

Stock Code: 600884

Abbreviation: NBSS

Ningbo Shanshan Co., Ltd. Interim Report 2026

Important Notes

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

II. All directors of the Company attended the meetings of the Board of Directors in person.

III. The Interim Report is not yet audited.

IV. Zhu Shengli, Chairman of the Company, Li Kebin, Chief Financial Officer of the Company, and Yue Jian, Person in Charge of the Accounting Office (Head of the Accounting Department), hereby warrant the truthfulness, accuracy and completeness of the financial statements contained in this Interim Report.

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

None

VI. Risk associated with forward-looking statements

☒Applicable ☐Not applicable

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

VII. Capital of the Company occupied by the controlling shareholders and other related parties for non-operational purposes or not

No

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

No

IX. Could more than half of the directors not guarantee the authenticity, accuracy or completeness of the Interim Report disclosed by the Company

No

X. Material Risk Alert

The Company has detailed the possibly relevant risks in this Report, investors may refer to "(I) Risk exposures" in "V. Other Disclosure" under "Section III Management Discussion and Analysis".

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Documents Available for Inspection	Financial statements containing the signatures and seals of the legal representative, the Chief Financial Officer and the Person in Charge of the Accounting Office (Head of the Accounting Department).
	The original copies of all documents and announcements disclosed during the Reporting Period.

Section I Definitions

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

Definitions of Common Terms	
the Company or Shanshan or Ningbo Shanshan Co., Ltd	Ningbo Shanshan Co., Ltd.
Reporting period	The first half of 2026
The SSE	Shanghai Stock Exchange
Conch Group	Anhui Conch Group Co., Ltd.
Wanwei Group	Anhui Wanwei Group Co., Ltd.
Anhui SASAC	State-owned Assets Supervision and Administration Commission of the People's Government of Anhui Province
Quzhou Intermediate People's Court	The Intermediate People's Court of Quzhou City of Zhejiang Province
Zhuhai Intermediate People's Court	The Intermediate People's Court of Zhuhai City of Guangdong Province
Guangdong Higher People's Court	The Higher People's Court of Guangdong Province
Yinzhou Court	The People's Court of Yinzhou District, Ningbo City, Zhejiang Province
GDR	Global depository receipt
2022 Equity Incentive Plan	2022 Share Options and Restricted Share Incentive Plan
SP business	Special polarizer products that can be used for organic light emitting diode (OLED) displays, automotive LCD business and high-end IT LCD polarizer products
Shanshan Holdings	Shanshan Holdings Co., Ltd.
Shanshan Group	Shanshan Group Co., Ltd.
Pengze Trading	Ningbo Pengze Trading Co., Ltd.
Yinzhou Jielun	Ningbo Yinzhou Jielun Investment Co., Ltd.
Yongquan Investment	Ningbo Yongquan Investment Co., Ltd.
Shanshan New Energy	Ningbo Shanshan New Energy Technology Development Co., Ltd.
Quzhou Shanshan	"Shanshan Advanced Materials (Quzhou) Co., Ltd.", the Company's former electrolyte subsidiary, renamed as Sunyes Zhongning Advanced Materials (Quzhou) Co., Ltd.
Sunyes Manufacturing	Sunyes Manufacturing (Zhejiang) Holding Co., Ltd.
Sunyes Zhongning	Zhejiang Sunyes Zhongning New Energy Co., Ltd.*
Shanshan Brand Company	Shanshan Brand Management Co., Ltd
CMOC	CMOC Group Limited

* For identification purpose only

Section II Company Profile And Key Financial Indicators

I. Company Information

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

II. Contact Details

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

III. Changes in General Information

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

IV. Introduction to Information Disclosures and the Change of Locations

Names of newspapers selected by the Company for information disclosure	China Securities Journal, Shanghai Securities News, Securities Daily and Securities Times (hereinafter collectively called "designated media")
Website for publication of the Interim Report	www.sse.com.cn
Location for inspection of the Interim Report of the Company	F/28, Shanshan Plaza, No. 777 Rili Middle Road, Yinzhou District, Ningbo City, Zhejiang Province

