

FINANCIAL INFORMATION

Ningbo Shanshan Co., Ltd.

Auditor's Report and Financial Statements

(From 1 January 2019 to 31 December 2021)

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AUDITOR'S REPORT

Xin Kuai Shi Bao Zi [2022] No. ZA15353

To the Board of Directors of Ningbo Shanshan Co., Ltd.:

OPINION

We have audited the accompanying financial statements of Ningbo Shanshan Co., Ltd. ("Shanshan"), which comprise the consolidated and company's balance sheets as at 31 December 2019, 2020 and 2021, the consolidated and company's income statements, the consolidated and company's statements of cash flows, and the consolidated and company's statements of changes in owners' equity for each of the years ended 31 December 2019, 2020 and 2021, and notes to the financial statements.

In our opinion, the accompanying financial statements present fairly, in all material respects, the consolidated and company's financial position as at 31 December 2019, 2020 and 2021 and the consolidated and company's financial performance and cash flows for each of the years ended 31 December 2019, 2020 and 2021 in accordance with the requirements of Accounting Standards for Business Enterprises.

BASIS FOR OPINION

We conducted our audit in accordance with China Standards on Auditing ("CSAs"). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of Shanshan in accordance with the Code of Ethics for Professional Accountants of the Chinese Institute of Certified Public Accountants ("CICPA Code"), and we have fulfilled our other ethical responsibilities in accordance with the CICPA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

OTHER MATTER

Shanshan has prepared separate sets of financial statements for each of the years ended 31 December 2019, 31 December 2020 and 31 December 2021 in accordance with Accounting Standards for Business Enterprises, on which we issued separate auditor's reports to the shareholders of Shanshan, dated 23 April 2020, 2 April 2021 and 18 April 2022, respectively. This report is intended solely for the Board of Directors of Shanshan in connection with the listing of global depository receipts (GDRs) on SIX Swiss Exchange AG and is not to be used for any other purpose.

RESPONSIBILITIES OF THE MANAGEMENT AND THOSE CHARGED WITH GOVERNANCE FOR THE FINANCIAL STATEMENTS

Management of SHANSHAN ("management") is responsible for the preparation and fair presentation of the financial statements in accordance with the requirements of Accounting Standards for Business Enterprises, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing Shanshan's ability to continue as a going concern, disclosing, if applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate Shanshan or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing Shanshan's financial reporting process.

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with CSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with CSAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- (1) Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- (2) Obtain an understand of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of internal control.
- (3) Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- (4) Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on Shanshan's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause Shanshan to cease to continue as a going concern.
- (5) Evaluate the overall presentation (including the disclosures), structure and contents of the financial statements, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- (6) Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within Shanshan to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

**BDO CHINA Shu Lun Pan
Certified Public Accountants LLP**

Shanghai, China

Chinese CPA: Wang Yifang

Chinese CPA: Gu Wenxian

Chinese CPA: Shi Danhua

22 July, 2022

Ningbo Shanshan Co., Ltd.
Consolidated Balance Sheet

(All amounts in RMB Yuan unless otherwise stated)

Assets	Note V	31 December 2021	31 December 2020	31 December 2019
Current assets:				
Cash at bank and on hand	(I)	9,294,961,367.71	3,083,331,224.41	2,306,599,524.38
Deposit reservation for balance				
Lending funds				
Held-for-trading financial assets . .	(II)		1,113,578.21	77,103.10
Derivative financial assets				
Notes receivable	(III)	34,666,107.26	77,939,485.77	44,199,032.82
Accounts receivable	(IV)	3,959,400,439.17	3,377,169,350.25	2,971,553,206.57
Receivables financing	(V)	644,551,987.38	478,280,283.55	346,826,436.88
Prepayments	(VI)	837,233,585.18	228,600,565.99	403,956,593.65
Insurance premium receivable . . .				
Reinsurance premium receivables .				
Reserves for reinsurance contracts receivable				
Other receivables	(VII)	346,958,862.10	369,018,243.36	169,472,682.82
Financial assets purchased under agreements to resell				
Inventories	(VIII)	3,043,029,566.06	1,622,000,251.73	1,289,399,733.92
Contract assets				
Assets held for sale	(IX)			1,081,343,941.38
Non-current assets due within one year	(X)	58,264,962.45	86,464,363.50	729,677,946.46
Other current assets	(XI)	758,646,380.73	1,385,096,163.39	501,922,996.98
Total current assets		18,977,713,258.04	10,709,013,510.16	9,845,029,198.96
Non-current assets:				
Borrowings and advances issued . .				
Debt investment				
Other debt investment				
Long-term receivables	(XII)	33,196,905.37	68,772,908.15	536,559,872.04
Long-term equity investment	(XIII)	6,325,388,921.87	2,750,602,449.21	2,658,202,856.35
Investment in other equity instruments	(XIV)	918,659,446.44	2,817,909,740.91	4,279,638,813.56
Other non-current financial assets .	(XV)	102,604,599.78	103,684,599.78	104,292,854.51
Investment properties				
Fixed assets	(XVI)	7,463,359,635.73	5,823,422,538.74	4,782,160,099.32
Construction in progress	(XVII)	2,022,341,380.07	990,725,518.49	1,534,477,634.66
Productive biological assets				
Oil and gas assets				
Right of use assets	(XVIII)	1,358,079,598.87		
Intangible assets	(XIX)	1,627,091,148.67	840,890,665.63	746,746,765.91
Development costs				
Goodwill	(XX)	914,614,122.42	128,044,702.20	129,401,866.45
Long term deferred expenses	(XXI)	103,040,763.19	66,210,418.85	61,281,484.37
Deferred income tax assets	(XXII)	240,325,267.25	158,299,938.15	146,968,797.14
Other non-current assets	(XXIII)	202,053,956.06	83,081,805.64	191,066,971.16
Total non-current assets		21,310,755,745.72	13,831,645,285.75	15,170,798,015.47
Total assets		40,288,469,003.76	24,540,658,795.91	25,015,827,214.43

Liabilities and the owner's equity	Note V	31 December 2021	31 December 2020	31 December 2019
Current liabilities:				
Short-term borrowings	(XXIV)	4,339,082,320.54	2,596,817,465.48	3,546,941,904.17
Borrowings from the Central Bank				
Borrowings from other banks and other financial institutions				
Held-for-trading Financial liabilities				
Derivative financial liabilities				
Notes payable	(XXV)	1,250,062,984.06	1,176,769,090.87	1,077,372,818.68
Accounts payable	(XXVI)	2,321,337,124.98	1,618,866,818.06	1,549,027,708.78
Advances from customers	(XXVII)	1,092,883.71	26,807,680.91	59,362,392.75
Contract liabilities	(XXVIII)	112,277,738.49	56,324,485.79	
Financial assets sold for repurchase				
Deposits from customers and inter banks				
Receiving from vicariously traded securities				
Receiving from vicariously sold securities				
Employee benefits payable	(XXIX)	195,657,895.94	88,540,734.21	83,454,320.78
Taxes payable	(XXX)	722,837,474.19	419,862,832.80	173,786,258.29
Other payables	(XXXI)	590,223,505.57	94,475,127.03	188,351,858.21
Handling charges and commissions payable				
Dividend payable for reinsurance				
Liabilities held for sale	(XXXII)			687,773,178.27
Non-current liabilities due within one year	(XXXIII)	3,623,549,740.51	321,779,069.05	1,212,749,605.34
Other current liabilities	(XXXIV)	152,672,564.23	449,671,669.72	546,530.28
Total current liabilities		13,308,794,232.22	6,849,914,973.92	8,579,366,575.55
Non-current liabilities:				
Reserve fund for insurance contracts				
Long-term borrowings	(XXXV)	3,369,958,766.39	2,673,332,537.21	1,603,046,858.90
Bonds payable				
Of which: Preference shares				
Perpetual bonds				
Lease liabilities	(XXXVI)	1,109,066,539.36		
Long-term payable	(XXXVII)	2,329,233,515.94	348,053,121.42	328,107,372.29
Long-term employee benefits payable				
Provisions	(XXXVIII)	31,315,748.16	4,900,000.00	8,988,952.00
Deferred income	(XXXIX)	409,654,327.51	426,361,722.83	298,511,857.98
Deferred income tax liabilities	(XXXII)	380,071,327.43	330,838,174.50	577,353,398.60
Other non-current liabilities				
Total non-current liabilities		7,629,300,224.79	3,783,485,555.96	2,816,008,439.77
Total liabilities		20,938,094,457.01	10,633,400,529.88	11,395,375,015.32

Liabilities and the owner's equity	Note V	31 December 2021	31 December 2020	31 December 2019
Owner's equity:				
Share capital	(XL)	2,142,919,938.00	1,628,009,229.00	1,122,764,986.00
Other equity instruments				
Of which: Preferred shares				
Perpetual bonds				
Capital reserves	(XLI)	6,477,790,953.97	3,600,459,003.45	4,091,071,548.57
Less: Treasury shares				
Other comprehensive incomes . . .	(XLII)	-31,679,676.99	671,319,941.31	1,547,957,642.95
Special reserves	(XLIII)	2,307,702.27	2,363,262.14	2,606,661.14
Surplus reserves	(XLIV)	253,716,196.59	257,570,058.94	254,663,025.07
General risk provision				
Retained earnings	(XLV)	10,083,326,361.95	6,248,274,179.78	4,803,518,347.39
Total owner's equity attributable to the company		18,928,381,475.79	12,407,995,674.62	11,822,582,211.12
Non-controlling interests		421,993,070.96	1,499,262,591.41	1,797,869,987.99
Total owner's equity		19,350,374,546.75	13,907,258,266.03	13,620,452,199.11
Total liabilities and owner's equity		40,288,469,003.76	24,540,658,795.91	25,015,827,214.43

The accompanying notes form an integral part of these financial statements.

Person in charge of the
company:

Person in charge of
accounting:

Person in charge of the
accounting authority:

Ningbo Shanshan Co., Ltd.
Company's Balance Sheet
(All amounts in RMB Yuan unless otherwise stated)

<u>Assets</u>	<u>Note XV</u>	<u>31 December 2021</u>	<u>31 December 2020</u>	<u>31 December 2019</u>
Current assets:				
Cash at bank and on hand		3,643,582,800.84	899,190,484.46	588,987,213.46
Held-for-trading financial assets.				
Derivative financial assets				
Notes receivable.				
Accounts receivable	(I)	2,086,137.17	21,267,988.33	34,824,825.74
Receivables financing				
Prepayments		953,868.82	9,301,456.15	9,343,630.64
Other receivables	(II)	5,428,005,807.30	4,604,458,213.69	4,483,488,090.45
Inventories				
Contract assets.				
Assets held for sale.				45,000,000.00
Non-current assets due within one year				
Other current assets		54,015,140.30	1,004,634,400.00	
Total current assets		9,128,643,754.43	6,538,852,542.63	5,161,643,760.29
Non-current assets:				
Debt investment.				
Other debt investment				
Long-term receivables				
Long-term equity investment. . .	(III)	12,811,102,420.32	5,615,252,313.68	5,357,070,395.03
Investment in other equity instruments		35,916,462.76	325,089,992.00	2,089,000,277.00
Other non-current financial assets		10,000.00	10,000.00	10,000.00
Investment properties				
Fixed assets		402,493,299.15	423,094,651.58	443,448,475.34
Construction in progress.				
Productive biological assets . . .				
Oil and gas assets.				
Right of use assets		22,425,081.12		
Intangible assets.		88,082,618.74	91,176,420.46	94,342,110.58
Development costs				
Goodwill				
Long term deferred expenses. . .		20,930,252.40	3,506,568.78	7,563,830.29
Deferred income tax assets . . .		39,182,345.89	25,212,214.95	20,511,458.23
Other non-current assets.				
Total non-current assets		13,420,142,480.38	6,483,342,161.45	8,011,946,546.47
Total assets		22,548,786,234.81	13,022,194,704.08	13,173,590,306.76

Liabilities and the owner's equity	Note	31 December 2021	31 December 2020	31 December 2019
Current liabilities:				
Short-term borrowings		1,028,154,847.21	1,426,388,222.22	2,432,843,027.78
Held-for-trading financial liabilities				
Derivative financial liabilities				
Notes payable				
Accounts payable		18,140,302.98	12,023,668.29	7,211,717.82
Advances from customers		1,092,600.61	1,136,042.44	250,600.00
Contract liabilities				
Employee benefits payable		6,492,303.40	4,673,203.00	5,381,647.03
Taxes payable		8,029,077.33	287,875,668.31	128,698,816.42
Other payables		2,844,656,376.98	854,323,634.03	729,044,082.32
Liabilities held for sale				
Non-current liabilities due within one year		2,697,881,650.88		
Other current liabilities			81,662,022.30	
Total current liabilities		6,604,447,159.39	2,668,082,460.59	3,303,429,891.37
Non-current liabilities:				
Long-term borrowings		2,773,240,722.21	1,738,199,597.22	808,454,138.89
Bonds payable				
Of which: Preferred shares				
Perpetual bonds				
Lease liabilities		13,963,865.45		
Long-term payable		1,641,086,052.90		
Long-term employee benefits payable				
Provisions				
Deferred income				
Deferred income tax liabilities			75,476,068.00	503,448,862.59
Other non-current liabilities				
Total non-current liabilities		4,428,290,640.56	1,813,675,665.22	1,311,903,001.48
Total liabilities		11,032,737,799.95	4,481,758,125.81	4,615,332,892.85
Owner's equity:				
Share capital		2,142,919,938.00	1,628,009,229.00	1,122,764,986.00
Other equity instruments				
Of which: Preferred shares				
Perpetual bonds				
Capital reserves		5,334,342,133.89	2,494,762,975.88	2,982,780,645.90
Less: Treasury shares				
Other comprehensive incomes		-22,828,481.63	192,999,191.60	1,499,064,870.20
Special reserves				
Surplus reserves		255,841,651.17	259,695,513.52	254,663,025.07
Retained earnings		3,805,773,193.43	3,964,969,668.27	2,698,983,886.74
Total owner's equity		11,516,048,434.86	8,540,436,578.27	8,558,257,413.91
Total liabilities and owner's equity		22,548,786,234.81	13,022,194,704.08	13,173,590,306.76

The accompanying notes form an integral part of these financial statements.

Person in charge of the company:

Person in charge of accounting:

Person in charge of the accounting authority:

Ningbo Shanshan Co., Ltd.
Consolidated Income Statement
(All amounts in RMB Yuan unless otherwise stated)

Item	Note V	2021	2020	2019
I. Total operating income	(XLVI)	20,699,382,624.28	8,215,896,691.46	8,679,910,968.83
Of which: Operating income		20,699,382,624.28	8,215,896,691.46	8,679,910,968.83
Interest income.				
Premium earned				
Income for handling charges and commissions.				
II. Total operating cost		17,819,274,646.85	8,230,886,523.86	8,551,245,624.82
Of which: Operating cost	(XLVI)	15,519,028,815.38	6,786,686,061.47	6,839,412,732.26
Interest expenses.				
Handling charges and commissions.				
Surrender value				
Net amount of compensation expenses				
Net amount withdrawn for insurance contract reserves.				
Policy dividend expense				
Reinsurance costs				
Taxes and surcharges	(XLVII)	71,738,657.31	49,038,368.32	45,665,501.85
Selling expenses	(XLVIII)	204,621,622.61	218,011,442.51	493,035,930.93
General and administrative expenses	(XLIX)	654,122,587.74	505,436,070.79	489,276,598.91
Research and development expenses	(L)	715,632,069.94	392,960,107.28	411,881,794.27
Financial expenses.	(LI)	654,130,893.87	278,754,473.49	271,973,066.60
Of which: Interest expenses.		634,339,574.55	294,176,351.42	308,798,179.82
Interest income.		46,929,544.05	39,086,364.55	36,985,013.92
Plus: Other income	(LII)	104,532,863.12	140,883,223.34	195,359,183.41
Investment income (loss expressed with "-")	(LIII)	2,389,333,684.47	388,534,387.28	216,778,702.33
Of which: Share of profit of associates and joint ventures.		279,945,900.13	12,316,781.15	94,883,192.46
Gains from derecognition of financial assets measured at amortized cost.				
Foreign exchange gains (losses expressed with "-")				
Net exposure hedging benefits (losses expressed with "-").				
Gains from changes in fair value (losses expressed with "-")	(LIV)	3,639,477.23	3,331,505.28	-558,794.32
Credit impairment losses (losses expressed with "-")	(LV)	-266,511,923.72	-129,177,717.79	-81,944,885.88
Assets impairment losses (losses expressed with "-")	(LVI)	-388,065,933.59	-75,921,853.98	-87,063,448.24
Gains on disposal of assets (losses expressed with "-")	(LVII)	-24,391,064.01	-3,902,075.09	1,359,949.18
III. Operating profit (loss expressed with "-")		4,698,645,080.93	308,757,636.64	372,596,050.49
Plus: Non-operating income.	(LVIII)	7,959,128.96	4,571,199.96	8,205,029.97

Item	Note V	2021	2020	2019
Less: Non-operating expenses . . .	(LIX)	32,390,877.41	50,475,636.17	27,630,617.84
IV. Total profit (total loss expressed with “-”)		4,674,213,332.48	262,853,200.43	353,170,462.62
Less: Income tax expenses	(LX)	1,103,886,889.33	57,719,185.81	-21,964,181.68
V. Net profit (net loss expressed with “-”)		3,570,326,443.15	205,134,014.62	375,134,644.30
(I) Classified by continuity of operations				
1. Net profit from continuing operations (net loss expressed with “-”)		3,570,326,443.15	205,134,014.62	375,134,644.30
2. Net profit from discontinued operations (net loss expressed with “-”)				
(II) Classified by ownership				
1. Net profit attributable to shareholders of the Company (net loss expressed with “-”)		3,339,696,517.63	138,004,106.09	269,808,780.07
2. Net profit attributable to non- controlling interests (net loss expressed with “-”)		230,629,925.52	67,129,908.53	105,325,864.23
VI. Net other comprehensive income after tax		-702,999,618.30	-876,637,701.64	205,762,453.70
Net other comprehensive income attributable to equity owners of the Company after tax.		-702,999,618.30	-876,637,701.64	205,762,453.70
(I) Other comprehensive incomes that will not be reclassified into profit or loss.		-705,066,829.78	-876,239,357.47	207,538,762.47
1. Changes in remeasurement of the defined benefit plans				
2. Share of other comprehensive income accounted for using equity method that will not be reclassified to profit or loss		-1,313,680.71	-11,748,951.02	-11,954,868.18
3. Changes in fair value of other equity instrument investments.		-703,753,149.07	-864,490,406.45	219,493,630.65
4. Changes in fair value attributable to the enterprise’s own credit risk				
(II) Other comprehensive incomes that will be reclassified into profit or loss.		2,067,211.48	-398,344.17	-1,776,308.77
1. Share of other comprehensive income accounted for using equity method that will be reclassified to profit or loss		2,067,211.48	-398,344.17	-1,383,922.46
2. Changes in fair value of other debt investments				
3. Amount of financial assets reclassified into other comprehensive income				-392,386.31
4. Provision for credit impairment of other debt investments.				
5. Cash flow hedging reserve.				

Item	Note V	2021	2020	2019
6. Translation difference of foreign currency financial statements				
7. Others.				
Net other comprehensive income attributable to non-controlling interests after tax.				
VII. Total comprehensive income .		2,867,326,824.85	-671,503,687.02	580,897,098.00
Total comprehensive incomes attributable to equity owners of the Company		2,636,696,899.33	-738,633,595.55	475,571,233.77
Total comprehensive incomes attributable to non-controlling interests.		230,629,925.52	67,129,908.53	105,325,864.23
VIII. Earnings per share:				
(I) Basic earnings per share (yuan/share)	(LXI)	2.04	0.10	0.24
(II) Diluted earnings per share (yuan/share)	(LXI)	2.04	0.10	0.24

The accompanying notes form an integral part of these financial statements.

Person in charge of the company:

Person in charge of accounting:

Person in charge of the accounting authority:

Ningbo Shanshan Co., Ltd.
Company's Income Statement
(All amounts in RMB Yuan unless otherwise stated)

Item	Note XV	2021	2020	2019
I. Operating income	(IV)	125,513,082.95	115,178,070.74	152,376,240.44
Less: Operating cost		14,308,686.64	12,003,954.17	14,183,708.83
Taxes and surcharges		8,714,019.32	8,261,738.72	7,311,863.45
Selling expenses		7,475,471.61	12,583,868.05	26,060,209.45
General and administrative expenses		137,346,668.73	109,638,699.79	91,471,249.02
Research and development expenses		383,087,355.99	120,835,494.37	145,033,612.02
Financial expenses		364,400,931.52	127,429,208.57	148,199,171.86
Of which: Interest expenses		8,130,692.81	9,534,495.18	6,467,273.84
Interest income		421,852.13	756,044.92	1,252,454.09
Plus: Other income				
Investment income (loss expressed with "-")	(V)	180,794,570.60	198,414,809.37	149,407,107.75
Of which: Share of profit of associates and joint ventures		176,046,623.74	41,001,802.15	125,834,321.16
Gains from derecognition of financial assets measured at amortized cost				
Net exposure hedging benefits (loss expressed with "-")				
Gains from changes in fair value (loss expressed with "-")				
Credit impairment losses (loss expressed with "-")		-9,651,782.55	-6,242,386.85	-24,605,720.33
Assets impairment losses (loss expressed with "-")		-57,050,000.00	-15,000,000.00	
Gains on disposal of assets (loss expressed with "-")		-58,721.72	43,053.92	16,529.20
II. Operating profit (loss expressed with "-")		-310,963,200.88	29,825,837.00	-5,614,031.62
Non-operating income		484,836.40	339,138.93	6,520,093.29
Less: Non-operating expenses		287,493.38	5,471,967.00	122,275.65
III. Total profit (total loss expressed with "-")		-310,765,857.86	24,693,008.93	783,786.02
Less: Income tax expenses		-92,898,051.72	-4,377,329.77	-63,184,880.57
IV. Net profit (net loss expressed with "-")		-217,867,806.14	29,070,338.70	63,968,666.59
(I) Classified by continuity of operations		-217,867,806.14	29,070,338.70	63,968,666.59
(II) Net profit from discontinued operations (net loss expressed with "-")				

Item	Note XV	2021	2020	2019
V. Net other comprehensive income after tax		-215,827,673.23	-1,306,065,678.60	113,643,268.44
(I) Other comprehensive incomes that will not be reclassified into profit or loss.		-217,894,884.71	-1,305,667,334.43	115,027,190.90
1. Changes in remeasurement of the defined benefit plans				
2. Share of other comprehensive income accounted for using equity method that will not be reclassified to profit or loss		-1,313,680.71	-11,748,951.02	-11,954,868.18
3. Changes in fair value of other equity instrument investments.		-216,581,204.00	-1,293,918,383.41	126,982,059.08
4. Changes in fair value attributable to the enterprise's own credit risk				
(II) Other comprehensive incomes that will be reclassified into profit or loss.		2,067,211.48	-398,344.17	-1,383,922.46
1. Share of other comprehensive income accounted for using equity method that will be reclassified to profit or loss		2,067,211.48	-398,344.17	-1,383,922.46
2. Changes in fair value of other debt investments				
3. Amount of financial assets reclassified into other comprehensive income				
4. Provision for credit impairment of other debt investments.				
5. Cash flow hedging reserve.				
6. Translation difference of foreign currency financial statements				
7. Others.				
VI. Total comprehensive income.		-433,695,479.37	-1,276,995,339.90	177,611,935.03
VII. Earnings per share:				
(I) Basic earnings per share (yuan/share)		-0.13	0.02	0.06
(II) Diluted earnings per share (yuan/share)		-0.13	0.02	0.06

The accompanying notes form an integral part of these financial statements.

Person in charge of the company:

Person in charge of accounting:

Person in charge of the accounting authority:

Ningbo Shanshan Co., Ltd.
Consolidated Statement of Cash Flows
(All amounts in RMB Yuan unless otherwise stated)

Item	Note V	2021	2020	2019
I. Cash flows from operating activities				
Cash received from sales of goods or rendering of services		16,234,733,369.66	4,723,291,190.06	5,704,295,108.92
Net increase in deposit from customer and due from bank and other financial institutions				
Net increase in borrowing from the Central Bank				
Net increase in borrowings from other financial institutions				
Cash received from premium income from direct insurance contracts				
Net cash received from reinsurance business				
Net increase in policyholders' deposits and investments contract liabilities				
Cash received from interests, handling charges and commissions				
Net increase in borrowings from other banks and other financial institutions				
Net increase in repurchase business				
Net cash received from agency purchases and sales of securities				
Refunds of taxes and surcharges		207,234,064.85	167,495,403.35	105,735,492.35
Cash received relating to other operating activities	<i>(LXIII) 1</i>	405,171,588.72	470,180,184.32	504,538,631.60
Sub-total of cash inflows from operating activities		16,847,139,023.23	5,360,966,777.73	6,314,569,232.87
Cash paid for goods and services		14,815,805,897.34	3,619,552,475.37	3,756,117,327.55
Net increase in customer borrowings and advances				
Net increase of deposits in the Central Bank and other financial institutions				
Cash paid for claims under direct insurance contract				
Net increase in lending funds				
Cash paid for interests, handling charges and commissions				
Cash paid for the policy dividends				

Item	Note V	2021	2020	2019
Cash paid to and on behalf of employees		959,674,308.53	646,579,700.02	670,082,880.28
Payments of taxes and surcharges		598,302,798.23	200,032,139.01	297,846,731.49
Cash paid relating to other operating activities	(LXIII) 2	837,851,086.28	565,510,448.07	704,084,340.94
Sub-total of cash outflows from operating activities		17,211,634,090.38	5,031,674,762.47	5,428,131,280.26
Net cash flows from operating activities		-364,495,067.15	329,292,015.26	886,437,952.61
II. Cash flows from investing activities				
Cash received from disposal of investments		1,375,557,316.65	2,673,535,025.24	1,094,174,851.21
Cash received from returns on investments		34,334,718.06	108,244,730.11	131,811,295.08
Net cash received from disposal of fixed assets, intangible assets & other long-term assets		35,293,429.48	33,612,102.60	24,256,687.34
Net cash received from the disposal of subsidiaries and other business entities	(LXIV) 3	1,371,165,314.48	-64,426,529.78	56,010,972.78
Cash received relating to other investing activities	(LXIII) 3	1,139,773,421.02	36,224,152.14	36,163,584.00
Sub-total of cash inflows from investing activities		3,956,124,199.69	2,787,189,480.31	1,342,417,390.41
Cash paid to acquire fixed assets, intangible assets and other long-term assets		1,378,741,509.32	643,454,043.25	1,915,485,954.77
Cash paid to acquire investments		104,363,223.24	453,102,295.55	405,438,375.91
Net increase in pledge loans				
Net cash paid for the acquisition of subsidiaries and other business entities	(LXIV) 2	5,921,215,098.95		
Cash paid relating to other investing activities	(LXIII) 4	92,068,329.09	1,028,515,302.46	54,184,992.40
Sub-total of cash outflows from investing activities		7,496,388,160.60	2,125,071,641.26	2,375,109,323.08
Net cash flows from investing activities		-3,540,263,960.91	662,117,839.05	-1,032,691,932.67

Item	Note V	2021	2020	2019
III. Cash flows from financing activities				
Cash received from capital contributions.		3,241,812,165.08	9,600,000.00	1,500,000.00
Of which: Cash received from capital contributions by non-controlling interests of subsidiaries		11,200,000.00	9,600,000.00	1,500,000.00
Cash received from borrowings		10,592,294,699.29	7,312,931,550.41	8,008,936,956.65
Cash received relating to other financing activities.	(LXIII) 5	2,634,958,805.97	241,858,417.65	158,009,883.66
Sub-total of cash inflows from financing activities.		16,469,065,670.34	7,564,389,968.06	8,168,446,840.31
Cash repayments of borrowings		5,256,815,138.29	7,234,742,566.73	7,398,729,171.61
Cash payments for distribution of dividends profits or interest expenses		590,003,209.43	555,958,760.24	569,556,822.13
Including: Dividends and profits paid to non-controlling interests by subsidiaries			25,682,000.00	140,148,654.40
Cash paid relating to other financing activities.	(LXIII) 6	574,876,165.36	239,374,381.26	121,219,866.50
Sub-total of cash outflows from financing activities.		6,421,694,513.08	8,030,075,708.23	8,089,505,860.24
Net cash flows from financing activities		10,047,371,157.26	-465,685,740.17	78,940,980.07
IV. Effect of foreign exchange rate changes on cash and cash equivalents.		-27,033,677.69	-7,170,560.02	1,417,449.04
V. Net increase in cash and cash equivalents.		6,115,578,451.51	518,553,554.12	-65,895,550.95
Plus: Cash and cash equivalents balance at the beginning of the period		2,563,203,640.10	2,044,650,085.98	2,110,545,636.93
VI. Cash and cash equivalents balance at the end of the period		8,678,782,091.61	2,563,203,640.10	2,044,650,085.98

The accompanying notes form an integral part of these financial statements.

Person in charge of the company:

Person in charge of accounting:

Person in charge of the accounting authority:

Ningbo Shanshan Co., Ltd.
Company Statement of Cash Flows
(All amounts in RMB Yuan unless otherwise stated)

Item	Note	2021	2020	2019
I. Cash flows from operating activities				
Cash received from sales of goods or rendering of services		12,463,664.67	38,301,592.38	43,832,353.80
Refunds of taxes and surcharges				
Cash received relating to other operating activities		986,491,976.01	10,327,826.77	7,753,134.79
Sub-total of cash inflows from operating activities		998,955,640.68	48,629,419.15	51,585,488.59
Cash paid for goods and services		9,776,060.47	6,943,310.29	6,092,730.73
Cash paid to and on behalf of employees		21,494,986.35	23,860,153.10	33,864,158.14
Payments of taxes and surcharges		21,544,322.74	13,215,653.25	9,733,248.90
Cash paid relating to other operating activities		61,431,667.20	62,538,248.69	65,314,916.02
Sub-total of cash outflows from operating activities		114,247,036.76	106,557,365.33	115,005,053.79
Net cash flows from operating activities		884,708,603.92	-57,927,946.18	-63,419,565.20
II. Cash flows from investing activities				
Cash received from disposal of investments		24,303,010.68	1,554,885,678.83	1,586,233,300.00
Cash received from returns on investments		29,664,406.61	47,156,577.26	118,959,298.12
Net cash received from disposal of fixed assets, intangible assets and other long-term assets		663,938.05	145,594.04	111,231.12
Net cash received from the disposal of subsidiaries and other business entities			79,260,948.00	3,500,000.00
Cash received relating to other investing activities		1,086,296,422.30	278,568,881.41	124,881,262.78
Sub-total of cash inflows from investing activities		1,140,927,777.64	1,960,017,679.54	1,833,685,092.02
Cash paid to acquire fixed assets, intangible assets and other long-term assets		17,470,455.63	1,447,472.36	5,212,122.39
Cash paid to acquire investments		4,983,886,600.00		20,000,000.00
Net cash paid for acquire subsidiaries and other business entities			230,500,000.00	770,000,000.00
Cash paid relating to other investing activities		25,883,917.98	1,015,790,778.44	997,697,480.99
Sub-total of cash outflows from investing activities		5,027,240,973.61	1,247,738,250.80	1,792,909,603.38
Net cash flows from investing activities		-3,886,313,195.97	712,279,428.74	40,775,488.64

Item	Note	2021	2020	2019
III. Cash flows from financing activities				
Cash received from capital contributions.		3,230,612,165.08		
Cash received from borrowings		5,622,000,000.00	3,540,000,000.00	4,750,000,000.00
Cash received relating to other financing activities.		210,656,121.75	9,201,000.00	
Sub-total of cash inflows from financing activities.		9,063,268,286.83	3,549,201,000.00	4,750,000,000.00
Cash repayment of borrowings		2,862,660,000.00	3,615,000,000.00	4,470,000,000.00
Cash payments for distribution of dividends, profits or interest expenses		406,618,791.65	266,509,282.84	278,136,547.85
Cash paid relating to other financing activities.		48,492,586.75	2,638,928.72	
Sub-total of cash outflows from financing activities.		3,317,771,378.40	3,884,148,211.56	4,748,136,547.85
Net cash flows from financing activities		5,745,496,908.43	-334,947,211.56	1,863,452.15
IV. Effect of foreign exchange rate changes on cash and cash equivalents.				
V. Net increase in cash and cash equivalents.		2,743,892,316.38	319,404,271.00	-20,780,624.41
Plus: Cash and cash equivalents balance at the beginning of the period		892,190,484.46	572,786,213.46	593,566,837.87
VI. Cash and cash equivalents balance at the end of the period		3,636,082,800.84	892,190,484.46	572,786,213.46

The accompanying notes form an integral part of these financial statements.

Person in charge of the
company:

Person in charge of
accounting:

Person in charge of the
accounting authority:

Ningbo Shanshan Co., Ltd.
Consolidated Statement of Changes in Owner's Equity
 (All amounts in RMB Yuan unless otherwise stated)

Item	Owner's equity attributable to equity owners of the Company											Total owner's equity		
	Other equity instruments										Subtotal			
	Share capital	Preferred shares	Perpetual bonds	Others	Capital reserves	Less: Treasury shares	Other comprehensive incomes	Special reserves	Surplus reserves	General risk provision			Retained earnings	
I. Balance at the end of the last year	1,628,009,229.00				3,600,459,003.45		671,319,941.31	2,363,262.14	257,570,088.94		6,248,274,179.78	12,407,995,674.62	1,499,262,591.41	13,907,258,266.03
Plus: Changes in accounting policies														
Correction of prior period errors														
Business combination under common control														
Others						-56,818.66			-3,853,862.35		-34,684,761.15	-38,595,442.16		-38,595,442.16
II. Balance at the beginning of the year	1,628,009,229.00				3,600,459,003.45		671,263,122.65	2,363,262.14	253,716,196.59		6,213,589,418.63	12,369,400,232.46	1,499,262,591.41	13,868,662,823.87
III. Increase or decrease amount in the current period (decrease expressed with "-")	514,910,709.00				2,877,331,950.52		-702,942,799.64	-55,559.87			3,869,736,943.32	6,558,981,243.33	-1,077,269,520.45	5,481,711,722.88
(I) Total comprehensive income							1,602,611.02				3,339,096,517.63	3,341,299,128.65	230,629,925.52	3,571,929,054.17
(II) Capital contributions or withdrawals by owners	514,910,709.00				2,877,331,950.52						3,392,242,659.52	3,392,242,659.52	-1,307,923,066.50	2,084,319,593.02
1. Capital contributions by owners	514,910,709.00				2,715,701,456.08						3,230,612,165.08	3,230,612,165.08	-1,307,923,066.50	1,922,689,098.58
2. Capital contributions by other equity instruments holders														
3. Share-based payments charged into owners' equity					8,050,375.94							8,050,375.94		8,050,375.94
4. Others					153,580,118.50							153,580,118.50		153,580,118.50
(III) Profit distribution											-146,520,830.61	-146,520,830.61		-146,520,830.61
1. Appropriation to surplus reserves														
2. Appropriation to general risk provision														
3. Distribution to owners (or shareholders)											-146,520,830.61	-146,520,830.61		-146,520,830.61
4. Others														
(IV) Transfer within owner's equity														
1. Transfer from capital surplus to share capital							-704,545,410.66				676,561,256.30	-27,984,154.36		-27,984,154.36

Item	Owner's equity attributable to equity owners of the Company										Total owner's equity				
	Share capital	Other equity instruments			Less: Treasury shares	Other comprehensive incomes	Special reserves	Surplus reserves	General risk provision	Retained earnings		Subtotal	Non-controlling interests		
		Preferred shares	Perpetual bonds	Others										Capital reserves	
		Others													
2. Transfer from surplus reserves to share capital									704,545,410.66	-27,984,154.36				-27,984,154.36	
3. Surplus reserves used to offset accumulated losses								-55,559.87			-55,559.87				-31,939.34
4. Transfer remeasurement of defined benefit obligations to retained earnings								3,849,362.14			3,849,362.14				4,666,314.85
5. Transfer from other comprehensive income to retained earnings								3,904,922.01			3,904,922.01				4,698,254.19
6. Others															
(V) Special reserve															
1. Provision in the current period															
2. Use in the current period															
(VI) Others															
IV. Balance at the end of the year	2,142,919,938.00			6,477,990,953.97		-31,679,676.99	2,307,702.27	253,716,196.59	10,083,226,361.95	18,928,381,475.79	421,993,070.96	19,351,574,546.75			

The accompanying notes form an integral part of these financial statements.

Person in charge of the company:

Person in charge of accounting:

Person in charge of the accounting authority:

Item	Owner's equity attributable to equity owners of the Company										Total owner's equity			
	Share capital	Other equity instruments			Less: Treasury stock/shares	Other comprehensive incomes	Special reserves	Surplus reserves	General risk provision	Retained earnings		Subtotal	Non-controlling interests	
		Preferred shares	Perpetual bonds	Others										Capital reserves
		Others												
I. Balance at the end of the last year	1,122,764,986.00			4,091,071,548.57		1,547,957,642.95	2,606,661.14	254,663,025.07	4,803,518,347.39	11,822,582,211.12	1,797,869,987.99	13,620,452,199.11		
Plus: Changes in accounting policies														
Correction of prior period errors														
Business combination under common control														
Others														
									474,157.26	474,157.26	5,399.66	479,556.92		

Year 2020

Item	Owner's equity attributable to equity owners of the Company												
	Other equity instruments			Capital reserves	Less: Treasury stockshares	Other comprehensive incomes	Special reserves	Surplus reserves	General risk provision	Retained earnings	Subtotal	Non-controlling interests	Total owner's equity
	Share capital	Preferred shares	Perpetual bonds										
II. Balance at the beginning of the year	1,122,764,986.00			4,091,071,548.57		1,547,937,642.95	2,606,661.14	254,663,025.07		4,803,992,504.65	11,823,056,386.38	1,797,873,387.65	13,620,931,756.03
III. Increase or decrease amount in the current period (decrease expressed with "+")	505,244,243.00			-490,612,545.12		-876,637,701.64	-243,399.00	2,907,033.87		1,444,281,675.13	584,939,306.24	-298,612,796.24	286,326,510.00
(I) Total comprehensive income						630,828,022.04				138,004,106.09	768,832,128.13	67,129,908.53	835,962,036.66
(II) Capital contributions or withdrawals by owners				14,631,697.88							14,631,697.88	-339,931,317.38	-325,299,619.50
1. Capital contributions by owners												-340,883,275.09	-340,883,275.09
2. Capital contributions by other equity instruments holders													
3. Share-based payments charged into owners' equity				14,631,697.88									
4. Others													
(III) Profit distribution													
1. Appropriation to surplus reserves								2,907,033.87		-137,638,832.19	-134,731,798.32	-25,682,000.00	-160,413,798.32
2. Appropriation to general risk provision								2,907,033.87		-2,907,033.87			
3. Distribution to owners (or shareholders)										-134,731,798.32	-134,731,798.32	-25,682,000.00	-160,413,798.32
4. Others													

Year 2020

Item	Owner's equity attributable to equity owners of the Company										Total owner's equity	
	Other equity instruments			Less: Treasury stock/shares	Other comprehensive incomes	Special reserves	Surplus reserves	General risk provision	Retained earnings	Subtotal		Non-controlling interests
	Share capital	Preferred shares	Perpetual bonds									
(IV) Transfer within owner's equity	505,244,243.00			-505,244,243.00	-1,507,465,723.68				1,443,916,401.23	-63,549,322.45		-63,549,322.45
1. Transfer from capital surplus to share capital	505,244,243.00			-505,244,243.00								
2. Transfer from surplus reserves to share capital												
3. Surplus reserves used to offset accumulated losses												
4. Transfer remeasurement of defined benefit obligations to retained earnings												
5. Transfer from other comprehensive income to retained earnings									1,507,465,723.68	-63,549,322.45		-63,549,322.45
6. Others												
(V) Special reserve							-243,399.00			-243,399.00	-129,387.39	-372,786.39
1. Provision in the current period							10,014,313.20			10,014,313.20	626,419.65	10,640,732.85
2. Use in the current period							10,257,712.20			10,257,712.20	755,807.04	11,013,519.24
(VI) Others												
IV. Balance at the end of the year	1,628,009,229.00			3,600,459,003.45	671,319,941.31	2,363,262.14	257,570,058.94		6,248,274,179.78	12,407,995,674.62	1,499,262,591.41	13,907,258,266.03

The accompanying notes form an integral part of these financial statements.

Person in charge of the company:

Person in charge of accounting:

Person in charge of the accounting authority:

Year 2019

Item	Owner's equity attributable to equity owners of the Company										Total owner's equity			
	Share capital	Other equity instruments				Less: Treasury shares	Other comprehensive incomes	Special reserves	Surplus reserves	General risk provision		Retained earnings	Subtotal	Non-controlling interests
		Preferred shares	Perpetual bonds	Others	Capital reserves									
I. Balance at the end of the last year	1,122,764,986.00			4,087,722,773.53			1,345,200,414.45	2,188,756.54	248,266,158.41	3,901,055,284.75	10,707,198,373.68	1,815,072,828.72	12,522,271,202.40	
Plus: Changes in accounting policies						-3,005,225.20				3,201,569.43	196,344.23	88,905.08	285,249.31	
Correction of prior period errors														
Business combination under common control														
Others														
II. Balance at the beginning of the year	1,122,764,986.00			4,087,722,773.53		1,342,195,189.25	2,188,756.54	248,266,158.41	3,904,256,854.18	10,707,394,717.91	1,815,161,733.80	12,522,556,451.71		
III. Increase or decrease amount in the current period (decrease expressed with "−")														
(I) Total comprehensive income				3,348,775.04		205,762,453.70	417,904.60	6,396,866.66	899,261,493.21	1,115,187,493.21	-17,291,745.81	1,097,895,747.40		
(II) Capital contributions or withdrawals by owners						205,762,453.70			269,808,780.07	475,571,233.77	105,325,864.23	580,897,098.00		
1. Capital contributions by owners				3,348,775.04										
2. Capital contributions by other equity instruments holders														
3. Share-based payments charged into owners' equity				10,708,492.79								1,500,000.00		
4. Others				-7,359,717.75										
(III) Profit distribution								6,396,866.66	629,452,713.14	635,849,579.80	-149,648,654.40	486,200,925.40		
1. Appropriation to surplus reserves								6,396,866.66	-6,396,866.66					
2. Appropriation to general risk provision														
3. Distribution to owners (or shareholders)									-89,821,198.88	-89,821,198.88	-149,648,654.40	-239,469,853.28		
4. Others									725,670,778.68	725,670,778.68		725,670,778.68		

Year 2019

Item	Owner's equity attributable to equity owners of the Company										Total owner's equity				
	Share capital	Other equity instruments			Less: Treasury shares	Other comprehensive incomes	Special reserves	Surplus reserves	General risk provision	Retained earnings		Subtotal	Non-controlling interests		
		Preferred shares	Perpetual bonds	Others										Capital reserves	
(IV) Transfer within owner's equity															
1. Transfer from capital surplus to share capital															
2. Transfer from surplus reserves to share capital															
3. Surplus reserves used to offset accumulated losses															
4. Transfer remeasurement of defined benefit obligations to retained earnings															
5. Transfer from other comprehensive income to retained earnings															
6. Others															
(V) Special reserve															
1. Provision in the current period										417,904.60					536,950.48
2. Use in the current period										10,076,255.11					10,689,039.07
(VI) Others										9,658,350.51					10,152,088.59
IV. Balance at the end of the year	1,122,764,986.00			4,091,071,548.57		1,547,957,642.95	2,606,661.14	254,663,025.07		4,803,518,347.39	11,822,582,211.12	1,797,869,987.99		13,620,452,199.11	

The accompanying notes form an integral part of these financial statements.

Person in charge of the company:

Person in charge of accounting:

Person in charge of the accounting authority:

Ningbo Shanshan Co., Ltd.
Company's Statement of Changes in Owner's Equity
(All amounts in RMB Yuan unless otherwise stated)

Year 2021

Item	Other equity instruments				Less: Treasury shares	Other comprehensive incomes	Special reserves	Surplus reserves	Retained earnings	Total owner's equity
	Share capital	Preferred share	Perpetual bonds	Others						
I. Balance at the end of the last year	1,628,009,229.00				2,494,762,975.88	192,999,191.60		259,695,513.52	3,964,969,668.27	8,540,436,578.27
Plus: Changes in accounting policies										
Correction of prior period errors										
Others						-56,818.66		-3,853,862.35	-34,684,761.15	-38,595,442.16
II. Balance at the beginning of the year	1,628,009,229.00				2,494,762,975.88	192,942,372.94		255,841,651.17	3,930,284,907.12	8,501,841,136.11
III. Increase or decrease amount in the current period (decrease expressed with "-")	514,910,709.00				2,839,579,158.01	-215,770,854.57			-124,511,713.69	3,014,207,298.75
(I) Total comprehensive income						36,207,926.24			-217,867,806.14	-181,659,879.90
(II) Capital contributions or withdrawals by owners	514,910,709.00				2,839,579,158.01					3,354,489,867.01
1. Capital contributions by owners	514,910,709.00				2,715,701,456.08					3,230,612,165.08
2. Capital contributions by of other equity instruments holders										
3. Share-based payments charged into owners' equity					8,050,375.94					8,050,375.94
4. Others					115,827,325.99					115,827,325.99
(III) Profit distribution									-146,520,830.61	-146,520,830.61
1. Appropriation of surplus reserves										
2. Distribution to owners (or shareholders)									-146,520,830.61	-146,520,830.61
3. Others										
(IV) Transfer within owner's equity										
1. Transfer from capital surplus to share capital						-251,978,780.81			239,876,923.06	-12,101,857.75

Year 2021

Item	Share capital			Other equity instruments			Less: Treasury shares	Other comprehensive incomes	Special reserves	Surplus reserves	Retained earnings	Total owner's equity
	Preferred share	Perpetual bonds	Others	Capital reserves	Perpetual bonds	Others						
2. Transfer from surplus reserves to share capital												
3. Surplus reserves used to offset accumulated losses												
4. Transfer remeasurement of defined benefit obligations to retained earnings												
5. Transfer from other comprehensive income to retained earnings.								-251,978,780.81			251,978,780.81	
6. Others											-12,101,857.75	-12,101,857.75
(V) Special reserve												
1. Withdrawal in the current period . .												
2. Use in the current period												
(VI) Others												
IV. Balance at the end of the 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

The accompanying notes form an integral part of these financial statements.

Person in charge of the company:

Person in charge of accounting:

Person in charge of the accounting authority:

Year 2020

Item	Other equity instruments				Less: Treasury shares	Other comprehensive incomes	Special reserves	Surplus reserves	Retained earnings	Total owner's equity
	Share capital	Preferred shares	Perpetual bonds	Others						
I. Balance at the end of the last year	1,122,764,986.00				2,982,780,645.90	1,499,064,870.20	254,663,025.07	2,698,983,886.74	8,558,257,413.91	
Plus: Changes in accounting policies										
Correction of prior period errors										
Others										
II. Balance at the beginning of the year	1,122,764,986.00				2,982,780,645.90	1,499,064,870.20	254,663,025.07	2,698,983,886.74	8,558,257,413.91	
III. Increase or decrease amount in the current period (decrease expressed with "-")	505,244,243.00				-488,017,670.02	-1,306,065,678.60	5,032,488.45	1,265,985,781.53	-17,820,835.64	
(I) Total comprehensive income						112,908,827.69		29,070,338.70	141,979,166.39	
(II) Capital contributions or withdrawals by owners					12,845,007.05				12,845,007.05	
1. Capital contributions by owners										
2. Capital contributions by other equity instruments holders										
3. Share-based payments charged into owners' equity										
4. Others										
(III) Profit distribution										
1. Appropriation to surplus reserves							2,907,033.87	-137,638,832.19	-134,731,798.32	
2. Distribution to owners (or shareholders)							2,907,033.87	-2,907,033.87		
3. Others										
(IV) Transfer within owner's equity	505,244,243.00				-505,244,243.00	-1,418,974,506.29		1,355,425,183.84	-63,549,322.45	
1. Transfer from capital surplus to share capital	505,244,243.00				-505,244,243.00					
2. Transfer from surplus reserves to share capital										
3. Surplus reserves used to offset accumulated losses										
4. Transfer remeasurement of defined benefit obligations to retained earnings										

Year 2020

Item	Other equity instruments				Less: Treasury shares	Other comprehensive incomes	Special reserves	Surplus reserves	Retained earnings	Total owner's equity
	Share capital	Preferred shares	Perpetual bonds	Others						
5. Transfer from other comprehensive income to retained earnings						-1,418,974,506.29			1,418,974,506.29	
6. Others									-63,549,322.45	-63,549,322.45
(V) Special reserve										
1. Withdrawal in the current period										
2. Use in the current period										
(VI) Others					4,381,565.93			2,125,454.58	19,129,091.18	25,636,111.69
IV. Balance at the end of the year	1,628,009,229.00				2,494,762,975.88	192,999,191.60		259,695,513.52	3,964,969,668.27	8,540,436,578.27

The accompanying notes form an integral part of these financial statements.

Person in charge of the company:

Person in charge of accounting:

Person in charge of the accounting authority:

Year 2019

Item	Other equity instruments							Total owner's equity			
	Share capital	Preferred shares	Perpetual bonds	Others	Capital reserves	Less: Treasury shares	Other comprehensive incomes		Special reserves	Surplus reserves	Retained earnings
I. Balance at the end of the last year	1,122,764,986.00				2,958,758,822.18		1,385,258,851.76		248,266,158.41	2,005,187,507.01	7,720,236,325.36
Plus: Changes in accounting policies											
Correction of prior period errors							162,750.00			375,000.00	537,750.00
Others											
II. Balance at the beginning of the year	1,122,764,986.00				2,958,758,822.18		1,385,421,601.76		248,266,158.41	2,005,562,507.01	7,720,774,075.36
III. Increase or decrease amount in the current period (decrease expressed with "+,-")					24,021,823.72		113,643,268.44		6,396,866.66	693,421,379.73	837,483,338.55
(I) Total comprehensive income							113,643,268.44			63,968,666.59	177,611,935.03
(II) Capital contributions or withdrawals by owners					24,021,823.72					725,670,778.68	749,692,602.40
1. Capital contributions by owners											
2. Capital contributions by other equity instruments holders											
3. Share-based payments charged into owners' equity					10,708,492.79						10,708,492.79
4. Others					13,313,330.93					725,670,778.68	738,984,109.61
(III) Profit distribution									6,396,866.66	-96,218,065.54	-89,821,198.88
1. Appropriation to surplus reserves									6,396,866.66	-6,396,866.66	
2. Distribution to owners (or shareholders)										-89,821,198.88	-89,821,198.88
3. Others											

Year 2019

Item	Other equity instruments						Total owner's equity				
	Share capital	Preferred shares	Perpetual bonds	Others	Capital reserves	Less: Treasury shares		Other comprehensive incomes	Special reserves	Surplus reserves	Retained earnings
(IV) Transfer within owner's equity											
1. Transfer from capital surplus to share capital											
2. Transfer from surplus reserves to share capital											
3. Surplus reserves used to offset accumulated losses											
4. Transfer remeasurement of defined benefit obligations to retained earnings											
5. Transfer from other comprehensive income to retained earnings.											
6. Others											
(V) Special reserve											
1. Withdrawal in the current period . .											
2. Use in the current period											
(VI) Others											
IV. Balance at the end of the year	1,122,764,986.00				2,982,780,645.90		1,499,064,870.20		254,663,025.07	2,698,983,886.74	8,558,257,413.91

The accompanying notes form an integral part of these financial statements.

Person in charge of the company:

Person in charge of accounting:

Person in charge of the accounting authority:

NINGBO SHANSHAN CO., LTD.
NOTES TO THE FINANCIAL STATEMENTS
 (All amounts in RMB Yuan unless otherwise stated)

I. BASIC INFORMATION ABOUT THE COMPANY

(I) Company Profile

Ningbo Shanshan Co., Ltd. (hereinafter the “Company”) was established on 14 December 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 31 December 2021, the Company has accumulatively issued a total of 2,142,919,938 shares with its registered capital RMB2,142,919,938. 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. The scope of business of the Company includes wholesale and retail of clothing, knitwear and leather products; paid licensing of trademarks; Self-operated and acting as an agent for the import and export of goods and technologies, except for those restricted or prohibited by the state; wholesale and retail of lithium-ion battery materials; leasing of properties; investment in real estate. The parent company of the Company is Shanshan Group Co., Ltd., with Zheng Yonggang as the Company’s ultimate beneficial owner.

(II) Scope of consolidated financial statements

As of 31 December 2021, the subsidiaries within the scope of the Company’s consolidated financial statements are as follows:

Name of subsidiary	Remarks
ShanJin Optoelectronics (Suzhou) Co., Ltd.	Note 1
ShanJin Optoelectronics (Guangzhou) Co., Ltd.	Note 1
ShanJin Optoelectronics (Nanjing) Co., Ltd.	Note 1
ShanJin Optoelectronics (Beijing) Co., Ltd.	Note 1
ShanJin Optoelectronics Technology (Zhangjiagang) Co., Ltd.	Note 1
ShanJin Optoelectronics (Mianyang) Co., Ltd.	Note 1
Ningbo Shanshan New Energy Technology Development Co., Ltd.	
Shanghai Shanshan New Energy Technology Co., Ltd.	
Shanghai Shanshan Lithium Battery Material Technology Co., Ltd.	
Ningbo Shanshan New Material Technology Co., Ltd.	
Shanghai Shanshan Technology Co., Ltd.	
Shanghai Shanshan New Material Co., Ltd.	
Chenzhou Shanshan New Material Co., Ltd.	
Fujian Shanshan Technology Co., Ltd.	
Inner Mongolia Shanshan Technology Co., Ltd.	
Inner Mongolia Shanshan New Material Co., Ltd.	
Baotou Graphene Material Research Institute Co., Ltd.	
Huzhou Shanshan New Energy Technology Co., Ltd.	
Inner Mongolia Shanshan Material Technology Co., Ltd.	Note 1
Sichuan Shanshan New Material Co., Ltd.	Note 1
Shanghai Shangang Economic Development Co., Ltd.	Note 2
Ningbo Yongxiang Investment Co., Ltd.	
Hunan Shanshan Energy Technology Co., Ltd.	Note 3

Name of subsidiary	Remarks
Hunan Shanshan New Energy Co., Ltd.	Note 3
Shanshan Energy (Ningxia) Co., Ltd.	Note 3
Ningbo Yongquan Investment Co., Ltd.	
Shanshan New Material (Quzhou) Co., Ltd.	
Dongguan Shanshan Battery Material Co., Ltd.	
Langfang Shanshan Battery Material Co., Ltd.	
Ningbo Shanshan Venture Capital Investment Co., Ltd.	
Beijing Shanshan Venture Capital Investment Co., Ltd.	
Ningbo Shanshan Electric Vehicle Technology Development Co., Ltd.	
Inner Mongolia Qingshan Automobile Co., Ltd.	
Shanghai Zhanxiao New Energy Technology Co., Ltd.	
Ningbo Shanshan Bada Power Assembly Co., Ltd.	
Ningbo Shanshan Automobile Co., Ltd.	
Ningbo Qingshan Automobile Co., Ltd.	
Ningbo Shanshan Yuntong New Energy System Co., Ltd.	Note 2
Ningbo Shanpeng Investment Co., Ltd.	
Winsky New Energy Technology Co., Ltd.	
Winsky New Energy Technology (Tianjin) Co., Ltd.	
Winsky (Dalian) New Energy Technology Co., Ltd.	
Ningbo Winsky New Energy Co., Ltd.	
Zhejiang Winsky New Energy Technology Co., Ltd.	
Hunan Winsky Industry Co., Ltd.	
Zhangjiajie Jiaotou Winsky Travel Co., Ltd.	Note 2
Hefei Spruce New Energy Co., Ltd.	
Xi'an Winsky New Energy Technology Co., Ltd.	
Xi'an Lvyuan Zhongxing New Energy Vehicle Technology Co., Ltd.	
Hebei Winsky New Energy Technology Co., Ltd.	
Jiangsu Spruce New Energy Technology Co., Ltd.	
Winsky (Suzhou) New Energy Technology Co., Ltd.	
Winsky New Energy Technology (Shenzhen) Co., Ltd.	
Guangzhou Winsky New Energy Technology Co., Ltd.	
Henan Winsky New Energy Technology Co., Ltd.	
Xinxiang Winsky New Energy Co., Ltd.	
Chongqing Winsky New Energy Technology Co., Ltd.	
Winsky (Xiamen) New Energy Technology Co., Ltd.	
Sichuan Winsky New Energy Technology Co., Ltd.	
Shanghai Turong Car Rental Service Co., Ltd.	
Shanghai Wanshan New Energy Technology Co., Ltd.	
Suzhou Yiyun New Energy Technology Co., Ltd.	
Ningbo Ulica Solar Co., Ltd.	
Ningbo Shanneng Photovoltaic Power Generation Co., Ltd.	
Taizhou Shanhe Photovoltaic Power Generation Co., Ltd.	
Taizhou Shanda Photovoltaic Power Generation Co., Ltd.	
Taizhou Shantai Photovoltaic Power Generation Co., Ltd.	
Wuyi Shansheng Photovoltaic Co., Ltd.	
Yongkang Shanlong Photovoltaic Power Generation Co., Ltd.	
Ningbo Shanhua Photovoltaic Power Generation Co., Ltd.	
Shaoxing Shandian Photovoltaic Power Generation Co., Ltd.	
Ningbo Shanhui Photovoltaic Power Generation Co., Ltd.	
Ningbo Shanjie Photovoltaic Power Generation Co., Ltd.	

Name of subsidiary	Remarks
Sanmen Shanyuan Photovoltaic Power Generation Co., Ltd.	
Shaoxing Shanzi Photovoltaic Power Generation Co., Ltd..	
Ningbo Shanlun Photovoltaic Power Generation Co., Ltd.	
Taizhou Shanyan New Energy Co., Ltd..	
Quzhou Shanhai Photovoltaic Power Generation Co., Ltd..	
Quzhou Qujiang Henglei Energy Technology Co., Ltd.	
Ningbo Shanwen Photovoltaic Power Generation Co., Ltd.	
Quzhou Shanke Photovoltaic Power Generation Co., Ltd.	
Quzhou Shanyu New Energy Development Co., Ltd..	
Quzhou Qujiang Shanzhen New Energy Technology Co., Ltd.	
Sanmen Shangang Photovoltaic Power Generation Co., Ltd.	
Jinhua Shanbao Photovoltaic Power Generation Co., Ltd.	
Hangzhou Shanqiu Photovoltaic Power Generation Co., Ltd.	
Jinhua Puzhong Photovoltaic Power Generation Co., Ltd.	
Taizhou Shanlin Photovoltaic Power Generation Co., Ltd.	
Quzhou Shantao Photovoltaic Power Generation Co., Ltd..	
Ningbo Shanshan Sunshine New Energy Co., Ltd.	
Ningbo Shanheng Photovoltaic Power Generation Co., Ltd..	
Shaoxing Shansheng Photovoltaic Power Generation Co., Ltd..	
Lanxi Shanrui New Energy Co., Ltd..	
Ningbo Ciguang New Energy Technology Co., Ltd.	
Wuyi Shanrun New Energy Co., Ltd..	
Taizhou Shantian Photovoltaic Power Generation Co., Ltd.	
Cixi Shante Photovoltaic Co., Ltd.	
Shaoxing Shanchang New Energy Co., Ltd.	
Yuyao Shankai Photovoltaic Power Generation Co., Ltd..	
Jinhua Shangong Photovoltaic Power Generation Co., Ltd.	
Ningbo Xinquante New Energy Development Co., Ltd..	
Ningbo Haobo New Energy Co., Ltd.	
Jinhua Zhichao New Energy Technology Co., Ltd.	
Ningbo Shanteng New Energy Co., Ltd..	
Nanchang Shan'ao New Energy Co., Ltd..	
Ningbo Yuyao Xiangtai Power Engineering Co., Ltd.	
Ningbo Taihui Photovoltaic Technology Co., Ltd.	
Taizhou Shanxian Photovoltaic Power Generation Co., Ltd..	
Xinchang Juheng New Energy Development Co., Ltd..	
Quzhou Shanyou Photovoltaic Power Generation Co., Ltd.	Note 1
Zhejiang Guangliang New Energy Technology Co., Ltd.	Note 1
Wenling Shanyun Photovoltaic Power Generation Co., Ltd.	Note 2
Jinhua Shanshi Photovoltaic Power Generation Co., Ltd..	Note 2
Ningbo Shanshan Contract Energy Management Co., Ltd.	
Jiangsu Shanshan Energy Management Co., Ltd..	Note 2
Ningbo Meishan Bonded Port Shanshan Energy Technology Co., Ltd.	Note 2
Guangzhou Shanshan Energy Management Co., Ltd..	Note 2
Shanshan Global Energy Management Co., Ltd.	Note 2
Suqian Shanshan Yuntong New Energy System Co., Ltd..	Note 2
Shanghai Shanshan Garment Co., Ltd.	
Shanghai Tunheng Trading Co., Ltd.	
Ningbo Shanshan Tongda Trading Co., Ltd.	
Ningbo Weihang Trading Co., Ltd.	

Name of subsidiary	Remarks
Hong Kong Shanshan Resources Co., Ltd.	
Deyin Investment Co., Ltd.	Note 2
Shanghai Nafei Clothing Co., Ltd.	Note 4
Shanghai Feihe Clothing Co., Ltd.	Note 4
Ningbo Yunling Zhichuang Park Operation Management Co., Ltd.	Note 5
Shanshan Fashion Industrial Park Suqian Co., Ltd.	
Ningbo Yongshan Lithium Industry Co., Ltd.	
Yongshan International Co., Ltd.	
Hunan Yongshan Lithium Industry Co., Ltd.	

Note 1: The relevant subsidiaries were all newly established or consolidated during FY 2021;

Note 2: The relevant subsidiaries were closed or sold during FY 2021;

Note 3: The original subsidiary, Hunan Shanshan Energy Technology Co., Ltd., has lost control and withdrawn from the scope of consolidation due to the transfer of part of its equity to BASF Germany this year, and has become an associate with 49% shareholding. The subsidiary and its two sub-subsidiaries are now renamed BASF Shanshan Battery Materials Co., Ltd., BASF Shanshan Battery Materials (Ningxing) Co., Ltd., and BASF Shanshan Battery Materials (Ningxia) Co., Ltd.;

Note 4: The subsidiaries, Shanghai Feihe Apparel Co., Ltd. and Shanghai Nafei Apparel Co., Ltd. have ceased operations for many years;

Note 5: The original subsidiary, Ningbo Yuanzhong Investment Co., Ltd., changed its name to Ningbo Yunling Zhichuang Park Operation Management Co., Ltd. in 2021.

II. BASIS OF PREPARATION FOR THE FINANCIAL STATEMENTS

(I) Basis of preparation

The financial statements have been prepared in accordance with the Accounting Standard for Business Enterprises — Basic Standard, and the specific accounting standards and other relevant regulations issued by the Ministry of Finance on 15 February 2006 and in subsequent periods (hereafter collectively referred to as “the Accounting Standards for Business Enterprises” or “ASBE”), and with reference to the disclosure requirements set out in the Preparation Convention of Information Disclosure by Companies Offering Securities to the Public No. 15 — General Rules on Financial Reporting issued by the China Securities Regulatory Commission (the “CSRC”).

Standard adopted for the first time for 2019

In 2017, the Ministry of Finance released the revised Accounting Standard for Business Enterprises No. 22 — Recognition and Measurement of Financial Instruments, Accounting Standard for Business Enterprises No. 23 — Transfer of Financial Assets, Accounting Standard for Business Enterprises No. 24 — Hedge Accounting (collectively hereinafter referred to as the “new financial instruments standards”) and the Circular on the Transitional Measures Related to the Implementation of the Accounting New Financial Instruments Standards (Cai Kuai [2017] No. 20) (“the Circular”). For Shanshan, the new financial instruments standards came into effect on 1 January 2019, the company has adopted this standard for the first time in the 2019 financial statements. The revised standard provides that for financial instruments that have not been derecognized at the date of initial implementation, previous recognition and measurement that are inconsistent with the requirements of the revised standard should be adjusted retrospectively.

Standard adopted for the first time for 2020

In 2017, the Ministry of Finance released the revised Accounting Standard for Business Enterprises No. 14 — Revenue, For Shanshan, the new financial instruments standards came into effect on 1 January 2020, the company has adopted this standard for the first time in the 2020 financial statements. The adoption of this revised standard currently has had no significant impact on the company’s financial position and financial performance.

Standard adopted for the first time for 2021

In 2018, the Ministry of Finance released the revised Accounting Standard for Business Enterprises No. 21 — Leases (the “new standard on Leases”), for Shanshan it became effective on 1 January 2021. The company has adopted this standard for the first time in the 2021 financial statements. The Group did not restate comparatives retrospectively and recognised the cumulative effect of applying this standard initially as an adjustment to the relevant line items in the financial statements as permitted under the specific transitional provisions in the standard. On 1 January 2021, the Group recognised the right-of-use assets of RMB196.90 million and the lease liabilities of RMB183.49 million.

Changes in significant accounting policies and their impact are detailed in Note III (XXXIII).

(II) Continuous operation

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

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES

Specific accounting policies and accounting estimates tips:

The following disclosures have covered the specific accounting policies and accounting estimates formulated by the Company in accordance with the actual production and operation characteristics.

(I) The declaration on compliance with the Accounting Standards for Business Enterprises

These financial statements comply with the requirements of the Accounting Standards for Business Enterprises issued by the Ministry of Finance and give a true and complete view of the consolidated and company’s financial position as of 31 December 2019, 31 December 2020 and 31 December 2021 and the consolidated and company’s business performance and cash flows for FY 2019, FY 2020 and FY 2021.

(II) Accounting period

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

(III) Business cycle

The operating cycle of the Company is 12 months.

(IV) Recording currency

The Company adopts RMB as the bookkeeping base currency.

(V) Accounting treatment methods for business combinations under the common control and not under the common control

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

Business combination not under the common control: The cost of consolidation is the fair value of the assets paid, liabilities incurred or assumed, and equity securities issued by the acquirer to obtain control over the acquiree at the date of acquisition. Goodwill is recognized as the positive difference between the cost of the combination and the share of the fair value of the acquiree's identifiable net assets acquired in the combination. The difference between the cost of combination and the share of the fair value of the acquiree's identifiable net assets acquired in a consolidation is included into profit or loss for the current period. Each identifiable asset, liability and contingent liability of the acquiree acquired in a consolidation that qualifies for recognition is measured at fair value at the date of acquisition.

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

(VI) Preparation method of consolidated financial statements

1. *Scope of consolidation*

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

2. *Procedure of consolidation*

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

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

(1) *Increase subsidiaries or business*

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

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

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

Where the investees not under the same control can be controlled due to additional investment or other reasons, the Company shall re-measure the acquiree's equity held before the date of purchase according to the fair value of the equity at the date of purchase, and include the difference between the fair value and its book value into the current investment income. Other comprehensive income related to the equity of the acquiree held before the acquisition date, which will be reclassified into profit or loss in the future, and other changes in owners' equity under the equity method accounting are converted into the current investment income of the acquisition date.

(2) *Disposal of subsidiaries*

① General treatment method

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

② Disposal of subsidiaries step by step

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

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

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

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

(3) Purchasing minority equity of subsidiaries

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

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

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

(VII) Classification of joint venture arrangements and accounting treatment methods for joint operations

The joint venture arrangements are divided into joint operation and joint venture.

A joint operation is a joint venture arrangement in which the joint venturers enjoy the assets and bear the liabilities associated with the arrangement.

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

- (1) To confirm the assets held by the Company separately, and the assets jointly held according to the Company's shares;
- (2) To confirm the liabilities assumed by the Company separately, and the liabilities jointly assumed according to the Company's shares;
- (3) To confirm the revenue generated by the sale of the output shares of joint operation enjoyed by the Company;
- (4) To confirm the revenue generated by the sale of output of joint operation according to the Company's shares;
- (5) To confirm the expenses incurred separately, and the expenses incurred in joint operation according to the Company's shares.

The Company's investment in joint ventures is accounted for by the equity method, as described in (XIV) Long-term Equity Investments of Note III.

(VIII) Confirmation standard of cash and cash equivalent

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.

(IX) Foreign currency business and conversion of foreign currency statements

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 into 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. Transaction of foreign currency financial statements

Asset and liability items of balance sheet are converted using the spot rate at the balance sheet date; Items of owners' equity, except for "Retained earnings", are converted using the spot rate at the time of occurrence. Income and expense items in the income statement are converted using the spot rate at the date of the transaction.

During the disposal of overseas operation, the balance arising from the translation of foreign currency financial statements related to the overseas operation shall be transferred from owner's equity items to the disposal of current profit and loss.

(X) Financial instruments

The Company recognizes a financial asset, a financial liability or an equity instrument when it becomes a party to a financial instrument contract.

Accounting policies to be applied from 1 Jan. 2019

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 criteria and that are not designated as financial assets at fair value through profit or loss as financial assets measured at amortized cost:

- 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 meet the following criteria and that are not designated as financial assets 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 asset;
- Contractual cash flows only pay for the principal and the interest based on the outstanding principal amount.

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

Except for the above-mentioned financial assets measured at amortized cost and financial assets at fair value through other comprehensive income, the Company classifies all remaining financial assets as financial assets at fair value through profit or loss. On initial recognition, if it is possible to eliminate or significantly reduce the accounting mismatch, the Company may irrevocably designate financial assets that would otherwise be classified as financial assets measured 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 on initial recognition as: Financial liabilities at fair value through profit or loss and financial liabilities measured 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, report to key management personnel on this basis.
- 3) The financial liability contains embedded derivatives that are subject to separate spin-off.

There are no such cases in the Company.

2. *Determination basis and measurement method of financial instruments*

(1) Financial assets measured at amortized cost

Financial assets measured at amortized cost, including notes receivable, accounts receivable, other receivables, long-term receivables and debt investments, are initially measured at fair value, with related transaction costs included in the initial recognition amount; Accounts receivable that do not contain a significant financing component and those that the Company has decided not to consider a financing component of 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 into 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 into 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 into the initially recognized amount. The financial asset is subsequently measured at fair value, and changes in fair value are included into other comprehensive income, except for interest, impairment loss or gain and exchange gain or loss calculated using the effective interest method.

Upon derecognition, the cumulative gain or loss previously included into other comprehensive income is transferred from other comprehensive income and included into profit or loss for the current period.

(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 into the initial recognition amount. The financial asset is subsequently measured at fair value, with changes in fair value included into other comprehensive income. Dividends received are included into profit or loss for the current period.

Upon derecognition, the cumulative gain or loss previously included into other comprehensive income is 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 into profit or loss for the current period. The financial asset is subsequently measured at fair value, with changes in fair value included into 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 into profit or loss for the current period. The financial liability is subsequently measured at fair value, with changes in fair value included into profit or loss for the current period.

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

(6) Financial liabilities measured 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 into the initial recognition amount.

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

On derecognition, the difference between the consideration paid and the book value of the financial liability is included into profit or loss for the current period.

3. *Derecognition of financial assets and transfer of financial assets*

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

- Termination of contractual rights to receive cash flows from financial assets;
- The financial asset has been transferred and substantially all the risks and rewards of ownership of the financial asset have been transferred to the transfer-in side;
- The financial asset has 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 asset.

A financial asset is not derecognized when a transfer of the financial asset 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 termination recognition conditions of the aforesaid financial assets, the principle of substance over form shall be adopted.

The Company divides the financial asset transfer zone into the overall transfer and partial transfer of financial assets. If the transfer of an entire financial asset satisfies the conditions for stopping recognition, the difference between the amounts of the following two items shall be included into 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 recognized directly in owners' equity (in the case where the financial asset involved in the transfer is a financial asset (debt instrument) measured at fair value through other comprehensive income).

Where partial transfer of financial assets satisfies the termination recognition conditions, the entire book value of the transferred financial assets shall be apportioned between the part for which termination is determined and the part for which termination is not determined as per respective relative fair values, and the difference between the following two items shall be included into profit or loss for the current period:

- (1) The book value of the derecognized part;
- (2) The sum of the consideration for the derecognized portion and the amount corresponding to the derecognized portion of the cumulative amount of changes in fair value originally recognized directly in owners' equity (in the case where the financial asset involved in the transfer is a financial asset (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 confirmed, and the received consideration is confirmed 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 enters into an agreement with a creditor so as to substitute the existing financial liability by way of new financial liability, and if the contract terms regarding the new financial liability are substantially different from that regarding the existing financial liability, it shall derecognize the existing financial liability, and shall recognize the new financial liability at the same time.

Where an enterprise makes substantial revisions to some or all of the contractual stipulations of the existing financial liability, it shall terminate the recognition of the existing financial liability or part of it, and at the same time recognize the financial liability after revising the contractual stipulations as a new financial liability.

