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

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.

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	( )	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	( )		1,113,578.21	77,103.10
Derivative financial assets				
Notes receivable	( )	34,666,107.26	77,939,485.77	44,199,032.82
Accounts receivable	( )	3,959,400,439.17	3,377,169,350.25	2,971,553,206.57
Receivables financing	( )	644,551,987.38	478,280,283.55	346,826,436.88
Prepayments	( )	837,233,585.18	228,600,565.99	403,956,593.65
Insurance premium receivable				
Reinsurance premium receivables				
Reserves for reassurance contracts receivable				
Other receivables	( )	346,958,862.10	369,018,243.36	169,472,682.82
Financial assets purchased under agreements to resell				
Inventories	( )	3,043,029,566.06	1,622,000,251.73	1,289,399,733.92
Contract assets				
Assets held for sale	( )			1,081,343,941.38
Non-current assets due within one year	( )	58,264,962.45	86,464,363.50	729,677,946.46
Other current assets	( )	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	( )	33,196,905.37	68,772,908.15	536,559,872.04
Long-term equity investment	( )	6,325,388,921.87	2,750,602,449.21	2,658,202,856.35
Investment in other equity instruments	( )	918,659,446.44	2,817,909,740.91	4,279,638,813.56
Other non-current financial assets	( )	102,604,599.78	103,684,599.78	104,292,854.51
Investment properties				
Fixed assets	( )	7,463,359,635.73	5,823,422,538.74	4,782,160,099.32
Construction in progress	( )	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	( )			
assets				

Liabilities and the owner's equity	Note V	31 December 2021	31 December 2020	31 December 2019
Current liabilities:				
Short-term borrowings	( )	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	( )	1,250,062,984.06	1,176,769,090.87	1,077,372,818.68
Accounts payable	( )	2,321,337,124.98	1,618,866,818.06	1,549,027,708.78
Advances from customers	( )	1,092,883.71	26,807,680.91	59,362,392.75
Contract liabilities	( )	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	( )	195,657,895.94	88,540,734.21	83,454,320.78
Taxes payable	( )	722,837,474.19	419,862,832.80	173,786,258.29
Other payables	( )	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	( )			687,773,178.27
Non-current liabilities due within one year	( )	3,623,549,740.51	321,779,069.05	1,212,749,605.34
Other current liabilities	( )	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				

Liabilities and the owner's equity	Note V	31 December 2021	31 December 2020	31 December 2019
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	( )	6,477,790,953.97	3,600,459,003.45	4,091,071,548.57
Less: Treasury shares				
Other comprehensive incomes	( )	-31,679,676.99	671,319,941.31	1,547,957,642.95
Special reserves	( )	2,307,702.27	2,363,262.14	2,606,661.14
Surplus reserves	( )	253,716,196.59	257,570,058.94	254,663,025.07
General risk provision				
Retained earnings	( )	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	1,797,8

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

Assets	Note XV	31 December 2021	31 December 2020	31 December 2019
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	( )	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	( )	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	( )	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

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	( )	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	( )	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	( )	71,738,657.31	49,038,368.32	45,665,501.85
Selling expenses	( )	204,621,622.61	218,011,442.51	493,035,930.93
General and administrative expenses	( )	654,122,587.74	505,436,070.79	489,276,598.91
Research and development expenses	( )	715,632,069.94	392,960,107.28	411,881,794.27
Financial expenses	( )	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	( )	104,532,863.12	140,883,223.34	195,359,183.41
Investment income (loss expressed with "-")	( )	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 "-")	( )	3,639,477.23	3,331,505.28	-558,794.32
Credit impairment losses (losses expressed with "-")	( )	-266,511,923.72	-129,177,717.79	-81,944,885.88
Assets impairment losses (losses expressed with "-")	( )	-388,065,933.59	-75,921,853.98	-87,063,448.24
Gains on disposal of assets (losses expressed with "-")	( )	-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	( )	7,959,128.96	4,571,199.96	8,205,029.97

Item	Note V	2021	2020	2019

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)	( )	2.04	0.10	0.24
(II) Diluted earnings per share (yuan/share)	( )	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	( )	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				
Financial expenses		383,087,355.99	120,835,494.37	145,033,612.02
Of which: Interest expenses		364,400,931.52	127,429,208.57	148,199,171.86
Interest income		8,130,692.81	9,534,495.18	6,467,273.84
Plus: Other income		421,852.13	756,044.92	1,252,454.09
Investment income (loss expressed with "-")	( )	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	*( ) 1*	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				

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	( ) 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	( ) 3	1,371,165,314.48	-64,426,529.78	56,010,972.78
Cash received relating to other investing activities	( ) 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	1,342,417,390.47

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	*( ) 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	*( )*			

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.

