

Ningbo Shanshan Co., Ltd.
2023 Annual Report

Important Notes

I. The Board of Directors, the Board of Supervisors, and directors, supervisors and senior management of the Company confirm that the content of this Annual Report is true, accurate and complete and has no false representations, misleading statements or material omissions, and they individually and collectively accept legal responsibility for such content.

II. Absent directors

Title of absent director	Name of absent director	Reason for absence	Name of proxy
Director	Zhu Zhiyong	Work reason	Li Fengfeng

III. BDO China Shu Lun Pan Certified Public Accountants LLP has issued an audit report with unqualified opinions and emphasis on relevant matters to the Company. The Board of Directors and the Supervisory Committee of the Company have explained the relevant matters in detail, and investors are advised to read them.

For details, please refer to the 2023 Audit Report of BDO China Shu Lun Pan Certified Public Accountants LLP on Ningbo Shanshan Co., Ltd. and Its Financial Statements (BDO Report [2024] No. ZA11873) and the relevant special explanations, which were disclosed by the Company on the website of Shanghai Stock Exchange on the same day.

IV. Zheng Ju, Chairman of the Company, Li Keqin, Chief Financial Officer of the Company, and Xu Lie, Person in Charge of the Accounting Office (Head of the Accounting Department), hereby warrant the truthfulness, accuracy and completeness of the financial statements contained in this Annual Report.

V. Proposal of profit appropriation or proposal of transferring capital reserve into share capital for the Reporting Period was reviewed by the Board of Directors

According to the audit of BDO China Shu Lun Pan Certified Public Accountants LLP, as of 31 December 2023, the parent company's profit available for distribution at the end of the period was RMB2,558,609,895.87. The Company intends to distribute profits in 2023 based on the shares to be distributed (after deducting the special accounts' shares repurchased by the Company from total share capital) registered on the record date for the implementation of equity distribution. The proposal of profit appropriation is as follows:

The Company intends to distribute a cash dividend of RMB2.00 (tax inclusive) per 10 shares to all shareholders. As of the date when the Board of Directors considers the proposal of profit appropriation, the cash dividend to be distributed by the Company totals RMB438,585,378.60 (tax inclusive) based on the 2,192,926,893 shares to be distributed by the Company (total share capital of 2,258,223,223 shares less the 65,296,330 shares in the specific accounts for repurchase of the Company). There will be no transfer from the capital reserve to share capital in this year.

The shares held by the Company in the accounts specific for repurchase will not be included in the extent of the profit attribution, and the Company will disclose the particular number of shares with profit attribution in the announcement of the implementation of equity distribution. If changes in the total share capital or the shares to be distributed of the Company occur during the period commencing from the disclosure date of this proposal to the record date of the implementation of equity distribution due to share repurchase, repurchase or cancellation of shares granted under share incentives and the like, the Company proposes that the distribution proportion of each share will remain the same, and the aggregate amount of distribution will be adjusted accordingly. The details will be disclosed in the announcement of the implementation of equity distribution.

VI. Risk associated with forward-looking statements

Applicable Not applicable

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

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

Yes

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

No

IX. Did more than half of the directors cannot guarantee the authenticity, accuracy and completeness of the annual report disclosed by the Company?

No

X. Material risk alert

The Company has detailed the possibly relevant risk in the Report, investors may refer to "(IV) Risk Exposures" in "VI. Discussion and Analysis on Future Development of the Company" under "Section III Management Discussion and Analysis".

XI. Others

Applicable Not Applicable

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Documents Available for Inspection	Financial statements containing the signatures and seals of the Chairman of the Company, the Chief Financial Officer of the Company and the Person in Charge of the Accounting Office (Head of the Accounting Department).
	Original audit report containing the seal of the accounting firm and the signature and seal of the certified public accountant.
	The original copies of all documents and announcements disclosed during the Reporting Period.

Section I Definitions

I. Definitions

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

Definitions of Common Terms		
Reporting Period		Year 2023
CSRC		China Securities Regulatory Commission
SSE		Shanghai Stock Exchange
CSDC		China Securities Depository and Clearing Co., Ltd.
GDR		Global depository receipt
The Company, Company or NBSS		Ningbo Shanshan Co., Ltd.
Shanshan Holdings		Shanshan Holdings Co., Ltd.
Shanshan Group		Shanshan Group Co., Ltd.
Pengze Trading		Ningbo Pengze Trading Co., Ltd. (宁波朋泽贸易有限公司)
Yinzhou Jielun		Ningbo Yinzhou Jielun Investment Co., Ltd. (宁波市鄞州捷伦投资有限公司)
Yonggang Garment		Ningbo Yonggang Garment Investment Co., Ltd. (宁波甬港服装投资有限公司)
Shanjin Nanjing		Shanjin Optoelectronics (Nanjing) Co., Ltd.
Shanjin Guangzhou		Shanjin Optoelectronics (Guangzhou) Co., Ltd.
BASF Shanshan		BASF Shanshan Battery Material Co., Ltd.
Quzhou Shanshan		“Shanshan Advanced Materials (Quzhou) Co., Ltd.”, the Company’s former electrolyte subsidiary, which was renamed “Sunyes Shanshan New Material Technology (Quzhou) Co., Ltd. (新亚杉杉新材料科技(衢州)有限公司)” during the period
Dongguan Shanshan		Dongguan Shanshan Battery Material Co., Ltd.
Shanxin Photovoltaic		Ningbo Shanxin Photovoltaic Energy Management Co., Ltd. (宁波杉鑫光伏能源管理有限公司)
Ningbo Ulica or Ulica		Ningbo Ulica SOLAR Co., Ltd.
2022 Equity Incentive Plan		2022 Share Option and Restricted Share Incentive Plan

Section II Company Profile and Key Financial Indicators

I. Company Information

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

II. Contact Details

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

III. General Information

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

IV. Information Disclosure and Place Available for Inspection

Name and website of the media where the Company discloses its annual report	China Securities Journal, Shanghai Securities News, Securities Daily and Securities Times (hereinafter collectively called "designated media")
Website of the stock exchange where the Company discloses its annual report	www.sse.com.cn
Location for inspection of the annual report of the Company	F/28, Shanshan Plaza, 777 Rili Middle Road, Yinzhou District, Ningbo City, Zhejiang Province

V. Shares of the Company

Shares of the Company			
Type of shares	Stock exchange for listing	Stock abbreviation	Stock code

A Shares	Shanghai Stock Exchange	NBSS	600884
GDR	SIX Swiss Exchange	Ningbo Shanshan Co., Ltd.	SSNE

VI. Other Relevant Information

Accounting firm engaged by the Company (China)	Name	BDO China Shu Lun Pan Certified Public Accountants LLP
	Office address	4/F, 61 East Nanjing Road, Shanghai
	Signing accountant	Qiao Qi, Yu Chunyi
Financial advisor performing continuous supervision obligation within the Reporting Period	Name	ZTF Securities
	Office address	Centralized Commercial (North), Financial Business Area, Zhongtian Exhibition Center B, Changling North Road, Guanshan Lake District, Guiyang City, Guizhou Province
	Signing financial advisor representatives	Wang Mosi, Liu Mengru
	Period of continuous supervision	2022-2023

VII. Key Accounting Data and Financial Indicators for the Past Three Years

(I) Key Financial Data

Key financial data	Unit: Yuan Currency: RMB			
	2023	2022	Increase/Decrease for the period as compared to the same period last year (%)	2021
Operating revenue	19,070,225,164.95	21,701,617,268.32	-12.13	20,699,382,624.28
Net profits attributable to shareholders of the listed company	765,337,842.07	2,691,262,599.60	-71.56	3,339,696,517.63
Net profit attributable to shareholders of the listed company, net of non-recurring profit or loss	218,864,413.71	2,328,894,845.78	-90.60	1,885,320,125.86
Net cash flows from operating activities	-198,131,598.40	506,497,694.79	-139.12	-364,495,067.15
	End of 2023	End of 2022	Increase/Decrease as at the end of the period as compared to the end of the same period last year (%)	End of 2021
Net assets attributable to shareholders of the listed company	22,669,169,067.26	23,053,341,900.80	-1.67	18,928,381,475.79
Total assets	48,474,965,995.75	44,925,491,219.31	7.90	40,288,469,003.76

Total share capital at the end of the period	2,258,223,223.00	2,263,973,358.00	-0.25	2,142,919,938.00
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(II) Key Financial Indicators

Key financial indicators	2023	2022	Increase/Decrease for the period as compared to the same period last year (%)	2021
Basic earnings per share (RMB/share)	0.35	1.23	-71.54	2.04
Diluted earnings per share (RMB/share)	0.35	1.23	-71.54	2.04
Basic earnings per share after deduction of extraordinary items (RMB/share)	0.10	1.06	-90.57	1.15
Weighted average return on net assets (%)	3.35	12.93	Decrease by 9.58 percentage points	23.75
Weighted average return on net assets ratio after deduction of extraordinary items (%)	0.96	11.19	Decrease by 10.23 percentage points	13.41

Description of major accounting data and financial indicators for the three years prior to the end of the Reporting Period of the Company

Applicable Not Applicable

VIII. Discrepancies in Accounting Data between Chinese and Overseas Accounting Standards

(I) Difference arising from the net profit and net assets attributable to shareholders of the listed company in the financial statements disclosed simultaneously in accordance with the international and Chinese accounting standards

Applicable Not Applicable

(II) Difference arising from the net profit and net assets attributable to shareholders of the listed company in the financial statements disclosed simultaneously in accordance with the overseas and Chinese accounting standards

Applicable Not Applicable

IX. Quarterly Key Financial Data for 2023

Unit: Yuan Currency: RMB

	The First Quarter (January to March)	The Second Quarter (April to June)	The Third Quarter (July to September)	The Fourth Quarter (October to December)
Operating revenue	4,449,437,921.75	5,018,338,002.07	5,241,502,782.29	4,360,946,458.84
Net profits attributable to shareholders of the listed company	572,600,345.88	440,491,190.79	189,089,857.07	-436,843,551.67
Net profit attributable to shareholders of the listed company, net of non-recurring profit or loss	166,438,166.31	421,375,199.06	74,848,367.73	-443,797,319.39
Net cash flows from operating activities	-1,325,600,692.98	-138,524,157.15	-85,514,167.26	1,351,507,418.99

Differences between data by quarter and data disclosed in periodical reports

Applicable Not Applicable

X. Non-recurring Profit or Loss Items and Amounts

Applicable Not applicable

Unit: Yuan Currency: RMB

Non-recurring profit and loss items	Amount in 2023	Amount in 2022	Amount in 2021
Gains and loss from the disposal of non-current assets (including the written off part for which provision for asset impairment has been made)	343,135,585.57	165,749,941.33	816,065,365.74
Government grants included in the current profit and loss, except those closely related to the Company's normal operations, conforming to the State policies and regulations, enjoyed persistently in line with certain standard ratings or ratios, and having a lasting impact on the Company's profit and loss	433,970,874.27	173,791,345.88	97,800,089.25
Payment for the use of funds included in the current profit and loss and collected from non-financial business	31,320,394.52		960,504.84
Gains or losses from changes in fair value of financial assets and financial liabilities held by non-financial enterprises, and gains or losses from disposal of financial assets and financial liabilities, except for effective hedging operations related to the Company's normal business operations	-7,516,000.00	42,133,153.64	-512,823.37
Non-operating income and expenses other than those mentioned above	-34,257,498.06	10,295,394.82	-150,763.79
Other profits and losses items conforming to the definition of non-recurring profits and losses			1,237,956,808.35
Less: effect of income tax	177,879,353.22	19,786,071.03	683,601,534.42
Effect of non-controlling interests (after tax)	42,300,574.72	9,816,010.83	14,141,254.83
Total	546,473,428.36	362,367,753.82	1,454,376,391.77

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

Applicable Not Applicable

XI. Items Measured at Fair Value

Applicable Not applicable

Unit: Yuan Currency: RMB

Item	Opening balance	Change during the period	Amount of impact on the profits for the period	Closing balance
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Other equity instrument investment	749,414,590.01	92,842,065.00	82,842,065.00	842,256,655.01
Other non-current assets	198,154,599.78	4,070,684.23	-4,436,000.00	202,225,284.01
Receivable financing	512,249,842.96	306,770,361.66		819,020,204.62
Total	1,459,819,032.75	403,683,110.89	78,406,065.00	1,863,502,143.64

Section III Management Discussion and Analysis

I. Operation Discussion and Analysis

Operation Profile

During the Reporting Period, in the face of the complex external environment and the severe challenges brought about by the decline in the overall profitability level of the industry, the Company, based on the business philosophy of creating long-term value for its customers, proactively gained insights into the structural opportunities in the market, made timely adjustments to its business strategies, comprehensively implemented cost-cutting initiatives, and continued to provide its customers with high-quality products and services, thereby realizing stable development. The Company's two core businesses, anode materials and polarizer business, achieved year-on-year sales growth at a growth rate higher than the industry average, leading the industry in terms of global market share. Our leading position in the industry was further consolidated, with enhanced operational resilience.

During the Reporting Period, the Company realized an operating income of RMB19,070.2252 million, down 12.13% year on year; net profit attributable to shareholders of the listed company of RMB765.3378 million, down 71.56% year on year; and net profit attributable to shareholders of the listed company of RMB218.8644 million after deduction of non-recurring profit or loss, down 90.60% year on year. Reasons for the year-on-year decline of business results: In 2023, in the context of the slowdown in terminal demand growth and lithium battery industry de-stocking, the midstream lithium battery materials faced a major challenge of phased supply and demand imbalance and product price decline. Affected by changes in the industry, the product prices and earnings of the Company's anode materials business and the cathode materials business in which it participated declined year-on-year. The Company continued to promote the focus strategy and divest non-core businesses and inefficient assets. The loss of non-core businesses and impairment of related assets had a certain impact on its business results.

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

(I) Anode Material Business

In 2023, while the overall downstream demand of anode material industry maintained a rising trend, the year-on-year growth slowed down significantly. In addition, the decline in the prices of upstream raw materials, the sharp drop in the graphitization processing prices, and intensified competition due to the industry capacity release, among other factors, led to an overall decline in the price of anode materials and narrowed industry profit space. Through positive measures such as accelerating product iteration and upgrades, deepening cooperation with major customers, and fully implementing cost reductions, in 2023, the Company achieved a year-on-year growth of 44.55% in the sales volume of

anode materials, with market share further increased. According to ICC, in 2023, the Company's production of artificial anode materials accounted for 19% in China, ranking first in the industry.

The details are as follows:

- **Deeply cultivating the market, enhancing customer interface, and deepening cooperation with major customers to steadily improve the industry position**

In 2023, the release of the new production capacity of anode materials and the growth slowdown of downstream demand led to phased imbalance of industry supply and demand. The industry faced the huge pressure of capacity absorption and downward price. According to the data of Gaogong Lithium Battery, in 2023, the total capacity utilization rate of TOP6 negative enterprises exceeded 70%, but the average total capacity utilization rate of TOP7 and later enterprises was less than 30%. In the face of market changes, the Company adjusted its business strategy in a timely manner, enhanced its customer interface, strengthened the depth and breadth of cooperation with global leading battery companies, and achieved significant growth in sales to the major customers. According to the data of ICC, the Company maintained its leading position in the industry in terms of artificial graphite market share, which increased year-on-year.

- **Implementing the product leadership strategy to build long-term competitive advantage**

The Company adhered to the strategy of product leadership and maintained a high level of investment in research and development. For fast-charging products, guided by the needs of downstream customers, the Company kept making breakthroughs in new technologies and new products. In terms of consumer fast-charging products, we maintain a leading market share, and have achieved bulk shipment of 5C products and delivery of over one ton of 6C products. In terms of power fast-charging products, our shipments have grown rapidly. We have achieved large-scale supply of 4C and 5C products, and completed the customer identification for 6C products, which is under batch stability verification now. We have further expanded our technological leadership in fast-charging products and achieved generational leadership in the fast-charging product system.

The Company kept making technological breakthroughs in silicon-based anode products, gaining recognition from customers at home and abroad, and realizing batch supply. Silicone oxygen products have been supplied to overseas leading customers in bulk, with loading completed. In addition, we have solved the problem of low-temperature cycling of second-generation silicone oxygen, and the related products have been exported to overseas leading power tool companies. Silicon-carbon products are undergoing constant iteration. The new generation silicon-carbon products stayed ahead in the tests among leading customers, and the related core technology has been granted with patents in the U.S. and Japan.

Our hard carbon anode products are leading in capacity, high temperature and processing performance. The self-designed 1,000-ton hard carbon production line has been put into production, realizing batch application in the fields of sodium battery, lithium battery (including semi-solid-state batteries) and supercapacitor.

- **Promoting cost leadership strategy and focusing on cost reduction and efficiency enhancement**

Facing the profitability pressure brought about by the decline of product prices, the Company enhanced cost reduction and promoted the work of cost reduction with full force. On the one hand, we expanded the scope for cost reduction through technological innovation, including initiatives such as developing low-cost and high-quality raw materials, improving production processes to reduce energy consumption, and upgrading intelligent manufacturing to enhance production efficiency. On the other hand, we further reduced the operating costs by optimizing the production capacity structure, improving the level of graphitization self-supply rate and strengthening supply chain management.

During the Reporting Period, the Company steadily pushed forward the advantageous production capacity construction of the integrated bases in Sichuan and Yunnan, and prioritized the improvement of key production capacity to accelerate the improvement of the integrated production capacity and graphitization self-sufficiency rate. As of the date of disclosure of this Report, the first phase of the production capacity of the Sichuan base was put into production, and the first phase of the graphitization capacity of the Yunnan base was in the process of climbing.

- **Actively practicing ESG development concepts**

During the Reporting Period, the Company actively carried out energy-saving and consumption-reduction initiatives such as rooftop photovoltaic power generation, production peak-shaving and valley-filling for stable power consumption, optimization of processes and shortening of processing cycles, and recycling of waste heat from exhaust gases, which effectively improved the energy efficiency.

In addition, the Company cooperated with the upstream and downstream industrial chain and industry organizations to actively promote the establishment of product traceability system, participated in the construction of standards for the power battery carbon footprint accounting system, as well as the exchange and application of digital informatization of lithium battery materials, and other activities, so as to contribute to the high quality and sustainable development of the new energy industry.

(II) Polarizer Business

During the Reporting Period, the Company responded to the weak demand in the industry through stable production and supply, rich product system, positive sales strategy and other measures. Sales volume of polarizer business continued to increase steadily, achieving a year-on-year growth of 10.18% in 2023, further consolidating its leading position. According to the data of CINNO Research, the Company's market share in large-size polarizers (including TFT-LCD TVs/displays/notebooks) in terms of shipment area increased from 30% in 2022 to 33% in 2023, remaining the world's No. 1. In terms of the application fields, the market share of LCD TV polarizer business and LCD display polarizer business of the Company both ranked first in the world. However, prices of polarizer products declined year-on-year due to weak terminal demand and intensified competition within the industry. The Company's cost reduction and expense control initiatives, such as refined management, manufacturing

process upgrades, and raw material strategy adjustments, resulted in a year-on-year decline in unit costs of the products and a narrowing of expenses year-on-year. Meanwhile, the Company's subsidiaries, Shanjin Nanjing and Shanjin Guangzhou, were certified as High and New Technology Enterprises during the Reporting Period, which resulted in a year-on-year decrease in income tax for the year. The Company's polarizer business maintained good profitability.

The details are as follows:

- **Constantly enhancing the R&D and market development of high-end products and new display polarizer products**

In terms of LCD polarizer, the Company continued to strengthen the competitiveness of polarizer products, and enhanced its investment in R&D for high-end and refined products. During the Reporting Period, in the high-end TV segment, the Company satisfied customer demand by developing wide-viewing angle, ultra-low reflection and high transmission products. We broke through technical barriers such as size, thickness and visual perception, and promoted the display products to enhance picture quality, reduce power consumption, and improve audio-visual experience. The maximum product size has been upgraded from the original 110 inches to 115 inches. In the small and medium-sized field, the Company promoted the development of high-end small and medium-sized polarizers with high transmittance and thinning, and a number of products achieved mass production and shipment during the Reporting Period.

In terms of OLED polarizer, the Company developed both large-size and small-medium-size applications simultaneously, achieving great results in transformation of the technological achievements. During the Reporting Period, the Company's self-developed polarizers for OLED TV and OLED cell phone realized mass production and shipment. Polarizers for OLED IT are under customer certification, and mass production and shipment will be accelerated.

In the new display areas, the Company actively promoted the development of high-end products such as vehicle-mounted and VR/AR applications. During the Reporting Period, in terms of automotive polarizer, the Company completed the technology and patent reserve, and entered the internal testing stage; in terms of VR/AR polarizer, the Company completed the independent development of polarizer for VR display end, and entered the customer certification stage.

- **Enhancing R&D capacity and strengthening technical research**

During the Reporting Period, the Company continued to promote the construction of a global R&D center for polarizers. Through independent R&D, introduction of talents, industry-university-research cooperation, upstream and downstream synergistic innovation and other innovative R&D efforts, we promoted the R&D of cutting-edge basic materials and application technology, so as to enhance the overall R&D strength and technology level of the Company, and promote product innovation.

- **Implementing lean production to reduce cost and improve efficiency**

During the Reporting Period, the Company achieved effective improvement in cost competitiveness through continuous internal innovation and cost reduction and efficiency enhancement initiatives. On the one hand, we further reduced the material wastage rate and cost expenses through continuous internal

control measures and production process innovation. On the other hand, we promoted cost reduction and operational efficiency improvement through initiatives such as upgrading the level of intelligence to achieve cost competitiveness.

In terms of raw materials, the Company continued to promote the diversification, localization and autonomy of raw materials, and strengthened the strategic cooperation with global leading manufacturers, in order to ensure the stability and security of the supply chain and enhance the cost competitiveness.

- **Promoting smooth closing of acquisitions**

In September 2023, in order to improve the product deployment of the polarizer business, accelerate the breakthrough from LCD polarizer to LCD+OLED polarizer, and consolidate the Company's position as a global polarizer business leader, the Company's subsidiaries, Shanjin Optoelectronics and Guangzhou Shanjin, proposed to acquire LG Chem's polarizers for automotive, OLED, and high-end IT displays, after consideration by the general manager's office meeting of the Company. The acquisition is in smooth progress. It is being submitted to the relevant governmental authorities for approval.

(III) Other Business

Influenced by industry changes such as the year-on-year sharp decline in the price of upstream lithium carbonate and the slowdown in the growth of downstream demand, product prices of the anode materials declined sharply year-on-year during the Reporting Period, and the net profit of the cathode materials business in which the Company participated shifted from a profit to a loss, which had a certain impact on the Company's business results.

The Company continued to implement the focus strategy by focusing on core business development and gradually divesting the non-core businesses. The Company completed the transfer and delivery of 51% equity of Quzhou Shanshan, a subsidiary of electrolyte business, in February 2023, completed the sale of 100% equity interest of Dongguan Shanshan in July 2023; completed the sale of 90.035% equity interest in Shanxin Photovoltaic, a photovoltaic power plant subsidiary, in April 2023; and completed the sale and delivery of 90.035% equity interest in Ningbo Ulica, a photovoltaic business subsidiary, in January 2024.

II. Industry Status during the Reporting Period

(I) Overview of Anode Materials Industry

Research firm EVTank has, in conjunction with China YiWei Institute of Economics, released the *White Paper on the Development of China's New Energy Vehicle Power Battery Industry (2024)*. According to the white paper, overall global sales of new energy vehicles reached 14.653 million units in 2023, representing a year-on-year increase of 35.4%, of which China's new energy vehicle sales reached 9.495 million units, accounting for 64.8% of global sales; the annual sales of new energy vehicles in the United States and Europe in 2023 was 2.948 million units and 1.468 million units,

respectively, with year-on-year growth rates of 18.3% and 48.0%, respectively. The rapid growth of new energy vehicle sales has driven significant increase in global power battery shipments, with global power battery shipments reaching 865.2GWh in 2023, up 26.5% year-on-year.

In 2023, China, the U.S. and Europe all publicly announced to increase the renewable energy installation targets. The power system demand for energy storage further increased, which, in addition to the reform of domestic industrial and commercial electricity prices in 2023, and the expansion of the peak and valley electricity price differentials in major provinces, led to significant improvement in the economics of industrial and commercial energy storage power plants. Commercial and industrial energy storage became the fastest growing segment of the energy storage industry in 2023. Benefiting from the growth in demand for power energy storage and commercial and industrial energy storage, global shipments of energy storage batteries amounted to 224.2GWh in 2023, with a year-on-year growth of 40.7%, according to EVTank data.

Driven by the demand of new energy vehicles and energy storage market, the market demand for anode materials maintained rapid growth. According to ICC, the global production of anode materials in 2023 amounted to 1,762,100 tons, representing an increase of 20% year-on-year, of which the share of China's anode materials further increased to 97.3%. In addition, in order to alleviate the recharging anxiety of new energy vehicle users, a large number of fast-charging models were launched in 2023. Anode material is the key material to determine the fast charging performance of the battery. The sales growth of fast-charging models has promoted the significant increase of the demand for fast-charging anode material, and the iteration to 4C-10C.

According to ICC, in 2023, the Company's production of artificial anode materials accounted for 19% in China, ranking first in the industry.

Laws, administrative regulations, regulations of ministries and industry policies released in 2023

Publication time	Published by	Policy	Content
January 2023	Six departments including Ministry of Industry and Information Technology	The Guidance on Promoting the Development of the Energy Electronics Industry	To ensure the supply of high-performance lithium carbonate, lithium hydroxide and precursor materials, and improve the performance of single-crystal high-nickel, lithium iron manganese phosphate and other cathode materials. To improve the application level of anode materials such as graphite and lithium composite negative electrodes.
June 2023	Ministry of Finance, State Taxation Administration and Ministry of Industry and Information Technology	The Announcement on the Continuation and Optimization of Exemption Policies for NEVs Purchase Tax	New energy vehicles purchased between 1 January 2024 and 31 December 2025 are exempted from vehicle purchase tax. New energy vehicles purchased between 1 January 2026 and 31 December 2027 will be subject to vehicle purchase tax halved.
August 2023	Ministry of Industry and Information Technology,	Action Plan for Stabilizing Growth in the Electronic Information	To coordinate resources to enhance the support for lithium battery, sodium battery, energy storage and other industries, accelerate the breakthroughs in key materials and equipment, process and other weak links, and ensure

	Ministry of Finance	Manufacturing Industry in 2023-2024	high-quality supply of lithium battery, energy storage products.
August 2023	Seven departments including Ministry of Industry and Information Technology	Work Program for Stabilizing Growth in the Automotive Sector (2023-2024)	To support the expansion of new energy vehicle consumption. To properly implement the existing vehicle and vessel tax, vehicle purchase tax and other preferential policies for NEVs, enhance the NEV subsidy fund liquidation audit work, and actively expand the proportion of personal consumption of new energy vehicles.
August 2023	Four departments including Ministry of Industry and Information Technology	Implementation Plan for the Standardization Pilot Project for New Industries (2023-2035)	To focus on the field of lithium-ion batteries, including the development of basic general standards such as battery carbon footprint, traceability management, standards for key raw materials and parts such as anode and cathode materials, protection devices, and recycling standards.
September 2023	National Development and Reform Commission, National Energy Administration	The Guiding Opinions on Strengthening the Stabilization of the Electric Power System in the New Circumstances	To actively promote the construction of new energy storage. To give full play to the advantages of various new types of energy storage, such as electrochemical energy storage, compressed air energy storage, flywheel energy storage, hydrogen energy storage, thermal (cold) energy storage, etc., and build a diversified and integrated development mode of energy storage based on the application scenarios, so as to enhance the level of safety and security as well as the comprehensive efficiency.
November 2023	National Development and Reform Commission	Pilot Construction Plan for National Carbon Peaking	To promote green and low-carbon development of transportation. To accelerate the low-carbon transformation of transportation tools and equipment, vigorously promote new energy vehicles, promote the full electrification of vehicles in the public sector, and phase out old means of transportation.

(II) Polarizer Industry Overview

In 2023, due to multiple factors such as global high inflation, geopolitical conflicts and interest rate hike of the US dollar, the global economic growth slowed down, and the consumer electronics market as a whole showed a weak trend. To ease the pressure on profitability, panel manufacturers controlled the scale and pace of shipments through the continued control of production business strategy, in order to promote the panel prices to rise.

Due to the weak terminal demand, production control of downstream panel manufacturers and other factors, polarizer industry demand had weak growth momentum, but driven by the development of large-size display products, ultra-large-size polarizer demand maintained fast growth. According to Omdia, shipments of 75-inch and larger super-large TFT-LCD panels (including LCD TV panels and commercial display panels) grew 41.3% year-on-year in 2023, and are expected to grow by 28.2% in 2024. In addition, as panel production capacity continues to shift to mainland China, the room for localization substitution of polarizer has expanded, and mainland China's polarizer market demand is expected to further increase.

On 13 March 2024, the State Council issued the Action Plan for Promoting Large-Scale Equipment Renewal and Consumer Goods Trade-in, proposing to coordinate the expansion of domestic demand and deepen the supply-side structural reform, and to implement the four major actions of equipment renewal, consumer goods trade-in, recovery and recycling, and standards upgrading. As one of the upstream key raw materials for TV and other types of display panels, the polarizer is expected to benefit from the current round of favorable trade-in policy.

III. Business Status during the Reporting Period

The Company is a world-leading high-tech company committing to the development of anode materials for lithium batteries and polarizer business. The Company is the first company engaged in research and development and production of artificial graphite anode materials for lithium ion batteries in China. With more than 20 years of research and development and industrial production practice in the field of lithium battery materials, it is a global leader in anode materials field. The company became the global polarizer leader through the acquisition of LG Chem's LCD polarizer business in 2021, thus forming a new pattern of dual-main business development. In the era of electrification and intellectualization, the Company will enhance its global competitiveness by focusing on the development of anode materials and polarizer businesses, with an aim to become a respected global high-tech enterprise.

In order to focus on the development of its core business, the Company has promoted the divestment of non-core businesses. As at the date of disclosure of this Report, the sale of part or all of the equity interests in the subsidiaries related to the electrolyte business and photovoltaic business has been completed, and the electrolyte business and photovoltaic business are no longer included in the Company's consolidated financial statements.

(I) Anode Material Business

1. Business profile

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

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

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

	anode materials	batteries for EVs
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2. Operating model

(1) Procurement

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

For raw and auxiliary materials, production equipment, testing equipment, logistics and transportation, general consumables and others required for production, the supply chain center of each business segment integrates the demand of each factory, collaborates with R&D, technology, quality and others to select superior suppliers, and the headquarters of each business centralizes pricing through bidding, competitive negotiation, price comparison and cost analysis, and signs framework agreements. The factory places purchase orders or purchase and sales contracts as required and follows up delivery, acceptance, account checking, payment and other affairs.

For local demands such as preparation for parts and small works, the procurement department of each factory, following the commercial management requirements of multiple inquiries and cost analysis, develops suppliers nearby, organizes commercial negotiations, initiates inquiries and pricing applications, places purchase orders based on pricing results, and follows up the deliveries to efficiently respond to factory needs.

For key materials or equipment, the supply chain center of each business, based on the supply structure and market research, makes the best choice, to promote the construction of strategic partnership with suppliers and achieve guaranteed supply, win-win cooperation and long-term development.

(2) Production

According to the principle of production based on sales, the Company plans monthly in accordance with the sales plan, and produce and reserve products based on the production plan and market forecast in advance in order to meet the needs of customer orders, shorten the delivery cycle, and improve the rate of order fulfillment and customer satisfaction. All departments coordinate closely to meet the market demand with a more flexible production model.

The Company's products are mainly supplied for itself after independent development and tests; products cover the conventional and the customized for clients' needs. The Company can provide clients with dedicated production lines to meet their one-stop procurement needs.

(3) Sales

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

3. Market status of products

Data from ICC showed that the Company's production of artificial graphite, an anode material, ranked first worldwide for three consecutive years in 2023. The Company continued to stay in the lead in product technology. In particular, for fast-charging products, the Company has established deep technical barriers based on its prospective strategic deployment, maintaining a leading share in downstream applications and realizing the generational advantage of its products; The Company kept making technological breakthroughs in silicon-based anode products, gaining recognition from customers at home and abroad, and realizing batch supply.

4. Competitive edge and weakness

For details, please refer to the Section IV "Analysis on Core Competitiveness During the Reporting Period" in this Chapter.

5. Key performance drivers

(1) Rapid-growing NEV and energy storage industries worldwide in 2023

Data from EVTank shows that global NEVs sales reached 14.653 million units in 2023, with an increase of 35.4% year on year. According to CAAM, China's annual NEVs sales stood at 9.495 million units in 2023, up 37.9% year on year.

Amid the development of global new energy, the demand for energy storage industry worldwide is growing rapidly. Global shipments of energy storage batteries amounted to 224.2GWh in 2023, with a year-on-year growth of 40.7%, according to EVTank data.

Triggered by the downstream demand for NEVs and energy storage, the demand for lithium battery materials continued to grow. Data from ICC showed that the production of anode materials worldwide hit 1.7621 million tons in 2023, up 20% year on year.

(2) Consolidating technical advantages of products, deepening partnership with customers







The Company focuses on the clients' needs to provide first-rate cost-effective anode products for global clients. Backed up by the core edge established in raw material development, product technologies, process control and client cooperation, the Company is strengthening competitiveness. During the Reporting Period, the Company's fast charging anode products maintained a leading share in downstream applications with excellent performance. The Company's cooperation with global leading battery companies has been further deepened, and sales to major customers have increased significantly year on year.

(II) Polarizer Business

1. Business profile

The Company's polarizer business covers the R&D, production and sales of polarizers. A polarizer, a composite film consisting of multi-layer films, allows the passage of specifically polarized light waves

while blocking other polarized light waves. As the core element of display technology, polarizers enable images to be displayed and seen on the screen. They are widely used in the consumer electronics such as TVs, monitors, laptops, tablets, mobile phones and commercial display. The purposes of products are as follows:

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

2. Operating model

(1) Procurement

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

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

(2) Production

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

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

(3) Sales

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

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

3. Market status of products

According to the data of CINNO Research, the Company's market share in large-size polarizers (including TFT-LCD TVs/displays/notebooks) in terms of shipment area increased from 30% in 2022 to 33% in 2023, remaining the world's No. 1. In terms of the application fields, the market share of LCD TV polarizer business and LCD display polarizer business of the Company both ranked first in the world.

4. Competitive edge and weakness

For details, please refer to the Section IV "Analysis on Core Competitiveness During the Reporting Period" in this Chapter.

5. Key performance drivers

(1) Panel capacity transfer drives up the supporting demand in mainland China

The global display panel capacity is shifting to mainland China. According to CINNO Research, LCD panel capacity in mainland China is expected to exceed 75% of the global LCD panel capacity by 2027. Due to such transfer, the demand for domestic substitution of raw materials such as upstream polarizers is increasing. Polarizer manufacturers in mainland China benefit from the transfer due to low logistics costs and their timely response to panel manufacturers in mainland China, which can better match panel manufacturers' R&D and production.

(2) The market competitiveness of the Company was further improved

Relying on over 20 years of technological R&D experience in the polarizer field, the Company leads the market through differentiated technologies of polarizers such as super-size, ultra-thin, high contrast and wide viewing angle. During the Reporting Period, in addition to strengthening the competitiveness of polarizer products, the Company enhanced its investment in R&D for high-end LCD, OLED and car-mounted products. During the Period, the shipment area of the Company's small and medium-sized products and large-sized TVs further increased, and OLED products realized mass production and shipment. In addition, the Company has further enhanced its cost competitiveness through cost reduction and efficiency improvement initiatives.

IV. Analysis on Core Competitiveness During the Reporting Period

Applicable Not applicable

(I) Analysis of Core Competitiveness of Anode Materials

The Company has been industrializing anode materials since 1999, and has been a pioneer and technology leader in the lithium battery anode materials industry with more than 20 years of practice in R&D and industrialized production in this field. Ningbo Shanshan New Material Technology Co., Ltd., the Company's anode material subsidiary, was picked to the lists of the "National Enterprise Technology Center" and "National Manufacturing Single Champion". Shanghai Shanshan Technology Co., Ltd. was listed in the third batch of state-level specialized and innovative "small giant" enterprises.

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

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

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

mass production incubation technology team, we can realize the rapid mass production of the products developed. Our anode material business leads the industry in the research and development of high-end products, graphitization technology, raw material development and evaluation technology.

In terms of high-end products, the Company's self-developed high energy density and fast charging, silicon-based anode, hard carbon and other product technologies are in the forefront of the industry.

- High-capacity fast-charging anode materials

The Company has broken through the technical bottleneck of high energy density fast charging, achieving constant iteration and upgrading of fast-charging products. In terms of consumer fast-charging products, we maintain a leading market share, and have achieved bulk shipment of 5C products and delivery of over one ton of 6C products. In terms of power fast-charging products, our shipments have grown rapidly. We have achieved large-scale supply of 4C and 5C products, and completed the customer identification for 6C products, which is under batch stability verification now. We have further expanded our technological leadership in fast-charging products and achieved generational leadership in the fast-charging product system.

- Silicon-based anode materials

The Company kept making technological breakthroughs in silicon-based anode products, gaining recognition from customers at home and abroad, and realizing batch supply. Silicone oxygen products have been supplied to overseas leading customers in bulk, with loading completed. In addition, we have solved the problem of low-temperature cycling of second-generation silicone oxygen, and the related products have been exported to overseas leading power tool companies. Silicon-carbon products are undergoing constant iteration. The new generation silicon-carbon products stayed ahead in the tests among leading customers, and the related core technology has been granted with patents in the U.S. and Japan.

- Hard carbon anode products

Our hard carbon anode products are leading in capacity, high temperature and processing performance. The self-designed 1,000-ton hard carbon production line has been put into production, realizing batch application in the fields of sodium battery, lithium battery (including semi-solid-state batteries) and supercapacitor.

In terms of graphitization technology, the Company commits to the improvement and innovation of graphitization process. Its furnace technology leads the industry in quality and cost control and maintains the improvement in process. The new integrated base adopts a new low-cost process, which will further reduce the production cost of graphitization. In addition, the Company is promoting the innovative R&D of new graphitization process which is now in the stage of technical cooperation, development and verification.

In terms of raw material development, the Company's basic research team for anode raw materials is led by senior experts in the coal chemical industry, and a special raw material development team is jointly established with upstream suppliers to work together to develop functional raw materials,

functional granulating agents and coating agents required for the performance of anode materials, and tailor-made raw materials for anode products with different characteristics. The Company's unique raw material allocation technology ensures the stability and adaptability of raw materials from the source.

As of 31 December 2023, in terms of anode materials, we had 279 authorized patents, including 213 invention patents (including 6 international patents) and 66 utility model patents.

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

Thanks to the long-term accumulation in lithium battery material field and the high-quality products and technical services, the Company has established long-term stable partnership with global mainstream lithium battery manufacturers, including CATL, Ultiumcells, BYD, LGES, ATL, Farasis Energy, COSMX, and Sunwoda Electronic. We have enhanced the R&D cooperation with leading customers in new products such as high-end fast charging, silicon-based anode, hard carbon, in order to accelerate product iteration and upgrading, and promote industrialization and application.

3. Embracing leading market position and comprehensive capacity deployment advantage

Deeply engaged in the anode material industry for more than 20 years, the Company has a stable industry leading position, maintaining a leading market share of artificial graphite products. Currently, the Company has completed the medium-term strategic deployment of graphite anode materials capacity, including three integrated bases in Inner Mongolia, Sichuan and Yunnan. Phase I of Inner Mongolia and Sichuan bases have been put into production, and phase I of Yunnan base has been put into trial production. The Company will steadily promote the construction and release of production capacity according to market demand. With the release of integrated production capacity, it will effectively reduce production costs and achieve low-carbon and green manufacturing. In addition, to meet overseas market demand and enhance overseas market share, the Company plans to build an anode material production capacity of 100,000 tons in Finland, which is currently in the preliminary procedure stage. The Company has shaped a leading capacity scale and comprehensive capacity deployment advantages.

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

4. Deepening the cooperation with upstream partners to build a resilient supply chain

As for the upstream industry chain, the Company established a special raw material development team with upstream suppliers to work together to develop functional raw materials, functional granulating agents and coating agents required for the performance of anode materials, and tailor-made raw materials for anode products with different characteristics. To further guarantee the quality and supply, the Company has established a strategic cooperative relationship with domestic leading raw material suppliers, such as Petrochina, Sinopec, CNOOC and local refineries, and the two sides have

carried out all-round cooperation in the fields of needle coke, petroleum coke, and calcined coke to ensure the stability and safety of the Company's raw material supply. In addition, we have built a professional team to analyze the market situation, so as to ensure the supply while leveraging the price advantage of bulk purchasing. In order to meet the needs of overseas customers, we have extensively developed overseas raw materials, verified them in large quantities, and established resource pools to ensure the safety of overseas raw materials supply.

(II) Analysis of Core Competitiveness of Polarizer

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

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

The Company has industry-leading manufacturing processes and continues to break through manufacturing capabilities in terms of product quality, safety and security, and production efficiency in order to improve production efficiency and product quality. The Company has customized polarizer production equipment that enables precise control of parameters in production through carefully modulated parameters to achieve higher first pass yield of product, as well as comprehensive defect detection methods and automatic inspection technologies to ensure high product yield. The Company continues to improve key processes such as film lamination and film stretching to guarantee and improve product quality, while it has successfully applied UV curing technology to polarizer manufacturing, thus optimizing the production process.

In terms of new display technology and applications, the Company's OLED TV and OLED mobile phone polarizers have realized mass production and shipment; the OLED IT polarizers are in the customer certification stage; technology and patent reserve for the automotive polarizer has been completed, and the product is in the internal test stage. The Company has completed the independent development of polarizer for VR display end, and is now in the stage of customer certification. In addition, the Company intends to acquire LG Chem's OLED polarizer, and automotive polarizer businesses, in order to accelerate the enhancement of high-end polarizer market share. The acquisition is progressing steadily.

As of 31 December 2023, the Company has applied for more than 1,000 LCD polarizer related patents in South Korea, China, Japan, the United States and other countries around the world, among

which 1,149 patents have been authorized (including 901 overseas patents), covering 1,067 invention patents, 74 utility model patents, and 8 appearance patents.

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

The Company has a leading scale advantage in polarizer production capacity. By continuously strengthening its investment in production capacity in the field of LCD and OLED polarizers, the Company is able to further leverage its scale advantage to meet market and customer demand. At present, the factories in Nanjing, Guangzhou and Zhangjiagang have realized mass production, and the construction of Mianyang and Yangzhou factories is in steady progress. With the successive commissioning of the newly added production lines, Sugin Optoelectronics will have 15 world-leading polarizer production lines, with a total production capacity exceeding 300 million square meters, capable of covering the demand for LCD/OLED products of various technologies, applications and sizes, empowering more display application scenarios, and driving the polarizer industry to achieve new upgrades and breakthroughs.

In addition, the Company has industry-leading RTP production lines in many cities across the country. The RTP production line is generally set in the customer's factory area, and it can achieve polarizer to coil integrated laser cutting, automatic inspection and polarizer and glass substrate attachment. With the advantages of close to customers and convenient supply, the RTP production line can reasonably control transportation and packaging costs, improve production efficiency and increase product yield while meeting the unique demands of customers' production lines. As of the end of December 2023, the Company has installed nearly 30 RTP production lines, leading the world in terms of operation scale and technical strength.

3. Leading competitive advantage in the market

The Company is a global leader in polarizer market share. According to the data of CINNO Research, the Company's market share in large-size polarizers (including TFT-LCD TVs/displays/notebooks) in terms of shipment area increased from 30% in 2022 to 33% in 2023, remaining the world's No. 1. In terms of the application fields, the market share of LCD TV polarizer business and LCD display polarizer business of the Company both ranked first in the world.

4. Long-term and stable customer relationship

The Company's downstream customers generally have a more stringent supplier certification system, and will generally maintain a more long-term and stable relationship with companies that pass their supplier certification. The Company has established long-term good cooperative relationships and smooth communication with the world's leading panel manufacturers, namely BOE, China Star Optoelectronics Technology Co., Ltd. (CSOT), LG Display, Sharp, Xianyang CaiHong Optoelectronics,

HKC, TIANMA, Qunchuang, etc., which allows us to respond to customer needs quickly and efficiently and cooperate with the development of new products. By virtue of leading technology and excellent product quality, the Company's products and services have been highly evaluated and recognized by customers, and the supply relationship between both Parties is very stable.

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

For details, please refer to the “I. Operation Discussion and Analysis” in this section.

(I) Analysis of Principal Businesses

1. Analysis on changes in income statement and cash flow statement

Unit: Yuan Currency: RMB

Item	Amount for the current period	Amount for the same period last year	Change ratio (%)
Operating revenue	19,070,225,164.95	21,701,617,268.32	-12.13
Operating costs	15,977,211,092.07	16,487,393,265.82	-3.09
Selling expenses	244,538,146.16	281,388,497.37	-13.10
Administrative expenses	667,987,389.88	712,963,820.79	-6.31
Research and development expenses	868,297,281.53	952,572,270.06	-8.85
Financial expenses	466,934,452.30	696,006,674.19	-32.91
Net cash flows from operating activities	-198,131,598.40	506,497,694.79	-139.12
Net cash flows from investing activities	-4,487,403,534.50	-4,949,147,970.42	N/A
Net cash flow from financing activities	4,801,858,298.19	-328,949,318.47	N/A
Effect of foreign exchange rate changes on cash and cash equivalents	-2,959,448.78	3,995,462.67	-174.07
Taxes and surcharges	109,788,712.03	80,180,925.35	36.93
Credit impairment loss	-54,638,094.46	-10,047,282.00	N/A
Impairment losses on assets	-386,967,218.14	-137,740,024.08	N/A
Income from changes in fair value	-7,516,000.00	-1,950,000.00	N/A
Investment	281,556,607.99	888,331,445.00	-68.31

income			
Gain on disposal of assets	-29,243,200.41	-6,132,804.13	N/A
Other income	502,191,965.25	173,791,345.88	188.96
Non-operating revenue	9,644,486.01	15,111,498.35	-36.18
Non-operating expenses	61,990,281.81	17,397,835.72	256.31
Income tax expenses	223,686,158.65	569,677,258.05	-60.73
Net profit attributable to owners of parent company	765,337,842.07	2,691,262,599.60	-71.56
Profits and losses attributable to minority interests	-517,645.31	134,138,300.39	-100.39
Other comprehensive income attributable to owners of the parent company, net of tax	72,925,803.47	-118,833,540.22	N/A

Reasons for over 30% changes yoy:

Reasons for the change in financial expenses: It was mainly due to the decrease in the Company's loan interest rate and foreign exchange losses during the Reporting Period.

Reasons for the change in net cash flows from operating activities: It was mainly due to the increase in raw material purchases and the decrease in tax rebates received by the polarizer business during the Reporting Period, which resulted in the decrease in the net cash flow of operating activities.

Reasons for the change in net cash flow generated by financing activities: It was mainly due to the increase in net bank loans obtained by the Company during the Reporting Period as compared to the previous year.

Reasons for the change in the effect of foreign exchange rate changes on cash and cash equivalents:

It was mainly due to the change in foreign exchange rates.

Reasons for the change in taxes and surcharges: It was mainly due to the increase of corporate real estate tax, land use tax and other taxes and duties during the Reporting Period.

Reasons for the change in credit impairment losses: It was mainly due to the provision of bad debt losses by the Company for the increased accounts receivable of the Ulicaand polarizer business according to certain proportion during the Reporting Period.

Reasons for the change in asset impairment losses: It was mainly due to the provision for impairment of goodwill during the Reporting Period and the provision for loss on impairment of inventories in the

anode business.

Reasons for the change in gains from changes in fair value: It was mainly due to the change in fair value of the Company's financial assets during the Reporting Period.

Reasons for the change in investment income: It was mainly due to the net profit of BASF Shanshan, the joint venture of the Company, during the Reporting Period.

Reasons for the change in gains on disposal of assets: It was mainly due to increase in the loss from disposal of fixed assets during the Reporting Period.

Reasons for the change in other income: It was mainly due to the increase in government subsidies received by the Company during the Reporting Period.

Reasons for the change in non-operating revenue: It was mainly due to the decrease in insurance claim received by the Company during the Reporting Period as compared to the same period last year.

Reasons for the change in non-operating expenses: It was mainly due to the increase in the Company's expenditure on asset scrapping and losses during the Reporting Period.

Reasons for the change in income tax expenses: It was mainly due to the fact that two subsidiaries in the polarizer business were elected as high-tech enterprises during the Reporting Period, which were subject to a reduced enterprise income tax of 15%; and the decrease in the total profit of the Company, which led to the decrease in the income tax expense.

Reasons for the change in net profit attributable to owners of parent company: Affected by changes in the industry, the price and profit of the Company's anode materials business and the cathode materials business in which it participated declined year-on-year. The Company continued to promote the focus strategy and divest non-core businesses and inefficient assets. The loss of non-core business and impairment of related assets had a certain impact on its business results.

Reasons for the change in profits and losses attributable to minority interests: It was mainly due to the decline in the performance of the Company's major business, which led to the decrease in net profit of minority shareholders during the Reporting Period.

Reasons for the change in other comprehensive income attributable to owners of parent company, net of tax: It was mainly due to the change of stock price of financial assets held by the Company during the Reporting Period.

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

Applicable Not applicable

During the Reporting Period, the Company realized an operating income of RMB19,070.2252 million, down 12.13% year on year; net profit attributable to shareholders of the listed company of RMB765.3378 million, down 71.56% year on year; and net profit attributable to shareholders of the listed company of RMB218.8644 million after deduction of non-recurring gains and losses, down 90.60% year on year. Reasons for the year-on-year decline of business results: In 2023, in the context of the slowdown in terminal demand growth and lithium battery industry de-stocking, the midstream

lithium battery materials faced a major challenge of phased supply and demand imbalance and product price decline. Affected by changes in the industry, the price and profit of the Company's anode materials business and the cathode materials business in which it participated declined year-on-year. The Company continued to promote the focus strategy and divest non-core businesses and inefficient assets. The loss of non-core businesses and impairment of related assets had a certain impact on its business results.

2. Income and cost analysis

Applicable Not Applicable

(1). Profile of principal businesses by industry, product, region and sales model

Unit: Yuan Currency: RMB

Principal business by industry					
Industry	Operating revenue	Operating costs	Gross margin (%)	Increase/Decrease in operating revenue as compared with last year (%)	Increase/Decrease compared with last year (%)
Anode materials	7,266,668,103.62	6,411,162,830.90	11.77	-9.82	
Polarizer	10,296,797,445.93	8,286,445,160.83	19.52	-0.32	
Other business	1,332,474,815.86	1,231,615,880.81	7.57	-54.99	
Principal business by product					
Product	Operating revenue	Operating costs	Gross margin (%)	Increase/Decrease in operating revenue as compared with last year (%)	Increase/Decrease compared with last year (%)
Anode materials	7,266,668,103.62	6,411,162,830.90	11.77	-9.82	
Polarizer	10,296,797,445.93	8,286,445,160.83	19.52	-0.32	
PV	1,180,713,469.34	1,109,374,390.97	6.04	-34.87	
Other business	151,761,346.52	122,241,489.84	19.45	-86.77	
Principal business by region					
Region	Operating revenue	Operating costs	Gross margin (%)	Increase/Decrease in operating revenue as compared with last year (%)	Increase/Decrease compared with last year (%)
Mainland China	16,570,481,776.76	13,874,504,826.79	16.27	-9.37	
Taiwan	76,586,820.93	67,848,691.06	11.41	-60.33	
Overseas	2,248,871,767.72	1,986,870,354.69	11.65	-21.68	

Profile of principal businesses by sales model					
Sales model	Operating revenue	Operating costs	Gross margin (%)	Increase/Decrease in operating revenue as compared with last year (%)	Increase/Decrease compared with last year (%)
Direct sales	18,895,940,365.41	15,929,223,872.54	15.70	-11.49	

(2). Analysis of production and sales volume

Applicable Not applicable

Major products	Unit	Output	Sales	Inventories	Increase/decrease in production over the previous year (%)	Increase/decrease in sales volume over the previous year (%)	Increase/decrease in inventory over the previous year (%)
Anode material	Tones	279,019.15	264,361.38	34,972.10	43.22	44.55	72.15
Polarizer	0,000 square meters	14,081.33	13,976.56	1,049.75	10.65	10.18	11.09

Description of production and sales volume

The production of anode materials increased by 43.22% year-on-year and the sales volume increased by 44.55% year-on-year, mainly because the terminal new energy automobile and energy storage markets maintained rapid growth. In addition, the Company optimized its product mix and enhanced its market expansion efforts, resulting in a significant year-on-year increase in its production and sales of anode materials and the increase in its market share. The anode material inventory increased by 72.15% year-on-year, mainly due to the increase in the Company's anode material production and sales volume and the increase in the amount of stocking.

(3). Performance of major purchase contracts and major sales contracts

Applicable Not Applicable

(4). Cost analysis

Unit: RMB 10 thousand

By industry						
Industry	Cost item	Amount incurred in the current period	Percentage of total cost for the current period (%)	Amount in the same period last year	Percentage of total cost for the same period last year (%)	Percentage change in the amount for the current period compared to the same period last year (%)
Anode materials	Raw material cost	297,335.08	46.38	274,669.39	43.77	
	Labor cost	53,510.58	8.35	34,415.00	5.48	
	Manufacturing cost	290,270.63	45.28	318,393.44	50.74	
Polarizer	Raw material cost	639,198.97	77.14	548,717.43	72.47	

	Labor cost	26,376.09	3.18	26,908.33	3.55	
	Manufacturing cost	163,069.46	19.68	181,497.17	23.97	
By product						
Product	Cost item	Amount incurred in the current period	Percentage of total cost for the current period (%)	Amount in the same period last year	Percentage of total cost for the same period last year (%)	Percentage change of the amount for the current period compared to the same period last year (%)
Anode materials	Raw material cost	297,335.08	46.38	274,669.39	43.77	
	Labor cost	53,510.58	8.35	34,415.00	5.48	
	Manufacturing cost	290,270.63	45.28	318,393.44	50.74	
Polarizer	Raw material cost	639,198.97	77.14	548,717.43	72.47	
	Labor cost	26,376.09	3.18	26,908.33	3.55	
	Manufacturing cost	163,069.46	19.68	181,497.17	23.97	

Note: Differences in numbers are due to rounding of decimal points.

(5). Equity change of major subsidiaries during the Reporting Period caused the change of the consolidation scope

Applicable Not applicable

The Company completed the delivery of the transfer of 51% equity interest in Quzhou Shanshan and the sale of 100% equity interest in Dongguan Shanshan, subsidiaries of electrolyte business, in February 2023 and July 2023, respectively. Quzhou Shanshan and Dongguan Shanshan were no longer included in the Company's consolidated financial statements from February 2023 and July 2023, respectively.

In 2022, the main business income of the Company's electrolyte business was RMB1,105.4186 million, and the net profit attributable to shareholders of listed company amounted to RMB134.2816 million. In 2023, the main business income of the electrolyte business included in the Company's consolidated financial statements was RMB145.4337 million, and the net profit attributable to shareholders of listed company amounted to RMB-81.3114 million.

(6). Significant change or adjustment of the business, product or service of the Company during the Reporting Period

Applicable Not Applicable

(7). Major customers and major suppliers

A. Major customers

Applicable Not applicable

The sales to the top five customers reached RMB1,0681.1465 million, accounting for 56.01% of the annual operating revenue, among which, the sales to the related parties was RMB0, accounting for 0% of the total sales for the year.

Any single customer the sales to which accounted for more than 50% of the total sales, any new customer in the top 5 customers, and any heavy reliance on a few customers during the Reporting Period

Applicable Not Applicable

B. Major suppliers

Applicable Not applicable

Procurement from the top five suppliers amounted to RMB4,885.3105 million, accounting for 21.11% of the total procurement for the year; among which, procurement from related parties was RMB0, accounting for 0% of the total procurement for the year.

Any single supplier the procurement from which accounted for more than 50% of the total procurement, any new supplier in the top 5 suppliers, and any heavy reliance on a few suppliers during the Reporting Period

Applicable Not Applicable

3. Expenses

Applicable Not applicable

Unit: Yuan Currency: RMB

Expense items	2023	2022	Change (%)	Reasons for significant year-on-year changes
Selling expenses	244,538,146.16	281,388,497.37	-13.10	
Administrative expenses	667,987,389.88	712,963,820.79	-6.31	
Financial expenses	466,934,452.30	696,006,674.19	-32.91	Mainly due to the decrease in the Company's loan interest rates and foreign exchange losses during the Reporting Period.
Research and development expenses	868,297,281.53	952,572,270.06	-8.85	
Income tax expenses	223,686,158.65	569,677,258.05	-60.73	Mainly due to the fact that two subsidiaries in the polarizer business were rated as high-tech enterprises during the Reporting Period, which were subject to a reduced enterprise income tax of 15%; and the decrease in the total profit of the Company, which led to the decrease in the income tax expense.

4. Research and development investment

(1). Research and development investment statement

√Applicable □Not applicable

Unit: Yuan

Expensed research and development investment for the current period	868,297,281.53
Capitalized research and development investment for the current period	0
Total research and development investment	868,297,281.53
Percentage of total research and development investment over operating revenue (%)	4.55
Ratio of capitalized research and development investment (%)	0

(2). R&D team member profile

√Applicable □Not applicable

Number of R&D team members in the Company	402
Percentage of the number of R&D team members over the total number of employees of the Company (%)	4.97
Educational background structure of R&D team members	
Type of educational level	Number of members in each educational level
Doctor	7
Master	75
Bachelor	187
College	92
High school and below	41
Age structure of R&D team members	
Type of age group	Number of members in each age group
Below 30 (excluding 30)	155
30-40 (including 30, excluding 40)	178
40-50 (including 40, excluding 50)	60
50-60 (including 50, excluding 60)	9
60 and above	0

(3). Explanation

√Applicable □Not applicable

Anode material

No.	Name of item	R&D purpose and progress
1	Silicon-matching graphite series	As the first generation artificial graphite product matched in the digital doped silicon anode system, it has been transferred to mass production and promoted, and is now under the trial production for verification by the customers.
2	High performance power graphite	The high-performance graphite with high energy density and fast charging for high-end power projects, which has been identified by customers and is undergoing batch stability

		verification.
3	High capacity power graphite	The high capacity artificial graphite for high-end power projects, which has been identified by customers and is undergoing batch stability verification.
4	355 fast-charging artificial graphite for power applications	The 4C fast-charging artificial graphite, which has been mass-produced.
5	350 long cycle graphite	The 350 high energy density 10,000-time long cycle graphite, which has passed the trial production by customers.
6	357 fast-charging artificial graphite	High specific capacity and 4C fast charging artificial graphite, which is currently under customer validation, and mainly used in power and small cylinder field.
7	The second-generation high-efficiency silicon oxygen anode	It is mainly used in the fields of power and electric tools and has already realized mass production.
8	The second-generation ultra-high-efficiency silicon oxygen anode	It is mainly used in the fields of power and electric tools and is now in the transition to mass production.
9	New silica-carbon anode	It is mainly used in the fields of power, electric tools and consumer electronics, and is now in the transition to mass production.

Polarizer business

No.	Name of item	R&D purpose and progress
1	Development of ultra-high-transmittance polarizer for TV	It is designed to improve the transmittance of polarizer material, improve the picture contrast, reduce the power consumption of the display screen. The product is now in the customer verification stage.
2	Development of high-transmittance polarizer for mobile phone	It is designed to improve the transmittance of polarizer material, improve the picture contrast, reduce the power consumption of the display screen. The product is now in the customer verification stage.
3	Development of high-reliability polarizer for outdoor use	It is mainly used for outdoor scenarios. The product is now in the customer verification stage.
4	Development of small and medium-sized ultra-thin polarizers equipped with incremental film	It is designed to reduce thickness and increase brightness for small and medium-sized products. The product has realized mass production.
5	Development of polarizer for VR	It is mainly used for VR scenarios. The product is now in the customer verification stage.
6	Development of polarizer with wide viewing angle for laptop	It is designed to expand the viewing angle of laptop panels for an enhanced visual experience. The product is now in the customer verification stage.
7	Development of polarizer for OLED TV	It is mainly used for OLED TV scenarios. The product has realized mass production.

8	Development of POLED polarizer	It is mainly used for small and medium-sized POLED scenarios. The product has realized mass production.
9	Development of automotive polarizer	It is mainly used for car-mounted display scenarios. The product is now in the product testing stage.
10	Development of optical films for transparent OLEDs	It is designed to protect the transparent OLED emitters and improve product life. The product is now in the customer verification stage.

(4). Reason for the significant change in the composition of R&D team and its impact on the future development of the Company

Applicable Not Applicable

5. Cash flow

Applicable Not applicable

Unit: Yuan Currency: RMB

Item	2023	2022	Change (%)	Reasons for significant year-on-year changes
Net cash flows from operating activities	-198,131,598.40	506,497,694.79	-139.12	Mainly due to the increase in raw material purchases and the decrease in tax rebates received by the polarizer business during the Reporting Period, which led the decrease in the net cash flow of operating activities.
Net cash flows from investing activities	-4,487,403,534.50	-4,949,147,970.42	N/A	
Net cash flows from financing activities	4,801,858,298.19	-328,949,318.47	N/A	Mainly due to the increase in net bank loans received by the Company during the Reporting Period compared with the previous year.