V. Shares of the Company

Type of shares	Stock exchange for listing	Stock Abbreviation	Stock Code
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A Share(s)	Shanghai Stock Exchange	Ningbo Shanshan Co., Ltd.	600884
GDR	SIX Swiss Exchange	Ningbo Shanshan Co., Ltd.	SSNE

VI. Key Accounting Data and Financial Indicators

(I) Major accounting data

Unit: Yuan Currency: RMB

Major accounting data	The Reporting Period (January-June)	The same period of the last year	Increase/decrease over the same period of the previous year (%)
Operating income	12,130,333,259.92	9,858,484,315.28	23.04
Total profit	981,253,446.28	315,159,414.20	211.35
Net profits attributable to shareholders of the listed company	822,451,607.67	207,308,198.84	296.73
Net profit attributable to shareholders of the listed company, net of non-recurring profit/loss	779,862,671.76	168,598,915.72	362.55
Net cash flow from operating activities	834,520,022.60	1,463,129,606.60	-42.96
	At the end of the period	As of the end of the previous year	Increase/decrease at the end of the period as compared with the previous year-end (%)
Total assets	46,707,483,479.45	45,135,979,158.61	3.48
Net assets attributable to shareholders of the listed company	22,989,074,917.47	21,960,834,928.59	4.68
Total share capital at the end of the period	2,249,412,863.00	2,249,412,863.00	0.00

(II) Key financial indicators

Key financial indicators	The Reporting Period (January-June)	The same period of the last year	Increase/decrease over the same period of the previous year (%)
Basic earnings per share (RMB/share)	0.386	0.096	302.08
Diluted earnings per share (RMB/share)	0.386	0.096	302.08
Basic earnings per share after deducting non-recurring profit and loss (RMB/share)	0.366	0.078	369.23
Weighted average return on net assets (%)	3.692	0.956	Increased by 2.736 percentage points
Weighted average return on net assets ratio after deducting non-recurring profit and loss (%)	3.501	0.778	Increased by 2.723 percentage points

Description of key accounting data and financial indicators

□Applicable √Not Applicable

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

□Applicable √Not Applicable

VIII. Non-recurring Profit and Loss Items and Amounts

√Applicable □Not Applicable

Unit: Yuan Currency: RMB

Non-recurring profit and loss items	Amount
Gains or losses from disposal of non-current assets, including the written-off part for which provision for asset impairment has been made	-2,977,168.90
Governmental subsidies recorded into the current profits or losses, except for those that are closely associated with normal business operations of the enterprise, comply with national policies and regulations, are enjoyed according to established criteria, and have a continuous impact on the profits or losses of the enterprise	61,725,431.47
Besides the effective hedging business related to normal business operations of the enterprise, gains or losses from changes in fair value of financial assets and financial liabilities as held by non-financial enterprises, as well as gains or losses from the disposal of financial assets and financial liabilities	-1,236,000.00
Reversal of provision for impairment of receivables separately tested for impairment	625,000.00
Other non-operating income and expenses other than the above items	-709,871.40
Less: Impact amount of income tax	9,268,129.65
Impact amount of minority shareholders' equity (after tax)	5,570,325.61
Total	42,588,935.91

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

□Applicable √Not Applicable

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

□Applicable √Not Applicable

Section III Management Discussion and Analysis

I. Description of the Industry in which the Company Operates and its Principal Business during the Reporting Period

The Company is rooted in the two major domains of new-energy lithium battery materials and display optical materials. On this foundation, it has established a strategic framework in which its two core businesses—lithium battery anode materials and polarizers—develop in parallel and are propelled by twin driving forces.

Anode Materials Business

As a pioneer in the field of artificial graphite anode materials for lithium-ion batteries in China, the Company has been deeply engaged in this sector for the past 27 years. Over that period, it has built a globally leading R&D technology platform and a large-scale manufacturing system. Through continuous technological iteration and process innovation, the Company has maintained industry-leading performance in product quality, supply capacity and customer coverage. As a result, the Company has long ranked among the top players in terms of global market share.

Polarizers Business

The Company is a global leader in the polarizer industry. Its product portfolio fully covers LCD and OLED polarizers for small, medium and large sizes, which are widely used in televisions, IT displays, automotive displays and other application scenarios. By virtue of its core technological moats, scalable production capacity and deeply rooted partnerships with global customers, the Company has sustained a leading global market share and established a robust competitive position in the industry.

