptcy and Restructuring

VII. Significant Litigations, Arbitrations

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

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

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

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

X. Major Related Transactions

(I) Related transactions related to daily operations

1. Matters which were disclosed in extraordinary announcements without subsequent progress or changes

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

(1) Deposit in related bank

On 18 April 2023, the 41st Meeting of the tenth Session of the Board of Directors of the Company considered and approved the "Proposal on the Estimated Amount of Daily Related Transactions of the Company for 2023". (For details, please refer to the relevant announcement issued by the Company on 20 April 2023)

During the period, the Company's maximum deposit balance with Chouzhou Bank was RMB 490.3232 million and interest income was RMB 1.3187million.

(2) Provision of guarantee to related parties

The Company held the 41st meeting of the tenth board of directors on 18 April 2023, on which the Proposal on the Limit of Related-party Guarantee Provided by the Company in 2023 was considered and approved. (For details, please refer to the relevant announcements of the Company released on 20 April 2023)

As of the end of the period, the amount of related-party guarantees provided by the Company for BASF Shanshan and its wholly-owned subsidiaries was RMB 430 million; The amount of related-party guarantee provided by the Company for Quzhou Shanshan was RMB213 million.

3. Matters undisclosed in extraordinary announcements

(II) Related transactions in relation to acquisition and disposal of assets or equity interests

1. Matters which were disclosed in extraordinary announcements without subsequent progress or changes

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

Applicable

3. Matters undisclosed in extraordinary announcements

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

(III) Significant related party transactions in relation to joint external investment

1. Matters which were disclosed in extraordinary announcements without subsequent progress or changes

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

3. Matters undisclosed in extraordinary announcements

(IV) Amounts due from/to related parties

1. Matters which were disclosed in extraordinary announcements without subsequent progress or changes

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

3. Matters undisclosed in extraordinary announcements

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

(VI) Other significant related party transactions

Not Applicable

XI. Material Contracts and Their Implementation

1 **Custody, contracting or leasing business**

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	Whether the guarantee has been fulfilled	Guarantee overdue	Overdue amount	Counter guarantee available	Guarantee provided to related parties	Related relationship
		Material Technology (Quzhou) Co., Ltd.				2024	several liability guarantee						
Shanshan	The Company	Ningbo Shanneng Photovoltaic Power Generation Co., Ltd.	1,900.00	19 September 2017	19 September 2017	24 July 2023	Joint and several liability guarantee	No	No	0	None	No	/
Shanshan	The Company	Ningbo Shanneng Photovoltaic Power Generation Co., Ltd.	2,700.00	19 September 2017	19 September 2017	24 July 2023	Joint and several liability guarantee	No	No	0	None	No	/
Shanshan	The Company	Wuyi Shansheng Photovoltaic Co., Ltd.	10,500.00	19 December 2017	19 December 2017	24 July 2023	Joint and several liability guarantee	No	No	0	None	No	/

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	Whether the guarantee has been fulfilled	Guarantee overdue	Overdue amount	Counter guarantee available	Guarantee provided to related parties	Related relationship
Shanshan	The Company	Wuyi Shansheng Photovoltaic Co., Ltd.	6,076.99	5 July 2019	5 July 2019	12 July 2023	Joint and several liability guarantee	No	No	0	None	No	/
Shanshan	The Company	Yongkang Shanlong Photovoltaic Power Generation Co., Ltd.	1,700.00	20 April 2018	20 April 2018	24 July 2023	Joint and several liability guarantee	No	No	0	None	No	/
Shanshan	The Company	Shaoxing Shanzi Photovoltaic Power Generation Co., Ltd.	1,400.00	20 April 2018	20 April 2018	24 July 2023	Joint and several liability guarantee	No	No	0	None	No	/
Shanshan	The Company	Shaoxing Shanzi Photovoltaic Power	800.00	20 April 2018	20 April 2018	24 July 2023	Joint and several liability guarantee	No	No	0	None	No	/

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	Whether the guarantee has been fulfilled	Guarantee overdue	Overdue amount	Counter guarantee available	Guarantee provided to related parties	Related relationship
		Generation Co., Ltd.											
Shanshan	The Company	Taizhou Shanyan New Energy Co., Ltd.	3,800.00	19 June 2018	19 June 2018	24 July 2023	Joint and several liability guarantee	No	No	0	None	No	/
Shanshan	The Company	Taizhou Shanhe Photovoltaic Power Generation Co., Ltd.	5,000.00	19 June 2018	19 June 2018	24 July 2023	Joint and several liability guarantee	No	No	0	None	No	/
Shanshan	The Company	Wuyi Shanrun New Energy Co., Ltd.	5,527.77	15 December 2021	15 December 2021	31 July 2023	Joint and several liability guarantee	No	No	0	None	No	/
Ulica	Controlling subsidiary												
Shanshan	The Company	Ningbo Shanheng Photovoltaic	3,148.13	18 October 2019	18 October 2019	12 July 2023	Joint and several liability	No	No	0	None	No	/

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	Whether the guarantee has been fulfilled	Guarantee overdue	Overdue amount	Counter guarantee available	Guarantee provided to related parties	Related relationship
		Power Generation Co., Ltd.					guarantee						
Shanshan	The Company	Shaoxing Shansheng Photovoltaic Power Generation Co., Ltd.	1,294.48	15 October 2019	15 October 2019	13 July 2023	Joint and several liability guarantee	No	No	0	None	No	/
Shanshan	The Company	Quzhou Shanyu New Energy Development Co., Ltd.	1,990.80	7 July 2020	7 July 2020	4 August 2023	Joint and several liability guarantee	No	No	0	None	No	/
Shanshan	The Company	Hangzhou Shanqiu Photovoltaic Power Generation Co., Ltd.	1,935.90	3 July 2020	3 July 2020	31 July 2023	Joint and several liability guarantee	No	No	0	None	No	/

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	Whether the guarantee has been fulfilled	Guarantee overdue	Overdue amount	Counter guarantee available	Guarantee provided to related parties	Related relationship
Shanshan	The Company	Jinhua Shanbao Photovoltaic Power Generation Co., Ltd.	618.79	10 July 2020	10 July 2020	31 July 2023	Joint and several liability guarantee	No	No	0	None	No	/
Shanshan	The Company	Ningbo Haobo New Energy Co., Ltd.	1,929.13	25 December 2020	25 December 2020	31 July 2023	Joint and several liability guarantee	No	No	0	None	No	/
Ulica	Controlling subsidiary												
Shanshan	The Company	Ningbo Haobo New Energy Co., Ltd.	689.06	22 June 2021	22 June 2021	31 July 2023	Joint and several liability guarantee	No	No	0	None	No	/
Ulica	Controlling subsidiary												
Shanshan	The Company	Nanchang Shan'ao New Energy Co., Ltd.	239.58	4 January 2021	4 January 2021	31 July 2023	Joint and several liability guarantee	No	No	0	None	No	/
Ulica	Controlling subsidiary												
Shanshan	The Company	Ningbo Shanjie Photovoltaic Power	484.84	4 January 2021	4 January 2021	31 July 2023	Joint and several liability	No	No	0	None	No	/
Ulica	Controlling subsidiary												

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	Whether the guarantee has been fulfilled	Guarantee overdue	Overdue amount	Counter guarantee available	Guarantee provided to related parties	Related relationship
		Generation Co., Ltd.					guarantee						
Shanshan Ulica	The Company Controlling subsidiary	Ningbo Yuyao Xiangtai Power Engineering Co., Ltd.	1,541.94	4 January 2021	4 January 2021	31 July 2023	Joint and several liability guarantee	No	No	0	None	No	/
Shanshan Ulica	The Company Controlling subsidiary	Quzhou Shanke Photovoltaic Power Generation Co., Ltd.	652.30	11 June 2021	11 June 2021	31 July 2023	Joint and several liability guarantee	No	No	0	None	No	/
Shanshan	The Company												

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	Whether the guarantee has been fulfilled	Guarantee overdue	Overdue amount	Counter guarantee available	Guarantee provided to related parties	Related relationship
	subsidiary	Photovoltaic Power Generation Co., Ltd.					liability guarantee						
Total amount of guarantees incurred during the Reporting Period (excluding the guarantees provided to subsidiaries)													119,146.14
Total balance of guarantee as at the end of the reporting period (A) (excluding the guarantees provided for subsidiaries)													54,204.04
Guarantees provided by the Company and its subsidiaries to its subsidiaries													
Total amount of guarantees provided to subsidiaries during the Reporting Period													1,568,419.57
Total balance of guarantee to subsidiaries as at the end of the reporting period (B)													955,404.99
Total amount of guarantees provided by the Company (including the guarantees for subsidiaries)													
Total amount of guarantees (A+B)													1,009,609.03
Percentage of total guarantees over the net assets of the Group (%)													43.43
Among 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)													203,150.70
Total amount of guarantees exceeding 50% of net assets (E)													0
Total amount of the above three types of guarantees (C+D+E)													203,150.70
Statement on the contingent joint and several liability in connection with unexpired guarantee													None

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	Whether the guarantee has been fulfilled	Guarantee overdue	Overdue amount	Counter guarantee available	Guarantee provided to related parties	Related relationship
Explanations on guarantees							The statistics on "Guarantees by the Company and its subsidiaries to subsidiaries" include mutual guarantees within the scope of consolidation. As of the disclosure date of this report, the Company's guarantees for the above-mentioned photovoltaic companies have been discharged.						

3 Other major contracts

XII. Explanation for Other Major Events

Section VII Changes in Shares and Particulars of Shareholders

I. Changes in Share Capital

(I) Changes in shares

1. Changes in shares

During the reporting period, the total number of shares and the share capital structure of the Company did not change.

2. Explanations on changes in shares

Not Applicable

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)

Not Applicable

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

(II) Changes in restricted shares

licable

II. Controlling Shareholder

(I) Total number of shareholders:

Total number of ordinary shareholders as of the end of the Reporting Period (shareholder)	191,366

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

Unit: share

Shareholdings of the top ten shareholders		
Name of shareholders (Full name)	Changes during the Reporting Period	The number of

Company Limited							person
Bailian Group Co., Ltd. ( )	30,743,600	30,743,625	1.36	0	None	0	State-owned legal person
Postal Savings Bank of China Co., Ltd. - Orient Growth Small-Cap Hybrid Open Securities Investment Fund	-5,060,507	15,940,628	0.70	0	None	0	Others
Industrial and Commercial Bank of China Limited - China Universal Asset Management, China Securities New Energy Vehicle Industry Index Initiated Securities Investment Fund (LOF)	1,830,345	8,294,980	0.37	0	None	0	Others
Bank of China Limited - Huaxia China Securities New Energy Vehicle Trading Open Index Securities Investment Fund	2,176,616	8,178,160	0.36	0	None	0	Others

Shareholdings of top ten shareholders not subject to trading restrictions

Name of shareholders	Number of tradable shares not subject to trading restrictions	Type and Number	
		Type	Number
Shanshan Group Co., Ltd.	576,957,280	RMB ordinary shares	576,957,280
Shanshan Holdings Co., Ltd.	72,212,189	RMB ordinary shares	72,212,189
Tianan Property Insurance Co.,Ltd - Bao Ying No.1	54,450,098	RMB ordinary shares	54,450,098
Hong Kong Securities Clearing Company Limited	54,389,584	RMB ordinary shares	54,389,584
Bailian Group Co., Ltd. ( )	30,743,625	RMB ordinary shares	30,743,625
Postal Savings Bank of China Co., Ltd. - Orient Fund Growing Small-Cap Hybrid Open Securities Investment Fund	15,940,628	RMB ordinary shares	15,940,628
Industrial and Commercial Bank of China Limited - China Universal Asset Management, China Securities New Energy Vehicle Industry Index Initiated Securities Investment Fund (LOF)	8,294,980	RMB ordinary shares	8,294,980
Bank of China Limited - Huaxia China Securities New Energy Vehicle Trading Open Index Securities Investment Fund	8,178,160	RMB ordinary shares	8,178,160
China Construction Bank Co., LTD-WFC China Securities New energy vehicle index securities investment fund	7,237,343	RMB ordinary shares	7,237,343
Citibank, National Association	6,116,560	RMB ordinary shares	6,116,560
Explanations on the special account for repurchase among the top ten shareholders	Among the top 10 shareholders, there is "repurchase special securities account of Ningbo Shanshan Co., Ltd", holding 26,125,467 outstanding shares under unlimited sale conditions.		
Explanations on the above-mentioned shareholders' proxy voting rights, entrusted voting rights, and waiver of voting rights	N/A		
Explanation on related party or concert party relationship among the above shareholders	Shanshan Holdings is the controlling shareholder of Shanshan Group, Pengze Trading is a wholly-owned subsidiary of Shanshan Group, and Yinzhou Jielun is a wholly-owned subsidiary of Shanshan Holdings. Apart from this, the Company is not awareof 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		

Note 1: As of the end of the reporting period, Shanshan Group held 782,222,036 shares of the Company,

and pledged 553,043,870 shares in total. Both the shares held and the shares pledged include a total of 392,880,000 shares transferred to the pledge special account by Shanshan Group due to the non-public offering of exchangeable corporate bonds.

Note 2: Citibank and National Association are the depositaries of the Company's GDR, and the underlying domestic A-shares corresponding to the GDR are registered in their names according to law. As of the end of the reporting period, the Company had 1,223,312 GDRs in existence.

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

Unit: share

No.	Name of shareholders subject to trading restrictions	Number of shares held subject to trading restrictions	Listing and trading of shares subject to trading restrictions		trading restriction conditions
			Date eligible for listing and trading	Number of shares newly eligible for listing and trading	
1	Shanshan Group Co., Ltd.	205,264,756	31 December 2024	205,264,756	Not transferable within 36 months commencing from the listing date.
2	Ningbo Pengze Trading Co., Ltd. ( )	205,264,756	31 December 2024	205,264,756	
3	Ningbo Yinzhou Jielun Investment Co., Ltd. ( )	77,873,254	31 December 2024	77,873,254	
			Proposed for repurchase and cancellation	112,500	
4	Li Fengfeng	450,000			The restricted shares initially granted under the Company's 2022 Share Incentive Scheme were released from restriction in four tranches, with the corresponding restriction periods being 12 months, 24 months, 36 months and 48 months from the date of completion of registration of the initial grant respectively.

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			and cancellation		
			6 June 2024	67,500	
			6 June 2025	67,500	
			6 June 2026	67,500	
10	Zhang Hua	240,000	Proposed for repurchase and cancellation	60,000	
			6 June 2024	60,000	
			6 June 2025	60,000	
			6 June 2026	60,000	
10	Li Peng	240,000	Proposed for repurchase and cancellation	60,000	
			6 June 2024	60,000	
			6 June 2025	60,000	
			6 June 2026	60,000	
Explanation on related party or concert party relationship among the above shareholders		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). 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. 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. The other natural person shareholders are the main management and core technical personnel of the Company's subsidiaries.		

Note: On 2 August 2023, the Company held the second meeting of the 11th Board of Directors and the second meeting of the 11th Supervisory Committee, which deliberated and approved the "Proposal on the Adjustment of Relevant Share Prices of the Company's 2022 Share Options and Restricted Share Incentive Plan, Cancellation of Some Share Options and Repurchase of Some Restricted Shares", and approved to repurchase and cancel a total of 4,980,725 restricted shares due to failure of the performance evaluation indicators for the first unlock period of the 2022 equity incentive plan and the disqualification of incentive objects due to resignation or retirement. For details, please refer to the relevant announcements of the Company released on the website of Shangha

Shen Yunkang	Former Director	0	1,000	1,000	Trading at secondary market

Explanation on other matters

Mr. Shen Yunkang was a member of the 10th Board of Directors of the Company and left his post on 10 May 2023 due to the change of the Board of Directors. The above shareholding changes occurred after Mr. Shen Yunkang stepped down as a director of the Company.

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

(III) Other notes

IV. Changes in Controlling Shareholder or 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.

Section VIII Information regarding Preference Shares

Section IXInformation regarding Bonds

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

II. Convertible Corporate Bonds

Section X Financial Report

I. Audit Report

II. Financial Statement

Consolidated Balance Sheet

30 June 2023

Prepared by: Ningbo Shanshan Co., Ltd.

Unit: Yuan Currency: RMB

Item	Note	30 June 2023	31 December 2022
Current assets:			
Cash at bank and on hand	VII (1)	4,304,775,415.76	4,742,265,435.59
Deposit reservation for balance			
Lending funds			
Held-for-trading financial assets			
Derivative financial assets			
Notes receivable	VII (2)	460,618,977.44	227,833,088.02
Accounts receivable	VII (3)	4,521,223,001.81	4,694,974,423.38
Accounts receivable financing	VII (4)	861,470,302.13	512,249,842.96
Prepayments	VII (5)	1,182,149,067.94	1,391,716,499.58
Premium receivable			
Reinsurance receivables			
Reinsurance contract reserves receivable			
Other receivables	VII (6)	1,306,944,008.54	497,273,632.21
Of which: Interest receivable		265,139.59	7,195.74
Dividend receivable		17,754,116.13	4,992,116.13
Purchase of resale financial assets			
Inventories	VII (7)	5,587,189,313.75	5,029,844,227.43
Contract assets			
Assets held for sales	VII (8)	176,680,015.37	1,316,864,410.82
Non-current assets due within one year	VII (9)	46,632,199.70	46,632,199.70
Other current assets	VII (10)	760,677,643.36	483,327,024.12
Total current assets		19,208,359,945.80	18,942,980,783.81
Non-current assets:			
Borrowings and advances issued			
Debt investment			
Other debt investments			
Long-term receivables			
Long-term equity investment	VII (11)	7,186,370,253.27	6,917,108,693.60
Investment in other equity instruments	VII (12)	856,047,682.43	749,414,590.01
Other non-current financial assets	VII (13)	198,154,599.78	198,154,599.78
Investment properties			
Fixed assets	VII (14)	7,202,852,014.00	8,351,151,772.77
Construction in progress	VII (15)	7,315,819,707.28	4,947,187,407.85
Productive biological assets			

Oil and gas assets			
Right-of-use assets	VII (16)	1,484,138,967.95	1,624,854,551.62
Intangible assets	VII (17)	1,977,412,120.39	1,757,936,375.32
Development costs			
Goodwill	VII (18)	1,007,279,852.19	1,007,279,852.19
Long-term deferred expense	VII (19)	136,912,110.34	133,384,511.46
Deferred income tax assets	VII (20)	145,555,174.03	134,942,699.34
Other non-current assets	VII (21)	467,304,865.17	161,095,381.56
Total non-current assets		27,977,847,346.83	25,982,510,435.50
Total assets		47,186,207,292.63	44,925,491,219.31
Current liabilities:			
Short-term borrowings	VII (22)	4,794,250,903.68	3,928,471,986.16
Borrowings from the Central Bank			
Borrowings from other banks and other financial institutions			
Held-for-trading financial liabilities			
Derivative financial liabilities			
Notes payable	VII (23)	2,307,292,574.62	2,039,758,654.61
Accounts payable	VII (24)	3,148,888,697.95	3,149,272,023.43
Advances from customers	VII (25)	1,981,278.91	100,196,289.48
Contract liabilities	VII (26)	44,043,711.09	60,815,111.78
Financial assets sold for repurchase			
Deposits from customers and interbanks			
Receiving from vicariously traded securities			
Receiving from vicariously sold securities			
Employee benefits payable	VII (27)	36,644,327.78	153,368,165.73
Tax payable	VII (28)	179,643,452.81	296,418,740.29
Other payables	VII (29)	671,235,752.19	753,001,487.50
Including: Interest payable			
Dividend payable		701,360.00	701,360.00
Handling charges and commissions payable			
Dividend payable for reinsurance			
Liabilities held for sale	VII (30)	27,538,909.94	400,317,405.67
Non-current liabilities due within one year	VII (31)	1,901,578,293.18	1,904,053,155.76
Other current liabilities	VII (32)	104,460,586.69	113,769,719.27
Total current liabilities		13,217,558,488.84	12,899,442,739.68
Non-current liabilities:			
Reserve fund for insurance contracts			
Long-term borrowings	VII (33)	5,993,969,175.54	4,176,085,647.01
Bonds payable			
Of which: Preferred shares			
Perpetual bonds			
Lease liabilities	VII (34)	933,053,652.50	1,136,932,323.59
Long-term payables	VII (35)	1,941,119,875.54	1,816,108,761.30
Long-term employee benefits payable			
Estimated liabilities	VII (36)	114,321,216.71	62,706,582.21
Deferred revenue	VII (37)	368,294,688.59	366,776,419.53
Deferred income tax liabilities	VII (20)	389,433,167.69	337,324,202.09
Other non-current liabilities			
Total non-current liabilities		9,740,191,776.57	7,895,933,935.73

Total liabilities		22,957,750,265.41	20,795,376,675.41
Owners' equity (or shareholders' equity):			
Paid-in capital (or share capital)	VII (38)	2,263,973,358.00	2,263,973,358.00
Other equity instruments			
Of which: Preferred shares			
Perpetual bonds			
Capital reserve	VII (39)	9,133,946,301.09	9,131,320,581.39
Less: Treasury shares	VII (40)	745,427,227.00	514,721,346.78
Other comprehensive income	VII (41)	-70,596,843.99	-150,819,889.21
Special reserves	VII (42)	2,051,504.16	2,140,946.80
Surplus reserves	VII (43)	292,801,918.55	292,801,918.55
General risk provision			
Retained earnings	VII (44)	12,370,383,501.42	12,028,646,332.05
Total owners' equity (or shareholders' equity) attributable to parent company		23,247,132,512.23	23,053,341,900.80
Minority interests		981,324,514.99	1,076,772,643.10
Total owners' equity (or shareholders' equity)		24,228,457,027.22	24,130,114,543.90
Total liabilities and owners' equity (or shareholders' equity)		47,186,207,292.63	44,925,491,219.31

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

Balance Sheet of Parent Company

30 June 2023

Prepared by: Ningbo Shanshan Co., Ltd.

Unit: Yuan Currency: RMB

Item	Note	30 June 2023	31 December 2022
Current assets:			
Cash at bank and on hand		828,543,319.92	1,476,613,738.52
Held-for-trading financial assets			
Derivative financial assets			
Notes receivable			
Accounts receivable	XVII (1)	11,443,811.80	5,443,729.34
Accounts receivable financing			
Prepayments		21,341,116.51	7,762,041.01
Other receivables	XVII (2)	6,982,536,366.50	6,525,085,599.39
Of which: Interest receivable			
Dividend receivable		4,500,000.00	4,500,000.00
Inventories			
Contract assets			
Assets held for sales			
Non-current assets due within one year			
Other current assets		6,461,408.76	1,498,955.29
Total current assets		7,850,326,023.49	8,016,404,063.55
Non-current assets:			
Debt investment			
Other debt investments			
Long-term receivables			
Long-term equity investment	XVII (3)	12,811,177,402.22	13,235,636,051.82
Investment in other equity instruments		35,916,462.76	35,916,462.76
Other non-current financial assets			
Investment properties			
Fixed assets		375,476,165.59	385,346,078.22
Construction in progress			
Productive biological assets			
Oil and gas assets			
Right-of-use assets		73,610,895.56	91,299,812.05
Intangible assets		83,585,330.84	84,937,286.43
Development costs			
Goodwill			
Long-term deferred expense		11,684,329.40	16,317,179.88
Deferred income tax assets		40,925,524.18	40,925,524.18
Other non-current assets			
Total non-current assets		13,432,376,110.55	13,890,378,395.34
Total assets		21,282,702,134.04	21,906,782,458.89
Current liabilities:			
Short-term borrowings		1,645,000,000.00	1,101,212,444.43
Held-for-trading financial liabilities			
Derivative financial liabilities			
Notes payable			

Accounts payable		32,021,877.53	28,352,872.82
Advances from customers		212,028.01	157,689.48
Contract liabilities			
Employee benefits payable			11,505,506.79
Tax payable		3,986,892.34	9,503,110.86
Other payables		1,746,009,175.88	2,069,234,913.73
Including: Interest payable			
Dividend payable		701,360.00	701,360.00
Liabilities held for sale			
Non-current liabilities due within one year		1,051,885,684.81	1,021,620,149.85
Other current liabilities			
Total current liabilities		4,479,115,658.57	4,241,586,687.96
Non-current liabilities:			
Long-term borrowings		2,885,000,000.00	2,963,340,000.00
Bonds payable			
Of which: Preferred shares			
Perpetual bonds			
Lease liabilities		44,739,479.01	43,291,543.62
Long-term payables		1,450,494,103.56	1,369,305,861.96
Long-term payroll payable			
Estimated liabilities			
Deferred revenue			
Deferred income tax liabilities			
Other non-current liabilities			
Total non-current liabilities		4,380,233,582.57	4,375,937,405.58
Total liabilities		8,859,349,241.14	8,617,524,093.54
Owners' equity (or shareholders' equity):			
Paid-in capital (or share capital)		2,263,973,358.00	2,263,973,358.00
Other equity instruments			
Of which: Preferred shares			
Perpetual bonds			
Capital reserve		7,822,416,931.11	7,822,416,931.11