Where the recognition of a financial liability is fully or partially terminated, the difference between the book value of financial liability which has been terminated from recognition and the paid considerations (including the non-cash assets it has transferred out and the new financial liabilities it has assumed) shall be included into profit or loss for the current period.

Where our enterprise buys back part of its financial liabilities, it shall distribute, on the buy-back day, the carrying amount of the whole financial liabilities according to the comparatively fair value of the part that continues to be recognized and the part whose recognition has already been terminated. The difference between the carrying amount which is distributed to the part whose recognition has terminated and the considerations it has paid (including the non-cash assets it has transferred out and the new financial liabilities it has assumed) shall be included into profit or loss for the current period.

5. *Method to determine the fair value of financial assets and financial liabilities*

If there are active financial instruments, the fair value is determined using quoted prices in an active market. If there are no active financial instruments, 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 asset or liability considered by market participants in transactions for the relevant asset or liability, 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.

(XI) Inventory

1. *Classification and cost of inventory*

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

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

2. *Pricing method of issued inventory*

Inventories are valued by weighted average method when they are delivered.

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

On the balance sheet date, the inventory is measured at the lower of the cost or the net realizable value. When the cost of inventories is higher than their net realizable value, a provision for inventory decline should be made. Net realizable value refers to the amount after deducting the cost to be incurred upon estimation until the completion, the estimated sales expenses, and related taxes from the estimated selling price of inventory in daily activities.

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

After the provision for decline in value of inventory, if the factors affecting the previous write-down of inventory value have disappeared, resulting in the net realizable value of the inventory being higher than its book value, the provision for decline in value of inventory is reversed within the original provision amount, and the amount reversed is included into profit or loss for the current period.

4. *Inventory system for inventory*

The perpetual inventory system is used.

5. *Amortization method of low-value consumables and packaging materials*

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

(XII) Contract assets

Accounting policies implemented since 1 Jan. 2020

1. Methods and criteria for recognition of contract assets

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

2. Method of determining expected credit losses on contract assets and accounting method

The method of determining expected credit losses on contract assets and accounting method are detailed in the Note "(X) Test Methods and Accounting Treatment Methods for Impairment of Financial Assets".

(XIII) Assets Held for Sale

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.

If the book value of a non-current asset (excluding financial assets, deferred income tax assets and assets resulting from employee compensation) or disposal group classified as held for sale is higher than the fair value less costs to sell, the book value is written down to the net value of fair value less costs to sell, and the write-down amount is recognized as an impairment loss on the asset and included into profit or loss for the current period, together with a provision for impairment of assets held for sale.

(XIV) Long-term equity investment

1. Judgment standards for common control and significant influence

The same control refers to the control commonly owned for a certain arrangement according to the relevant agreement, in which the related activities of such arrangement can be decided only after the consensus of participants who share the control right. Where the Company and other joint ventures implement same control over the invested unit and have the right to the net assets of the invested unit, the invested unit is the joint venture of the Company.

Significant impact refers to the power to participate in making decisions on the financial and operating policies of an invested unit, but not to control or do joint control together with other parties over the formulation of these policies. Where the Company can have significant influence on an invested unit, the invested unit is the associate of the Company.

2. Determination of initial investment cost

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

For long-term equity investment in subsidiaries acquired through business consolidation under the same control, the initial investment cost of long-term equity investment at the date of consolidation is based on the share of the owner's equity of the combined party in the book value of the consolidated financial statements of the final controlling party. For the difference between the initial investment cost of the long-term equity investment and the book value of the consideration paid, adjust the share premium in capital reserves; If the share premium in capital reserves is not sufficient for write-down, adjust the retained earnings. If it is possible to exercise control over an investee under the same control due to additional investment, for 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 consolidation and the book value of the consideration paid for further acquisition of shares at the date of consolidation, adjust the share premium, and if the share premium is not sufficient for write-down, write down the retained earnings.

For long-term equity investments in subsidiaries formed by business combination not under the same control, the initial investment cost of long-term equity investments is based on the cost of the consolidation determined at the date of acquisition. Where the invested units not under the same control can be controlled due to additional investment or other reasons, the sum of the book value of the equity investment originally held and the newly added investment cost shall be taken as the initial investment cost.

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

The initial cost of a long-term equity investment obtained by making payment in cash shall be the purchase cost which is actually paid.

The initial cost of a long-term equity investment obtained based on issuing equity securities shall be the fair value of the equity securities issued.

3. Confirmation method of subsequent measurement and profit and loss

(1) Long-term equity investment accounted by cost method

The Company accounts for its long-term equity investments in subsidiaries using the cost approach, unless the investments qualify as held for sale. Except for the actual paid price when acquiring investment or, the cash dividends or profits that has declared but not yet released in the consideration, the Company shall recognize the current investment income according to the cash dividends or profits issued by the invested unit.

(2) Long-term equity investment accounted by equity method

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

The Company recognizes investment income and other comprehensive income in accordance with its share of the net profit or loss realized by the investee and other comprehensive income that shall be shared or born, respectively, while adjusting the book value of the long-term equity investment; The portion of the entitlement shall be calculated on the basis of the profit or cash dividends declared by the investee, with a

corresponding reduction in the book value of the long-term equity investment; For changes in the ownership interest of the investee other than net profit or loss, other comprehensive income and profit distribution (“changes in other owners’ equity”), adjust the book value of the long-term equity investment and recognize them in owners’ equity.

In recognizing the share of the investee’s net income or loss, other comprehensive income and other changes in owners’ equity, the fair value of the investee’s identifiable net assets at the time the investment is acquired is used as the basis for recognition, and the net income and other comprehensive income of the investee are adjusted in accordance with the Company’s accounting policies and accounting periods.

Unrealized gains or losses on internal transactions between the Company and associates or joint ventures that are attributable to equity owners of the Company on the basis of their proportionate share are offset, and investment income is recognized on this basis, except when the assets invested or sold constitute a business. The unrealized internal transaction losses with the invested unit, which belongs to the impairment loss of assets, shall be recognized in full.

For the net loss incurred by joint ventures or associates, the Company, except for the obligation to assume additional losses, is limited to a write-down to zero of the book value of the long-term equity investment and other long-term interests that substantially constitute the net investment in joint ventures or associates. If joint ventures or associates later realize net profit, the Company resumes the recognition of attributable share of income after the attributable share of income makes up for the unrecognized attributable share of loss.

(3) Disposal of long-term equity investment

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

If a long-term equity investment accounted for under the equity method is partially disposed of and the remaining equity interest is still accounted for under the equity method, other comprehensive income recognized under the former equity method is carried forward in proportion to the corresponding percentage using the same basis as the direct disposal of the related assets or liabilities by the investee, and other changes in owners’ equity are carried forward to profit or loss in proportion to the current period.

If the common control or significant influence over the investee is lost due to the disposal of the equity investment, etc., other comprehensive income recognized as a result of the equity method accounting for the original equity investment is accounted for on the same basis as the direct disposal of the related assets or liabilities by the investee upon the termination of the equity method accounting, and all changes in other owners’ equity are transferred to current profit and loss upon the termination of the equity method accounting.

If control over the investee is lost due to the disposal of part of the equity investment, the remaining equity interest that is capable of exercising joint control or significant influence over the investee is accounted for under the equity method when preparing the individual financial statements, and the remaining equity interest is adjusted as if it had been accounted for under the equity method from the time of acquisition, and other comprehensive income recognized prior to the acquisition of control over the investee is recognized using the same basis as that used for the direct disposal of the related assets or liabilities by the investee, and the changes in other owners’ equity recognized as a result of the adoption of the equity method of accounting are carried forward proportionately to current profit and loss; If the remaining equity interest cannot exercise joint control or significant influence over the investee, it is recognized as a financial asset, and the difference between its fair value and its book value at the date of loss of control is included into profit or loss for the current period, and all other comprehensive income and other changes in owners’ equity recognized before control of the investee is obtained are carried forward.

Disposal of equity investments in subsidiaries through multiple transactions in steps until the loss of control, where they are a package transaction, each transaction is accounted for as one disposal of equity investments in subsidiaries with loss of control; The difference between the disposal price and the book value of the long-term equity investment corresponding to the equity interest disposed of for each disposal prior to the loss of control is recognized as other comprehensive income in the individual financial statements first, and is transferred to profit or loss for the current period when control is lost. If the transaction is not part of a package, each transaction is accounted for separately.

(XV) Investment property

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

Subsequent expenditures related to investment properties are included in the cost of investment properties when it is probable that the related economic benefits will flow in and their cost can be measured reliably; Otherwise, it is included into profit or loss for the current period as incurred.

The Company adopts the fair value model for existing investment properties and adjusts the book value of such investment properties based on their fair value at the balance sheet date, and the difference between the fair value and the original book value is included into profit or loss for the current period.

(XVI) Fixed assets

1. Test Methods and Accounting Treatment Methods 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., either individually or in combination.

The measurement of expected credit losses depends on whether a significant increase in credit risk has occurred since the initial recognition of the financial asset.

The Company recognizes expected credit losses by calculating the probability-weighted amount of the present value of the difference between the cash flows receivable under the contract and the cash flows expected to be received, taking into account reasonable and substantiated information about past events, current conditions and forecasts of future economic conditions, weighted by the risk of default. If the credit risk of the financial instrument has increased significantly since initial recognition, the Company measures its provision for losses at an amount equal to the expected credit loss over the entire life of the financial instrument; If the credit risk of the financial instrument has not increased significantly since initial recognition, the Company measures its provision for loss at an amount equal to the expected credit loss of the financial instrument over the next 12 months. The resulting increase or reversal of the provision for losses is recognized as an impairment loss or gain in profit or loss for the current period.

The Company assesses whether the credit risk of a financial instrument has increased significantly since initial recognition by comparing the risk of default of the financial instrument at the balance sheet date with the risk of default at the date of initial recognition to determine the relative change in the risk of default over the expected life of the financial instrument. The Company considers that the credit risk of a financial instrument has increased significantly when it is normally more than 30 days past due, unless there is conclusive evidence that the credit risk of the financial instrument has not increased significantly since initial recognition.

If the credit risk of a financial instrument is low at the balance sheet date, the Company considers that the credit risk of the financial instrument has not increased significantly since initial recognition.

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

For receivables and contract assets resulting from transactions governed by *Accounting Standards for Business Enterprises No. 14 — Revenue (2017)*, the Company consistently measures its provision for losses at an amount equal to the expected credit loss over the entire life of the asset, whether or not it contains a significant financing component.

For lease receivables, the Company has chosen to always measure its provision for losses at an amount equal to the expected credit loss over the entire life of the duration.

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

2. Recognition and initial measurement of fixed assets

Fixed assets refer to the tangible assets which are held for producing commodities, providing labor services, leasing or operation management and have a service life of over one fiscal year. Fixed assets are recognized when the following conditions are met simultaneously:

- (1) The economic benefits pertinent to the fixed asset are likely to flow into the enterprise;
- (2) The cost of the fixed asset can be measured reliably.

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

Subsequent expenditures related to fixed assets are included in the cost of fixed assets when it is probable that the economic benefits associated with them will flow in and their cost can be measured reliably; Derecognition of the book value for the replaced portion; All other subsequent expenses are included into profit or loss for the current period as incurred.

3. Depreciation method

The depreciation of fixed assets is classified and accrued by using the straight-line method. The depreciation rate is determined based on the category, estimated service life and estimated net residual value ratio of fixed assets. For fixed assets for which provision for impairment has been made, depreciation is determined in future periods on the basis of their book value net of provision for impairment and based on their remaining useful lives. If the service life of each component of the fixed assets is different or the economic benefits are provided for enterprises in different ways, the different depreciation rates or depreciation methods shall be selected for depreciation respectively.

The depreciation policy for fixed assets leased under finance leases is consistent with that for owned fixed assets. If it is reasonably certain that ownership of the leased asset will be acquired at the end of the lease term, provision for depreciation is made over the remaining useful life of the leased asset; If it cannot be reasonably determined that the ownership of the leased asset can be obtained at the expiry of the lease term, the depreciation can be accrued within the shorter of the lease term and the remaining useful life of the leased asset.

The depreciation methods, depreciation lives, residuals rates and annual depreciation rates for various types of fixed assets are as follows:

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

4. Identification basis and pricing methods for fixed assets acquired under finance leases

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

- (1) The ownership of the leased asset belongs to the Company after the expiry of lease term;
- (2) The Company has the option to buy assets, and the purchase price is much lower than the fair value of the asset at the time of exercising the right of option;
- (3) The lease term covers most of the service life of the leased asset;
- (4) The present value of the minimum lease payments on the lease beginning date doesn't differ greatly from the fair value of the asset.
- (5) The leased assets are of a specialized nature that only the lessee can use them without making major modifications.

On the lease beginning date, the Company shall record the lower one between the fair value of the leased asset and the present value of the minimum lease payments as the entry value of the leased asset, recognize the minimum lease payments as the entry value of the long-term account payable, with the balance between the two entry values as the unrecognized financing charges.

5. Disposal of fixed assets

A 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 profit or loss for the current period.

(XVII) 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 provision for depreciation starts from the following month.

(XVIII) Borrowing costs

1. Confirmation principles for 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 profit or loss for the current period.

Assets eligible for capitalization refer to the fixed assets, investment real estate, inventories, and other assets, of which the acquisition and construction or production may take quite a long time to get ready for its intended use or sale.

2. Capitalization period of borrowing costs

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) The asset expenditure has already incurred, which shall include cash payment, transfer of non-cash assets or interest-bearing debts for the acquisition and construction or production of assets eligible for capitalization;
- (2) The borrowing costs have already incurred;
- (3) The acquisition and construction or production activities which are necessary to prepare the asset for its intended use or sale have already started.

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

3. Suspension of capitalization period

Capitalization of borrowing costs is suspended if an unusual interruption occurs during the acquisition or production of an asset eligible for capitalization and the interruption lasts for more than three consecutive months; If the interruption is necessary to bring the asset acquired or produced that is eligible for capitalization to its intended useable or marketable condition, the borrowing costs continue to be capitalized. The borrowing costs incurred during the interruption shall be recognized as profit or loss for the current period and shall not be capitalized until the acquisition and construction or production of the asset restarts.

4. Computational methods of capitalization rate and capitalization amount of borrowing costs

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 balances 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 real 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 into the cost of assets eligible for capitalization. Exchange differences arising from the principal amount of foreign currency borrowings other than specialized foreign currency borrowings and their interest are included into profit or loss for the current period.

(XIX) Intangible assets

1. Pricing method of intangible assets

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

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

(2) *Subsequent measurement*

Analyze and judge the service life of intangible assets when obtaining them.

For intangible assets with finite useful lives, amortize over the period that provides economic benefits to the enterprise; Intangible assets with an indefinite useful life are not amortized if it is not foreseeable that they will provide economic benefits to the enterprise.

2. Service life estimation for the intangible assets with limited service life

<u>Item<</u>	<u>Estimated service life</u>	<u>Basis</u>	<u>Item<</u>	<u>Estimated service life</u>
Land	20-50 years	According to the use life of the land use right certificate	Land	20-50 years
Proprietary technology . . .	5-20 years	According to the estimated period of economic benefits to the business	Proprietary technology	5-20 years
Trademark usage rights . .	Year 10	According to years of trademark use	Trademark usage rights	Year 10
Special software	5-10 years	According to the estimated period of economic benefits to the business	Special software	5-10 years

At the end of each year, the Company shall review the service life and amortization method of the intangible assets with limited service life.

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

3. Basis for determining intangible assets with indefinite useful lives and procedures for reviewing their useful lives

There are no such cases in the Company.

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

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

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

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

5. *Specific conditions for capitalization of development phase expenditures*

The expenditure in the research phase shall be included into profit or loss for the current period as incurred. The expenditure in the development phase is recognized as intangible assets if the following conditions are met, and the expenditure in the development phase that cannot meet the following conditions is included into profit or loss for the current period:

- (1) It is technically feasible to finish the intangible assets for use or sale;
- (2) It is intended to finish and use or sell the intangible assets;
- (3) The means for intangible assets to generate economic benefits include: proving that the products produced using such intangible assets have market or that the intangible assets have market themselves. Where the intangible assets are used internally, their usefulness can be proved;
- (4) There is sufficient support of technological and financial resources and other resources to complete the development of the intangible assets, and the ability to use or sell the intangible assets;
- (5) The expenditure attributable to the development phase of the intangible assets can be measured reliably.

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

(XX) 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 finite useful lives and oil and gas assets are tested for impairment if there is an indication of impairment at the balance sheet date. If the result of the impairment test indicates that the recoverable amount of an asset is less than its book value, a provision for impairment is made for the difference and included into 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 future 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 is 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.

For goodwill resulting from business combination, intangible assets with indefinite useful lives, and intangible assets that have not yet reached a useable condition, impairment tests are performed at least at the end of each year, regardless of whether there is an indication of impairment.

The Company performs goodwill impairment tests and the book value of goodwill arising from a business consolidation is allocated to the relevant asset group from the date of purchase in accordance with a reasonable method; If it is difficult to be allocated to the relevant asset group, it is allocated to the relevant asset group portfolio. A related asset group or asset group portfolio is an asset group or asset group portfolio that can benefit from the synergistic effects of a business consolidation.

When making an impairment test on the relevant asset groups or combinations of asset groups containing goodwill, if any evidence shows that the impairment of asset groups or combinations of asset groups is possible, the Company shall first make an impairment test on the asset groups or combinations of asset groups not containing goodwill, calculate the recoverable amount, compare it with the relevant carrying value, and recognize the corresponding impairment loss. The asset group or asset group portfolio containing goodwill is then subjected to an impairment test to compare its book value with the recoverable amount. If the recoverable amount is less than the book value, the impairment loss is first reduced by the book value of the goodwill allocated to the asset group or asset group portfolio, and then according to the proportionate share of the book value of each asset other than goodwill in the asset group or asset group portfolio, the book value of other assets is then reduced in proportion. Once recognized, the above impairment loss on assets is not reversed in the future accounting periods.

(XXI) Long-term deferred assets

Long-term deferred expense is an expense that has been incurred but should be borne by the current and future periods and is allocated over a period of more than one year.

The amortization period and amortization method for each expense are: Long-term unamortized expense is amortized equally over the benefit period.

(XXII) Contract liabilities

Accounting policies implemented since 1 Jan. 2020

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.

(XXIII) Employee compensation

1. Accounting treatment 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 into 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 into profit or loss for the current period or to the cost of related assets when actually incurred, based on the actual amount incurred, of which non-monetary benefits are measured at fair value.

2. Accounting treatment for post-employment benefits

(1) Defined contribution plan

The Company shall pay basic endowment insurance and unemployment insurance for employees according to the relevant regulations of local government. During the accounting period that employees provide services to the Company, the payable amount shall be calculated according to the payment base and proportion specified locally and confirmed as liability and included into profit or loss for the current period or related asset cost.

In addition, the Company participates in corporate pension plans/supplementary pension funds approved by the relevant state authorities. The Company pays a certain proportion of the total wages of employees to the annuity plan/local social insurance institutions, with corresponding expenditures included into profit or loss for the current period or related asset cost.

(2) Defined benefit plan

The Company attributes the welfare obligations generated from defined benefit plan through the formula determined according to the expected cumulative benefit unit to the period that employees provide services and includes them into profit or loss for the current period or related asset cost.

The deficit or surplus formed by deducting the fair value of asset in the defined benefit plan from the present value of defined benefiting obligation shall be confirmed as a net liability or net asset of defined benefit plan. If there is surplus in the defined benefit plan, the Company shall measure the net asset of defined benefit plan according to the lower of the surplus in the defined benefit plan and the asset ceiling.

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

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

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

3. Accounting treatment for termination benefits

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

(XXIV) Provisions

Where the obligations related to the contingencies meet the following conditions simultaneously, the Company shall confirm them as provisions:

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

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

To determine the best estimate, the Company shall take into overall consideration of the risks, uncertainty, time value of money, and other factors pertinent to the contingencies. If the time value of money is of great significance, the best estimate shall be determined after discounting the relevant future outflow of cash.

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

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

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

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

(XXV) 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 employees or other parties. The share-based payment of the Company is divided into equity settled share-based payment and cash settled share-based payment.

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

The equity-settled share-based payment in return for employee services shall be measured at the fair value of the equity instruments granted to the employees. For share-based payment transactions that are immediately exercisable upon grant, the fair value of the equity instruments is recorded at the relevant cost or expense on the grant date, with a corresponding increase in capital reserves. For share-based payment transactions in which the services are in process after the grant or the rights are exercised only after the required performance conditions are met, at each balance sheet date during the waiting period, the Company recognizes the services acquired during the period as related costs or expenses, and, based on the best estimate of the number of exercisable equity instruments and the fair value at the grant date, increases capital reserves accordingly.

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

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

2. *Cash-settled share-based payment and equity instrument*

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

(XXVI) Revenue

Accounting policies implemented since 1 Jan. 2020

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 of time:

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

For performance obligations to be performed within a certain period of time, the Company recognizes 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 cannot be reasonably determined and the costs incurred are expected to be compensated, the Company recognizes the revenue according to the amount of costs incurred until the performance schedule can be reasonably determined.

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

- 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 the legal ownership of the goods to the customer, i.e., the customer has the 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 the major risks and rewards of ownership of the goods to the customer, i.e., the customer has acquired the major 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.

Accounting policies prior to 1 Jan. 2020

1. *General principles of revenue recognition for sales of goods*

- (1) The major risks or rewards of ownership of the goods have been transferred to the buyer by the Company;
- (2) The Company retains neither continuous management right that usually keeps relation with the ownership nor effective control over the sold goods;
- (3) The amount of revenue can be measured reliably;
- (4) It is probable that the related economic benefits will flow to the Company;
- (5) The relevant costs incurred or to be incurred can be measured reliably.

2. *Specific principles*

- (1) Product sales: According to the customer's sales contract or order, a sales delivery lists is issued and the shipment is completed, and sales revenue is recognized upon receiving the customer's goods sign-off or pick-up receipt or sales realization confirmation list.
- (2) Transfer of the right to use assets: The economic benefits related to the transaction may flow into the enterprise, and the amount of income can be measured reliably. The amount of income from abalienating the right to use assets is determined under the following conditions respectively:
 - ① The amount of interest revenue should be calculated and confirmed in accordance with the length of time for which the enterprise's cash is used by others and the actual interest rate.
 - ② Financing leased assets: The Company recognizes the financing lease receivable, the difference between the sum of the unsecured residual value and its present value as unrealized financing gain at the lease commencement date, and recognizes it as lease income in each future period in which the lease payments are received. The initial direct costs incurred by the Company in connection with the leasing transactions are included in the initial measurement of financing lease receivables and the amount of revenue recognized over the lease term is reduced. The Company uses the effective interest rate method to calculate and recognize the current financing income.
 - ③ Operating leased assets: Determined in accordance with the time when others use the assets of the Company and the contractually agreed rental calculation method.
- (3) Provision of labor services: Recognized and measured by the percentage-of-completion method.

If an enterprise can, on the balance sheet date, reliably estimate the outcome of a transaction concerning the labor services it provides, it shall recognize the revenue from providing services with the percentage-of-completion method. The progress of completion of a labor supply transaction is determined based on the measurement of completed work.

The total income from providing labor services shall be determined according to the received or receivable contract or agreed amount, except for those not allowed by the received or receivable contract or agreed amount. On the balance sheet date, the current revenue from providing labor services shall be recognized in accordance with the amount of multiplying the total amount of revenues from providing labor services by the schedule of completion then deducting the cumulative revenues from providing labor services that have been recognized in the previous accounting periods. At the same time, the current labor cost shall be carried forward according to the amount of the estimated total cost of providing labor services multiplied by the schedule of completion then deducting the cumulative recognized labor cost in previous accounting periods.

If an enterprise cannot, on the balance sheet date, measure the result of a transaction concerning the providing of labor services reliably, it shall be handled in accordance with the following circumstances respectively:

- ① If the cost of labor services incurred is expected to be compensated, the revenue from the providing of labor services shall be recognized in accordance with the amount of the cost of labor services incurred, and the cost of labor services shall be carried forward at the same amount.
- ② If the cost of labor services incurred is not expected to compensate, the cost incurred should be included into profit or loss for the current period, and no revenue from the providing of labor services may be recognized.

(4) Subsidiaries engaged in the apparel industry:

- ① The Company recognizes revenue from all sales through partner stores or shopping malls based on the share attributable to equity owners of the Company upon receipt of a sales realization list from the partner or mall;
- ② The Company's sales to franchisees are sold off sales, franchisees will be responsible for their own terminal retail in the specified franchise area. The Company, according to the franchisee's orders, organizes production and supply, sends them to the franchisee and recognizes revenue when receiving the receipt of goods and other documents for collection;
- ③ For sales of the Company's professional apparel, the revenue is recognized when production is completed according to the order, the apparel is delivered to the customer, and the customer accepts it.

(5) Subsidiaries engaged in the photovoltaic industry:

- ① For subsidiaries engaged in the photovoltaic module business, domestic sales are shipped according to customer sales contracts or orders, and sales revenue is recognized when products are shipped and documents for collection such as receipts are obtained; Export sales are organized according to the customer's sales contract or order. The products are declared and delivered for shipment, and the sales revenue is recognized when the on board B/L is confirmed by the shipping party.
- ② For electricity revenue from subsidiaries engaged in distributed photovoltaic power plants, the revenue from self-generated electricity is recognized based on the electricity bill confirmed by the electricity consumers; Revenues are recognized based on the statement from the National Grid for the electricity connected to the grid.

(XXVII) Contract costs

Accounting policies implemented since 1 Jan. 2020

Contract costs include contract fulfillment costs and contract acquisition costs.

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

- This cost is directly related to a current or anticipated contract.
- This cost increases the resources available to the Company to meet its performance obligations in the future.
- This cost is 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 asset relate; However, if the amortization period of contract acquisition costs does not exceed one year, the Company recognizes them in 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 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.

(XXVIII) 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. Confirm time point

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 into profit or loss for the current period over the useful life of the related assets in accordance with a reasonable and systematic method (Those relates to the Company's ordinary activities are included into other income; those not related to the Company's ordinary activities are included into 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 into profit or loss for the current period (Those relates to the Company's ordinary activities are included into other income; those not related to the Company's ordinary activities are included into 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 profit or loss for the current period (Those relates to the Company's ordinary activities are included into other income; those not related to the Company's ordinary activities are included into 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.

(XXIX) The deferred income tax assets and the deferred income tax liabilities

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

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

For the confirmation 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 confirmed.

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 consolidation nor, when it occurs, affects accounting profit and taxable income (or deductible loss).

Deferred tax liabilities are recognized for taxable temporary differences associated with investments in subsidiaries, associates and joint ventures, unless the Company is able to control the timing of the reversal of the temporary difference and it is probable that the temporary difference 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.

At 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.

If the Company has the legal right to settle by the net amount and intends to settle by the net amount or acquire assets and pay off liabilities simultaneously, the current income tax assets and current income tax liabilities of the Company shall be listed according to the net amount after offset.

At 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.

(XXX) Leases

Accounting policies implemented since 1 Jan. 2021

A lease is a contract in which the lessor cedes the right to use an asset to the lessee for a certain period of time for a consideration.

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

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

For rent concessions such as rent reductions and deferred payments agreed upon for existing leases that are directly triggered by the COVID-19 epidemic and that also meet the following conditions, the Company applies the simplified method to all lease options and does not evaluate whether a lease change has occurred or reevaluate the lease classification:

- The lease consideration after the reduction is less than or substantially the same as before the reduction, where the lease consideration is either undiscounted or discounted at the pre-reduction discount rate;
- The reduction is only for lease payments payable before 30 June 2022; an increase in lease payments payable after 30 June 2022 does not affect the satisfaction of this condition, and a decrease in lease payments payable after 30 June 2022 does not satisfy this condition; and
- The other terms and conditions of the lease are determined to have not changed significantly after considering qualitative and quantitative factors together.

1. *The Company as the lessee*

(1) Right-of-use assets

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

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

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

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

(2) Lease liabilities

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

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

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

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

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

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

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

(4) Lease change

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

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

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

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

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

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

For short-term leases and leases of low-value assets, the Company continues to recognize the original contractual rentals to the cost or expense of the related assets in a manner consistent with the method used prior to the concession. If a rent reduction occurs, the Company treats the reduced rent as a variable lease payment and writes down the cost or expense of the related asset in the period of the reduction; If the payment of rent is deferred, the Company recognizes the rent payable in the original payment period as an amount due and writes down the amount due included into prior periods when the actual payment is made.

2. *The Company as the lessor*

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

(1) Accounting treatment for operating lease

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

(2) Accounting treatment for financial leases

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

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

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

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

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

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

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

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

- For operating leases using the simplified method of rent concessions related to the COVID-19 epidemic, the Company continues to recognize the original contractual rent as lease income on the same basis as before the concessions; When a rent reduction occurs, the Company treats the reduced rent as a variable lease payment and writes down the lease income in the period of the reduction; If the collection of rent is delayed, the Company recognizes the rent receivable in the original collection period and writes down the receivable included into prior periods when it is actually received.
- For finance leases using the simplified method of rent concessions related to the COVID-19 epidemic, the Company continues to calculate interest and recognize it as lease income at a discount rate consistent with that before the concessions. In the event of a rent reduction, the Company treats the reduced rent as a variable lease payment and writes down the originally recognized lease income by the amount discounted at the undiscounted or pre-concession discount rate when the original right to receive rent is waived, such as when a reduction agreement is reached, with any shortfall being included into investment income and the finance lease receivable adjusted accordingly; If the collection of rent is delayed, the Company will write down the finance lease receivable included into prior periods when the rent is actually received.

3. *Sale and leaseback transactions*

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

(1) As the lessee

Where the transfer of an asset in a sale-and-leaseback transaction is a sale, the Company, as the lessee, measures the right-of-use asset created by the sale-and-leaseback at the portion of the original asset's book value that relates to the right-of-use acquired by the leaseback and recognizes the related gain or loss only for the right transferred to the lessor; If the transfer of an asset in a sale-and-leaseback transaction is not a sale, the Company continues to recognize the transferred asset as a lessee and also recognizes a financial liability equal to the transfer proceeds. For details of the accounting treatment of financial liabilities, please refer to (X) Financial Instruments of Note III.

(2) As the lessor

If the transfer of assets in a sale-and-leaseback transaction is a sale, the Company accounts for the purchase of the assets as a lessor and accounts for the lease of the assets in accordance with the aforementioned policy “2. The Company as the lessor”; If the transfer of assets in a sale-and-leaseback transaction is not a sale, the Company, as the lessor, does not recognize the transferred asset, but recognizes a financial asset equal to the transfer proceeds. For details of the accounting treatment of financial assets, please refer to (X) Financial Instruments of Note III.

Accounting policies prior to 1 Jan. 2021

Leasing is divided into finance lease and operating lease. A finance lease is a lease that transfers substantially all the risks and rewards associated with the ownership of an asset. Operating lease are leases other than a finance lease.

For rent concessions such as rent reductions and deferred payments agreed upon for existing leases that are directly triggered by the COVID-19 epidemic and that also meet the following conditions, the Company applies the simplified method to all lease options and does not evaluate whether a lease change has occurred or reevaluate the lease classification:

- The lease consideration after the reduction is less than or substantially the same as before the reduction, where the lease consideration is either undiscounted or discounted at the pre-reduction discount rate;
- The reduction is only for lease payments payable before 30 June 2021; an increase in lease payments payable after 30 June 2021 does not affect the satisfaction of this condition, and a decrease in lease payments payable after 30 June 2021 does not satisfy this condition; and
- The other terms and conditions of the lease are determined to have not changed significantly after considering qualitative and quantitative factors together.

1. *Accounting treatment for operating lease*

- (1) The lease fees paid by the Company for the leased asset, within the whole lease term without deducting the rent-free period, shall be apportioned according to the straight-line method, and included into the current expenses. The initial direct expenses paid by the Company related to the leasing transaction shall be included into the current expenses.

When the asset lessor has undertaken the expenses that shall be borne by the Company related to the lease, the Company shall deduct such amount from the total rent, with the deducted rent expenses apportioned within the lease term and included into the current expenses.

For operating leases using the simplified method of rent concessions related to the COVID-19 epidemic, the Company continues to recognize the original contractual rentals to the cost or expense of the related assets in a manner consistent with the method used before the concessions. When rent reductions occur, the Company treats the reductions as contingent rent and recognizes them in the profit or loss over the period of the reductions; If the payment of rent is deferred, the Company recognizes the rent payable in the original payment period as an amount due and writes down the amount due included into prior periods when the actual payment is made.

- (2) The rental fees collected by the Company for renting assets, within the whole lease term without deducting the rent-free period, shall be apportioned according to the straight-line method, and confirmed as the rental related income. The initial direct expenses paid by the Company related to the leasing transaction shall be included into the current expenses. If the amount is significant, it is capitalized and included into current income over the entire lease term on the same basis as the recognition of lease related revenue.

When the Company has undertaken the expenses that shall be borne by the lessor related to the lease, the Company shall deduct such amount from the total rent, with the deducted rental fees apportioned within the lease term.

For operating leases using the simplified method of rent concessions related to the COVID-19 epidemic, the Company continues to recognize the original contractual rent as lease income on the same basis as before the concessions; When a rent reduction occurs, the Company treats the reduced rent as contingent rent and writes down the lease income in the period of reduction; If the collection of rent is delayed, the Company recognizes the rent receivable in the original collection period and writes down the receivable included into prior periods when it is actually received.

2. *Accounting treatment for financial leases*

- (1) Financial lease-in assets: On the lease beginning date, the Company shall record the lower one between the fair value of the leased asset and the present value of the minimum lease payments as the entry value of the leased asset, recognize the minimum lease payments as the entry value of the long-term account payable, with the balance between the two entry values as the unrecognized financing charges. The Company uses the effective interest rate method to amortize unrecognized financing costs over the lease term of the assets, which is included in finance costs. The initial direct costs incurred by the Company are included in the value of the lease-in assets.

For finance leases using the simplified method of rent concessions related to the COVID-19 epidemic, the Company continues to recognize unrecognized financing expenses as current financing expenses at a discount rate consistent with that before the reduction, continues to depreciate the finance lease-in assets at a rate consistent with that before the reduction, and for rent reductions that occur, the Company recognizes the reduced rent as contingent rent and include it in profit or loss for the current period and adjusts long-term payables accordingly when the original rental payment obligation is discharged such as by reaching a concession agreement, or includes it in profit or loss for the current period and adjusts unrecognized financing expenses by discounting it at the discount rate before the reduction; If the rental payment is deferred, the Company writes down the long-term payable included into prior periods when the actual payment is made.

- (2) Financial lease-out assets: The Company recognizes the financing lease receivable, the difference between the sum of the unsecured residual value and its present value as unrealized financing gain at the lease commencement date, and recognizes it as lease income in each future period in which the lease payments are received. The initial direct costs incurred by the Company in connection with the leasing transactions are included in the initial measurement of financing lease receivables and the amount of revenue recognized over the lease term is reduced.

For finance leases using the simplified method of rent concessions related to the COVID-19 epidemic, the Company continues to recognize unrealized financing gains as lease income at the same implicit rate of lease as before the concessions. In the event of a rent reduction, the Company treats the reduced rent as contingent rent and writes down the originally recognized lease income when the original right to receive rent is waived, such as when a reduction agreement is reached, and the shortfall is included into investment income with a corresponding adjustment to long-term receivables, or is discounted to current profit and loss and adjusted to unrealized financing gain at the discount rate before the reduction; If the rent is received on a deferred basis, the Company writes down the long-term receivables included into prior periods when the rent is actually received.

(XXXI) Discontinued operations

A discontinued operation is a separately distinguishable component that meets one of the following 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 an associated plan for the proposed disposal of a separate major business or a separate major operating area;
- (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.

(XXXII) 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.

(XXXIII) Changes in significant accounting policies and accounting estimates

1. Changes in significant accounting policies

- (1) *Implementation of Accounting Standards for Business Enterprises No. 22 — Recognition and Measurement of Financial Instruments, Accounting Standards for Business Enterprises No. 23 — Transfer of Financial Assets, Accounting Standards for Business Enterprises No. 24 — Hedge Accounting and Accounting Standards for Business Enterprises 37 — Presentation of Financial Instruments (Revised in 2017) (collectively referred to as the “New Financial Instruments Standards”)*

The Ministry of Finance revised *Accounting Standards for Business Enterprises No. 22 — Recognition and Measurement of Financial Instruments, Accounting Standards for Business Enterprises No. 23 — Transfer of Financial Assets, Accounting Standards for Business Enterprises 24 — Hedge Accounting and Accounting Standards for Business Enterprises No. 37 — Presentation of Financial Instruments* in 2017. The revised standard provides that for financial instruments that have not been derecognized at the date of initial implementation, previous recognition and measurement that are inconsistent with the requirements of the revised standard should be adjusted retrospectively. No adjustment is required if the comparative financial statement data involving prior periods are not consistent with the requirements of the revised standard.

The Company has implemented the New Financial Instruments Standards since 1 Jan. 2019, and for the cumulative effect resulting from retrospective adjustments, the retained earnings and other comprehensive income at the beginning of 2019 is adjusted. The main effects of the implementation of the New Financial Instruments Standards are as follows:

The contents and reasons for the changes of accounting policies	Amount of impact on balance of 1 Jan. 2019	
	Consolidation	company
(1) Reclassification of “Financial Assets at fair value through profit or loss” to “Financial Assets Held for Trading” due to the change in the name of the reporting item . . .	Financial assets at fair value through profit or loss: decreased by RMB98,537.42	No impact
(2) Reclassification of investments in available-for-sale equity instruments to “Financial assets at fair value through profit or loss” . .	Available-for-sale financial assets: decreased by RMB91,178,562.94 Other non-current financial assets: increased by RMB96,078,562.94 Deferred income tax liabilities: increased by RMB1,225,000.00 Retained earnings: increased by RMB3,675,000.00	Available-for-sale financial assets: decreased by RMB170,250.00 Other non-current financial assets: increased by RMB170,250.00
(3) Designation of Non-trading investments in available-for-sale equity instruments as “Financial assets at fair value through other comprehensive income”.	Available-for-sale financial assets: decreased by RMB3,782,615,468.31 Investment in other equity instruments: increased by RMB3,779,108,501.38 Deferred income tax liabilities: decreased by RMB876,741.73 Retained earnings: increased by RMB375,000.00 Other comprehensive incomes: decreased by RMB3,005,225.20	Available-for-sale financial assets: decreased by RMB1,948,286,643.86 Investment in other equity instruments: increased by RMB1,949,003,643.86 Deferred income tax liabilities: increased by RMB179,250.00 Retained income: increased by RMB375,000.00 Other comprehensive earnings: increased by RMB162,750.00
(4) Reclassification of investments in available-for-sale debt instruments to “Financial assets at fair value through other comprehensive income”	No impact	No impact
(5) Reclassification of investments in available-for-sale debt instruments to “Financial Assets Measured at Amortized Cost”.	No impact	No impact
(6) Reclassification of held-to-maturity investments to “Financial Assets Measured at Amortized Cost”	No impact	No impact
(7) Reclassification of certain “Receivables” to “Financial assets at fair value through other comprehensive income (Debt Instruments)”	No impact	No impact

The contents and reasons for the changes of accounting policies	Amount of impact on balance of 1 Jan. 2019	
	Consolidation	company
(8) Provision for expected credit losses is made for “Financial Assets Measured at Amortized Cost” and “Financial assets at fair value through other comprehensive income (debt instruments)”	Notes receivable: increased by RMB6,771,628.24 Account receivable: decreased by RMB5,567,043.09 Deferred income tax assets: decreased by RMB1,964,110.64 Retained earnings: decreased by RMB759,525.49	No impact

Based on the balance as of 1 Jan. 2019 adjusted in accordance with the provisions of C.K. [2019] No. 6 and C.K. [2019] No. 16, a comparison of the results of the classification and measurement of each financial asset and financial liability in accordance with the provisions of the revised pre- and post-revision financial instrument recognition and measurement standards is as follows:

Consolidation

Original financial instruments standards			New financial instruments standards		
Presented items	Measurement category	Book value	Presented items	Measurement category	Book value
Cash at bank and on hand.	Amortized cost	2,619,513,785.55	Cash at bank and on hand	Amortized cost	2,619,513,785.55
Financial assets at fair value through profit or loss	Measured at fair value through profit or loss	98,537.42	Held-for-trading financial assets . . .	Measured at fair value through profit or loss	98,537.42
Derivative financial assets	Measured at fair value through profit or loss		Derivative financial assets	Measured at fair value through profit or loss	
Notes receivable . . .	Amortized cost	648,798,390.21	Notes receivable . . .	Amortized cost	293,985,949.59
			Receivables financing	Measured at fair value through other comprehensive income	361,584,068.86
Account receivable. .	Amortized cost	2,828,812,546.35	Account receivable . .	Amortized cost	2,823,245,503.26
			Receivables financing	Measured at fair value through other comprehensive income	
Other receivables. . .	Amortized cost	221,840,282.64	Other receivables . . .	Amortized cost	221,840,282.64
Held-to-maturity investments (Including other current assets) . . .	Amortized cost		Debt investment (Including other current assets) . . .	Amortized cost	

Original financial instruments standards			New financial instruments standards		
Presented items	Measurement category	Book value	Presented items	Measurement category	Book value
Available-for-sale financial assets (Including other current assets) . . .	Measured at fair value through other comprehensive income (debt instruments)		Debt investment (Including other current assets) . . .	Amortized cost	
	Measured at fair value through other comprehensive income (debt instruments)	3,728,184,741.68	Other debt investment (Including other current assets) . . .	Measured at fair value through other comprehensive income	
	Measured at cost (equity instruments)	145,609,289.57	Held-for-trading financial assets . . .	Measured at fair value through profit or loss	
			Other non-current financial assets . . .		
			Investment in other equity instruments .	Measured at fair value through other comprehensive income	3,728,184,741.68
			Held-for-trading financial assets . . .	Measured at fair value through profit or loss	
			Other non-current financial assets . . .		96,078,562.94
			Investment in other equity instruments .	Measured at fair value through other comprehensive income	50,923,759.70
Long-term receivables	Amortized cost		Long-term receivables	Amortized cost	
Financial liabilities at fair value through profit or loss	Measured at fair value through profit or loss		Transaction financial liabilities	Measured at fair value through profit or loss	
Held-to-maturity investments (including other current assets)	Amortized cost	362,553,205.48	Held-to-maturity investments (including other current assets)	Amortized cost	362,553,205.48
Derivative financial liabilities	Measured at fair value through profit or loss		Derivative financial liabilities	Measured at fair value through profit or loss	
Short-term borrowings	Amortized cost	2,946,944,000.00	Short-term borrowings	Amortized cost	2,950,236,851.62
Non-current liabilities due within one year	Amortized cost	2,044,289,018.21	Non-current liabilities due within one year	Amortized cost	2,161,640,883.77
Long-term borrowings	Amortized cost	1,107,359,636.78	Long-term borrowings	Amortized cost	1,110,679,757.93
Long-term payable	Amortized cost	156,668,822.65	Long-term payable	Amortized cost	156,714,855.17

company

Original financial instruments standards			New financial instruments standards		
Presented items	Measurement category	Book value	Presented items	Measurement category	Book value
Cash at bank and on hand	Amortized cost	609,767,837.87	Cash at bank and on hand	Amortized cost	609,767,837.87
Financial assets at fair value through profit or loss	Measured at fair value through profit or loss		Held-for-trading financial assets	Measured at fair value through profit or loss	

Original financial instruments standards			New financial instruments standards		
Presented items	Measurement category	Book value	Presented items	Measurement category	Book value
Derivative financial assets	Measured at fair value through profit or loss		Derivative financial assets	Measured at fair value through profit or loss	
Notes receivable	Amortized cost	50,000.00	Notes receivable	Amortized cost	
			Receivables financing	Measured at fair value through other comprehensive income	50,000.00
Account receivable	Amortized cost	15,029,370.04	Account receivable	Amortized cost	15,029,370.04
			Receivables financing	Measured at fair value through other comprehensive income	
Other receivables	Amortized cost	3,377,070,153.97	Other receivables	Amortized cost	3,377,070,153.97
Held-to-maturity investments (Including other current assets)	Amortized cost		Debt investment (Including other current assets)	Amortized cost	
Available-for-sale financial assets (Including other current assets)	Measured at fair value through other comprehensive income (debt instruments)		Debt investment (Including other current assets)	Amortized cost	
	Measured at fair value through other comprehensive income (equity instruments)	1,921,261,643.86	Other debt investment (Including other current assets)	Measured at fair value through other comprehensive income	
	Measured at cost (equity instruments)	27,195,250.00	Held-for-trading financial assets	Measured at fair value through profit or loss	
			Other non-current financial assets		
			Investment in other equity instruments	Measured at fair value through other comprehensive income	1,921,978,643.86
			Held-for-trading financial assets	Measured at fair value through profit or loss	
			Other non-current financial assets		170,250.00
			Investment in other equity instruments	Measured at fair value through other comprehensive income	27,025,000.00
Long-term receivables	Amortized cost		Long-term receivables	Amortized cost	
Financial liabilities fair value through profit or loss	Measured at fair value through profit or loss for the current period		Transaction financial liabilities	Measured at fair value through profit or loss for the current period	
Derivative financial liabilities	Measured at fair value through profit or loss		Derivative financial liabilities	Measured at fair value through profit or loss	
Short-term borrowings	Amortized cost	2,200,000,000.00	Short-term borrowings	Amortized cost	2,202,716,944.44
Non-current liabilities due within one year	Amortized cost	749,759,323.87	Non-current liabilities due within one year	Amortized cost	796,634,323.87

(2) *Implementation of Accounting Standards for Business Enterprises No. 14 — Revenue (revised 2017) (the “New Revenue Standard”)*

The Ministry of Finance revised *Accounting Standards for Business Enterprises No. 14 — Revenue* in 2017. The revised standard provides that the first-time implementation of the standard should adjust the amount of retained earnings and other related items in the financial statements at the beginning of the year based on the cumulative effect number, without adjusting the information for comparable periods.

The Company has implemented the New Revenue Standard since 1 Jan. 2020. In accordance with the standard, the Company will only adjust the amount of retained earnings at the beginning of 2020 and other related items in the financial statements for the cumulative effect of contracts that have not been completed at the date of initial execution, and no adjustment will be made to the financial statements for FY 2019. The main impacts of implementing the standards are as follows:

The contents of and reasons for the changes in accounting estimates	Approval process	Starting point of application	Name and amount of affected statement items
In 2017, the Ministry of Finance issued the revised <i>Accounting Standards for Business Enterprises No. 14 — Revenue</i> (the “New Revenue Standard”). The Company has implemented the New Revenue Standard and notices since 1 Jan. 2020, and made adjustments to the accounting policies. . . .	Considered and approved at the fortieth meeting of the ninth session of the Board of Directors of the Company	1 Jan. 2020	adjust the amount of retained earnings RMB479,556.92 and other related items for the cumulative effect of contracts that have not been completed at the date of initial execution.

Questions and Answers on the Implementation of Accounting Standards for Business Enterprises issued by the Ministry of Finance in November 2021 indicate that “The transportation activities that occur prior to the transfer of the enterprise’s control over goods or services to the customer and for the purpose of fulfilling the contract with the customer do not constitute a single performance obligation, and the related transportation costs should be treated as contract performance costs and amortized to profit or loss for the current period using the same basis as revenue recognition for goods or services. Such contract performance costs should be presented in the operating cost items in the income statement. The Company implemented the changed accounting policy effective from 1 January 2021. For the accounting treatment of the transportation costs incurred prior to the transfer of control of goods to the customers and for the performance of sales contracts, the relevant data for Year 2020 in which the new standard for revenue was applied is retroactively adjusted.

The impact of the implementation of the New Revenue Standard on the relevant items in the financial statements for FY 2020, compared to the previous revenue standard, is as follows:

Affected balance sheet items	Amount of impact on balance of 31 December 2020	
	Consolidation	company
Contractual liabilities.	125,782,945.62	
Advances from customers	-142,134,728.55	
Other current liabilities	16,351,782.93	
Affected income statement items	Amount of impact in 2020	
	Consolidation	company
Selling expenses	-84,051,072.07	
Operating cost	84,051,072.07	

Affected cash flow statement items	Amount of impact in 2020	
	Consolidation	company
Cash paid relating to other operating activities	-49,151,057.17	
Cash paid for goods and services	49,151,057.17	

(3) *Implementation of Accounting Standards for Business Enterprises 21 — Leases (revised 2018)*

The Ministry of Finance revised *Accounting Standards for Business Enterprises 21 — Leases* (the “New Lease Standard”) in FY 2018. The Company has implemented the New Lease Standard since 1 Jan. 2021. Under the revised standard, for contracts in existence prior to the date of initial execution, the Company has elected not to reassess whether they are leases or contain leases at the date of initial execution.

- The Company as the lessee

The Company has elected to adjust the amount of retained earnings and other related items in the financial statements at the beginning of the year in which the new lease standard is first implemented based on the cumulative effect of the first implementation of the New Lease Standard, without adjusting the information for the comparable period.

For operating leases in existence prior to the date of initial execution, the Company measures the lease liability at the date of initial execution based on the present value of the remaining lease payments discounted at the Company’s incremental borrowing rate at the date of initial execution, and selects one of the following two methods of measuring right-of-use assets based on each lease:

- Assuming that the book value of the New Lease Standard is adopted from the commencement date of the lease term, the Company’s incremental borrowing rate as of the first execution date is used as the discount rate.
- An amount equal to the lease liability, with necessary adjustments for prepaid rent.

For operating leases prior to the date of initial execution, the Company applies one or more of the following simplified treatments, depending on each lease option, while applying the method described above:

- 1) Treat leases completed within 12 months after the date of initial execution as short-term leases;
- 2) The same discount rate is used for leases with similar characteristics when measuring the lease liability;
- 3) The measurement of right-to-use assets does not include initial direct costs;
- 4) Where an option to renew or an option to terminate the lease exists, the term of the lease shall be determined based on the actual exercise of the option prior to the date of first execution and other recent circumstances;
- 5) As a substitute for impairment testing of right-of-use assets, assess whether the contract containing the lease is a loss-making contract before the date of initial execution in accordance with (XXIV) Provisions of Note III, and adjust the right-of-use asset by the amount of the provision for loss recorded in the balance sheet before the date of initial execution;
- 6) Lease changes that occurred before the date of initial execution are not retroactively adjusted and are accounted for in accordance with the New Lease Standard based on the final arrangement of the lease changes.

In measuring the lease liability, the Company uses the lessee’s incremental borrowing rate as of 1 Jan. 2021 (weighted average: 4.75%) to discount the lease payments.

Outstanding minimum lease payments under significant operating leases as disclosed in the consolidated financial statements as of 31 December 2020	262,614,720.62
Present value of interest rate discounted at the Company’s incremental borrowing rate on 1 Jan. 2021	196,899,063.23
Lease liabilities under the New Lease Standard as of 1 Jan. 2021	183,488,950.77
The difference between the present value of the above discount and the lease liability. .	13,410,112.46

For finance leases existing prior to the date of initial execution, the Company measures right-of-use assets and lease liabilities at the original book values of the finance lease incoming assets and finance lease payable, respectively, at the date of initial execution.

- The Company as the lessor

For subleases classified as operating leases prior to the date of initial execution and still in existence after the date of initial execution, the Company reassesses the remaining contractual terms and conditions of the original lease and subleases at the date of initial execution and classifies them in accordance with the provisions of the New Lease Standard. If reclassified as a finance lease, the Company will account for it as a new finance lease.

Except for subleases, the Company is not required to adjust leases for which it is the lessor in accordance with the New Lease Standard. The Company accounts for leases in accordance with the New Lease Standard from the date of initial implementation.

- The main effects of the Company’s implementation of the New Lease Standard on the financial statements are as follows:

The contents and reasons for the changes of accounting policies			Amount of impact on balance of 1 Jan. 2021	
			Approval process	Affected statement items
(1) Adjustment of operating leases existing before the date of first execution by the Company as a lessee.	Audited and approved by the Company at the 14th Meeting of the 10th Board of Directors	Prepayments	-13,410,112.46	No impact
		Right of use assets	196,899,063.23	
		Lease liabilities	158,091,700.81	
		Non-current liabilities due within one year	25,397,249.96	
		Retained earnings		
(2) Adjustment of financial leases existing before the date of first execution by the Company as a lessee.	Audited and approved by the Company at the 14th Meeting of the 10th Board of Directors	Right of use assets	No such case	No such case

2. *First-time implementation of the New Financial Instruments Standards, New Income Standards and New Lease Standard to adjust the relevant items in the financial statements at the beginning of the year of first-time implementation*

- (1) *First-time implementation of the New Financial Instruments Standards on 1 Jan. 2019 to adjust items related to the financial statements at the beginning of 2019*

Consolidated Balance Sheet

Item<	Balance as of 31 December 2018	Balance as of 1 Jan. 2019	Adjustments		
			Reclassification	Remeasurement	Total
Current assets:					
Cash at bank and on hand	2,619,513,785.55	2,619,513,785.55			
Deposit reservation for balance					
Lending funds					
Held-for-trading financial assets	Not applicable	98,537.42	98,537.42		98,537.42
Financial assets at fair value through profit or loss	98,537.42	Not applicable	-98,537.42		-98,537.42
Derivative financial assets					
Notes receivable	648,798,390.21	293,985,949.59	-361,584,068.86	6,771,628.24	-354,812,440.62
Account receivable	2,828,812,546.35	2,823,245,503.26		-5,567,043.09	-5,567,043.09
Receivables financing	Not applicable	361,584,068.86	361,584,068.86		361,584,068.86
Prepayments	342,881,186.42	342,881,186.42			
Premium receivable					
Reinsurance receivables					
Reinsurance contract reserves receivable					
Other receivables	221,840,282.64	221,840,282.64			
Purchase of resale financial assets					
Inventories	2,326,573,384.22	2,326,573,384.22			
Assets held for sale					
Non-current assets due within one year	657,070,346.79	657,070,346.79			
Other current assets	730,661,858.35	730,661,858.35			
Total current assets	10,376,250,317.95	10,377,454,903.10		1,204,585.15	1,204,585.15
Non-current assets:					
Borrowings and advances issued					
Debt investment	Not applicable				
Available-for-sale financial assets	3,873,794,031.25	Not applicable	-3,873,794,031.25		-3,873,794,031.25
Other debt investment	Not applicable				
Held-to-maturity investments		Not applicable			
Long-term receivables	635,086,374.39	635,086,374.39			
Long-term equity investment	2,623,674,589.38	2,623,674,589.38			
Investment in other equity instruments	Not applicable	3,779,108,501.38	3,782,615,468.31	-3,506,966.93	3,779,108,501.38
Other non-current financial assets	Not applicable	96,078,562.94	91,178,562.94	4,900,000.00	96,078,562.94
Investment properties					
Fixed assets	3,820,009,390.60	3,820,009,390.60			
Construction in progress	1,136,711,623.09	1,136,711,623.09			
Productive biological assets					
Oil and gas assets					

Item<	Balance as of 31 December 2018	Balance as of 1 Jan. 2019	Adjustments		
			Reclassification	Remeasurement	Total
Intangible assets	517,015,548.85	517,015,548.85			
Development costs					
Goodwill	129,401,866.45	129,401,866.45			
Long-term deferred assets	50,530,313.24	50,530,313.24			
Deferred income tax assets	145,418,783.12	143,454,672.48		-1,964,110.64	-1,964,110.64
Other non-current assets	140,928,182.00	140,928,182.00			
Total non-current assets	13,072,570,702.37	13,071,999,624.80		-571,077.57	-571,077.57
Total assets	23,448,821,020.32	23,449,454,527.90		633,507.58	633,507.58
Current liabilities:					
Short-term borrowings	2,946,944,000.00	2,950,236,851.62	3,292,851.62		3,292,851.62
Borrowings from the Central Bank . .					
Borrowings from other banks and other financial institutions					
Held-for-trading Financial liabilities .	Not applicable				
Financial liabilities at fair value through profit or loss		Not applicable			
Derivative financial liabilities					
Notes payable	1,056,677,982.17	1,056,677,982.17			
Account payable	1,858,105,845.16	1,858,105,845.16			
Advances from customers	115,391,206.57	115,391,206.57			
Financial assets sold for repurchase					
Deposits from customers and interbanks					
Receiving from vicariously traded securities					
Receiving from vicariously sold securities					
Employee benefits payable	78,267,175.52	78,267,175.52			
Taxes payable	327,067,003.93	327,067,003.93			
Other payables	526,797,924.22	402,787,053.37	-124,010,870.85		-124,010,870.85
Handling charges and commissions payable					
Dividend payable for reinsurance . . .					
Liabilities held for sale					
Non-current liabilities due within one year	2,044,289,018.21	2,161,640,883.77	117,351,865.56		117,351,865.56
Other current liabilities	2,661,904.14	2,661,904.14			
Total current liabilities	8,956,202,059.92	8,952,835,906.25	-3,366,153.67		-3,366,153.67
Non-current liabilities:					
Reserve fund for insurance contracts .					
Long-term borrowings	1,107,359,636.78	1,110,679,757.93	3,320,121.15		3,320,121.15
Bonds payable					
Of which: Preference shares					
Perpetual bonds					
Long-term payable	156,668,822.65	156,714,855.17	46,032.52		46,032.52
Long-term employee benefits payable					
Provisions	5,900,000.00	5,900,000.00			

Item<	Balance as of 31 December 2018	Balance as of 1 Jan. 2019	Adjustments		
			Reclassification	Remeasurement	Total
Deferred income.	240,493,602.25	240,493,602.25			
Deferred income tax liabilities	459,925,696.32	460,273,954.59		348,258.27	348,258.27
Other non-current liabilities.					
Total non-current liabilities	1,970,347,758.00	1,974,062,169.94	3,366,153.67	348,258.27	3,714,411.94
Total liabilities	10,926,549,817.92	10,926,898,076.19		348,258.27	348,258.27
Owner's equity:					
Share capital.	1,122,764,986.00	1,122,764,986.00			
Other equity instruments					
Of which: Preferred shares					
Perpetual bonds.					
Capital reserves	4,087,722,773.53	4,087,722,773.53			
Less: Treasury shares					
Other comprehensive incomes	1,345,200,414.45	1,342,195,189.25	-375,000.00	-2,630,225.20	-3,005,225.20
Special reserves	2,188,756.54	2,188,756.54			
Surplus reserves	248,266,158.41	248,266,158.41			
General risk provision.					
Retained earnings	3,901,055,284.75	3,904,256,854.18	375,000.00	2,826,569.43	3,201,569.43
Total owner's equity attributable to the company	10,707,198,373.68	10,707,394,717.91		196,344.23	196,344.23
Non-controlling interests	1,815,072,828.72	1,815,161,733.80		88,905.08	88,905.08
Total owner's equity	12,522,271,202.40	12,522,556,451.71		285,249.31	285,249.31
Total liabilities and owner's equity	23,448,821,020.32	23,449,454,527.90		633,507.58	633,507.58

Balance Sheet of Company

Item<	Balance as of 31 December 2018	Balance as of 1 Jan. 2019	Adjustments		
			Reclassification	Remeasurement	Total
Current assets:					
Cash at bank and on hand.	609,767,837.87	609,767,837.87			
Held-for-trading financial assets . . .	Not applicable				
Financial assets at fair value through profit or loss		Not applicable			
Derivative financial assets					
Notes receivable.	50,000.00		-50,000.00		-50,000.00
Account receivable	15,029,370.04	15,029,370.04			
Receivables financing	Not applicable	50,000.00	50,000.00		50,000.00
Prepayments	15,441,618.87	15,441,618.87			
Other receivables	3,377,070,153.97	3,377,070,153.97			
Inventories.					
Assets held for sale					
Non-current assets due within one year					
Other current assets					
Total current assets.	4,017,358,980.75	4,017,358,980.75			
Non-current assets:					
Debt investment	Not applicable				
Available-for-sale financial assets. . .	1,948,456,893.86	Not applicable	-1,948,456,893.86		-1,948,456,893.86
Other debt investment.	Not applicable				
Held-to-maturity investments		Not applicable			
Long-term receivables.					
Long-term equity investment	5,445,206,937.56	5,445,206,937.56			
Investment in other equity instruments	Not applicable	1,949,003,643.86	1,948,286,643.86	717,000.00	1,949,003,643.86
Other non-current financial assets . .	Not applicable	170,250.00	170,250.00		170,250.00
Investment properties					
Fixed assets	463,688,833.91	463,688,833.91			
Construction in progress					
Productive biological assets.					
Oil and gas assets					
Intangible assets.	96,114,810.71	96,114,810.71			
Development costs					
Goodwill.					
Long-term deferred assets.	7,239,868.97	7,239,868.97			
Deferred income tax assets	13,552,520.02	13,552,520.02			
Other non-current assets.					
Total non-current assets	7,974,259,865.03	7,974,976,865.03		717,000.00	717,000.00
Total assets	11,991,618,845.78	11,992,335,845.78		717,000.00	717,000.00

Item<	Balance as of 31 December 2018	Balance as of 1 Jan. 2019	Adjustments		
			Reclassification	Remeasurement	Total
Current liabilities:					
Short-term borrowings	2,200,000,000.00	2,202,716,944.44	2,716,944.44		2,716,944.44
Transaction financial liabilities	Not applicable				
Financial liabilities at fair value through profit or loss		Not applicable			
Derivative financial liabilities					
Notes payable					
Account payable	9,086,155.30	9,086,155.30			
Advances from customers	289,498.33	289,498.33			
Employee benefits payable	6,288,412.66	6,288,412.66			
Taxes payable	182,257,251.51	182,257,251.51			
Other payables	662,634,619.17	613,042,674.73	-49,591,944.44		-49,591,944.44
Liabilities held for sale					
Non-current liabilities due within one year	749,759,323.87	796,634,323.87	46,875,000.00		46,875,000.00
Other current liabilities					
Total current liabilities	3,810,315,260.84	3,810,315,260.84			
Non-current liabilities:					
Long-term borrowings					
Bond payable					
Of which: Preference shares					
Perpetual bonds					
Long-term payable					
Long-term employee benefits payable					
Provisions					
Deferred income					
Deferred income tax liabilities	461,067,259.58	461,246,509.58		179,250.00	179,250.00
Other non-current liabilities					
Total non-current liabilities	461,067,259.58	461,246,509.58		179,250.00	179,250.00
Total liabilities	4,271,382,520.42	4,271,561,770.42		179,250.00	179,250.00
Owner's equity:					
Share capital	1,122,764,986.00	1,122,764,986.00			
Other equity instruments					
Of which: Preferred shares					
Perpetual bonds					
Capital reserves	2,958,758,822.18	2,958,758,822.18			
Less: Treasury shares					
Other comprehensive incomes	1,385,258,851.76	1,385,421,601.76	-375,000.00	537,750.00	162,750.00
Special reserves					
Surplus reserves	248,266,158.41	248,266,158.41			
Retained earnings	2,005,187,507.01	2,005,562,507.01	375,000.00		375,000.00
Total owner's equity	7,720,236,325.36	7,720,774,075.36		537,750.00	537,750.00
Total liabilities and owner's equity	11,991,618,845.78	11,992,335,845.78		717,000.00	717,000.00

- (2) *First-time implementation of the New Income Standards on 1 Jan. 2020 to adjust items related to the financial statements at the beginning of 2020*

Consolidated Balance Sheet

Item<	Balance as of	Balance as of	Adjustments		
	31 December 2019	1 Jan. 2020	Reclassification	Remeasurement	Total
Account receivable.	2,971,553,206.57	2,978,278,194.03		6,724,987.46	6,724,987.46
Inventories	1,289,399,733.92	1,283,962,589.91		-5,437,144.01	-5,437,144.01
Deferred income tax assets	146,968,797.14	147,137,192.16		168,395.02	168,395.02
Advances from customers	59,362,392.75	12,929,405.44	-46,432,987.31		-46,432,987.31
Contract liabilities		41,091,139.21	41,091,139.21		41,091,139.21
Taxes payable	173,786,258.29	173,900,045.43		113,787.14	113,787.14
Other current liabilities	546,530.28	6,751,272.79	5,341,848.10	862,894.41	6,204,742.51
Retained earnings	4,803,518,347.39	4,803,992,504.65		474,157.26	474,157.26
Non-controlling interests.	1,797,869,987.99	1,797,875,387.65		5,399.66	5,399.66

No effect on statements of company

- (3) *First-time implementation of the New Lease Standard on 1 Jan. 2021 to adjust items related to the financial statements at the beginning of 2021*

Consolidated Balance Sheet

Item	Balance as of	Balance as of	Adjustments		
	31 December 2020	1 Jan. 2021	Reclassification	Remeasurement	Total
Prepayments	228,600,565.99	215,190,453.53		-13,410,112.46	-13,410,112.46
Right of use assets.		196,899,063.23		196,899,063.23	196,899,063.23
Lease liabilities		158,091,700.81		158,091,700.81	158,091,700.81
Non-current liabilities due within one year.	321,779,069.05	347,176,319.01		25,397,249.96	25,397,249.96

No effect on statements of company

3. Other significant changes in accounting policies and accounting estimates

- (1) *Implementation of Accounting Standards for Business Enterprises No. 7 — Exchange of Non-monetary Assets (Revised in 2019)*

The Ministry of Finance issued *Accounting Standards for Business Enterprises No. 7 — Exchange of Non-monetary* (Revised in 2019) (C. K. [2019] No. 8) on 9 May 2019, and the revised standard is effective as of 10 June 2019, for non-monetary asset exchanges that occur between 1 Jan. 2019 and the effective date of this standard shall be adjusted in accordance with this standard. For non-monetary asset exchanges that occurred prior to 1 Jan. 2019, no retroactive adjustment is required in accordance with the provisions of this standard.

The standard has been implemented in the Company's financial statements for FY 2019 and subsequent periods, and its implementation has not had a material impact on the Company's financial position and results of operations.

(2) *Implementation of Accounting Standards for Business Enterprises No. 12 — Debt Restructuring (Revised in 2019)*

The Ministry of Finance issued *Accounting Standards for Business Enterprises No. 12 — Debt Restructuring (Revised in 2019)* (C. K. [2019] No. 9) on 16 May 2019, and the revised standard is effective as of 17 June 2019, for debt restructuring that occur between 1 Jan. 2019 and the effective date of this standard shall be adjusted in accordance with this standard. For debt restructuring that occurred prior to 1 Jan. 2019, no retrospective adjustment is required in accordance with the provisions of this standard.

The standard has been implemented in the Company’s financial statements for FY 2019 and subsequent periods, with gains and losses on debt restructuring included in other income and investment income.

(3) *Implementation of Accounting Standard for Business Enterprises Interpretation No. 13*

The Ministry of Finance issued *Accounting Standard for Business Enterprises Interpretation No. 13* (C.K. [2019] No. 21, hereinafter referred to as “Interpretation No. 13”) on 10 December 2019, effective on 1 Jan. 2020, which does not require retrospective adjustments.

① Identification of related parties

Interpretation No. 13 clarifies that the following circumstances constitute related parties: Joint ventures or associates between an enterprise and other members of the enterprise group to which it belongs (including the company and subsidiary companies); Joint ventures of an enterprise with other joint ventures or associates of the enterprise. In addition, Interpretation No. 13 also clarifies that two or more enterprises that are only significantly influenced by one party do not constitute related parties, and adds that associates include associates and their subsidiaries, and joint ventures include joint ventures and their subsidiaries.

② Definition of business

Interpretation No. 13 improves the three elements of business composition, refines the conditions for judging what constitutes business, and introduces the “concentration test” option to simplify, to a certain extent, the judgment of whether a combination of acquisitions not under the same control constitutes business.

The Company has implemented Interpretation No. 13 since 1 Jan. 2020, and the financial statements for FY 2019 will not be adjusted. The implementation of Interpretation No. 13 does not have a material impact on the Company’s financial position and results of operations.

(4) *Implementation of the Regulations on Accounting for Rent Concessions Related to the COVID-19 Epidemic*

The Ministry of Finance issued on 19 June 2020 the *Regulations on Accounting for Rent Concessions Related to the COVID-19 Epidemic* (C.K. [2020] No. 10), effective since 19 June 2020, which allows companies to adjust rent concessions that occurred between 1 Jan. 2020 and the effective date of the regulations. According to the regulation, for rent concessions such as rent reductions and deferred rent payments that meet the conditions directly triggered by the COVID-19 epidemic, the Company can choose to adopt the simplified method for accounting treatment.

The Company has elected to adopt the simplified method of accounting for all rent concessions that fall within the scope of application of this regulation and has adjusted the relevant rent concessions that occurred between 1 Jan. 2020 and the effective date of this regulation accordingly.

(5) *Implementation of the Notice on Adjustment of the Scope of Application of the “Regulations on Accounting for Rent Concessions Related to the COVID-19 Epidemic”*

On 26 May 2021, the Ministry of Finance issued the *Notice on Adjustment of the Scope of Application of the “Regulations on Accounting for Rent Concessions Related to the COVID-19 Epidemic”* (C.K. [2021] No. 9), which became effective on 26 May 2021, adjusting the scope of application of the *Regulations on Accounting for Rent Concessions Related to the COVID-19 Epidemic* that allow the use of the simplified method for the rent concessions related to the COVID-19 epidemic from “the concession is only for lease payments payable before 30 June 2021” to “the concession is only for lease payments payable before 30 June 2022”, and other conditions of application remain unchanged.

The Company has elected to adopt the simplified method of accounting for all eligible leases before the scope of application adjustment, and to adopt the simplified method of accounting for all similar leases eligible after the scope of application adjustment, and to retroactively adjust the relevant leases that had been accounted for using lease changes before the issuance of the notice, but not to adjust the comparative financial statement data of the previous period; The relevant rent concessions that occurred between 1 Jan. 2021 and the effective date of the notice that were not accounted for in accordance with the provisions of the notice are adjusted in accordance with the notice.

IV. TAXES

(I) Main tax categories and tax rates

Tax categories	Taxation basis	Tax rate		
		Year 2021	Year 2020	Year 2019
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	13, 9, 6, 5, 3	13, 9, 6, 5, 3
Urban maintenance and construction tax	Payment based on actual VAT paid	1, 5, 7	1, 5, 7	1, 5, 7
Education surcharges . . .	Payment based on actual VAT paid	3, 5	3, 5	3, 5
Enterprise income tax . . .	Calculated and paid according to taxable income	25, 15	25, 15	25, 15

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
Shanghai Shanshan New Material Co., Ltd.	15
Dongguan Shanshan Battery Material Co., Ltd.	15
Ningbo Ulica Solar Co., Ltd.	15
Shanghai Zhanxiao New Energy Technology Co., Ltd.	15
Shanshan New Material (Quzhou) Co., Ltd.	15
Winsky New Energy Technology Co., Ltd.	15
Fujian Shanshan Technology Co., Ltd.	15
Hunan Yongshan Lithium Industry Co., Ltd.	15

(II) Tax preferences

1. According to the *SAT Announcement on Enterprise Income Tax Issues Related to the Further Implementation of the Western Development Strategy* (No.12, 2012), Inner Mongolia Shanshan Material Technology Co., Ltd. and Inner Mongolia Shanshan New Material Co., Ltd., subsidiaries of the Company, are enterprises encouraged to establish in the western region and are subject to a reduced enterprise income tax rate of 15%.
2. According to the G.S.F [2009] No. 80: Notice on the Implementation of Preferential Corporate Income Tax for Public Infrastructure Projects Supported by the State, the investment and operating income from public infrastructure projects that meet the scope, conditions and standards stipulated in the *Catalogue of Preferential Corporate Income Tax for Public Infrastructure Projects*, from the tax year in which the first production and operating income is earned, from the first to the third year, enterprises are exempt from corporate income tax, and during the fourth to the sixth year, the corporate income tax are reduced by half. The Company's subsidiary photovoltaic companies, as shown in the table below, are engaged in photovoltaic power generation projects to enjoy favorable income tax.