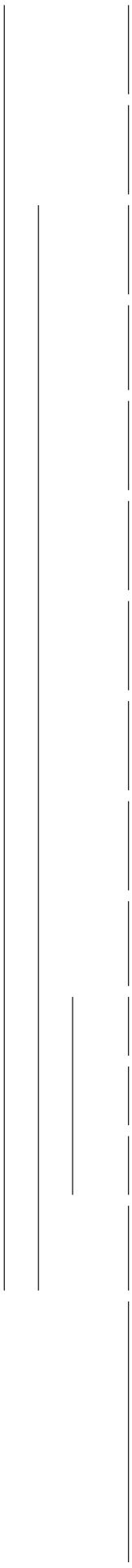
Person in charge of the company:	Person in charge of accounting:	Person in charge of the accounting authority:

Item	Year 2020													
	Owner's equity attributable to equity owners of the Company													
		Other equity instruments												
	Share capital	Preferred shares	Perpetual bonds	Others	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
II. Balance at the beginning 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		4,803,992,504.65	11,823,056,368.38	1,797,875,387.65	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					12,845,007.05							12,845,007.05		12,845,007.05
4. Others					1,786,690.83							1,786,690.83	951,957.71	2,738,648.54
(III) Profit distribution									2,907,033.87		-137,638,832.19	-134,731,798.32	-25,682,000.00	-160,413,798.32
1. Appropriation to surplus reserves									2,907,033.87		-2,907,033.87			
2. Appropriation to general risk provision														
3. Distribution to owners (or shareholders)											-134,731,798.32	-134,731,798.32	-25,682,000.00	-160,413,798.32
4. Others														

Item	Year 2020													
	Owner's equity attributable to equity owners of the Company													
		Other equity instruments												
	Share capital	Preferred shares	Perpetual bonds	Others	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
(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				1,507,465,723.68			
6. Others											-63,549,322.45	-63,549,322.45		-63,549,322.45
(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													
	Owner's equity attributable to equity owners of the Company													
		Other equity instruments												
Item	Share capital	Preferred shares	Perpetual bonds	Others	Capital reserves	Less: Treasury shares	Other comprehensive incomes	Special reserves	Surplus reserves	General risk provision	Retained earnings	Subtotal	Non-controlling interests	Total owner's equity
(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								417,904.60				417,904.60	119,045.88	536,950.48
1. Provision in the current period								10,076,255.11				10,076,255.11	612,783.96	10,689,039.07
2. Use in the current period								9,658,350.51				9,658,350.51	493,738.08	10,152,088.59
(VI) Others														
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)

Item	Year 2021										
		Other equity instruments									
	Share capital	Preferred share	Perpetual bonds	Others	Capital reserves	Less: Treasury shares	Other comprehensive incomes	Special reserves	Surplus reserves	Retained earnings	Total owner's equity
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							-251,978,780.81			239,876,923.06	-12,101,857.75
1. Transfer from capital surplus to share capital											

Item	Year 2021										
		Other equity instruments									
	Share capital	Preferred share	Perpetual bonds	Others	Capital reserves	Less: Treasury shares	Other comprehensive incomes	Special reserves	Surplus reserves	Retained earnings	Total owner's equity
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:

Item	Year 2020										
		Other equity instruments									
	Share capital	Preferred shares	Perpetual bonds	Others	Capital reserves	Less: Treasury shares	Other comprehensive incomes	Special reserves	Surplus reserves	Retained earnings	Total owner's equity
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.	-17,820,835.64										

Item	Year 2020										
		Other equity instruments									
	Share capital	Preferred shares	Perpetual bonds	Others	Capital reserves	Less: Treasury shares	Other comprehensive incomes	Special reserves	Surplus reserves	Retained earnings	Total owner's equity
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

Item	Year 2019										
		Other equity instruments									
	Share capital	Preferred shares	Perpetual bonds	Others	Capital reserves	Less: Treasury shares	Other comprehensive incomes	Special reserves	Surplus reserves	Retained earnings	Total owner's equity
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							162,750.00			375,000.00	537,750.00
Correction of prior period errors											
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										
		Other equity instruments									
Item	Share capital	Preferred shares	Perpetual bonds	Others	Capital reserves	Less: Treasury shares	Other comprehensive incomes	Special reserves	Surplus reserves	Retained earnings	Total owner's equity
(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:

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
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.	

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

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

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.;

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

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

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)

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

(3)

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)

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.

(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 a.8(at)-3527e6uding financi

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.

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.

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 g.9(ehe)-2ons for thepf-2640ioby2640ioli0io0io0io0io tonly.7(and)-27if.8(of)-352.8(financliability)352.8(ab

(XII) Contract assets

Accounting policies implemented since 1 Jan. 2020

1.

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.

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) - ( )

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) -

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) -

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) -

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) -

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

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 *A*
E . 14 (201), 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

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)

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

(2)

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

Item<	Estimated service life	Basis	Item<	Estimated service life
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 ingprosfor incl:for implowing prad lowing ducd:

2. Accounting treatment for post-employment benefits

(1)

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)

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.

(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. ▲

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.

There are no such cases in the Company.

Accounting policies prior to 1 Jan. 2020

1.

(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.

(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.1(for)-3.1(for)-4.7tion The governmeed

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.

1.

(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,

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.

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. V

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.

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. A

(1) The lease fees paid by the Company for the leased asset, within the whole lease term without deducting the rent-free perimoc shall be apportioned according to the straight-line methodc 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

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.