Consolidated Income Statement

January-June 2023

Unit: Yuan Currency: RMB

Item	Note	Half year of 2023	Half year of 2022
I. Total operating revenue		9,467,775,923.82	10,771,934,205.15
Including: Operating income	VII (45)	9,467,775,923.82	10,771,934,205.15
Interest income			
Earned premium			
Fee and commission incomes			
II. Total operating cost		8,769,362,809.38	9,401,006,807.73
Including: Operating cost	VII (45)	7,733,118,698.69	8,040,184,170.75
Interest expenses			
Fee and commissions expenses			
Cash surrender amount			
Net payments for insurance claims			
Net provision for insurance liability reserves			
Policy dividend expenses			
Reinsurance expenses			
Tax and surcharge	VII (46)	43,989,252.34	28,175,884.69
Sales expenses	VII (47)	100,600,068.48	131,521,596.30
Administrative expenses	VII (48)	282,685,192.20	405,207,730.30
R&D expenses	VII (49)	371,427,557.37	419,296,358.56
Financial expenses	VII (50)	237,542,040.30	376,621,067.13
Including: Interest expense		254,043,771.58	312,476,352.17
Interest income		52,441,021.72	52,810,212.45
Add: Other incomes	VII (51)	310,461,225.20	58,274,058.04
Investment income (loss is indicated with “-”)	VII (52)	355,155,673.86	655,726,177.29
Including: Income from investment in associates and joint ventures		-29,895,584.95	454,580,868.12
Derecognized financial assets measured by amortized cost (loss is indicated with “-”)			
Exchange gain (loss is indicated with “-”)			
Net exposure hedging income (loss is indicated with “-”)			
Income from change of fair value (loss is indicated with “-”)			
Credit impairment losses (loss is indicated with “-”)	VII (53)	-17,310,206.67	-15,528,776.65
Asset impairment losses (loss is indicated with “-”)	VII (54)	34,871,644.47	-33,759,551.74
Incomes of assets disposal (loss to be listed with “-”)	VII (55)	-6,367,937.29	4,082,280.29
III. Operating profit (loss is indicated with “-”)		1,375,223,514.01	2,039,721,584.65
Add: Non-operating income	VII (56)	6,386,375.48	11,138,118.11
Less: Non-operating expenses	VII (57)	8,641,319.53	6,402,257.82
IV. Total profit (total loss is indicated with “-”)		1,372,968,569.96	2,044,457,444.94
Less: Income tax expenses	VII (58)	302,138,787.40	316,211,188.83
V. Net profit (net loss is indicated with “-”)		1,070,829,782.56	1,728,246,256.11
(I) Classified by operating continuity			

1. Net profit from continuing operations (net loss is indicated with "-")		1,070,829,782.56	1,728,246,256.11
2. Net profit from discontinuing operations (net loss is indicated with "-")			
(II) Classified by ownership			
1. Net profits attributable to the shareholders of the parent company (net loss to be listed with " ")		1,013,091,536.67	1,661,149,050.47
2. Non-controlling interests (net loss to be listed with "-")		57,738,245.89	67,097,205.64
VI. Other comprehensive income, net of tax		80,223,045.22	12,190,423.24
(I) Net of tax of other comprehensive income attributable to the parent company owners		80,223,045.22	12,190,423.24
1. Other comprehensive income that cannot be reclassified through profit or loss		77,383,092.42	12,493,800.88
(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		77,383,092.42	12,493,800.88
(4) Changes in fair value of the enterprise's credit risk			
2. Other comprehensive income that will be re-classified into profits or losses		2,839,952.80	-303,377.64
(1) Other comprehensive income that can be reclassified into profits or losses under the equity method		157,144.62	-303,377.64
(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		2,682,808.18	
(7) Others			
(II) Other comprehensive income attributable to minority interests, net of tax			
VII. Total comprehensive income		1,151,052,827.78	1,740,436,679.35
(I) Total comprehensive income attributable to owners of parent company		1,093,314,581.89	1,673,339,473.71
(II) Total comprehensive income attributable to minority shareholders		57,738,245.89	67,097,205.64
VIII. Earnings per share:			
(I) Basic earnings per share (RMB/share)		0.542	0.774
(II) Diluted earnings per share (RMB/share)		0.542	0.774

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

Income Statement of Parent Company

January-June 2023

Unit: Yuan Currency: RMB

Item	Note	Half year of 2023	Half year of 2022
I. Operating income	XVII (4)	38,374,543.16	66,052,919.20
Less: Operating costs	XVII (4)	7,095,351.16	5,135,043.72
Tax and surcharge		880,444.21	558,559.58
Sales expenses		8,064,465.37	8,056,603.73
Administrative expenses		86,283,799.16	77,258,245.18
R&D expenses			
Financial expenses		120,955,907.94	233,211,477.50
Including: Interest expense		104,369,739.38	152,145,056.48
Interest income		28,490,333.09	20,601,203.86
Add: Other incomes		5,295,976.58	20,514,023.68
Investment income (loss is indicated with “-”)	XVII (5)	218,186,555.60	52,144,712.40

1. Other comprehensive income that can be reclassified into profit or loss under the equity method		157,144.62	-303,377.64
2. Changes in fair value of other debt investments			
3. Amount of the financial asset reclassified into other comprehensive income			
4. Provision for credit impairment of other debt investment			
5. Cash flow hedging reserve			
6. Exchange differences from translation of statements denominated in foreign currencies			
7. Others			
VI. Total comprehensive income		36,154,775.07	-174,228,745.79
VII. Earnings per share:			
(I) Basic earnings per share (RMB/share)		0.019	-0.081
(II) Diluted earnings per share (RMB/share)		0.019	-0.081

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

Consolidated Cash Flow Statement

January-June 2023

Unit: Yuan Currency: RMB

Item	Note	Half year of 2023	Half year of 2022
I. Cash flows from operating activities:			
Cash received from sales of goods or rendering of services		8,059,700,800.33	9,295,922,303.60
Net increase in deposits from customers and placements from corporations in the same industry			
Net increase in borrowings from the central bank			
Net increase in placements from other financial institutions			
Cash received for receiving premium of original insurance contract			
Net cash received from reinsurance business			
Net increase in deposits of the insured and investment			
Cash received from interests, fees and commissions			
Net increase in placements from banks and other financial institutions			
Net increase in repurchasing			
Net cash received from acting sale of securities			

Net amount of cash received from disposal of fixed assets, intangible assets and other long-term assets		9,451,506.82	19,902,061.40
Net cash received from disposal of subsidiaries and other business units		102,633,407.97	39,467,700.00
Other cash received relating to investment activities			
Subtotal of cash inflows from investing activities		440,731,312.10	377,388,423.08
Cash paid for acquisition of fixed assets, intangible assets and other long-term assets		3,249,290,132.13	2,879,226,513.34
Cash paid for investments		795,652,031.29	77,500,000.00
Net increase in pledge loans			
Net cash paid for acquisition of subsidiaries and other business units			
Other cash paid relating to investment activities	VII (60)		1,279,377,479.20
Subtotal of cash outflows from investing activities		4,044,942,163.42	4,236,103,992.54
Net cash flows from investment activities		-3,604,210,851.32	-3,858,715,569.46
III. Cash flows from financing activities:			
Cash received from absorption of investments			902,277,216.00
Including: Cash received from subsidiaries absorbing investments from minority shareholders			
Cash received from borrowings		6,776,892,235.63	10,025,941,164.20
Other cash received relating to financing activities	VII (60)	803,782,037.57	187,193,343.48
Subtotal of cash inflows from financing activities		8,756,040,674.05	7,866,362,795.11
Cash payments for settlement of debts		2,589,531,045.14	7,390,225,985.66
Cash paid for distributing dividends and profits or paying interests		896,315,839.22	926,940,338.57
Including: Dividends and profits paid to minority shareholders by subsidiaries			9,735,639.41
Other cash payments relating to financing activities	VII (60)	670,922,744.83	1,257,540,680.64
Subtotal of cash outflows from financing activities		4,156,769,629.19	9,574,707,004.87
Net cash flows from financing activities		4,599,271,044.86	-1,708,344,209.76
IV. Effect of changes in exchange rate on cash and cash equivalents		-9,295,039.44	16,788,635.10
V. Net increase in cash and cash equivalents		-478,359,696.03	-3,989,821,867.84
Add: Opening balance of cash and cash equivalents		3,911,177,960.18	8,678,782,091.61
VI. Ending balance of cash and cash equivalents		3,432,818,264.15	4,688,960,223.77

Cash Flow Statement of Parent Company

January-June 2023

Unit: Yuan Currency: RMB

Item	Note	Half year of 2023	Half year of 2022
I. Cash flows from operating activities:			
Cash received from sales of goods or rendering of services		25,264,933.88	22,903,772.46
Tax refunds received			55,290,225.90
Other cash receipts related to operating activities		32,633,676.66	67,803,782.56
Subtotal of cash inflows from operating activities		57,898,610.54	145,997,780.92
Cash paid for goods purchased and services received		6,013,171.11	
Cash paid to and for employees		25,630,592.24	15,766,067.85
Payments of all types of taxes		10,087,769.05	9,767,150.60
Other cash paid relating to operating activities		101,582,382.87	89,641,355.18
Subtotal of cash outflows from operating activities		143,313,915.27	115,174,573.63
Net cash flow from operating activities		-85,415,304.73	30,823,207.29
II. Cash flows from investment activities:			
Cash received from the recovery of investments			5,000,000.00
Cash received from acquisition of investment income		178,644,212.50	
Net amount of cash received from disposal of fixed assets, intangible assets and other long-term assets			29,000.00
Net cash received from disposal of subsidiaries and other business units		11,142,218.93	10,054,253.68
Other cash received relating to investment activities		26,225,956.95	39,613,844.37
Subtotal of cash inflows from investing activities		216.56 13890.6	

Net cash flows from financing activities		416,675,749.59	-945,807,009.18
IV. Effect of changes in exchange rate on cash and cash equivalents		281,488.01	
V. Net increase in cash and cash equivalents		-648,070,418.60	-2,767,858,209.34
Add: Opening balance of cash and cash equivalents		1,476,613,738.52	3,636,082,800.84
VI. Ending balance of cash and cash equivalents		828,543,319.92	868,224,591.50

Person in charge of the Company: Zheng Ju	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 2023

Unit: Yuan Currency: RMB

Item	Half year of 2023														
	Owner's equity attributable to parent company													Minority interests	Total owners' equity
	Paid-in capital (or share capital)	Other equity instruments			Capital reserve	Less: Treasury shares	Other comprehensive income	Special reserves	Surplus reserves	General risk provision	Retained earnings	Others	Subtotal		
		Preferred shares	Perpetual bonds	Others											
1. Ending balance of the previous year	2,263,973,358.00				9,131,320,581.39	514,721,346.78	-150,819,889.21	2,140,946.80	292,801,918.55		12,028,646,332.05		23,053,341,900.80	1,076,772,643.10	24,130,114,543.90
Add: Changes in accounting policies															
Correction of errors in the prior period															
Business combination under common control															
Others															
II. Opening balance of the current year	2,263,973,358.00				9,131,320,581.39	514,721,346.78	-150,819,889.21	2,140,946.80	292,801,918.55		12,028,646,332.05		23,053,341,900.80	1,076,772,643.10	24,130,114,543.90
III. Increase/decrease for the period (decrease is indicated with "-")					2,625,719.70	230,705,880.22	80,223,045.22	-89,442.64			341,737,169.37		193,790,611.43	-95,448,128.11	98,342,483.32
(I) Total comprehensive income							80,223,045.22				1,013,091,536.67		1,093,314,581.89	57,738,245.89	1,151,052,827.78
(II) Contribution and withdrawal of capital by owners					2,625,719.70	230,705,880.22							-228,080,160.52	-153,186,374.00	-381,266,534.52
1. Ordinary shares invested by owners					230,705,880.22								-230,705,880.22	-153,186,374.00	-383,892,254.22
2. Capital invested by holders of other equity instruments															
3. Amount of share payment credited to owner's equity					2,625,719.70								2,625,719.70		2,625,719.70

4. Others															
(III) Profit distribution											-671,354,367.30		-671,354,367.30		-671,354,367.30
1. Withdrawal of surplus reserve															
2. Provision for general risk															
3. Distribution to owners (or shareholders)											-671,354,367.30		-671,354,367.30		-671,354,367.30
4. Others															

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

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							-38,712,171.04				38,712,171.04				
6. Others															
(V) Special reserves								5,763.23					5,763.23	24,964.85	30,728.08
1. Provision for the period															

Statement of Changes in Owners' Equity of Parent Company

January-June 2023

Unit: Yuan Currency: RMB

Item	Half year of 2023										
	Paid-in capital (or share capital)	Other equity instruments			Capital reserve	Less: Treasury shares	Other comprehensive income	Special reserves	Surplus reserves	Retained earnings	Total owners' equity
		Preferred shares	Perpetual bonds	Others							
1. Ending balance of the previous year	2,263,973,358.00				7,822,416,931.11	514,721,346.78	-28,025,733.68		294,927,373.13	3,450,687,783.57	13,289,258,365.35
Add: Changes in accounting policies											
Correction of errors in the prior period											
Others											

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

III. Company Profile

1. Company profile

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

As of 30 June 2023, the Company has accumulatively issued a total of 2,263,973,358 shares with its registered capital of RMB2,263,973,358. Its registered address is Room 801, ShanShan Plaza, No. 777 Rili Middle Road, Shounan Street, Yinzhou District, Ningbo, Zhejiang, PRC, and headquarter address is: 28th Floor, ShanShan Plaza, No. 777 Rili Middle Road, Yinzhou District, Ningbo, Zhejiang, PRC. Scope of business of the Company: General items: sales of special electronic materials; sales of optoelectronic devices; sales of graphite and carbon products; investment activities with own funds; non-residential real estate leasing; intellectual property services (except patent agency services); retail sales and wholesale of clothing and apparel; technology import and export; import and export of goods (except for the items subject to approval according to law, business activities shall be carried out pursuant to the business license independently according to law). Restricted to the following branches: General items: manufacturing, research and development of special electronic materials; optoelectronic device manufacturing; manufacturing of graphite and carbon products; apparel manufacturing (except for the items subject to approval according to law, business activities shall be carried out pursuant to the business license independently according to law). The parent company of the Company is Shanshan Group Co., Ltd. After Mr. Zheng Yonggang, the former de facto controller of the Company, passed away, the shares and related interests held by him in the Company are intended to be subject to succession procedures according to relevant laws and regulations. As of the date of this report, the Company has not received any written document or notice having legal force, confirming the new beneficial owner of the Company.

These financial statements were approved by all directors of the Company on 29 August 2023.

2. Scope of the consolidated financial statements

The subsidiaries within the scope of the Company's consolidated financial statements as of 30 June 2023 are as follows:

No.	Company name	No.	Company name
1	Shanjin Optoelectronics (Suzhou) Co., Ltd.	25	Ningbo Yongxiang Investment Co., Ltd.
2	Shanjin Optoelectronics (Guangzhou) Co., Ltd.	26	Ningbo Yongquan Investment Co., Ltd.
3	Shanjin Optoelectronics (Nanjing) Co., Ltd.	27	Dongguan Shanshan Battery Material Co., Ltd.
4	Shanjin Optoelectronics (Beijing) Co., Ltd.	28	Langfang Shanshan Battery Material Co., Ltd.
5	Shanjin Optoelectronics Technology (Zhangjiagang) Co., Ltd.	29	Ningbo Shanshan Venture Capital Investment Co., Ltd.

6	Shanjin Optoelectronics (Mianyang) Co., Ltd.	30	Ningbo Shanshan Electric Vehicle Technology Development Co., Ltd.
7	Taiwan ShanJin Optoelectronics Co., Ltd.	31	Inner Mongolia Qingshan Automobile Co., Ltd.
8	ShanJin Tokyo Co., Ltd.	32	Shanghai Zhanxiao New Energy Technology Co., Ltd.
9	Ningbo Shanshan New Energy Technology Development Co., Ltd.	33	Ningbo Shanshan Bada Power Assembly Co., Ltd.
10	Shanghai Shanshan New Energy Technology Co., Ltd.	34	Ningbo Shanshan Automobile Co., Ltd.
11	Shanghai Shanshan Lithium Battery Material Technology Co., Ltd.	35	Ningbo Qingshan Automobile Co., Ltd.
12	Ningbo Shanshan New Materials Technology Co., Ltd.	36	Ningbo Shanpeng Investment Co., Ltd.
13	Shanghai Shanshan Technology Co., Ltd.	37	Ningbo Ulica Solar Co., Ltd.
14	Shanghai Shanshan New Material Co., Ltd.	38	Shanghai Shanshan Garment Co., Ltd.
15	Chenzhou Shanshan New Material Co., Ltd.	39	Shanghai Tunheng Trading Co., Ltd.
16	Fujian Shanshan Technology Co., Ltd.	40	Ningbo Shanshan Tongda Trading Co., Ltd.
17	Inner Mongolia Shanshan Technology Co., Ltd.	41	Ningbo Haoheng Trading Co., Ltd.
18	Inner Mongolia Shanshan New Materials Co., Ltd.	42	Hong Kong Shanshan Resources Co., Ltd.
19	Baotou Graphene Material Research Institute Co., Ltd.	43	Shanghai Feihe Clothing Co., Ltd. Note 2
20	Huzhou Shanshan New Energy Technology Co., Ltd.	44	Ningbo Yunling Zhichuang Park Operation Management Co., Ltd.
21	Inner Mongolia Shanshan Material Technology Co., Ltd.	45	Shanshan Fashion Industrial Park Suqian Co., Ltd.
22	Sichuan Shanshan New Material Co., Ltd.	46	Yongshan International Co., Ltd.
23	Yunnan Shanshan New Material Co., Ltd.	47	Ningbo Lanhong Trading Co., Ltd. Note 1
24	Ningbo Shanshan Silicon Based Materials Co., Ltd	48	Ningbo Ziheng Trading Co., Ltd.

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

Note 2: The subsidiary Shanghai Feihe Clothing Co., Ltd. has been discontinued for years.

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

IV. Basis of Preparation of the Financial Statements

1. Basis of preparation

The financial statements were prepared in accordance with the *Accounting Standards for Business Enterprises - Basic Standards* issued by the Ministry of Finance of the PRC, and their specific accounting standards, application guidance, explanations, and other relevant regulations (collectively referred to as "Accounting Standards for Business Enterprises") as well as the relevant provisions of the *Rules on Information Disclosure and Preparation by Companies Issuing Securities Publicly No.15 - General Provisions on Financial Report* (

) issued by the CSRC.

2. Going concern

The financial statements are prepared on a going-concern basis.

V. Significant Accounting Policies and Accounting Estimates

Reminders on specific accounting policies and accounting estimates:

t applicable

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

1. Statement of Compliance with the ASBEs

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

2. Accounting period

The financial year is from 1 January to 31 December of the Gregorian calendar.

3. Business cycle

The operating cycle of the Company is 12 months.

4. Functional currency

The Company adopts RMB as the bookkeeping base currency. Its subsidiaries, Taiwan ShanJin Optoelectronics Co., Ltd. and Shanjin Tokyo Co., Ltd., determine their bookkeeping base currencies based on the main economic environment in which they operate, and therefore the accounting standard currencies are TWD and YEN, respectively. This report is uniformly expressed in RMB.

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

able

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

Business combination not under common control: The combination cost shall be fair value of the assets paid, liabilities incurred or assumed or the equity securities issued by the acquirer on the acquisition date for the control of the acquiree. The excess of the combination cost over the fair value of

the identifiable net assets of the acquiree acquired in the combination is recognized as goodwill; the shortfall of the combination cost below the fair value of the identifiable net assets of the acquiree acquired in the acquisition is included in the profit or loss for the period. Each of the identifiable assets, liabilities and contingent liabilities of the acquiree acquired in the combination, which qualifies for recognition, is measured at fair value at the date of purchase.

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

6. Methods for preparation of the consol.8(l)51.6(u)-8.3(f)0.5(t)3.5(e)0.8()2.3(o)-3(nt.8(s)11()2.3(o(p)-3.8(ogni)5

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

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

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

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

(2) Disposal of subsidiaries

General treatment method

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

Disposal of subsidiaries step by step

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

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

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

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

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

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

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

(3) Acquisition of minority equity in subsidiary

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

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

The difference between the disposal price and the net assets of the subsidiary corresponding to the equity investment disposed of since the acquisition date or combination shall be covered by adjusting the equity premium in the capital reserve of the consolidated balance sheet; if the equity premium in the capital reserve is not sufficient for write-off, retained earnings shall be adjusted.

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

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

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

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

(1) Recognizes the assets assumed separately, and the assets assumed jointly according to its proportion;

(2) Recognizes the liabilities assumed separately, and the liabilities assumed jointly according to its proportion;

(3) Recognizes the income from the sales of its share in the outputs of joint operation;

(4) Recognizes the income from the sales of the outputs of joint operation according to is proportion;

(5) Recognizes the expenses incurred separately, and recognize the expenses incurred jointly according to its proportion.

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

8. Determination standards for cash and cash equivalents

Cash refers to the Company's cash on hand and deposits that are available for payment at any time. Cash equivalents refer to the short-term and highly liquid investments that are readily convertible into known amounts of cash and subject to an insignificant risk of change in value.

9. Foreign currency business and foreign currency statement translation

(1). Foreign currency business

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

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

(2). Translation of foreign currency financial statements

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

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

10. Financial instruments

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

(1). Classification of financial instruments

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

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

The business model is targeted at collecting contractual cash flows;

Contractual cash flows only pay for the principal and the interest based on the outstanding principal amount.

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

A business model with the objective of both collecting the contractual cash flows and selling the financial assets;

Contractual cash flows only pay for the principal and the interest based on the outstanding principal amount.

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

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

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

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

1) The designation can eliminate or significantly reduce accounting mismatches.

2) According to enterprise’s risk management or investment strategy as set out in formal written documents, management and performance evaluation of a portfolio of financial liabilities or a portfolio of financial assets and financial liabilities are conducted on a fair value basis. And within the enterprise, the evaluation results are reported to key management personnel on this basis.

3) The financial liabilities contain embedded derivatives that are subject to separate spin-off.

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

(1) Financial assets measured at amortized cost

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

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

profit or loss for the current period.

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

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

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

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

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

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

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

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

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

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

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

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

(6) Financial liabilities at amortized cost

Financial liabilities measured at amortized cost, including short-term borrowings, notes payable, accounts payable, other payables, long-term borrowings, bonds payable and long-term payables, are

initially measured at fair value, with related transaction costs included in the initial recognition amount.

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

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

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

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

The contractual right to receive cash flows from the financial asset terminates;

The financial assets have been transferred and substantially all the risks and rewards of ownership of the financial assets have been transferred to the transfer-in side;

The financial assets have been transferred. Although the Company neither transfers nor retains substantially all the risks and rewards of ownership of the financial assets, it doesn't retain control over the financial assets.

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

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

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

(1) The book value of the transferred financial assets;

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

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

(1) The book value of the derecognized portion;

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

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

(4). Derecognition of financial liabilities

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

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

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

Where the Company repurchases a portion of the financial liability, the book value of the financial liability as a whole is distributed on the repurchase date based on the relative fair value of the portion that continues to be recognized and the portion that is derecognized. The difference between the book value of the derecognized portion and the consideration paid (including non-cash assets transferred or new financial liabilities assumed) is recognized in the profit or loss for the current period.

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

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

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

The Company estimates expected credit losses on financial assets measured at amortized cost, financial assets at fair value through other comprehensive income (debt instruments) and financial guarantee contracts, etc., on an individual or combined basis.

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

If the credit risk of the financial instruments has increased significantly since initial recognition, the

Company measures its allowance for loss at an amount equal to the expected credit loss over the entire life of the financial instruments. Otherwise, the Company measures its allowance for loss at an amount equal to the expected credit loss of the financial instruments over the coming 12 months. The resulting incr

(2). Method of determining expected credit losses on contract assets and accounting treatment

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

13. Assets held for sales

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

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

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

(2) The sale is highly likely to occur, i.e., the Company has resolved on a sale plan and obtained firm purchase commitments, and the sale is expected to be completed within one year. Where the relevant regulations require the approval of the relevant authority or regulatory authority of the Company before the sale can be made, such approval has been obtained.

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

14. Long-term equity investment

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(1). Judgment standards for common control and significant influence

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

Significant influence means the power to participate in decision-making for the financial and business decisions of the investee, but not to control or jointly control with other parties over the

formulation of such decisions. Where the Company is able to exert significant influence on the investee, the investee is an associate of the Company.

(2). Determination of initial investment cost

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

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

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

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

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

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

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

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

The Company accounts for its long-term equity investment in subsidiaries using the cost method, unless the investment qualifies as held for sale. In addition to the actual price paid when the investment is acquired or the cash dividends or profits that have been declared but not issued in the consideration, the Company shall recognize the investment income for the current period according to the cash dividends or profits issued by the investee.

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

The long-term equity investment in associates and joint ventures shall be accounted for using the

proportion.

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

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

Company and their costs can be reliably measured; otherwise, the expenditures are recognized in the prof

Transportation equipment — Fuel trucks and others	Straight-line method	6-10	3%	16.17%-9.70%
Transportation equipment — New energy vehicles	Straight-line method	4-8	3%	24.25%-12.13%
Other equipment	Straight-line method	5-8	3%	19.40%-12.13%
Fixed asset renovation	Straight-line method	3-5	0	33.33%-20.00%

Fixed asset disposalA fixed asset shall be derecognized when it is in a state of disposal or when no economic benefits are expected to arise from its use or disposal. The amount obtained after deducting the book value and relevant taxes from the disposal income from the sale, transfer, scrapping or damage of fixed assets shall be included into the current profit and loss.

17. Construction in progress

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

18. Borrowing costs

(1). Recognition principle of capitalization of borrowing costs

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

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

(2). Capitalization period of borrowing costs

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

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

(1) Asset expenditures have been incurred. Asset expenditures include expenditures arising from

paying cash, transferring non-cash assets, or assuming interest-bearing debts for the acquisition, construction or production of assets eligible for capitalization;

(2) Borrowing costs have been incurred;

(3) The acquisition, construction or production activities necessary for the assets to reach the intended usable or saleable state have begun.

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

(3). Suspension of capitalization period

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

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

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

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

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

19. Intangible assets

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

(1). Pricing method of intangible assets

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

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

(b) Subsequent measurement

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

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

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

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

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conditions are met, and those that fail to meet the following conditions are included in the profit or loss for the current period:

(a) It is technically feasible to finish the intangible assets for use or sale;

(b) Have the intent to complete the intangible assets and use or sell them;

(c) The manner in which the intangible assets generate economic benefit, including the ability to demonstrate the existence of a market for the products produced using the intangible assets or the existence of a market for the intangible assets themselves, and the ability to demonstrate the usefulness of the intangible assets if they will be used internally;

(d) Have sufficient technical, financial and other resources to support the completion of the development of the intangible assets and the ability to use or sell the intangible assets;

(e) The expenditure attributable to the development phase of the intangible assets can be measured reliably.

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

20. Impairment of long-term assets

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

Goodwill resulting from business combinations, intangible assets with an indefinite useful life and intangible assets that have not yet reached their useful lives are tested annually for impairment regardless of whether there is an indication of impairment.