Unit	Favorable income tax
Ningbo Shanneng Photovoltaic Power Generation Co., Ltd.	The operating income was obtained in 2017, and 2021 is the second year of halving the corporate income tax
Taizhou Shanhe Photovoltaic Power Generation Co., Ltd.	The operating income was obtained in 2017, and 2021 is the second year of halving the corporate income tax
Taizhou Shantai Photovoltaic Power Generation Co., Ltd.	The operating income was obtained in 2017, and 2021 is the second year of halving the corporate income tax
Wuyi Shansheng Photovoltaic Co., Ltd.	The operating income was obtained in 2017, and 2021 is the second year of halving the corporate income tax
Yongkang Shanlong Photovoltaic Power Generation Co., Ltd.	The operating income was obtained in 2017, and 2021 is the second year of halving the corporate income tax
Ningbo Shanhui Photovoltaic Power Generation Co., Ltd.	The operating income was obtained in 2017, and 2021 is the second year of halving the corporate income tax
Shaoxing Shanzi Photovoltaic Power Generation Co., Ltd.	The operating income was obtained in 2017, and 2021 is the second year of halving the corporate income tax

Unit	Favorable income tax
Ningbo Shanshan Sunshine New Energy Co., Ltd.	The operating income was obtained in 2017, and 2021 is the second year of halving the corporate income tax
Ningbo Shanheng Photovoltaic Power Generation Co., Ltd.	The operating income was obtained in 2016, and 2021 is the third year of halving the corporate income tax
Shaoxing Shansheng Photovoltaic Power Generation Co., Ltd.	The operating income was obtained in 2017, and 2021 is the second year of halving the corporate income tax
Taizhou Shanda Photovoltaic Power Generation Co., Ltd.	The operating income was obtained in 2019, and 2021 is the third year of exemption from the corporate income tax
Ningbo Shanhua Photovoltaic Power Generation Co., Ltd.	The operating income was obtained in 2019, and 2021 is the third year of exemption from the corporate income tax
Shaoxing Shandian Photovoltaic Power Generation Co., Ltd.	The operating income was obtained in 2018, and 2021 is the first year of halving the corporate income tax
Ningbo Shanjie Photovoltaic Power Generation Co., Ltd.	The operating income was obtained in 2019, and 2021 is the third year of exemption from the corporate income tax
Sanmen Shanyuan Photovoltaic Power Generation Co., Ltd.	The operating income was obtained in 2018, and 2021 is the first year of halving the corporate income tax
Ningbo Shanlun Photovoltaic Power Generation Co., Ltd.	The operating income was obtained in 2018, and 2021 is the first year of halving the corporate income tax
Ningbo Yuyao Xiangtai Power Engineering Co., Ltd.	The operating income was obtained in 2019, and 2021 is the third year of exemption from the corporate income tax
Taizhou Shanyan New Energy Co., Ltd.	The operating income was obtained in 2018, and 2021 is the first year of halving the corporate income tax
Quzhou Shanhai Photovoltaic Power Generation Co., Ltd.	The operating income was obtained in 2018, and 2021 is the first year of halving the corporate income tax
Quzhou Qujiang Henglei Energy Technology Co., Ltd.	The operating income was obtained in 2018, and 2021 is the first year of halving the corporate income tax
Lanxi Shanrui New Energy Co., Ltd. ...	The operating income was obtained in 2019, and 2021 is the third year of exemption from the corporate income tax
Ningbo Ciguang New Energy Technology Co., Ltd.	The operating income was obtained in 2018, and 2021 is the first year of halving the corporate income tax
Wuyi Shanrun New Energy Co., Ltd. ...	The operating income was obtained in 2018, and 2021 is the first year of halving the corporate income tax
Taizhou Shantian Photovoltaic Power Generation Co., Ltd.	The operating income was obtained in 2018, and 2021 is the first year of halving the corporate income tax
Cixi Shante Photovoltaic Co., Ltd.	The operating income was obtained in 2018, and 2021 is the first year of halving the corporate income tax
Shaoxing Shanchang New Energy Co., Ltd.	The operating income was obtained in 2020, and 2021 is the second year of exemption from the corporate income tax
Yuyao Shankai Photovoltaic Power Generation Co., Ltd.	The operating income was obtained in 2019, and 2021 is the third year of exemption from the corporate income tax
Ningbo Xinquante New Energy Development Co., Ltd.	The operating income was obtained in 2018, and 2021 is the first year of halving the corporate income tax
Ningbo Haobo New Energy Co., Ltd. ...	The operating income was obtained in 2019, and 2021 is the third year of exemption from the corporate income tax
Jinhua Zhichao New Energy Technology Co., Ltd.	The operating income was obtained in 2019, and 2021 is the third year of exemption from the corporate income tax
Ningbo Shanteng New Energy Co., Ltd.	The operating income was obtained in 2018, and 2021 is the first year of halving the corporate income tax
Nanchang Shan'ao New Energy Co., Ltd.	The operating income was obtained in 2019, and 2021 is the third year of exemption from the corporate income tax
Jinhua Shangong Photovoltaic Power Generation Co., Ltd.	The operating income was obtained in 2019, and 2021 is the third year of exemption from the corporate income tax

Unit	Favorable income tax
Taizhou Shanlin Photovoltaic Power Generation Co., Ltd.	The operating income was obtained in 2019, and 2021 is the third year of exemption from the corporate income tax
Jinhua Shanbao Photovoltaic Power Generation Co., Ltd.	The operating income was obtained in 2019, and 2021 is the third year of exemption from the corporate income tax
Ningbo Shanwen Photovoltaic Power Generation Co., Ltd.	The operating income was obtained in 2019, and 2021 is the third year of exemption from the corporate income tax
Hangzhou Shanqiu Photovoltaic Power Generation Co., Ltd.	The operating income was obtained in 2019, and 2021 is the third year of exemption from the corporate income tax
Quzhou Shanke Photovoltaic Power Generation Co., Ltd.	The operating income was obtained in 2020, and 2021 is the second year of exemption from the corporate income tax
Quzhou Qujiang Shanzhen New Energy Technology Co., Ltd.	The operating income was obtained in 2019, and 2021 is the third year of exemption from the corporate income tax
Quzhou Shanyu New Energy Development Co., Ltd.	The operating income was obtained in 2019, and 2021 is the third year of exemption from the corporate income tax
Sanmen Shangang Photovoltaic Power Generation Co., Ltd.	The operating income was obtained in 2019, and 2021 is the third year of exemption from the corporate income tax
Jinhua Puzhong Photovoltaic Power Generation Co., Ltd.	The operating income was obtained in 2019, and 2021 is the third year of exemption from the corporate income tax
Taizhou Shanxian Photovoltaic Power Generation Co., Ltd.	The operating income was obtained in 2020, and 2021 is the second year of exemption from the corporate income tax
Ningbo Taihui Photovoltaic Technology Co., Ltd.	The operating income was obtained in 2020, and 2021 is the second year of exemption from the corporate income tax
Xinchang Juheng New Energy Development Co., Ltd.	The operating income was obtained in 2020, and 2021 is the second year of exemption from the corporate income tax
Zhejiang Guangliang New Energy Technology Co., Ltd.	The operating income was obtained in 2021, and 2021 is the first year of exemption from the corporate income tax
Quzhou Shantao Photovoltaic Power Generation Co., Ltd.	The operating income was obtained in 2021, and 2021 is the first year of exemption from the corporate income tax
Quzhou Shanyou Photovoltaic Power Generation Co., Ltd.	Operating income not yet earned

V. NOTES TO CONSOLIDATED FINANCIAL STATEMENT ITEMS

(I) Cash at bank and on hand

Item	31 December 2021	31 December 2020	31 December 2019
Cash on hand	220,489.88	277,947.56	248,523.92
Bank deposit.	8,682,174,699.82	2,547,808,110.46	1,906,274,836.93
Other cash balances.	612,566,178.01	535,245,166.39	400,076,163.53
Total	9,294,961,367.71	3,083,331,224.41	2,306,599,524.38
Of which: Total amount of money deposited abroad	45,499,240.52	46,127,418.00	

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:

<u>Item</u>	<u>31 December 2021</u>	<u>31 December 2020</u>	<u>31 December 2019</u>
Deposit for bank acceptance bill	550,770,579.54	451,088,316.26	349,744,411.58
L/C guarantee deposits	13,967,809.83	12,074,274.69	19,129,367.63
Guarantee deposit Note 1	46,600,000.00	7,098,169.00	19,804,141.80
Other deposit Note 2	1,000,000.00	2,932,333.43	44,303,202.28
Subtotal of other cash balances	612,338,389.37	473,193,093.38	432,981,123.29
Listed as: Assets held for sale			33,556,150.40
Listed as: Other cash balances	612,338,389.37	473,193,093.38	399,424,972.89
Bank deposits — litigation freeze	3,840,886.73	46,934,490.93	
Total Cash at bank and on hand subject to restrictions	616,179,276.10	520,127,584.31	432,981,123.29

Note 1: Guarantee deposit

<u>Category</u>	<u>31 December 2021</u>	<u>31 December 2020</u>	<u>31 December 2019</u>
Financing guarantee	7,500,000.00	7,000,000.00	15,200,000.00
Performance bond			2,077,150.40
Tariff guarantee			1,260,155.17
Aggregate taxation guarantee	22,500,000.00		
Quality guarantee	16,600,000.00	98,169.00	1,266,836.23
Subtotal	46,600,000.00	7,098,169.00	19,804,141.80

Note 2: Other deposit

<u>Category</u>	<u>31 December 2021</u>	<u>31 December 2020</u>	<u>31 December 2019</u>
Overseas labor deposit		371,322.58	200,000.00
Borrowings repayment deposit	1,000,000.00	1,000,000.00	44,103,202.28
Deposit for settlement of exchange		260,967.52	
Migrant workers deposit		1,300,043.33	
Subtotal	1,000,000.00	2,932,333.43	44,303,202.28

(II) Held-for-trading financial assets

<u>Item</u>	<u>31 December 2021</u>	<u>31 December 2020</u>	<u>31 December 2019</u>
Financial assets measured at fair value through profit or loss		1,113,578.21	77,103.10
Of which: Investment in debt instruments			
Investments in equity instruments		1,113,578.21	77,103.10
Derivative financial assets			
Others			
Financial assets designated at fair value through profit or loss			
Of which: Investment in debt instruments			
Others			
Total		1,113,578.21	77,103.10

(III) Notes receivable

1. Presentation of notes receivable by category

Item	31 December 2021	31 December 2020	31 December 2019
Banker's acceptance bill			
Commercial acceptance bill	38,224,396.60	81,449,028.17	45,276,616.29
Subtotal	38,224,396.60	81,449,028.17	45,276,616.29
Less: Provision for impairment of commercial acceptance bill	3,558,289.34	3,509,542.40	1,077,583.47
Total	34,666,107.26	77,939,485.77	44,199,032.82

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

Item	31 December 2021	31 December 2020	31 December 2019
Commercial acceptance bill <i>Note</i>			9,185,135.94
Total			9,185,135.94

(IV) Account receivable

1. Accounts receivable disclosed by account age

Account age	31 December 2021	31 December 2020	31 December 2019
Within 1 year	4,080,018,451.93	3,270,284,051.59	2,798,397,704.98
1-2 years	49,917,207.51	151,657,230.95	232,369,625.11
2-3 years	4,993,098.28	132,491,779.22	192,473,304.22
3-4 years	13,926,265.70	133,713,567.04	28,525,164.44
4-5 years	63,150,417.14	10,675,524.05	6,595,178.48
Above 5 years.	8,982,390.72	14,644,486.63	17,163,846.29
Subtotal	4,220,987,831.28	3,713,466,639.48	3,275,524,823.52
Less: Bad debt provision	261,587,392.11	336,297,289.23	303,971,616.95
Total	3,959,400,439.17	3,377,169,350.25	2,971,553,206.57

2. Accounts receivable disclosed by bad debt provision method

31 December 2021

Category	Book balance		Bad debt provision		Book value
	Amount	Proportion (%)	Amount	Withdrawal ratio (%)	
Provision for bad debts made on an individual basis	115,013,672.06	2.72	73,350,650.99	63.78	41,663,021.07
Of which:					
Accounts receivable whose amounts are not considered individually significant but whose bad debt provision shall be withdrawn individually.	115,013,672.06	2.72	73,350,650.99	63.78	41,663,021.07
Provision for bad debts made on a portfolio basis.	4,105,974,159.22	97.28	188,236,741.12	4.58	3,917,737,418.10
Of which:					
Account age portfolio.	4,105,974,159.22	97.28	188,236,741.12	4.58	3,917,737,418.10
Total	4,220,987,831.28	100.00	261,587,392.11		3,959,400,439.17

31 December 2020

Category	Book balance		Bad debt provision		Book value
	Amount	Proportion (%)	Amount	Withdrawal ratio (%)	
Provision for bad debts made on an individual basis	274,030,267.39	7.38	135,836,501.38	49.57	138,193,766.01
Of which:					
Accounts receivable whose amounts are not considered individually significant but whose bad debt provision shall be withdrawn individually.	274,030,267.39	7.38	135,836,501.38	49.57	138,193,766.01
Provision for bad debts made on a portfolio basis.	3,439,436,372.09	92.62	200,460,787.85	5.83	3,238,975,584.24
Of which:					
Account age portfolio.	3,439,436,372.09	92.62	200,460,787.85	5.83	3,238,975,584.24
Total	3,713,466,639.48	100.00	336,297,289.23		3,377,169,350.25

31 December 2019

Category	Book balance		Bad debt provision		Book value
	Amount	Proportion (%)	Amount	Withdrawal ratio (%)	
Provision for bad debts made on an individual basis	228,726,162.49	6.98	86,111,102.69	37.65	142,615,059.80
Of which:					
Accounts receivable whose amounts are not considered individually significant but whose bad debt provision shall be withdrawn individually.	228,726,162.49	6.98	86,111,102.69	37.65	142,615,059.80
Provision for bad debts made on a portfolio basis.	3,046,798,661.03	93.02	217,860,514.26	7.15	2,828,938,146.77
Of which:					
Account age portfolio.	2,854,399,924.82	87.14	210,279,654.65	7.37	2,644,120,270.17
Portfolio of receivables from financial companies	192,398,736.21	5.87	7,580,859.61		184,817,876.60
Total	3,275,524,823.52	100.00	303,971,616.95		2,971,553,206.57

Provision for bad debts is made on an individual basis:

31 December 2021				
Name	Book balance	Bad debt provision	Withdrawal ratio	Withdrawal reason
			(%)	
Renewable energy subsidy receivable.	30,111,150.87			Subsidies receivable
ZX High Energy Technology Co., Ltd.	6,958,959.00	6,958,959.00	100.00	Reconciliation, but not executed as agreed
XX Bus Company	4,077,010.08	2,038,505.04	50.00	Poor operating conditions
F Public Transportation Holdings Co., Ltd..	38,500,000.00	38,500,000.00	100.00	Winning the case, execution in progress
TR Automotive Services Company	3,040,254.30	2,128,178.01	70.00	Poor operating conditions
DG Automotive Service Co., Ltd.	11,000,000.00	5,500,000.00	50.00	Significant increase in payment collection risk
YB Auto Co., Ltd.	8,520,000.00	8,520,000.00	100.00	Winning the case, execution in progress
HZ Bus Transportation Co., Ltd.	6,339,710.00	5,071,768.00	80.00	Significant increase in payment collection risk
Other sporadic customers . . .	6,466,587.81	4,633,240.94	71.65	Significant increase in payment collection risk
Total	115,013,672.06	73,350,650.99		
31 December 2020				
Name	Book balance	Bad debt provision	Withdrawal ratio	Withdrawal reason
			(%)	
Beiben Heavy Duty Automobile Group Co., Ltd.	24,997,440.00			Transfer payment of subsidies for new energy vehicles
Renewable energy subsidy receivable.	23,633,674.47			Subsidies receivable
Subtotal for Customer TJ Group	58,302,274.96	29,151,137.48	50.00	Reconciliation, in execution
F Public Transportation Holdings Co., Ltd..	38,500,000.00	23,100,000.00	60.00	Winning the case, execution in progress
Subtotal for Customer B Group	26,755,975.44	18,729,182.81	70.00	Winning the case, execution in progress
DLN Battery Co., Ltd.	28,976,000.00	17,385,600.00	60.00	The company is in liquidation, and the company that guarantees it can be pressed for payment
Subtotal for Customer M. . . .	32,211,556.21	28,053,637.78	87.09	Liquidated in bankruptcy

31 December 2020

Name	Book balance	Bad debt provision	Withdrawal ratio	Withdrawal reason
			(%)	
DG Automotive Service Co., Ltd.	13,000,000.00	1,300,000.00	10.00	Local subsidies for new energy vehicles applied by the purchaser of the vehicle in the receivable, agreed to be paid upon receipt of the subsidy
YB Auto Co., Ltd.	8,520,000.00	4,260,000.00	50.00	Significant increase in payment collection risk
HZ Bus Transportation Co., Ltd.	6,339,710.00	4,437,797.00	70.00	Significant increase in payment collection risk
Other sporadic customers . . .	12,793,636.31	9,419,146.31	73.62	Significant increase in payment collection risk
Total	274,030,267.39	135,836,501.38		

31 December 2019

Name	Book balance	Bad debt provision	Withdrawal ratio	Withdrawal reason
			(%)	
Beiben Heavy Duty Automobile Group Co., Ltd.	66,088,740.00			Transfer payment of subsidies for new energy vehicles
DG Automotive Service Co., Ltd.	31,000,000.00	3,100,000.00	10.00	Local subsidies for new energy vehicles applied by the purchaser of the vehicle in the receivable, agreed to be paid upon receipt of the subsidy
F Public Transportation Holdings Co., Ltd..	38,500,000.00	19,250,000.00	50.00	Winning the case, execution in progress
Subtotal for Customer B Group	48,814,926.31	32,546,358.16	66.67	In litigation
Subtotal for Customer M.	33,273,308.53	21,833,824.52	65.62	Winning the case, execution in progress
Customer X	4,139,313.53	3,539,074.84	85.50	Winning the case, execution in progress
Other sporadic customers . . .	6,909,874.12	5,841,845.17	84.54	Significant increase in payment collection risk
Total	228,726,162.49	86,111,102.69		

Provision for bad debts is made on a portfolio basis:

Combined provision items:

Name	31 December 2021			31 December 2020			31 December 2019		
	Accounts receivable	Bad debt provision	Withdrawal ratio (%)	Accounts receivable	Bad debt provision	Withdrawal ratio (%)	Accounts receivable	Bad debt provision	Withdrawal ratio (%)
Within 1 year . . .	4,048,054,630.74	151,687,563.40	3.75	3,223,323,874.62	70,770,664.02	2.20	2,590,911,546.24	78,093,513.00	3.01
1-2 years	41,921,383.53	23,593,014.92	56.28	120,760,908.45	41,362,904.38	34.25	188,482,786.78	74,293,113.56	39.42
2-3 years	4,691,281.28	2,474,799.09	52.75	43,828,193.82	38,932,572.30	88.83	36,992,559.15	21,862,560.88	59.10
3-4 years	2,366,011.40	1,540,511.44	65.11	28,811,705.27	26,682,957.22	92.61	15,158,447.65	13,175,882.21	86.92
4-5 years	1,001,400.00	1,001,400.00	100.00	8,067,203.30	8,067,203.30	100.00	5,690,738.71	5,690,738.71	100.00
Above 5 years . . .	7,939,452.27	7,939,452.27	100.00	14,644,486.63	14,644,486.63	100.00	17,163,846.29	17,163,846.29	100.00
Total	4,105,974,159.22	188,236,741.12		3,439,436,372.09	200,460,787.85		2,854,399,924.82	210,279,654.65	

3. Provision, reversal or recovery for bad debts during the reporting period

Category	Adjustment for changes in accounting policies			Amount of change in the current period			31 December 2019
	2018.12.31	2019.1.1	2019.1.1	Accrual	Recovery or reversal	Transfer or write-off	
Bad debt provision	268,287,861.68	5,567,043.09	273,854,904.77	97,650,239.11	3,415,005.67	-1,915,532.78	213,883.50
Total	268,287,861.68	5,567,043.09	273,854,904.77	97,650,239.11	3,415,005.67	-1,915,532.78	213,883.50

Amount of change in the current period

Category	Adjustment for changes in accounting policies			Amount of change in the current period			31 December 2020
	31 December 2019	2020.1.1	2020.1.1	Accrual	Recovery or reversal	Transfer or write-off	
Bad debt provision	303,971,616.95	775,556.22	304,747,173.17	54,880,797.97		14,417,422.86	336,297,289.23
Total	303,971,616.95	775,556.22	304,747,173.17	54,880,797.97		14,417,422.86	336,297,289.23

Amount of change in the current period

Category	Adjustment for changes in accounting policies			Amount of change in the current period			31 December 2021
	31 December 2020	Accrual	Accrual	Consolidation increase	Recovery or reversal	Transfer or write-off	
Bad debt provision	336,297,289.23	226,947,445.18	2,488,920.87	2,488,920.87		59,022,637.41	261,587,392.11
Total	336,297,289.23	226,947,445.18	2,488,920.87	2,488,920.87		59,022,637.41	261,587,392.11

4. Actual write-off of accounts receivable during the reporting period

Item	Year 2021	Year 2020	Year 2019			
Accounts receivable actually written off	59,022,637.41	14,417,422.86	1,499,472.89			
The significant write-offs of accounts receivable:						
Unit name	Nature of accounts receivable	Write-off amount	Reason for write-off	Write-off procedures performed	Whether the amount arises from a related transaction	Write-off time
Dongguan MCNAIR New Energy Co., Ltd.	Payment for goods sold	5,210,269.90	The company has been liquidated in bankruptcy	Examination and approval	No	Year 2021
Dongguan Xite New Energy Technology Co., Ltd.	Payment for goods sold	4,139,313.53	Winning the case, with no enforceable property	Examination and approval	No	Year 2021
Dongguan Hongxuan Industrial Co., Ltd.	Payment for goods sold	5,507,154.34	The company has been liquidated in bankruptcy	Examination and approval	No	Year 2021
Dongguan Jinyuan Battery Technology Co., Ltd.	Payment for goods sold	4,362,172.97	The company has been liquidated in bankruptcy	Examination and approval	No	Year 2021
Henan Donglei Lithium Co., Ltd.	Payment for goods sold	1,771,139.00	The company has been liquidated in bankruptcy	Examination and approval	No	Year 2021
Dongguan Branch of Shenzhen Haiying Technology Co., Ltd.	Payment for goods sold	1,679,845.50	The company has been liquidated in bankruptcy	Examination and approval	No	Year 2021
Zhaoqing Kestel Battery Material Co., Ltd.	Payment for goods sold	956,385.58	The company has been liquidated in bankruptcy	Examination and approval	No	Year 2021
Beijing Guoneng Battery Technology Joint-stock Company	Payment for goods sold	5,254,868.50	The company has been liquidated in bankruptcy	Examination and approval	No	Year 2021
Henan Guoneng Battery Co., Ltd.	Payment for goods sold	14,502,350.00	The company has been liquidated in bankruptcy	Examination and approval	No	Year 2021

Unit name	Nature of accounts receivable	Write-off amount	Reason for write-off	Write-off procedures performed	Whether the amount arises from a related transaction	Write-off time
Dongguan Jinse Energy Technology Co., Ltd.	Payment for goods sold	2,169,675.61	The company has been liquidated in bankruptcy	Examination and approval	No	Year 2021
Fujian Chenhua Battery Technology Co., Ltd.	Payment for goods sold	897,600.00	The company has been liquidated in bankruptcy	Examination and approval	No	Year 2021
Huizhou Zhongjia New Energy Co., Ltd.	Payment for goods sold	4,230,703.56	Winning the case, with no enforceable property	Examination and approval	No	Year 2021
Baotou Baoyun Logistics Co., Ltd.	Payment for goods sold	5,538,043.00	Winning the case, with no enforceable property	Examination and approval	No	Year 2021
Shenzhen Oriental Hualian Technology Co., Ltd.	Payment for goods sold	1,656,113.03	Winning the case, with no enforceable property	Examination and approval	No	Year 2021
Other sporadic customers	Payment for goods sold	1,147,002.89	Significant increase in payment collection risk	Examination and approval	No	Year 2021
Shenzhen Baoweiyou Electronics Co., Ltd.	Payment for goods sold	6,925,488.30	The company has been liquidated in bankruptcy	Examination and approval	No	Year 2020
Henan Donglei Lithium Co., Ltd.	Payment for goods sold	3,074,229.86	Winning the case, with no enforceable property	Examination and approval	No	Year 2020
Total		69,022,355.57				

5. Accounts receivable ranking the top five in the ending balance summarized by the debtors

Unit name	31 December 2021		
	Accounts receivable	Proportion in total accounts receivable (%)	Bad debt provision
Customer A	661,056,832.36	15.66	24,977,748.74
Customer B	565,312,791.95	13.39	28,265,639.61
Customer C	406,441,194.85	9.63	20,322,059.73
Customer D	405,998,733.42	9.62	1,989,393.80
Customer E	352,757,948.54	8.36	17,637,897.43
Total	2,391,567,501.12	56.66	93,192,739.31

Unit name	31 December 2020		
	Accounts receivable	Proportion in total accounts receivable (%)	Bad debt provision
Customer F	527,126,728.69	14.20	16,681,672.63
Customer G	290,659,737.70	7.83	3,240,782.31
Customer A	273,910,758.31	7.38	2,845,668.62
Customer H	251,394,957.59	6.77	5,526,952.58
Customer I	143,204,836.80	3.86	2,491,322.07
Total	1,486,297,019.09	40.04	30,786,398.21

Unit name	31 December 2019		
	Accounts receivable	Proportion in total accounts receivable (%)	Bad debt provision
Customer H	281,905,076.31	8.61	8,792,041.37
Customer J	193,046,050.05	5.89	4,594,495.99
Customer A	191,803,650.02	5.86	2,340,031.44
Customer F	178,009,270.21	5.43	3,457,463.10
Customer G	117,332,898.87	3.58	1,320,417.03
Total	962,096,945.46	29.37	20,504,448.93

Aggregate disclosures are as follows:

	31 December 2021			31 December 2020			31 December 2019		
	Accounts receivable	Proportion in total accounts receivable (%)	Bad debt provision	Accounts receivable	Proportion in total accounts receivable (%)	Bad debt provision	Accounts receivable	Proportion in total accounts receivable (%)	Bad debt provision
Summary amounts of the top five closing balances	2,391,567,501.12	56.66	93,192,739.31	1,486,297,019.09	40.02	30,786,398.21	962,096,945.46	29.37	20,504,448.93

6. *No accounts receivable derecognized due to transfer of financial assets*

7. *No transfer of accounts receivable and continued involvement in the amount of assets and liabilities formed*

(V) Receivables financing

1. Financing of receivables

Item	31 December 2021	31 December 2020	31 December 2019
Notes receivable	644,551,987.38	478,483,099.59	346,980,436.88
Of which: Banker's acceptance bill	644,551,987.38	474,663,588.42	341,280,436.88
Commercial acceptance bill		3,819,511.17	5,700,000.00
Less: Provision for impairment of commercial acceptance bill		202,816.04	154,000.00
Total	644,551,987.38	478,280,283.55	346,826,436.88

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

Item	2019.1.1	Newly increased amount in the current period	Derecognition in the current period	Other changes	31 December 2019	Accumulated provision for losses recognized in other comprehensive income
Notes receivable		6,442,418,072.21	6,092,558,695.33	-2,878,940.00	346,980,436.88	
Total		6,442,418,072.21	6,092,558,695.33	-2,878,940.00	346,980,436.88	

Item	31 December 2019	Newly increased amount in the current period	Derecognition in the current period	Other changes	31 December 2020	Accumulated provision for losses recognized in other comprehensive income
Notes receivable	346,980,436.88	5,960,176,066.51	5,828,673,403.80		478,483,099.59	
Total	346,980,436.88	5,960,176,066.51	5,828,673,403.80		478,483,099.59	

Item	31 December 2020	Newly increased amount in the current period	Derecognition in the current period	Change in consolidation scope	31 December 2021	Accumulated provision for losses recognized in other comprehensive income
Notes receivable	478,483,099.59	9,889,233,504.83	8,857,466,633.19	-865,697,983.85	644,551,987.38	
Total	478,483,099.59	9,889,233,504.83	8,857,466,633.19	-865,697,983.85	644,551,987.38	

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*

Item<	Year 2021		Year 2020		Year 2019	
	Amount derecognized at the end of the period	Amount not derecognized at the end of the period	Amount derecognized at the end of the period	Amount not derecognized at the end of the period	Amount derecognized at the end of the period	Amount not derecognized at the end of the period
Endorsed but not due — bank acceptance bill	2,549,740,578.03		2,986,910,018.36		1,838,605,166.07	
Endorsed but not due — commercial acceptance bill				3,000,000.00		13,759,665.49
Discounted but not due — bank acceptance bill	48,605,885.00	22,694,124.16	413,492,029.74		515,586,079.38	
Discounted but not due — commercial acceptance bill						
Total	2,598,346,463.03	22,694,124.16	3,400,402,048.10	3,000,000.00	2,354,191,245.45	13,759,665.49

4. *Provision for financing impairment of receivables*

Item<	31 December 2021	31 December 2020	31 December 2019
Banker's acceptance bill	104,135,510.00	14,000,000.00	
Commercial acceptance bill			
Total	104,135,510.00	14,000,000.00	

(VI) Prepayment

1. *Prepayments are listed as per account age*

Account age	31 December 2021		31 December 2020		31 December 2019	
	Amount	Proportion (%)	Amount	Proportion (%)	Amount	Proportion (%)
Within 1 year	835,271,911.87	99.77	222,575,485.37	97.36	402,171,896.54	99.56
1-2 years	1,888,306.97	0.23	6,025,080.62	2.64	1,627,651.41	0.40
2-3 years	73,366.34	0.01			157,045.70	0.04
Above 3 years						
Total	837,233,585.18	100.01	228,600,565.99	100.00	403,956,593.65	100.00

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

Prepaid objects	31 December 2021	Percentage of the total closing balance of prepayments (%)
Supplier A	75,818,736.59	9.06
Supplier B	62,433,601.65	7.46
Supplier C	49,093,678.04	5.86
Supplier D	39,675,518.60	4.74
Supplier E	39,334,938.11	4.70
Total	266,356,472.99	31.82

Prepaid objects	31 December 2020	Percentage of the total closing balance of prepayments
		(%)
Supplier F	38,659,638.72	16.91
Supplier G	20,357,307.58	8.91
Supplier H	19,335,829.00	8.46
Supplier I	15,309,375.48	6.70
Supplier J	10,742,270.17	4.70
Total	104,404,420.95	45.68

Prepaid objects	31 December 2019	Percentage of the total closing balance of prepayments
		(%)
Supplier F	51,672,491.61	12.79
Supplier K	50,247,334.24	12.44
Supplier L	50,000,000.00	12.38
Supplier M	35,453,839.07	8.78
Supplier N	30,000,000.00	7.43
Total	217,373,664.92	53.82

Aggregate disclosures are as follows:

Prepaid objects	31 December 2021		31 December 2020		31 December 2019	
	Ending balance	Percentage of the total closing balance of prepayments	Ending balance	Percentage of the total closing balance of prepayments	Ending balance	Percentage of the total closing balance of prepayments
		(%)		(%)		(%)
Summary amounts of the top five closing balances	266,356,472.99	31.81	104,404,420.95	45.67	217,373,664.92	53.81

(VII) Other receivables

Item	31 December 2021	31 December 2020	31 December 2019
Interest receivable	368,092.24		
Dividend receivable	492,116.13		
Other receivables	346,098,653.73	369,018,243.36	169,472,682.82
Total	346,958,862.10	369,018,243.36	169,472,682.82

1. Interests receivable

(1) Classification of interest receivable

Item	31 December 2021	31 December 2020	31 December 2019
Fixed deposit	368,092.24		
Entrusted loan			
Bond investments			
Subtotal	368,092.24		
Less: Bad debt provision			
Total	368,092.24		

2. Dividend receivable

(1) Details of dividends receivable

Item (or investee)	31 December 2021	31 December 2020	31 December 2019
Shanghai Shanchuang Mining Investment Co., Ltd.	492,116.13		
Subtotal	492,116.13		
Less: Bad debt provision			
Total	492,116.13		

3. Other receivables

(1) Disclosure by account age

Account age	31 December 2021	31 December 2020	31 December 2019
Within 1 year	222,517,851.45	299,444,161.45	67,704,281.10
1-2 years	110,747,658.91	45,048,479.85	84,267,139.88
2-3 years	41,597,373.81	33,313,918.89	7,347,748.60
3-4 years	7,544,128.39	5,144,257.33	20,613,765.33
4-5 years	5,019,544.33	16,619,469.83	17,908,195.40
Above 5 years	47,438,748.18	33,265,894.35	23,922,550.57
Subtotal	434,865,305.07	432,836,181.70	221,763,680.88
Less: Bad debt provision	88,766,651.34	63,817,938.34	52,290,998.06
Total	346,098,653.73	369,018,243.36	169,472,682.82

(2) Disclosure by bad debt provision method

31 December 2021

Category	Book balance		Bad debt provision		Book value
	Amount	Proportion (%)	Amount	Withdrawal ratio (%)	
Provision for bad debts made on an individual basis	188,227,416.31	43.28	83,670,467.69	44.45	104,556,948.62
Of which:					
Provision for bad debts made on a portfolio basis	246,637,888.76	56.72	5,096,183.65	2.07	241,541,705.11
Of which:					
Risk-free portfolio	141,824,723.68	32.61			141,824,723.68
Portfolio of equity and long-term asset disposal receivables	73,746,178.00	16.96	3,687,308.90	5.00	70,058,869.10
Portfolio of current account	10,057,554.69	2.31	502,877.73	5.00	9,554,676.96
Portfolio of security deposit and deposit	14,762,506.96	3.39	738,125.35	5.00	14,024,381.61
Portfolio of advances	5,427,204.10	1.25	126,885.60	2.34	5,300,318.50
Portfolio of reserve and personal loan	819,721.33	0.19	40,986.07	5.00	778,735.26
Total	434,865,305.07	100.00	88,766,651.34		346,098,653.73

31 December 2020

Category	Book balance		Bad debt provision		Book value
	Amount	Proportion (%)	Amount	Withdrawal ratio (%)	
Provision for bad debts made on an individual basis	377,186,218.09	50.00	10,591,754.70	2.81	366,594,463.39
Provision for bad debts made on a portfolio basis .	377,186,218.09	50.00	10,591,754.70	2.81	366,594,463.39
Of which:					
Risk-free portfolio	162,812,072.06	21.58			162,812,072.06
Portfolio of equity and long-term asset disposal receivables	139,249,835.00	18.46	6,962,491.75	5.00	132,287,343.25
Portfolio of current account	45,716,269.75	6.06	2,285,813.49	5.00	43,430,456.26
Portfolio of security deposit and deposit	17,744,589.95	2.35	887,229.50	5.00	16,857,360.45
Portfolio of advances	6,119,991.75	0.81	179,046.98	2.93	5,940,944.77
Portfolio of reserve and personal loan	2,901,073.81	0.38	145,053.69	5.00	2,756,020.12
Interest and dividends of securities receivable . . .	2,642,385.77	0.35	132,119.29	5.00	2,510,266.48
Total	754,372,436.18	100.00	21,183,509.40		733,188,926.78

31 December 2019

Category	Book balance		Bad debt provision		Book value
	Amount	Proportion (%)	Amount	Withdrawal ratio (%)	
Provision for bad debts made on an individual basis	87,375,805.63	39.40	50,978,665.04	58.34	36,397,140.59
Provision for bad debts made on a portfolio basis .	134,387,875.25	60.60	1,312,333.03	0.98	133,075,542.22
Of which:					
Risk-free portfolio	106,135,185.36	47.86			106,135,185.36
Portfolio of security deposit and deposit	16,203,705.54	7.31	810,185.28	5.00	15,393,520.26
Portfolio of advances	8,277,345.60	3.73	313,565.81	3.79	7,963,779.79
Portfolio of reserve and personal loan	2,784,405.60	1.26	139,220.28	5.00	2,645,185.32
Portfolio of current account	987,233.15	0.45	49,361.66	5.00	937,871.49
Total	221,763,680.88	100.00	52,290,998.07		169,472,682.81

Provision for bad debts is made on an individual basis:

31 December 2021				
Name	Book balance	Bad debt provision	Withdrawal ratio	Withdrawal reason
			(%)	
Beiben Heavy Duty Automobile Group Co., Ltd.	56,032,069.75	11,206,413.96	20.00	The funds of subsidiaries occupied, with certain recovery risk
Ningbo Liankangcai Brand Management Co., Ltd.	50,911,440.00	10,182,288.00	20.00	Failure to perform as originally agreed with increased risk after rollover
Li Xinghua.	18,940,960.00	3,788,192.00	20.00	Failure to perform as originally agreed with increased risk after rollover
Ningbo Modun Clothing Co., Ltd.	13,404,518.87	13,404,518.87	100.00	The possibility of recovery is expected to be small
Putian Hualin Vegetable Base Co., Ltd.	13,372,982.07	13,372,982.07	100.00	Winning the case, but unenforceable
Ningbo Shanshan Suyu Clothing Co., Ltd.	10,162,742.46	10,162,742.46	100.00	Not returned as agreed and not expected to be recovered
DEUTSCHE SOLAR AG.	5,302,575.00	5,302,575.00	100.00	Not returned as agreed and not expected to be recovered
Ningbo Liweineng Energy Storage System Co., Ltd.	3,034,374.50	1,517,187.25	50.00	Not returned on schedule
Petty cash and personal loans with significantly increased risk	583,126.39	583,126.39	100.00	Not returned as agreed and not expected to be recovered
Deposit with significantly increased risk	7,024,802.78	4,692,617.20	66.80	Not returned as agreed and not expected to be recovered
Advances with significantly increased risk	9,457,824.49	9,457,824.49	100.00	Not returned as agreed and not expected to be recovered
Total	188,227,416.31	83,670,467.69		

31 December 2020

Name	Book balance	Bad debt provision	Withdrawal ratio	Withdrawal reason
			(%)	
Ningbo Modun Clothing Co., Ltd.	13,404,518.87	13,404,518.87	100.00	The possibility of recovery is expected to be small
Putian Hualin Vegetable Base Co., Ltd.	13,372,982.07	13,372,982.07	100.00	Winning the case, but unenforceable
Ningbo Shanshan Suyu Clothing Co., Ltd.	10,162,742.46	10,162,742.46	100.00	Not returned as agreed and not expected to be recovered
DEUTSCHE SOLAR AG.	5,302,575.00	5,302,575.00	100.00	Not returned as agreed and not expected to be recovered
Ningbo Liweineng Energy Storage System Co., Ltd.	3,581,761.36	1,790,880.68	50.00	Not returned on schedule
Other sporadic customers.	1,622,415.60	1,310,415.60	80.77	Significant increase in risk
Deposit with significantly increased risk	2,812,042.49	2,812,042.49	100.00	Not returned as agreed and not expected to be recovered
Advances with significantly increased risk	5,390,925.76	5,070,026.47	94.05	Not returned as agreed and not expected to be recovered
Total	55,649,963.61	53,226,183.64		

31 December 2019

Name	Book balance	Bad debt provision	Withdrawal ratio	Withdrawal reason
			(%)	
Ningbo Modun Clothing Co., Ltd.	13,404,518.87	13,404,518.87	100.00	The possibility of recovery is expected to be small
Putian Hualin Vegetable Base Co., Ltd.	13,372,982.07	13,372,982.07	100.00	Winning the case, but unenforceable
Ningbo Shanshan Suyu Clothing Co., Ltd.	10,162,742.46	10,162,742.46	100.00	Not returned as agreed and not expected to be recovered
Ningbo Liweineng Energy Storage System Co., Ltd.	3,581,761.36	1,790,880.68	50.00	The possibility of recovery is expected to be small
Other advances with significantly increased credit risk.	10,162,370.50	8,991,639.07	88.48	The possibility of recovery is expected to be small
Other deposits with significantly increased credit risk.	3,751,430.37	3,255,901.89	86.79	The possibility of recovery is expected to be small
Customer D	32,940,000.00			The company won the lawsuit in the first instance and the litigation preservation measures were sufficient to cover the entire amount
Total	87,375,805.63	50,978,665.04		

Provision for bad debts is made on a portfolio basis:

Name	31 December 2021			31 December 2020			31 December 2019		
	Other receivables	Bad debt provision	Withdrawal ratio (%)	Other receivables	Bad debt provision	Withdrawal ratio (%)	Other receivables	Bad debt provision	Withdrawal ratio (%)
Risk-free portfolio	141,824,723.68			162,812,072.06			106,135,185.36		
Of which: Portfolio of government subsidies receivable <i>Note 1</i>	39,237,672.14			20,238,128.10			20,123,765.97		
Portfolio of financing deposit <i>Note 2</i>	94,276,425.34			33,737,188.94			39,424,587.14		
Customs deposit	8,310,626.20								
Portfolio of receivables from non-controlling interests of subsidiaries for transfer of equity <i>Note 3</i>				24,554,932.72			46,586,832.25		
Compensation receivable from equity of Suiyong Company <i>Note 4</i>				81,662,022.30					
Dividends of securities loan receivable				2,619,800.00					
Portfolio of equity and long-term asset disposal receivables	73,746,178.00	3,687,308.90	5.00%	139,249,835.00	6,962,491.75	5.00%			
Portfolio of current account	10,057,554.69	502,877.73	5.00%	45,716,269.75	2,285,813.49	5.00%	987,233.15	49,361.66	5.00%
Portfolio of security deposit and deposit	14,762,506.96	738,125.35	5.00%	17,744,589.95	887,229.50	5.00%	16,203,705.54	810,185.28	5.00%
Portfolio of advances	5,427,204.10	126,885.60	2.34%	6,119,991.75	179,046.98	2.93%	8,277,345.60	313,565.81	3.79%
Of which: Individual social security of settlement, collection and payment every other month	2,889,492.18			2,539,052.20			2,006,029.39		
Portfolio of reserve and personal loan	819,721.33	40,986.07	5.00%	2,901,073.81	145,053.69	5.00%			
Interest and dividends of securities loan receivable				2,642,385.77	132,119.29	5.00%	2,784,405.60	139,220.28	5.00%
Total	246,637,888.76	5,096,183.65	2.07%	377,186,218.09	10,591,754.70	2.81%	134,387,875.25	1,312,333.03	0.98%

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

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

Note 3: The portfolio of receivables from non-controlling interests of subsidiaries for equity transfer is a subsidiary, Hunan Shanshan Energy Technology Co., Ltd. The share attributable to the relevant non-controlling interests is sufficient to cover the balance of receivables and no provision for impairment is made as the relevant subsidiary has retained a full amount of retained earnings.

Note 4: For details, see (VII) Related Party Commitments of Note X.

(3) Provision for bad debts

	Phase I	Phase II	Phase III	
Bad debt provision	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)	Total
Balance as of 1 Jan. 2019	3,930,791.13	4,910,000.00	52,203,450.96	61,044,242.09
Balance as of 1 Jan. 2019 in the current period				
— Transferred to Phase II	-79,628.16	79,628.16		
— Transferred to Phase III.				
— Transferred back to Phase II				
— Transferred back to Phase I.				
Current provision		1,711,252.52		1,711,252.52
Current reversal	-1,397,147.62	-4,910,000.00	-600,388.02	-6,907,535.64
Current reselling				
Current write-off			-257,655.06	-257,655.06
Other changes	-1,141,682.33		-2,157,623.52	-3,299,305.85
Balance as of 31 December 2019	1,312,333.02	1,790,880.68	49,187,784.36	52,290,998.06
	Phase I	Phase II	Phase III	
Bad debt provision	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)	Total
Balance as of 31 December 2019	1,312,333.02	1,790,880.68	49,187,784.36	52,290,998.06
Balance as of 31 December 2019 in the current period				
— Transferred to Phase II				
— Transferred to Phase III.				
— Transferred back to Phase II				
— Transferred back to Phase I.				
Current provision	9,368,672.67		3,210,582.02	12,579,254.69
Current reversal	-3,495.07			-3,495.07
Current reselling				
Current write-off			-963,063.42	-963,063.42
Other changes	-85,755.92			-85,755.92
Balance as of 31 December 2020	10,591,754.70	1,790,880.68	51,435,302.96	63,817,938.34
	Phase I	Phase II	Phase III	
Bad debt provision	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)	Total
Balance as of 31 December 2020	10,591,754.70	1,790,880.68	51,435,302.96	63,817,938.34
Balance as of 31 December 2020 in the current period				
— Transferred to Phase II	-5,313,254.19	5,313,254.19		
— Transferred to Phase III.	-319,802.50		319,802.50	
— Transferred back to Phase II				
— Transferred back to Phase I.				
Current provision	338,365.81	19,589,946.34	5,934,627.45	25,862,939.60
Current reversal				
Current reselling				
Current write-off	-20,000.00		-574,145.43	-594,145.43
Other changes	-180,880.17		-139,201.00	-320,081.17
Balance as of 31 December 2021	5,096,183.65	26,694,081.21	56,976,386.48	88,766,651.34

(4) Provision, reversal or recovery for bad debts during the reporting period

Category	Amount of change in the current period					31 December 2019	31 December 2020		
	2018.12.31	Adjustment for changes in accounting policies	2019.1.1	Accrual	Recovery or reversal			Transfer or write-off	Assets transferred for sale
Bad debt provision	61,044,242.09		61,044,242.09	1,711,252.52	6,907,535.64	257,655.06	3,219,598.56	79,707.29	52,290,998.06
Total	61,044,242.09		61,044,242.09	1,711,252.52	6,907,535.64	257,655.06	3,219,598.56	79,707.29	52,290,998.06
Amount of change in the current period									
Category	31 December 2019	Accrual	Recovery or reversal	Transfer or write-off	Withdrawal from the consolidation scope	31 December 2020			
Bad debt provision	52,290,998.06	12,579,254.69	3,495.07	963,063.42	85,755.92	63,817,938.34			
Total	52,290,998.06	12,579,254.69	3,495.07	963,063.42	85,755.92	63,817,938.34			
Amount of change in the current period									
Category	31 December 2020	Accrual	Recovery or reversal	Transfer or write-off	Withdrawal from the consolidation scope	31 December 2021			
Bad debt provision	63,817,938.34	25,862,939.60		594,145.43	320,081.17	88,766,651.34			
Total	63,817,938.34	25,862,939.60		594,145.43	320,081.17	88,766,651.34			
Of which the amount of reversal or recovery of bad debt provision is significant:									
Unit name	Reversal or recovery amount	Basis for determining the original provision for bad debts and its reasonableness	Reasons for reversal or recovery	Recovery method	Reversal or recovery time				
Guangzhou Winsky Zhixing New Energy Vehicle Co., Ltd.	3,160,000.00	Overdue return of equity transfer payments	Collection and repayment	Cash	Year 2019				
Cao Fengnian	1,750,000.00	Overdue return of equity transfer payments	Sign a new repayment agreement and return it on time	Cash	Year 2019				
Ningbo Modun Clothing Co., Ltd.	692,944.13	Borrowings are overdue, and have been litigated	Part of the money recovered by auction of mortgaged property	Cash	Year 2019				
Total	5,602,944.13								

(5) Actual write-off of other receivables during the reporting period

Item	Year 2021	Year 2020	Year 2019
Other receivables actually written off	594,145.43	963,063.42	257,655.06

(6) Breakdown by nature of payments

Nature of funds	Book balance		
	31 December 2021	31 December 2020	31 December 2019
Compensation receivable for equity in Suiyong Holdings		81,662,022.30	17,973,513.38
Transaction expense	82,528,517.81	63,700,965.58	20,123,765.97
Subsidy receivable	39,237,672.14	20,862,128.10	70,122,556.78
Receivables (transfer of long-term assets such as equity, properties, etc.)	167,134,302.53	187,340,492.25	59,379,723.05
Security deposit, deposit	124,374,361.28	54,293,821.38	51,379,716.10
Advances, prepayments	20,187,603.59	16,813,492.51	2,784,405.60
Petty cash	1,402,847.72	2,901,073.81	
Interest and dividends of securities loan receivable		5,262,185.77	
Total	434,865,305.07	432,836,181.70	221,763,680.88

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

Unit name	Nature of funds	31 December 2021	Account age	Percentage of the total ending balance of other receivables (%)	Closing balance of provision for bad debts
Beiben Heavy Duty Automobile Group Co., Ltd.	Transaction expense	56,032,069.75	1-2 years	12.88	11,206,413.96
Ningbo Liankangcai Brand Management Co., Ltd.	Equity transfer payments	50,911,440.00	1-2 years	11.71	10,182,288.00
Shanghai Shanshan Chuanghui Venture Capital Management Co., Ltd.	Temporary investment borrowing	40,000,000.00	Within 1 year	9.20	2,000,000.00
Shenzhen Zhonglian Financial Control Investment Development Co., Ltd.	Equity transfer payments	39,113,178.00	Within 1 year	8.99	1,955,658.90
Ningbo Branch of Huarong Financial Leasing Joint-stock Company	Financing security deposit	20,700,000.00	Within 1 year	4.76	
Total		206,756,687.75		47.54	25,344,360.86

Unit name	Nature of funds	31 December 2020	Account age	Percentage of the total ending balance of other receivables (%)	Closing balance of provision for bad debts
Shanshan Holdings Co., Ltd.	Compensation receivable for equity in Suiyong Holdings	81,662,022.30	Within 1 year	18.87	
Ningbo Liankangcai Brand Management Co., Ltd.	Equity transfer receivables	61,911,440.00	Within 1 year	14.30	3,095,572.00
Beiben Heavy Duty Automobile Group Co., Ltd.	Subsidies collected	35,950,269.75	Within 1 year	8.31	1,797,513.49
Li Xinghua	Equity transfer receivables	26,940,960.00	Within 1 year	6.22	1,347,048.00
Beijing Youkeyu Technology Development Co., Ltd.	Equity transfer receivables	29,780,302.50	Within 1 year	6.88	1,489,015.13
Total		236,244,994.55		54.58	7,729,148.62
Unit name	Nature of funds	31 December 2019	Account age	Percentage of the total ending balance of other receivables (%)	Closing balance of provision for bad debts
Changsha Huashan Investment Management Co., Ltd.	Equity transfer receivables	39,821,132.25	1-2 years	17.96	
Customer D	Advances from unavailable suppliers, as described in V. Description of Projected Liabilities	32,940,000.00	1-2 years	14.85	
Ningbo Modun Clothing Co., Ltd.	Loan	13,404,518.87	2-5 years	6.04	13,404,518.87
Putian Hualin Vegetable Base Co., Ltd.	Equity transfer receivables	13,372,982.07	Above 5 years	6.03	13,372,982.07
Ningbo Branch of Huarong Financial Leasing Joint-stock Company	Financing security deposit	10,335,000.00	Within 1 year	4.66	
Total		109,873,633.19		49.54	26,777,500.94

(8) Other receivables involving government subsidies

Unit name	Name of government subsidy project	31 December 2021	Account age	Expected time, amount and basis of collection
Local electricity subsidy receivable	Local power generation subsidies for distributed power plants	11,017,504.37	Within 1 year and 1-2 years	PV subsidy documents from relevant county and municipal governments in Zhejiang Province; Expected to receive in 2022
Customs refunds receivable		28,190,167.77	Within 1 year	Nanjing Customs, Guangzhou Customs
Subsidy receivable for charging station construction.		30,000.00	Within 1 year and 1-2 years	Beijing and Shanghai Electric Vehicle Social Public Charging Facility Operation Assessment and Reward Implementation Rules
Total		39,237,672.14		
Unit name	Name of government subsidy project	31 December 2020	Account age	Expected time, amount and basis of collection
Baotou Finance Bureau	Special funds of Baotou to promote the application of new energy vehicles	2,250,000.00	2-3 years and 3-4 years	Bao Fu Ban Fa (2015) No. 255 in 2016
Local electricity subsidy receivable	Local power generation subsidies for distributed power plants	7,774,556.66	Within 1 year and 1-2 years	PV subsidy documents from relevant county and municipal governments in Zhejiang Province; Expected to receive in 2021
Subsidy receivable for charging station construction.		10,213,571.44	Within 1 year and 1-2 years	Beijing and Shanghai Electric Vehicle Social Public Charging Facility Operation Assessment and Reward Implementation Rules
Total		20,238,128.10		

Unit name	Name of government subsidy project	31 December 2019	Account age	Expected time, amount and basis of collection
Baotou Finance Bureau	Special funds of Baotou to promote the application of new energy vehicles	7,100,000.00	2-3 years and 3-4 years	Bao Fu Ban Fa (2015) No. 255 in 2016
Ningbo Finance Bureau	Local subsidy for purchase of new energy car	480,000.00	1-2 years and 2-3 years	
Export tax refund receivable		303,127.47	Within 1 year	Expected to receive in 2020
Local electricity subsidy receivable	Local power generation subsidies for distributed power plants	7,430,512.96	Within 1 year	PV subsidy documents from relevant county and municipal governments in Zhejiang Province; Expected to receive in 2020
Subsidy receivable for charging station construction		4,810,125.54	Within 1 year	Beijing and Shanghai Electric Vehicle Social Public Charging Facility Operation Assessment and Reward Implementation Rules
Total		20,123,765.97		

(9) No other receivables derecognized due to transfer of financial assets

(10) No transfer of other receivables and continued involvement in the amount of assets and liabilities formed

(VIII) Inventories

I. Classification of inventories

Item	31 December 2021			31 December 2020			31 December 2019		
	Book balance	Provision for decline in value of inventories/ provision for impairment of contract fulfillment costs	Book value	Book balance	Provision for decline in value of inventories/ provision for impairment of contract fulfillment costs	Book value	Book balance	Provision for decline in value of inventories	Book value
Raw materials	961,580,716.33	19,706,782.81	941,873,933.52	439,843,976.65	5,216,354.87	434,627,621.78	262,947,532.02	7,668,968.10	255,278,563.92
Packaging material	9,722,577.82		9,722,577.82	7,430,210.03		7,430,210.03	4,301,639.80		4,301,639.80
Low-value consumption goods	86,043,189.48	927,987.05	85,115,202.43	47,706,204.89	830,101.46	46,876,103.43	26,932,559.79	637,319.86	26,295,239.93
Finished goods	332,933,705.74	31,647,715.87	301,285,989.87	593,660,884.84	35,033,151.01	558,627,733.83	389,959,508.62	24,393,429.86	365,566,078.76
Products in progress	1,034,873,404.40	55,016,631.03	979,856,773.37	410,845,011.32	39,320,881.32	371,524,130.00	381,643,099.97	44,288,770.94	337,354,329.03
Materials outsourced for processing	437,461,669.96	329,978.16	437,131,691.80	152,521,059.86	8,746,303.64	143,774,756.22	236,796,290.52		236,796,290.52
Goods in transit	122,989,677.99	1,761,717.89	121,227,960.10	59,192,209.89	52,513.45	59,139,696.44	63,807,591.96		63,807,591.96
Materials in transit	166,715,102.75		166,715,102.75						
Others	100,334.40		100,334.40						
Total	3,152,420,378.87	109,390,812.81	3,043,029,566.06	1,711,199,557.48	89,199,305.75	1,622,000,251.73	1,366,388,222.68	76,988,488.76	1,289,399,733.92

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

Item	2018.12.31	Amount increased in the current period		Decreased amount in the current period		31 December 2019
		Accrual	Others	Reversal or reselling	Others	
Raw materials	11,465,110.54	2,870,211.55		6,666,353.99		7,668,968.10
Packaging material						
Low-value consumption goods	45,014.87	592,729.16		424.17		637,319.86
Finished goods	24,114,801.48	28,252,191.04		27,973,562.66		24,393,429.86
Products in progress	17,352,042.41	27,503,010.86		566,282.33		44,288,770.94
Materials outsourced for processing	2,887,218.40			2,887,218.40		
Goods in transit	644,483.71			644,483.71		
Others						
Total	56,508,671.41	59,218,142.61		4,098,408.61	34,639,916.65	76,988,488.76
Item	Adjustment for changes in accounting policies	Amount increased in the current period		Decreased amount in the current period		31 December 2020
	2020.1.1	Accrual	Others	Reversal or reselling	Others	
Raw materials	7,668,968.10	266,895.79			2,719,509.02	5,216,354.87
Packaging material						
Low-value consumption goods	637,319.86	258,969.90			66,188.30	830,101.46
Finished goods	24,393,429.86	10,837,621.64			197,900.49	35,033,151.01
Products in progress	44,288,770.94	4,504,776.65			3,747,012.93	39,320,881.32
Materials outsourced for processing					5,725,653.34	
Goods in transit		8,746,303.64				8,746,303.64
Others		52,513.45				52,513.45
Total	76,988,488.76	24,667,081.07		5,725,653.34	6,730,610.74	89,199,305.75

Item	Amount increased in the current period		Decreased amount in the current period		31 December 2021
	31 December 2020	Accrual	Included in the consolidation scope	Reversal or reselling	
Raw materials	5,216,354.87	15,209,461.38		471,957.24	19,706,782.81
Packaging material		25,564.82			25,564.82
Low-value consumption goods	830,101.46	536,365.76		64,710.47	373,769.70
Finished goods	35,033,151.01	18,334,769.70	1,319,279.00	22,999,992.00	39,491.84
Products in progress	39,320,881.32	17,326,227.42	24,117.25	1,654,594.96	55,016,631.03
Materials outsourced for processing	8,746,303.64			8,416,325.48	329,978.16
Goods in transit	52,513.45	1,709,204.44			1,761,717.89
Total	89,199,305.75	53,141,593.52	1,343,396.25	33,607,580.15	109,390,812.81

(IX) Assets held for sale

Category	31 December 2021		31 December 2020		31 December 2019
	31 December 2021	31 December 2020	31 December 2021	31 December 2020	
Assets classified as held for sale					6,902,654.87
Assets in disposal groups classified as held for sale					1,074,441,286.51
Total					1,081,343,941.38

I. Assets classified as held for sale

31 December 2019

Category	Ending balance		Expected disposal time	Reason for sale	Affiliated segments
	Book balance	Book value			
Shanshan Brand Management Co., Ltd.	1,074,441,286.51	1,074,441,286.51	To be handled before December 2020	Focus on the main business	Clothing Segment
Total	1,074,441,286.51	1,074,441,286.51			

Note: In order to implement the Company's development strategy of focusing on the core business of lithium battery materials, in 2019, the Company considered and approved the transfer of a total of 64,165,400 shares (48.1% of the total share capital of Shanshan Brand) held by the Company in Shanshan Brand Management Co., Ltd. (Hereinafter referred to as "Shanshan Brand"). At the end of 2019, the Company transferred all assets and liabilities of Shanshan Brand and its subsidiaries to assets held for sale and liabilities held for sale, and signed an agreement. As of 3 July 2020, the Company completed the equity transfer procedures, and Shanshan Brand withdrew from the scope of consolidation.

2. Assets in disposal groups classified as held for sale

31 December 2019

Category	Ending balance		Book value	Fair value	Expected disposal costs	Expected disposal time	Sale method	Reason for sale	Affiliated segments
	Book balance	Provision for impairment of assets held for sale							
Quzhou lithium hexafluorophosphate fluorine gas method production equipment	12,151,867.22	5,249,212.35	6,902,654.87	6,902,654.87	Assumed by the buyer	Before May 2020	Whole package for sale	With lithium hexafluorophosphate process adjustment, the fluorine gas method production equipment is no longer enabled	Technology Segment
Total	12,151,867.22	5,249,212.35	6,902,654.87	6,902,654.87					

Note: It is the production line for the production of lithium hexafluorophosphate of our subsidiary, Shanshan New Material (Quzhou) Co., Ltd. As the Company's fluorine gas process production has fallen below the economic threshold, the Company's production line has been shut down since 2018. The agreement for the overall disposal of the fluorine gas production line was considered and approved by the Management Layer in 2019, and the dismantling and disposal of the overall production line has been completed in 2020.

(X) Non-current assets due within one year

<u>Item</u>	<u>31 December 2021</u>	<u>31 December 2020</u>	<u>31 December 2019</u>
Long-term receivables due within one year	58,264,962.45	57,464,363.50	700,677,946.46
Other non-current financial assets due within one year		29,000,000.00	29,000,000.00
Total	58,264,962.45	86,464,363.50	729,677,946.46

Other non-current financial assets due within one year:

<u>Item</u>	<u>31 December 2021</u>	<u>31 December 2020</u>	<u>31 December 2019</u>	<u>Remarks</u>
Partnership capital management plan.		29,000,000.00		Returned in January 2021
Investments in equity instruments.			29,000,000.00	Expires on 31 May 2020 as agreed in the partnership agreement

Long-term receivables due within one year consist of:

Item	31 December 2021			31 December 2020			31 December 2019		
	Book balance	Bad debt provision	Book value	Book balance	Bad debt provision	Book value	Book balance	Bad debt provision	Book value
Installment sales of vehicles	55,138,939.62	11,027,787.92	44,111,151.70	59,398,595.62	11,879,719.12	47,518,876.50			
Winsky Gaoke Group Co., Ltd. (formerly Guangzhou Winsky Zhixing New Energy Vehicle Co., Ltd.)	12,945,438.16	5,178,175.26	7,767,262.90						
Shanghai Shenshan New Energy Vehicle Service Co., Ltd.	10,644,246.42	4,257,698.57	6,386,547.85						
Shenzhen Winsky Vehicle Sales & Service Co., Ltd.	10,270,079.15	10,270,079.15	—						
Borrowings by Guangzhou Winsky Zhixing New Energy Vehicle Co., Ltd. and its subsidiaries				19,251,528.84	9,306,041.84	9,945,487.00	9,364,940.94	468,247.05	8,896,693.89
Long-term finance lease receivables due within one year							641,426,147.60	16,713,596.87	624,712,550.73
Installment payment for goods sold due within one year							5,449,012.86	120,311.02	5,328,701.84
Composition of long-term receivables due within one year							68,600,000.00	6,860,000.00	61,740,000.00
Total	88,998,703.35	30,733,740.90	58,264,962.45	78,650,124.46	21,185,760.96	57,464,363.50	724,840,101.40	24,162,154.94	700,677,946.46

(XI) Other current assets

Item	31 December 2021	31 December 2020	31 December 2019
Prepaid income tax	62,368,048.54	4,176,958.45	11,898,640.07
Input value-added-tax to be deducted	696,203,285.76	374,195,501.32	427,399,472.61
Other prepaid taxes and fees	75,046.43	2,089,303.62	167,693.30
Deposit for acquisition of polarizer business (<i>Note</i>)		1,004,634,400.00	
Short-term debt investments at amortized costs			1,000,476.71
Other short-term debt investments at fair value			61,456,714.29
Total	758,646,380.73	1,385,096,163.39	501,922,996.98

Note: According to the acquisition framework agreement between LG and the Company, the Company paid the acquisition deposit on 28 December 2020 and agreed to return the deposit after paying 80% of the subscription price on the settlement date.

(XII) Long-term receivables

I. Status of long-term receivables

Item	31 December 2021			31 December 2020			31 December 2019			Discount rate interval
	Book balance	Bad debt provision	Book value	Book balance	Bad debt provision	Book value	Book balance	Bad debt provision	Book value	
Borrowings from Guangzhou Winsky Zhixing New Energy Vehicle Co., Ltd. and its subsidiaries	18,729,881.86	10,572,976.49	8,156,905.37	34,338,116.75	15,645,208.60	18,692,908.15	46,824,704.65	2,341,235.23	44,483,469.42	
Installment sales of vehicles	31,300,000.00	6,260,000.00	25,040,000.00	62,600,000.00	12,520,000.00	50,080,000.00	93,900,000.00	9,390,000.00	84,510,000.00	
Long-term finance lease payments							327,525,524.17	2,295,591.56	325,229,932.61	
Long-term factoring receivables							71,534,644.85	848,328.04	70,686,316.81	
Financing installment of sales of goods							11,913,189.45	263,036.25	11,650,153.20	
Total	50,029,881.86	16,832,976.49	33,196,905.37	96,938,116.75	28,165,208.60	68,772,908.15	551,698,063.12	15,138,191.08	536,559,872.04	

(1) Borrowings from Guangzhou Winsky Zhixing New Energy Vehicle Co., Ltd. and its subsidiaries

Item<	Category	31 December 2021			31 December 2020			31 December 2019		
		Account balance	Bad debt provision	Book value	Account balance	Bad debt provision	Book value	Account balance	Bad debt provision	Book value
Winsky Gaoke Group Co., Ltd. (formerly Guangzhou Winsky Zhixing New Energy Vehicle Co., Ltd.)	Book value of long-term accounts receivable	8,272,719.08	3,309,087.64	4,963,631.44	15,166,651.64	3,791,662.91	11,374,988.73	20,681,797.70	1,034,089.88	19,647,707.82
Long-term receivables due within one year		12,945,438.16	5,178,175.26	7,767,262.90	7,051,505.59	1,762,876.40	5,288,629.19	4,136,359.54	206,817.98	3,929,541.56

Item<	Category	31 December 2021		31 December 2020		31 December 2019				
		Account balance	Bad debt provision	Book value	Account balance	Bad debt provision	Book value	Account balance	Bad debt provision	Book value
Shanghai Shenshan New Energy Vehicle Service Co., Ltd.	Book value of long-term accounts receivable	5,322,123.21	2,128,849.28	3,193,273.93	9,757,225.89	2,439,306.47	7,317,919.42	13,305,308.02	665,265.40	12,640,042.62
	Long-term receivables due within one year	10,644,246.42	4,257,698.57	6,386,547.85	6,209,143.75	1,552,285.94	4,656,857.81	2,661,061.61	133,053.08	2,528,008.53
Shenzhen Winsky Vehicle Sales & Service Co., Ltd.	Book value of long-term accounts receivable	5,135,039.57	5,135,039.57	9,414,239.22	9,414,239.22	9,414,239.22	12,837,598.93	12,837,598.93	641,879.95	12,195,718.98
	Long-term receivables due within one year	10,270,079.15	10,270,079.15	5,990,879.50	5,990,879.50	5,990,879.50	2,567,519.79	2,567,519.79	128,375.99	2,439,143.80
Total	Book value of long-term accounts receivable	18,729,881.86	10,572,976.49	8,156,905.37	34,338,116.75	15,645,208.60	18,692,908.15	46,824,704.65	2,341,235.23	44,483,469.42
	Long-term receivables due within one year	33,859,763.73	19,705,952.98	14,153,810.75	19,251,528.84	9,306,041.84	9,945,487.00	9,364,940.94	468,247.05	8,896,693.89

Explanation: The above-mentioned debts are funds originally loaned to the company when it was a subsidiary of the Company. In 2017, the Company transferred its equity interest in the relevant company to Guangzhou Winsky Zhixing New Energy Vehicle Co., Ltd. and agreed to extend the relevant borrowings to 31 December 2023, to be gradually returned in annual installments, with interest at no less than the bank loan interest rate for the same period. 18,251,528.84 RMB yuan of the receivables due as of the end of the year is overdue, and the Company has assessed the operating conditions and sources of repayment funds of the relevant companies. Among them, the Company has completely lost its influence on Shenzhen Winsky Vehicle Sales & Service Co., Ltd. due to the transfer out of all the equity interests held. Provision for impairment has been made for all previous years; Winsky Gaoke Group Co., Ltd. and Shanghai Shensuan New Energy Vehicle Service Co., Ltd. are still related companies over which the Company can exert significant influence. In view of the poor operating condition and failure to return the payment on the agreed date, the provision for bad debts was added to 40% at the end of the period.

(2) *Installment sales of vehicles*

Item<	31 December 2021		31 December 2020		31 December 2019	
	Account balance	Bad debt provision	Book value	Account balance	Bad debt provision	Book value
Book value of long-term accounts receivable	31,300,000.00	6,260,000.00	25,040,000.00	62,600,000.00	12,520,000.00	50,080,000.00
Long-term receivables due within one year	55,138,939.62	11,027,787.92	44,111,151.70	59,398,595.62	11,879,719.12	47,518,876.50
				68,600,000.00	6,860,000.00	61,740,000.00
				93,900,000.00	9,390,000.00	84,510,000.00

Explanation: It is the receivable formed from the sale of 200 new energy vehicles by the subsidiary Inner Mongolia Qingshan Automobile Co., Ltd. to Baotou Bus Transportation Group Co., Ltd. in 2017 of 197,500,000.00 RMB yuan, with a cumulative recovery of 111,061,060.38 RMB yuan as of 31 December 2021 and an ending balance of 86,438,939.62 RMB yuan. According to the original sales agreement the source of funding for the above amount is local finance. In 2018, according to the minutes of the special meeting of Baotou Municipal People's Government (2018) No. 94, the above amount was transferred to Baotou Bus Transportation Group Co., Ltd. to be returned in 6 years with interest, and the amount due in more than 12 months in the future was transferred to long-term receivables according to the repayment agreement.

Of the receivables due as of year-end, 23,838,939.62 RMB yuan was overdue. The Company has assessed the operation of Baotou City Bus Company and the source of funds for repayment and confirmed that the repayment relies on local government financial arrangements, so the credit risk of the receivables has not increased significantly, but the Company estimates that it will be difficult to achieve the original repayment plan as scheduled and has made provision for expected credit losses at 20%.

(3) *Long-term finance lease payments*

Item<	Ending balance		Opening balance		Discount rate interval (%)
	Account balance	Bad debt provision	Account balance	Bad debt provision	
Long-term finance lease receivables due within one year	641,426,147.60	16,713,596.87	624,712,550.73	4,608,539.37	0.69~17.57
Long-term finance lease receivables	327,525,524.17	2,295,591.56	325,229,932.61	362,729,633.39	0.69~17.57
Total	968,951,671.77	19,009,188.43	949,942,483.34	1,021,092,399.56	
Of which: Unrealized financing income	-77,790,294.46		-79,484,097.13	18,545,489.53	
				1,002,546,910.03	

Classification of long-term finance lease receivables by credit risk

Category	Account balance	Accrual proportion	Bad debt provision	Book value
		(%)		
Normal category with collective impairment	897,647,278.74	0.63	5,620,637.36	892,026,641.38
Overdue with individual impairment	71,304,393.03	18.78	13,388,551.07	57,915,841.96
Total	968,951,671.77		19,009,188.43	949,942,483.34

Note: Bad debt provision for finance lease receivables of 463,698.90 RMB yuan was made during the period.

(4) The funds of sales of goods in the form of financial installment are resulted from the financial leasing business in the form of medical facility installment, as shown below:

Item<	Ending balance			Opening balance		
	Account balance	Bad debt provision	Book value	Account balance	Bad debt provision	Book value
Accounts receivable — first installment of sales of goods received in installments	5,400,000.00	119,228.84	5,280,771.16	11,262,200.00	78,311.00	11,183,889.00
Installment sales of goods due within one year	5,449,012.86	120,311.02	5,328,701.84	3,339,496.47	23,376.48	3,316,119.99
Financing installment of sales of goods	11,913,189.45	263,036.25	11,650,153.20	12,354,806.69	86,483.64	12,268,323.05
Total	22,762,202.31	502,576.11	22,259,626.20	26,956,503.16	188,171.12	26,768,332.04
Of which: Unrealized financing income	-2,673,130.97			-2,632,490.26		

Installment of sales of goods by credit risk

Category	Account balance	Accrual proportion	Bad debt provision	Book value
		(%)		
Normal category with collective impairment	22,762,202.31	2.21	502,576.11	22,259,626.20
Overdue with individual impairment				
Total	22,762,202.31		502,576.11	22,259,626.20

Note: A bad debt provision of 314,404.99 RMB yuan for the installment of sales of goods.