(II) Description on significant change of profit caused by non-principal businesses

Applicable Not applicable

During the period, affected by changes in the industry, the price and profit of the Company's cathode materials business accounted for by the equity method declined year-on-year. The Company continued to promote the focus strategy and divest non-core businesses and inefficient assets. The loss of non-core business, the impairment of related assets and other non-main business factors also had a certain impact on the year-over-year change in results. As of the date of disclosure of this report, the Company has completed the sale of equity interests in subsidiaries related to electrolyte business and photovoltaic business, and electrolyte business and photovoltaic business are no longer included in the Company's consolidated financial statements.

(III) Analysis on assets and liabilities

√Applicable □Not applicable

1. Assets and liabilities

Unit: Yuan

Item	Amount at the end of the Period	Proportion of the amount at the end of the Period in total assets (%)	Amount at the end of the previous period	Proportion of the amount at the end of the previous period in the total assets (%)	Change ratio of amount at the end of the current period VS amount at the end of the previous period (%)	Explanation
Notes receivable	585,465,243.69	1.21	227,833,088.02		0.51	156.97 It was mainly due to an increase in the use of notes for the anode business during the reporting period.
Receivable financing	819,020,204.62	1.69	512,249,842.96		1.14	59.89 The main reason is that the main settlement method of anode business was bill settlement during the reporting period.
Advances to suppliers	426,530,946.40	0.88	1,391,716,499.58		3.10	-69.35 It was mainly due to the settlement of the advance payments for various projects and goods during the reporting period
Assets held for sale	504,815,183.07	1.04	1,316,864,410.82		2.93	-61.67 The assets of Quzhou Shanshan

Item	Amount at the end of the Period	Proportion of the amount at the end of the Period in total assets (%)	Amount at the end of the previous period	Proportion of the amount at the end of the previous period in the total assets (%)	Change ratio of amount at the end of the current period VS amount at the end of the previous period (%)	Explanation
						<p>were transferred to the assets held for sale account at the end of the previous year, and the equity transfer was completed during the reporting period. In addition, the Company signed the equity transfer agreement for Ulica during the reporting period and</p>

Item	Amount at the end of the Period	Proportion of the amount at the end of the Period in total assets (%)	Amount at the end of the previous period	Proportion of the amount at the end of the previous period in the total assets (%)	Change ratio of amount at the end of the current period VS amount at the end of the previous period (%)	Explanation
						transferred its assets to the assets held for sale account.
Other current assets	1,234,162,149.72	2.55	483,327,024.12		1.08	155.35 It was mainly due to the increase in retained input tax for the anode and polarizer businesses at the end of the VAT period during the reporting period
Fixed assets	10,917,093,804.09	22.52	8,351,151,772.77		18.59	30.73 It was mainly due to the increase in the conversion of construction in progress of buildings and machinery and equipment to fixed assets in the anode business and polarizer business during the reporting period.
Long-term prepaid	93,029,622.68	0.19	133,384,511.46		0.30	-30.25 It was mainly due to the

Item	Amount at the end of the Period	Proportion of the amount at the end of the Period in total assets (%)	Amount at the end of the previous period	Proportion of the amount at the end of the previous period in the total assets (%)	Change ratio of amount at the end of the current period VS amount at the end of the previous period (%)	Explanation
expense						amortization of the Company's fixed asset improvement expenditures and the transfer of Ulica's long-term prepaid expenses to assets held for sale during the reporting period
Deferred tax assets	199,332,670.75	0.41	134,942,699.34	0.30	47.72	The main reason is that: According to the Interpretation of Accounting Standards for Business Enterprises No. 16, for the lease liabilities and use rights assets recognized by a single transaction, if there are taxable temporary differences and deductible temporary differences,

Item	Amount at the end of the Period	Proportion of the amount at the end of the Period in total assets (%)	Amount at the end of the previous period	Proportion of the amount at the end of the previous period in the total assets (%)	Change ratio of amount at the end of the current period VS amount at the end of the previous period (%)	Explanation
						deferred income tax assets and deferred income tax liabilities shall be adjusted in accordance with the provisions. The anode business and polarizer business were subject to such treatment during the reporting period.
Short-term borrowings	6,697,084,945.67	13.82	3,928,471,986.16	8.74	70.48	It was mainly due to the expansion of the Company's business during the reporting period, which led to an increase in working capital loans and notes discounting
Notes payable	824,517,193.64	1.70	2,039,758,654.61	4.54	-59.58	It was mainly due to the maturity of notes payable for anode business during the reporting period
Contractual liabilities	12,376,375.15	0.03	60,815,111.78	0.14	-79.65	The main reason is that the Company signed the equity transfer agreement for Ulica and its subsidiaries in the photovoltaic business during the reporting period and transferred their

Item	Amount at the end of the Period	Proportion of the amount at the end of the Period in total assets (%)	Amount at the end of the previous period	Proportion of the amount at the end of the previous period in the total assets (%)	Change ratio of amount at the end of the current period VS amount at the end of the previous period (%)	Explanation
						liabilities to the liabilities held for sale account.
Advances from customers	20,835,376.00	0.04	100,196,289.48	0.22	-79.21	The main reason is that during the reporting period, the Company completed the closing of 51% equity of Quzhou Shanshan, and the equity proceeds of RMB 100 million received in advance was transferred out.
Taxes payable	79,179,764.82	0.16	296,418,740.29	0.66	-73.29	It was mainly due to the completion of the payment of corporate income tax accrued by the Company last year during the reporting period.
Other payables	517,714,766.96	1.07	753,001,487.50	1.68	-31.25	It was mainly due to the year-on-year decrease in the Company's restricted share repurchases, and various types of accrued expenses, deposits and payables during the reporting period.
Non-current liabilities due within one year	3,073,368,219.55	6.34	1,904,053,155.76	4.24	61.41	The main reason is that the Company reclassified the long-term borrowings due within one year into this account during the Reporting Period.
Other current liabilities	1,498,699.04	0.00	113,769,719.27	0.25	-98.68	It was mainly due to the decrease in payables for short term sale-and-leaseback business during the reporting period
Long-term borrowings	8,063,698,988.69	16.63	4,176,085,647.01	9.30	93.09	It was mainly due to the increase in long-term project loans for polarizer

Item	Amount at the end of the Period	Proportion of the amount at the end of the Period in total assets (%)	Amount at the end of the previous period	Proportion of the amount at the end of the previous period in the total assets (%)	Change ratio of amount at the end of the current period VS amount at the end of the previous period (%)	Explanation
						business and anode business during the reporting period, which were used to pay the cost for new capacity projects.
Long-term payables	497,131,448.00	1.03	1,816,108,761.30	4.04	-72.63	It was mainly due to the completion of the payment of principal and interest on the 25% equity interest for the polarizer business of LG Chem during the reporting period
Lease liabilities	776,916,639.42	1.60	1,136,932,323.59	2.53	-31.67	It was mainly due to the decrease in lease of buildings, machines and equipment of the Company and the transfer of the liabilities of Ulica to the liabilities held for sale account during the reporting period
Treasury shares	981,321,182.46	2.02	514,721,346.78	1.15	90.65	It was mainly due to the repurchase of shares by the Company during the reporting period
Other comprehensive income	-77,894,085.74	-0.16	-150,819,889.21	-0.34	NA	It was mainly due to the changes in the fair value of the Company's holdings of Luoyang Molybdenum stocks during the reporting period.

2. Overseas assets

√Applicable □Not applicable

(1) Asset size

Among which, overseas assets were 149,994,775.73 (Unit: Yuan Currency: RMB), accounting for 0.31% of the total assets.

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

Applicable Not Applicable

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

Applicable Not applicable

As of the end of the Reporting Period, the assets whose ownership or right of use is restricted are referred to Note “V. (22) Assets with restricted ownership or right of use” to the financial statements.

4. Other explanations

Applicable Not Applicable

(IV) Industry analysis

Applicable Not Applicable

1. Analysis of operational information of anode material industry

According to the data of ICC, the global production of anode materials in 2023 was 1.7621 million tons, an increase of 20% year-on-year, and the production of anode materials in China was 1.7145 million tons, an increase of 21% year-on-year. The global share of artificial graphite rose to 84% in 2023, up 4 percentage points from 2022. Due to multiple factors such as slowing down of downstream demand growth, phased supply-demand imbalance, and sharp decline of graphitization processing price, the anode material market presented a trend of volume increase and price decrease in 2023.

2. Analysis of operational information of polarizer industry

Under the influence of the external environment, such as the volatile international political situation, global inflation, and interest rate hike of the U.S. dollar, the global economic growth rate slowed down in 2023, and the overall demand of the consumer electronics industry was weak. In order to promote price increase, panel manufacturers implemented on-demand production business strategy, and the overall demand of polarizer industry was affected to some extent. However, driven by the development trend of large-size display products, large-size polarizer demand maintained fast growth. With the continuous transfer of display panel capacity to mainland China and the expansion of domestic replacement demand, the polarizer market demand in mainland China is growing.

(V) Analysis of investment**Overall analysis of external equity investments**

Applicable Not applicable

During the Reporting Period, the Company's outbound investment was RMB4,719.0165 million, a decrease RMB1,215.2092 million or 20.48% compared to the same period of last year. Important investment projects are as follows:

Invested company name	Invested amount during the Reporting Period	Main business	Equity ratio	Remarks
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	(RMB0'000)		(%)	
Shanshan New Material (Hong Kong) Co., Ltd.	731.01	Anode	87.0770	New subsidiary
Yunnan Shanshan New Material Co., Ltd.	174,000.00	Anode	87.0770	Capital in place
Ningbo Shanshan Silicon-based Materials Co., Ltd.	9,000.00	Anode	87.0770	Capital in place
Shanshan New Material (Luxembourg) Co., Ltd.	771.10	Anode	87.0770	New subsidiary
ShanJin Optoelectronics (Zhangjiagang) Co., Ltd.	30,000.00	Polarizer	100.00	Capital increase
ShanJin Optoelectronics (Yangzhou) Co., Ltd.	10,000.00	Polarizer	100.00	New subsidiary
ShanJin Optoelectronics (Mianyang) Co., Ltd.	20,000.00	Polarizer	100.00	Capital in place
Jiangxi Zhanxiao New Energy Technology Co., Ltd.	260.00	Equity investment	26.83	Investment

1. Significant equity investments

Applicable Not Applicable

2. Major non-equity investment

Applicable Not applicable

Project name	Project amount (RMB0'000)	Investment in the year (RMB0'000)	Total investments (RMB0'000)	Source of funds	Progress of project
The lithium ion battery anode material integration base project with the annual output of 200,000 tons in Meishan, Sichuan	800,000.00	77,484.76	390,048.04	Self-owned fund + financing	Phase 1 of the project has been put into production
The lithium ion battery anode material integration base project with the annual output of 300,000 tons in Anning, Yunnan	970,000.00	206,798.67	237,829.00	Self-owned fund + financing	Some production lines in phase I have been put into trial production, and the graphitization capacity is

					climbing
The lithium ion battery silica-based anode material integration base project of Shanshan with the annual output of 40,000 tons	375,000.00	29,810.96	40,865.17	Self-owned fund + financing	The phase I project is under construction
The LCD polarizer production line project with an annual output of 40 million square meters in Zhangjiagang	218,700.00	72,881.57	170,262.27	Self-owned fund + financing	Line 1 has achieved mass production and Line 2 is in the stage of pilot production
The polarizer production line project with an annual output of 50 million square meters in Mianyang	350,000.00	15,123.05	27,964.73	Self-owned fund + financing	The project is under construction

3. Financial assets measured by fair value

√Applicable □Not applicable

Unit: Yuan Currency: RMB

Type of assets	Amount as at the beginning of the period	Gains (losses) from changes in fair value for the current period	Cumulative fair value changes included in equity	Impairment accrued in the current period	Purchase amount in the current period	Sale/redemption amount in the current period	Other changes	Closing amount
Other equity instrument investment	749,414,590.01	82,842,065.00	-16,206,820.48		10,000,000.00			842,256,655.01
Other non-current assets	198,154,599.78	-4,436,000.00	-2,596,000.00		30,000,000.00	21,493,315.77		202,225,284.01
Receivable financing	512,249,842.96	0.00					306,770,361.66	819,020,204.62
Total	1,459,819,032.75	78,406,065.00	-18,802,820.48	0.00	40,000,000.00	21,493,315.77	306,770,361.66	1,863,502,143.64

Securities investment

√Applicable □Not applicable

Unit: Yuan Currency: RMB

Varieties	Stock code	Securities abbrevi	Initial investment	Source	Opening carryi	Gains (losses) from	Cumulative fair	Purchase	Sale am	Profit/loss on	Carrying value	Accounting
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of securities		ation	costs	of funds	ng amount	changes in fair value for the current period	value changes included in equity	amount in the current period	ount in the current period	investments in the current period	at the end of the period	item
Stock	TSX:RM	DEFI TECHNOLOGIES INC	9,155,041.01		182,798.70	714,120.83	-8,258,121.48				896,919.53	Other equity instrument investment
Stock	ASX:ARL	ARDEA RESOURCES LTD			4,043,079.93	-1,273,327.20	-534,635.06				2,769,752.73	Other equity instrument investment
Stock	ASX:GRL	GODOLPHIN RESOURCES LTD(GRLAT)			120,879.89	-62,718.60	58,161.29				58,161.29	Other equity instrument investment
Stock	ASX:KAL	KALGOORLIE GOLD MINING LTD ORDINARY SHARES(KALAU)			119,848.86	-79,926.80	39,922.06				39,922.06	Other equity instrument investment
Stock	ASX:IMC	Morella Corporation Limited	225,883,583.93		25,531,519.87	-14,589,620.47	-214,941,684.53				10,941,899.40	Other equity instrument investment

												investment
Stock	SH: 6039 93	Luoyang Molybdenum	573,000,000.00		682,500,000.00	97,500,000.00	207,000,000.00				780,000,000.00	Other equity instrument investment
Total	/	/	808,038,624.94	/	712,498,127.25	82,208,527.76	-16,636,357.72	0.00	0.00	0.00	794,706,655.01	/

Securities investments

Applicable Not Applicable

Private fund investment

Applicable Not Applicable

Investment in derivatives

Applicable Not Applicable

4. Specific progress of material assets reorganization and integration during the Reporting Period

Applicable Not applicable

On 1 February 2021, the Company successfully completed the acquisition of LG Chem's LCD polarizer business and related assets (hereinafter referred to as the "Major Asset Purchase") in mainland China. After the completion of delivery of the Major Asset Purchase in mainland China, the Company incorporated the LCD polarizer business into its main business scope and brought the polarizer business-related shareholding companies and their subsidiaries under full management in accordance with the management requirements of the subsidiaries, and at the same time, promoted the integration of its business, assets, finance, personnel and organization in an orderly manner on the basis of ensuring its normal operation and management. For details, please refer to the 2021 Annual Report. The Company and LG Chem signed a letter of confirmation regarding the termination of the Taiwan delivery on 1 February 2022, which terminates the equity transfer of the new Taiwan subsidiary based on the current status of Taiwan delivery and negotiations between the parties to the transaction. That is, the Major Asset Purchase will only implement the delivery in mainland China and terminate the implementation of the delivery in Taiwan, China. For details, please refer to the *Report on the Implementation of the Major Asset Purchase by Ningbo Shanshan Co., Ltd.* and other relevant announcements published on the website of the Shanghai Stock Exchange on 9 February 2022.

During the Period, the polarizer business of the Company responded to the weak demand in the industry through stable production and supply, rich product system, positive sales strategy and other measures, achieving yoy growth of 10.18% in sales, and maintaining good profitability.

Opinions of the independent directors

Since the Company completed the delivery of the Major Asset Purchase in mainland China, it has integrated the underlying assets in terms of business, assets, finance, personnel and institutions, and achieved effective control over the underlying assets. During the Period, the underlying assets maintained steady development. We believe that the Company has established a long-term and effective operation and management mechanism for the underlying assets, and has realized effective integration, which is in the interests of the Company and all the shareholders.

(VI) Disposal of major assets and equity interest

Applicable Not applicable

Sale of part of the equity interests of Quzhou Shanshan

The Company completed the delivery of the transfer of the equity interest in Quzhou Shanshan, a subsidiary of electrolyte business, on 17 February 2023. As the counterparty failed to pay the remaining equity transfer payment of RMB344.862 million by 30 June 2023 as agreed, after several rounds of negotiation, the parties involved in the transaction reached an agreement and entered into the Settlement Agreement, which specified the payment arrangement for the remaining equity transfer payment and capital occupancy fee. For details, please refer to the relevant announcements of the Company released on the designated information disclosure media and the website of the SSE on 30 December 2023.

As at the date of this report, the Company has received RMB100 million of the remaining equity transfer payment as agreed, and will actively follow up with the recovery of the remaining equity transfer payment and capital occupancy fee.

Sale of part of the equity of Shanshan brand

In 2020, the Company sold a portion of its equity interest in its apparel business subsidiary, Shanshan Brand, which was no longer included in the Company's consolidated statements from July 2020. As of the date of this report, the Company has received a total of RMB126.1133 million of the equity transfer payment, and will continue to follow up and urge the counterparty to pay the balance.

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

Applicable Not applicable

Unit: 0'000 Currency: RMB

Holding subsidiary	Main operations	Registered capital	Equity ratio (%)	Total ending assets	Ending net assets	Operating revenue during the Reporting Period	Profit during the Reporting Period
Shanjin Optoelectronics (Suzhou)	Production, processing and	710,522.56	100.00	934,323.27	924,066.72	7,706.07	210,614.31

Co., Ltd.	R&D of polarizers						
Shanjin Optoelectronics (Guangzhou) Co., Ltd.		170,000.00	100.00	600,330.89	294,214.30	480,934.58	30,659.39
Shanjin Optoelectronics (Nanjing) Co., Ltd.		380,000.00	100.00	632,056.92	458,035.10	684,303.80	85,816.99
Shanghai Shanshan Lithium Battery Material Technology Co., Ltd.		118,200.00	87.0770	803,139.69	583,005.16		-66.68
Ningbo Shanshan New Material Technology Co., Ltd.		230,000.00	87.0770	473,388.39	265,775.69	255,875.92	13,253.81
Fujian Shanshan Technology Co., Ltd.	R&D, production and sale of li-ion anode materials and carbon materials	20,000.00	87.0770	143,420.00	44,148.44	239,648.92	9,194.17
Shanghai Shanshan New Material Co., Ltd.		100,000.00	87.0770	529,074.71	132,959.34	684,728.11	-11,516.90
Inner Mongolia Shanshan Technology Co., Ltd.		130,000.00	87.0770	300,461.78	162,769.91	372,453.77	10,216.95

Yunnan Shanshan New Material Co., Ltd.		205,000.00	87.0770	444,838.94	226,680.53	3,678.91	21,664.26
Shareholding subsidiary	Main operations	Registered capital	Equity ratio (%)	Total assets	Assets (net)	Operating revenue	Net profit
BASF Shanshan Battery Materials Co., Ltd.	R&D, production and sale of lithium-ion battery cathode materials	57,884.55	49.00	740,414.45	525,680.84	500,850.78	-33,350.18
Zhejiang Chouzhou Commercial Bank Co., Ltd.	Raise public deposits, issue loans and handle domestic settlement, etc.	420,000.00	7.06	35,857,692.32	2,684,984.86	989,882.48	205,404.26

(VIII) Structured entities under the control of the Company

Applicable Not Applicable

VI. The Company's Discussion and Analysis regarding the Company's Future Development

(I) Pattern and trend of the industry

Applicable Not applicable

1. Anode material business

(1) Anode material industry demand will continue to maintain fast growth

According to EVTank, global lithium-ion battery shipments will reach 5,004GWH by 2030, of which power battery shipments will reach 3,368.8GWh, representing a growth of nearly three times compared with 2023. Driven by downstream demand, global anode material shipments are expected to

exceed 8 million tons in 2030, with a CAGR of over 20% from 2023-2030. Global anode material demand will maintain a relatively fast rate of growth.

(2) Fast charging anode demand is expected to realize high-speed growth

According to the *Development Report of High Voltage Fast Charging Industry in China* prepared by Huawei Technologies and the China Committee of Electric Vehicles 100 Members, 1.21 million units of high voltage platform models above 800V was sold in 2023 in China, accounting for 22% of China's pure electric vehicle sales. Sales of high voltage platform models above 800V are expected to reach 5.8 million units in China by 2026, accounting for 50% of China's pure electric vehicle sales. The rapid growth in demand for fast-charging models will drive the demand for fast-charging anode materials to grow at a high rate. With the technical advantages in the field of fast-charging anode, the Company will further enhance its competitiveness and market position in the anode industry.

3) The IRA Act has forced the anode material companies to accelerate the step to go global

According to the guidance on prohibition related to clean energy vehicle tax credits under Section 30D of the IRA Act, starting in 2025, key minerals such as lithium, nickel, cobalt, graphite, and other minerals produced in China and exported to the U.S. for use in clean energy vehicles will not be eligible for consumer purchase subsidies. This will force power battery enterprises to require for overseas localization of anode materials, accelerating the pace of domestic anode materials enterprises to go overseas. The Company planned a new capacity project in Finland in 2023. The implementation of the project will help the Company to obtain orders from overseas customers and gain a first-mover advantage in this round of overseas market competition.

2. Polarizer business

As polarizer business has high technical, capital, certification and other industry barriers, and high market concentration, the global polarizer capacity is mainly concentrated in the main polarizer manufacturers, such as Shanjin Optoelectronics, Sumitomo Chemical, Nitto Denko, etc. According to CINNO Research data, in 2023, the production capacity of the global top ten manufacturers accounted for 98%, among which the production capacity of the top five manufacturers accounted for 79%, showing a stable industry pattern.

In 2024, demand in the consumer electronics market is expected to pick up as the global economy recovers moderately, major international tournaments such as Olympics Games, European Championships, and World Cup are held, and a new cycle of replacement has started. In the medium and long term, along with the continuous development of 5G and artificial intelligence, the new display technology presents more and more diversified application forms and diversified application scenarios, and is constantly changing our lives. In the future, the demand for display and the corresponding polarizer demand area will continue to grow, especially in the application fields of OLED and car-mounted display. In addition, the development trend of large-size display products will continue, which will drive the polarizer market to maintain the growth of area demand. In particular, the large-size polarizer area market demand will experience faster growth. At the same time, with the continuous

shifting of display panel production capacity to mainland China, polarizer localization demand space will be further expanded.

The Company will continue to expand its leadership in the large size segment, and accelerate the research and development of new technologies and products in high-end LCD, OLED and in-vehicle module, so as to fully grasp the historical opportunity brought by the local substitution in display panel industry, continuously improve its global market share and consolidate its global leading position.

(II) Our development strategies

Applicable Not applicable

The Company will continue to deepen its corporate vision of "building a respected global high-tech enterprise and realizing sustainable and high-quality development", and implement the important instruction of General Secretary Xi Jinping that "we should lead industrial innovation with scientific and technological innovation, and actively cultivate and develop new productivity". We will, while focusing on the development of our two core businesses, anode materials and polarizers, support the development and growth of new energy, new display and other strategic emerging industries. By focusing on customer needs as the core, the Company has always implemented the strategy of product technology and cost leadership, i.e., strengthening R&D investment and product innovation, continuously improving manufacturing and operation capabilities, and stepping up efforts to reduce costs and control expenses, in order to firmly maintain its position as a global leader and steadily improve its profitability in the medium and long term.

1. Anode material business strategy

In terms of anode material business, based on the value orientation of "deeply empowering customers' needs", the Company is committed to becoming an outstanding global leader in the field of anode materials by promoting the cost leadership strategy and realizing high-quality development on the basis of consolidating the leading technology of its products.

2. Polarizer business strategy

In terms of polarizer business, upholding the core concept of "quality and innovation", the Company is committed to providing customers with high-quality, stable products and services. We will realize product iteration and upgrading through continuous R&D investment. At the same time, we will further enrich and improve the high-end product deployment through mergers and acquisitions, comprehensively enhance the industrial competitiveness, and consolidate and enhance our global leader position in the field of polarizers.

(III) Business plan

Applicable Not applicable

1. Anode material business

- 1) Staying committed to products leading the industry by creating a diversified and differentiated product matrix to build up long-term competitiveness**

Staying committed to the strategy of products leading the industry, the Company will create a diversified and differentiated product matrix according to different demands of the downstream market, so as to deeply empower the customers' needs. In the consumer goods field, we mainly focus on the development direction of digital high energy density and ultra-fast charging, as well as the exploration of extreme graphite and the development of artificial graphite matching the new silicon-carbon system. In the field of power, we focus on three main directions: extreme fast charging, long cycle life and low cost. In the energy storage field, we focus on building high energy density and high efficiency products to further meet the demand for energy efficiency of greater than 95% while improving energy density. In terms of silicon-based anode materials, we mainly focus on the extreme cost reduction of silicon-oxygen products, the development of high-performance new silicon-carbon materials and advanced mass-production equipment, and the development and mass production of fast-charging and low-expansion carbon substrates. In terms of hard carbon materials, we are mainly committed to the development of high-capacity and high-pressure solid hard carbon materials used for sodium-ion batteries, as well as the development of extreme low-temperature, fast-charging and high-capacity hard carbon products in the direction of lithium doping.

2) Continuously promoting the innovation and upgrading of new processes and equipment, and deepening product performance and cost advantages

The Company will continue to promote the innovation and upgrading of new processes and equipment, which mainly include: pioneering the latest graphite modification technology for the performance bottleneck of man-made graphite, customizing and developing extreme graphite processes that can be scaled up for mass production, and realizing leapfrog breakthroughs in energy density and fast charging performance; comprehensively upgrading the equipment of the new factory, further improving the degree of equipment automation, effectively reducing the production cost of products; enhancing the efforts in improvement and innovation of graphitization process: developing the continuous graphitization process while continuously improving and upgrading the existing graphitization process.

3) Promoting the development of raw materials and customized regulation to expand the space for cost reduction

The Company will continue to promote the development and innovation of needle coke, petroleum coke and other major raw materials for anode products in order to achieve further breakthroughs in performance and cost reductions, specifically including the development of alternative low-cost coke and customized regulation of raw coke.

4) Enhancing domestic and overseas market expansion efforts to continuously increase market share

In 2024, the Company will continue to enhance its market expansion efforts and deepen its marketing system, focusing on customer needs, and make every effort to further increase its market share and consolidate its global leading position. Meanwhile, the Company will accelerate the construction of overseas bases, actively expand the overseas upstream and downstream industrial chain,

and strengthen the cooperative relationship with the leading battery enterprises and automobile enterprises, so as to further expand the overseas market share.

2. Polarizer business

1) Continuously promoting the R&D and application of new products and technologies to enrich and improve the product matrix

In terms of LCD polarizer, the Company will promote product iteration upgrade and innovation, and strengthen the development and applications of high-end products and ultra-large size products. In terms of OLED polarizer, the Company will promote the development and mass production of products in the direction of both large-size and small- and medium-size applications. In terms of automotive polarizer, our automotive polarizer is currently in the internal testing stage, we will promote product certification and mass production as soon as possible in the next step. In terms of VR/AR polarizers, the Company has completed the independent development of polarizers for VR display and is currently in the stage of customer certification. In addition, the Company will accelerate the smooth delivery of the acquisition to further enrich and improve the product deployment and solidify its leading position.

2) Promoting the construction of global R&D centers to fully expand the leading edge of technology

The Company will promote the investment and construction of the polarizer global R&D center, strengthen industry-university-institution cooperation, actively introduce innovative talents, and increase investment in research and development, so as to promote the research and development of more cutting-edge basic materials and application technologies, enhance the company's R&D strength, and promote the development of new technologies, products and applications.

3) Implementing lean innovation to reduce cost and improve efficiency

The Company will continue to promote measures such as lean innovation and refined management, in order to achieve cost reduction and efficiency improvement. On the one hand, we will reduce the rate of material loss by improving and upgrading our manufacturing processes, increasing the straight-through rate and yield rate of our products, and reduce the related expenses by continuously upgrading the level of intelligence and automation; On the other hand, we will continue to promote the diversification and localization of upstream raw materials to ensure the stability and security of the supply of upstream materials and enhance cost competitiveness.

4) Continuously strengthening the partnership with customers

The Company will strengthen its partnership with downstream mainstream panel manufacturers. With the advantages of front-end capacity and back-end RTP/RTS supply, we will achieve stable product supply, and achieve win-win long term cooperation and development with customers with excellent product quality and service.

The above business plan does not constitute a performance commitment by the Company to investors. Investors are advised to maintain sufficient risk awareness and shall understand the difference between business plans and performance commitment.

(IV) Potential risks

√Applicable □Not applicable

1. Policy risks

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

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

2. Market competition risks

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

With the changes in terminal demand, the display panel industry may enter the downward stage, the polarizer demand will be affected to a certain extent, and the competition between polarizer manufacturers will be intensified.

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

3. Risks of fluctuations in raw material prices

The main raw materials for the lithium-ion battery anode material business of the Company include petroleum coke and needle coke, and the cost of raw materials comprises a large proportion of its cost of anode products. The price of raw materials will fluctuate to different degrees under the influence of market supply and demand relations. If the pressure of rising raw material prices cannot be transmitted to the downstream or the rising cost pressure cannot be offset through technological process innovation, it will cause certain impact on the Company's business results.

Polarizer raw materials are mainly concentrated in relevant enterprises in Japan and South Korea, especially PVA films and TAC films are mainly purchased from relevant enterprises in Japan. The possible great change to the operation of upstream raw material suppliers or the foreign trade

environment will add to the uncertainty for the Company's production and operation in the polarizer business.

Countermeasures: To track the price fluctuation of upstream raw materials in a timely manner, deepen the cooperation with upstream raw material suppliers, and continuously improve the supply chain system, so as to secure the Company's raw materials supply chain and reduce the risk of cost fluctuations.

4. Risks of development of new products and technologies

Lithium-ion batteries, the secondary battery most widely used and with maturing technology and industry chain support after many years of development, are therefore expected to prevail in the market for a long foreseeable period. However, with changes in terminal demand and advances in technology, the industrialization process of other types of batteries such as solid-state batteries may be accelerated. If the Company failed to upgrade its products or pursue innovations according to the latest technological trends, its market position and profitability may suffer.

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

Countermeasures: The Company will continue to bolster R&D innovation on the back of its solid technological accumulation and outstanding R&D capacity to maintain its leading-edge technology.

5. Risk of changes in the international trade environment

The current international environment is becoming increasingly complex, with geopolitical conflicts, trade protectionism and other factors exacerbating the instability of the international trade environment and significantly increasing the instability and uncertainty of the global supply chain. Based on the protection and localization requirements of the local industrial chain in Europe and the United States and other major countries and regions, relevant industrial policies may not be conducive to the development of domestic lithium battery overseas market, and may also affect the procurement demand of the Company's overseas customers.

Countermeasures: We shall actively pay attention to changes in the international trade environment, strengthen communication with overseas customers, accelerate the deployment of overseas factories according to customer needs, and realize the localization of supply chains in overseas markets.

6. Exchange rate risk

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

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

(V) Others

Applicable Not Applicable

VII. Failure to Disclose as Per Rules Due to Inapplicability or Special Reasons, Such as State Secrets and Business Secrets

Applicable Not Applicable

Section IV Corporate Governance

I. Description of Corporate Governance

√Applicable Not applicable

During the Reporting Period, the Company continuously improved its corporate governance structure and internal management systems in accordance with the requirements of laws and regulations such as the *Company Law*, *Securities Law*, *Code of Corporate Governance for Listed Companies* and *Rules Governing the Listing of Stocks on Shanghai Stock Exchange* while taking into account the Company's actual situation. As at the date of the annual report, the Company is in compliance with the corporate governance requirements applicable to it as a PRC company publicly listed on the Shanghai Stock Exchange in all material aspects.

1. Shareholders and General Meeting

The Company strictly complied with the requirements of the Rules for General Meetings of Listed Companies issued by the CSRC to regulate the procedures of calling and holding of and voting at general meetings and ensure that all shareholders, especially minority shareholders, enjoy equal right to be informed and the rights to be exercised. For decision-making on major matters, the Company strictly fulfilled the procedures of approval at general meetings and engaged intermediaries qualified in securities practice and lawyers to issue opinions to ensure scientific, fair and lawful decision-making. Four general meetings were held during the year. The holding thereof, the number of shareholders present thereat and representative shares were in compliance with the relevant provisions of the *Company Law* and the *Articles of Association*, and the shareholders present thereat were able to fully exercise their voting rights independently.

2. Controlling Shareholder and Listed Company

The Company's controlling shareholder exercised its rights as a contributor through the general meeting and did not bypass the general meeting to interfere directly or indirectly with the Company's decision-making and operations. The Company was separated from its controlling shareholder in terms of personnel, assets and financial affairs, and independent in institution and business. The Company's Board of Directors, Supervisory Committee and management are able to operate independently, and the Company has independent and complete business and independent operation capability.

3. Directors and Board of Directors

During the Reporting Period, the Board of Directors of the Company operated in strict compliance with the relevant requirements of the *Company Law*, the *Articles of Association* and the *Rules of Procedure of the Board of Directors*, and all directors performed their duties carefully, actively participated in relevant business training and studied the spirit of relevant laws and regulations. The rights, obligations and responsibilities of the directors are clear, and the composition of the Board of Directors is in compliance with the laws and regulations. The Company has well-established independent director system.

4. Supervisors and Supervisory Committee

The Company selected and appointed supervisors in strict accordance with the procedures for the selection and appointment of supervisors stipulated in the Articles of Association. The number of supervisors and the composition of the Supervisory Committee were in compliance with the requirements of laws and regulations and the Articles of Association. During the Reporting Period, the supervisors of the Company carefully performed their duties and effectively supervised the production and operation, financial status of the Company as well as the compliance of the directors and senior management with laws and regulations in performing their duties, ensuring the normative operation and management and safeguarding the legitimate rights and interests of the Company and its shareholders.

5. Performance Evaluation and Incentive and Restraint Mechanism

The Company establishes and gradually improves a fair and transparent performance evaluation and assessment system and incentive and restraint mechanism for directors and managers, linking the remuneration of senior executives with benefits. Allowances for directors, supervisors and independent directors are determined by the general meeting. The appointment of senior executives was open, transparent and in compliance with the relevant laws and regulations.

6. Stakeholders

The Company fully respected and safeguarded the legitimate rights and interests of stakeholders and balanced the interests of shareholders, creditors, employees and society. All stakeholders jointly promoted the sustainable and healthy development of the Company.

7. Establishment and Implementation of the Registration and Management System for Insiders

The Company has established the *Registration and Management System for Insiders* in accordance with the relevant provisions of the CSRC's *Regulations on the Establishment of Registration and Management System for Insiders of Insider Trading by Listed Companies*. During the Reporting Period, the Company strictly implemented the *Registration and Management System for Insiders* in accordance with the above-mentioned regulations and properly registered the insiders of relevant insider information to prevent leakage of insider information and ensure fair and equitable disclosure of information.

Reasons should be provided for any discrepancies between the corporate governance of the Company and the laws, administrative regulations, and the relevant requirements of the CSRC on the governance of listed companies.

Applicable Not Applicable

II. The Specific Measures Taken by the Controlling Shareholders or De Facto Controllers of the Company to Ensure the Independence of the Company's Assets, Personnel, Finance, Institutions and Business, as well as the Solutions, Work Progress and Follow-Up Work Plans Taken to Affect the Independence of the Company

Applicable Not Applicable

The controlling shareholders, de facto controllers and other units under their control are engaged in the same or similar business as the Company, and the impact of competition or significant changes in competition on the Company, the measures taken to solve the problem, the progress of the solution and the follow-up solution plans

Applicable Not Applicable

III. General Meetings

Meeting	Convening date	Designated website for publication of the poll results	Date of publication of the poll results	Meeting resolution
The First Extraordinary General Meeting for 2023	23 March 2023	Website of the SSE at http://www.sse.com.cn	24 March 2023	For details, please refer to the relevant announcements of the Company released on the designated information disclosure media and the website of the SSE.
Annual General Meeting for 2022	10 May 2023	Website of the SSE at http://www.sse.com.cn	11 May 2023	
The Second Extraordinary General Meeting for 2023	18 October 2023	Website of the SSE at http://www.sse.com.cn	19 October 2023	
The Third Extraordinary General Meeting for 2023	29 December 2023	Website of the SSE at http://www.sse.com.cn	30 December 2023	

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

Applicable Not Applicable

Particulars of general meetings

Applicable Not Applicable

IV. Directors, Supervisors and Senior Management**(I) Particulars of changes in the shareholding and remuneration of existing and resigned directors, supervisors and senior management during the Reporting Period**

√Applicable □Not applicable

Unit: share

Name	Positions	Gender	Age	Date of commencement of service term	Date of end of service term	Shareholding at the beginning of the year	Shareholding at the end of the year	Change in shares during the year	Reasons of change	Total remuneration received from the Company during the Reporting Period (before tax) (RMB ten thousand)	Whether received remuneration from connected person(s) of the Company
Zheng Yonggan	Former chairman	Male	65	28 December 2020	10 February 2023	655,267	655,267	0	/	67.50	No
	Former director			30 September 2020	10 February 2023						
Zheng Ju	Chairman	Male	33	23 March 2023	9 May 2026	0	760,000	760,000	Increase of holdings through trading in secondary market	417.86	Yes
	Director			23 March 2023	9 May 2026						
Zhuang Wei	Vice chairman	Male	58	28 December 2020	9 May 2026	4,857,500	4,858,500	1,000	Increase of holdings through trading in secondary market	301.19	No
	Director			23 April 2008	9 May 2026						
Li Zhihua	Director	Male	56	12 August 2019	9 May 2026	4,857,500	4,858,500	1,000	Increase of holdings through	281.19	No
	General manager			24 July 2019	9 May 2026						

Name	Positions	Gender	Age	Date of commencement of service term	Date of end of service term	Shareholding at the beginning of the year	Shareholding at the end of the year	Change in shares during the year	Reasons of change	Total remuneration received from the Company during the Reporting Period (before tax) (RMB ten thousand)	Whether received remuneration from connected person(s) of the Company
									trading in secondary market		
Li Fengfeng	Director	Female	44	10 July 2017	9 May 2026	3,364,500	3,262,000	-102,500	Repurchase and cancellation of restricted shares and increase of holdings through trading in secondary market	281.19	No
	Deputy general manager			10 May 2023	9 May 2026						
Zhu Zhiyong	Director	Male	54	10 May 2023	9 May 2026	294,000	221,700	-72,300	Repurchase and cancellation of restricted shares and increase of holdings through trading in secondary market	293.19	No
	Deputy general manager			10 May 2023	9 May 2026						

Name	Positions	Gender	Age	Date of commencement of service term	Date of end of service term	Shareholding at the beginning of the year	Shareholding at the end of the year	Change in shares during the year	Reasons of change	Total remuneration received from the Company during the Reporting Period (before tax) (RMB ten thousand)	Whether received remuneration from connected person(s) of the Company
Li Keqin	Director	Male	49	10 May 2023	9 May 2026	0	1,000	1,000	Increase of holdings through trading in secondary market	81.19	No
	Chief financial officer			11 January 2021	9 May 2026						
Zhou Ting	Director	Female	42	10 May 2023	9 May 2026	0	0	0	/	1.19	No
Zhang Chunyi	Independent director	Male	61	18 May 2020	9 May 2026	0	0	0	/	16.62	No
Xu Yanxiu	Independent director	Male	58	18 May 2020	9 May 2026	0	0	0	/	16.62	No
Zhang Yunfeng	Independent director	Male	49	10 May 2023	9 May 2026	0	0	0	/	16.62	No
Zhu Jingtao	Independent director	Male	46	30 September 2020	9 May 2026	0	0	0	/	16.62	No
Gao Ming	Deputy general manager	Male	53	14 November 2022	9 May 2026	0	1,000	1,000	Increase of holdings through trading in secondary market	280.00	No
Zhao Zhigang	Deputy general manager	Male	51	14 November 2022	9 May 2026	0	0	0	/	280.00	No
Chen	Board secretary	Female	42	28 December	9 May 2026	2,234,450	2,235,450	1,000	Increase of	80.00	No

Name	Positions	Gender	Age	Date of commencement of service term	Date of end of service term	Shareholding at the beginning of the year	Shareholding at the end of the year	Change in shares during the year	Reasons of change	Total remuneration received from the Company during the Reporting Period (before tax) (RMB ten thousand)	Whether received remuneration from connected person(s) of the Company
Ying		Male		2020					holdings through trading in secondary market		
Xie Yun	Employee representative supervisor	Female	39	12 October 2023	9 May 2026	0	0	0	/	18.10	No
	Convenor of the Supervisory Committee			13 October 2023	9 May 2026						
Hong Zhibo	Supervisor	Female	43	18 May 2020	9 May 2026	0	0	0	/	26.10	No
Xu Chao	Supervisor	Female	34	18 May 2020	9 May 2026	0	0	0	/	18.85	No
Yang Feng	Former director	Male	41	12 May 2017	10 May 2023	2,914,500	152,918	-2,761,582	Decrease of holdings through trading in secondary market	0.00	Yes
Peng Wenjie	Former director	Male	49	18 May 2020	10 May 2023	3,108,800	0	-3,108,800	Decrease of holdings through trading in	0.00	Yes

Name	Positions	Gender	Age	Date of commencement of service term	Date of end of service term	Shareholding at the beginning of the year	Shareholding at the end of the year	Change in shares during the year	Reasons of change	Total remuneration received from the Company during the Reporting Period (before tax) (RMB ten thousand)	Whether received remuneration from connected person(s) of the Company
									secondary market		
Shen Yunkang	Former director	Male	61	12 May 2014	10 May 2023	0	1,000	1,000	Buy-in through trading in secondary market	0.00	Yes
Qiu Bin	Former independent director	Male	54	12 May 2017	10 May 2023	0	0	0	/	0.00	No
You Hai	Former deputy general manager	Male	45	14 November 2022	10 May 2023	0	0	0	/	42.00	Yes
Xu Zhiliang	Former deputy general manager	Male	58	28 April 2021	10 May 2023	0	0	0	/	41.67	Yes
Lin Feibo	Former employee representative supervisor	Female	36	17 September 2019	10 May 2023	0	0	0	/	26.00	No
	Former convenor of Supervisory Committee			18 May 2020	10 May 2023						
Huang Xiaohui	Former employee representative supervisor	Male	52	10 May 2023	12 October 2023	0	0	0	/	20.00	Yes
	Former convenor of Supervisory Committee			10 May 2023	12 October 2023						

Name	Positions	Gender	Age	Date of commencement of service term	Date of end of service term	Shareholding at the beginning of the year	Shareholding at the end of the year	Change in shares during the year	Reasons of change	Total remuneration received from the Company during the Reporting Period (before tax) (RMB ten thousand)	Whether received remuneration from connected person(s) of the Company
Total	/	/	/	/	/	22,286,517	17,007,335	-5,279,182	/	2,623.70	/

Note:

1. Some of the directors and senior management of the Company (Mr. Zheng Ju, Mr. Zhuang Wei, Mr. Li Zhihua, Ms. Li Fengfeng, Mr. Zhu Zhiyong, Mr. Gao Ming, Mr. Li Keqin and Ms. Chen Ying) planned to use their own funds to increase their holdings of the Company's A shares by means of centralized bidding transactions on the system of the Shanghai Stock Exchange within six months from 30 August 2023, with an aggregate amount of not less than RMB20 million (inclusive) and not more than RMB40 million (inclusive). During the Period, the aforesaid persons increased their holdings of the Company's A shares by a total of 776,200 shares, with the amount of increase amounting to RMB10,461,600.

2. Because the performance assessment targets for the first release period of the Company's 2022 Equity Incentive Plan were not achieved, the repurchase and cancellation of 112,500 and 73,500 restricted shares held by Ms. Li Fengfeng and Mr. Zhu Zhiyong, the incentive recipients, respectively, were completed during the Period.

3. The reduction of shareholdings in the Company by Mr. Yang Feng and Mr. Peng Wenjie took place six months after their resignation as directors of the Company.

4. The increase of shareholdings in the Company by Mr. Shen Yunkang occurred after his resignation as a director of the Company.

Name	Primary working experience
Zheng Ju	Chairman of the Company. Incumbent chairman and president of Shanshan Holdings Co., Ltd. and director of Shanshan Group Co., Ltd.
Zhuang Wei	Vice chairman of the Company. He had served as the general manager of Ningbo Shanshan Venture Capital Investment Co., Ltd., general manager of Ningbo Shanshan Co., Ltd., and chairman and general manager of Ningbo Shanshan Co., Ltd.
Li Zhihua	Director and general manager of the Company. He had served as the chairman of Dongguan Shanshan Battery Materials Co., Ltd., Ningbo Shanshan New Materials Technology Co., Ltd. and Hunan Shanshan Energy Technology Co., Ltd., and the deputy general manager, chairman and general manager of Ningbo Shanshan Co., Ltd.
Li Fengfeng	Director and deputy general manager of the Company. She had served as the deputy director of the planning department, head of the president's office, the assistant to the president and the vice president of Shanshan Holdings Co., Ltd. She is the incumbent chairman of Shanghai Shanshan Lithium Battery Material Technology Co., Ltd. and its subsidiaries.
Zhu Zhiyong	Director and deputy general manager of the Company. He has been serving as the president of Chinese Polarizer Business of LG Chem (Nanjing) since 2004, and currently serves as director and general manager of Shanjin Optoelectronics (Suzhou) Co., Ltd.
Li Keqin	Director and CFO of the Company. He served as the vice president and chief financial officer of Ningbo Shanshan Fashion Clothing Branch Management Co., Ltd., the deputy CFO and head of finance division of Ningbo Shanshan Co., Ltd., and vice general manager and CFO of Jinzhou Yongshan Lithium Industry Co., Ltd..
Zhou Ting	Director of the Company. She used to be a member of Shanghai Youth Federation, a reporter and anchor of the News Department of Zhejiang Satellite TV and Dragon TV, a reporter and anchor of the News Department of China Business Network, and a producer of the "Fluting of Two Sessions" series.
Zhang Chunyi	Independent director of the Company. He worked at the Shanghai Open University (formerly Shanghai TV University) from 1984 to February 2023 and is currently the dean and associate professor of the accounting and finance department of the faculty of economics and management of the Shanghai Open University.
Xu Yanxiu	Independent director of the Company. He used to serve as a Member of the Supervision and Judicial Working Committee of the Standing Committee of the 15th Ningbo Municipal People's Congress, member of the 16th and 17th Chinese People's Political Consultative Conference (CPPCC) of Yinzhou District, Ningbo, arbitrator of Ningbo Arbitration Commission, part-time master tutor of Ningbo University, and Supervisor of Ningbo Lawyer's Association. He is the head and managing partner and the first-class lawyer of Grandall (Ningbo) Law Firm, director of Ningbo Donghai Bank, and independent director of Ningbo Marine Transport Co., Ltd and Ningbo Fuda Co., Ltd.
Zhang Yunfeng	Independent director of the Company. He used to serve as the investment director and fund partner of Zhonghe Venture Capital Management Co., Ltd., executive director, chief operating officer, chief investment officer and special advisor to the Board of Yingde Gases, chairman of Xinjiang Haoyuan Natural Gas Co., Ltd; currently serves as director and general manager of Shanghai Yuanhan Energy Technology Co., Ltd.
Zhu Jingtao	Independent director of the Company. He has been working at Tongji University since 2005 and has been committed to research in fields relating to optical thin films and relevant technology. He is currently a professor at the faculty of physics and engineering of Tongji University.
Gao Ming	Deputy general manager of the Company. He had served as the general manager of Shenzhen Office of Sino-Australian International Trust Co., Ltd., the general manager of South China Office of China Minsheng Trust Co., Ltd., the president of Ningbo Yilai Investment Holdings Co., Ltd., and vice president of Shanshan Holdings Co., Ltd. He was a director of Jinzhou Yongshan Lithium Industry Co., Ltd. from January 2019 to

Name	Primary working experience
	March 2024.
Zhao Zhigang	Deputy general manager of the Company. He had served as the deputy general manager of the general office, general manager of Strategic Development Department, secretary of Party Committee and president of Ningxia Hui Autonomous Region Branch of the Postal Savings Bank of China, and the secretary of Party Committee and general manager, and the general manager of Finance Market Department of Shanghai Free Trade Zone Branch of China Huarong Asset Management Co., Ltd.
Chen Ying	Secretary to the Board of Directors of the Company. She had served as the head of the securities affairs division, deputy director of the securities affairs and a representative of securities affairs of Ningbo Shanshan Co., Ltd.
Xie Yun	Convenor of the Supervisory Committee of the Company. She used to be the assistant to the chief analyst and the deputy manager of the Futures Department of Ningbo Sunhu Chemical Operation Co., Ltd. and the director of the office of the chairman of Ningbo Shanshan Co., Ltd., and is now the employee representative supervisor and the securities affairs manager of the Securities Affairs Department of Ningbo Shanshan Co., Ltd.
Hong Zhibo	Supervisor of the Company. She had served as the assistant to the head, deputy head and head of the finance department of Ningbo Shanshan Co., Ltd., and as the head of the capital management department of Ningbo Shanshan Co., Ltd. She is currently the capital manager of the financial capital department of Ningbo Shanshan Co., Ltd.
Xu Chao	Supervisor of the Company. She had served as an administrative affairs specialist and assistant to the head of the administrative human resources department of Ningbo Shanshan Co., Ltd., and as the secretary to the chairman of Shanshan Group Co., Ltd. She is currently the secretary to the deputy chairman and assistant to the office director of Ningbo Shanshan Co., Ltd.

Explanation on other information

√Applicable □Not applicable

On 10 February 2023, Mr. Zheng Yonggang, the former chairman of the Company, passed away due to illness.

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

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

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

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

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

On 12 October 2023, the Supervisory Committee of the Company received a Resignation Report from Mr. Huang Xiaohui, the Company's employee representative supervisor and convener of the Supervisory Committee. Due to work adjustment, Mr. Huang Xiaohui applied for resignation as employee representative supervisor and convenor of the Supervisory Committee of the Company. On the same day, the employee representatives of the Company elected Ms. Xie Yun as an employee representative supervisor.

At the fourth meeting of the 11th Supervisory Committee of the Company held on 13 October 2023, the *Proposal on the Election of Ms. Xie Yun as the Convener of the Eleventh Session of the Supervisory Committee of the Company* was considered and passed, and it was agreed that Ms. Xie Yun, a supervisor, would be elected as the Convener of the 11th Supervisory Committee of the Company.

(II) Particulars of Engagement of Existing and Resigned Directors, Supervisors and Senior Management during the Reporting Period

1. Engagement in shareholding companies

√Applicable □Not applicable

Name	Name of shareholding company	Positions held in shareholding company	Date of commencement of service term	Date of end of service term
Zheng Yonggang	Ningbo Qinggang Investment Co., Ltd.	Executive director, general manager	1 September 2014	10 February 2023
	Shanshan Holdings Co., Ltd.	Chairman of the Board of Directors	30 August 2004	10 February 2023
Zheng Ju	Shanshan Holdings Co., Ltd.	Chairman	12 February 2018	to date
	Shanshan Holdings Co., Ltd.	President	20 July 2015	to date
	Shanshan Group Co., Ltd.	Director	2 September 2019	to date
	Ningbo Yinzhou Jielun Investment Co., Ltd.	Executive director, general manager	19 May 2016	to date
Zhuang Wei	Shanshan Holdings Co., Ltd.	Director	12 February 2018	22 May 2023
Li Zhihua	Shanshan Holdings Co., Ltd.	Director	8 April 2020	to date
Yang Feng	Shanshan Holdings Co., Ltd.	Director	9 February 2021	to date
Shen Yunkang	Shanshan Group Co., Ltd.	Director	27 August 2013	to date
	Shanshan Group Co., Ltd.	Vice president	January 2017	to date
	Ningbo Pengze Trading Co., Ltd.	Executive director	11 March 2016	to date
Explanation on the engagement in shareholding companies	Nil			

2. Position at other entities

√Applicable □Not applicable

Name	Name of other company	Position held in other company	Date of commencement of service term	Date of end of service term
Zheng Yonggang	Shanghai Huixin Private Equity Fund Management Co., Ltd.	Director	13 September 2016	10 February 2023
Zheng Ju	Shanghai Xianyi Investment Co., Ltd.	Executive director, general manager	9 November 2016	to date
	Shanghai Junrong Technology Co., Ltd.	Executive director	22 June 2021	7 August 2023
Zhuang Wei	Zhejiang Chouzhou Commercial Bank Co., Ltd.	Director	June 2011	to date
Li Zhihua	Changsha Huashan Investment Management Co., Ltd.	Chairman	8 November 2013	to date
	BASF Shanshan Battery Materials Co., Ltd.	Director	13 November 2003	to date
	BASF Shanshan Battery Material	Director	15 January	to date

Name	Name of other company	Position held in other company	Date of commencement of service term	Date of end of service term
	(Ningxia) Co., Ltd.		2016	
	BASF Shanshan Battery Materials (Ningxiang) Co., Ltd.	Director	11 March 2014	to date
Li Fengfeng	Shanghai Shanchong Business Consulting Partnership Enterprise (Limited Partnership)	Executive partner	23 September 2019	to date
	Shanghai Shanhe Business Consulting Partnership Enterprise (Limited Partnership)	Executive partner	16 October 2019	to date
	Shanghai Shanhao Business Consulting Partnership Enterprise (Limited Partnership)	Executive partner	30 March 2021	to date
Zhou Ting	GUANHUI EDUCATION	Director	12 September 2018	to date
Zhang Chunyi	Shanghai Open University	Dean, associate professor	1984	February 2023
	Maxscend Microelectronics Company Limited	Independent director	25 August 2023	24 August 2026
Xu Yanxiu	Grandall (Ningbo) Law Firm	Head, managing partner and the first-class lawyer	March 2019	to date
	Ningbo Donghai Bank	Director	March 2020	March 2026
	Guangbo Group Co., Ltd.	Independent director	27 February 2017	5 March 2023
	Ningbo Marine Transport Co., Ltd.	Independent director	27 April 2018	26 April 2024
	Ningbo Fuda Co., Ltd.	Independent director	23 April 2020	25 April 2026
Zhang Yunfeng	Shanghai Yuanhan Energy Technology Co., Ltd.	Director and general manager	24 January 2018	to date
	Hangzhou Teamwin Energy Technology Development Co., Ltd.	Chairman and general manager	23 September 2019	to date
	Hangzhou Teamwin Energy Import & Export Co., Ltd.	Executive director, general manager	20 April 2020	to date
	Suining Yuanhan Energy Technology Co., Ltd.	Director	21 August 2020	to date
	Jingmen Yuanhan Battery Materials Co., Ltd.	Chairman	23 October 2023	to date
	Green Tech (Shanghai) Technology Development Co., Ltd.	Director	20 October 2022	to date
	Suzhou Ruisideng New Energy Technology Co., Ltd.	General manager	4 June 2013	to date
	Suzhou Sibolu Photovoltaic Energy Technology Co., Ltd.	Director	8 March 2007	to date
	Shanghai Yunli Enterprise Management Consulting Co., Ltd	Executive director	16 May 2016	to date
	Shaanxi Shantou Yuhua Investment Management Co., Ltd.	Director	8 October 2019	to date
Shanghai Zongheng Today Steel E-commerce Co., Ltd.	Director	25 September 2010	15 January 2024	

Name	Name of other company	Position held in other company	Date of commencement of service term	Date of end of service term
Zhu Jingtao	Tongji University	Professor	June 2007	to date
	Suzhou Hongce Photoelectric Technology Co., Ltd.	General manager	26 August 2015	to date
	Haikou Hengxing Technology Co., Ltd.	General manager	10 June 2022	to date
	Shenzhen Honghaina Micro Technology Co., Ltd.	General manager	29 February 2024	to date
	Shenzhen Hongce Precision Optical Technology Co., Ltd.	General manager	7 March 2024	to date
	Shenjia Semiconductor (Jiaxing) Co., Ltd.	Executive director, manager	30 November 2022	to date
	Hongce (Zhejiang) Semiconductor Co., Ltd.	Executive director, manager	22 December 2022	15 November 2023
Gao Ming	Jinzhou Yongshan Lithium Industry Co., Ltd.	Director	25 January 2019	22 March 2024
	Shanghai Jinyuda Management Consulting Co., Ltd.	Executive director	13 September 2021	to date
Yang Feng	Jinzhou Yongshan Lithium Industry Co., Ltd.	Chairman and general manager	10 February 2022	10 February 2025
	Ningbo Shanli No. 1 New Energy Partnership Enterprise (Limited Partnership)	Executive partner	7 July 2021	to date
	BASF Shanshan Battery Materials Co., Ltd.	Director	22 August 2017	to date
	BASF Shanshan Battery Material (Ningxia) Co., Ltd.	Director	17 July 2017	to date
	BASF Shanshan Battery Materials (Ningxiang) Co., Ltd.	Director	3 July 2017	to date
Peng Wenjie	Changsha Huashan Investment Management Co., Ltd.	Director and general manager	8 November 2013	to date
	BASF Shanshan Battery Materials Co., Ltd.	Executive deputy general manager, chief technology officer, chief operation officer	1 September 2021	to date
Qiu Bin	Tsinghua University	Associate researcher	1 August 1998	to date
Xu Zhiliang	Yixing Runyue Enterprise Management Co., Ltd.	Director	11 June 2019	to date
	Anhui Run Yue Technology Co., Ltd.	Director	31 March 2023	to date
Explanation on the engagement in other companies	Nil			

(III) Particulars of Remuneration of the Directors, Supervisors and Senior Management

√Applicable □Not applicable

Decision-making procedures for the remuneration of the directors, supervisors and senior management	The remuneration packages for directors and senior management shall be considered by the Remuneration and Evaluation Committee of the Board of Directors; and the allowances for directors and supervisors shall be considered by the general meeting.
Whether a director recuses himself from the Board's discussion of his remuneration matters	Yes
Details of recommendations issued by the Remuneration and Evaluation Committee or the specialized meeting of independent directors on matters relating to the remuneration of directors, supervisors and senior management	The Remuneration and Evaluation Committee under the Board of Directors has considered and approved the remuneration packages for directors and senior executives.
Basis for determining the remuneration of the directors, supervisors and senior management	Directors, supervisors and senior managers shall, have their remuneration determined based on their specific positions in the Company and its subsidiaries in accordance with the remuneration management system of the company where they work, and receive corresponding allowances in accordance with the resolutions of the general meeting.
Particulars of actual remuneration paid to the directors, supervisors and senior management	For details, please refer to the particulars of changes in the shareholding and remuneration of directors, supervisors and senior management.
Total actual remuneration received by all directors, supervisors and senior management at the end of the Reporting Period	For details, please refer to the particulars of changes in the shareholding and remuneration of directors, supervisors and senior management.