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

During the impairment test on the relevant asset group or asset group portfolio containing goodwill, if there are signs of impairment for the asset group or asset group portfolio, the Company will perform

an impairment test on the asset group or asset group portfolio containing no goodwill, calculate the recoverable amount, compare it with the relevant book value, and recognize the corresponding impairment loss. Then, the Company will perform an impairment test on the asset group or asset group portfolio containing goodwill and compare its book value with the recoverable amount. If the recoverable amount is lower than the book value, the impairment loss is first deducted from the book value of goodwill that is apportioned to the asset group or asset group portfolio, and then deducted from the book values of other assets within the asset group or asset group portfolio in proportion to the book values of assets other than goodwill.

Once the above asset impairment loss is recognized, it shall not be reversed in subsequent accounting periods.

21. Long-term deferred expense

licable

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

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

22. Contract liabilities

Method of recognition of contract liabilities

The Company presents contract assets or contract liabilities in the balance sheet based on the relationship between the performance obligation and the customer's payment. The Company's obligations to transfer goods or provide services to customers for consideration received or receivable are presented as contract liabilities. Contract assets and contract liabilities under the same contract are presented on a net basis.

23. Employee benefit

(1). Accounting for short-term compensation

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

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

Employee benefits incurred by the Company are included in the profit or loss for the current period

or the related asset cost when actually incurred, based on the actual amount incurred, of which non-monetary benefits are measured at fair value.

(2). Accounting for post-employment benefits

(1) Defined contribution plan

The Company shall pay basic endowment insurance and unemployment insurance for employees according to the relevant rega 16.7(ur)365(y)11p [(or)3.8(t)5.3(i35.2(1( )0.8(s)2..3(a)12cd a)0.3(i)5fy36p42(i)53(ne)0

25. Share-based payment

The Company’s share-based payments are transactions in which equity instruments are granted or liabilities determined on the basis of equity instruments are assumed in order to obtain services from

period as related costs or expenses, and, based on the best estimate of the circumstances of exercisable equity and the fair value of the liability assumed by the Company, recognizes them in the liability accordingly. The Company shall, on each balance sheet date and on each account date prior to the settlement of the relevant liabilities, re-measure the fair values of the liabilities and include the changes in the profit or loss for the current period.

If the Company modifies the terms and conditions of a cash-settled share-based payment agreement to make it an equity-settled share-based payment, on the modification date (no matter occurring within or after the vesting period), the Company measures the equity-settled share-based payment based on the fair value of the date the equity instrument is granted, and records the services obtained into the capital reserve. At the same time, the recognition of cash-settled share-based payment liabilities that have been recognized on the modification date is terminated, and the difference between the two is included in the current profit and loss. If the waiting period is extended or shortened due to modification, the company shall conduct accounting treatment according to the modified waiting period.

26. Preferred shares, perpetual bonds, and other financial instruments

The Company classifies the financial instrument or its components into financial assets, financial liabilities, or equity instruments upon initial recognition based on the contract terms of the preferred shares/perpetual bonds issued and the economic substance reflected therein, rather than solely in legal form.

Financial instruments such as perpetual bonds/preferred shares issued by the Company meet one of the following conditions, the financial instrument as a whole or its components are classified as financial liabilities upon initial recognition:

(1) There are contractual obligations that the company cannot unconditionally avoid performing by delivering cash or other financial assets;

(2) There are contractual obligations include delivering a variable number of its own equity instruments for settlement;

(3) Including derivative instruments that are settled with their own equity (such as convertibility, etc.), and the derivative instrument does not exchange a fixed amount of cash or other financial assets with a fixed amount of their own equity instruments for settlement;

(4) There are contract terms that indirectly form contractual obligations;

(5) When the issuer liquidates, the perpetual bonds are in the same repayment order as the ordinary bonds and other debts issued by the issuer.

If a financial instrument such as perpetual bonds/preferred shares that do not meet any of the above conditions, it shall be classified as equity instruments as a whole or a component at the initial recognition time.

27. Income

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

The Company recognizes revenue when it has fulfilled its performance obligations under the contract, that is, when the customer obtains control of the related goods or services. Gaining control of the relevant goods or services means being able to dominate the use of the goods or services and derive almost total economic benefit from them.

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

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

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

• The customer acquires and consumes the economic benefits resulting from the Company's performance at the same time as the Company’s performance.

• The customer is able to control the goods under construction in the course of the Company's performance.

• The goods produced in the course of the Company's performance are of irreplaceable use and the Company is entitled to receive payment for the cumulative portion of performance completed to date throughout the contract period.

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

the amount of costs already incurred until the performance schedule can be reasonably determined if the costs are expected to be reimbursed.

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

• The Company has a present right to receive payment for the goods or services, i.e. the customer has a present obligation to pay for the goods or services.

• The Company has transferred legal ownership of the goods to the customer, i.e. the customer has legal ownership of the goods;

• The Company has physically transferred the goods to the customer, i.e. the customer has taken physical possession of the goods;

• The Company has transferred to the customer the principal risks and rewards of ownership of the goods, i.e., the customer has acquired the principal risks and rewards of ownership of the goods.

• The customer has accepted the goods or services, etc.

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

There are no such cases in the Company.

28. Contract costs

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

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

• The costs are directly related to a current or anticipated contract.

• The costs increase the resources available to the Company to meet its performance obligations in the future.

• The costs are expected to be recovered.

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

Assets related to contract costs are amortized using the same basis as revenue recognition for the goods or services to which those assets relate. However, if the amortisation period of contract acquisition costs does not exceed one year, the Company recognizes them in the profit or loss for the current period when they are incurred.

If the book value of an asset related to contract costs is greater than the difference between the

following two items, the Company makes a provision for impairment for the excess and recognizes it as an impairment loss on the asset:

1. The residual consideration expected to be obtained as a result of the transfer of goods or services related to the asset;

2. The estimated costs to be incurred for the transfer of the relevant goods or services.

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

29. Government subsidies

(1). Type

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

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

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

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

(2). Time point of recognition

Government subsidies are recognized when the Company is able to meet the conditions attached to them and is able to receive them.

(3). Accounting treatment

Government subsidies related to assets are written down to the book value of the related assets or recognized as deferred income. For those recognized as deferred income, they are included in the profit

or loss for the current period over the service life of the related assets in accordance with a reasonable and systematic method (those relates to the Company's ordinary activities are included in other income; those not related to the Company's ordinary activities are included in non-operating income);

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

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

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

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

30. Deferred income tax assets/deferred income tax liabilities

Income tax includes current income tax and deferred income tax. The Company recognizes current income tax and deferred income tax in the profit or loss for the current period, except for the income tax arising from business combinations and transactions or events directly included in owners' equity (including other comprehensive income).

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

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

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

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

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

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

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

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

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

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

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

31. Leases

The method of determining the lease and accounting treatment under the new lease standard

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

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

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

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

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

When there is a change in the valuation of the purchase option, lease renewal option or termination option, or when the actual exercise of the aforementioned options is not consistent with the original valuation, the Company remeasures the lease liability at the present value calculated by the changed lease payments and the revised discount rate;

When there is a change in the substantive fixed payment amount, a change in the amount expected to be payable for the guaranteed residual value, or a change in the index or rate used to determine the lease payment amount, the Company remeasures the lease liability at the present value of the lease payment amount after the change and the original discount rate. However, if the changes in lease payments result from changes in floating interest rates, the present value is calculated using the revised discount rate.

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

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

(4) Lease change

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

The lease change expands the scope of lease by adding one or more rights to use the leased assets;

The increased consideration is equivalent to the separate price of the expanded portion of the lease

adjusted for the circumstances of the contract.

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

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

(2). The Company as the lessor

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

(1) Accounting treatment for operating lease

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

(2) Accounting treatment for financial leases

At the inception date of the lease, the Company recognizes financial lease receivables for finance leases and derecognizes the financial lease assets. When the Company makes initial measurement of financial lease receivables, the net lease investment is used as the recorded value of the financial lease receivables. The net investment in leases is the sum of the unguaranteed residual value and the present value of the lease receipts not yet received at the commencement date of the lease term discounted at the implicit rate of the lease.

The Company calculates and recognizes interest income for each period of the lease term based on a fixed periodic interest rate. Derecognition and impairment of finance lease receivables are accounted for in accordance with “Note 5. 10: Financial Instruments”.

Variable lease payments not included in the net lease investment measurement are included into profit or loss for the current period when they are actually incurred.

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

The lease change expands the scope of lease by adding one or more rights to use the leased assets;

The increased consideration is equivalent to the separate price of the expanded portion of the lease adjusted for the circumstances of the contract.

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

If the change becomes effective on the commencement date of the lease and the lease would have been classified as an operating lease, the Company accounts for it as a new lease from the effective date of the lease change and uses the net investment in the lease prior to the effective date of the lease change as the book value of the leased asset;

If the change becomes effective on the commencement date of the lease, the lease will be classified as a finance lease, and the Company will account for it in accordance with the policy of amending or renegotiating the contract as described in “Note 5. 10: Financial Instruments”.

(3). Sale and leaseback transactions

The Company assesses whether the transfer of assets in sale-and-leaseback transactions is a sale in accordance with the principles described in “Note 5. 27: Revenue”.

conditions and which has been disposed of by the Company or classified by the Company as held for sale:

(1) The component represents a separate principal business or a separate principal area of operation;

(2) The component is part of a related plan to dispose of an independent principal business or a separate principal area of operation;

(3) The component is a subsidiary acquired exclusively for resale.

Gains or losses from continuing operations and gains or losses from discontinued operations are presented separately in the income statement. Operating gains and losses such as impairment losses and reversals of amounts from discontinued operations and gains and losses on disposals are reported as gains and losses from discontinued operations. For discontinued operations presented in the current period, the Company restates the information previously reported as gain or loss from continuing operations in the current period financial statements as gain or loss from discontinued operations in the comparable accounting period.

(2) Hedge accounting

(1) Classification of hedging

(a) Fair value hedging refers to the hedging of the risk of changes in fair value of recognized assets or liabilities and unrecognized confirmed commitments (excluding foreign exchange risks).

(b) Cash flow hedging refers to the hedging of the risk of changes in cash flow, such cash flow changes are arising from certain types of specific risks related to recognized assets or liabilities, expected transactions that are likely to occur, or foreign exchange risks included in an unrecognized confirmed commitment.

(c) Net investment in overseas operations hedging refers to hedging of foreign exchange risks arising from net investment in overseas operations. Net investment in overseas operations refers to the equity share of an enterprise in the net assets of overseas operations.

(2) Designation of hedging relationship and determination of hedging effectiveness

At the beginning of the hedging relationship, the Company has formally designated the hedging relationship and prepared formal written documents on the hedging relationship, risk management objectives and hedging strategy. The documents specifies the nature and quantity of the hedging instruments, the nature and quantity of the hedged items, the nature of the hedged risks, the type of hedge, and the Company's evaluation of the effectiveness on the hedging instruments. Effectiveness of hedge refers to the extent to which changes in the fair value or cash flow of a hedging instrument can offset changes in the fair value or cash flow of the hedged item caused by the hedged risks.

The Company carries out continuously evaluates on the effectiveness of hedging to determine whether the hedging meets the effectiveness requirements of applying hedge accounting within the designated accounting period of the hedging relationship. If it cannot meet such requirements, the hedging relationship shall be terminated.

The application of hedge accounting should satisfy the following requirements for hedging effectiveness:

(a) There exists economic relationship between the hedged item and the hedging instrument.

(b) The impact of credit risk is not dominant in the value changes arising from the economic relationship between the hedged item and the hedging instrument.

(c) Using an appropriate hedge ratio will not result in an imbalance in the relative weight of the hedged item and the hedging instrument, and resulting in accounting results that are inconsistent with the hedge accounting objectives. If the hedging ratio is no longer appropriate, but the hedging risk management objectives have not changed, the quantity of the hedged item or hedging instrument should be adjusted to make the hedging ratio meet the effectiveness requirements again.

(3) Hedge accounting treatment method

(a) Fair value hedging

Changes in the fair value of hedging derivative instruments are included in the current profit and loss. The changes in the fair value of the hedged item caused by the hedging risk are included in the current profit and loss, and adjust the book value of the hedged item at the same time.

For fair value hedges related to financial instruments measured at amortized cost, adjustments made to the book value of the hedged item are amortized over the remaining period from the adjustment date to the maturity date and included in the current profit and loss. Amortization using the effective interest rate method can begin immediately after the book value adjustment and no later than the termination of the hedged item's adjustment for changes in fair value resulting from the hedging risks.

If the hedged item is derecognized, the unamortized fair value is recognized as current profit or loss.

If the hedged item is an unrecognized confirmed commitment, the cumulative change in fair value of the confirmed commitment due to the hedged risk is recognized as an asset or liability, and the relevant gains or losses are included in the current profit or loss. Changes in the fair value of hedging derivative instruments are included in the current profit and loss.

(b) Cash flow hedging

The portion of the gains or losses on hedging instruments that belong to effective hedging is directly recognized as other comprehensive income, and the portion that belongs to ineffective hedging is included in the current profit and loss.

If the hedged transaction affects the current profit and loss, such as when the hedged financial revenue or financial expenses are recognized or expected sales occur, the amount recognized in other comprehensive income is transferred to the current profit and loss. If the hedged item is the cost of a non-financial asset or non-financial liability, the amount originally recognized in other comprehensive income is transferred out and included in the initial recognition amount of the non-financial asset or non-financial liability (or, if the amount originally recognized in other comprehensive income, it shall be transferred out during the same period during which the non-financial asset or non-financial liability

affects profit or loss and included in the current profit or loss).

If the expected transaction or confirmed commitment is estimated not to occur, the accumulated gains or losses on hedging instruments previously included in other comprehensive income are transferred out, it is included in the current profit and loss. If the hedging instrument has expired, been sold, the contract has been terminated or performed (but has not been replaced or extended), or the designation of the hedging relationship has been revoked, the amount previously included in other comprehensive income will not be transferred out until the expected transaction or confirmed commitment affects the current profit and loss.

(c) Hedge of net investment in overseas operations

Hedges of net investments in overseas operations include hedges of monetary items that are part of net investments, the treatment is similar to cash flow hedges. The portion of the gains or losses of the hedging instrument that is determined to be an effective hedge is included in other comprehensive income, while the portion of the ineffective hedge is recognized as current profit or loss. When disposing overseas operations, any accumulated gains or losses transfer-out included in other comprehensive income is included in current profits and losses.

(3) Repurchase of shares of the company

The Company uses its own funds to repurchase shares through centralized bidding transactions, and the shares that have been repurchased have not yet been written off deems as inventory shares. The accounting treatment method adopts the cost method, and the total amount actually paid for the repurchase (including transaction costs) is included in inventory shares, which are listed as a decreasing item of share capital.

(4) Segment reporting

The Company determines operating segments based on internal organizational structure, management requirements and internal reporting system, and determines reportable segments and discloses segment information based on operating segments.

An operating segment is a component within the Company that also meets the following conditions: (1) The component is capable of generating revenue and incurring expenses in the ordinary course of activities; (2) The Company's Management Layer is able to periodically evaluate the operating results of the component in order to decide to allocate resources to it and evaluate its performance; (3) The Company has access to accounting information related to the financial position, results of operations and cash flows of the component. Two or more operating segments may be consolidated into one operating segment if they have similar economic characteristics and certain conditions are met.

33. Changes in significant accounting policies and accounting estimates

(1) Changes in significant accounting policies

Applicable Note applicable

(2) Changes in significant accounting estimates

Applicable Note applicable

(3) In 2023, new accounting standards or interpretations that require adjustments to the financial statements at the beginning of the year are implemented for the first time.

Applicable Note applicable

VI. TAXES

1. Main tax categories and tax rates

Status of main tax categories and tax rates

Tax categories	Taxation basis	Tax rate
Value added tax	The output tax shall be calculated based on the income obtained from the sales of goods and the taxable labor and calculated as per the regulations of tax law, and the balance after deducting the input tax deductible in the current period is the VAT payable.	13%, 9%, 6%, 5%, 3%
Urban maintenance and construction tax	Payment based on actual VAT and consumption tax paid	1%, 5%, 7%
Enterprise income tax	Calculated and paid according to taxable income	25%, 20%, 15%,
Education surcharges	Payment based on actual VAT and consumption tax paid	3%, 5%
Consumption tax (Japan)	The difference between total sales amount and total purchases amount	10%, 8%

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

Name of taxable entity	Income tax rate (%)
Shanghai Shanshan Technology Co., Ltd.	15
Ningbo Shanshan New Material Technology Co., Ltd.	15
Chenzhou Shanshan New Material Co., Ltd.	15
Huzhou Shanshan New Energy Technology Co., Ltd.	15
Inner Mongolia Shanshan Technology Co., Ltd.	15
Inner Mongolia Shanshan New Material Co., Ltd.	15
Fujian Shanshan Technology Co., Ltd.	15
Ningbo Ulica Solar Energy Technology Development Co., Ltd.	15
Shanghai Zhanxiao New Energy Technology Co., Ltd.	15
Dongguan Shanshan Battery Material Co., Ltd.	15
Xinya Shanshan New Material Technology (Quzhou) Co., Ltd. Note	15
Taiwan Shanjin Optoelectronics Co., Ltd.	20
ShanJin Tokyo Co., Ltd. (Legal Person Tax)	23.2

Note: Xinya Shanshan New Material Technology (Quzhou) Co., Ltd., formerly known as Shanshan

New Material (Quzhou) Co., Ltd., completed 51% equity transfer in February2023 and finally seceded from the scope of consolidated financial statements.

2. Tax preferences

(1). According to the *SAT Announcement on Enterprise Income Tax Issues Related to the Further Implemexntation of the Western Development Strategy* (No.12, 2012), Sichuan Shanshan New Material Co., Ltd., a subsidiary of the Company, is an enterprise encouraged to establish in the western region and is subject to a reduced enterprise income tax rate of 15%.

(2). According to the G.S.F [2009] No. 80: Notice on the Implementation of Preferential Corporate Income Tax for Public Infrastructure Projects Supported by the State, the investment and operating income from public infrastructure projects that meet the scope, conditions and standards stipulated in the Catalogue of Preferential Corporate Income Tax for Public Infrastructure Projects, from the tax year in which the first production and operating income is earned, from the first to the third year, enterprises are exempt from corporate income tax, and during the fourth to the sixth year, the corporate income tax are reduced by half. The Company's subsidiary photovoltaic companies, as shown in the table below, are engaged in photovoltaic power generation projects to enjoy favorable income tax.

Unit

	is the second year of halving the corporate income tax
Sanmen Shangang Photovoltaic Power Generation Co., Ltd.	The operating income was obtained in 2019, and 2023 is the second year of halving the corporate income tax
Jinhua Puzhong Photovoltaic Power Generation Co., Ltd.	The operating income was obtained in 2019, and 2023 is the second year of halving the corporate income tax
Taizhou Shanxian Photovoltaic Power Generation Co., Ltd.	The operating income was obtained in 2020, and 2023 is the first year of halving the corporate income tax
Ningbo Taihui Photovoltaic Technology Co., Ltd.	The operating income was obtained in 2020, and 2023 is the first year of halving the corporate income tax
Xinchang Juheng New Energy Development Co., Ltd.	The operating income was obtained in 2020, and 2023 is the first year of halving the corporate income tax
Zhejiang Guangliang New Energy Technology Co., Ltd.	The operating income was obtained in 2021, and 2023 is the third year of exemption from the corporate income tax
Quzhou Shantao Photovoltaic Power Generation Co., Ltd.	The operating income was obtained in 2021, and 2023 is the third year of exemption from the corporate income tax

Note: The companies set out in the abovementioned table are Shanxin Photovoltaic and its subsidiaries, which completed the equity transfer in April 2023 and finally seceded from the scope of consolidated financial statements.

(3) According to the Notice on Enterprise Income Tax Policies for Key Industries in the New Lingang Area of the China (Shanghai) Pilot Free Trade Zone (C.S. [2020] No. 38) and the Administrative Measures for the Recognition of Enterprise Income Tax Preferential Qualifications for Key Industries in the New Lingang Area of the China (Shanghai) Pilot Free Trade Zone (H.C.F. [2020] No. 12) issued by the Ministry of Finance and the SAT , Shanghai Shanshan New Material Co., Ltd., a subsidiary of the company, was recognized as one of the first batch of key industrial enterprise income tax concessions in the Lingang New Area in 2022, and will be subject to corporate income tax at a reduced rate of 15% within five years since 2021.

VII. Notes to Consolidated Financial Statement Items

1. Cash at bank and on hand

Unit: Yuan Currency: RMB

Item	Ending balance	Opening balance
Cash on hand	99,612.88	221,970.42
Bank deposit	3,392,861,597.84	3,838,571,569.10
Other cash balances	911,814,205.04	903,471,896.07
Total	4,304,775,415.76	4,742,265,435.59
Of which: Total amount of money deposited abroad	27,521,921.12	44,133,879.44

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

Unit: Yuan Currency: RMB

Item	Ending balance	Balance at the beginning of the year
Deposit for bank acceptance bill	536,099,333.52	740,152,177.46
L/C guarantee deposits	317,964,782.76	128,905,140.63
Guarantee deposit	42,472,625.79	30,411,993.79
Other deposit	2,201,721.34	3,922,037.75
Subtotal	898,738,463.41	903,391,349.63
Bank deposits - litigation freeze	9,500,906.76	15,100,432.46
Total	908,239,370.17	918,491,782.09

2. Notes receivable

(1). Presentation of notes receivable by category

Unit: Yuan Currency: RMB

Item	Ending balance	Opening balance
Banker’s acceptance bill		
Commercial acceptance bill	461,212,887.64	228,426,998.22
Sub-total	461,212,887.64	228,426,998.22
Less: Provision for impairment of commercial acceptance bill	-593,910.20	-593,910.20
Total	460,618,977.44	227,833,088.02

Provision for impairment of notes receivable

Unit: Yuan Currency: RMB

Item	Opening number	Accrual	Ending number
Provision for impairment	593,910.20		593,910.20

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

(3). Notes receivable that have been endorsed or discounted by the Company and are outstanding at the balance sheet date at the end of the period

For notes receivable that have been endorsed or discounted by the Company and are outstanding at the balance sheet date at the end of the period, please refer to “VII. 4. Receivables financing”.

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

3. Accounts receivable

(1). Disclosure by account age

Unit: Yuan Currency: RMB

Account age	Book balance at the end of the period
Within 1 year	
Of which: sub-item within 1 year	
Within 1 year	4,635,053,672.04
Subtotal within 1 year	4,635,053,672.04
1-2 years	4,759,842.46
2-3 years	4,635,421.61
3-4 years	9,019,132.30
4-5 years	9,462,882.59
Above 5 years	59,010,395.33
Subtotal	4,721,941,346.33
Less: provision for bad debt	200,718,344.52
Total	4,521,223,001.81

(2). Disclosed by bad debt provision method

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	65,899,746.76	1.40	65,103,055.72	98.79	796,691.04	66,847,620.60	1.36	65,107,055.72	97.40	1,740,564.88
Of which:										
Accounts receivable whose amounts are not considered individually significant but whose bad debt provision shall be withdrawn individually	65,899,746.76	1.40	65,103,055.72	98.79	796,691.04	66,847,620.60	1.36	65,107,055.72	97.40	1,740,564.88
Provision for bad debts made on a portfolio basis	4,656,041,599.57	98.60	135,615,288.80	2.91	4, 520,426,310.77	4, 832,623,012.24	98.64	139,389,153.74	2.88	4,693,233,858.50
Of which:										
Account age portfolio	4,656,041,599.57	98.60	135,615,288.80	2.91	4,520,426,310.77	4,832,623,012.24	98.64	139,389,153.74	2.88	4,693,233,858.50
Total	4,721,941,346.33	100.00	200,718,344.52	/	4,521,223,001.81	4,899,470,632.84	100.00	204,496,209.46	/	4,694,974,423.38

Provision for bad debts made on an individual basis:

Unit: Yuan Currency: RMB

Name	Ending balance			
	Book balance	Bad debt provision	Withdrawal ratio (%)	Withdrawal reason
ZX High Energy Technology Co., Ltd.	4,627,840.70	4,627,840.70	100.00	Reconciliation, but not executed as agreed
HZ Bus Transportation Co., Ltd.	6,339,710.00	6,339,710.00	100.00	Significant increase in payment collection risk
DG Automotive Service Co., Ltd.	11,000,000.00	11,000,000.00	100.00	Significant increase in payment collection risk
F Public Transportation Holdings Co., Ltd.	27,500,000.00	27,500,000.00	100.00	Winning the case, but unable to execute

YB Auto Co., Ltd.	8,520,000.00	8,520,000.00	100.00	Winning the case, but unable to execute
KNNew Energy Co., Ltd.	3,500,000.00	3,500,000.00	100.00	Significant increase in payment collection risk
Other sporadic customers	4,412,196.06	3,615,505.02	81.94	Significant increase in payment collection risk
Total	65,899,746.76	65,103,055.72	98.79	/

Provision for bad debts is made on a portfolio basis:

Combined provision items: account age portfolio

Unit: Yuan Currency: RMB

Name	Ending balance		
	Accounts receivable	Bad debt provision	Withdrawal ratio (%)
Within 1 year	4,635,053,672.04	120,899,859.39	2.61
1-2 years	4,467,048.06	1,204,485.23	26.96
2-3 years	4,632,021.55	1,622,086.26	35.02
3-4 years	391,290.00	391,290.00	100.00
4-5 years	904,882.59	904,882.59	100.00
Above 5 years	10,592,685.33	10,592,685.33	100.00
Total	4,656,041,599.57	135,615,288.80	/

(3). Provision for bad debt

Unit: Yuan Currency: RMB

		Amount of change in the current period			
Category	Opening balance				Ending balance

Customer B	Non-related party	666,278,967.91	Within 1 year (inclusive of 1 year)	14.11	33,313,948.40
Customer C	Non-related party	505,598,048.15	Within 1 year (inclusive of 1 year)	10.71	18,819,224.62
Customer D	Non-related party	474,143,369.03	Within 1 year (inclusive of 1 year)	10.04	1,232,772.76
Customer E	Non-related party	228,541,116.89	Within 1 year (inclusive of 1 year)	4.84	11,427,055.84
Subtotal		2,729,512,891.11		57.81	107,540,571.08

(6) Accounts receivable derecognized due to transfer of financial assets

Applicable Not applicable

(7) Transfer of accounts receivable and continued involvement in the amount of assets and liabilities formed