2. *Provision for bad debts of long-term receivables*

Category	2018.12.31	Adjustment for changes in accounting policies	2019.1.1	Amount of change in the current period			31 December 2019
				Accrual	Recovery or reversal	Non-current assets transferred to be due within one year	
Bad debt provision	34,649,163.09		34,649,163.09	3,406,955.85	312,164.70	22,605,763.16	15,138,191.08
Total	34,649,163.09		34,649,163.09	3,406,955.85	312,164.70	22,605,763.16	15,138,191.08

Category	31 December 2019	Accrual	Recovery or reversal	Amount of change in the current period	
				Withdrawal from the consolidation scope	31 December 2020
Bad debt provision	15,138,191.08	26,703,967.15		13,676,949.63	28,165,208.60
Total	15,138,191.08	26,703,967.15		13,676,949.63	28,165,208.60

Category	31 December 2020	Accrual	Recovery or reversal	Amount of change in the current period	
				Bad debt reserves transferred into long-term receivables due within one year	31 December 2021
Bad debt provision	28,165,208.60	2,039,226.34		13,371,458.45	16,832,976.49
Total	28,165,208.60	2,039,226.34		13,371,458.45	16,832,976.49

3. *No long-term receivables derecognized due to transfer of financial assets*

4. *No transfer of long-term receivables and continued involvement in the amount of assets and liabilities formed*

(XIII) Long-term equity investment

Invested unit	Increase and decrease in the current period										
	2018.12.31	Cost method to equity method	Additional investment	Decreased investment	Profit and loss on investments confirmed under the equity method	Adjustment of other comprehensive incomes	Change in other equities	Cash dividends or profits declared to be issued	Transferred to assets held for sale	31 December 2019	Ending balance of impairment provision
1. joint ventures											
Ningbo Liweimeng Energy Storage System Co., Ltd..	169,487,592.59				-26,000,079.80	6,518,248.69				150,005,761.48	
Subtotal	169,487,592.59				-26,000,079.80	6,518,248.69				150,005,761.48	
2. associates											
Ningbo Lekake Clothing Co., Ltd.	34,801,858.95				1,770,184.27		-1,146,198.00		-35,425,845.22		
Ningbo Shanjing Clothing Co., Ltd.	19,979,202.50			-4,760,586.00	503,653.63				-15,722,270.13		
Ningbo Airport Logistics Development Co., Ltd. . .	149,187,716.48				6,572,459.04					155,760,175.52	
Shanghai Shanshan Chuanghui Venture Capital Management Co., Ltd.	8,553,359.61				176,868.29					8,730,227.90	
Xinjiang Huaxia Jingrong Equity Investment Management Co., Ltd. . .	867,697.85			-838,506.39	-29,191.46						
Zhejiang Chouzhou Commercial Bank Co., Ltd.	1,278,026,950.74				123,494,791.42	-1,383,922.46	-75,299.33	-24,726,000.00		1,375,336,520.37	65,000,000.00
Ningbo Shanshan Yongjiang Real Estate Co., Ltd. . . .	40,164,914.41				-1,400,320.40					38,764,594.01	

Increase and decrease in the current period

Invested unit	2018.12.31	Cost method to equity method	Additional investment	Decreased investment	Profit and loss on investments confirmed under the equity method	Adjustment of other comprehensive incomes	Change in other equities	Cash dividends or profits declared to be issued	Transferred to assets held for sale	31 December 2019	Ending balance of impairment provision
Shenzhen FY Financial Control Asset Management Co., Ltd.	4,975,436.42				-4,975,436.42						
Yongshang Industrial Co., Ltd.		20,000,000.00			-590,472.34					19,409,527.66	
Suiyong Holdings Co., Ltd.	936,000,000.00				9,384,417.79	-11,954,868.18	-830,771.74			932,598,777.87	
Shenzhen Yichuang Shanshan Equity Investment Management Co., Ltd.	6,068,156.15				-78,658.89					5,989,497.26	
Ningbo Shantai Photovoltaic Power Generation Co., Ltd.	2,163,190.24				337,835.16					2,501,025.40	
Guangzhou Winsky Zhixing New Energy Vehicle Co., Ltd.	8,802,046.42			-1,760,409.28	-9,747,377.17		8,372,102.59			5,666,362.56	
Anhui Shanyue Technology Co., Ltd.	2,586,452.57				-1,269,328.96					1,317,123.61	
Fujian Evergreen New Energy Technology Co., Ltd.	7,010,014.45		22,500,000.00		-2,386,751.74					27,123,262.71	
Beijing Shanshan Kaili New Energy Technology Co., Ltd.		879,399.96			-879,399.96						
Subtotal	2,499,186,996.79	879,399.96	42,500,000.00	-7,359,501.67	120,883,272.26	-13,338,790.64	7,466,031.52	-25,872,198.00	-51,148,115.35	2,573,197,094.87	65,000,000.00
Total	2,668,674,589.38	879,399.96	42,500,000.00	-7,359,501.67	94,883,192.46	-13,338,790.64	13,984,280.21	-25,872,198.00	-51,148,115.35	2,723,202,856.35	65,000,000.00

Increase and decrease in the current period

Invested unit	Cost method to equity method		Additional 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	31 December 2020	Ending balance of impairment provision
	31 December 2019	method									
1. joint ventures											
Ningbo Liweimeng Energy Storage System Co., Ltd.	150,005,761.48			-38,486,548.91						111,519,212.57	
Subtotal	150,005,761.48			-38,486,548.91						111,519,212.57	
2. associates											
Ningbo Airport Logistics Development Co., Ltd.	155,760,175.52			4,239,650.88						159,999,826.40	
Shanghai Shanshan Chuanghui Venture Capital Management Co., Ltd.	8,730,227.90			2,144,043.40			-4,000,000.00			6,874,271.30	
Zhejiang Chouzhou Commercial Bank Co., Ltd.	1,310,336,520.37			113,771,950.51	-398,344.17		-24,726,000.00	-15,000,000.00		1,383,984,126.71	80,000,000.00
Ningbo Shanshan Yongjiang Real Estate Co., Ltd.	38,764,594.01			-160,834.00						38,603,760.01	
Shenzhen FY Financial Control Asset Management Co., Ltd.											
Yongshang Industrial Co., Ltd.	19,409,527.66			-580,053.01						18,829,474.65	
Suiyong Holdings Co., Ltd.	932,598,777.87			-72,309,739.05	-11,748,951.02					848,540,087.80	
Shenzhen Yuanshan Private Equity Investment Management Co., Ltd.	5,989,497.26			264,697.04						6,254,194.30	

Increase and decrease in the current period

Invested unit	31 December 2019	Cost method to equity method	Additional 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	31 December 2020	Ending balance of impairment provision
Ningbo Shantai Photovoltaic Power Generation Co., Ltd.	2,501,025.40			50,439.03						2,551,464.43	
Guangzhou Winsky Zhixing New Energy Vehicle Co., Ltd.	5,666,362.56			-5,229,888.78						436,473.78	
Anhui Shanyue Technology Co., Ltd.	1,317,123.61			-1,100,536.60		3,245,984.78		2,236,250.46		5,698,822.25	
Fujian Evergreen New Energy Technology Co., Ltd.	27,123,262.71			12,639,342.54						39,762,605.25	
Shanshan Brand Management Co., Ltd.		38,553,411.69		15,780.66						38,569,192.35	
FY Financial (Shenzhen) Co., Ltd.		88,978,937.41								88,978,937.41	
Beijing Shanshan Kaili New Energy Technology Co., Ltd.											
Subtotal	2,508,197,094.87	127,532,349.10		53,744,852.62	-12,147,295.19	3,245,984.78	-28,726,000.00	-15,000,000.00	2,236,250.46	2,639,083,236.64	80,000,000.00
Total	2,658,202,856.35	127,532,349.10		15,258,303.71	-12,147,295.19	3,245,984.78	-28,726,000.00	-15,000,000.00	2,236,250.46	2,750,602,449.21	80,000,000.00

Invested unit	Increase and decrease in the current period										Ending balance of impairment provision	
	31 December 2020	Adjustment to opening amount	Cost method to equity method	Additional 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	Disposal and transfer out		31 December 2021
1. joint ventures												
Ningbo Liweineng Energy Storage System Co., Ltd.	111,519,212.57				-25,263,267.39	72,308,135.37					158,564,080.55	
Subtotal	111,519,212.57				-25,263,267.39	72,308,135.37					158,564,080.55	
2. associates												
Ningbo Airport Logistics Development Co., Ltd.	159,999,826.40				3,682,543.87						163,682,370.27	
Shanghai Shanshan Chuanghui Venture Capital Management Co., Ltd.	6,874,271.30				3,085,366.91						9,959,638.21	
FY Financial (Shenzhen) Co., Ltd.	88,978,937.41				2,239,233.95				-91,218,171.36			
Zhejiang Chouzhou Commercial Bank Co., Ltd.	1,383,984,126.71	-38,595,442.16			122,727,158.99	-242,797.12	-24,726,000.00	-57,050,000.00			1,386,851,462.42	137,050,000.00
Ningbo Shaoqi Property Services Co., Ltd.	38,603,760.01				205,524.22						38,809,284.23	
Shenzhen FY Financial Control Asset Management Co., Ltd.												
Yongshang Industrial Co., Ltd.	18,829,474.65				-234,011.89							
Suiyong Holdings Co., Ltd.	848,540,087.80				50,427,695.97	34,974,288.81			-18,595,462.76		946,579,005.24	
Shenzhen Yuanshan Private Equity Investment Management Co., Ltd.	6,254,194.30				522,051.03						4,936,082.35	
Shanshan Brand Management Co., Ltd.	38,569,192.35				2,398,205.42						40,967,397.77	

Increase and decrease in the current period

Invested unit	31 December 2020	Adjustment to opening amount	Cost method to equity method	Additional 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	Disposal and transfer out	31 December 2021	Ending balance of impairment provision
Ningbo Shantai Photovoltaic Power Generation Co., Ltd.	2,551,464.43				37,197.25						2,588,661.68	
Winsky Gaoke Group Co., Ltd. (formerly Guangzhou Winsky Zhixing New Energy Vehicle Co., Ltd.)	436,473.78				436,473.78							
Anhui Shanyue Technology Co., Ltd.	5,698,822.25				-1,048,570.29						4,650,251.96	
Fujian Evergreen New Energy Technology Co., Ltd.	39,762,605.25				12,430,060.55					-52,192,665.80		
Inner Mongolia Mengji New Carbon Material Co., Ltd.				53,747,400.00	8,867,998.43						62,615,398.43	
Inner Mongolia Hengsheng New Energy Technology Co., Ltd.				50,400,000.00	2,916,666.67						53,316,666.67	
BASF Shanshan Battery Materials Co., Ltd. (formerly Human Shanshan Energy Technology Co., Ltd.)			3,350,130,000.00		101,738,622.09						3,451,868,622.09	
Subtotal	2,639,083,236.64		3,350,130,000.00	104,147,400.00	309,559,269.39	13,391,348.66	34,731,491.69	-24,726,000.00	-57,050,000.00	-163,846,462.90	6,166,824,841.32	137,050,000.00
Total	2,750,602,449.21		3,350,130,000.00	104,147,400.00	284,296,002.00	13,391,348.66	107,039,627.06	-24,726,000.00	-57,050,000.00	-163,846,462.90	6,325,388,921.87	137,050,000.00

(XIV) Investment in other equity instruments

1. Investments in other equity instruments

Item	31 December 2021	31 December 2020	31 December 2019
Investments in other equity instruments — Investments in listed equity instruments	881,742,983.68	2,748,588,740.91	4,230,960,924.35
Investments in other equity instruments — Investments in unlisted equity instruments	36,916,462.76	69,321,000.00	48,677,889.21
Total	918,659,446.44	2,817,909,740.91	4,279,638,813.56

2. Investment in non-trading equity instruments

31 December 2021/Year 2021

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	4,950,000.00	264,000,000.00	(206,769,195.36)	686,607,205.40	Strategic purpose, plan to hold for long term	Disposal
Of which:						
Bank of Ningbo.				249,397,780.58		
Luoyang Molybdenum	4,950,000.00	264,000,000.00		437,209,424.82		
Australia AJM			-188,332,133.47			
Others			-18,437,061.89			
Investments in other equity instruments — Investments in unlisted equity instruments	4,075,000.00	1,121,000.00	-1,407,000.00	5,357,206.03		
Total	9,025,000.00	265,121,000.00	-208,176,195.36	691,964,411.43		

31 December 2020/Year 2020

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	39,285,110.13	1,249,554,171.76	-247,538,880.13	502,488,574.56	Strategic purpose, plan to hold for long term	Disposal
Of which:						
Bank of Ningbo.	19,023,330.00	302,108,272.00		472,991,502.10		
Luoyang Molybdenum	20,261,780.13	947,445,899.76		29,497,072.46		
Australia AJM			-225,883,583.93			
Others			-21,655,296.20			
Investments in other equity instruments — Investments in unlisted equity instruments	2,295,000.00	34,397,273.37	-21,007,000.00			
Total	41,580,110.13	1,283,951,445.13	-268,545,880.13	502,488,574.56		

Item	Cumulative amount changes in fair value included in other comprehensive income	Dividend income recognized in the current period	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 . . .	1,559,239,360.55	90,662,718.72	755,598,026.64	Strategic purpose, plan to hold for long term	Disposal
Investments in other equity instruments — Investments in unlisted equity instruments . .		4,080,000.00		Strategic purpose, plan to hold for long term	

(XV) Other non-current financial assets

Item	31 December 2021	31 December 2020	31 December 2019
Financial assets at fair value through profit or loss	102,604,599.78	103,684,599.78	104,292,854.51
Of which: Investment in debt instruments			
Investments in equity instruments	102,604,599.78	103,684,599.78	104,292,854.51
Derivative financial assets			
Others			
Financial assets designated at fair value through profit or loss			
Of which: Investment in debt instruments			
Others			
Total	102,604,599.78	103,684,599.78	104,292,854.51

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

(XVI) Fixed assets**1. Fixed assets and fixed assets liquidation**

Item	31 December 2021	31 December 2020	31 December 2019
Fixed assets	7,462,553,986.06	5,823,422,538.74	4,782,160,099.32
Liquidation of fixed assets	805,649.67		
Total	7,463,359,635.73	5,823,422,538.74	4,782,160,099.32

2. Fixed assets

Item	House and building	Machinery equipment	Transportation equipment	Other equipment	Fixed assets decoration	Total
1. Original book value						
(1) 2018.12.31	1,635,694,066.55	3,018,924,657.32	109,207,947.74	163,959,749.63	70,977,222.12	4,998,763,643.36
(2) Amount increased in the current period.						
— Purchase.	404,964,929.41	942,554,330.08	3,453,893.34	135,597,336.65	12,819,605.28	1,499,390,094.76
— Transfer in of construction in progress.	33,898,599.93	2,783,054.72	1,981,254.27	122,533,130.76	1,697,193.63	162,893,233.31
— Increase in business consolidation	371,066,329.48	939,771,275.36	1,472,639.07	13,064,205.89	11,122,411.65	1,336,496,861.45
—						
(3) Amount decreased in the current period.						
— Disposal or scrapping . . .	202,902.74	135,164,356.68	19,711,615.54	153,113,009.64	4,222,518.22	312,414,402.82
— Exit consolidation	202,902.74	95,321,364.68	17,415,950.71	2,939,360.57	4,222,518.22	120,102,096.92
— Transferred to held for sale		39,085,847.23		259,225.52		39,345,072.75
—		757,144.77	2,295,664.83	149,914,423.55		152,967,233.15
—						
(4) 31 December 2019	2,040,456,093.22	3,826,314,630.72	92,950,225.54	146,444,076.64	79,574,309.18	6,185,739,335.30
2. Accumulated depreciation						
(1) 2018.12.31	300,919,890.43	729,992,534.54	61,753,303.04	82,123,021.88	7,587,556.47	1,182,376,306.36
(2) Amount increased in the current period.						
— Accrual	63,101,681.38	249,634,470.59	12,705,839.09	88,111,270.95	9,891,793.88	423,445,055.89
—	63,101,681.38	249,634,470.59	12,705,839.09	88,111,270.95	9,891,793.88	423,445,055.89
—						
(3) Amount decreased in the current period.						
— Disposal or scrapping . . .	32,341.62	107,528,368.93	15,494,946.20	96,598,300.20	532,460.27	220,186,417.22
— Exit consolidation	32,341.62	68,449,978.10	13,316,924.02	2,330,316.00	532,460.27	84,662,020.01
— Transferred to held for sale		38,759,933.89	—	113,823.05		38,873,756.94
—		318,456.94	2,178,022.18	94,154,161.15		96,650,640.27
—						
(4) 31 December 2019	363,989,230.19	872,098,636.20	58,964,195.93	73,635,992.63	16,946,890.08	1,385,634,945.03
3. Impairment reserve						
(1) 2018.12.31		3,059,544.70	4,195,482.34	4,946,419.33		12,201,446.37
(2) Amount increased in the current period.						
— Accrual		5,314,343.86	238,138.85	190,361.87		5,742,844.58
—		5,314,343.86	238,138.85	190,361.87		5,742,844.58
—						
(3) Amount decreased in the current period.						
— Disposal or scrapping . . .						
—						
(4) 31 December 2019		8,373,888.56	4,433,621.19	5,136,781.20		17,944,290.95
4. Book value						
(1) Book value as of 31 December 2019	1,676,466,863.03	2,945,842,105.96	29,552,408.42	67,671,302.81	62,627,419.10	4,782,160,099.32
(2) Book value as of 31 December 2018	1,334,774,176.12	2,285,872,578.08	43,259,162.36	76,890,308.42	63,389,665.65	3,804,185,890.63

Item	House and building	Machinery equipment	Transportation equipment	Other equipment	Fixed assets decoration	Total
1. Original book value						
(1) 31 December 2019	2,040,456,093.22	3,826,314,630.72	92,950,225.54	146,444,076.64	79,574,309.18	6,185,739,335.30
(2) Amount increased in the current period.						
— Purchase.	495,212,720.32	1,125,577,558.23	827,680.87	9,608,956.97	6,264,443.67	1,637,491,360.06
— Transfer in of construction in progress	46,287,318.93	34,284,327.91	827,680.87	4,182,841.77	595,491.15	86,177,660.63
— Increase in business consolidation	448,925,401.39	1,091,293,230.32		5,426,115.20	5,668,952.52	1,551,313,699.43
—						
(3) Amount decreased in the current period.						
— Disposal or scrapping . . .	17,062,780.34	53,926,721.80	15,626,045.90	7,362,283.29	20,509,866.32	114,487,697.65
— Exit consolidation	17,062,780.34	43,893,369.42	15,269,011.42	3,365,722.24	12,339,030.44	91,929,913.86
— Transferred to construction in progress		5,795,877.50	357,034.48	3,996,561.05	8,143,039.82	18,292,512.85
—		4,237,474.88			27,796.06	4,265,270.94
—						
(4) 31 December 2020	2,518,606,033.20	4,897,965,467.15	78,151,860.51	148,690,750.32	65,328,886.53	7,708,742,997.71
2. Accumulated depreciation						
(1) 31 December 2019	363,989,230.19	872,098,636.20	58,964,195.93	73,635,992.63	16,946,890.08	1,385,634,945.03
(2) Amount increased in the current period.						
— Accrual	80,394,997.14	380,967,367.10	7,183,299.76	21,380,543.47	10,018,318.47	499,944,525.94
—	80,394,997.14	380,967,367.10	7,183,299.76	21,380,543.47	10,018,318.47	499,944,525.94
—						
(3) Amount decreased in the current period.						
— Disposal or scrapping . . .	10,183,141.27	17,091,460.41	14,243,812.37	3,222,848.47	6,143,446.00	50,884,708.52
— Exit consolidation	10,183,141.27	15,344,650.47	13,892,993.09	2,347,760.70	3,801,269.04	45,569,814.57
— Transferred to construction in progress.		1,746,809.94	350,819.28	875,087.77	2,335,292.21	5,308,009.20
—					6,884.75	6,884.75
—						
(4) 31 December 2020	434,201,086.06	1,235,974,542.89	51,903,683.32	91,793,687.63	20,821,762.55	1,834,694,762.45
3. Impairment reserve						
(1) 31 December 2019		8,373,888.56	4,433,621.19	5,136,781.20		17,944,290.95
(2) Amount increased in the current period.						
— Accrual		27,084,523.89		10,212.80	10,960,417.83	38,055,154.52
—		27,084,523.89		10,212.80	10,960,417.83	38,055,154.52
—						
(3) Amount decreased in the current period.						
— Disposal or scrapping . . .		5,373,748.95				5,373,748.95
—		5,373,748.95				5,373,748.95
—						
(4) 31 December 2020		30,084,663.50	4,433,621.19	5,146,994.00	10,960,417.83	50,625,696.52
4. Book value						
(1) Book value as of 31 December 2020						
	2,084,404,947.14	3,631,906,260.76	21,814,556.00	51,750,068.69	33,546,706.15	5,823,422,538.74
(2) Book value as of 31 December 2019						
	1,676,466,863.03	2,945,842,105.96	29,552,408.42	67,671,302.81	62,627,419.10	4,782,160,099.32

Item	House and building	Machinery equipment	Transportation equipment	Other equipment	Fixed assets decoration	Total
1. Original book value						
(1) 31 December 2020	2,518,606,033.20	4,897,965,467.15	78,151,860.51	148,690,750.32	65,328,886.53	7,708,742,997.71
(2) Amount increased in the current period.						
— Purchase.	6,901,302.43	37,808,244.63	6,335,803.76	16,323,054.90	9,042,286.70	76,410,692.42
— Transfer in of construction in progress.	276,781,862.57	816,789,625.78	1,467,504.16	24,700,833.75	3,428,530.68	1,123,168,356.94
— Increase in business consolidation	603,335,792.00	2,825,300,339.00	618,624.06	99,858,183.44		3,529,112,938.50
—						
(3) Amount decreased in the current period.						
— Disposal or scrapping . . .	2,082,797.68	118,750,636.88	23,237,081.13	15,378,556.05	7,052,239.40	166,501,311.14
— Exit consolidation	780,398,578.47	1,498,980,240.67	13,772,016.88	94,050,282.14	4,074,770.31	2,391,275,888.47
— Transferred to construction in progress.		28,227,259.30				28,227,259.30
—						
(4) 31 December 2021	2,623,143,614.05	6,931,905,539.71	49,564,694.48	180,143,984.22	66,672,694.20	9,851,430,526.66
2. Accumulated depreciation						
(1) 31 December 2020	434,201,086.06	1,235,974,542.89	51,903,683.32	91,793,687.63	20,821,762.55	1,834,694,762.45
(2) Amount increased in the current period.						
— Accrual	97,323,253.13	719,269,645.52	6,089,237.66	39,876,124.09	13,234,870.41	875,793,130.81
— Increase in business consolidation	27,121,770.00	45,365,658.13	523,676.87	19,498,573.00		92,509,678.00
(3) Amount decreased in the current period.						
— Disposal or scrapping . . .	398,062.55	55,053,535.72	21,658,841.07	12,357,336.29	5,371,955.80	94,839,731.43
— Exit consolidation	80,933,845.78	514,412,141.83	9,967,058.54	49,041,379.93	1,574,983.65	655,929,409.73
— Transferred to construction in progress.		3,730,157.67				3,730,157.67
—						
(4) 31 December 2021	477,314,200.86	1,427,414,011.32	26,890,698.24	89,769,668.50	27,109,693.51	2,048,498,272.43
3. Impairment reserve						
(1) 31 December 2020		30,084,663.50	4,433,621.19	5,146,994.00	10,960,417.83	50,625,696.52
(2) Amount increased in the current period.						
— Accrual		234,020,859.12	798,434.10	45,000,000.00	14,629,782.17	294,449,075.39
—		234,020,859.12	798,434.10	45,000,000.00	14,629,782.17	294,449,075.39
(3) Amount decreased in the current period.						
— Disposal or scrapping . . .		4,686,290.94		10,212.80		4,696,503.74
—		4,686,290.94		10,212.80		4,696,503.74
(4) 31 December 2021						
		259,419,231.68	5,232,055.29	50,136,781.20	25,590,200.00	340,378,268.17
4. Book value						
(1) Book value as of						
31 December 2021	2,145,829,413.19	5,245,072,296.71	17,441,940.95	40,237,534.52	13,972,800.69	7,462,553,986.06
(2) Book value as of						
31 December 2020	2,084,404,947.14	3,631,906,260.76	21,814,556.00	51,750,068.69	33,546,706.15	5,823,422,538.74

3. Temporarily idle fixed assets

31 December 2021

Item	Original book value	Accumulated depreciation	Impairment reserve	Book value	Remarks
House and building	130,660,294.55	21,391,709.11		109,268,585.44	
Machinery equipment	499,180,001.00	177,759,572.52	224,892,228.55	96,528,199.93	
Transportation equipment	5,703,701.70	2,936,866.68	598,434.10	2,168,400.92	
Others	2,131,881.48	1,950,673.37		181,208.11	
Total	637,675,878.73	204,038,821.68	225,490,662.65	208,146,394.40	

31 December 2020

Item	Original book value	Accumulated depreciation	Impairment reserve	Book value	Remarks
House buildings	139,440,614.40	17,052,204.55		122,388,409.85	
Machinery equipment	60,223,087.31	11,066,450.38		49,156,636.93	
Transportation equipment	6,053,146.14	2,452,350.60		3,600,795.54	
Others	2,114,360.97	1,660,272.48		454,088.49	
Total	207,831,208.82	32,231,278.01		175,599,930.81	

31 December 2019

Item	Original book value	Accumulated depreciation	Impairment reserve	Book value	Remarks
Machinery equipment	9,528,986.05	2,673,510.31	5,314,343.86	1,541,131.88	
Electronic devices	511,276.06	334,815.04	88,230.50	88,230.52	
Transportation equipment	736,102.26	259,824.56	238,138.85	238,138.85	
Others	371,312.10	167,049.37	102,131.37	102,131.36	
Total	11,147,676.47	3,435,199.28	5,742,844.58	1,969,632.61	

4. Fixed assets leased in through finance leases

31 December 2020

Item	Original book value	Accumulated depreciation	Impairment reserve	Book value
Machinery equipment	736,176,700.92	64,147,500.30		672,029,200.62
Total	736,176,700.92	64,147,500.30		672,029,200.62

31 December 2019

Item	Original book value	Accumulated depreciation	Impairment reserve	Book value
Machinery equipment	700,590,358.09	124,671,805.42		575,918,552.67
Total	700,590,358.09	124,671,805.42		575,918,552.67

5. *Fixed assets leased out through operating leases*

Item	Book value		
	31 December 2021	31 December 2020	31 December 2019
House and building	228,289,516.98	204,055,773.69	133,015,706.88
Transportation equipment	1,461,904.01	5,361,883.52	8,191,014.15
Total	229,751,420.99	209,417,657.21	141,206,721.03

6. *Fixed assets without proper certificate of title as of 31 December 2021*

Item	Book value	Reasons for not completing the certificate of title
House and building	709,719,782.36	Self-built factory building whose right certificate is still in process

7. *Liquidation of fixed assets*

Item	31 December 2021	31 December 2020	31 December 2019
Fixed assets	805,649.67		
Total	805,649.67		

(XVII) **Construction in progress**

1. *Construction in progress and construction materials*

Item	31 December 2021	31 December 2020	31 December 2019
Construction in progress	2,021,814,458.07	984,631,270.37	1,532,160,308.18
Engineering materials	526,922.00	6,094,248.12	2,317,326.48
Total	2,022,341,380.07	990,725,518.49	1,534,477,634.66

2. Construction in progress

Item	31 December 2021			31 December 2020			31 December 2019		
	Book balance	Impairment reserve	Book value	Book balance	Impairment reserve	Book value	Book balance	Impairment reserve	Book value
Polarizer Guangzhou 3# 4# production line	672,695,914.37		672,695,914.37						
Polarizer technology reform project	49,911,075.48		49,911,075.48						
Polarizer IT development project									
Polarizer Zhangjiagang	56,528,070.37		56,528,070.37						
New R&D base for new materials in Shanghai	4,342,400.19		4,342,400.19						
Cathode (Meishan) Project	3,131,673.77		3,131,673.77						
Cathode (Inner Mongolia) 100,000 tons (Phase II)	574,770,400.07		574,770,400.07				780,537,861.41		780,537,861.41
Anode material capacity expansion supporting project	93,778,075.97		93,778,075.97	19,376,926.86		19,376,926.86	37,117,149.42		37,117,149.42
Electrolyte and supporting project (Phase II) with an annual output of 50,000 tons	21,846,300.84		21,846,300.84				33,310,100.41		33,310,100.41
Lithium salt technical reform project	14,300,356.02		14,300,356.02						
New energy vehicle charging station project	4,300,127.18	175,437.33	4,124,689.85	4,801,964.51		4,801,964.51	8,605,764.35		8,605,764.35
Distributed solar PV power plant	44,358,126.20		44,358,126.20	44,588,706.59		44,588,706.59	53,969,943.57		53,969,943.57
Solar module production line project	453,097.34		453,097.34	5,082,970.87		5,082,970.87	11,696,482.47		11,696,482.47
Energy storage projects	51,082.52		51,082.52	349,247.66		349,247.66	7,618,265.39		7,618,265.39
45,000-ton lithium salt project	480,450,465.01		480,450,465.01	103,682,506.74		103,682,506.74	1,819,936.69		1,819,936.69
Others	1,072,730.07		1,072,730.07	10,607,245.59		10,607,245.59	8,152,437.65		8,152,437.65
Lugu relocation workshop project				16,217,940.99		16,217,940.99	17,451,420.77		17,451,420.77
Anode material technology reform project									
Ningxia lithium battery cathode material project with an annual output of 12,000 tons				16,557,261.68		16,557,261.68	29,784,555.98		29,784,555.98
Ningxia lithium battery cathode material project with an annual output of 16,000 tons				228,559,134.52		228,559,134.52	232,753,058.06		232,753,058.06
Ningxia lithium battery cathode material project with an annual output of 4,500 tons				59,307,304.19		59,307,304.19			
Hunan Dachangsha Base (Phase I, Stage I) 14,400-ton lithium cathode material project and R&D base and living support project				475,500,060.17		475,500,060.17	16,868,733.81		16,868,733.81
Changsha 100,000-ton lithium cathode project (Phase I)	2,021,989,895.40	175,437.33	2,021,814,458.07	984,631,270.37		984,631,270.37	1,532,160,308.18		1,532,160,308.18
Total									

3. Changes in significant construction-in-progress projects

Project name	Budget amount	Amount		Other amount decreased in the current period	31 December 2019	Proportion of cumulative project investment in budget (%)	Project progress	Cumulative amount of interest capitalization	Of which:		
		2018.12.31	Amount increased in the current period						Amount transferred to fixed assets in the current period	Amount of interest capitalized during the period	Capitalization rate of interest in the current period (%)
35,000 tons of negative electrode material capacity expansion project	644 million RMB yuan	61,972,560.13	99,351,037.43	124,165,098.15	37,117,149.42	88	Complete completion of the Ningbo plant; Fujian plant infrastructure has been fully completed, and the northern line has been installed and put into operation; Chenzhou graphitization plant has been completed and put into operation, raw material plant infrastructure has been completed, and equipment commissioning is in progress	739,590.69	302,237.25	4.46	Raised funds, self-owned funds, and borrowings
Annual output of 100,000 tons of lithium-ion battery anode materials, Phase I (60,000 tons)	2.185 billion RMB yuan	292,922,729.85	717,041,029.92	229,425,898.36	780,537,861.41	70	Phase I project plant construction is basically completed, and equipment installation and commissioning is in progress				Raised funds, self-owned funds
Anode material technology reform project		14,912,536.57	10,551,407.05	8,012,522.85	17,451,420.77						Self-financing
Ningxia lithium battery cathode material project with an annual output of 12,000 tons	672 million RMB yuan	289,747,189.35	62,635,830.66	322,598,464.03	29,784,555.98	87	Plant construction is completed, the main equipment has been installed and commissioned, and some equipment is being installed and commissioned	15,394,847.07	5,082,910.40	5.40	Self-financing, borrowing

Project name	Budget amount	2018.12.31	Amount transferred to		31 December 2019	Proportion of cumulative project investment in budget (%)	Project progress	Cumulative amount of interest capitalization	Of which:		Source of funds
			Amount increased in the current period	fixed assets in the current period					Other amount decreased in the current period	Amount of interest capitalized during the period	
Ningxia lithium battery cathode material project with an annual output of 16,000 tons	336 million RMB yuan	55,659,909.36	177,093,148.70	232,753,058.06	69	Plant construction is basically completed, and machine and equipment installation and commissioning are in progress	3,114,970.22	3,114,970.22	5.40	Self-financing, borrowing	
Ningxia lithium battery cathode material project with an annual output of 4,500 tons	185 million RMB yuan	16,483,402.71	16,483,402.71	16,483,402.71	9	Plant under construction	1,824,478.35	1,824,478.35	5.40	Self-financing, borrowing	
Ningxia staff dormitory and supporting facilities	20 million RMB yuan	19,893,568.15	1,656,887.75	385,331.10	100	The dormitory is completed and the Muslim restaurant is under construction				Self-financing	
Changsha 100,000-ton lithium cathode project Phase I & 14,400-ton lithium cathode materials project and R&D base and living support project	727 million RMB yuan	161,474,198.75	280,397,497.57	292,474,598.20	61	1 workshop has been put into operation; Construction of 2 workshop plants has been basically completed, and equipment installation and commissioning are in progress; Other plants are under construction	1,128,190.52			Self-financing, borrowing	
Electrolyte and supporting project with an annual production capacity of 50,000 tons	436 million RMB yuan	111,569,193.58	19,599,240.57	33,310,100.41	90	20,000 tons of electrolyte production line (Phase I) has been completed, supporting 2,000 tons of lithium salt production line, four of which have been installed and commissioned, and the remaining two are still in the commissioning process	12,079,613.46	3,623,906.83	4.28	Self-financing, borrowing	

Project name	Budget amount	Amount		Other amount decreased in the current period	31 December 2019	Proportion of cumulative project investment in budget (%)	Project progress	Cumulative amount of interest capitalization	Of which:		Source of funds
		Amount increased in the current period	Amount transferred to fixed assets in the current period						Amount of interest capitalized during the period	Capitalization rate of interest in the current period	
New energy vehicle charging station project		5,162,252.77	27,612,954.32	24,169,442.74	8,605,764.35	(%)					
Inner Mongolia new energy vehicle factory project		75,471.70	8,151,661.21	8,227,132.91							Self-financing, borrowing
Distributed solar PV power plant	2.33 billion RMB yuan	116,660,248.82	176,521,345.52	239,107,710.06	53,969,943.57	80	Individual power station is carried forward upon completion, with a total of 8 power stations under construction at the end of the period, with an installed capacity of 11.58 MW	437,828.44	437,828.44	4.82	Self-financing, borrowing
Solar module production line project	85 million RMB yuan	800,000.02	63,159,963.42	52,263,480.97	11,696,482.47	69	Basically completed, remaining piecemeal equipment not yet accepted	437,828.44	437,828.44	4.82	Self-financing, borrowing
LJC Project		1,602,241.94	577,249.40	2,179,491.34							Raised funds
Energy storage projects		509,333.24	63,290,846.07	56,181,913.92	7,618,265.39						Self-financing
25,000-ton lithium salt project	700 million RMB yuan		1,819,936.69		1,819,936.69						Self-financing
Others		2,164,338.39	12,902,813.29	1,745,149.46	8,152,437.65						
Total		1,135,125,772.62	1,738,846,252.28	1,336,496,861.45	5,314,855.27			34,719,518.75	14,386,331.49		

Other decreases are mainly the carryover of improvements such as renovations and repairs to long-term deferred expense.

Project name	Budget amount	31 December 2019	Amount increased in the current period	Transferred in the period Amount of fixed assets	Others in the period Reduction amount	31 December 2020	Proportion of cumulative project investment in budget (%)	Project progress	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
35,000 tons of negative electrode material capacity expansion project		37,117,149.42	9,568,628.92	45,934,118.93	751,659.41			Completed	10,636.49	10,636.49	4.46	Raised funds + Self-financing + Borrowing
Lithium-ion battery anode material project (Phase I) with an annual output of 100,000 tons	2.185 billion RMB yuan	780,537,861.41	303,505,893.77	1,084,043,755.18				Completed				Raised funds
Anode material technology reform project		17,836,751.87	3,157,331.34	4,776,142.22		16,217,940.99						Self-financing
Ningxia lithium battery cathode material project with an annual output of 12,000 tons		29,784,555.98	3,983,297.45	17,210,591.75		16,557,261.68		Plant and equipment have been completed with new additional projects	3,220,770.00	3,220,770.00	5.15	Self-financing + Borrowing
Ningxia lithium battery cathode material project with an annual output of 16,000 tons	336 million RMB yuan	232,753,058.06	88,524,556.77	92,718,480.31		228,559,134.52	93	Plant construction is basically completed, and machine and equipment installation and commissioning are in progress	6,059,087.66	1,119,639.09	4.75	Self-financing + Borrowing
Ningxia lithium battery cathode material project with an annual output of 4,500 tons	185 million RMB yuan	16,483,402.71	42,823,901.48			59,307,304.19	31	Plant construction is in progress, and machine and equipment installation and commissioning are in progress				Self-financing + Borrowing
Human Dechangsha Base (Phase I, Stage I) 14,400-ton lithium cathode material project and R&D base and living support project	727 million RMB yuan	292,474,598.20	217,800,172.47	34,774,710.50		475,500,060.17	80	1 workshop has been put into operation; Construction of 2 workshop plants has been basically completed, and equipment installation and commissioning are in progress; R&D base and other projects under construction				Self-financing + Borrowing

Project name	Budget amount	31 December 2019	Amount increased in the current period	Transferred in the period Amount of fixed assets	Others in the period Reduction amount	31 December 2020	Proportion of cumulative project investment in budget (%)	Project progress	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
Electrolyte and supporting project with an annual production capacity of 50,000 tons		33,310,100.41	31,703,362.94	65,013,463.35			Completed	2,075,843.60	978,565.34	4.275	Self-financing + Borrowing	
New energy vehicle charging station project		8,605,764.35	11,386,442.21	14,987,061.60	203,180.45	4,801,964.51					Self-financing	
Anode material capacity expansion supporting project			21,070,238.86	2,405,101.38	600.00	18,664,537.48		Machine equipment and software systems are being installed and commissioned			Self-financing	
Distributed solar PV power plant	40.36 MW	53,969,943.57	57,062,604.06	64,920,767.35	1,523,073.69	44,588,706.59		Individual power station is carried forward upon completion, with a total of 11 power stations under construction at the end of the period, with an installed capacity of 14.75 MW			Self-financing	
Solar module production line project	128 million RMB yuan	11,696,482.47	58,397,401.30	65,010,912.90		5,082,970.87	94	Plant construction is basically completed, and machine and equipment installation and commissioning are in progress			Self-financing	
Energy storage projects		7,618,265.39	35,896,747.44	43,146,415.17	19,350.00	349,247.66					Self-financing + Borrowing	
25,000-ton lithium salt project	700 million RMB yuan	1,819,936.69	101,862,570.05			103,682,506.74	15	Plant under construction	457,132.22	4.25	Self-financing + Borrowing	
Others		8,152,437.65	20,596,625.03	15,551,634.09	1,877,793.62	11,319,634.97					Self-financing	
Total		1,532,160,308.18	1,007,339,774.09	1,550,493,154.73	4,375,687.17	984,631,270.37			11,823,469.97	5,786,743.14		

Project name	Budget amount	31 December 2020	Amount increased in the current period	Amount transferred to fixed assets in the current period	Other amount decreased in the current period	Transfer-out from changes in scope of consolidation during the period	31 December 2021	Proportion of cumulative project investment in budget (%)	Project progress	Cumulative amount of interest capitalization	Of which:		Source of funds
											Amount of interest capitalized during the period	Capitalization rate of interest in the current period (%)	
Polarizer Guangzhou 3# 4# production line	1.171 billion yuan	672,695,914.37	672,695,914.37				672,695,914.37	57.00	Equipment installation in progress				Self-financing
Polarizer technology reform project.		280,713,491.00	177,387,220.58	53,415,194.94			49,911,075.48						
Polarizer IT development project.	2.187 billion yuan	21,947,967.13	4,214,766.76	17,733,200.37									
Polarizer Zhangjiagang project.		56,528,070.37	56,528,070.37				56,528,070.37	3.00	Infrastructure construction in progress				Self-financing
New R&D base for new materials in Shanghai	600 million RMB yuan	43,482,400.19	39,140,000.00				4,342,400.19	2.00	Land purchase completed, infrastructure design				
Cathode (Meishan) Project.	8 billion yuan	76,310,038.77	73,178,365.00				3,131,673.77	1.00	Land purchase completed, infrastructure design				
Cathode (Inner Mongolia) 100,000 tons (Phase II).	1.535 billion yuan	584,424,944.01	9,654,543.94				574,770,400.07	39.00	Infrastructure completion, equipment commissioning				
Anode material capacity expansion supporting project.		19,376,926.86	350,051,277.73	275,371,212.94	258,915.68		93,778,075.97		Machine equipment and software systems are being installed and commissioned	751,750.00	751,750.00		Self-financing
Electrolyte and supporting project (Phase II) with an annual output of 50,000 tons.	180 million RMB yuan	21,846,300.84	21,846,300.84				21,846,300.84		The plant is still under construction			0.04	Self-financing + Borrowing
Lithium salt technical reform project.		21,339,541.47	7,039,185.45				14,300,356.02						
New energy vehicle charging station project.		4,801,964.51	7,183,127.29	7,586,354.99	98,609.63		4,300,127.18						Self-financing

Project name	Budget amount	31 December		Transfer-out from changes in scope of consolidation during the period	Other amount decreased in the current period	Amount transferred to fixed assets in the current period	Amount increased in the current period	31 December 2020	31 December 2021	Proportion of cumulative project investment in budget (%)	Project progress	Cumulative amount of interest capitalization	Of which:		Source of funds
		2020	2021										Amount of interest capitalized during the period	Capitalization rate of interest in the current period (%)	
Distributed solar PV power plant.	11.8 MW	44,588,706.59	44,358,126.20			42,863,771.02	42,633,190.63		44,358,126.20	(%)	Individual power station is carried forward upon completion, with a total of four power stations under construction at the end of the period, two of which are substantially completed, with an installed capacity of 6.25 MW; Another 2 are in module states with 5.55 MW installed capacity				Self-financing + Borrowing
Solar module production line project	128 million RMB yuan	5,082,970.87	453,097.34			13,463,550.86	8,833,677.33		453,097.34	94.03	Plant construction is basically completed, and machine and equipment installation and commissioning are in progress				Self-financing
Energy storage projects		349,247.66	51,082.52			1,406,706.51	1,108,541.37		51,082.52						Self-financing
45,000-ton lithium salt project.	700 million RMB yuan	103,682,506.74	480,450,465.01			225,884.96	376,993,843.23		480,450,465.01	68.64	Plant construction in progress, equipment installation and commissioning in progress	10,751,798.30	10,294,666.08	0.04	Self-financing + Borrowing
Others.		10,607,245.59	1,072,730.07			14,395,976.80	4,861,461.28		1,072,730.07						Self-financing
Lugu relocation workshop project.			368,278.19	368,278.19			368,278.19						188,284.72	188,284.72	
Anode material technology reform project.		16,217,940.99	20,937,111.57	20,937,111.57		18,973,383.76	23,692,554.34								Self-financing

Project name	Budget amount	31 December 2020	Amount increased in the current period	Amount transferred to fixed assets in the current period	Other amount decreased in the current period	Transfer-out from changes in scope of consolidation during the period	31 December 2021	Proportion of cumulative project investment in budget (%)	Project progress	Cumulative amount of interest capitalization	Of which:	
											Amount of interest capitalized during the period	Capitalization rate of interest in the current period
Ningxia lithium battery cathode material project with an annual output of 12,000 tons.	37 million RMB yuan	16,557,261.68	2,370,804.53	16,978,174.40		1,949,891.81		91.26	The plant and equipment are all completed with additional projects		0.05	Self-financing + Borrowing
Ningxia lithium battery cathode material project with an annual output of 16,000 tons.	336 million RMB yuan	228,559,134.52	5,274,552.82	148,393,630.70		85,440,056.64		93.19	The construction of the plant is basically completed, and the machinery and equipment are being installed and commissioned	7,094,947.66	0.05	Self-financing + Borrowing
Ningxia lithium battery cathode material project with an annual output of 4,500 tons.	185 million RMB yuan	59,307,304.19	86,055,066.79	1,721,782.24		143,640,588.74		31.45	Plant construction is in progress, and machine and equipment installation and commissioning are in progress	637,199.25		Self-financing + Borrowing
Hunan Dachangsha Base (Phase I, Stage I) 14,400-ton lithium cathode material project and R&D base and living support project.	727 million RMB yuan	475,500,060.17	38,562,162.12	397,119,718.88		116,942,503.41		80.15	1 workshop has been put into operation. Construction of 2 workshop plans has been basically completed, and equipment installation and commissioning are in progress. R&D base and other projects under construction			Self-financing + Borrowing
Total		984,631,270.37	2,727,257,205.80	1,122,399,887.99	198,220,262.42	369,278,430.36	2,021,989,895.40			19,423,979.93		12,907,760.05

Explanation: Other decrease in construction in progress mainly represents the transfer of land acquisition to intangible assets; The carryover of improvements works such as repairs to long-term deferred expense.

4. Provision for impairment of construction in progress for the current reporting period

Item	Accrued amount			Reason for accrual
	Year 2021	Year 2020	Year 2019	
New energy vehicle charging station project	175,437.33			Stopped construction, to be reported as damage
Total	175,437.33			

5. Engineering materials

Item	31 December 2021		31 December 2020		31 December 2019	
	Book balance	Impairment reserves for engineering materials	Book balance	Impairment reserves for engineering materials	Book balance	Impairment reserves for engineering materials
Materials for charging pile project.	7,618,446.02	7,091,524.02	6,094,248.12	6,094,248.12	2,317,326.48	2,317,326.48
Total	7,618,446.02	7,091,524.02	6,094,248.12	6,094,248.12	2,317,326.48	2,317,326.48

(XVIII) Right of use assets

Item	House and building	Machinery equipment	Site	Automobiles	Others	Total
1. Original book value						
(1) Balance as of 1 Jan. 2021 . . .						
(2) Amount increased in the current period	1,009,492,993.65	252,704,159.37	152,749,847.74	474,432.19	4,866,053.90	1,420,287,486.85
— New lease	963,942,599.99	252,704,159.37	1,401,178.17	474,432.19	4,866,053.90	1,223,388,423.62
— Increase in business consolidation						
— Revaluation adjustment . .						
— Adjust the operating lease at the beginning of the year according to the new standards	45,550,393.66		151,348,669.57			196,899,063.23
(3) Amount decreased in the current period				203,904.94		203,904.94
— Transferred out to fixed assets						
— Disposal				203,904.94		203,904.94
(4) Balance as of 31 December 2021	1,009,492,993.65	252,704,159.37	152,749,847.74	270,527.25	4,866,053.90	1,420,083,581.91
2. Accumulated depreciation						
(1) Balance as of 1 Jan. 2021 . . .						
(2) Amount increased in the current period	47,173,780.02	206,686.25	13,190,639.92	420,189.42	1,208,725.70	62,200,021.31
— Accrual	47,173,780.02	206,686.25	13,190,639.92	420,189.42	1,208,725.70	62,200,021.31
(3) Amount decreased in the current period				196,038.27		196,038.27
— Transferred out to fixed assets						
— Disposal				196,038.27		196,038.27
(4) Balance as of 31 December 2021	47,173,780.02	206,686.25	13,190,639.92	224,151.15	1,208,725.70	62,003,983.04
3. Impairment reserve						
(1) Balance as of 1 Jan. 2021 . . .						
(2) Amount increased in the current period						
— Accrual						
(3) Amount decreased in the current period						
— Transferred out to fixed assets						
— Disposal						
(4) Balance as of 31 December 2021						
4. Book value						
(1) Book value as of 31 December 2021	962,319,213.63	252,497,473.12	139,559,207.82	46,376.10	3,657,328.20	1,358,079,598.87
(2) Book value as of 1 Jan. 2021						

(XIX) Intangible assets**1. Intangible assets**

Item	Land-use right	Patent right	Software and others	Total
1. Original book value				
(1) 2018.12.31	545,286,739.02	55,659,290.10	20,068,933.17	621,014,962.29
(2) Amount increased in the current period . . .	248,368,472.26		5,367,141.22	253,735,613.48
— Purchase.	248,368,472.26		5,367,141.22	253,735,613.48
— Internal R&D				
— Increase in business consolidation				
—.....				
(3) Amount decreased in the current period. . .			4,862,136.33	4,862,136.33
— Disposal.				
— Transferred to assets held for sale			4,862,136.33	4,862,136.33
—.....				
(4) 31 December 2019	793,655,211.28	55,659,290.10	20,573,938.06	869,888,439.44
2. Accumulated amortization				
(1) 2018.12.31	48,974,391.02	40,502,676.50	6,062,345.92	95,539,413.44
(2) Amount increased in the current period . . .	14,303,612.55	2,494,009.72	3,017,971.44	19,815,593.71
— Accrual	14,303,612.55	2,494,009.72	3,017,971.44	19,815,593.71
—.....				
(3) Amount decreased in the current period. . .			1,058,284.43	1,058,284.43
— Disposal.				
— Transferred to assets held for sale			1,058,284.43	1,058,284.43
—.....				
(4) 31 December 2019	63,278,003.57	42,996,686.22	8,022,032.93	114,296,722.72
3. Impairment reserve				
(1) 2018.12.31		8,460,000.00		8,460,000.00
(2) Amount increased in the current period . . .			384,950.81	384,950.81
— Accrual			384,950.81	384,950.81
—.....				
(3) Amount decreased in the current period. . .				
— Disposal.				
— Transferred to assets held for sale				
—.....				
(4) 31 December 2019		8,460,000.00	384,950.81	8,844,950.81
4. Book value				
(1) Book value as of 31 December 2019.	730,377,207.71	4,202,603.88	12,166,954.32	746,746,765.91
(2) Book value as of 31 December 2018.	496,312,348.00	6,696,613.60	14,006,587.25	517,015,548.85

Item	Land-use right	Patent right	Software and others	Total
1. Original book value				
(1) 31 December 2019	793,655,211.28	55,659,290.10	20,573,938.06	869,888,439.44
(2) Amount increased in the current period . . .	112,214,776.98	48,543.69	7,353,538.74	119,616,859.41
— Purchase.	112,214,776.98	48,543.69	7,353,538.74	119,616,859.41
— Internal R&D				
— Increase in business consolidation				
—.....				
(3) Amount decreased in the current period. . .			3,415,657.31	3,415,657.31
— Disposal.				
— Enterprise exit and consolidation			3,415,657.31	3,415,657.31
—.....				
(4) 31 December 2020	905,869,988.26	55,707,833.79	24,511,819.49	986,089,641.54
2. Accumulated amortization				
(1) 31 December 2019	63,278,003.57	42,996,686.22	8,022,032.93	114,296,722.72
(2) Amount increased in the current period . . .	16,757,164.34	2,426,297.54	3,265,517.44	22,448,979.32
— Accrual	16,757,164.34	2,426,297.54	3,265,517.44	22,448,979.32
—.....				
(3) Amount decreased in the current period. . .			391,676.94	391,676.94
— Disposal.				
— Enterprise exit and consolidation			391,676.94	391,676.94
—.....				
(4) 31 December 2020	80,035,167.91	45,422,983.76	10,895,873.43	136,354,025.10
3. Impairment reserve				
(1) 31 December 2019		8,460,000.00	384,950.81	8,844,950.81
(2) Amount increased in the current period . . .				
— Accrual				
—.....				
(3) Amount decreased in the current period. . .				
— Disposal.				
— Enterprise exit and consolidation				
—.....				
(4) 31 December 2020		8,460,000.00	384,950.81	8,844,950.81
4. Book value				
(1) Book value as of 31 December 2020.	825,834,820.35	1,824,850.03	13,230,995.25	840,890,665.63
(2) Book value as of 31 December 2019.	730,377,207.71	4,202,603.88	12,166,954.32	746,746,765.91

Item	Land-use right	Patent right	Software and others	Customer relationship	Total
1. Original book value					
(1) 31 December 2020	905,869,988.26	55,707,833.79	24,511,819.49		986,089,641.54
(2) Amount increased in the current period					
— Purchase	188,848,431.22	39,140,000.00	57,436,429.31		285,424,860.53
— Internal R&D					
— Increase in business consolidation	87,544,797.87	651,138,143.46	19,497,111.29	153,000,000.00	911,180,052.62
—					
(3) Amount decreased in the current period					
— Disposal		656,781.35			656,781.35
— Invalid and derecognized parts	327,242,872.21		8,162,127.71		335,404,999.92
—					
(4) 31 December 2021	855,020,345.14	745,329,195.90	93,283,232.38	153,000,000.00	1,846,632,773.42
2. Accumulated amortization					
(1) 31 December 2020	80,035,167.91	45,422,983.76	10,895,873.43		136,354,025.10
(2) Amount increased in the current period					
— Accrual	19,929,813.97	61,562,048.14	6,000,822.40	14,025,000.00	101,517,684.51
— Increase in business consolidation	3,318,397.87	567,505.34			3,885,903.21
(3) Amount decreased in the current period					
— Disposal		393,725.17			393,725.17
— Enterprise consolidation and exit	26,546,299.57		4,120,914.14		30,667,213.71
—					
(4) 31 December 2021	76,737,080.18	107,158,812.07	12,775,781.69	14,025,000.00	210,696,673.94
3. Impairment reserve					
(1) 31 December 2020		8,460,000.00	384,950.81		8,844,950.81
(2) Amount increased in the current period					
— Accrual					
—					
(3) Amount decreased in the current period					
— Disposal					
— Invalid and derecognized parts					
—					
(4) 31 December 2021		8,460,000.00	384,950.81		8,844,950.81
4. Book value					
(1) Book value as of 31 December 2021	778,283,264.96	629,710,383.83	80,122,499.88	138,975,000.00	1,627,091,148.67
(2) Book value as of 31 December 2020	825,834,820.35	1,824,850.03	13,230,995.25		840,890,665.63

2. Single intellectual property with significant impact

It is the acquisition of intellectual property rights related to the LCD polarizer business, mainly 1,071 patents and applications and 1,843 know-how.

3. Intellectual property with restricted ownership or use rights

Item	31 December 2021	Year 2021	31 December 2020	Year 2020	31 December 2019	Year 2019
	Book value	Current amortization	Book value	Current amortization	Book value	Current amortization
Intangible assets — Patent rights <i>Note 1</i>		1,720,000.00				
Intangible assets — Land use rights <i>Note 2</i>	109,169,438.06	2,235,551.64				
Total	109,169,438.06	3,955,551.64				

Note 1: All loans are used for pledge. See Note V (XXIII) “Short term loans” for details.

Note 2: All loans are used for mortgage. See Note V (XXXIII) “Long term loans” for details.

(XX) Goodwill

1. Changes in goodwill

Name of investee or matters forming goodwill	2018.12.31	Increase in the current period	Decrease in the current period	31 December 2019
		Formed by business consolidation	Disposal	
Original book value				
Shanshan New Material (Quzhou) Co., Ltd. <i>Note 1</i>	13,258,015.81		7,185,467.35	6,072,548.46
Xi’an Lvyuan Zhongxing New Energy Vehicle Technology Co., Ltd.	1,357,164.25			
Huzhou Shanshan New Energy Technology Co., Ltd.	148,044,702.20			148,044,702.20
Subtotal	162,659,882.26		7,185,467.35	155,474,414.91
Impairment reserve				
Shanshan New Material (Quzhou) Co., Ltd. <i>Note 1</i>	13,258,015.81		7,185,467.35	6,072,548.46
Xi’an Lvyuan Zhongxing New Energy Vehicle Technology Co., Ltd.				
Huzhou Shanshan New Energy Technology Co., Ltd.	20,000,000.00			20,000,000.00
Subtotal	33,258,015.81		7,185,467.35	26,072,548.46
Book value	129,401,866.45			129,401,866.45

Note 1: Shanshan New Material (Quzhou) Co., Ltd. was acquired in 2016, and the asset group is used to produce lithium hexafluorophosphate, a pre-process raw material for electrolyte. Due to the huge fluctuations in the market price of lithium hexafluorophosphate, the production cost of fluorine gas method has fallen below the economic threshold and the production line was stopped in 2018. The goodwill was impaired to zero at the end of 2018 following an impairment test. In 2019, the Management Layer considered and approved the disposal of the whole production line of lithium hexafluorophosphate by the fluorine gas process as a whole, and a disposal agreement has been signed, so the disposed asset group is transferred to assets held for sale, of which the goodwill acquired in the business consolidation is allocated to this asset group of 7,185,467.35 RMB yuan, and the provision for impairment of goodwill of 7,185,467.35 RMB yuan is transferred together.

The remaining asset group after disposal is a workshop building for production use. The Management Layer expects to negotiate with the minority shareholder of the subsidiary on the repurchase and use the net expected repurchase value less disposal costs to calculate the future recoverable amount, and the net recoverable amount is expected to cover only the book value of the asset group, so the full provision for impairment of goodwill is maintained. (This goodwill is not repeated below)

Name of investee or matters forming goodwill	31 December 2019	Increase in the current period		Decrease in the current period		31 December 2020
		Formed by business consolidation	Disposal	
Original book value						
Shanshan New Material (Quzhou) Co., Ltd. Note 1 . . .	6,072,548.46				6,072,548.46	
Xi'an Lvyuan Zhongxing New Energy Vehicle Technology Co., Ltd.	1,357,164.25					1,357,164.25
Huzhou Shanshan New Energy Technology Co., Ltd.	148,044,702.20					148,044,702.20
Subtotal	155,474,414.91				6,072,548.46	149,401,866.45
Impairment reserve						
Shanshan New Material (Quzhou) Co., Ltd.	6,072,548.46				6,072,548.46	
Xi'an Lvyuan Zhongxing New Energy Vehicle Technology Co., Ltd. Note 2			1,357,164.25			1,357,164.25
Huzhou Shanshan New Energy Technology Co., Ltd.	20,000,000.00					20,000,000.00
Subtotal	26,072,548.46		1,357,164.25		6,072,548.46	21,357,164.25
Book value	129,401,866.45		-1,357,164.25			128,044,702.20

Note 1: Shanshan New Material (Quzhou) Co., Ltd. was acquired in 2016, and the asset group is used to produce lithium hexafluorophosphate, a pre-process raw material for electrolyte. Due to the huge fluctuations in the market price of lithium hexafluorophosphate, the production cost of fluorine gas method has fallen below the economic threshold and the production line was stopped in 2018. The goodwill was impaired to zero at the end of 2018 as a result of an impairment test. In 2019, the entire production line of lithium hexafluorophosphate by the fluorine gas process was considered and approved by the Management Layer to be disposed of in its entirety, and the goodwill acquired in the business consolidation and its provision for impairment were allocated to this asset group and transferred to assets held for sale together. During the demolition of the production line in 2020, the plant structure was also damaged and the walls and roofs disintegrated and fell off. Considering that the company does not have the conditions for replacement, the Management Layer of the Company has considered the dismantling of the production line equipment and plant together in order to reduce the safety risks. Therefore, the goodwill and provision for impairment corresponding to the remaining plant asset group of 6,072,548.46 RMB yuan will be fully transferred out in 2020.

Note 2: Xi'an Lvyuan Zhongxing New Energy Vehicle Technology Co., Ltd. has resolved to dissolve and end its operations due to an operating dispute with a minority shareholder, and has established a liquidation group. The Management Layer of the Company expects no recoverable assets in the future and the goodwill is fully impaired.

Name of investee or matters forming goodwill	31 December 2020	Increase in the current period		Decrease in the current period		31 December 2021
		Formed by business consolidation	Disposal	
Original book value						
Xi'an Lvyuan Zhongxing New Energy Vehicle Technology Co., Ltd.	1,357,164.25					1,357,164.25
Huzhou Shanshan New Energy Technology Co., Ltd.	148,044,702.20					
Polarizer business		786,569,420.22				786,569,420.22
Subtotal	149,401,866.45	786,569,420.22				935,971,286.67
Impairment reserve						
Xi'an Lvyuan Zhongxing New Energy Vehicle Technology Co., Ltd.	1,357,164.25					1,357,164.25
Huzhou Shanshan New Energy Technology Co., Ltd.	20,000,000.00					20,000,000.00
Subtotal	21,357,164.25					21,357,164.25
Book value	128,044,702.20	786,569,420.22				

2. Information about the asset group or combination of asset groups corresponding to goodwill

- 1) The polarizer business formed by the acquisition of LG Chem's LCD polarizer business and related assets in mainland China and South Korea, and the asset group corresponding to goodwill includes fixed assets, intangible assets, construction in progress, long-term deferred expense, right-of-use assets, and lease liabilities.
- 2) Huzhou Shanshan New Energy Technology Co., Ltd. is an industrial enterprise that manufactures anode materials for lithium-ion batteries. The asset group of goodwill includes fixed assets, intangible assets and long-term deferred expense.

3. Goodwill impairment testing process, key parameters (e.g. estimated period growth rate at present value of expected future cash flows, stabilization period growth rate, profitability, discount rate, forecast period, etc., if applicable) and goodwill impairment loss recognition method

	Polarizer business	Huzhou Shanshan New Energy Technology Co., Ltd.
Book value of asset groups excluding goodwill	4,790,629,816.43	37,009,383.77
Goodwill (including goodwill of non-controlling interests)	786,569,420.22	148,044,702.20
Book value of asset groups containing goodwill as a whole	5,577,199,236.65	185,054,085.97
Future recoverable amounts	13,765,560,000.00	179,000,000.00
Impairment loss on goodwill recognized at the beginning of the period		20,000,000.00
Impairment loss on goodwill for the period		
Impairment loss on goodwill recognized at the end of the period		20,000,000.00
Of which: goodwill impairment loss attributable to equity owners of the Company should be recognized		20,000,000.00

Note 1: The Company measured the estimated recoverable amount of the asset group of polarizer business with reference to the valuation results of the *Asset Valuation Report on the Recoverable Amount of the Asset Group Containing Goodwill of ShanJin Optoelectronics (Suzhou) Co., Ltd. Involved in the Goodwill Impairment Test of Ningbo Shanshan Co., Ltd.* (Y. X. P. B. Zi (2022) SH No. 0006) prepared by YinXin Appraisal Co., Ltd. The recoverable amount of the asset group corresponding to goodwill is determined based on the present value of the estimated future cash flows of the asset group, and its estimated future cash flows are determined based on a five-year financial budget. The recoverable amount of the asset group containing goodwill is 13,765,560,000 RMB yuan, and there is no risk of impairment of goodwill in the current period.

Note 2: When Huzhou Shanshan New Energy Technology Co., Ltd. conducts goodwill impairment testing, the estimated recoverable amount of the asset group is calculated based on the budget approved by the Management Layer for a five-year period using the method of cash flow forecast. The Company's Management Layer determines the growth rate and gross margin based on historical experience and forecasts of market developments, and uses a pre-tax rate that reflects the specific risks of the asset group as the discount rate.

Key parameters of projected future cash flows

	Polarizer business	Huzhou Shanshan New Energy Technology Co., Ltd.
Rate of growth	The Management Layer determined the growth rates of operating income for the 5-year period to be 1.34%, 1.73%, 2.44%, 1.37%, 0.21%; and the perpetuity rate of growth is 0% based on historical experience and forecasts of market development	The Management Layer determined the growth rates of operating income for the 5-year period to be 8%, 7%, 4.93%, 3% and 3% based on historical experience and forecasts of market development
Profit rate	Calculation based on projected revenue, costs, expenses, etc.	Calculation based on projected revenue, costs, expenses, etc.
Discount rate	12.24%	11.63%

4. Impact of goodwill impairment testing

Other instructions: The Company performed impairment tests on the above goodwill at the end of the year. In performing goodwill impairment tests, the Company compares the book value of the relevant assets or a portfolio of assets asset group (including goodwill) with their recoverable amounts, and if the recoverable amount is less than the book value, the relevant difference is included into profit or loss for the current period.

During the year, the Company assessed the recoverable amount of goodwill and no additional provision for impairment of goodwill was required.

(XXI) Long-term deferred assets

Item	2018.12.31	Amount increased in the current period	Amortization amount in the current period	Assets transferred for sale	31 December 2019
Expenses for leased-in fixed assets improvement	50,530,313.24	36,265,205.11	24,081,949.35	1,432,084.63	61,281,484.37
Total	50,530,313.24	36,265,205.11	24,081,949.35	1,432,084.63	61,281,484.37
				Withdrawal from the consolidation scope in the current period	
Item	31 December 2019	Amount increased in the current period	Amortization amount in the current period	Withdrawal from the consolidation scope in the current period	31 December 2020
Expenses for leased-in fixed assets improvement	61,281,484.37	33,388,805.08	28,363,058.93	96,811.67	66,210,418.85
Total	61,281,484.37	33,388,805.08	28,363,058.93	96,811.67	66,210,418.85
				Withdrawal from the consolidation scope in the current period	
Item	31 December 2020	Amount increased in the current period	Amortization amount in the current period	Withdrawal from the consolidation scope in the current period	31 December 2021
Expenses for leased-in fixed assets improvement	66,210,418.85	77,177,586.29	40,316,116.95	31,125.00	103,040,763.19
Total	66,210,418.85	77,177,586.29	40,316,116.95	31,125.00	103,040,763.19

(XXII) The deferred income tax assets and the deferred income tax liabilities**1. Deferred income tax assets without offsetting**

Item	31 December 2021		31 December 2020		31 December 2019	
	Deductible temporary differences	Deferred income tax assets	Deductible temporary differences	Deferred income tax assets	Deductible temporary differences	Deferred income tax assets
Credit impairment losses	202,325,441.82	43,752,467.23	275,438,946.56	41,136,835.57	319,855,160.21	56,857,607.14
Impairment reserves of assets	384,062,179.04	94,533,903.04	123,139,622.10	25,780,943.56	41,847,560.02	5,745,910.97
Unrealized gross profit within the consolidation scope . . .	95,024,406.73	21,727,960.03	60,150,405.60	12,392,922.04	61,604,576.51	12,635,104.25
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	210,802,542.48	52,700,635.62	210,802,542.48	52,700,635.62
Deductible losses	10,213,765.40	1,532,064.81	41,945,814.64	6,291,872.20	13,334,851.07	2,000,227.66
Payment of fees for shares not yet exercised	8,036,934.59	2,009,233.64	9,953,709.03	2,488,427.26	3,962,142.33	990,535.58
Income recognized by tax, not yet recognized for accounting purposes	130,025,352.10	19,702,301.72	90,030,666.68	15,190,375.19	56,379,560.71	10,939,589.78
Expenditure recognized by accounting, not yet recognized for tax purposes	79,063,334.38	16,042,952.65	15,452,844.73	2,317,926.71	29,404,623.10	5,099,186.14
Changes in fair value of other equity instruments included in other comprehensive income	204,000.00	51,000.00				
Total	1,072,848,950.58	240,325,267.25	826,914,551.82	158,299,938.15	737,191,016.43	146,968,797.14

2. Deferred income tax liabilities without offsetting

Item	31 December 2021		31 December 2020		31 December 2019	
	Taxable temporary differences	Deferred income tax liabilities	Taxable temporary differences	Deferred income tax liabilities	Taxable temporary differences	Deferred income tax liabilities
Changes in fair value of other equity instruments included in other comprehensive income	264,000,000.00	66,000,000.00	1,282,626,445.12	320,656,611.29	2,265,106,874.98	566,276,718.75
Changes in fair value of other non-current financial assets included in the profit and loss in the current period . .	3,790,000.00	947,500.00	4,870,000.00	1,217,500.00	3,570,000.00	892,500.00
Difference between accelerated depreciation tax and financial caliber of fixed assets	19,591,967.68	3,634,625.34	59,761,061.65	8,964,159.25	67,894,532.32	10,184,179.85
Changes in fair value of trading financial assets . . .			-384.15	-96.04		
Fair value adjustment to remaining equity method long-term investments . . .	1,237,956,808.36	309,489,202.09				
Total	1,525,338,776.04	380,071,327.43	1,347,257,122.62	330,838,174.50	2,336,571,407.30	577,353,398.60

(XXIII) Other non-current assets

Item	31 December 2021			31 December 2020			31 December 2019		
	Book balance	Impairment reserve	Book value	Book balance	Impairment reserve	Book value	Book balance	Impairment reserve	Book value
Prepayment for engineering equipment	202,053,956.06		202,053,956.06	83,081,805.64		83,081,805.64	191,066,971.16		191,066,971.16
Total	202,053,956.06		202,053,956.06	83,081,805.64		83,081,805.64	191,066,971.16		191,066,971.16

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

Item	31 December 2021	31 December 2020	31 December 2019
Pledge borrowings	9,900,000.00		57,000,000.00
Mortgage borrowings	39,000,000.00	118,122,833.34	
Guaranteed borrowings	3,479,593,765.83	1,135,025,013.80	2,068,258,598.62
Credit borrowings	787,894,430.55	1,343,669,618.34	1,421,683,305.55
Bill discounting	22,694,124.16		
Total	4,339,082,320.54	2,596,817,465.48	3,546,941,904.17

Note: Mortgage and pledge borrowings:

Mortgage and pledged borrowings as of 31 December 2021:

Item<	Original value of guarantee	Net value of guarantee	Beneficiary banks	Credit terms	Credit limit	Short-term borrowing balance
House, land			Qiujiang Agricultural and Commercial Bank, Nanhu Sub-branch	Mortgage		18,000,000.00
		81,891,069.29	CCB Quzhou Branch		114,398,800.00	17,000,000.00
	99,168,064.95		CCB Quzhou Branch			4,000,000.00
Patent right Note	8,600,000.00		South Taihu New District Sub-branch of Huzhou Wuxing Rural Commercial Bank Co., Ltd.	Pledges	37,800,000.00	9,900,000.00
Total	107,768,064.95	81,891,069.29			152,198,800.00	48,900,000.00

Note: It is a subsidiary company that borrowed money from banks by pledging four invention patents, including the preparation method of carbon anode active substance for lithium-ion battery and composite anode material for lithium-ion power battery and its preparation method, with the original book value of pledged patent rights of 8,600,000.00 RMB yuan and the accumulated amortization amount of 8,600,000.00 RMB yuan.