Looking ahead, the Company will seize the opportunities arising from global electrification and intelligentization trends. It will continue to drive technological iteration in anode materials and move polarizers toward higher-end segments. These efforts are aimed at reinforcing the competitive edge of both principal businesses across four dimensions: product mix, customer portfolio, global production footprint and cost control. Through these measures, the Company is committed to achieving high-quality and sustainable development.

(I) Anode material business

1. Business profile

The anode materials business of the Company primarily includes the research, development, production and sales of anode materials for lithium-ion batteries, and also covers other battery material fields such as anode materials for sodium-ion batteries and solid-state batteries. Its main products comprise artificial graphite, natural graphite, silicon-based anodes, and new materials like soft carbon, hard carbon and others, which are widely used in new energy vehicles, consumer electronics and energy storage industries.

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

Classification	Product	Application
Anode material	Artificial graphite	Mainly used in the consumer digital devices with high-energy density and high-power density, power batteries for EVs and energy storage
	Natural graphite	Mainly used in the consumer digital devices with high-energy density and high-power density and power batteries for EVs, including cylinder battery and blending
	Silicon-based anode materials	Silicon-based anode materials are key anode materials for next-generation batteries thanks to their core advantages such as ultra-high theoretical specific capacity. They are mainly applied in high-energy-density 3C digital devices, power tools and power batteries for electric vehicles
	Hard carbon materials	Hard carbon is primarily applied in three fields: sodium-ion batteries, lithium-ion batteries and supercapacitors

2. Operating model

(1) Procurement

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

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

For centrally procured materials, the Company, in line with its demand and strategic layout, enters into strategic cooperation agreements, framework cooperation agreements and annual supply agreements with major suppliers, focusing on three dimensions: supply security, price advantages and joint research and development. In doing so, it promotes the establishment of strategic cooperative relationships, with the aim of ensuring supply, achieving win-win cooperation and fostering long-term development.

(2) Production

The Company, following the production-to-sales principle, makes overall production arrangements each month according to the sales plan. At the same time, it pursues inventory management based on rolling market forecasts and reasonable reserves of general-purpose products, so as to shorten delivery cycles and improve order fulfillment rates and customer satisfaction. All departments work in close coordination to flexibly allocate production resources, ensuring that market demand is met in a timely manner.

The production modes of the Company cover integrated production, hybrid models combining partial integration with outsourced processing, customized production, technical cooperation and joint R&D, and multi-process collaborative production. Through integrated and automated production, the Company continuously reduces production costs and improves production efficiency.

(3) Sales

The Company adopts a collaborative mechanism involving departments including sales, R&D and quality. Based on customer product requirements, it forms working groups and establishes a sales model in which headquarters sales take the lead, and R&D and quality provide the safeguards. Through this model, the Company offers first-class products and services to customers. The Company stays close to customers, enabling it to keep abreast of information such as product quality feedback, changes in product type demand and other developments. It responds swiftly to customer requests, delivers quicker and more precise sales and technical support, and builds close, stable and efficient cooperative relationships with customers.

3. Market status

The Company, as one of the first enterprises in China to achieve industrialization of lithium battery anode materials, has been deeply engaged in this field for 27 years. By virtue of its profound technological expertise and outstanding contributions to the industry, it has been awarded multiple national honors, including the Second Prize of the National Science and Technology Progress Award, the National Manufacturing Single Champion, the National Enterprise Technology Center, and the National Specialized and Sophisticated "Little Giant" Enterprise. These recognitions reflect the high-level authoritative endorsement of the Company's technological R&D and industrial implementation capabilities. According to ICC, the Company once again ranked first in the artificial graphite anode materials sector in the first half of 2026; and also show that in the first half of 2026, the Company consistently ranked first in artificial graphite shipments worldwide, capturing a market share of 21 percent. This performance further consolidated its industry leadership.

4. Industry Overview

(1) Industry profile

The core anode material products of the Company cover artificial graphite, natural graphite, silicon-based anodes, hard carbon and other products, which are widely used in power batteries, energy storage batteries and consumer electronics.