(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

(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.ternal(XXXXII) accountint and accountintimrestaet.ter4al

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	

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	
			Other debt investment (Including other current assets) . . .	Measured at fair value through other comprehensive income	
	Measured at fair value through other comprehensive income (debt instruments)	3,728,184,741.68	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
	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 . . .		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	Amortized cost 161,640,883.7762	Derivative financial liabilities	Measured at fair value through profit or loss	
	Amortized cost	0,949,2,01078100	Non-currenl liabilitiemdulm		
mortized cost Long-term Short-term borrowings	Amortized cost	2,946,944,000.00 Amortized cost10,67923,7.93st	Short-term borrowings	Amortized cost	2,950,236,851.62
Non-current liabilities due	borrowings				

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

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) *A E 21 (2018)*

The Ministry of Finance revised *A E 21* (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	**Approval process**	**Affected statement items**	**Amount of impact on balance of 1 Jan. 2021**	
			Consolidation	**company**
(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

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					

(2) - *1 . 2020*

2020

Consolidated Balance Sheet

Item<	Balance as of 31 December 2019	Balance as of 1 Jan. 2020	Adjustments		
			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) - *1 . 2021*

2021

Consolidated Balance Sheet

Item	Balance as of 31 December 2020	Balance as of 1 Jan. 2021	Adjustments		
			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) ▲ *E . E* -
▲ *(201)*

The Ministry of Finance issued ▲ *E . E* - (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) *E . 12*
(201)

The Ministry of Finance issued *E . 12* (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) *E . 13*

The Ministry of Finance issued *E . 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) *-1 E*

The Ministry of Finance issued on 19 June 2020 the *-1 E* (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)

On 26 May 2021, the Ministry of Finance issued the (C.K. [2021] No. 9), which became effective on 26 May 2021, adjusting the scope of application of the 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 rate		
Tax categories	**Taxation basis**	**Year 2021**	**Year 2020**	**Year 2019**
Value added tax				

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 *A A E* (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 , 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:

Item	31 December 2021	31 December 2020	31 December 2019
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

1 Guarantee deposit

Category	31 December 2021	31 December 2020	31 December 2019
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

2 Other deposit

Category	31 December 2021	31 December 2020	31 December 2019
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

Item	31 December 2021	31 December 2020	31 December 2019
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			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 2021

	Book balance		Bad debt provision		
Category	Amount	Proportion	Amount	Withdrawal ratio	Book value
		(%)		(%)	
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 2020

Category	Book balance		Bad debt provision		
	Amount	Proportion	Amount	Withdrawal ratio	Book value
		(%)		(%)	
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**

31 201

Category	Book balance		Bad debt provision		
	Amount	Proportion	Amount	Withdrawal ratio	Book value
		(%)		(%)	
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				

	31 December 2020			
Name	Book balance	Bad debt provision	Wdebt	

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

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

	Year 2021		Year 2020		Year 2019	
Item<	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

	31 December 2021		31 December 2020		31 December 2019	
Account age	Amount	Proportion	Amount	Proportion	Amount	Proportion

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**

2. Dividend receivable

(1)

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)

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)

31 December 2021

	Book balance		Bad debt provision		
Category	Amount	Proportion	Amount	Withdrawal ratio	Book value
		(%)		(%)	
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					

Provision for bad debts is made on an individual basis:

	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		

(3)

Bad debt provision	Phase I Expected credit losses for the next 12 months	Phase II Expected credit losses for the entire duration (no credit impairment occurred)	Phase III 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

Bad debt provision	Phase I Expected credit losses for the next 12 months	Phase II Expected credit losses for the entire duration (no credit impairment occurred)	Phase III 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

Bad debt provision	Phase I Expected credit losses for the next 12 months	Phase II Expected credit losses for the entire duration (no credit impairment occurred)	Phase III 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) ,

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	Assets transferred for sale	Withdrawal from the consolidation scope	
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

Category	31 December 2019	Amount of change in the current period				31 December 2020
		Accrual	Recovery or reversal	Transfer or write-off	Withdrawal from the consolidation scope	
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

Category	31 December 2020	Amount of change in the current period				31 December 2021
		Accrual	Recovery or reversal	Transfer or write-off	Withdrawal from the consolidation scope	
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) -

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

( )

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

( )

Percentage of the%(7.)TJ/F21Tf09.978-9.978386.41896270.8661Tm

Unit name	Nature of funds	31 December 2021	Account age		

Unit name	Nature of funds	31 December 2020	Account age	Percentage of the total ending balance of other receivables	

(8)

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			

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		

( )

(10)

(VIII) Inventories

1. 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

Item	31 December 2020	Amount increased in the current period		Decreased amount in the current period		31 December 2021
		Accrual	Included in the consolidation scope	Reversal or reselling	Transfer out of consolidation scope	
Raw materials	5,216,354.87	15,209,461.38		471,957.24	247,076.20	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	927,987.05
Finished goods	35,033,151.01	18,334,769.70	1,319,279.00	22,999,992.00	39,491.84	31,647,715.87
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	685,902.56	109,390,812.81

(IX) Assets held for sale

Category	31 December 2021	31 December 2020	31 December 2019
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

1. Assets classified as held for sale

31 201

Category	Ending balance			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	Book value						
Shanshan Brand Management Co., Ltd.	1,074,441,286.51		1,074,441,286.51	145,215,600 RMB yuan	0	To be handled before December 2020	Transfer of shares	Focus on the main business	Clothing Segment
Total	1,074,441,286.51		1,074,441,286.51						

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

31 201

Category	Ending balance				Expected disposal costs	Expected disposal time	Sale method	Reason for sale	Affiliated segments
	Book balance	Provision for impairment of assets held for sale	Book value	Fair value					
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					

(X) Non-current assets due within one year

Item	31 December 2021	31 December 2020	31 December 2019
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:

Item<	31 December 2021	31 December 2020	31 December 2019	Remarks
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.									