Mortgage and pledged borrowings as of 31 December 2020:

<u>Item<</u>	<u>Original value of guarantee</u>	<u>Net value of guarantee</u>	<u>Beneficiary banks</u>	<u>Credit terms</u>	<u>Credit limit</u>	<u>Short-term borrowing balance</u>
House, land	88,571,566.24	79,929,737.83	Qiujiang Agricultural and Commercial Bank, Nanhu Sub-branch	Mortgage	98,835,800.00	10,000,000.00
			Qiujiang Agricultural and Commercial Bank, Nanhu Sub-branch			8,000,000.00
House, land	83,611,396.86	69,867,459.16	Bank of China Ningxiang Sub-branch	Secured and guaranteed	300,000,000.00	60,069,666.67
Construction in progress	52,969,367.20	52,969,367.20	Agricultural Bank of China Shizuishan Branch	Secured and guaranteed	13,008,799.70	40,053,166.67
Intangible assets — Land use rights.	19,601,648.00	18,327,541.01				
Fixed assets — Machinery and equipment	7,252,830.36	6,886,411.33			32,832,073.95	
Fixed Assets — Buildings	19,556,355.03	19,292,887.48				
Total.	271,563,163.69	247,273,404.01			444,676,673.65	118,122,833.34

Mortgage and pledged borrowings as of 31 December 2019:

<u>Item<</u>	<u>Original value of guarantee</u>	<u>Net value of guarantee</u>	<u>Beneficiary banks</u>	<u>Credit terms</u>	<u>Credit limit</u>	<u>Short-term borrowing balance</u>
Other current assets — bank financial products	61,456,714.29	61,456,714.29	Minsheng Bank Ningbo Branch	Pledges	61,456,714.29	57,000,000.00
Total.	61,456,714.29	61,456,714.29			61,456,714.29	57,000,000.00

(XXV) NOTES PAYABLE

<u>Category</u>	<u>31 December 2021</u>	<u>31 December 2020</u>	<u>31 December 2019</u>
Banker's acceptance bill	1,243,478,441.76	1,176,769,090.87	1,077,372,818.68
Commercial acceptance bill	6,584,542.30		
Total	1,250,062,984.06	1,176,769,090.87	1,077,372,818.68

(XXVI) Account payable

1. Presentation of accounts payable

<u>Item</u>	<u>31 December 2021</u>	<u>31 December 2020</u>	<u>31 December 2019</u>
Payables for purchase of goods or labor services.	2,321,337,124.98	1,618,866,818.06	1,549,027,708.78
Total	2,321,337,124.98	1,618,866,818.06	1,549,027,708.78

(XXVII) Advances from customers**1. Presentation of account collected in advance**

Item	31 December 2021	31 December 2020	31 December 2019
Pre-paid rent and others	1,092,883.71	1,307,680.91	12,929,405.44
Equity in advance		25,500,000.00	
Advance receipts from sales of goods			46,432,987.31
Total	1,092,883.71	26,807,680.91	59,362,392.75

(XXVIII) Contract liabilities**1. Contract liabilities**

Item	31 December 2021	31 December 2020
Sales	112,277,738.49	56,324,485.79
Total	112,277,738.49	56,324,485.79

(XXIX) Employee benefits payable**1. Payroll payable list**

Item	2018.12.31	Increase in the current period	Decrease in the current period	Changes in the consolidation scope	Assets transferred for sale	31 December 2019
Short-term compensation	78,108,960.18	641,205,926.04	635,672,551.37	1,093,675.57	200,004.00	82,348,655.28
Welfare after demission — defined contribution plan	116,178.26	38,080,439.84	38,170,670.90			25,947.20
Dismissal welfare	42,037.08	7,375,192.98	6,335,394.54	2,117.22		1,079,718.30
Other welfares due within one year						
Total	78,267,175.52	686,661,558.86	680,178,616.81	1,095,792.79	200,004.00	83,454,320.78

Item	31 December 2019	Increase in the current period	Decrease in the current period	Changes in the consolidation scope	31 December 2020
Short-term compensation	82,348,655.28	599,001,207.20	594,494,982.34	1,858,656.76	84,996,223.38
Welfare after demission — defined contribution plan	25,947.20	4,390,333.35	4,404,764.97		11,515.58
Dismissal welfare	1,079,718.30	11,522,520.05	9,034,483.45	34,759.65	3,532,995.25
Other welfares due within one year					
Total	83,454,320.78	614,914,060.60	607,934,230.76	1,893,416.41	88,540,734.21

Item	31 December 2020	Increase in the current period	Decrease in the current period	Changes in the consolidation scope	31 December 2021
Short-term compensation . . .	84,996,223.38	1,030,915,402.81	907,595,891.99	22,478,505.88	185,837,228.32
Welfare after demission — defined contribution plan	11,515.58	57,678,049.71	56,568,461.94	757,233.07	363,870.28
Dismissal welfare	3,532,995.25	6,697,682.29	773,880.20		9,456,797.34
Other welfares due within one year					
Total	88,540,734.21	1,095,291,134.81	964,938,234.13	23,235,738.95	195,657,895.94

2. Short-term compensation list

Item	2018.12.31	Increase in the current period	Decrease in the current period	Changes in the consolidation scope	Assets transferred for sale	31 December 2019
(1) Wages, bonuses, allowances and subsidies	73,743,703.64	555,555,203.78	549,953,091.10	1,071,965.21	200,004.00	78,073,847.11
(2) Welfare expenses for the employees.	177,899.52	46,399,643.98	46,514,025.09	21,710.36		41,808.05
(3) Social insurance expenses.	62,966.40	21,442,317.98	21,492,603.51			12,680.87
Of which: Medical insurance premiums	54,682.58	18,428,999.08	18,472,640.74			11,040.92
Industrial injury insurance premiums	5,026.73	1,406,544.11	1,410,979.22			591.62
Maternity insurance premiums	3,257.09	1,606,774.79	1,608,983.55			1,048.33
(4) Housing accumulation fund	510,753.87	11,951,639.08	12,388,487.58			73,905.37
(5) Labor union expenditure and employee education expenses.	3,613,636.75	5,857,121.22	5,324,344.09			4,146,413.88
(6) Short-term paid absence						
(7) Short-term profit sharing plan.						
Total	78,108,960.18	641,205,926.04	635,672,551.37	1,093,675.57	200,004.00	82,348,655.28

Item	31 December 2019	Increase in the current period	Decrease in the current period	Changes in the consolidation scope	31 December 2020
(1) Wages, bonuses, allowances and subsidies	78,073,847.11	525,940,261.97	522,277,758.75	1,858,656.76	79,877,693.57
(2) Welfare expenses for the employees.	41,808.05	39,784,844.49	39,598,833.11		227,819.43
(3) Social insurance expenses	12,680.87	15,810,192.74	15,796,684.72		26,188.89
Of which: Medical insurance premiums	11,040.92	15,096,700.95	15,082,390.42		25,351.45
Industrial injury insurance premiums	591.62	308,369.40	308,961.02		
Maternity insurance premiums	1,048.33	405,122.39	405,333.28		837.44
(4) Housing accumulation fund	73,905.37	11,704,545.01	11,551,543.21		226,907.17
(5) Labor union expenditure and employee education expenses	4,146,413.88	5,761,362.99	5,270,162.55		4,637,614.32
(6) Short-term paid absence					
(7) Short-term profit sharing plan					
Total	82,348,655.28	599,001,207.20	594,494,982.34	1,858,656.76	84,996,223.38

Item	31 December 2020	Increase in the current period	Decrease in the current period	Changes in the consolidation scope	31 December 2021
(1) Wages, bonuses, allowances and subsidies	79,877,693.57	863,044,503.25	740,737,714.37	22,840,608.60	179,343,873.85
(2) Welfare expenses for the employees.	227,819.43	94,585,352.00	94,734,189.12	18,668.00	60,314.31
(3) Social insurance expenses	26,188.89	36,507,280.71	36,336,896.01	-39,778.84	236,352.43
Of which: Medical insurance premiums	25,351.45	32,930,056.55	32,773,246.08	-33,266.25	215,428.17
Industrial injury insurance premiums		2,273,866.48	2,260,216.66	-6,512.59	20,162.41
Maternity insurance premiums	837.44	1,303,357.68	1,303,433.27		761.85
(4) Housing accumulation fund	226,907.17	26,362,185.08	26,686,601.88	-356,644.00	259,134.37
(5) Labor union expenditure and employee education expenses	4,637,614.32	10,416,081.77	9,100,490.61	15,652.12	5,937,553.36
(6) Short-term paid absence					
(7) Short-term profit sharing plan					
Total	84,996,223.38	1,030,915,402.81	907,595,891.99	22,478,505.88	185,837,228.32

3. Defined contribution plan list

Item	2018.12.31	Increase in the current period	Decrease in the current period	Changes in the consolidation scope	Assets transferred for sale	31 December 2019
Basic endowment insurance	109,302.39	36,427,637.28	36,511,986.02			24,953.65
Unemployment insurance premiums	6,875.87	1,652,802.56	1,658,684.88			993.55
Total	116,178.26	38,080,439.84	38,170,670.90			25,947.20

Item	31 December 2019	Increase in the current period	Decrease in the current period	Changes in the consolidation scope	31 December 2020
Basic endowment insurance	24,953.65	4,339,877.26	4,353,361.48		11,469.43
Unemployment insurance premiums	993.55	50,456.09	51,403.49		46.15
Total	25,947.20	4,390,333.35	4,404,764.97		11,515.58

Item	31 December 2020	Increase in the current period	Decrease in the current period	Changes in the consolidation scope	31 December 2021
Basic endowment insurance	11,469.43	55,776,662.54	54,698,561.74	736,800.02	352,770.21
Unemployment insurance premiums	46.15	1,901,387.17	1,869,900.20	20,433.05	11,100.07
Total	11,515.58	57,678,049.71	56,568,461.94	757,233.07	363,870.28

(XXX) Taxes payable

Tax items	31 December 2021	31 December 2020	31 December 2019
Value added tax	51,598,692.40	48,105,160.62	28,780,261.33
Enterprise income tax	648,774,270.12	355,528,365.37	129,516,165.50
Individual income tax	3,968,329.74	1,283,328.38	1,718,805.57
Urban maintenance and construction tax	674,687.91	2,233,932.01	1,352,873.86
House property tax	9,104,390.33	6,993,908.42	7,791,480.96
Education surcharges	1,486,956.11	2,138,079.02	1,185,746.67
Land use tax	3,977,034.45	2,684,516.92	2,895,549.90
Others	3,253,113.13	895,542.06	545,374.50
Total	722,837,474.19	419,862,832.80	173,786,258.29

(XXXI) Other payables

Item	31 December 2021	31 December 2020	31 December 2019
Interests payable			
Dividend payable	10,436,999.41	10,436,999.41	10,436,999.41
Other payables	579,786,506.16	84,038,127.62	177,914,858.80
Total	590,223,505.57	94,475,127.03	188,351,858.21

1. Dividend payable

Item	31 December 2021	31 December 2020	31 December 2019
Dividends on common shares — Corporate shareholders	701,360.00	701,360.00	701,360.00
Dividends on common shares — subsidiaries payable to non-controlling interests	9,735,639.41	9,735,639.41	9,735,639.41
Total	10,436,999.41	10,436,999.41	10,436,999.41

Explanation: The dividends payable to non-controlling interests of the subsidiaries involved are dividends resulting from employee shareholdings of the subsidiaries, which have not been paid because there may be subsequent plans to increase the shareholdings.

2. Other payables

(1) By nature of payment

Item	31 December 2021	31 December 2020	31 December 2019
Transaction expense	176,171.61		833,900.79
Security deposit	36,007,796.11	16,642,906.37	101,267,635.57
Accrued expenses	114,404,618.85	25,282,896.62	20,850,252.27
Deposit		1,317,541.00	100,000.00
Accounts payable	54,758,676.49	27,689,185.64	24,460,547.42
Temporary receipts Note 1	366,864,174.63	5,530,529.52	12,327,454.28
Final property payment payable	7,075,068.47	7,075,068.47	7,075,068.47
Equity transfer payable	500,000.00	500,000.00	500,000.00
Deposit received in advance for equity transfer			10,500,000.00
Total	579,786,506.16	84,038,127.62	177,914,858.80

Note 1: Of the provisional receipts in 2021, mainly:

Item	Ending balance
Share incentives collected and paid on behalf of personal adjustment tax	210,656,121.75
Provisional collection of amounts due from finance leasing companies to suppliers	154,224,005.40
Total	364,880,127.15

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

Item	31 December 2021	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	

Item	31 December 2020	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	

Item	31 December 2019	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	

(XXXII) Liabilities held for sale

<u>Category</u>	<u>31 December 2021</u>	<u>31 December 2020</u>	<u>31 December 2019</u>
Shanshan Brand Management Co., Ltd.			687,773,178.27
Total			687,773,178.27

For details, see (IX) Assets Held for Sale of Note V.

(XXXIII) Non-current liabilities due within one year

<u>Item</u>	<u>31 December 2021</u>	<u>31 December 2020</u>	<u>31 December 2019</u>
Long-term borrowings due within 1 year.	2,255,899,018.04	193,715,259.27	1,122,439,013.74
Bonds payable due within one year.			
Long-term payables due within 1 year.	1,032,542,027.19	128,063,809.78	90,310,591.60
Lease liabilities due within one year.	335,108,695.28		
Total	3,623,549,740.51	321,779,069.05	1,212,749,605.34

(XXXIV) Other current liabilities

<u>Item</u>	<u>31 December 2021</u>	<u>31 December 2020</u>	<u>31 December 2019</u>
Estimated VAT		2,145,492.05	546,530.28
Output tax to be transferred	14,465,802.94	7,322,183.15	
Compensation for the equity in Suiyong Holdings Note 1		81,662,022.30	
Transfer and repurchase of shares Note 2		358,541,972.22	
Payable for sale-and-leaseback business	138,206,761.29		
Total	152,672,564.23	449,671,669.72	546,530.28

Note 1: For details, see (VII) Related Party Commitments of Note X. As the commitment period has not yet expired, it is uncertain whether the repurchase will be triggered.

Note 2: For details, see Article (I) 2 Pledge of Assets of Note XII.

(XXXV) Long-term borrowings

Classification of long-term borrowings:

<u>Item</u>	<u>31 December 2021</u>	<u>31 December 2020</u>	<u>31 December 2019</u>
Credit borrowings		636,956,402.78	207,675,666.67
Guaranteed borrowings	461,387,745.65	1,682,761,978.34	822,829,293.35
Pledged borrowings Note 1	2,618,208,590.19	293,524,176.09	524,437,855.55
Mortgage borrowings Note 2	290,362,430.55	60,089,980.00	48,104,043.33
Total	3,369,958,766.39	2,673,332,537.21	1,603,046,858.90

Classification of long-term borrowings due within one year:

<u>Project\Ending balance</u>	<u>31 December 2021</u>	<u>31 December 2020</u>	<u>31 December 2019</u>
Credit borrowings	430,495,694.45		
Guaranteed borrowings	1,191,249,499.13	121,018,331.95	190,882,341.55
Pledge borrowings Note 1	634,153,824.46	45,654,843.15	907,504,650.53
Mortgage borrowings Note 2		27,042,084.17	24,052,021.66
Total	2,255,899,018.04	193,715,259.27	1,122,439,013.74

Note 1: Pledged borrowings

Nature of Borrowing	Pledge and mortgage projects	Pledge and mortgage	31 December	31 December	31 December	31 December	31 December	31 December
			2021	2021	2020	2020	2019	2019
			Long-term borrowings due within 1 year	Long-term borrowings	Long-term borrowings due within 1 year	Long-term borrowings	Long-term borrowings due within 1 year	Long-term borrowings
Pledged and guaranteed . . .	Equity interest in Zhejiang Chouzhou Commercial Bank Co., Ltd. held by Ningbo Shanshan Co., Ltd.	49.4 million shares	588,025,230.00	2,372,764,999.99				
Pledged and guaranteed . . .	Equity interest in ShanJin Optoelectronics (Suzhou) Co., Ltd. held by Ningbo Shanshan Co., Ltd.	70% of the equity interest						
Pledged and guaranteed . . .	Equity interest in Luoyang Yichuan Molybdenum Group Joint-stock Company held by Ningbo Shanshan Venture Capital Investment Co., Ltd.	150,000,000 shares						
Pledged and guaranteed . . .	Equity interest in Luoyang Yichuan Molybdenum Group Joint-stock Company held by Ningbo Shanshan Venture Capital Investment Co., Ltd.	282,924,000 shares			400,681,747.08			142,242,020.22
Pledges	Equity interest in Luoyang Yichuan Molybdenum Group Joint-stock Company held by Ningbo Shanshan Venture Capital Investment Co., Ltd.	188,190,000 shares					389,662,999.04	
Pledged and guaranteed . . .	Finance lease receivables (due within one year)	Book value of					72,921,645.15	42,205,620.47
Pledged and guaranteed . . .	Power sales revenue rights of rooftop photovoltaic power generation project	138 million RMB yuan Installed capacity 104.38MW	46,128,594.46	245,443,590.20	45,654,843.15	293,524,176.09	44,238,259.26	339,990,214.86
Total			634,153,824.46	2,618,208,590.19	45,654,843.15	293,524,176.09	907,504,650.53	524,437,855.55

Note 2. Mortgage borrowing situation

Nature of Borrowing	Mortgage projects	Amount of mortgage	31 December 2021	31 December 2021	31 December 2020	31 December 2020	31 December 2020	31 December 2019	31 December 2019
			Long-term borrowings due within 1 year	Long-term borrowings	Long-term borrowings due within 1 year	Long-term borrowings	Long-term borrowings due within 1 year	Long-term borrowings	
Secured and guaranteed . . .	Intangible assets — Land use rights	109,169,438.06		290,362,430.55					
Secured and guaranteed . . .	Intangible assets — Land use rights	45,549,432.99			27,042,084.17	60,089,980.00			
	Fixed assets — Buildings and structures	47,608,803.75							
	Fixed assets — Machinery and equipment	59,811,941.27							
	Construction in progress	52,969,367.20							
Secured and guaranteed . . .	Intangible assets — Land use rights	27,817,991.74					24,052,021.66		48,104,043.33
	Fixed assets — Buildings and structures	29,855,564.59							
	Fixed assets — Machinery and equipment	64,114,367.96							
Total		436,896,907.56		290,362,430.55		60,089,980.00	24,052,021.66		48,104,043.33

(XXXVI) Lease liabilities

Item	31 December 2021
Housing and construction	804,412,298.42
Machinery equipment	172,990,770.07
Photovoltaic power plant sites	129,609,717.04
Others	2,053,753.83
Total	1,109,066,539.36

(XXXVII) Long-term payable

Item	31 December 2021	31 December 2020	31 December 2019
Long-term payable	2,329,233,515.94	348,053,121.42	328,107,372.29
Special accounts payable			
Total	2,329,233,515.94	348,053,121.42	328,107,372.29

1. Long-term payable

Item	31 December 2021	31 December 2020	31 December 2019
Sale and leaseback payable (financial liabilities) Note 1	461,603,771.62	264,104,214.20	223,090,365.29
Long term deposits from customers or suppliers Note 2			103,624,702.00
Cooperation project money	3,914,092.46	83,948,907.22	1,392,305.00
LG polarizer business investment payment . .	1,863,715,651.86		
Total	2,329,233,515.94	348,053,121.42	328,107,372.29

Note 1: As of 31 December 2020, the subsidiary Ningbo Ulica Solar Co., Ltd. and its subsidiaries mortgaged the completed distributed photovoltaic power plants to finance leasing companies in the form of sale-and-leaseback to obtain financing. As of 31 December 2020, the financing balance was 296,214,814.93 RMB yuan, of which the balance of long-term payables was 217,144,780.84 RMB yuan, the balance of long-term payables due within one year was 79,070,034.09 RMB yuan, and the net book value of sale-and-leaseback fixed assets was 572,925,051.20 RMB yuan.

As of 31 December 2019, the payables formed by the former subsidiary Hunan Shanshan New Energy Co., Ltd through the equipment finance lease business. The net value of finance lease in equipment is 84,368,658.44 RMB yuan as of 31 December 2019; The net amount of financing payables is 27,269,690.95 RMB yuan, all of which is long-term payables due within one year.

Note 2: As of 31 December 2019, long-term customer or supplier deposits represent deposits collected in the financial lease rental business and receivables factoring business of FY Financial (Shenzhen) Co., Ltd., an original subsidiary, for more than one year.

(XXXVIII) Provisions

Item	2018.12.31	Increase in the current period	Decrease in the current period	31 December 2019	Cause of formation
External guarantees					
Pending litigation	5,900,000.00	8,988,952.00	5,900,000.00	8,988,952.00	
Of which: Case I	5,900,000.00		5,900,000.00		Note 1
Case II		3,900,000.00		3,900,000.00	Note 2
Case III		5,088,952.00		5,088,952.00	Note 3
Product quality assurance . . .					
Restructuring obligations . . .					
Loss-making contracts to be executed					
Asset retirement obligation . .					
Others					
Total	5,900,000.00	8,988,952.00	5,900,000.00	8,988,952.00	

Item	31 December 2019	Adjustment for changes in accounting policies	2020.1.1	Increase in the current period	Decrease in the current period	31 December 2020	Cause of formation
External guarantees . . .							
Pending litigation . . .	8,988,952.00		8,988,952.00	1,000,000.00	5,088,952.00	4,900,000.00	
Of which:	3,900,000.00		3,900,000.00	1,000,000.00		4,900,000.00	Note 2
Case II Note 2 . . .							
Case III Note 3 . . .	5,088,952.00		5,088,952.00		5,088,952.00		Note 3
Product quality assurance							
Restructuring obligations.							
Loss-making contracts to be executed . . .							
Asset retirement obligation							
Returned goods payable							
Projected contract losses							
Others							
Total	8,988,952.00		8,988,952.00	1,000,000.00	5,088,952.00	4,900,000.00	

Item	31 December 2020	Increase in the current period	Decrease in the current period	Transfer-out within the consolidation scope	31 December 2021	Cause of formation
External guarantees . . .						
Pending litigation	4,900,000.00	1,250,000.00		4,900,000.00	1,250,000.00	
Of which: Case II	4,900,000.00			4,900,000.00		Note 2
Case IV		1,250,000.00			1,250,000.00	Note 4
Withholding polarizer product quality guarantee		30,065,748.16			30,065,748.16	
Restructuring obligations						
Loss-making contracts to be executed						
Asset retirement obligation						
Returned goods payable						
Projected contract losses						
Others						
Total	4,900,000.00	31,315,748.16		4,900,000.00	31,315,748.16	

Note 1: Case 1: In 2017, the subsidiary, Langfang Shanshan Battery Material Co., Ltd., and its factory lessor, Langfang Development Zone Zhenghe Trading Co., Ltd., filed a lawsuit for early lease withdrawal. According to this, the Company expects to pay the liquidated damages of 5.9 million RMB yuan to the other party for early termination of the lease contract. On 11 March 2019, it was finally ruled by the Hebei Provincial High People's Court that the Company lost the lawsuit and was not allowed to end the lease contract early, and the Company was required to continue to take the lease within the contracted period.

Note 2: The details of Case 2 are as follows:

As of 31 December 2019:

Plaintiff	Defendant	Prosecution time	Litigation request	Case status	Provisions	Case progress
Beijing Zhongyu Century Hotel	Jiangsu Shanshan Energy Management Co., Ltd.	2019/9/27	Compensation for fire damage	Recognize reasonable and substantiated fire damage of only 7.8 million and recoverable from equipment suppliers	3,900,000.00	The other side has filed a lawsuit, which has not yet been heard

As of 31 December 2020:

Plaintiff	Defendant	Prosecution time	Litigation request	Case status	Provisions	Case progress
Beijing Zhongyu Century Hotel	Jiangsu Shanshan Energy Management Co., Ltd.	2019/9/27	Compensation for fire damage	Recognize reasonable and substantiated fire damage of only 7.8 million and recoverable from equipment suppliers	4,900,000.00	The other side filed a lawsuit with the first hearing conducted but not yet ruled

As of 31 December 2021, the subsidiary involved in the lawsuit had transferred its equity interest during the year and was out of the scope of consolidation at the end of the period.

Note 3: The details of Case 3 are as follows:

As of 31 December 2019:

Plaintiff	Defendant	Prosecution time	Amount of litigation	Provisions	Proportion of asset impairment provision%	Case progress
The former subsidiary Shanshan Energy (Ningxia) Co., Ltd.	Customer D	2018/9/13	More than 850,950.00 RMB yuan	Unrecognized income		Note (1)
Customer D	The original subsidiary Shanshan Energy (Ningxia) Co., Ltd.	2018/10/31	42,146,570.00	5,088,952.00		Note (2)

Note (1): Shanshan Energy (Ningxia) Co., Ltd. (hereinafter referred to as Ningxia Shanshan), a former subsidiary of the Company, and Customer D were in a dispute over a sales and purchase contract, Ningxia Shanshan sued the court for an order that: 1. Cancellation of contract; 2. Customer D returns the prepayment of 32.94 million; 3. Customer D pays interest on deferred payments; 4. Customer D bears all the case acceptance fee, property preservation fee and guarantee letter fee. The court ruled in the first instance judgement that: 1. Cancellation of contract; 2. Customer D shall immediate return of the prepayment of 32.94 million; 3. Other claims are dismissed. The court has preserved the full amount of cash to cover the entire advance. Customer D did not appeal the first instance judgement. Ningxia Shanshan appealed against the first instance judgement and requested a revision of the judgement: 1. Customer D shall pay interest of 850,950.00 RMB yuan; 2. Customer D shall bear all the case acceptance fee, property preservation fee and guarantee letter fee for the first and second instances of this case. The second instance has not yet been decided and the outcome is uncertain, and no gain has been recognized.

Note (2): In relation to the same contract of sale and purchase mentioned above, Customer D appealed to the court for an order that: 1. Ningxia Shanshan continues to perform the contract; 2. The total amount of payment for goods and losses is 32,973,261.00 RMB yuan. The court ruled in the first instance judgement that: 1. Ningxia Shanshan compensated Customer D for losses of 4,898,952.00 RMB yuan; 2. Ningxia Shanshan shall bear the case acceptance fee of 190,000.00 RMB yuan. Customer D appealed the first instance judgement, requesting that the judgement be revised: Ningxia Shanshan shall compensate Customer D for various types of losses totaling 42,146,570.00 RMB yuan. Ningxia Shanshan appealed against the first instance judgement and requested a revision of the judgement: 1. Customer D pays liquidated damages of 6,588,000.00 RMB yuan; 2. Customer D shall bear all the case acceptance fee, property preservation fee and guarantee letter fee for the first and second instances of this case. The second instance has not yet been decided and the outcome is uncertain. Ningxia Shanshan accrued a projected liability of 5,088,952.00 RMB yuan based on the first instance judgement.

As of 31 December 2020:

Plaintiff	Defendant	Prosecution time	Amount of litigation	Projected liabilities at the beginning of the year	Case progress in 2020
Ningxia Shanshan . . .	Supplier D	2018/9/13	32.94 million and interest		
Supplier D	Ningxia Shanshan	2018/10/31	42,146,570.00	5,088,952.00	The second instance ruled that the Company compensated Supplier D 22,128,848.00 RMB yuan

In 2019, Ningxia Shanshan and Supplier D sued each other to court over the sales and purchase contract. Ningxia Shanshan sued for the termination of the contract and also demanded Supplier D to return the prepayment of 32.94 million, which has been ruled in favor of the Company in the first instance in 2019, and the court has preserved to the full amount of cash can cover the entire prepayment. At the same time, Supplier D appealed to the court for payment of the purchase price and damages totaling 42,146,570.00 RMB yuan from Ningxia Shanshan. In 2019, the court ruled Ningxia Shanshan to compensate Supplier D for losses of 4,898,952.00 RMB yuan in the first instance and accrued a projected liability of 5,088,952.00 RMB yuan in December 2019 based on the first instance judgement. Supplier D appealed against the first instance judgment, and the second instance judgment is still pending in late 2019.

In 2020, by the second instance judgment (final) of the superior court, Ningxia Shanshan shall compensate the supplier D 22,128,848.00 RMB yuan. Ningxia Shanshan accepted the judgment and, net of the loss included into the previous year, an additional loss of 17,229,896.00 RMB yuan was recognized as non-operating expense in the current year. At the same time, Ningxia Shanshan received the return of the remaining purchase price of 10,811,152.00 RMB yuan from Supplier D during the year.

Note 4: Case 4: Guangzhou Jingyi Automobile Air Conditioning Co., Ltd. sued Ningbo Qingshan Automobile Co., Ltd. for payment of supply money and compensation for liquidated damages. The other party won the case in the first instance, so liquidated damages were accrued. The Company refused to accept the case, and the second instance is still in progress.

(XXXIX) Deferred income

Item	2018.12.31	Increase in the current period	Decrease in the current period	31 December 2019	Cause of formation
Government subsidies	230,262,877.90	261,656,321.69	195,359,183.41	296,560,016.18	
Car purchase rebate	10,230,724.35		8,278,882.55	1,951,841.80	
Total	240,493,602.25	261,656,321.69	203,638,065.96	298,511,857.98	

Item	31 December 2019	Increase in the current period	Decrease in the current period	Change in consolidation scope	31 December 2020	Cause of formation
Government subsidies	296,560,016.18	270,784,957.69	140,883,223.34	1,042,129.86	425,419,620.67	
Car purchase rebate	1,951,841.80		1,009,739.64		942,102.16	
Total	298,511,857.98	270,784,957.69	141,892,962.98	1,042,129.86	426,361,722.83	

Item	31 December 2020	Increase in the current period	Decrease in the current period	Change in consolidation scope	31 December 2021	Cause of formation
Government subsidies	425,419,620.67	166,970,546.43	126,632,863.12	56,102,976.47	409,654,327.51	
Car purchase rebate	942,102.16		942,102.16			
Total	426,361,722.83	166,970,546.43	127,574,965.28	56,102,976.47	409,654,327.51	

Projects involving government subsidies:

Liability items	2018.12.31	Amount of new subsidies in the current period	Amount included in profit or loss for the current period	Change in consolidation scope	31 December 2019	Asset-related/income-related
Government subsidies related to industrial investment projects	139,850,532.82	22,206,299.99	7,686,600.30		154,370,232.51	Asset-related
Government subsidies related to industrial support projects	83,575,321.64	78,618,959.19	27,857,265.25		134,337,015.58	Asset-related
High-tech enterprise subsidy	6,277,023.44	16,630,276.56	16,667,300.00		6,240,000.00	Income-related
Industrial support fund subsidy		127,471,678.29	125,858,910.20		1,612,768.09	Income-related
Technology project subsidy	560,000.00	9,033,400.00	9,593,400.00			Income-related
Other subsidies		7,695,707.66	7,695,707.66			Income-related
Total	230,262,877.90	261,656,321.69	195,359,183.41		296,560,016.18	

Liability items	31 December 2019	Amount of new subsidies in the current period	Amount included in profit or loss for the current period	Change in consolidation scope	31 December 2020	Asset-related/income-related
Government subsidies related to industrial investment projects	154,370,232.51	101,885,600.00	6,737,415.62		249,518,416.89	Asset-related
Government subsidies related to industrial support projects	134,337,015.58	64,569,297.19	29,695,734.24	1,042,129.86	168,168,448.67	Asset-related
High-tech enterprise subsidy.	6,240,000.00	17,924,600.00	18,269,600.00		5,895,000.00	Income-related
Industrial support fund subsidy.	1,612,768.09	64,737,700.97	64,512,713.95		1,837,755.11	Income-related
Technology project subsidy.		11,952,230.00	11,952,230.00			Income-related
Other subsidies		9,715,529.53	9,715,529.53			Income-related
Total	296,560,016.18	270,784,957.69	140,883,223.34	1,042,129.86	425,419,620.67	

Liability items	31 December 2020	Amount of new subsidies in the current period	Amount included in profit or loss for the current period	Change in consolidation scope	31 December 2021	Asset-related/income-related
Government subsidies related to industrial investment projects	249,518,416.89	49,808,700.00	7,493,954.51	12,625,734.42	279,207,427.96	Asset-related
Government subsidies related to industrial support projects	168,168,448.67	35,878,822.34	35,809,269.37	43,477,242.05	124,760,759.59	Asset-related
High-tech enterprise subsidy.	5,895,000.00	1,480,650.00	2,158,100.00		5,217,550.00	Income-related
Industrial support fund subsidy.	1,837,755.11	27,824,306.51	29,193,471.66		468,589.96	Income-related
Technology project subsidy.		15,454,833.63	15,454,833.63			Income-related
Other subsidies		36,523,233.95	36,523,233.95			Income-related
Total	425,419,620.67	166,970,546.43	126,632,863.12	56,102,976.47	409,654,327.51	

(XL) Share capital

Item	2018.12.31	Change in the current period: increase (+)/decrease (-)				Subtotal	31 December 2019
		Issue of new shares	Share dividend	Transfer from provident fund	Others		
Total number of shares	1,122,764,986.00					1,122,764,986.00	

The Company obtained the approval of the China Securities Regulatory Commission for the non-public issue of shares of the Company on 26 November 2015 (CSRC License (2015) No. 3116), which approved the issue of 150,524,246 new shares, and the new shares were registered with the CSDC on 24 February 2016, with the listing date of 29 February 2016, the restricted period of 36 months, and the listed circulation of 1 March 2019.

Item	Change in the current period: increase (+)/decrease (-)						31 December 2020
	31 December 2019	Issue of new shares	Share dividend	Transfer from provident fund	Others	Subtotal	
Total number of shares	1,122,764,986.00			505,244,243.00		505,244,243.00	1,628,009,229.00

On 18 May 2020, the Company's 2019 annual general meeting considered and adopted the Company's 2019 profit distribution plan, whereby the Company transferred 4.5 shares for every 10 shares by capital reserves (share premium) to all shareholders on the basis of the total share capital on the date of registration of the implementation of the 2019 annual equity distribution, for a total of 505,244,243.00 RMB yuan.

Item	Change in the current period: increase (+)/decrease (-)						31 December 2021
	31 December 2020	Issue of new shares	Share dividend	Transfer from provident fund	Others	Subtotal	
Total number of shares	1,628,009,229.00	514,910,709.00				514,910,709.00	2,142,919,938.00

The Company's capital increase for FY 2021 is as follows:

According to the *Proposal on the First Grant of Stock Options to Incentive Recipients under the Company's 2019 Stock Option Incentive Plan* considered and adopted at the First Extraordinary General Meeting of the Company in 2019 and the Thirty-fourth Meeting of the Ninth Board of Directors on 2 September 2019, the *Proposal on the First Grant of Stock Options under the Company's 2019 Stock Option Incentive Plan* considered and adopted at the Fifth Meeting of the Tenth Board of Directors in 2020, the *Proposal on Adjusting the Exercise Price of the Company's 2019 Stock Option Incentive Plan* adopted at the Sixteenth Meeting of the Tenth Session of the Board of Directors and the Eleventh Meeting of the Tenth Supervisory Committee in 2021, the Company granted a total of 85,631,258.00 shares of RMB ordinary shares (A shares) to 124 incentive recipients, with the first exercise in August 2021, and the number of exercisable shares is 28,254,468.00. The par value per share is 1 RMB yuan and the grant price is 7.61 RMB yuan per share. The actual exercise number is 118 persons, the number of shares exercised is 26,507,943.00, and, according to the subscription results, the actual increase in registered capital is 26,507,943.00 RMB yuan. As of 9 August 2021, the Company has received 201,725,446.23 RMB yuan from the 118 equity incentive recipients for the shares subscriptions paid with cash, of which 26,507,943.00 RMB yuan is included into the share capital and 175,217,503.23 RMB yuan is the premium of the share capital.

According to the resolution of the shareholders' meeting and the resolution of the board of directors, and approved by the China Securities Regulatory Commission with the document "CSRC License [2021] No. 3560" on the approval of the *Non-public Issue of Shares of Ningbo Shanshan Co., Ltd.* The company issued 488,402,766 RMB ordinary shares (A shares) in private, with a par value of 1.00 RMB yuan per share, an issue price of 6.25 RMB yuan per share, and a restricted sale period of 36 months. In December 2021, the Company issued RMB ordinary shares (A shares) to Shanshan Group Co., Ltd., Ningbo Pengze Trading Co., Ltd. and Ningbo Yinzhou Jielun Investment Co., Ltd., raising total proceeds of 3,052,517,287.50 RMB yuan, net of issue expenses (excluding VAT) of 23,630,568.65 RMB yuan. The actual net fund raised is 3,028,886,718.85 RMB yuan, of which the newly-increased share capital is 488,402,766.00 RMB yuan, and the share capital premium is 2,540,483,952.85 RMB yuan.

(XLI) Capital reserves

Item	2018.12.31	Increase in the current period	Decrease in the current period	31 December 2019
Capital premium (equity premium)	2,884,343,763.00	14,219,402.00		2,898,563,165.00
Of which: Performance betting compensation . . .		14,219,402.00		
Other capital reserve	1,203,379,010.53	-7,745,460.51	3,125,166.45	1,192,508,383.57
Transfer out of equity investment reserves corresponding to the sale of part of the equity of associates			3,125,166.45	
Equity transfer transactions with non-controlling interests with no loss of control		-25,919,984.82		
Equity incentives		10,708,492.79		
Changes in provision for investments in associates		7,466,031.52		
Total	4,087,722,773.53	12,947,882.98	6,250,332.90	4,091,071,548.57

Other instructions:

1. The compensation amount of 14,219,402.00 RMB yuan received from the former shareholders of Ningbo Ulica Solar Co., Ltd. for the performance commitment in the current period of 2019, writing down the premium in the merger acquisition under the same control in 2016 and increasing the capital reserves;
2. Conducted unilateral capital increase to a subsidiary, Quzhou Shanshan Energy Technology Co., Ltd.; and due to the accumulated operating loss in the previous period, the capital reserves was reduced by 25,419,984.82 RMB yuan;
3. Ningbo Shanshan Electric Vehicle Technology Development Co., Ltd., a subsidiary company, acquired the equity of Ningbo Shanpeng Investment Co., Ltd. from non-controlling interests, and reduced the capital reserve by 500,000.00 RMB yuan from the difference between the consideration paid and the net assets obtained;
4. The Company transferred part of its equity-method long-term equity investment in Guangzhou Winsky Zhixing New Energy Vehicle Co., Ltd. and transferred out the related share of investment reserve, corresponding to a decrease of capital reserves by 3,125,166.45 RMB yuan;
5. The First Extraordinary Shareholders' Meeting held on 12 August 2019 and the Thirty-first Meeting of the Ninth Board of Directors held on 2 September 2019, adopted the 2019 Stock Option Incentive Plan and granted 59,400,000 stock options to 128 incentive recipients for the first time with the exercise price of: 11.29 RMB yuan per share. The Company makes the best estimate at the end of the year based on the latest obtained changes in the number of feasible rights and the achievement of performance targets, and based on this, the services acquired during the period are charged to relevant costs or expenses according to the fair value at the date of grant, with a corresponding increase in capital reserves of 10,708,492.79 RMB yuan;
6. There are changes in capital reserves of associates, i.e. the former Guangzhou Winsky Zhixing New Energy Vehicle Co., Ltd., Chouzhou Commercial Bank Co., Ltd., and Suiyong Holdings Co., Ltd; the Company recognized capital reserves of 7,466,031.52 RMB yuan based on the share held.

Item	31 December 2019	Increase in the current period	Decrease in the current period	31 December 2020
Capital premium (equity premium)	2,898,563,165.00		505,244,243.00	2,393,318,922.00
Of which: Share capital increase by transfer			505,244,243.00	
Performance betting compensation				
Other capital reserve	1,192,508,383.57	14,631,697.88		1,207,140,081.45
Of which: Equity transactions with non- controlling interests of subsidiaries			-1,459,293.95	
Equity incentives		12,845,007.05		
Changes in provision for investments in associates		3,245,984.78		
Total	4,091,071,548.57	29,263,395.76	1,010,488,486.00	3,600,459,003.45

Other instructions:

1. With non-year-on-year capital increase by non-controlling interests to a subsidiary, Shanghai Shanshan Lithium Battery Material Co., Ltd., the capital reserves decreased by 1,459,293.95 RMB yuan;
2. In 2019, the Company considered and adopted the stock option incentive plan, and the Company made the best estimate at the end of the year based on the latest obtained changes in the number of feasible rights and the achievement of performance targets, and based on this, the services acquired during the period are charged to relevant costs or expenses according to the fair value at the date of grant, with a corresponding increase in capital reserves of 12,845,007.05 RMB yuan;
3. There are changes in capital reserves of associates; the Company recognized an increase in capital reserves of 3,245,984.78 RMB yuan based on the share held.

Item	31 December 2020	Increase in the current period	Decrease in the current period	31 December 2021
Capital premium (equity premium)	2,393,318,922.00	2,762,808,135.52		5,156,127,057.52
Of which: Capital increase		2,715,701,456.08		
Performance compensation of Suiyong from assignment of related party transactions		81,662,022.30		
Non-year-over-year capital increase in subsidiaries		-34,555,342.86		
Other capital reserve	1,207,140,081.45	115,090,003.00	566,188.00	1,321,663,896.45
Of which: Equity incentives		8,050,375.94		
Provision for investment in associates		107,039,627.06		
Transfer out of original investment reserves of associates disposed of in the current year.			566,188.00	
Total	3,600,459,003.45	5,755,796,277.04	1,132,376.00	6,477,790,953.97

Other instructions:

1. With non-year-on-year capital increase of Shanghai Shanshan Lithium Battery Material Co., Ltd., the capital reserves decreased by 34,555,342.86 RMB yuan;
2. In 2019, the Company considered and adopted the stock option incentive plan, and the Company made the best estimate at the end of the year based on the latest obtained changes in the number of feasible rights and the achievement of performance targets, and based on this, the services acquired during the period are charged to relevant costs or expenses according to the fair value at the date of grant, with a corresponding increase in capital reserves of 8,050,375.94 RMB yuan;
3. There are changes in capital reserves of associates; the Company recognized an increase in capital reserves of 107,039,627.06 RMB yuan based on the share held;
4. In the current period, the investment in the associates was disposed of, and the capital reserves originally recognized was transferred out correspondingly, reducing the capital reserves by 566,188.00 RMB yuan.

(XLII) Other comprehensive incomes

Item	Amount incurred in the current period									
	2018.12.31	Adjustment for changes in accounting policies	2019.1.1	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 expense	That attributable to the company after tax	That attributable to non-controlling interests after tax	31 December 2019
1. Other comprehensive incomes that will not be reclassified into profit or loss		1,339,745,729.90	1,339,745,729.90	1,328,282,062.22		755,598,026.64	365,145,273.11	207,538,762.47		1,547,284,492.37
Of which: Changes in remeasurement of defined benefit plans				-11,954,868.18				-11,954,868.18		-11,954,868.18
Share of other comprehensive income accounted for using equity method that will not be reclassified to profit or loss										
Changes in fair value of other equity instrument investments		1,339,745,729.90	1,339,745,729.90	1,340,236,930.40		755,598,026.64	365,145,273.11	219,493,630.65		1,559,239,360.55
Changes in fair value attributable to the enterprise's own credit risk										
2. Other comprehensive incomes that will be reclassified into profit or loss	1,345,200,414.45	-1,342,750,955.10	2,449,459.35	-1,383,922.46	392,386.31			-1,776,308.77		673,150.58

Amount incurred in the current period

Item	2018.12.31	2019.1.1	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 expense	That attributable to the company after tax	That attributable to non-controlling interests after tax	31 December 2019
Of which: Share of other comprehensive income accounted for using equity method that will be reclassified to profit or loss .	2,057,073.04	2,057,073.04	-1,383,922.46				-1,383,922.46		673,150.58
Changes in fair value of other debt investments . . .									
Profit and loss from changes in fair value of available- for-sale financial assets . . .	1,343,143,341.41	-1,343,143,341.41							
Amount of financial assets reclassified into other comprehensive income. . . .		392,386.31		392,386.31			-392,386.31		
Held-to-maturity investment reclassified into available for sale financial assets . . .									
Provision for credit impairment of other debt investments									
Cash flow hedging reserve (effective part of cash flow hedging profit and loss) . . .									
The balance arisen from the translation of foreign currency financial statements									

Amount incurred in the current period

Item	2018.12.31	Adjustment for changes in accounting policies	2019.1.1	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 expense	That attributable to the company after tax	That attributable to non-controlling interests after tax	31 December 2019
Total other comprehensive income	1,345,200,414.45	-3,005,225.20	1,342,195,189.25	1,326,898,139.76	392,386.31	755,598,026.64	365,145,273.11	205,762,453.70		1,547,957,642.95

Amount incurred in the current period

Item	31 December 2019	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 expense	That attributable to the company after tax	That attributable to non-controlling interests after tax	31 December 2020
1. Other comprehensive incomes not to be reclassified into profit and loss	1,547,284,492.37	888,094,832.93	1,507,465,723.68	256,868,466.72	-876,239,357.47	671,045,134.90		
Of which: Remeasurement of changes in defined benefit plans	-11,954,868.18	-11,748,951.02			-11,748,951.02	-23,703,819.20		
Other comprehensive income that cannot be transferred to profit and loss under equity method	1,559,239,360.55	899,843,783.95	1,507,465,723.68	256,868,466.72	-864,490,406.45	694,748,954.10		
Changes in fair value of other equity instrument investments	673,150.58	-398,344.17			-398,344.17	274,806.41		
Changes in fair value of enterprise's own credit risk								
2. Other comprehensive incomes to be reclassified into profit and loss								

Amount incurred in the current period

Item	31 December 2019	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 expense	That attributable to the company after tax	That attributable to non-controlling interests after tax	31 December 2020
Of which: Other comprehensive income that can be transferred to profit and loss under equity method	673,150.58	-398,344.17				-398,344.17		274,806.41
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								
Total other comprehensive income	1,547,957,642.95	887,696,488.76	1,507,465,723.68	256,868,466.72		-876,637,701.64		671,319,941.31

Amount incurred in the current period

Item	31 December 2020	Adjustment to opening amount	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 expense	That attributable to the company after tax	That attributable to non-controlling interests after tax	31 December 2021
1. Other comprehensive incomes not to be reclassified into profit and loss	671,045,134.90		-18,040,893.60		704,545,410.66	-17,519,474.48	-705,066,829.78		-34,021,694.88

Amount incurred in the current period

Item	31 December 2020	Adjustment to opening amount	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 expense	That attributable to the company after tax	That attributable to non-controlling interests after tax	31 December 2021
Of which: Remeasurement of changes in defined benefit plans			11,267,318.52	12,580,999.23			-1,313,680.71		-25,017,499.91
Other comprehensive income that cannot be transferred to profit and loss under equity method	-23,703,819.20								
Changes in fair value of other equity instrument investments	694,748,954.10		-29,308,212.12	691,964,411.43		-17,519,474.48	-703,753,149.07		-9,004,194.97
Changes in fair value of enterprise's own credit risk			2,124,030.14				2,124,030.14		2,342,017.89
2. Other comprehensive incomes to be reclassified into profit and loss	274,806.41	-56,818.66	2,124,030.14				2,124,030.14		2,342,017.89
Of which: Other comprehensive income that can be transferred to profit and loss under equity method	274,806.41	-56,818.66	2,124,030.14				2,124,030.14		2,342,017.89
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	671,319,941.31	-56,818.66	-15,916,863.46	704,545,410.66		-17,519,474.48	-702,942,799.64		-31,679,676.99
Total other comprehensive income									

Explanation: The significant amount of transfer to retained earnings in the current period, which was previously recorded in other comprehensive income, was mainly due to the sale of shares of Bank of Ningbo and Luoyang Molybdenum, which were accounted for as investments in non-trading equity instruments in the current year.

(XLIII) Special reserves

Item	2018.12.31	Increase in the current period	Decrease in the current period	31 December 2019
Safety production fund	2,188,756.54	10,076,255.11	9,658,350.51	2,606,661.14
Total	2,188,756.54	10,076,255.11	9,658,350.51	2,606,661.14

Item	31 December 2019	Increase in the current period	Decrease in the current period	31 December 2020
Safety production fund	2,606,661.14	10,014,313.20	10,257,712.20	2,363,262.14
Total	2,606,661.14	10,014,313.20	10,257,712.20	2,363,262.14

Item	31 December 2020	Increase in the current period	Decrease in the current period	Withdrawal from the consolidation scope	31 December 2021
Safety production fund.	2,363,262.14	3,849,362.14	3,888,018.96	16,903.05	2,307,702.27
Total	2,363,262.14	3,849,362.14	3,888,018.96	16,903.05	2,307,702.27

(XLIV) Surplus reserves

Item	2018.12.31	Adjustment for changes in accounting policies	2019.1.1	Increase in the current period	Decrease in the current period	31 December 2019
Statutory surplus reserve.	248,266,158.41		248,266,158.41	6,396,866.66		254,663,025.07
Discretionary surplus reserve.						
Reserve fund.						
Enterprise development fund						
Others.						
Total	248,266,158.41		248,266,158.41	6,396,866.66		254,663,025.07

Item	31 December 2019	Adjustment for changes in accounting policies	2020.1.1	Increase in the current period	Decrease in the current period	31 December 2020
Statutory surplus reserve.	254,663,025.07		254,663,025.07	2,907,033.87		257,570,058.94
Discretionary surplus reserve.						
Reserve fund.						
Enterprise development fund						
Others.						
Total	254,663,025.07		254,663,025.07	2,907,033.87		257,570,058.94

Item	31 December 2020	Other adjustment at the beginning of the year	2021.1.1	Increase in the current period	Decrease in the current period	31 December 2021
Statutory surplus reserve.	257,570,058.94	-3,853,862.35	253,716,196.59			253,716,196.59
Discretionary surplus reserve.						
Reserve fund.						
Enterprise development fund						
Others.						
Total	257,570,058.94		253,716,196.59			253,716,196.59

(XLV) Retained earnings

Item	Year 2021	Year 2020	Year 2019
Retained earnings at the end of the previous year before adjustment	6,248,274,179.78	4,803,518,347.39	3,901,055,284.75
Adjustment to total retained earnings at the beginning of the year (increase +, decrease -)	-34,684,761.15	474,157.26	3,201,569.43
Retained earnings at the beginning of the year after adjustment	6,213,589,418.63	4,803,992,504.65	3,904,256,854.18
Plus: Net profits attributable to equity owners the Company's owners in the current period	3,339,696,517.63	138,004,106.09	269,808,780.07
Less: Withdrawal of legal surplus reserve. . .		2,907,033.87	6,396,866.66
Withdrawal of discretionary surplus reserve			
Withdrawal of common risk provision . . .			
Common share dividends payable	146,520,830.61	134,731,798.32	89,821,198.88
Common share dividends converted to share capital			
Plus: 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	676,561,256.30	1,443,916,401.23	725,670,778.68
Retained earnings at the end of the period . .	10,083,326,361.95	6,248,274,179.78	4,803,518,347.39

Adjustments to the breakdown of retained earnings at the beginning of the year:

Item	Impact on retained earnings at the beginning of the year		
	Year 2021	Year 2020	Year 2019
Retroactive adjustment due to Accounting Standards for Business Enterprises and its related new provisions . .	-34,684,761.15	474,157.26	3,201,569.43
Changes in accounting policies.			
Correction of significant accounting errors			
Change in consolidation scope due to same control			
Other adjustment.			
Total	-34,684,761.15	474,157.26	3,201,569.43

Note: In 2019, the adjustment to retained earnings of 3,201,569.43 RMB yuan at the beginning of the year is a retroactive adjustment to the *Accounting Standards for Business Enterprises* and its related new regulations, as described in (XXXIII) Changes in Significant Accounting Policies and Estimates of Note III.

In 2020, the retroactive adjustment due to the *Accounting Standards for Business Enterprises* and its related new regulations affected the retained earnings at the beginning of the year by 474,157.26 RMB yuan. See (XXXIII) Changes in Significant Accounting Policies and Estimates of Note III for details.

In 2021, as the Q&A on the implementation of the long-term equity investment standard issued by the Accounting Department of the Ministry of Finance on 2 November 2021 states that “if an associate adjusts only the opening number of its 2021 financial statements due to the implementation of the new standard from 1 Jan. 2021, the investor should adjust the opening number of its 2021 financial statements accordingly when it adopts the equity method of accounting”. The Company’s associate, Chouzhou Bank, only adjusted the opening balance of the 2021 financial statements without adjusting the comparable period information due to the implementation of the new financial standards on 1 Jan. 2021. The Company adjusted the opening balance of its 2021 financial statements accordingly when it adopted the equity method of accounting. In that very year, its implementation of the new standard brought adjustment of the undistributed earnings of -545,872,854.07 RMB yuan at the beginning of the year and other comprehensive income of -804,796.93 RMB yuan at the beginning of the year. Through equity method accounting, the Company accordingly adjusted the long-term equity investment of -38,595,442.16 RMB yuan with undistributed earnings of -38,538,623.5 RMB yuan at the beginning of the year and adjusted other comprehensive income of -56,818.66 RMB yuan at the beginning of the year.

Profit distribution:

In 2021, after the shareholders’ meeting considered and approved the proposal on the profit distribution for 2020, the Company will distribute cash dividends of 0.90 RMB yuan (including tax) for every 10 shares to all shareholders based on the total share capital as of the date of registration of the equity distribution implementation for 2020.

In 2020, after the shareholders’ meeting considered and approved the proposal on the profit distribution for 2019, the Company will distribute cash dividends of 1.20 RMB yuan (including tax) for every 10 shares to all shareholders from retained earnings, and transfer 4.5 shares for every 10 shares to all shareholders from capital reserves (share premium), based on the total share capital as of the date of registration of equity distribution implementation for 2019.

(XLVI) Operating income and operating cost

1. Operating income and operating costs

Item	Year 2021		Year 2020		Year 2019	
	Income	Cost	Income	Cost	Income	Cost
Main operations	20,363,499,549.58	15,318,416,678.82	8,107,078,733.60	6,719,885,084.37	8,497,223,356.06	6,687,397,002.48
Other operations	335,883,074.70	200,612,136.56	108,817,957.86	66,800,977.10	182,687,612.77	152,015,729.78
Total	20,699,382,624.28	15,519,028,815.38	8,215,896,691.46	6,786,686,061.47	8,679,910,968.83	6,839,412,732.26

Breakdown of operating income:

Item	Year 2021	Year 2020	Year 2019
Main operations	20,363,499,549.58	8,107,078,733.60	8,497,223,356.06
Of which: Commodities for sale	20,267,382,664.04	7,945,858,185.10	8,259,115,449.62
Financial services revenue		87,462,017.10	138,300,427.42
New energy service revenue	96,116,885.54	73,758,531.40	99,807,479.02
Other operations	335,883,074.70	108,817,957.86	182,687,612.77
Of which: Material sales	212,785,195.40	59,864,830.47	119,980,020.52
Entrusted processing	23,718,133.29		
Rent and utilities, property fee income. . .	86,828,634.15	29,637,008.64	24,695,989.88
Financial services fees		13,699,284.69	8,422,931.30
Income from transfer of contract objects of financial leasing projects.		4,627,657.69	7,521,998.55
Technical service revenue	780,000.00	621,407.55	3,035,203.82
Others.	11,771,111.86	367,768.82	19,031,468.70
Total	20,699,382,624.28	8,215,896,691.46	8,679,910,968.83

2. Operating income generated from contracts

The operating income of FY 2021 is disaggregated as follows:

Contract classification	Energy Management Segment				Inter-segment offset	Total
	Polarizer Segment	Lithium Battery Material Segment	New Energy Vehicle Segment	Investment Segment		
Commodity type:						
Revenue from commodity sales	10,022,553,088.90	9,264,893,256.55		1,027,832,532.72		20,315,278,878.17
Revenue from photovoltaic power generation				164,888,981.27		164,888,981.27
Revenue from entrusted processing	23,718,133.29					23,718,133.29
Revenue from charging service			76,705,253.99	19,411,631.55		96,116,885.54
Revenue from service and other sales	51,377,687.42	6,385,088.54	14,375,286.45		109,750,966.36	99,379,746.01
Total	10,097,648,909.61	9,271,278,345.09	91,080,540.44	1,212,133,145.54	109,750,966.36	20,699,382,624.28
Classification by region of operation:						
Domestic sales	9,216,430,449.28	8,200,294,302.00	91,080,540.44	480,255,889.42	109,750,966.36	18,015,302,864.74
Overseas sales.	881,218,460.33	1,070,984,043.09		731,877,256.12		2,684,079,759.54
Total	10,097,648,909.61	9,271,278,345.09	91,080,540.44	1,212,133,145.54	109,750,966.36	20,699,382,624.28
Classification by timing of commodity transfer:						
Confirmation at a point of time	10,097,648,909.61	9,271,278,345.09	14,375,286.45	1,027,832,532.72	109,750,966.36	20,438,376,757.47
Confirmation within a certain period of time			76,705,253.99	184,300,612.82		261,005,866.81
Total	10,097,648,909.61	9,271,278,345.09	91,080,540.44	1,212,133,145.54	109,750,966.36	20,699,382,624.28

The operating income of FY 2020 is disaggregated as follows:

Contract classification	Lithium Battery		New Energy		Energy Management		Investment Segment	Others	Inter-segment offset	Total
	Material Segment	Vehicle Segment	Vehicle Segment	Management Segment	Clothing Segment	Segment				
Commodity type:										
Revenue from sales of lithium battery materials	6,984,192,953.66									6,984,192,953.66
Revenue from clothing sales					220,747,799.53					220,747,799.53
Revenue from brand royalty					5,259,433.81					5,259,433.81
Revenue from PV module sales				652,145,101.41						652,145,101.41
Revenue from photovoltaic power generation				141,659,748.56						141,659,748.56
Revenue from financial business							94,942,641.43			94,942,641.43
Revenue from charging station service		66,601,843.22								66,601,843.22
Revenue from service and other sales			11,464,225.88	9,858,136.78				123,617,929.40	94,593,122.22	50,347,169.84
Total	6,984,192,953.66		78,066,069.10	803,662,986.75	226,007,233.34		94,942,641.43	123,617,929.40	94,593,122.22	8,215,896,691.46
Classification by market type:										
Domestic sales	6,284,394,609.54		78,066,069.10	242,936,156.38	226,007,233.34		94,942,641.43	123,617,929.40	94,593,122.22	6,955,371,516.97
Overseas sales	699,798,344.12			560,726,830.37						1,260,525,174.49
Total	6,984,192,953.66		78,066,069.10	803,662,986.75	226,007,233.34		94,942,641.43	123,617,929.40	94,593,122.22	8,215,896,691.46
Classification by timing of commodity transfer:										
Confirmation at a point of time	6,983,571,546.11		78,066,069.10	803,662,986.75	220,747,799.53		94,942,641.43	123,617,929.40	94,593,122.22	8,210,015,850.10
Confirmation within a certain period of time	621,407.55			5,259,433.81						5,880,841.36
Total	6,984,192,953.66		78,066,069.10	803,662,986.75	226,007,233.34		94,942,641.43	123,617,929.40	94,593,122.22	8,215,896,691.46

(XLVII) Taxes and surcharges

Item	Year 2021	Year 2020	Year 2019
Urban maintenance and construction tax. . . .	5,110,300.48	4,500,158.55	7,107,576.18
Education surcharges	5,862,497.48	5,140,989.33	6,633,061.08
Other taxes such as property tax and land use tax.	60,765,859.35	39,397,220.44	31,924,864.59
Total	71,738,657.31	49,038,368.32	45,665,501.85

(XLVIII) Selling expenses

Item	Year 2021	Year 2020	Year 2019
Material consumption	47,315,659.36	27,961,438.87	23,137,219.43
Employee compensation costs	44,257,329.33	66,661,184.43	129,812,666.13
Depreciation and amortization expense for intangible assets and long-term amortization	14,259,697.99	23,565,184.11	43,529,405.77
Rent		17,258,756.10	26,410,211.16
Amortized depreciation of leased assets	1,040,532.20		
Transportation costs, vehicle costs and others	1,903,967.91	599,476.77	93,047,488.61
Consulting fees and expenses of external service institutions	5,239,584.44	9,520,348.30	11,507,855.14
Marketing fees, promotion fees, meeting fees, exhibition fees and others	20,824,903.16	51,678,305.08	123,731,707.58
Communication expenses, office expenses, travel expenses and others	21,476,865.36	9,023,432.90	23,304,763.04
Business entertainment fee	11,585,031.20	11,266,976.53	17,862,939.68
Sales compensation	35,010,631.02		
Utilities	9,932.66	237,117.83	107,718.91
Others	1,697,487.98	239,221.59	583,955.48
Total	204,621,622.61	218,011,442.51	493,035,930.93

(XLIX) General and administrative expenses

Item	Year 2021	Year 2020	Year 2019
Consumables	5,777,039.65	1,396,864.90	1,725,155.95
Employee compensation costs	228,427,109.22	241,288,980.39	224,730,097.35
Depreciation and amortization expense of intangible assets and long-term amortization	146,064,229.19	98,652,410.85	95,123,576.36
Rent		17,370,989.56	19,208,674.42
Amortized depreciation of leased assets	13,737,053.48		
Transportation costs, vehicle costs and others	3,482,325.09	4,482,654.06	7,300,364.46
Consulting fees, expenses of external intermediary agencies	120,785,749.25	70,007,608.65	62,592,130.89
Conference fees and others	5,414,895.64	2,339,550.94	5,884,876.21
Communication costs, office costs and travel costs	66,649,161.36	36,478,904.20	38,745,193.04
Business entertainment fee	19,139,431.80	13,992,831.61	17,562,568.32
Share-based payments and performance fees. Information technology costs.	8,050,375.94	15,253,849.08	10,708,492.79
Utilities	19,357,742.23	4,171,426.55	3,108,234.01
Others	12,834,045.47		2,587,235.11
Total	4,403,429.42	654,122,587.74	505,436,070.79
			489,276,598.91

(L) Research and development expenses

<u>Item</u>	<u>Year 2021</u>	<u>Year 2020</u>	<u>Year 2019</u>
Research and development materials	401,400,966.38	203,204,441.01	224,264,791.22
Employee compensation costs	219,311,579.59	110,791,596.99	129,990,451.25
Depreciation and amortization expense of intangible assets and long-term amortization	56,849,721.28	49,629,153.96	30,820,111.76
Office expenses, rental expenses, travel expenses and others	6,567,316.75	8,618,562.87	13,469,090.68
Utilities	15,355,570.92	12,998,534.08	8,061,704.53
Consulting fees and expenses of external professional institutions	13,458,493.35	6,913,148.26	4,713,603.42
Amortized depreciation of leased assets	1,323,013.14		562,041.41
Others	1,365,408.53	804,670.11	562,041.41
Total	715,632,069.94	392,960,107.28	411,881,794.27

(LI) Financial expenses

<u>Item</u>	<u>Year 2021</u>	<u>Year 2020</u>	<u>Year 2019</u>
Interest expenses	634,339,574.55	294,176,351.42	308,798,179.82
Less: Interest income	46,929,544.05	39,086,364.55	36,985,013.92
Exchange gains and losses	19,685,667.99	17,799,560.08	-11,496,104.30
Others Note	47,035,195.38	5,864,926.54	11,656,005.00
Total	654,130,893.87	278,754,473.49	271,973,066.60

(LII) Other income

<u>Item</u>	<u>Year 2021</u>	<u>Year 2020</u>	<u>Year 2019</u>
Government subsidies related to industrial investment projects	7,493,954.51	6,737,415.62	7,686,600.30
Government subsidies related to supporting industrial projects	35,809,269.37	29,695,734.24	27,857,265.25
High-tech enterprise subsidy	2,158,100.00	18,269,600.00	16,667,300.00
Industrial support fund subsidy	29,193,471.66	64,512,713.95	125,858,910.20
Technology project subsidy	15,454,833.63	11,952,230.00	9,593,400.00
Other subsidies	14,423,233.95	9,715,529.53	7,695,707.66
Total	104,532,863.12	140,883,223.34	195,359,183.41

Government subsidies included in other income.

<u>Subsidized projects</u>	<u>Year 2021</u>	<u>Year 2020</u>	<u>Year 2019</u>	<u>Asset-related/ income-related</u>
Government subsidies related to industrial investment projects	7,493,954.51	6,737,415.62	7,686,600.30	Assets related
Government subsidies related to supporting industrial projects	35,809,269.37	29,695,734.24	27,857,265.25	Assets related
High-tech enterprise subsidy	2,158,100.00	18,269,600.00	16,667,300.00	Income related
Industrial support fund subsidy	29,193,471.66	64,512,713.95	125,858,910.20	Income related
Technology project subsidy . .	15,454,833.63	11,952,230.00	9,593,400.00	Income related
Other subsidies	14,423,233.95	9,715,529.53	7,695,707.66	Income related
Total	104,532,863.12	140,883,223.34	195,359,183.41	

(LIII) Investment income

Item	Year 2021	Year 2020	Year 2019
Long-term equity investment incomes accounted by the equity method	279,945,900.13	12,316,781.15	94,883,192.46
Investment incomes generated from disposal of long-term equity investment Note	864,737,414.41	95,547,762.11	8,488,738.42
Investment income on trading financial assets	222.00	9,492,589.00	
Investment income from disposal of trading financial assets	-4,336,192.17	221,423,292.82	19,636.51
Investment income from disposal of financial assets measured at fair value with changes included in profit or loss for the current period			56,918.20
Interest income earned during the holding period of debt investments			
Investment income from disposal of debt investments			
Interest income earned during the holding period of other debt investments			
Investment income from disposal of other debt investments			
Dividend income earned during the holding period of investments in other equity instruments	9,025,000.00	41,580,110.13	94,742,718.72
Investment income on other non-current financial assets during the holding period	1,820,640.18	4,821,686.91	7,063,247.38
Investment income from disposal of other non-current financial assets			11,524,250.64
The gains of remaining equity re-measured at fair value after the control right is lost Note	1,237,956,808.35		
Investment income arising on disposal of disposal groups that constitute operations			
Investment income from debt restructuring			
Income of securities borrowings and wealth management products	183,891.57	3,352,165.16	
Total	2,389,333,684.47	388,534,387.28	216,778,702.33

In 2021, the Company partially disposed of the equity interest in its original subsidiary, Hunan Shanshan Energy Technology Co., Ltd., and the gain arising from the remeasurement of the remaining equity interest at fair value after the loss of control is described in (III) Disposal of Subsidiaries of Note VI.

(LIV) Gains from changes in fair value

Sources of gains from changes in fair value	Year 2021	Year 2020	Year 2019
Held-for-trading financial assets	4,719,477.23	1,031,505.28	-28,794.32
Of which: Gain on fair value changes arising from derivative financial instruments			
Other non-current financial assets	-1,080,000.00	2,300,000.00	-530,000.00
Transaction financial liabilities			
Investment properties measured at fair value			
Total	3,639,477.23	3,331,505.28	-558,794.32

(LV) Credit impairment losses

Item	Year 2021	Year 2020	Year 2019
Bad debt losses on notes receivable	15,688,607.15	2,431,958.93	-7,267,331.52
Bad debt losses on accounts receivable	226,947,445.18	66,731,480.58	94,235,233.44
Impairment losses on receivables financing. .	-202,816.04	48,816.04	154,000.00
Bad debt losses on other receivables	25,862,939.60	13,894,818.07	-5,196,283.12
Impairment losses on debt investments.			
Impairment losses on other debt investments			
Bad debt losses on long-term receivables . . .	2,039,226.34	26,703,967.15	-19,510,972.01
Bad debt losses on long-term receivables due within one year	-3,823,478.51	19,366,677.02	19,530,239.09
Total	266,511,923.72	129,177,717.79	81,944,885.88

(LVI) Assets impairment losses

Item	Year 2021	Year 2020	Year 2019
Decline in the value of inventories and impairment loss on contract fulfillment costs	29,299,896.85	21,509,535.21	55,686,440.50
Impairment loss on contract assets.			5,249,212.35
Impairment loss on assets held for sale			
Impairment loss of long-term equity investment	57,050,000.00	15,000,000.00	20,000,000.00
Impairment loss of fixed assets	294,449,075.39	38,055,154.52	5,742,844.58
Impairment loss of engineering materials	7,091,524.02		
Impairment loss of project under construction	175,437.33		
Impairment loss of oil and gas assets.			
Impairment loss on right-to-use assets			
Impairment loss of intangible assets.			384,950.81
Impairment loss of business reputation. . . .		1,357,164.25	
Impairment loss on contract acquisition costs			
Total	388,065,933.59	75,921,853.98	87,063,448.24

(LVII) Gain on disposal of assets

Item	Amount incurred			Amounts included into the current nonrecurring profit and loss		
	Year 2021	Year 2020	Year 2019	Year 2021	Year 2020	Year 2019
Fixed assets	-24,391,064.01	-3,902,075.09	1,359,949.18	-24,391,064.01	-3,902,075.09	1,359,949.18
Total	-24,391,064.01	-3,902,075.09	1,359,949.18	-24,391,064.01	-3,902,075.09	1,359,949.18

(LVIII) Non-operating income

Item	Amount incurred			Amounts included into the current nonrecurring profit and loss		
	Year 2021	Year 2020	Year 2019	Year 2021	Year 2020	Year 2019
Income from fines and confiscations	1,441,973.79	1,379,231.45	1,478,630.90	1,441,973.79	1,379,231.45	1,478,630.90
Income from liquidated damages	1,139,089.10	1,802,762.78	1,938,555.19	1,139,089.10	1,802,762.78	1,938,555.19
Others.	4,821,934.31	1,389,205.73	4,787,843.88	4,821,934.31	1,389,205.73	4,787,843.88
Loss on retirement of non-current assets	556,131.76			556,131.76		
Total	7,959,128.96	4,571,199.96	8,205,029.97	7,959,128.96	4,571,199.96	8,205,029.97

(LIX) Non-operating expenses

Item	Amount incurred			Amounts included into the current nonrecurring profit and loss		
	Year 2021	Year 2020	Year 2019	Year 2021	Year 2020	Year 2019
Loss of assets scrapped and destroyed	24,837,116.42	15,905,021.64	9,518,525.52	24,837,116.42	15,905,021.64	9,518,525.52
Debt restructuring	132,837.28			132,837.28		
Public donation	30,000.00	5,160,000.00	13,000.00	30,000.00	5,160,000.00	13,000.00
Payment of liquidated damages	5,652,770.14	25,134,333.07	16,986,597.62	5,652,770.14	25,134,333.07	16,986,597.62
Others	1,738,153.57	4,276,281.46	1,112,494.70	1,738,153.57	4,276,281.46	1,112,494.70
Total	32,390,877.41	50,475,636.17	27,630,617.84	32,390,877.41	50,475,636.17	27,630,617.84

(LX) Income tax expenses**1. Income tax expenses**

Item	Year 2021	Year 2020	Year 2019
Income tax expenses in the current period . .	931,207,952.70	81,731,117.79	-2,585,279.76
Deferred income tax expense.	172,678,936.63	-24,011,931.98	-19,378,901.92
Total	1,103,886,889.33	57,719,185.81	-21,964,181.68

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

Item	Year 2021	Year 2020	Year 2019
Total profit	4,674,213,332.48	262,853,200.43	353,170,462.62
Profit and loss of subsidiaries cannot be offset against each other	2,662,284,216.92	432,685,018.05	243,893,825.96
Income tax expense at statutory tax rates . .	1,834,124,387.35	173,884,554.62	149,266,072.15
Effect of different tax rates applied to subsidiaries	-163,947,277.60	-61,326,825.76	-82,632,294.40
Effect of adjustments to income taxes of prior periods.	3,034,046.48	-409,638.49	-13,000,532.98
Effect of non-taxable income.	-461,429,883.39	-25,588,908.46	-65,442,158.19
Additional deductible expenses under the tax law	-91,137,708.03	-40,899,692.57	-43,191,046.06
Effect of non-deductible costs, expenses and losses.	3,114,651.63	2,988,310.41	11,822,715.07
Effect of deductible losses on the use of deferred tax assets not recognized in prior periods.	-61,064,845.82	-19,109,296.57	-4,426,953.94
Effect of deductible temporary differences or deductible losses on deferred income tax assets not recognized in the current period	41,193,518.71	28,180,682.63	25,640,016.67
Income tax expense	1,103,886,889.33	57,719,185.81	-21,964,181.68

(LXI) Earnings per share

1. Basic earnings per share

Basic earnings per share is calculated by dividing consolidated net income attributable to ordinary shareholders of the company by the weighted average number of ordinary shares of the Company outstanding:

Item	Year 2021	Year 2020	Year 2019
Consolidated net profit attributable to common shareholders of the company. . . .	3,339,696,517.63	138,004,106.09	269,808,780.07
Weighted average number of common shares of the Company issued	1,636,845,210.00	1,417,490,794.42	1,122,764,986.00
Basic earnings per share	2.04	0.10	0.24
Of which: Basic earnings per share from continuing operations	2.04	0.10	0.24
Basic earnings per share from discontinued operations			

2. Diluted earnings per share

Diluted earnings per share is calculated by dividing consolidated net income (diluted) attributable to ordinary shareholders of the company by the weighted average number (diluted) of ordinary shares of the Company outstanding:

Item	Year 2021	Year 2020	Year 2019
Consolidated net profit (diluted) attributable to common shareholders of the company. . .	3,339,696,517.63	138,004,106.09	269,808,780.07
Weighted average number (diluted) of common shares of the Company issued. . . .	1,636,845,210.00	1,417,490,794.42	1,122,764,986.00
Diluted earnings per share.	2.04	0.10	0.24
Of which: Diluted earnings per share from continuing operations	2.04	0.10	0.24
Diluted earnings per share from discontinued operations			

(LXII) Supplementary information on the income statement of expenses by nature

Operating costs, selling expenses, general and administrative expenses, research and development expenses and finance costs in the income statement are classified according to their nature and are shown below:

Item	Year 2021	Year 2020	Year 2019
Material procurement costs	10,986,757,076.61	4,581,102,382.47	5,133,906,082.65
Employee compensation costs	1,086,180,592.85	653,108,509.80	674,244,989.58
Depreciation and amortization expenses	1,012,926,608.34	574,677,953.46	466,490,740.61
Outsourced processing	1,761,666,596.69	1,067,195,145.22	965,627,599.15
Utilities.	1,175,957,374.31	486,870,757.57	367,855,521.94
Transportation, vehicle costs	358,414,158.97	185,336,609.35	164,126,191.19
Consulting agency fees	163,042,845.69	87,702,432.65	79,315,015.61
Marketing fee	26,258,195.03	54,053,145.42	129,761,773.85
Office expenses, travel expenses, business entertainment expenses	145,275,950.12	85,055,851.41	107,354,067.93

<u>Item</u>	<u>Year 2021</u>	<u>Year 2020</u>	<u>Year 2019</u>
Rent		52,543,226.09	75,454,193.12
Amortized depreciation of leased assets	62,200,021.31		
Financial expenses	654,130,893.87	278,754,473.49	271,973,066.60
Labor cost	103,827,156.11	11,498,360.66	7,753,048.73
Equity incentives	8,050,375.94	12,845,007.05	10,708,492.79
Capital cost of finance lease		27,162,498.89	36,204,175.06
Operating costs of power plant	28,354,845.64	21,404,621.89	11,786,679.32
Other costs	6,574,859.16	2,537,180.12	3,018,484.84
Information technology costs	132,907,807.88		
Sales compensation	35,010,631.02		
Total	17,747,535,989.54	8,181,848,155.54	8,505,580,122.97

(LXIII) Cash flow statement items

1. Other cash received related to operating activities

<u>Item</u>	<u>Year 2021</u>	<u>Year 2020</u>	<u>Year 2019</u>
Net inflows of restricted cash balances that are operating deposits and security deposits	8,296,468.05	6,503,057.26	20,958,010.26
Factoring principal recovered by factoring subsidiaries	149,807,787.85	169,588,941.20	
Interest income	42,436,441.52	30,182,490.67	34,862,829.18
Government subsidies received	176,645,805.71	263,908,345.59	248,127,331.76
Non-operating income received related to business activities	7,404,025.32	4,125,993.28	6,282,580.38
Current temporary borrowings received	122,326,339.62	11,752,509.67	19,861,916.76
Frozen bank deposits recovered	44,069,458.51		
Others	3,993,049.99	3,900,000.00	4,857,022.06
Total	405,171,588.72	470,180,184.32	504,538,631.60

2. Other cash paid related to operating activities

<u>Item</u>	<u>Year 2021</u>	<u>Year 2020</u>	<u>Year 2019</u>
Operating expenses	695,551,104.89	397,403,707.81	487,666,357.52
Factoring principal loaned by factoring subsidiaries	766,517.35	4,000,000.00	186,630,806.33
Non-operating expenses paid related to operating activities	44,697,387.53	11,751,425.77	3,829,104.90
Payment of business-related deposits		84,440,982.17	6,933,180.46
Payment of current temporary borrowings . .	33,138,656.55	20,575,580.37	19,024,891.73
Bank deposits frozen in litigation	414,297.63	47,338,751.95	
Net outflows of restricted cash balances that are operating deposits and security deposits	63,283,122.33		
Total	837,851,086.28	565,510,448.07	704,084,340.94

3. Other cash received related to investing activities

Item	Year 2021	Year 2020	Year 2019
Amount transferred from prior years' equity	22,754,932.72	32,375,557.64	2,000,000.00
Received deposit paid by the construction party of the project	30,722,066.00	2,124,500.00	6,567,038.00
Interest on long-term receivables		1,724,094.50	2,877,144.00
Investment compensation received from the controlling shareholders.	81,662,022.30		
Transaction margin returned by LG China for polarizer delivery.	1,004,634,400.00		
Intention payment for equity			10,500,000.00
Performance compensation received.			14,219,402.00
Total	1,139,773,421.02	36,224,152.14	36,163,584.00

4. Other cash paid related to investing activities

Item	Year 2021	Year 2020	Year 2019
Refund of electric pile cooperation project money	1,198,399.50		
Entrusted investment funds to Chuanghui	30,000,000.00		
Consulting fees and brokerage fees paid related to investment projects.	29,003,888.58		
The originally paid deposit or security deposit returned to the engineering equipment supplier	31,866,041.01		
Security deposit of non-operating business supplier, etc.		13,880,902.46	
Equity transfer deposit		10,000,000.00	
Payment of equity transfer deposit and construction deposit		1,004,634,400.00	5,172,717.11
Structured subject administrator fees			49,012,275.29
Total	92,068,329.09	1,028,515,302.46	54,184,992.40

5. Other cash received related to financing activities

Item	Year 2021	Year 2020	Year 2019
Recovery of deposits on bills and letters of credit used for financing	185,663,684.22	163,370,358.04	158,009,883.66
Received prepayment from the business partner for construct the facilities		78,488,059.61	
Received individual tax for employee equity incentive	210,656,121.75		
Receipt of sale and leaseback borrowings.	117,300,000.00		
The 30% of the equity capital received by Suzhou Shanjin from LG chem	2,121,339,000.00		
Total	2,634,958,805.97	241,858,417.65	158,009,883.66

6. Other cash paid related to financing activities

Item	Year 2021	Year 2020	Year 2019
Payment of deposits on bills and letters of credit used for financing	443,307,801.18	231,402,950.74	100,371,264.00
Payment of finance leasing fees and deposits	68,349,993.05		9,271,702.50
Share issuance related expenses	7,000,000.00		
Payment of rent	56,218,371.13		
Borrowing deposit and service fee		7,971,430.52	11,576,900.00
Total	574,876,165.36	239,374,381.26	121,219,866.50

(LXIV) Supplementary materials of cash flow statement

1. Supplementary materials of cash flow statement

Supplement materials	Year 2021	Year 2020	Year 2019
1. Cash flow for adjusting net profits to operating activities			
Net profit	3,570,326,443.15	205,134,014.62	375,134,644.30
Plus: Credit impairment loss	266,511,923.72	129,177,717.79	81,944,885.88
Impairment reserves of assets	388,065,933.59	75,921,853.98	87,063,448.24
Depreciation of fixed assets	871,092,806.88	522,699,413.07	423,445,055.89
Depreciation of oil and gas assets			
Depreciation of right-to-use assets	62,200,021.31		
Amortization of intangible assets	101,517,684.51	22,693,835.68	19,815,593.71
Amortization of long-term deferred expenses	40,316,116.95	29,284,704.71	24,081,949.35
Loss on disposal of fixed assets, intangible assets and other long-term assets (gains expressed with “-”)	24,391,064.01	3,902,075.09	-1,359,949.18
Losses on scrapping of fixed assets (gains expressed with “-”)	24,280,984.66	15,905,021.64	9,518,525.52
Losses on changes in fair value (gain expressed with “-”)	-3,639,477.23	-3,331,505.28	558,794.32
Financial expenses (income expressed with “-”)	690,274,027.17	382,352,755.11	278,457,539.69
Investment losses (income expressed with “-”)	-2,389,333,684.47	-388,534,387.28	-216,778,702.33
Decrease of deferred income tax assets (increase expressed with “-”)	-134,002,678.94	-24,011,931.98	-23,767,377.15
Increase of deferred income tax liabilities (decrease expressed with “-”)	306,681,615.57		4,388,475.23
Decrease in inventories (increase expressed with “-”)	-2,633,886,630.08	-334,581,234.12	424,290,594.52
Decrease in operating receivable items (increase expressed with “-”)	-5,800,153,911.84	-416,765,471.84	-640,441,300.78
Increase in operating payable items (decrease expressed with “-”)	4,226,292,877.82	109,658,031.75	39,862,510.45
Others	24,569,816.07	-212,877.68	223,264.95
Net cash flow from operating activities	-364,495,067.15	329,292,015.26	886,437,952.61
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			
Closing balance of cash	8,678,782,091.61	2,563,203,640.10	2,044,650,085.98
Less: Opening balance of cash	2,563,203,640.10	2,044,650,085.98	2,110,545,636.93
Plus: Closing balance of cash equivalents			
Less: Opening balance of cash equivalents			
Net increase in cash and cash equivalents	6,115,578,451.51	518,553,554.12	-65,895,550.95

2. Net cash paid for acquiring subsidiaries in the reporting period

	Year 2021	Year 2020	Year 2019
Cash or cash equivalents paid in the current period for the business combination that occurred in the current period	5,972,878,179.65		
Of which: Polarizer business acquisition	5,972,878,179.65		
Less: Cash and cash equivalents held by the subsidiaries on the acquisition date	51,663,080.70		
Of which: ShanJin Optoelectronics (Beijing) Co., Ltd.	51,663,080.70		
Net cash paid for acquisition of subsidiaries . . .	5,921,215,098.95		

3. Net cash received from disposal of subsidiaries in the reporting period

	Year 2021	Year 2020	Year 2019
Cash or cash equivalents received in the current period from disposal of subsidiaries in the current period	1,706,404,978.64	135,408,383.00	
Of which: Transfer of Hunan Shanshan Energy Technology Co., Ltd.	1,702,766,520.67		
Equity transfer of Zhangjiajie Jiaotou Winsky Travel Co., Ltd.	3,115,500.00		
Disposal and liquidation of Ningbo Shanshan Yuntong New Energy System Co., Ltd.	522,957.97		
Shanshan Brand Operations Co., Ltd. and its subsidiaries		79,260,948.00	
FY Financial Leasing (Shenzhen) Co., Ltd. and its subsidiaries		50,397,435.00	
Beijing Intelligent Winsky New Energy Technology Co., Ltd.		1,850,000.00	
Ningbo Shanyuan Graphene Technology Co., Ltd.		3,900,000.00	
Less: Cash and cash equivalents held by the subsidiaries on the date of loss of control.	404,637,099.16	199,834,912.78	198,476.75
Of which: Hunan Shanshan Energy Technology Co., Ltd.	402,049,364.79		
Zhangjiajie Jiaotou Winsky Travel Co., Ltd.	1,842,769.32		
Ningbo Shanshan Yuntong New Energy System Co., Ltd., etc.	744,965.05		
Shanshan Brand Operations Co., Ltd. and its subsidiaries		73,585,025.00	
FY Financial Leasing (Shenzhen) Co., Ltd. and its subsidiaries		125,268,391.82	
Beijing Intelligent Winsky New Energy Technology Co., Ltd.		454,078.45	
Ningbo Shanyuan Graphene Technology Co., Ltd.		527,417.51	
Beijing Shanshan Kaili New Energy Technology Co., Ltd.			127,237.55

	Year 2021	Year 2020	Year 2019
Ningbo Shanshan Bolai Import & Export Co., Ltd.			71,239.20
Plus: Cash or cash equivalents received in the current period from disposal of subsidiaries during the previous periods . .	69,397,435.00		56,209,449.53
Of which: Shanshan Brand Management Co., Ltd.	19,000,000.00		
FY Financial (Shenzhen) Co., Ltd.	50,397,435.00		
Ningbo RENOMA Clothing Co., Ltd.			3,500,000.00
Guangzhou Winsky Zhixing New Energy Vehicle Co., Ltd.			31,060,000.00
Ningbo Yongxiang Investment Management Co., Ltd.			3,983,250.00
Hunan Shanshan Energy Technology Co., Ltd.			17,066,199.53
Ningbo Shanyuan Graphene Technology Co., Ltd.			600,000.00
Net cash received from disposal of subsidiaries	1,371,165,314.48	-64,426,529.78	56,010,972.78

4. Composition of cash and cash equivalents

Item	31 December 2021	31 December 2020	31 December 2019
I. Cash	8,678,782,091.61	2,563,203,640.10	2,044,650,085.98
Of which: Cash on hand	220,489.88	277,947.56	248,523.92
Bank deposit available for payment at any time	8,678,333,813.09	2,500,873,619.53	1,906,274,836.93
Other monetary capitals available for payment at any time	227,788.64	62,052,073.01	651,190.64
Cash on hand transferred to assets held for sale in the clothing segment			16,646.89
Bank deposits readily available for payment from the clothing segment transferred to assets held for sale			137,458,887.60
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	8,678,782,091.61	2,563,203,640.10	2,044,650,085.98
Of which: Cash and cash equivalents with restricted use in the company or subsidiaries of the Group.			