Applicable Not applicable

4. Receivables financing

Unit: Yuan Currency: RMB

Item	Ending balance	Opening balance
Notes receivable	861,470,302.13	512,249,842.96
Of which:Banker’s acceptance bill	861,470,302.13	512,249,842.96
Commercial acceptance bill		
Less: Provision for impairment of commercial acceptance bill		
Total	861,470,302.13	512,249,842.96

Increase/decrease in receivables financing and changes in fair value during the period:

Unit: Yuan Currency: RMB

Item	Balance at the beginning of the year	Newly increased amount in the current period	Derecognition in the current period	Ending balance	Accumulated provision for losses recognized in other comprehensive income

Interest receivable

Classification of interest receivable

Unit: Yuan Currency: RMB

Item	Ending balance	Opening balance
Fixed deposit	265,139.59	7,195.74
Subtotal	265,139.59	7,195.74
Less: Bad debt provision		
Total	265,139.59	7,195.74

Dividend receivable

Details of Dividend receivable

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.	4,500,000.00	4,500,000.00
Luoyang Yichuan Molybdenum Group Joint-stock Company	12,762,000.00	
Subtotal	17,754,116.13	4,992,116.13
Less: Bad debt provision		
Total	17,754,116.13	4,992,116.13

Other receivables

(1). Disclosure by account age

Unit: Yuan Currency: RMB

Account age	Book balance at the end of the period
Within 1 year	
of which: sub-item within 1 year	
Within 1 year	1,180,348,457.99
Subtotal within 1 year	1,180,348,457.99
1-2 years	52,241,494.24
2-3 years	49,121,137.81
3-4 years	82,890,874.75
4-5 years	10,901,636.70
Above 5 years	33,798,204.43
Subtotal	1,409,301,805.92
Less: Bad debt provision	120,377,053.10
Total	1,288,924,752.82

(2). Breakdown by nature of payments

Unit: Yuan Currency: RMB

Nature of funds	Book balance at the end of the period	Book balance at the beginning of the period
Current accounts	684,965,271.85	81,156,934.32
Subsidy receivable	53,952,800.30	2,952,800.30
Receivables (transfer of long-term assets such as equity, properties, etc.)	502,116,855.03	270,560,342.53

Surplus from Taiwan Shanjin Equity Acquisition

Unit: Yuan Currency: RMB

Category	Ending balance				Balance at the beginning of the year					
	Book balance	Percentage in total (%)	Amount of bad debt provision	Percentage of bad debt provision (%)	Net book value	Amount of book value	Percentage of book value (%)	Amount of bad debt provision	Percentage of bad debt provision (%)	Net book value
Provision for bad debts made on an individual basis	144,932,378.54	10.28	97,740,013.78	67.44	47,192,364.76	160,606,897.41	26.38	111,684,532.68	69.54	48,922,364.73
Provision for bad debts made on a portfolio basis	1,264,369,427.38	89.72	22,637,039.32	1.79	1,241,732,388.06	448,113,888.66	73.62	4,761,933.05	1.06	443,351,955.61
Of which:										
Risk-free portfolio	179,882,068.79	12.76			179,882,068.79	349,071,128.51	57.35			349,071,128.51
Portfolio of equity receivables and payment for disposal of long-term assets	430,669,690.50	30.56	21,533,484.52	5.00	409,136,205.98	67,113,178.00	11.03	3,355,658.90	5.00	63,757,519.10
Portfolio of borrowings	627,472,856.40	44.52	0	0.00	627,472,856.40	10,000,000.00	1.64	500,000.00	5.00	9,500,000.00
Portfolio of security deposit and deposit	14,962,363.26	1.06	748,118.16	5.00	14,214,245.10	14,980,916.23	2.46	749,045.81	5.00	14,231,870.42
Portfolio of advances	10,452,853.62	0.74	308,956.90	2.96	10,143,896.72	6,196,963.73	1.02	119,643.23	1.93	6,077,320.50
Portfolio of reserves and personal borrowings	929,594.81	0.07	46,479.74	5.00	883,115.07	751,702.19	0.12	37,585.11	5.00	714,117.08
Total	1,409,301,805.92	100.00	120,377,053.10	8.54	1,288,924,752.82	608,720,786.07	100.00	116,446,465.73	19.13	492,274,320.34

Provision for bad debts made on an individual basis

Unit: Yuan Currency: RMB

Name	Ending balance			
	Book balance	Bad debt provision	Withdrawal ratio (%)	Withdrawal reason
Beiben Heavy Duty Automobile Group Co., Ltd.	55,980,469.75	33,588,281.85	60.00	The funds of subsidiaries occupied by minorities for a long time and there is a significant risk of recovery
Ningbo Liankangcai Brand Management Co., Ltd.	47,911,440.00	23,955,720.00	50.00	The final payment of equity transfer accounts receivable is overdue and there is a significant risk of recovery
Putian Hualin Vegetable Base Co.,Ltd.	13,372,982.07	13,372,982.07	100.00	Winning the case, but unenforceable
Ningbo Shanshan Suyu Clothing Co., Ltd.	10,162,742.46	10,162,742.46	100.00	Not expected to be recovered
DEUTSCHE SOLAR AG	5,302,575.00	5,302,575.00	100.00	Not expected to be recovered
Ningbo Liweineng Energy Storage System Co., Ltd.	1,511,945.70	755,972.85	50.00	Current accounts, incurred before withdrawal from consolidation. Not returned on schedule
Petty cash and personal loans with significantly increased risk	1,196,883.08	1,196,883.08	100.00	
Deposit with significantly increased risk	4,257,519.15	4,169,035.14	97.92	
Advances with significantly increased risk	5,235,821.33	5,235,821.33	100.00	
Total	144,932,378.54	97,740,013.78	/	

Provision for bad debts is made on a portfolio basis:

Portfolio provision items:

Unit: Yuan Currency: RMB

Name	Ending balance		
	Other receivables	Bad debt provision	Withdrawal ratio %
Portfolio of risk-free return	179,882,068.79		
Of which: Portfolio of government subsidies receivable Note 1	53,952,800.30		
Portfolio of financing deposit Note 2	121,341,263.02		
Portfolio of customs deposit receivable	4,588,005.47		
Portfolio of loans Note 3	627,472,856.40		
Portfolio of equity and long-term asset disposal receivables	430,669,690.50	21,533,484.52	5.00

Portfolio of security deposit and deposit	14,962,363.26	748,118.16	5.00
Portfolio of advances	10,452,853.62	308,956.90	2.96
Of which: Individual social security of settlement, collection and payment every other month	4,273,715.69		

Products in progress	1,369,635,798.53	61,127,124.40	1,308,508,674.13	1,534,076,816.47	60,260,903.72	1,473,815,912.75
Materials outsourced for processing	799,678,522.52		799,678,522.52	856,261,301.14		856,261,301.14
Goods in transit	550,864,498.15	8,483,830.29	542,380,667.86	371,976,760.90	8,483,830.29	363,492,930.61
Materials in transit	350,454,754.94		350,454,754.94	177,760,371.50		177,760,371.50
Turnover materials	751,046,854.76		751,046,854.76	591,338,731.92		591,338,731.92
Total	5,728,782,051.99	141,592,738.24	5,587,189,313.75	5,207,979,393.24	178,135,165.81	5,029,844,227.43

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

Applicable Not applicable

Unit: Yuan Currency: RMB

Item	Opening balance	Amount increased in the current period		Amount decreased in the current period			Ending balance
		Accrual	Others	Reversal	Reselling	Others	
Raw materials	22,330,607.95	418,562.24		1,281,335.95			21,467,834.24
Low-value consumption goods	1,188,963.04						1,188,963.04
Finished goods	85,870,860.81	17,625,175.61		54,154,109.13	16,941.02		49,324,986.27
Products in progress	60,260,903.72	2,606,867.32		1,740,646.64			61,127,124.40
Goods in transit	8,483,830.29						8,483,830.29

Unit: Yuan Currency: RMB

Item	Ending balance	Opening balance
Long-term receivables due within one year	46,632,199.70	46,632,199.70
Total	46,632,199.70	46,632,199.70

Long-term receivables due within one year:

Unit: Yuan Currency: RMB

Category	Book balance	Bad debt provision	Book value
Installment sales of vehicles	58,290,249.62	11,658,049.92	46,632,199.70
Total	58,290,249.62	11,658,049.92	46,632,199.70

Note: In 2017, the subsidiary Inner Mongolia Qingshan Automobile Co., Ltd. sold 200 sets new energy vehicles to Baotou Public Transportation Group Co., Ltd. and resulted in a receivable of RMB 197,500,000.00. As of 30 June 2023, a total of RMB 139,209,750.38 has been recovered, with a closing balance of RMB 58,290,249.62. According to the original sales agreement, the funding source for the above-mentioned funds is the local finance income. In 2018, according to the Minutes of the Special Meeting of the People's Government of Baotou City (2018) No. 94, the above-mentioned funds and its interest were transferred to be repaid by Baotou Public Transportation Group Co., Ltd. in 6 years. The remaining accounts receivable for this year are all within one year.

Changes on bad debt provisions of long-term accounts receivable due within one year

Unit: Yuan Currency: RMB

Category	Balance at the end of the previous year	Changes during the period			Ending balance
		Long-term accounts receivable bad debt transfer in	Bad debt reversal	Transfer out of consolidation scope	
Instalment sales of vehicles	11,658,049.92				11,658,049.92

10. Other current assets

Applicable Not applicable

Unit: Yuan Currency: RMB

Item	Ending balance	Opening balance
Prepaid income tax	6,836,433.60	4,749,667.95

11. Long-term equity investment

Applicable Not applicable

Unit: Yuan Currency: RMB

Name of investees	Opening balance	Increase and decrease in the current period									Ending balance	Ending balance of impairment provision
		Additional investment	Change of cost method to equity method	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.	145,799,892.81				809,051.38						146,608,944.19	
Subtotal	145,799,892.81				809,051.38						146,608,944.19	
2. associates												
Ningbo Airport Logistics Development Co., Ltd.	170,201,585.77				239,061.07						170,440,646.84	
Shanghai Shanshan Chuanghui Venture Capital Management Co., Ltd.	12,852,883.17				1,036,961.42						13,889,844.59	
Zhejiang Chouzhou Commercial Bank Co., Ltd.	1,486,496,486.10				77,268,684.27	157,144.62					1,563,922,314.99	137,050,000.00
Ningbo Shanqi Property Services Co., Ltd.	38,181,724.89				979,615.54						39,161,340.43	
Suiyong Holdings Co., Ltd.	914,162,081.51				-5,220,659.99						908,941,421.52	
Shenzhen Yuanshan Private Equity	5,219,577.82				6,983.57						5,226,561.39	

Investment Management Co., Ltd.												
Shanshan Brand Management Co., Ltd.	44,067,823.68				1,459,695.87						45,527,519.55	
Anhui Shanyue Technology Co., Ltd.	4,156,627.26				-146,502.10						4,010,125.16	
Inner Mongolia Mengji New Carbon Material Co., Ltd.	93,011,322.95				1,534,811.72						94,546,134.67	
BASF Shanshan Battery Materials Co., Ltd.	3,986,324,989.13				-99,165,757.69						3,887,159,231.44	
Jiangxi Zhanxiao New Energy Technology Co., Ltd.	16,633,698.51				-1,387,912.46						15,245,786.05	
Xinya Shanshan New Materials (Quzhou) Co., Ltd			299,000,000.00		-7,309,617.55						291,690,382.45	
Subtotal	6,771,308,800.79		299,000,000.00		-30,704,636.33	157,144.62					7,039,761,309.08	137,050,000.00
Total	6,917,108,693.60		299,000,000.00		-29,895,584.95	157,144.62					7,186,370,253.27	137,050,000.00

12. Investments in other equity instruments

(1). Investments in other equity instruments

Applicable Not applicable

Unit: Yuan Currency: RMB

Item	Ending balance	Opening balance
Investments in other equity instruments — Investments in listed equity instruments	819,131,219.67	712,498,127.25
Investments in other equity instruments — Investments in unlisted equity instruments	36,916,462.76	36,916,462.76
Total	856,047,682.43	749,414,590.01

(2). Investment in non-trading equity instruments

Applicable ☐Not applicable

Unit: Yuan Currency: RMB

Item	Dividend income recognized in the current period	Accumulated gains	Accumulated losses	Amount transfer from other comprehensive income to retained earnings	Reasons for being designated as financial assets at fair value through other comprehensive income	Reasons for transferring other comprehensive income to retained earnings
Investments in other equity instruments — Investments in listed equity instruments	12,762,000.00	226,500,000.00	-218,711,793.06		Strategic purpose, plan to hold for long term	
Of which: Luoyang Molybdenum	12,762,000.00	226,500,000.00				
Australia AJM			208,554,200.68			
Others			-10,157,592.38			
Investments in other equity instruments — Investments in unlisted equity instruments	600,000.00	1,121,000.00	-1,407,000.00			
Total	13,362,000.00	227,621,000.00	-220,118,793.06			

13. Other non-current financial assets

Applicable Not applicable

Unit: Yuan Currency: RMB

Item	Ending balance	Opening balance
Financial assets at fair value through profit or loss	198,154,599.78	198,154,599.78
Of which: Investment in debt instruments		
Investments in equity instruments	198,154,599.78	198,154,599.78
Derivative financial assets		
Others		
Financial assets designated at fair value through profit or loss		
Of which: Investment in debt instruments		

Others		
Total	198,154,599.78	198,154,599.78

Other instructions:

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

14. Fixed assets

Presentation of items

Applicable Not applicable

Unit: Yuan Currency: RMB

Item	Ending balance	Opening balance
Fixed assets	7,199,322,670.06	8,350,308,683.73
Liquidation of fixed assets	3,529,343.94	843,089.04
Total	7,202,852,014.00	8,351,151,772.77

Fixed assets

(1). Fixed assets

Applicable Not applicable

Unit: Yuan Currency: RMB

Item	Houses and buildings	M1,

III. Provision for impairment						
1.Opening balance		226,661,575.70	6,462,072.17	50,217,736.77		283,341,384.64
2. Amount increased in the current period		1,653,842.08				1,653,842.08
(1) Provision		1,653,842.08				1,653,842.08
3. Amount decreased in the current period		21,534,341.99				21,534,341.99
(1) Disposal or scrapping		21,534,341.99				21,534,341.99
(2) Withdrawal from the consolidation						
4.Ending balance		206,781,075.79	6,462,072.17	50,217,736.77		263,460,884.73
IV. Book value						

Liquidation of fixed assets

Applicable Not applicable

Unit: Yuan Currency: RMB

Item	Ending balance	Opening balance
Fixed assets	3,529,343.94	843,089.04

15. Construction in progress

Presentation of items

Applicable Not applicable

Unit: Yuan Currency: RMB

Item	Ending balance	Opening balance
Construction in progress	7,304,350,974.14	4,878,742,289.77
Engineering materials	11,468,733.14	68,445,118.08
Total	7,315,819,707.28	4,947,187,407.85

Construction in progress

(1). Construction in progress

Applicable Not applicable

Unit: Yuan Currency: RMB

Item	Ending balance			Opening balance		
	Book balance	Provision for impairment	Book value	Book balance	Provision for impairment	Book value
Polarizer Guangzhou 3# 4# production line	658,763,076.24		658,763,076.24	659,999,678.68		659,999,678.68
Polarizer technology reform and add RTP	261,257,877.58		261,257,877.58	237,433,974.84		237,433,974.84
Project of a polarizer production line with an annual output of 40 million square meters for LCD (Zhangjiagang)	1,406,953,622.62		1,406,953,622.62	921,139,516.59		921,139,516.59
Polarization production base project in Mianyang	128,744,703.58		128,744,703.58	72,337,676.57		72,337,676.57
New R&D base for new materials in Shanghai	205,108,005.47		205,108,005.47	95,384,290.70		95,384,290.70
Sichuan Meishan integrated base project for 200,000 tons of lithium-ion battery negative electrode materials	3,279,571,871.39		3,279,571,871.39	2,511,943,977.57		2,511,943,977.57
Inner Mongolia Baotou lithium-ion battery negative electrode materials integrated base project (phase ii)	62,297,016.80		62,297,016.80	33,408,600.80		33,408,600.80
Negative electrode materials Fujian Phase II project	358,262,131.16		358,262,131.16	247,646,552.35		247,646,552.35

Anode material capacity expansion supporting project	102,763,261.51		102,763,261.51	88,700,117.32		88,700,117.32
Yunnan Anning annual production of 300,000 tons of lithium-ion battery negative electrode materials integrated base project	772,115,071.25		772,115,071.25	7,425,752.12		7,425,752.12
Project of integrated base for producing 40,000 tons of silicon-based negative electrode materials for lithium-ion batteries annually	67,773,708.80		67,773,708.80	2,801,980.64		2,801,980.64
Distributed solar PV power plant				197,262.96		197,262.96
Solar module production line project	147,345.13		147,345.13			
Others	593,282.61		593,282.61	322,908.63		322,908.63
Total	7,304,350,974.14		7,304,350,974.14	4,878,742,289.77		

(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 (%)		Cumulative amount of interest capitalization	Of which: Amount of interest capitalized during the period	Capitalization rate of interest in the current period (%)	Source of funds
Polarizer Guangzhou 3# 4# production line	RMB 1.171 billion	659,999,678.68	7,936,259.65	9,172,862.09		658,763,076.24						Self-raised funds + Self-financing
Polarizer technology reform and add RTP		237,433,974.84	149,190,901.80	124,917,942.47	449,056.59	261,257,877.58						Self-financing
Project of a polarizer production line with an annual output of 40 million square meters for LCD (Zhangjiagang	RMB2.187 billion	921,139,516.59	485,814,106.03			1,406,953,622.62		Equipment for line 1 are being installed				Self-financing
Polarization production base project in Mianyang	RMB 3.5 billion	72,337,676.57	56,407,027.01			128,744,703.58		Land leveling is basically completed, and preparations are being made for the construction of the main plant				Self-financing
New R&D base for new materials in	RMB 0.6 billion	95,384,290.70	109,723,714.77			205,108,005.47		t				Self-financing

Shanghai												
Sichuan Meishan integrated base project for 200,000 tons of lithium-ion battery negative electrode materials	RMB 8 billion	2,511,943,977.57	972,330,089.37	203,374,871.75	1,327,323.80	3,279,571,871.39		The production capacity of Phase I is climbing				Financed funds+Self-financing+borrowing
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 (%)		Cumulative amount of interest capitalization	Of which: Amount of interest capitalized during the period	Capitalization rate of interest in the current period (%)	Source of funds
Inner Mongolia Baotou lithium-ion battery negative electrode materials integrated base project (phase ii)	RMB 1.535 billion	33,408,600.80	38,162,130.92	9,273,714.92	-	62,297,016.80		The project has been put into production				Financed funds+Self-financing+borrowing
Negative electrode materials Fujian Phase II project	RMB 0.526 billion	247,646,552.35	124,726,901.29	11,054,654.79	3,056,667.69	358,262,131.16		The workshop has been put into production				Self-financing
Anode material capacity expansion supporting project		88,700,117.32	27,914,832.36	13,406,028.23	445,659.94	102,763,261.51		Equipment debugging in progress. Civil construction in progress				Self-financing
Yunnan Anning annual production of 300,000 tons of lithium-ion	RMB 9.7billion (Phase I 6 billion , Phase II	7,425,752.12	764,887,009.14		197,690.01	772,115,071.25		Civil construction in progress				Self-financing

battery negative electrode materials integrated base project	3.7 billion)											
Project of integrated base for producing 40000 tons of silicon-based negative electrode materials for lithium-ion	RMB3.75 billion	2,801,980.64	64,971,728.16			67,773,708.80		Piling work is currently underway				Self-financing
Distributed solar PV power plant	11.8 MW	197,262.96	0.00		197,262.96	0.00						Self-financing
Solar module production line project			349,180.00		201,834.87	147,345.13						Self-financing
Others		322,908.63	270,373.98			593,282.61						Self-financing
Total		4,878,742,289.77	2,802,684,254.48	371,200,074.25	5,875,495.86	7,304,350,974.14	/				/	

Engineering materials

Applicable Not applicable

Unit: Yuan Currency: RMB

Item	Ending balance			Opening balance		
	Book balance	Provision for impairment	Book value	Book balance	Provision for impairment	Book value
Materials for power station project				9,562,019.28		9,562,019.28
Materials for graphitization furnace project	8,102,130.54		8,102,130.54	58,883,098.80		58,883,098.80
Cable materials	3,366,602.60		3,366,602.60			
Total	11,468,733.14		11,468,733.14	68,445,118.08		68,445,118.08

16. Right of use assets

Applicable Not applicable

Unit: Yuan Currency: RMB

Item	Houses and buildings	Machinery and equipment	Site	Transportation equipment	Others	Total
I. Original book value						
1. Opening balance	1,057,052,299.70	540,706,991.13	130,667,472.77	49,563,597.76	5,556,282.09	1,783,546,643.45
2. Amount increased in the current period	65,163,731.45			2,646.46		65,166,377.91
(1) New lease	65,163,731.45			2,646.46		65,166,377.91
3. Amount decreased in the current period	161,100,358.73			744,970.50		161,845,329.23
(1) Disposal	42,405,738.93			744,970.50		43,150,709.43
(2) Decrease in consolidation scope	118,694,619.80					118,694,619.80
4. Ending balance	961,115,672.42	540,706,991.13	130,667,472.77	48,821,273.72	5,556,282.09	1,686,867,692.13
II. Accumulated depreciation						
1. Opening balance	100,788,784.38	13,604,113.95	20,561,977.05	20,809,306.63	2,927,909.82	158,692,091.83
2. Amount increased in the current period	44,020,206.69	26,780,385.66		801,291.72		71,601,884.07

New lease	44,020,206.69	26,780,385.66		801,291.72		71,601,884.07
3. Amount decreased in the current period	27,118,269.42			446,982.30		27,565,251.72
(1) Disposal	13,014,914.18			446,982.30		13,461,896.48
(2) Decrease in consolidation scope	14,103,355.24					14,103,355.24
4. Ending balance	117,690,721.65	40,384,499.61	20,561,977.05	21,163,616.05	2,927,909.82	202,728,724.18
III. Impairment reserve						
1. Opening balance						
2. Amount increased in the current period						
(1) New lease						
3. Amount decreased in the current period						
(1) Disposal						
(2) Decrease in consolidation scope						
4. Ending balance						
IV. Book value						
1. Ending book value	843,424,950.77	500,322,491.52	110,105,495.72	27,657,657.67	2,628,372.27	1,484,138,967.95
2. Opening book value	956,263,515.32	527,102,877.18	110,105,495.72	28,754,291.13	2,628,372.27	1,624,854,551.62

17. Intangible assets

Applicable

Unit: Yuan Currency: RMB

Item	Land-use right	Patent right	Software and others	Customer relationship	Total
I. Original book value					
1. Opening balance	1,140,842,135.59	672,231,171.04	100,286,028.01	153,000,000.00	2,066,359,334.64
2. Amount increased in the current period	275,281,885.22		1,447,538.25		276,729,423.47
(1) Purchase	275,281,885.22		1,447,538.25		276,729,423.47
3. Amount decreased in the current period					
(1) Disposal					
(2) Withdrawal from the consolidation scope					
4. Ending balance	1,416,124,020.81	672,231,171.04	101,733,566.26	153,000,000.00	2,343,088,758.11
II. Accumulated amortisation					
1. Opening balance	88,885,582.50	146,154,794.83	43,672,631.18	29,325,000.00	308,038,008.51
2. Amount increased in the current period	12,844,241.19	32,769,982.54	3,989,454.67	7,650,000.00	57,253,678.40
(1) Accrual	12,844,241.19	32,769,982.54	3,989,454.67	7,650,000.00	57,253,678.40
3. Amount decreased in the current period					
(1) Disposal					
(2) Withdrawal from the consolidation scope					
4. Ending balance	101,729,823.69	178,924,777.37	47,662,085.85	36,975,000.00	365,291,686.91
III. Provision for impairment					
1. Opening balance			384,950.81		384,950.81
2. Amount increased in the current period					
(1) Provision					
3. Amount decreased in the current period					
(1) Disposal					
(2) Withdrawal from the consolidation scope					
4. Ending balance			384,950.81		384,950.81
IV. Book value					
1. Ending book value	1,314,394,197.12	493,306,393.67	53,686,529.60	116,025,000.00	1,977,412,120.39
2. Opening book value	1,051,956,553.09	526,076,376.21	56,228,446.02	123,675,000.00	1,757,936,375.32

18. Goodwill

(1). Original book value of goodwill

Not applicable

Unit: Yuan Currency: RMB

Name of investee or matters	Opening balance	Increase in the current	Decrease in the current	Ending balance

forming goodwill		period	period	
		Formed by business consolidation	Withdrawal from the consolidation scope	
Huzhou Shanshan New Energy Technology Co., Ltd.	148,044,702.20			148,044,702.20
Polarizer business	879,235,149.99			879,235,149.99
Total	1,027,279,852.19			1,027,279,852.19

(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
		Formed by business consolidation	Withdrawal from the consolidation scope	
Huzhou Shanshan New Energy Technology Co., Ltd.	20,000,000.00			20,000,000.00
Total	20,000,000.00			

turnover materials					
Others	16,225,023.63	38,559,423.88	13,624,827.00	3,598,185.99	37,561,434.52
Total	133,384,511.46	56,115,912.82	46,117,198.52	6,471,115.42	136,912,110.34

20. Deferred income tax assets/deferred income tax liabilities

(1). Deferred income tax assets without offsetting

Applicable Not applicable

Unit: Yuan Currency: RMB

Item	Ending balance		Opening balance	
	Deductible temporary differences	Deferred income tax Assets	Deductible temporary differences	Deferred income tax Assets
Credit impairment losses	184,061,030.01	40,219,992.24	148,881,777.63	34,902,767.29
Provision for Impairment of assets	423,647,372.06	102,503,910.20	420,865,980.75	102,186,903.17
Unrealized gross profit from internal transaction	62,521,220.19	9,742,796.28	112,476,576.32	20,005,019.33
The income from equity transfer within the consolidation scope, recognized for tax purposes and offset by accounting	163,893,536.52	40,973,384.13	163,893,536.52	40,973,384.13
Deductible losses	10,213,765.40	1,532,064.81	10,213,765.40	1,532,064.81
Payment of fees for shares not yet exercised	81,353,267.26	15,518,213.80	78,727,547.56	14,089,478.71
Income recognized by tax, not yet recognized for accounting purposes	88,027,303.72	13,445,299.91	88,671,572.38	13,105,769.16
Expenditure recognized by accounting, not yet recognized for tax purposes	501,665,800.82	116,368,383.57	425,080,902.54	102,386,317.40
Changes in fair value of other equity instruments included in other comprehensive income	204,000.00	51,000.00	204,000.00	51,000.00
Total	1,515,587,295.98	340,355,044.94	1,449,015,659.10	329,232,704.00