(IV) Change of the Directors, Supervisors and Senior Management of the Company

√Applicable □Not applicable

Name	Position	Change	Reason for change
Zheng Yonggang	Chairman	Resigned	Passed away due to illness
Zheng Ju	Chairman	Elected	Elected by the Board of Directors
	Director	Elected	Elected by the general meeting
Li Fengfeng	Deputy general manager	Appointed	Appointed on board meeting
Zhu Zhiyong	Director	Elected	Elected by the general meeting
	Deputy general manager	Appointed	Appointed on board meeting
Li Keqin	Director	Elected	Elected by the general meeting
Zhou Ting	Director	Elected	Elected by the general meeting
Zhang Yunfeng	Independent director	Elected	Elected by the general meeting
Huang Xiaohui	Convenor of Supervisory Committee, employee representative supervisor	Elected	Re-election of Supervisory Committee
Xie Yun	Convenor of Supervisory Committee, employee representative supervisor	Elected	Election of Supervision Committee, election of trade union committee
Yang Feng	Director	Resigned	Re-election of Board of Directors

Peng Wenjie	Director	Resigned	Re-election of Board of Directors
Shen Yunkang	Director	Resigned	Re-election of Board of Directors
Qiu Bin	Independent director	Resigned	Re-election of Board of Directors
You Hai	Deputy general manager	Resigned	Appointment upon change of management
Xu Zhiliang	Deputy general manager	Resigned	Appointment upon change of management
Lin Feibo	Convenor of Supervisory Committee, employee representative supervisor	Resigned	Re-election of Supervisory Committee
Huang Xiaohui	Convenor of Supervisory Committee, employee representative supervisor	Resigned	Resignation for work adjustment

(V) Explanation on Punishments by Securities Regulatory Authorities in the Past Three Years

Applicable Not Applicable

(VI) Others

Applicable Not Applicable

V. Particulars of the Board Meetings Convened During the Reporting Period

Meeting	Convening date	Meeting resolution
The 39th meeting of the 10th board of directors	2 March 2023	For details, please refer to the relevant announcements of the Company released on the designated journals and media and the website of the SSE
The 40th meeting of the 10th board of directors	23 March 2023	
The 41st meeting of the 10th board of directors	18 April 2023	
The 42nd meeting of the 10th board of directors	27 April 2023	
The 1st meeting of the 11th board of directors	10 May 2023	
The 2nd meeting of the 11th board of directors	2 August 2023	
The 3rd meeting of the 11th board of directors	29 August 2023	
The 4th meeting of the 11th board of directors	27 September 2023	
The 5th meeting of the 11th board of directors	30 October 2023	
The 6th meeting of the 11th board of directors	13 December 2023	

VI. Performance of Duties by Directors**(I) Attendance of Directors at the Board Meetings and General Meetings**

Director Name	Independent director or not	Attendance at board meetings						Attendance at general meetings
		Attendance required for the	Personal presence	Remote presence	Proxy presence	Number of absences	Two consecutive absences	Number of attendances at general

		year					from meetings	meetings
Zheng Ju	No	9	9	7	0	0	No	2
Zhuang Wei	No	10	10	8	0	0	No	3
Li Zhihua	No	10	10	8	0	0	No	3
Li Fengfeng	No	10	10	8	0	0	No	2
Zhu Zhiyong	No	6	6	5	0	0	No	1
Li Keqin	No	6	6	5	0	0	No	1
Zhou Ting	No	6	6	5	0	0	No	2
Zhang Chunyi	Yes	10	10	8	0	0	No	3
Xu Yanxiu	Yes	10	9	7	1	0	No	3
Zhang Yunfeng	Yes	6	6	5	0	0	No	1
Zhu Jingtao	Yes	10	9	8	1	0	No	4
Yang Feng (Resigned)	No	4	4	3	0	0	No	0
Peng Wenjie (Resigned)	No	4	4	3	0	0	No	0
Shen Yunkang (Resigned)	No	4	4	3	0	0	No	2
Qiu Bin (Resigned)	Yes	4	4	3	0	0	No	1

Explanation on two consecutive absences from Board meetings

Applicable Not Applicable

Board meetings held during the year	10
Of which: on-site meetings	2
Meetings via communication	8
On-site meetings plus communication	0

(II) Objections Raised by Directors in Respect of Matters Related to the Company

Applicable Not Applicable

(III) Others

Applicable Not Applicable

VII. Specialized Committees under the Board of Directors

Applicable Not applicable

(I) Members of specialized committees under the Board of Directors

Category of specialized committees	Name of member
Strategy Committee	Zheng Ju (Chairman), Zhuang Wei, Li Fengfeng, Zhu Zhiyong and Zhang Yunfeng
Audit Committee	Zhang Chunyi (Chairman), Zheng Ju, Xu Yanxiu

Nomination Committee	Zhang Yunfeng (Chairman), Zheng Ju, Zhu Jingtao
Remuneration and Evaluation Committee	Xu Yanxiu (Chairman), Li Zhihua, Zhang Chunyi

Note: On 10 May 2023, at the first meeting of the eleventh Board of Directors, the proposal for the general election of the members of the professional committees of the eleventh Board of Directors was considered and approved.

On 30 October 2023, at the fifth meeting of the eleventh Board of Directors, the proposal to adjust the members of the Audit Committee of the eleventh Board of Directors considered and approved. Mr. Li Keqin, Director and Chief Financial Officer, ceased to be a member of the Audit Committee, and Mr. Zheng Ju, Chairman, was appointed as a member of the Audit Committee.

(II) During the Reporting Period, the Strategy Committee held 2 meetings

Convening date	Agenda of meeting	Important opinions and recommendations	Other performance of duties
27 September 2023	The Proposal on the Project of the Subsidiary to Invest in the Construction of Lithium Ion Battery Anode Material Integration Base	Adopted	Nil
13 December 2023	The Proposal on the Subsidiary's Proposed Investment and Construction of the High-end Display Polarizer Production Line Project	Adopted	Nil

(III) During the Reporting Period, the Audit Committee held 5 meetings

Convening date	Agenda of meeting	Important opinions and recommendations	Other performance of duties
7 April 2023	Review of key audit matters in the 2022 annual report, preliminary audit opinion and related financial and accounting statements, and full communication with certified public accountant for the annual audit on key audit matters and preliminary audit opinion.	Adopted	Nil
17 April 2023	I. Proposal on the Financial and Accounting Reports of the Company for 2022 Audited by the Accounting Firm; II. Proposal on the Re-appointment of BDO China Shu Lun Pan Certified Public Accountants LLP as the Auditor of the Company for 2023; III. 2022 Annual Report of Audit Committee of the Board of Directors of Ningbo Shanshan Co., Ltd. on Duty Performance; IV. Summary Report of Audit Committee of the Board of Directors of Ningbo Shanshan Co., Ltd. on the Auditor's Audit Work in 2022; V. 2022 Annual Internal Control Evaluation Report of Ningbo Shanshan Co., Ltd.; VI. 2022 Annual Internal Control Audit Report of Ningbo Shanshan Co., Ltd.; VII. Proposal on the Company's Related Party Guarantee Quota in 2023; VIII. Proposal on the Estimated Amount of Related Transactions Contemplated in the Ordinary Course of Business in 2023.	Adopted	Nil
27 April 2023	Proposal on the First Quarterly Report for 2023 (unaudited) of Ningbo Shanshan Co., Ltd.	Adopted	Nil

29 August 2023	Proposal on the Full Text and Summary of the Interim Report of Ningbo Shanshan Co., Ltd. for 2023	Adopted	Nil
27 October 2023	Proposal on the Third Quarterly Report for 2023 (unaudited) of Ningbo Shanshan Co., Ltd.	Adopted	Nil

(IV) During the Reporting Period, the Nomination Committee held 3 meetings

Convening date	Agenda of meeting	Important opinions and recommendations	Other performance of duties
2 March 2023	Proposal on Qualification Review and Approving the Nomination of Mr. Zheng Ju as a Candidate for Director of the 10th Board of Directors of the Company	Adopted	Nil
17 April 2023	Proposal on Qualification Review and Approving the Nomination of Candidates for Directors of the 11th Board of Directors of the Company	Adopted	Nil
10 May 2023	Proposal on Appointment of Senior Management of the Company	Adopted	Nil

(V) During the Reporting Period, the Remuneration and Evaluation Committee held 2 meetings

Convening date	Agenda of meeting	Important opinions and recommendations	Other performance of duties
2 August 2023	Proposal on Adjustment of Related Equity Price, Cancellation of Certain Stock Options and Repurchase and Cancellation of Certain Restricted Shares under the Company's 2022 Stock Option and Restricted Stock Incentive Plan	Adopted	Nil
27 October 2023	Proposal on Cancellation of Certain Stock Options and Repurchase and Cancellation of Certain Restricted Shares under the Company's 2022 Stock Option and Restricted Stock Incentive Plan	Adopted	Nil

(VI) Particulars of the existence of any disagreement

Applicable Not Applicable

VIII. Statement about the Company's Exposure to Risks by the Board of Supervisors

Applicable Not Applicable

The Supervisory Committee had no objection to the matters under supervision during the Reporting Period.

IX. Particulars of Employees of the Parent Company and Its Major Subsidiaries at the End of the Reporting Period

(I) Employees

Number of the existing employees of the Parent Company	103
Number of the existing employees of major subsidiaries	7,992
Total number of the existing employees	8,095
Number of the retired employees for whom the Parent Company and its major subsidiaries are required to bear the expenses	13
Professional composition	
Professional category	Number of professional employees
Production staff	5,484

Sales personnel	65
Technical personnel	870
Management	290
R&D team members	402
Functional personnel	984
Total	8,095
Education level	
Education level category	Number (person)
Doctor	12
Master	262
Bachelor	1,430
College and below	6,391
Total	8,095

(II) Remuneration Policy

Applicable Not applicable

The Company's remuneration follows the principles of fairness, equity, cost control and budgeting, and implements a remuneration system based on job evaluation, performance evaluation, and market-oriented salaries to provide employees with competitive remuneration and benefits.

In response to the business development of Ningbo Shanshan Co., Ltd., the performance evaluation of the industrial companies takes the net return on assets as the core indicator, and growth and risk control as auxiliary indicators, to evaluate the performance of the industrial company's management team. We will fully inspire employees' creativity, initiative and enthusiasm to keep up with the organization's business strategy and achieve the organization's business goals.

(III) Training Programs

Applicable Not applicable

The Company focuses on creating a three-dimensional and diverse talent development system. We attach great importance to and enhance the cultivation of management cadres. Within this year, we launched several special projects to improve the management capabilities of cadres, such as the Cadre Lecture Hall and the enhancement of financial/human resources administrative line cadre abilities. The company and its subsidiary industrial companies extensively carried out professional skills training and practice in various categories such as R&D, production, and marketing. We value the cultivation of our internal trainer team and have newly trained a large number of outstanding professional or management trainers who are willing to share. We have also developed practical training courses that are directly pertinent to the actual needs, promoting the implementation of the Company's talent development strategy and enhancing the professional skills and quality of key personnel management within the Company as a platform.

(IV) Labor Outsourcing

Applicable Not applicable

Total man-hours of outsourced labor	3,919,393.50 hours
Total remuneration paid for outsourced labor	RMB122,645,711.63

X. Plan of Profit Distribution or Capitalization of Surplus Reserve**(I) The Formulation, Implementation or Adjustment of the Company's Cash Dividend Policy**

√Applicable Not applicable

Profit distribution policy of the Company:

1. Basic principles for profit distribution of the Company:

(1) The Company's profit distribution policy shall maintain continuity and stability, attach importance to reasonable return on investment for investors, and shall be for the long term interest of the Company, in the interest of all shareholders as a whole, and for the sustainable development of the Company;

(2) Where cash dividend is feasible, the Company shall give priority to adopt dividend distribution in cash.

2. Specific policies of the Company for profit distribution are:

(1) Form of profit distribution:

The Company distributes dividends in the form of cash, stock or a combination of cash and stock.

(2) Conditions for cash dividends:

(a) The distributable profit of the Company (i.e. any remaining profits after tax after making up for the losses and making contributions to the reserve) is positive in the current year and the cash flow is sufficient, and the implementation of cash dividends will not affect the Company's subsequent sustainable operation;

(b) The Company's accumulated profits available for distribution are positive;

(c) The Company has no events such as material investment plan or significant cash expenditure, excluding projects using proceeds raised in the coming twelve months. Major investment plan or major cash expenditure means that the accumulated expenditures of the proposed external investment, acquisition of assets or purchase of equipment by the Company in the coming twelve months amount to or exceed 10% of the latest audited net assets of the Company.

(3) Proportion of cash dividends:

In principle, annual profit distribution shall be made once a year when the conditions for cash dividend are met. The Company adopts a fixed proportion policy for cash dividend, that is, the profit distributed in cash every year shall not be less than 10% of the distributable profit realized by the Company in that year, and the accumulated profits distributed in cash in the last three years shall not be less than 30% of the annual distributable profits realized by the Company in the last three years.

(4) The Board shall propose a differentiated cash dividend policy in accordance with the procedures as required by this Articles of Association, taking into full account of various factors such as features of the industries where the Company operates, the stage of development of the Company, its own business model, level of profitability, and whether there is significant capital expenditure arrangement, and based on the following situations:

(a) If the Company is at the mature stage of development and has no significant capital expenditure arrangement, when profit distribution is made, the cash dividends shall at least account for 80% of the profit distribution;

(b) If the Company is at the mature stage of development and has significant capital expenditure arrangements, when profit distribution is made, the cash dividends shall at least account for 40% of the profit distribution;

(c) If the Company is at the growth stage of development and has significant capital expenditure arrangements, when profit distribution is made, the cash dividends shall at least account for 20% of the profit distribution.

The specific stage of the Company during the actual dividend distribution shall be determined by the Board of Directors of the Company in accordance with the specific circumstances.

(4) Conditions for issuing stock dividends:

The Company may adopt stock dividends for profit distribution under the premise of ensuring the minimum cash dividend proportion and the reasonable size of the Company's share capital and shareholding structure, after meeting the above-mentioned conditions for cash dividends and taking into account factors such as the Company's growth and dilution of net assets per share, and considering that the issuance of stock dividends is beneficial to the overall interests of all shareholders of the Company, the specific dividend proportion shall be considered and approved by the Board of Directors of the Company and submitted to the general meeting for deliberation and decision.

3. Procedures for considering the Company's profit distribution plan:

The board of directors shall formulate the profit distribution scheme according to the established profit distribution policy and submit it to the general meeting for deliberation. The profit distribution scheme shall be deliberated and approved by the general meeting with more than two-thirds of the voting rights held by the shareholders present at the general meeting.

Independent Directors can collect views from minority shareholders to put forward the profit distribution proposal and directly propose to the Board for consideration.

Before the general meeting considers the profit distribution plan, the Company shall take various ways to fully discuss and communicate with the shareholders, especially the minority shareholders holding shares of the Company, regarding the cash dividend plan, listen to the opinions and demands of the minority shareholders, and promptly respond to the concerns of the minority shareholders.

When resolution is made by general meeting on the profit distribution scheme, the Board shall complete the dividend (or share) distribution issues in 2 months after the general meeting.

The Company shall disclose in detail the formulation and implementation of the cash dividend policy during the Reporting Period in its periodic reports.

4. Change in the Company's profit distribution policy:

The dividend policy shall not be adjusted at will to lower the level of return to shareholders after it is determined. The Company may adjust or change the cash dividend policy if the Company needs to adjust the dividend policy in the event of force majeure such as war, natural disasters, or changes in the Company's external business environment that have a significant impact on the Company's production and operation, or when the Company's operating conditions change significantly, or for the needs of

production and operation, investment planning and long-term development, or when the relevant provisions of the dividend policy are modified by regulatory authorities.

If it is necessary to adjust or change the profit distribution policy, the conditions stipulated in the Articles of Association shall be satisfied and the relevant proposals shall be subject to detailed demonstration. The Supervisory Committee of the Company shall consider the profit distribution policy formulated and modified by the Board of Directors and approve them by voting of more than half of the supervisors.

The profit distribution policy proposed by the Board shall be approved by more than half of the Board members and then submitted to the general meeting for deliberation and approved by more than two-thirds of the voting rights held by the shareholders attending the general meeting. The relevant proposal submitted to the general meeting shall explain the reasons for changing the profit distribution policy in detail. When the general meeting considers matters related to the adjustment to the profit distribution policy, the Company shall provide methods such as an online voting to facilitate shareholders' participation in the general meeting.

5. Plan for the use of undistributed profits for the current year

The Company's undistributed profits for the year will be retained by the Company for production and operation and carried forward for distribution in future years.

Formulation and implementation of profit distribution plan during the Reporting Period

The 2022 profit distribution plan of the Company: Based on the shares for distribution on the date of stock registration when the Company implements the 2022 profit distribution plan (Total share capital less the number of shares in the company's special account for repurchases), the Company will distribute a cash dividend of RMB3.00 (tax inclusive) for every 10 shares held by each shareholder. There will be no plan for conversion of capital reserve into share capital.

The independent directors of the Company agreed upon the above profit distribution proposal and expressed their independent opinion that it is in line with the actual operation situation of the Company.

The above proposal was considered and approved by the 41st meeting of the Tenth Board of Directors of the Company and then submitted to the 2022 Annual General Meeting of the Company for consideration and approval.

The above profit distribution plan was implemented on 2 June 2023.

(For details, please refer to the relevant announcements of the Company released on the designated information disclosure media and the website of the SSE)

Pursuant to the *Rules on Share Repurchase by Listed Companies* of the China Securities Regulatory Commission and the *Self-disciplinary Supervision Guideline for Listed Companies of the Shanghai Stock Exchange No. 7 - Repurchase of Shares*, if a listed company repurchases shares using centralized bidding with cash as the consideration, the amount of share repurchases that have been implemented in that year will be regarded as a cash dividend and included in the calculation of the relevant percentage of the cash dividend for that year. The total cumulative funds paid by the Company for repurchasing the

Company's shares through centralized bidding transactions in 2022 amounted to RMB247,010,180.25, which was regarded as a cash dividend. The cash dividend distributed in 2022 was RMB671,354,367.30, i.e., the total amount of the Company's cash dividend in 2022 was RMB918,364,547.55, which was higher than 10% of the Company's realizable distributable profit in 2022. In 2020-2022, the Company paid cash dividends for three consecutive years with an accumulated amount of RMB1,772,048,957.70, which was higher than 30% of the average distributable profit achieved by the Company in the last three years (2020-2022). This is in line with the provisions on the cash dividend policy in the Company's Articles of Association.

(II) Special Description of the Cash Dividend Policy

Applicable Not applicable

Whether in compliance with the requirements of the Articles of Association and resolutions of the general meetings	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
Whether the criteria and payout ratio for dividend distribution are clear and definite	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
Whether the relevant decision-making procedure and mechanism are complete	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
Whether the independent directors have performed their duties and responsibilities and played their proper roles	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
Whether minority shareholders are given opportunities to express their opinions and demands freely, and whether their legitimate rights and interests are adequately protected	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No

(III) Reasons in Detail for Not Proposing Cash Dividend on Ordinary Shares in case of Positive Profit and Distributable Profit of the Parent Company to Holders of Ordinary Shares during the Reporting Period and the Use of and Plan for Such Undistributed Profit

Applicable Not Applicable

(IV) Plan for Profit Distribution and Capitalization of Surplus Reserve during the Reporting Period

Applicable Not applicable

Unit: Yuan Currency: RMB

Number of bonus shares for every 10 shares (share)	/
Amount of dividends distributed per 10 shares (RMB) (inclusive of tax)	2.00
Number of shares capitalised for every 10 shares (share)	/
Cash dividend amount (tax included)	438,585,378.60
Net profit attributable to the listed company's ordinary shareholders during the year of dividend distribution under the consolidated financial statements	765,337,842.07
Percentage in net profit attributable to the listed company's ordinary shareholders under the consolidated financial statements (%)	57.31
Amount of shares repurchased through cash and included in cash dividend	545,516,133.69
Total dividend amount (tax included)	984,101,512.29
Percentage of the total dividend amount in net profit attributable to the listed company's ordinary shareholders under the consolidated financial	128.58

statements (%)	
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XI. Share Option Incentive Scheme, Employee Share Scheme or Other Employee Incentives and Their Impact

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

Applicable Not applicable

Item overview	Resolutions are publicized
<p>On 15 March 2023, the Company issued the Announcement on the Expiration of the Reserved Rights of the 2022 Share Options and Restricted Share Incentive Plan.</p> <p>On 2 August 2023, the second meeting of the 11th Board of Directors and the second meeting of the 11th Supervisory Committee deliberated and approved the Proposal on the Adjustment of Relevant Share Prices of the Company's 2022 Share Options and Restricted Share Incentive Plan, Cancellation of Some Share Options and Repurchase and Cancellation of Some Restricted Shares.</p> <p>On 11 September 2023 and 16 October 2023, the Company completed the relevant change registration of the aforesaid stock options and restricted stock repurchase and cancellation procedures at the CSDC Shanghai Branch, respectively.</p> <p>On 30 October 2023, the fifth meeting of the 11th Board of Directors and the fifth meeting of the 11th Supervisory Committee deliberated and approved the Proposal on the Cancellation of Some Share Options and Repurchase and Cancellation of Some Restricted Shares of the Company's 2022 Share Options and Restricted Share Incentive Plan.</p> <p>On 14 December 2023 and 26 December 2023, the Company completed the cancellation procedures for the aforesaid stock options and the restricted stock repurchase and cancellation procedures at the CSDC Shanghai Branch, respectively.</p>	<p>For details, please refer to the relevant announcements of the Company released on the designated information disclosure media and the website of the SSE on 15 March 2023, 3 August 2023, 12 October 2023, 31 October 2023 and 22 December 2023.</p>

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

Share option incentive scheme

Applicable Not Applicable

Other explanations

Applicable Not Applicable

Employee share scheme

Applicable Not Applicable

Other incentives

Applicable Not Applicable

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

Applicable Not Applicable

(IV) Description of the establishment and implementation of the appraisal and incentive mechanism for senior management during the Reporting Period

Applicable Not applicable

The Company establishes and gradually improves a fair and transparent performance evaluation and assessment system and incentive and restraint mechanism for managers, linking the remuneration of

senior executives with benefits. The appointment of senior executives was open, transparent and in compliance with the relevant laws and regulations.

The Company's remuneration follows the principles of fairness, equity, cost control and budgeting, and implements a remuneration system based on job evaluation, performance evaluation, and market-oriented salaries to provide employees with competitive remuneration and benefits.

In response to the business development of Ningbo Shanshan Co., Ltd., the performance evaluation of the industrial companies takes the net return on assets as the core indicator, and growth and risk control as auxiliary indicators, to evaluate the performance of the industrial company's management team. We will fully inspire employees' creativity, initiative and enthusiasm to keep up with the organization's business strategy and achieve the organization's business goals.

XII. Construction and Implementation of Internal Control System during the Reporting Period

Applicable Not applicable

The Company has built an internal control construction system based on the internal control framework system of Ningbo Shanshan Co., Ltd., and each subsidiary has formulated their own internal control system and strictly implemented them, covering 16 management business cycles and 99 internal control management sub-systems, including comprehensive management, internal control management, personnel management, information management, public affairs, security management, financial management, procurement management, sales management, credit management, investment management, engineering project management, R&D management, securities management, brand management and risk asset management. In the first half of 2023, each subsidiary completed the revision of the internal control system according to the internal control framework system of Ningbo Shanshan Co., Ltd., further optimizing the provisions on the systems related to procurement, bidding, goods acceptance, risky customer management, refined investment, project pre-settlement, and risk asset management.

The Company's existing internal control management regimes cover the Company's operations at all levels and the primary respects and constitute a standardized management system, which is capable of preventing and timely detecting and correcting important errors and frauds that may occur in the course of the Company's operations. During the Reporting Period, protecting the safety and integrity of the Company's assets, ensuring the truthfulness, accuracy and timeliness of accounting records and accounting information, and not having material defects in completeness, reasonableness and effectiveness.

During the Reporting Period, the Company found the existence of 2 significant deficiencies in internal control over non-financial reporting, and the relevant departments of the Company immediately carried out in-depth self-inspection and formulated corrective measures after the discovery, and as of the date of issuance of the Report, the relevant corrective work has been completed. For details, please refer to the "2023 Internal Control Evaluation Report of NBSS".

Explanation on material defects regarding internal control during the Reporting Period

Applicable Not applicable

XIII. Management and Control over Subsidiaries during the Reporting Period

Applicable Not applicable

In accordance with the *Company Law*, the *Securities Law* and other laws and regulations and the relevant provisions of *Articles of Association*, the Company has formulated the *Internal Control Framework System of Ningbo Shanshan Co., Ltd.* while taking into account the Company's actual situation. Under the framework of the Company's overall policy and objectives, the subsidiaries manage themselves and operate their corporate assets legally and effectively, while implementing the Company's rules and regulations for subsidiaries without affecting their independent business management.

The Company manages the subsidiaries by appointing their directors, supervisors and important senior management, clearly stipulating the reporting system and consideration procedures for material matters, and participating in major investment decisions of the subsidiaries. In addition, the Audit and Supervision Department and the Internal Control Department of the Company regularly inspect and supervise the subsidiaries in terms of administration, personnel, capital, finance, investment, procurement, engineering, safety and environmental protection, risk assets, connected transactions, disclosure of information, and construction and implementation of systems, and supervise the subsidiaries to rectify the internal control deficiencies found, so as to continuously enhance the Company's operation and management as well as the ability to prevent risks.

During the Reporting Period, the Company did not lose the control over its subsidiaries.

XIV. Relevant Statement regarding the Internal Control Audit Report

Applicable Not applicable

For details, please refer to the *Internal Control Audit Report of Ningbo Shanshan Co., Ltd. for 2023* disclosed on the website of the SSE.

Whether to disclose the internal control audit report: Yes

Type of opinion on the audit report of internal control: unqualified opinion with emphasis on certain matters

XV. Rectification of Problems Identified by Self-Examination during the Special Action on Governance of Listed Companies

N/A

XVI. Others

Applicable Not Applicable

Section V Environmental and Social Responsibility

I. Environmental Protection Information

Is there a mechanism related to environmental protection?	Yes
Environmental protection funds invested during the Reporting Period (Unit: RMB0'000)	28,085.96

(I) Explanation on Environmental Protection Efforts of the Highly Polluting Companies and Their Major Subsidiaries as Announced by the Environmental Protection Authorities

√Applicable Not applicable

1. Pollutant discharge

√Applicable Not applicable

During the Reporting Period, there were 7 key pollutant-discharging companies within the scope of the Company's consolidated statements as announced by the Ministry of Environmental Protection, and the relevant emission information is as follows:

Company name	Pollutant type	Name of the major pollutants and specific pollutants	Concentration of the discharge	Total discharge (t/a)	Total discharge approved (t/a)	Excess discharge	Discharge method	Number and distribution of discharge outlets	Pollutant discharge standards implemented
Shanjin Optoelectronics (Nanjing) Co., Ltd.	Wastewater	Chemical oxygen demand (COD)	289.9mg/L	342.15	705.674	Nil	Indirect discharge	1 discharge outlet	Discharge Standard of Water Pollutants for Electronic Industry (GB39731-2020) and takeover standards of sewage treatment plants in Nanjing Economic and Technological Development Zone
		Ammonia nitrogen	0.86mg/L	0.74	3.347				
		Total phosphorus	0.2mg/L	0.23	0.621				
		Total nitrogen	9.5mg/L	12.3	/				
		Suspended solid	45.5mg/L	54.56	564.297				
	Waste gas	Sulfur dioxide	<35mg/m ³	0.21	0.49	Nil	Organized emission	9 discharge outlets	Integrated Emission Standard of Air Pollutants (DB32/4041-2021)
		NOx	5mg/m ³	4.47	8.095			9 discharge outlets	
		VOCs (in total non-methane)	5.8mg/m ³	19.53	99.4785			15 discharge outlets	

Company name	Pollutant type	Name of the major pollutants and specific pollutants	Concentration of the discharge	Total discharge (t/a)	Total discharge approved (t/a)	Excess discharge	Discharge method	Number and distribution of discharge outlets	Pollutant discharge standards implemented
		hydrocarbons)							
		Particulate matter	2.1mg/m ³	2.19	3.446			12 discharge outlets	
Shanjin Optoelectronics (Guangzhou) Co., Ltd.	Waste gas	VOCs	Concentration ≤30mg/m ³	36.6	Total amount≤121.6	Nil	Organized emission	12 discharge outlets: around the plants and on the roofs of the buildings	Emission Standard of Volatile Organic Compounds - Furniture Manufacturing Industry (DB44/814-2010) Level 2 standard of Guangdong Emission Limits of Air Pollutants (DB44/27-2001) in the second time period Table 2 Limits of emission concentration of air pollutants from gas-fired boilers in Guangdong Provincial Standards for Boiler Emission of Air Pollutants (DB44/765-2019) Table 3 Limits of emission concentration of air pollutants from gas-fired boilers in
		Particulate matter	Concentration ≤120mg/m ³	0.42	Total amount≤1.175			8 discharge outlets	
		SO2	Concentration ≤50mg/m ³	0	Total amount≤2.688			8 discharge outlets	
		NOx	Concentration ≤150mg/m ³	0	Total amount≤12.574			8 discharge outlets	

Company name	Pollutant type	Name of the major pollutants and specific pollutants	Concentration of the discharge	Total discharge (t/a)	Total discharge approved (t/a)	Excess discharge	Discharge method	Number and distribution of discharge outlets	Pollutant discharge standards implemented
									Guangdong Provincial Standards for Boiler Emission of Air Pollutants (DB44/765-2019)
	Wastewater	BOD5	175mg/L	131.99	/	Nil	/	1 discharge outlet	1. Domestic sewage: level 3 standard of Guangdong Emission Limits for Water Pollutants (《水污染物排放限值》) (DB44/26-2001) in the second time period 2. Production wastewater: subject to the indirect emission limits in Table 1 of the Discharge Standard of Water Pollutants for Electronic Industry (GB39731-2020) Difference: 1. 20mg/L for Ammonia nitrogen; 2. 45mg/L for Ammonia nitrogen
		Suspended solid	19.75mg/L	16.32	/				
		Total phosphorus	0.12mg/L	0.10	/				
		LAS	0.25mg/L	0.31	/				
		Total salt content	502.25mg/L	536.56	/				
		Total nitrogen	6.5mg/L	7.78	/				
		COD	280mg/L	253.57	/				
		Ammonia nitrogen	0.41mg/L	0.26	/				
Shanghai Shanshan Technology Co., Ltd.	Waste gas	Particulate matter	3.9mg/m ³	0.020073	0.036362	Nil	Organized (Discharged at an altitude of 15m after	5 discharge outlets: workshop 2 (1), workshop 3 (2), workshop 4 (2)	Integrated Emission Standards of Air Pollutants (DB31/933-2015)

Company name	Pollutant type	Name of the major pollutants and specific pollutants	Concentration of the discharge	Total discharge (t/a)	Total discharge approved (t/a)	Excess discharge	Discharge method	Number and distribution of discharge outlets	Pollutant discharge standards implemented
							treatment according to relevant standards), unorganized		
Ningbo Shanshan New Material Technology Co., Ltd.	Waste gas	VOCS	5.26mg/m ³	0.27156	1.153	Nil	Discharged at an altitude of 15m after treatment according to relevant standards	12 discharge outlets: 9 dust outlets, 2 exhaust outlets, 1 canteen fume outlet	Integrated Emission Standards of Air Pollutants (GB16297-1996) Emission Standard of Cooking Fume (Trial) (GB18483-2001) Implementation Plan for Comprehensive Control of Air Pollution of Industrial Furnaces in Zhejiang Province
		SO ₂	8mg/m ³	0.283	0.566				
		NO _X	33mg/m ³	0.079	0.158				
		Particulate matter	171.9mg/m ³	2.97995	7.058				
Fujian Shanshan Technology Co., Ltd.	Waste gas	Sulfur dioxide	200 mg/Nm ³	0.532199	5.778	Nil	Organized emission	10 discharge outlets: semi-finished product processing workshop discharge outlet 1#, semi-finished product processing workshop discharge outlet 2#, semi-finished product processing workshop	Integrated Emission Standard of Air Pollutants (GB16297-1996) Emission Standard of Air Pollutants for Industrial Furnaces (GB9078-1996) Emission Standard of Volatile Organic Compounds for Industrial Enterprises (DB35/1782-2018)
		NO _x	300 mg/Nm ³	0.073003	2.16				
		Particulate matter	30mg/Nm ³	0.142818	1.341				
		Asphalt fume	40 mg/Nm ³	0.351887	10.1 (VOCS)				
		NMHC	80mg/Nm ³	4.911389					
		Benzopyrene	0.0003 mg/Nm ³	0					

Company name	Pollutant type	Name of the major pollutants and specific pollutants	Concentration of the discharge	Total discharge (t/a)	Total discharge approved (t/a)	Excess discharge	Discharge method	Number and distribution of discharge outlets	Pollutant discharge standards implemented
								discharge outlet 3#, finished product processing workshop 1 north line discharge outlet 4#, organic exhaust gas exhaust funnel 5#, finished product processing workshop 1 south line discharge outlet 6#, breaking and grading workshop discharge outlet 7#, press-ton package room discharge outlet 8#, finished products processing workshop 2 discharge outlet 9#, semi-finished product processing workshop aqueous phase discharge outlet 10#.	Scheme for Comprehensive Control of Air Pollution of Industrial Furnaces in Fujian Province (Min Huan Bao Da Qi (2019) No.10)
Inner Mongolia Shanshan New Material Co., Ltd.	Waste gas	Particulate matter	4.9 mg/Nm ³	15.032	/	Nil	Organized emission + fugitive emission	5 discharge outlets: 1# graphitization workshop exhaust, 2# graphitization	Integrated Emission Standard of Air Pollutants (GB16297-1996)
		Sulfur dioxide	< 3mg/m ³	2.308	29.18				
		NOx	15 mg/Nm ³	8.938	55.86				

Company name	Pollutant type	Name of the major pollutants and specific pollutants	Concentration of the discharge	Total discharge (t/a)	Total discharge approved (t/a)	Excess discharge	Discharge method	Number and distribution of discharge outlets	Pollutant discharge standards implemented	
		NMHC	0.65 mg/Nm ³	0.192	63.722			workshop exhaust, 3# graphitization workshop exhaust, 4# graphitization workshop exhaust, 2# warehouse exhaust	Emission Standard of Air Pollutants for Industrial Furnaces (GB9078—1996)	
		Asphalt fume	19 mg/Nm ³	11.45	/					
		Benzopyrene	<0.000002 mg /Nm ³	1.24127E-06	/					
	Wastewater	BOD5	9.33mg/L	0.47	/		Nil	Connected to the sewage network	3 discharge outlets: the discharge outlets are located next to the south west gate of the plant, the east of the north gate of the plant and the west of the north gate of the plant	Integrated Wastewater Discharge Standard (《污水综合排放标准》)(GB8978-1996)
		Total salt content	566mg/L	29.49	/					
		Animal and vegetable oil	0.81mg/L	0.06	/					
		COD	45.67mg/L	2.17	22.15					
		Suspended solid	39mg/L	1.41	/					
		Ammonia nitrogen	7.57mg/L	0.37	2.93					
	Inner Mongolia Shanshan Technology Co., Ltd.	Waste gas	Particulate matter	2.6mg/m ³	0.28908	4.5	Nil	Organised emission after treatment with the exhaust gas treatment facilities and meeting the standard; fugitive emission	9 discharge outs: 5 for drying, 1 for modification, 1 for pilot test, 1 for carbonization, 1 for boiler	Emission Standard of Air Pollutants for Coal-burning Oil-burning Gas-fired Boilers (GB13271-2014) Emission Standard of Pollutants for Battery Industry (GB30484-2013) Integrated Emission Standard of Air Pollutants
			NOx	23mg/m ³	1.2138	35.394				
Sulfur dioxide			17.8mg/m ³	0.07182	0.72					
NMHC			8.86mg/m ³	3.9354	/					
Asphalt fume			16.00mg/m ³	0.7854	/					
Benzopyrene[a]			Not detected	4.83*10-7	/					

Company name	Pollutant type	Name of the major pollutants and specific pollutants	Concentration of the discharge	Total discharge (t/a)	Total discharge approved (t/a)	Excess discharge	Discharge method	Number and distribution of discharge outlets	Pollutant discharge standards implemented
									(GB16297-1996) Emission Standard of Air Pollutants for Industrial Furnaces (GB9078-1996)
	Wastewater	BOD5	79.5mg/L	/	/	Nil	Connected to the sewage network	3 discharge outlets: the discharge outlets are located at the east, west and south gates respectively	Integrated Wastewater Discharge Standard (《污水综合排放标准》) (GB8978-1996)
		Total salt content	634mg/L	/	/				
		Animal and vegetable oil	0.54mg/L	/	/				
		COD	266mg/L	0.2976	42.56				
		Total phosphorus	3.04mg/L	/	/				
		Suspended solid	42mg/L	/	/				
		Ammonia nitrogen	17.2mg/L	1.032	1.76				

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

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

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

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

4. Environmental emergency plan√Applicable Not applicable

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

5. Environmental self-monitoring program√Applicable Not applicable

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

6. Administrative penalties for environmental problems during the Reporting PeriodApplicable Not Applicable**7. Other environmental information that should be disclosed**Applicable Not Applicable

(II) Explanation of Environmental Protection Efforts of Companies Other Than Highly Polluting Companies√Applicable Not applicable**1. Administrative penalties for environmental problems**Applicable Not Applicable**2. Disclosure of other environmental information with reference to key emission units**√Applicable Not applicable

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

3. Reasons for not disclosing other environmental informationApplicable Not Applicable**(III) Information That Contributes to the Protection of Ecology, Prevention of Pollution and Fulfillment of Environmental Responsibilities**√Applicable Not applicable

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

(IV) Measures Taken to Reduce Its Carbon Emissions during the Reporting Period and the Results

Whether to take carbon reduction measures	Yes
Emission reduction of CO2 equivalent (in tons)	1,539,005
Type of carbon reduction measures (such as using clean energy to generate electricity, using carbon reduction technologies in the production process, developing and producing new products that help reduce carbon emissions, etc.)	Using clean energy to generate electricity, using carbon reduction technologies in the production process

Instructions

Applicable Not applicable

By taking practical actions to fulfill our commitment to energy management, we are committed to easing the environmental and climate impact of greenhouse gas emissions on global warming, promoting the concept of sustainable development, and assuming environmental and social responsibility

Adhering to the green, recycling and low-carbon development concept, Shanshan Anode strives to control and mitigate greenhouse gas emissions, and promotes the sustainable development of the anode industry. It adopts new process, new technology, new equipment and new materials to accelerate the construction of new resource-saving and environment-friendly production bases. It is gradually improving the structure of energy use, vigorously utilizing renewable energy sources such as hydropower, wind power, solar energy and biomass to create low-carbon and zero-carbon factories. Shanjin Optoelectronics has established a clear basic idea of environmental health and safety, placing environmental health and safety at the top of the list of all business activities. It is actively engaged in medium- and long-term planning in green product development, green factories and green procurement. By continuously strengthening investment in environmental research, using renewable energy, carrying out energy saving and emission reduction, practicing "carbon reduction" actions, and building a green and responsible supply chain, it aims to lead the transformation and upgrading of the industry, promote the low-carbon development of China's new display industry and manufacturing industry, and help realize China's goal of "carbon peaking and carbon neutrality".

In 2023, Shanshan Anode's Chenzhou plant was honored as "Hunan Province Green Factory" and selected as "2022 Hunan Province Green Factory Demonstration Unit"; Shanjin Optoelectronics (Nanjing) was shortlisted as "2022 Jiangsu Province Green Factory" and "National Green Factory". In the future, the Company will enhance its engagement in the field of energy conservation, emission reduction and climate change. While controlling and reducing our own carbon emissions, we will effectively drive the value chain to reduce carbon emissions, contributing "Shanshan power" to the industry and the society.

II. Social Responsibility Commitments

(I) Whether to Disclose a Separate Social Responsibility Report, Sustainability Report or ESG Report

Applicable Not applicable

For details, please refer to the *Environmental, Social and Governance (ESG) Report of Ningbo Shanshan Co., Ltd. for 2023* disclosed on the website of the SSE.

(II) Social Responsibility Commitments

Applicable Not applicable

External donations and public welfare projects	Quantity/content
Total investment (RMB 10 thousand)	137.80
Including: Capital (RMB 10 thousand)	137.80
Material discount (RMB 10 thousand)	0
Number of people benefited (person)	/

Instructions

Applicable Not applicable

As a socially responsible enterprise, the Company always bears in mind its social responsibility and is committed to contributing to the society through various ways. The Company actively participates in enthusiastic social charity and public welfare activities, transmits enterprise care, responds to and vigorously promotes rural revitalization, in order to contribute to the construction of a better society.

During the Period, the Company and its subsidiaries carried out a series of social welfare activities in different forms and organized corporate volunteers to participate. These activities not only enhanced the employees' sense of social responsibility but also cultivated their habit of actively thinking for the society. The Company contributes its strength in fields and for audiences. It establishes a socially responsible corporate image by implementing public welfare projects such as making charitable donations, helping people in need, donating blood, environmental greening construction, and comforting the elderly.

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

Applicable Not applicable

Poverty alleviation and rural revitalization projects	Quantity/content
Total investment (RMB 10 thousand)	10.50
Including: Capital (RMB 10 thousand)	10.00
Material discount (RMB 10 thousand)	0.50
Number of people benefited (person)	/
Forms of assistance (e.g. poverty alleviation by developing industries, poverty alleviation through increasing employment, poverty alleviation through education, etc.)	Poverty alleviation through industry, assistance in kind

Instructions

Applicable Not applicable

Giving full play to its own resources and capabilities, the Company actively participates in rural revitalization work through employment assistance, industry promotion and targeted assistance.

During the Period, Fujian Shanshan Technology Co., Ltd., a subsidiary of the Company, actively participated in the activity of "Adopting one mu of rice field and becoming a farmer" held by Dajia Town, Gutian County, Ningde City, Fujian Province, adopting a total of 40 mu of rice field in response to the implementation of the national rural revitalization strategy of supporting farmers, benefiting farmers and rejuvenating agriculture. In addition, Fujian Shanshan Technology Co., Ltd., taking the poor people in the surrounding areas as the target of assistance, pays attention to the lives of the vulnerable groups and the poor people. They visited the poor people every quarter and sent daily necessities and condolence items, trying to help the villagers solve the difficulties, and effectively fulfilling social responsibilities.

Section VI Important Matters

I. Performance of Commitments

(I) Commitments of Obligors, Including the De Facto Controller, Shareholders, Related Parties and Acquirer of the Company and the Company During or Subsisting at the Time of the Reporting Period

√Applicable □Not applicable

Background	Type	Party(ies)	Details	Effective time	Whether the commitments have a performance deadline	Validity period	Whether the commitments have been strictly performed in a timely manner
Commitments made in the report on acquisition or the report on the change in shareholding	Others	Shanshan Group, Pengze Trading, Yinzhou Jielun, Shanshan Holdings, and Mr. Zheng Yonggang	Commitments on the truthfulness, accuracy and completeness of the information provided, commitments on maintaining the independence of the listed company, commitments on avoiding horizontal competition, commitments on reducing and regulating related transactions, commitments on the absence of the circumstances stipulated in Article 6 of the Measures for the Administration of Acquisition of Listed Companies and compliance with Article 50 of the Measures for the Administration of Acquisition of Listed Companies	31 December 2021, 22 September 2022	No	For details, please refer to the relevant announcements of the Company released on the designated journals and media and the website of the SSE on 1 January 2022 and 23 September 2022.	Yes
Commitments in relation to major asset restructuring	Others	Directors, supervisors and senior management of Ningbo Shanshan Co., Ltd.	Commitments on the truthfulness, accuracy and completeness of the information provided; commitments on penalties, litigation, arbitration and integrity in the last three years; commitments on the absence of insider trading and compliance with regulatory requirements; commitments on affiliation; commitments on share reduction plan.	14 September 2020	No	For details, please refer to the relevant announcements of the Company released on the designated journals and media and the website of the SSE on 15 September 2020.	Yes
	Others	Directors and	Commitments on taking mitigation and	14 September	No	For details, please refer to	Yes

Background	Type	Party(ies)	Details	Effective time	Whether the commitments have a performance deadline	Validity period	Whether the commitments have been strictly performed in a timely manner
		senior management of Ningbo Shanshan Co., Ltd.	remediation measures for the immediate return dilution resulting from this major asset restructuring.	2020		the relevant announcements of the Company released on the designated journals and media and the website of the SSE on 15 September 2020.	
	Others	Shanshan Group, Shanshan Holdings, and Mr. Zheng Yonggang	Commitments on the truthfulness, accuracy and completeness of the information provided; commitments on penalties, litigation, arbitration and integrity in the last three years; commitments on the absence of insider trading and compliance with regulatory requirements; commitments on affiliation; commitments on share reduction plan; commitments on maintaining the independence of the listed company; commitments on opinions in principle on this major asset restructuring; commitments on taking mitigation and remediation measures for the immediate return dilution resulting from this major asset restructuring.	14 September 2020	No	For details, please refer to the relevant announcements of the Company released on the designated journals and media and the website of the SSE on 15 September 2020.	Yes
	Addressing horizontal competition	Shanshan Group, Shanshan Holdings, and Mr. Zheng Yonggang	Commitments on avoiding horizontal competition.	14 September 2020	No	For details, please refer to the relevant announcements of the Company released on the designated journals and media and the website of the SSE on 15 September 2020.	Yes
	Addressing related transactions	Shanshan Group, Shanshan Holdings, and	Commitments on regulating and reducing related transactions.	14 September 2020	No	For details, please refer to the relevant announcements of the Company released on the designated journals and	Yes

Background	Type	Party(ies)	Details	Effective time	Whether the commitments have a performance deadline	Validity period	Whether the commitments have been strictly performed in a timely manner
		Mr. Zheng Yonggang				media and the website of the SSE on 15 September 2020.	
	Others	LG Chem and other counterparties of this restructuring	Commitments on the truthfulness and accuracy of the information provided.	14 September 2020	No	For details, please refer to the relevant announcements of the Company released on the designated journals and media and the website of the SSE on 15 September 2020.	Yes
Commitments in relation to refinancing	Addressing horizontal competition	Shanshan Group	Shanshan Group currently has no engagement and guarantees that it will not engage in business activities that compete with the business of Ningbo Shanshan Co., Ltd. directly or indirectly through any other means in future, and is willing to bear the compensation liability for the economic loss caused to Ningbo Shanshan Co., Ltd. by the violation of the above commitments.	April 2001	No	The commitment was made in April 2001 and long-term effective.	Yes
	Addressing horizontal competition	Shanshan Holdings, Shanshan Group, and Mr. Zheng Yonggang (the Covenantors)	There is no substantial competition between the enterprises directly or indirectly controlled by the Covenantors and Ningbo Shanshan Co., Ltd. and its holding companies. During the Period when the Covenantors are the (indirect) controlling shareholder/de facto controller of Ningbo Shanshan Co., Ltd., the Covenantors and the enterprises controlled by the Covenantors other than Ningbo Shanshan Co., Ltd. and its holding companies will avoid engaging in any business that competes with the main business of Ningbo Shanshan Co., Ltd.	May 2015	No	The commitment was made in May 2015 and became effective since its issuance, and continues to be valid and irrevocable during the period when the Covenantors are the (indirect) controlling shareholder/de facto controller of Ningbo Shanshan Co., Ltd..	Yes

Background	Type	Party(ies)	Details	Effective time	Whether the commitments have a performance deadline	Validity period	Whether the commitments have been strictly performed in a timely manner
			and its holding companies, and will not engage in any activity that causes damage to the interests of Ningbo Shanshan Co., Ltd. and its holding companies. If the Covenantors and the enterprises controlled by the Covenantors other than Ningbo Shanshan Co., Ltd. and its holding companies encounter business opportunities within the scope of the main business of Ningbo Shanshan Co., Ltd. and its holding companies, the Covenantors will facilitate the transfer of such opportunities to Ningbo Shanshan Co., Ltd. and its holding companies. In case of any breach of the above commitments, the Covenantors shall bear all losses caused to Ningbo Shanshan Co., Ltd.				
	Others	Shanshan Group, Pengze Trading, Yinzhou Jielun	Commitments on the source of funds for subscribing to this non-public offering of A-shares of Ningbo Shanshan Co., Ltd.	25 June 2021	No	For details, please refer to the relevant announcements of the Company released on the designated journals and media and the website of the SSE on 26 June 2021.	Yes
	Others	Ningbo Shanshan Co., Ltd.	Commitments that no new capital investment will be made in finance-like business. For details, please refer to the relevant announcements of the Company released on the designated journals and media and the website of the SSE on 6 August 2021.	25 June 2021	Yes	For a period from the date of making the commitments to the completion of the use of the proceeds or within 36 months since the availability of the proceeds.	Yes
	Others	Directors, senior	Commitments on taking mitigation and remediation measures for the immediate return	9 June 2020, 26 April 2021,	No	For details, please refer to the relevant announcements	Yes

Background	Type	Party(ies)	Details	Effective time	Whether the commitments have a performance deadline	Validity period	Whether the commitments have been strictly performed in a timely manner
		management, controlling shareholders and de facto controllers of Ningbo Shanshan Co., Ltd.	dilution resulting from this non-public offering of shares.	17 October 2022		of the Company released on the designated journals and media and the website of the SSE on 10 June 2020, 27 April 2021 and 18 October 2022.	
	Others	Ningbo Shanshan Co., Ltd.	The Company does not provide financial assistance or compensation to investors participating in the subscription, either directly or through interested parties.	9 June 2020	No	For details, please refer to the relevant announcements of the Company released on the designated journals and media and the website of the SSE on 10 June 2020.	Yes
	Shares subject to trading restrictions	Shanshan Group, Pengze Trading, Yinzhou Jielun	The shares subscribed for by the target subscribers in this non-public issue shall not be transferred within 36 months from the closing date of this issuance, and the shares of the Company increased after the closing of this issuance as a result of bonus issue and the conversion of capital reserve to share capital by the Company shall also comply with the above-mentioned arrangement of lock-up period. The reduction of the shares subscribed by the target subscribers after the expiry of the lock-up period is subject to the relevant regulations of the CSRC, the SSE and other regulatory authorities.	9 June 2020, 26 April 2021, 29 April 2021	Yes	For details, please refer to the relevant announcements of the Company released on the designated journals and media and the website of the SSE on 10 June 2020, 27 April and 30 April 2021.	Yes
Commitments	Others	Ningbo	The Company promises that none of the major	23 February	Yes	For details, please refer to	Yes

Background	Type	Party(ies)	Details	Effective time	Whether the commitments have a performance deadline	Validity period	Whether the commitments have been strictly performed in a timely manner
relation to equity incentive		Shanshan Co., Ltd.	shareholders or de facto controllers who hold more than 5% of shares and their spouses, parents and children participate in this incentive plan.	2022		the relevant announcements of the Company released on the designated journals and media and the website of the SSE on 24 February 2022.	
	Others	Ningbo Shanshan Co., Ltd.	The Company undertakes that it will not provide loans and financial support in any other forms, including providing guarantee for loans, to the incentive recipients with respect to the acquisition of the relevant equity under this incentive scheme.	23 February 2022	Yes	For details, please refer to the relevant announcements of the Company released on the designated journals and media and the website of the SSE on 24 February 2022.	Yes
Other commitments	Addressing horizontal competition	Ningbo Shanshan Co., Ltd.	For details, please refer to the relevant announcements of the Company released on the designated journals and media and the website of the SSE on 4 February 2020.	1 February 2020	No	Until both of Shaanxi Maoye Industry and Trade Co., Ltd. (陕西茂叶工贸有限公司) and Ningbo Liankangcai Brand Management Co., Ltd. (宁波联康财品牌管理有限公司) cease to be shareholders of Shanshan brand companies.	Yes
	Addressing horizontal competition	Shanshan Group	For details, please refer to the relevant announcements of the Company released on the designated journals and media and the website of the SSE on 13 December 2016.	12 December 2016	No	The Agreement shall remain valid and irrevocable from the date of its entry into force through the term when Shanshan Group is the controlling shareholder of the listed company.	Yes
	Addressing	Ningbo	For details, please refer to the relevant	8 June 2016	No	For details, please refer to	Yes

Background	Type	Party(ies)	Details	Effective time	Whether the commitments have a performance deadline	Validity period	Whether the commitments have been strictly performed in a timely manner
	related transactions	Shanshan Co., Ltd., Mr. Zheng Yonggang	announcements of the Company released on the designated journals and media and the website of the SSE on 9 June 2016.			the relevant announcements of the Company released on the designated journals and media and the website of the SSE on 9 June 2016.	

(II) The Company's Explanation on Whether the Profit Forecast on Assets or Projects Was Met and Its Reasons in the Situation That Profit in the Company's Assets or Projects Is Estimated, and the Period of Which Includes the Reporting Period

Met Not Met Not Applicable

(III) Fulfillment of Undertakings and Its Impact on Goodwill Impairment Test

Applicable Not Applicable

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

Applicable Not applicable

Unit: Yuan Currency: RMB

Name of shareholder or related party	Connections	Time of appropriation	Reason	Opening balance	Additional amount appropriated during the Reporting Period	Total amount repaid during the Reporting Period	Closing balance	Balance as at disclosure date of annual report	Expected repayment method	Expected repayment amount	Expected repayment time
Shanshan Holdings Co., Ltd.	Controlling shareholder	2023	Fund embezzlement	0	80,800.00	72,800.00	8,000.00	0	The principal has been paid in cash	N/A	N/A

Total	/	/	/	0	80,800.00	72,800.00	8,000.00	0	/	/	/
Total value at the end of the period as a percentage of the latest audited net assets	0.35%										
Decision procedures for appropriation of funds by the controlling shareholders and other related parties for non-operating purpose	N/A										
Reasons for the increase in funds appropriated by controlling shareholders and other related parties for non-operating purposes during the period, investigation of responsible persons and measures proposed by the Board of Directors	For details, please refer to the Special Explanation of Board of Directors of Ningbo Shanshan Co., Ltd. on the Unqualified Audit Report with Emphasized Matters of the Company for 2023 and the Unqualified Audit Report with Emphasized Matters on the Internal Control disclosed by the Company on 26 April 2024 at the website of Shanghai Stock Exchange.										
Reasons for failure to repay the funds appropriated for non-operating purposes as planned, responsibility investigation and measures proposed by the Board of Directors	N/A										
CPA's special audit opinion on funds appropriation (if any)	For details, please refer to the Special Report of BDO China Shu Lun Pan Certified Public Accountants LLP on Funds Appropriated for Non-operating Purposes and Transactions of Other Related Funds of Ningbo Shanshan Co., Ltd (BDO Report [2024] No.ZA11875) and the Special Report of BDO China Shu Lun Pan Certified Public Accountants LLP on Repayment of Funds Appropriated for Non-operating Purposes by Related Parties of Ningbo Shanshan Co., Ltd. in 2023 (BDO Report [2024] No.ZA11876) disclosed by the Company on 26 April 2024 at the website of Shanghai Stock Exchange.										
Reasons for the inconsistency between the non-operational appropriation of funds by controlling shareholders and other related parties disclosed in the annual report and the special audit opinion (if any)	N/A										

Note: In January 2024, Shanshan Holdings Co., Ltd. appropriated the funds of the Company for non-operating purposes by RMB150 million. As of 1 April 2024, Shanshan Holdings Co., Ltd. has completely repaid the principal and interest of the aforesaid funds appropriated for non-operating purposes.

III. Illegal Guarantee

Applicable Not Applicable

IV. Explanation of the Board on the “Modified Audit Report” from Auditors

Applicable Not applicable

The Company has made special explanation on the Unqualified Audit Report with Emphasized Matters for 2023 and the Unqualified Audit Report with Emphasized Matters on the Internal Control issued by BDO China Shu Lun Pan Certified Public Accountants LLP, and take corrective measures on the issues involved in the emphasis sections. For details, please refer to the relevant announcement disclosed by the Company on 26 April 2024 on the website of Shanghai Stock Exchange.

V. The Company’s Analysis of and Explanation on Accounting Policies, Changes in Accounting Estimates or Reasons and Impacts of Rectification on Significant Accounting Errors**(I) The Company’s Analysis of and Explanation on Accounting Policies as Well as Reasons and Impacts of Changes in Accounting Estimates**

Applicable Not applicable

For details, please refer to Note "III. Significant Accounting Policies and Accounting Estimates - (36) Changes in Significant Accounting Policies and Accounting Estimates" to the financial statements.

(II) The Company’s Analysis of and Explanation on Reasons and Impacts of Rectification on Significant Accounting Errors

Applicable Not Applicable

(III) Communication with Former Accountants

Applicable Not Applicable

(IV) Approval Procedures and Other Explanations

Applicable Not Applicable

VI. Appointment and Removal of Accountants

Unit: 0’000 Currency: RMB

	Current
Name of the domestic auditor	BDO China Shu Lun Pan Certified Public Accountants LLP
Remuneration of the domestic auditor	300
Duration of audit of the domestic auditor	22
Names of certified public accountants of the domestic auditor	Qiao Qi, Yu Chunyi
Cumulative years of audit services of certified public accountants of the domestic auditor	Qiao Qi (2), Yu Chunyi (1)

	Name	Remuneration
Accounting firm engaged for internal control audit	BDO China Shu Lun Pan Certified Public Accountants LLP	100

Explanation on appointment and removal of accountants

Applicable Not applicable

The Company's 2022 Annual General Meeting considered and approved the proposal on re-appointing BDO China Shu Lun Pan Certified Public Accountants LLP as the Company's accounting auditor for the year 2023 and the proposal on re-appointing BDO China Shu Lun Pan Certified Public Accountants LLP as the Company's internal control auditor for the year 2023.

During the Reporting Period, the Company did not change the appointment or dismissal of the auditor.

Explanation on change of accountant during the audit period

Applicable Not Applicable

Explanation on reduction of audit fee by more than 20% (inclusive) from the previous year

Applicable Not Applicable

VII. Exposure to Delisting Risk

(I) Reasons for Delisting Risk Warning

Applicable Not Applicable

(II) Measures to Be Taken by the Company

Applicable Not Applicable

(III) Termination of Listing and Reasons Thereof

Applicable Not Applicable

VIII. Matters Relating to Bankruptcy and Restructuring

Applicable Not Applicable

IX. Material Litigation and Arbitration

The Company was involved in any material litigation or arbitration during the year

The Company was not involved in any material litigation or arbitration during the year

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

X. Alleged Violations of and Penalty and Rectification Order Against the Listed Company and its Directors, Supervisors, Senior Management, Controlling Shareholders, and Ultimate Controllers

Applicable Not applicable

On 8 December 2023, Shanshan Holdings, the indirect controlling shareholder of the Company, received a *Notice of Filing* (No.: CSRC Filing No.0022023009) issued by the China Securities Regulatory Commission (CSRC). Because Shanshan Holdings was suspected of failing to fulfill its obligations as an acquirer, CSRC decided to file a case against Shanshan Holdings according to the *Securities Law of the People's Republic of China*, *Administrative Punishment Law of the People's Republic of China* and other relevant laws and regulations. As of the date of approval of this Report, the case was still under preliminary investigation, and the CSRC has not yet reached a conclusion on the investigation. This filing involved Shanshan Holdings and Jinzhou Yongshan Lithium Industry Co., Ltd, but will not affect the normal production and operation activities of the Company.

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

Applicable Not applicable

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

XII. Major Related Party Transactions

(I) Related Party Transactions Related to Daily Operations

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

Applicable Not Applicable

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

Applicable Not applicable

(1) Deposit in related bank

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

The Company's maximum deposit balance with Chouzhou Bank was RMB490.3232 million and interest income was RMB2.8333 million.

(2) Guarantee provided to related parties

On 10 May 2023 and 29 December 2023, the 2022 Annual General Meeting and the third Extraordinary General Meeting of Shareholders for 2023 considered and approved the *Proposal on the Company's Related Party Guarantee Quota in 2023* and the *Proposal on Provision of Connected Guarantee for Ningbo Ulica Solar Energy Co., Ltd.*, respectively. (For details, please refer to the relevant announcements of the Company released on 11 May 2023 and 30 December 2023)

As of the end of the Period, the connected guarantee amount provided by the Company for BASF Shanshan was RMB422.7451 million, and that provided by the Company to Ningbo Ulica Solar Energy Co., Ltd was RMB450.00 million. Other connected guarantees were cleared.

3. Matters undisclosed in extraordinary announcements

Applicable Not Applicable

(II) Related Party Transactions in Relation to Acquisition and Disposal of Assets or Equity Interests

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

Applicable Not Applicable

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

Applicable Not Applicable

3. Matters undisclosed in extraordinary announcements

Applicable Not Applicable

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

Applicable Not Applicable

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

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

Applicable Not Applicable

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

Applicable Not Applicable

3. Matters undisclosed in extraordinary announcements

Applicable Not Applicable

(IV) Amounts Due From/to Related Parties

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

Applicable Not Applicable

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

Applicable Not Applicable

3. Matters undisclosed in extraordinary announcements

Applicable Not Applicable

(V) Financial Business Between the Company and Its Related Financial Company, and Between the Financial Company Held by the Company and Its Related Parties

Applicable Not Applicable

(VI) Others

Applicable Not applicable

To support its expanding operations, the Company has gradually shifted its office focus to Shanghai in recent years, establishing a Shanghai-Ningbo dual headquarters office model. In order to ensure the stability of the Company's office space in Shanghai, enhance our company image, adapt to the business development needs of our two major business segments, and attract and retain outstanding talents, the Company intends to purchase an entire office building in JunKang Financial Plaza as our headquarters. Located in Riverside Backbeach of Shanghai, JunKang Financial Plaza consists of five office buildings, which are properties of Shanghai Junsheng Tongda Real Estate Co., Ltd ("Junsheng Tongda"). The ultimate beneficiary of Junsheng Tongda is Ningbo Huafan Network Technology Co., Ltd. ("Ningbo Huafan", one of the other enterprises controlled by the Controlling Shareholder). Shanshan paid a deposit to Ningbo Huafan in January 2023, and then the transaction was suspended due to the uncertainty of the time of granting the property ownership certificate. RMB 450 million was refunded in June 2023, with a closing balance of RMB 70 million, and the interest on the prepaid funds was accrued at the bank loan rate of the same period.