In the first half of 2026, downstream demand maintained rapid growth. According to preliminary statistics from GGII (Gaogong Industry Research Institute), lithium battery shipments in China reached approximately 1.2TWh in the first half of 2026, a year-on-year increase of over 50%. By application area, energy storage batteries saw shipments of about 485GWh in China during the period, up over 80% year-on-year, driven by multiple factors including the implementation of domestic capacity-based electricity pricing policies, overseas policy subsidies and increased demand from AIDC (artificial intelligence data center). As for power batteries, despite the pressure on domestic sales of new energy passenger vehicles in the first half of the year, demand for power batteries still expanded steadily, benefiting from accelerated electrification of commercial vehicles, increased battery capacity per vehicle and substantial growth in exports. Power battery shipments reached about 630GWh in the first half, up over 30% year-on-year.

Driven by both the energy storage and power battery sectors, shipments in the anode material industry increased notably. According to GGII, anode material shipments in China reached 1.91 million tons in the first half of 2026, up 48% year-on-year. The industry capacity utilization rate rose from 70% to over 80%, with leading companies maintaining full-capacity operation throughout the period. Meanwhile, affected by the slowdown in capacity expansion and the rapid growth of downstream demand, a temporary shortage of high-quality capacity emerged. This led to order spillover from leading players, and the anode material industry as a whole showed a trend of tightening supply.

(2) Stage of industry development

Currently, the anode material industry is undergoing structural readjustment and shifting toward an upward cyclical phase. At the same time, the market drivers and the competitive landscape are experiencing profound changes.

The market drivers are experiencing a structural shift. The energy storage market has demonstrated far stronger growth momentum than the power battery market and has become the core force driving demand growth for anode materials. The power battery market, meanwhile, maintains steady growth of demands, supported by increased battery capacity per vehicle, accelerated electrification and substantial increase in exports of commercial vehicles and sustained export growth. According to the China Association of Automobile Manufacturers (CAAM), in the first half of 2026, cumulative sales of domestic new-energy commercial vehicles reached 496,000 units, up 40% year on year and accounting for 30.4% of domestic commercial vehicle sales. Meanwhile, Chinese new-energy vehicle exports totaled 2.355 million units, a year-on-year increase of 120%. The two sectors work in tandem, providing strong support for demand for anode materials.

The competitive landscape keeps improving. Following the concentrated capacity commissioning in the earlier period, the market supply-demand relationship has been readjusted, and the overall industry expansion pace has become more rational, with market resources gravitating toward leading enterprises. Downstream customers have raised higher requirements for product technical specifications, batch consistency, supply assurance capability and cost control. Leveraging their comprehensive strengths, leading enterprises enjoy full order books, while some order spillover brings incremental opportunities to second- and third-tier enterprises. The overall industry capacity utilization rate has risen markedly, and the supply-demand relationship is gradually improving.

Product prices have stabilized. Owing to multiple factors, including rising upstream raw material costs, tight graphitization outsourcing capacity and tightening supply from leading enterprises, anode material prices stabilized in the first half of 2026, and the product price system returned to a reasonable operating range. This has opened up development space for leading enterprises that possess comprehensive advantages in technology, cost and quality.

(II) Polarizer business

1. Business profile

The polarizer business of the Company encompasses the R&D, production and sales of LCD and OLED polarizers. A polarizer, known in full as a polarized light film, is a multilayer composite film. By selectively transmitting specific polarized light waves and blocking others, it enables screen imaging and therefore serves as an indispensable core component of display technology. Downstream end products are widely used in areas such as televisions, monitors, laptops, tablets, mobile phones, commercial displays, automotive displays and other fields. The main applications of the 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	
		Automotive display	

2. Operating model

(1) Procurement

The Company adopts the production-based procurement model, that is, arranging the procurement of raw materials according to the production plan formulated by the production department and the inventory

status and making timely stocking according to the supply and demand of raw materials and price fluctuations. The products purchased mainly include PVA film, TAC film, PET film, protective film, release film, PSA and other raw materials.