(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 *( )*		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

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

1. 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) *E* ., .

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		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		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 make 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)

Item<	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
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	93,900,000.00	9,390,000.00	84,510,000.00
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

Explanation: It is the receivable formed from the sale of 200 new energy vehicles by the subsidiary Inner Mongolia Qingshan Auto8wbile 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

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

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:

	Ending balance			Opening balance		
Item<	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

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

(XIII) Long-term equity investment

		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
1. joint ventures											
Ningbo Liweineng 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											

		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		31 December 2019	Ending balance of impairment provision

Invested unit	31 December 2019	Increase and decrease in the current period								31 December 2020	Ending balance of impairment provision
		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		
1. joint ventures											
Ningbo Liweineng 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	

Invested unit	31 December 2019	Increase and decrease in the current period								31 December 2020	Ending balance of impairment provision
		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		
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	31 December 2020	Increase and decrease in the current period									31 December 2021	Ending balance of impairment provision
		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		
1. joint ventures												
Ningbo Liweineng Energy												

		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 Hunan 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		

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 ehensive	102,604,599.78	103,684,599.78	104,212,854.51

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.	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
— Purchase.	33,898,599.93	2,783,054.72	1,981,254.27	122,533,130.76	1,697,193.63	162,893,233.31
— Transfer in of construction in progress.	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
— Increase in business consolidation						
—.....						
(3) Amount decreased in the current period.	202,902.74	135,164,356.68	19,711,615.54	153,113,009.64	4,222,518.22	312,414,402.82
— Disposal or scrapping . . .	202,902.74	95,321,364.68	17,415,950.71	2,939,360.57	4,222,518.22	120,102,096.92
— Exit consolidation		39,085,847.23		259,225.52		39,345,072.75
— Transferred t4Achelsferred						
(1) 2018.12.31 . . . . . 9(3)587.2(3)087.2(,)587.3(0)587.2(,)587.3(9)187.3(0)987.3						
current period						

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current period

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	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
— Purchase	46,287,318.93	34,284,327.91	827,680.87	4,182,841.77	595,491.15	86,177,660.63
— Transfer in of construction in progress	448,925,401.39	1,091,293,230.32		5,426,115.20	5,668,952.52	1,551,313,699.43
— Increase in business consolidation						
—.....						
(3) Amount decreased in the current period	17,062,780.34	53,926,721.80	15,626,045.90	7,362,283.29	20,509,866.32	114,487,697.65
— Disposal or scrapping	17,062,780.34	43,893,369.42	15,269,011.42	3,365,722.24	12,339,030.44	91,929,913.86
— Exit consolidation		5,795,877.50	357,034.48	3,996,561.05	8,143,039.82	18,292,512.85
— Transferred to construction in progress		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	80,394,997.14	380,967,367.10	7,183,299.76	21,380,543.47	10,018,318.47	499,944,525.94
— 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
–.....						
(3) Amount decreased in the current period	10,183,141.27	17,091,460.41	14,243,812.37	3,222,848.47	6,143,446.00	50,884,708.52
— Disposal or scrapping	10,183,141.27	15,344,650.47	13,892,993.09	2,347,760.70	3,801,269.04	45,569,814.57
— Exit consolidation		1,746,809.94	350,819.28	875,087.77	2,335,292.21	5,308,009.20
— Transferred to construction in progress					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		27,084,523.89		10,212.80	10,960,417.83	38,055,154.52
— Accrual		27,084,523.89		10,212.80	10,960,417.83	38,055,154.52
—.....						
(3) Amount decreased in the current period		5,373,748.95				5,373,748.95
— Disposal or scrapping		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.	887,018,957.00	3,679,898,209.41	8,421,931.98	140,882,072.09	12,470,817.38	4,728,691,987.86
— 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.	782,481,376.15	1,645,958,136.85	37,009,098.01	109,428,838.19	11,127,009.71	2,586,004,458.91
— 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,					

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					

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	4,300,127.38								

3. *Changes in significant construction-in-progress projects*

Project name	Budget amount	2018.12.31	Amount increased in the current period	Amount transferred to fixed assets in the current period	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: 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	644 million RMB yuan	61,972,560.13	99,351,037.43	124,165,098.15	41,349.99	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				

Project name	Budget amount	2018.12.31	Amount increased in the current period	Amount transferred to fixed assets in the current period	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: Amount of interest capitalized during the period	Capitalization rate of interest in the current period	Source of funds
							(%)				(%)	
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				

Project name	Budget amount	2018.12.31	Amount increased in the									

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
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	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	4,375,657.17	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: Amount of interest capitalized during the period	Capitalization rate of interest in the current period	Source of funds
								(%)				(%)	
Polarizer Guangzhou 3# 4# production line	1.171 billion yuan		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			21,947,967.13	4,214,766.76	17,733,200.37								
Polarizer Zhangjiagang project	2.187 billion yuan		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 su.2.80TDm-16470.9(5-61.2ioni3.23620TD.75Tc(.....)Tj8.27281.2(es7435)Tc[(1.535)-352.79,377)926Pol7,387,25(35324(1,20m7,387,220ode,371,2129(57429.4(9(2585.4[(P878,3653.943)-58-29.99.0TD93.9M352ach367letion,e52.7(installatiopurc61.253009expansion)-softwaesign)]TJsys													