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

XIII. Material Contracts and Their Implementation

(I) Custody, Contracting or Leasing Business

1. Custody

Applicable Not Applicable

2. Contracting

Applicable Not Applicable

3. Leasing

Applicable Not Applicable

(II) Guarantees

√Applicable □Not applicable

Unit: 10,000 Yuan Currency: RMB

Guarantees in favor of external parties provided by the Company (excluding guarantees provided to subsidiaries)													
Guarantor	Relationship between guarantor and listed company	Secured party	Guarantee amount	Commencement date of guarantee (date of the agreement)	Commencement date of guarantee	Expiry date of guarantee	Type of guarantee	Whether the guarantee has been fulfilled	Guarantee overdue	Overdue amount	Counter guarantee available	Guarantee provided to related parties	Related relationship
Ningbo Shanshan Co., Ltd.	The Company	BASF Shanshan	42,274.51	21 December 2023	8 October 2022	10 April 2024	Joint and several liability guarantee	No	No	0	Nil	Yes	Associate
Ningbo Shanshan Co., Ltd.	The Company	Ulica	10,000.00	31 December 2022	31 December 2022	26 June 2024	Joint and several liability guarantee	No	No	0	Yes	Yes	Others
Ningbo Shanshan Co., Ltd.	The Company	Ulica	15,000.00	1 November 2021	1 November 2021	1 November 2024	Joint and several liability guarantee	No	No	0	Yes	Yes	Others
Ningbo Shanshan Co., Ltd.	The Company	Ulica	20,000.00	19 September 2023	19 September 2023	18 September 2024	Joint and several liability guarantee	No	No	0	Yes	Yes	Others
Total amount of guarantees incurred during the Reporting Period (excluding the guarantees provided to subsidiaries)							62,274.51						
Total balance of guarantee as at the end of the Reporting Period (A) (excluding the guarantees provided for subsidiaries)							41,837.21						
Guarantees provided by the Company and its subsidiaries to subsidiaries													
Total guarantee to subsidiaries incurred during the Reporting Period							1,895,342.70						
Total balance of guarantee provided to subsidiaries as at the end of the Reporting Period (B)							1,181,104.28						
Total guaranteed amount of the Company (including guarantees provided to subsidiaries)													
Total amount of guarantees (A+B)							1,222,941.49						
Total guaranteed amount as a percentage of net assets of the Company (%)							53.95						

Of which:	
Amount of guarantees provided to shareholders, de facto controller and their related parties (C)	0
Amount of debt guarantees directly or indirectly provided to the parties with the gearing ratio exceeding 70% (D)	501,717.15
Total amount of guarantees exceeding 50% of net assets (E)	89,483.03
Total amount of the above three types of guarantees (C+D+E)	591,200.18
Explanations on outstanding guarantee which may assume joint and several liabilities for repayment	No
Explanations on guarantees	The statistics on "Guarantees by the Company and its subsidiaries to subsidiaries" include mutual guarantees within the scope of consolidation.

(III) Cash Asset Management Entrusted to Others

1. Entrusted wealth management

(1) Entrusted wealth management in general

Applicable Not Applicable

(2) Single entrusted wealth management

Applicable Not Applicable

(3) Impairment provision for entrusted wealth management

Applicable Not Applicable

2. Entrusted loan

(1) Entrusted loan in general

Applicable Not Applicable

(2) Single entrusted loan

Applicable Not Applicable

(3) Impairment provision for entrusted loan

Applicable Not Applicable

3. Others

Applicable Not Applicable

(IV) Other Major Contracts

Applicable Not Applicable

XIV. Use of Proceeds Raised

Applicable Not Applicable

XV. Description of Other Significant Events That Have a Significant Impact on the Value Judgments and Investment Decisions Made by Investors

Applicable Not Applicable

Section VII Changes in Shares and Particulars of Shareholders

I. Changes in Share Capital

(I) Changes in Shares

1. Changes in shares

	Before this change		Increase or decrease of this change (+, -)				After this change		
	Quantity	Percentage (%)	Is su e of ne w sh ar es	Sh ar e d iv id en d	Ca pit ali z at ion of cap it al res erv e int o sha re cap it al	Others	Subtotal	Quantity	Percentage (%)
I. Shares subject to trading restrictions	506,736,866	22.38				-5,750,135	-5,750,135	500,986,731	22.18
1. State-owned shares									
2. Shares held by state-owned legal persons									
3. Shares held by other domestic investors	504,609,986	22.29				-4,741,505	-4,741,505	499,868,481	22.14
Including: Shares held by domestic non-state-owned legal persons	488,402,766	21.57						488,402,766	21.63
Shares held by domestic natural persons	16,207,220	0.72				-4,741,505	-4,741,505	11,465,715	0.51
4. Shares held by overseas investors	2,126,880	0.09				-1,008,630	-1,008,630	1,118,250	0.05
Including: Shares held by overseas legal persons									
Shares held by overseas natural persons	2,126,880	0.09				-1,008,630	-1,008,630	1,118,250	0.05
II. Tradable shares not subject to trading restrictions	1,757,236,492	77.62						1,757,236,492	77.82
1. RMB-denominated ordinary shares	1,757,236,492	77.62						1,757,236,492	77.82
2. Domestic-listed foreign shares									
3. Overseas-listed foreign shares									
4. Others									
III. Total number of shares	2,263,973,358	100				-5,750,135	-5,750,135	2,258,223,223	100

2. Explanations on changes in shares

√Applicable Not applicable

On 16 October 2023 and 26 December 2023, the Company implemented and completed the procedures for the repurchase and cancellation of certain restricted shares under the 2022 Equity Incentive Plan, respectively, and a total of 5,750,135 restricted shares were cancelled.

3. Impact of share changes on financial indicators such as earnings per share and net assets per share in the most recent year and period

√Applicable Not applicable

During the Reporting Period, the Company repurchased and canceled 5,750,135 restricted shares under the equity incentive plan, and the total share capital of the Company changed to 2,258,223,223 shares. In addition, the Company held 13,367,600 and 47,735,691 shares of the Company's unlimited outstanding shares at the beginning and end of the Period, respectively in its special securities account for repurchases. The above changes in share capital resulted in changes in the basic earnings per share and net assets per share of the Company for the year 2023, the effect is set out in the table below:

Item	Based on new share capital (excluding the closing balance of the special securities account for repurchases)	Based on old share capital (excluding the opening balance of the special securities account for repurchases)
Basic earnings per share (RMB/share)	0.346	0.340
Diluted earnings per share (RMB/share)	0.346	0.340
Net assets per share attributable to shareholders of the listed company (RMB/share)	10.255	10.072

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

Applicable Not Applicable

(II) Changes in Restricted Shares

√Applicable Not applicable

Unit: Share						
Name of shareholder	Number of shares subject to trading moratorium at the beginning of the year	Number of shares released from trading moratorium during the year	Increase in the number of shares subject to trading moratorium during the year	Number of shares subject to trading moratorium at the end of the year	Reasons for trading moratorium	Date of release from trading moratorium
Shanshan Group Co., Ltd.	205,264,756	0	0	205,264,756	Lock-up period for non-public issuance of shares	31 December 2024
Ningbo Pengze Trading Co., Ltd.	205,264,756	0	0	205,264,756	Lock-up period for non-public issuance of shares	31 December 2024
Ningbo Yinzhou Jielun Investment Co., Ltd.	77,873,254	0	0	77,873,254	Lock-up period for non-public issuance of shares	31 December 2024
Li Fengfeng	450,000	0	-112,500	337,500	Lock-up period for	Release of lock-up in

					restricted incentive shares	accordance with the relevant provisions of the Company's 2022 Equity Incentive Plan or repurchase for cancellation, subject to the relevant announcement to be made by the Company at that time.
Zhu Zhiyong	294,000	0	-73,500	220,500	Lock-up period for restricted incentive shares	
Other equity incentive recipients	17,590,100	0	-5,564,135	12,025,965	Lock-up period for restricted incentive shares	
Total	506,736,866	0	-5,750,135	500,986,731	/	/

II. Issuance and Listing of Securities

(I) Particulars about Issuances of Securities during the Reporting Period

Applicable Not Applicable

Particulars about issuances of securities during the Reporting Period (particulars of bonds with different interest rates during duration shall be provided separately):

Applicable Not Applicable

(II) Changes in Total Number of Shares, Structure of Shareholders, and Structure of Assets and Liabilities of the Company

Applicable Not applicable

During the Period, the total number of shares of the Company decreased from 2,263,973,358 shares at the beginning of the period to 2,258,223,223 shares as a result of the repurchase and cancellation of certain restricted shares under the Equity Incentive Plan. There were corresponding changes in the accounts related to assets and owners' equity of the Company, and there was no impact on the accounts of liabilities.

(III) Existing Shares Held by Internal Employees of the Company

Applicable Not Applicable

III. Shareholders and Actual Controllers

(I) Total Number of Shareholders

Total number of ordinary shareholders as of the end of the Reporting Period (shareholder)	172,201
Number of shareholders of ordinary shares as at the end of the month immediately preceding the publication date of the annual report(shareholder)	172,805

(II) Top Ten Shareholders and Top Ten Circulating Shareholders (or Shareholders not Subject to Trading Restrictions) as of the End of the Reporting Period

Unit: share

Shareholding of the top ten shareholders (excluding the shares lent through refinancing)
--

Name of shareholder (Full name)	Changes during the Reporting Period	Number of shares held as at the end of the Reporting Period	Proportion (%)	Number of shares held subject to trading moratorium	Shares pledged, marked or frozen		Nature of shareholders
					Status of shares	Quantity	
Shanshan Group Co., Ltd.	0	782,222,036	34.64	205,264,756	Pledges	566,043,870	Domestic non state-owned legal person
Ningbo Pengze Trading Co., Ltd.	0	205,264,756	9.09	205,264,756	Pledges	78,420,000	Domestic non state-owned legal person
Ningbo Yinzhou Jielun Investment Co., Ltd.	0	77,873,254	3.45	77,873,254	Pledges	29,580,000	Domestic non state-owned legal person
Shanshan Holdings Co., Ltd.	0	72,212,189	3.20	0	Nil		Domestic non state-owned legal person
Tianan Property Insurance Co., Ltd. - Bao Ying No.1	0	54,450,098	2.41	0	Nil		Domestic non state-owned legal person
Hong Kong Securities Clearing Company Limited	-7,492,677	37,875,329	1.68	0	Nil		Overseas legal person
Bailian Group Co., Ltd. (百联集团有限公司)	30,743,600	30,743,625	1.36	0	Nil		State-owned legal person
Chen Shihui	Unknown	25,695,075	1.14	0	Nil		Domestic natural person
Industrial and Commercial Bank of China Limited - China Universal Asset Management, China Securities New Energy Vehicle Industry Index Initiated Securities Investment Fund (LOF)	1,440,745	7,905,380	0.35	0	Nil		Others

Bank of China Limited - ChinaAMC China Securities New Energy Vehicles Traded Open-ended Index Securities Investment Fund (华夏中证新能源汽车交易型开放式指数证券投资基金)	797,866	6,799,410	0.30	0	Nil	Others
Shareholding conditions of the top ten shareholders not subject to selling restrictions						
Name of shareholder	Number of tradable shares not subject to trading moratorium	Type and number of shares				
		Category	Quantity			
Shanshan Group Co., Ltd.	576,957,280	RMB-denominated ordinary shares	576,957,280			
Shanshan Holdings Co., Ltd.	72,212,189	RMB-denominated ordinary shares	72,212,189			
Tianan Property Insurance Co., Ltd. - Bao Ying No.1	54,450,098	RMB-denominated ordinary shares	54,450,098			
Hong Kong Securities Clearing Company Limited	37,875,329	RMB-denominated ordinary shares	37,875,329			
Bailian Group Co., Ltd.	30,743,625	RMB-denominated ordinary shares	30,743,625			
Chen Shihui	25,695,075	RMB-denominated ordinary shares	25,695,075			
Industrial and Commercial Bank of China Limited - China Universal Asset Management, China Securities New Energy Vehicle Industry Index Initiated Securities Investment Fund (LOF)	7,905,380	RMB-denominated ordinary shares	7,905,380			
Bank of China Limited - ChinaAMC China Securities New Energy Vehicles Traded Open-ended Index Securities Investment Fund	6,799,410	RMB-denominated ordinary shares	6,799,410			
Citibank, National Association	6,116,560	RMB-denominated ordinary shares	6,116,560			
Agricultural Bank of China Limited - CSI 500 Open-Ended Index Securities Investment Fund	6,067,228	RMB-denominated ordinary shares	6,067,228			
Explanations on the special account for repurchase among the top ten shareholders	The top 10 shareholders have “securities account for share repurchase of Ningbo Shanshan Co., Ltd.”, holding 47,735,691 tradable shares not subject to trading restrictions.					
Explanation on the above-mentioned shareholders' proxy voting rights, entrusted voting rights, and waiver of voting rights	N/A					
Note on connected relationship or acting in concert of the above shareholders	Shanshan Holdings is the controlling shareholder of Shanshan Group, Pengze Trading is a wholly-owned subsidiary of Shanshan Group, and Yinzhou Jielun is a wholly-owned subsidiary of Shanshan Holdings. In addition, the Company is not aware of any related relationships or its persons acting in concert among other shareholders.					
Preferred shareholders with their voting rights restored and the number of shares they hold	N/A					

Note 1: As of the end of the Reporting Period, Shanshan Group held 782,222,036 shares of the Company, and pledged 566,043,870 shares in total. Both the shares held and the shares pledged include a total of 405.88 million shares transferred to the pledge special account by Shanshan Group due to the non-public offering of exchangeable corporate bonds.

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

Participation of top ten shareholders in lending of shares through refinancing

√Applicable □Not applicable

Unit: share

Participation of top ten shareholders in lending of shares through refinancing								
Name of shareholder (full name)	Shareholdings in general and credit accounts at the beginning of the period		Shares lent through refinancing and unreturned at the beginning of the period		Shareholdings in general and credit accounts at the end of the period		Shares lent through refinancing and unreturned at the end of the period	
	Total	Proportion (%)	Total	Proportion (%)	Total	Proportion (%)	Total	Proportion (%)
Bailian Group Co., Ltd.	25	0.00	30,743,600	1.36	30,743,625	1.36	0	0.00
Industrial and Commercial Bank of China Limited - China Universal Asset Management, China Securities New Energy Vehicle Industry Index Initiated Securities Investment Fund (LOF)	6,464,635	0.29	1,160,000	0.05	7,905,380	0.35	180,100	0.01
Bank of China Limited - ChinaAM C China Securities New Energy Vehicles Traded Open-ende	6,001,544	0.27	71,700	0.00	6,799,410	0.30	791,600	0.04

d Index Securities Investment Fund								
Agricultural Bank of China Limited - CSI 500 Open-Ended Index Securities Investment Fund	Unknown	Unknown	0	0.00	6,067,228	0.27	1,825,200	0.08

Changes in top ten shareholders since last period

√Applicable □Not applicable

Unit: share

Changes in top ten shareholders since the end of last period					
Name of shareholder (full name)	Addition/exit during the Reporting Period	Number of shares lent through refinancing and unreturned at the end of the period		Shareholdings in general and credit accounts of the shareholder and number of shares lent through refinancing and unreturned at the end of the period	
		Total	Proportion (%)	Total	Proportion (%)
Bailian Group Co., Ltd.	Addition	0	0	30,743,625	1.36
Chen Shihui	Addition	0	0	25,695,075	1.14
Industrial and Commercial Bank of China Limited - China Universal Asset Management, China Securities New Energy Vehicle Industry Index Initiated Securities Investment Fund (LOF)	Addition	180,100	0.01	8,085,480	0.36
Bank of China Limited - ChinaAMC China Securities New Energy Vehicles Traded Open-ended Index Securities Investment Fund	Addition	791,600	0.04	7,591,010	0.34
Agricultural Bank of China Limited - CSI 500 Open-Ended Index Securities Investment Fund	Addition	1,825,200	0.08	7,892,428	0.35
Postal Savings Bank of China Co., Ltd. - Orient Fund Growing Small-Cap Hybrid Open Securities Investment Fund	Exit	0	0	Unknown	Unknown
Huatai Securities Co., Ltd.	Exit	0	0	1,053,590	0.05

China Construction Bank Limited - TruValue Asset Management New Energy Vehicle Thematic Shares Initiated Securities Investment Fund	Exit	0	0	517,492	0.02
Shanghai Securities Company Limited	Exit	0	0	Unknown	Unknown
Bank of China Limited – ChinaAMC Xinghua Mixed Securities Investment Fund	Exit	0	0	Unknown	Unknown

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

√Applicable □Not applicable

Unit: share

No.	Name of shareholders subject to trading restrictions	Number of shares held subject to trading restrictions	Listing and trading of shares subject to trading restrictions		Trading restriction conditions
			Date eligible for listing and trading	Number of shares newly eligible for listing and trading	
1	Shanshan Group Co., Ltd.	205,264,756	31 December 2024	205,264,756	Not transferable within 36 months commencing from the listing date.
1	Ningbo Pengze Trading Co., Ltd.	205,264,756	31 December 2024	205,264,756	
3	Ningbo Yinzhou Jielun Investment Co., Ltd.	77,873,254	31 December 2024	77,873,254	
4	Li Fengfeng	337,500			These are restricted shares subject to the second, third and fourth lock-up periods initially granted under the Company's 2022 Equity Incentive Plan, which will be released from restriction or repurchased for cancellation in accordance with the relevant provisions of the Company's 2022 Equity Incentive Plan, subject to the relevant announcements of the Company at that time.
5	Ding Xiaoyang	270,000			
6	Zhu Zhiyong	220,500			
7	Gan Lu	202,500			
7	Geng Hailong	202,500			
7	Jiang Ninglin	202,500			
10	Zhang Hua	180,000			
10	Li Peng	180,000			

Note on connected relationship or acting in concert of the above shareholders	<p>Pengze Trading is a wholly-owned subsidiary of Shanshan Group, and Yinzhou Jielun is a wholly-owned subsidiary of Shanshan Holdings (the controlling shareholder of Shanshan Group).</p> <p>Ms. Li Fengfeng is a director and deputy general manager of the Company, the person in charge of the Company's anode material business, and the chairwoman of Shanghai Shanshan Lithium Battery Material Technology Co., Ltd. (a subsidiary of the Company) and its subsidiaries.</p> <p>Mr. Zhu Zhiyong is the director and deputy general manager of the Company, the head of the Company's polarizer business, and the director and general manager of Shanjin Optoelectronics (Suzhou) Co., Ltd., the Company's subsidiary.</p> <p>The other natural person shareholders are the main management and core technical personnel of the Company's subsidiaries.</p>
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(III) Strategic Investors or General Legal Persons Who Become the Top Ten Shareholders due to the Placement of New Shares

Applicable Not Applicable

IV. Controlling Shareholder and Actual Controller

(I) Controlling Shareholder

1 Legal person

Applicable Not applicable

Name	Shanshan Holdings Co., Ltd.
Responsible person or legal representative	Zheng Ju
Date of incorporation	30 August 2004
Principal business	Industrial investment, investment management, research and development and sales of clothing, knitgoods, clothing fabrics, and related high-tech materials, precious metals, building materials, chemical products (except dangerous chemicals, monitoring chemicals, civil explosive, precursor chemicals), stationery, machinery, equipment and accessories, daily necessities, fuel oil, lubricants, auto parts, wood, plastic raw materials and products, packaging materials, sales of pulp, paper, paper products and metal materials, import and export of goods and technology, business information consulting. (For items subject to approval according to laws, operation activities may not be commenced until the approval has been obtained from the relevant authorities)
Shareholdings in other domestic and overseas listed companies during the Reporting Period	Domestic holding listed company: Jinzhou Jixiang Molybdenum Co., Ltd. (603399); domestic listed company with equity participation: Polaris Bay Group Co., Ltd. (600155), STO Express (002468)
Explanation on other matters	Nil

Name	Shanshan Group Co., Ltd.
Responsible person or legal representative	Weng Huiping
Date of incorporation	28 June 1994
Principal business	General items: clothing manufacturing; apparel wholesale; apparel retail; shoes and hats wholesale; shoes and hats retail; hardware product wholesale; hardware product retail; wholesale of sporting goods and equipment; retail of sporting goods and equipment; stationery product wholesale; stationery product retail; daily necessities wholesale; daily necessities sales; cosmetics wholesale; cosmetics retail; auto parts wholesale; sales of leather products;

	sales of clothing accessories; sales of sewing machines; sales of gold and silver products; sales of metal chains and other metal products; sales of metal materials; sales of electrical machinery and equipment; sales of machinery and equipment; sales of construction materials; sales of building and ornament materials; sales of daily necessities; sales of wood; sales of paper products; sales of daily glass products; sales of rubber products; sales of plastic products; sales of packaging materials and products; sales of animal husbandry and fishery feed; sales of coal and products; sales of petroleum products (not including dangerous chemicals); sales of lubricants; sales of solar thermal utilization equipment; sales of solar thermal power generation equipment; sales of original motive new energy equipment; solar power generation technology services; technology research and development of new materials; non-residential real estate leasing; housing leasing; property management; business management consulting; certification consulting; financial consulting; social and economic consulting services; consulting services of corporate credit management; information technology consulting services; consulting planning services; information consulting services (excluding licensing information consulting services); marketing planning; corporate image planning (freely operated by the enterprise legally based on the business license except for items requiring approval according to the law). Licensed items: food business; food business (sale of bulk food); food business (sale of prepackaged food); import and export agency; import and export of goods; import and export of technology (approvals from competent authorities shall be obtained for the operation of the activities requiring approval in accordance with the laws. The specific items shall be subject to the approval).
Shareholdings in other domestic and overseas listed companies during the Reporting Period	The investments in overseas listed company: Huishang Bank (03698.HK)
Explanation on other matters	Nil

2 Natural person

Applicable Not Applicable

3 Special note that there is no controlling shareholder in the Company

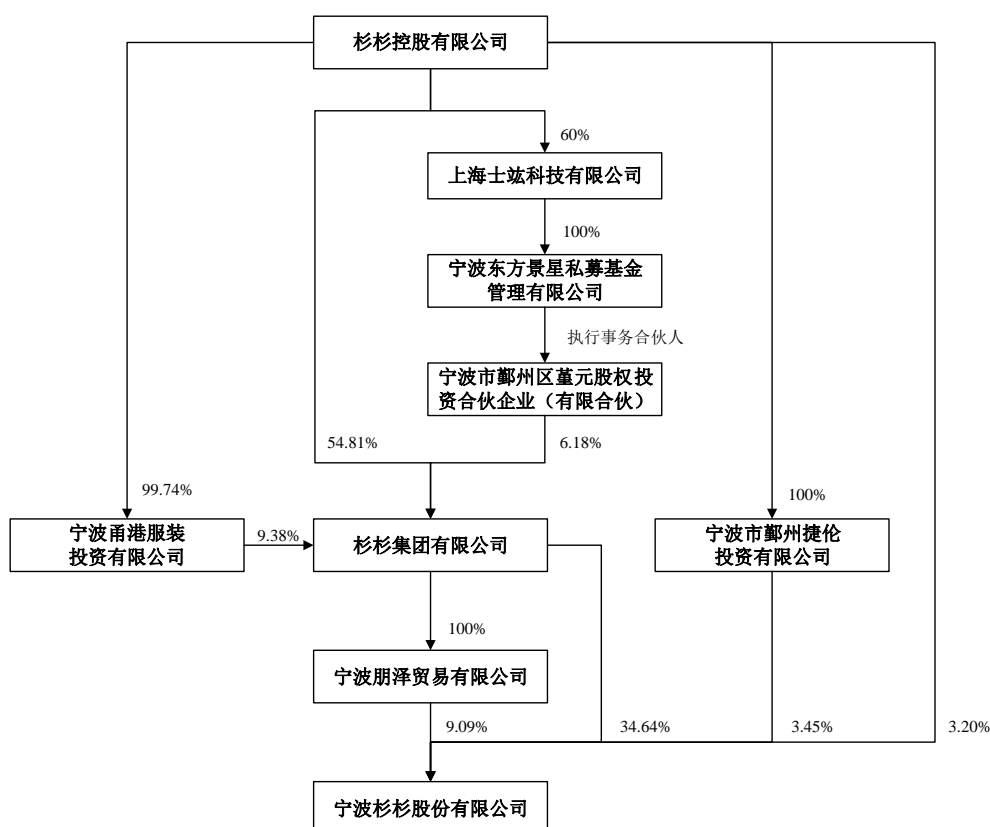
Applicable Not Applicable

4 Explanation on changes in controlling shareholder during the Reporting Period

Applicable Not Applicable

5 Chart of the ownership and controlling relationships between the Company and the controlling shareholder

Applicable Not applicable



杉杉控股有限公司	Shanshan Holdings Co., Ltd.
上海士竝科技有限公司	Shanghai Shihong Technology Co., Ltd.
宁波东方景星私募基金管理有限公司	Ningbo Orient Jingxing Private Equity Fund Management Co., Ltd.
执行事务合伙人	Executive partner
宁波市鄞州区堇元股权投资合伙企业（有限合伙）	Ningbo Yinzhou District Jinyuan Equity Investment Partnership (Limited Partnership)
宁波甬港服装投资有限公司	Ningbo Yonggang Garment Investment Co., Ltd.
杉杉集团有限公司	Shanshan Group Co., Ltd.
宁波市鄞州捷伦投资有限公司	Ningbo Yinzhou Jielun Investment Co., Ltd.
宁波朋泽贸易有限公司	Ningbo Pengze Trading Co., Ltd.
宁波杉杉股份有限公司	Ningbo Shanshan Co., Ltd.

Note: The above equity map has included the registration of industrial and commercial changes in equity completed by Shanshan Group in August and November 2023, respectively; the registration of industrial and commercial changes in equity completed by Yonggang Garment in November 2023; and the registration of industrial and commercial changes in equity completed by Shanshan Holdings in March 2024.

(II) Actual Controller

1 Legal person

Applicable Not Applicable

2 Natural person

Applicable Not applicable

Name	Zheng Yonggang
Nationality	China

Whether to obtain the right of abode in other countries or regions	No
Major occupations and positions	Former chairman of Ningbo Shanshan Co., Ltd., the chairman of the board of directors of Shanshan Holdings, and the chairman of Shanshan Holdings.
Domestic and foreign listed companies in which it had a controlling interest in the past 10 years	Ningbo Shanshan Co., Ltd., China-Kinwa Changchun High Technology Co., Ltd. (renamed as “Nuode Investment Co., Ltd.”), Zhejiang IDC Fluid Control Co., Ltd. (renamed as “STO Express Co., Ltd.”), Shandong Jiangquan Industry Co., Ltd., Jinzhou Jixiang Molybdenum Co., Ltd. (renamed as “Jinzhou Yongshan Lithium Industry Co., Ltd”), Shanshan Brand Management Co., Ltd., and FY Financial (Shenzhen) Co., Ltd.

3 Special note that there is no actual controller in the Company

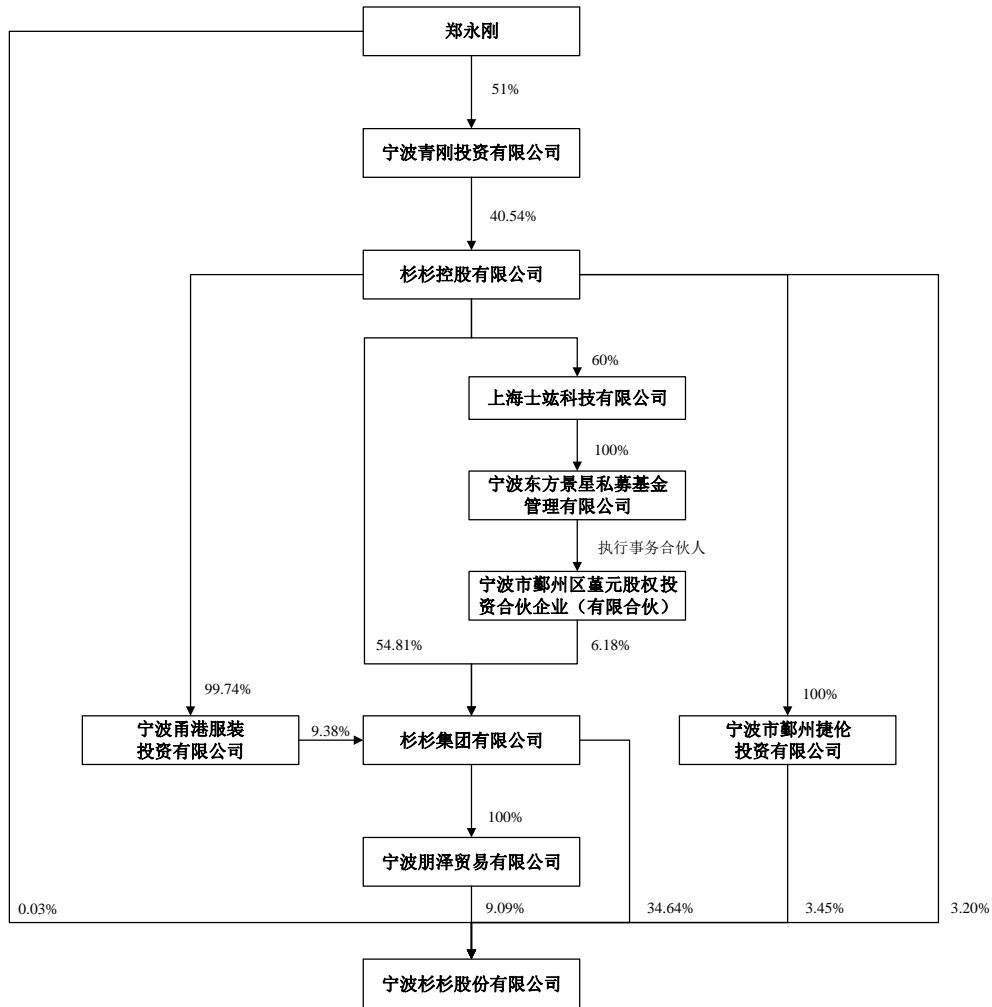
Applicable Not Applicable

4 Explanation on changes in the Company’s control right during the Reporting Period

Applicable Not Applicable

5 Chart of the ownership and controlling relationships between the Company and the de facto controller

Applicable Not applicable



郑永刚	Zheng Yonggang
宁波青刚投资有限公司	Ningbo Qinggang Investment Co., Ltd.
杉杉控股有限公司	Shanshan Holdings Co., Ltd.
上海士竑科技有限公司	Shanghai Shihong Technology Co., Ltd.
宁波东方景星私募基金管理有限公司	Ningbo Orient Jingxing Private Equity Fund Management Co., Ltd.
执行事务合伙人	Executive partner
宁波市鄞州区堇元股权投资合伙企业（有限合伙）	Ningbo Yinzhou District Jinyuan Equity Investment Partnership (Limited Partnership)
宁波甬港服装投资有限公司	Ningbo Yonggang Garment Investment Co., Ltd.
杉杉集团有限公司	Shanshan Group Co., Ltd.
宁波市鄞州捷伦投资有限公司	Ningbo Yinzhou Jielun Investment Co., Ltd.
宁波朋泽贸易有限公司	Ningbo Pengze Trading Co., Ltd.
宁波杉杉股份有限公司	Ningbo Shanshan Co., Ltd.

Note: The above equity map has included the registration of industrial and commercial changes in equity completed by Shanshan Group in August and November 2023, respectively; the registration of industrial and commercial changes in equity completed by Yonggang Garment in November 2023; and the registration of industrial and commercial changes in equity completed by Shanshan Holdings in March 2024.

6 The actual controller controls the Company through trust or other asset management methods

Applicable Not Applicable

(III) Other Description on Controlling Shareholder and De Facto Controller

Applicable Not applicable

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

V. The Cumulative Pledged Shares of the Controlling Shareholder or the Largest Shareholder of the Company and Its Persons Acting in Concert Account for More Than 80% of the Shares Held by the Company

Applicable Not Applicable

VI. Other Legal Person Shareholders Holding More Than 10% of the Shares

Applicable Not Applicable

VII. Explanations on Restrictions on Reduction of Shares

Applicable Not Applicable

VIII. Specific Implementation of Share Repurchase during the Reporting Period

Applicable Not applicable

Unit: Yuan Currency: RMB

Name of share repurchase plan	Share repurchase program through centralized bidding transactions of Ningbo Shanshan Co., Ltd.
Time of disclosure of share repurchase plan	27 December 2022, 30 August 2023
Number of shares to be repurchased and its percentage of total share capital (%)	Under the condition that the repurchase price is capped at RMB23 per share and the repurchase is fully implemented, the estimated number of shares to be repurchased is approximately 34,782,608 shares, representing 1.54% of the total issued share capital of the Company (2,263,973,358 shares), based on the maximum repurchase amount of RMB800 million; the estimated number of shares to be repurchased is approximately 21,739,131 shares, representing 0.96% of the total issued share capital of the Company, based on the minimum repurchase amount of RMB500 million.
Amount to be repurchased	Not less than RMB500 million (inclusive) and not more than RMB800 million (inclusive)
Period of proposed repurchase	Within 12 months from the date of consideration and approval of the share repurchase program by the Board of Directors
Repurchase purpose	The shares repurchased will be used for the Company's equity incentive plan at an appropriate time and will be transferred within three years after the announcement of results of share repurchase and changes in shares; if the Company fails to transfer the repurchased shares within three years after date of announcement of results of share repurchase and changes in shares, the shares not transferred will be canceled.
Number of shares	47,735,691

repurchased (shares)	
Percentage of the repurchased number of shares to the underlying shares involved in the equity incentive plan (%) (if any)	N/A
Progress of the Company's share repurchase reduction by means of centralized bidding transactions	N/A

Section VIII Information regarding Preference Shares

Applicable Not Applicable

Section IX Information regarding Bonds

Applicable Not Applicable

Section X Financial Statements

I. Auditor's Report

√Applicable □Not applicable

2024-ZAB046

To the Shareholders 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 2023, 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 the year then ended, and notes to the financial statements.

In our opinion, the financial statements give a true and fair view of the consolidated and company's financial position as of 31 December 2023 and the consolidated and company's financial performance and cash flows for the year 2023 then ended 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.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

We identified the following key audit matters in our audit:

Key Audit Matters	How these matters were addressed in the audit
(I) Recoverability of accounts receivable	
As stated in Note III. (X) to the financial statements, "Test Methods and Accounting Treatment Methods for Impairment of Financial Assets" under "Significant Accounting Policies and Accounting Estimates", and Note V. (III) to the financial statements "Accounts Receivable". As of 31 December 2023, original balance of accounts receivable in the consolidated financial statements amounted CNY 4,871,257,720.42, decreasing by 0.58% compared with that as of 31 December 2022. Balance of bad debt	<p>Audit procedures we performed with respect to recoverability of accounts receivable include:</p> <ol style="list-style-type: none"> 1. Understanding and evaluating internal controls relating to daily operation and assessment of recoverability of accounts receivable, and testing effectiveness of the design and implementation of such internal controls; 2. Assessing reasonableness of management's judgement on grouping accounts receivables by portfolio with common risk characteristics; 3. Reviewing the basis of management in assessment of credit risk and the amount to be provided for expected credit losses in relation to specific provision of accounts

Key Audit Matters	How these matters were addressed in the audit
<p>provision for accounts receivable as at 31 December 2023 was CNY 207,169,587.91. Carrying amount of accounts receivables accounted for 9.62% of total assets and 19.77% of net assets as of 31 December 2023.</p> <p>Balance of accounts receivable is significant, and provision for bad debts involves significant management judgement and estimate. Management should evaluates all reasonable and supportable information, such as customers' repayment history, customers' credit status, industrial conditions and forward-looking information. Therefore, the recoverability of accounts receivable is determined as a key audit matter.</p>	<p>receivable, including management's assessment of credit risk in the context of the customer's operating conditions, market environment and repayment history, as well as relevant objective evidence of provision for accounts receivable;</p> <ol style="list-style-type: none"> 4. Reviewing management's definition on credit risk characteristics portfolio in relation to provision for accounts receivables evaluated by portfolio. For expected credit loss of accounts receivables provided by aging, evaluating management's grouping of accounts receivable by credit risk, reviewing key information used such as aging by portfolio, credit history by portfolio, and overdue aging by portfolio; reviewing basis for provision of expected credit loss, including management's estimate and calculation for expected credit losses in the context of historical credit loss rates and forward-looking factors; 5. Reviewing disclosures of accounts receivable and provision for bad debts in the financial statements in conjunction with independent external confirmations performed on the accounts receivable and substantive procedures such as testing of subsequently receipt.
(II) Revenue recognition	
<p>As stated in Note III (XXVI) to the financial statements, "Revenue" under "Significant Accounting Policies and Accounting Estimates", and Note V (XLVI) "Operating income and operating cost" to the financial statements, revenue arising from sales of products for the year ended 31 December 2023 was CNY 19,070,225,164.95, decreasing by 12.13% from that of last year. Since revenue is one of the Company's key performance indicators, there is an inherent risk that management is likely to manipulate the timing of revenue recognition so as to achieve specific goals or expectations. Therefore, revenue recognition is determined as a key audit matter.</p>	<p>Audit procedures we performed with respect to revenue recognition include the following:</p> <ol style="list-style-type: none"> 1. Understanding and evaluating the design of, and testing operating effectiveness key internal controls related to revenue recognition; 2. Reviewing sales contracts, on sample basis, to identify whether the customer has obtained control of relevant goods or services which are able to be used in a way that generates substantial all of the economic benefits; 3. Performing analytical review on revenue and gross profit by product type to identify any unusual fluctuations of revenue for the year; 4. Examining sales invoices, sales contracts and goods delivery notes in relation to revenue transactions recorded during the year, on sample basis, to evaluate whether the relevant revenue was recognised in compliance with the Company's accounting policy; 5. Examining goods delivery notes and other supporting documents in relation to the sales transactions before and after balance sheet date, on sample basis, to test cut-off of revenue recognition.

Emphasis of Matters

We draw attention to Note XII (V) to the financial statements, which states that Shanshan Holdings Limited (hereinafter referred to as "Shanshan Holdings"), the controlling shareholder of Shanshan, has taken up a total of CNY 808 million of non-operating funds from Shanshan for the year 2023, with a balance of CNY 80 million due from Shanshan as of 31 December 2023. As of the audit

report date, Shanshan Holdings has fully repaid the principal and interest of the occupied funds. Our opinion is not modified in respect of this matter.

Other Information

Management of Shanshan (“Management”) is responsible for the other information. The other information comprises all the information included in 2023 annual report of Shanshan, excluding the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of the other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

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

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- (1) Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit

evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

(2) Obtain an understand of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances.

(3) Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

(4) Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on Shanshan's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause Shanshan to cease to continue as a going concern.

(5) Evaluate the overall presentation (including the disclosures), structure and contents of the financial statements, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

(6) Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within Sanshan to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence and, where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

BDO CHINA Shu Lun Pan
Certified Public Accountants LLP

Certified Public Accountant of China:
(Engagement Partner)
Qiao Qi

Shanghai, China

Certified Public Accountant of China:
Yu ChunYi

24 April 2024

II. Financial Statements

Ningbo Shanshan Co., Ltd.
Consolidated Balance Sheet
31 December 2023
(All amounts in CNY Yuan unless otherwise stated)

Assets	Note V	31 December 2023	31 December 2022
Current assets:			
Cash at bank and on hand	(I)	4,855,725,462.72	4,742,265,435.59
Deposit reservation for balance			
Lending funds			
Held-for-trading financial assets			
Derivative financial assets			
Notes receivable	(II)	585,465,243.69	227,833,088.02
Accounts receivable	(III)	4,664,088,132.51	4,694,974,423.38
Receivables financing	(IV)	819,020,204.62	512,249,842.96
Prepayments	(V)	426,530,946.40	1,391,716,499.58
Insurance premium receivable			
Reinsurance premium receivables			
Reserves for reinsurance contracts receivable			
Other receivables	(VI)	644,244,237.97	497,273,632.21
Financial assets purchased under agreements to resell			
Inventories	(VII)	5,356,304,178.24	5,029,844,227.43
Contract assets			
Assets held for sale	(VIII)	504,815,183.07	1,316,864,410.82
Non-current assets due within one year	(IX)	43,356,102.91	46,632,199.70
Other current assets	(X)	1,234,162,149.72	483,327,024.12
Total current assets		19,133,711,841.85	18,942,980,783.81
Non-current assets:			
Borrowings and advances issued			
Debt investment			
Other debt investment			
Long-term receivables			
Long-term equity investment	(XI)	7,072,095,065.18	6,917,108,693.60
Investment in other equity instruments	(XII)	842,256,655.01	749,414,590.01
Other non-current financial assets	(XIII)	202,225,284.01	198,154,599.78
Investment properties			
Fixed assets	(XIV)	10,917,093,804.09	8,351,151,772.77
Construction in progress	(XV)	5,580,742,755.55	4,947,187,407.85
Productive biological assets			
Oil and gas assets			
Right of use assets	(XVI)	1,418,960,915.77	1,624,854,551.62
Intangible assets	(XVII)	2,000,046,938.77	1,757,936,375.32
Development costs			
Goodwill	(XIX)	879,235,149.99	1,007,279,852.19
Long term prepaid expenses	(XX)	93,029,622.68	133,384,511.46
Deferred income tax assets	(XXI)	199,332,670.75	134,942,699.34
Other non-current assets	(XXII)	136,235,292.10	161,095,381.56
Total non-current assets		29,341,254,153.90	25,982,510,435.50
Total assets		48,474,965,995.75	44,925,491,219.31

The accompanying notes are an integral part of these consolidated financial statements.

Principal of the Company: Person in charge of accounting: Person in charge of the accounting authority:

Ningbo Shanshan Co., Ltd.
Consolidated Balance Sheet (Continued)
31 December 2023
(All amounts in CNY Yuan unless otherwise stated)

Liabilities and the owner's equity	NoteV	31 December 2023	31 December 2022
Current liabilities:			
Short-term borrowings	(XXIII)	6,697,084,945.67	3,928,471,986.16
Borrowings from the Central Bank			
Borrowings from other banks and other financial institutions			
Held-for-trading financial liabilities			
Derivative financial liabilities			
Notes payable	(XXIV)	824,517,193.64	2,039,758,654.61
Accounts payable	(XXV)	2,812,406,457.12	3,149,272,023.43
Advances from customers	(XXVI)	20,835,376.00	100,196,289.48
Contract liabilities	(XXVII)	12,376,375.15	60,815,111.78
Financial assets sold for repurchase			
Deposits from customers and inter banks			
Receiving from vicariously traded securities			
Receiving from vicariously sold securities			
Employee benefits payable	(XXVIII)	142,380,004.37	153,368,165.73
Taxes payable	(XXIX)	79,179,764.82	296,418,740.29
Other payables	(XXX)	517,714,766.96	753,001,487.50
Handling charges and commissions payable			
Dividend payable for reinsurance			
Liabilities held for sale	(XXXI)	427,188,378.77	400,317,405.67
Non-current liabilities due within one year	(XXXII)	3,073,368,219.55	1,904,053,155.76
Other current liabilities	(XXXIII)	1,498,699.04	113,769,719.27
Total current liabilities		14,608,550,181.09	12,899,442,739.68
Non-current liabilities:			
Reserve fund for insurance contracts			
Long-term borrowings	(XXXIV)	8,063,698,988.69	4,176,085,647.01
Bonds payable			
Of which: Preference shares			
Perpetual bonds			
Lease liabilities	(XXXV)	776,916,639.42	1,136,932,323.59
Long-term payable	(XXXVI)	497,131,448.00	1,816,108,761.30
Long-term employee benefits payable			
Estimated liabilities	(XXXVII)	75,868,748.26	62,706,582.21
Deferred income	(XXXVIII)	467,257,728.18	366,776,419.53
Deferred income tax liabilities	(XXXIX)	392,686,578.55	337,324,202.09
Other non-current liabilities			
Total non-current liabilities		10,273,560,131.10	7,895,933,935.73
Total liabilities		24,882,110,312.19	20,795,376,675.41
Owner's equity:			
Share capital	(XXI)	2,258,223,223.00	2,263,973,358.00
Other equity instruments			
Of which: Preference shares			
Perpetual bonds			
Capital reserves	(XL)	9,073,484,147.89	9,131,320,581.39
Less: Treasury shares	(XLI)	981,321,182.46	514,721,346.78
Other comprehensive incomes	(XLII)	-77,894,085.74	-150,819,889.21
Special reserves	(XLIII)	1,724,238.27	2,140,946.80
Surplus reserves	(XLIV)	292,801,918.55	292,801,918.55
General risk provision			
Retained earnings	(XLV)	12,102,150,807.75	12,028,646,332.05
Total owner's equity attributable to the company		22,669,169,067.26	23,053,341,900.80
Non-controlling interests		923,686,616.30	1,076,772,643.10
Total owner's equity		23,592,855,683.56	24,130,114,543.90
Total liabilities and owner's equity		48,474,965,995.75	44,925,491,219.31

The accompanying notes are an integral part of these consolidated financial statements.

Principal of the Company: Person in charge of accounting: Person in charge of the accounting authority:

Ningbo Shanshan Co., Ltd.
Company's Balance Sheet
31 December 2023
(All amounts in CNY Yuan unless otherwise stated)

Assets	Note XVII	31 December 2023	31 December 2022
Current assets:			
Cash at bank and on hand		818,954,563.71	1,476,613,738.52
Trading financial assets			
Derivative financial assets			
Notes receivable			
Accounts receivable	(I)	5,583,798.91	5,443,729.34
Receivables financing			
Prepayments		11,087,786.72	7,762,041.01
Other receivables	(II)	3,011,122,040.54	6,525,085,599.39
Inventories			
Contract assets			
Assets held for sale			
Non-current assets due within one year			
Other current assets		5,603,770.01	1,498,955.29
Total current assets		3,852,351,959.89	8,016,404,063.55
Non-current assets:			
Debt investment			
Other debt investment			
Long-term receivables			
Long-term equity investment	(III)	14,950,838,452.50	13,235,636,051.82
Investment in other equity instruments		36,550,000.00	35,916,462.76
Other non-current financial assets			
Investment properties			
Fixed assets		365,598,425.02	385,346,078.22
Construction in progress			
Productive biological assets			
Oil and gas assets			
Right of use assets		63,754,998.48	91,299,812.05
Intangible assets		83,806,582.20	84,937,286.43
Development costs			
Goodwill			
Long term prepaid expenses		6,578,464.11	16,317,179.88
Deferred income tax assets		39,663,849.44	40,925,524.18
Other non-current assets			
Total non-current assets		15,546,790,771.75	13,890,378,395.34
Total assets		19,399,142,731.64	21,906,782,458.89

The accompanying notes are an integral part of the company's financial statements.

Principal of the Company: Person in charge of accounting: Person in charge of the accounting authority:

Ningbo Shanshan Co., Ltd.
Company's Balance Sheet (Continued)
31 December 2023
(All amounts in CNY Yuan unless otherwise stated)

Liabilities and the owner's equity	Note XVII	31 December 2023	31 December 2022
Current liabilities:			
Short-term borrowings		1,856,861,016.66	1,101,212,444.43
Held-for-trading financial liabilities			
Derivative financial liabilities			
Notes payable			
Accounts payable		38,199,726.99	28,352,872.82
Advances from customers		20,813,216.88	157,689.48
Contract liabilities			
Employee benefits payable		12,327,166.34	11,505,506.79
Taxes payable		8,135,959.43	9,503,110.86
Other payables		974,583,059.87	2,069,234,913.73
Liabilities held for sale			
Non-current liabilities due within one year		1,898,854,912.08	1,021,620,149.85
Other current liabilities			
Total current liabilities		4,809,775,058.25	4,241,586,687.96
Non-current liabilities:			
Long-term borrowings		2,692,533,333.34	2,963,340,000.00
Bonds payable			
Of which: Preference shares			
Perpetual bonds			
Lease liabilities		15,188,053.25	43,291,543.62
Long-term payable			1,369,305,861.96
Long-term employee benefits payable			
Provisions		11,400,000.00	
Deferred income			
Deferred income tax liabilities			
Other non-current liabilities			
Total non-current liabilities		2,719,121,386.59	4,375,937,405.58
Total liabilities		7,528,896,444.84	8,617,524,093.54
Owner's equity:			
Share capital		2,258,223,223.00	2,263,973,358.00
Other equity instruments			
Of which: Preference shares			
Perpetual bonds			
Capital reserves		7,745,144,150.74	7,822,416,931.11
Less: Treasury shares		981,321,182.46	514,721,346.78
Other comprehensive incomes		-5,337,173.48	(28,025,733.68)
Special reserves			
Surplus reserves		294,927,373.13	294,927,373.13
Retained earnings		2,558,609,895.87	3,450,687,783.57
Total owner's equity		11,870,246,286.80	13,289,258,365.35
Total liabilities and owner's equity		19,399,142,731.64	21,906,782,458.89

The accompanying notes are an integral part of the company's financial statements.

Principal of the Company: Person in charge of accounting: Person in charge of the accounting authority:

Ningbo Shanshan Co., Ltd.
Consolidated Income Statement
Year 2023
(All amounts in CNY Yuan unless otherwise stated)

Item	Note V	Year 2023	Year 2022
I. Total operating income		19,070,225,164.95	21,701,617,268.32
Of which: Operating income	(XLVI)	19,070,225,164.95	21,701,617,268.32
Interest income			
Premium earned			
Income for handling charges and commissions			
II. Total operating cost		18,334,757,073.97	19,210,505,453.58
Of which: Operating cost	(XLVI)	15,977,211,092.07	16,487,393,265.82
Interest expenses			
Handling charges and commissions			
Surrender value			
Net amount of compensation expenses			
Net amount withdrawn for insurance contract reserves			
Policy dividend expense			
Reinsurance costs			
Taxes and surcharges	(XLVII)	109,788,712.03	80,180,925.35
Selling expenses	(XLVIII)	244,538,146.16	281,388,497.37
General and administrative expenses	(XLIX)	667,987,389.88	712,963,820.79
Research and development expenses	(L)	868,297,281.53	952,572,270.06
Financial expenses	(LI)	466,934,452.30	696,006,674.19
Of which: Interest expenses		541,133,908.17	634,219,099.55
Interest income		110,264,086.98	119,549,790.72
Plus: Other income	(LII)	502,191,965.25	173,791,345.88
Investment income (loss expressed with "-")	(LIII)	281,556,607.99	888,331,445.00
Of which: Share of profit of associates and joint ventures		-122,272,475.73	640,283,254.92
Gains from derecognition of financial assets measured at amortized cost			
Foreign exchange gains (losses expressed with "-")			
Net exposure hedging benefits(losses expressed with "-")			
Gains from changes in fair value (losses expressed with "-")	(LIV)	-7,516,000.00	-1,950,000.00
Credit impairment losses (losses expressed with "-")	(LV)	-54,638,094.46	-10,047,282.00
Assets impairment losses (losses expressed with "-")	(LVI)	-386,967,218.14	-137,740,024.08
Gains on disposal of assets (losses expressed with "-")	(LVII)	-29,243,200.41	-6,132,804.13
III. Operating profit (loss expressed with "-")		1,040,852,151.21	3,397,364,495.41
Plus: Non-operating income	(LVIII)	9,644,486.01	15,111,498.35
Less: Non-operating expenses	(LIX)	61,990,281.81	17,397,835.72
IV. Total profit (total loss expressed with "-")		988,506,355.41	3,395,078,158.04
Less: Income tax expenses	(LX)	223,686,158.65	569,677,258.05
V. Net profit (net loss expressed with "-")		764,820,196.76	2,825,400,899.99
(I) Classified by continuity of operations			
1. Net profit from continuing operations (net loss expressed with "-")		764,820,196.76	2,825,400,899.99
2. Net profit from discontinued operations (net loss expressed with "-")			
(II) Classified by ownership			
1. Net profit attributable to shareholders of the Company (net loss expressed with "-")		765,337,842.07	2,691,262,599.60
2. Net profit attributable to non-controlling interests (net loss expressed with "-")		-517,645.31	134,138,300.39
VI. Net other comprehensive income after tax		72,876,556.78	-118,833,540.22
Net other comprehensive income attributable to equity owners of the Company after tax		72,925,803.47	-118,833,540.22
(I) Other comprehensive incomes that will not be reclassified into profit or loss		70,670,435.51	-120,528,319.75
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		11,986,754.82	10,091,536.68
3. Changes in fair value of other equity instrument investments		58,683,680.69	-130,619,856.43
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		2,255,367.96	1,694,779.53
1. Share of other comprehensive income accounted for using equity method that will be reclassified to profit or loss		735,454.30	1,410,563.30
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		1,519,913.66	284,216.23
7. Others			
Net other comprehensive income attributable to non-controlling interests after tax		-49,246.69	
VII. Total comprehensive income		837,696,753.54	2,706,567,359.77
Total comprehensive incomes attributable to equity owners of the Company		838,263,645.54	2,572,429,059.38
Total comprehensive incomes attributable to non-controlling interests		-566,892.00	134,138,300.39
VIII. Earnings per share:			
(I) Basic earnings per share (yuan/share)	(LXI)	0.35	1.23
(II) Diluted earnings per share (yuan/share)	(LXI)	0.35	1.23

The accompanying notes are an integral part of these consolidated financial statements.

Principal of the Company:

Person in charge of accounting:

Person in charge of the accounting authority:

Ningbo Shanshan Co., Ltd.
Company's Income Statement
Year 2023

(All amounts in CNY Yuan unless otherwise stated)

Item	Note XVII	Year 2023	Year 2022
I. Operating income	(IV)	71,158,660.68	129,829,189.24
Less: Operating cost	(IV)	14,435,341.79	15,207,355.86
Taxes and surcharges		9,295,936.18	8,363,773.39
Selling expenses		16,317,609.95	16,138,364.75
General and administrative expenses		183,717,377.87	151,491,769.77
Research and development expenses			
Financial expenses		227,917,011.17	442,139,772.01
Of which: Interest expenses		258,076,065.91	332,340,237.13
Interest income		45,750,379.70	31,845,541.93
Plus: Other income		5,478,906.58	20,556,089.68
Investment income (loss expressed with "-")	(V)	269,107,720.86	871,690,071.89
Of which: Share of profit of associates and joint ventures		80,162,695.38	98,484,599.31
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 "-")		-58,696,484.13	2,664,747.49
Assets impairment losses (loss expressed with "-")			
Gains on disposal of assets (loss expressed with "-")		722,371.69	476,774.36
II. Operating profit (loss expressed with "-")		-163,912,101.28	391,875,836.88
Plus: Non-operating income		61,627.27	1,330,831.85
Less: Non-operating expenses		15,962,540.44	4,073,532.38
III. Total profit (total loss expressed with "-")		-179,813,014.45	389,133,136.35
Less: Income tax expenses		20,431,506.88	(1,724,083.29)
IV. Net profit (net loss expressed with "-")		-200,244,521.33	390,857,219.64
(I) Classified by continuity of operations		-200,244,521.33	390,857,219.64
(II) Net profit from discontinued operations (net loss expressed with "-")			
V. Net other comprehensive income after tax		22,688,560.20	(4,890,580.05)
(I) Other comprehensive incomes that will not be reclassified into profit or loss		21,999,907.75	(2,403,463.32)
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		21,149,754.82	(2,403,463.32)
3. Changes in fair value of other equity instrument investments		850,152.93	
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		688,652.45	(2,487,116.73)
1. Share of other comprehensive income accounted for using equity method that will be reclassified to profit or loss		688,652.45	(2,487,116.73)
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		-177,555,961.13	385,966,639.59
VII. Earnings per share:			
(I) Basic earnings per share (yuan/share)		-0.09	0.18
(II) Diluted earnings per share (yuan/share)		-0.09	0.18

The accompanying notes are an integral part of the company's financial statements.

Principal of the Company: Person in charge of accounting: Person in charge of the accounting authority:

Ningbo Shanshan Co., Ltd.
Consolidated Statement of Cash Flows
Year 2023

(All amounts in CNY Yuan unless otherwise stated)

Item	Note V	Year 2023	Year 2022
I. Cash flows from operating activities			
Cash received from sales of goods or rendering of services		17,320,503,134.68	16,343,741,721.46
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		164,672,629.87	599,524,845.74
Cash received relating to other operating activities	(LXII)	1,176,176,745.78	544,436,697.10
Sub-total of cash inflows from operating activities		18,661,352,510.33	17,487,703,264.30
Cash paid for goods and services		15,165,311,423.01	13,842,168,593.47
Net increase in customer borrowings and advances			
Net increase of deposits in the Central Bank and other financial institutions			
Cash paid for claims under direct insurance contract			
Net increase in lending funds			
Cash paid for interests, handling charges and commissions			
Cash paid for the policy dividends			
Cash paid to and on behalf of employees		1,365,002,253.30	1,182,652,113.90
Payments of taxes and surcharges		1,046,142,912.84	872,801,867.57
Cash paid relating to other operating activities	(LXII)	1,283,027,519.58	1,083,582,994.57
Sub-total of cash outflows from operating activities		18,859,484,108.73	16,981,205,569.51
Net cash flows from operating activities		-198,131,598.40	506,497,694.79
II. Cash flows from investing activities			
Cash received from disposal of investments		71,450,715.53	168,567,859.28
Cash received from returns on investments		14,395,384.00	36,778,961.58
Net cash received from disposal of fixed assets, intangible assets & other long-term assets		43,720,581.87	58,674,791.16
Net cash received from the disposal of subsidiaries and other business entities		1,210,300,741.83	441,764,266.36
Cash received relating to other investing activities	(LXII)	3,579,242,676.23	1,347,852,578.11
Sub-total of cash inflows from investing activities		4,919,110,099.46	2,053,638,456.49
Cash paid to acquire fixed assets, intangible assets and other long-term assets		5,963,376,966.22	4,304,021,053.10
Cash paid to acquire investments		70,803,492.11	1,016,037,739.43
Net increase in pledge loans			
Net cash paid for the acquisition of subsidiaries and other business entities			254,827,225.83
Cash paid relating to other investing activities	(LXII)	3,372,333,175.63	1,427,900,408.55
Sub-total of cash outflows from investing activities		9,406,513,633.96	7,002,786,426.91
Net cash flows from investing activities		-4,487,403,534.50	-4,949,147,970.42
III. Cash flows from financing activities			
Cash received from capital contributions			3,210,391,022.10
Of which: Cash received from capital contributions by non-controlling interests of subsidiaries			650,000,000.00
Cash received from borrowings		19,026,165,238.58	11,594,982,802.80
Cash received relating to other financing activities	(LXII)	3,893,654,354.44	417,551,899.91
Sub-total of cash inflows from financing activities		22,919,819,593.02	15,222,925,724.81
Cash repayments of borrowings		12,197,345,643.63	13,042,914,948.77
Cash payments for distribution of dividends profits or interest expenses		1,034,709,759.47	909,175,114.99
Including: Dividends and profits paid to non-controlling interests by subsidiaries			9,735,639.41
Cash paid relating to other financing activities	(LXII)	4,885,905,891.73	1,599,784,979.52
Sub-total of cash outflows from financing activities		18,117,961,294.83	15,551,875,043.28
Net cash flows from financing activities		4,801,858,298.19	-328,949,318.47
IV. Effect of foreign exchange rate changes on cash and cash equivalents		-2,959,448.78	3,995,462.67
V. Net increase in cash and cash equivalents		113,363,716.51	-4,767,604,131.43
Plus: Cash and cash equivalents balance at the beginning of the period		3,911,177,960.18	8,678,782,091.61
VI. Cash and cash equivalents balance at the end of the period		4,024,541,676.69	3,911,177,960.18

The accompanying notes are an integral part of these consolidated financial statements.

Principal of the Company: Person in charge of accounting: Person in charge of the accounting authority:

Ningbo Shanshan Co., Ltd.
Company's Statement of Cash Flows
Year 2023

(All amounts in CNY Yuan unless otherwise stated)

Item	Note	Year 2023	Year 2022
I. Cash flows from operating activities			
Cash received from sales of goods or rendering of services		101,161,539.23	39,725,756.97
Refunds of taxes and surcharges			
Cash received relating to other operating activities		2,834,139,557.69	221,343,793.61
Sub-total of cash inflows from operating activities		2,935,301,096.92	261,069,550.58
Cash paid for goods and services		17,443,074.61	7,323,868.79
Cash paid to and on behalf of employees		37,662,991.63	23,897,749.18
Payments of taxes and surcharges		26,223,213.50	9,771,749.68
Cash paid relating to other operating activities		104,544,435.29	2,042,817,049.75
Sub-total of cash outflows from operating activities		185,873,715.03	2,083,810,417.40
Net cash flows from operating activities		2,749,427,381.89	-1,822,740,866.82
II. Cash flows from investing activities			
Cash received from disposal of investments			364,440,057.27
Cash received from returns on investments		224,930,385.64	741,134,383.00
Net cash received from disposal of fixed assets, intangible assets and other long-term assets		1,268,111.51	29,000.01
Net cash received from the disposal of subsidiaries and other business entities		167,409,668.24	25,267,513.68
Cash received relating to other investing activities		2,758,919,385.08	492,262,241.00
Sub-total of cash inflows from investing activities		3,152,527,550.47	1,623,133,194.96
Cash paid to acquire fixed assets, intangible assets and other long-term assets		454,137,000.07	15,540,745.62
Cash paid to acquire investments		2,216,203,492.11	1,007,133,449.43
Net cash paid for acquire subsidiaries and other business entities			
Cash paid relating to other investing activities		2,373,330,319.08	492,262,241.00
Sub-total of cash outflows from investing activities		5,043,670,811.26	1,514,936,436.05
Net cash flows from investing activities		-1,891,143,260.79	108,196,758.91
III. Cash flows from financing activities			
Cash received from capital contributions			2,560,391,022.10
Cash received from borrowings		4,466,000,000.00	4,323,000,000.00
Cash received relating to other financing activities		2,715,506,661.99	152,913,244.74
Sub-total of cash inflows from financing activities		7,181,506,661.99	7,036,304,266.84
Cash repayment of borrowings		4,550,207,158.27	6,104,000,000.00
Cash payments for distribution of dividends, profits or interest expenses		817,472,337.80	728,055,565.90
Cash paid relating to other financing activities		3,414,340,429.49	663,865,671.47
Sub-total of cash outflows from financing activities		8,782,019,925.56	7,495,921,237.37
Net cash flows from financing activities		-1,600,513,263.57	-459,616,970.53
IV. Effect of foreign exchange rate changes on cash and cash equivalents		159,033.66	14,692,016.12
V. Net increase in cash and cash equivalents		-742,070,108.81	-2,159,469,062.32
Plus: Cash and cash equivalents balance at the beginning of the period		1,476,613,738.52	3,636,082,800.84
VI. Cash and cash equivalents balance at the end of the period		734,543,629.71	1,476,613,738.52

The accompanying notes are an integral part of the company's financial statements.