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

(2) Production

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

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

(3) Sales

The Company mainly adopts the direct sales model. Its clients include BOE, China Star Optoelectronics Technology Co., Ltd (CSOT), LG Display, HKC, Sharp, Xianyang CaiHong Optoelectronics, TIANMA, AUO, Qunchuang and other mainstream panel manufacturers. For downstream large-scale panel manufacturers, the admission criteria for suppliers are stringent. They conduct comprehensive qualification audits across multiple dimensions, including quality control, R&D capability, production assurance and operation management. Only after multiple rounds of evaluation, improvement and verification can a supplier pass their certification. Given the high cost of supply chain switching, panel manufacturers generally do not readily change suppliers once a cooperative relationship is established, which ensures stable cooperation between the Company and its customers.

On the back-end production line, the Company possesses an industry-leading RTP (Roll-to-Panel) production line, which enables efficient coordination with customers and rapid response to demands such as product model changeovers.

3. Market status

As a leading player in the global polarizer industry, the Company possesses world-class technological capabilities, production scale, deep customer relationships and a stable supply chain system. It has also

obtained multiple authoritative certifications, including the National High-Tech Enterprise, the National Manufacturing Single Champion Enterprise, the National Specialized and Sophisticated "Little Giant" Enterprise, and the National Green Factory. Based on data provided by CINNO Research, in the first half of 2026, the Company accounted for approximately 34% of the shipment area for large-size LCD polarizers, including polarizers used in LCD televisions, monitors and notebook computers. This share enabled the Company to maintain its leading position in the market.

4. Industry Overview

(1) Industry profile

Polarizer is one of the core raw materials for display panels. It is widely used in end products across consumer electronics, including televisions, monitors, laptops, tablets and mobile phones, while also extending to diverse emerging scenarios such as automotive displays, medical displays, wearable devices and smart homes. As display application scenarios continue to broaden, the market demand for polarizers steadily expands.

According to Wind, in the first half of 2026, the shipment volume of large-size LCD display panels was 464 million units, up 2% year on year. The shipment area was 122 million square meters, a year-on-year increase of 5%. This round of growth is mainly attributable to the stabilization and improvement of panel prices and advance stocking by brand owners and OEMs. The continued growth in downstream panel shipments drives a moderate year-on-year increase in polarizer market demand. By major application field:

Televisions represent the largest downstream application area of the display industry. According to AVC Revo, global TV shipments reached 94.4 million units in the first half of 2026, up 4% year on year, and shipment area amounted to 77.5 million square meters, up 7.5%; and the average screen size rose to 54.6 inches. Rising upstream raw material prices prompted manufacturers to stock up in advance, and this, coupled with the release of stocking demand related to sporting events, drove the growth in TV panel demand.

IT is the second largest downstream application area in the display industry. According to AVC Revo, global monitor panel shipments reached 84.8 million units in the first half of 2026, up approximately 5.1% year on year. Of these, LCD panel shipments stood at 82.2 million units, up 3.6%; OLED panel shipments reached 2.5 million units, surging 88.8% year on year. This indicates a notable trend toward high-end technology penetration. The year-on-year growth in monitor panel shipments in the first half of 2026 was mainly driven by the front-loaded release of stocking momentum from brands and the relatively steady performance of end demand, with the recovery in replacement demand from commercial brands also contributing.

The demand for large-size and high-value-added products has been steadily rising, which has created structural growth opportunities for the polarizer market.

(2) Stage of industry development

As the display industry undergoes iterative evolution, the polarizer sector has reshaped its industrial landscape, entered the later stage of domestic substitution, and transitioned toward high-end development. The traditional LCD market is now in a mature stock phase, and the growth focus of the industry is shifting to high-value-added segments such as automotive displays, OLEDs, and high-end IT products. High-end products entail substantial technical thresholds and certification barriers, and domestic substitution still remains in a critical breakthrough phase.

In terms of capacity distribution, a clear trend of polarizer production capacity shifting toward mainland China has emerged. According to AVC Revo, the share of polarizer capacity in Chinese Mainland rose from 69% in 2025 and is projected to reach 74% by 2028. As Japanese and Korean companies gradually exit the conventional LCD market and pivot to higher-value segments, the global polarizer supply will further concentrate in the Chinese Mainland.