(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 o0 10.56 345.48 72(4 re f 456 749.76 0.48 0.of)3.420.48 es inng ba hang				

engineering equipment						
Prepayments for equity investment	742,290.00		742,290.00	742,290.00		742,290.00
Total	467,304,865.17		467,304,865.17	161,095,381.56		161,095,381.56

22. Short-term borrowings

Classification of short-term borrowings

Applicable Not applicable

Unit: Yuan Currency: RMB

Item	Ending balance	Opening balance
Credit borrowings	1,683,370,373.50	

within one year					
Total	153,368,165.73	512,008,764.56	628,616,405.94	116,196.57	36,644,327.78

(2). Short-term compensation list

Applicable Not applicable

Unit: Yuan Currency: RMB

Item	Opening balance	Increase in the current period	Decrease in the current period	Decrease in consolidation scope in the current period	Ending balance
I. Wages, bonuses, allowances and subsidies	149,199,258.41	401,514,806.24	516,642,115.87	102,421.88	33,969,526.90
II. Welfare expenses for the employees	19,719.30	17,960,258.38	17,960,232.14		19,745.54
III. Social insurance expenses	1,175,777.15	25,240,578.54	26,223,706.02	5,324.35	187,325.32
Of which: Medical insurance premiums	1,073,730.46	22,356,394.42	23,244,778.22	4,953.70	180,392.96
Industrial injury insurance premiums	11,970.19	1,821,963.35	1,826,755.21	370.65	6,807.68
Maternity insurance premiums	90,076.50	1,062,220.77	1,152,172.59		124.68
IV. Housing accumulation fund	306,535.37	18,812,679.58	18,861,160.58		258,054.37
V. Labor union expenditure and employee education expenses	1,161,473.30	4,596,495.38	4,717,443.57		1,040,525.11
VI. Short-term paid absence					
VII. Short-term profit sharing plan					
Total	151,862,763.53	468,124,818.12	584,404,658.18	107,746.23	35,475,177.24

(3). Defined contribution plan list

Applicable Not applicable

Unit: Yuan Currency: RMB

Item	Opening balance	Increase in the current period	Decrease in the current period	Decrease in consolidation scope in the current period	Ending balance
1. Basic endowment insurance	363,419.72	42,079,886.35	42,137,997.74	8,158.92	297,149.41
2. Unemployment insurance premiums	11,250.49	1,435,958.04	1,435,217.55	291.42	11,699.56
Total	374,670.21	43,515,844.39	43,573,215.29	8,450.34	308,848.97

28. Taxes payable

Applicable Not applicable

Unit: Yuan Currency: RMB

Item	Ending balance	Opening balance
Value added tax	33,734,582.89	78,181,297.84
Enterprise income tax	127,449,017.90	188,321,493.52
Individual income tax	7,911,591.86	7,622,189.57
Urban maintenance and construction tax	1,365,462.34	5,338,608.12
House property tax	1,990,088.89	7,811,395.76
Education surcharges	975,330.24	2,463,844.42
Land use tax	628,330.25	1,855,156.20
Others	5,589,048.44	4,824,754.86
Total	179,643,452.81	296,418,740.29

29. Other payables

Presentation of items

Applicable Not applicable

Unit: Yuan Currency: RMB

Item	Ending balance	Opening balance
Interests payable		
Dividend payable	701,360.00	701,360.00
Other payables	670,534,392.19	752,300,127.50
Total	671,235,752.19	753,001,487.50

Dividend payable

Applicable Not applicable

Unit: Yuan Currency: RMB

Item	Ending balance	Opening balance
Payable dividends — corporate shareholders	701,360.00	701,360.00
Payable dividends — subsidiaries payable to non-controlling interests		
Total	701,360.00	701,360.00

Other payables

(1). Other payables listed by nature of payment

Applicable Not applicable

Unit: Yuan Currency: RMB

Item	Ending balance	Opening balance
Security deposit	45,617,068.20	50,189,878.15

Accrued expenses	173,335,283.94	207,647,781.10
Deposit	51,361,545.24	67,895,424.80
Accounts payable	69,510,459.52	88,289,997.85
Temporary receipts	56,000,375.30	63,567,385.61
Final property payment payable	7,075,068.47	7,075,068.47
Contingent repurchase payables of Restricted Share	267,634,591.52	267,634,591.52
Total	670,534,392.19	752,300,127.50

(2). Other significant payables with an aging over 1 year

Applicable Not applicable

Unit: Yuan Currency: RMB

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

30. Liabilities held for sale

Applicable Not applicable

Unit: Yuan Currency: RMB

Item	Ending balance	Opening balance
Xinya Shanshan New Materials (Quzhou) Co., Ltd.		371,993,827.57
Dongguan Shanshan Battery Materials Co., Ltd.	27,538,909.94	28,323,578.10
Total	27,538,909.94	400,317,405.67

31. 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 Note 1	1,028,934,095.18	139,938,591.92
Bonds payable due within 1 year		
Long-term payables due within 1 year Note 2	507,026,822.35	1,327,094,250.17
Lease liabilities due within 1 year	365,617,375.65	437,020,313.67
Total	1,901,578,293.18	1,904,053,155.76

Note 1: The nature of the loan is detailed in "Long-term borrowings" in this Notes to Financial Statements.

Note 2: The details of long-term payables due within one year are as follows:

Unit: Yuan Currency: RMB

Item	Ending balance	Opening balance
Payable rent for leaseback	507,026,822.35	449,053,199.00
Payable investment funds for LG polarizer business		878,041,051.17
Total	507,026,822.35	1,327,094,250.17

32. Other current liabilities

Applicable Not applicable

Unit: Yuan Currency: RMB

Item	Ending balance	Opening balance
Output tax to be transferred	3,683,905.51	3,282,653.63
Payable for short-term leaseback business	100,776,681.18	110,487,065.64
Total	104,460,586.69	113,769,719.27

33. Long-term borrowings

(1). Classification of long-term borrowings

Applicable Not applicable

Unit: Yuan Currency: RMB

Item	Ending balance	Opening balance
Credit **borrowings**	428,000,000.00	430,000,000.00
Guaranteed borrowings	2,078,236,619.07	1,161,815,013.61
Pledged borrowings	1,360,000,000.00	1,571,543,590.05
Mortgage borrowings	2,127,732,556.47	1,012,727,043.35
Total	5,993,969,175.54	4,176,085,647.01

Explanation on classification of long-term borrowings:

Unit: Yuan Currency: RMB

Item	**Long-term borrowings due within one year**	**Long-term borrowings**	**Subtotal**
Credit borrowings		428,000,000.00	428,000,000.00
Guaranteed borrowings	670,000,000.00	2,078,236,619.07	2,748,236,619.07
Pledged borrowings Note 1	267,340,000.00	1,360,000,000.00	1,627,340,000.00
Mortgage borrowings Note 2	91,594,095.18	2,127,732,556.47	2,219,326,651.65
Total	1,028,934,095.18	5,993,969,175.54	7,022,903,270.72

Note 1: Pledged borrowings

Unit: Yuan Currency: RMB

Nature of Borrowing	Pledge and mortgage projects	Pledge and mortgage	Balance of borrowings	
			Long-term borrowings due within one year	Long-term borrowings

Long-term payables

Applicable Not applicable

Unit: Yuan Currency: RMB

Item	Ending balance	Opening balance
Sale and leaseback payable	490,625,771.98	446,802,899.34
LG polarizer business investment payable	1,450,494,103.56	1,369,305,861.96
Total	1,941,119,875.54	1,816,108,761.30

36. Estimated liabilities

Applicable Not applicable

Unit: Yuan Currency: RMB

Item	Opening balance	Increase in this period	Decrease in this period	Ending balance	Cause of formation
Litigation compensation	1,250,000.00			1,250,000.00	
Provision for polarizer product quality guarantee deposit	61,456,582.21		7,526,470.93	53,930,111.28	
Provision for loss on disposal of equity interests in other subsidiaries in the electrolyte business segment Note		59,141,105.43		59,141,105.43	
Total	62,706,582.21	59,141,105.43	7,526,470.93	114,321,216.71	/

Note: The Company entered into an agreement in July 2023 for the transfer of equity interests in Dongguan and Langfang companies in the electrolyte business segment. As agreed in the equity transfer agreement, the Company expects a loss on transfer of RMB59,141,100.

37. Deferred income

Deferred income

Applicable Not applicable

Unit: Yuan Currency: RMB

Item	Opening balance	Increase in the current period	Decrease in the current period	Decrease in consolidation scope	Ending balance	Cause of formation
Government subsidies	366,776,419.53	15,317,258.17	11,927,255.68	1,871,733.43	368,294,688.59	

Total	366,776,419.53	15,317,258.17	11,927,255.68	1,871,733.43	368,294,688.59	/

Projects involving government subsidies:

Applicable Not applicable

Unit: Yuan Currency: RMB

Liability items	Opening balance	Amount of new subsidies in the current period	Amount included in in other income in the current period	Decrease in consolidation scope	Ending balance	Asset-related/income-related
Government subsidies related to industrial investment projects	314,196,870.90		5,646,897.72		308,549,973.18	Related to assets
Government subsidies related to industrial support projects	51,779,548.63	12,317,258.17	6,105,357.99	1,871,733.43	56,119,715.38	Related to assets
High-tech enterprise subsidy	800,000.00	1,000,000.00	49,999.98		1,750,000.02	Related to income
Industrial support fund subsidy		2,000,000.00	124,999.99		1,875,000.01	Related to income
Total	366,776,419.53	15,317,258.17	11,927,255.68	1,871,733.43	368,294,688.59	

38. 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	2,263,973,358.00						2,263,973,358.00

39. Capital reserves

Applicable Not applicable

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Total	9,131,320,581.39	2,625,719.70		9,133,946,301.09

41. Other comprehensive income

Applicable Not applicable

Unit: Yuan Currency: RMB

Item	Opening balance	Amount in the current period						Ending balance
		Amount before income tax in the current period	Less: The profit and loss transferred in the current period but previously included in other comprehensive income	Less: The retained earnings transferred in the current period but previously included in other comprehensive income	Less: income tax expenses	That attributable to the company after tax	That attributable to non-controlling interests after tax	
I. Other comprehensive incomes that will not be reclassified into profit or loss	-154,856,686.63	106,633,092.42			29,250,000.00	77,383,092.42		-77,473,594.21
Of which: Remeasurement of changes in defined benefit plans								
Other comprehensive income that cannot be transferred to profit and loss under equity method	-15,232,635.23							-15,232,635.23
Changes in fair value of other equity instrument investments	-139,624,051.40	106,633,092.42			29,250,000.00	77,383,092.42		-62,240,958.98
Changes in fair value of enterprise’s own credit risk								
II. Other comprehensive incomes to be reclassified into profit and loss	4,036,797.42	2,839,952.80				2,839,952.80		6,876,750.22
Of which: Other comprehensive income that can be transferred to profit and loss under equity method	3,752,581.19	157,144.62				157,144.62		3,909,725.81
Changes in fair value of other debt investments								
Amount of financial assets reclassified into other comprehensive income								
Provision for credit impairment of other debt investments								
Cash flow hedging reserve								
The balance arisen from the translation of foreign currency financial statements	284,216.23	2,682,808.18				2,682,808.18		2,967,024.41

42. Special reserves

Applicable Not applicable

Unit: Yuan Currency: RMB

Item	Opening balance	Increase in the current period	Decrease in the current period	Withdrawal from the consolidation scope	Ending balance
Safety production fund	2,140,946.80	26,316.00		115,758.64	2,051,504.16
Total	2,140,946.80	26,316.00		115,758.64	2,051,504.16

43. Surplus reserves

Applicable Not applicable

Unit: Yuan Currency: RMB

Item	Opening balance	Increase in the current period	Decrease in the current period	Ending balance
Statutory surplus reserve	292,801,918.55			292,801,918.55
Discretionary surplus reserve				
Reserve fund				
Total	292,801,918.55			292,801,918.55

44. Retained earnings

Unit: Yuan Currency: RMB

Item	The current period	The previous year
Retained earnings at the end of the previous period before adjustment	12,028,646,332.05	10,083,326,361.95
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	12,028,646,332.05	10,083,326,361.95
Plus: Net profits attributable to equity owners the Company's owners in the current period	1,013,091,536.67	2,691,262,599.60
Less: Withdrawal of legal surplus reserve		39,085,721.96
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	671,354,367.30	707,163,579.54
Common share dividends converted to share capital		

Add: Financial assets designated at fair value through other comprehensive income are disposed of in the current period, and the disposal previously recorded in other comprehensive income is transferred to retained earnings		306,672.00
Retained earnings at the end of the period	12,370,383,501.42	12,028,646,332.05

Instructions on retained earnings:

According to the resolution of the shareholders' meeting on 10 May 2023, the Company shall distribute 2,237,847,891 shares (total share capital: 2,263,973,358, the number of shares in the repurchase account: 26,125,467), and distributed a cash dividend of RMB 3.0 (tax inclusive) for every 10 shares to all shareholders from undistributed profits, and the ordinary share dividends payable by the Company amounted to RMB 671,354,367.30.

45. Operating income and operating cost

(1). Operating income and operating cost

Unit: Yuan Currency: RMB

Item	Amount incurred in the current period		Amount incurred in the previous period	
	Income	Cost	Income	Cost
Main operations	9,330,769,658.92	7,661,596,447.33	10,575,713,028.53	7,948,115,632.23
Other operations	137,006,264.90	71,522,251.36		

(2). Operating income generated from contracts

Unit: Yuan Currency: RMB

Contract classification	Polarizer Segment	Cathode Material Segment	Electrolyte Material Segment	New Energy Vehicle Segment	Energy Management Segment	Others	Inter-segment offset	Total
Commodity type								
Revenue from sales of goods	5,374,683,649.33	3,160,782,371.54	103,685,221.79	671,398.04	710,390,207.76	531,455.14		9,350,744,303.60
Revenue from photovoltaic power generation					50,246,205.41			50,246,205.41
Revenue from entrusted processing	21,207,238.19							21,207,238.19
Revenue from charging service								
Revenue from service and other sales	18,598,256.59	3,387,603.85	56,828.89	90,958.80	131,148.24	43,383,711.94	20,070,331.69	45,578,176.62
Classified by operating areas								

Sales in mainland China	5,375,057,739.59	2,753,648,450.28	103,742,050.68	762,356.84	177,659,233.75	43,915,167.08	20,070,331.69	8,434,714,666.53
Taiwan China	37,108,568.66	2,237.93						37,110,806.59
Overseas sales	2,322,835.86	410,519,287.18			583,108,327.66			995,950,450.70
Classification by timing of commodity transfer								
Confirmation at a point of time	5,396,027,800.61	3,164,169,975.39	103,742,050.68	762,356.84	710,521,356.00	20,586,701.58	562,356.75	9,395,247,884.35
Confirmation within a certain period of time	18,461,343.50				50,246,205.41	23,328,465.50	19,507,974.94	72,528,039.47
Total	5,414,489,144.11	3,164,169,975.39	103,742,050.68	762,356.84	760,767,561.41	43,915,167.08	20,070,331.69	9,467,775,923.82

46. Taxes and surcharges

Unit: Yuan Currency: RMB

Item	Amount incurred in the current period	Amount incurred in the previous period
Urban maintenance and construction tax	6,164,603.06	5,135,259.75
Education surcharges	5,714,126.36	3,129,052.04
Other taxes such as property tax and land use tax	32,110,522.92	19,911,572.90
Total	43,989,252.34	28,175,884.69

47. Selling expenses

Unit: Yuan Currency: RMB

Item	Amount incurred in the current period	Amount incurred in the previous period
Material consumption	38,966,367.35	37,879,568.60
Employee compensation costs	17,615,705.07	19,952,253.76
Depreciation and amortisation expense for intangible assets and long-term amortisation	8,888,377.52	9,226,802.00
Rent	3,344,532.67	2,163,348.66
Transportation costs, vehicle costs and others	685,343.87	677,487.45
Consulting fees and expenses of external intermediary agencies	4,676,835.58	2,709,167.87
Marketing fees, promotion fees, meeting fees, exhibition fees and others	17,836,623.66	16,926,747.00
Withholding of sales compensation		10,427,710.79
Communication expenses, office expenses, travel expenses and others	2,807,287.16	1,026,498.74
Business entertainment fee	2,031,438.69	5,345,094.07
Insurance expenses	3,843,244.35	24,986,315.11
Share-based payment expenses	-128,680.70	
Others	32,993.26	200,602.25
Total	100,600,068.48	131,521,596.30

48. Administrative expenses

Unit: Yuan Currency: RMB

Item	Amount incurred in the current period	Amount incurred in the previous period
Material consumption	6,511,730.77	27,332,348.30
Employee compensation costs	95,375,000.43	92,797,456.72
Depreciation and amortisation expense of intangible assets and long-term	88,436,826.90	124,987,748.53

amortisation		
Rent	4,257,128.72	7,362,459.56
Taxes	935,458.04	249,546.73
Transportation costs, vehicle costs and others	2,925,866.31	2,204,323.87
Consulting fees and expenses of external intermediary agencies	54,382,862.64	55,854,881.96
Conference fees and others	868,263.73	656,615.20
Communication expenses, office expenses, travel expenses and others	17,696,078.17	10,179,859.75
Business entertainment fee	7,292,796.12	13,127,370.62
System personnel development service fee		32,153,214.00
Share-based payment expenses	3,867,260.03	38,091,227.71
Others	135,920.34	210,677.35
Total	282,685,192.20	405,207,730.30

49. Research and development expenses

Unit: Yuan Currency: RMB

Item	Amount incurred in the current period	Amount incurred in the previous period
Raw materials consumed	226,383,595.84	257,963,201.09
Employee benefits fees	108,300,092.34	113,555,309.91
Depreciation and amortisation expense of intangible assets and long-term amortisation	30,323,637.53	37,826,785.87
Office expenses, rental expenses, travel expenses and others	2,266,674.64	995,592.53
Energy and other manufacturing expenses	464,814.10	707,599.07
Consulting fees and expenses of external intermediary agencies	4,523,277.24	2,702,861.45
Business entertainment fee	278,325.31	381,539.87
Share-based payment expenses	-1,112,859.63	5,070,238.10
Others		93,230.67
Total	371,427,557.37	419,296,358.56

50. Financial expenses

Unit: Yuan Currency: RMB

Item	Amount incurred in the current period	Amount incurred in the previous period
Interest expenses	254,043,771.58	312,476,352.17
Less: interest income	52,441,021.72	52,810,212.45
Exchange gain/loss	30,077,730.20	109,757,578.42
Handling charges	5,747,462.34	6,819,463.77

Others	114,097.90	377,885.22
Total	237,542,040.30	376,621,067.13

51. Other revenues

Unit: Yuan Currency: RMB

Item	Amount incurred in the current period	Amount incurred in the previous period	Asset-related/income-related
Government subsidies related to industrial investment projects	5,646,897.72	2,354,997.60	Asset-related
Government subsidies related to industrial support projects	6,105,357.99	14,486,512.27	Asset-related
High-tech enterprise subsidy	399,999.98	681,720.02	Income-related
Industrial support fund subsidy	288,354,562.36	35,974,868.52	Income-related
Technology project subsidy	4,637,963.04	4,552,689.42	Income-related
Other subsidies	5,316,444.11	223,270.21	Income-related
Total	310,461,225.20	58,274,058.04	

52. Investment income

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	-29,895,584.95	454,580,868.12
Investment incomes generated from disposal of long-term equity investment	371,687,074.00	190,457,809.17
Investment income derived from trading financial assets during the holding period		
Dividend income earned during the holding period of investments in other equity instruments	13,362,000.00	10,687,500.00
Interest income earned during the holding period of debt investments		
Interest income earned during the holding period of other debt investments		
Investment income from disposal of trading financial assets		
Investment income from disposal of investments in other equity instruments		
Investment income from disposal of debt investments		
Investment income from disposal of other debt investments		
Income from debt restructuring		
Income of securities borrowings and wealth	2,184.81	

management products		
Total	355,155,673.86	655,726,177.29

53. Credit impairment losses

Unit: Yuan Currency: RMB

Item a/MCID 37 >>BD.68 42 13.559 re f 532.68 525.12 0.48 13.559 re f /P <<0.8(y)22. re	Amount incurred in the current period	Amount incurred in the previous period
Bad debt losses on notes receivable		
Bad debt losses on accounts receivable	-34,899.57	7,093,481.86
Impairment losses on receivables financing		
Bad debt losses on other receivables	17,345,106.24	8,435,294.79
Impairment losses on debt investments		
Other impairment losses on debt investments		
Bad debt losses on long-term receivables		
Bad debt losses on long-term receivables due within one year		
Total	17,310,206.67	15,528,776.65

Item	Amount incurred in the current period	Amount incurred in the previous period	Amounts included into the current nonrecurring profit and loss
Fixed assets	-6,367,937.29	4,082,280.29	-6,367,937.29
Total	-6,367,937.29	4,082,280.29	-6,367,937.29

56. Non-operating income

	period	period
Income tax expenses in the current period	281,332,973.25	340,001,518.11
Deferred income tax expenses	20,805,814.15	-23,790,329.28
Total	302,138,787.40	316,211,188.83

(2) The reconciliation from total profit presented in the consolidated financial statements to the income tax expenses

Unit: Yuan Currency: RMB

Item	Amount incurred in the current period
Total profit	1,372,968,569.96
Profit and loss of subsidiaries cannot be offset against each other	132,132,848.18
Income tax expenses calculated at statutory/applicable tax rate	376,275,354.54
Effect of different tax rates applied to subsidiaries	-61,368,916.87
Effect of adjustments to income taxes of prior periods	-3,535,201.17
Effect of non-taxable income	-29,895,584.95
Additional deductible expenses under the tax law	-20,971,556.30
Effect of non-deductible costs, expenses and losses	24,830,837.22
Effect of deductible losses on the use of deferred tax assets not recognized in prior periods	-7,894,677.05
Effect of deductible temporary differences or deductible losses on deferred income tax assets not recognized in the current period	24,698,531.98
Income tax expenses	302,138,787.40

59. Other comprehensive income

For details, please refer to the notes.