Principal of the Company: Person in charge of accounting: Person in charge of the accounting authority:

Ningbo Shanshan Co., Ltd.
Consolidated Statement of Changes in Owner's Equity
Year 2023
(All amounts in CNY Yuan unless otherwise stated)

Item	Year 2023													
	Owner's equity attributable to equity owners of the Company												Non-controlling interests	Total owner's equity
	Share capital	Other equity instruments			Capital reserves	Less: Treasury shares	Other comprehensive incomes	Special reserves	Surplus reserves	General risk provision	Retained earnings	Subtotal		
	Preferred shares	Perpetual bonds	Others											
I. Balance at the end of the last year	2,263,973,358.00				9,131,320,581.39	514,721,346.78	-150,819,889.21	2,140,946.80	292,801,918.55		12,028,646,332.05	23,053,341,900.80	1,076,772,643.10	24,130,114,543.90
Plus: Changes in accounting policies														
Correction of prior period errors														
Business combination under common control														
Others														
II. Balance at the beginning of the year	2,263,973,358.00				9,131,320,581.39	514,721,346.78	-150,819,889.21	2,140,946.80	292,801,918.55		12,028,646,332.05	23,053,341,900.80	1,076,772,643.10	24,130,114,543.90
III. Increase or decrease amount in the current period (decrease expressed with "-")	-5,750,135.00				-57,836,433.50	466,599,835.68	72,925,803.47	-416,708.53			73,504,475.70	-384,172,833.54	-153,086,026.80	-537,258,860.34
(I) Total comprehensive income							52,446,804.40				765,337,842.07	817,784,646.47	-566,892.00	817,217,754.47
(II) Capital contributions or withdrawals by owners	-5,750,135.00				-57,836,433.50	466,599,835.68					-530,186,404.18	-132,881,856.47	-663,068,260.65	-663,068,260.65
1. Capital contributions by owners						545,571,545.63					-545,571,545.63	-131,508,748.45	-677,080,294.08	-677,080,294.08
2. Capital contributions by other equity instruments holders														
3. Share-based payments charged into owners' equity					-1,062,719.06							-1,062,719.06	-1,373,108.02	-2,435,827.08
4. Others	-5,750,135.00				-56,773,714.44	-78,971,709.95						16,447,860.51		16,447,860.51
(III) Profit distribution											-671,354,367.30	-671,354,367.30	-19,705,787.50	-691,060,154.80
1. Appropriation to surplus reserves														
2. Appropriation to general risk provision														
3. Distribution to owners (or shareholders)											-671,354,367.30	-671,354,367.30	-19,705,787.50	-691,060,154.80
4. Others														
(IV) Transfer within owner's equity							20,478,999.07				-20,478,999.07			
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							20,478,999.07				-20,478,999.07			
6. Others														
(V) Special reserve								-416,708.53				-416,708.53	68,509.17	-348,199.36
1. Provision in the current period								328,338.59				328,338.59	68,509.17	396,847.76
2. Use in the current period								745,047.12				745,047.12		745,047.12
(VI) Others														
IV. Balance at the end of the year	2,258,223,223.00				9,073,484,147.89	981,321,182.46	-77,894,085.74	1,724,238.27	292,801,918.55		12,102,150,807.75	22,669,169,067.26	923,686,616.30	23,592,855,683.56

The accompanying notes are an integral part of these consolidated financial statements.

Principal of the Company:

Person in charge of accounting:

Person in charge of the accounting authority:

Ningbo Shanshan Co., Ltd.
Consolidated Statement of Changes in Owner's Equity (Continued)
Year 2023
(All amounts in CNY Yuan unless otherwise stated)

Item	Year 2022													Non-controlling interests	Total owner's equity
	Owner's equity attributable to equity owners of the Company											Subtotal			
	Share capital	Other equity instruments			Capital reserves	Less: Treasury shares	Other comprehensive incomes	Special reserves	Surplus reserves	General risk provision	Retained earnings				
	Preferred shares	Perpetual bonds	Others												
I. Balance at the end of the last year	2,142,919,938.00				6,477,790,953.97		-31,679,676.99	2,307,702.27	253,716,196.59		10,083,326,361.95	18,928,381,475.79	421,993,070.96	19,350,374,546.75	
Plus: Changes in accounting policies															
Correction of prior period errors															
Business combination under common control															
Others															
II. Balance at the beginning of the year	2,142,919,938.00				6,477,790,953.97		-31,679,676.99	2,307,702.27	253,716,196.59		10,083,326,361.95	18,928,381,475.79	421,993,070.96	19,350,374,546.75	
III. Increase or decrease amount in the current period (decrease expressed with "-")	121,053,420.00				2,653,529,627.42	514,721,346.78	-119,140,212.22	-166,755.47	39,085,721.96		1,945,319,970.10	4,124,960,425.01	654,779,572.14	4,779,739,997.15	
(I) Total comprehensive income							-118,833,540.22				2,691,262,599.60	2,572,429,059.38	134,138,300.39	2,706,567,359.77	
(II) Capital contributions or withdrawals by owners	121,053,420.00				2,653,529,627.42	514,721,346.78					2,259,861,700.64	520,641,454.27	2,780,503,154.91		
1. Capital contributions by owners	121,053,420.00				2,419,327,812.03	514,721,346.78					2,025,659,885.25	513,958,209.59	2,539,618,094.84		
2. Capital contributions by other equity instruments holders															
3. Share-based payments charged into owners' equity					76,019,983.61						76,019,983.61	6,683,244.68	82,703,228.29		
4. Others					158,181,831.78						158,181,831.78		158,181,831.78		
(III) Profit distribution									39,085,721.96		-746,249,301.50	-707,163,579.54	-707,163,579.54		
1. Appropriation to surplus reserves									39,085,721.96		-39,085,721.96				
2. Appropriation to general risk provision															
3. Distribution to owners (or shareholders)											-707,163,579.54	-707,163,579.54	-707,163,579.54		
4. Others															
(IV) Transfer within owner's equity							-306,672.00				306,672.00				
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							-306,672.00				306,672.00				
6. Others															
(V) Special reserve								-166,755.47			-166,755.47	-182.52	-166,937.99		
1. Provision in the current period								6,573,041.08			6,573,041.08	1,414,675.00	7,987,716.08		
2. Use in the current period								6,739,796.55			6,739,796.55	1,414,857.52	8,154,654.07		
(VI) Others															
IV. Balance at the end of the year	2,263,973,358.00				9,131,320,581.39	514,721,346.78	-150,819,889.21	2,140,946.80	292,801,918.55		12,028,646,332.05	23,053,341,900.80	1,076,772,643.10	24,130,114,543.90	

The accompanying notes are an integral part of these consolidated financial statements.

Principal of the Company:
authority

Person in charge of accounting:

Person in charge of the accounting

Ningbo Shanshan Co., Ltd.
Company's Statement of Changes in Owner's Equity
Year 2023
(All amounts in CNY Yuan unless otherwise stated)

Item	Year 2023										
	Share capital	Other equity instruments			Capital reserves	Less: Treasury shares	Other comprehensive incomes	Special reserves	Surplus reserves	Retained earnings	Total owner's equity
		Preferred shares	Perpetual bonds	Others							
I. Balance at the end of the last year	2,263,973,358.00				7,822,416,931.11	514,721,346.78	-28,025,733.68		294,927,373.13	3,450,687,783.57	13,289,258,365.35
Plus: Changes in accounting policies											
Correction of prior period errors											
Others											
II. Balance at the beginning of the year	2,263,973,358.00				7,822,416,931.11	514,721,346.78	-28,025,733.68		294,927,373.13	3,450,687,783.57	13,289,258,365.35
III. Increase or decrease amount in the current period (decrease expressed with "-")	-5,750,135.00				-77,272,780.37	466,599,835.68	22,688,560.20			-892,077,887.70	-1,419,012,078.55
(I) Total comprehensive income							2,209,561.13			-200,244,521.33	-198,034,960.20
(II) Capital contributions or withdrawals by owners	-5,750,135.00				-77,272,780.37	466,599,835.68					-549,622,751.05
1. Capital contributions by owners						545,571,545.63					-545,571,545.63
2. Capital contributions by other equity instruments holders											
3. Share-based payments charged into owners' equity					-2,435,827.08						-2,435,827.08
4. Others	-5,750,135.00				-74,836,953.29	-78,971,709.95					-1,615,378.34
(III) Profit distribution										-671,354,367.30	-671,354,367.30
1. Appropriation of surplus reserves											
2. Distribution to owners (or shareholders)										-671,354,367.30	-671,354,367.30
3. Others											
(IV) Transfer within owner's equity							20,478,999.07			-20,478,999.07	
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							20,478,999.07			-20,478,999.07	
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	2,258,223,223.00				7,745,144,150.74	981,321,182.46	-5,337,173.48		294,927,373.13	2,558,609,895.87	11,870,246,286.80

The accompanying notes are an integral part of the company's financial statements.

Principal 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 (Continued)
Year 2023
(All amounts in CNY Yuan unless otherwise stated)

Item	Year 2022										
	Share capital	Other equity instruments			Capital reserves	Less: Treasury shares	Other comprehensive incomes	Special reserves	Surplus reserves	Retained earnings	Total owner's equity
		Preferred shares	Perpetual bonds	Others							
I. Balance at the end of the last 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
Plus: Changes in accounting policies											
Correction of prior period errors											
Others											
II. Balance at the beginning 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
III. Increase or decrease amount in the current period (decrease expressed with "-")	121,053,420.00				2,488,074,797.22	514,721,346.78	-5,197,252.05		39,085,721.96	-355,085,409.86	1,773,209,930.49
(I) Total comprehensive income										390,857,219.64	390,857,219.64
(II) Capital contributions or withdrawals by owners	121,053,420.00				2,488,074,797.22	514,721,346.78	-4,890,580.05				2,089,516,290.39
1. Capital contributions by owners	121,053,420.00				2,419,327,812.03	514,721,346.78					2,025,659,885.25
2. Capital contributions by other equity instruments holders											
3. Share-based payments charged into owners' equity					68,075,742.46						68,075,742.46
4. Others					671,242.73		-4,890,580.05				-4,219,337.32
(III) Profit distribution									39,085,721.96	-746,249,301.50	-707,163,579.54
1. Appropriation to surplus reserves									39,085,721.96	-39,085,721.96	
2. Distribution to owners (or shareholders)										-707,163,579.54	-707,163,579.54
3. Others											
(IV) Transfer within owner's equity							-306,672.00			306,672.00	
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							-306,672.00			306,672.00	
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	2,263,973,358.00				7,822,416,931.11	514,721,346.78	-28,025,733.68		294,927,373.13	3,450,687,783.57	13,289,258,365.35

The accompanying notes are an integral part of the company's financial statements.

Principal of the Company:

Person in charge of accounting:

Person in charge of the accounting authority:

Ningbo Shanshan Co., Ltd.

For the Year Ended 31 December 2023

Notes to the Financial Statements

(All amounts in CNY unless otherwise stated)

I. Basic information about the Company

(I) Company Profile

Ningbo Shanshan Co., Ltd. (hereinafter the "Company" or "this 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 2023, the Company has accumulatively issued a total of 2,258,223,223.00 shares with its registered capital CNY 2,258,992,600.00 Its registered address: Room 801, ShanShan Plaza, No. 777 Rili Middle Road, Shounan Street, Yinzhou District, Ningbo City, Zhejiang Province. Headquarters address is: 28th Floor, ShanShan Plaza, No. 777 Rili Middle Road, Shounan Street, Yinzhou District, Ningbo City, Zhejiang Province. The scope of business of the Company: General items: sales of electronic specialized materials, optoelectronic devices, graphite and carbon products; Engaging in investment activities with its own funds; Non residential real estate leasing; Intellectual property services (excluding patent agency services); Retail and wholesale of clothing and apparel; Import and export of technology and goods (except for items that require approval in accordance with the law, business activities shall be carried out independently with the business license in accordance with the law). The following business items can only be operated by branches: General items: manufacturing of electronic specialized materials; R&D of electronic specialized materials; Manufacturing of optoelectronic devices, graphite and carbon products, as well as clothing (except for items that require approval in accordance with the law, business activities shall be carried out independently based on the business license in accordance with the law). The parent company of the Company is Shanshan Group Co., Ltd., and the actual controller of the Company is Mr. Zheng Ju.

The financial statements have been approved and reported by all directors of the company on 24 April 2024.

(II) Scope of consolidated financial statements

As of 31 December 2023, the subsidiaries within the scope of the Company's consolidated financial statements are as follows:

Name of subsidiary	Remarks
Shanjin Optoelectronics (Suzhou) Co., Ltd.	
Shanjin Optoelectronics (Guangzhou) Co., Ltd.	
Shanjin Optoelectronics (Nanjing) Co., Ltd.	
Shanjin Optoelectronics (Beijing) Co., Ltd.	
Shanjin Optoelectronics Technology (Zhangjiagang) Co., Ltd.	
Shanjin Optoelectronics (Mianyang) Co., Ltd.	
Taiwan Shanjin Optoelectronics Co., Ltd.	
Shanjin Tokyo Co., Ltd.	
Ningbo Shanshan New Energy Technology Development Co., Ltd.	

Name of subsidiary	Remarks
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.	
Sichuan Shanshan New Material Co., Ltd.	
Yunnan Shanshan New Material Co., Ltd.	
Ningbo Shanshan Silicon Based Semiconductor Material Co., Ltd.	
Shanshan New Material (Hong Kong) Co., Ltd.	Note 1
Shanshan New Material (Luxembourg) Sarl	Note 1
Ningbo Yongxiang Investment Co., Ltd.	
Ningbo Yongquan Investment Co., Ltd.	
Xinya Shanshan New Material Technology (Quzhou) Co., Ltd.(former name Shanshan New Material (Quzhou) Co., Ltd.)	Note 2
Dongguan Shanshan Battery Material Co., Ltd.	Note 2
Langfang Shanshan Battery Material Co., Ltd.	Note 2
Ningbo Shanshan Venture Capital Investment Co., Ltd.	
Ningbo Shanshan Electric Vehicle Technology Development Co., Ltd.	
Inner Mongolia Qingshan Automobile Co., Ltd.	
Shanghai Zhanxiao New Energy Technology Co., Ltd.	
Ningbo Shanshan Bada Power Assembly Co., Ltd.	
Ningbo Shanshan Automobile Co., Ltd.	
Ningbo Qingshan Automobile Co., Ltd.	
Ningbo Shanpeng Investment Co., Ltd.	
Ningbo Ulica Solar Co., Ltd.	
Ningbo Shanneng Photovoltaic Power Generation Co., Ltd.	Note 2
Taizhou Shanhe Photovoltaic Power Generation Co., Ltd.	Note 2
Taizhou Shanda Photovoltaic Power Generation Co., Ltd.	Note 2
Taizhou Shantai Photovoltaic Power Generation Co., Ltd.	Note 2
Wuyi Shansheng Photovoltaic Co., Ltd.	Note 2
Yongkang Shanlong Photovoltaic Power Generation Co., Ltd.	Note 2
Ningbo Shanhua Photovoltaic Power Generation Co., Ltd.	Note 2
Shaoxing Shandian Photovoltaic Power Generation Co., Ltd.	Note 2
Ningbo Shanhui Photovoltaic Power Generation Co., Ltd.	Note 2

Name of subsidiary	Remarks
Ningbo Shanjie Photovoltaic Power Generation Co., Ltd.	Note 2
Sanmen Shanyuan Photovoltaic Power Generation Co., Ltd.	Note 2
Shaoxing Shanzi Photovoltaic Power Generation Co., Ltd.	Note 2
Ningbo Shanlun Photovoltaic Power Generation Co., Ltd.	Note 2
Taizhou Shanyan New Energy Co., Ltd.	Note 2
Quzhou Shanhai Photovoltaic Power Generation Co., Ltd.	Note 2
Quzhou Qujiang Henglei Energy Technology Co., Ltd.	Note 2
Ningbo Shanwen Photovoltaic Power Generation Co., Ltd.	Note 2
Quzhou Shanke Photovoltaic Power Generation Co., Ltd.	Note 2
Quzhou Shanyu New Energy Development Co., Ltd.	Note 2
Quzhou Qujiang Shanzhen New Energy Technology Co., Ltd.	Note 2
Sanmen Shangang Photovoltaic Power Generation Co., Ltd.	Note 2
Jinhua Shanbao Photovoltaic Power Generation Co., Ltd.	Note 2
Hangzhou Shanqiu Photovoltaic Power Generation Co., Ltd.	Note 2
Jinhua Puzhong Photovoltaic Power Generation Co., Ltd.	Note 2
Taizhou Shanlin Photovoltaic Power Generation Co., Ltd.	Note 2
Quzhou Shantao Photovoltaic Power Generation Co., Ltd.	Note 2
Ningbo Shanshan Sunshine New Energy Co., Ltd.	Note 2
Ningbo Shanheng Photovoltaic Power Generation Co., Ltd.	Note 2
Shaoxing Shansheng Photovoltaic Power Generation Co., Ltd.	Note 2
Lanxi Shanrui New Energy Co., Ltd.	Note 2
Ningbo Ciguang New Energy Technology Co., Ltd.	Note 2
Wuyi Shanrun New Energy Co., Ltd.	Note 2
Taizhou Shantian Photovoltaic Power Generation Co., Ltd.	Note 2
Cixi Shante Photovoltaic Co., Ltd.	Note 2
Shaoxing Shanchang New Energy Co., Ltd.	Note 2
Yuyao Shankai Photovoltaic Power Generation Co., Ltd.	Note 2
Jinhua Shangong Photovoltaic Power Generation Co., Ltd.	Note 2
Ningbo Xinquante New Energy Development Co., Ltd.	Note 2
Ningbo Haobo New Energy Co., Ltd.	Note 2
Jinhua Zhichao New Energy Technology Co., Ltd.	Note 2
Ningbo Shanteng New Energy Co., Ltd.	Note 2
Nanchang Shan'ao New Energy Co., Ltd.	Note 2
Ningbo Yuyao Xiangtai Power Engineering Co., Ltd.	Note 2
Ningbo Taihui Photovoltaic Technology Co., Ltd.	Note 2
Taizhou Shanxian Photovoltaic Power Generation Co., Ltd.	Note 2
Xinchang Juheng New Energy Development Co., Ltd.	Note 2
Zhejiang Guangliang New Energy Technology Co., Ltd.	Note 2
Ningbo Shanxin Photovoltaic Energy Management Co., Ltd.	Note 2
Ulica Solar GmbH	Note 1

Name of subsidiary	Remarks
Shanghai Shanshan Garment Co., Ltd.	
Shanghai Tunheng Trading Co., Ltd.	
Ningbo Shanshan Tongda Trading Co., Ltd.	
Ningbo Haoheng Trading Co., Ltd.	
Hong Kong Shanshan Resources Co., Ltd.	
Shanghai Nafei Clothing Co., Ltd.	Note 2
Shanghai Feihe Clothing Co., Ltd.	Note 3
Ningbo Yunling Zhichuang Park Operation Management Co., Ltd.	
Shanshan Fashion Industrial Park Suqian Co., Ltd.	
Ningbo Ziheng Trading Co., Ltd.	Note 1
Ningbo Lanhong Trading Co., Ltd.	Note 1
Ningbo Yongshan Lithium Industry Co., Ltd.	Note 2
Yongshan International Co., Ltd.	

Note 1: The relevant subsidiaries were all newly established or consolidated during FY 2023;

Note 2: The relevant subsidiaries were closed or sold during FY 2023;

Note 3: Shanghai Feihe Clothing Co., Ltd. has stopped operation for many years.

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 (hereafter collectively referred to as “the Accounting Standards for Business Enterprises” or “ASBE”), and with reference to relevant regulations 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”).

(II) Continuous operation

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

III. Significant accounting policies and accounting estimates

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 2023 and the consolidated and company's business performance and cash flows for FY 2023.

(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 CNY as the bookkeeping base currency. Its subsidiaries, Taiwan Shanjin Optoelectronics Co., Ltd., Shanjin Tokyo Co., Ltd., Shanshan New Material (Hong Kong) Co., Ltd., Shanshan New Material (Luxembourg) Sarl and Ulica Solar GmbH determine their bookkeeping base currencies based on the main economic environment in which they operate, and therefore the accounting standard currencies are NTD, YEN, HKD and EUR respectively. This report is uniformly expressed in CNY.

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

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

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

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

(VI) Preparation method of consolidated financial statements

1. Criteria for judgement of controlling

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

2. Procedure of consolidation

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

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

(1) Increase subsidiaries or business

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

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

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

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

(2) Disposal of subsidiaries

① General treatment method

If the control right over the investee is lost due to the disposal of partial equity investment or other reasons, the Company shall re-measure the remaining equity investment after disposal according to the fair value on the date of losing control right. The sum of the consideration acquired by the disposal of equity and the fair value of the remaining equity

minus the sum of the shares of the net assets of the original subsidiary continuing to calculate from the date of purchase or merger according to the original shareholding ratios and the goodwill, such obtained difference shall be included into the investment income on that very period of losing the control right. Other comprehensive income related to the equity investment of the original subsidiary that will be reclassified into profit or loss in the future, and other changes in owners' equity under the equity method accounting are converted into the current investment income when the control right is lost.

② Disposal of subsidiaries step by step

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

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

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

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

(3) Purchasing minority equity of subsidiaries

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

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

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

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

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

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

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

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

The Company's investment in joint ventures is accounted for by the equity method, as described in item X. (XX) "Long-term Equity Investments" of this Notes to Financial Statements.

(VIII) Confirmation standard of cash and cash equivalent

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

(IX) Foreign currency business and conversion of foreign currency statements**1. Foreign currency business**

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

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

2. Transaction of foreign currency financial statements

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

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

(X) Financial instruments

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

1. Classification of financial instruments

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

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

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

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

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

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

Except for the above-mentioned financial assets measured at amortized cost and financial assets at fair value through other comprehensive income, the Company classifies all remaining financial assets as financial assets at fair value through profit or loss. At the initial recognition time, if it is possible to eliminate or significantly reduce the accounting mismatch, the Company may irrevocably designate financial assets that would otherwise be classified as financial assets measured at amortized cost or at fair value through other comprehensive income as financial assets at fair value through profit or loss.

Financial liabilities are classified on initial recognition as: Financial liabilities at fair value through profit or loss and financial liabilities measured at amortized cost.

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

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

2. Recognition basis and measurement method of financial instruments

(1) Financial assets measured at amortized cost

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

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

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

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

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

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

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

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

Upon derecognition, the cumulative gain or loss previously included into other comprehensive income is transferred from other comprehensive income and included in retained earnings.

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

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

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

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

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

(6) Financial liabilities measured at amortized cost

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

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

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

3. Derecognition of financial assets and transfer of financial assets

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

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

A financial asset is not derecognized when a transfer of the financial asset occurs and substantially all the risks and rewards of ownership of the financial asset are retained.

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

The Company divides the financial asset transfer zone into the overall transfer and partial transfer of financial assets. If the transfer of an entire financial asset satisfies the conditions for stopping recognition, the difference between the amounts of the following two items shall be included into profit or loss for the current period:

- (1) The book value of the transferred financial assets;
- (2) The sum of the consideration received for the transfer and the cumulative amount of changes in fair value originally recognized directly in owners' equity (in the case where the financial asset involved in the transfer is a financial asset (debt instrument) measured at fair value through other comprehensive income).

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

- (1) The book value of the derecognized part;
- (2) The sum of the consideration for the derecognized portion and the amount corresponding to the derecognized portion of the cumulative amount of changes in fair value originally recognized directly in owners' equity (in the case where the financial asset involved in the transfer is a financial asset (debt instrument) measured at fair value through other comprehensive income).

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

4. Derecognition of financial liabilities

When the prevailing obligations of a financial liability are relieved in whole or in part, the financial liability can be derecognized in whole or in part. Where the Company enters into an agreement with a creditor so as to substitute the existing financial liability by way of new financial liability, and if the contract terms regarding the new financial liability are substantially different from that regarding the existing financial liability, it shall derecognize the existing financial liability, and shall recognize the new financial liability at the same time.

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

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

Where our enterprise buys back part of its financial liabilities, it shall distribute, on the buy-back day, the carrying amount of the whole financial liabilities according to the comparatively fair value of the part that continues to be recognized and the part whose recognition has already been terminated. The difference between the carrying amount which is distributed to the part whose recognition has terminated and the considerations it

has paid (including the non-cash assets it has transferred out and the new financial liabilities it has assumed) shall be included into profit or loss for the current period.

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

If there are active financial instruments, the fair value is determined using quoted prices in an active market. If there are no active financial instruments, the fair value is determined using valuation techniques. In its valuation, the Company uses valuation techniques that are applicable in the current circumstances and supported by sufficient available data and other information, selects inputs that are consistent with the characteristics of the asset or liability considered by market participants in transactions for the relevant asset or liability, and gives preference to the use of relevant observable inputs. Unobservable inputs are used only if the relevant observable inputs are not available or not practical to obtain.

6. Test Methods and Accounting Treatment Methods for Impairment of Financial Assets

The Company estimates expected credit losses on financial assets measured at amortized cost, financial assets measured at fair value whose changes are included into other comprehensive income (debt instruments) and financial guarantee contracts, etc., either individually or in combination.

The Company recognizes expected credit losses by calculating the probability-weighted amount of the present value of the difference between the cash flows receivable under the contract and the cash flows expected to be received, taking into account reasonable and substantiated information about past events, current conditions and forecasts of future economic conditions, weighted by the risk of default.

For receivables and contract assets resulting from transactions governed by *Accounting Standards for Business Enterprises No. 14 - Revenue*, 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 leasing receivables resulting from transactions governed by *Accounting Standards for Business Enterprises No. 21 - Lease*, 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.

For other financial instruments, the Company assesses the changes in credit risk of the relevant financial instruments since initial recognition on each balance sheet date.

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

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

If the credit risk of the financial instrument has increased significantly since initial recognition, the Company measures its provision for losses at an amount equal to the expected credit loss over the entire life of the financial instrument; If the credit risk of the financial instrument has not increased significantly since initial recognition, the Company measures its provision for loss at an amount equal to the expected credit loss of the

financial instrument over the next 12 months. The resulting increase or reversal of the provision for losses is recognized as an impairment loss or gain in the current profit and loss. For financial assets (debt instruments) measured at fair value with changes recognized in other comprehensive income, their provision for losses is recognized in other comprehensive income and impairment losses or gains are recognized in the current period's profit or loss, without reducing the book value of the financial asset on the balance sheet.

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.

Except for the above-mentioned accounts receivable for which Bad Debt Provision are accrued respectively, the Company divides other financial instruments into several combinations based on credit risk characteristics, and determines expected credit losses on the basis of these combinations. The combination categories and determination basis for the accrual of expected credit losses for notes receivable, accounts receivable, accounts receivable financing, other receivables, contract assets, long-term receivables, etc. of the company are as follows:

Item	Combination Category	Recognition Basis
Notes receivable, accounts receivable financing		Credit rating of the acceptor
Accounts receivable	Account age portfolio	Determine the expected credit loss rate by combining historical loss rate with forward-looking adjustments
Other receivables	Business categories combination	Considering forward-looking factors to determine the expected credit loss rate based on the common credit risk characteristics of business categories

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.

(XI) Inventory

1. Classification and cost of inventory

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

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

2. Pricing method of issued inventory

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

3. Inventory system for inventory

The perpetual inventory system is used.

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

- (1) Low value consumables adopt one-off amortization method;
- (2) Packaging materials adopt one-off amortization method;

5. Recognition standard and accrual methods for inventory depreciation reserves

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

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

The company makes accrual for inventory impairment based on single item or combination. The combination category and determination basis, as well as the determination basis for the net realizable value of different categories of inventory, are as follows:

Inventory Combination Category	Combination Recognition Basis	Recognition Basis of Net Realizable Value
Inventory age combination	The inventory age period that significantly affects the realizable value	Comprehensive evaluation of the net realizable value of relevant inventory based on historical stagnation risk and future market demand
Single accrual		The estimated selling price minus the estimated costs to be incurred until completion, estimated sales expenses, and related taxes and fees

After the accrual for inventory impairment has been made, if the factors affecting the previous write down of inventory value have disappeared, resulting in the net realizable value of inventory being higher than its book value, it shall be reversed within the original accrual for inventory impairment, and the reversed amount shall be recognized in the current profit and loss.

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

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

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

The method of recognizing expected credit losses on contract assets and accounting method are detailed in item III. (X) "Test Methods and Accounting Treatment Methods for Impairment of Financial Instruments" in this Notes to the Financial Statements.

(XIII) Held for Sale and Termination of Operation**1. 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, investment real estate that is subsequently measured using the fair value model 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 accrual for impairment of assets held for sale.

2. 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 a related plan to dispose of an independent principal business or a separate principal area of operation;
- (3) The component is a subsidiary acquired exclusively for resale.

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

(XIV) Long-term equity investment

1. Judgment standards for common control and significant influence

The common 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 common control over the invested unit and have the right to the net assets of the invested unit, the invested unit is the joint venture of the Company.

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

2. Determination of initial investment cost

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

For long-term equity investment in subsidiaries acquired through business consolidation under the common 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 common 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 common 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 common control can be controlled due to additional investment or other reasons, the sum of the book value of the equity investment originally held and the newly added investment cost shall be taken as the initial investment cost.

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

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

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

3. Confirmation method of subsequent measurement as well as profit and loss

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

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

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

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

The Company recognizes investment income and other comprehensive income in accordance with its share of the net profit or loss realized by the investee and other comprehensive income that shall be shared or born, respectively, while adjusting the book value of the long-term equity investment; The portion of the entitlement shall be calculated on the basis of the profit or cash dividends declared by the investee, with a corresponding reduction in the book value of the long-term equity investment; For changes in the ownership interest of the investee other than net profit or loss, other comprehensive income and profit distribution ("changes in other owners' equity"), adjust the book value of the long-term equity investment and recognize them in owners' equity.

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

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

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

(3) Disposal of long-term equity investment

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

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

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

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

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

(XV) Investment property

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

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

The Company adopts the fair value model for existing investment properties. For investment properties measured according to the cost model - leased buildings, the same depreciation policy as the company's fixed assets is adopted, and the leased land use rights are subject to the same amortization policy as intangible assets.

(XVI) Fixed assets

1. Recognition and initial measurement of fixed assets

Fixed assets refer to the tangible assets which are held for producing commodities, providing labour 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 the current profit and loss as incurred.

2. Depreciation method

The depreciation of fixed assets is accrued by classification using the straight-line depreciation method, and the depreciation rate is determined according to the category of fixed assets, estimated service life and estimated net residual value rate. 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 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

3. Fixed asset disposal

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 the current profit and loss.

(XVII) Construction in process

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 serviceable condition and provision for depreciation starts from the following month. The standards and time point for the transfer of construction in progress to fixed assets by the company are as follows:

Category	The standards and time point for transfer to fixed assets
House buildings	(1) The main construction project and supporting facilities have been completed and accepted; (2) If the construction project reaches the predetermined usable status of the house and building, but the final settlement for completion has not been processed, it shall be transferred to fixed assets at the estimated value based on the actual cost of the project from the date of reaching the predetermined usable status.
Equipment that needs to be installed and debugged, etc	(1) The relevant equipment and other supporting facilities have been installed; (2) If there are industry standards and regulations, they shall be implemented in accordance with industry standards; If not, the standard is to maintain continuous and stable operation for a period of time; (3) The products produced by the equipment have reached the predetermined qualified state.

(XVIII) Borrowing costs**1. Confirmation principles for capitalization of borrowing costs**

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

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

2. Capitalization period of borrowing costs

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

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

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

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

3. Suspension of capitalization period

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

4. Calculation of capitalization rate and capitalization amount of borrowing costs

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

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

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

(XIX) Intangible assets

1. Pricing method of intangible assets

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

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

(2) Subsequent measurement

Analyse and judge the service life of intangible assets at the acquiring time.

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

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. Scope of research and development expenditure collection

The expenditures incurred by the company during the R&D process include related employees' salaries, consumed materials, depreciation and amortization expenses in research and development activities.

5. 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.

6. Specific conditions for capitalization of development phase expenditures

The expenditure in the research phase shall be included into the current profit and loss 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 the current profit and loss:

- (1) It is technically feasible to finish the intangible assets for use or sale;
- (2) It is intended to finish and use or sell the intangible assets;
- (3) The means for intangible assets to generate economic benefits include: proving that the products produced using such intangible assets have market or that the intangible assets have market themselves. Where the intangible assets are used internally, their usefulness can be proved;

(4) There is sufficient support of technological and financial resources and other resources to complete the development of the intangible assets, and the ability to use or sell the intangible assets;

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

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

The company currently has no capitalization of research and development expenses.

(XX) Impairment of long-term assets

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

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

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

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

Once recognized, the above impairment loss on assets is not reversed in the future accounting periods.

(XXI) Long term prepaid expenses

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

The amortization period and amortization method for each expense are:

Item	Amortization Method	Amortization Period
Improvement expenses for rented fixed assets	Amortized equally over the benefit period	The shorter of rent term or beneficial right
Amortization of turnover materials	Amortized equally over the benefit period	Determined by material and technique

(XXII) Contract liabilities

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

(XXIII) Employee compensation

1. Accounting treatment for short-term compensation

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

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

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

2. Accounting treatment for post-employment benefits

(1) Defined contribution plan

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

(2) Defined benefit plan

The Company attributes the welfare obligations generated from defined benefit plan through the formula determined according to the expected cumulative benefit unit to the period that

employees provide services and includes them into profit or loss for the current period or related asset cost.

The deficit or surplus formed by deducting the fair value of asset in the defined benefit plan from the present value of defined benefit 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 benefit obligations, including the obligation expected to be paid within 12 months after the end of annual reporting period that employees provide services, shall be discounted according to the national debt matched with the term and currency of defined benefit obligation on the balance sheet date or the market return of high-quality corporate bonds that are active in the market.

Service costs incurred by the defined benefit plan and 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 benefit obligation determined on the settlement date and the settlement price.

3. Accounting treatment for termination benefits

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

(XXIV) Estimated liabilities

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

- (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 estimated liabilities 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 estimated liabilities 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 estimated liabilities.

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 favour 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.

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

(XXVI) Revenue

1. Accounting policies used for revenue recognition and measurement

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

The company determines whether it is the primary responsible person or agent when engaging in transactions based on whether it has control over the goods or services before transferring them to customers. If the company is able to control the goods or services before transferring them to customers, the company the main responsible person and recognize revenue based on the total amount of consideration received or receivable; Otherwise, the company acts as an agent and recognizes revenue based on the expected amount of commission or handling fees that to be entitled to receive.

2. Disclose specific revenue recognition methods and measurement methods according to business categories

- (1) Product sales and provision of processing services: According to the customer's sales contract or order, issue a sales outbound delivery order and complete the shipment. Revenue is recognized when the customer receives a signed or picked up receipt of the goods or a sales confirmation list, the payment has been collected or a receipt voucher has been obtained, and the relevant economic benefits are likely to flow in.
- (2) The electricity revenue of subsidiaries engaged in the photovoltaic industry: For self generated and used electricity, the revenue is recognized based on the meter reading electricity fee settlement confirmed by the electricity user; The revenue from grid connected electricity is recognized based on the settlement list of State Grid.
- (3) Transfer of asset use rights: When the economic benefits related to the transaction are likely to flow into the enterprise and the amount of revenue can be reliably measured. Determine the amount of income from the transfer of asset use rights in the following situations:
 - ① The amount of interest income is calculated and determined based on the term and actual interest rate of others using the company's monetary funds.
 - ② Operating leased assets: determined based on the term that others have used the company's assets and the rental calculation method agreed upon in the contract.

(XXVII) Contract costs

Contract costs include contract fulfilment 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 fulfilment 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 occurred for the transfer of the relevant goods or services.

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

(XXVIII) Government subsidies

1. Type

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

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

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

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

2. Confirm time point

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

3. Accounting treatment

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

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

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

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

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

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

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

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

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

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

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

- Initial recognition of goodwill;
- It is neither a business merger nor a transaction or event that affects accounting profits and taxable income (or deductible losses) at the time of occurrence, and the initially recognized assets and liabilities do not result in equal taxable temporary differences and deductible temporary differences.

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.

At 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

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

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

1. The Company as the lessee

(1) Right-of-use assets

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

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

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

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

(2) Lease liabilities

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

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

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

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

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

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 single 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 single lease, on the effective date of the lease change, the Company reapportioned the consideration of the changed contract, redetermined the lease term, and remeasured the lease liability based on the present value of the changed lease payments and the revised discount rate.

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

2. The Company as the lessor

At the inception date of the lease, the Company classifies the lease as a financing lease and an operating lease. A financing 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 financing leases. When the Company acts as a sublease lessor, it classifies the sublease based on the right-of-use assets arising from the original lease.

(1) Accounting treatment for operating lease

Lease receipts under operating leases are recognized as rental income on a straight-line basis over the respective periods of the lease term. The Company capitalizes the initial direct costs incurred in connection with operating leases, which are allocated to current profit and loss over the lease term on the same basis as rental income is recognized. Variable lease payments not included in the lease receipts are included into profit or loss for the current period when

they are actually occurred. If an operating lease is changed, the Company accounts for it as a new lease from the effective date of the change, and the amount of lease receipts received in advance or receivable in connection with the lease before the change is considered to be the amount of receipts for the new lease.

(2) Accounting treatment for financing leases

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

The Company calculates and recognizes interest income for each period of the lease term based on a fixed periodic interest rate. Derecognition and impairment of financing lease receivables are accounted for in accordance with item III. (X)- "Financial Instruments" of this Notes to Financial Statements.

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

When a change in a financing lease occurs and all of the following conditions are met, the Company will account for the change as a single 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 financing lease is not accounted for as a single 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 financing lease, and the Company will account for it in accordance with the policy of amending or renegotiating the contract as described in item III. (X) "Financial Instruments" of this Notes to Financial Statements.

3. Sale-and-leaseback transactions

The Company assesses whether the transfer of assets in sale-and-leaseback transactions is a sale in accordance with the principles described in item III. (XXVI)- "Financial Instruments" of this Notes to Financial Statements.

(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;

After the commencement date of the lease term, the subsequent measurement of the right of use assets and lease liabilities, as well as lease changes, are detailed in item III. (XXX) "Lease 1. The company as the lessee" of this Notes to Financial Statements. When measuring the lease liability formed by the sale and leaseback, the method in which the company determines the lease payment amount or changes the lease payment amount will not result in the recognition of gains or losses related to the right to use obtained through leaseback.

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 item III. (X) "Financial Instruments" of this Notes to Financial Statements.

(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 "2. The Company as the lessor" mentioned above. 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 item III. (X) "Financial Instruments" of this Notes to Financial Statements.

(XXXI) Hedge Accounting

1. Classification of hedging

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

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

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

2. Designation of hedging relationship and determination of hedging effectiveness

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

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

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

- (1) There exists economic relationship between the hedged item and the hedging instrument.
- (2) The impact of credit risk is not dominant in the value changes arising from the economic relationship between the hedged item and the hedging instrument.
- (3) Using an appropriate hedge ratio will not result in an imbalance in the relative weight of the hedged item and the hedging instrument, and resulting in accounting results that are inconsistent with the hedge accounting objectives. If the hedging ratio is no longer appropriate, but the hedging risk management objectives have not changed, the quantity of the hedged item or hedging instrument should be adjusted to make the hedging ratio meet the effectiveness requirements again.

3. Hedge accounting treatment method

(1) Fair value hedging

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

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

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

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

(2) Cash flow hedging

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

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

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

(3) Hedge of net investment in overseas operations

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

(XXXII) Repurchase of shares of the company

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

(XXXIII) Debt restructuring

1. The company as creditor

The company terminates the recognition of credit upon the termination of the contractual right to receive cash flows from credit. If debt restructuring is carried out by using assets to settle debts or converting debts into equity instruments, the company shall recognize relevant assets when they meet their definition and recognition conditions.

If debt restructuring is carried out by using assets to settle debts, the Company shall initially recognize the acquired non-financial assets at cost. The cost of inventory includes the fair value of relinquished credits and other costs directly attributable to the asset, such as taxes, transportation fees, loading and unloading fees, insurance fees, etc., incurred to bring the asset to its current position and condition. The cost of investing in associates or joint ventures includes the fair value of relinquished credits and other costs directly attributable to the asset, such as taxes and other costs. The cost of investment properties includes the fair value of the relinquished credits and other costs such as taxes directly attributable to the asset. The cost of fixed assets includes the fair value of the relinquished credits and other costs directly attributable to the asset, such as taxes, transportation fees, loading and unloading fees, installation fees, professional service fees, etc., incurred before the asset reaches its intended usable state. The cost of biological assets includes the fair value of relinquished credits and other costs directly attributable to the asset, such as taxes, transportation fees, insurance premiums, etc. The cost of intangible assets includes the fair value of relinquished credits and other costs directly attributable to taxes incurred to achieve the intended use of the asset. If the debt restructuring carried out by converting debt into equity instruments results in creditors converting their debt into equity investments in joint ventures or associates, the Company shall measure the initial investment cost based on the fair value of the relinquished credits and other costs directly attributable to the asset, such as taxes. The difference between the fair value and book value of the relinquished credits is recognized in the profit and loss of current period.

If debt restructuring is carried out by modifying other terms, the Company shall recognize and measure the restructured debt in accordance with item III. (X) "Financial Instruments" of this Notes to Financial Statements.

If debt restructuring is carried out through multiple asset settlement or combination methods, the company first recognizes and measures the acquired financial assets and restructured claims in accordance with item III. (X) "Financial Instruments" of this Notes to Financial Statements. Then, based on the fair value ratio of assets other than the acquired financial assets, the net amount of the fair value of the relinquished credits minus the recognized amount of the acquired financial assets and restructured credits is distributed, and the cost of each asset is determined separately according to the above method. The difference between

the fair value and book value of the relinquished credits shall be accounted in the profit and loss of current period.

2. The company as debtor

The company terminates the recognition of debt when the current obligation of the debt is relieved.

If debt restructuring is carried out using assets to settle debts, the Company shall terminate recognition when the relevant assets and settled debts meet the termination recognition conditions. The difference between the book value of settled debts and the book value of transferred assets shall be recognized in the profit and loss of current period.

If the debt is converted into equity instruments for debt restructuring, the Company shall terminate the recognition of the debt when it meets the termination recognition conditions. When the company initially recognizes equity instruments, they are measured at their fair value. If the fair value of equity instruments cannot be reliably measured, they are measured at the fair value of the debt repaid. The difference between the book value of the settled debt and the recognized amount of equity instruments shall be recognized in the profit and loss of current period.

If debt restructuring is carried out by modifying other terms, the company shall recognize and measure the restructured debt in accordance with item III. (X) "Financial Instruments" of this Notes to Financial Statements.

If debt restructuring is carried out by settle debts with multiple asset or combination methods, the Company shall recognize and measure equity instruments and restructured debts in accordance with the aforementioned methods. The difference between the book value of the debt to be settled and the book value of the transferred assets, as well as the recognition amount of equity instruments and restructured debts, shall be recognized in the profit and loss of current period.

(XXXIV) 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.

(XXXV) Method for determining importance criteria and selection basis

Method and selection basis for determining the importance criteria of disclosure matters:

Item	Importance Criteria
Accounts receivable with single accrual for Bad Debt Provision	A single amount exceeding CNY 5 million or a single accrual accounting for 10% of the total Bad Debt Provision for various accounts receivable.

Item	Importance Criteria
Significant accounts receivable write off in current period	A single amount exceeding CNY 5 million or single item verification amount accounting for more than 10% of the total amount of various receivables.
Important construction in processing	The budget of a single construction in processing exceeds 0.5% or more of the total assets.
Important joint ventures or associates	The book value of long-term equity investments of a single invested entity exceeds 3% of the total assets of the Group.
Important non wholly-owned subsidiaries	Subsidiary's net assets account for more than 5% of the group's net assets or subsidiary's net profit accounts for more than 10% of the group's net profit.

(XXXVI) Changes in significant accounting policies and accounting estimates

1. Changes in significant accounting policies

(1) Implementation of the Interpretation of *Accounting Standards for Business Enterprises No. 16*, regulated that “Accounting Treatment for Deferred Income Tax Related to Assets and Liabilities Arising from Single Transactions not Applicable to Initial Recognition Exemption.”

The Ministry of Finance issued the *Interpretation Accounting Standards for Business Enterprises No. 16* (C.K.[2022] No. 31, hereinafter referred to as "Interpretation No. 16") on 30 November 2023. In which, the regulation “Accounting Treatment for Deferred Income Tax Related to Assets and Liabilities Arising from Single Transactions not Applicable to Initial Recognition Exemption” has been implemented since 1 January 2023.

Interpretation No. 16 stipulates that for single transactions that are not business combinations, neither affect accounting profits nor affect taxable income (or deductible losses) at the time of transaction, and result in equal taxable temporary differences and deductible temporary differences due to initially recognized assets and liabilities (including leasing transactions in which the lessee initially recognizes the leasing liability and includes it in the right to use asset on the lease term commencement date, as well as transactions in which the lessee recognizes the expected liability and includes it in the relevant asset cost due to abandonment obligations of fixed assets, etc.), the provisions exempting initial recognition of deferred income tax liabilities and deferred income tax assets do not apply. Enterprises should recognize them separately in accordance with relevant provisions such as *Accounting Standards for Enterprises No. 18- Income Tax* at the time of transaction occurrence and recognize corresponding deferred income tax liabilities and deferred income tax assets.

For single transactions that apply this regulation that occur between the beginning and the implementation date of the earliest period in which this regulation is first implemented in financial statements, as well as lease liabilities and right of use assets recognized at the beginning of the earliest period in financial statements due to the application of this regulation in single transactions, as well as expected liabilities and corresponding assets related to abandonment obligations, if there are taxable temporary differences and deductible temporary differences, the enterprise shall make adjustments in accordance with this regulation.

The company implemented this regulation since 1 January 2023, and the main impacts of implementing this regulation are as follows:

Content and reasons for changes in	Affected statement items	The impact amount on the balance as of 1 January 2022
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accounting policies		Consolidation	The Company
Recognition of deferred income tax assets and deferred income tax liabilities for taxable temporary differences and deductible temporary differences arising from lease liabilities and right of use assets		251,478,370.98	5,685,148.23
	Deferred income tax liabilities	251,513,360.58	5,606,270.28
	Retained earnings	-23,748.68	78,877.95
	Non-controlling shareholders' equity	-11,240.92	
	Income tax expenses	34,989.60	-78,877.95
	Profits and losses of non-controlling shareholders' equity	-11,240.92	

2. Changes in significant accounting estimates

N/A

IV. Taxes

(I) Main tax categories and tax rates

Tax categories	Taxation basis	Tax rate (%)
Value Added Tax	The output tax shall be calculated based on the income obtained from the sales of goods and the taxable labor and calculated as per the regulations of tax law, and the balance after deducting the input tax deductible in the current period is the VAT payable.	13, 9, 6, 5, 3
Urban maintenance and construction tax	Payment based on actual VAT and consumption tax paid	1, 5, 7
Enterprise income tax	Calculated and paid according to taxable income	25, 20, 15
Education surcharges	Payment based on actual VAT and consumption tax paid	3, 5
Consumption tax (Japan)	The difference between total sales amount and total purchases amount	10, 8
Enterprise income tax (Dusseldorf)	Calculated and paid according to taxable income	15.4
Solidarity surcharge (German)	Payment based on actual Enterprise income tax paid	5.5

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

Taxpayers are high-tech enterprises	Income tax rate (%)
Shanghai Shanshan Technology Co., Ltd.	15
Ningbo Shanshan New Material Technology Co., Ltd.	15
Chenzhou Shanshan New Material Co., Ltd.	15

Huzhou Shanshan New Energy Technology Co., Ltd.	15
Inner Mongolia Shanshan Technology Co., Ltd.	15
Inner Mongolia Shanshan New Material Co., Ltd.	15
Fujian Shanshan Technology Co., Ltd.	15
Shanjin Optoelectronics (Guangzhou) Co., Ltd.	15
Shanjin Optoelectronics (Nanjing) Co., Ltd.	15
Ningbo Ulica Solar Co., Ltd.	15
Shanghai Zhanxiao New Energy Technology Co., Ltd.	15
Dongguan Shanshan Battery Material Co., Ltd. Note	15
Xinya Shanshan New Material Technology (Quzhou) Co., Ltd. Note	15
Note: The company has completed the equity transfer during 2023 and seceded from the scope of consolidation.	
Overseas enterprises	Income tax rate (%)
Taiwan Shanjin Optoelectronics Co., Ltd.	20
Shanjin Tokyo Co., Ltd. (Legal Person Tax)	23.20
Ulica Solar GmbH	15.4

(II) Tax preferences

1. According to the SAT *Announcement on Enterprise Income Tax Issues Related to the Further Implementation of the Western Development Strategy* (No. 12, 2012), Sichuan Shanshan New Material Co., Ltd., subsidiaries of the Company, is an enterprise encouraged to establish in the western region and are subject to a reduced enterprise income tax rate of 15%.
2. According to the G.S.F [2009] No. 80: Notice on the Implementation of Preferential Corporate Income Tax for Public Infrastructure Projects Supported by the State, the investment and operating income from public infrastructure projects that meet the scope, conditions and standards stipulated in the *Catalogue of Preferential Corporate Income Tax for Public Infrastructure Projects*, from the tax year in which the first production and operating income is earned, from the first to the third year, enterprises are exempt from corporate income tax, and during the fourth to the sixth year, the corporate income tax are reduced by half. The Company's subsidiary photovoltaic companies, as shown in the table below, are engaged in photovoltaic power generation projects to enjoy favourable income tax. In April 2023, the company has transferred and sold all its subsidiaries in the photovoltaic power

generation sector.

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

V. Notes of consolidated financial statements items

(I) Monetary capital

Item	31 December 2023	31 December 2022
Cash on hand	67,828.76	221,970.42
Digital Currency	110,837.00	
Bank deposit	3,978,930,722.91	3,838,571,569.10
Other cash balances	876,616,074.05	903,471,896.07
Total	4,855,725,462.72	4,742,265,435.59
Of which: Total amount of money deposited abroad	72,830,896.93	44,133,879.44

Of which, the details of monetary funds that are restricted in use due to mortgage, pledge, or freezing are as follows:

Item	31 December 2023	31 December 2022
Deposit for bank acceptance bill	308,617,536.41	740,152,177.46
L/C guarantee deposits	406,166,690.26	128,905,140.63
Guarantee deposit Note 1	143,328,755.50	30,411,993.79
Other deposit Note 2	102,266,316.66	3,922,037.75
Subtotal of other cash balances	960,379,298.83	903,391,349.63
Bank deposit- litigation freeze	4,394.37	15,100,432.46
Total Cash at bank and on hand subject to restrictions	960,383,693.20	918,491,782.09

Item	31 December 2023	31 December 2022
Listed as: Assets held for sale	90,193,172.28	
Listed as: Other cash balances	870,190,520.92	918,491,782.09

Note 1: Guarantee Deposit

Category	Closing deposit amount	Closing deposit amount of previous year
Procurement guarantee	1,377,821.50	
Business merge guarantee	84,410,934.00	
Aggregate taxation guarantee	54,500,000.00	27,000,000.00
Quality guarantee	3,040,000.00	3,411,993.79
Subtotal	143,328,755.50	30,411,993.79

Note 2: Other deposits

Category	Closing deposit amount	Closing deposit amount of previous year
Financing Deposit	101,212,857.43	
Foreign exchange settlement deposit	-	2,884,005.02
Procurement deposit	1,053,459.23	1,038,032.73
Subtotal	102,266,316.66	3,922,037.75

(II) Notes receivable**1. Notes receivable classification list**

Item	31 December 2023	31 December 2022
Banker's acceptance bill		
Commercial acceptance bill	587,224,062.50	228,426,998.22
Subtotal	587,224,062.50	228,426,998.22
Less: Provision for impairment of commercial acceptance bill	1,758,818.81	593,910.20
Total	585,465,243.69	227,833,088.02

2. Disclosure of accounts receivable classified by bad debt provision method

Category	31 December 2023					31 December 2022				
	Book Balance		Bad Debt Provision		Book Value	Book Balance		Bad Debt Provision		Book Value
	Amount	Proportion (%)	Amount	Withdrawal ratio (%)		Amount	Proportion (%)	Amount	Withdrawal ratio (%)	
Provision for bad debts based on a combination of credit risk characteristics	587,224,062.50	100.00	1,758,818.81	0.30	585,465,243.69	228,426,998.22	100.00	593,910.20	0.26	227,833,088.02
Of which:										
Account age portfolio	587,224,062.50		1,758,818.81		585,465,243.69	228,426,998.22		593,910.20		227,833,088.02
Total	587,224,062.50	100.00	1,758,818.81		585,465,243.69	228,426,998.22	100.00	593,910.20		227,833,088.02

3. Bad Debt Provision accrual, reversal or recovery in this period

Category	31 December 2022	Changed Amount in 2023				31 December 2023
		Accrual	Recovery or Reversal	Transfer or write-off	Other changes	
Impairment reserves	593,910.20	1,758,818.81	593,910.20			1,758,818.81
Total	593,910.20	1,758,818.81	593,910.20			1,758,818.81

4. At the end of the period, the company has no pledged notes receivable.**(III) Account receivable****1. Accounts receivable disclosed by account age**

Account age	31 December 2023	31 December 2022
Within 1 year	4,790,187,781.54	4,807,499,834.80
1-2 years	6,562,450.13	9,533,804.06
2-3 years	2,588,054.96	9,582,613.08
3-4 years	8,155,292.90	4,124,189.07
4-5 years	4,027,211.07	10,694,837.58
Above 5 years	59,736,929.82	58,035,354.25
Subtotal	4,871,257,720.42	4,899,470,632.84
Less: Bad debt provision	207,169,587.91	204,496,209.46
Total	4,664,088,132.51	4,694,974,423.38

2. Accounts receivable disclosed by bad debt provision method

Category	31 December 2023					31 December 2022				
	Book balance		Bad debt provision		Book value	Book balance		Bad debt provision		Book value
	Amount	Proportion (%)	Amount	Withdrawal ratio (%)		Amount	Proportion (%)	Amount	Withdrawal ratio (%)	
Provision for bad debts made on an individual basis	70,400,442.00	1.45	66,693,041.10	94.73	3,707,400.90	66,847,620.60	1.36	65,107,055.72	97.40	1,740,564.88
Of which:										
Accounts receivable whose amounts are not considered individually significant but whose bad debt provision shall be withdrawn individually	70,400,442.00	1.45	66,693,041.10	94.73	3,707,400.90	66,847,620.60	1.36	65,107,055.72	97.40	1,740,564.88
Provision for bad debts made on a portfolio basis	4,800,857,278.42	98.55	140,476,546.81	2.93	4,660,380,731.61	4,832,623,012.24	98.64	139,389,153.74	2.88	4,693,233,858.50
Of which:										
Account age portfolio	4,800,857,278.42	98.55	140,476,546.81	2.93	4,660,380,731.61	4,832,623,012.24	98.64	139,389,153.74	2.88	4,693,233,858.50
Total	4,871,257,720.42	100.00	207,169,587.91		4,664,088,132.51	4,899,470,632.84	100.00	204,496,209.46		4,694,974,423.38

Significant accounts receivable of bad debts provision is made on an individual basis:

Name	31 December 2023				31 December 2022	
	Book balance	Bad debt provision	Withdrawal ratio (%)	Withdrawal reason	Book balance	Bad debt provision
HZ Bus Transportation Co., Ltd.	6,339,710.00	6,339,710.00	100.00	Unable to receive	6,339,710.00	6,339,710.00
DG Automotive Service Co., Ltd.	11,000,000.00	11,000,000.00	100.00	Unable to receive	11,000,000.00	11,000,000.00
F Public Transportation Holdings Co., Ltd.	24,950,000.00	22,621,761.60	90.67	Winning the case, ongoing execution, deducted amount of post execution payment received	27,500,000.00	27,500,000.00
YB Auto Co., Ltd.	8,520,000.00	8,520,000.00	100.00	Winning the case, ongoing execution, , but unable to receive	8,520,000.00	8,520,000.00
Total	50,809,710.00	48,481,471.60			53,359,710.00	53,359,710.00

Provision for bad debts is made on a account age portfolio basis:

Name	31 December 2023		
	Accounts receivable	Bad debt provision	Withdrawal ratio (%)
Within 1 year	4,790,165,279.22	133,997,509.97	2.80
1-2 years	4,359,098.05	931,344.33	21.37
2-3 years	2,295,260.56	1,510,051.92	65.79
3-4 years	888,187.20	888,187.20	100.00
4-5 years			
Above 5 years	3,149,453.39	3,149,453.39	100.00
Total	4,800,857,278.42	140,476,546.81	

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

Category	31 December	Amount of change in the current period	31 December
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	2022						2023
		Accrual	Recovery or reversal	Transfer or write-off	Withdrawal from the consolidation scope	Assets transferred to held for sale	
Bad debt provision	204,496,209.46	715,384,152.27	685,289,832.79	1,190,391.47	251,169.67	25,979,379.89	207,169,587.91
Total	204,496,209.46	715,384,152.27	685,289,832.79	1,190,391.47	251,169.67	25,979,379.89	207,169,587.91

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

Item	Write-off Amount
Accounts receivable actually written off	1,190,391.47

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

Unit Name	Accounts receivable as of 31 December 2023	Contract assets as of 31 December 2023	Accounts receivable and contract assets as of 31 December 2023	Proportion in total accounts receivable and contract assets (%)	Bad debt provision for accounts receivable and contract assets as of 31 December 2023
Customer A	745,202,756.40		745,202,756.40	15.30	37,260,137.82
Customer B	742,518,514.59		742,518,514.59	15.24	33,917,616.99
Customer C	548,042,204.12		548,042,204.12	11.25	2,281,403.26
Customer D	394,581,865.45		394,581,865.45	8.10	19,729,093.27
Customer E	306,337,705.93		306,337,705.93	6.29	673,942.95
Total	2,736,683,046.49		2,736,683,046.49	56.18	93,862,194.29

(IV) Receivables financing

1. Presented by classification of receivables financing

Item	31 December 2023	31 December 2022
Notes receivable	819,020,204.62	512,249,842.96
Of which: Banker's acceptance bill	819,020,204.62	512,249,842.96
Commercial acceptance bill		
Less: Provision for impairment of		

Item	31 December 2023	31 December 2022
commercial acceptance bill		
Total	819,020,204.62	512,249,842.96

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

Item	31 December 2022	Newly increased amount in the current period	Derecognition in the current period	Assets transferred to held for sale	31 December 2023	Accumulated provision for losses recognized in other comprehensive income
Notes receivable	512,249,842.96	11,905,814,989.03	11,599,044,627.37		819,020,204.62	
Total	512,249,842.96	11,905,814,989.03	11,599,044,627.37		819,020,204.62	

3. At the end of the period, the company has no pledged receivables financing.

4. Notes receivable that has been endorsed or discounted by the Company and are outstanding at the balance sheet date at the end of the period

Item	Amount derecognized at the end of the period
Endorsed but not due - bank acceptance bill	1,111,182,437.70
Endorsed but not due - commercial acceptance bill	
Subtotal of endorsed but not due notes receivable	1,111,182,437.70
Discounted but not due - bank acceptance bill	403,590,695.68
Discounted but not due - commercial acceptance bill	
Subtotal of discounted but not due notes receivable	403,590,695.68

(V) Prepayment

1. Prepayments are presented as per account age

Account age	31 December 2023		31 December 2022	
	Amount	Proportion (%)	Amount	Proportion (%)
Within 1 year	395,706,001.03	92.77	1,389,494,141.34	99.84
1-2 years	29,691,252.31	6.96	1,402,366.88	0.10
2-3 years	1,132,892.36	0.27	819,991.36	0.06

Account age	31 December 2023		31 December 2022	
	Amount	Proportion (%)	Amount	Proportion (%)
Above 3 years	800.70			
Total	426,530,946.40	100.00	1,391,716,499.58	100.00

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

Prepaid objects	31 December 2023	Percentage of the total closing balance of prepayments (%)
Supplier A	113,279,185.41	26.56
Supplier B	28,774,793.20	6.75
Supplier C	21,598,020.77	5.06
Supplier D	21,524,319.62	5.05
Supplier E	19,269,118.65	4.52
Total	204,445,437.65	47.94

(VI) Other receivables

Item	31 December 2023	31 December 2022
Interest receivable		7,195.74
Dividend receivable	4,992,116.13	4,992,116.13
Other receivables	639,252,121.84	492,274,320.34
Total	644,244,237.97	497,273,632.21

1. Interests receivable

(1) Classification of interest receivable

Item	31 December 2023	31 December 2022
Fixed deposit		7,195.74
Subtotal		7,195.74
Less: Bad debt provision		
Total		7,195.74

2. Dividend receivable

(1) Details of dividends receivable

Item (or investee)	31 December 2023	31 December 2022
Shanghai Shanchuang Mining Investment Co., Ltd.	492,116.13	492,116.13
Suiyong Holdings Co., Ltd.	4,500,000.00	4,500,000.00
Subtotal	4,992,116.13	4,992,116.13
Less: Bad debt provision		
Total	4,992,116.13	4,992,116.13

3. Other receivables

(1) Disclosure by account age

Account age	31 December 2023	31 December 2022
Within 1 year	542,593,229.99	366,177,660.69
1-2 years	40,266,314.37	75,263,298.49
2-3 years	61,399,920.07	87,407,362.95
3-4 years	83,619,253.75	26,982,494.94
4-5 years	1,916,356.00	5,822,145.70
Above 5 years	26,257,311.84	47,067,823.30
Subtotal	756,052,386.02	608,720,786.07
Less: Bad debt provision	116,800,264.18	116,446,465.73
Total	639,252,121.84	492,274,320.34

(2) Disclosure by bad debt provision method

Category	31 December 2023					31 December 2022				
	Book balance		Bad debt provision		Book value	Book balance		Bad debt provision		Book value
	Amount	Proportion (%)	Amount	Withdrawal ratio (%)		Amount	Proportion (%)	Amount	Withdrawal ratio (%)	
Provision for bad debts made on an individual basis	180,958,988.12	23.93	97,280,118.25	53.76	83,678,869.87	160,606,897.41	26.38	111,684,532.68	69.54	48,922,364.73
Provision for bad debts made on a portfolio basis	575,093,397.90	76.07	19,520,145.93	3.39	555,573,251.97	448,113,888.66	73.62	4,761,933.05	1.06	443,351,955.61
Of which:										
Risk-free portfolio	179,191,176.92	23.70			179,191,176.92	349,071,128.51	57.35			349,071,128.51
Portfolio of equity receivables	377,948,681.19	49.99	18,897,434.06	5.00	359,051,247.13	67,113,178.00	11.03	3,355,658.90	5.00	63,757,519.10
Portfolio of current account						10,000,000.00	1.64	500,000.00	5.00	9,500,000.00
Portfolio of security deposit and deposit	9,237,087.24	1.22	461,854.36	5.00	8,775,232.88	14,980,916.23	2.46	749,045.81	5.00	14,231,870.42
Portfolio of advances	8,335,916.84	1.10	141,830.72	1.70	8,194,086.12	6,196,963.73	1.02	119,643.23	1.93	6,077,320.50
Portfolio of reserves	380,535.71	0.05	19,026.79	5.00	361,508.92	751,702.19	0.12	37,585.11	5.00	714,117.08
Total	756,052,386.02	100.00	116,800,264.18		639,252,121.84	608,720,786.07	100.00	116,446,465.73		492,274,320.34

Provision for bad debts of significant other receivables is made on a single accrual basis

Name	31 December 2023				31 December 2022	
	Book balance	Bad debt provision	Withdrawal ratio (%)	Withdrawal reason	Book balance	Bad debt provision
Beiben Heavy Duty Automobile Group Co., Ltd.	55,980,469.75	39,186,328.83	70.00	The funds of subsidiaries occupied by non-controllings for long times and there is a significant risk of recovery	55,980,469.75	33,588,281.85
Ningbo Liankangcai Brand Management Co., Ltd.	42,000,000.00	21,000,000.00	50.00	The final payment of equity transfer accounts receivable is overdue and there is a significant risk of recovery	47,911,440.00	23,955,720.00
Zhejiang Fanyue Technology Co., Ltd	44,100,000.00	4,410,000.00	10.00	Overdue, increased risk of recovery		
Ningbo Modun Clothing Co., Ltd.				Expected to be unrecoverable, fully provisioned last year, written off this year	13,404,518.87	13,404,518.87
Putian Hualin Vegetable Base Co., Ltd.	13,372,982.07	13,372,982.07	100.00	Winning the case, but unable to execute	13,372,982.07	13,372,982.07
Ningbo Shanshan Suyu Clothing Co., Ltd.	10,162,742.46	10,162,742.46	100.00	Expected to be unreceivable	10,162,742.46	10,162,742.46
DEUTSCHE SOLAR AG				Expected to be unrecoverable, fully provisioned last year, transferred to held for sales this year	5,302,575.00	5,302,575.00
Jiangsu Shuntian High-tech Carbon Materials Co., Ltd	7,863,550.02	4,757,217.03	60.50	The advance payment related to litigation has been fully provisioned for bad debts, except for the retained property		
Total	173,479,744.30	92,889,270.39			146,134,728.15	99,786,820.25

Provision for bad debts is made on a credit risk characters portfolio basis:
Portfolio provision items:

Name	31 December 2023		
	Other receivables	Bad debt provision	Withdrawal ratio (%)
Risk-free portfolio	179,191,176.92		
Of which: Portfolio of financing deposit Note 1	67,870,782.40		
Related party current account Note 2	111,320,394.52		
Receivable equity fund portfolio	377,948,681.19	18,897,434.06	5.00
Portfolio of security deposit and deposit	9,237,087.24	461,854.36	5.00
Portfolio of advances	8,335,916.84	141,830.72	1.70
Of which: Individual social security of settlement, collection and payment every other month	5,499,302.47		
Portfolio of reserves	380,535.71	19,026.79	5.00
Total	575,093,397.90	19,520,145.93	

Note 1: The portfolio of financing deposit includes deposits paid to finance and leasing companies in the operations of machinery and equipment finance leasing and after-sale leaseback of subsidiaries and other financing business deposits, which will be returned after the Company has repaid its debts. Hence, this part of deposit is risk-free and there is no need to make provision for bad debts.