Description of new material non-principal business added in the Reporting Period

☐Applicable ☒Not Applicable

II. Operation discussion and analysis

Overview of operations

During the Reporting Period, the Company adhered to prudent operation as its bottom line development, strictly observed the requirements for independent operation of listed companies, and actively cooperated the controlling shareholder to carry out the reorganisation. The Company deepened the coordination between government and judiciary, and carried out robust stability maintenance work covering operations, financing, personnel and public opinion. Through these efforts, the Company ensured the orderly functioning of its core businesses. The Company fulfilled its information disclosure obligations in a standardised manner, effectively safeguarded investors' rights and interests, and properly resolved various risks. With the smooth entry of state-owned capital, the reorganisation of the controlling shareholder was completed with a stable transition. Leveraging the resource advantages of the state-owned platform, the equity structure and governance framework of the Company will be optimized and enhanced, laying a solid foundation for subsequent industrial synergy, resource integration and high-quality development.

During the Reporting Period, the Company sustained its focus on the parallel development of its two core businesses—anode materials and polarizers. It capitalized on the high-growth opportunities in the lithium battery sector and the steady expansion of the display industry, while consolidating product competitiveness through technological innovation. In parallel, it continuously refined product mix and customer structure, deepened cost control across the entire value chain, and thereby achieved a significant increase in operating performance.

During the Reporting Period, the Company recorded operating revenue of RMB12.130 billion,

representing a year-on-year increase of 23.04%. Net profit attributable to shareholders of the listed company reached RMB822 million, representing a year-on-year increase of 296.73%. Net profit attributable to shareholders of the listed company after deducting non-recurring gains and losses amounted to RMB780 million, representing a year-on-year increase of 362.55%. The substantial improvement in the Company's performance during the period was mainly driven by the following factors:

(1) For the anode material business, robust demand in the downstream lithium battery industry sustained a high level of prosperity, fueling strong market demand for anode materials. The Company seized the industry opportunity. By refining production planning and optimizing capacity allocation, it enhanced delivery efficiency and achieved a substantial increase in sales volume. This, in turn, drove a year-on-year improvement in the performance of its anode business.

(2) In the polarizer business, downstream market demand remained generally stable. The Company continued to advance its high-end strategic positioning, resulting in a steady increase in the share of high-value-added products and continuous optimization of the product mix. Combined with production process improvements and supply chain coordination that reduced costs and improved efficiency, the profitability of the polarizer business improved.

(3) For the major investee companies of the Company accounted for under the equity method, operating performance continued to improve year on year. Among them, BASF Shanshan Battery Materials Co., Ltd., an investee company of the cathode business, turned from loss to profit during the period.

(I) Anode Material Business

In the first half of 2026, global demand in the anode material industry continued to grow rapidly. High-quality capacity remained generally tight in the industry, and leading enterprises faced periodic supply gaps in their effective capacity. Costs of upstream core raw materials continued to rise inexorably, while third-party graphitisation and other outsourced processing resources became increasingly scarce. These developments imposed higher requirements on anode material enterprises in terms of full-chain cost control and production and supply assurance capability.

During the Reporting Period, in the face of a complex and volatile internal and external operating environment, the management of the Company maintained strategic focus and strengthened its sense of responsibility. By leveraging refined management to empower production and operations, it fully implemented all key operational measures and firmly consolidated the foundation for stable operations. The Company accurately assessed the changes in market supply-demand dynamics. On the one hand, through targeted technical retrofitting of production lines and deep optimization of whole-process processes, it continuously enhanced the capacity utilization efficiency of its integrated bases, thereby driving rapid growth in the production and sales volume of anode materials in the first half of the year. On the other hand, it systematically advanced cost-reduction and efficiency-enhancement measures across the entire chain, actively diversified sourcing channels for raw and auxiliary materials and strengthened the

ability to ensure long-term stable supply of core raw materials. It also continuously iterated key graphitization processes to increase output and reduce unit consumption. In parallel, it optimized and upgraded the whole-process logistics and warehousing coordination system.