5. Significant operating activities that do not involve cash receipts and payments

The Company and its subsidiaries received payments from customers by bankers' acceptances in their normal sales operations and then endorsed the bankers' acceptances received to pay suppliers for goods, and such sales and purchase operations not involving cash receipts and payments are summarized as follows:

Category	Year 2021	Year 2020	Year 2019	Remarks
Received a bank acceptance bill from a customer for Shanshan's sales receivables . . .	5,436,625,223.70	5,960,176,066.51	6,442,418,072.21	Decreasing the "cash received from the sale of goods or rendering of services"
Endorse the bank acceptance bill delivered by the customer to pay the operating business supplier	4,104,399,529.48	4,300,080,540.53	4,169,198,634.11	Decreasing the "cash paid for goods and services"
Endorse the bank acceptance bill delivered by the customer to pay the investment business supplier	1,097,255,737.74	377,892,960.61	330,307,910.23	Decreasing the "net cash paid for the purchase and construction of fixed assets, intangible assets, and other long-term assets"

(LXV) Notes to the items in the statement of changes in owners' equity

The Q&A on the implementation of the long-term equity investment standard issued by the Accounting Department of the Ministry of Finance on 2 November 2021 states that "if an associate adjusts only the opening number of its 2021 financial statements due to the implementation of the new standard from 1 Jan. 2021, the investor should adjust the opening number of its 2021 financial statements accordingly when it adopts the equity method of accounting".

The Company's associate, Chouzhou Bank, only adjusted the opening balance of the 2021 financial statements without adjusting the comparable period information due to the implementation of the new financial standards on 1 Jan. 2021. The Company adjusted the opening balance of its 2021 financial statements accordingly when it adopted the equity method of accounting. In that very year, its implementation of the new standard brought adjustment of the undistributed earnings of -545,872,854.07 RMB yuan at the beginning of the year and other comprehensive income of -804,796.93 RMB yuan at the beginning of the year. Through equity method accounting, the Company accordingly adjusted the long-term equity investment of -38,595,442.16 RMB yuan with undistributed earnings of -38,538,623.5 RMB yuan at the beginning of the year and adjusted other comprehensive income of -56, 818.66 RMB yuan at the beginning of the year.

(LXVI) Assets with restricted ownership or use rights

Item	Book value			Reasons for restrictions
	31 December 2021	31 December 2020	31 December 2019	
Cash at bank and on hand . . .	612,338,389.37	473,193,093.38	432,981,123.29	Deposit
Cash at bank and on hand . . .	3,840,886.73	46,934,490.93	6,924,552.20	Frozen
Notes receivable.	104,135,510.00	14,000,000.00		Pledge invoicing
Fixed assets	1,792,679,346.53	913,745,030.28	742,542,051.69	Sale and leaseback, mortgage financing
Intangible assets.	109,169,438.06	61,051,545.34	27,817,991.74	Mortgage financing
Construction in progress.		52,969,367.20		Mortgage financing

Item	Book value			Reasons for restrictions
	31 December 2021	31 December 2020	31 December 2019	
Investment in other equity instruments	837,000,000.00	1,068,750,000.00	2,054,057,040.00	Pledge Financing
Investment in other equity instruments		428,182,117.00		Transferred to lending transaction of financing securities
Investment in other equity instruments		256,250,000.00		Expired, but pledge release has not yet been completed
Long-term equity investment	7,345,417,315.06			Pledge Financing
Non-current assets due within one year — finance lease receivables				
Long-term receivables — finance lease receivables			138,279,445.61	Pledge Financing
Other current assets — Minsheng Bank “Enjoy Deposit” deposit			61,456,714.29	Pledge Financing
Total	10,804,580,885.75	3,315,075,644.13	3,464,058,918.82	

(LXVII) Foreign currency monetary items

1. Foreign currency monetary items

31 December 2021

Item	Foreign currency balance	Exchange rate	Converted RMB balance
Cash at bank and on hand			228,029,466.29
Of which: USD	26,678,881.27	6.3757	170,096,543.31
HKD	18,208,817.76	0.8176	14,887,529.40
Euro	5,729,654.89	7.2197	41,366,389.41
Pound	26.28	8.6064	226.18
Japanese yen	30,294,475.00	0.055415	1,678,768.33
Australian dollar	2.09	4.6220	9.66
Investment in other equity instruments			44,735,009.35
Of which: Canadian dollar	789,940.00	5.0046	3,953,333.72
Australian dollar	8,823,382.87	4.6220	40,781,675.63
Accounts receivable	409,165,586.91		
Of which: USD	62,599,021.28	6.3757	399,112,579.97
Euro	1,392,441.09	7.2197	10,053,006.94
Short-term borrowings	8,967,163.41		
Of which: Euro	1,242,041.00	7.2197	8,967,163.41
Accounts payable	247,550,302.14		
Of which: USD	30,727,480.19	6.3757	195,909,195.45
South Korean won	2,180,481,622.00	0.005360206	11,687,830.31
Japanese yen	720,983,062.00	0.055415	39,953,276.38
Long-term payable			1,863,715,651.86
Of which: USD	292,315,455.85	6.3757	1,863,715,651.86
Non-current liabilities due within one year			472,343,734.50
Of which: USD	74,085,000.00	6.3757	472,343,734.50

31 December 2020

Item	Foreign currency balance	Exchange rate	Converted RMB balance
Cash at bank and on hand			106,810,133.99
Of which: USD	12,961,937.55	6.5249	84,575,346.32
HKD	18,200,309.85	0.8416	15,318,108.78
Euro	591,340.89	8.0250	4,745,510.64
Pound	26.28	8.8903	233.64
Japanese yen	34,330,510.00	0.0632	2,170,924.13
Australian dollar	2.09	5.0163	10.48
Held-for-trading financial assets			1,101,632.54
Of which: USD	168,835.16	6.5249	1,101,632.54
Investment in other equity instruments			3,973,298.90
Of which: USD	608,944.03	6.5249	3,973,298.90
Accounts receivable			239,964,704.63
Of which: USD	31,637,623.81	6.5249	206,432,331.60
Euro	4,039,271.58	8.0250	32,415,154.43
Japanese yen	17,667,445.79	0.0632	1,117,218.60
Short-term borrowings			9,967,956.83
Of which: Euro	1,242,113.00	8.0250	9,967,956.83
Accounts payable			42,725,101.23
Of which: USD	1,492,629.50	6.5249	9,739,258.22
South Korean won	5,500,389,322.64	0.0060	32,985,843.01

31 December 2019

Item	Foreign currency balance	Exchange rate	Converted RMB balance
Cash at bank and on hand			178,874,359.24
Of which: USD	18,953,129.20	6.9762	132,220,819.93
HKD	28,352,325.52	0.8958	25,397,446.15
Euro	1,735,490.47	7.8155	13,563,725.77
Pound	26.28	9.1501	240.46
Japanese yen	120,028,036.00	0.0641	7,692,116.72
Australian dollar	2.09	4.8843	10.21
Held-for-trading financial assets			69,721.12
Of which: USD	9,994.14	6.9762	69,721.12
Investment in other equity instruments			114,318,502.85
Of which: USD	570,336.23	6.9762	3,978,779.61
Australian dollar	22,590,693.29	4.8843	110,339,723.24
Accounts receivable			154,042,990.91
Of which: USD	17,969,161.67	6.9762	125,356,465.64
Euro	3,379,852.57	7.8155	26,415,237.76
Japanese yen	35,441,243.21	0.0641	2,271,287.51
Short-term borrowings			110,426,670.00
Of which: USD	350,000.00	6.9762	2,441,670.00
Euro Note	13,800,000.00	7.8250	107,985,000.00
Accounts payable			51,120,905.59
Of which: USD	1,082,116.01	6.9762	7,549,057.71

Item	Foreign currency balance	Exchange rate	Converted RMB balance
Euro	327,055.86	7.8155	2,556,105.07
South Korean won	6,800,000,000.00	0.0060	41,015,742.81
Other payables			1,033,909.22
Of which: HKD	50,000.00	0.8958	44,789.00
Euro	126,558.79	7.8155	989,120.22
Non-current liabilities due within one year . .			98,131,147.56
Of which: Euro Note	12,550,345.00	7.8190	98,131,147.56

Note: The balance of foreign currency borrowing of Euro 26,350,345.00, all of which are foreign currency borrowings with locked-in exchange rate, represents the balance of foreign currency borrowing of FY Financial (Shenzhen) Co., Ltd.

(LXVIII) Government subsidies

1. Government subsidies related to assets

Category	Amounts included in profit or loss for the current period or written off against related costs and expenses losses			Items included in profit or loss for the current period or written off against related costs and expenses losses
	Year 2021	Year 2020	Year 2019	
Government subsidies related to industrial investment projects	7,493,954.51	6,737,415.62	7,686,600.30	Other income
Government subsidies related to supporting industrial projects	35,809,269.37	29,695,734.24	27,857,265.25	Other income
Total	43,303,223.88	36,433,149.86	35,543,865.55	

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 against related costs and expenses losses
	Year 2021	Year 2020	Year 2019	
High-tech enterprise subsidy	2,158,100.00	18,269,600.00	16,667,300.00	Other income
Industrial support fund subsidy	29,193,471.66	64,512,713.95	125,858,910.20	Other income
Technology project subsidy . .	15,454,833.63	11,952,230.00	9,593,400.00	Other income
Other subsidies	14,423,233.95	9,715,529.53	7,695,707.66	Other income, retained earnings
Total	61,229,639.24	104,450,073.48	159,815,317.86	

(LXIX) Leases

1. As the lessee

Item	Year 2021
Interest expense on lease liabilities	72,752,190.28
Short-term lease expenses included in the cost of the related assets or in profit or loss for the current period for simplified treatment	41,750,464.89
Lease expenses for low-value assets included in the cost of the related assets or in profit or loss for the current period for simplified treatment (except short-term lease expenses for low-value assets)	75,344.91
Variable lease payments not included in the measurement of the lease liability that are included in the cost of the related assets or in profit or loss for the current period	
Of which: The part arising from sale-and-leaseback transactions	
Income from sublease of right-to-use assets	
Total cash outflows related to leases	56,218,371.13
Profit and loss related to sale-and-leaseback transactions	
Cash inflow from sale-and-leaseback transactions	
Cash outflow from sale-and-leaseback transactions	

The expected future annual cash outflows for leases to which the Company is committed but which have not yet commenced are as follows:

Remaining lease term	Undiscounted lease payments
Within 1 year	360,600,679.91
1-2 years	217,726,836.38
2-3 years	206,635,323.56
Above 3 years	1,785,898,363.99
Total	2,570,861,203.84

2. As the lessor

- (1) Operating lease

	Year 2021
Operating lease income	40,504,119.77

VI. CHANGE IN SCOPE OF CONSOLIDATION

(I) Business combination not under the same control

1. Business combination not under the same control that occurred during the reporting period

No business combination not under the same control in FY 2019 and FY 2020.

Year 2021

Name of the acquiree	Time point of acquisition of equity	Cost of equity acquisition	Share acquisition ratio	Method of equity acquisition	Acquisition date	Basis for determining the acquisition date	Operation income of the acquiree from the acquisition date to the end of the period	Net profit of the acquiree from the acquisition date to the end of the period
			(%)					
Polarizer business	2021.2.1	5,972,878,179.65	100.00	Purchase from outside	2021.2.1	Asset delivery	10,097,648,909.61	1,197,200,618.06

Other instructions:

The Company purchased LG Chem’s LCD polarizer business and related assets in mainland China, Taiwan and Korea, and acquired 70% equity interest in ShanJin Optoelectronics (Suzhou) Co., Ltd. (Suzhou ShanJin). The Company indirectly purchased LG Chem’s LCD polarizer business and related assets in China, Taiwan and Korea through Suzhou ShanJin. The Company has already considered and approved the *Proposal on the Company’s Current Major Assets Reorganization Plan* and other proposals at the Second Meeting of the Tenth Session of the Board of Directors held on 9 June 2020, the Fourth Meeting of the Tenth Session of the Board of Directors held on 14 September 2020 and the Second Extraordinary General Meeting of 2020 held on 20 September 2020, respectively.

The benchmark purchase price of the assets subject to this transaction is US\$1.1 billion. According to the *Framework Agreement*, the *Amendment Agreement to the Framework Agreement* and the *Subsidiary Agreements*, the transaction is divided into two deliveries, namely the Mainland China Delivery (covering the business or assets of the counterparty located in Mainland China and Korea) and the Taiwan (China) Delivery (covering the business and assets of the counterparty located in Taiwan, China), with the Taiwan (China) Delivery subject to the Mainland China Delivery. The delivery that has been implemented is the delivery in Mainland China, and the delivery in Taiwan, China will be implemented after obtaining the approval of the Investment Review Committee of the Ministry of Economic Affairs of Taiwan, China. The initial transfer price of the underlying assets related to the mainland China delivery was US\$1.050.6 billion, representing 95.51% of the underlying assets’ base purchase price of US\$1.1 billion, and the initial transfer price of the underlying assets related to Taiwan, China, represented 4.49% of the underlying assets’ base purchase price. The underlying assets related to delivery in mainland China include: (I) 100% equity of LG Chemical Display Materials (Beijing) Co., Ltd. (hereinafter referred to as “Beijing LG”); (II) LCD polarizer business of LG Chemical (Nanjing) Information Electronic Materials Co., Ltd. (hereinafter referred to as “Nanjing LG”); (III) LCD polarizer business of LG Chemical (Guangzhou) Information Electronic Materials Co., Ltd. (hereinafter referred to as “Guangzhou LG”); (IV) LCD polarizer assets held by LG Chemical; (V) Intellectual property rights related to LCD polarizer business held by LG Chemical. The 70% interest in this transaction has a base purchase price of US\$770 million.

As of 1 February 2021, the parties to the transaction had signed the *Mainland China Delivery Memorandum* and, as acknowledged and confirmed by the parties to the transaction, the preconditions of Mainland China Delivery had all been satisfied or waived and the Mainland China Delivery was completed at 0:00 (CST) on 1 February 2021.

The shareholding company of the transaction is Suzhou ShanJin, and its wholly-owned subsidiaries are ShanJin Optoelectronics (Nanjing) Co., Ltd., ShanJin Optoelectronics (Guangzhou) Co., Ltd., and ShanJin Optoelectronics Technology (Zhangjiagang) Co., Ltd. (hereinafter referred to as “Nanjing ShanJin”, “Guangzhou ShanJin”, and “Zhangjiagang ShanJin”).

The Company has completed the investment payment for 70% interest in Suzhou ShanJin, and the paid-in capital of Suzhou ShanJin is as follows:

	Currency of contribution	USD	RMB	Proportion
Ningbo Shanshan Co., Ltd.	RMB	\$770,000,000.00	4,983,886,600.00	70%
LG CHEM, LTD	USD	\$330,000,000.00	2,121,339,000.00	30%
Total			7,105,225,600.00	100.00%

Meanwhile, Suzhou ShanJin and its holding subsidiary have completed the purchase and payment for LG Chem’s LCD polarizer business and related assets polarizer business in mainland China and Korea.

Transaction subjects	Final transfer price	Benchmark purchase price	Payment company	Amount paid	Equivalent to USD
	(USD)	(USD)		(RMB)	
Equity transfer price of Beijing LG	35,730,769	27,700,000	Suzhou ShanJin	229,498,535.28	35,730,769
Business transfer price of Nanjing LG	533,029,189	696,400,000	Nanjing ShanJin	3,444,500,677.39	533,029,189
Business transfer price of Guangzhou LG	235,664,486	196,100,000	Guangzhou ShanJin	1,516,587,951.70	235,664,486
Asset transfer price of LG Chem	17,923,886	28,100,000	Guangzhou ShanJin	115,833,113.28	17,923,886
Transfer price of intellectual property	102,300,000	102,300,000	Suzhou ShanJin	666,457,902.00	102,300,000
Subtotal delivery in mainland China	924,648,329	1,050,600,000		5,972,878,179.65	924,648,330
Equity transfer price of new Taiwan subsidiaries	TBD	49,400,000			
Total		1,100,000,000			

The deadline for delivery in Taiwan (China) is the first anniversary after the delivery date of mainland China (i.e. 1 February 2022). As of 1 February 2022, the Taiwan (China) Delivery had not yet met the prerequisites for the delivery agreed by the parties to the transaction. Shanshan Co., Ltd. and LG Chem signed a confirmation letter on 1 February 2022 regarding the suspension of the Taiwan (China) Settlement, based on the status of the Taiwan (China) Delivery. On 20 May 2022, both parties signed a new agreement to continue the transaction of Taiwan LG LCD polarizer business and the terms of the transaction continue to be the same as the Framework Agreement, the Supplemental Agreement to the Framework Agreement and the auxiliary agreements.

2. Consolidation costs and goodwill

Year 2021

	<u>Polarizer business</u>
Consolidation cost	
— Cash	5,972,878,179.65
— Fair value of non-cash assets	
— Fair value of debt issued or assumed	
— Fair value of equity securities issued	
— Fair value of contingent consideration	
— Fair value of equity held before the purchase date on the purchase date	
— Others	234,432,571.79
Total consolidation cost	6,207,310,751.44
Less: Share of fair value of identifiable net assets acquired	5,420,741,331.22
Amount by which goodwill/consolidation cost is less than the share of fair value of identifiable net assets acquired	786,569,420.22

The fair value of the consolidation cost was confirmed based on the fair value appraisal report of Purchase Price Allocation (PPA) of ShanJin Optoelectronics (Suzhou) Co., Ltd. issued by Yinxin Asset Appraisal Co., Ltd. (Y. X. Z. B. Zi (2021) SH No. 590)

3. Identifiable assets and liabilities of the acquiree at the date of acquisition

	<u>Polarizer business</u>
	<u>Fair value at the date of acquisition</u>
Assets:	5,554,976,855.07
Cash at bank and on hand	51,663,080.70
Receivables	80,475,108.22
Inventories	721,207,747.39
Subtotal of other assets	3,900,194.91
Fixed assets	3,652,789,332.50
Construction in progress	137,647,241.94
Intangible assets	907,294,149.41
Liabilities:	134,235,523.85
Account payable	70,216,515.64
Other liabilities	64,019,008.21
Net assets	5,420,741,331.22
Less: Equity of non-controlling interests	
Net assets acquired	5,420,741,331.22

(II) Business combination under the same control

1. Business combination under the same control that occurred during the reporting period

No business combination under the same control in 2019-2021.

(III) Disposal of subsidiaries

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

Year 2019

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 remeasurement 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
Beijing Shanshan Kaili New Energy Technology Co., Ltd.....	9 million RMB yuan	25.00 (%)	Capital increase in kind by other shareholders	2019.6.30	The time point at which new shareholders can exercise their voting rights upon completion of the capital increase transaction	5,904,913.85	38.25	856,239.97	856,239.97			

Year 2020

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 remeasurement 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
Shanshan Brand Management Co., Ltd.	168,113,348.00	48.10 (%)	Transfer of shares	2020.7.3	Completion of equity change registration	79,845,682.49	19.37	38,553,411.69	38,553,411.69		The share of net assets corresponding to the remaining equity is the best estimate	
FY Financial (Shenzhen) Co., Ltd.	100,794,870.00	22.00 (%)	Transfer of shares	31 December 2020	Completion of equity change registration	920,552.53	19.60	88,978,937.41	88,978,937.41		The share of net assets corresponding to the remaining equity is the best estimate	
Ningbo Shanyuan Graphene Technology Co., Ltd.	1,000,000.00	10.00 (%)	Transfer of shares	2020.1.1	Received 50% equity payment and delivered control power	468,764.17	44.00	2,337,437.67	2,337,437.67		The share of net assets corresponding to the remaining equity is the best estimate	
Beijing Intelligent Winsky New Energy Technology Co., Ltd.	3,650,000.00	100.00 (%)	Transfer of shares	31 December 2020	Delivery of control power	-6,744,430.24						

Other instructions: The equity transfer of Shanshan Brand Management Co., Ltd. was based on the equity value appraisal conducted on 30 September 2019, when the equity share to be transferred was valued at 145 million after appraisal, and the equity transfer intention was reached in December 2019 for a transfer price of 168 million. As of 3 July 2020, the transfer of shares was finalized and the procedures for changing the shareholding of HKEx and the re-election of the board of directors were completed. During this period, the Company incurred significant losses due to the epidemic overlaid with seasonal effects, and the share of net assets corresponding to the proposed equity transfer decreased, thus resulting in a large gain or loss on disposal.

Year 2021

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 remeasurement 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
Zhangjiajie Jiaotou Winsky Travel Co., Ltd.	3,115,500.00	60.00	Transfer of shares	2021.3.31	Delivery of control power	82,762.99						
Hunan Shanshan Energy Technology Co., Ltd.	1,702,766,520.67	19.64	Transfer of shares	2021.8.31	Delivery of control power	856,009,330.52	49.00	2,112,173,191.65	3,350,130,000.00	1,237,956,808.35	Valuation of fair value Note	
Jiangsu Shanshan Energy Management Co., Ltd.	10.00	51.00	Transfer of shares	2021.6.30	Delivery of control power	9,256,571.15						

Other instructions: According to the appraisal report of all shareholders' equity value of Hunan Shanshan Energy Technology Co., Ltd. issued by Yinxin Asset Appraisal Co., Ltd. (Y. X. P. B. Zi (2022) SH No. 0171), the value of all shareholders' equity of Hunan Shanshan Energy Technology Co., Ltd. as of 31 August 2021 was valued at 6,826,000,000 RMB yuan, and the fair value of the remaining equity interests as of the date of loss of control of the Company was 3,350,130,000 RMB yuan.

2. *There are neither step-by-step disposals of investments in subsidiaries through multiple transactions during 2019 to 2021 nor loss of control in the current reporting period*

(IV) Change in scope of consolidation for other reasons

1. *Newly established subsidiaries*

Year 2019

Name of subsidiary	Main business locations	Place of registration	Business nature	Shareholding ratio (%)		Acquisition method
				Direct	Indirect	
Suzhou Yiyun New Energy Technology Co., Ltd.	Suzhou	Suzhou	Service industry		70	Newly established
Ningbo Shanwen Photovoltaic Power Generation Co., Ltd.	Zhejiang	Zhejiang	Industry		100	Newly established
Shaoxing Shangyu Shancheng Photovoltaic Power Generation Co., Ltd.	Zhejiang	Zhejiang	Industry		100	Newly established
Quzhou Shanke Photovoltaic Power Generation Co., Ltd.	Zhejiang	Zhejiang	Industry		100	Newly established
Quzhou Shanyu New Energy Development Co., Ltd.	Zhejiang	Zhejiang	Industry		100	Newly established
Quzhou Qujiang Shanzhen New Energy Technology Co., Ltd.	Zhejiang	Zhejiang	Industry		100	Newly established
Sanmen Shangang Photovoltaic Power Generation Co., Ltd.	Zhejiang	Zhejiang	Industry		100	Newly established
Jinhua Shanbao Photovoltaic Power Generation Co., Ltd.	Zhejiang	Zhejiang	Industry		100	Newly established
Hangzhou Shanqiu Photovoltaic Power Generation Co., Ltd.	Zhejiang	Zhejiang	Industry		100	Newly established
Jinhua Puzhong Photovoltaic Power Generation Co., Ltd.	Zhejiang	Zhejiang	Industry		100	Newly established
Taizhou Shanlin Photovoltaic Power Generation Co., Ltd.	Zhejiang	Zhejiang	Industry		100	Newly established
Yiwu Shanqing Photovoltaic Power Generation Co., Ltd.	Zhejiang	Zhejiang	Industry		100	Newly established
Quzhou Shantao Photovoltaic Power Generation Co., Ltd.	Zhejiang	Zhejiang	Industry		100	Newly established
Jinhua Shanshi Photovoltaic Power Generation Co., Ltd.	Zhejiang	Zhejiang	Industry		100	Newly established
Wenling Shanyun Photovoltaic Power Generation Co., Ltd.	Zhejiang	Zhejiang	Industry		100	Newly established
Ningbo Shanrong Photovoltaic Power Generation Co., Ltd.	Zhejiang	Zhejiang	Industry		100	Newly established
Ningbo Yongshan Lithium Industry Co., Ltd.	Zhejiang	Zhejiang	Industry	100		Newly established
Yongshan International Co., Ltd.	Zhejiang	Hong Kong	Industry		100	Newly established
Hunan Yongshan Lithium Industry Co., Ltd.	Hunan	Hunan	Industry		100	Newly established

Year 2020

Name of subsidiary	Main		Business nature	Shareholding ratio (%)		Acquisition method
	Place of business	Place of registration		Direct	Indirect	
Shanghai Shangang Economic Development Co., Ltd.	Shanghai	Shanghai	Investment		60	Newly established
Shanghai Shanshan New Material Co., Ltd.	Shanghai	Shanghai	Industry		100	Newly established
Ningbo Taihui Photovoltaic Technology Co., Ltd.	Zhejiang	Zhejiang	Industry		100	Newly established
Taizhou Shanxian Photovoltaic Power Generation Co., Ltd.	Zhejiang	Zhejiang	Industry		100	Newly established
Xinchang Juheng New Energy Development Co., Ltd.	Zhejiang	Zhejiang	Industry		100	Newly established

Year 2021

Name of subsidiary	Main		Business nature	Shareholding ratio (%)		Acquisition method
	Place of business	Place of registration		Direct	Indirect	
Quzhou Shanyou Photovoltaic Power Generation Co., Ltd.	Zhejiang	Zhejiang	Industry		100	Newly established
Zhejiang Guangliang New Energy Technology Co., Ltd.	Zhejiang	Zhejiang	Industry		100	Newly established
ShanJin Optoelectronics (Suzhou) Co., Ltd.	Suzhou, Jiangsu	Jiangsu	Industry	70		Newly established
ShanJin Optoelectronics (Guangzhou) Co., Ltd.	Guangzhou	Guangzhou	Industry		100	Newly established
ShanJin Optoelectronics (Nanjing) Co., Ltd.	Nanjing, Jiangsu	Jiangsu	Industry		100	Newly established
ShanJin Optoelectronics (Beijing) Co., Ltd.	Beijing	Beijing	Industry		100	Newly established
ShanJin Optoelectronics Technology (Zhangjiagang) Co., Ltd.	Zhangjiagang, Jiangsu	Jiangsu	Industry		100	Newly established
ShanJin Optoelectronics (Mianyang) Co., Ltd.	Mianyang, Sichuan	Sichuan	Industry		100	Newly established
Inner Mongolia Shanshan Material Technology Co., Ltd.	Baotou, Inner Mongolia	Inner Mongolia	Industry		100	Newly established
Sichuan Shanshan New Material Co., Ltd.	Mianyang, Sichuan	Sichuan	Industry		100	Newly established

2. *Closed and canceled subsidiaries*

Year 2019

Name of subsidiary

Shanshan Automobile (Shenzhen) Co., Ltd.
Shanshan Automobile (Guangzhou) Co., Ltd.
Shanghai Shanshan New Material Research Institute Co., Ltd.
Shanxi Winsky New Energy Car Rental Co., Ltd.
Zhoushan Dinghai Shanhua New Energy Co., Ltd.
Pizhou Chunshan Energy Management Co., Ltd.
Shanshan Global Energy Management (China) Co., Ltd.

Year 2020

Name of subsidiary

Ningbo Frey RV Co., Ltd.
Shaoxing Shanxun Photovoltaic Power Generation Co., Ltd.
Shaoxing Shangyu Shancheng Photovoltaic Power Generation Co., Ltd.
Yiwu Shanqing Photovoltaic Power Generation Co., Ltd.
Shaoxing Shanshui New Energy Co., Ltd.
Yongkang Shanju New Energy Co., Ltd.
Zhoushan Shanlang New Energy Co., Ltd.
Ningbo Shanrong Photovoltaic Power Generation Co., Ltd.
Suqian Shanshan Kaili New Energy Technology Co., Ltd.

Year 2021

Name of subsidiary

Shanghai Shangang Economic Development Co., Ltd.
Wenling Shanyun Photovoltaic Power Generation Co., Ltd.
Jinhua Shanshi Photovoltaic Power Generation Co., Ltd.
Deyin Investment Co., Ltd.
Ningbo Shanshan Yuntong New Energy System Co., Ltd.

3. *The structured entity, CR Trust — Bohui No. 70, has expired and liquidated in July 2019, and the shares of Luoyang Molybdenum originally held by this entity have been transferred to its subsidiary Ningbo Shanshan Venture Capital Investment Co., Ltd.*

VII. INTERESTS IN OTHER SUBJECTS

(I) Interests in subsidiaries

1. Composition of enterprise groups

Name of subsidiary	Main business locations	Place of registration	Business nature	31 December 2021		31 December 2020		31 December 2019		Acquisition method
				Shareholding ratio (%)		Shareholding ratio (%)		Shareholding ratio (%)		
				Direct	Indirect	Direct	Indirect	Direct	Indirect	
ShanJin Optoelectronics (Suzhou) Co., Ltd. Note 1	Suzhou, Jiangsu	Suzhou, Jiangsu	Industry	70						Newly established
ShanJin Optoelectronics (Guangzhou) Co., Ltd.	Guangzhou	Guangzhou	Industry	100						Newly established
ShanJin Optoelectronics (Nanjing) Co., Ltd.	Nanjing, Jiangsu	Nanjing, Jiangsu	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
Ningbo Shanshan New Energy Technology Development Co., Ltd.	Ningbo, Zhejiang	Ningbo, Zhejiang	Investment	98	2	98	2	98	2	Newly established
Shanghai Shanshan Lithium Battery Material Technology Co., Ltd.	Ningbo, Zhejiang	Ningbo, Zhejiang	Investment	89.99		81.23		82.5		Newly established
Ningbo Shanshan New Material Technology Co., Ltd.	Ningbo, Zhejiang	Ningbo, Zhejiang	Industry	100		100		100		Newly established
Shanghai Shanshan Technology Co., Ltd.	Shanghai	Shanghai	Industry	100		100		100		Consolidation under the same control

Name of subsidiary	Main business locations	Place of registration	Business nature	31 December 2021		31 December 2020		31 December 2019		Acquisition method
				Shareholding ratio (%)		Shareholding ratio (%)		Shareholding ratio (%)		
				Direct	Indirect	Direct	Indirect	Direct	Indirect	
Chenzhou Shanshan New Material Co., Ltd.	Hunan	Hunan	Industry	100	100	100	100	100	100	Newly established
Fujian Shanshan Technology Co., Ltd.	Fujian	Fujian	Industry	100	100	100	100	100	100	Newly established
Huzhou Shanshan New Energy Technology Co., Ltd.	Huzhou	Huzhou	Industry	100	100	100	100	100	100	Consolidation not under the same control
Inner Mongolia Shanshan Technology Co., Ltd.	Inner Mongolia	Inner Mongolia	Industry	100	100	100	100	100	100	Newly established
Inner Mongolia Shanshan New Material Co., Ltd.	Inner Mongolia	Inner Mongolia	Industry	100	100	100	100	100	100	Newly established
Baotou Graphene Material Research Institute Co., Ltd. Note 2	Inner Mongolia	Inner Mongolia	Industry	50	50	50	50	50	50	Newly established
Shanghai Shanshan New Material Co., Ltd.	Shanghai	Shanghai	Industry	100	100	100	100	100	100	Newly established
Ningbo Yongxiang Investment Co., Ltd.	Ningbo	Ningbo	Investment	100	100	100	100	100	100	Newly established
Ningbo Yongquan Investment Co., Ltd.	Ningbo	Ningbo	Investment	100	100	100	100	100	100	Newly established
Dongguan Shanshan Battery Material Co., Ltd.	Guangdong	Guangdong	Industry	100	100	100	100	100	100	Newly established
Langfang Shanshan Battery Material Co., Ltd.	Langfang	Langfang	Industry	100	100	100	100	100	100	Newly established
Shanshan New Material (Quzhou) Co., Ltd.	Zhejiang	Zhejiang	Industry	82.25	82.25	82.25	82.25	82.25	82.25	Consolidation not under the same control

Name of subsidiary	Main business locations	Place of registration	Business nature	31 December 2021		31 December 2020		31 December 2019		Acquisition method
				Shareholding ratio (%)		Shareholding ratio (%)		Shareholding ratio (%)		
				Direct	Indirect	Direct	Indirect	Direct	Indirect	
Ningbo Shanshan Venture Capital Investment Co., Ltd.....	Ningbo	Ningbo	Investment	100		100		100		Newly established
Beijing Shanshan Venture Capital Investment Co., Ltd.....	Beijing	Beijing	Investment		100		100		100	Newly established
Ningbo Shanshan Electric Vehicle Technology Development Co., Ltd.....	Ningbo	Ningbo	Investment	90	10	90	10	90	10	Newly established
Ningbo Qingshan Automobile Co., Ltd.....	Ningbo	Ningbo	Investment		100		100		100	Newly established
Inner Mongolia Qingshan Automobile Co., Ltd....	Inner Mongolia	Inner Mongolia	Industry		94.43		94.43		94.43	Newly established
Shanghai Zhanxiao New Energy Technology Co., Ltd.....	Shanghai	Shanghai	Industry		60.98		60.98		60.98	Newly established
Ningbo Shanshan Bada Power Assembly Co., Ltd.....	Ningbo	Ningbo	Industry		70		70		70	Newly established
Ningbo Shanshan Automobile Co., Ltd.....	Ningbo	Ningbo	Industry		100		100		100	Newly established
Ningbo Shanshan Investment Co., Ltd.....	Ningbo	Ningbo	Investment		100		100		100	Newly established
Winsky New Energy Technology Co., Ltd.	Shenzhen	Shenzhen	Service industry		100		100		100	Newly established
Winsky New Energy Technology (Tianjin) Co., Ltd.....	Tianjin	Tianjin	Service industry		100		100		100	Newly established
Winsky (Dalian) New Energy Technology Co., Ltd.....	Dalian	Dalian	Service industry		100		100		100	Newly established
Ningbo Winsky New Energy Co., Ltd.	Ningbo	Ningbo	Service industry		100		100		100	Newly established

Name of subsidiary	Main business locations	Place of registration	Business nature	31 December 2021		31 December 2020		31 December 2019		Acquisition method
				Shareholding ratio (%)		Shareholding ratio (%)		Shareholding ratio (%)		
				Direct	Indirect	Direct	Indirect	Direct	Indirect	
Shanghai Turong Car Rental Service Co., Ltd.	Shanghai	Shanghai	Service industry	100		100		100		Consolidation not under the same control
Hunan Winsky New Energy Co., Ltd. Note 3	Shanghai	Shanghai	Service industry	100		100		100		Newly established
Hefei Spruce New Energy Co., Ltd.	Shanghai	Shanghai	Service industry	100		100		100		Newly established
Xi'an Winsky New Energy Technology Co., Ltd.	Xi'an	Xi'an	Service industry	100		100		100		Newly established
Xi'an Lvyuan Zhongxing New Energy Vehicle Technology Co., Ltd.	Xi'an	Xi'an	Service industry	80		80		80		Consolidation not under the same control
Hebei Winsky New Energy Technology Co., Ltd.	Hebei	Hebei	Service industry	100		100		100		Newly established
Jiangsu Spruce New Energy Technology Co., Ltd.	Jiangsu	Jiangsu	Service industry	100		100		100		Newly established
Winsky (Suzhou) New Energy Technology Co., Ltd.	Jiangsu	Jiangsu	Service industry	100		100		100		Newly established
Winsky New Energy Technology (Shenzhen) Co., Ltd.	Shenzhen	Shenzhen	Service industry	100		100		100		Newly established
Shenzhen Winsky Information Technology Co., Ltd.	Shenzhen	Shenzhen	Service industry	100		100		100		Newly established
Henan Winsky New Energy Technology Co., Ltd.	Henan	Henan	Service industry	100		100		100		Newly established
Xinxiang Winsky New Energy Co., Ltd.	Henan	Henan	Service industry	100		100		100		Newly established

Name of subsidiary	Main business locations	Place of registration	Business nature	31 December 2021		31 December 2020		31 December 2019		Acquisition method
				Shareholding ratio (%)		Shareholding ratio (%)		Shareholding ratio (%)		
				Direct	Indirect	Direct	Indirect	Direct	Indirect	
Sichuan Winsky New Energy Technology Co., Ltd.	Sichuan	Sichuan	Service industry	100	100	100	100	100	100	Newly established
Chongqing Winsky New Energy Technology Co., Ltd.	Chongqing	Chongqing	Service industry	100	100	100	100	100	100	Newly established
Winsky (Xiamen) New Energy Technology Co., Ltd.	Xiamen	Xiamen	Service industry	100	100	100	100	100	100	Newly established
Guangzhou Winsky New Energy Technology Co., Ltd.	Guangzhou	Guangzhou	Service industry	100	100	100	100	100	100	Newly established
Zhejiang Winsky New Energy Technology Co., Ltd.	Zhejiang	Zhejiang	Service industry	100	100	100	100	100	100	Newly established
Shanghai Wanshan New Energy Technology Co., Ltd.	Shanghai	Shanghai	Service industry	100	100	100	100	100	100	Newly established
Suzhou Yiyun New Energy Technology Co., Ltd.	Suzhou	Suzhou	Service industry	70	70	70	70	70	70	Newly established
Ningbo Ulica Solar Co., Ltd.	Ningbo	Ningbo	Industry	90.035	90.035	90.035	90.035	90.035	90.035	Consolidation under the same control
Ningbo Shanneng Photovoltaic Power Generation Co., Ltd.	Ningbo	Ningbo	Industry	100	100	100	100	100	100	Consolidation under the same control
Taizhou Shanhe Photovoltaic Power Generation Co., Ltd.	Zhejiang	Zhejiang	Industry	100	100	100	100	100	100	Consolidation under the same control
Taizhou Shanda Photovoltaic Power Generation Co., Ltd.	Zhejiang	Zhejiang	Industry	100	100	100	100	100	100	Newly established

Name of subsidiary	Main business locations	Place of registration	Business nature	31 December 2021		31 December 2020		31 December 2019		Acquisition method
				Shareholding ratio (%)		Shareholding ratio (%)		Shareholding ratio (%)		
				Direct	Indirect	Direct	Indirect	Direct	Indirect	
Taizhou Shantai Photovoltaic Power Generation Co., Ltd.	Zhejiang	Zhejiang	Industry	100		100		100		Newly established
Wuyi Shansheng Photovoltaic Co., Ltd.	Zhejiang	Zhejiang	Industry	100		100		100		Newly established
Yongkang Shanlong Photovoltaic Power Generation Co., Ltd.	Zhejiang	Zhejiang	Industry	100		100		100		Newly established
Ningbo Shanhua Photovoltaic Power Generation Co., Ltd.	Ningbo	Ningbo	Industry	100		100		100		Newly established
Shaoxing Shandian Photovoltaic Power Generation Co., Ltd.	Zhejiang	Zhejiang	Industry	100		100		100		Newly established
Ningbo Shanhui Photovoltaic Power Generation Co., Ltd.	Ningbo	Ningbo	Industry	100		100		100		Newly established
Ningbo Shanjie Photovoltaic Power Generation Co., Ltd.	Ningbo	Ningbo	Industry	100		100		100		Newly established
Sanmen Shanyuan Photovoltaic Power Generation Co., Ltd.	Zhejiang	Zhejiang	Industry	100		100		100		Newly established
Shaoxing Shanzi Photovoltaic Power Generation Co., Ltd.	Zhejiang	Zhejiang	Industry	100		100		100		Newly established
Ningbo Shanlun Photovoltaic Power Generation Co., Ltd.	Ningbo	Ningbo	Industry	100		100		100		Newly established
Taizhou Shanyan New Energy Co., Ltd.	Zhejiang	Zhejiang	Industry	100		100		100		Newly established
Quzhou Shanhai Photovoltaic Power Generation Co., Ltd.	Zhejiang	Zhejiang	Industry	100		100		100		Newly established
Quzhou Qujiang Henglei Energy Technology Co., Ltd.	Zhejiang	Zhejiang	Industry	100		100		100		Consolidation not under the same control

Name of subsidiary	Main business locations	Place of registration	Business nature	31 December 2021		31 December 2020		31 December 2019		Acquisition method
				Shareholding ratio (%)		Shareholding ratio (%)		Shareholding ratio (%)		
				Direct	Indirect	Direct	Indirect	Direct	Indirect	
Ningbo Shanwen Photovoltaic Power Generation Co., Ltd.	Zhejiang	Zhejiang	Industry	100		100		100		Newly established
Quzhou Shanke Photovoltaic Power Generation Co., Ltd.	Zhejiang	Zhejiang	Industry	100		100		100		Newly established
Quzhou Shanyu New Energy Development Co., Ltd.	Zhejiang	Zhejiang	Industry	100		100		100		Newly established
Quzhou Qujiang Shanzhen New Energy Technology Co., Ltd.	Zhejiang	Zhejiang	Industry	100		100		100		Newly established
Sanmen Shangang Photovoltaic Power Generation Co., Ltd.	Zhejiang	Zhejiang	Industry	100		100		100		Newly established
Jinhua Shanbao Photovoltaic Power Generation Co., Ltd.	Zhejiang	Zhejiang	Industry	100		100		100		Newly established
Hangzhou Shanqiu Photovoltaic Power Generation Co., Ltd.	Zhejiang	Zhejiang	Industry	100		100		100		Newly established
Jinhua Puzhong Photovoltaic Power Generation Co., Ltd.	Zhejiang	Zhejiang	Industry	100		100		100		Newly established
Taizhou Shanlin Photovoltaic Power Generation Co., Ltd.	Zhejiang	Zhejiang	Industry	100		100		100		Newly established
Quzhou Shantao Photovoltaic Power Generation Co., Ltd.	Zhejiang	Zhejiang	Industry	100		100		100		Newly established
Ningbo Shanshan Sunshine New Energy Co., Ltd.	Ningbo	Ningbo	Industry	100		100		100		Newly established
Ningbo Shanheng Photovoltaic Power Generation Co., Ltd.	Ningbo	Ningbo	Industry	100		100		100		Newly established
Shaoxing Shansheng Photovoltaic Power Generation Co., Ltd.	Zhejiang	Zhejiang	Industry	100		100		100		Newly established
Lanxi Shanrui New Energy Co., Ltd.	Zhejiang	Zhejiang	Industry	100		100		100		Newly established

Name of subsidiary	Main business locations	Place of registration	Business nature	31 December 2021		31 December 2020		31 December 2019		Acquisition method
				Shareholding ratio (%)		Shareholding ratio (%)		Shareholding ratio (%)		
				Direct	Indirect	Direct	Indirect	Direct	Indirect	
Ningbo Ciguang New Energy Technology Co., Ltd.....	Zhejiang	Zhejiang	Industry	100	100	100	100	100	100	Consolidation not under the same control
Wuyi Shanrun New Energy Co., Ltd.	Zhejiang	Zhejiang	Industry	100	100	100	100	100	100	Newly established
Taizhou Shantian Photovoltaic Power Generation Co., Ltd.....	Zhejiang	Zhejiang	Industry	100	100	100	100	100	100	Newly established
Cixi Shante Photovoltaic Co., Ltd.	Zhejiang	Zhejiang	Industry	100	100	100	100	100	100	Newly established
Shaoxing Shanchang New Energy Co., Ltd.	Zhejiang	Zhejiang	Industry	100	100	100	100	100	100	Newly established
Yuyao Shankai Photovoltaic Power Generation Co., Ltd.....	Zhejiang	Zhejiang	Industry	100	100	100	100	100	100	Newly established
Jinhua Shangong Photovoltaic Power Generation Co., Ltd.....	Zhejiang	Zhejiang	Industry	100	100	100	100	100	100	Newly established
Ningbo Xinquante New Energy Development Co., Ltd.....	Zhejiang	Zhejiang	Industry	100	100	100	100	100	100	Consolidation not under the same control
Ningbo Haobo New Energy Co., Ltd.	Zhejiang	Zhejiang	Industry	100	100	100	100	100	100	Consolidation not under the same control
Jinhua Zhichao New Energy Technology Co., Ltd.....	Zhejiang	Zhejiang	Industry	100	100	100	100	100	100	Consolidation not under the same control

Name of subsidiary	Main business locations	Place of registration	Business nature	31 December 2021		31 December 2020		31 December 2019		Acquisition method
				Shareholding ratio (%)		Shareholding ratio (%)		Shareholding ratio (%)		
				Direct	Indirect	Direct	Indirect	Direct	Indirect	
Ningbo Shanteng New Energy Co., Ltd.	Zhejiang	Zhejiang	Industry	100		100		100		Newly established
Nanchang Shan'ao New Energy Co., Ltd.	Zhejiang	Zhejiang	Industry	100		100		100		Newly established
Ningbo Yuyao Xiangtai Power Engineering Co., Ltd.	Zhejiang	Zhejiang	Industry	100		100		100		Consolidation not under the same control
Ningbo Taihui Photovoltaic Technology Co., Ltd.	Zhejiang	Zhejiang	Industry	100		100		100		Newly established
Taizhou Shanxian Photovoltaic Power Generation Co., Ltd.	Zhejiang	Zhejiang	Industry	100		100		100		Newly established
Xinchang Juheng New Energy Development Co., Ltd.	Zhejiang	Zhejiang	Industry	100		100		100		Newly established
Quzhou Shanyou Photovoltaic Power Generation Co., Ltd.	Zhejiang	Zhejiang	Industry	100		100		100		Newly established
Zhejiang Guangliang New Energy Technology Co., Ltd.	Zhejiang	Zhejiang	Industry	100		100		100		Newly established
Ningbo Shanshan Contract Energy Management Co., Ltd.	Ningbo	Ningbo	Industry	100		100		100		Newly established
Ningbo Yongshan Lithium Industry Co., Ltd.	Zhejiang	Zhejiang	Industry	100		100		100		Newly established
Yongshan International Co., Ltd.	Zhejiang	Hong Kong	Industry	100		100		100		Newly established
Hunan Yongshan Lithium Industry Co., Ltd.	Hunan	Hunan	Industry	100		100		100		Newly established
Hong Kong Shanshan Resources Co., Ltd.	Zhejiang	Hong Kong	Investment	100		100		100		Newly established

Name of subsidiary	Main business locations	Place of registration	Business nature	31 December 2021		31 December 2020		31 December 2019		Acquisition method
				Shareholding ratio (%)		Shareholding ratio (%)		Shareholding ratio (%)		
				Direct	Indirect	Direct	Indirect	Direct	Indirect	
Ningbo Yunling Zhichuang Park Operation Management Co., Ltd.	Ningbo	Ningbo	Investment	100						Newly established
Ningbo Shanshan Tongda Trading Co., Ltd.	Ningbo	Ningbo	Industry	100		100		100		Newly established
Shanghai Shanshan Garment Co., Ltd.	Zhejiang	Zhejiang	Industry	90	10	90	10	90	10	Newly established
Shanghai Tunheng Trading Co., Ltd.	Shanghai	Shanghai	Industry	95	5	95	5	95	5	Newly established
Shanghai Feihe Clothing Co., Ltd.	Shanghai	Shanghai	Industry		90		90		90	Newly established
Shanghai Nafei Clothing Co., Ltd.	Shanghai	Shanghai	Industry		90		90		90	Newly established
Shanghai Shanshan New Energy Technology Co., Ltd.	Shanghai	Shanghai	Industry	100		100		100		Newly established
Shanshan Fashion Industrial Park Suqian Co., Ltd.	Suqian	Suqian	Industry	66.67	33.33	66.67	33.33	66.67	33.33	Newly established
Ningbo Weihang Trading Co., Ltd.	Ningbo	Ningbo	Investment	100		100		100		Newly established
Shanghai Shangang Economic Development Co., Ltd.	Shanghai	Shanghai	Investment				60			Newly established
Hunan Shanshan Energy Technology Co., Ltd.	Hunan	Hunan	Industry				68.6438		68.6438	Newly established
Hunan Shanshan New Energy Co., Ltd.	Hunan	Hunan	Industry				100		100	Newly established
Shanshan Energy (Ningxia) Co., Ltd.	Ningxia	Ningxia	Industry				100		100	Newly established
Ningbo Shanshan Yuntong New Energy System Co., Ltd.	Ningbo	Ningbo	Industry				100		100	Newly established

Name of subsidiary	Main business locations	Place of registration	Business nature	31 December 2021		31 December 2020		31 December 2019		Acquisition method	
				Shareholding ratio (%)		Shareholding ratio (%)		Shareholding ratio (%)			
				Direct	Indirect	Direct	Indirect	Direct	Indirect		
Suqian Shanshan Yuntong New Energy System Co., Ltd.	Suqian	Suqian	Industry			100		100		100	Newly established
Zhangjiajie Jiaotou Winsky Travel Co., Ltd.	Zhangjiajie	Zhangjiajie	Service industry			60		60		60	Newly established
Jinhua Shanshi Photovoltaic Power Generation Co., Ltd.	Zhejiang	Zhejiang	Industry			100		100		100	Newly established
Wenling Shanyun Photovoltaic Power Generation Co., Ltd.	Zhejiang	Zhejiang	Industry			100		100		100	Newly established
Jiangsu Shanshan Energy Management Co., Ltd.	Jiangsu	Jiangsu	Industry			51		51		51	Newly established
Shanshan Global Energy Management Co., Ltd.	Ningbo	Hong Kong	Industry			100		100		100	Newly established
Ningbo Meishan Bonded Port Shanshan Energy Technology Co., Ltd.	Ningbo	Ningbo	Industry			100		100		100	Newly established
Guangzhou Shanshan Energy Management Co., Ltd.	Guangzhou	Guangzhou	Industry			100		100		100	Newly established
Deyin Investment Co., Ltd.	Ningbo	Hong Kong	Investment			100		100		100	Newly established
Ningbo Yuanzhong Investment Co., Ltd.	Ningbo	Ningbo	Investment			100		100		100	Newly established
Shanshan Brand Management Co., Ltd.	Ningbo	Ningbo	Industry					67.47		67.47	Newly established
Ningbo Shanshan Fashion Clothing Brand Management Co., Ltd.	Ningbo	Ningbo	Investment					100		100	Newly established
Ningbo LUBIAM Clothing Co., Ltd.	Ningbo	Ningbo	Industry					60		60	Newly established
FY Financial (Shenzhen) Co., Ltd.	Shenzhen	Shenzhen	Financial lease					41.6		41.6	Newly established

Name of subsidiary	Main business locations	Place of registration	Business nature	31 December 2021		31 December 2020		31 December 2019		Acquisition method
				Shareholding ratio (%)		Shareholding ratio (%)		Shareholding ratio (%)		
				Direct	Indirect	Direct	Indirect	Direct	Indirect	
Shanshan FY Commercial Factoring Co., Ltd.	Tianjin	Tianjin	Factoring					100	Newly established	
Beijing Shanshan Medical Science & Technology Development Co., Ltd.	Beijing	Beijing	Service industry					100	Newly established	
Tianjin FY Leasing Co., Ltd.	Tianjin	Tianjin	Financial lease					100	Newly established	
Ningbo Frey RV Co., Ltd.	Ningbo	Ningbo	Industry					70	Newly established	
Ningbo Shanyuan Graphene Technology Co., Ltd.	Ningbo	Ningbo	Industry					54	Newly established	
Beijing Intelligent Winsky New Energy Technology Co., Ltd.	Beijing	Beijing	Service industry					100	Newly established	
Shaoxing Shanxun Photovoltaic Power Generation Co., Ltd.	Zhejiang	Zhejiang	Industry					100	Newly established	
Shaoxing Shangyu Shancheng Photovoltaic Power Generation Co., Ltd.	Zhejiang	Zhejiang	Industry					100	Newly established	
Yiwu Shaoxing Photovoltaic Power Generation Co., Ltd.	Zhejiang	Zhejiang	Industry					100	Newly established	
Shaoxing Shanshui New Energy Co., Ltd.	Zhejiang	Zhejiang	Industry					100	Newly established	
Yongkang Shanju New Energy Co., Ltd.	Zhejiang	Zhejiang	Industry					100	Newly established	
Zhoushan Shanlang New Energy Co., Ltd.	Zhejiang	Zhejiang	Industry					100	Newly established	
Ningbo Shanrong Photovoltaic Power Generation Co., Ltd.	Zhejiang	Zhejiang	Industry					100	Newly established	
Suqian Shanshan Kaili New Energy Technology Co., Ltd.	Suqian	Suqian	Industry					100	Newly established	

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

Ningbo Shanshan Co., Ltd. acquired 70% of the equity of Suzhou ShanJin in this transaction, and LG Chem acquired the remaining 30%. And at the same time, it is agreed that Ningbo Shanshan Co., Ltd. will continue to purchase the remaining 30% of the shareholding company in phases over the next three years to achieve 100% ownership of the shareholding company, and all variable income from the polarizer business will belong to Ningbo Shanshan Co., Ltd. in the next three years, and the subsequent transaction price of the 30% of the shareholding held by LG Chem has been determined and is irrevocable. Therefore, 100% of the interest in the polarizer business is vested in Ningbo Shanshan Co., Ltd., and the 30% interest held by LG Chem is reflected as a liability.

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.

Note 3: Hunan Winsky Industry Co., Ltd. changed its name to Hunan Winsky New Energy Technology Co., Ltd. in 2020.

2. Significant non-wholly owned subsidiaries

31 December 2021

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)	10.01	76,322,301.55		265,527,151.50

31 December 2020

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)	18.77	37,778,063.15	15,190,000.00	143,449,507.09
Hunan Shanshan Energy Technology Co., Ltd. (lithium cathode material) . . .	31.36	63,480,492.49		1,259,036,636.13

31 December 2019

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)	17.50	25,669,611.67		109,802,149.99
Hunan Shanshan Energy Technology Co., Ltd. (lithium cathode material) . . .	31.36	87,894,739.91	127,052,654.40	1,195,556,143.64

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

31 December 2021

Name of subsidiary	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)	6,289,418,173.15	3,913,704,194.84	10,203,122,367.99	5,981,278,729.02	641,795,193.20	6,623,073,922.22

31 December 2020

Name of subsidiary	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)	2,858,444,693.87	2,423,776,319.93	5,282,221,013.80	4,330,076,658.33	183,855,512.61	4,513,932,170.94
Hunan Shanshan Energy Technology Co., Ltd. (lithium cathode material)	3,783,572,065.92	2,465,848,630.94	6,249,420,696.86	1,724,601,419.11	509,547,894.66	2,234,149,313.77

31 December 2019

Name of subsidiary	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)	2,316,454,998.09	2,234,377,474.19	4,550,832,472.28	3,815,086,332.33	98,700,835.21	3,913,787,167.54
Hunan Shanshan Energy Technology Co., Ltd. (lithium cathode material)	2,898,010,711.58	2,316,203,510.36	5,214,214,221.94	1,235,533,218.19	165,859,191.99	1,401,392,410.18

Year 2021

<u>Name of subsidiary</u>	<u>Operating income</u>	<u>Net profit</u>	<u>Total comprehensive income</u>	<u>Cash flow from operating activities</u>
Shanghai Shanshan Lithium Battery Material Technology Co., Ltd.	4,181,023,410.00	601,097,803.96	601,097,803.96	-45,799,933.24

Year 2020

<u>Name of subsidiary</u>	<u>Operating income</u>	<u>Net profit</u>	<u>Total comprehensive income</u>	<u>Cash flow from operating activities</u>
Shanghai Shanshan Lithium Battery Material Technology Co., Ltd. (lithium anode material)	2,539,916,091.99	212,753,600.17	212,753,600.17	-81,991,624.73
Hunan Shanshan Energy Technology Co., Ltd. (lithium cathode material)	3,874,326,377.74	202,449,571.33		-55,237,556.40

Year 2019

<u>Name of subsidiary</u>	<u>Operating income</u>	<u>Net profit</u>	<u>Total comprehensive income</u>	<u>Cash flow from operating activities</u>
Shanghai Shanshan Lithium Battery Material Technology Co., Ltd. (lithium anode material)	2,549,309,345.58	151,536,127.29		211,108,508.06
Hunan Shanshan Energy Technology Co., Ltd. (lithium cathode material)	3,720,290,916.97	280,310,560.30		465,915,459.05

(II) Transactions in which the share of ownership interest in a subsidiary changes but the subsidiary is still under control**1. Explanation of changes in the share of ownership interests in subsidiaries**

In FY 2021, a non-year-on-year capital increase occurred in Shanghai Shanshan Lithium Battery Material Technology Co., Ltd. In April 2021, a joint cash capital increase by Shanghai Shanhao, a newly established employee-owned enterprise, and Ningbo Shanshan New Energy (a wholly-owned subsidiary of the Company) at a price of 4 RMB yuan/share, added a registered capital of 578 million RMB yuan, and a capital increase of 2.2 billion by Ningbo Shanshan New Energy to Shanshan Lithium, of which 550 million RMB yuan were included in the registered capital, all of which have been paid up; Shanghai Shanhao increased the capital of Shanshan Lithium by 112 million RMB yuan, of which 28 million was included in the registered capital, but the first 10% was paid in that year, and the outstanding contribution was 100.8 million RMB yuan. The parties agreed that during the period when the employee shareholding subscription was not yet paid in full, the shareholders' rights and interests would still be enjoyed in proportion to the subscription amount.

2. *Effect of the transactions on minority interests and owners' equity attributable to equity owners of the Company*

Year 2021

Item	Shanghai Shanshan Lithium Battery Material Technology Co., Ltd.
	Non-year-over-year capital increase
Change proportion of equity held by the company (%)	8.76
Adjustment to capital reserve for changes in share of net assets attributable to the company due to capital increase	-34,555,342.86

Year 2020

Item	Shanghai Shanshan Lithium Battery Material Technology Co., Ltd.
	Unilateral capital increase of the Company
Change proportion of equity held by the company (%)	1.27
Adjustment to capital reserve for changes in share of net assets attributable to the company due to capital increase	-1,459,293.95

Year 2019

Effect of the unilateral capital increase transaction to Quzhou Shanshan Energy Technology Co., Ltd. on minority interests and owners' equity attributable to the company.

Item	Shanshan New Material (Quzhou) Co., Ltd.	Ningbo Shanpeng Investment Co., Ltd.
	Unilateral capital increase of the Company	Transfer of equity of non-controlling interests
Change proportion of equity held by the company (%).	21.30	20.00
Adjustment to capital reserve for changes in share of net assets attributable to equity owners of the Company due to capital increase	-25,419,984.82	-500,000.00

(III) Interest in joint venture arrangements or associates

I. Significant joint ventures or associates

Name of joint venture or associate	Main business locations	Place of registration	Business nature	31 December 2021		31 December 2020		31 December 2019		The accounting method for investments in joint ventures or associates	Strategic or not to the Company's activities
				Shareholding ratio (%)	Direct	Indirect	Shareholding ratio (%)	Direct	Indirect		
Zhejiang Chouzhou Commercial Bank Co., Ltd.	Zhejiang	Yiwu	Commercial bank	7.06		7.06		7.06		Equity method	
BASF Shanshan Battery Materials Co., Ltd.	Hunan	Changsha	Industry		49.00					Equity method	
Suiyong Holdings Co., Ltd.	Guangzhou	Guangzhou	Asset management			30.00		30.00		Equity method	

2. Key financial information of important associates

31 December 2021/Year 2021

	Zhejiang Chouzhou Commercial Bank Co., Ltd.	BASF Shanshan Battery Materials Co., Ltd. <i>Note</i>
Current assets	274,797,589,971.30	5,118,867,809.08
Non-current assets	21,248,176,771.50	2,976,570,323.65
Total assets	296,045,766,742.80	8,095,438,132.73
Current liabilities	230,575,217,312.74	3,483,280,589.95
Non-current liabilities	42,163,213,117.44	93,970,167.80
Total liabilities	272,738,430,430.18	3,577,250,757.75
Equity of non-controlling interests	1,163,862,870.19	
Equity attributable to shareholders of the company	22,143,473,442.43	4,518,187,374.98
Share of net assets based on percentage of shareholding	1,386,765,225.03	2,213,911,813.74
Adjustment matters	137,136,237.39	1,237,956,808.35
— Goodwill		
— Unrealized profit on internal transactions		
— Others	137,136,237.39	1,237,956,808.35
Book value of equity investment in associates	1,523,901,462.42	3,451,868,622.09
Fair value of equity investments in associates for which publicly quoted prices exist		
Operating income	7,598,402,112.64	6,222,753,461.49
Net profit	1,847,371,546.22	495,653,881.45
Of which: Net profit attributable to the company	1,738,345,028.18	495,653,881.45
Net profit from discontinued operations		
Other comprehensive incomes	10,685,779.07	
Total comprehensive income	1,858,057,325.29	495,653,881.45
Dividends received from associates during the period	24,726,000.00	

Note: Hunan Shanshan Energy Technology Co., Ltd. changed its name to BASF Shanshan Battery Materials Co., Ltd. in 2021 and was withdrawn from the scope of consolidated statements at the end of August 2021 due to the transfer of part of the equity interest of Ningbo Shanshan Co., Ltd. At the end of 2021, it was still a 49%-owned associates, and the data for the comparative period is presented additionally.

31 December 2020/Year 2020

	Zhejiang Chouzhou Commercial Bank Co., Ltd.	BASF Shanshan Battery Materials Co., Ltd.	Suiyong Holdings Co., Ltd.
Current assets	187,862,728,876.43	3,783,572,065.92	1,971,675,093.02
Non-current assets	83,355,771,148.03	2,465,848,630.94	3,411,454,095.16
Total assets	271,218,500,024.46	6,249,420,696.86	5,383,129,188.18
Current liabilities	213,355,568,830.74	1,724,601,419.11	1,139,362,491.86
Non-current liabilities	38,437,085,675.39	509,547,894.66	866,465,858.86
Total liabilities	251,792,654,506.13	2,234,149,313.77	2,005,828,350.72
Equity of non-controlling interests	631,286,179.52		529,507,578.44

	Zhejiang Chouzhou Commercial Bank Co., Ltd.	BASF Shanshan Battery Materials Co., Ltd.	Suiyong Holdings Co., Ltd.
Equity attributable to shareholders of the company	18,794,559,338.81	4,015,271,383.09	2,847,793,259.02
Share of net assets based on percentage of shareholding	1,326,847,889.32	2,756,234,746.96	854,337,977.70
Adjustment matters	137,136,237.39		-5,797,889.90
— Goodwill			
— Unrealized profit on internal transactions			
— Others	137,136,237.39		-5,797,889.90
Book value of equity investment in associates	1,463,984,126.71	2,756,234,746.96	848,540,087.80
Fair value of equity investments in associates for which publicly quoted prices exist			
Operating income	6,904,675,031.72	3,874,326,377.74	22,778,811.48
Net profit	1,679,038,567.73	202,449,571.33	-150,919,810.19
Of which: Net profit attributable to the company	1,611,500,715.41	202,449,571.33	-240,636,433.61
Net profit from discontinued operations			
Other comprehensive incomes	-5,225,084.37		-39,234,921.89
Total comprehensive income	1,673,813,483.36	202,449,571.33	-190,154,732.08
Dividends received from associates during the period	24,726,000.00		

31 December 2019/Year 2019

	Zhejiang Chouzhou Commercial Bank Co., Ltd.	Suiyong Holdings Co., Ltd.
Current assets.	153,872,922,332.09	2,924,549,900.70
Non-current assets	80,380,261,857.95	3,931,613,925.42
Total assets	234,253,184,190.04	6,856,163,826.12
Current liabilities	174,184,646,851.42	1,915,470,318.54
Non-current liabilities	41,964,593,303.65	1,043,817,598.88
Total liabilities	216,149,240,155.07	2,959,287,917.42
Equity of non-controlling interests	565,243,142.86	768,887,016.12
Equity attributable to shareholders of the company	17,538,700,892.11	3,127,988,892.58
Share of net assets based on percentage of shareholding	1,238,200,282.98	938,396,667.77
Adjustment matters	137,136,237.39	-5,797,889.90
— Goodwill		
— Unrealized profit on internal transactions		
— Others	137,136,237.39	-5,797,889.90
Book value of equity investment in associates	1,375,336,520.37	932,598,777.87
Fair value of equity investments in associates for which publicly quoted prices exist		
Operating income	6,560,169,639.80	45,545,568.86

	Zhejiang Chouzhou Commercial Bank Co., Ltd.	Suiyong Holdings Co., Ltd.
Net profit.	1,809,412,284.49	178,700,386.03
Of which: Net profit attributable to the company.	1,749,218,008.78	31,281,392.63
Net profit from discontinued operations		
Other comprehensive incomes	-19,636,497.81	-39,849,560.60
Total comprehensive income	1,789,775,786.68	138,850,825.43
Dividends received from associates during the period	24,726,000.00	

3. Aggregated financial information of immaterial joint ventures and associates

	31 December 2021/ Year 2021	31 December 2020/ Year 2020	31 December 2019/ Year 2019
Joint ventures:			
Ningbo Liweineng Energy Storage System Co., Ltd.	158,564,080.55	111,519,212.57	150,005,761.48
Associates:			
Ningbo Airport Logistics Development Co., Ltd.	163,682,370.27	159,999,826.40	158,312,843.99
Ningbo Shanqi Property Services Co., Ltd.	38,809,284.23	38,603,760.01	
Yongshang Industrial Co., Ltd.		18,829,474.65	
Suiyong Holdings Co., Ltd.	946,579,005.24	848,540,087.80	
Shanghai Shanshan Chuanghui Venture Capital Management Co., Ltd.	9,959,638.21	6,874,271.30	8,730,227.90
Ningbo Shantai Photovoltaic Power Generation Co., Ltd.	2,588,661.68	2,551,464.43	2,501,025.40
Winsky Gaoke Group Co., Ltd. (formerly Guangzhou Winsky Zhixing New Energy Vehicle Co., Ltd.)		436,473.78	5,666,362.56
Anhui Shanyue New Material Co., Ltd.	4,650,251.96	5,698,822.25	1,317,123.61
Shanshan Brand Management Co., Ltd.	40,967,397.77	38,569,192.35	
FY Financial (Shenzhen) Co., Ltd.		88,978,937.41	
Fujian Evergreen New Energy Technology Co., Ltd.		39,762,605.25	27,123,262.71
Shenzhen Yuanshan Private Equity Investment Management Co., Ltd.	4,936,082.35	6,254,194.30	5,989,497.26
Inner Mongolia Mengji New Carbon Material Co., Ltd.	62,615,398.43		
Inner Mongolia Hengsheng New Energy Technology Co., Ltd.	53,316,666.67		
Ningbo Lekake Clothing Co., Ltd.			35,885,845.22
Ningbo Shanjing Clothing Co., Ltd.			15,262,270.13
Ningbo Shanshan Yongjiang Real Estate Co., Ltd.			38,764,594.01
Total book value of investments	1,486,668,837.36	1,366,618,322.50	449,558,814.27
Total of the following in proportion to shareholdings.			
— Net profit.	59,830,220.92	-26,203,907.75	-37,996,016.75
— Other comprehensive income	12,636,932.66		
— Total comprehensive income	72,467,153.58	-26,203,907.75	-37,996,016.75

4. Excess losses incurred by joint ventures or associates

31 December 2021

Name of joint venture or associate	Accumulated losses in the previous periods that are accumulated and unrecognized	Unrecognized loss in the current period (or net profit shared in the current period)	Accumulated unrecognized losses at the end of the period
Winsky Gaoke Group Co., Ltd.		-4,609,459.21	-4,609,459.21
Beijing Shanshan Kaili New Energy Technology Co., Ltd.	-1,048,879.99	-96,850.21	-1,145,730.20

31 December 2020

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
Beijing Shanshan Kaili New Energy Technology Co., Ltd.	-865,104.51	-183,775.48	-1,048,879.99
Shenzhen FY Financial Control Asset Management Co., Ltd.		-37,033.21	-37,033.21

31 December 2019

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
Beijing Shanshan Kaili New Energy Technology Co., Ltd.		-865,104.51	-865,104.51

VIII. 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, but the Board has delegated to the Company's internal control department the authority to design and implement procedures that will ensure that risk management objectives and policies are effectively implemented. The Company's internal auditors also audit risk management policies and procedures, and report findings to the Audit Committee.