Note 2: See Note XII (V) "4. Related party fund borrowing and lending" for additional details.

(3) Provision for bad debts

Bad debt provision	Phase I	Phase II	Phase III	Total
	Expected credit losses for the next 12 months	Expected credit losses for the entire duration (no credit impairment occurred)	Expected credit losses for the entire duration (with credit impairment occurred)	
Balance as of 31 December. 2022	4,761,933.05	58,920,974.70	52,763,557.98	116,446,465.73
Balance as of 31 December. 2022 in the current period				
– Transferred to Phase II				
– Transferred to Phase III	-48,922.23		48,922.23	
– Transferred back to Phase II				
– Transferred back to Phase I				
Current provision	17,597,126.60	10,008,046.98	2,381,418.19	29,986,591.77
Current reversal				

Bad debt provision	Phase I	Phase II	Phase III	Total
	Expected credit losses for the next 12 months	Expected credit losses for the entire duration (no credit impairment occurred)	Expected credit losses for the entire duration (with credit impairment occurred)	
Current transfer write-off	-2,789,991.49	-3,732,720.00		-6,522,711.49
Current write-off			-13,573,492.63	-13,573,492.63
Other changes			-9,536,589.20	-9,536,589.20
Balance as of 31 December. 2023	19,520,145.93	65,196,301.68	32,083,816.57	116,800,264.18

Note: Other changes include the transfer out of the consolidation scope and the transfer to held for sale.

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

Category	31 December 2022	Amount of change in the current period					31 December 2023
		Accrual	Transfer write-off	Write off	Transfer-out from the consolidation scope	Assets transferred to held for sale	
Other receivables bad debt provision	116,446,465.73	29,986,591.77	6,522,711.49	13,573,492.63	849,644.67	8,686,944.53	116,800,264.18
Total	116,446,465.73	29,986,591.77	6,522,711.49	13,573,492.63	849,644.67	8,686,944.53	116,800,264.18

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

Item	Write-off Amount
Actual write-off of other receivables	13,573,492.63

Among them, the significant matter about write-off of other receivables:

Name	Nature of Other Receivables	Write-off Amount	Write-off Reasons	Performed Write-off Procedures	Whether the payment generated due to related party transactions
Ningbo Shanshan Modun Clothing Co., Ltd.	Borrowing	13,404,518.87	Long-term unreceived	Approval of the president's office	No
Total		13,404,518.87			

(6) Classification by nature of payments

Nature of funds	31 December 2023	31 December 2022
Account current	168,500,809.97	81,156,934.32
Subsidy receivable		2,952,800.30
Receivable equity transfer funds	487,584,405.72	270,560,342.53
Surplus from Taiwan Shanjin Equity Acquisition		74,501,121.55
Security deposit, deposit	79,873,759.64	160,855,642.04
Advances, prepayments	19,015,644.46	16,745,360.06
Portfolio of petty cash and personal loans	1,077,766.23	1,948,585.27
Total	756,052,386.02	608,720,786.07

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

Unit Name	Nature of funds	31 December 2023	Account age	Percentage of the total ending balance of other receivables (%)	Bad debt provision as of 31 December 2023
Zhejiang Xinya Zhongning New Energy Co., Ltd.	Equity transfer fund	334,862,000.00	Within 1 year	44.29	16,743,100.00
Shanshan Holdings Co., Ltd.	Current fund of related party	101,637,873.97	Within 1 year	13.44	
CMB Financial Leasing Co., Ltd	Financing leases deposit	56,070,782.40	1-2 years & 2-3 years	7.42	
Beiben Heavy Duty Automobile Group Co., Ltd.	Current fund	55,980,469.75	3-4 years	7.40	39,186,328.83
Zhejiang Fanyue Technology Co., Ltd	Equity transfer fund	44,100,000.00	Within 1 year	5.83	4,410,000.00
Total		592,651,126.12		78.23	60,339,428.83

(VII) Inventory**1. Classification of inventories**

Item	31 December 2023			31 December 2022		
	Book balance	Provision for decline in value of inventories / provision for impairment of contract fulfilment costs	Book value	Book balance	Provision for decline in value of inventories / provision for impairment of contract fulfilment costs	Book value
Raw materials	958,815,977.30	17,325,082.48	941,490,894.82	1,065,521,698.29	22,330,607.95	1,043,191,090.34
Packaging material	15,116,420.14	-	15,116,420.14	14,152,622.30		14,152,622.30
Low-value consumption goods	78,053,925.16	1,074,511.55	76,979,413.61	59,221,171.85	1,188,963.04	58,032,208.81
Finished goods	856,976,205.95	57,194,363.18	799,781,842.77	537,669,918.87	85,870,860.81	451,799,058.06
Products in progress	1,776,005,489.69	128,711,771.92	1,647,293,717.77	1,534,076,816.47	60,260,903.72	1,473,815,912.75
Materials outsourced for processing	397,923,683.15	15,913,549.98	382,010,133.17	856,261,301.14		856,261,301.14
Goods in transit	576,577,061.92	45,671,391.35	530,905,670.57	371,976,760.90	8,483,830.29	363,492,930.61
Materials in transit	356,609,961.79	-	356,609,961.79	177,760,371.50		177,760,371.50
Turnover materials	606,116,123.60	-	606,116,123.60	591,338,731.92		591,338,731.92
Total	5,622,194,848.70	265,890,670.46	5,356,304,178.24	5,207,979,393.24	178,135,165.81	5,029,844,227.43

2. Inventory depreciation reserves and contract performance depreciation reserves

Item	31 December 2022	Amount increased in the current period			Decreased amount in the current period			31 December 2023
		Accrual	Others	Changes of Consolidation Scope	Reversal	Transfer write-off	Assets transferred to held for sale	
Raw materials	22,330,607.95	958,058.43	-	-	-	3,510,900.15	2,452,683.75	17,325,082.48
Packaging material	-	-	-	-	-	-	-	-
Low-value consumption goods	1,188,963.04	122,703.83	-	-	-	237,155.32	-	1,074,511.55
Finished goods	85,870,860.81	71,267,313.74	-	-	-	82,995,270.79	16,948,540.58	57,194,363.18
Products in progress	60,260,903.72	72,419,866.69	-	-	-	2,325,999.80	1,642,998.69	128,711,771.92
Materials outsourced for processing	-	15,983,895.25	-	-	-	-	70,345.27	15,913,549.98
Goods in transit	8,483,830.29	50,294,176.59	-	-	-	5,700,000.00	7,406,615.53	45,671,391.35
Materials in transit	-	-	-	-	-	-	-	-
Turnover materials	-	-	-	-	-	-	-	-
Total	178,135,165.81	211,046,014.53	-	-	-	94,769,326.06	28,521,183.82	265,890,670.46

The specific basis for the net realizable value and the reasons for the reversal or Transfer write-off of inventory depreciation reserves in the current period:

The net realizable value is recognized by minus the estimated cost to be incurred at completion, estimated sales expenses, and related taxes from the estimated selling price of the inventory. The inventory depreciation reserves is recognized for sale or scrapping and Transfer write-off.

(VIII) Assets held for sale

Category	31 December 2023	31 December 2022
Assets classified as held for sale		

Category	31 December 2023	31 December 2022
Assets in disposal groups classified as held for sale	510,478,436.95	1,316,864,410.82
Minus: depreciation reserves of assets held for sale	5,663,253.88	
Total	504,815,183.07	1,316,864,410.82

1. Assets in disposal groups classified as held for sale

Consolidated net assets of subsidiaries held for sale at the end of the period	Total Assets	Total Liabilities	Net Assets
Ningbo Ulica Solar Co., Ltd. and its subsidiaries	510,478,436.95	427,188,378.77	83,290,058.18

Category	31 December 2023				Fair value	Expected disposal costs	Expected disposal time	Sale method	Reason for sale	Affiliated segments
	Consolidated net assets of subsidiaries held for sale at the end of the period	Of which: Net assets shares enjoyed by Shanshan	Provision for impairment of assets held for sale	Book value						
Ningbo Ulica Solar Co., Ltd. and its subsidiaries	83,290,058.18	74,990,203.88	5,663,253.88	69,326,950.00	69,326,950.00		January 2024	Equity transfer	Business integration	Energy management
Total	83,290,058.18	74,990,203.88	5,663,253.88	69,326,950.00	69,326,950.00					

Note: According to the shareholders' resolution of Ningbo Ulica Solar Co., Ltd., all shareholders agree to transfer all of the company's equity and signed a equity transfer contract with the transferee in December 2023, with a total price of CNY 77 million. Among them, the consideration share of 90.035% equity held by Ningbo Shanshan Co., Ltd. is CNY 69.327 million. As of 31 December 2023, Shanshan has received a equity transfer payment of CNY 20 million. The relevant legal procedures for equity transfer have not been completed yet, and the transfer has been completed after the deadline. At the end of the period, all assets and liabilities of Ningbo Ulica Solar Co., Ltd. and its subsidiaries will be transferred to held for sale assets and held for sale liabilities. According to the final confirmed equity transfer price by both parties, the company has made an impairment provision for its held assets for sale at the end of the period.

2. Impairment losses and reversal amounts recognized for assets held for sale

Recognized impairment losses of assets held for sale in the current period is CNY 5,663,253.88.

(IX) Non-current assets due within one year

Item	31 December 2023	31 December 2022
Long-term receivables due within one year	43,356,102.91	46,632,199.70
Total	43,356,102.91	46,632,199.70

Composition of long-term accounts receivable due within one year

Category	Original value	Bad debt provisions	Book value
Instalment sales of vehicles	54,195,128.64	10,839,025.73	43,356,102.91

Note: In 2017, the subsidiary Inner Mongolia Qingshan Automobile Co., Ltd. sold 200 sets new energy vehicles to Baotou Public Transportation Group Co., Ltd. and resulted in a receivable of CNY 197,500,000.00. According to the original sales agreement, the funding source for the above-mentioned funds is the local finance income. In 2018, according to the Minutes of the Special Meeting of the People's Government of Baotou City (2018) No. 94, the above-mentioned funds and its interest were transferred to be repaid by Baotou Public Transportation Group Co., Ltd. in 6 years. According to the repayment agreement, the funds due in the next 12 months or more were classified as long-term receivables. As of 31 December 2023, a total of CNY 143,304,871.36 has been recovered, with a closing balance of CNY 54,195,128.64.

The closing balance of accounts receivable that had already matured was overdue. Our company has evaluated the operating situation and repayment funding sources of Baotou Public Transportation Company and confirmed that repayment relies on local government financial arrangements. However, the company estimates that it will be difficult to achieve the original repayment plan as scheduled, the repayment is still ongoing in 2023, maintaining the level of credit risk assessment at the beginning of the period, and an expected credit loss provision of 20% will be made.

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

Category	31 December 2022	Changes during the period			31 December 2023
		Accrual	Bad debt reversal	Transfer out from consolidation scope	
Instalment sales of vehicles	11,658,049.92		819,024.19		10,839,025.73

(X) Other current assets:

Item	31 December 2023	31 December 2022
Prepaid income tax	183,351,132.59	4,749,667.95
Input value-added-tax to be deducted	1,050,076,448.31	477,355,010.62
Other prepaid taxes and fees	734,568.82	222,130.60
Others	-	1,000,214.95
Total	1,234,162,149.72	483,327,024.12

(XI) Long-term receivables**1. Status of long-term receivables**

Name of the invested Unit	31 December 2022	Provision for impairment as of 31 December 2022	Increase and decrease changes in this period							31 December 2023	Provision for impairment as of 31 December 2023	
			Change from cost method to equity method	Additional investment	Investment gains and losses recognized under the equity method	Other comprehensive income adjustments	Other equity changes	Declare the distribution of cash dividends or profits	Provision for impairment			Others
1. Joint ventures												
Ningbo Liweineng Energy Storage System Co., Ltd.	145,799,892.81	-	-	-	(27,954,222.11)	-	16,561,881.65	-	-	-	134,407,552.35	-
Total	145,799,892.81	-	-	-	(27,954,222.11)	-	16,561,881.65	-	-	-	134,407,552.35	-
2. Associates												
Ningbo Airport Logistics Development Co., Ltd.	170,201,585.77	-	-	-	6,876,419.56	-	-	-	-	-	177,078,005.33	-
Shanghai Shanshan Chuanghui Venture Capital Management Co., Ltd.	12,852,883.17	-	-	-	685,174.36	-	-	-	-	-	13,538,057.53	-
Zhejiang Chouzhou Commercial Bank Co., Ltd.	1,486,496,486.10	137,050,000.00	-	-	125,505,171.78	764,882.33	3,956,059.47	-	-	-	1,616,722,599.68	137,050,000.00
Ningbo Shanqi Property Service Co., Ltd.	38,181,724.89	-	-	-	504,320.07	-	-	-	-	-	38,686,044.96	-
Suiyong Holdings Co., Ltd.	914,162,081.51	-	-	-	(51,310,385.51)	969,525.87	(5,571,437.81)	-	-	-	858,249,784.06	-
Shenzhen Yuanshan Private Equity Investment Management Co., Ltd.	5,219,577.82	-	-	-	(658,173.48)	-	-	-	-	-	4,561,404.34	-
Shanshan Brand Management Co., Ltd.	44,067,823.68	-	-	-	6,121,762.52	-	-	(1,033,384.00)	-	-	49,156,202.20	-
Winsky Gaoke Group Co., Ltd. Note	-	-	-	-	-	-	-	-	-	-	-	-
Anhui Shanyue Technology Co., Ltd.	4,156,627.26	-	-	-	(311,485.43)	-	-	-	-	-	3,845,141.83	-
Inner Mongolia Mengji New Carbon Materials Co., Ltd.	93,011,322.95	-	-	-	(2,481,837.59)	-	-	-	-	-	90,529,485.36	-
BASF Shanshan Battery Materials Co., Ltd.	3,986,324,989.13	-	-	-	(163,415,863.41)	(9,116,198.15)	-	-	-	-	3,813,792,927.57	-
Xinya Shanshan New Material Technology (Quzhou) Co., Ltd.	-	-	299,000,000.00	-	(13,926,245.81)	-	1,501,357.20	-	(30,575,111.39)	-	256,000,000.00	30,575,111.39
Jiangxi Zhanxiao New Energy Technology Co., Ltd.	16,633,698.51	-	-	2,600,000.00	(3,705,838.54)	-	-	-	-	-	15,527,859.97	-
Subtotal	6,771,308,800.79	137,050,000.00	299,000,000.00	2,600,000.00	-96,116,981.48	-7,381,789.95	-114,021.14	-1,033,384.00	-30,575,111.39	-	6,937,687,512.83	167,625,111.39
Total	6,917,108,693.60	137,050,000.00	299,000,000.00	2,600,000.00	-124,071,203.59	-7,381,789.95	16,447,860.51	-1,033,384.00	-30,575,111.39	-	7,072,095,065.18	167,625,111.39

Note : Winsky Gaoke Group Co., Ltd. is a long-term equity investment with equity method write down to zero. The specific information please refers to Note “VIII. (II) 4. Excess losses incurred by joint ventures or associates”.

2. Impairment testing of long-term equity investments

In this period, the Company conducted impairment tests on long-term investments with signs of impairment. If the discounted cash flow method is applied, the recoverable amount is recognized based on the present value of expected future cash flows; If it is not applicable, the asset method shall be adopted, and the impairment loss of assets shall be recognized based on specific analysis, such as whether there is an additional loss obligation or whether the invested entity has a going concern risk.

The recoverable amount of the main item is determined based on the present value of expected future cash flows:

Item	Book Value	Recoverable Amount	Impairment Amount	The number of years in the prediction period	Key parameters for the prediction period	Key parameters in the stable period	Basis for determining key parameters during the stable period
Zhejiang Chouzhou Commercial Bank Co., Ltd.	1,753,772,599.68	3.29billion	137,050,000.00(Note)	5	Revenue Compound Annual Growth Rate 3.37% Interest Expense and Provision-to-interest Income Ratio 81-69% Discount Rate 7.86%	Revenue Growth Rate 0% Interest Expense and Provision-to-interest Income Ratio 85% Discount Rate 7.86%	The revenue growth rate and interest margin provision are based on historical operating conditions and market development projections. The discount rate adopts the weighted average cost of capital.
Xinya Shanshan New Material	286,575,111.39	0.256billion	30,575,111.39	5	Revenue Compound Annual Growth Rate	Revenue Growth Rate 0% Gross profit margin	The revenue growth rate and interest margin provision are based on historical operating

Item	Book Value	Recoverable Amount	Impairment Amount	The number of years in the prediction period	Key parameters for the prediction period	Key parameters in the stable period	Basis for determining key parameters during the stable period
Technology (Quzhou) Co., Ltd.					28.78% Gross profit margin 7.15-14.32% Discount Rate 10.40%	14.32% Discount Rate 10.40%	conditions and market development projections. The discount rate adopts the weighted average cost of capital.
BASF Shanshan Battery Materials Co., Ltd	3,813,792,927.57	3.867billion		5	Revenue Compound Annual Growth Rate 26.84% Gross profit margin 11.48-16.71% Discount Rate 11.40%	Revenue Growth Rate 0% Gross profit margin 16.71% Discount Rate 11.40%	The revenue growth rate and interest margin provision are based on historical operating conditions and market development projections. The discount rate adopts the weighted average cost of capital.

3. Other explanations

Book value of Zhejiang Chouzhou Commercial Bank Co., Ltd. is less than the discounted future cash flow valuation for impairment testing. However, the company is cautious and has already made impairment provisions for the portion of the book value that exceeds the corresponding share of net assets in previous years and will continue to maintain the revised estimate at the end of the year.

(XII) Investment in other equity instruments

1. Status of Investment in other equity instruments

Item	31 December 2023	31 December 2022	Gains recognized in other comprehensive income for the current period	Losses recognized in other comprehensive income for the current period	Accumulated gains recognized in other comprehensive income for the current period	Accumulated losses recognized in other comprehensive income for the current period	Dividend income recognized in this period	Reasons for designating fair value measurement with changes recognized in other comprehensive income
Investment in other equity instruments-Investments in listed equity instruments	794,706,655.01	712,498,127.25	98,214,120.83	-16,005,593.07	207,098,083.35	-240,207,995.17	12,762,000.00	Strategic purpose, plan to hold for a long term
Investment in other equity instruments-Investments in unlisted equity instruments	47,550,000.00	36,916,462.76	633,537.24		1,754,537.24	-1,325,000.00	600,000.00	Strategic purpose, plan to hold for a long term
Total	842,256,655.01	749,414,590.01	98,847,658.07	-16,005,593.07	208,852,620.59	-241,532,995.17	13,362,000.00	

(XIII) Other non-current financial assets

Item	31 December 2023	31 December 2022
Financial assets measured at fair value through profit or loss	202,225,284.01	198,154,599.78
Of which: Investment in debt instruments		
Investments in equity instruments		
Derivative financial assets		
Others	202,225,284.01	198,154,599.78
Financial assets designated at fair value through profit or loss	-	
Of which: Investment in debt instruments	-	
Others	-	
Total	202,225,284.01	198,154,599.78

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

Item	31 December 2023	31 December 2022
Fixed assets	10,912,682,083.74	8,350,308,683.73
Liquidation of fixed assets	4,411,720.35	843,089.04
Total	10,917,093,804.09	8,351,151,772.77

2. Status of fixed assets

Item	House and building	Machinery equipment	Transportation equipment	Other equipment	Fixed assets decoration	Total
1. Original book value						
(1)31 December 2022	2,902,843,533.11	8,209,490,461.32	40,017,594.48	192,273,482.85	6,469,463.94	11,351,094,535.70
(2)Amount increased in the current period	2,529,966,917.12	2,118,493,432.79	6,674,844.75	45,083,626.70	464,846.72	4,700,683,668.08
- Purchase	36,859,053.82	29,401,234.87	6,509,076.61	17,151,970.35	81,749.59	90,003,085.24
- Transfer in of construction in progress	2,490,959,605.03	2,088,737,694.16	165,768.14	27,787,511.81	383,097.13	4,608,033,676.27
- Increase in business consolidation	2,148,258.27	354,503.76	-	144,144.54	-	2,646,906.57
(3)Decreased amount in the current period	134,592.92	1,857,785,425.59	5,428,190.05	10,147,571.49	45,191.70	1,873,540,971.75
- Disposal or scrapping	134,592.92	370,155,251.45	3,353,031.51	7,541,256.51	45,191.70	381,229,324.09
- Exit consolidation	-	1,282,747,252.83	-	728,097.32	-	1,283,475,350.15
-Assets transferred to held for sale	-	204,882,921.31	2,075,158.54	1,878,217.66	-	208,836,297.51
(4)31 December 2023	5,432,675,857.31	8,470,198,468.52	41,264,249.18	227,209,538.06	6,889,118.96	14,178,237,232.03
2. Accumulated depreciation						
(1)31 December 2022	612,614,066.77	2,000,041,302.79	17,054,206.38	84,356,202.48	3,378,688.91	2,717,444,467.33
(2)Amount increased in the current period	121,639,376.61	730,478,406.80	6,527,057.70	29,203,496.59	984,297.23	888,832,634.93
-Accrual	120,543,866.65	730,328,792.88	6,527,057.70	29,135,994.71	984,297.23	887,520,009.17
- Increase in business consolidation	1,095,509.96	149,613.92	-	67,501.88	-	1,312,625.76
(3)Decreased amount in the current period	52,150.25	585,225,212.74	4,569,252.12	6,042,540.97	-	595,889,156.08

Item	House and building	Machinery equipment	Transportation equipment	Other equipment	Fixed assets decoration	Total
- Disposal or scrapping	52,150.25	270,337,893.36	2,745,558.78	4,168,359.89	-	277,303,962.28
- Exit consolidation	-	226,755,325.73	-	319,119.66	-	227,074,445.39
-Assets transferred to held for sale	-	88,131,993.65	1,823,693.34	1,555,061.42	-	91,510,748.41
(4)31 December 2023	734,201,293.13	2,145,294,496.85	19,012,011.96	107,517,158.10	4,362,986.14	3,010,387,946.18
3. Impairment reserve						
(1)31 December 2022	-	226,661,575.70	6,462,072.17	50,217,736.77	-	283,341,384.64
(2)Amount increased in the current period	-	11,583,221.42	5,736.43	6,378.29	-	11,595,336.14
-Accrual	-	11,583,221.42	5,736.43	6,378.29	-	11,595,336.14
- Increase in business consolidation	-	-	-	-	-	-
(3)Decreased amount in the current period	-	39,753,764.58	5,736.43	10,017.66	-	39,769,518.67
- Disposal or scrapping	-	106,219.56	-	3,639.37	-	109,858.93
- Exit consolidation	-	13,000,000.00	-	-	-	13,000,000.00
-Assets transferred to held for sale	-	26,647,545.02	5,736.43	6,378.29	-	26,659,659.74
(4) 31 December 2023	-	198,491,032.54	6,462,072.17	50,214,097.40	-	255,167,202.11
4. Book value						
(1)Book value as of 31 December 2023	4,698,474,564.18	6,126,412,939.13	15,790,165.05	69,478,282.56	2,526,132.82	10,912,682,083.74
(2)Book value as of 31 December 2022	2,290,229,466.34	5,982,787,582.83	16,501,315.93	57,699,543.60	3,090,775.03	8,350,308,683.73

3. Temporarily idle fixed assets

Item	Original value	Accumulated depreciation	Net Book Value	Impairment reserve	Net Book Amount
House and building	139,923,709.80	30,883,616.61	109,040,093.19	-	109,040,093.19
Machinery equipment	203,756,640.75	45,599,161.62	158,157,479.13	143,910,545.59	14,246,933.54
Transportation equipment	5,721,222.21	3,648,543.90	2,072,678.31	2,028,450.98	44,227.33
Others	1,901,255.22	1,822,570.19	78,685.03	77,316.20	1,368.83
Total	351,302,827.98	81,953,892.32	269,348,935.66	146,016,312.77	123,332,622.89

4. Status of fixed assets leased out through operating leases

Item	Book Value at 31 December 2023
House and building	244,414,603.76
Total	244,414,603.76

5. Status of fixed assets without property certificate of title till Dec. 31, 2023

Item	Book value	Reasons for not completing the certificate of title
House and building	2,869,166,541.32	Self-built factory building whose right certificate is still in process

6. Liquidation of fixed assets

Item	31 December 2023	31 December 2022
Fixed assets	4,411,720.35	843,089.04
Total	4,411,720.35	843,089.04

(XV) Construction in process**1. Construction in progress and construction materials**

Item	31 December 2023			31 December 2022		
	Book Balance	Impairment Provision	Book Value	Book Balance	Impairment Provision	Book Value
Construction in progress	5,548,573,232.36	-	5,548,573,232.36	4,878,742,289.77	-	4,878,742,289.77
Construction materials	32,169,523.19	-	32,169,523.19	68,445,118.08	-	68,445,118.08
Total	5,580,742,755.55	-	5,580,742,755.55	4,947,187,407.85	-	4,947,187,407.85

2. Status of construction in process

Item	31 December 2023			31 December 2022		
	Book Balance	Impairment Provision	Book Value	Book Balance	Impairment Provision	Book Value
Polarizer Guangzhou 3# 4# production line	3,882,163.42		3,882,163.42	659,999,678.68		659,999,678.68
Polarizer technology reform and add RTP	251,412,606.82		251,412,606.82	237,433,974.84		237,433,974.84
Project of a polarizer production line with an annual output of 40 million square meters for LCD (Zhangjiagang)	1,022,952,657.57		1,022,952,657.57	921,139,516.59		921,139,516.59
Polarization production base project in Mianyang	218,557,000.44		218,557,000.44	72,337,676.57		72,337,676.57
New R&D base for new materials in Shanghai	479,897,126.26		479,897,126.26	95,384,290.70		95,384,290.70
Sichuan Meishan Integrated Base Project for 200000 Tons of Lithium Ion Battery Negative Electrode Materials	1,175,396,894.34		1,175,396,894.34	2,511,943,977.57		2,511,943,977.57
Inner Mongolia Baotou Lithium Ion Battery Negative Electrode Materials Integrated Base Project (Phase II)	12,378,040.53		12,378,040.53	33,408,600.80		33,408,600.80

Item	31 December 2023			31 December 2022		
	Book Balance	Impairment Provision	Book Value	Book Balance	Impairment Provision	Book Value
Negative electrode materials Fujian Phase II project	37,113,952.30		37,113,952.30	247,646,552.35		247,646,552.35
Negative electrode material production capacity expansion supporting project	37,840,355.05		37,840,355.05	88,700,117.32		88,700,117.32
Yunnan Anning Annual Production of 300000 tons of Lithium Ion Battery Negative Electrode Materials Integrated Base Project	1,850,297,530.80		1,850,297,530.80	7,425,752.12		7,425,752.12
Project of integrated base for producing 40000 tons of silicon-based negative electrode materials for lithium-ion batteries annually	381,520,926.97		381,520,926.97	2,801,980.64		2,801,980.64
Inner Mongolia Negative Electrode Phase III Annual Production 40000 Tons crushing project	72,669,753.55		72,669,753.55			
SP Project	3,961,543.98		3,961,543.98			
Others	692,680.33		692,680.33	520,171.59		520,171.59
Total	5,548,573,232.36		5,548,573,232.36	4,878,742,289.77		4,878,742,289.77

3. Changes in significant construction-in-progress projects during this reporting period

Project name	Budget amount	31 December 2022	Amount increased in the current period	Amount transferred to fixed assets in the current period	Other amount decreased in the current period	31 December 2023	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	CNY 1.171 billion	659,999,678.68	22,686,455.13	675,944,170.39	2,859,800.00	3,882,163.42	101.02	Roughly completed				Financing fund + Self-raising
Project of a polarizer production line with an annual output of 40 million square meters for LCD (Zhangjiagang)	CNY 2.187 billion	921,139,516.59	721,928,824.42	620,115,683.44	-	1,022,952,657.57	75.23	Infrastructure roughly completed and start of trial production	20,552,634.38	20,552,634.38	4.25	Self-raising
Polarization production base project in Mianyang	CNY 3.5 billion	72,337,676.57	146,219,323.87	-	-	218,557,000.44	5.45	Civil construction in progress				Self-raising
New R&D base for new materials in Shanghai	CNY 0.6 billion	95,384,290.70	388,421,083.35	3,908,247.79	-	479,897,126.26	87.46	The equipment has gradually entered the factory, and the construction of the factory building is roughly completed	4,184,979.45	4,184,979.45	4.00	Self-raising
Sichuan Meishan Integrated Base Project for 200000 Tons of Lithium Ion Battery Negative Electrode Materials	CNY 8 billion	2,511,943,977.57	1,208,077,973.56	2,544,625,056.79	-	1,175,396,894.34	46.40	Phase I has been partially delivered, the rest is still being debugged, and the Phase II has not been constructed	85,561,067.35	65,195,024.90	4.40	Financing Fund + Self-raising + Borrowing
Inner Mongolia Baotou Lithium Ion Battery Negative	CNY 1.535 billion	33,408,600.80	24,484,564.68	45,515,124.95	-	12,378,040.53	69.71	Sporadic closure projects	696,008.62	41,022.13	4.40	Financing Fund + Self-raising

Project name	Budget amount	31 December 2022	Amount increased in the current period	Amount transferred to fixed assets in the current period	Other amount decreased in the current period	31 December 2023	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
Electrode Materials Integrated Base Project (Phase II)												+ Borrowing
Negative electrode materials Fujian Phase II project	CNY 0.526 billion	247,646,552.35	148,163,038.30	356,842,794.31	1,852,844.04	37,113,952.30	80.57	Sporadic closure projects	4,528,184.59	4,128,408.65	2.70	Self-raising
Yunnan Anning Annual Production of 300000 tons of Lithium Ion Battery Negative Electrode Materials Integrated Base Project	CNY 9.7 billion (Phase I CNY 6 billion, Phase II CNY 3.7 billion)	7,425,752.12	1,843,893,985.23	1,022,206.55	-	1,850,297,530.80	19.08	90% of Phase I of infrastructure construction has been completed, equipment is gradually entering the site, and some equipment is starting trial production	32,942,257.15	32,942,257.15	3.85	Self-raising
Project of integrated base for producing 40000 tons of silicon-based negative electrode materials for lithium-ion batteries annually	CNY 3.75 billion	2,801,980.64	378,938,283.50	219,337.17	-	381,520,926.97	10.06	The factory building is still under construction	2,650,086.10	2,650,086.10	3.60	Self-raising
Total		4,552,088,026.02	4,882,813,532.04	4,248,192,621.39	4,712,644.04	5,181,996,292.63			151,115,217.64	129,694,412.76		

Explanation: Other decreases in construction in progress mainly refer to the transfer of intangible assets, maintenance and other improvement projects, and the transfer of long-term deferred expenses.

4. Construction materials

Item	31 December 2023			31 December 2022		
	Book balance	Construction materials Impairment reserve	Book value	Book balance	Construction materials Impairment reserve	Book value
Materials for power station project				9,562,019.28		9,562,019.28
Materials for graphitization furnace project	32,169,523.19		32,169,523.19	58,883,098.80		58,883,098.80
Total	32,169,523.19		32,169,523.19	68,445,118.08		68,445,118.08

(XVI) Right of use assets

1. Status of right of use assets

Item	House and building	Machinery equipment	Site	Transportation equipment	Others	Total
1. Original book value						
(1)Balance as of 31 December 2022	1,057,052,299.70	540,706,991.13	130,667,472.77	49,563,597.76	5,556,282.09	1,783,546,643.45
(2)Amount increased in the current period	77,125,499.67	-	88,594.83	28,951,567.46	1,572.12	106,167,234.08
- New Lease	77,102,996.61	-	-	28,951,567.46	-	106,054,564.07
- Increase in changing of exchange rate	22,503.06	-	88,594.83	-	1,572.12	112,670.01
(3)Decreased amount in the current period	122,081,119.56	-	124,863,018.93	270,527.25	1,210,092.52	248,424,758.26
-Assets transferred to held for sale	26,956,804.84	-	-	-	-	26,956,804.84
- Disposal	95,124,314.72	-	6,168,399.13	270,527.25	1,210,092.52	102,773,333.62
- Consolidation scope reduced	-	-	118,694,619.80	-	-	118,694,619.80
(4)Balance as of 31 December 2023	1,012,096,679.81	540,706,991.13	5,893,048.67	78,244,637.97	4,347,761.69	1,641,289,119.27
2. Accumulated depreciation						
(1)Balance as of 31 December 2022	100,788,784.38	13,604,113.95	20,561,977.05	20,809,306.63	2,927,909.82	158,692,091.83
(2)Amount increased in the current period	91,132,804.65	30,429,914.81	2,977,070.11	24,646,535.26	1,503,473.29	150,689,798.12
-Accrual	91,124,726.13	30,429,914.81	2,961,619.69	24,646,535.26	1,502,446.89	150,665,242.78
- Increase in changing of exchange rate	8,078.52	-	15,450.42	-	1,026.40	24,555.34
(3)Decreased amount in the current period	63,268,268.77	-	22,652,934.38	270,527.25	861,956.05	87,053,686.45
-Assets transferred to held for sale	21,720,609.28	-	-	-	-	21,720,609.28
- Disposal	41,547,659.49	-	6,168,399.12	270,527.25	861,956.05	48,848,541.91
- Consolidation scope reduced	-	-	16,484,535.26	-	-	16,484,535.26
(4) 31 December 2023	128,653,320.26	44,034,028.76	886,112.78	45,185,314.64	3,569,427.06	222,328,203.50
3. Impairment reserve						
(1) 31 December 2022	-	-	-	-	-	-
(2) Amount increased in the current period	-	-	-	-	-	-
-Accrual	-	-	-	-	-	-
(3)Decreased amount in the current period	-	-	-	-	-	-
-Transfer out to fixed assets	-	-	-	-	-	-
-Disposal	-	-	-	-	-	-
(4) 31 December 2023	-	-	-	-	-	-
4. Book value						

Item	House and building	Machinery equipment	Site	Transportation equipment	Others	Total
(1) Book value as of 31 December 2023	883,443,359.55	496,672,962.37	5,006,935.89	33,059,323.33	778,334.63	1,418,960,915.77
(2) Book value as of 31 December 2022	956,263,515.32	527,102,877.18	110,105,495.72	28,754,291.13	2,628,372.27	1,624,854,551.62

(XVII) Intangible assets

1. Status of intangible assets

Item	Land-use right	Patent right	Software and others	Customer relationship	Total
I. Original book value					
(1)31 December 2022	1,101,702,135.59	711,371,171.04	100,286,028.01	153,000,000.00	2,066,359,334.64
(2)Amount increased in the current period	345,213,689.68		14,545,112.56		359,758,802.24
- Purchase	345,213,689.68		14,533,484.89		359,747,174.57
- Increase in exchange rate changes			11,627.67		11,627.67
(3)Decreased amount in the current period		796,540.37	271,854.06		1,068,394.43
-Disposal		796,540.37			796,540.37
-Enterprise exit consolidation					
-Assets transferred to held for sale			271,854.06		271,854.06
(4)31 December 2023	1,446,915,825.27	710,574,630.67	114,559,286.51	153,000,000.00	2,425,049,742.45
2. Accumulated amortization					
(1)31 December 2022	86,765,499.21	148,274,878.12	43,672,631.18	29,325,000.00	308,038,008.51
(2)Amount increased in the current period	28,493,926.83	64,975,496.68	8,159,433.30	15,300,000.00	116,928,856.81
-Accrual	28,493,926.83	64,975,496.68	8,153,551.98	15,300,000.00	116,922,975.49
- Increase in exchange rate changes			5,881.32		5,881.32
(3)Decreased amount in the current period		218,012.25	173,800.20		391,812.45
-Disposal		218,012.25			218,012.25
-Enterprise exit consolidation					
-Assets transferred to held for sale			173,800.20		173,800.20
(4)31 December 2023	115,259,426.04	213,032,362.55	51,658,264.28	44,625,000.00	424,575,052.87
3. Impairment reserve					
(1)31 December 2022			384,950.81		384,950.81
(2)Amount increased in the current period			42,800.00		42,800.00
-Accrual			42,800.00		42,800.00
(3)Decreased amount in the current period					
-Disposal					
- Invalid and derecognition					
-Assets transferred to held for sale					
(4)31 December 2023			427,750.81		427,750.81
4. Book value					
(1)Book value as of 31 December 2023	1,331,656,399.23	497,542,268.12	62,473,271.42	108,375,000.00	2,000,046,938.77
(2)Book value as of 31 December 2022	1,014,936,636.38	563,096,292.92	56,228,446.02	123,675,000.00	1,757,936,375.32

2. Single intellectual property with significant impact

The patent rights include intellectual property related to the acquisition of LCD polarizer business in 2021, mainly including 1071 patent technology ownership and application rights, 1843 proprietary technologies Know-Now, with a net value of CNY 460 million Yuan at the end of the year.

3. Intellectual property with restricted ownership or use rights

Item	Original book value	Net Book Value
Intangible assets-Land-use right	1,191,934,172.24	1,142,355,062.57

(XVIII) Goodwill**1. Changes in goodwill**

Name of investee or matters forming goodwill	31 December 2022	Increase in the current period		Decrease in the current period		31 December 2023
		Formed by business consolidation	Accrual	Disposal	Others	
Original book value						
Huzhou Shanshan New Energy Technology Co., Ltd.	148,044,702.20					148,044,702.20
Polarizer business	879,235,149.99					879,235,149.99
Subtotal	1,027,279,852.19					1,027,279,852.19
Impairment reserve						
Huzhou Shanshan New Energy Technology Co., Ltd.	20,000,000.00		128,044,702.20			148,044,702.20
Subtotal	20,000,000.00		128,044,702.20			148,044,702.20
Book value	1,007,279,852.19		-128,044,702.20			879,235,149.99

2. Information related to the assets combinations or portfolio of asset combinations where goodwill is located

The polarizer business formed by the acquisition of LG Chem's LCD polarizer business and related assets in mainland China, Taiwan Region of 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.

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

3. The specific method for recognition of the recoverable amount

In 2023, with the production of negative electrode Baotou, Ningde and other bases, Huzhou Shanshan New Energy Technology Co., Ltd. lacks economic value for continued operation. The Management of the company plans to initiate the shutdown procedure of Huzhou Company and fully provision for impairment losses of goodwill at the end of the period.

The recoverable amount is determined based on the present value of expected future cash flows:

Item	Book Value of Asset Group Portfolio including Goodwill	Recoverable Amount	Impairment Amount	Prediction Years	Key Parameters During the Prediction Period	Basis for Recognize key Parameters During the Prediction Period	Key Parameters of the Stable Period (Growth Rate, Profit Rate, Discount Rate, etc.)	Basis for Recognizing Key Parameters During the Stable Period
Polarizer business	7,447,882,196.39	11,072,300,000.00		5 years	Revenue growth rate: 11.03%-1.76%; Profit rate: 10.18%-7.30% Discount rate: 9.80%	The company recognizes based on historical experience and market development predictions	Revenue growth rate: 0%, Profit rate: 7.31%, Discount rate: 9.80%	The income growth rate and gross profit rate are based on historical operating conditions and market development predication: the discount rate adopts the weighted average cost of capital.

(XIX) Long-term prepaid expenses

Item	31 December 2022	Amount increased in the current period	Amortization amount in the current period	Transfer-out from changes in scope of consolidation during the period	Assets transferred to held for sale	31 December 2023
Expenses for leased-in fixed assets improvement	90,484,385.75	5,993,347.37	30,919,914.64	3,269,538.74	13,350,856.78	48,937,422.96
Amortization of turnover materials	26,675,102.08	30,027,054.30	36,159,395.79			20,542,760.59
Others	16,225,023.63	36,307,420.71	25,995,822.18	2,987,183.03		23,549,439.13
Total	133,384,511.46	72,327,822.38	93,075,132.61	6,256,721.77	13,350,856.78	93,029,622.68

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

1. Deferred income tax assets without offsetting

Item	31 December 2023		31 December 2022	
	Deductible temporary differences	Deferred income tax assets	Deductible temporary differences	Deferred income tax assets
Credit impairment losses	165,457,622.39	26,580,118.40	148,881,777.63	34,902,767.29
Impairment reserves of assets	622,149,345.47	102,774,381.62	420,865,980.75	102,186,903.17

Item	31 December 2023		31 December 2022	
	Deductible temporary differences	Deferred income tax assets	Deductible temporary differences	Deferred income tax assets
Unrealized gross profit within the consolidation scope	21,759,655.52	3,263,948.33	112,476,576.32	20,005,019.33
The income from equity transfer within the consolidation scope, recognized for tax purposes and offset by accounting	163,893,536.52	40,973,384.13	163,893,536.52	40,973,384.13
Deductible losses	393,146,494.97	69,374,180.87	10,213,765.40	1,532,064.81
Payment of fees for shares not yet exercised	76,970,256.47	11,614,207.02	78,727,547.56	14,089,478.71
Income recognized by tax, not yet recognized for accounting purposes	211,453,454.07	31,718,018.12	88,671,572.38	13,105,769.16
Expenditure recognized by accounting, not yet recognized for tax purposes	340,046,301.37	51,362,264.16	282,660,673.73	67,488,533.40
Changes in fair value of other equity instruments included in other comprehensive income			204,000.00	51,000.00
Changes in fair value of other non current financial assets recognized in current period profit and loss	2,560,000.00	640,000.00		
Deductible temporary differences formed by leasing	1,040,557,073.14	163,568,709.43	1,236,588,991.80	294,196,827.52
Total	3,037,993,739.92	501,869,212.08	2,543,184,422.09	588,531,747.52

2. Deferred income tax liabilities without offsetting

Item	31 December 2023		31 December 2022	
	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	207,633,537.24	51,982,384.31	109,500,000.00	27,375,000.00
Changes in fair value of other non-current financial assets included in the profit and loss in the current period			1,840,000.00	460,000.00
Difference between accelerated depreciation tax and financial caliber of fixed assets	1,161,649,102.74	174,247,365.41	798,687,223.28	194,290,004.66
Long term investment fair value adjustment when the original subsidiary loses control	1,361,433,802.05	325,070,894.82	1,237,956,808.35	309,489,202.09
Taxable temporary differences arising from leasing	916,979,836.57	143,922,475.34	1,094,168,762.99	259,299,043.52
Total	3,647,696,278.60	695,223,119.88	3,242,152,794.62	790,913,250.27

3. Deferred tax assets or liabilities presented as net amount after offsetting

Item	31 December 2023	31 December 2022
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	Offset amount between deferred income tax assets and liabilities	Balance of deferred income tax assets or liabilities after offset	Offset amount between deferred income tax assets and liabilities	Balance of deferred income tax assets or liabilities after offset
Deferred income tax assets	302,536,541.33	199,332,670.75	453,589,048.18	134,942,699.34
Deferred income tax liabilities	302,536,541.33	392,686,578.55	453,589,048.18	337,324,202.09

(XXI) Other non-current assets:

Item	31 December 2023			31 December 2022		
	Book balance	Impairment reserve	Book value	Book balance	Impairment reserve	Book value
Prepayment for house purchasing	70,000,000.00		70,000,000.00			
Prepayment for construction machinery	66,235,292.10		66,235,292.10	160,353,091.56		160,353,091.56
Prepayment for share equity investment				742,290.00		742,290.00
Total	136,235,292.10		136,235,292.10	161,095,381.56		161,095,381.56

(XXII) Assets with restricted ownership or use rights

Item	31 December 2023				31 December 2022			
	Total Book Value	Of which: presented as held for sale assets	Of which: presented in the corresponding asset account	Restricted reasons	Total Book Value	Of which: presented as held for sale assets	Of which: presented in the corresponding asset account	Restricted reasons
Monetary fund	960,379,298.83	90,193,172.28	870,186,126.55	Deposit	903,391,349.63		903,391,349.63	Deposit
Monetary fund	4,394.37	-	4,394.37	Froze	15,100,432.46		15,100,432.46	Froze
Accounts Receivable	127,774,206.95	-	127,774,206.95	Pledge financing	105,431,828.37		105,431,828.37	Pledge financing
Fixed assets	2,766,433,018.90	-	2,766,433,018.90	Financial leasing, mortgage financing	2,569,704,626.89	124,100,452.09	2,445,604,174.80	Financial leasing, mortgage financing
Construction in processing	359,278,078.97	-	359,278,078.97	Mortgage financing	195,436,918.03		195,436,918.03	Mortgage financing
Intangible assets	1,142,355,062.57	-	1,142,355,062.57	Mortgage financing	404,323,250.65	24,096,360.75	380,226,889.90	Mortgage financing
Total	5,356,224,060.59	90,193,172.28	5,266,030,888.31		4,193,388,406.03	148,196,812.84	4,045,191,593.19	

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

Item	31 December 2023	31 December 2022
Credit Borrowing	2,475,516,601.10	930,999,666.66
Guarantee Borrowing	4,206,059,548.47	2,988,786,998.57
Pledge Borrowing	127,057,697.49	67,323,492.00
Mortgage borrowings	-	70,423,815.04
Total	6,808,633,847.06	4,057,533,972.27
Listed as: Liabilities held for sale	111,548,901.39	129,061,986.11
Listed as: Short-term borrowings	6,697,084,945.67	3,928,471,986.16

Mortgage and pledge borrowings:

Item	Original value of guarantee	Net value of guarantee	Beneficiary banks	Credit terms	Mortgage and guarantee amount	Short-term borrowing balance
Account receivable	128,055,930.00	127,774,206.95	China Trust Commercial Bank, Ltd. Shanghai Branch	Mortgage and Guarantee	127,774,206.95	29,633,524.65
Deposit						
Total	20,212,824.07	20,212,824.07			200,000,000.00	97,424,172.84
	148,268,754.07	147,987,031.02			327,774,206.95	127,057,697.49

(XXIV) Notes payable

Category	31 December 2023	31 December 2022
Banker's acceptance bill	808,822,859.77	2,030,856,521.41
Commercial acceptance bill	15,694,333.87	8,902,133.20
Total	824,517,193.64	2,039,758,654.61

(XXV) Accounts payable**1. Presentation of accounts payable**

Item	31 December 2023	31 December 2022
Payables for purchase of goods or labor services	1,797,831,645.99	1,743,381,969.67
Payables for purchase of long-term assets	1,014,574,811.13	1,405,890,053.76
Total	2,812,406,457.12	3,149,272,023.43

(XXVI) Advance receipts**1. Presentation of advance receipts**

Item	31 December 2023	31 December 2022
Pre-paid rent and others	835,376.00	196,289.48
Equity transfer fund in advance	20,000,000.00	100,000,000.00
Total	20,835,376.00	100,196,289.48

(XXVII) Contract liabilities**1. Status of contract liabilities**

Item	31 December 2023	31 December 2022
Sales fund	12,376,375.15	60,815,111.78
Total	12,376,375.15	60,815,111.78

(XXVIII) Employee benefits payable**1. Presentation of payroll payable**

Item	31 December 2022	Increase in the current period	Decrease in the current period	Transfer-out in the consolidation scope	Assets transferred to held for sale	31 December 2023
Short-term compensation	151,862,763.53	1,257,680,008.83	1,260,901,714.40	107,746.23	7,294,615.20	141,238,696.53
Welfare after demission - defined contribution plan	374,670.21	94,080,399.47	94,164,088.07	8,450.34		282,531.27
Dismissal welfare	1,130,731.99	27,519,512.07	27,753,467.49		38,000.00	858,776.57
Total	153,368,165.73	1,379,279,920.37	1,382,819,269.96	116,196.57	7,332,615.20	142,380,004.37

2. Presentation of short-term compensation

Item	31 December 2022	Increase in the current period	Decrease in the current period	Transfer-out in the consolidation scope	Assets transferred to held for sale	31 December 2023
(1) Wages, bonuses, allowances and subsidies	149,199,258.41	1,028,850,879.12	1,031,289,671.50	102,421.88	7,294,615.20	139,363,428.95
(2) Welfare expenses for the employees	19,719.30	125,662,493.64	125,465,548.36	-	-	216,664.58
(3) Social insurance expenses	1,175,777.15	50,339,445.49	51,328,173.11	5,324.35		181,725.18
Of which: Medical insurance premiums	1,073,730.46	43,876,235.13	44,772,529.16	4,953.70	-	172,482.73

Item	31 December 2022	Increase in the current period	Decrease in the current period	Transfer-out in the consolidation scope	Assets transferred to held for sale	31 December 2023
Industrial injury insurance premiums	11,970.19	4,053,581.21	4,055,938.30	370.65	-	9,242.45
Maternity insurance premiums	90,076.50	2,409,629.15	2,499,705.65	-	-	-
(4) Housing provident fund	306,535.37	37,711,638.99	37,826,737.36	-	-	191,437.00
(5) Labor union expenditure and employee education expenses	1,161,473.30	15,115,551.59	14,991,584.07	-	-	1,285,440.82
(6) Short-term paid absence		-	-	-	-	-
(7) Short-term profit sharing plan		-	-	-	-	-
Total	151,862,763.53	1,257,680,008.83	1,260,901,714.40	107,746.23	7,294,615.20	141,238,696.53

3. Presentation of defined contribution plan

Item	31 December 2022	Increase in the current period	Decrease in the current period	Transfer-out in the consolidation scope	Assets transferred to held for sale	31 December 2023
Basic endowment insurance	363,419.72	91,025,066.08	91,106,544.72	8,158.92		273,782.16
Unemployment insurance premiums	11,250.49	3,055,333.39	3,057,543.35	291.42		8,749.11
Total	374,670.21	94,080,399.47	94,164,088.07	8,450.34		282,531.27

(XXIX) Taxes payable

Tax items	31 December 2023	31 December 2022
Value added tax	31,043,542.12	78,181,297.84
Enterprise income tax	19,284,200.73	188,321,493.52
Individual income tax	7,152,301.57	7,622,189.57
Urban maintenance and construction tax	1,008,936.50	5,338,608.12
House property tax	8,377,739.67	7,811,395.76
Education surcharges	804,639.82	2,463,844.42
Land use tax	5,275,191.76	1,855,156.20
Others	6,233,212.65	4,824,754.86

Tax items	31 December 2023	31 December 2022
Total	79,179,764.82	296,418,740.29

(XXX) Other payables

Item	31 December 2023	31 December 2022
Interests payable		
Dividend payable	701,360.00	701,360.00
Other payables	517,013,406.96	752,300,127.50
Total	517,714,766.96	753,001,487.50

1. Dividend payable

Item	31 December 2023	31 December 2022
Dividends on common shares - Corporate shareholders	701,360.00	701,360.00
Dividends on common shares - subsidiaries payable to non-controlling interests		
Total	701,360.00	701,360.00

2. Other payables**(1) Presented by nature of payment**

Item	31 December 2023	31 December 2022
Current fund		
Security deposit	44,318,379.75	50,189,878.15
Accrued expenses	168,718,422.53	207,647,781.10
Deposit	23,645,000.00	67,895,424.80
Accounts payable	26,549,242.45	88,289,997.85
Temporary receipts	58,044,412.19	63,567,385.61
Final property payment payable	7,075,068.47	7,075,068.47
Equity transfer payable		
Contingent repurchase payables of Restricted stock	188,662,881.57	267,634,591.52
Total	517,013,406.96	752,300,127.50

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

Item	31 December 2023	Reasons for not completing repayments or carryover
Final payment of ShanShan Plaza	7,075,068.47	Non-payment

(XXXI) Liabilities held for sale

Category	31 December 2023	31 December 2022
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Ningbo Ulica Solar Co., Ltd.	427,188,378.77	
Xinya Shanshan New Material Technology (Quzhou) Co., Ltd		371,993,827.57
Dongguan Shanshan Battery Materials Co., Ltd		28,323,578.10
Total	427,188,378.77	400,317,405.67

For details, see "V. (XIII) Assets Held for Sale" of this Notes to Financial Statements.

(XXXII) Non-current liabilities due within one year

Item	31 December 2023	31 December 2022
Long-term borrowings due within 1 year Note 1	1,943,280,245.75	139,938,591.92
Long-term payable due within 1 year Note 2	625,412,435.19	1,327,094,250.17
Lease liabilities due within 1 year	504,675,538.61	437,020,313.67
Total	3,073,368,219.55	1,904,053,155.76

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

Note 2: Long-term payables due within one year are after-sale and leaseback payments payable

(XXXIII) Other current liabilities

Item	31 December 2023	31 December 2022
Output tax to be transferred	1,498,699.04	3,282,653.63
Payable for short term sale-and-leaseback business		110,487,065.64
Total	1,498,699.04	113,769,719.27

(XXXIV) Long-term borrowings

Item	31 December 2023	31 December 2022
Credit Borrowing	-	430,000,000.00
Guarantee Borrowing	1,719,665,023.64	1,161,815,013.61
Pledge Borrowing Note 1	2,024,000,000.00	1,571,543,590.05
Mortgage Borrowing Note 2	4,320,033,965.05	1,012,727,043.35
Total	8,063,698,988.69	4,176,085,647.01

Long-term borrowings are as follows:

Project \ Ending balance	Long-term borrowings due within one year:	Long-term borrowings	Subtotal
Credit borrowings	626,694,313.89		626,694,313.89
Guaranteed borrowings	666,734,158.31	1,919,665,023.64	2,586,399,181.95
Pledge borrowings Note 1	486,176,082.24	2,024,000,000.00	2,510,176,082.24
Pledge borrowings Note 2	163,675,691.31	4,120,033,965.05	4,283,709,656.36
Total	1,943,280,245.75	8,063,698,988.69	10,006,979,234.44

Project \ Ending balance	Long-term borrowings due within one year:	Long-term borrowings	Subtotal
List: Liabilities held for sale			0.00
List: Long-term borrowings due within one year:	1,943,280,245.75		1,943,280,245.75
List: Long-term borrowings		8,063,698,988.69	8,063,698,988.69

Note 1: Pledged borrowings

Nature of borrowings	Pledge and mortgage projects	Pledge and mortgage	Borrowing balance	
			Long-term borrowings due within one year:	Long-term borrowings
Pledged and guaranteed	Equity interest in Shanjin Optoelectronics (Suzhou) Co., Ltd. held by Ningbo Shanshan Co., Ltd.	70% of share equity	259,084,526.67	1,170,000,000.00
Pledge	Equity interest in Shanjin Optoelectronics (Suzhou) Co., Ltd. held by Ningbo Shanshan Co., Ltd.	10% of share equity	100,475,555.57	350,000,000.00
Pledge	Equity interest in Shanjin Optoelectronics (Suzhou) Co., Ltd. held by Ningbo Shanshan Co., Ltd.	15% of share equity	126,616,000.00	504,000,000.00
Total			486,176,082.24	2,024,000,000.00

Note 2: Mortgage borrowing situation

Nature of borrowings	Mortgage projects	Collateral amount	Borrowing balance	
			Long-term borrowings due within one year:	Long-term borrowings
Mortgaged and guaranteed	House and land	262,915,102.78	30,232,074.41	190,236,043.66
Mortgaged and guaranteed	Land	128,345,556.60	862,743.29	1,277,265,668.48
Mortgaged and guaranteed	Land	280,904,912.69	1,338,687.89	1,268,230,635.11
Mortgaged and guaranteed	Land	261,720,461.05	43,194,704.09	510,792,266.44
Mortgaged and guaranteed	Land	117,343,740.74	263,358.45	239,416,770.26
Mortgaged and guaranteed	House and land	394,372,014.64	226,163.45	284,092,581.10
Mortgaged and guaranteed	Land	53,572,378.53	2,058,055.56	48,000,000.00
Mortgaged and guaranteed	Land	47,213,001.49	262,777.78	200,000,000.00
Mortgage	House and land	793,523,551.78	85,237,126.39	102,000,000.00
Total		2,339,910,720.30	163,675,691.31	4,120,033,965.05

(XXXV) Lease liabilities

Item	31 December 2023	31 December 2022
Housing and construction	737,059,366.71	788,425,227.18
Machinery equipment	30,461,445.24	236,312,191.16
Photovoltaic power plant sites	-	101,322,604.59
Others	9,395,827.47	10,872,300.66
Total	776,916,639.42	1,136,932,323.59

(XXXVI) Long-term payables

Item	31 December 2023	31 December 2022
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Item	31 December 2023	31 December 2022
Long-term payable	497,131,448.00	1,816,108,761.30
Total	497,131,448.00	1,816,108,761.30

1. Long-term payables

Item	31 December 2023	31 December 2022
Sale and leaseback payable	497,131,448.00	446,802,899.34
LG polarizer business investment payment		1,369,305,861.96
Total	497,131,448.00	1,816,108,761.30

(XXXVII) Estimated liabilities

Item	31 December 2022	Increase in the current period	Decrease in the current period	Transfer to held for sale	31 December 2023	Cause of formation
Estimated repair compensation		11,400,000.00			11,400,000.00	Note 1
Pending litigation	1,250,000.00	14,747,579.19	1,250,000.00	14,747,579.19		Note 2
Withholding polarizer product quality guarantee	61,456,582.21	16,469,770.57	13,457,604.52		64,468,748.26	
Total	62,706,582.21	42,617,349.76	14,707,604.52	14,747,579.19	75,868,748.26	

Note 1: See “XIV (II) Contingencies 4. Miscellaneous” of this Notes to Financial Statements for details.