The specific operating results are as follows:

1. The Company deepened management empowerment to enhance quality and efficiency, and thereby consolidating the foundation for stable operations

During the Reporting Period, the internal and external operating environment of the Company was complicated as a result of the combined impact of industry cyclical fluctuations and the reorganisation of its controlling shareholder. Consequently, its production and operations encountered both challenges and opportunities at a given stage. To sustain its leading position in the industry, the Company strengthened overall operational management internally. The senior management team assumed proactive responsibility, rallied all staff, and reinforced confidence in development. They launched a comprehensive drive focused on stabilizing bank-enterprise cooperation, upstream supply assurance, core team retention, and customer operations. Through management reform, they sought to drive quality and efficiency improvement, ensure smooth and orderly production and operations, and steadily improve the fundamental business performance of the Company. Externally, the Company deepened engagement with core clients, consistently upholding stringent product quality and efficient delivery services. Leveraging its deep operational expertise and shared industrial values, it built a foundation of deep mutual trust and long-term stability with these clients. Both parties fully integrated their respective resources and technological strengths in product R&D and innovation, achieving complementary advantages and mutual benefits. During the Reporting Period, core clients provided strong support to the Company in payment settlement, jointly easing financial pressure and offering a safety net for liquidity. This fully demonstrated the solid cooperative relationship underpinned by mutual trust and symbiosis.

To further consolidate its operational resource base, the Company actively strengthened strategic cooperation with financial institutions, maintained the scale of existing credit facilities, and optimized its debt structure and fund allocation model. In response to supply chain volatility risks, it made early arrangements for critical materials and production capacity, established a diversified supply assurance system, and deepened long-term strategic collaboration with core suppliers. While ensuring supply chain stability, it steadily advanced cost reduction and efficiency enhancement, continuously raising its resilience against operational risks.

2. The shipment volume of artificial graphite anode materials consistently ranked first globally, and the market share continued to lead the industry

According to ICC, the Company retained the top position in the field of artificial graphite anode materials in the first half of 2026; and data from the SMM has also shown that in the first half of 2026, the Company consistently ranked first in artificial graphite shipments and held a market share of 21%. This performance further reinforced its leading position in the industry.. During the Reporting Period,

leveraging its stable and leading product performance and differentiated technological advantages, the Company continued to deepen strategic cooperation with leading global battery enterprises, thereby driving a year-on-year increase of 54.92% in sales volume of anode materials.

3. The customer structure continued to be optimized. The share of business from leading customers rose steadily.

During the Reporting Period, the Company continued to optimize its customer structure, further focused on leading global power battery and energy storage cell manufacturers, and steadily increased the concentration of cooperation with major customers. The sales share of the top ten customers rose accordingly. Leveraging stable and superior product performance, mature mass production delivery capability and sustained technological iteration advantages, the Company enhanced its cooperation scale, delivery stability and share in core project supporting among the top ten global cell customers by shipment volume. In addition, the Company successfully entered the supply chains of multiple leading cell manufacturers, achieved batch product introduction and stable volume ramp-up, and continued to expand its portfolio of high-quality customers. Consequently, the quality of its customer structure and its operational stability improved markedly.

4. Targeting downstream application needs, the Company drives product iteration and upgrading across the entire value chain

The Company consistently takes customer needs as the core orientation of R&D efforts. Closely monitoring market dynamics and performance indicator requirements across various segments, the Company systematically advances targeted iteration and optimization of the product portfolio.

In the power battery segment, the 4C and 6C fast-charging series anode products have achieved stable mass-production deliveries to leading domestic power battery enterprises. In the energy storage and new-energy commercial vehicle segment, the high-cost-performance long-cycle series products, developed for ultra-long cycle life and high reliability requirements, have completed batch deliveries to leading domestic customers. In the passenger vehicle segment, the anode products adapted for high energy density and long-range upgrade series have been successfully introduced to leading passenger vehicle battery customers and have reached mass production.

In terms of frontier technology, the Company has made smooth progress in the development and mass production of silicon-based anodes. Both low-expansion bulk silicon-carbon and high-capacity spherical silicon-carbon have entered mass production. In response to growing market demand, the Company will initiate plans for larger-scale production lines.

5. Concurrent efforts in process innovation and lean management drive cost reduction and efficiency enhancement on both fronts

The Company, by adhering to both process technology innovation and whole-chain lean management, continuously taps the synergy in cost reduction and efficiency enhancement, thereby building an industry-leading cost control system and consolidating the advantages of integrated production and operations.