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

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

(I) Credit risk

Credit risk is the risk that one party to a financial instrument will fail to meet its obligations, causing the other party to incur financial losses. The Company's credit risk mainly arises from cash at bank and on hand and receivables. In order to control the above related risks, the Company has taken the following measures respectively:

(1) Cash at bank and on hand

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

(2) Accounts receivable

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

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

As of 31 December 2021, the book value of accounts receivable within the scope of consolidated statements was 3,959,400,439.17 RMB yuan, accounting for 9.83% of the total assets at the end of the period, representing an increase of 17.24% 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.

As of 31 December 2020, the book value of accounts receivable within the scope of consolidated statements was 3,377,169,350.25 RMB yuan, accounting for 13.81% of the total assets at the end of the period, representing an increase of 13.37% 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.

As of 31 December 2019, the book value of accounts receivable within the scope of consolidated statements was 2,971,553,206.57 RMB yuan, accounting for 11.88% of the total assets at the end of the period, representing an increase of 5.05% year-over-year, mainly caused by the Company's continuous development of new businesses and the growth of the scale of its existing businesses. 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.

The Company is involved in the financial leasing and factoring business, forming a multi-category external lending balance of 1,222,425,531.79 RMB yuan at the end of the reporting period, accounting for 4.89% of the total assets at the end of the current period. Before entering into a new contract, the Company assesses the credit risk of the new client, including external credit ratings and, in some cases, bank credit references (when this information is available). To minimize the credit risk associated with accounts receivable, credit limits and credit terms granted to customers are approved by the internal review committee and follow-up measures are taken to pursue overdue receivables. In addition, the Management Layer regularly reviews the recoverable amount of each individual receivable and ensures that full impairment losses have been provided for irrecoverable amounts.

(II) 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 31 December 2021, the Company's current ratio of 1.43 and quick ratio of 1.13 were within a reasonable range, while the Company had other tools and strategies to protect against liquidity risk: First, as of 31 December 2021, the Company and the consolidated subsidiaries had obtained bank credit facilities totaling 19.026 billion RMB yuan, with 7.066 billion RMB yuan 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.

As of 31 December 2020, the Company's current ratio of 1.57 and quick ratio of 1.30 were within a reasonable range, while the Company had other tools and strategies to protect against liquidity risk: First, as of 31 December 2020, the Company and the consolidated subsidiaries had obtained bank credit facilities totaling 13.707 billion RMB yuan, with 7.9 billion RMB yuan 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.

As of 31 December 2019, the Company's current ratio of 1.148 and quick ratio of 1.0 were within a reasonable range, while the Company had other tools and strategies to protect against liquidity risk: First, as of 31 December 2019, the Company and the consolidated subsidiaries had obtained bank credit facilities totaling 12.443 billion RMB yuan, with 5,282.2431 million RMB yuan 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 Ningbo Bank. 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.

(III) Market risk

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

1. Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's exposure to interest rate risk arises mainly from interest-bearing liabilities such as bank borrowings.

As of 31 December 2021, the Company's bank borrowings totaled approximately 7.709 billion RMB yuan, mainly bank borrowings with the benchmark interest rate denominated in RMB floating up and down by a certain percentage; The Company has obtained 1.73 billion of medium- and long-term bank borrowings with a three-year term at the company level, and the maturity and interest rate structure of the financing is reasonable overall.

As of 31 December 2020, the Company's bank borrowings totaled approximately 5.822 billion RMB yuan, mainly bank borrowings with the benchmark interest rate denominated in RMB floating up and down by a certain percentage; The Company has obtained 1.73 billion of medium- and long-term bank borrowings with a three-year term at the company level, and the maturity and interest rate structure of the financing is reasonable overall.

As of 31 December 2019, the Company's bank borrowings totaled approximately 6.452 billion RMB yuan, mainly bank borrowings with the benchmark interest rate denominated in RMB floating up and down by a certain percentage; The Company's bonds payable with a face value of 750 million were due for repayment on 7 March 2019. Throughout the year, the Company has obtained 0.8 billion of medium- and long-term bank borrowings with a three-year term at the company level, and the maturity and interest rate structure of the financing is reasonable overall.

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

2. Exchange rate risk

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

3. Other price risk

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

The Company holds equity investments in other listed companies and the Management Layer believes that the market price risk to which these investment activities are exposed is acceptable.

Item	31 December 2021	31 December 2020	31 December 2019
Held-for-trading financial assets	—	1,113,578.21	77,103.10
Investments in other equity instruments — Investments in listed equity instruments	881,742,983.68	2,748,588,740.91	4,230,960,924.35
Total	881,742,983.68	2,749,702,319.12	4,231,038,027.45

As of 31 December 2021, 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 reporting period would rise or fall by 0.33% accordingly, with little impact on the Company's net assets in the long run.

As of 31 December 2020, 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 reporting period would rise or fall by 1.66% accordingly, with little impact on the Company's net assets in the long run.

As of 31 December 2019, 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 reporting period would rise or fall by 2.33% accordingly, with little impact on the Company's net assets in the long run.

IX. 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.

(I) Ending fair value of assets and liabilities measured at fair value

Item	Fair value as of 31 December 2021			Total
	Level I fair value measurement	Level II fair value measurement	Level III fair value measurement	
I. Continuous fair value measurement				
◆ 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				
(4) Others				
2. Financial assets designated at fair value through profit or loss				
(1) Investment in debt instruments				
(2) Others				
◆ Receivables financing		644,551,987.38		644,551,987.38
◆ Other debt investment				
◆ Investment in other equity instruments				
(1) Investment in listed equity instruments	881,742,983.68			881,742,983.68
(2) Investment in unlisted equity instruments			36,916,462.76	36,916,462.76
◆ Other non-current financial assets		24,090,000.00	78,514,599.78	102,604,599.78
1. Financial assets at fair value through profit or loss		24,090,000.00	78,514,599.78	102,604,599.78
(1) Investment in debt instruments				
(2) Investment in equity instruments		24,090,000.00	78,514,599.78	102,604,599.78
(3) Derivative financial assets				
(4) Others				
2. Financial assets designated at fair value through profit or loss				
(1) Investment in debt instruments				
(2) Others				

Item	Fair value as of 31 December 2021			Total
	Level I fair value measurement	Level II fair value measurement	Level III fair value measurement	
◆ Real estate for investment purposes				
1. Land-use right for lease				
2. Leased buildings				
3. The land-use right which is held and prepared for transfer after appreciation.				
Total assets continuously measured at fair value	881,742,983.68	668,641,987.38	115,431,062.54	1,665,816,033.60
◆ Transaction financial liabilities.				
1. Transaction financial liabilities				
(1) Trading bonds issued				
(2) Derivative financial liabilities				
(3) Others				
2. Financial liabilities designated at fair value through profit or loss				
Total liabilities continuously measured at fair value				
II. Non-continuous fair value measurement				
◆ Assets held for sale				
Total assets not continuously measured at fair value.				
◆ Liabilities held for sale				
Total liabilities not continuously measured at fair value				

Item	Fair value as of 31 December 2020			Total
	Level I fair value measurement	Level II fair value measurement	Level III fair value measurement	
I. Continuous fair value measurement				
◆ Held-for-trading financial assets	1,113,578.21			1,113,578.21
1. Financial assets at fair value through profit or loss	1,113,578.21			1,113,578.21
(1) Investment in debt instruments				
(2) Investment in equity instruments	1,113,578.21			1,113,578.21
(3) Derivative financial assets				
(4) Others				
2. Financial assets designated at fair value through profit or loss				
(1) Investment in debt instruments				
(2) Others				
◆ Receivables financing		478,483,099.59		478,483,099.59
◆ Other debt investment				
◆ Investment in other equity instruments				
(1) Investment in listed equity instruments	2,748,588,740.91			2,748,588,740.91
(2) Investment in unlisted equity instruments			69,321,000.00	69,321,000.00

Item	Fair value as of 31 December 2020			
	Level I fair value measurement	Level II fair value measurement	Level III fair value measurement	Total
◆ Other non-current financial assets		25,170,000.00	78,514,599.78	103,684,599.78
1. Financial assets at fair value through profit or loss		25,170,000.00	78,514,599.78	103,684,599.78
(1) Investment in debt instruments				
(2) Investment in equity instruments		25,170,000.00	78,514,599.78	103,684,599.78
(3) Derivative financial assets				
(4) Others				
2. Financial assets designated at fair value through profit or loss				
(1) Investment in debt instruments				
(2) Others				
◆ Real estate for investment purposes				
1. Land-use right for lease				
2. Leased buildings				
3. The land-use right which is held and prepared for transfer after appreciation				
Total assets continuously measured at fair value	2,749,702,319.12	503,653,099.59	147,835,599.78	3,401,191,018.49
◆ Transaction financial liabilities				
1. Transaction financial liabilities				
(1) Trading bonds issued				
(2) Derivative financial liabilities				
(3) Others				
2. Financial liabilities designated at fair value through profit or loss				
Total liabilities continuously measured at fair value				
II. Non-continuous fair value measurement				
◆ Assets held for sale				
Total assets not continuously measured at fair value				
◆ Liabilities held for sale				
Total liabilities not continuously measured at fair value				

Item	Fair value as of 31 December 2019			
	Level I fair value measurement	Level II fair value measurement	Level III fair value measurement	Total
I. Continuous fair value measurement				
◆ Held-for-trading financial assets	77,103.10			77,103.10
1. Financial assets at fair value through profit or loss	77,103.10			77,103.10
(1) Investment in debt instruments				
(2) Investment in equity instruments	77,103.10			77,103.10
(3) Derivative financial assets				
(4) Others				
2. Financial assets designated at fair value through profit or loss				
(1) Investment in debt instruments				
(2) Others				

Item	Fair value as of 31 December 2019			Total
	Level I fair value measurement	Level II fair value measurement	Level III fair value measurement	
◆ Receivables financing				
◆ Other debt investment				
◆ Investment in other equity instruments				
(1) Investment in listed equity instruments	4,230,960,924.35			4,230,960,924.35
(2) Investment in unlisted equity instruments			48,677,889.21	48,677,889.21
◆ Other non-current financial assets		22,870,000.00	81,422,854.51	104,292,854.51
1. Financial assets at fair value through profit or loss		22,870,000.00	81,422,854.51	104,292,854.51
(1) Investment in debt instruments				
(2) Investment in equity instruments		22,870,000.00	81,422,854.51	104,292,854.51
(3) Derivative financial assets				
(4) Others				
2. Financial assets designated at fair value through profit or loss				
(1) Investment in debt instruments				
(2) Others				
◆ Real estate for investment purposes				
1. Land-use right for lease				
2. Leased buildings				
3. The land-use right which is held and prepared for transfer after appreciation.				
Total assets continuously measured at fair value	4,231,038,027.45	22,870,000.00	130,100,743.72	4,384,008,771.17
◆ Transaction financial liabilities				
1. Transaction financial liabilities				
(1) Trading bonds issued				
(2) Derivative financial liabilities				
(3) Others				
2. Financial liabilities designated at fair value through profit or loss				
Total liabilities continuously measured at fair value				
II. Non-continuous fair value measurement				
◆ Assets held for sale				
Total assets not continuously measured at fair value				
◆ Liabilities held for sale				
Total liabilities not continuously measured at fair value				

(II) Basis for determining the market value of continuing and discontinuing Level-1 fair value measurement items

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

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

Item	Fair value as of 31 December 2021	Valuation technology	Important parameters	
			Qualitative information	Quantitative information
LP shares held in limited partnerships. . .	24,090,000.00	The quoted prices of the shares of the companies in which the fund invests after the penetration exist in an active market and are recognized according to the shares of the fund held		

Item	Fair value as of 31 December 2020	Valuation technology	Important parameters	
			Qualitative information	Quantitative information
LP shares held in limited partnerships	25,170,000.00	The quoted prices of the shares of the companies in which the fund invests after the penetration exist in an active market and are recognized according to the market value of the corresponding shares held		

Item	Fair value as of 31 December 2019	Valuation technology	Important parameters	
			Qualitative information	Quantitative information
LP shares held in limited partnerships	22,870,000.00	The quoted prices of the shares of the companies in which the fund invests after the penetration exist in an active market and are recognized according to the shares of the fund held		

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

The Company's Level-3 fair value measurement items are investments in other equity instruments, which are the "Three Nil" equity investments in which the Company has no control, joint control or significant influence, including the following:

- (1) The Company measured the investment at cost as a reasonable estimate of fair value because there were no significant changes in the business environment and operating conditions and financial position of the investee;
- (2) The Company measured the investee at 0 RMB yuan as a reasonable estimate of fair value because of the deterioration of the business environment and operating conditions and financial position of the investee;
- (3) The business environment and operating conditions and financial position of the investee have improved significantly, and there are comparable listed companies with sufficient reliable access to operating and financial data of comparable companies, so the market approach and the PB of comparable companies are averaged and liquidity discount is considered to measure the fair value of the equity in the investee.

X. RELATED PARTIES AND RELATED TRANSACTIONS

(I) Information about the parent company of the Company

Parent company name	Place of registration	Business nature	Registered capital	Parent company's shareholding ratio in the Company	Parent company's voting right ratio in the Company
			(million RMB yuan)	(%)	(%)
Shanshan Group Co., Ltd.	26F, No.777, Rili Middle Road, Shounan Street, Yinzhou District, Ningbo City, Zhejiang Province	Investment	268.15	34.42	34.42

Controlling shareholder of the Company: Shanshan Holdings Co., Ltd., in addition to the shares of the Company held by Shanshan Group Co., Ltd., directly holds shares of the Company worth of 116,912,200 RMB yuan, accounting for 5.46%. Ningbo Pengze Trading Co. Ltd. directly holds shares of the Company worth of 205,264,800 RMB yuan, accounting for 9.58%. Ningbo Yinzhou Jielun Investment Co., Ltd., directly holds shares of the Company worth of 77,873,300 RMB yuan, accounting for 3.63%. Actual control person: Zheng Yonggang.

(II) Information about the subsidiaries of the Company:

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

(III) 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 VII.

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	Explanation
Shanshan Brand Management Co., Ltd.	An associate	In 2020, Shanshan Brand Operation Co., Ltd. sold the equity and changed into an associate
Zhejiang Chouzhou Commercial Bank Co., Ltd.	An associate	
Ningbo Lekake Clothing Co., Ltd.	An associate	In 2020, Shanshan Brand Operation Co., Ltd. was no longer an associate after the equity was sold
Ningbo Shanjing Clothing Co., Ltd.	An associate	In 2020, Shanshan Brand Operation Co., Ltd. was no longer an associate after the equity was sold
Ningbo Airport Logistics Development Co., Ltd..	An associate	Note 1
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	Note 2
Shanghai Shenshan New Energy Vehicle Service Co., Ltd.	An associate	
Shenzhen Winsky Vehicle Sales & Service Co., Ltd.	An associate	In 2020, the Company sold the remaining equity of Shenzhen Winsky Automobile Sales & Service Co., Ltd. After 2020, Shenzhen Winsky Automobile Sales & Service Co., Ltd. would no longer be disclosed as an affiliated enterprise of the Company.
Shenzhen Xin'anshuntong Car Rental Co., Ltd.	An associate	
Shenzhen Winsky Zhixing Information Technology Co., Ltd.	An associate	
Shanghai Huanbai Car Rental Co., Ltd.	An associate	
Shanghai Chijing New Energy Vehicle Service Co., Ltd.	An associate	
Shanghai Bangtu Car Rental Co., Ltd.	An associate	
Shanghai Shanshan Chuanghui Venture Capital Management Co., Ltd.	An associate	
Shanghai Zhengbao Shanfu Venture Capital Management Co., Ltd.	An associate	
Anhui Shanyue Technology Co., Ltd.	An associate	

Name of joint venture or associate	Relationship with the Company	Explanation
Ningbo Shanqi Property Services Co., Ltd.	An associate	Note 3
Shanshan Automobile (Longyan) Co., Ltd.	An associate	
BASF Shanshan Battery Materials Co., Ltd.	An associate	Note 4
BASF Shanshan Battery Materials (Ningxiang) Co., Ltd.	An associate	Note 4
BASF Shanshan Battery Materials (Ningxia) Co., Ltd.	An associate	Note 4
Inner Mongolia Mengji New Carbon Material Co., Ltd.	An associate	
Inner Mongolia Hengsheng New Energy Technology Co., Ltd.	An associate	
Fujian Evergreen New Energy Technology Co., Ltd.	An associate of BASF Shanshan	

Other instructions:

Note 1: Ningbo New Airport International Logistics Co., Ltd., which provides some logistics and transportation services for the Company, is a subsidiary of the Company.

Note 2: “Guangzhou Winsky Zhixing New Energy Vehicle Co., Ltd.” was renamed “Winsky Gaoke Group Co., Ltd.”. Its subsidiaries, “Jiangxi Winsky Intelligent Technology Co., Ltd.” and “Shanghai Shenshan New Energy Automobile Service Co., Ltd.” provide services related to car charging for the Company.

Note 3: Ningbo Shanshan Yongjiang Real Estate Co., Ltd. was renamed Ningbo Shanqi Property Services Co., Ltd. in 2021.

Note 4: Hunan Shanshan Energy Technology Co., Ltd. changed its name to BASF Shanshan Battery Materials Co., Ltd. in 2021 and was withdrawn from the scope of consolidated statements at the end of August 2021 due to the transfer of part of the equity interest of Ningbo Shanshan Co., Ltd. Hunan Shanshan New Energy Co., Ltd. changed its name to BASF Shanshan Battery Materials (Ningxiang) Co., Ltd. in 2021, and withdrew from the scope of consolidated statements at the end of August 2021 due to the transfer of part of the equity interest of Ningbo Shanshan Co., Ltd. Shanshan Energy (Ningxia) Co., Ltd. changed its name to BASF Shanshan Battery Materials (Ningxia) Co., Ltd. in 2021, and withdrew from the scope of consolidated statements at the end of August 2021 due to the transfer of part of the equity interest of Ningbo Shanshan Co., Ltd., becoming a associate holding 49% equity at the end of the period.

(IV) Information on other related parties

<u>Names of other related parties</u>	<u>Relationship between other related parties and the Company</u>
Shanshan Holdings Co., Ltd.	Ultimate controller
Ningbo Ligang Technology Service Co., Ltd.	Affiliated enterprises of controlling shareholders
Zhoushan Shanshan Life Plaza Co., Ltd.	Affiliated enterprises of controlling shareholders
Ningbo Xinmingda Knitting Co., Ltd.	Investees without significant influence (participating companies)
Shanzhong Investment Management (Shanghai) Co., Ltd.	Affiliated enterprises of the ultimate controller
Changsha Huashan Investment Management Co., Ltd.	Non-controlling interests of subsidiaries
Beiben Heavy Duty Automobile Group Co., Ltd.	Non-controlling interests of subsidiaries
Ningbo Shanshan Products Co., Ltd.	Affiliated enterprises of the ultimate controller
Shanshan (Wuhu) Clothing Co., Ltd.	Investees without significant influence (participating companies)
Shanghai Shanying Investment Management Co., Ltd.	Non-controlling interests of subsidiaries
Shanghai Mingda Junli Weaving Co., Ltd.	Controlling shareholder of the participating company
Shanghai Shanhui Financial Consulting Co., Ltd.	Subsidiaries of associates
Beijing Longding Huayuan Real Estate Development Co., Ltd.	Enterprises controlled by non-controlling interests of subsidiaries
Shanghai Kuaijie Enterprise Management Co., Ltd..	Enterprises controlled by non-controlling interests of subsidiaries
Shanghai KYMS Enterprise Development Co., Ltd..	Enterprises controlled by non-controlling interests of subsidiaries
Shanghai Shankong Investment Co., Ltd.	Affiliated enterprises of the ultimate controller
Shanghai Shanshan Trading Co., Ltd.	Affiliated enterprises of the ultimate controller
Shanshan Products Group Co., Ltd.	Affiliated enterprises of the ultimate controller
Ningbo Shanshan Energy & Chemical Co., Ltd.	Affiliated enterprises of the ultimate controller
Shanghai Shanshan Industrial Co., Ltd.	Affiliated enterprises of the ultimate controller
Shanghai Zhiwei Asset Management Co., Ltd.	Affiliated enterprises of the ultimate controller
Ningbo Shunnuo Trading Co., Ltd.	Affiliated enterprises of the ultimate controller
Shanghai Mingxu Import & Export Co., Ltd.	Affiliated enterprises of controlling shareholders

(V) Related transactions (RMB'000)

1. Related transactions for the purchase and sale of goods, provision and receipt of services

Information of commodities purchased/labor services accepted

<u>Related party</u>	<u>Contents of related transaction</u>	<u>Year 2021</u>	<u>Year 2020</u>	<u>Year 2019</u>
Ningbo Shanjing Clothing Co., Ltd.	Clothing processing			226.3
Ningbo Airport Logistics Development Co., Ltd..	Electricity charge			26.1
Ningbo New Airport International Logistics Co., Ltd.	Transportation expenses	3,047.0		
Ningbo Liweineng Energy Storage System Co., Ltd..	Purchase of components and parts		1,085.1	397.1
Ningbo Ligang Technology Service Co., Ltd.	Utilities	267.8	258.8	255.9
Winsky Gaoke Group Co., Ltd.	Charging car service fee	8,724.1	897.0	
Shanghai Shenshan New Energy Vehicle Service Co., Ltd..	Service charge			14.6

<u>Related party</u>	<u>Contents of related transaction</u>	<u>Year 2021</u>	<u>Year 2020</u>	<u>Year 2019</u>
Shenzhen Winsky Vehicle Sales & Service Co., Ltd.	Vehicle maintenance and repair costs			83.5
BASF Shanshan Battery Materials Co., Ltd. Note 1	Purchase goods	3.4		
Fujian Evergreen New Energy Technology Co., Ltd. Note 2	Purchase goods	331,350.8	384,985.5	29,459.2
Inner Mongolia Mengji New Carbon Material Co., Ltd. Note 3.	Purchase goods	303,187.3	101,847.6	
Inner Mongolia Hengsheng New Energy Technology Co., Ltd. Note 3	Purchase goods	136,887.8	43,066.1	
Zhoushan Shanshan Life Plaza Co., Ltd.	Mall fees			83.6
Total		783,468.2	532,140.1	30,546.2

Information of commodities sold/labor services provided

<u>Related party</u>	<u>Contents of related transaction</u>	<u>Year 2021</u>	<u>Year 2020</u>	<u>Year 2019</u>
Ningbo Lekake Clothing Co., Ltd.	Inspection fee			5.8
Ningbo Shanjing Clothing Co., Ltd.	Utilities	1,187.7	1,163.7	1,286.1
Ningbo Airport Logistics Development Co., Ltd.	Utilities			6.0
Ningbo Liweineng Energy Storage System Co., Ltd.	Sale of accessories		3,996.3	283.0
Ningbo Liweineng Energy Storage System Co., Ltd.	Sale of fixed assets			7.2
Ningbo Liweineng Energy Storage System Co., Ltd.	Utilities, property fees	153.8	1,456.1	1,987.4
Ningbo Ligang Technology Service Co., Ltd.	Photovoltaic power sales	368.8	337.7	380.1
Winsky Gaoke Group Co., Ltd.	Charging pile operation service fee	454.3	1,159.5	942.7
Shanghai Shenshan New Energy Vehicle Service Co., Ltd.	Charging pile operation service fee			273.4
Shenzhen Xin'anshuntong Car Rental Co., Ltd.	Charging pile operation service fee			0.2
Anhui Shanyue Technology Co., Ltd.	Sale of fixed assets			30.1
Anhui Shanyue Technology Co., Ltd.	Utilities, property fees		43.2	33.4
Anhui Liweineng Power Battery Co., Ltd.	Sales of goods	9,269.9	2,439.2	14,878.1
Zhoushan Shanshan Life Plaza Co., Ltd.	Sales of clothing			769.1
BASF Shanshan Battery Materials Co., Ltd.	Sales of goods	29.2		
Fujian Evergreen New Energy Technology Co., Ltd.	Sales of goods	12,933.3	132.3	
Shanshan Brand Management Co., Ltd.	Utilities, property fees	1,116.9	518.8	
Total		25,514.0	11,246.9	20,882.6

2. Related leases

The Company as the lessor:

Name of lessee	Types of leased assets	Lease income recognized		
		Year 2021	Year 2020	Year 2019
Ningbo Shanjing Clothing Co., Ltd.	House buildings	41.1	46.1	62.1
Ningbo Shanshan Products Co., Ltd.	House buildings	746.9	611.0	1,256.6
Ningbo New Airport International Logistics Co., Ltd.	House buildings	308.8		
Shanshan Brand Management Co., Ltd.	House buildings	1,778.0	1,504.1	
Ningbo Shanshan Energy & Chemical Co., Ltd.	House buildings	658.8	612.2	
Shanghai Shanshan Chuanghui Venture Capital Management Co., Ltd.	House buildings		1,873.8	1,772.6
Ningbo Xinmingda Knitting Co., Ltd.	House buildings	1,226.0	1,444.6	1,141.6
Shanzhong Investment Management (Shanghai) Co., Ltd.	House buildings		546.3	261.9
Shanghai Zhengbao Shanfu Venture Capital Management Co., Ltd.	House buildings			46.7
Shanghai Shanhui Financial Consulting Co., Ltd.	House buildings			458.1
Ningbo Liweineng Energy Storage System Co., Ltd.	House buildings	565.9	3,070.2	1,730.1
Anhui Shanyue Technology Co., Ltd.	House buildings		55.1	31.8
Shanghai Shanshan Trading Co., Ltd.	House buildings	551.0	522.0	391.5
Shanshan Products Group Co., Ltd.	House buildings	286.8	26.7	75.4
Shanghai Shanshan Industrial Co., Ltd.	House buildings	346.8	597.2	102.2
Shanghai Zhiwei Asset Management Co., Ltd.	House buildings	183.7	174.0	43.5
Shanghai Mingxu Import & Export Co., Ltd.	House buildings	106.8	112.1	112.1
Shenzhen Winsky Zhixing Information Technology Co., Ltd.	House buildings		192.2	105.4
Ningbo Liweineng Energy Storage System Co., Ltd.	Vehicle		12.9	12.6
Shenzhen Winsky Zhixing Information Technology Co., Ltd.	Vehicle			1,165.6
Shenzhen Xin'anshuntong Car Rental Co., Ltd.	Vehicle			1,193.3
Total		6,800.6	11,400.3	9,963.1

The Company as the lessee (The old lease standards apply):

Name of lessor	Types of leased assets	Lease payments recognized	
		Year 2020	Year 2019
Ningbo Ligang Technology Service Co., Ltd.	House buildings	1,407.0	1,311.0
Beijing Longding Huayuan Real Estate Development Co., Ltd.	House buildings	152.8	712.2
Ningbo Shunnuo Trading Co., Ltd.	House buildings	40.0	40.0
Shanshan Automobile (Longyan) Co., Ltd.	Vehicle	92.0	368.1
Total		1,691.8	2,431.3

The Company as the lessee (The new lease standards apply):

Name of lessor	Types of leased assets	Rental costs for short-term leases and leases of low-value assets that are streamlined and variable lease payments that are not included in the measurement of the lease liability
		Year 2021
Beijing Longding Huayuan Real Estate Development Co., Ltd.		82.3
Ningbo Shunnuo Trading Co., Ltd.		40.0

Name of lessor	Types of leased assets	Rent paid
		Year 2021
Ningbo Ligang Technology Service Co., Ltd.	House buildings	1,519.7
Shanshan Holdings Co., Ltd.	House buildings	4,794.7

Name of lessor	Types of leased assets	Increased right-to-use assets
		Year 2021
Ningbo Ligang Technology Service Co., Ltd.	House buildings	1,504.8
Shanshan Holdings Co., Ltd.	House buildings	26,910.1

Name of lessor	Types of leased assets	Interest expense on lease liabilities assumed
		Year 2021
Ningbo Ligang Technology Service Co., Ltd.	House buildings	14.9
Shanshan Holdings Co., Ltd.	House buildings	625.2

3. Related guarantees

Year 2021

The Company as the guarantor:

Guaranteed party	Guarantee amount	Guarantee start date	Guarantee expiration date	Amount used as of the end of the period	Whether the guarantee has been fulfilled
FY Financial (Shenzhen) Co., Ltd. .	55,754.9	2020/3/26	2022/3/26		No
BASF Shanshan Battery Materials Co., Ltd.	100,000.0	2021/1/28	2023/1/28	100,000.0	No
BASF Shanshan Battery Materials Co., Ltd.	200,000.0	2021/12/7	2022/12/7	105,000.0	No
BASF Shanshan Battery Materials Co., Ltd.	212,000.0	2020/6/11	2023/6/30	50,000.0	No
BASF Shanshan Battery Materials Co., Ltd.		2020/6/11	2023/6/30	7,000.0	No
BASF Shanshan Battery Materials Co., Ltd.	100,000.0	2021/1/28	2023/1/28	—	No
BASF Shanshan Battery Materials (Ningxiang) Co., Ltd.	300,000.0	2020/6/9	2022/6/8	89,000.0	No
BASF Shanshan Battery Materials (Ningxiang) Co., Ltd.		2020/6/9	2022/6/8	209,000.0	No
Shanshan Brand Management Co., Ltd.	45,000.00	2020/7/17	2022/7/7	10,000.0	No
Shanshan Brand Management Co., Ltd.		2020/7/17	2022/1/12	25,000.0	No
Shanshan Brand Management Co., Ltd.	68,587.2	2021/3/23	2022/3/10	68,587.2	No
Shanshan Brand Management Co., Ltd.	80,000.0	2020/3/24	2023/3/24	21,101.9	No
Shanshan Brand Management Co., Ltd.		2020/3/24	2023/3/24	20,000.0	No
Shanshan Brand Management Co., Ltd.		2020/3/24	2023/3/24	30,000.0	No
Total	1,161,342.1			734,689.1	

The Company as the guaranteed party:

Guarantor	Guarantee amount	Guarantee start date	Guarantee expiration date	Guaranteed borrowings balance (with margin deducted, excluding accrued interest at the end of the period)	Amount used as of the end of the period	Whether the guarantee has been fulfilled
Ningbo Shanshan New Material Technology Co., Ltd.	675,000.0	2021/2/3	2024/2/2	200,000.0	200,000.0	No
Shanshan Group Co., Ltd.	50,000.0	2021/3/3	2022/3/3	50,000.0	50,000.0	No
Shanshan Group Co., Ltd.	400,000.0	2019/11/18	2022/12/31	400,000.0	400,000.0	No
Shanshan Group Co., Ltd.	200,000.0	2021/9/3	2024/10/3	200,000.0	200,000.0	No
Shanshan Group Co., Ltd.	500,000.0	2020/10/30	2022/1/29	500,000.0	500,000.0	No
Shanshan Holdings Co., Ltd.	200,000.0	2021/4/15	2023/4/14	200,000.0	200,000.0	No
Shanshan Holdings Co., Ltd.	3,000,000.0	2021/1/19	2026/1/19	2,957,340.0	2,957,340.0	No
Shanshan Holdings Co., Ltd.	200,000.0	2020/9/30	2022/3/11	200,000.0	200,000.0	No
Total	5,225,000.0			4,707,340.0	4,707,340.0	

Year 2020

The Company as the guarantor:

Guaranteed party	Total guarantee	Guarantee start date	Guarantee maturity date	Amount used as of the end of the period	Whether the guarantee has been fulfilled
Shanshan Brand Management Co., Ltd.	45,000.0	2020-7-17	2021-11-18	44,740.0	No
Shanshan Brand Management Co., Ltd.	100,000.0	2020-3-25	2021-3-24	96,906.0	No
Shanshan Brand Management Co., Ltd.	80,000.0	2020-3-24	2023-3-24	70,338.4	No
FY Financial (Shenzhen) Co., Ltd.	520,000.0	2017-9-25	2022-10-10	15,747.7	No
FY Financial (Shenzhen) Co., Ltd.	140,000.0	2020-3-27	2021-3-27	140,000.0	No
FY Financial (Shenzhen) Co., Ltd.	67,000.0	2019-7-29	2021-7-31	8,022.0	No
FY Financial (Shenzhen) Co., Ltd.	55,754.9	2020-3-26	2022-3-26	30,412.1	No
FY Financial (Shenzhen) Co., Ltd.	100,000.0	2020-9-30	2021-8-31	69,999.0	No
Fujian Evergreen New Energy Technology Co., Ltd.	75,000.0	2020-6-18	2025-6-17	7,459.9	No
Total	1,182,754.9			483,625.1	

The Company as the guaranteed party:

Guarantor	Total guarantee	Guarantee start date	Guarantee maturity date	Guaranteed borrowings balance (net of deposit, excluding accrued interest at end of period)	Amount used as of the end of the period	Whether the guarantee has been fulfilled
Ningbo Shanshan New Material Technology Co., Ltd.	675,000.0	2019-10-14	2022-10-13	400,000.0	400,000.0	No
Shanshan Group Co., Ltd.	400,000.0	2019-11-18	2022-12-31	400,000.0	400,000.0	No
Shanshan Group Co., Ltd.	200,000.0	2020-9-9	2021-9-9	200,000.0	200,000.0	No
Shanshan Group Co., Ltd.	500,000.0	2020-10-30	2022-1-29	500,000.0	500,000.0	No
Total	1,775,000.0			1,500,000.0	1,500,000.0	

Year 2019

The Company as the guarantor: No such case

The Company as the guaranteed party:

Guarantor	Total guarantee	Guarantee start date	Guarantee maturity date	Guaranteed borrowings balance (net of deposit)	Amount used as of the end of the period	Whether the guarantee has been fulfilled
Shanshan Group Co., Ltd.	200,241.7	2019/1/16	2020/1/15	200,241.7	200,241.7	No
Shanshan Group Co., Ltd.	300,362.5	2019/2/27	2020/2/26	300,362.5	300,362.5	No
Shanshan Group Co., Ltd.	50,060.4	2019/8/8	2020/8/7	50,060.4	50,060.4	No
Shanshan Group Co., Ltd.	500,555.6	2019/10/31	2020/10/31	500,555.6	500,555.6	No
Ningbo Shanshan New Material Technology Co., Ltd.	675,000.0	2019/10/14	2022/10/13	200,250.7	200,250.7	No
Shanshan Group Co., Ltd.	400,000.0	2019/11/18	2022/12/31	400,000.0	400,000.0	No
Total	2,126,220.2			1,651,470.9	1,651,470.9	

4. Inter-bank lending of related parties

Year 2021

<u>Related party</u>	<u>Amount of inter-bank lending</u>	<u>Start date</u>	<u>Due date</u>	<u>Ending balance</u>	<u>Gain recognized in the period</u>	<u>Remarks</u>
Inter-bank offered						
Winsky Gaoke Group Co., Ltd.	27,575.7	2018/1/1	2023/12/31	21,218.2		Outstanding amounts owed when it was a subsidiary
Shanghai Shenshan New Energy Vehicle Service Co., Ltd.	17,740.4	2018/1/1	2023/12/31	15,966.4		Outstanding amounts owed when it was a subsidiary
Total	45,316.1			37,184.6		

Year 2020

<u>Related party</u>	<u>Amount of inter-bank lending</u>	<u>Start date</u>	<u>Due date</u>	<u>Ending balance</u>	<u>Gain recognized in the period</u>	<u>Remarks</u>
Inter-bank offered						
Beijing Longding Huayuan Real Estate Development Co., Ltd.	41,800.0	2017-12-28	2020-12-27		1,624.1	Factoring of receivables
Guangzhou Winsky Zhixing New Energy Vehicle Co., Ltd.	27,575.7	2018-1-1	2023-12-31	22,218.2		Outstanding amounts owed when it was a subsidiary
Shanghai Shenshan New Energy Vehicle Service Co., Ltd.	17,740.4	2018-1-1	2023-12-31	15,966.4		Outstanding amounts owed when it was a subsidiary
Total	87,116.1			38,184.5	1,624.1	

Year 2019

<u>Related party</u>	<u>Amount of inter-bank lending</u>	<u>Start date</u>	<u>Due date</u>	<u>Ending balance</u>	<u>Gain recognized in the period</u>	<u>Remarks</u>
Inter-bank offered						
Beijing Longding Huayuan Real Estate Development Co., Ltd.	41,800.0	2017-12-28	2020-12-27	21,100.0	2,487.4	Factoring of receivables
Shanghai Kuaijie Enterprise Management Co., Ltd.	15,000.0	2019-11-20	2021-9-30	15,059.6	299.9	Factoring of receivables
Shanghai KYMS Enterprise Development Co., Ltd.	10,000.0	2019-10-25	2021-10-30	10,039.7	578.6	Factoring of receivables
Guangzhou Winsky Zhixing New Energy Vehicle Co., Ltd.	27,575.7	2018-1-1	2023-12-31	24,818.2	1,230.9	Capital occupancy fee
Shanghai Shenshan New Energy Vehicle Service Co., Ltd.	17,740.4	2018-1-1	2023-12-31	15,966.4	787.6	Capital occupancy fee
Shenzhen Winsky Vehicle Sales & Service Co., Ltd.	24,983.5	2018-1-1	2023-12-31	15,405.1	626.8	Capital occupancy fee
Total	137,099.6			102,389.0	6,011.2	

5. Other related transactions

In 2021, the Company and its subsidiaries did not incur any bank borrowings with Zhejiang Chouzhou Commercial Bank Co., Ltd. As of 31 December 2021, the Company and its subsidiaries had a deposit balance of 490,405,900 RMB yuan with Zhejiang Chouzhou Commercial Bank Co., Ltd., with interest income of 564,300 RMB yuan in 2021.

In 2020, the Company and its subsidiaries did not incur any bank borrowings with Zhejiang Chouzhou Commercial Bank Co., Ltd. As of 31 December 2020, the Company and its subsidiaries had a deposit balance of 149,553,500 RMB yuan in Zhejiang Chouzhou Commercial Bank Co., Ltd., with interest income of 1,419,300 RMB yuan in 2020.

In 2019, the Company and its subsidiaries did not incur any new bank borrowings with Zhejiang Chouzhou Commercial Bank Co., Ltd. As of 31 December 2019, the Company and its subsidiaries had a deposit balance of 130,880,500 RMB yuan with Zhejiang Chouzhou Commercial Bank Co., Ltd., with interest income of 704,800 RMB yuan in 2019.

(VI) Receivables and payables of associated parties

1. Receivable items (RMB'000)

Project name	Related party	31 December 2021		31 December 2020		31 December 2019	
		Book balance	Bad debt provision	Book balance	Bad debt provision	Book balance	Bad debt provision
Accounts receivable							
	Ningbo Shanjing Clothing Co., Ltd.	26.1	1.3	103.8	5.2	106.5	5.3
	Shanghai Shanshan Chuanghui Venture Capital Management Co., Ltd.	381.5	19.1	381.5	19.1	—	—
	Shanghai Zhengbao Shanfu Venture Capital Management Co., Ltd.	—	—	—	—	—	—
	Ningbo Liweineng Energy Storage System Co., Ltd.	2,103.3	108.9	2,103.3	108.9	6,355.4	317.8
	Beiben Heavy Duty Automobile Group Co., Ltd.	—	—	24,997.4	—	66,088.7	—
	Winsky Gaoke Group Co., Ltd.	—	—	1,341.3	120.0	1,059.7	53.0
	Shenzhen Xin'anshuntong Car Rental Co., Ltd.	—	—	989.1	65.6	665.4	33.3
	Shanghai Shenshan New Energy Vehicle Service Co., Ltd.	—	—	—	—	53.1	2.7
	Shenzhen Winsky Zhixing Information Technology Co., Ltd.	—	—	117.6	5.9	—	—
	Shanghai Mingda Junli Weaving Co., Ltd.	—	—	2,295.0	114.8	4,080.0	204.0
	Ningbo Ligang Technology Service Co., Ltd.	—	—	—	—	14.1	0.7
	Anhui Liweineng Power Battery Co., Ltd.	—	—	5,563.5	1,202.1	6,207.2	128.7
	Shanshan Brand Management Co., Ltd.	243.5	12.2	171.9	8.6	—	—
	Shanghai Shanshan Industrial Co., Ltd.	—	—	50.0	12.5	—	—

Project name	Related party	31 December 2021		31 December 2020		31 December 2019	
		Book balance	Bad debt provision	Book balance	Bad debt provision	Book balance	Bad debt provision
Other receivables							
	Ningbo Liweineng Energy Storage System Co., Ltd.	3,034.4	1,517.2	3,581.8	1,790.9	3,581.8	1,790.9
	Changsha Huashan Investment Management Co., Ltd.			22,754.9		39,821.1	
	Shanghai Shanying Investment Management Co., Ltd.					6,765.7	
	Shanghai Mingda Junli Weaving Co., Ltd.			39.0	39.0	39.0	2.0
	Beiben Heavy Duty Automobile Group Co., Ltd.	56,032.1	11,206.4	35,950.3	1,797.5	110.0	5.5
	Winsky Gaoke Group Co., Ltd.	22.0	1.1	70.0	3.5	190.0	9.5
	Shenzhen Winsky Zhixing Information Technology Co., Ltd.			888.4	44.4	183.5	9.2
	Shenzhen Xin'anshuntong Car Rental Co., Ltd.						
	Beijing Longding Huayuan Real Estate Development Co., Ltd.					200.0	10.0
	Shanghai Shankong Investment Co., Ltd.						
	Shanghai Shanshan Chuanghui Venture Capital Management Co., Ltd.	40,000.0	2,000.0	6.6		6.6	0.3
	Zhoushan Shanshan Life Plaza Co., Ltd.					20.0	2.0
Long-term receivables and long-term receivables due within one year							
	Guangzhou Winsky Zhixing New Energy Vehicle Co., Ltd.	21,218.2	8,487.3	22,218.2	5,554.5	24,818.2	1,240.9
	Shanghai Shenshan New Energy Vehicle Service Co., Ltd.	15,966.4	6,386.5	15,966.4	3,991.6	15,966.4	798.3
	Shenzhen Winsky Vehicle Sales & Service Co., Ltd.					15,405.1	770.3
Accounts prepaid							
	Beiben Heavy Duty Automobile Group Co., Ltd.					5.0	
	Winsky Gaoke Group Co., Ltd.					61.7	

2. Payable items

Project name	Related party	31 December 2021	31 December 2020	31 December 2019
Notes payable	Fujian Evergreen New Energy Technology Co., Ltd.		3,120.0	
Accounts payable	Ningbo Shanjing Clothing Co., Ltd.			83.6
	Ningbo Airport Logistics Development Co., Ltd.		0.9	1.2
	Ningbo Liweineng Energy Storage System Co., Ltd.	1,028.0	1,028.0	1,245.2
	Shanghai Huanbai Car Rental Co., Ltd.	80.0	480.0	498.1
	Shanghai Chijing New Energy Vehicle Service Co., Ltd.		484.6	
	Shanghai Shenshan New Energy Vehicle Service Co., Ltd.	1,332.9	106.3	
	Anhui Shanyue Technology Co., Ltd.			
	Guangzhou Winsky Zhixing New Energy Vehicle Co., Ltd.			1.2
	Shanshan Automobile (Longyan) Co., Ltd.			416.0
	Fujian Evergreen New Energy Technology Co., Ltd.		51,390.6	
	Inner Mongolia Mengji New Carbon Material Co., Ltd.	37,680.0	11,213.5	
	Inner Mongolia Hengsheng New Energy Technology Co., Ltd.	28,160.1	13,681.8	
	Ningbo New Airport International Logistics Co., Ltd.	1,093.4		
	Jiangxi Winsky Intelligent Technology Co., Ltd.	7,458.4	193.2	
Other payables	Ningbo Shanqi Property Services Co., Ltd.	7,075.1	7,075.1	7,075.1
	Ningbo Shanjing Clothing Co., Ltd.	14.4	14.4	20.8
	Ningbo Airport Logistics Development Co., Ltd.	20.0	20.0	20.0
	Shanghai Shanshan Trading Co., Ltd.	115.8	115.8	115.8
	Ningbo Shanshan Products Co., Ltd.	96.1	136.1	201.2
	Ningbo Xinmingda Knitting Co., Ltd.	130.0	130.0	130.0
	Shanzhong Investment Management (Shanghai) Co., Ltd.	216.1	216.1	216.1
	Shanghai Shanhui Financial Consulting Co., Ltd.	76.9	76.9	91.7
	Ningbo Liweineng Energy Storage System Co., Ltd.	299.9	798.2	719.3
	Shanshan Products Group Co., Ltd.	40.0		11.8
	Shanghai Shenshan New Energy Vehicle Service Co., Ltd.	386.3	527.3	400.6
	Shenzhen Winsky Vehicle Sales & Service Co., Ltd.			0.4
	Shanghai Zhiwei Asset Management Co., Ltd.	38.6	38.6	38.6
	Shanghai Mingxu Import & Export Co., Ltd.	22.1	22.1	22.1
	Anhui Shanyue Technology Co., Ltd.	18.2	18.2	18.2
	Shanghai Shanshan Industrial Co., Ltd.	146.3	146.3	90.7
	Jiangxi Winsky Intelligent Technology Co., Ltd.	1,000.0		

Project name	Related party	31 December 2021	31 December 2020	31 December 2019
Contractual liabilities				
	Shanghai Mingda Junli Weaving Co., Ltd.		25,500.0	
	Shanghai Shanshan Chuanghui Venture Capital Management Co., Ltd.		4,000.0	
	Fujian Evergreen New Energy Technology Co., Ltd.			149.5
	Ningbo Liweineng Energy Storage System Co., Ltd.	3.8		
	Shenzhen Branch of Jiangxi Winsky Intelligent Technology Co., Ltd.	30.7		

(VII) Commitment of related parties

- For the equity of Ningbo Ulica Solar Co., Ltd., which was transferred in 2016, the transferor Shanshan Group Co., Ltd. and the natural person shareholders of Ningbo Ulica Solar Co., Ltd. made performance commitments and compensation measures for this transaction, promising that the audited net profits of Ningbo Ulica Solar Co., Ltd. in 2017, 2018 and 2019 after deducting non-recurring gains and losses were 55 million RMB yuan, 75 million RMB yuan and 80 million RMB yuan, respectively; If the above promised net profit is not achieved during the performance commitment period, the transferor will compensate in cash as follows:

Total amount of compensation payable for the current year = (accumulated promised net profit as of the end of the current period – accumulated realized net profit as of the end of the current period) ÷ total promised net profit for each year of the performance commitment period * the current equity transfer price of the subject equity – the amount already compensated.

The audited net profit after deducting non-recurring gains and losses of Ningbo Ulica Solar Co., Ltd. for the year 2019 was 84,800,900 RMB yuan.

- In December 2018, the Company completed the acquisition of 30% equity interest in Suiyong Holdings Co., Ltd., and Shanshan Holdings Co., Ltd. undertook to make up the difference in cash if the book value of the audited net assets at the end of the year corresponding to the equity interest held by the Company in Suiyong Holdings Co., Ltd. (adjusted accordingly if dividends are paid) is lower than the initial transfer price.

The book value of the audited net assets of Suiyong Holdings Co., Ltd. at the end of 2019 was 3.128 billion RMB yuan, and the share of net assets corresponding to the Company's 30% equity interest in the Suiyong was 938 million RMB yuan, which was higher than the original acquisition price of 936 million RMB yuan.

The book value of the audited net assets attributable to Suiyong Holdings Co., Ltd. at the end of 2020 was 2.848 billion RMB yuan, and the share of net assets corresponding to the Company's 30% equity interest in Suiyong was 854 million RMB yuan, which was lower than the original acquisition price of 81.66 million RMB yuan, and compensation should be charged to Shanshan Holdings Co., Ltd. Shanshan Holdings Co., Ltd. has committed to pay the compensation by 30 June 2021.

Meanwhile, at the end of 2021, if the book value of the audited net assets corresponding to the equity interest held by the Company in Suiyong Holdings Co., Ltd. (adjusted accordingly if there is a dividend) is still lower than the initial transfer price of 936 million RMB yuan, then Shanshan Holdings undertakes to repurchase the corresponding equity interest, and the repurchase amount will be 936 million * (1 + 5% * 3) – the difference in the top-up amount of 81.66 million RMB yuan.

At the end of 2021, the book value of the audited net assets corresponding to the equity interest in Suiyong Holdings Co., Ltd. was 947 million RMB yuan.

XI. SHARE-BASED PAYMENT

(I) Share payment in general

The 2019 First Extraordinary General Meeting of Ningbo Shanshan Co., Ltd. was held on 12 August 2019, and the Thirty-fourth Meeting of the Ninth Session of the Board of Directors was held on 2 September 2019 to consider and adopt the *Proposal on the First Grant of Stock Options to the Incentive Recipients under the Company’s 2019 Share Option Incentive Plan*.

1. Grant date: 2 September 2019
2. Quantity granted: 59.4 million (additional 6.6 million reserved)
3. Number of people granted: 128 persons
4. Exercise price: 11.29 RMB yuan per share
5. Share sources: Issuance of A ordinary shares of the Company to the incentive recipients
6. Validity period: The validity period of the 2019 Share Option Incentive Plan shall be calculated from the date of initial grant of stock options to the date of exercise or cancellation of all stock options granted to the incentive recipients, and shall not exceed a maximum of 60 months
7. Waiting period: The stock options granted are exercised in three exercises, and the corresponding waiting periods are from the date of the initial grant 12 months, 24 months, 36 months. The stock options granted to the incentive recipients can be exercised after the expiration of the waiting period.
8. Exercise conditions:

<u>Exercise period</u>	<u>Company performance assessment objectives</u>
The first exercise period for initial grant of stock options	<ol style="list-style-type: none"> 1. With the average operating income of the Company from 2016 to 2019 as the base, the compound growth rate of the operating income of the Company in 2021 shall not be less than 10%; 2. With the average consolidated operating income of lithium business from 2016 to 2019 as the base, the compound growth rate of consolidated operating income of lithium business in 2021 shall not be no less than 20%.
The second exercise period for initial share option grant	<ol style="list-style-type: none"> 1. With the average operating income of the Company from 2016 to 2020 as the base, the compound growth rate of the operating income of the Company in 2021 shall not be less than 10%; 2. With the average consolidated operating income of lithium business from 2016 to 2020 as the base, the compound growth rate of consolidated operating income of lithium business in 2021 shall not be no less than 20%.
The third exercise period for initial share option grant	<ol style="list-style-type: none"> 1. With the average operating income of the Company from 2016 to 2018 as the base, the compound growth rate of the operating income of the Company in 2021 shall not be less than 10%; 2. With the average consolidated operating income of lithium business from 2016 to 2018 as the base, the compound growth rate of consolidated operating income of lithium business in 2021 shall not be no less than 20%.

As considered and approved by the Sixth Extraordinary General Meeting of Shareholders on 12 November 2021, the *Proposal on Adjusting Part of the Performance Appraisal Targets of the Company's 2019 Share Option Incentive Plan and Amending Relevant Documents*, if matters affecting the scope of consolidation of the Company's operating income such as asset/equity acquisition or asset/equity transfer occur in the appraisal year, and such matters have a significant impact on the Company's core business, the appraisal targets for the current year and subsequent years shall be calculated by deducting the operating income consolidated as a result of such matters and adding back the operating income reduced as a result of such matters. Accordingly, the operating income of the polarizer business acquired in the current year was deducted, and the operating income of the anode business from September to December, which was withdrawn from the scope of consolidation due to the transfer of equity, was added back as the basis of calculation.

9. Exercise arrangements:

<u>Exercise of rights</u>	<u>Exercise time</u>	<u>Number of exercisable rights as a percentage of the number of interests granted</u>
The first exercise period	Trading days during the period from 2 September 2020 to 1 September 2021	33%
The second exercise period . . .	Trading days during the period from 2 September 2021 to 1 September 2022	33%
The third exercise period	Trading days during the period from 2 September 2022 to 1 September 2023	34%

On 27 October 2020, the Fifth Meeting of the Tenth Session of the Board of Directors of the Company considered and passed the *Proposal on the First Exercise Period of Stock Options Granted for the First Time Under the 2019 Share Option Incentive Plan of the Company Met the Exercise Conditions*. The exercise conditions of the first exercise period of the stock options granted under the 2019 Share Option Incentive Plan (hereinafter referred to as the "Incentive Plan") have been fulfilled, and the Company has applied for the exercise of stock options and related registration procedures of the exercise shares for the incentive recipients who meet the exercise conditions on the exercise date stipulated in the Incentive Plan.

According to the *Proposal on Adjusting the Exercise Price of the Company's 2019 Share Option Incentive Plan* adopted at the Sixteenth Meeting of the Tenth Session of the Board of Directors and the Eleventh Meeting of the Tenth Supervisory Committee in 2021, the Company granted a total of 85,631,258.00 shares of RMB ordinary shares (A shares) to 124 incentive recipients. This is the first exercise period with the number of exercisable shares of 28,254,468.00. The par value per share is 1 RMB yuan and the grant price is 7.61 RMB yuan per share. The actual exercise of options took place in August 2021, with 118 persons and 26,507,943.00 shares actually exercised.

(II) Equity-settled share-based payments

At the balance sheet date, the Company revises the number of stock options expected to be exercisable based on the latest acquired subsequent information such as changes in the number of exercisable options and the achievement of performance targets, and includes the services acquired in the current period in the related cost or expense and capital reserves based on the fair value of the stock options at the date of grant.

The Company selected the Black-Scholes model to calculate the fair value of the options and used the closing price on 2 September 2019 as the base price to measure the 59.4 million stock options for the initial grant. (The exercise price adjustment due to profit distribution mentioned in (III), 2 and 4 below will still be calculated by rights offering.)

Reasons for material differences between estimates for subsequent periods and original estimates: No such case.

As of the balance sheet date, the number of exercisable stock options changed, see (III), 1 and 3 below.

(III) Modification and termination of share-based payment

1. On 14 August 2020, after being reviewed and approved by the Company's 2019 First Extraordinary Shareholders' Meeting, 6.6 million stock options reserved in the Company's share option incentive plan in 2019 have not been clearly allocated to incentive recipients within 12 months after this incentive plan, and the reserved rights and interests become invalid. The number of granted shares is recognized to be 59.4 million.
2. On 24 August 2020, the Company held the Third Meeting of the Tenth Board of Directors and the Third Meeting of the Tenth Supervisory Committee, and considered and passed the *Proposal on Adjusting the Exercise Price and Quantity of the Company's 2019 Share Option Incentive Plan*, and agreed to adjust the exercise price of the stock options granted but not yet exercised under this incentive plan from 11.29 RMB yuan/share to 7.70 RMB yuan/share, and the number of exercised options was adjusted from 59.4 million to 86.13 million.
3. In 2020, the compound growth rate of the Company's operating income is less than 10% and the compound growth rate of the consolidated operating income of the lithium business is less than 20%, which does not meet the performance assessment target of the second exercise period and does not meet the exercise conditions. The original grant quantity of 28.4229 million shares of the second exercise period is no longer considered as the exercisable quantity and the equity incentive fee is adjusted.
4. On 11 June 2021, the Company held the 16th Meeting of the 10th Board of Directors and the 11th Meeting of the 10th Supervisory Committee, and considered and passed the *Proposal of Adjusting the Exercise Price of the Company's 2019 Share Option Incentive Plan*. Given that the Company had finished the 2020 annual equity distribution on 11 June 2021, the exercise price of the stock options granted but not yet exercised under this incentive plan was adjusted from 7.70 RMB yuan/share to 7.61 RMB yuan/share.

XII. COMMITMENTS AND CONTINGENCIES

(I) Important commitments

1. Mortgaged and pledged assets as of 31 December 2021

Item	Original value of collateral and pledge	Net value of collateral and pledge	Remarks
Intangible assets — borrowings mortgage and pledge	120,750,173.58	109,169,438.06	Note 1
Fixed assets — borrowings mortgage	99,168,064.95	81,891,069.29	Note 1
Fixed assets — financial lease	2,191,005,603.26	1,710,788,277.24	Note 2
Total	2,410,923,841.79	1,901,848,784.59	

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

Item	Original value of collateral and pledge	Net value of collateral and pledge	Beneficiary banks	Credit terms	Credit limit	Short-term borrowing balance	Balance of long-term borrowings	Total use amount of credit
House, land . . .	99,168,064.95	81,891,069.29	Qiujiang Agricultural and Commercial Bank, Nanhu Sub-branch	Mortgage	114,398,800.00	18,000,000.00		39,000,000.00
			CCB Quzhou Branch			17,000,000.00		
			CCB Quzhou Branch			4,000,000.00		

Item	Original value of collateral and pledge	Net value of collateral and pledge	Beneficiary banks	Credit terms	Credit limit	Short-term borrowing balance	Balance of long-term borrowings	Total use amount of credit
Patent right	8,600,000.00	0.00	South Taihu New District Sub-branch of Huzhou Wuxing Rural Commercial Bank Co., Ltd.	Pledges	37,800,000.00	9,900,000.00		9,900,000.00
Land-use right	112,150,173.58	109,169,438.06	The Export-Import Bank of China Hunan Branch	Secured and guaranteed	600,000,000.00		290,362,430.55	290,362,430.55
Total	219,918,238.53	191,060,507.35			752,198,800.00	48,900,000.00	290,362,430.55	339,262,430.55

Note 2: The subsidiaries of Ningbo Ulica Solar Energy Technology Development Co., Ltd., Inner Mongolia Shanshan New Material Co., Ltd., Inner Mongolia Shanshan Technology Co., Ltd., Fujian Shanshan Technology Co., Ltd., Shanghai Shanshan Technology Co., Ltd., Ningbo Shanshan New Material Technology Co., Ltd. and Shanshan New Material (Quzhou) Co., Ltd. rented the equipment in the form of financial lease. By the end of the period, the situation is as follows:

Corporate	Net value of fixed assets	Balance of long-term accounts payable due within one year	Balance of long-term account payable	Other current liabilities
Ningbo Ulica Solar Energy Technology Development Co., Ltd.	714,486,996.45	102,039,948.15	236,996,882.56	
Shanshan New Material (Quzhou) Co., Ltd.	63,319,370.79	25,334,778.49	10,438,830.68	
Inner Mongolia Shanshan New Material Co., Ltd.	172,230,800.20	90,054,985.25	29,920,390.80	
Inner Mongolia Shanshan Technology Co., Ltd.	467,702,988.52	163,474,208.83	73,804,783.47	
Fujian Shanshan Technology Co., Ltd.	144,644,062.31	47,226,666.68	93,333,333.32	
Shanghai Shanshan Technology Co., Ltd.	17,726,423.24	32,958,996.83	17,109,550.79	
Ningbo Shanshan New Material Technology Co., Ltd.	130,677,635.73			138,206,761.29
Total	1,710,788,277.24	461,089,584.23	461,603,771.62	138,206,761.29

2. Pledged assets as of 31 December 2021

Pledged assets	Carrying amount	Contents of guaranteed debts
Other cash balances — bank acceptance deposit	550,770,579.54	Bank acceptance bill issued
Other cash balances — letter of credit deposit.	13,967,809.83	Letter of credit issued
Other cash balances — guarantee deposit	46,600,000.00	Guarantee issued
Other cash balances — other deposits	1,000,000.00	Photovoltaic borrowings deposit
Notes receivable.	104,135,510.00	Draw a bank acceptance bill
Long term equity investment — equity of Chouzhou Bank Note 1	304,780,292.48	Borrowings
Long term equity investment — Suzhou Shanjin equity Note 1	5,821,515,852.64	Borrowings
Investment in other equity instruments Note 1.	837,000,000.00	Borrowings
Subtotal.	7,679,770,044.49	

Note 1: In 2021, Ningbo Shanshan Co., Ltd. pledged 1.41% equity of Zhejiang Chouzhou Commercial Bank Co., Ltd., 70% equity of ShanJin Optoelectronics (Suzhou) Co., Ltd. and 0.69% equity of Luoyang Yichuan Molybdenum Group Co., Ltd. held by its subsidiary Ningbo Shanshan Venture Capital Investment Co., Ltd. to the syndicate formed by Ningbo Branch of China Merchants Bank Co., Ltd., Ningbo Branch of China Construction Bank Co., Ltd. and Zhangjiang Science and Technology Branch of Shanghai Rural Commercial Bank Co., Ltd. to obtain borrowings. As of the end of the period, the situation is as follows:

<u>Restricted items</u>	<u>Creditor</u>	<u>Pledge amount</u>	<u>Long-term borrowings</u>	<u>Non-current liabilities due within one year</u>
Long term equity investment — equity of Chouzhou Bank	The syndicate formed by Ningbo Branch of China Merchants Bank Co., Ltd., Ningbo Branch of China Construction Bank Co., Ltd. and Zhangjiang Science and Technology Branch of Shanghai Rural Commercial Bank Co., Ltd.	304,780,292.48	2,372,764,999.99	588,025,230.00
Long term equity investment — Suzhou Shanjin equity		5,821,515,852.64		
Investment in other equity instruments		837,000,000.00		

Note 2: In addition, ten subsidiaries engaged in distributed photovoltaic power plants borrowed from banks by pledging the future usufructs of the power sales contracts signed with the State Grid to the banks, with Ningbo Shanshan Co., Ltd. as the guarantor.

<u>Subject of borrowings contract</u>	<u>Pledge and mortgage</u>		<u>Borrowings balance</u>	
	<u>Item</u>	<u>Scale of relevant power stations</u>	<u>Long-term borrowings due within 1 year</u>	<u>Long-term borrowings</u>
Ningbo Ulica Solar Energy Technology Development Co., Ltd.	Beneficial right of distributed solar photovoltaic power stations	The total installed capacity is 104.38MW	46,128,594.46	245,443,590.20

3. Outstanding letters of credit as of 31 December 2021

<u>Currency</u>	<u>Amount in original currency</u>
Japanese yen	479,552,625.00
USD	2,189,880.00
RMB	62,500,000.00

4. Outstanding letters of guarantee as of 31 December 2021

<u>Category</u>	<u>Currency</u>	<u>Amount in original currency</u>
Financing guarantee	Euro	9,500,000.00
Aggregate taxation guarantee	RMB	175,000,000.00
Customs guarantee	RMB	31,000,000.00
Quality guarantee	RMB	16,600,000.00

5. Agreed expenditure as of 31 December 2021

The main expenditure items agreed in the contract signed by the company are as follows:

Item	Content	Contract amount
Cathode (Meishan) Project	Equipment	550,400,000.00
	Exploration design	14,493,920.00
	Subtotal	564,893,920.00
Relocation and reconstruction of polarizer Guangzhou Korean production line (3#, 4#)	Workshop construction	233,801,532.00
	Equipment	757,374,952.07
	Subtotal	991,176,484.07
Purchase of 30% equity held by LG Chemical subsequent to polarizer acquisition	5% will purchase in 2022	US\$74,085,000.00
	10% will purchase in 2023	US\$126,072,000.00
	15% will purchase in 2024	US\$204,867,000.00
	Subtotal	US\$405,024,000.00

(II) Contingency

1. Important contingencies existing as of 31 December 2021

Guaranteed unit	Total guarantee	Balance of guaranteed borrowings (with margin deducted)	Balance of guarantee for issuing bank acceptance bill (with bill margin deducted)	Letter of credit (with margin deducted) and others	Financial lease	Actual use limit at the end of the period
Subsidiaries within the consolidation scope guaranteed by the company.	8,698,658,819.64	3,755,205,807.06	877,422,224.44	62,656,916.17	1,213,647,152.89	5,908,932,100.56
Subsidiaries within the consolidation scope guaranteed mutually	413,757,970.80	290,362,430.55			70,224,613.58	360,587,044.13
Company guaranteed by subsidiaries within the consolidation scope.	675,000,000.00	200,000,000.00				200,000,000.00
Company guaranteed by non-consolidated related parties	4,550,000,000.00	4,507,340,000.00				4,507,340,000.00

2. Pending litigation existing as of 31 December 2021

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 1,106,974.02 RMB yuan	995,490.63	(%) 61.30	Still in arbitration
Ningbo Ulica Solar Energy Co., Ltd.	GR New Materials Co., Ltd.	Year 2021	Pay for the goods, liquidated damages, guarantee fee and lawyer's fee, totaling 572,500.00 RMB yuan	520,000.00	0.00	The company won the lawsuit in the first instance and is currently in the second instance

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 7,889,079.58 RMB yuan	It is still in arbitration and the result cannot be predicted	Still in arbitration
Guangzhou Jingyi Automobile Air Conditioning Co., Ltd.	Ningbo Qingshan Automobile Co., Ltd.	Year 2021	Pay 2.36 million RMB yuan to Inner Mongolia Qingshan for the outstanding goods payment, with the overdue fine compensated at 0.05% per day. Ningbo Qingshan is required to pay off on its behalf since it withdrew the capital from Inner Mongolia Qingshan.	1.25 million RMB yuan (overdue fine)	The other party won the first instance, so the company accrued the liquidated damages, but the company refuses to accept the judgment of the first instance, and is still in the appeal of the second instance.

Arbitration cases with the company as the defendant

Plaintiff	Defendant	Prosecution time	Arbitration judgment	Accounting	Case progress
Zhejiang Dongfu Plastic Technology Co., Ltd. .	Shanshan New Material (Quzhou) Co., Ltd.	Year 2020	The company paid technology transfer fee, installation engineering fee, equipment and instrument fee, and procurement management fee to Zhejiang Dongfu Plastic Technology Co., Ltd., totaling 21,104,274.40 RMB yuan.	The accounts payable to Zhejiang Dongfu Plastic Technology Co., Ltd. have been confirmed according to the amount of arbitration judgment, and the relevant accounting treatment has been adjusted at the same time.	The company applied to the Intermediate People's Court of Quzhou City of Zhejiang Province for cancellation of the arbitration award. The court rejected the company's application on 2 March 2022, and the modified judgment will not cause new economic losses to the company.

Pending litigation with the company as a third party

Plaintiff	Defendant	The third party in the litigation	Prosecution time	Litigation request	Case progress
Shaanxi Zhongdian Jingtai Electronic Engineering Co., Ltd.	Zhejiang Dongfu Plastic Technology Co., Ltd.	Shanshan New Material (Quzhou) Co., Ltd.	Year 2020	The plaintiff sued the defendant for the dispute over the <i>Construction Contract</i> with the defendant and asked the defendant to repay the project settlement payment paid by the plaintiff, totaling 13,402,861.18 RMB yuan. The plaintiff requested that the company be added as a third party without independent claim in the above construction contract dispute case.	The trial of first instance was held on 16 March 2022, and no judgment has been made. It's impossible to estimate whether the company will suffer economic losses in this case.

3. Major litigation cases that have been closed or settled but have not been completed

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	6,958,959.00	100	Settlement reached

XIII. MATTERS AFTER THE BALANCE SHEET DATE

(I) Important non-adjustment matters

1. Sale of equity interest in wholly-owned subsidiary and related transactions

Ningbo Shanshan Co., Ltd. now agrees that Ningbo Yongshan, a wholly-owned subsidiary, will transfer its 100% equity interest in Hunan Yongshan to Jixiang Molybdenum, a related party of the Company, and enter into the *Equity Transfer Agreement*. Given that Ningbo Jutai Investment Management Co., Ltd., the controlling shareholder of Jixiang Molybdenum, is a subsidiary of Shanshan Holdings Co., Ltd., the indirect controlling shareholder of the Company, and both Jixiang Molybdenum and the Company are controlled by the same actual controller, Mr. Zheng Yonggang, according to the relevant provisions of Article 10.1.3 of the *Listing Rules of Shanghai Stock Exchange*, Jixiang Molybdenum is the associated legal person of the Company, and this transaction constitutes a related transaction. The related transaction does not constitute a major asset reorganization under the *Administrative Measures on Major Asset Reorganization of Listed Companies*.

The price of the related transaction was determined on the basis of the *Asset Appraisal Report* (Y. X. P. B. Zi (2021) No. 3122) issued by Yinxin Asset Appraisal Co., Ltd. and was determined by consensus of both parties to be 480 million RMB yuan, which is fair and reasonable and does not prejudice the interests of the Company and its shareholders.

As of 25 January 2022, the subject company has completed the registration and filing of the relevant changes in the Market Supervision and Management Department in terms of handling this equity transfer and the replacement of directors and senior managers.

2. Signed Strategic Cooperation Framework Agreement with Hongrun Construction Group Co., Ltd.

Hongrun Construction Group Co., Ltd. and Ningbo Shanshan Co., Ltd. signed the *Strategic Cooperation Framework Agreement* on 13 Jan. 2022. The agreement stipulates that Hongrun Construction intends to complete the acquisition of Ulica's PV module business and related assets (PV Module Division) by purchasing the equity of Ningbo Ulica Solar Co., Ltd., a subsidiary of Ningbo Shanshan Co., Ltd. The existing photovoltaic power plant business and related assets (Power Plant Division) of Ningbo Ulica Solar Co., Ltd. are not included in the scope of the transfer agreement between the two parties. Ningbo Ulica Solar Co., Ltd. intends to divest the PV power plant business to a new company to be established after the separation, and retain only the PV module business.

3. The Company's 2022 share option and restricted share incentive plan

On 23 February 2022, the Twenty-fifth Meeting of the Tenth Session of the Board of Directors and the Sixteenth Meeting of the Tenth Session of the Supervisory Committee of Ningbo Shanshan Co., Ltd. were held to consider and approve the *2022 Stock Option and Restricted Share Incentive Plan (Draft) of Ningbo Shanshan Co. Ltd.* and *2022 Stock Option and Restricted Share Incentive Plan Implementation Evaluation and Management Measures of Ningbo Shanshan Co. Ltd.* and other related proposals. After that, the Company announced the name and position of the proposed incentive recipients internally and there was no objection. On 14 March 2022, the Company held the First Extraordinary General Meeting of Shareholders

of 2022 and considered and approved the above proposal. On 18 March 2022, the Company held the Twenty-sixth Meeting of the Tenth Board of Directors and the Seventeenth Meeting of the Tenth Supervisory Committee, and considered and passed the *Proposal on Adjusting the List of Incentive Recipients of the Company's 2022 Stock Option and Restricted Share Incentive Plan*, and the *Proposal on the First Grant of Stock Options to Incentive Recipients under the Company's 2022 Stock Option and Restricted Share Incentive Plan*, and the independent directors, the supervisory committee and the lawyers have expressed their clear opinions on this.