Note 2: The balance at the beginning of period regard to Guangzhou Jingyi Automobile Air Conditioning Co., Ltd. suing its subsidiary Ningbo Qingshan Automobile Co., Ltd. for payment of supply funds and compensation for breach of contract damages. The counter party won the second judge, so a breach of contract penalty was calculated. However, the subsidiary had no executable property and was unable to make the payment. The company is still appealing against the judge. In 2023, it has been judged and Ningbo Qingshan needn't make the compensation and the expected liabilities is reversed.

The newly added estimated liabilities for this period are related to the ecological environment damage expenses caused by the purchase and sale contract dispute, construction payment settlement, and industrial solid waste of the subsidiary Ningbo Ulica Solar Co., Ltd. Upon the following arbitration and related settlement agreements, it is expected that CNY 14,747,579.19 Yuan will need to be compensated, with an estimated provision for liabilities.

(XXXVIII) Deferred income

Item	31 December 2022	Increase in the current period	Decrease in the current period	Transferred out from Consolidation Scope	Transfer to held for sale	31 December 2023
Government	366,776,419.53	139,484,077.60	25,595,335.52	1,840,533.43	11,566,900.00	467,257,728.18

Item	31 December 2022	Increase in the current period	Decrease in the current period	Transferred out from Consolidation Scope	Transfer to held for sale	31 December 2023
subsidies						
Total	366,776,419.53	139,484,077.60	25,595,335.52	1,840,533.43	11,566,900.00	467,257,728.18

(XXXIX) Share Capital

Item	31 December 2022	Change in the current period: increase (+) / decrease (-)					31 December 2023
		Issue of new shares	Share dividend	Transfer from provident fund	Others	Subtotal	
Total number of shares	2,263,973,358.00				-5,750,135.00	-5,750,135.00	2,258,223,223.00

The Company's capital decrease for FY 2023 is as follows:

1. In October 2023, in accordance with the relevant provisions of the "*Management Measures for Equity Incentives of Listed Companies*" and the "2022 Stock Option and Restricted Stock Incentive Plan of Ningbo Shanshan Co., Ltd. (Revised Draft)", as well as the authorization of the first extraordinary general meeting of shareholders of the company in 2022, the company has the right to unilaterally repurchase and cancel the restricted stocks corresponding to the failure to achieve the performance evaluation indicators during the first period of lifting restrictions and the disqualification of the incentive objects due to resignation or retirement. A total of 4,980,725 restricted shares were repurchased and cancelled this time.

2. In December 2023, in accordance with the relevant provisions of the "*Management Measures for Equity Incentives of Listed Companies*" and the "2022 Stock Option and Restricted Stock Incentive Plan of Ningbo Shanshan Co., Ltd. (Revised Draft)", as well as the authorization of the first extraordinary general meeting of shareholders of the company in 2022, the board of directors of the company agrees to repurchase and cancel a total of 769,410 restricted shares corresponding to the disqualification of incentive recipients due to resignation (including those who have resigned or are about to resign) or retirement.

(XL) Capital surplus

Item	31 December 2022	Increase in the current period	Decrease in the current period	31 December 2023
Capital premium (equity premium) Note 1	7,734,870,664.79		73,221,574.95	7,661,649,089.84
Others Capital reserves Note 2	1,396,449,916.60	16,447,860.51	1,062,719.06	1,411,835,058.05
Total	9,131,320,581.39	16,447,860.51	74,284,294.01	9,073,484,147.89

Note 1: The company repurchased and cancelled 4,980,725.00 and 769,410.00 restricted shares in October and December 2023 respectively, totalling 5,750,135.00 shares, offsetting capital reserve of CNY 73,221,574.95.

Note 2: The increase in other capital reserves in the current period is due to changes in the capital reserves of joint ventures. The company recognizes an increase of CNY 16,447,860.51 in capital reserves based on its holdings.

The decrease in other capital reserves is due to the addition of service waiting periods for the company's 2022 Stock Option Incentive Plan and Restricted Stock Incentive Plan from March and May 2022, respectively. The company makes the best estimate based on the latest changes in the number of available options and the completion of performance indicators. Based on this, the consideration for services obtained in the current period is included in relevant costs or expenses according to the fair value on the grant date, and the equity incentive expenses are adjusted accordingly to the capital reserve; Due to the underperformance of this period and the offsetting of equity incentives for resigned employees, the cumulative reduction in capital reserve fund amount is CNY 1,062,719.06.

(XLI) Treasury shares

Item	31 December 2022	Increase in the current period	Decrease in the current period	31 December 2023
Treasury shares from centralized bidding repurchase	247,086,755.26	545,571,545.63		792,658,300.89
Treasury shares from stock option incentive plan	267,634,591.52		78,971,709.95	188,662,881.57
Total	514,721,346.78	545,571,545.63	78,971,709.95	981,321,182.46

- At the 38th meeting of the 10th Board of Directors of the company in December 26th 2022, the Proposal on the Plan to Repurchase Shares Through Centralized Bidding Trading was approved, and the company agreed to use its own funds to repurchase shares through centralized bidding trading for equity incentive plans. The total amount of funds for this repurchase shall not be less than CNY 300 million (inclusive) and shall not exceed CNY 500 million (inclusive) Yuan; The repurchase price shall not exceed CNY 23 per share (inclusive); The repurchase period is within 12 months from the date of approval of the repurchase plan by the board of directors. As of 31 December 2022, the company has cumulatively repurchased 13,367,600 shares of the company through the trading system of the Shanghai Stock Exchange by centralized bidding, accounting for 0.59% of the company's total share capital (2,263,973,358 shares) at that time. The highest and lowest repurchase prices were CNY 18.70 per share and CNY 17.71 Yuan per share, with a total payment of CNY 247,010,200.00 (excluding transaction fees) and a confirmed treasury shares of CNY 247,086,755.26.
- On 29 August 2023, the company held the 3rd meeting of the 11th Board of Directors and approved the proposal on increasing the total amount of repurchase funds and adjusting the repurchase plan. It was agreed to adjust the total amount of repurchase funds from "no less than CNY 300 million (inclusive) and no more than CNY 500 million (inclusive)" to "no less

than CNY 500 million (inclusive) and no more than CNY 800 million (inclusive)". Except for the increase in the total amount of funds for repurchasing shares mentioned above, there have been no other changes in the company's share repurchase plan.

3. On 25 December, 2023, the company completed the repurchase and actually repurchased 47,735,691 shares, accounting for 2.11% of the total share capital of the company at that time(2,258,992,633 shares). The highest repurchase price was CNY 18.70 Yuan/share, the lowest repurchase price was CNY 13.48 Yuan/share, and the average repurchase price was CNY 16.60 Yuan/share. The total amount of funds paid was CNY 792,526,300.00 Yuan (excluding transaction costs). Among them, a total of 34,368,091.00 shares were repurchased in 2023, with a confirmed treasury shares of CNY 545,571,545.63 Yuan.
4. In October 2023, in accordance with the relevant provisions of the "Management Measures for Equity Incentives of Listed Companies" and the "2022 Stock Option and Restricted Stock Incentive Plan of Ningbo Shanshan Co., Ltd. (Revised Draft)", as well as the authorization of the first extraordinary general meeting of shareholders of the company in 2022, the company has the right to unilaterally repurchase and cancel the restricted stocks corresponding to the failure to achieve the performance evaluation indicators during the first period of lifting restrictions and the disqualification of the incentive objects due to resignation or retirement. A total of 4,980,725 restricted shares were repurchased and cancelled this time. The decrease in treasury shares of the company this year is CNY 68,404,719.2 Yuan.
5. In December 2023, in accordance with the relevant provisions of the "Management Measures for Equity Incentives of Listed Companies" and the "2022 Stock Option and Restricted Stock Incentive Plan of Ningbo Shanshan Co., Ltd. (Revised Draft)", as well as the authorization of the first extraordinary general meeting of shareholders of the company in 2022, the board of directors of the company agrees to repurchase and cancel a total of 769,410 restricted shares corresponding to the disqualification of incentive recipients due to resignation (including those who have resigned or are about to resign) or retirement. The decrease in treasury shares of the company this year is CNY 10,566,990.75 Yuan.

(XLII) Other comprehensive income

Item	31 December 2022	Amount incurred in the current period						31 December 2023
		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: Income tax expense	That attributable to the parent company after tax	That attributable to non-controlling interests after tax	Less: The retained earnings transferred in the current period but previously included in other comprehensive income	
1. Other comprehensive incomes that will not be reclassified into profit or loss	-154,856,686.63	74,724,820.75		24,533,384.31	50,191,436.44		-20,478,999.07	-84,186,251.12
Of which: Changes in remeasurement of defined benefit plans								
Share of other comprehensive income accounted for using equity method that will not be reclassified to profit or loss	-15,232,635.23	-8,117,244.25			-8,117,244.25		-20,103,999.07	-3,245,880.41
Changes in fair value of other equity instrument investments	-139,624,051.40	82,842,065.00		24,533,384.31	58,308,680.69		-375,000.00	-80,940,370.71
Changes in fair value attributable to the enterprise's own credit risk								
2. Other comprehensive incomes that will be reclassified into profit or loss	4,036,797.42	2,206,121.27			2,255,367.96	-49,246.69		6,292,165.38
Of which: Share of other	3,752,581.19	735,454.30			735,454.30			4,488,035.49

Item	31 December 2022	Amount incurred in the current period						31 December 2023
		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: Income tax expense	That attributable to the parent company after tax	That attributable to non-controlling interests after tax	Less: The retained earnings transferred in the current period but previously included in other comprehensive income	
comprehensive income accounted for using equity method that will be reclassified to profit or loss								
Changes in fair value of other debt investments								
Reclassification of financial assets recognized in other comprehensive income								
Provision for credit impairment of other debt investments								
Cash flow hedging reserve								
The difference arisen from the translation of foreign currency financial statements	284,216.23	1,470,666.97			1,519,913.66	-49,246.69		1,804,129.89
Total other comprehensive income	-150,819,889.21	76,930,942.02		24,533,384.31	52,446,804.40	-49,246.69	-20,478,999.07	-77,894,085.74

(XLIII) Special reserve

Item	31 December 2022	Increase in the current period	Decrease in the current period	Exit from consolidation scope	31 December 2023
Safety production fund	2,140,946.80	328,338.59		745,047.12	1,724,238.27
Total	2,140,946.80	328,338.59		745,047.12	1,724,238.27

(XLIV) Surplus reserves

Item	31 December 2022	Increase in the current period	Decrease in the current period	31 December 2023
Statutory surplus reserve	292,801,918.55			292,801,918.55
Total	292,801,918.55			292,801,918.55

(XLV) Retained earnings

Item	31 December 2023	31 December 2022
Retained earnings at the end of the previous year before adjustment	12,028,646,332.05	10,083,326,361.95
Adjustment to total retained earnings at the beginning of the year (increase +, decrease -)		
Retained earnings at the beginning of the year after adjustment	12,028,646,332.05	10,083,326,361.95
Plus: Net profits attributable to equity owners the Company's owners in the current period	758,907,948.78	2,691,262,599.60
Less: Withdrawal of legal surplus reserve		39,085,721.96
Withdrawal of discretionary surplus reserve		
Withdrawal of common risk provision		
Common share dividends payable	671,354,367.30	707,163,579.54
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	-20,478,999.07	306,672.00
Retained earnings at the end of the period	758,907,948.78	12,028,646,332.05

(XLVI) Operating income and operating cost**1. Operating income and operating costs**

Item	Year 2023		Year 2022	
	Income	Cost	Income	Cost
Main operations	18,895,940,365.41	15,929,223,872.54	21,348,465,802.78	16,322,569,921.75
Other operations	174,284,799.54	47,987,219.53	353,151,465.54	164,823,344.07
Total	19,070,225,164.95	15,977,211,092.07	21,701,617,268.32	16,487,393,265.82

Breakdown of operating income:

Item	Year 2023	Year 2022
Main operations	18,895,940,365.41	21,348,465,802.78
Of which: Commodities for sale	18,845,475,537.69	21,140,578,084.09
New energy service revenue	50,464,827.72	207,887,718.69
Other operations	174,284,799.54	353,151,465.54
Of which: Material sales	65,017,508.02	254,665,075.27
Entrusted processing	34,420,361.92	34,389,625.63
Rent and utilities, property fee income	54,290,752.53	55,191,435.38
Technical service revenue	76,415.09	
Others	20,479,761.98	8,905,329.26
Total	19,070,225,164.95	21,701,617,268.32

2. Breakdown information of operating income and operating costs

The income generated from the customer contract in this period is as follows:

Category	Shanjin Polarizer Segment		Lithium Battery Material Segment		New Energy Vehicle Segment		Energy Management Segment		Others		Inter-segment offset		Total	
	Operating Income	Operating Cost	Operating Income	Operating Cost	Operating Income	Operating Cost	Operating Income	Operating Cost	Operating Income	Operating Cost	Operating Income	Operating Cost	Operating Income	Operating Cost
Business Type														
Revenue from commodity sales	10,353,038,969.36	8,298,055,112.00	7,420,215,712.85	6,548,385,450.96	3,702,226.52	3,609,332.83	1,131,229,578.91	1,081,728,138.77					18,908,186,487.64	15,931,778,034.56
Revenue from photovoltaic power generation							50,464,827.72	28,094,030.25					50,464,827.72	28,094,030.25
Revenue from entrusted processing	34,420,361.92												34,420,361.92	
Revenue from service and other sales	20,687,783.03	20,322,615.35	2,230,333.24	138,276.57	90,958.80				89,630,616.75	16,773,674.74	35,486,204.15	19,895,539.40	77,153,487.67	17,339,027.26
Total	10,408,147,114.31	8,318,377,727.35	7,422,446,046.09	6,548,523,727.53	3,793,185.32	3,609,332.83	1,181,694,406.63	1,109,822,169.02	89,630,616.75	16,773,674.74	35,486,204.15	19,895,539.40	19,070,225,164.95	15,977,211,092.07
Classification by timing of commodity transfer:														
Confirmation at a point of time	10,391,633,146.45	8,301,970,078.87	7,420,631,438.05	6,548,387,298.96	3,702,226.52	3,609,332.83	1,131,229,578.91	1,081,728,138.77	42,245,114.95		35,486,204.15	19,895,539.40	18,953,955,300.73	15,915,799,310.03
Confirmation within a certain period of time	16,513,967.86	16,407,648.48	1,814,608.04	136,428.57	90,958.80		50,464,827.72	28,094,030.25	47,385,501.80	16,773,674.74			116,269,864.22	61,411,782.04
Total	10,408,147,114.31	8,318,377,727.35	7,422,446,046.09	6,548,523,727.53	3,793,185.32	3,609,332.83	1,181,694,406.63	1,109,822,169.02	89,630,616.75	16,773,674.74	35,486,204.15	19,895,539.40	19,070,225,164.95	15,977,211,092.07
Classification by region of operation:														
Domestic China sales	9,649,110,386.44	7,625,265,384.88	6,365,651,958.22	5,665,522,835.01	3,793,185.32	3,609,332.83	354,397,944.13	317,658,791.00	89,630,616.75	16,773,674.74	35,486,204.15	19,895,539.40	16,427,097,886.71	13,608,934,479.06
China Taiwan sales	307,237,663.15	294,852,714.33											307,237,663.15	294,852,714.33
Overseas sales	451,799,064.72	398,259,628.14	1,056,794,087.87	883,000,892.52			827,296,462.50	792,163,378.02					2,335,889,615.09	2,073,423,898.68
Total	10,408,147,114.31	8,318,377,727.35	7,422,446,046.09	6,548,523,727.53	3,793,185.32	3,609,332.83	1,181,694,406.63	1,109,822,169.02	89,630,616.75	16,773,674.74	35,486,204.15	19,895,539.40	19,070,225,164.95	15,977,211,092.07

(XLVII) Taxes and surcharges

Item	Year 2023	Year 2022
Urban maintenance and construction tax	16,852,443.86	15,469,850.12
Education surcharges	12,508,546.08	9,161,242.95
Other taxes such as property tax and land use tax	80,427,722.09	55,549,832.28
Total	109,788,712.03	80,180,925.35

(XLVIII) Selling expenses

Item	Year 2023	Year 2022
Material consumption	78,161,414.94	81,528,121.65
Employee compensation costs	41,848,755.41	41,247,640.52
Depreciation and amortization expense	17,275,124.97	16,938,643.67
Transportation costs, vehicle costs and others	9,464,222.96	1,611,407.10
Consulting fees and expenses of external service institutions	9,562,412.56	5,235,154.64
Marketing fees	46,635,677.14	34,940,477.32
Office fees, business travel and easy rent	21,208,295.21	43,509,115.64
Business entertainment fee	3,983,245.09	10,623,031.44
Sales compensation	16,530,269.46	40,900,951.74
Others	320,238.03	2,071,600.05
Share-based payment fee	-451,509.61	2,782,353.60
Total	78,161,414.94	81,528,121.65

(XLIX) General and administrative expenses

Item	Year 2023	Year 2022
Material consumption	3,002,203.18	3,512,548.18
Employee compensation costs	258,655,907.22	227,192,839.98
Depreciation and amortization expense	132,022,183.87	109,141,536.68
Transportation costs, vehicle costs and others	5,456,122.71	4,614,147.88
Consulting fees, expenses of external intermediary agencies	109,486,568.77	109,964,146.16
Conference fees and others	10,737,517.73	1,506,878.17
Office fees, business travel and easy rent	46,241,799.70	56,090,176.95
Business entertainment fee	16,927,541.34	23,264,844.42
Share-based payment fee	-369,451.43	64,959,475.21
Information technology costs	73,186,301.65	99,620,321.76
Utilities	4,408,075.41	8,312,659.06
Others	8,232,619.73	4,784,246.34
Total	667,987,389.88	712,963,820.79

(L) Research and development expenses

Item	Year 2023	Year 2022
Material consumption	505,954,324.69	637,207,662.34
Employee compensation costs	259,427,512.11	196,759,214.85
Depreciation and amortization expense	58,246,175.75	49,505,286.64
Office fees, business travel and easy rent	6,617,426.66	3,947,901.17
Utilities	27,983,116.38	39,721,396.96
Consulting fees, expenses of external intermediary agencies	10,188,654.91	8,277,169.22
Share-based payment fee	-1,614,866.04	14,961,399.48
Others	1,494,937.07	2,192,239.40
Total	868,297,281.53	952,572,270.06

(LI) Financial expenses

Item	Year 2023	Year 2022
Interest expenses	541,133,908.17	634,219,099.55
Of which: Lease liabilities interest expenses	92,289,851.93	90,487,801.73

Item	Year 2023	Year 2022
Less: Interest income	110,264,086.98	119,549,790.72
Exchange gains and losses	11,085,915.89	174,708,097.91
Others	24,978,715.22	6,629,267.45
Total	466,934,452.30	696,006,674.19

(LII) Other income

Item	Year 2023	Year 2022	Asset-related/income-related
Government subsidies related to industrial investment projects	12,579,212.11	11,112,921.78	Asset-related
Government subsidies related to supporting industrial projects	12,405,903.98	12,218,149.89	Asset-related
High-tech enterprise subsidy	6,251,093.00	16,652,850.00	Income-related
Industrial support fund subsidy	281,873,076.47	44,575,016.59	Income-related
Technology project subsidy	131,387,200.00	29,348,936.82	Income-related
Tax expenses refund	4,766,899.90	57,876,668.99	Income-related
VAT deduction	46,118,467.89		Income-related
Other subsidies	6,810,111.90	2,006,801.81	Income-related
Total	502,191,965.25	173,791,345.88	

(LIII) Investment income

Item	Year 2023	Year 2022
Long-term equity investment incomes accounted by the equity method	-122,272,475.73	640,283,254.92
Investment incomes generated from disposal of long-term equity investment Note	294,436,828.10	184,464,477.65
Investment income on trading financial assets		
Investment income from disposal of trading financial assets		51,535,335.90
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	13,362,000.00	12,041,083.00
Investment income on other non-current financial assets during the holding period		
Investment income from disposal of other non-current financial assets	3,170,000.00	
The gains of remaining equity re-measured at fair value	92,901,882.31	

Item	Year 2023	Year 2022
after the control right is lost		
Investment income arising on disposal of disposal groups that constitute operations		
Investment income from debt restructuring		
Income of securities borrowings and wealth management products	-41,626.69	7,293.53
Total	281,556,607.99	888,331,445.00

(LIV) Gains from changes in fair value

Sources of gains from changes in fair value	Year 2023	Year 2022
Trading financial assets		
Of which: Gain on fair value changes arising from derivative financial instruments		
Other non-current financial assets	-7,516,000.00	-1,950,000.00
Total	-7,516,000.00	-1,950,000.00

(LV) Credit impairment losses

Item	Year 2023	Year 2022
Bad debt losses on notes receivable	1,164,908.61	-2,964,379.14
Bad debt losses on accounts receivable	30,828,329.76	-14,599,427.88
Impairment losses on receivables financing		
Bad debt losses on other receivables	23,463,880.28	33,240,827.02
Bad debt losses on long-term receivables		
Bad debt losses on long-term receivables due within one year	-819,024.19	-5,629,738.00
Total	54,638,094.46	10,047,282.00

(LVI) Assets impairment losses

Item	Year 2023	Year 2022
Decline in the value of inventories and impairment loss on contract fulfilment costs impairment losses	211,046,014.53	67,453,170.48
Impairment losses of assets held for sale	5,663,253.88	
Impairment losses of long-term equity investment	930,575,111.39	
Impairment losses of fixed assets	11,595,336.14	63,892,869.30
Impairment losses of project in processing	-	
Impairment losses of intangible assets	42,800.00	
Impairment losses of goodwill	128,044,702.20	
Other current assets impairment reserve	-	6,393,984.30
Total	386,967,218.14	137,740,024.08

(LVII) Gain on disposal of assets

Item	Year 2023	Year 2022	Amounts included into the current nonrecurring profit and loss
Fixed assets	-31,083,129.20	593,824.34	-31,083,129.20
Intangible assets		-7,220,094.33	
Right of use assets	1,839,928.79	493,465.86	1,839,928.79
Total	-29,243,200.41	-6,132,804.13	-29,243,200.41

(LVIII) Non-operating income

Item	Year 2023	Year 2022	Amounts included into the current nonrecurring profit and loss
Income from fines and confiscations	2,227,588.15	2,457,346.88	2,227,588.15
Income from liquidated damages	4,669,751.43	699,648.01	4,669,751.43
Insurance compensation		6,797,201.68	
Others	2,732,970.54	5,038,948.98	2,732,970.54
Loss on scrapping non current assets	14,175.89	118,352.80	14,175.89
Total	9,644,486.01	15,111,498.35	9,644,486.01

(LIX) Non-operating expenses

Item	Year 2023	Year 2022	Amounts included into the current nonrecurring profit and loss
Loss of assets scrapped and destroyed	18,102,473.63	12,700,084.99	18,102,473.63
Debt restructuring			
Public donation	1,378,000.00	1,260,000.00	1,378,000.00
Payment of liquidated damages	30,028,927.12	3,281,790.64	30,028,927.12
Others	12,480,881.06	155,960.09	12,480,881.06
Total	61,990,281.81	17,397,835.72	61,990,281.81

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

Item	Year 2023	Year 2022
Income tax expenses in the current period	272,737,346.84	486,922,845.40
Deferred income tax expense	-49,051,188.19	82,754,412.65
Total	223,686,158.65	569,677,258.05

2. Accounting profit and income tax expense adjustment process

Item	Year 2023
Total profit	988,506,355.41
Profit and loss of subsidiaries cannot be offset against each other	1,058,353,431.51

Item	Year 2023
Income tax expense at statutory tax rates	511,714,946.73
Effect of different tax rates applied to subsidiaries	-146,212,003.19
Effect of adjustments to income taxes of prior periods	-2,659,892.41
Effect of non-taxable income	-29,509,840.58
Effect of non-deductible costs, expenses and losses	10,945,232.89
Additional deductible expenses	-115,346,638.27
Effect of deductible losses on the use of deferred tax assets not recognized in prior periods	-10,633,817.78
Effect of deductible temporary differences or deductible losses on deferred income tax assets not recognized in the current period	5,388,171.26
Income tax expense	223,686,158.65

(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 2023	Year 2022
Consolidated net profit attributable to common shareholders of the parent company	765,337,842.07	2,691,262,599.60
Weighted average number of common shares of the Company issued	2,217,091,061.76	2,187,778,008.00
Basic earnings per share	0.35	1.23
Of which: Basic earnings per share from continuing operations	0.35	1.23
Basic earnings per share from discontinued operations		

2. Diluted earnings per share

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

Item	Year 2023	Year 2022
Consolidated net profit (diluted) attributable to common shareholders of the parent company	765,337,842.07	2,691,262,599.60
Weighted average number (diluted) of common shares of the Company issued	2,217,091,061.76	2,189,243,575.33
Diluted earnings per share	0.35	1.23

Item	Year 2023	Year 2022
Of which: Diluted earnings per share from continuing operations	0.35	1.23
Diluted earnings per share from discontinued operations		

Diluted earnings per share= Current net income ÷(weighted average number of ordinary shares+ Increased and adjusted weighted average number of ordinary shares= Current net income ÷[weighted average number of ordinary shares+(Number of Restricted stock-Exercise price× Number of Restricted stock÷ Average market price of common stock in the current period)]

(LXII) Cash flow statement items

1. Cash related to operating activities

(1) Other cash received related to operating activities

Item	Year 2023	Year 2022
Government subsidies received	569,991,459.11	283,345,964.89
Received operational deposit or current fund	393,144,657.11	49,662,113.37
Net inflows of restricted cash balances that are operating deposits, security deposits	127,364,615.88	20,001,797.95
Interest income	60,968,971.09	119,549,790.72
Frozen bank deposits recovered	15,083,743.24	3,824,198.43
Non-operating income received related to business activities	9,623,299.35	15,014,412.10
Received refunded prepaid enterprise income tax		53,038,419.64
Total	1,176,176,745.78	544,436,697.10

(2) Other cash paid related to operating activities

Item	Year 2023	Year 2022
Daily operating expenses	825,195,095.01	914,233,882.62
Payment of operational deposits or current temporary loan	233,980,302.86	49,321,245.40
The outflow of operating margin and deposit in restricted monetary funds	204,861,892.72	100,246,372.58
Non-operating expenses paid related to operating activities	18,990,228.99	4,697,750.73
Frozen bank deposits		15,083,743.24
Total	1,283,027,519.58	1,083,582,994.57

2. Cash related to investing activities

(1) Other cash received related to investing activities

Item	Year 2023	Year 2022
Purchase of LG Polarizer Business Phase 3 Payment - LG Chem Deposit Refund	2,288,919,385.08	
Purchase of LG Polarizer Business Phase 2 Payment - LG Chem Deposit Refund		472,262,241.00
Non-transactional current fund received from the controlling shareholders	728,000,000.00	830,000,000.00
Retrieve the house purchasing payment of Junkang Finance Building	450,000,000.00	
Recovering the surplus funds from the equity acquisition of Taiwan Shanjin	74,501,121.55	
Intention payment for equity	20,000,000.00	20,000,000.00
Received the deposit paid by the engineering equipment supplier or recovered the construction deposit originally paid by the company	17,822,169.60	25,590,337.11
Total	3,579,242,676.23	1,347,852,578.11

(2) Other cash paid related to investing activities

Item	Year 2023	Year 2022
Purchase of LG Polarizer Business Phase 3 Payment - LG Chem Deposit	2,288,919,385.08	
Purchase of LG Polarizer Business Phase 2 Payment - LG Chem Deposit Notes		472,262,241.00
Non-transactional current fund paid to the controlling shareholders	808,000,000.00	830,000,000.00
Relevant taxes and fees paid for transferring equity	130,550,283.75	
Pay the deposit for purchasing of LG OLED Business	84,410,934.00	
Refund of equity transfer intention fee	30,000,000.00	20,000,000.00
The originally paid deposit or security deposit returned to the engineering equipment supplier	30,452,572.80	11,137,046.00
Pay the surplus from Taiwan Shanjin Equity Acquisition		74,501,121.55
Prepaid equity investment funds		20,000,000.00
Total	3,372,333,175.63	1,427,900,408.55

3. Cash related to financing activities**(1) Other cash received related to financing activities**

Item	Year 2023	Year 2022
Temporary collection of financing funds	2,713,000,000.00	
Recovery of deposits on bills and letters of credit used for financing	1,178,147,692.45	154,638,655.17
Recovery of China Securities Depository and Clearing Corporation Shanghai Branch (Reserve)	2,506,661.99	

Item	Year 2023	Year 2022
Temporary collection of financing funds	2,713,000,000.00	
Recovery of deposits on bills and letters of credit used for financing	1,178,147,692.45	154,638,655.17
Recovery of China Securities Depository and Clearing Corporation Shanghai Branch (Reserve)	2,506,661.99	
Receipt of sale and leaseback borrowings		110,000,000.00
Refund excess cash paid for repurchased stocks		152,913,244.74
Total	3,893,654,354.44	417,551,899.91

(2) Other cash paid related to financing activities

Item	Year 2023	Year 2022
Refund financing fund	2,713,000,000.00	
Payment of deposits on bills and letters of credit used for financing	1,019,709,356.73	405,092,636.52
Treasury shares- repurchase	545,571,545.63	
Payment of rent	328,059,541.28	379,049,304.88
Payment of finance leasing fees and deposits	198,087,076.15	184,710,157.95
Repurchase restrictive stock shares	78,971,709.95	
Pay China Securities Depository and Clearing Corporation Shanghai Branch (Reserve)	2,506,661.99	
Share issuance related expenses		20,282,009.60
Payment of individual income tax on behalf of employees		210,650,870.57
Cash paid for stock share repurchase		400,000,000.00
Total	4,885,905,891.73	1,599,784,979.52

(3) Changes in liabilities arising from financing activities

Item	31 December 2022	Increase in current period		Decrease in current period		31 December 2023
		Cash Changes	Non-cash Changes	Cash Changes	Non-cash Changes	
Lease liabilities (including portion due within one year)	1,573,952,637.26		196,753,420.04	307,894,846.50	181,219,032.77	1,281,592,178.03

(LXIII) Supplementary materials of cash flow statement

1. Supplementary materials of cash flow statement

Supplement materials	Year 2023	Year 2022
1. Cash flow for adjusting net profits to operating activities		

Supplement materials	Year 2023	Year 2022
Net profit	764,820,196.76	2,825,400,899.99
Plus: Credit impairment losses	54,638,094.46	10,047,282.00
Impairment reserves of assets	386,967,218.14	137,740,024.08
Depreciation of fixed assets	887,520,009.17	940,059,812.75
Depreciation of oil and gas assets		
Depreciation of right-to-use assets	150,665,242.78	120,045,066.85
Amortization of intangible assets	103,543,810.73	134,125,505.88
Amortization of long-term deferred expenses	93,075,132.61	50,976,671.60
Loss on disposal of fixed assets, intangible assets and other long-term assets (gains expressed with “-”)	29,229,024.52	6,132,804.13
Losses on scrapping of fixed assets (gains expressed with “-”)	18,102,473.63	12,700,084.99
Losses on changes in fair value (gain expressed with “-”)	7,516,000.00	1,950,000.00
Financial expenses (income expressed with “-”)	571,181,076.88	807,325,903.98
Investment losses (income expressed with “-”)	-281,556,607.99	-888,331,445.00
Decrease of deferred income tax assets (increase expressed with “-”)	-78,749,441.92	-107,413,466.67
Increase of deferred income tax liabilities (decrease expressed with “-”)	30,754,992.15	190,167,879.32
Decrease in inventories (increase expressed with “-”)	-719,351,925.84	-2,249,191,262.55
Decrease in operating receivable items (increase expressed with “-”)	-2,035,720,452.23	-3,157,649,494.76
Increase in operating payable items (decrease expressed with “-”)	-178,727,462.93	1,589,767,737.92
Others	-2,038,979.32	82,643,690.28
Net cash flow from operating activities	-198,131,598.40	506,497,694.79
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	4,024,541,676.69	3,911,177,960.18
Less: Opening balance of cash	3,911,177,960.18	8,678,782,091.61
Plus: Closing balance of cash equivalents		
Less: Opening balance of cash equivalents		
Net increase in cash and cash equivalents	113,363,716.51	-4,767,604,131.43

2. Net cash received from disposal of subsidiaries in the this period

	Amount
Cash or cash equivalents received in the current period from disposal of subsidiaries in the current period	1,116,380,908.35
Of which: Xinya Shanshan New Material Technology (Quzhou) Co., Ltd.	298,938,000.00
Dongguan Shanshan Battery Material Co., Ltd.	45,900,000.00
Ningbo Shanxin Photovoltaic Energy Management Co., Ltd.	771,542,908.35

	Amount
Less: Cash and cash equivalents held by the subsidiaries on the date of loss of control	43,991,606.52
Of which: Xinya Shanshan New Material Technology (Quzhou) Co., Ltd.	28,518,591.17
Dongguan Shanshan Battery Material Co., Ltd.	10,954,800.22
Ningbo Shanxin Photovoltaic Energy Management Co., Ltd.	4,518,215.13
Plus: Cash or cash equivalents received in the current period from disposal of subsidiaries during the previous periods	137,911,440.00
Of which: Hunan Yongshan Lithium Industry Co., Ltd.	130,000,000.00
Shanshan Brand Management Co., Ltd.	7,911,440.00
Net cash received from disposal of subsidiaries	1,210,300,741.83

3. Composition of cash and cash equivalents

Item	31 December 2023	31 December 2022
I. Cash	4,024,541,676.69	3,911,177,960.18
Of which: Cash on hand	206,355.97	273,307.05
Digital monetary available for payment at any time	110,837.00	
Bank deposit available for payment at any time	4,017,794,536.22	3,910,824,106.69
Other monetary capitals available for payment at any time	6,429,947.50	80,546.44
Deposits in the Central Bank for payment		
Deposit of interbank funds		
Deposit and lending of interbank funds		
II. Cash equivalents		
Of which: Bond investment due within 3 months		
III. Cash and cash equivalents balance at the end of the period	4,024,541,676.69	3,911,177,960.18
Of which: Cash and cash equivalents with restricted use in the company or subsidiaries of the Group		

Note: The ending balance of cash includes cash held by the Company classified as assets held for sale

(LXIV) Foreign currency monetary items

1. Foreign currency monetary items

Item	Foreign currency balance as of 31 December 2023	Exchange rate	Converted CNY balance
Cash at bank and on hand			348,459,329.23
Of which: USD	44,069,929.78	7.0827	312,134,091.65
HKD	17,730,146.98	0.9062	16,067,059.19

Item	Foreign currency balance as of 31 December 2023	Exchange rate	Converted CNY balance
Euro	1,222,189.20	7.8592	9,605,429.36
Pound	26.04	9.0411	235.43
Japanese yen	154,220,743.00	0.0502	7,741,881.30
Australian dollar	2.09	4.8484	10.13
New Taiwan dollar	12,616,481.00	0.2307	2,910,622.17
Of which: held for sale			
USD	190,618.67	7.0827	1,350,094.85
HKD	-	0.9062	-
Euro	1,222,189.03	7.8592	9,605,428.02
Pound	26.04	9.0411	235.43
Japanese yen	46,654,076.00	0.0502	2,342,034.62
Investment in other equity instruments			14,706,655.04
Of which: USD	531,542.45	7.0827	3,764,755.71
Australian dollar	2,256,806.23	4.8484	10,941,899.33
Accounts receivable			625,884,608.84
Of which: USD	78,447,496.38	7.0827	555,620,082.61
Euro	8,879,583.77	7.8592	69,786,424.77
Japanese yen	6,527,067.00	0.0502	327,658.76
New Taiwan dollar	652,114.00	0.2307	150,442.70
Of which: held for sale			
USD	504,443.60	7.0827	3,572,822.69
HKD	-	0.9062	-
Euro	8,879,583.77	7.8592	69,786,424.77
Pound	-	9.0411	-
Japanese yen	6,527,067.00	0.0502	327,658.76
Other receivables			894,160.44
Of which: USD	100,000.00	7.0827	708,270.00
HKD	34,800.00	0.9062	31,535.76
New Taiwan dollar	669,071.00	0.2307	154,354.68
Accounts payable			420,356,916.70
Of which: USD	23,417,053.48	7.0827	165,855,964.68
Japanese yen	5,069,740,080.00	0.0502	254,500,952.02
Of which: held for sale			
USD	113,609.00	7.0827	804,658.46
Other payables			26,562,435.79
Of which: USD	3,108,486.56	7.0827	22,016,477.76
HKD	14,900.00	0.9062	13,502.38
Euro	576,707.00	7.8592	4,532,455.65

(LXV) Leases

1. The company as the lessee

Item	Year 2023	Year 2022
Interest expense on lease liabilities	92,289,851.93	100,497,304.48
Short-term lease expenses included in the cost of the related assets or in profit or loss for the current period for simplified treatment	5,023,407.38	22,217,154.03
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		

Item	Year 2023	Year 2022
short-term lease expenses for low-value assets)		
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	333,535,055.32	403,266,002.77
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	17,166,749.32
1-2 years	
2-3 years	
Above 3 years	
Total	17,166,749.32

2. The company as the lessor

(1) Operating lease

	Year 2023	Year 2022
Operating lease income	51,507,429.73	50,123,779.46
Of which: Income related to variable lease payments not included in lease payments		

The undiscounted lease receives to be received after the balance sheet date are as follows:

Remaining lease term	Year 2023	Year 2022
Within 1 year	44,227,263.97	45,386,655.10
1-2 years	32,624,986.94	35,829,121.61
2-3 years	25,023,238.94	25,948,190.78
3-4 years	21,413,034.02	21,429,506.79
4-5 years	20,797,056.66	21,165,985.91

Remaining lease term	Year 2023	Year 2022
Above 5 years	209,569,111.26	230,129,967.03
Total	353,654,691.79	379,889,427.22

VI. Research and development expenses

(I) Research and development expenses

Item	Year 2023	Year 2022
Material consumption	505,954,324.69	637,207,662.34
Employee compensation costs	259,427,512.11	196,759,214.85
Depreciation and amortization expense	58,246,175.75	49,505,286.64
Office fees, business travel and easy rent	6,617,426.66	3,947,901.17
Utilities	27,983,116.38	39,721,396.96
Consulting fees, expenses of external intermediary agencies	10,188,654.91	8,277,169.22
Share-based payment fee	-1,614,866.04	14,961,399.48
Others	1,494,937.07	2,192,239.40
Total	868,297,281.53	952,572,270.06
Of which: Expensed R&D expenses	868,297,281.53	952,572,270.06
Capitalized R&D expenses		

VII. Change in scope of consolidation

(I) No business combination not under the same control during the reporting period

(II) No business combination under the same control during the reporting period

(III) Disposal of subsidiaries

1. Transactions or events that result in the loss of control over subsidiaries in the current period

Name of subsidiary	Equity disposal price at the time point of loss of control	Equity disposal ratio at the time point of loss of control (%)	Equity disposal method at the time point of loss of control	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 consolidated financial statement level at the date of loss of control	Fair value of the remaining equity at the consolidated financial statement level 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 consolidated financial statement level at the date of loss of control	Amount transferred from other comprehensive income related to equity investment in former subsidiaries to investment profit and loss
Xinya Shanshan New Material Technology (Quzhou) Co., Ltd.	703,800,000.00	51.00	Transfer of share equity	February 2023	Control over operation decisions had transferred	368,192,919.04	31.2534	206,098,117.69	299,000,000.00	92,901,882.31	Future income method	
Dongguan Shanshan Battery Materials Co., Ltd.	105,691,700.00	100.00	Transfer of share equity	July 2023	Control over operation decisions had transferred	-60,094,847.84						
Ningbo Shanxin Photovoltaic Energy Management Co., Ltd.	50,194,512.50	90.0350	Transfer of share equity	April 2023	Control over operation decisions had transferred	-15,660,768.69						

(IV) Change in scope of consolidation for other reasons**1. Newly established subsidiaries during the reporting period**

Name of subsidiary	Registered capital	Main business locations	Place of registration	Business nature	Shareholding ratio (%)		Acquisition method
					Direct	Indirect	
Ulica Solar GmbH	EUR 100,000.00	German	German	Industry	100	100	Newly established
Shanshan New Material (Hong Kong) Co., Ltd.	USD 10,000,000.00	Hong Kong, China	Hong Kong, China	Investment		100	Newly established
Shanshan New Material (Luxembourg) Sarl	EUR 1,000,000.00	Luxembourg	Luxembourg	Investment		100	Newly established
Ningbo Ziheng Trading Co., Ltd.	CNY 50,000,000.00	Ningbo, Zhejiang	Ningbo, Zhejiang	Trading	100		Newly established
Ningbo Lanhong Trading Co., Ltd.	CNY 50,000,000.00	Ningbo, Zhejiang	Ningbo, Zhejiang	Trading		100	Newly established
Shanjin Optoelectronics (Yangzhou) Co., Ltd.	CNY 1,500,000,000.00	Yangzhou, Jiangsu	Yangzhou, Jiangsu	Industry		100.00	Newly established

2. Closed and cancelled subsidiaries during the reporting period

Name of subsidiary	Explanation
Ningbo Yongshan Lithium Industry Co., Ltd.	Cancel
Shanghai Nafei Clothing Co., Ltd.	Cancel

VIII. Interests in other subjects**(I) Interests in subsidiaries****1. Composition of enterprise groups**

Name of subsidiary	Registered Capital	Main business locations	Place of registration	Business nature	Shareholding ratio (%)		Acquisition method
					Direct	Indirect	
Shanjin Optoelectronics (Suzhou) Co., Ltd. Note 1	CNY 7,105,000,000.00	Suzhou, Jiangsu	Suzhou, Jiangsu	Industry	100.00		Newly established
Shanjin Optoelectronics (Guangzhou) Co., Ltd.	CNY 1,700,000,000.00	Guangzhou, Guangdong	Guangzhou, Guangdong	Industry		100.00	Newly established
Shanjin Optoelectronics (Nanjing) Co., Ltd.	CNY 3,800,000,000.00	Nanjing, Jiangsu	Nanjing, Jiangsu	Industry		100.00	Newly established
Shanjin Optoelectronics (Beijing) Co., Ltd.	CNY 90,726,100.00	Beijing	Beijing	Industry		100.00	Newly established
Shanjin Optoelectronics Technology (Zhangjiagang) Co., Ltd.	CNY 900,000,000.00	Zhangjiagang, Jiangsu	Zhangjiagang, Jiangsu	Industry		100.00	Newly established
Shanjin Optoelectronics (Mianyang) Co., Ltd.	CNY 1,000,000,000.00	Mianyang, Sichuan	Mianyang, Sichuan	Industry		100.00	Newly established

Name of subsidiary	Registered Capital	Main business locations	Place of registration	Business nature	Shareholding ratio (%)		Acquisition method
					Direct	Indirect	
Shanjin Optoelectronics (Yangzhou) Co., Ltd.	CNY 1,500,000,000.00	Yangzhou, Jiangsu	Yangzhou, Jiangsu	Industry		100.00	Newly established
Taiwan Shanjin Optoelectronics Co., Ltd.	TWD 1,500,000,000.00	Taiwan, China	Taiwan, China	Industry		100.00	Consolidation not under same control
Shanjin Tokyo Co., Ltd.	JPY 100,000,000.00	Tokyo, Japan	Tokyo, Japan	Trade	100.00		Newly established
Ningbo Shanshan New Energy Technology Developemnt Co., Ltd.	CNY 2,132,650,000.00	Ningbo, Zhejiang	Ningbo, Zhejiang	Investment	98.00	2.00	Newly established
Shanghai Shanshan New Energy Technology Developemnt Co., Ltd.	CNY 200,000,000.00	Shanghai	Shanghai	Industry	100.00		Newly established
Shanghai Shanshan Lithium Battery Material Technology Co., Ltd.	CNY 1,182,000,000.00	Ningbo, Zhejiang	Ningbo, Zhejiang	Investment		87.077	Newly established
Ningbo Shanshan New Material Technology Co., Ltd	CNY 2,800,000,000.00	Ningbo, Zhejiang	Ningbo, Zhejiang	Industry		100.00	Newly established
Shanghai Shanshan Technology Co., Ltd.	CNY 300,000,000.00	Shanghai	Shanghai	Industry		100.00	Consolidation under same control
Shanghai Shanshan New Material Co., Ltd.	CNY 1,000,000,000.00	Shanghai	Shanghai	Industry		100.00	Newly established
Chenzhou Shanshan New Material Co., Ltd.	CNY 200,000,000.00	Chenzhou, Hunan	Chenzhou, Hunan	Industry		100.00	Newly established
Fujian Shanshan Technology Co., Ltd.	CNY 200,000,000.00	Ningde, Fujian	Ningde, Fujian	Industry		100.00	Newly established
Inner Mongolia Shanshan Technology Co., Ltd.	CNY 1,300,000,000.00	Baotou, Inner Mongolia	Baotou, Inner Mongolia	Industry		100.00	Newly established
Inner Mongolia Shanshan New Material Co., Ltd.	CNY 400,000,000.00	Baotou, Inner Mongolia	Baotou, Inner Mongolia	Industry		100.00	Newly established
Baotou Graphene Material Research Institute Co., Ltd. Note 1	CNY 20,000,000.00	Baotou, Inner Mongolia	Baotou, Inner Mongolia	Industry		50.00	Newly established
Huzhou Shanshan New Energy Technology Co., Ltd.	CNY 60,000,000.00	Huzhou, Zhejiang	Huzhou, Zhejiang	Industry		100.00	Consolidation not under same control
Inner Mongolia Shanshan Material Technology Co., Ltd.	CNY 50,000,000.00	Ulanqab, Inner Mongolia	Ulanqab, Inner Mongolia	Industry		100.00	Newly established
Sichuan Shanshan New Material Co.,	CNY 2,000,000,000.00	Meishan, Sichuan	Meishan, Sichuan	Industry		100.00	Newly established

Name of subsidiary	Registered Capital	Main business locations	Place of registration	Business nature	Shareholding ratio (%)		Acquisition method
					Direct	Indirect	
Yunnan Shanshan New Material Co., Ltd.	CNY 2,050,000,000.00	Kunming, Yunnan	Kunming, Yunnan	Industry		100.00	Newly established
Ningbo Shanshan Silicon Based Materials Co., Ltd.	CNY 500,000,000.00	Ningbo, Zhejiang	Ningbo, Zhejiang	Industry		100.00	Newly established
Shanshan New Material (Hong Kong) Co., Ltd.	USD 10,000,000.00	Hong Kong, China	Hong Kong, China	Investment		100.00	Newly established
Shanshan New Material (Luxembourg) Sarl	EUR 1,000,000.00	Luxembourg	Luxembourg	Investment		100.00	Newly established
Ningbo Yongxiang Investment Co., Ltd.	CNY 116,000,000.00	Ningbo, Zhejiang	Ningbo, Zhejiang	Investment		100.00	Newly established
Ningbo Yongquan Investment Co., Ltd.	CNY 200,000,000.00	Ningbo, Zhejiang	Ningbo, Zhejiang	Investment		100.00	Newly established
Ningbo Shanshan Venture Capital Investment Co., Ltd.	CNY 1,000,000,000.00	Ningbo, Zhejiang	Ningbo, Zhejiang	Investment	100.00		Newly established
Ningbo Shanshan Electric Vehicle Technology Development Co., Ltd.	CNY 1,000,000,000.00	Ningbo, Zhejiang	Ningbo, Zhejiang	Investment	90.00	10.00	Newly established
Inner Mongolia Qingshan Automobile Co., Ltd.	CNY 212,000,000.00	Baotou, Inner Mongolia	Baotou, Inner Mongolia	Industry		94.43	Newly established
Shanghai Zhanxiao New Energy Technology Co., Ltd.	CNY 82,000,000.00	Shanghai	Shanghai	Industry		60.98	Newly established
Ningbo Shanshan Bada Power Assembly Co., Ltd.	CNY 120,000,000.00	Ningbo, Zhejiang	Ningbo, Zhejiang	Industry		70.00	Newly established
Ningbo Shanshan Automobile Co., Ltd.	CNY 450,000,000.00	Ningbo, Zhejiang	Ningbo, Zhejiang	Industry		100.00	Newly established
Ningbo Qingshan Automobile Co., Ltd.	CNY 201,000,000.00	Ningbo, Zhejiang	Ningbo, Zhejiang	Investment		100.00	Newly established
Ningbo Shanpeng Investment Co., Ltd.	CNY 50,000,000.00	Ningbo, Zhejiang	Ningbo, Zhejiang	Investment		100.00	Newly established
Ningbo Ulica Solar Co., Ltd.	CNY 150,000,000.00	Ningbo, Zhejiang	Ningbo, Zhejiang	Industry	90.04		Consolidation under same control
Ulica Solar GmbH	EUR 100,000.00	German	German	Industry		100.00	Newly established
Shanghai Shanshan Garment Co., Ltd.	CNY 80,000,000.00	Shanghai	Shanghai	Industry	90.00	10.00	Newly established
Shanghai Tunheng Trading Co., Ltd.	CNY 50,000,000.00	Shanghai	Shanghai	Industry	95.00	5.00	Newly established
Ningbo Shanshan Tongda Trading Co., Ltd.	CNY 32,000,000.00	Ningbo, Zhejiang	Ningbo, Zhejiang	Industry	100.00		Newly established
Ningbo Haoheng Trading Co., Ltd.	CNY 50,000,000.00	Ningbo, Zhejiang	Ningbo, Zhejiang	Industry	100.00		Newly established

Name of subsidiary	Registered Capital	Main business locations	Place of registration	Business nature	Shareholding ratio (%)		Acquisition method
					Direct	Indirect	
Hong Kong Shanshan Resources Co., Ltd.	USD 50,000,000.00	Hong Kong, China	Hong Kong, China	Investment	100.00		Newly established
Ningbo Ziheng Trading Co., Ltd.	CNY 50,000,000.00	Ningbo, Zhejiang	Ningbo, Zhejiang	Trade	100.00		Newly established
Ningbo Lanhong Trading Co., Ltd.	CNY 50,000,000.00	Ningbo, Zhejiang	Ningbo, Zhejiang	Trade		100.00	Newly established
Ningbo Yunling Zhichuang Park Operation Management Co., Ltd.	CNY 10,000,000.00	Ningbo, Zhejiang	Ningbo, Zhejiang	Investment	100.00		Newly established
Shanshan Fashion Industrial Park Suqian Co., Ltd.	CNY 90,000,000.00	Suqian, Jiangsu	Suqian, Jiangsu	Industry	66.67	33.33	Newly established
Yongshan International Co., Ltd.	CNY 500,000.00	Hong Kong, China	Hong Kong, China	Industry		100.00	Newly established

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

Note 1: Holding half or less of the voting rights but still controlling the investee:

Baotou Graphene Material Research Institute Co., Ltd. is 50% owned by the Company, and the Company sends a majority of its directors and appoints all key management personnel.

2. Significant non-wholly owned subsidiaries

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	12.9230%	19,899,511.06		911,641,703.33

The minority shareholder Shanghai Shanbao (employee shareholding) has subscribed CNY 112 million Yuan to Shanshan Lithium Battery. As of the end of 2023, the first 10% payment of CNY 11.2 million Yuan has been completed, and the outstanding subscribed amount is CNY 100.8 million Yuan. The shareholders of all parties agree that during the period when the subscribed amount of in-service employees' shares has not been fully paid, they shall still enjoy the shareholder's equity in proportion to the subscribed amount.

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

Name of subsidiary	31 December 2023						31 December 2022					
	Current assets	Non-current assets	Total assets	Current liabilities	Non-current liabilities	Total liabilities	Current assets	Non-current assets	Total assets	Current liabilities	Non-current liabilities	Total liabilities
Shanghai Shanshan Lithium Battery Material Technology Co., Ltd.(lithium anode material)	10,022,333,610.34	11,914,265,094.85	21,936,598,705.19	8,912,521,419.82	5,275,384,781.88	14,187,906,201.70	9,224,771,852.73	7,802,570,047.40	17,027,341,900.13	7,368,342,794.86	2,052,695,054.35	9,421,037,849.21

Name of subsidiary	Year 2023				Year 2022			
	Operating income	Net profit	Total comprehensive income	Cash flow from operating activities	Operating income	Net profit	Total comprehensive income	Cash flow from operating activities
Shanghai Shanshan Lithium Battery Material Technology Co., Ltd.(lithium anode material)	7,276,022,613.06	153,394,834.34	153,394,834.34	-400,207,155.06	8,201,095,924.35	920,331,523.33	920,331,523.33	-2,877,525,185.31

(II) Interest in joint venture arrangements or associates**Significant joint ventures or associates**

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

Key financial information of important associates

	31 December 2023/Year 2023		31 December 2022/Year 2022	
	Zhejiang Chouzhou Commercial Bank Co., Ltd.	BASF Shanshan Battery Materials Co., Ltd	Zhejiang Chouzhou Commercial Bank Co., Ltd.	BASF Shanshan Battery Materials Co., Ltd
Current assets	330,946,331,338.96	3,900,810,151.51	302,611,714,252.48	5,797,080,453.30
Non-current assets	27,630,591,853.93	3,503,334,373.69	24,409,649,762.92	3,348,725,578.14
Total assets	358,576,923,192.89	7,404,144,525.20	327,021,364,015.40	9,145,806,031.44
Current liabilities	291,111,767,358.30	1,547,143,534.59	259,041,789,100.05	2,563,855,032.38
Non-current liabilities	40,615,307,197.28	600,192,584.07	43,094,800,331.52	973,036,344.42
Total liabilities	331,727,074,555.58	2,147,336,118.66	302,136,589,431.57	3,536,891,376.80
Equity of non-controlling interests	1,450,228,774.72		1,329,717,236.63	
Equity attributable to shareholders of the company	25,399,619,862.59	5,256,808,406.54	23,555,057,347.20	5,608,914,654.64
Share of net assets based on percentage of shareholding	1,616,636,362.29	2,575,836,119.21	1,486,410,248.71	2,748,368,180.77
Adjustment matters	137,136,237.39	1,237,956,808.36	137,136,237.39	1,237,956,808.36
-Goodwill				
- Unrealized profit on internal transactions				
-Others	137,136,237.39	1,237,956,808.36	137,136,237.39	1,237,956,808.36
Book value of equity investment in associates	1,753,772,599.68	3,813,792,927.57	1,623,546,486.10	3,986,324,989.13
Fair value of equity investments in associates for which publicly quoted prices exist				
Operating income	9,898,824,790.85	5,008,507,804.63	8,435,945,773.90	8,285,013,951.37
Net profit	2,054,042,642.60	-333,501,762.07	1,919,216,774.40	1,056,277,673.28
Net profit from				

	31 December 2023/Year 2023		31 December 2022/Year 2022	
	Zhejiang Chouzhou Commercial Bank Co., Ltd.	BASF Shanshan Battery Materials Co., Ltd	Zhejiang Chouzhou Commercial Bank Co., Ltd.	BASF Shanshan Battery Materials Co., Ltd
discontinued operations				
Other comprehensive incomes	10,834,027.36	-18,604,486.03	-10,426,567.13	33,454,449.04
Total comprehensive income	2,064,876,669.96	-352,106,248.10	1,908,790,207.27	1,089,732,122.32
Dividends received from associates during the period			19,780,800.00	

Aggregated financial information of immaterial joint ventures and associates

	31 December 2023/Year 2023	31 December 2022/Year 2022
Joint ventures:		
Ningbo Liweineng Energy Storage System Co., Ltd.	134,407,552.35	145,799,892.81
Associates:		
Ningbo Airport Logistics Development Co., Ltd.	177,078,005.33	170,201,585.77
Ningbo Shanqi Property Services Co., Ltd.	38,686,044.96	38,181,724.89
Suiyong Holdings Co., Ltd.	858,249,784.06	914,162,081.51
Shanghai Shanshan Chuanghui Venture Capital Management Co., Ltd.	13,538,057.53	12,852,883.17
Anhui Shanyue Technology Co., Ltd.	3,845,141.83	4,156,627.26
Shanshan Brand Management Co., Ltd.	49,156,202.20	44,067,823.68
Shenzhen Yuanshan Private Equity Investment Management Co., Ltd.	4,561,404.34	5,219,577.82
Jiangxi Zhanxiao New Energy Technology Co., Ltd	15,527,859.97	16,633,698.51
Inner Mongolia Mengji New Carbon Materials Co., Ltd	90,529,485.36	93,011,322.95
Xinya Shanshan New Material Technology (Quzhou) Co., Ltd.	256,000,000.00	
Total book value of investments	1,641,579,537.93	1,444,287,218.37
Total of the following in proportion to shareholdings		
-Net profit	-86,160,511.96	289,854.16
-Other comprehensive incomes	969,525.87	-4,154,464.41
-Total comprehensive income	-85,190,986.09	-3,864,610.25

Excess losses incurred by joint ventures or associates

Name of joint venture or associate	Accumulated losses in the previous periods that are accumulated and unrecognized	Unrecognized loss in the current period (or net profit shared in the current period)	Accumulated unrecognized losses at the end of the period
Winsky Gaoke Group Co., Ltd.	-12,245,248.29	-10,833,001.02	-23,078,249.31

IX. Government Subsidies

(I) Categories, amount and presented items of government subsidies

1. Government subsidies included in current profits and losses

Assets related government subsidies

Category	Government subsidy amount	The amount recognized in the current period's profit and loss or offset against related cost and expense losses		Items included in current profit and loss or offset against related cost and expense losses
		2023	2022	
Deferred gains	589,233,816.17	24,985,116.09	23,331,071.67	Other gains
Total	589,233,816.17	24,985,116.09	23,331,071.67	

Gains related government subsidies

Category	Government subsidy amount	The amount recognized in the current period's profit and loss or offset against related cost and expense losses	
		Amount recognized in other income for 2023	Amount recognized in other income for 2022
Deferred gains	1,910,219.43	610,219.43	8,238,150.00
Directly recognized in other income	476,596,629.73	476,596,629.73	142,222,124.21
Total	478,506,849.16	477,206,849.16	150,460,274.21

2. Liability items involving government subsidies

Item	31 December 2022	Newly increased subsidy amount in this period	Amount included in non operating income for this period	Amount of other income transferred in this period	Current period offset cost expense amount	Changes of consolidation scope	Transfer to held for sale	31 December 2023	Assets Related/ Gains Related
Government subsidies related to industrial investment projects	314,196,870.90	115,561,600.00		12,579,212.11		-	-	417,179,258.79	Assets Related
Government subsidies related to industrial supporting projects	51,779,548.63	22,812,258.17		12,405,903.98		-1,840,533.43	11,566,900.00	48,778,469.39	Assets Related
Subsidies for high-tech enterprises	800,000.00	1,000,000.00		500,000.00		-	-	1,300,000.00	Gains Related
Other subsidies		110,219.43		110,219.43		-	-	-	Gains Related
Total	366,776,419.53	139,484,077.60		25,595,335.52		-1,840,533.43	11,566,900.00	467,257,728.18	

X. Risks associated with financial instruments

(I) Various risks arising from 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 analyse the various risks faced by the Company, establish an appropriate risk tolerance floor and manage the risks, and develop a risk management policy that minimizes risks without unduly affecting the company's competitiveness and resilience.

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

1. Credit risk

Credit risk is the risk that one party to a financial instrument will fail to meet its obligations, causing the other party to incur financial losses. The Company's credit risk mainly arises from cash at bank and on hand and receivables. In order to control the above related risks, the Company has taken the following measures respectively:

(1) Cash at bank and on hand

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

(2) Accounts receivable

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

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

As of 31 December 2023, the book value of accounts receivable within the scope of consolidated statements was CNY 4,664,088,132.51, accounting for 9.62% of the total assets

at the end of the period, representing an decrease of 0.66% year-over-year. The control of credit risk faces certain challenges, but under the implementation of the Company's strict risk management policy, the credit risk is still under control and the provision for impairment of accounts receivable already made is sufficient to cover its credit risk.