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	Source of funds
								(%)				(%)	
Distributed solar PV power plant	11.8 MW	44,588,706.59	42,633,190.63	42,863,771.02			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	8,833,677.33	13,463,550.86			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	1,108,541.37	1,406,706.51			51,082.52						Self-financing
45,000-ton lithium salt project	700 million RMB yuan	103,682,506.74	376,993,843.23	225,884.96			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	4,861,461.28		14,395,976.80		1,072,730.07						Self-financing
Lugu relocation workshop project			368,278.19			368,278.19				188,284.72	188,284.72		
Anode material technology reform project		16,217,940.99	23,692,554.34	18,973,383.76		20,937,111.57							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	Source of funds
								(%)				(%)	
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	1,035,860.00	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	637,199.25		Self-financing + Borrowing
Hunan Dachangsha Base													
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4. Provision for impairment of construction in progress for the current reporting period

Item	Accrued amount			
	Year 2021	Year 2020	Year 2019	Reason for accrual
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 value	Book balance	Impairment reserves for engineering materials	Book value	Book balance	Impairment reserves for engineering materials	Book value
Materials for charging pile project									

(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	13,190778.r.p.D1550,3	1,208,725.70	62,200,021.31	
— Accrual	47,173,780.02	206,686.25	13,190778.r.p.D1550,3	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	13,190778.r.p.D1	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,					

(2) Book valu
1 Jan. 202

(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

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	276,393,229.09	690,278,143.46	76,933,540.60	153,000,000.00	1,196,604,913.15
— 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	327,242,872.21	656,781.35	8,162,127.71		336,061,781.27
— Disposal		656,781.35			656,781.35
— Invalid and derecognized parts	327,242,872.21	745,329,195.90	8,162,127.71	153,000,000.00	1,233,734,195.82
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	23,248,211.84	62,129,553.48	6,000,822.40	14,025,000.00	105,403,587.72
— Accrual	19,929,813.97	61,562,he	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	26,546,299.57	393,725.17	4,120,914.14		31,060,938.88
— Disposal		393,725.17			393,725.17
— Enterprise consolidation and exit	26,546,299.57	107,158,812.07	4,120,914.14	14,025,000.00	151,751,025.78
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					
(3) Amount decreased in the current period					
(3) Amount decreased in the current period					
31 December 2021			8,460,000.00	384,950.81	
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.	
(2) Book value as of 31 December 2020	825,834,820.35	1,824,850.03	13,230,995.25		

3. Intellectual property with restricted ownership or use rights

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

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

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: Formed by business consolidation	Increase in the current period:	Decrease in the current period: Disposal	Decrease in the current period:	31 December 2019
Original book value						
Shanshan New Material (Quzhou) Co., Ltd. Note 1.	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. Note 1.	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

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)

		Increase in the current period		Decrease in the current period		
Name of investee or matters forming goodwill	**31 December 2019**	**Formed by business consolidation**	**.....**	**Disposal**	**.....**	**31 December 2020**
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

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.

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: Formed by business consolidation	Increase in the current period:	Decrease in the current period: Disposal	Decrease in the current period:	31 December 2021
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

1 The Company measured the estimated recoverable amount of the asset group of polarizer business with reference to the valuation results of the ( ) ., . ., . (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.

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.

	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

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

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

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

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:

Item<	Original value of guarantee	Net value of guarantee	Beneficiary banks	Credit terms	Credit limit	Short-term borrowing balance
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:

Item<	Original value of guarantee	Net value of guarantee	Beneficiary banks	Credit terms	Credit limit	Short-term borrowing balance
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

Category	31 December 2021	31 December 2020	31 December 2019
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

Item	31 December 2021	31 December 2020	31 December 2019
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	7 1 . 9 0 0 (2) 4 8 0 . 2 (,)] T J 7 . . 2 8 1 4 4 2 T D . 0 1 9 8 T c [(0 3 7 1 7 0 , 5 7) 2 1 8					

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)

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

Total

(XXXII) Liabilities held for sale

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

Nature of Borrowing	Pledge and mortgage projects	Pledge and mortgage	31 December 2021 Long-term borrowings due within 1 year	31 December 2021 Long-term borrowings	31 December 2020 Long-term borrowings due within 1 year	31 December 2020 Long-term borrowings	31 December 2019 Long-term borrowings due within 1 year	31 December 2019 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 ital					389,662,999.04	
Pledged and guaranteed . . .	Finance lease receivables (due within one year)	Book value of 138 million RMB yuan					72,921,645.15	42,205,620.47
Pledged and guaranteed . . .	Power sales rev30TD.r44ghts% of ojec.	6,128,5494468	05,54,8435.15	45,28,259.268		3392,90,2140.87		

Nature of Borrowing	Mortgage projects	Amount of mortgage	31 December 2021 Long-term borrowings due within 1 year	31 December 2021 Long-term borrowings	31 December 2020 Long-term borrowings due within 1 year	31 December 2020 Long-term borrowings	31 December 2019 Long-term borrowings due within 1 year	31 December 2019 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						

(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

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.