60. Cash flow statement items

(1). Other cash received related to operating activities

Unit: Yuan Currency: RMB

Item	Amount incurred in the current period	Amount incurred in the previous period
Brand fee, rent fee & interest income from bank deposits	90,670,860.86	84,310,498.37
Government subsidies received	313,851,227.69	183,415,977.68
Receipt of various business-related deposits & customer security deposits	42,447,029.60	73,182,494.48
Current temporary borrowings received	125,149.23	377,488.93

Non-operating income received related to business activities	6,386,375.48	10,929,338.51
Others	1,912,193.52	1,370,737.39
Total	455,392,836.38	353,586,535.36

(2). Other cash paid related to operating activities

Unit: Yuan Currency: RMB

Item	Amount incurred in the current period	Amount incurred in the previous period
Operating-related expenses	386,645,727.28	435,915,551.51
Payment of various types of business-related deposits and security deposits	24,437,838.85	124,330,732.30
Payment of temporary borrowings	45,000.00	80,000.00
Non-operating expenses paid related to operating activities	4,588,786.08	2,918,383.00
Total	415,717,352.21	563,244,666.81

(3). Other cash received related to investing activities

(4). Other cash received related to investing activities

Unit: Yuan Currency: RMB

Item	Amount incurred in the current period	Amount incurred in the previous period
Payment of the remaining portion of the principal and interest on the acquisition of the LCD polarizer business		472,262,241.00
Payment of income tax expense on transfer of equity interest in BASF Shanshan		372,513,659.04
Hunan Yongshan Lithium Industry Co., Ltd., Beijing Shanshan Venture Capital Investment Co., Ltd. and Winsky business segments out of the statement to led to a decline in cash at bank and on hand		139,671,579.16
Payment of investment deposits		294,930,000.00
Total		1,279,377,479.20

(5). Other cash received related to financing activities

Unit: Yuan Currency: RMB

Item	Amount incurred in the current period	Amount incurred in the previous period
Current accounts received from Ningbo Shanshan Contract Energy Management Co., Ltd. before the	10,000,000.00	

financial statements is released		
Payments received on banknotes from BYD and Farasis Energy Zhenjiang	125,805,925.45	
Project payments from Industrial Bank Financial Leasing	300,000,000.00	
Received current account from Ningbo Liweineng Energy Storage System Co., Ltd.	208,000.00	312,000.00
Deposits recovered on bills and L/C deposit for financing	367,768,112.12	124,381,343.48
Letter of credit financing discount of Bank of Dalian		62,500,000.00
Total	803,782,037.57	187,193,343.48

(6). Other cash paid related to financing activities

Unit: Yuan Currency: RMB

Item	Amount incurred in the current period	Amount incurred in the previous period
Share buybacks of joint stock companies	230,705,880.22	
Payment of interest on L/C	71,447,602.31	
Current account payment to Ningbo Shanxin Photovoltaic Energy Management Co., Ltd. and its subsidiaries	11,253,562.10	
Sale and leaseback payable to International Far Eastern Leasing		10,775,200.00
Payment of finance leasing fees and deposits	357,515,700.20	975,074,934.74
Payment of individual tax for employee equity incentive		210,656,121.75
Paying the SCI Group for the use of the plant		58,108,238.40
Paying for the share of Shenzhen Jiashengyu Technology Co., Ltd. ( )charging station		98,219.17
Payment of lease rental to Suzhou Financial Leasing Co., Ltd.		2,827,966.58
Total	670,922,744.83	1,257,540,680.64

61. Supplementary materials of cash flow statement

(1) Supplementary materials of cash flow statement

Unit: Yuan Currency: RMB

Supplementary information	Amount for the current period	Amount for the previous period
1. Cash flow for adjusting net profits to operating activities:		
Net profit	1,070,829,782.56	1,728,246,256.11

Depreciation of right-to-use assets	71,601,884.07	41,806,882.25
Amortisation of intangible assets	57,253,678.40	52,244,761.46
Amortisation of long-term deferred expenses	46,117,198.52	24,707,284.41
Loss on disposal of fixed assets, intangible assets and other long-term assets (gains expressed with "-")	6,367,937.29	-4,082,280.29
Losses on scrapping of fixed assets (gains expressed with "-")	4,052,533.45	3,280,935.58
Losses on changes in fair value (gain expressed with "-")		
Financial expenses (gain expressed with "-")	284,121,501.78	422,233,930.59
Investment losses (gain expressed with "-")	-355,155,673.86	-655,726,177.29
Decrease of deferred income tax assets (increase expressed with "-")	-10,612,474.69	-55,558,008.06
Increase of deferred income tax liabilities (decrease expressed with "-")	23,368,831.85	152,697,271.46
Decrease in inventories (increase expressed with "-")	-527,404,915.92	-1,671,257,244.47
Decrease in operating receivable items (increase expressed with "-")	-667,872,323.82	-376,339,256.26
Increase in operating payable items (decrease expressed with "-")	-1,895,092,665.16	1,486,603,105.37
Deferred income carried forward to other income	-11,927,255.68	-58,274,058.04
Net cash flow from operating activities	-1,464,124,850.13	1,560,449,276.28
2. Major investment and financing activities irrelevant to cash income and expenditure:		
Conversion of debts into capital		
Convertible corporate bonds due within one year		
Fixed assets acquired under finance leases		
3. Net changes in cash and cash equivalents:		
Ending balance of cash	3,432,818,264.15	4,688,960,223.77
Less: Opening balance of cash	3,911,177,960.18	8,678,782,091.61
Plus: Ending balance of cash equivalents		
Less: Opening balance of cash equivalents		
Net increase in cash and cash equivalents	-478,359,696.03	-3,989,821,867.84

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

Unit: Yuan Currency: RMB

	Amount
Cash or cash equivalents received in the current period from disposal of subsidiaries in the current period	536,982,212.50
Of which: Xinya Shanshan New Materials (Quzhou) Co., Ltd.	358,938,000.00
Of which: Ningbo Shanxin Photovoltaic Energy Management Co., Ltd. and its subsidiaries	178,044,212.50
Less: Cash and cash equivalents held by the subsidiaries on the date of loss of control	40,106,208.28
Of which: Xinya Shanshan New Materials (Quzhou) Co., Ltd.	35,587,993.15
Of which: Ningbo Shanxin Photovoltaic Energy Management Co., Ltd. and its subsidiaries	4,518,215.13

Plus: Cash or cash equivalents received in the current period from disposal of subsidiaries during the previous periods	
Net cash received from disposal of subsidiaries	496,876,004.22

(3) Composition of cash and cash equivalents

Unit: Yuan Currency: RMB

Item	Ending balance	Opening balance
I. Cash	3,432,818,264.15	3,911,177,960.18
Of which: Cash on hand	119,760.55	273,307.05
Bank deposit available for payment at any time	3,419,622,761.97	3,910,824,106.69
Other monetary capitals available for payment at any time	13,075,741.63	80,546.44
Deposits in the Central Bank for payment		
Deposit of interbank funds		
Deposit and lending of interbank funds		
II. Cash equivalents		
Of which: Bond investment due within 3 months		
III. Cash and cash equivalents balance at the end of the period	3,432,818,264.15	3,911,177,960.18
Of which: Cash and cash equivalents with restricted use in the company or subsidiaries of the Group		

62. Assets with restricted ownership or use right

Unit: Yuan Currency: RMB

Item	Closing book value	Reason of restrictions
Cash at bank and on hand	898,738,463.41	Deposit
Cash at bank and on hand	9,500,906.76	Frozen
Accounts receivable	52,501,870.80	Pledge financing
Fixed assets	2,365,694,802.51	Financial leasing, mortgage financing
Construction in progress	302,928,103.17	Mortgage financing
Intangible assets	659,446,701.12	Mortgage financing, pledge financing
Long-term equity investment	8,295,441,289.05	Pledge financing
Total	12,584,252,136.82	

63. Foreign currency monetary items

Unit: RMB

Item	Foreign currency balance at the end of the period	Exchange rate	Converted RMB balance at the end of the period
Cash at bank and on hand	-	-	144,690,030.46
Of which: USD	11,510,090.40	7.2258	83,169,611.23

HKD	17,762,647.27	0.9220	16,376,805.53
Euro	4,427,902.05	7.8771	34,879,027.22
Pound	26.04	9.1432	238.09
Japanese yen	115,286,285.60	0.0500	5,764,314.28
Australian dollar	2.02	4.7992	9.68
NTD	19,373,055.17	0.2323	4,500,024.43
Other equity instruments	-	-	19,631,219.67
Of which: Canadian dollar	24,028.03	5.4721	131,483.77
Australian dollar	4,063,122.17	4.7992	19,499,735.90
Accounts receivable	-	-	589,233,629.52
Of which: USD	55,005,846.05	7.2258	397,461,242.36
Euro	24,177,719.85	7.8771	190,450,317.01
NTD	5,691,644.20	0.2323	1,322,070.15
Other receivables	-	-	2,337,538.75
Of which: USD	311,138.79	7.2258	2,248,226.67
NTD	384,497.44	0.2323	89,312.08
Accounts payable	-	-	662,533,712.91
Of which: USD	54,549,283.01	7.2258	394,162,209.19
Japanese yen	5,365,271,135.00	0.0500	268,263,556.75
NTD	464,722.50	0.2323	107,946.97
Other payables	-	-	8,059,569.88
Of which: USD	14,150.92	7.2258	102,251.72
NTD	19,481,947.47	0.2323	4,525,318.22
South Korean won	624,521,029.08	0.0055	3,431,999.94
Long-term payable	-	-	1,450,494,103.56
Of which: USD	284,557,705.64	7.2258	1,450,494,103.56

64. Government subsidies

(1) Asset-related government subsidies

Unit: Yuan Currency: RMB

Category	Amounts included in profit or loss for the current period or written off against related costs and expenses losses		Items included in profit or loss for the current period or written off against related costs and expenses losses
	Amount for the current period	Amount for the previous period	
Government subsidies related to industrial investment projects	5,646,897.72	2,354,997.60	Other income
Government subsidies related to supporting industrial projects	6,105,357.99	14,486,512.27	Other income
Total	11,752,255.71	16,841,509.87	

(2) Government subsidies related to income

Category	Amounts included in profit or loss for the current period or written off against related costs and expenses losses			Items included in profit or loss for the current period or written off
	Amount for the	Retained earnings	Amount for the	

	current period	transferred	previous period	against related costs and expenses losses
High-tech enterprise subsidy	399,999.98		681,720.02	Other income
Industrial support fund subsidy	288,354,562.36		35,974,868.52	Other income
Technology project subsidy	4,637,963.04		4,552,689.42	Other income
Other subsidies	5,316,444.11		223,270.21	Other income
Total	298,708,969.49		41,432,548.17	

VIII. Change in Scope of Consolidation

1. Business combination not under the same control

2. Business combination under the same control

3. Reverse purchase

4. Disposal of subsidiaries

Loss of control upon a single disposal of an investment in a subsidiary

Unit: Yuan Currency: RMB

Name of subsidiary	Equity disposal price	Equity disposal ratio (%)	Equity disposal method	The time point of loss of control	Basis for determining the time point at which control is lost	The difference between the disposal price and the share of the net assets of the subsidiary at the consolidated financial statement level corresponding to the disposal of the investment	Ratio of the remaining equity at the date of loss of control (%)	Book value of the remaining equity at the date of loss of control	Fair value of the remaining equity at the date of loss of control	Gains or losses on re-measurement of remaining equity at fair value	Methods and key assumptions for determining the fair value of the remaining equity at the date of loss of control	Amount transferred from other comprehensive income related to equity investment in former subsidiaries to investment profit and loss
Xinya Shanshan New Material Technology (Quzhou) Co., Ltd. Note 1	703,000,000.00	51.00	Transfer of shares	January 2023	Control of making business decisions has been transferred	365,092,178.82	31.2534	207,564,137.61	299,000,000.00	91,435,862.39	Assessment of fair value Note 2	
Ningbo Shanxin Photovoltaic Energy Management Co., Ltd.	50,194,512.50	100.00	Transfer of shares	April 2023	Control of making business decisions has been transferred	-25,699,861.78	0.00					

Other explanations:

Note 1: Xinya Shanshan New Material Technology (Quzhou) Co., Ltd. is formerly known as Shanshan New Material (Quzhou) Co., Ltd.

Note 2: Based on the Kunyuan asset valuation report (2023) No. 238 issued by Kunyuan Asset Appraisal Co., Ltd., Ningbo Yongquan Investment Co., Ltd. intends to understand the valuation report of the long-term equity investment value assessment project held by it. On 31 January 2023, the fair value of the remaining equity of Xinya Shanshan New Material Technology (Quzhou) Co., Ltd., invested by Ningbo Yongquan Investment Co., Ltd., was RMB299 million.

5. Change in scope of consolidation for other reasons

Describe the change in scope of consolidation for other reasons (e.g. Establishing new subsidiaries, liquidating subsidiaries, etc.) and its details:

(1) New subs 83(a).5( )6.6(, 1)0.8(s)3. 4(83dd6.103 , 1)4a 4d 112.2(o311.3(112.8)1.6(pd 112.2)of)3.o s6a112.8n15.88

16	Ningbo Shanjie Photovoltaic Power Generation Co., Ltd.	Transfer of shares
17	Sanmen Shanyuan Photovoltaic Power Generation Co., Ltd.	Transfer of shares
18	Shaoxing Shanzi Photovoltaic Power Generation Co., Ltd.	Transfer of shares
19	Ningbo Shanlun Photovoltaic Power Generation Co., Ltd.	Transfer of shares
20	Taizhou Shanyan New Energy Co., Ltd.	Transfer of shares
21	Quzhou Shanhai Photovoltaic Power Generation Co., Ltd.	Transfer of shares
22	Quzhou Qujiang Henglei Energy Technology Co., Ltd.	Transfer of shares
23	Lanxi Shanrui New Energy Co., Ltd.	Transfer of shares
24	Ningbo Ciguang New Energy Technology Co., Ltd.	Transfer of shares
25	Wuyi Shanrun New Energy Co., Ltd.	Transfer of shares
26	Taizhou Shantian Photovoltaic Power Generation Co., Ltd.	Transfer of shares
27	Cixi Shante Photovoltaic Co., Ltd.	Transfer of shares
28	Shaoxing Shanchang New Energy Co., Ltd.	Transfer of shares
29	Yuyao Shankai Photovoltaic Power Generation Co., Ltd.	Transfer of shares
30	Ningbo Xinquante New Energy Development Co., Ltd.	Transfer of shares
31	Ningbo Haobo New Energy Co., Ltd.	Transfer of shares
32	Jinhua Zhichao New Energy Technology Co., Ltd.	Transfer of shares
33	Ningbo Shanteng New Energy Co., Ltd.	Transfer of shares
34	Nanchang Shan’ao New Energy Co., Ltd.	Transfer of shares
35	Ningbo Yuyao Xiangtai Power Engineering Co., Ltd.	Transfer of shares
36	Jinhua Shangong Photovoltaic Power Generation Co., Ltd.	Transfer of shares
37	Ningbo Shanwen Photovoltaic Power Generation Co., Ltd.	Transfer of shares
38	Quzhou Shanke Photovoltaic Power Generation Co., Ltd.	Transfer of shares
39	Quzhou Shanyu New Energy Development Co., Ltd.	Transfer of shares
40	Quzhou Qujiang Shanzhen New Energy Technology Co., Ltd.	Transfer of shares
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IX. Interests in other Subjects

1. Interests in subsidiaries

(1). Composition of enterprise groups

Name of subsidiary	Main business locations	Place of registration	Business nature	Shareholding ratio (%)		Acquisition method
				Direct	Indirect	
ShanJin Optoelectronics (Suzhou) Co., Ltd. Note 1	Suzhou, Jiangsu	Suzhou, Jiangsu	Industry	85		Newly established
ShanJin Optoelectronics (Guangzhou) Co., Ltd.	Guangzhou, Guangdong	Guangzhou, Guangdong	Industry		100	Newly established
ShanJin Optoelectronics (Nanjing) Co., Ltd.	Nanjing, Jaingsu	Nanjing, Jaingsu	Industry		100	Newly established
ShanJin Optoelectronics (Beijing) Co., Ltd.	Beijing	Beijing	Industry		100	Newly established
ShanJin Optoelectronics Technology (Zhangjiagang) Co., Ltd.	Zhangjiagang, Jiangsu	Zhangjiagang, Jiangsu	Industry		100	Newly established
ShanJin Optoelectronics (Mianyang) Co., Ltd.	Mianyang, Sichuan	Mianyang, Sichuan	Industry		100	Newly established
Taiwan Shanjin Optoelectronics Co., Ltd.	Taiwan, China	Taiwan, China	Industry		100	Consolidation not under same control
Shanjin Tokyo Co., Ltd.	Tokyo, Japan	Tokyo, Japan	Trade	100		Newly established
Ningbo Shanshan New Energy Technology Development Co., Ltd.	Ningbo, Zhejiang	Ningbo, Zhejiang	Investment	98	2	Newly established
Shanghai Shanshan New Energy Technology Developemnt Co., Ltd.	Shanghai	Shanghai	Industry	100		Newly established
Shanghai Shanshan Lithium Battery Material Co., Ltd.	Ningbo, Zhejiang	Ningbo, Zhejiang	Investment		87.077	Newly established
Ningbo Shanshan New Material Technology Co., Ltd.	Ningbo, Zhejiang	Ningbo, Zhejiang	Industry		100	Newly established
Shanghai Shanshan Technology Co., Ltd.	Shanghai	Shanghai	Industry		100	Consolidation under the same control
Shanghai Shanshan New Material Co., Ltd.	Shanghai	Shanghai	Industry		100	Newly established
Chenzhou Shanshan New Material Co., Ltd.	Chenzhou, Hunan	Chenzhou, Hunan	Industry		100	Newly established
Fujian Shanshan Technology Co., Ltd.	Ningde, Fujian	Ningde, Fujian	Industry		100	Newly established
Inner Mongolia Shanshan Technology Co., Ltd.	Baotou, Inner Mongolia	Baotou, Inner Mongolia	Industry		100	Newly established
Inner Mongolia Shanshan New Material Co., Ltd.	Baotou, Inner Mongolia	Baotou, Inner Mongolia	Industry		100	Newly established
Baotou Graphene Material Research Institute Co., Ltd. Note 2	Baotou, Inner Mongolia	Baotou, Inner Mongolia	Industry		50	Newly established
Huzhou Shanshan New Energy Technology Co., Ltd.	Huzhou,Zhejiang	Huzhou,Zhejiang	Industry		100	Consolidation not under same control
Inner Mongolia Shanshan Material Technology Co., Ltd.	Ulanqab, Inner Mongolia	Ulanqab, Inner Mongolia	Industry		100	Newly established
XichuanShanshan New	Meishan,	Meishan, Sichuan	Industry		100	Newly established

Material Co., Ltd.	Sichuan					
Yunnan Shanshan New Material Co., Ltd. ( )	Kunming, Yunnan	Kunming, Yunnan	Industry		100	Newly established
Ningbo Shanshan Silicon Based Materials Co., Ltd	Ningbo, Zhejiang	Ningbo, Zhejiang	Industry		100	Newly established
Ningbo Yongxiang Investment Co., Ltd.	Ningbo, Zhejiang	Ningbo, Zhejiang	Investment		100	Newly established
Ningbo Yongquan Investment Co., Ltd.	Ningbo, Zhejiang	Ningbo, Zhejiang	Investment		100	Newly established
Dongguan Shanshan Battery Material Co., Ltd.	Dongguan, Guangdong	Dongguan, Guangdong	Industry		100	Newly established
Langfang Shanshan Battery Material Co., Ltd.	Langfang, Hebei	Langfang, Hebei	Industry		100	Newly established
Ningbo Shanshan Venture Capital Investment Co., Ltd.	Ningbo, Zhejiang	Ningbo, Zhejiang	Investment	100		Newly established
Ningbo Shanshan Electric Vehicle Technology Development Co., Ltd.	Ningbo, Zhejiang	Ningbo, Zhejiang	Investment	90	10	Newly established
Inner Mongolia Qingshan Automobile Co., Ltd.	Baotou, Inner Mongolia	Baotou, Inner Mongolia	Industry		94.43	Newly established
Shanghai Zhanxiao New Energy Technology Co., Ltd.	Shanghai	Shanghai	Industry		60.98	Newly established
Ningbo Shanshan Bada Power Assembly Co., Ltd.	Ningbo, Zhejiang	Ningbo, Zhejiang	Industry		70	Newly established
Ningbo Shanshan Automobile Co., Ltd.	Ningbo, Zhejiang	Ningbo, Zhejiang	Industry		100	Newly established
Ningbo Shanshan AutomobileCo., Ltd.	Ningbo, Zhejiang	Ningbo, Zhejiang	Investment		100	Newly established
Ningbo Shanpeng Investment Co., Ltd.	Ningbo, Zhejiang	Ningbo, Zhejiang	Investment		100	Newly established
Ningbo Ulica Solar Energy Tehcnology Development Co., Ltd.	Ningbo, Zhejiang	Ningbo, Zhejiang	Industry	90.04		Consolidation under the same control
Shanghai Shanshan Garment Co., Ltd.	Shanghai	Shanghai	Industry	90	10	Newly established
Shanghai Tunheng Trading Co., Ltd.	Shanghai	Shanghai	Industry	95	5	Newly established
Ningbo Shanshan Tongda Trading Co., Ltd.						

Ningbo Ziheng Trading Co., Ltd. ( )	Ningbo, Zhejiang	Ningbo, Zhejiang	Industry	100		Newly established

Note 1: Description of the percentage of shareholding in subsidiaries different from the percentage of voting rights:

Shanshan Co., Ltd. acquired 70% of Suzhou Shanjin's share equity on 1 February 2021. According to the agreement, Shanshan Co., Ltd. will continue to purchase the remaining 30% of Suzhou Shanjin's share equity held by LG Chem in stages over the next three years to achieve 100% control of Suzhou Shanjin. As of 30 June 2023, Shanshan Co., Ltd.'s shareholding ratio has increased to 85%. Due to the fact that all variable income from the polarizer business in the three years belongs to Shanshan Co., Ltd., the subsequent transaction price of LG Chem’s equity has been determined and irrevocable. Therefore, 100% of the equity in the polarizer film business belongs to Shanshan Co., Ltd., and the equity held by LG Chem is reflected as liabilities.

Note 2: 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

Unit: Yuan Currency: RMB

Name of subsidiary	Shareholding ratio of non-controlling interests (%)	Profit and loss attributable to non-controlling interests in the current period	Dividends declared to non-controlling interests in the current period	Balance of non-controlling interests’ equity at the end of the period
Shanghai Shanshan Lithium Battery Material Technology Co., Ltd. (lithium anode material)	12.923	55,731,890.64	0.00	948,896,437.62

(3). Key financial information of significant non-wholly owned subsidiaries

Unit: 0’000 Currency: RMB

Name of subsidiary	Ending balance						Opening balance					
	Current assets	Non-current assets	Total assets	Current liabilities	Non-current liabilities	Total liabilities	Current assets	Non-current assets	Total assets	Current liabilities	Non-current liabilities	Total liabilities
Shanghai Shanshan Lithium Battery Material Technology Co., Ltd. (lithium anode material)	9,381,969,813.56	10,292,037,032.32	19,674,006,845.88	8,030,631,295.60	3,613,882,903.80	11,644,514,199.40	9,224,771,852.73	7,802,570,047.40	17,027,341,900.13	7,368,342,794.86	2,052,695,054.35	9,421,037,849.21

Name of subsidiary	Amount incurred in the current period				Amount incurred in the previous period			
	Operating income	Net profit	Total comprehensive income	Cash flows from operating activities	Operating income	Net profit	Total comprehensive income	Cash flows from operating activities
Shanghai Shanshan Lithium Battery Material Technology Co., Ltd. (lithium anode material)	3,164,169,975.39	430,911,647.18	430,911,647.18	-1,904,023,980.36	3,567,722,055.45	426,534,547.43	426,534,547.43	-554,496,747.65

2. Interest in joint ventures or associates

(1). Significant joint ventures or associates

Unit: Yuan Currency: RMB

Name of joint venture or associate	Main business locations	Place of registration	Business nature	Shareholding ratio (%)		The accounting method for investments in joint ventures or associates
				Direct	Indirect	
Zhejiang Chouzhou Commercial Bank Co., Ltd.	Zhejiang	Yiwu	Commercial bank	7.06		Equity method
BASF Shanshan Battery Materials Co., Ltd.	Hunan	Changsha	Industry		49.00	Equity method

(2). Key financial information of important joint ventures

(3). Key financial information of important associates

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	292,372,036,800.34	4,646,472,827.32	302,611,714,252.48	5,797,080,453.30
Non-current assets	48,850,988,217.14	3,426,769,429.73	24,409,649,762.92	3,348,725,578.14
Total assets				

Adjustment matters	137,136,237.39		137,136,237.39	
— Goodwill				
— Unrealized profit on internal transactions				
— Others	137,136,237.39		137,136,237.39	
Book value of equity investment in associates	1,563,922,314.99	3,887,159,231.44	1,486,496,486.10	3,986,324,989.13
Fair value of equity investments in associates for which publicly quoted prices exist				
Operating income	4,848,421,572.77	2,583,009,631.12	3,783,744,612.56	4,276,019,081.97
Net profit	1,182,132,206.20	-202,379,097.34	890,051,553.24	792,781,302.87
Of which: Net profit attributable to the company	1,094,457,284.26	-202,379,097.34		792,781,302.87
Net profit from discontinued operations				
Other comprehensive incomes	355,526.55			
Total comprehensive income	1,094,812,810.81	-202,379,097.34		792,781,302.87
Dividends received from associates during the year				

(4). Aggregated financial information of immaterial joint ventures and associates

Unit: Yuan Currency: RMB

	Ending balance/Amount incurred in the current period	Opening balance/Amount incurred in the previous period
Joint ventures:		
Ningbo Liweineng Energy Storage System Co., Ltd.	146,608,944.19	145,799,892.81
Associates:		
Ningbo Airport Logistics Development Co., Ltd.	170,440,646.84	170,201,585.77
Ningbo Shanqi Property Services Co., Ltd.	39,161,340.43	38,181,724.89
Suiyong Holdings Co., Ltd.	908,941,421.52	914,162,081.51
Shanghai Shanshan Chuanghui Venture Capital Management Co., Ltd.	13,889,844.59	12,852,883.17
Anhui Shanyue New Material Co., Ltd.	4,010,125.16	4,156,627.26
Shanshan Brand Management Co., Ltd.	45,527,519.55	44,067,823.68
Shenzhen Yuanshan Private Equity Investment Management Co., Ltd.	5,226,561.39	5,219,577.82

Inner Mongolia Mengji New Carbon Material Co., Ltd.	94,546,134.67	93,011,322.95
Jiangxi Zhanxiao New Energy Technology Co., Ltd.	15,245,786.05	16,633,698.51
Xinya Shanshan New Material Technology (Quzhou) Co., Ltd.	291,690,382.45	
Total book value of investments	1,735,288,706.84	1,444,287,218.37
Total of the following in proportion to shareholdings		
— Net profit	-7,998,511.53	-3,882,943.28
— Other comprehensive income		
— Total comprehensive income	-7,998,511.53	-3,882,943.28

(5). Excess losses incurred by joint ventures or associates

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.	-12,245,248.29	-3,003,402.97	-15,248,651.26

X. Risks Associated with Financial Instruments

The Company is exposed to various financial risks in the course of its business: Credit risk, market risk and liquidity risk. The Company's Board of Directors has overall responsibility for the determination of risk management objectives and policies and is ultimately accountable for them, and has designed and implemented procedures that will ensure that risk management objectives and policies are effectively implemented. The Company's internal auditors also audit risk management policies and procedures, and report findings to the Audit Committee.

The goal of corporate risk management is to get a balance between risk and return, to minimize the negative impact of risk on daily operating performance, and to maximize the interests of shareholders and other equity investors. Based on this risk management objective, the basic strategy of corporate risk management is to identify and analyze the various risks faced by the Company, establish an appropriate risk tolerance floor and manage the risks, and develop a risk management policy that minimizes risks without unduly affecting the company's competitiveness and resilience.

Based on the current scope and effectiveness of the Company's business operations and the Company's assets and liabilities, mainly financial instruments such as accounts receivable and investments in other equity instruments are exposed to certain risks.

1. Credit risk

Credit risk is the risk that one party to a financial instrument will fail to meet its obligations, causing the other party to incur financial losses. The Company's credit risk mainly arises from cash at

bank and on hand and receivables. In order to control the above related risks, the Company has taken the following measures respectively:

(1) Cash at bank and on hand

The Company places its bank deposits and other cash balances with financial institutions with high credit ratings, so its credit risk is low.

(2) Accounts receivable

It mainly refers to receivables resulting from credit sales by customers, and the main control measures adopted are as follows: Prepare and continuously revise and improve sales and credit management systems and processes related to customer information collection, customer development, customer maintenance, customer credit investigation, credit assessment, credit limit management, customer blacklist management, bad debt assessment and recovery, customer file management, etc.; At the same time, the internal risk management mechanism of risk identification, response, tracking and control has been established with the risk asset management team as the responsible institution, which regularly organizes risk asset management meetings, evaluates the performance of credit-granting customers, defines the risk level based on the credit information and statistical data analysis of customers, and takes risk control measures such as key monitoring, letter issuance, collection, control, stopping delivery, lawyer's letter, filing lawsuits, as well as adopts information notification mechanisms for customers with different risk levels.

On the basis of strengthening the above-mentioned internal management, the Company has prepared a sales and credit risk evaluation system around customer fundamentals and different risk levels for customer's accounts receivable management, while conducting biannual internal control evaluation activities and corresponding control measures rectification activities on a regular basis.