The Incentive Plan is originally proposed to grant 437 incentive recipients with a total of 70,000,000 shares, including 49,000,000 shares of stock option and 21,000,000 shares of restricted share, involving the underlying share type of RMB A ordinary shares, accounting for 3.27% of the total share capital of the Company of 2,142,919,938 shares at the time of the announcement of the draft Incentive Plan. Among them, 45,080,000 shares of stock option were granted for the first time and 3,920,000 shares were reserved for grant. 19,320,000 shares of restricted share were granted for the first time and 1,680,000 shares were reserved for grant.

On 26 May 2022, the Company held the Thirtieth Meeting of the Tenth Board of Directors and the Twentieth Meeting of the Tenth Supervisory Committee, and considered and passed the *Proposal on Adjusting the List of Incentive Recipients, the Grant Price and the Quantity Granted of the Company's 2022 Stock Option and Restricted Share Incentive Plan*, the *Proposal on the First Grant of Restricted Share to Incentive Recipients under the Company's 2022 Stock Option and Restricted Share Incentive Plan*, and the *Proposal on Adjusting the Exercise Price of Stock Options and Canceling Some Stock Options under the Company's 2022 Stock Option and Restricted Share Incentive Plan*, and the independent directors, the supervisory committee and the lawyers have expressed their clear opinions on this.

Details of the first grant of stock options:

- (1) Grant date: 18 March 2022. Completion of registration for the first grant of stock options: 5 May 2022.
- (2) Quantity granted: 45.01 million stock options.
- (3) Number of people granted: 435 persons.
- (4) Exercise price: The exercise price of stock options is 28.18 RMB yuan/share.
- (5) On 26 May 2022, with the approval of the Board of Directors, due to the departure of some incentive recipients, 490,000 shares of stock options were cancelled and the quantity granted was changed to 44,520,000 shares and the number of people granted was changed to 430. At the same time, the exercise price was adjusted to 27.85 RMB yuan/share due to the equity distribution in 2021.
- (6) Stock sources: The Company issues A ordinary shares of the Company to the incentive recipients.
- (7) The stock options granted for the first time shall be valid for a maximum of 72 months from the date of the first stock option grant to the date of exercise or cancellation of all stock options granted to the incentive recipients for the first time. Only after the expiration of the waiting period, and when the Company and the incentive recipients meet the relevant conditions and the performance meets the assessment target at the same time, can the stock options granted for the first time be granted by the Company to the incentive recipients as per the Incentive Plan and be exercised, and the exercise ratio corresponding to the performance appraisal level of the incentive recipient shall be determined according to the results of the comprehensive performance appraisal of the individual incentive recipient, and the incentive recipient shall complete the exercise of the stock options in phases within the exercise period of each phase according to the prescribed exercise ratio.

Details of the first restricted share grant:

- (1) Grant date: 26 May 2022. The contribution payment is completed on the same day.
- (2) Quantity granted: 18,334,100 restricted share.
- (3) Number of people granted: 417 persons.
- (4) Exercise price: The exercise price of restricted share is 13.76 RMB yuan/share.
- (5) Share sources: The Company issues A ordinary shares of the Company to the incentive recipients.
- (6) The restricted share incentive plan shall be valid for a maximum of 72 months from the date when the registration of the granting of restricted share is completed to the date when the restricted share granted to the incentive recipients is completely released or the repurchase is cancelled. The reserved part should be granted within 12 months after the Incentive Plan is reviewed and approved by the General Meeting of Shareholders of the Company. The restricted shares granted for the first time in the first incentive plan should be released by four times, and the corresponding restricted sales periods should be 12 months, 24 months, 36 months and 48 months from the date of the first grant. For the granted restricted shares, the Company and the incentive recipients can be released the restriction only if they meet the relevant conditions at the same time, and the performance appraisal is carried out annually in the four fiscal years during the period of releasing the restriction. The proportion of releasing the restriction corresponding to the performance appraisal level of the incentive recipients is determined according to the comprehensive performance appraisal results for individual incentive recipient. The restricted shares that cannot be released due to performance appraisal should be repurchased and cancelled by the Company and the repurchase price should be the sum of the grant price and the deposit interest of the bank in the same period.

4. Planning to issue global depositary receipts abroad and list them on SIX Swiss Exchange

In order to expand the international financing channels of Ningbo Shanshan Co., Ltd. and meet the needs of the Company's business development at home and abroad, and to enhance the Company's international brand and corporate image, the Company intends to plan for the issuance of Global Depositary Receipts ("GDRs") abroad and to list them on SIX Swiss Exchange. The additional underlying securities A shares represented by the maximum of 29,082,900 Company's GDRs issue will not exceed 145,414,500 shares (assuming no exercise of the Upsize Option), and will not exceed 15% of the total common share capital of the Company prior to this issue. The overseas issuance and listing of GDRs will not result in a change in the controlling shareholder and the beneficial owner of the Company. After the completion of the issue, the distribution of the Company's shareholding complies with the listing requirements of the Shanghai Stock Exchange, and will not result in non-compliance with the conditions for listing of shares.

On 18 April 2022, the Board of Directors of Ningbo Shanshan Co., Ltd. held a meeting to consider and approve the GDR issuance, and then it has been approved by the Company's 2021 annual general meeting on 10 May 2022. But it is still subject to the approval of the competent regulatory authorities before it can be formally implemented, and the time of obtaining the relevant approval or filing is uncertain. The issue scale, issue plan, purpose of raised funds and feasibility of this overseas issuance and listing of global depositary receipts are still under discussion, and there is still great uncertainty. The issue is subject to the approval of the competent authorities in and outside China, such as the China Securities Regulatory Commission and the Swiss Stock Exchange.

5. Capital increase in holding subsidiaries and introduction of strategic investors and related transactions

With the cooperation of four strategic investors Ningbo Meishan Bonded Port Wending Investment Co., Ltd., BYD Company Limited, Ningde New Energy Technology Co., Ltd. and CNPC Kunlun Capital Co., Ltd. (hereinafter referred to as “Wending Investment”, “BYD”, “Ningde New Energy” and “Kunlun Capital”), the Company intended to increase the capital of its holding subsidiary Shanghai Shanshan Lithium Battery Material Technology Co., Ltd. (hereinafter referred to as “Shanghai Shanshan Lithium Battery”) through its wholly-owned subsidiary Ningbo Shanshan New Energy Technology Development Co., Ltd. (hereinafter referred to as “Ningbo Shanshan New Energy”), with a total amount of capital increase being RMB3.05 billion and subscribing to the new registered capital of Shanghai Shanshan Lithium Battery with a total amount of RMB305 million. After the completion of the capital increase, the registered capital of Shanghai Shanshan Lithium Battery would be changed from RMB877 million to RMB1,182 million, and the Company’s shareholding in Shanghai Shanshan Lithium Battery would be changed from 89.99% to 87.08%, with Shanghai Shanshan Lithium Battery remaining a holding subsidiary of the Company. The transaction was considered and approved at the 2021 Annual General Meeting of Shareholders held on 10 May 2022.

6. Investment

On 26 April 2022, the Tenth Meeting of the Board of Directors of the Company approved the establishment of a project company and the investment in the construction of a 300,000T/A lithium ion battery cathode materials integration base project (hereinafter referred to as the “Project”) in Anning, Yunnan Province by its subsidiary, Shanghai Shanshan Lithium Battery Material Technology Co., Ltd., with a planned total fixed assets investment of about RMB9.7 billion (excluding working capital). The total construction period of the Project was expected to be 32 months and would be divided into two phases, with a planned annual production capacity of 200,000 tons and a construction period of 16 months for Phase I (calculated from the date of obtaining the construction permit) and a planned annual production capacity of 100,000 tons and a construction period of 16 months for Phase II (with the construction scheduled to commence upon completion of the construction of Phase I and obtaining the relevant construction permit). The investment project was considered and approved at the 2021 Annual General Meeting of Shareholders held on 10 May 2022.

On 27 June 2022, the Tenth Meeting of the Board of Directors of the Company approved the establishment of a project company and the investment in the construction of a 40,000T/A lithium ion battery silicon anode materials integration base project (hereinafter referred to as the “Silicon project”) in Ningbo, Zhejiang Province by its subsidiary, Shanghai Shanshan Lithium Battery Material Technology Co., Ltd., with a planned total investment of about RMB 5 billion (fixed assets investment of about RMB 3.75 billion). The total construction period of the Silicon project would be divided into two phases, with a planned annual production capacity of 10,000 tons and a construction period of 12 months for Phase I (with the obtaining the construction permit and be expected to start at the end of 2022) and a planned annual production capacity of 30,000 tons and a construction period of another 12 months for Phase II (with the obtaining the relevant construction permit and be expected to start at the end of 2024). The investment of Silicon project was considered and approved at the second Extraordinary General Meeting of Shareholders of 2022 held on 8 July 2022.

(I) Profit distribution

Year 2021:

Profit or dividends to be distributed. 707,163,579.54

As resolved at the Twenty-seventh Meeting of the Tenth Session of the Board of Directors of the Company on 18 April 2022, the Company intends to distribute a cash dividend of 3.30 RMB yuan (including tax) for every 10 shares to all shareholders based on the total share capital registered on the registration date of the equity distribution for the year 2021. As of 31 December 2021, the total share capital of the Company was 2,142,919,938 shares, which resulted in a total cash dividend of 707,163,579.54 (including tax). The ratio of the Company’s cash dividends for the current year to the Company’s net profit attributable to shareholders of the listed company for the year 2021 was 21.17%. There was no plan of capital reserves converted into share capital for the year. The above proposal has been approved by the Company’s 2021 annual general meeting, which was paid in cash on 25 May 2022.

XIV. OTHER IMPORTANT MATTERS

(I) 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

31 December 2021/Year 2021

Item	Polarizer segment	Cathode material	Anode material	Electrolyte material	Lithium salt material	New energy vehicle	Energy management	Investment	Others	Inter-segment offset	Total
I. Foreign transaction income	10,097,648,909.61	3,643,740,681.85	4,181,023,410.00	1,417,855,386.53	28,678,906.51	91,080,540.44	1,212,133,145.54		136,992,649.96		20,809,153,630.44
II. Operating income from inter-segment transactions										-109,771,006.16	-109,771,006.16
III. External transaction cost	7,577,749,205.58	2,994,225,005.45	2,963,356,651.34	758,238,334.54	15,053,417.58	102,159,085.88	1,099,496,455.87		20,015,067.16		15,530,293,223.40
IV. Inter-segment transaction cost										-11,264,408.02	-11,264,408.02
V. Share of profit of associates and joint ventures		12,254,320.61	7,610,303.17						2,369,469,060.69		2,389,333,684.47
VI. Credit impairment loss	110,896,993.64	92,923,448.45	882,240.16	19,510,337.46	-150,000.00	33,788,226.67	369,814.22		7,533,358.18	757,504.94	266,511,923.72
VII. Assets impairment loss	230,852,365.27	-22,314,089.44	-10,420,492.42	10,148,457.41	-	92,816,138.74	29,933,554.03		57,050,000.00		388,065,933.59
VIII. Depreciation and amortization expenses	468,077,297.13	127,788,969.89	232,243,434.45	67,858,769.49	2,474,489.08	37,188,776.18	10,524,797.26	13,726.33	131,337,538.61	-2,381,168.77	1,075,126,629.65
IX. Total profit (total loss)	1,547,912,197.63	325,623,848.99	683,373,447.09	466,652,659.21	5,183,882.12	-222,902,365.75	-25,506,032.68	37,954,727.26	1,872,812,464.38	5,208,504.23	4,696,313,332.48
X. Income tax expense	350,711,579.57	30,337,698.11	82,813,844.18	32,196,544.44	3,252,538.56	-222,902,365.75	2,562,625.45	6,503,760.22	600,998,746.70	34,552.10	1,109,411,889.33
XI. Net profit (net loss)	1,197,200,618.06	295,286,150.88	600,559,602.91	434,456,114.77	1,931,343.56	-222,902,365.75	-28,068,658.13	31,450,967.04	1,271,813,717.68	5,173,952.13	3,586,901,443.15
XII. Total assets	12,823,534,554.96		10,206,985,867.66	1,378,120,384.04	905,750,530.85	751,958,741.51	2,205,767,866.46	2,001,925,047.25	28,434,000,881.90	-18,419,625,870.87	40,288,418,003.76
Total liabilities	4,521,108,336.90		6,623,073,922.22	1,008,506,384.58	624,413,150.06	1,179,272,368.23	1,732,916,412.38	74,672,701.91	13,124,489,352.91	-7,950,409,172.18	20,938,043,457.01
Long-term equity investments in associates and joint ventures			115,932,065.10				2,588,661.68		6,206,846,669.55		6,325,367,396.33
Increase in non-current assets other than long-term equity investments	6,400,402,849.58	-2,426,086,025.69	1,373,995,809.81	6,873,900.53	382,852,717.94	-114,635,793.64	22,646,874.18	-1,600,922,758.23	-140,854,587.17		3,904,272,987.31

31 December 2020/Year 2020

Item	Cathode material	Anode material	Electrolyte material	Lithium Salt materials	New energy vehicle	Energy management	Clothing	Investment	Others	Inter-segment offset	Total
I. Foreign transaction income	3,874,326,377.74	2,539,916,091.99	569,309,885.71	640,598.22	78,066,069.10	803,662,986.75	226,007,233.34	94,942,641.43	123,617,929.40		8,310,489,813.68
II. Operating income from inter-segment transactions	—	—	—	0.00						-94,593,122.22	-94,593,122.22
III. External transaction cost	3,397,250,362.18	1,864,724,117.87	507,418,374.41	24,617,210.03	99,054,640.71	698,762,494.33	162,241,568.42	31,143,073.88	13,135,996.20		6,798,347,838.03
IV. Inter-segment transaction cost	—	—	—	0.00						-11,661,776.56	-11,661,776.56
V. Share of profit of associates and joint ventures	11,396,778.05	—	—	0.00	-44,816,974.29	50,439.03	-1,698,938.07	6,383,694.28	41,001,802.15		12,316,781.15
VI. Credit impairment loss	51,073,737.53	10,239,216.22	-11,462,869.06	-4,714,720.00	46,980,317.15	-4,147,489.90	13,169,741.07	20,853,465.21	8,803,604.80	-1,617,285.23	129,177,717.79
VII. Assets impairment loss	5,292,557.45	-3,883,802.86	-656,638.00	0.00	32,368,793.25	25,232,836.66	2,568,107.48		15,000,000.00		75,921,853.98
VII. Depreciation and amortization expenses	168,914,346.25	176,152,465.26	40,148,389.76	811,261.36	41,427,584.18	89,844,883.66	23,575,311.95	742,863.94	34,330,113.73	-1,269,266.63	574,677,953.46
VIII. Total profit (total loss)	220,599,859.80	228,933,739.39	-1,933,604.67	-25,989,655.12	-213,532,828.28	-8,821,722.52	-78,964,643.74	182,292,488.18	-35,716,348.16	-4,014,084.45	262,853,200.43
IX. Income tax expense	18,150,288.47	16,626,701.60	2,205,013.43	0.00	-5,706,813.73	1,874,271.72	-2,108,672.23	29,991,846.35	-3,348,001.90	34,552.10	57,719,185.81
X. Net profit (net loss)	202,449,571.33	212,307,037.79	-4,138,618.10	-25,989,655.12	-207,826,014.55	-10,695,994.24	-76,855,971.51	152,300,641.83	-32,368,346.26	-4,048,636.55	205,134,014.62
XI. Total assets	6,249,420,696.86	5,286,084,513.47	740,345,157.96	637,083,643.72	903,789,684.25	2,137,961,870.19		2,951,255,995.68	17,433,364,455.30	-11,798,647,221.52	24,540,658,795.91
XII. Total liabilities	2,234,149,313.77	4,513,932,170.94	715,377,309.30	395,229,056.95	1,178,235,848.03	1,637,041,757.98		948,643,252.44	4,588,162,281.32	-5,577,370,460.85	10,633,400,529.88
Long-term equity investments in associates and joint ventures	39,762,605.25	—	—	0.00	117,654,508.60	2,551,464.43		166,874,097.70	2,503,759,773.23		2,830,602,449.21
Increase in non-current assets other than long-term equity investments	137,005,778.04	189,398,845.74	-11,614,282.82	145,180,839.39	-149,678,870.45	60,651,778.69	-81,348,281.90	-44,002,689.53	-1,677,145,439.74		-1,431,552,322.58

31 December 2019/Year 2019

Item	Cathode material	Anode material	Electrolyte material	Lithium salt materials	New energy vehicle	Energy management	Clothing	Investment	Others	Inter-segment offset	Total
I. Foreign transaction income	3,720,290,916.97	2,549,309,345.58	593,554,747.82	61,113,597.89	125,979,145.47	668,849,544.78	791,575,766.70	148,854,402.54	175,826,707.47		8,835,354,175.22
II. Operating income from inter-segment transactions	0.00	0.00	0.00	0.00	0.00					-155,443,206.39	-155,443,206.39
III. External transaction cost	3,244,670,905.65	1,895,680,987.08	507,010,383.61	54,019,525.28	133,062,241.65	509,147,841.05	459,539,894.66	42,299,694.26	15,533,169.53		6,860,964,642.77
IV. Inter-segment transaction cost	0.00	0.00	0.00	0.00	0.00					-21,551,910.51	-21,551,910.51
V. Share of profit of associates and joint ventures	-2,386,751.74	0.00	0.00	0.00	-37,016,785.93	337,835.16	2,273,837.90	6,720,135.87	124,954,921.20		94,883,192.46
VI. Credit impairment loss	28,300,564.13	-3,569,695.49	40,657,213.48	4,864,720.00	3,097,943.78	612,720.53	11,219,614.58	3,597,467.52	-6,835,662.65		81,944,885.88
VII. Assets impairment loss	17,707,434.55	-8,002,043.41	-656,414.62	0.00	40,159,292.94		12,974,822.40		24,880,356.38		87,063,448.24
VII. Depreciation and amortization expenses	135,108,491.38	88,476,534.24	58,585,922.73	8,127.97	43,377,107.99	64,301,351.94	44,068,597.75	472,156.44	33,374,343.20	-430,034.69	467,342,598.95
VIII. Total profit (total loss)	298,650,497.56	166,181,503.23	-80,594,987.68	-6,272,174.18	-141,015,115.75	61,987,158.02	-15,513,456.23	36,371,491.56	25,328,449.19	8,047,096.90	353,170,462.62
IX. Income tax expense	18,339,937.26	14,645,375.94	-4,384,830.10	0.00	0	437,411.16	-1,138,959.92	12,289,439.98	-62,187,108.09	34,552.09	-21,964,181.68
X. Net profit (net loss)	280,310,560.30	151,536,127.29	-76,210,157.58	-6,272,174.18	-141,015,115.75	61,549,746.86	-14,374,496.31	24,082,051.58	87,515,557.28	8,012,544.81	375,134,644.30
XI. Total assets	5,214,214,221.94	4,550,832,472.28	763,737,861.65	387,094,393.99	1,200,899,041.10	2,099,559,744.60	1,097,420,621.37	3,736,868,899.51	16,781,456,963.14	-10,816,257,005.15	25,015,827,214.43
XII. Total liabilities	1,401,392,410.18	3,913,787,167.54	734,841,859.18	241,225,548.42	1,268,161,580.56	1,587,943,638.15	787,339,977.81	2,209,877,078.26	4,776,744,308.14	-5,525,938,552.92	11,395,375,015.32
Long-term equity investments in associates and joint ventures	27,123,262.71	0.00	0.00	0.00	357,517,247.65	2,501,025.40	51,148,115.35	167,043,071.89	2,052,870,133.35		2,658,202,856.35
Increase in non-current assets other than long-term equity investments	638,943,096.78	916,574,918.23	-50,259,179.49	110,144,899.32	-58,317,008.43	264,792,336.47	-667,845.35	2,012,698,891.45	-1,770,211,062.85		2,063,699,046.13

XV. NOTES TO THE PRINCIPAL ITEMS OF THE COMPANY'S FINANCIAL STATEMENTS

(I) Account receivable

1. Accounts receivable disclosed by account age

Account age	31 December 2021	31 December 2020	31 December 2019
Within 1 year	1,385,752.34	22,036,014.59	35,189,012.78
1-2 years	926,476.84		411,557.48
2-3 years		40,118.46	
3-4 years		40,118.46	40,657.75
4-5 years	40,118.46	40,657.75	516,015.77
Above 5 years.	1,135,317.45	608,394.77	112,379.00
Subtotal	3,487,665.09	22,725,185.57	36,309,741.24
Less: Bad debt provision	1,401,527.92	1,457,197.24	1,484,915.50
Total	2,086,137.17	21,267,988.33	34,824,825.74

2. Accounts receivable disclosed by bad debt provision method

31 December 2021

Category	Book balance		Bad debt provision		Book value
	Amount	Proportion (%)	Amount	Withdrawal ratio (%)	
Provision for bad debts made on an individual basis.	596,791.98	17.11	596,791.98	100.00	
Of which:					
Accounts receivable whose amounts are not considered individually significant but whose bad debt provision shall be withdrawn individually	596,791.98	17.11	596,791.98	596,791.98	
Provision for bad debts made on a portfolio basis	2,890,873.11	82.89	804,735.94	27.84	2,086,137.17
Of which:					
Combination of related parties	1,655,303.41	47.46	623,064.51	37.64	1,032,238.90
Account age portfolio . .	1,235,569.70	35.43	181,671.43	14.70	1,053,898.27
Total	3,487,665.09	100.00	1,401,527.92		2,086,137.17

31 December 2020

Category	Book balance		Bad debt provision		Book value
	Amount	Proportion (%)	Amount	Withdrawal ratio (%)	
Provision for bad debts made on an individual basis.	80,776.21	0.36	80,776.21	100.00	
Of which:					
Accounts receivable whose amounts are not considered individually significant but whose bad debt provision shall be withdrawn individually	80,776.21	0.36	80,776.21	100.00	
Provision for bad debts made on a portfolio basis	22,644,409.36	99.64	1,376,421.03	6.08	21,267,988.33
Of which:					
Combination of related parties	17,826,492.57	78.44	557,550.16	3.13	17,268,942.41
Account age portfolio	4,817,916.79	21.20	818,870.87	17.00	3,999,045.92
Total	22,725,185.57	100.00	1,457,197.24		21,267,988.33

31 December 2019

Category	Book balance		Bad debt provision		Book value
	Amount	Proportion (%)	Amount	Withdrawal ratio (%)	
Provision for bad debts made on an individual basis.	596,791.98	1.64	596,791.98	100.00	
Of which:					
Accounts receivable whose amounts are not considered individually significant but whose bad debt provision shall be withdrawn individually	596,791.98	1.64	596,791.98	100.00	
Provision for bad debts made on a portfolio basis	35,712,949.26	98.36	888,123.52	2.49	34,824,825.74
Of which:					
Combination of related parties	30,222,535.96	83.24	486,264.93	1.61	29,736,271.03
Account age portfolio	5,490,413.30	15.12	401,858.59	7.32	5,088,554.71
Total	36,309,741.24	100.00	1,484,915.50		34,824,825.74

Provision for bad debts is made on an individual basis:

31 December 2021				
Name	Book balance	Bad debt provision	Withdrawal ratio	Withdrawal reason
			(%)	
Ningbo Modun Clothing Co., Ltd.	73,576.21	73,576.21	100.00	Not expected to be recovered
Ningbo RENOMA Clothing Co., Ltd.	307,134.00	307,134.00	100.00	Not expected to be recovered
Ningbo Kuwa Clothing Co., Ltd.	216,081.77	216,081.77	100.00	Not expected to be recovered
Total.	596,791.98	596,791.98		

31 December 2020				
Name	Book balance	Bad debt provision	Withdrawal ratio	Withdrawal reason
			(%)	
Ningbo Modun Clothing Co., Ltd.	73,576.21	73,576.21	100.00	Not expected to be recovered
Ningbo Kuwa Clothing Co., Ltd.	7,200.00	7,200.00	100.00	Not expected to be recovered
Total.	80,776.21	80,776.21		

31 December 2019				
Name	Book balance	Bad debt provision	Withdrawal ratio	Withdrawal reason
			(%)	
Ningbo RENOMA Clothing Co., Ltd.	307,134.00	307,134.00	100.00	Not expected to be recovered
Ningbo Kuwa Clothing Co., Ltd.	216,081.77	216,081.77	100.00	Not expected to be recovered
Other sporadic customers . . .	73,576.21	73,576.21	100.00	Not expected to be recovered
Total.	596,791.98	596,791.98		

Provision for bad debts made on the basis of account age combinations:

Combined provision items:

Name	31 December 2021			31 December 2020			31 December 2019		
	Accounts receivable	Bad debt provision	Withdrawal ratio	Accounts receivable	Bad debt provision	Withdrawal ratio	Accounts receivable	Bad debt provision	Withdrawal ratio
			(%)			(%)			(%)
Within 1 year . . .	1,385,752.34	69,287.62	5.00	4,209,522.02	210,476.10	5.00	4,966,476.82	248,323.84	5.00
1-2 years	855,191.61	85,519.16					411,557.48	41,155.75	
2-3 years									
3-4 years									
4-5 years									
Above 5 years . . .	92,379.00	92,379.00	100.00	608,394.77	608,394.77	100.00	112,379.00	112,379.00	100.00
Total	2,333,322.95	247,185.78		4,817,916.79	818,870.87		5,490,413.30	401,858.59	

3. Provision, reversal or recovery for bad debts during the reporting period

Category	2018.12.31	Adjustment for changes in accounting policies	2019.1.1	Amount of change in the current period			31 December 2019
				Accrual	Recovery or reversal	Transfer or write-off	
Bad debt provision . .	1,593,043.57		1,593,043.57	620,725.38	728,853.45		1,484,915.50
Total	1,593,043.57		1,593,043.57	620,725.38	728,853.45		1,484,915.50

Category	31 December 2019	Adjustment for changes in accounting policies	2020.1.1	Amount of change in the current period			31 December 2020
				Accrual	Recovery or reversal	Transfer or write-off	
Bad debt provision . .	1,484,915.50		1,484,915.50	-27,718.26			1,457,197.24
Total	1,484,915.50		1,484,915.50	-27,718.26			1,457,197.24

Category	31 December 2020	Amount of change in the current period			31 December 2021
		Accrual	Recovery or reversal	Transfer or write-off	
Bad debt provision	1,457,197.24		55,669.32		1,401,527.92
Total	1,457,197.24		55,669.32		1,401,527.92

4. Accounts receivable ranking the top five in the ending balance summarized by the debtors

Unit name	31 December 2021		
	Accounts receivable	Proportion in total accounts receivable (%)	Bad debt provision
Shanghai Shanshan New Energy Technology Co., Ltd.	750,249.97	21.51	37,512.50
Ningbo Shanshan Automobile Co., Ltd..	557,550.16	15.99	557,550.16
Shanghai Shanshan Chuanghui Venture Capital Management Co., Ltd..	381,500.00	10.94	38,150.00
Ningbo RENOMA Clothing Co., Ltd. . .	307,134.00	8.81	307,134.00
Jiangsu Shanyuan Technology Co., Ltd.	261,157.77	7.49	26,115.78
Total	2,257,591.90	64.74	966,462.44

Unit name	31 December 2020		
	Accounts receivable	Proportion in total accounts receivable (%)	Bad debt provision
Shanghai Shanshan Technology Co., Ltd.	16,124,660.80	70.96	
Shanghai Mingda Junli Weaving Co., Ltd.	2,295,000.00	10.10	114,750.00
Ningbo Shanshan Automobile Co., Ltd..	557,550.16	2.45	557,550.16
Shanghai Shanshan Chuanghui Venture Capital Management Co., Ltd..	381,500.00	1.68	19,075.00
Ningbo Shanshan Aolai Cross Border Trading Co., Ltd..	375,423.84	1.65	18,771.19
Total	19,734,134.80	86.84	710,146.35

Unit name	31 December 2019		
	Accounts receivable	Proportion in total accounts receivable (%)	Bad debt provision
Shanghai Shanshan Lithium Battery Material Technology Co., Ltd.	26,318,302.53	72.48	
Shanghai Mingda Junli Weaving Co., Ltd.	4,080,000.00	11.24	204,000.00
Ningbo Shanshan Automobile Co., Ltd. .	486,264.93	1.34	486,264.93
Guangzhou Railway Station Service Co., Ltd.	417,331.70	1.15	20,866.59
Ningbo Shanshan Aolai Cross Border Trading Co., Ltd.	359,952.21	0.99	17,997.61
Total	31,661,851.37	87.20	729,129.13

5. No accounts receivable derecognized due to transfer of financial assets

6. No transfer of accounts receivable and continued involvement in the amount of assets and liabilities formed

(II) Other receivables

Item	31 December 2021	31 December 2020	31 December 2019
Interests receivable			
Dividend receivable.			
Other receivables	5,428,005,807.30	4,604,458,213.69	4,483,488,090.45
Total	5,428,005,807.30	4,604,458,213.69	4,483,488,090.45

1. Other receivables

(1) Disclosure by account age

Account age	31 December 2021	31 December 2020	31 December 2019
Within 1 year	5,548,723,277.45	4,781,304,478.96	4,664,545,006.71
1-2 years	69,902,400.00	10,731,728.30	3,632,733.56
2-3 years	7,166,701.64	3,581,761.36	4,800.00
3-4 years	3,034,374.50	4,800.00	14,269,414.95
4-5 years	4,800.00	14,069,414.95	9,510,000.00
Above 5 years.	24,208,592.42	10,139,177.47	629,177.47
Subtotal	5,653,040,146.01	4,819,831,361.04	4,692,591,132.69
Less: Bad debt provision	225,034,338.71	215,373,147.35	209,103,042.24
Total	5,428,005,807.30	4,604,458,213.69	4,483,488,090.45

(2) Disclosure by bad debt provision method

31 December 2021

Category	Book balance		Bad debt provision		Book value
	Amount	Proportion (%)	Amount	Withdrawal ratio (%)	
Provision for bad debts made on an individual basis	104,200,166.92	1.84	46,801,059.67	44.91	57,399,107.25
Of which:					
Individually insignificant but separately accrued	104,200,166.92	1.84	46,801,059.67	44.91	57,399,107.25
Provision for bad debts made on a portfolio basis	5,548,839,979.09	98.16	178,233,279.04	3.21	5,370,606,700.05
Total	5,653,040,146.01	100.00	225,034,338.71		5,428,005,807.30

31 December 2020

Category	Book balance		Bad debt provision		Book value
	Amount	Proportion (%)	Amount	Withdrawal ratio (%)	
Provision for bad debts made on an individual basis	34,941,414.29	0.72	33,150,533.61	94.87	1,790,880.68
Of which:					
Individually insignificant but separately accrued	34,941,414.29	0.72	33,150,533.61	94.87	1,790,880.68
Provision for bad debts made on a portfolio basis	4,784,889,946.75	99.28	182,222,613.74	3.81	4,602,667,333.01
Total	4,819,831,361.04	100.00	215,373,147.35		4,604,458,213.69

31 December 2019

Category	Book balance		Bad debt provision		Book value
	Amount	Proportion (%)	Amount	Withdrawal ratio (%)	
Provision for bad debts made on an individual basis	34,895,153.78	0.74	33,104,273.10	94.87	1,790,880.68
Of which:					
Individually insignificant but separately accrued	34,895,153.78		33,104,273.10		1,790,880.68
Provision for bad debts made on a portfolio basis	4,657,695,978.91	99.26	175,998,769.14	3.78	4,481,697,209.77
Total	4,692,591,132.69	100.00	209,103,042.24		4,483,488,090.45

Provision for bad debts is made on an individual basis:

Name	31 December 2021				Withdrawal reason
	Book balance	Bad debt provision	Withdrawal ratio (%)	Withdrawal ratio (%)	
Li Xinghua	18,940,960.00	3,788,192.00	20.00		The possibility of recovery is expected to be small
Ningbo Liankangcai Brand Management Co., Ltd.	50,911,440.00	10,182,288.00	20.00		The possibility of recovery is expected to be small
Ningbo Modun Clothing Co., Ltd.	13,404,518.87	13,404,518.87	100.00		The possibility of recovery is expected to be small
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.	3,034,374.50	1,517,187.25	50.00		The possibility of recovery is expected to be small
Other sporadic customers	646,131.09	646,131.09	100.00		The possibility of recovery is expected to be small
Total	104,200,166.92	46,801,059.67			

31 December 2020

Name	Book balance	Bad debt provision	Withdrawal ratio	Withdrawal reason
			(%)	
Ningbo Shanshan Suyu Clothing Co., Ltd.	10,162,742.46	10,162,742.46	100.00	The possibility of recovery is expected to be small
Ningbo Modun Clothing Co., Ltd.	13,404,518.87	13,404,518.87	100.00	The possibility of recovery is expected to be small
Beijing Shanshan Kaili New Energy Technology Co., Ltd.	7,100,000.00	7,100,000.00	100.00	The possibility of recovery is expected to be small
Ningbo Liweineng Energy Storage System Co., Ltd.	3,581,761.36	1,790,880.68	50.00	The possibility of recovery is expected to be small
Other sporadic customers	692,391.60	692,391.60	100.00	The possibility of recovery is expected to be small
Total.	34,941,414.29	33,150,533.61		

31 December 2019

Name	Book balance	Bad debt provision	Withdrawal ratio	Withdrawal reason
			(%)	
Ningbo Shanshan Suyu Clothing Co., Ltd.	10,162,742.46	10,162,742.46	100.00	The possibility of recovery is expected to be small
Ningbo Modun Clothing Co., Ltd.	13,404,518.87	13,404,518.87	100.00	The possibility of recovery is expected to be small
Beijing Shanshan Kaili New Energy Technology Co., Ltd.	7,100,000.00	7,100,000.00	100.00	The possibility of recovery is expected to be small
Other sporadic customers	4,227,892.45	2,437,011.77	57.64	The possibility of recovery is expected to be small
Total.	34,895,153.78	33,104,273.10		

Provision for bad debts is made on a portfolio basis:

Name	31 December 2021			31 December 2020			31 December 2019		
	Other receivables	Bad debt provision	Withdrawal ratio (%)	Other receivables	Bad debt provision	Withdrawal ratio (%)	Other receivables	Bad debt provision	Withdrawal ratio (%)
Combination of related parties	5,547,041,876.67	178,151,843.70	3.21	4,605,593,724.19	177,394,338.76	3.85	4,654,511,744.48	175,848,338.76	3.78
Risk-free portfolio:									
Compensation receivable from Suiyong equity				81,662,022.30					
Portfolio of security deposit and deposit	244,185.70	12,209.28	5.00	2,304,713.87	115,235.69	5.00	1,953,053.46	97,652.67	5.00
Collection and payment of personal social security in advances	169,395.62			211,900.62			175,626.91		
Portfolio of security borrowings dividend receivable				3,499,185.77	132,119.29	3.78			
Portfolio of equity transfer receivables				88,852,400.00	4,442,620.00	5.00			
Borrowings				2,766,000.00	138,300.00	5.00			
Portfolio of advances other than social security	1,350,521.10	67,526.06	5.00				1,055,554.06	52,777.71	5.00
Portfolio of reserve and personal borrowings	34,000.00	1,700.00	5.00						
Portfolio of normal transactions within one year									
Total	5,548,839,979.09	178,233,279.04		4,784,889,946.75	182,222,613.74		4,657,695,978.91	175,998,769.14	

(3) Provision for bad debts

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 Jan. 2019	179,151,978.34	1,765,000.00	23,472,215.50	204,389,193.84
Balance as of 1 Jan. 2019 in the current period	-3,629,628.16	79,628.16	3,550,000.00	
— Transferred to Phase II	79,628.16	-79,628.16		
— Transferred to Phase III	3,550,000.00		-3,550,000.00	
— Transferred back to Phase II				
— Transferred back to Phase I				
Current provision	476,418.96	1,711,252.52	4,984,121.05	7,171,792.53
Current reversal		-1,765,000.00	-692,944.13	-2,457,944.13
Current reselling				
Current write-off				
Other changes				
Balance as of 31 December 2019	175,998,769.14	1,790,880.68	31,313,392.42	209,103,042.24

	Phase I	Phase II	Phase III	
	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)	Total
Bad debt provision				
Balance as of 31 December 2019.	175,998,769.14	1,790,880.68	31,313,392.42	209,103,042.24
Balance as of 31 December 2019 in the current period.	175,998,769.14	1,790,880.68	31,313,392.42	209,103,042.24
— Transferred to Phase II.				
— Transferred to Phase III				
— Transferred back to Phase II				
— Transferred back to Phase I				
Current provision	6,223,844.60		46,260.51	6,270,105.11
Current reversal				
Current reselling				
Current write-off.				
Other changes.				
Balance as of 31 December 2020.	182,222,613.74	1,790,880.68	31,359,652.93	215,373,147.35

	Phase I	Phase II	Phase III	
	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)	Total
Bad debt provision				
Balance as of 31 December 2020.	182,222,613.74	1,790,880.68	31,359,652.93	215,373,147.35
Balance as of 31 December 2020 in the current period.	182,222,613.74	1,790,880.68	31,359,652.93	215,373,147.35
— Transferred to Phase II.	-3,492,620.00	3,492,620.00		
— Transferred to Phase III				
— Transferred back to Phase II				
— Transferred back to Phase I				
Current provision	-496,714.70	10,204,166.57		9,707,451.87
Current reversal				
Current reselling				
Current write-off.			-46,260.51	-46,260.51
Other changes.				
Balance as of 31 December 2021.	178,233,279.04	15,487,667.25	31,313,392.42	225,034,338.71

(4) Provision, reversal or recovery for bad debts during the reporting period

Category	2018.12.31	Adjustment for changes in accounting policies	2019.1.1	Amount of change in the current period			31 December 2019
				Accrual	Recovery or reversal	Transfer or write-off	
Bad debt provision . . .	204,389,193.84		204,389,193.84	7,171,792.53	2,457,944.13		209,103,042.24
Total	204,389,193.84		204,389,193.84	7,171,792.53	2,457,944.13		209,103,042.24

Category	31 December 2019	Amount of change in the current period			31 December 2020
		Accrual	Recovery or reversal	Transfer or write-off	
Bad debt provision . . .	209,103,042.24	6,270,105.11			215,373,147.35
Total	209,103,042.24	6,270,105.11			215,373,147.35

Category	31 December 2020	Amount of change in the current period			31 December 2021
		Accrual	Recovery or reversal	Transfer or write-off	
Bad debt provision . . .	215,373,147.35	9,707,451.87		46,260.51	225,034,338.71
Total	215,373,147.35	9,707,451.87		46,260.51	225,034,338.71

Of which the amount of reversal or recovery of bad debt provision is significant:

Unit name	Reversal or recovery amount	Basis for determining the original provision for bad debts and its reasonableness	Reasons for reversal or recovery	Recovery method
Cao Fengnian	3,500,000.00	Overdue return of equity transfer payments	Sign a new repayment agreement and return it on time	Cash
Ningbo Modun Clothing Co., Ltd.	692,944.13	Borrowings are overdue, and have been litigated	Part of the money recovered by auction of mortgaged property	Cash
Total	4,192,944.13			

(5) Actual write-off of other receivables during the reporting period

Item	Year 2021	Year 2020	Year 2019
Other receivables actually written off . .	46,260.51		

(6) Breakdown by nature of payments

Nature of funds	Book balance		
	31 December 2021	31 December 2020	31 December 2019
Consolidated current accounts of related parties	5,547,041,876.67	4,605,593,724.19	4,654,511,744.48
Borrowings of former subsidiaries exiting the consolidation scope	23,538,893.37	26,852,280.23	24,086,280.23
Equity transfer receivables	80,015,142.46	99,015,142.46	10,162,742.46
Security deposit, deposit	244,185.70	1,979,308.92	1,953,053.46
Petty cash	34,000.00	34,000.00	52,500.00
Advances	2,166,047.81	1,195,697.17	1,824,812.06
Interest and dividends receivable on security borrowings		3,499,185.77	
Compensation receivable from Suiyong equity		81,662,022.30	
Total	5,653,040,146.01	4,819,831,361.04	4,692,591,132.69

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

Unit name	Nature of funds	31 December 2021	Account age	Percentage of the total ending balance of other receivables (%)	Closing balance of provision for bad debts
Sichuan Shanshan New Material Co., Ltd.	Consolidated current accounts of related parties	1,500,000,000.00	Within 1 year	26.53	
Ningbo Shanshan New Energy Technology Development Co., Ltd.	Consolidated current accounts of related parties	1,307,065,592.74	Within 1 year	23.12	
Ningbo Shanshan Electric Vehicle Technology Development Co., Ltd.	Consolidated current accounts of related parties	623,410,401.11	Within 1 year	11.03	
Shanghai Shanshan New Material Co., Ltd.	Consolidated current accounts of related parties	601,524,516.79	Within 1 year	10.64	
Inner Mongolia Qingshan Automobile Co., Ltd.	Consolidated current accounts of related parties	308,810,846.89	Within 1 year	5.46	154,405,423.45
Total		4,340,811,357.53		76.78	154,405,423.45

<u>Unit name</u>	<u>Nature of funds</u>	<u>31 December 2020</u>	<u>Account age</u>	<u>Percentage of the total ending balance of other receivables</u>	<u>Closing balance of provision for bad debts</u>
				(%)	
Inner Mongolia Shanshan Technology Co., Ltd.	Consolidated current accounts of related parties	1,132,882,800.00	Within 1 year	23.50	
Shanghai Shanshan Lithium Battery Material Technology Co., Ltd.	Consolidated current accounts of related parties	881,074,221.22	Within 1 year	18.28	
Ningbo Shanshan Electric Vehicle Technology Development Co., Ltd.	Consolidated current accounts of related parties	608,831,901.11	Within 1 year	12.63	121,766,380.22
Shanghai Shanshan Technology Co., Ltd.	Consolidated current accounts of related parties	451,063,200.49	Within 1 year	9.36	
Inner Mongolia Shanshan New Material Co., Ltd.	Consolidated current accounts of related parties	341,220,000.00	Within 1 year	7.08	
Total		3,415,072,122.82		70.85	121,766,380.22

<u>Unit name</u>	<u>Nature of funds</u>	<u>31 December 2019</u>	<u>Account age</u>	<u>Percentage of the total ending balance of other receivables</u>	<u>Closing balance of provision for bad debts</u>
				(%)	
Inner Mongolia Shanshan Technology Co., Ltd.	Consolidated current accounts of related parties	922,786,000.00	Within 1 year	19.66	
Ningbo Yongyuan Investment Co., Ltd.	Consolidated current accounts of related parties	764,355,918.69	Within 1 year	16.29	
Ningbo Shanshan Electric Vehicle Technology Development Co., Ltd.	Consolidated current accounts of related parties	608,831,901.11	Within 1 year	12.97	
Ningbo Shanshan New Material Technology Co., Ltd.	Consolidated current accounts of related parties	451,635,445.88	Within 1 year	9.62	
Inner Mongolia Qingshan Automobile Co., Ltd.	Consolidated current accounts of related parties	405,560,846.89	Within 1 year	8.64	162,224,338.76
Total		3,153,170,112.57		67.18	162,224,338.76

(9) No other receivables derecognized due to transfer of financial assets

(10) No transfer of other receivables and continued involvement in the amount of assets and liabilities formed

(III) Long-term equity investment

Item	31 December 2021			31 December 2020			31 December 2019		
	Book balance	Impairment reserve	Book value	Book balance	Impairment reserve	Book value	Book balance	Impairment reserve	Book value
Investment in subsidiaries	10,392,959,188.31		10,392,959,188.31	3,280,471,477.86		3,280,471,477.86	3,049,971,477.86		3,049,971,477.86
Investment in associates and joint ventures	2,555,193,232.01	137,050,000.00	2,418,143,232.01	2,414,780,835.82	80,000,000.00	2,334,780,835.82	2,372,098,917.17	65,000,000.00	2,307,098,917.17
Total	12,948,152,420.32	137,050,000.00	12,811,102,420.32	5,695,252,313.68	80,000,000.00	5,615,252,313.68	5,422,070,395.03	65,000,000.00	5,357,070,395.03

1. Investment in subsidiaries

Invested unit	2018.12.31	Increase in the current period	Decrease in the current period	31 December 2019	Impairment reserves withdrawn in the current period	Ending balance of impairment provision
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.	490,000,000.00			490,000,000.00		
Shanshan Brand Management Co., Ltd.	45,000,000.00		45,000,000.00			
Ningbo Shanshan Venture Capital Investment Co., Ltd.	500,000,000.00	500,000,000.00		1,000,000,000.00		
Hong Kong Shanshan Resources Co., Ltd.	314,542,830.00			314,542,830.00		
Ningbo Ulica Solar Co., Ltd.	198,440,453.92			198,440,453.92		
Ningbo Weihang Trading Co., Ltd.	5,000,000.00			5,000,000.00		
Ningbo Yuanzhong Investment Co., Ltd.	1,000,000.00			1,000,000.00		
Shanshan Fashion Industrial Park Suqian Co., Ltd.	59,941,524.23		59,941,524.23			
China Resources SZITIC Trust — Bohui 70.	900,000,001.98		900,000,001.98			
Shanghai Shanshan New Energy Technology Co., Ltd.	102,627,969.71			102,627,969.71		
Ningbo Yongshan Lithium Industry Co., Ltd.		270,000,000.00		270,000,000.00		
Total	3,224,971,479.84	770,000,000.00	945,000,001.98	3,049,971,477.86		

Invested unit	31 December 2019	Increase in the current period	Decrease in the current period	31 December 2020	Impairment reserves withdrawn in the current period	Ending balance of impairment provision
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.	490,000,000.00			490,000,000.00		
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 Co., Ltd. .	198,440,453.92			198,440,453.92		
Ningbo Weihang Trading Co., Ltd.	5,000,000.00			5,000,000.00		
Ningbo Yuanzhong Investment Co., Ltd.	1,000,000.00	500,000.00		1,500,000.00		
Shanshan Fashion Industrial Park Suqian Co., Ltd.	59,941,524.23			59,941,524.23		
Shanghai Shanshan New Energy Technology Co., Ltd.	102,627,969.71			102,627,969.71		
Ningbo Yongshan Lithium Industry Co., Ltd.	270,000,000.00	230,000,000.00		500,000,000.00		
Total	3,049,971,477.86	230,500,000.00		3,280,471,477.86		

Invested unit	31 December 2020	Increase in the current period	Decrease in the current period	31 December 2021	Impairment reserves withdrawn in the current period	Ending balance of impairment provision
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.	490,000,000.00	7,262,110.45		497,262,110.45		
Ningbo Shanshan Venture Capital Investment Co., Ltd.	1,000,000,000.00			1,000,000,000.00		
Hong Kong Shanshan Resources Co., Ltd.	314,542,830.00			314,542,830.00		
Ningbo Ulica Solar Co., Ltd.	198,440,453.92			198,440,453.92		
Ningbo Weihang Trading Co., Ltd.	5,000,000.00			5,000,000.00		
Ningbo Yunling Zhichuang Park Operation Management Co., Ltd.	1,500,000.00			1,500,000.00		
Shanshan Fashion Industrial Park Suqian Co., Ltd.	59,941,524.23			59,941,524.23		
ShanJin Optoelectronics (Suzhou) Co., Ltd.		7,105,225,600.00		7,105,225,600.00		
Shanghai Shanshan New Energy Technology Co., Ltd.	102,627,969.71			102,627,969.71		
Ningbo Yongshan Lithium Industry Co., Ltd.	500,000,000.00			500,000,000.00		
Total	3,280,471,477.86	7,112,487,710.45		10,392,959,188.31		

2. Investment in associates and joint ventures

Invested unit	2018.12.31	Increase and decrease in the current period							Ending balance of impairment provision	
		Additional investment	Decreased investment	Profit and loss on investments confirmed under the equity method	Adjustment of other comprehensive incomes	Change in other equities	Cash dividends or profits declared to be issued	Provision for impairment		Others
Associate.....										
Ningbo Shangqi Property Services Co., Ltd.	40,164,914.41			-1,400,320.40						38,764,594.01
Zhejiang Chouzhou Commercial Bank Co., Ltd..	1,213,026,950.74			123,494,791.42	-1,383,922.46	-75,299.33	-24,726,000.00			1,310,336,520.37
Shenzhen FY Financial Control Asset Management Co., Ltd.	4,975,436.42			-4,975,436.42						
Shenzhen Yichuang Shanshan Equity Investment Management Co., Ltd.	6,068,156.15			-78,658.89						5,989,497.26
Suiyong Holdings Co., Ltd. ...	936,000,000.00			9,384,417.79	-11,954,868.18	-830,771.74				932,598,777.87
Yongshang Industrial Co., Ltd.	2,200,235,457.72	20,000,000.00		-590,472.34	-13,338,790.64	-906,071.07	-24,726,000.00			19,409,527.66
Total	2,200,235,457.72	20,000,000.00		125,834,321.16	-13,338,790.64	-906,071.07	-24,726,000.00			2,307,098,917.17
										65,000,000.00

Increase and decrease in the current period

Invested unit	31 December 2019	Additional investment	Decreased investment	Profit and loss on investments confirmed under the equity method	Adjustment of other comprehensive incomes	Change in other equities	Cash dividends or profits declared to be issued	Provision for impairment	Others	31 December 2020	Ending balance of impairment provision
Associate											
Ningbo Shaoqi Property Services Co., Ltd.	38,764,594.01			-160,834.00						38,603,760.01	
Zhejiang Chouzhou Commercial Bank Co., Ltd.	1,310,336,520.37			113,771,950.51	-398,344.17		-24,726,000.00	-15,000,000.00		1,383,984,126.71	80,000,000.00
Shanshan Brand Management Co., Ltd.		38,553,411.69		15,780.66						38,569,192.35	
Shenzhen Yuanshan Private Equity Investment Management Co., Ltd.	5,989,497.26			264,697.04						6,254,194.30	
Suiyong Holdings Co., Ltd.	932,598,777.87			-72,309,739.05	-11,748,951.02					848,540,087.80	
Yongshang Industrial Co., Ltd.	19,409,527.66			-580,053.01						18,829,474.65	
Total	2,307,098,917.17	38,553,411.69		41,001,802.15	-12,147,295.19		-24,726,000.00	-15,000,000.00		2,334,780,835.82	80,000,000.00

Increase and decrease in the current period

Invested unit	31 December 2020	Additional investment	Decreased investment	Profit and loss on investments confirmed under the equity method	Adjustment of other comprehensive incomes	Change in other equities	Cash dividends or profits declared to be issued	Provision for impairment	Others	31 December 2021	Ending balance of impairment provision
Associates											
Ningbo Shangji Property Services Co., Ltd.	38,603,760.01			205,524.22						38,809,284.23	
Zhejiang Chouzhou Commercial Bank Co., Ltd.	1,383,984,126.71	-38,595,442.16		122,727,158.99	754,416.00	-242,797.12	-24,726,000.00	-57,050,000.00		1,386,851,462.42	137,050,000.00
Shanshan Brand Management Co., Ltd.	38,569,192.35			2,398,205.42						40,967,397.77	
Shenzhen Yuanshan Private Equity Investment Management Co., Ltd.	6,254,194.30		-1,840,162.98	522,051.03						4,936,082.35	
Suiyong Holdings Co., Ltd.	848,540,087.80			50,427,695.97	12,636,932.66	34,974,288.81				946,579,005.24	
Yongshang Industrial Co., Ltd.	18,829,474.65			-234,011.89					-18,595,462.76	—	
Total	2,334,780,835.82	-38,595,442.16	-1,840,162.98	176,046,623.74	13,391,348.66	34,731,491.69	-24,726,000.00	-57,050,000.00	-18,595,462.76	2,418,143,232.01	137,050,000.00

(IV) Operating income and operating cost**1. Operating income and operating costs**

Item	Year 2021		Year 2020		Year 2019	
	Income	Cost	Income	Cost	Income	Cost
Main business					4,977.78	4,928.49
Other business	125,513,082.95	14,308,686.64	115,178,070.74	12,003,954.17	152,371,262.66	14,178,780.34
Total	125,513,082.95	14,308,686.64	115,178,070.74	12,003,954.17	152,376,240.44	14,183,708.83

Breakdown of operating income:

Item	Year 2021	Year 2020	Year 2019
Main business income			4,977.78
Of which: Commodities for sale			4,977.78
Other operating income	125,513,082.95	115,178,070.74	152,371,262.66
Of which: Subsidiaries' financing services revenue Note	88,663,122.05	80,407,549.53	121,999,677.39
Housing rental income	36,849,960.90	30,218,190.75	26,185,249.42
Others		4,552,330.46	4,186,335.85
Total	125,513,082.95	115,178,070.74	152,376,240.44

(V) Investment income

Item	Year 2021	Year 2020	Year 2019
Long-term equity investment incomes accounted by the cost method			
Long-term equity investment incomes accounted by the equity method	176,046,623.74	41,001,802.15	125,834,321.16
Investment incomes generated from disposal of long-term equity investment	758,726.02	132,756,223.53	
Investment income on trading financial assets			
Investment income from disposal of trading financial assets		512,020.66	
Interest income earned during the holding period of debt investments			
Investment income from disposal of debt investments			
Interest income earned during the holding period of other debt investments			
Investment income from disposal of other debt investments			
Dividend income earned during the holding period of investments in other equity instruments		21,318,330.00	130,554,237.08
Investment income on other non-current financial assets during the holding period	246.17	755.35	579.40
Investment income from disposal of other non-current financial assets			-106,982,029.89
The gains of remaining equity re-measured at fair value after the control right is lost			
Investment income arising on disposal of disposal groups that constitute operations			
Investment income from debt restructuring			
Others	3,988,974.67	2,825,677.68	
Total	180,794,570.60	198,414,809.37	149,407,107.75

XIV SUPPLEMENT MATERIALS

(I) Breakdown of non-recurring gains and losses

Item	Year 2021	Year 2020	Year 2019	Explanation
Profit and loss on disposal of non-current assets	816,065,365.74	75,740,665.38	330,162.08	
Tax rebates and exemptions that are approved beyond authority or without official approval documents				
Government subsidies recognized in profit or loss for the current period (except those closely related to the business of the enterprise and enjoyed in a fixed or quantitative amount according to the national uniform standard).	97,800,089.25	130,028,360.32	183,778,180.59	
Capital utilization fee charged from non-financial enterprises and included in profit or loss for the current period.	960,504.84	5,596,665.48		
The revenue generated because the investment costs in the subsidiaries, associates and joint ventures acquired by the enterprise is less than the fair value of the identifiable net assets of the investees at the time the investment is acquired.				
Profit or loss on exchange of non-monetary assets				
Profit or loss from entrusting others to invest or manage assets				
Provision for impairment of various assets due to force majeure factors, such as natural disasters				
Profit and loss on debt restructuring.				
Business restructuring costs, such as expenses for relocating employees, integrating costs, etc.				

Item	Year 2021	Year 2020	Year 2019	Explanation
Profit and loss beyond fair value arising from transactions where the transaction price is clearly unfair				
Net profit and loss in the current period from the beginning of the period to the date of consolidation of a subsidiary resulting from a business consolidation under the same control				
Profit and loss arising from contingencies unrelated to the Company's normal operating business				
Profit and loss from changes in fair value of trading financial assets, derivative financial assets, trading financial liabilities and derivative financial liabilities, and investment income from disposal of trading financial assets, derivative financial assets, trading financial liabilities, derivative financial liabilities, and other debt investments, except for effective hedging operations related to the Company's normal business operations	-512,823.37	237,599,552.26	10,197,724.68	
Receivables subject to separate impairment test, reversal of provision for impairment of contract assets				
Profit and loss on external entrusted borrowings.				
Profit and loss arising from changes in fair value of investment properties subsequently measured using the fair value model				

Item	Year 2021	Year 2020	Year 2019	Explanation
Impact of one-time adjustment to profit or loss for the current period in accordance with tax, accounting and other laws and regulations on profit or loss for the current period				
Custodian fee income earned from entrusted operations				
Non-operating income and expenses other than those mentioned above	-150,763.79	-29,999,414.57	-9,907,062.35	
Other profit and loss items that meet the definition of non-recurring profit and loss	1,237,956,808.35		-10,027,542.36	
Subtotal	2,152,119,181.02	418,965,828.87	174,371,462.64	
Amount impacted by income tax	-683,601,534.42	-90,999,609.76	-27,973,912.78	
Amount impacted by non-controlling interests' equity (after tax)	-14,141,254.83	-26,178,516.05	-37,603,021.24	
Total.	3,606,495,572.79	720,753,531.93	283,165,991.26	

Other notes on non-recurring items of profit or loss:

Item	Amount involved			Reason
	Year 2021	Year 2020	Year 2019	
Project costs included in the consolidated institutionalized entity			-10,027,542.36	Costs related to investment projects in “Luoyang Molybdenum” that are unrelated to regular operations
The gains of remaining equity re-measured at fair value after the control right is lost			1,237,956,808.35	The gains of remaining equity re-measured at fair value after the control right is lost after the Company partially disposed of the equity in its original subsidiary, Hunan Shanshan Energy Technology Co., Ltd.

(II) Return on net assets and earnings per share

Year 2021	Weighted average return on net assets	Earnings per share (RMB yuan)	
		Basic earnings per share	Diluted earnings per share
	(%)		
Net profit attributable to common shareholders of the Company	23.75	2.04	2.04
Net profit attributable to common shareholders of the Company after deducting extraordinary profit and loss	13.41	1.15	1.15
Year 2020	Weighted average return on net assets	Earnings per share (RMB yuan)	
	(%)	Basic earnings per share	Diluted earnings per share
Net profit attributable to common shareholders of the Company	1.21	0.10	0.10
Net profit attributable to common shareholders of the Company after deducting extraordinary profit and loss	-1.44	-0.12	-0.12
Year 2019	Weighted average return on net assets	Earnings per share (RMB yuan)	
	(%)	Basic earnings per share	Diluted earnings per share
Net profit attributable to common shareholders of the Company	2.40	0.24	0.24
Net profit attributable to common shareholders of the Company after deducting extraordinary profit and loss	1.43	0.14	0.14

Ningbo Shanshan Co., Ltd.
22 July 2022

EXTRACT FROM THE FIRST QUARTERLY REPORT

The information in respect of the Issuer's quarterly results set forth below are extracted from the Issuer's First Quarterly Report from which material has been adapted for inclusion in this Prospectus. The Issuer's First Quarterly Report was prepared and published on 28 April 2022 pursuant to the listing rules of Shanghai Stock Exchange. Investors should be aware that the Issuer's quarterly results set forth below, which have been prepared based on the requirements of the ASBE, have not been audited or reviewed by BDO China Shu Lun Pan Certified Public Accountants LLP.

Capitalised terms used herein shall have the same meanings as those defined in the section headed "Certain Definitions" in the Prospectus.

The tables below set out certain of our quarterly results as at 31 December 2021 and 2022 and for the three months ended 31 March 2021 and 2022.

Consolidated Balance Sheet

	As at 31 December	As at 31 March
	2021	2022
Current assets:	—	—
Cash at bank and on hand	9,294,961,367.71	5,645,222,865.35
Deposit reservation for balance	—	—
Lending funds	—	—
Held-for-trading financial assets.	—	—
Derivative financial assets.	—	—
Notes receivable.	34,666,107.26	224,293,881.06
Accounts receivable	3,959,400,439.17	4,504,107,538.75
Receivables financing	644,551,987.38	467,786,193.52
Prepayments.	837,233,585.18	1,081,911,680.04
Insurance premium receivable	—	—
Reinsurance premium receivables.	—	—
Reserves for reinsurance contracts receivable	—	—
Other receivables	346,958,862.10	593,881,195.61
Of which: interest receivable	368,092.24	238,665.21
Of which: dividend receivable	492,116.13	492,116.13
Financial assets purchased under agreements to resell	—	—
Inventories.	3,043,029,566.06	3,784,202,805.48
Contract assets	—	—
Assets held for sale	—	—
Non-current assets due within one year.	58,264,962.45	55,789,962.45
Other current assets	758,646,380.73	612,913,480.81
Total current assets.	18,977,713,258.04	16,970,109,603.07
Non-current assets:	—	—
Loans and advances issued	—	—
Debt investment	—	—
Other debt investment.	—	—
Long-term receivables.	33,196,905.37	25,371,905.37
Long-term equity investment	6,325,388,921.87	6,482,561,603.42
Investment in other equity instruments	918,659,446.44	903,376,683.89
Other non-current financial assets	102,604,599.78	200,104,599.78
Investment properties	—	—
Fixed assets	7,463,359,635.73	7,309,645,964.47
Construction in progress	2,022,341,380.07	3,003,898,370.36
Productive biological assets.	—	—
Oil and gas assets.	—	—
Right of use assets	1,358,079,598.87	1,367,475,905.82
Intangible assets	1,627,091,148.67	1,466,110,451.35
Development costs	—	—

	<u>As at 31 December</u>	<u>As at 31 March</u>
	<u>2021</u>	<u>2022</u>
Goodwill	914,614,122.42	914,614,122.42
Long term deferred expenses	103,040,763.19	104,499,306.45
Deferred income tax assets	240,325,267.25	236,298,648.08
Other non-current assets	202,053,956.06	901,387,298.78
Total non-current assets.	21,310,755,745.72	22,915,344,860.19
Total assets	40,288,469,003.76	39,885,454,463.26
Current liabilities:.	—	—
Short-term borrowings	4,339,082,320.54	4,120,214,698.72
Borrowings from the Central Bank.	—	—
Borrowings from other banks and other financial institutions	—	—
Held-for-trading financial liabilities	—	—
Derivative financial liabilities	—	—
Notes payable	1,250,062,984.06	1,705,656,089.85
Accounts payable	2,321,337,124.98	2,278,589,587.82
Advances from customers	1,092,883.71	1,401,878.04
Contract liabilities	112,277,738.49	139,350,923.31
Financial assets sold for repurchase	—	—
Deposits from customers and inter banks	—	—
Receiving from vicariously traded securities	—	—
Receiving from vicariously sold securities	—	—
Employee benefits payable	195,657,895.94	80,691,820.28
Taxes payable	722,837,474.19	326,103,913.94
Other payables	590,223,505.57	682,912,727.98
Of which: interest payable	—	—
Of which: dividend payable	10,436,999.41	10,436,999.41
Handling charges and commissions payable	—	—
Dividend payable for reinsurance.	—	—
Liabilities held for sale	—	—
Non-current liabilities due within one year	3,623,549,740.51	2,762,794,304.11
Other current liabilities	152,672,564.23	141,964,802.18
Total current liabilities	13,308,794,232.22	12,239,680,746.23
Non-current liabilities:	—	—
Reserve fund for insurance contracts	—	—
Long-term borrowings.	3,369,958,766.39	3,856,857,617.25
Bonds payable	—	—
Of which: Preference shares.	—	—
Perpetual bonds	—	—
Lease liabilities	1,109,066,539.36	1,107,222,850.21
Long-term payable	2,329,233,515.94	1,719,465,346.68
Long-term employee benefits payable.	—	—
Provisions	31,315,748.16	33,986,677.91
Deferred income.	409,654,327.51	337,764,244.56
Deferred income tax liabilities.	380,071,327.43	366,196,327.43
Other non-current liabilities.	—	—
Total non-current liabilities	7,629,300,224.79	7,421,493,064.04
Total liabilities	20,938,094,457.01	19,661,173,810.27

	As at 31 December	As at 31 March
	2021	2022
Owner's equity:	—	—
Share capital	2,142,919,938.00	2,142,919,938.00
Other equity instruments	—	—
Of which: Preferred shares	—	—
Perpetual bonds	—	—
Capital reserves	6,477,790,953.97	6,477,790,953.97
Less: Treasury shares	—	—
Other comprehensive incomes	(31,679,676.99)	(33,000,886.75)
Special reserves	2,307,702.27	1,654,964.58
Surplus reserves	253,716,196.59	253,716,196.59
General risk provision	—	—
Retained earnings	10,083,326,361.95	10,929,947,446.12
Total owner's equity attributable to the company	18,928,381,475.79	19,773,028,612.51
Non-controlling interests	421,993,070.96	451,252,040.48
Total owner's equity	19,350,374,546.75	20,224,280,652.99
Total liabilities and owner's equity	40,288,469,003.76	39,885,454,463.26

Consolidated Income Statement

Item	Three months ended 31 March	
	2021	2022
I. Total operating income	3,999,264,002.25	5,029,500,864.87
Of which: Operating income	3,999,264,002.25	5,029,500,864.87
Interest income	—	—
Premium earned	—	—
Income for handling charges and commissions	—	—
II. Total operating cost	3,619,240,800.44	4,392,257,942.29
Of which: Operating cost	2,968,453,792.37	3,745,017,668.41
Interest expenses	—	—
Handling charges and commissions	—	—
Surrender value	—	—
Net amount of compensation expenses	—	—
Net amount withdrawn for insurance contract reserves	—	—
Policy dividend expense	—	—
Reinsurance costs	—	—
Taxes and surcharges	18,148,632.25	12,952,092.55
Selling expenses	123,401,056.93	96,533,568.83
General and administrative expenses	225,523,253.74	210,182,399.38
Research and development expenses	149,627,171.95	174,788,511.01
Financial expenses	134,086,893.20	152,783,702.11
Of which: Interest expenses	137,100,508.67	163,880,405.08
Interest income	20,519,160.28	27,085,789.07
Plus: Other income	28,349,784.44	10,177,584.00
Investment income	36,123,813.08	339,201,995.15
Of which: Share of profit of associates and joint ventures	35,457,196.73	158,059,245.91
Gains from derecognition of financial assets measured at amortised cost	—	—
Foreign exchange gains	—	—
Net exposure hedging benefits	—	—
Gains from changes in fair value	2,062,595.99	—
Credit impairment losses	(16,348,572.87)	(20,661,243.29)
Assets impairment losses	661,296.05	15,076,334.80
Gains on disposal of assets	(1,422,750.81)	4,420,362.22

Item	Three months ended 31 March	
	2021	2022
III. Operating profit	429,449,367.69	985,457,955.46
Plus: Non-operating income	1,151,630.44	1,816,421.17
Less: Non-operating expenses	951,751.61	3,922,766.57
IV. Total profit	429,649,246.52	983,351,610.06
Less: Income tax expenses	71,062,037.59	146,880,583.16
V. Net profit	358,587,208.93	836,471,026.90
(I) Classified by continuity of operations	—	—
1. Net profit from continuing operations	358,587,208.93	836,471,026.90
2. Net profit from discontinued operations	—	—
(II) Classified by ownership	—	—
1. Net profit attributable to shareholders of the Company	302,345,617.03	807,056,428.55
2. Net profit attributable to non-controlling interests	56,241,591.90	29,414,598.35
VI. Net other comprehensive income after tax	(681,838,908.87)	(1,321,209.76)
Net other comprehensive income attributable to equity owners of the Company after tax	(681,838,908.87)	(1,321,209.76)
(I) Other comprehensive incomes that will not be reclassified into profit or loss	(682,256,664.55)	(1,407,762.55)
1. Changes in remeasurement of the defined benefit plans	—	—
2. Share of other comprehensive income accounted for using equity method that will not be reclassified to profit or loss	—	—
3. Changes in fair value of other equity instrument investments	(682,256,664.55)	(1,407,762.55)
4. Changes in fair value attributable to the enterprise's own credit risk	—	—
(II) Other comprehensive incomes that will be reclassified into profit or loss	417,755.68	86,552.79
1. Share of other comprehensive income accounted for using equity method that will be reclassified to profit or loss	417,755.68	86,552.79
2. Changes in fair value of other debt investments	—	—
3. Amount of financial assets reclassified into other comprehensive income	—	—
4. Provision for credit impairment of other debt investments	—	—
5. Cash flow hedging reserve	—	—
6. Translation difference of foreign currency financial statements	—	—
7. Others	—	—
Net other comprehensive income attributable to non- controlling interests after tax	—	—
VII. Total comprehensive income	(323,251,699.94)	835,149,817.14
Total comprehensive incomes attributable to equity owners of the Company	(379,493,291.84)	805,735,218.79
Total comprehensive incomes attributable to non-controlling interests	56,241,591.90	29,414,598.35
VIII. Earnings per share:	—	—
(I) Basic earnings per share (yuan/share)	0.186	0.377
(II) Diluted earnings per share (yuan/share)	0.186	0.377

Consolidated Statement of Cash Flows

Item	Three months ended 31 March	
	2021	2022
I. Cash flows from operating activities	—	—
Cash received from sales of goods or rendering of services	2,066,495,326.07	4,126,657,928.72
Net increase in deposit from customer and due from bank and other financial institutions	—	—
Net increase in borrowing from the Central Bank	—	—
Net increase in loans from other financial institutions	—	—
Cash received from premium income from direct insurance contracts.	—	—
Net cash received from reinsurance business.	—	—
Net increase in policyholders' deposits and investments contract liabilities	—	—
Cash received from interests, handling charges and commissions.	—	—
Net increase in borrowings from other banks and other financial institutions	—	—
Net increase in repurchase business	—	—
Net cash received from agency purchases and sales of securities	—	—
Refunds of taxes and surcharges	27,113,225.86	218,417,811.66
Cash received relating to other operating activities	122,251,397.93	269,650,414.53
Sub-total of cash inflows from operating activities	2,215,859,949.86	4,614,726,154.91
Cash paid for goods and services.	2,586,654,767.96	3,364,831,047.61
Net increase in customer borrowings and advances	—	—
Net increase of deposits in the Central Bank and other financial institutions	—	—
Cash paid for claims under direct insurance contract	—	—
Net increase in lending funds	—	—
Cash paid for interests, handling charges and commissions.	—	—
Cash paid for the policy dividends.	—	—
Cash paid to and on behalf of employees	220,393,794.90	316,873,848.66
Payments of taxes and surcharges	277,175,810.70	454,341,444.89
Cash paid relating to other operating activities	160,154,520.93	371,320,485.43
Sub-total of cash outflows from operating activities.	3,244,378,894.49	4,507,366,826.59
Net cash flows from operating activities.	(1,028,518,944.63)	107,359,328.32
II. Cash flows from investing activities	—	—
Cash received from disposal of investments	1,437,551,978.20	251,000,000.00
Cash received from returns on investments	5,011,184.14	6,538,661.68
Net cash received from disposal of fixed assets, intangible assets & other long-term assets.	1,728,253.00	19,001,352.45
Net cash received from the disposal of subsidiaries and other business entities	6,800,000.00	5,737,700.00
Cash received relating to other investing activities.	1,056,297,480.70	—
Sub-total of cash inflows from investing activities	2,507,388,896.04	282,277,714.13
Cash paid to acquire fixed assets, intangible assets and other long-term assets	185,246,766.05	1,763,211,685.13
Cash paid to acquire investments.	4,345,954,790.83	57,500,000.00
Net increase in pledge loans	—	—

Item	Three months ended 31 March	
	2021	2022
Net cash paid for the acquisition of subsidiaries and other business entities	—	—
Cash paid relating to other investing activities	205,469,372.59	973,294,843.08
Sub-total of cash outflows from investing activities	4,736,670,929.47	2,794,006,528.21
Net cash flows from investing activities	(2,229,282,033.43)	(2,511,728,814.08)
III. Cash flows from financing activities	—	—
Cash received from capital contributions	—	—
Of which: Cash received from capital contributions by non-controlling interests of subsidiaries	—	—
Cash received from borrowings	5,956,251,960.00	3,984,313,323.51
Cash received relating to other financing activities	183,944,164.55	274,490,380.25
Sub-total of cash inflows from financing activities	6,140,196,124.55	4,258,803,703.76
Cash repayments of borrowings	990,001,231.63	4,492,808,510.75
Cash payments for distribution of dividends profits or interest expenses	101,560,903.24	105,557,472.33
Including: Dividends and profits paid to non-controlling interests by subsidiaries	—	—
Cash paid relating to other financing activities	101,921,264.52	1,308,243,648.15
Sub-total of cash outflows from financing activities	1,193,483,399.39	5,906,609,631.23
Net cash flows from financing activities	4,946,712,725.16	(1,647,805,927.47)
IV. Effect of foreign exchange rate changes on cash and cash equivalents	4,439,735.77	5,064,441.55
V. Net increase in cash and cash equivalents	1,693,351,482.87	(4,047,110,971.68)
Plus: Cash and cash equivalents balance at the beginning of the period	2,563,203,640.10	8,678,782,091.61
VI. Cash and cash equivalents balance at the end of the period	4,256,555,122.97	4,631,671,119.93