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	

(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 anase that: 1.

(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
T]TJehlogy 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
T]TJehlogy 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) Shar]capital

		Change in the current period: increase (+)/decrease (-)					
Item	2018.12.31	Issue of new shares	Share dividend	Transfer from provident fund	Others	Subtotal	31 December 2019
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.

		Change in the current period: increase (+)/decrease (-)					
Item	**31 December 2019**	**Issue of new shares**	**Share dividend**	**Transfer from provident fund**	**Others**	**Subtotal**	**31 December 2020**
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.

		Change in the current period: increase (+)/decrease (-)					
Item	**31 December 2020**	**Issue of new shares**	**Share dividend**	**Transfer from provident fund**	**Others**	**Subtotal**	**31 December 2021**
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
' 201 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 *' 201* considered and adopted at the Fifth Meeting of the Tenth Board of Directors in 2020, the *A E ' 201* 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 - ., . 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

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	2018.12.31	Adjustment for changes in accounting policies	2019.1.1	Amount incurred in the current period						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	
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										

Item	2018.12.31	Adjustment for changes in accounting policies	2019.1.1	Amount incurred in the current period						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	
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

Item	31 December 2019	Amount incurred in the current period						31 December 2020
		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	
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								
Other comprehensive income that cannot be transferred to profit and loss under equity method	-11,954,868.18	-11,748,951.02				-11,748,951.02		-23,703,819.20
Changes in fair value of other equity instrument investments	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 enterprise's own credit risk								
2. Other comprehensive incomes to be reclassified into profit an7 b l e t o								

Item	31 December 2019	Amount incurred in the current period						31 December 2020
		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	
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

Item	31 December 2020	Adjustment to opening amount	Amount incurred in the current period						31 December 2021
			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	
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

Item	31 December 2020	Adjustment to opening amount	Amount incurred in the current period						31 December 2021
			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	
Of which: Remeasurement of changes in defined benefit plans									
Other comprehensive income that cannot be transferred to profit and loss under equity method.	-23,703,819.20		11,267,318.52		12,580,999.23		-1,313,680.71		-25,017,499.91
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. 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									
Total other comprehensive income	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

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	

2,188,756.54 10,076,255.11m 9,658,350.51m 2,606,61.14s

Increase in the current period	Decrease in the current period

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:

	Impact on retained earnings at the beginning of the year		
Item	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			

In 2020, the retroactive adjustment due to the *A* *E* 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

	Year 2021		Year 2020		Year 2019	
Item	**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		.3 7 0 3 8 5...	

The operating income of FY 2020 is disaggregated as follows:

Contract classification	Lithium Battery Material Segment	New Energy Vehicle Segment	Energy Management Segment	Clothing Segment	Investment Segment	Others	Inter-segment offset	Total
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	1,903,967.905[70.7.3-35u1,90t.....47,315,659.36		27,961,438.87

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(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			
Impairment loss on assets held for sale			5,249,212.35
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

	Amount incurred			Amounts included into the current nonrecurring profit and loss		
Item	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

	Amount incurred			Amounts included into the current nonrecurring profit and loss		
Item	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

(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
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

Item	Year 2021	Year 2020	Year 2019
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

Item	Year 2021	Year 2020	Year 2019
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	1,706,404,970.64	138,408,363.00	
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			

Of whc5i[(C0)Tj-22.8755-1.375TD..ts subsidiaries. . . . . .

its subsidiaries

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"

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			

(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 , 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 , the , 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 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 cod70% on on Febr

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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 suspensionof 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

	Polarizer business
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

	Polarizer business
	Fair value at the date of acquisition
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)			2020.7.3	Completiono1.100,.29,82.72270 shares	2020.7.3	Completi314156-1.Decemb(consha	2020.7.3	Comp5]TJ-1.53,650,0007o7				

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

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

Year 2020

Name of subsidiary	Main Place of business	Place of registration	Business nature	Shareholding ratio (%) Direct	Indirect	Acquisition method
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 Place of business	Place of registration	Business nature	Shareholding ratio (%) Direct	Indirect	Acquisition method
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