As of the end of the period, the book value of accounts receivable within the scope of consolidated statements was RMB 4, 521,223,001.81, accounting for 9.58% of the total assets at the end of the period, representing a decrease of 3.70% year-over-year. The control of credit risk faces certain challenges, but under the implementation of the Company's strict risk management policy, the credit risk is still under control and the provision for impairment of accounts receivable already made is sufficient to cover its credit risk.

2. Liquidity risk

Liquidity risk is the risk that a company will run short of funds to meet its obligations settled by delivering cash or other financial assets. It is the Company's policy to ensure that it has sufficient cash to pay its debts as they fall due. Liquidity risk is centrally controlled by the Company's Finance and Capital Department. The Finance and Capital Department ensures that the Company has sufficient funds to service its debt with all reasonable projections by monitoring cash balances, readily realizable marketable securities and rolling projections of cash flows for the next 12 months. As of the end of the period, the Company's current ratio of 1.45 and quick ratio of 0.941 were within a reasonable range, while the Company had other tools and strategies to protect against liquidity risk: First, as of 30 June

2023, the Company and the consolidated subsidiaries had obtained bank credit facilities totaling RMB 27.819 billion, with RMB 13.895 billion in unused credit lines. Based on the Company's credit capacity and the bank's cooperative relationship, the Company can obtain bank financing in a short term. Second, the Company also has assets with good liquid such as the equity in Luoyang Molybdenum. Third, the Finance and Capital Department will make monthly statistics on the plan for the use of funds in the coming month and arrange a reasonable allocation of funds to improve the efficiency of the use of funds and reduce the flow risk.

3. Market risk

Market risk of financial instruments is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices, including interest rate risk, exchange rate risk, and other price risks.

(1) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's exposure to interest rate risk arises mainly from interest-bearing liabilities such as bank borrowings. As of 30 June 2023, the Company's bank borrowings totaled approximately RMB **13.266** billion, mainly bank borrowings with the Loan Prime Rate (LPR) denominated in RMB floating up and down by a certain percentage; The Company has obtained **3.892** billion of medium- and long-term bank borrowings, and the maturity and interest rate structure of the financing is reasonable overall.

The Company's Finance and Capital Department continuously monitors interest rate levels. An increase in interest rates will increase the cost of new interest-bearing debt and interest expense on the Company's outstanding interest-bearing debt with floating interest rates and adversely affect the Company's financial results. The Management Layer will make timely adjustments based on the latest market conditions, such as appropriate arrangements to increase the fixed interest rate ratio to address the risks associated with financial instruments.

(2) Exchange rate risk

Exchange rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Company's exposure to exchange rate changes is mainly related to the Company's foreign currency monetary assets and liabilities. For foreign currency assets and liabilities, if there is a short-term imbalance, the company will adopt various foreign exchange tools such as buying and selling foreign currencies at market rates to control the exchange rate risk when necessary to ensure that the net exposure is maintained at an acceptable level.

At present, the Company's main net exposure to US dollar liabilities is the payment of two subsequent equity acquisitions for the polarizer acquisition business. For details, please refer to this Note XIV 1 (5). Agreed expenditure.

3. Other price risk

The Company holds equity investments in other listed companies and the Management believes

that the market price risk to which these investment activities are exposed is acceptable.

Item	Ending balance (RMB)	Balance at the beginning of the year (RMB)
Investments in other equity instruments — Investments in listed equity instruments	819,131,219.67	712,498,127.25
Total	819,131,219.67	712,498,127.25

As of 30 June 2023, with all other variables held constant, if the value of the Company's financial instruments held rose or fell by 10%, the net assets at the end of the period would rise or fall by **0.26**% accordingly, with little impact on the Company's net assets in the long run.

XI. Disclosure of Fair Value

The input value used in the fair value measurement is divided into three levels:

The first level input value is the quotation not adjusted in the active market for the same assets or liabilities that can be obtained on the measurement date.

The second level input value is the direct or indirect observable input value of related assets or liabilities except for the first level input value.

The third level input value is the unobservable input value of related assets or liabilities.

The level of the fair value measurement results shall be decided according to the minimum level of input value that is of great significance to the overall fair value measurement.

1. Ending fair value of assets and liabilities measured at fair value

Unit: Yuan Currency: RMB

Item	Ending fair value			
	Level I fair value measurement	Level II fair value measurement	Level III fair value measurement	Total
I. Continuous fair value measurement				
(I) Held-for-trading financial assets				
1. Financial assets at fair value through profit or loss				
(1) Investment in debt instruments				
(2) Investment in equity instruments				
(3) Derivative financial assets				
2. Financial assets designated at fair value through profit or loss				
(1) Investment in debt instruments				
(2) Investment in equity instruments				
(II) Other debt investments				

(III) Investments in other equity instruments	819,131,219.67		36,916,462.76	856,047,682.43
(1) Investment in listed equity instruments	819,131,219.67			819,131,219.67
(2) Investment in unlisted equity instruments			36,916,462.76	36,916,462.76
(IV) Receivables financing			861,470,302.13	861,470,302.13
(V) Other non-current financial assets		23,640,000.00	174,514,599.78	198,154,599.78
1. Financial assets at fair value through profit or loss		23,640,000.00	174,514,599.78	198,154,599.78
(1) Investment in debt instruments				
(2) Investment in equity instruments		23,640,000.00	174,514,599.78	198,154,599.78
(3) Derivative financial assets				
(4) Others				
2. Financial assets designated at fair value through profit or loss				
(1) Investment in debt instruments				
(2) Others				
Total assets continuously measured at fair value	819,131,219.67	23,640,000.00	1,072,901,364.67	1,915,672,584.34
(VI) Held-for-trading financial liabilities				
1. Financial liabilities at fair value through profit or loss				
Of which: Held-for-trading bonds issued				

The closing price of the company’s shares held on the balance sheet date is used as the market price.

3. Continuing and discontinuing Level-2 fair value measurement items, qualitative and quantitative information on the valuation techniques and significant parameters used

Item	Ending fair value	Valuation technology

	Yinzhou District, Ningbo City, Zhejiang Province				

Controlling shareholders of the Company: Shanshan Holdings Co., Ltd. and Shanshan Group Co., Ltd. In addition to the shares of the Company held by Shanshan Group Co., Ltd., Shanshan Holdings Co., Ltd directly holds 72,212,200 shares of the Company, accounting for 3.19%. Ningbo Pengze Trading Co. Ltd. directly holds 205,264,800 shares of the Company, accounting for 9.07%. Ningbo Zhou Jielun Investment Co., Ltd., directly holds 77,873,300 shares of the Company, accounting for 3.44%.

2. Information about the subsidiaries of the Company

For details of the Company's subsidiaries, see "Interests in Other Entities of Note IX".

3. Information on the Company's joint ventures and associates

For details of the Company's significant joint ventures or associates, see "Interests in Other Entities" of Note IX.

Other joint ventures or associates with which the Company had related party transactions during the Reporting Period, or with which the Company had related party transactions forming the balance in prior periods, are as follows

Name of joint venture or associate	Relationship with the Company
Shanshan Brand Management Co., Ltd.	An associate
Zhejiang Chouzhou Commercial Bank Co., Ltd.	An associate
Ningbo Airport Logistics Development Co., Ltd.	An associate
Ningbo Liweineng Energy Storage System Co., Ltd.	A joint venture
Anhui Liweineng Power Battery Co., Ltd.	A joint venture
Winsky Gaoke Group Co., Ltd.	An associate
Shanghai Shanshan Chuanghui Venture Capital Management Co., Ltd.	An associate
Anhui Shanyue Technology Co., Ltd.	An associate
Ningbo Shanqi Property Services Co., Ltd.	An associate
BASF Shanshan Battery Materials Co., Ltd.	An associate
BASF Shanshan Battery Materials (Ningxiang) Co., Ltd.	An associate
BASF Shanshan Battery Materials (Ningxia) Co., Ltd.	An associate
Inner Mongolia Mengji New Carbon Material Co., Ltd.	An associate
Xinya Shanshan New Material Technology (Quzhou) Co., Ltd.	An associate
Suiyong Holdings Co., Ltd.	An associate

4. Information on other related parties

Name of other related parties	Relationship between other related parties and the Company
Beiben Heavy Duty Automobile Group Co.,	Non-controlling interests of subsidiaries

Ltd.	
Jiangsu Shanyuan Technology Co., Ltd.	Participating company
Jiangxi Zhanxiao New Energy Technology Co., Ltd	Associate of subsidiaries
Jinzhou Jixiang Molybdenum Industry Co., Ltd.	Other enterprises controlled by the ultimate controller
Ningbo Ligang Technology Service Co., Ltd.	Other enterprises controlled by the ultimate controller
Ningbo Shanju Industrial Co., Ltd.	Other enterprises controlled by the ultimate controller
Ningbo Shanshan Technology Venture Service Co., Ltd.	Other enterprises controlled by the ultimate controller
Ningbo Shanshan Energy & Chemical Co., Ltd.	Other enterprises controlled by the ultimate controller
Ningbo Shanshan Senhuo Commercial Management Co., Ltd.	Other enterprises controlled by the ultimate controller
Ningbo Shanshan Products Co., Ltd.	Other enterprises controlled by the ultimate controller
Ningbo Shanxin Commercial Real Estate Management Co., Ltd	Other enterprises controlled by the ultimate controller
Ningbo Shunnuo Trading Co., Ltd.	Other enterprises controlled by the ultimate controller
Shanshan Group Co., Ltd.	Controller
Shanshan Holdings Co., Ltd.	Controller
Shanshan Products Group Co., Ltd.	Other enterprises controlled by the ultimate controller
Shanzhong Investment Management (Shanghai) Co., Ltd.	Other enterprises controlled by the ultimate controller
Shanghai Hongbao Business Consulting Co., Ltd.	Other enterprises controlled by the ultimate controller
Shanghai Guju Business Consulting Co., Ltd.	Other enterprises controlled by the ultimate controller
Shanghai Mingxu Import & Export Co., Ltd.	Other enterprises controlled by the ultimate controller
Shanghai Shanshan Trading Co., Ltd.	Other enterprises controlled by the ultimate controller
Shanghai Shanshan Industrial Co., Ltd.	Other enterprises controlled by the ultimate controller
Shanghai Yinkai Business Consulting Co., Ltd.	Other enterprises controlled by the ultimate controller
Shanghai Zhiwei Industry and Trade Co., Ltd.	Other enterprises controlled by the ultimate controller

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

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	3.61	
Inner Mongolia Mengji New Carbon Materials Co., Ltd	Purchase of goods	6,980.42	27,031.41
Inner Mongolia Hengsheng New Energy Technology Co., Ltd Note 1	Purchase of goods		22,420.07
Shanshan Brand Management Co., Ltd.	Purchase of goods	212.04	206.98
Xinya Shanshan New Material	Purchase of goods	257.98	

Technology (Quzhou) Co., Ltd.			
Ningbo New Airport International Logistics Co., Ltd.	Transportation fee	188.76	632.31
Ningbo Ligang Technology Service Co., Ltd.	Utilities, property service fee	14.37	8.72
Ningbo Shanshan Technology Venture Service Co., Ltd.	Property service fee	87.02	69.37
Jiangxi Zhanxiao New Energy Technology Co., Ltd.	Purchase of goods	0.37	
Jiangxi Zhanxiao New Energy Technology Co., Ltd.	Commissioned processing	37.17	

Information of commodities sold/labor services provided

of labour services

Note 1: The Company transferred the equity of Inner Mongolia Hengsheng New Energy Technology Co., Ltd. in May 2022, and it is no longer regarded as a related party for this reporting period.

(2). Related leases

The Company as the lessor:

Unit: 0’000 Currency: RMB

Name of lessee	Types of leased assets	Rental income recognized in the current period	Rental income recognized in the previous period
Ningbo New Mingda Knitting Co., Ltd.	House buildings		98.18
Ningbo Shanjing Apparels Co., Ltd.	House buildings	1.26	1.37
Shanshan Brand Management Co., Ltd.	House buildings	148.58	149.66
Evps Ningbo Energy Storage System Co., Ltd.	House buildings	63.00	0.50
Ningbo Shanshan Resources Corporation	House buildings	43.66	34.39
Shanshan Resources Group Co., Ltd.	House buildings	56.14	14.77
Ningbo Shanshan Energy Co., Ltd	House buildings	88.21	45.48
Shanghai Shanshan Trading Co., Ltd.	House buildings		20.53
Shanghai Zhiwei Industry and Trade Co., Ltd.	House buildings		6.84
Shanghai Mingxu Import & Export Co., Ltd.	House buildings	5.34	2.67
Jiangxi Zhanxiao New Energy Technology Co., Ltd.	House buildings	3.54	
Ningbo Shanju Industrial Co., Ltd.	House buildings	10.96	

The Company as the lessee:

Unit: 0’000 Currency: RMBName of lessor	Types of leased 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	
		Amount incurred in the current period	Amount incurred in the previous period	Amount incurred in the current period	Amount incurred in the previous period	Amount incurred in the current period	Amount incurred in the previous period	Amount incurred in the current period	Amount incurred in the previous period	Amount incurred in the current period	Amount incurred in the previous period
Ningbo Ligang Technology Service Co., Ltd.	House buildings		1.00			174.95	168.38	5.79	11.12	323.62	
Ningbo Shunnuo Trading Co., Ltd.	House buildings		0.10			14.40	41.28	0.48	2.63	50.10	147.84

Explanation on related leases:

The prices of related leases are consistent with those of other non-related parties in the same period.

(3). Related guarantees

The Company as the guarantor

Unit: 0’000 Currency: RMB

Guaranteed party	Guarantee amount	Guarantee start date	Guarantee expiration date	Whether the guarantee has been fulfilled

Related party	Contents of related transaction	Amount incurred in the current period	Amount incurred in the previous period
Jinzhou Jixiang Molybdenum Industry Co., Ltd.	Transfer of shares		48,000.00
Ningbo Shanshan Senhuo Commercial Management Co., Ltd.	Transfer of shares		173.00

(6) Remuneration to key management personnel

Unit: 0’000 Currency: RMB

Item	Amount for the current period	Amount for previous period
Remuneration to key management personnel	1,111.58	308.23

(7) Other related transactions

In the first half of 2023, the Company and its subsidiaries did not incur any bank borrowings with Zhejiang Chouzhou Commercial Bank Co., Ltd. As of 30 June 2023, the Company and its subsidiaries had a deposit balance of RMB 391.4257 million with Zhejiang Chouzhou Commercial Bank Co., Ltd., with accumulated interest income of RMB1.3187 million in the first half of 2023.

6. Receivables and payables of associated parties

(1). Receivable items

Unit: 0’000 Currency: RMB

Project name	Related party	Ending balance		Opening balance	
		Book balance	Bad debt provision	Book balance	Bad debt provision
Accounts receivable	Anhui Liweineng Power Battery Co., Ltd.	182.98	9.15	569.80	28.49
	BASF Shanshan Battery Materials (Ningxia) Co., Ltd.			0.06	0.00
	Jiangsu Shanyuan Technology Co., Ltd.			26.12	2.61
	Jiangxi Zhanxiao New Energy Technology Co., Ltd	77.37	3.87	77.67	3.88
	Ningbo Liweineng Energy Storage System Co., Ltd.	406.93	20.35	381.41	19.07
	Ningbo Liweineng Energy Storage System Co., Ltd.			0.99	0.05
	Ningbo Shanxin Commercial Real Estate Management Co., Ltd.	42.33	2.12	62.33	3.12
	Shanshan Brand Management Co., Ltd.	56.83	2.84	22.73	1.14
	Suiyong Holdings Co., Ltd.	15.00	0.75		

	Beiben Heavy Duty Automobile Group Co., Ltd.	5,598.04	3,358.83	5,598.04	3,358.83
Other receivables	Jinzhou Jixiang Molybdenum Co., Ltd.			13,000.00	

XIII. Share-based Payment

1. Share payment in general

2022 Share Option and Restricted Share Incentive Plan

The 2022 First Extraordinary General Meeting held on 14 March 2022 considered and approved the Proposal on the 2022 Share Option and Restricted Share Incentive Plan (Draft) of Ningbo Shanshan Co. Ltd. and Its Summary, and the Proposal on the 2022 Share Option and Restricted Share Incentive Plan Implementation Assessment Measures.

The 26th Meeting of the Tenth Board of Directors held on 18 March 2022 considered and approved the Proposal on Adjusting the List of Incentive Recipients of the Company's 2022 Share Option and Restricted Share Incentive Plan, and the Proposal on the First Grant of Share Options to Incentive Recipients under the Company's 2022 Share Option and Restricted Share Incentive Plan.

The 30th meeting of the Tenth Board of Directors held on 26 May 2022 reviewed and approved the Proposal on Adjustment of Exercise Price of Share Options and Restricted Share Incentive Plan of the Company in 2022 and Cancellation of Part of Share Options, the Proposal on the Adjustment of the List of Restricted Share Incentive Participants, Grant Price and Grant Quantity of the Company's 2022 Share Option and Restricted Share Incentive Plan, and the Proposal on the First Grant of Share Options to Incentive Targets under the Company's 2022 Share Option and Restricted Share Incentive Plan, and other related proposals.

1.Grant date: 18 March 2022(share options) 26 May 2022 (restricted shares).

2. Number of participants, number of share options granted: the number of participants is 435, and the number of share options granted: 45.01 million; number of participants of restricted shares: 417; number of share options granted of restricted shares: 18,334,100

3.Exercise price: The exercise price of share options granted for the first time under the Incentive Plan is RMB28.18 per share; the granting price of restricted shares is RMB14.09.

4. Stock source: The Company issued A shares of common stock to the incentive participants.

5. Period of validity: The share options incentive plan shall be valid for a maximum of 72 months from the date of the share option grant to the date of exercise or cancellation of all share options granted to the incentive participants; The validity period of the Restricted Share Incentive Plan shall commence from the date of completion of registration of the first grant and end on the date when all the restricted shares granted to the incentive participants are fully unlocked, repurchased and deregistered, for a maximum of 72 months.

6. Waiting period, restricted share trade period: The share options granted for the first time are exercisable in four instalments, with waiting periods of 12 months, 24 months, 36 months and 48 months from the date of the first grant, respectively. Restricted shares granted for the first time will be released from sale in four instalments, with the corresponding restricted share trade periods of 12 months, 24 months, 36 months and 48 months from the date of registration of the first grant, respectively.

7. Exercise conditions:

The Company's performance conditions, departmental performance appraisals and individual performance appraisals for the exercise/restriction release of share options and restricted shares under the Incentive Plan are as follows:

(1) The performance conditions of the Company for the exercise/restriction release of share options and restricted shares granted for the first time are shown in the table below:

Exercise/restriction release period	**Performance assessment objectives**
The first exercise period / restriction release period for initial grant of share options	With the comparable operating income of the Company in 2021 as the base, the growth rate of the operating income of the Company in 2022 shall not be less than 30%;
The second exercise period / restriction release period for initial grant of share options	With the comparable operating income of the Company in 2021 as the base, the growth rate of the operating income of the Company in 2023 shall not be less than 75%;
The third exercise period / restriction release period for initial grant of share options	With the comparable operating income of the Company in 2021 as the base, the growth rate of the operating income of the Company in 2024 shall not be less than 130%;
The fourth exercise period / restriction release period for initial grant of share options	With the comparable operating income of the Company in 2021 as the base, the growth rate of the operating income of the Company in 2025 shall not be less than 165%

Note 1: Due to business adjustments of the company, Hunan Shanshan Energy Technology Co., Ltd. (now known as "BASF Shanshan Battery Materials Co., Ltd."), a subsidiary of the positive electrode materials business, will no longer be included in the company's consolidation scope from September 2021. To ensure comparability of assessment indicators between years, the above comparability refers to the fact that the operating income generated by the positive electrode materials business in the consolidated financial statements of the same year needs to be excluded from the operating income generated by the positive electrode materials business in 2021 as the base.

Note 2: If the Company occurs asset/equity transfer or other matters that affect the scope of consolidation during the assessment year, in order to ensure comparability of the assessment indicators between years, the impact of such matters should be excluded when calculating the actual growth rate of the assessment year.

If the Company fails to meet the above performance assessment objectives, all Share Options corresponding to the planned exercise of the corresponding assessment year for the incentive recipients shall not be exercised and shall be cancelled by the company; All incentive recipients shall not lift the restrictions on sales of Restricted Share that can be lifted in the assessment year, and the company shall repurchase and cancel them. The repurchase price is the sum of the grant price and the bank deposit interest in the same period.

(2) The conditions for departmental performance assessment are as follows:

During the implementation of this incentive plan, when the performance assessment indicators at the company level are achieved, each department will determine the department assessment coefficient corresponding to the Restriction Releases on sales of Restricted Share of the department in the current year according to the department performance assessment scheme of each assessment year.

The performance evaluation results of each department level of the company and their corresponding department evaluation standard coefficients are divided into four levels according to the table below: A, B, C, and D. The required score (S) and the calculation method for score (S) for each level are as follows:

Score from operating income(S1)		S1=Min [0.5, (Actual completion growth rate of operating income ÷ expected growth rate of operating income)*0.5]		
Score from net income (S2)		S2=Min [0.5, (Actual completion growth rate of net income ÷ expected growth rate of net income)*0.5]		
Level Assessment	**Level A**	**Level B**	**Level C**	**Level D**
Total Scores (S=S1+S2)	0.9 S 1	0.8 S<0.9	0.7 S<0.8	S<0.7
Assessment standard coefficient of the department	100%	90%	80%	0

The recipients of this incentive are all from the polarizer business department or negative electrode material business department, and their corresponding annual expected growth rates of departmental performance are shown in the table below:

Exercise of rights/ Lifting restricted sales period	**Expected growth rate of performance indicators for polarizer business department**		**Expected growth rate of performance indicators for negative electrode material business department**	
First exercise/restriction release period the First Grant	Operating income	Based on the operating income of the polarizer business in 2021, the expected growth rate of the operating income of the polarizer business in 2022 is 17%	Operating income	Based on the operating income of the negative electrode material business in 2021, the expected growth rate of the operating income of the negative electrode material business in 2022 is 80%
	Net profit	Based on the net income of the polarizer business in 2021, the expected growth rate of the net income of the polarizer business in 2022 is 14%	Net profit	Based on the net income of the negative electrode material business in 2021, the expected growth rate of the net income of the negative electrode material business in 2022 is 65%
Second exercise/restriction release period the First Grant	Operating income	Based on the operating income of the polarizer business in 2021, the expected growth rate of the operating income of the polarizer business in 2023 is 44%	Operating income	Based on the operating income of the negative electrode material business in 2021, the expected growth rate of the operating income of the negative electrode material business in 2023 is 170%
	Net profit	Based on the net income of the polarizer business in 2021, the expected growth rate of the net income of the polarizer business in 2023 is 30%	Net profit	Based on the net income of the negative electrode material business in 2021, the expected growth rate of the net income of the negative electrode material business in 2023 is 165%
Third exercise/restriction release period the First Grant	Operating income	Based on the operating income of the polarizer business in 2021, the expected growth rate of the operating income of the polarizer business in 2024 is 72%	Operating income	Based on the operating income of the negative electrode material business in 2021, the expected growth rate of the operating income of the negative electrode material business in 2024 is 300%
	Net income	Based on the net income of the polarizer business in 2021, the expected growth rate of the net income of the polarizer business in 2024 is 50%	Net income	Based on the net income of the negative electrode material business in 2021, the expected growth rate of the net income of the negative electrode material business in 2024 is 300%
Fourth	Operating	Based on the operating income of	Operating	Based on the operating income of the

Exercise of rights/ Lifting restricted sales period

Exercise/ Restriction Release Arrangement	Exercise/ Restriction Release Time	Number of can be exercised rights/ lifted restricted for sale share quantity as a percentage of the number of interests granted
The first exercise/restriction release period	From the first trading day 12 months after the completion of the first grant registration to the last trading day within 24 months after the completion of the first grant registration	25%
The second exercise/restriction release period	From the first trading day 24 months after the completion of the first grant registration to the last trading day within 36 months after the completion of the first grant registration	25%
The third exercise/restriction release period	From the first trading day 36 months after the completion of the first grant registration to the last trading day within 48 months after the completion of the first grant registration	25%
The fourth exercise/restriction release period	From the first trading day 48 months after the completion of the first grant registration to the last trading day within 60 months after the completion of the first grant registration	25%

2. Equity-settled share-based payments

On the balance sheet date, the Company revised the number of share options available for exercise according to the latest changes in the number of available options, the completion of performance indicators and other subsequent information, and recorded the services acquired in the current period into the relevant costs or expenses and capital reserves according to the fair value of the share option on the grant date.

The Company calculated the fair value of the share option based on the Black-Scholes model and estimated the 45,080,000 share options granted this time using the closing price on the 23 February 2022 as the benchmark price.

On the balance sheet date, the Company will revise the number of Restricted stock expected to be lifted according to the latest informati

implemented on 25 May 2022, the Board of Directors of the Company agreed to adjust the exercise price of share options under the Incentive Plan from RMB28.18 per share to RMB27.85 per share, and to adjust the granting price of restricted shares under the Incentive Plan from RMB14.09 per share to RMB13.76 per share. In view of the fact that some of the participants of the Share Incentive Plan have left their jobs and some have voluntarily relinquished the relevant rights and interests, the Board of Directors of the Company has agreed to cancel the share options that have been granted but not yet exercised, and adjust the list of participants and the number of granted restricted shares for the first time accordingly. After this adjustment, the number of participants of share options under the Incentive Plan was adjusted from 435 to 430, and the number of share options granted but not yet exercised for the first time was adjusted from 45,010,000 to 44,520,000; the number of participants of granted restricted shares for the first time under the Incentive Plan was adjusted from 437 to 417; and the number of restricted shares granted for the first time was adjusted from 19,320,000 to 18,334,100;

On 2 August 2023, the Company held the second meeting of the eleventh Board of Directors and the second meeting of the eleventh Board of Supervisors reviewed and approved the Proposal on Adjustment of Relevant Equity Price, Cancellation of Part of Share Options, and Repurchase of Cancelled Restricted Shares under Share Options and Restricted Share Incentive Plan of the Company in 2022. In view of the fact that the equity distribution for 2022 was implemented on 2 June 2023, the Board of Directors of the Company agreed to adjust the exercise price of share option under the Incentive Plan to be RMB27.55 per share, and adjust the repurchase price of the restricted shares under the Incentive Plan to be RMB13.46 per share or the sum of RMB13.46 per share and interest on bank deposits for the same period. In view of the fact that the performance assessment indicators for the first exercise/restriction release period under the Share Incentive Plan have not been met and that some participants are no longer qualified as the participants of the Incentive Plan due to their departure or retirement, the Board of Directors of the Company has agreed to cancel a total of 12,436,200 share options granted but not yet exercised, and to repurchase and write off a total of 4,980,725 restricted shares granted but not yet released from restriction on sale. After the adjustment, the number of participants of share options under the Incentive Plan was adjusted from 430 to 410, and the number of share options granted but not yet exercised was adjusted from 44,520,000 to 32,083,800; the number of participants of restricted shares under the Incentive Plan was adjusted from 417 to 403, and the number of restricted shares granted but not yet released from restriction on sale was adjusted from 18,334,100 to 13,353,375.