2. Liquidity risk

Liquidity risk is the risk that a company will run short of funds to meet its obligations settled by delivering cash or other financial assets. It is the Company's policy to ensure that it has sufficient cash to pay its debts as they fall due. Liquidity risk is centrally controlled by the Company's Finance and Capital Department. The Finance and Capital Department ensures that the Company has sufficient funds to service its debt with all reasonable projections by monitoring cash balances, readily realizable marketable securities and rolling projections of cash flows for the next 12 months.

As of 31 December 2023, the Company's current ratio of 1.31 and quick ratio of 0.79 were within a reasonable range, while the Company had other tools and strategies to protect against liquidity risk: First, as of 31 December, 2023, the Company and the consolidated subsidiaries had obtained bank credit facilities totalling CNY 36.395 billion, with CNY 18.513 billion in unused credit lines. Based on the Company's credit capacity and the bank's cooperative relationship, the Company can obtain bank financing in a short term. Second, the Company also has assets with good liquid such as the equity in Luoyang Molybdenum. Third, the Finance and Capital Department will make monthly statistics on the plan for the use of funds in the coming month and arrange a reasonable allocation of funds to improve the efficiency of the use of funds and reduce the flow risk.

3. Market risk

Market risk of financial instruments is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices, including 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 2023, the Company's bank borrowings totalled approximately CNY 16.816 billion, mainly bank borrowings with the benchmark interest rate (LPR) denominated in CNY floating up and down by a certain percentage; The Company has obtained 2.693 billion of medium- and long-term bank borrowings at the company level, and the maturity and interest rate structure of the financing is reasonable overall. The Company's Finance and Capital Department continuously monitors interest rate levels.

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

2. Exchange rate risk

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

3. Other price risk

The Company holds equity investments in other listed companies and the Management Layer believes that the market price risk to which these investment activities are exposed is acceptable.

Item	Ending Balance (Yuan)	BOY Balance (Yuan)
Investments in other equity instruments - -Investments in listed equity instruments	794,706,655.01	712,498,127.25
Total	794,706,655.01	712,498,127.25

As of 31 December 2023, with all other variables held constant, if the value of the Company's financial instruments held rose or fell by 10%, the net assets at the end of the reporting period would rise or fall by 0.34% accordingly, with little impact on the Company's net assets in the long run.

XI. Disclosure of fair value

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

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

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

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

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

(I) Ending fair value of assets and liabilities measured at fair value

Item	Fair value as of 31 December 2023			Total
	Level I fair value measurement	Level II fair value measurement	Level III fair value measurement	
I. Continuous fair value measurement				
◆ Held-for-trading financial assets				
1. Financial assets at fair value through profit or loss				
(1) Investment in debt instruments				
(2) Investment in equity instruments				
(3) Derivative financial assets				
(4) Others				
2. Financial assets designated at fair value through profit or loss				
(1) Investment in debt instruments				
(2) Others				
◆ Receivables financing			819,020,204.62	819,020,204.62
◆ Other debt investment				
◆ Investment in other equity	794,706,655.01		47,550,000.00	842,256,655.01

Item	Fair value as of 31 December 2023			Total
	Level I fair value measurement	Level II fair value measurement	Level III fair value measurement	
instruments				
(1) Investments in listed equity instruments	794,706,655.01			794,706,655.01
(2) Investments in unlisted equity instruments			47,550,000.00	47,550,000.00
◆ Other non-current financial assets		38,524,000.00	163,701,284.01	202,225,284.01
1. Financial assets measured at fair value through profit or loss		38,524,000.00	163,701,284.01	202,225,284.01
(1) Investment in debt instruments				
(2) Investment in equity instruments				
(3) Derivative financial assets				
(4) Others		38,524,000.00	163,701,284.01	202,225,284.01
2. Financial assets designated at fair value through profit or loss				
(1) Investment in debt instruments				
(2) Others				
◆ Investment properties				
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	794,706,655.01	38,524,000.00	1,030,271,488.63	1,863,502,143.64

(II) Basis for determining the market value of continuing and discontinuing Level-1 fair value measurement items

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

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

Item	Fair value as of 31 December 2023	Valuation technology
LP shares held in	38,524,000.00	The quoted prices of the shares of the companies in which the fund

Item	Fair value as of 31 December 2023	Valuation technology
limited partnerships		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 include Receivables financing and investments in other equity instruments. Receivables financing is valued using the discounted cash flow method. Investments in other equity instruments 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 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.

XII. Related parties and related transactions

(I) Information about the parent company of the Company

Parent company name	Place of registration	Business nature	Registered capital (CNY)	Parent company's shareholding ratio in the Company (%)	Parent company's voting right ratio in the Company (%)
Shanshan Group Co., Ltd.	26F, No. 777, Rili Middle Road, Shounan Street, Yinzhou District, Ningbo City, Zhejiang Province	Investment	310,028,900.00	34.64	35.69

Controlling shareholder of the Company: Shanshan Holdings Co., Ltd. and Shanshan Group Co., Ltd., In addition to the shares held by Shanshan Group Co., Ltd., Shanshan Holdings Co., Ltd. directly holds 72,212,189 shares of the company, accounting for 3.20%. Ningbo Pengze Trading Co., Ltd. directly holds 205,264,756 shares of the company, accounting for 9.09%. Ningbo Yinzhou Jielun Investment Co., Ltd. directly holds 77,873,254 shares of the company, accounting for 3.45%. Zheng Yonggang directly holds 655,267 shares of the company, accounting for 0.03%

(II) Information about the subsidiaries of the Company

For details of the Company's subsidiaries, see "VIII. Interests in Other Entities" of this Notes to Financial Statements.

(III) Information on the Company's joint ventures and associates

For details of the Company's significant joint ventures or associates, see "VIII. Interests in Other Entities" of this Notes to Financial Statements.

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	
Zhejiang Chouzhou Commercial Bank Co., Ltd.	An associate	
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	
Shanghai Shanshan Chuanghui Venture Capital Management Co., Ltd.	An associate	
Anhui Shanyue Technology Co., Ltd.	An associate	
Ningbo Shanqi Property Services Co., Ltd.	An associate	
BASF Shanshan Battery Materials Co., Ltd	An associate	
BASF Shanshan Battery Materials (Ningxiang) Co., Ltd.	An associate	
BASF Shanshan Battery Materials (Ningxia) Co., Ltd.	An associate	
Inner Mongolia Mengji New Carbon Materials Co., Ltd	An associate	
Inner Mongolia Hengsheng New Energy Technology Co., Ltd	An associate	Note 2
Suiyong Holdings Co., Ltd. .	An associate	
Jiangxi Zhanxiao New Energy Technology Co., Ltd	An associate	
Xinya Shanshan New Material Technology (Quzhou) Co., Ltd.	An associate	

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: Our company transferred the equity of Inner Mongolia Hengsheng New Energy Technology Co., Ltd. in May 2022, and the transaction amount reported is for the period from January to April of last year when Hengsheng was still a joint venture.

(IV) Information on other related parties

Names of other related parties	Relationship between other related parties and the Company
Jinzhou Jixiang Molybdenum Industry Co., Ltd.	Other enterprises of the ultimate controller

Ningbo Ligang Technology Service Co., Ltd.	Other enterprises of the ultimate controller
Ningbo Shanju Industrial Co., Ltd.	Other enterprises of the ultimate controller
Ningbo Shanqi Property Services Co., Ltd.	Other enterprises of the ultimate controller
Ningbo Shanshan Technology Venture Service Co., Ltd.	Other enterprises of the ultimate controller
Ningbo Shanshan Energy & Chemical Co., Ltd.	Other enterprises of the ultimate controller
Ningbo Shanshan Products Co., Ltd.	Other enterprises of the ultimate controller
Ningbo Shanxin Commercial Real Estate Management Co., Ltd.	Other enterprises of the ultimate controller
Ningbo Shunnuo Trading Co., Ltd.	Other enterprises of the ultimate controller
Ningbo Shanqi Packaging Products Co., Ltd.	Other enterprises of the ultimate controller
Shanshan Products Group Co., Ltd.	Other enterprises of the ultimate controller
Shanghai Juzi Business Consulting Co., Ltd.	Other enterprises of the ultimate controller
Shanghai Hongbao Business Consulting Co., Ltd.	Other enterprises of the ultimate controller
Shanghai Guju Business Consulting Co., Ltd.	Other enterprises of the ultimate controller
Shanghai Mingxu Import and Export Co., Ltd.	Other enterprises of the ultimate controller
Shanghai Shanshan Industrial Co., Ltd.	Other enterprises of the ultimate controller
Shanghai Yinkai Business Consulting Co., Ltd.	Other enterprises of the ultimate controller
Ningbo Yuantong Trading Co., Ltd.	Other enterprises with significant influence from ultimate controller
Shanghai Junsheng Tongda Real Estate Co., Ltd.	Actual control of enterprises with significant influence from ultimate controller
Ningbo Huafan Network Technology Co., Ltd.	Actual control of enterprises with significant influence from ultimate controller
Jiangsu Shanyuan Technology Co., Ltd.	Participating company
Beiben Heavy Duty Automobile Group Co., Ltd.	Non-controlling interests of subsidiaries

(V) Related transactions (Unless otherwise specified, the amount in this paragraph is CNY)

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 2023 (CNY)	Approved Transaction Limit (if applicable)	Whether Exceed the Transaction Limit (if applicable)	Year 2022 (CNY)	Explanation
Jiangsu Shanyuan Technology Co., Ltd.	Purchase goods	59,000.00			23,500.00	
Inner Mongolia Mengji New Carbon Materials Co., Ltd.	Purchase goods	135,944,700.00			492,540,600.00	
Inner Mongolia Hengsheng New Energy Technology Co.,	Purchase goods				149,150,700.00	

Related party	Contents of related transaction	Year 2023 (CNY)	Approved Transaction Limit (if applicable)	Whether Exceed the Transaction Limit (if applicable)	Year 2022 (CNY)	Explanation
Ltd						
Ningbo Yuantong Trading Co., Ltd.	Purchase goods	108,894,500.00				
Shanshan Brand Management Co., Ltd.	Purchase goods	5,340,200.00			5,339,600.00	
Ningbo New Airport International Logistics Co., Ltd.	Transportation expenses	6,205,900.00			13,476,400.00	
Ningbo Ligang Technology Service Co., Ltd.	Utilities, property fee	196,900.00			360,200.00	
Ningbo Shanshan Technology Venture Service Co., Ltd.	Property fee	1,775,000.00			1,233,800.00	
Ningbo Shunnuo Trading Co., Ltd.	Property fee				800.00	
Ningbo Shanli Packaging Products Co., Ltd.	Purchase goods	5,987,000.00				
Jiangxi Zhanxiao New Energy Technology Co., Ltd.	Purchase goods	376,000.00			6,808,600.00	
Jinzhou Jixiang Molybdenum Industry Co., Ltd.	Purchase vehicle				1,500,000.00	
Winsky Gaoke Group Co., Ltd.	Charging car service fee	127,400.00			3,089,800.00	
Total		264,906,600.00			673,524,000.00	

Note 1: Our company transferred the equity of Inner Mongolia Hengsheng New Energy Technology Co., Ltd. in May 2022, and the transaction amount reported is for the period from January to April of last year when Hengsheng was still a joint venture.

Information of commodities sold / labor services provided

Related party	Contents of related transaction	Year 2023	Year 2022
Winsky Gaoke Group Co., Ltd.	Charging car service fee		213,500.00
Anhui Liweineng Power Battery Co., Ltd.	Sales of goods	5,312,400.00	10,184,200.00
Ningbo Ligang Technology Service Co., Ltd.	Photovoltaic power sales		383,600.00
BASF Shanshan Battery Materials Co., Ltd.	Sales of goods	1,900.00	39,100.00
BASF Shanshan Battery Materials (Ningxia) Co., Ltd.	Sales of goods		500.00
BASF Shanshan Battery Materials Co., Ltd.	Financial services	914,500.00	6,645,200.00

Related party	Contents of related transaction	Year 2023	Year 2022
BASF Shanshan Battery Materials (Ningxiang) Co., Ltd.	Financial services		1,597,000.00
BASF Shanshan Battery Materials (Ningxia) Co., Ltd.	Financial services	528,700.00	154,900.00
Jiangxi Zhanxiao New Energy Technology Co., Ltd	Sales of goods	178,900.00	792,900.00
Shanshan Brand Management Co., Ltd.	Utilities, property fee	333,300.00	543,600.00
Jiangxi Zhanxiao New Energy Technology Co., Ltd	Utilities, property fee	3,300.00	3,500.00
Jiangsu Shanyuan Technology Co., Ltd.	Utilities, property fee		500.00
Shanghai Shanshan Chuanghui Venture Capital Management Co., Ltd.	Utilities, property fee	121,200.00	106,000.00
Ningbo Shanshan Products Co., Ltd.	Utilities, property fee		100.00
Ningbo Liweineng Energy Storage System Co., Ltd.		62,800.00	108,600.00
Total		7,457,000.00	20,773,200.00

2. Related leases

The Company as the lessor:

Name of lessee	Types of leased assets	Lease income recognized in 2023	Lease income recognized in 2022
Shanshan Brand Management Co., Ltd.	House and building	2,305,900.00	2,973,600.00
Ningbo Liweineng Energy Storage System Co., Ltd.	House and building	633,800.00	1,105,900.00
Jiangxi Zhanxiao New Energy Technology Co., Ltd	House and building	35,400.00	35,800.00
Ningbo Shanju Industrial Co., Ltd.	House and building	109,600.00	109,600.00
Shanghai Shanshan Chuanghui Venture Capital Management Co., Ltd.	House and building	751,800.00	731,400.00
Ningbo Shanxin Commercial Real Estate Management Co., Ltd	House and building	437,600.00	825,400.00
Ningbo Shanshan Products Co., Ltd	House and building	436,600.00	695,100.00
Shanshan Products Group Co., Ltd.	House and building	561,400.00	295,500.00
Ningbo Shanshan Energy & Chemical Co., Ltd.	House and building	882,100.00	882,100.00
Shanghai Shanshan Industrial Co., Ltd.	House and building		346,800.00

Name of lessee	Types of leased assets	Lease income recognized in 2023	Lease income recognized in 2022
Shanshan Brand Management Co., Ltd.	House and building	2,305,900.00	2,973,600.00
Ningbo Liweineng Energy Storage System Co., Ltd.	House and building	633,800.00	1,105,900.00
Jiangxi Zhanxiao New Energy Technology Co., Ltd	House and building	35,400.00	35,800.00
Ningbo Shanju Industrial Co., Ltd.	House and building	109,600.00	109,600.00
Shanghai Shanshan Chuanghui Venture Capital Management Co., Ltd.	House and building	751,800.00	731,400.00
Ningbo Shanxin Commercial Real Estate Management Co., Ltd	House and building	437,600.00	825,400.00
Ningbo Shanshan Products Co., Ltd	House and building	436,600.00	695,100.00
Shanshan Products Group Co., Ltd.	House and building	561,400.00	295,500.00
Ningbo Shanshan Energy & Chemical Co., Ltd.	House and building	882,100.00	882,100.00
Shanghai Shanshan Industrial Co., Ltd.	House and building		346,800.00
Total		6,154,200.00	8,001,200.00

The Company as the lessee:

Name of lessor	Types of leased assets	Year 2023					Year 2022				
		Rental costs for short-term leases and leases of low-value assets that are streamlined	And variable lease payments that are not included in the measurement of the lease liability	Rent paid	Interest expense on lease liabilities assumed	Increased right-to-use assets	Rental costs for short-term leases and leases of low-value assets that are streamlined	And variable lease payments that are not included in the measurement of the lease liability	Rent paid	Interest expense on lease liabilities assumed	Increased right-to-use assets
Ningbo Ligang Technology Service Co., Ltd.	House and building			3,419,200.00	74,700.00	3,302,900.00			3,237,300.00	196,900.00	6,472,400.00
Ningbo Shunnuo Trading Co., Ltd.	House and building			371,900.00	6,500.00	268,700.00	40,000.00		742,000.00	21,800.00	1,002,100.00
Shanshan Holdings Co., Ltd.	House and building								3,196,500.00	588,200.00	-26,910,100.00
Shanghai Junsheng Tongda Real Estate Co., Ltd	House and building			15,070,700.00	1,666,900.00					720,400.00	50,873,200.00
Shanshan Group Co., Ltd.	House and building			1,063,700.00	107,600.00	3,010,000.00			451,700.00	45,700.00	1,278,300.00
Shanghai Juzi Business Consulting Co., Ltd	House and building			1,520,100.00	161,700.00	4,276,100.00					

Name of lessor	Types of leased assets	Year 2023					Year 2022				
		Rental costs for short-term leases and leases of low-value assets that are streamlined	And variable lease payments that are not included in the measurement of the lease liability	Rent paid	Interest expense on lease liabilities assumed	Increased right-to-use assets	Rental costs for short-term leases and leases of low-value assets that are streamlined	And variable lease payments that are not included in the measurement of the lease liability	Rent paid	Interest expense on lease liabilities assumed	Increased right-to-use assets
Shanghai Guju Business Consulting Co., Ltd	House and building			2,236,900.00	238,000.00				2,236,900.00	330,600.00	8,198,800.00
Shanghai Hongbao Business Consulting Co., Ltd.	House and building			2,236,900.00	238,000.00				2,236,900.00	330,600.00	8,198,800.00
Shanghai Yinkai Business Consulting Co., Ltd.	House and building			1,518,600.00	161,600.00				1,518,600.00	224,400.00	5,565,900.00
Total				27,438,000.00	2,655,000.00	10,857,700.00	40,000.00		13,619,900.00	2,458,600.00	54,679,400.00

Explanation of related leases: The prices of related leases are consistent with the leasing prices of other non related parties in the same period.

3. Related guarantees

The Company as the guarantor:

Guaranteed party	Guarantee amount	Guarantee start date	Guarantee expiration date	Amount used as of the end of the period	Whether the guarantee has been fulfilled
BASF Shanshan Battery Materials Co., Ltd	210,000,000.00	2022/10/8	2023/12/21		Yes
BASF Shanshan Battery Materials Co., Ltd	220,000,000.00	2022/10/8	2023/12/21		Yes
BASF Shanshan Battery Materials Co., Ltd	422,745,100.00	2023/12/21	2024/4/10	226,188,500.00	No
Xinya Shanshan New Material Technology (Quzhou) Co., Ltd	147,000,000.00	2022/9/9	2023/9/26		Yes
Xinya Shanshan New Material Technology (Quzhou) Co., Ltd	66,000,000.00	2021/8/25	2023/12/18		Yes
Xinya Shanshan New Material Technology (Quzhou) Co., Ltd	42,719,900.00	2021/5/6	2023/5/6		Yes
Total:	1,108,465,000.00			226,188,500.00	

The Company as the guaranteed party:

Guarantor	Guarantee amount	Guarantee start date	Guarantee expiration date	Guaranteed borrowings balance (with margin deducted, excluding accrued interest at the end of the period)	Amount used as of the end of the period	Whether the guarantee has been fulfilled
Shanshan Group Co., Ltd.	500,000,000.00	2022/6/28	2024/2/27	300,000,000.00	300,000,000.00	No
Shanshan Group Co., Ltd.	200,000,000.00	2021/9/3	2024/9/3	200,000,000.00	200,000,000.00	No
Shanshan Group Co., Ltd.	100,000,000.00	2022/3/24	2028/3/11	100,000,000.00	100,000,000.00	No
Shanshan Group Co., Ltd.	400,000,000.00	2022/12/14	2025/12/14	250,000,000.00	250,000,000.00	No
Shanshan Holdings Co., Ltd.	200,000,000.00	2022/3/31	2025/3/31	200,000,000.00	200,000,000.00	No
Shanshan Holdings Co., Ltd.	3,000,000,000.00	2021/1/19	2026/1/19	1,427,340,000.00	1,427,340,000.00	No
Total:	4,400,000,000.00			2,477,340,000.00	2,477,340,000.00	

4. Inter-bank lending of related parties

Related party	2023			2022		
	Accumulated amount of inter-bank lending	Accumulated repaid amount	31 December 2023	Accumulated amount of inter-bank lending	Accumulated repaid amount	31 December 2022
Shanshan Holdings Co., Ltd.	808,000,000.00	728,000,000.00	80,000,000.00	830,000,000.00	830,000,000.00	-
			Note			

Note: The ending balance of CNY 80,000,000.00 and the total interest settled at the bank loan interest rate for the same period of CNY 21,637,900.00 have been received after the period.

5. Other fund transactions with related parties

In November 2023, the company received a cumulative transfer of CNY 2713 million Yuan from its controlling shareholder, Shanshan Holdings, and immediately returned it to Shanshan Holdings. The above funds are industrial fund loans negotiated by Shanshan Holdings for the company. Due to significantly higher interest rates than other financing rates available to the company, they have been refunded.

6. Other related transactions

(1) In 2023, the company and its subsidiaries did not receive any bank loans from Zhejiang Chouzhou Commercial Bank Co., Ltd. As of 31 December 2023, the deposit balance of the company and its subsidiaries with Zhejiang Chouzhou Commercial Bank Co., Ltd. was CNY 50,940,300.00 Yuan, and the interest income for 2023 was CNY 2,833,300.00 Yuan.

(2) Ningbo Shanshan Co., Ltd. plans to purchase an entire office building at Junkang Finance Plaza as its headquarters. The Junkang Finance Plaza, located in the Binjiang Back Bund in Shanghai, has a total of 5 office buildings and is a property under the name of Shanghai Junsheng Tongda Real Estate Co., Ltd. (hereinafter referred to as "Junsheng Tongda"). The intended selling price for Building A is not less than CNY 75,000 Yuan/ square meter, with a selling area of approximately 11,946.78 square meters. The ultimate controller of Junsheng Tongda is Ningbo Huafan Network Technology Co., Ltd. (hereinafter referred to as "Ningbo Huafan"). Shanshan prepaid a house purchase intention deposit to Ningbo Huafan in January 2023. However, due to uncertainty in the processing time of birth certificate, the transaction was suspended. In June 2023, CNY 45 million Yuan was refunded, with a year-end balance of CNY 70 million Yuan. During the prepayment period, the funds were calculated at the same period bank loan interest rate. The transaction will restart again after the period.

(3) In December 2023, Ningbo Shanshan Venture Capital Investment Co., Ltd. (hereinafter referred to as Ningbo Venture Capital), a subsidiary of the Company, and Shanghai Shanshan Chuanghui Venture Capital Management Co., Ltd. (hereinafter referred to as Shanghai Chuanghui) signed an equity transfer agreement to transfer the 60% equity interest of Shanghai Shanchuang Mining Investment Co., Ltd. held by Ningbo Venture Capital to Shanghai Shanhui for a price of 12.27 million yuan, and the disposal proceeds were 3.17 million yuan. As of the end of 2023, Shanghai Chuanghui has received a consideration of 6.135 million yuan as agreed in the contract, and the two parties have completed the equity delivery procedures, and the remaining transfer money will be collected before December 31, 2024.

(VI) Receivables and payables of associated parties**1. Receivable items**

Item name	Related party	31 December 2023		31 December 2022	
		Book balance	Bad debt provision	Book balance	Bad debt provision
Accounts receivable					
	Anhui Liweineng Power Battery Co., Ltd.	1,278,800.00	63,900.00	5,698,000.00	284,900.00
	BASF Shanshan Battery Materials (Ningxia) Co., Ltd.			600.00	
	Jiangsu Shanyuan Technology Co., Ltd.			261,200.00	26,100.00
	Jiangxi Zhanxiao New Energy Technology Co., Ltd	778,200.00	38,900.00	776,700.00	38,800.00
	Ningbo Liweineng Energy Storage System Co., Ltd.	4,069,300.00	812,900.00	3,814,100.00	190,700.00
	Ningbo Ligang Technology Service Co., Ltd.			9,900.00	500.00
	Ningbo Shanxin Commercial Real Estate Management Co., Ltd			623,300.00	31,200.00
	Shanshan Brand Management Co., Ltd.	154,300.00	7,700.00	227,300.00	11,400.00
Prepayments					
	Ningbo Yuantong Trading Co., Ltd.	9,109,200.00			
Other receivables					
	Beiben Heavy Duty Automobile Group Co., Ltd.	55,980,400.00	39,186,300.00	55,980,400.00	33,588,300.00
	Jinzhou Jixiang Molybdenum Industry Co., Ltd.			130,000,000.00	
	Ningbo Liweineng Energy Storage System Co., Ltd.	1,199,900.00	600,000.00	1,771,900.00	886,000.00
	Suiyong Holdings Co., Ltd. .	4,500,000.00		4,500,000.00	
	Ningbo Huafan Network Technology Co., Ltd.	9,682,500.00			
	Shanshan Holdings Co., Ltd.	101,637,900.00			
	Shanghai Shanshan Chuanghui Venture Capital Management Co., Ltd.	6,135,000.00	306,750.00		
Other non-current assets					
	Ningbo Huafan Network Technology Co., Ltd.	70,000,000.00			

2. Payable items

Project name	Related party	31 December 2023	31 December 2022
Accounts payable			
	Jiangsu Shanyuan Technology Co., Ltd.	7,000.00	6,800.00
	Inner Mongolia Mengji New Carbon Materials Co., Ltd	25,867,100.00	5,235,600.00
	Ningbo Liweineng Energy Storage System Co., Ltd.	748,000.00	748,000.00
	Ningbo New Airport International Logistics Co., Ltd.	7,500.00	2,062,300.00
	Shanshan Brand Management Co., Ltd.	1,839,600.00	1,325,700.00
	Ningbo Shanli Packaging Products Co., Ltd.	2,621,100.00	
Other payables			
	Anhui Shanyue Technology Co., Ltd.	18,200.00	18,200.00
	Jiangsu Shanyuan Technology Co., Ltd.		6,500.00
	Jiangxi Zhanxiao New Energy Technology Co., Ltd		13,500.00
	Ningbo Liweineng Energy Storage System Co., Ltd.	82,700.00	85,900.00
	Ningbo Shanqi Property Services Co., Ltd.	7,075,100.00	7,075,100.00
	Ningbo Shanshan Energy & Chemical Co., Ltd.	154,400.00	154,400.00
	Ningbo Shanshan Products Co., Ltd	88,200.00	88,200.00
	Ningbo Shanxin Commercial Real Estate Management Co., Ltd	164,900.00	164,900.00
	Ningbo New Airport International Logistics Co., Ltd.	1,008,000.00	730,000.00
	Shanshan Brand Management Co., Ltd.	607,100.00	607,100.00
	Shanshan Products Group Co., Ltd.	40,000.00	40,000.00
	Shanghai Mingxu Import & Export Co., Ltd.		22,100.00
	Shanghai Shanshan Industrial Co., Ltd.	146,300.00	146,300.00
Advances from customers			
	Ningbo Shanshan Energy & Chemical Co., Ltd.	449,900.00	
	Ningbo Shanxin Commercial Real Estate Management Co., Ltd	108,300.00	

XIII. Share-based payment**(I) Share payment in general**

Granting Object	equity instruments expired in this period	
	Quantity	Amount
Stock Options of 2022	19,932,410.00	22,871,829.04
Restricted Stock of 2022	8,061,940.00	25,303,655.51
Total	27,994,350.00	48,175,484.55

Share options or other equity instruments issued to the public as of 31 December 2023

Granting Object	Share options issued to the public as of 31 December 2023		Other equity instruments issued to the public as of 31 December 2023	
	The range of exercise price	Contract remaining period	The range of exercise price	Contract remaining period
Stock Options of 2022	27.55	27 months		
Restricted Stock of 2022			14.09	29 months

(II) Equity-settled share-based payments

Item	Share Options of 2022	Restricted Stock of 2022
Method for recognizing the fair value of equity instruments on the grant date	Use the option <i>bs</i> model to value the equity of the company on the grant date and recognize its fair value.	The fair value of the company's stock on the grant date (calculated based on the closing price of the company's listed A-shares on that day)
Important parameters of fair value of equity instruments on grant date	Stock market price	Expected time before maturity, historical volatility, dividend yield, risk-free return, exercise price, market price of the stock
Basis for recognizing the amount of exercisable equity instruments	During the waiting period, on each balance sheet date, the best estimate is made based on the latest changes in the number of vested employees, the performance conditions for vesting/unlocking sales, and whether performance appraisals have been completed and other follow-up information., and the estimated quantity of eligible equity instruments is corrected	
Reasons for significant differences between the current estimate and the previous estimate	No	
Accumulated amount of equity settled share based payments recognized in capital reserves	76,970,256.47	

(III) The company has no cash-settled share-based payment**(IV) Share-based payment expenses**

Granting Object	31 December 2023			31 December 2022		
	Equity-settled share-based payments	Cash-settled share-based payment	Total	Equity-settled share-based payments	Cash-settled share-based payment	Total
Stock Options of 2022	2,674,907.13		2,674,907.13	42,323,223.96		42,323,223.96
Restricted Stock of 2022	-5,110,734.21		-5,110,734.21	37,082,859.59		37,082,859.59
Total	-2,435,827.08		-2,435,827.08	79,406,083.55		79,406,083.55

(V) The company has no modification or termination of share-based payments this year**XIV. Commitments and contingencies****(I) Important commitments****1. Mortgaged and pledged assets**

Item	Original value of collateral	Net value of collateral	
Intangible assets - borrowings mortgage and pledge	1,191,934,172.24	1,142,355,062.57	Note 1
Fixed assets - borrowings mortgage	938,953,708.83	838,277,578.76	Note 1
Construction in process- borrowings mortgage	359,278,078.97	359,278,078.97	Note 1
Fixed assets- lease	2,386,372,599.59	1,928,155,440.14	Note 2
Total	4,876,538,559.63	4,268,066,160.44	

Note 1: The specific situation of bank credit by using assets to mortgage is as follows:

Mortgage Item	Net value of collateral	Beneficiary Bank	Credit terms	Credit limit	Balance of long-term borrowings due within one year	Long-term borrowing	Credit used total amount
House, land	262,915,102.78	Ningde Branch of Bank of Xiamen	Mortgage and guarantee	250,000,000.00	30,232,074.41	190,236,043.66	220,468,118.07
Land	128,345,556.60	Bank group including Industrial Bank	Mortgage and guarantee	3,800,000,000.00	862,743.29	1,277,265,668.48	1,278,128,411.77
Land	280,904,912.69	Industrial Bank	Mortgage and guarantee	1,500,000,000.00	1,338,687.89	1,268,230,635.11	1,269,569,323.00
Land	261,720,461.05	China Merchants Bank	Mortgage and guarantee	950,000,000.00	43,194,704.09	510,792,266.44	553,986,970.53
Land	117,343,740.74	Bank group including Industrial Bank	Mortgage and guarantee	2,550,000,000.00	263,358.45	239,416,770.26	239,680,128.71
House, land	394,372,014.64	Shanghai Rural	Mortgage and	360,000,000.00	226,163.45	284,092,581.10	284,318,744.55

Mortgage Item	Net value of collateral	Beneficiary Bank	Credit terms	Credit limit	Balance of long-term borrowings due within one year	Long-term borrowing	Credit used total amount
		Commercial Bank Lingang New Area Sub-branch	guarantee				
Land	53,572,378.53	Gaoshengqiao Sub-branch of Bank of Chengdu	Mortgage and guarantee	1,300,000,000.00	2,058,055.56	48,000,000.00	50,058,055.56
Land	47,213,001.49	Suzhou Branch of Bank of Jiangsu	Mortgage and guarantee	1,250,000,000.00	262,777.78	200,000,000.00	200,262,777.78
House, land	793,523,551.78	Ningbo Branch of the Export-Import Bank of China	Mortgage	400,000,000.00	85,237,126.39	102,000,000.00	187,237,126.39
Total	2,339,910,720.30			12,360,000,000.00	163,675,691.31	4,120,033,965.05	4,283,709,656.36

Note 2: The subsidiaries of Inner Mongolia Shanshan New Material Co., Ltd., Inner Mongolia Shanshan Technology Co., Ltd., Fujian Shanshan Technology Co., Ltd., Chenzhou Shanshan New Material Technology Co., Ltd. and Sichuan Shanshan New Material Co., Ltd. rented the equipment in the form of financial lease. By the end of the period, the situation is as follows:

Company	Net value of fixed assets	Balance of long-term accounts payable due within one year	Balance of long-term account payable	Leasing liabilities due within one year:	Balance of Leasing liabilities
Fujian Shanshan Technology Co., Ltd.	110,342,639.13	46,666,666.64	180,876.54		
Inner Mongolia Shanshan New Material Co., Ltd.	131,339,610.03	76,677,800.14			
Inner Mongolia Shanshan New Material Co., Ltd.	76,129,837.80			30,202,315.89	
Inner Mongolia Shanshan Technology Co., Ltd.	299,735,097.49	226,196,708.45	30,655,220.90		
Inner Mongolia Shanshan Technology Co., Ltd.	133,605,074.79			58,172,585.56	-
Chenzhou Shanshan New Material Technology Co., Ltd.	139,358,341.87	42,981,718.68	46,850,447.39		
Sichuan Shanshan New Material Co., Ltd.	750,984,209.62	232,889,541.28	419,444,903.17		
Sichuan Shanshan New Material Co., Ltd.	286,660,629.41			117,861,967.62	30,299,422.97
Total	1,928,155,440.14	625,412,435.19	497,131,448.00	206,236,869.07	30,299,422.97

2. Assets Pledge

Pledged assets	Carrying amount	Contents of guaranteed debts
Other cash balances - bank acceptance deposit	308,617,536.41	Bank acceptance bill issued

Pledged assets	Carrying amount	Contents of guaranteed debts
Other cash balances - letter of credit deposit	406,166,690.26	Letter of credit issued
Other cash balances - guarantee deposit	143,328,755.50	Guarantee issued
Other cash balances - other deposits	102,266,316.66	Borrowing
Account receivable	127,774,206.95	Borrowing
Suzhou Shanjin equity	Note 1	Borrowing

Note 1: In this year, Ningbo Shanshan Co., Ltd. pledged 95% of its equity in Shanjin Optoelectronics (Suzhou) Co., Ltd. to obtain the loan. As of 31 December 2023, the situation is as follows:

Limited project	Creditor	Long-term borrowings	Non-current liabilities due within one year
Suzhou Shanjin equity	China Merchants Bank, China Construction Bank, Shanghai Rural and Commercial Bank	2,024,000,000.00	486,176,082.23

3. Outstanding letters of credit

Currency	Amount in original currency
USD	4,407,500.00
CNY	16,179,333.87
Japanese yen	12,438,827,260.00

4. Outstanding letters of guarantee

Category	Currency	Amount in original currency
Procurement	EUR	469,623.96
Quality guarantee	CNY	3,040,000.00
Aggregate taxation guarantee	CNY	172,000,000.00
Business merger guarantee	CNY	281,369,780.00

5. Agreed expenditure

- 1) The company's subsidiary Shanjin Optoelectronics (Suzhou) Co., Ltd. and its wholly-owned subsidiary Shanjin Optoelectronics (Guangzhou) Co., Ltd. proposed to acquire LG CHEM, LTD.'s SP business ("SP business" refers to (1) special polarizer products used for organic light-emitting diode (OLED) displays; and (2) LCD polarizer products in the automotive LCD business and those that can be used on or for Apple

and/or its affiliates) and related assets in Chinese Mainland, South Korea and Vietnam at an initial transfer price of CNY 1,406,848,900.00 Yuan; The final price will be adjusted based on factors such as the initial transfer price, normalized inventory value, and delivery inventory value. This transaction has been approved by the General Manager's Office Meeting and signed the SP Business Framework Agreement with LG Chemical and its related subsidiaries on 27 September 2023. China Construction Bank Co., Ltd. Ningbo Branch and the Company issue a business merger and acquisition guarantee based on the SP Business Framework Agreement (Basic Matters or Basic Contract). This transaction still requires approval from relevant departments.

- 2) Other main expenditure items agreed in the contract signed by the company are as follows:

Item	Content	Amount
Main Construction Projects		
Shanjin Mianyang project	Construction in process	446,549,154.26
Shanjin Zhangjiagang project	Construction in process	155,532,401.41
Yunnan Anning integrated base project for annual production of 300000 tons of Lithium Ion Battery negative electrode materials	Construction in process	1,045,721,136.03
Sichuan Phase I integrated base project for annual production of 200000 tons of Lithium Ion Battery negative electrode materials	Construction in process	697,530,934.16
Total		2,345,333,625.86

(II) Contingency

1. Important contingencies existing on Balance Sheet date

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	Leases	Actual use limit at the end of the period
Subsidiaries within the consolidation scope guaranteed by the company	20,050,533,794.20	8,684,559,694.85	817,028,605.47	825,118,236.42	1,291,209,393.12	11,617,915,929.87
Subsidiaries within the consolidation scope guaranteed mutually	1,079,600,000.00	84,962,075.14				84,962,075.14
Company guaranteed by subsidiaries within the consolidation	675,000,000.00	300,348,333.34				300,348,333.34

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	Leases	Actual use limit at the end of the period
scope						
Company guaranteed by ultimate controller	4,400,000,000.00	2,496,539,262.78				2,496,539,262.78
Associate guaranteed by the company	422,745,098.04	226,188,500.00				226,188,500.00

2. Pending litigation

Litigation with the company as the plaintiff

Plaintiff	Defendant	Prosecution time	Amount of litigation	Book amount receivable at the end of the period	Proportion of accrued bad debt reserves (%)	Estimated liability	Case progress
Ningbo Ulica Solar Co., Ltd.	ZJ Co., Ltd.	Year 2020	Pay for the last payment of goods, interest, guarantee fee and lawyer's fee, totalling CNY 1,106,974.02	995,490.63	100	1,964,369.13	The final judgment was made on January 16, 2024, and it is expected that compensation of 1,964,369.13 will be required. Estimated liabilities have been provisioned

Litigation with the company as the defendant

Plaintiff	Defendant	Prosecution time	Litigation request	Estimated liabilities	Case progress
Zhejiang Zhonggong New Energy Technology Co., Ltd	Ningbo Ulica Solar Co., Ltd.	Year 2023	Payment settlement for distributed photovoltaic power station project of former subsidiary	12,290,000.00	Settlement reached on 8 January 2024
Jiaxing People's Procuratorate	Ningbo Ulica Solar Co., Ltd.	25 September 2023	Pay a total of CNY 493,210.06 Yuan for the ecological environment damage caused by the illegal disposal of 204.76 tons of industrial solid waste, ecological environment damage investigation, identification and evaluation fees, sludge transportation fees, sludge disposal fees, on-site emergency disposal fees,	493,210.06	Still in arbitration

Plaintiff	Defendant	Prosecution time	Litigation request and identification and evaluation fees	Estimated liabilities	Case progress
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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	4,627,840.70	100	Settlement reached but not repaid according to schedule

4. Miscellaneous

In April 2023, the company sold 90.035% equity of Ningbo Shanxin Photovoltaic Energy Management Co., Ltd., which operates a distributed photovoltaic rooftop power station business, to Shanghai Ronghe Green Energy New Energy Development Co., Ltd. After the delivery, multiple incidents occurred that required the dismantling and construction of mobile photovoltaic equipment due to the reasons of the site owner, as well as the situation where the transferee claimed that the delivered power station had quality problems and needed renovation. However, the relevant matters involved both parties, the property owners, and some industrial park owners. The division of responsibilities, determination of losses, and negotiation of responsibilities among all parties were very complex. Currently, The company's current estimate of possible losses is CNY 11.4 million, and estimated liabilities have been accrued.

XV. Matters after the balance sheet date

Profit distribution

Profit or dividends to be distributed	438,585,378.60
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According to the resolution of the 8th meeting of the 11st board of directors of the company on April 24, 2024, the company intends to distribute a cash dividend of CNY 2.00 (tax included) per 10 shares to all shareholders based on the number of shares that should be allocated registered on date of record for the distribution of shares in 2023. The number of shares that should be allocated equals to the total share capital minus the number of shares in the company's special account for repurchase. As of the date when the board of directors considers the profit distribution plan, the company should allocate 2,192,926,893 shares (total share capital 2,258,223,223 shares, and the number of shares in the company's special account for repurchase is 65,296,330 shares). According to the distribution plan, the corporate needs to pay a cash dividend of CNY 438,585,378.60 (tax included). There is no plan for converting capital reserve into share capital this year. The above plan still needs to be submitted to the company's 2023 annual general meeting of shareholders for approval.

XVI. Other important matters

(I) Segment information**1. Basis of determination of report segments and accounting policies**

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

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

2. Financial information for report segments

Item	Polarizer segment	Lithium Battery Material Segment	New energy vehicle	Energy management	Investment	Others	Inter-segment offset	Total disclosure
	Current Amount	Current Amount	Current Amount	Current Amount	Current Amount	Current Amount	Current Amount	Current Amount
I. External transaction income	10,408,147,114.31	7,422,446,046.09	3,793,185.32	1,181,694,406.63	-	89,630,616.75	-	19,105,711,369.10
II. Operating income from inter-segment transactions	-	-	-	-	-	-	-	-35,486,204.15
III. External transaction cost	8,318,377,727.35	6,548,523,727.53	3,609,332.83	1,109,822,169.02	-	16,773,674.74	-	15,997,106,631.47
IV. Inter-segment transaction cost	-	-	-	-	-	-	-	-19,895,539.40
V. Total assets	15,655,374,485.55	22,491,258,021.26	283,024,613.25	510,478,436.95	1,292,178,356.45	12,105,067,802.41	-3,862,415,720.12	48,474,965,995.75
VI. Total liabilities	4,723,993,166.69	14,500,302,634.03	459,465,383.00	438,588,378.77	58,360,538.25	8,669,981,615.87	-3,968,581,404.42	24,882,110,312.19

(II) The main impact of implementing the *Preparation Convention of Information Disclosure by Companies Offering Securities to the Public No. 15-General Rules on Financial Reporting (Revised in 2023)*

When preparing these financial statements, the company disclosed relevant financial information in accordance with the requirements of the *Preparation Convention of Information Disclosure by Companies Offering Securities to the Public No. 15-General Rules on Financial Reporting (Revised in 2023)* issued by the China Securities Regulatory Commission on 22 December 2023. Except for financial instruments, inventory, impairment of long-term assets, operating revenue, cash flow, share-based payments, R&D expenses, government subsidies, the implementation of this regulation did not have a significant impact on the disclosure format of major financial data for comparable accounting periods of other items.

XVII. 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 2023	31 December 2022
Within 1 year	3,959,016.93	5,544,383.91
1-2 years	1,983,578.15	
2-3 years		323,520.41
3-4 years	71,285.23	
4-5 years		
Above 5 years	578,643.93	1,175,435.91
Subtotal	6,592,524.24	7,043,340.23
Less: Bad debt provision	1,008,725.33	1,599,610.89
Total	5,583,798.91	5,443,729.34

2. Accounts receivable disclosed by bad debt provision method

Category	31 December 2023					31 December 2022				
	Book balance		Bad debt provision		Book value	Book balance		Bad debt provision		Book value
	Amount	Proportion (%)	Amount	Withdrawal ratio (%)		Amount	Proportion (%)	Amount	Withdrawal ratio (%)	
Provision for bad debts made on an individual basis										
Of which:										
Accounts receivable whose amounts are not considered individually significant but whose bad debt provision shall be withdrawn individually										
Provision for bad debts made on a portfolio basis	6,592,524.24	100.00	1,008,725.33	15.30	5,583,798.91	7,043,340.23	100.00	1,599,610.89	22.71	5,443,729.34
Of which:										
Combination of related parties	2,214,720.89	33.59	640,408.70	28.92	1,574,312.19	1,966,312.53	27.92	627,988.28	31.94	1,338,324.25
Account age portfolio	4,377,803.35	66.41	368,316.63	8.41	4,009,486.72	5,077,027.70	72.08	971,622.61	19.14	4,105,405.09
Total	6,592,524.24	100.00	1,008,725.33		5,583,798.91	7,043,340.23	100.00	1,599,610.89		5,443,729.34

Provision for bad debts is made on a account age portfolio basis:

Name	31 December 2023		
	Accounts receivable	Bad debt provision	Withdrawal ratio (%)
Within 1 year	3,052,096.17	152,604.81	5.00
1-2 years	1,233,328.18	123,332.82	10.00
2-3 years			
3-4 years			
4-5 years			
Above 5 years	92,379.00	92,379.00	100.00
Total	4,377,803.35	368,316.63	

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

Category	31 December 2022	Amount of change in the current period			31 December 2023
		Accrual	Recovery or reversal	Transfer or write-off	
Bad debt provision	1,599,610.89	5,906.42		596,791.98	
Total	1,599,610.89	5,906.42		596,791.98	

4. Actual accounts receivable write-off in this period

Item	Write-off Amount
Actual write-off accounts receivable	596,791.98

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

Unit Name	31 December 2023		
	Accounts receivable	Proportion in total accounts receivable (%)	Bad debt provision
Ningbo Liweineng Energy Storage System Co., Ltd.	1,966,013.63	29.82	159,967.09
Shanghai Shanshan New Energy Technology Developemnt Co., Ltd.	950,249.97	14.41	47,512.50
Inner Mongolia Shanshan Technology Co., Ltd.	706,920.74	10.72	35,346.04
Ningbo Shanshan Fashion Co., Ltd.	669,540.51	10.16	33,477.03
Ningbo Shanshan Automobile Co., Ltd.	557,550.16	8.46	557,550.16
Total	4,850,275.01	73.57	833,852.82

(II) Other receivables

Item	31 December 2023	31 December 2022
Interest receivable		
Dividend receivable	4,500,000.00	4,500,000.00
Other receivables	3,006,622,040.54	6,520,585,599.39
Total	3,011,122,040.54	6,525,085,599.39

1. Dividend receivable

Item (or Invested unit)	31 December 2023	31 December 2022
Suiyong Holdings Co., Ltd.	4,500,000.00	4,500,000.00
Subtotal	4,500,000.00	4,500,000.00
Less: Bad debt provision		
Total	4,500,000.00	4,500,000.00

2. Other receivables

(1) Disclosure by account age

Account age	31 December 2023	31 December 2022
Within 1 year	1,989,789,280.57	6,383,751,165.49
1-2 years	947,209,773.58	198,317.14
2-3 years	160,887.34	49,911,440.00
Above 3 years		
3-4 years	42,000,000.00	7,100,000.00
4-5 years	7,100,000.00	1,771,945.70
Above 5 years	287,809,666.14	300,024,239.31
Subtotal	3,274,069,607.63	6,742,757,107.64
Less: Bad debt provision	267,447,567.09	222,171,508.25
Total	3,006,622,040.54	6,520,585,599.39

(2) Disclosure by bad debt provision method

Category	31 December 2023					31 December 2022				
	Book balance		Bad debt provision		Book value	Book balance		Bad debt provision		Book value
	Amount	Proportion (%)	Amount	Withdrawal ratio (%)		Amount	Proportion (%)	Amount	Withdrawal ratio (%)	
Provision for bad debts made on an individual basis	78,702,326.10	2.40	39,498,846.40	50.19	39,203,479.70	82,996,778.12	1.23	56,555,085.27	68.14	26,441,692.85
Of which:										
Individually insignificant but separately accrued	78,702,326.10	2.40	39,498,846.40	50.19	39,203,479.70	82,996,778.12	1.23	56,555,085.27	68.14	26,441,692.85
Provision for bad debts made on a portfolio basis	3,195,367,281.53	97.60	227,948,720.69	7.13	2,967,418,560.84	6,659,760,329.52	98.77	165,616,422.98	2.49	6,494,143,906.54
Total	3,274,069,607.63	100.00	267,447,567.09		3,006,622,040.54	6,742,757,107.64	100.00	222,171,508.25		6,520,585,599.39

Other important accounts receivable with individual provision for bad debts:

Name	31 December 2023				31 December 2022	
	Book balance	Bad debt provision	Withdrawal ratio (%)	Withdrawal reason	Book balance	Bad debt provision
Beijing Shanshan Kaili New Energy Technology Co., Ltd.	7,100,000.00	7,100,000.00	100.00	The possibility of recovery is expected to be small	7,100,000.00	7,100,000.00
Ningbo Modun Clothing Co., Ltd.					13,404,518.87	13,404,518.87
Ningbo Liweineng Energy Storage System Co., Ltd.	1,199,945.70	599,972.85	50.00	Current funds, formed before withdrawal the consolidation, not returned on schedule	1,771,945.70	885,972.85
Ningbo Liankangcai Brand Management Co., Ltd.	42,000,000.00	21,000,000.00	50.00	Received equity transfer funds last payment, overdue, with significant risk of recovery	47,911,440.00	23,955,720.00
Li Xinghua					2,000,000.00	400,000.00
Ningbo Shanshan Suyu Clothing Co., Ltd.	10,162,742.46	10,162,742.46	100.00	The possibility of recovery is expected to be small	10,162,742.46	10,162,742.46
Current funds	17,603,506.85					
Other sporadic customers	636,131.09	636,131.09	100.00	The possibility of recovery is expected to be small	646,131.09	646,131.09
Total	78,702,326.10	39,498,846.40			82,996,778.12	56,555,085.27

Provision for bad debts is made on a portfolio basis:

Portfolio provision items:

Name	31 December 2023		
	Other receivables	Bad debt provision	Accrual ratio (%)
Combination of current of related parties	3,171,477,369.13	226,764,211.40	7.15
Portfolio of security deposit and deposit	160,887.34	8,044.37	5.00
Collection and payment of personal social security in advances	199,726.62		
Portfolio of other advances exclude social insurance	690,795.25	34,539.76	5.00
Receivable share transfer fund	22,838,503.19	1,141,925.16	5.00
Total	3,195,367,281.53	227,948,720.69	

(3) Provision for bad debts

Bad debt provision	Phase I	Phase II	Phase III	Total
	Expected credit losses for the following 12 months	Expected credit losses for the entire duration (no credit impairment occurred)	Expected credit losses for the entire duration (with credit impairment occurred)	
Balance as of 31 December 2022	165,616,422.98	25,241,692.85	31,313,392.42	222,171,508.25
Balance as of 31 December 2022 in the current period				
– Transferred to Phase II	-137,905,423.45	137,905,423.45		
– Transferred to Phase III				
- Reverse to Phase II				
– Reverse to Phase I				
Current provision	31,691,213.03	30,641,084.68		62,332,297.71
Current reversal				
Current transfer write-off		-3,641,720.00		-3,641,720.00
Current write-off			-13,414,518.87	-13,414,518.87
Other changes				
31 December 2023	59,402,212.56	190,146,480.98	17,898,873.55	267,447,567.09

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

Category	31 December 2022	Amount of change in the current period				31 December 2023
		Accrual	Transfer write-off	Write-off	Other changes	
Bad debt provision	222,171,508.25	62,332,297.71	3,641,720.00	13,414,518.87		267,447,567.09
Total	222,171,508.25	62,332,297.71	3,641,720.00	13,414,518.87		267,447,567.09

(5) Other accounts receivable actually write-off in this period

Item	Write-off Amount
Actual writ-off other receivables	13,414,518.87

Write-off of important other receivables:

Unit Name	Nature of Other Receivables	Write-off Amount	Reasons for write-off	Write-off procedures performed	Whether the fund arisen from related transactions
Ningbo Modun Clothing Co., Ltd.	Borrowing	13,404,518.87	Long-term unreceived	Approval by the President's office meeting	No
Total		13,404,518.87			

(6) Breakdown by nature of payments

Nature of funds	Book balance as of 31 December 2023	Book balance as of 31 December 2022
Consolidated current accounts of related parties	3,171,477,369.13	6,648,446,236.10
Current funds	25,903,452.55	32,276,464.57
Equity transfer receivables	75,001,245.65	60,074,182.46
Security deposit, deposit	160,887.34	372,498.90
Advances	1,526,652.96	1,587,725.61
Total	3,274,069,607.63	6,742,757,107.64

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

Unit Name	Nature of funds	31 December 2023	Account age	Percentage of the total ending balance of other receivables (%)	Bad debt provision 31 December 2023
Ningbo Shanshan New Energy Technology Development Co., Ltd.	Consolidated current accounts of related parties	651,887,592.74	Within 1 year	19.91	
Shanghai Shanshan New Material Co., Ltd.	Consolidated current accounts of related parties	646,000,000.00	Within 1 year	19.73	
Huzhou Shanshan New Energy Technology Co., Ltd.	Consolidated current accounts of related parties	600,000,000.00	Within 1 year	18.33	
Inner Mongolia Qingshan Automobile Co., Ltd.	Consolidated current accounts of related parties	280,910,846.89	Within 1 year & 5 years above	8.58	168,546,508.13
Ningbo Yongquan Investment Co., Ltd.	Consolidated current accounts of related parties	294,882,000.00	Within 1 year	9.01	
Total		2,473,680,439.63		75.56	168,546,508.13

Other notes: For borrowings of subsidiaries with negative net assets, bad debt reserves are considered based on excess losses.

(III) Long-term equity investment

Item	31 December 2023			31 December 2022		
	Book balance	Impairment reserve	Book value	Book balance	Impairment reserve	Book value
Investment in subsidiaries	12,383,462,417.26		12,383,462,417.26	10,747,508,357.82		10,747,508,357.82
Investment in associates and joint ventures	2,704,426,035.24	137,050,000.00	2,567,376,035.24	2,625,177,694.00	137,050,000.00	2,488,127,694.00
Total	15,087,888,452.50	137,050,000.00	14,950,838,452.50	13,372,686,051.82	137,050,000.00	13,235,636,051.82

1. Investment in subsidiaries

Invested unit	31 December 2022	Impairment reserve as of 31 December 2022	Changes of increase and decrease in current period				31 December 2023	Ending balance of impairment provision
			Increased investment	Decreased investment	Current provision Impairment reserve	Others		
Ningbo Shanshan Tongda Trading Co., Ltd.	2,000,000.00		30,000,000.00				32,000,000.00	
Ningbo Shanshan Electric Vehicle Technology Development Co., Ltd.	486,918,700.00		500,000,000.00				986,918,700.00	
Shanghai Tunheng Trading Co., Ltd.	47,500,000.00						47,500,000.00	
Shanghai Shanshan Garment Co., Ltd.	72,000,000.00						72,000,000.00	
Ningbo Shanshan New Energy Technology Development Co., Ltd.	553,186,192.27		1,600,000,000.00			-10,625,303.91	2,142,560,888.36	
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.	148,830,340.44						148,830,340.44	
Ningbo Weihang Trading Co., Ltd.								
Ningbo Yunling Zhichuang Park Operation Management Co., Ltd.	2,000,000.00		8,000,000.00				10,000,000.00	
Shanshan Fashion Industrial Park Suqian Co., Ltd.	59,941,524.23						59,941,524.23	
Shanjin Optoelectronics (Suzhou) Co., Ltd.	7,348,512,687.69					8,189,476.83	7,356,702,164.52	
Shanghai Shanshan New Energy Technology Development Co., Ltd.	102,627,969.71						102,627,969.71	
Ningbo Yongshan Lithium Industry Co., Ltd.	500,000,000.00			-500,000,000.00				
Ningbo Shanxin Optoelectronics Energy Management Co., Ltd.	49,610,113.48			-49,610,113.48				
Ningbo Haoheng Trading Co., Ltd.	50,000,000.00		50,000,000.00				100,000,000.00	
Shanjin Tokyo Co., Ltd.	9,838,000.00						9,838,000.00	
Total	10,747,508,357.82		2,188,000,000.00	-549,610,113.48		-2,435,827.08	12,383,462,417.26	

2. Investment in associates and joint ventures

Invested unit	31 December 2022	Impairment reserves as of 31 December 2022	Increase and decrease in the current period								31 December 2023	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			
2. Associate													
Ningbo Shanqi Property Services Co., Ltd.	38,181,724.89				504,320.07							38,686,044.96	
Zhejiang Chouzhou Commercial Bank Co., Ltd.	1,623,546,486.10	137,050,000.00			125,505,171.78	764,882.33	3,956,059.47					1,753,772,599.68	137,050,000.00
Shanshan Brand Management Co., Ltd.	44,067,823.68				6,121,762.52				-1,033,384.00			49,156,202.20	
Shenzhen Yuanshan Private Equity Investment Management Co., Ltd.	5,219,577.82				-658,173.48							4,561,404.34	
Suiyong Holdings Co., Ltd.	914,162,081.51				-51,310,385.51	969,525.87	-5,571,437.81					858,249,784.06	
Subtotal	2,625,177,694.00	137,050,000.00			80,162,695.38	1,734,408.20	-1,615,378.34	-1,033,384.00				2,704,426,035.24	137,050,000.00
Total	2,625,177,694.00	137,050,000.00			80,162,695.38	1,734,408.20	-1,615,378.34	-1,033,384.00				2,704,426,035.24	137,050,000.00

3. Impairment testing of long-term equity investments

Refer to V (XI) 2. “Impairment testing of long-term equity investments” of this Notes to Financial Statements .

(IV) Operating income and operating cost**1. Operating income and operating costs**

Item	Year 2023		Year 2022	
	Income	Cost	Income	Cost
Main Business				
Others Business	71,158,660.68	14,435,341.79	129,829,189.24	15,207,355.86
Total	71,158,660.68	14,435,341.79	129,829,189.24	15,207,355.86

Breakdown of operating income:

Item	Year 2023	Year 2022
Main business income		
Other operating income	71,158,660.68	129,829,189.24
Of which: Subsidiaries and associates' financing services revenue Note	26,827,883.45	84,424,750.67
Housing rental income	44,330,777.23	45,404,438.57
Total	71,158,660.68	129,829,189.24

Note: Interest, guarantee fees, and financing service fees collected from subsidiaries and affiliated companies within the scope of consolidation

(V) Investment income

Item	Year 2023	Year 2022
Long-term equity investment incomes accounted by the cost method	223,297,001.64	720,000,000.00
Long-term equity investment incomes accounted by the equity method	80,162,695.38	98,484,599.31
Investment incomes generated from disposal of long-term equity investment	-34,951,976.16	316,553.68
Investment income on trading financial assets during holding period		
Investment income from disposal of trading financial assets		51,535,335.90
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	600,000.00	
Investment income on other non-current financial assets during the holding period		
Investment income from disposal of other non-current financial assets		1,353,583.00
The gains of remaining equity re-measured at fair value after the control right is lost		
Investment income arising on disposal of disposal combinations that constitute operations		
Investment income from debt restructuring		
Total	269,107,720.86	871,690,071.89

XVIII. Supplementary Materials**(I) Breakdown of non-recurring gains and losses**

Item	Amount	Explanation
Non current asset disposal gains and losses, including the offsetting portion of the provision for impairment of assets	343,135,585.57	
Government subsidies recognized in profit or loss for the current period except those closely related to the business of the enterprise and enjoyed in a fixed or quantitative amount according to the national uniform standard	433,970,874.27	
Except for effective hedging business related to the normal operation of the company, the fair value gains and losses arising from the holding of financial assets and financial liabilities by non-financial enterprises, as well as the gains and losses arising from the disposal of financial assets and financial liabilities	-7,516,000.00	
Capital utilization fee charged from non-financial enterprises and included in profit or loss for the current period	31,320,394.52	
Profit or loss from entrusting others to invest or manage assets		
Profit and loss on external entrusted borrowings		
Provision for impairment of various assets due to force majeure factors, such as natural disasters		
Reversal of impairment provisions for accounts receivable subject to separate impairment testing		
The revenue generated because the investment costs in the subsidiaries, associates and joint ventures acquired by the enterprise is less than the fair value of the identifiable net assets of the investees at the time the investment is acquired		
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 or loss on exchange of non-monetary assets		
Profit and loss on debt restructuring		
The one-time expenses incurred by the enterprise due to the discontinuation of related business activities, such as expenses for resettling employees, etc.		
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		
The one-time recognition of share based payment fees due to cancellation or modification of equity incentive plans		
For cash settled share-based payments, the gains and losses arising from changes in fair value of employees' compensation payable after the exercise date		
Profit and loss arising from changes in fair value of investment properties subsequently measured using the fair value model		
Profit and loss beyond fair value arising from transactions where the transaction price is clearly unfair		
Profit and loss arising from contingencies unrelated to the Company's normal operating business		
Custodian fee income earned from entrusted operations		
Non-operating income and expenses other than those mentioned above	-34,257,498.06	
Other profit and loss items that meet the definition of non-recurring profit and loss		
Subtotal	766,653,356.30	
Amount impacted by income tax	177,879,353.22	
Amount impacted by non-controlling interests' equity (after tax)	42,300,574.72	
Total	546,473,428.36	

(II) Return on net assets and earnings per share

Profit of this reporting period	Weighted average return on net assets (%)	Earnings per share (CNY)	
		Basic earnings per share	Diluted earnings per share

Profit of this reporting period	Weighted average return on net assets (%)	Earnings per share (CNY)	
		Basic earnings per share	Diluted earnings per share
Net profit attributable to common shareholders of the Company	3.35	0.35	0.35
Net profit attributable to common shareholders of the Company after deducting extraordinary profit and loss	0.96	0.10	0.10

Chairman: Zheng Ju

Board of Directors approved filing date: 24 April, 2024