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 Shareholding ratio (%) Direct	31 December 2021 Shareholding ratio (%) Indirect	31 December 2020 Shareholding ratio (%) Direct	31 December 2020 Shareholding ratio (%) Indirect	31 December 2019 Shareholding ratio (%) Direct	31 December 2019 Shareholding ratio (%) Indirect	Acquisition method
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 Shareholding ratio (%) Direct	31 December 2021 Shareholding ratio (%) Indirect	31 December 2020 Shareholding ratio (%) Direct	31 December 2020 Shareholding ratio (%) Indirect	31 December 2019 Shareholding ratio (%) Direct	31 December 2019 Shareholding ratio (%) Indirect	Acquisition method
Chenzhou Shanshan New Material Co., Ltd.	Hunan	Hunan	Industry		100		100		100	Newly established
Fujian Shanshan Technology Co., Ltd.	Fujian	Fujian	Industry		100		100		100	Newly established
Huzhou Shanshan New Energy Technology Co., Ltd.	Huzhou	Huzhou	Industry		100		100		100	Consolidation not under the same control
Inner Mongolia Shanshan Technology Co., Ltd.	Inner Mongolia	Inner Mongolia	Industry		100		100		100	Newly established
Inner Mongolia Shanshan New Material Co., Ltd.	Inner Mongolia	Inner Mongolia	Industry		100		100		100	Newly established
Baotou Graphene Material Research Institute Co., Ltd. Note 2	Inner Mongolia	Inner Mongolia	Industry		50		50		50	Newly established
Shanghai Shanshan New Material Co., Ltd.	Shanghai	Shanghai	Industry		100		100			Newly established
Ningbo Yongxiang Investment Co., Ltd.	Ningbo	Ningbo	Investment		100		100		100	Newly established
Ningbo Yongquan Investment Co., Ltd.	Ningbo	Ningbo	Investment		100		100		100	Newly established
Dongguan Shanshan Battery Material Co., Ltd.	Guangdong	Guangdong	Industry		100		100		100	Newly established
Langfang Shanshan Battery Material Co., Ltd.	Langfang	Langfang	Industry		100		100		100	Newly established
Shanshan New Material (Quzhou) Co., Ltd.	Zhejiang	Zhejiang	Industry		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 Shareholding ratio (%) Direct	31 December 2021 Shareholding ratio (%) Indirect	31 December 2020 Shareholding ratio (%) Direct	31 December 2020 Shareholding ratio (%) Indirect	31 December 2019 Shareholding ratio (%) Direct	31 December 2019 Shareholding ratio (%) Indirect	Acquisition method
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 Shanpeng 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 Shareholding ratio (%) Direct	31 December 2021 Shareholding ratio (%) Indirect	31 December 2020 Shareholding ratio (%) Direct	31 December 2020 Shareholding ratio (%) Indirect	31 December 2019 Shareholding ratio (%) Direct	31 December 2019 Shareholding ratio (%) Indirect	Acquisition method
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			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 Shareholding ratio (%) Direct	31 December 2021 Shareholding ratio (%) Indirect	31 December 2020 Shareholding ratio (%) Direct	31 December 2020 Shareholding ratio (%) Indirect	31 December 2019 Shareholding ratio (%) Direct	31 December 2019 Shareholding ratio (%) Indirect	Acquisition method
Sichuan Winsky New Energy Technology Co., Ltd.	Sichuan	Sichuan	Service industry		100		100		100	Newly established
Chongqing Winsky New Energy Technology Co., Ltd.	Chongqing	Chongqing	Service industry		100		100		100	Newly established
Winsky (Xiamen) New Energy Technology Co., Ltd.	Xiamen	Xiamen	Service industry		100		100		100	Newly established
Guangzhou Winsky New Energy Technology Co., Ltd.	Guangzhou	Guangzhou	Service industry		100		100		100	Newly established
Zhejiang Winsky New Energy Technology Co., Ltd.	Zhejiang	Zhejiang	Service industry		100		100		100	Newly established
Shanghai Wanshan New Energy Technology Co., Ltd.	Shanghai	Shanghai	Service industry		100		100		100	Newly established
Suzhou Yiyun New Energy Technology Co., Ltd.	Suzhou	Suzhou	Service industry		70		70		70	Newly established
Ningbo Ulica Solar Co., Ltd.	Ningbo	Ningbo	Industry	90.035		90.035		90.035		Consolidation under the same control
Ningbo Shanneng Photovoltaic Power Generation Co., Ltd.	Ningbo	Ningbo	Industry		100		100		100	Consolidation under the same control
Taizhou Shanhe Photovoltaic Power Generation Co., Ltd.	Zhejiang	Zhejiang	Industry		100		100		100	Consolidation under the same control
Taizhou Shanda Photovoltaic Power Generation Co., Ltd.	Zhejiang	Zhejiang	Industry		100		100		100	Newly established

Name of subsidiary	Main business locations	Place of registration	Business nature	31 December 2021 Shareholding ratio (%) Direct	31 December 2021 Shareholding ratio (%) Indirect	31 December 2020 Shareholding ratio (%) Direct	31 December 2020 Shareholding ratio (%) Indirect	31 December 2019 Shareholding ratio (%) Direct	31 December 2019 Shareholding ratio (%) Indirect	Acquisition method
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.										

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

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

Name of subsidiary	Main business locations	Place of registration	Business nature	31 December 2021 Shareholding ratio (%) Direct	31 December 2021 Shareholding ratio (%) Indirect	31 December 2020 Shareholding ratio (%) Direct	31 December 2020 Shareholding ratio (%) Indirect	31 December 2019 Shareholding ratio (%) Direct	31 December 2019 Shareholding ratio (%) Indirect	Acquisition method
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

Shanshan FY Commerf.1.7.7(ect)]TJ/F21Tf09.978-9.97801452.7(Decqeas.15TD[(T)35(ianjin)-4006.953-4ect349g)-3915.9(Bei[jing)-3915.9(Ser)-649.3Tf53-40.245g
established.....(lease)49.978-9.9780148.195370.8661Tm[(Shanshan)-352.8(FY

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.

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.