XIV. Commitment and Contingencies

(All units are in RMB if not otherwise stated in this section)

1. Important commitments

Significant external commitments existing at the balance sheet date, nature and amount

(1) Mortgaged and pledged assets:

Item	Original value of collateral	Net value of collateral	
Intangible assets — borrowings mortgage—borrowings pledge	701,633,388.27	659,446,701.12	Note 1
Fixed assets — borrowings mortgage	927,598,460.83	836,187,219.77	Note 1
Construction in progress —borrowings mortgage	302,928,103.17	302,928,103.17	Note 1
Fixed assets —leaseback	2,082,849,877.54	1,529,507,582.74	Note 2
Accounts receivable-pledge financing	105,706,665.70	52,501,870.80	
Total	4,120,716,495.51	3,380,571,477.60	

Note 1: The details of mortgage credit to banks with assets are as follows:

Item	Net value of collateral	Beneficiary banks	Credit terms	Credit limit	Short-term borrowing balance	Balance of long-term borrowings due within one year	Long-term borrowing balance	Total use amount of credit
Patent right		Huzhou Wuxing Rural Commercial Bank Co., Ltd.	Pledge	9,900,000.00	9,900,000.00			9,900,000.00
Land	283,850,382.44	Industrial Bank	Secured and guaranteed	5,700,000,000.00			190,435,793.46	190,435,793.46
House, land	954,403,557.51	China Export-Import Bank	Mortgage	400,000,000.00		80,000,000.00	147,000,000.00	227,000,000.00
Land	47,712,609.97	Bank of Jiangsu	Secured and guaranteed	200,000,000.00			200,238,888.88	200,238,888.88
Land	71,451,610.50	Industrial Bank	Secured and guaranteed	2,200,000,000.00			1,278,676,467.11	1,278,676,467.11

Ltd.				
Sichuan Shanshan New Material Technology Co., Ltd.	640,788,141.59		301,521,200.00	
Ningbo Shanshan New Material Technology Co., Ltd.	88,629,717.47			100,776,681.18
Chenzhou Shanshan New Material Co., Ltd.	149,657,788.66	31,389,907.42	79,251,137.49	
Total	1,529,507,582.74	507,026,822.35	490,625,771.98	100,776,681.18

(2) Pledged assets

Pledged assets	Carrying amount	Contents of guaranteed debts
Other cash balances — bank acceptance deposit	536,099,333.52	Bank acceptance bill issued
Other cash balances — letter of credit deposit	317,964,782.76	Letter of credit issued
Other cash balances — guarantee deposit	42,472,625.79	Guarantee issued
Other cash balances — other deposits	2,201,721.34	Settlement of foreign exchange and procurement
Accounts receivable	52,501,870.80	Pledged borrowings
Long term equity investment — Suzhou Shanjin equity Note 1	8,295,441,289.05	Borrowings
Subtotal	9,246,681,623.26	

Note 1: In the year, Ningbo Shanshan Co., Ltd. pledged 80% equity held by it in ShanJin Optoelectronics (Suzhou) Co., Ltd. to obtain borrowings. As of the end of the period, the situation is as follows:

Restricted items	Creditor	Pledge amount	Long-term borrowings	Non-current liabilities due within one year
Long term equity investment — Suzhou Shanjin equity	China Merchants Bank, China Construction Bank, Shanghai Rural Commercial Bank	8,295,441,289.05	1,360,000,000.00	267,340,000.00

(3) Outstanding letters of credit

Currency	Amount in original currency
RMB	450,000,000.00
Japanese yen	12,621,460,245.00
USD	979,380.00

(4) Outstanding letters of guarantee

Category	Currency	Amount in original currency
Aggregate taxation guarantee	RMB	90,000,000.00
Quality guarantee	RMB	3,040,000.00
Quality guarantee	Euro	308,822.51

(5) Agreed expenditure

The main expenditure items agreed in the contract signed by the Company but not paid yet are as

follows:

Item	Item	Amount
Major engineering project		
Shanjin Mianyang Project	Construction in progress	129,965,000.00
Shanjin Zhangjiagang project	Construction in progress	721,303,400.00
Yunnan Anning integrated base project for annual production of 300,000 tons of Lithium Ion Battery negative electrode materials	Construction in progress	1,128,002,302.59
Sichuan Phase I integrated base project for annual production of 200,000 tons of Lithium Ion Battery negative electrode materials	Construction in progress	731,946,593.42
Sub-total		2,711,217,296.01
Polarizer acquisition and subsequent purchase of 25% equity held by LG Chem	Purchase 15% in 2024	USD 204,867,000.00
Sub-total		USD 204,867,000.00

2. Contingencies

(1). Significant contingencies existing as at the balance sheet date

Unit: Yuan Currency: RMB

Guaranteed unit	Total guarantee	Balance of guaranteed borrowings (with margin deducted)	Balance of guarantee for issuing bank acceptance bill (with margin deducted)	Letter of credit (with margin deducted) and others	Financial lease	Actual use limit at the end of the period
Subsidiaries within the consolidation scope guaranteed by the company	14,838,395,668.36	5,859,033,800.90	745,845,315.28	1,032,447,310.28	1,338,007,228.44	8,975,333,654.90
Subsidiaries within the consolidation scope guaranteed mutually	170,800,000.00	89,600,000.00	29,116,250.00			118,716,250.00
Company guaranteed by subsidiaries within the consolidation scope.	675,000,000.00	460,000,000.00				460,000,000.00
Company guaranteed by non-consolidated related parties	4,900,000,000.00	2,777,340,000.00				2,777,340,000.00
non-consolidated related parties guaranteed by parent company	643,000,000.00	336,827,500.00				336,827,500.00

(2) Pending litigation

Litigation with the company as the plaintiff

Plaintiff	Defendant	Prosecution time	Amount of litigation	Book amount receivable at the end of the period	Proportion of accrued bad debt reserves (%)	Case progress
Ningbo Ulica Solar Energy Co., Ltd.	ZJ Co., Ltd.	Year 2020	Pay for the balance payment of goods, interest, guarantee fee and lawyer's fee, totaling RMB 1,106,974.02	995,490.63	100	Still in arbitration

Plaintiff	Defendant	Prosecution time	Amount of litigation	Book amount receivable at the end of the period	Case progress
Ningbo Ulica Solar Energy Co., Ltd.	SH New Materials Co., Ltd.	Year 2022	Pay for the balance payment of goods, liquidated damages, guarantee fee and lawyer's fee, totaling RMB 202,263.33	109,469.44	On 16 January 2023, the case was judged and the Company won, and on 20 March 2023, it entered the enforcement stage.

Litigation with the company as the defendant

Plaintiff	Defendant	Prosecution time	Litigation request	Provisions	Case progress
GT Company Limited	Ningbo Ulica Solar Energy Co., Ltd.	Year 2020	Compensate for economic losses, estimated losses, appraisal fee and lawyer's fee, totaling RMB 7,889,079.58	It is still in arbitration and the result cannot be predicted	Still in arbitration
ZG New Energy Technology Co., Ltd.	Ningbo Ulica Solar Energy Co., Ltd.	June 2023	Held jointly and severally liable for the project payment of RMB7,514,808.23 and interest.	It is still under mediation, and the result can't be predicted.	Under mediation
		June 2023	Held jointly and severally liable for the project payment of RMB73,812,243.15 and interest.	It is still under mediation, and the result can't be predicted.	Under mediation
		June 2023	Held jointly and severally liable for the project payment of RMB30,590,250.88 and interest.	It is still under mediation, and the result can't be predicted.	Under mediation
		June 2023	Held jointly and severally liable for the project payment of RMB1,437,215.2 and interest.	It is still under mediation, and the result can't be predicted.	Under mediation
		June 2023	Held jointly and severally liable for the project payment of RMB17,533,620 and interest.	It is still under mediation, and the result can't be predicted.	Under mediation

Note: The five lawsuits in question were brought by the plaintiff, who acted as the engineering contractor for the relevant photovoltaic power station project. Due to disputes arising from the performance of the general engineering contract, Ningbo Ulica Solar Co., Ltd., as the original shareholder of the photovoltaic power station project company, is named as the third defendant (the photovoltaic power station project company being the first defendant, and its current shareholder being

the second defendant). The litigation amount far exceeds the actual unpaid engineering payment because it has not deducted the amount for the self-supplied parts of the engineering components.

(3) Significant litigation cases that have been closed or settled but not implemented

Plaintiff	Defendant	Amount of litigation	Carrying amount at the end of the period	Proportion of accrued provision for asset impairment (%)	Case progress
Shanghai Shanshan Technology Co., Ltd.	Customer ZX	10,938,575.00	4,627,840.70	100	Settlement reached but not repaid according to schedule

XV. Matters after the Balance Sheet Date

1. Important non-adjusting matters

2. Profit distribution

Applicable

XVI. Other Important Matters

1. Correction of previous accounting errors

2. Segment information

(1). Basis of determination of report segments and accounting policies

Each of the Company's report segments provides different products or services, or operates in different geographic areas. Because each segment requires a different technology or market strategy, the Company's Management Layer manages the operating activities of each report segment separately and periodically evaluates the operating results of these report segments to determine the allocation of resources to them and to evaluate their performance.

Inter-segment transfer prices are determined on the basis of actual transaction prices, and costs indirectly attributable to each segment are allocated among the segments on an inter-segment basis. Assets are allocated based on the operations of the segment and the location of the assets. Segment liabilities include liabilities attributable to the segment resulting from the segment's operating activities. If the costs associated with liabilities shared by multiple operating segments are allocated to those operating segments, the shared liability is also allocated to those operating segments.

(2). Financial information for report segments

Unit: Yuan Currency: RMB

Item	Polarizer segment	Anode material	Electrolyte material	New energy vehicle	Energy management	Investment	Others	Inter-segment offset	Total
I. Foreign transaction income	5,414,489,144.11	3,164,169,975.39	103,742,050.68	762,356.84	760,767,561.41		43,915,167.08		9,487,846,255.51
II. Operating income from inter-segment transactions								-20,070,331.69	-20,070,331.69
III. External transaction cost	4,357,249,070.28	2,626,955,076.29	90,892,192.35	549,647.56	649,300,068.22		8,179,463.07		7,733,125,517.77
IV. Inter-segment transaction cost								-6,819.08	-6,819.08
V. Share of profit of associates and joint ventures		1,534,811.72	-7,309,617.55	-725,363.18		1,276,022.49	-24,671,438.43		-29,895,584.95
VI. Credit impairment loss	18,713,176.58	-4,277,781.26	3,229,709.00				-354,897.65		17,310,206.67
VII. Assets impairment loss	2,882,976.46	-47,643,520.00			9,888,899.07				-34,871,644.47
VIII. Depreciation and amortisation expenses	323,101,500.98	230,646,224.42		2,953,943.61	31,273,912.74	4,658,151.59	40,127,576.53		632,761,309.87
IX. Total profit (total loss)	709,413,781.73	467,808,737.93	383,874,441.11	-4,245,541.76	43,812,297.59	12,154,734.68	-68,432,783.20	-171,417,098.12	1,372,968,569.96
X. Income tax expenses	102,527,795.41	36,897,090.75	152,901,167.35		9,010,882.60	48,593.92	753,257.37		302,138,787.40
XI. Net profit (net loss)	606,885,986.32	430,911,647.18	230,973,273.76	-4,245,541.76	34,801,414.99	12,106,140.76	-69,186,040.57	-171,417,098.12	1,070,829,782.56
XII. Total assets	14,418,432,593.74	19,677,870,345.55	814,905,708.45	334,731,939.84	1,119,701,515.16	1,306,628,978.30	49,446,189,524.54	-39,932,253,312.95	47,186,207,292.63
XIII. Total liabilities	4,049,130,982.42	11,644,514,199.40	179,938,980.97	989,354,826.19	902,684,412.34	57,554,045.90	13,600,195,942.21	-8,465,623,124.02	22,957,750,265.41
Long-term equity investments in associates and joint vat7nd joint (26)-14									

XVII. Notes to Major Items of Financial Statements of the Parent Company

1. Accounts receivable

(1). Disclosure by aging

Unit: Yuan Currency: RMB

Aging	Book balance at the end of the period
Within 1 year	11,335,354.56
Subtotal within one year	11,335,354.56
1-2 years	750,249.97
2-3 years	
3-4 years	71,285.23
4-5 years	
Over 5 years	578,643.93
Subtotal	12,735,533.69
Less: Bad debt provision	1,291,721.89
Total	11,443,811.80

(2). Disclosure by bad debt provision method

Unit: Yuan Currency: RMB

Category	Ending balance					Opening balance				
	Book balance		Provision for bad debts		Book value	Book balance		Provision for bad debts		Book value
	Amount	Proportion (%)	Amount	Withdrawal ratio (%)		Amount	Proportion (%)	Amount	Withdrawal ratio (%)	
Provision for bad debts is made on an individual basis										
Of which:										
Accounts receivable whose amounts are not considered individually significant but whose bad debt provision shall be withdrawn individually										
Provision for bad debts made on a portfolio basis	12,735,533.69	100.00	1,291,721.89	10.14	11,443,811.80	7,043,340.23	100.00	1,599,610.89	22.71	5,443,729.34
Of which:										
Combination of related parties	1,311,400.13	10.30	632,755.16	48.25	678,644.97	1,966,312.53	27.92	627,988.28	31.94	1,338,324.25
Account age portfolio	11,424,133.56	89.70	658,966.73	5.77	10,765,166.83	5,077,027.70	72.08	971,622.61	19.14	4,105,405.09
Total	12,735,533.69	/	1,291,721.89	/	11,443,811.80	7,043,340.23	/	1,599,610.89	/	5,443,729.34

Provision for bad debts is made on a portfolio basis:

Combined provision items: account age portfolio

Unit: Yuan Currency: RMB

Name	Ending balance		
	Accounts receivable	Bad debt provision	Withdrawal ratio (%)

2. Other receivables

Presentation of items

Unit: Yuan Currency: RMB

Item	Ending balance	Opening balance
Interest receivable		
Dividend receivable	4,500,000.00	4,500,000.00
Other receivables	6,978,036,366.50	6,520,585,599.39
Total	6,982,536,366.50	6,525,085,599.39

(1) Dividend receivable

(2) Unit: Yuan Currency: RMB

Item or Invested unit	Ending balance	Opening balance
Suiyong Holdings Co., Ltd.	4,500,000.00	4,500,000.00
Total	4,500,000.00	4,500,000.00

(3) Classified disclosure

Unit: Yuan Currency: RMB

Type	Ending balance					Balance at the beginning of the year				
	Carrying amount	Percentage (%)	Bad debt provision	Percentage of provision (%)	Book value	Carrying amount	Percentage (%)	Bad debt provision	Percentage of provision (%)	Book value
Provision for bad debts is made on an individual basis	67,322,259.25	0.94	42,610,566.40	63.29	24,711,692.85	82,996,778.12	1.23	56,555,085.27	68.14	26,441,692.85
Of which:										
Accounts receivable whose amounts are not considered individually significant but whose bad debt provision shall be withdrawn individually	67,322,259.25	0.94	42,610,566.40	63.29	24,711,692.85	82,996,778.12	1.23	56,555,085.27	68.14	26,441,692.85
Provision for bad debt by portfolio	7,120,852,296.00	99.06	167,527,622.35	2.35	6,953,324,673.65	6,659,760,329.52	98.77	165,616,422.98	2.49	6,494,143,906.54
Total	7,188,174,555.25	/	210,138,188.75	/	6,978,036,366.50	6,742,757,107.64	/	222,171,508.25	/	6,520,585,599.39

Provision for bad debts is made on an individual basis:

Unit: Yuan Currency: RMB

Name	Ending balance			
	Book balance	Provision for bad debts	Withdrawal ratio (%)	Provision reason
Ningbo Liankangcai Brand Management Co., Ltd.	47,911,440.00	23,955,720.00	50.00	The possibility of recovery is expected to be small
Ningbo Shanshan Suyu Clothing Co., Ltd.	10,162,742.46	10,162,742.46	100.00	The possibility of recovery is expected to be small
Beijing Shanshan Kaili New Energy Technology Co., Ltd.	7,100,000.00	7,100,000.00	100.00	The possibility of recovery is expected to be small
Ningbo Liweineng Energy Storage System Co., Ltd.	1,511,945.70	755,972.85	50.00	The possibility of recovery is expected to be small
Other sporadic customers	636,131.09	636,131.09	100.00	The possibility of recovery is expected to be small
Total	67,322,259.25	42,610,566.40		

Provision for bad debts is made on a portfolio basis:

Unit: Yuan Currency: RMB

Name	Ending balance		
	Other receivables	Provision for bad debts	Withdrawal ratio (%)
Consolidation of related parties	7,107,734,602.31	167,085,423.45	2.35
Portfolio of security deposit and deposit	1,800,000.00	90,000.00	5.00
Portfolio of collection and payment of personal social security in advances	4,273,715.69		
Portfolio of advances other than social security	6,983,978.00	349,198.90	5.00
Portfolio of reserve	60,000.00	3,000.00	5.00
Total	7,120,852,296.00	167,527,622.35	

(4) Breakdown by nature of payments

Unit: Yuan Currency: RMB

Nature of funds	Book balance at the end of the period	Book balance at the beginning of the Reporting Period
Consolidated current accounts of related parties	7,107,734,602.31	6,648,446,236.10
Borrowings of former subsidiaries exiting the consolidation scope	8,611,945.70	32,276,464.57
Equity transfer receivables	58,074,182.46	60,074,182.46
Security deposit, deposit	1,800,000.00	372,498.90
Portfolio	60,000.00	
Advances	11,893,824.78	1,587,725.61
Total	7,188,174,555.25	6,742,757,107.64

(5) Provision for bad debt

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 2023	165,616,422.98	25,241,692.85	31,313,392.42	222,171,508.25
Balance as of 1 January 2023 in the current period	165,616,422.98	25,241,692.85	31,313,392.42	222,171,508.25
— Transferred to Phase II				
— Transferred to Phase III				
— Transferred back to Phase II				
— Transferred back to Phase I				

Current provision	1,911,199.37			1,911,199.37
Current reversal		-530,000.00		-530,000.00
Current reselling			-13,414,518.87	-13,414,518.87
Current write-off				
Other changes				
Balance as of 30 June 2023	167,527,622.35	24,711,692.85	17,898,873.55	210,138,188.75

(6) Provision for bad debt

Unit: Yuan Currency: RMB

Category	Opening balance	Amount of change in the current period			Ending balance
		Accrual	Recovery or reversal	Transfer or	

3. Long-term equity investment

Unit: Yuan Currency: RMB

Item	Ending balance			Opening balance		
	Book balance	Provision for impairment	Book value	Book balance	Provision for impairment	Book value
Investments in subsidiaries	10,248,398,244.34		10,248,398,244.34	10,747,508,357.82		10,747,508,357.82
Investments in associates and joint ventures	2,699,829,157.88	137,050,000.00	2,562,779,157.88	2,625,177,694.00	137,050,000.00	2,488,127,694.00
Total	12,948,227,402.22	137,050,000.00	12,811,177,402.22	13,372,686,051.82	137,050,000.00	13,235,636,051.82

(1) Investments in subsidiaries

Unit: Yuan Currency: RMB

Name of investees	Opening balance	Increase in the current period	Decrease in the current period	Ending balance	Provision for impairment in the current period	Ending balance of provision for impairment
Ningbo Shanshan Tongda Trading Co., Ltd.	2,000,000.00			2,000,000.00		
Ningbo Shanshan Electric Vehicle Technology Development Co., Ltd.	486,918,700.00			486,918,700.00		
Shanghai Tunheng Trading Co., Ltd.	47,500,000.00			47,500,000.00		
Shanghai Shanshan Garment Co., Ltd.	72,000,000.00			72,000,000.00		
Ningbo Shanshan New Energy Technology Development Co., Ltd.	553,186,192.27			553,186,192.27		
Ningbo Shanshan Venture Capital Investment Co., Ltd.	1,000,000,000.00			1,000,000,000.00		
Hong Kong Shanshan Resources Co., Ltd.	314,542,830.00			314,542,830.00		
Ningbo Ulica Solar Energy Technology Development Co., Ltd.	148,830,340.44			148,830,340.44		
Ningbo Yunling Zhichuang Park Operation Management Co., Ltd.	2,000,000.00	500,000.00		2,500,000.00		
Shanshan Fashion Industrial Park Suqian Co., Ltd.	59,941,524.23			59,941,524.23		
ShanJin Optoelectronics (Suzhou) Co., Ltd.	7,348,512,687.69			7,348,512,687.69		

Shanghai Shanshan New Energy Technology Co., Ltd.	102,627,969.71			102,627,969.71		
Ningbo Yongshan Lithium Industry Co., Ltd.	500,000,000.00		500,000,000.00			
Ningbo Shanxin Optoelectronics Energy Management Co., Ltd	49,610,113.48		49,610,113.48			
Ningbo Haoheng Trading Co., Ltd. ( )	50,000,000.00			50,000,000.00		
Shanjin Tokyo Co., Ltd.	9,838,000.00			9,838,000.00		
Ningbo Ziheng Trading Co., Ltd.		50,000,000.00		50,000,000.00		
Total	10,747,508,357.82	50,500,000.00	549,610,113.48	10,248,398,244.34		

(2) Investments in associates and joint ventures

Unit: Yuan Currency: RMB

Investees	Opening balance	Increase and decrease in the current period								Ending balance	Ending balance of impairment provision
		Increase in investment	Decrease in investment	Investment profit or loss recognized under equity method	Adjustment of other comprehensive income	Change in other equities	Cash dividends or profit declared to be issued	Provision for impairment	Others		
I. Joint ventures											
II. Associates											
Ningbo Shanqi Property Services Co., Ltd.	38,181,724.89			979,615.54						39,161,340.43	
Zhejiang Chouzhou Commercial Bank Co., Ltd.	1,486,496,486.10			77,268,684.27	157,144.62					1,563,922,314.99	137,050,000.00
Shanshan Brand Management Co., Ltd.	44,067,823.68			1,459,695.87						45,527,519.55	
Shenzhen Yuanshan Private Equity Investment Management Co., Ltd.	5,219,577.82			6,983.57						5,226,561.39	
Suiyong Holdings Co., Ltd.	914,162,081.51			-5,220,659.99						908,941,421.52	
Subtotal	2,488,127,694.00			74,494,319.26	157,144.62					2,562,779,157.88	137,050,000.00
Total	2,488,127,694.00			74,494,319.26	157,144.62					2,562,779,157.88	137,050,000.00

4. Operating income and operating cost

(1). Operating income and operating costs

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	38,374,543.16	7,095,351.16	66,052,919.20	5,135,043.72
Total	38,374,543.16	7,095,351.16	66,052,919.20	5,135,043.72

Breakdown of operating income:

Unit: Yuan Currency: RMB

Main business income	Amount incurred in the current period	Amount incurred in the previous period
Other operating income	38,374,543.16	66,052,919.20
Of which: Subsidiaries' financing services revenue		32,778,595.06
Housing rental income	27,106,844.25	21,532,340.17
Other income such as utilities and property service fee	11,267,698.91	11,741,983.97
Total	38,374,543.16	66,052,919.20

5. Investment income

Unit: Yuan Currency: RMB

Item	Amount incurred in the current period	Amount incurred in the previous period
Long-term equity investment incomes accounted by the cost method	178,628,611.52	
Long-term equity investment incomes accounted by the equity method	74,494,319.26	52,144,712.40
Investment incomes generated from disposal of long-term equity investment	-35,536,375.18	
Investment income on trading financial assets		
Dividend income earned during the holding period of investments in other equity instruments	600,000.00	
Interest income earned during the holding period of debt investments		
Interest income earned during the holding period of other debt investments		
Investment income from disposal of trading financial assets		
Investment income from disposal of investments in other equity instruments		

Investment income from disposal of debt investment		
Investment income from disposal of other debt investments		
Income from debt restructuring		
Total	218,186,555.60	52,144,712.40

XVIII. Supplementary Information

1 Breakdown of non-recurring gains and losses

Unit: Yuan Currency: RMB

Item	Amount	Explanation
Profit and loss on disposal of non-current assets	212,261,787.36	Mainly attributable to the investment income recognized from the disposal of 51% equity interest in Shanshan New Material (Quzhou) Co., Ltd. during the period
Government grants recognized in profit or loss for the current period, except for government grants that are closely related to the Company's normal business operations, in line with national policies and in accordance with certain standards of fixed or quantitative continuous entitlement	310,461,225.20	
Non-operating income and expenses other than those mentioned above	-2,254,944.05	
Less: Amount impacted by income tax	67,042,231.16	
Affected amount of non-controlling interest (after tax)	28,147,666.05	
Total	425,278,171.30	

2 Return on net assets and earnings per share

Profit during the Reporting Period	Weighted average return on net assets (%)	Earnings per share	
		Basic earnings per share	Diluted earnings per share
Net profits attributable to common shareholders of the Company	4.340	0.542	0.542
Net profits attributable to common shareholders of the Company after deducting extraordinary profit and loss	2.518	0.315	0.315

3 Discrepancies in Accounting Data under Domestic Accounting Standards and Overseas Accounting Standards

Chairman: Zheng Ju

Date of approval by the Board of Directors: 29 August 2023