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 assetsot-352.8(issets)-lS234.1rrent assliabiliti6sliabilit				

Year 2021

Name of subsidiary	Operating income	Net profit	Total comprehensive income	Cash flow from operating activities
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

Name of subsidiary	Operating income	Net profit	Total comprehensive income	Cash flow from operating activities
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

Name of subsidiary	Operating income	Net profit	Total comprehensive income	Cash flow from operating activities
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. Unilateral capital increase of the Company	Ningbo Shanpeng Investment Co., Ltd. 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

1. Significant joint ventures or associates

Name of joint venture or associate	Main business locations	Place of registration	Business nature	31 December 2021 Shareholding ratio (%)		31 December 2020 Shareholding ratio (%)		31 December 2019 Shareholding ratio (%)		The accounting method for investments in joint ventures or associates	Strategic or not to the Company's activities
				Direct	Indirect	Direct	Indirect	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 2021/ 2021

	Zhejiang Chouzhou Commercial Bank Co., Ltd.	BASF Shanshan Battery Materials Co., Ltd.
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	

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 2020/ 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			

4. Excess losses incurred by joint ventures or associates

31 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 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

31 201

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.

(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 2010, 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

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

	Fair value as of 31 December 2021			
Item	**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				
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			
	Level I fair value measurement	Level II fair value measurement	Level III fair value measurement	Total
◆ 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				

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				

(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

Names of other related parties	Relationship between other related parties and the Company
Shanshan Holdings Co., Ltd.	Ultimate controller
Ningbo Ligang Technology Service Co., Ltd.	Affiliated enterprises of controlling shareholders
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

Related party	Contents of related transaction	Year 2021	Year 2020	Year 2019
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

Related party	Contents of related transaction	Year 2021	Year 2020	Year 2019
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

Related party	Contents of related transaction	Year 2021	Year 2020	Year 2019
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

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

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	

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.	Amount used as of the end of the period: 75,000.0	2020-6-18	2025-6-17	7,459.9	No
Total					

4. Inter-bank lending of related parties

2021

Related party	Amount of inter-bank lending	Start date	Due date	Ending balance	Gain recognized in the period	Remarks
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		

2020

Related party	Amount of inter-bank lending	Start date	Due date	Ending balance	Gain recognized in the period	Remarks
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	

201

Related party	Amount of inter-bank lending	Start date	Due date	Ending balance	Gain recognized in the period	Remarks
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)

		31 December 2021		31 December 2020		31 December 2019	
Project name	**Related party**	**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

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

1. 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.

2. 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

' 201 .

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:

Exercise period	Company performance assessment objectives
The first exercise period for initial grant of stock options	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	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	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 ▲ ▲ ' 201 ▲ , 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:

Exercise of rights	Exercise time	Number of exercisable rights as a percentage of the number of interests granted
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 *E* *201* *E* . 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 ▲ *E* ' *201* 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 *A E ' 201* , 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 *A E ' 201* . 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	

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

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.

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:

Restricted items	Creditor	Pledge amount	Long-term borrowings	Non-current liabilities due within one year
Long term equity investment — equity cial Bankbo-.23.2(L8uity)-352.7(ci.u10lS100103(P0103(P0)-3521,)682(cial)-323.ThTf-51.13rmed)-350.5(b1.1350.5(Ningbo)-351.13bk)-323m.2o				

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 lim7116TD.8([Actual),es[accepta

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.

A

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 318i2.7(million)22afendant to		

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 *E* ⮝ . 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 *E* , 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 ⮝ ⮝ .

The price of the related transaction was determined on the basis of the ⮝ ⮝ (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 ⮝ 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. TheImportantxisting

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. wereImportanheld to 2022 . . and *2022* *E* . . 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 《 ' 2022 , and the ' 2022 , 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 《 , ' 2022 , the ' 2022 , and the 《 E ' 2022 , 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.

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

(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

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. Ex0jial transaction											
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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						-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						-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 2021

	Book balance		Bad debt provision		
Category	Amount	Proportion	Amount	Withdrawal ratio	Book value
		(%)		(%)	
Provision for bad debts made on an individual basis	596,791.98	17.11	596,791.98	100.00	
Of which:					
Accounts receivable					

31 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

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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:

	31 December 2021			31 December 2020			31 December 2019		
Name	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

	31 December 2019		
Unit name	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	1.0-1.1298TD[(Co.,)-352.8(Ltd.)]TJ4.

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			
	Book balance	Bad debt provision	Withdrawal ratio	Withdrawal reason
			(%)	
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:

	31 December 2021			31 December 2020			31 December 2019		
Name	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									

Bad debt provision	Phase I Expected credit losses for the next 12 months	Phase II Expected credit losses for the entire duration (noths	Phase III	Total

(4) ,

Category	2018.12.31	Adjustment for changes					

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
				(%)	
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

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
				(%)	
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

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(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									

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								31 December 2019	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 Shanqi 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	65,000,000.00
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.		20,000,000.00		-590,472.34						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 Shanqi 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

Invested unit	31 December 2020	Increase and decrease in the current period								31 December 2021	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		
Associates											
Ningbo Shanqi 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

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	

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				

sidiary,

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	2.97330TD.0199Tc[(-683,601,534.42)-1838.9(-90,999,609.76)-1838.9(-27,973,9			

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08.35 The gains of remaining

(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 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 2021	As at 31 March 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 reassurance 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	—	—

	As at 31 December 2021	As at 31 March 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

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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		

Consolidated Statement of Cash Flows

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	—	—