During the Reporting Period, the Company continued to refine its core graphitization processes and successfully achieved the dual operational outcomes of increased capacity and reduced unit consumption. Notably, the product performance associated with the continuous graphitization process has passed validation in core projects of leading customers and formally entered the trial mass-production stage. Concurrently, the Company actively advanced the custom development of low-cost raw materials. The low-cost artificial graphite product developed around low-cost coke has completed all technical finalization, marking key stage progress in the direction of extreme cost reduction across the entire product chain and further broadening the cost optimization space. In supply chain management, the Company established a full-process coordinated scheduling system covering procurement, production, warehousing and terminal delivery, effectively reducing logistics transfer costs across different stages. It also continued to deepen long-term cooperation with upstream core raw material suppliers and graphitisation processing collaborators, actively expanded diversified supply channels for raw and auxiliary materials, and enhanced the supply chain's ability to withstand risks and its supply security.

(II) Polarizer business

In the first half of 2026, the Company continued to focus on the high-value-added product segment of the polarizer business and steadily advanced business structure optimization and product upgrading. The share of shipments of high-end products in the polarizer business further increased year on year, thereby pushing up the average selling price. During the Reporting Period, the Company continued to advance process innovation, domestic substitution of raw materials and diversification of supply channels. These efforts, combined with the cost benefits from the continued depreciation of the Japanese yen, brought about unit production cost reduction on a year-on-year basis. Driven by both product mix optimization and full-chain cost reduction, the polarizers segment achieved a marked improvement in operational quality and a year-on-year increase in overall profitability. During the Reporting Period, the polarizer segment remained committed to coordinated efforts in technology R&D, product upgrading and cost control. As a result, shipments of high-end IT polarizers continued to grow, product yield steadily improved, and the accelerated roll-out of high-value-added product initiatives gained traction.

The specific operating results are as follows:

1. Product competitive barriers were further consolidated by deepening engagement in the high-end market.

- **LCD polarizers: the Company maintained leadership in the large-size segment and achieved a breakthrough in the high-end small- and medium-size market.**

In the LCD polarizer segment, the Company continued to advance the iterative upgrade toward larger sizes and higher-end specifications. In the high-end TV market, it successfully launched premium series

products featuring ultra-low reflection, high transmittance and wide viewing angles. It achieved exclusive mass production and stable supply of 115-inch and 116-inch ultra-large-size products. Its market share for 65-inch and above large-size polarizers remained globally leading, and the dominant position of the Company in the high-end large-size market was further consolidated. In the small- and medium-size segment, the Company focused on deploying high-value-added products such as low-impedance, wide-viewing-angle, eye-friendly and ultra-thin models to build a differentiated competitive edge. Multiple high-value-added LCD IT polarizers were successfully introduced into the supply chains of leading international customers. Shipments of high-end IT product categories continued to grow, marking a key breakthrough in the expansion of the high-end market.

- **OLED polarizers: the Company has achieved domestic mass production across all OLED polarizer categories and holds a leading global market share in TV applications**

As a domestic enterprise that has achieved mass production of OLED polarizers across all sizes—large, small and medium—the Company leads the industry in technological industrialization capability. During the Reporting Period, in the OLED TV polarizer segment, the Company maintained stable mass production across all sizes, with shipments registering a sharp year-on-year increase and global market share remaining among the front runners. In the small- and medium-sized OLED polarizer field, the Company successfully commenced mass production of OLED phone polarizers for multiple customers and models, continued to expand the production scale of high-transmittance products and steadily improved its product portfolio.

- **Automotive polarizers: The Nanjing plant commenced mass production and achieved stable shipments. This enabled the Company to expand its customer base among automotive manufacturers.**

In the automotive polarizer segment, the Company completed the acquisition and integration of the SP business. By leveraging its proprietary core processes, it developed highly reliable automotive-grade polarizer solutions and successfully gained entry into the supply chains of leading automotive manufacturers. The products are adaptable to harsh in-vehicle conditions such as high temperature, vibration and intense light exposure, and exhibit excellent environmental stability. The Company has now established a core technology system encompassing low impedance, wide viewing angle, high transmittance and precision-shaped processing. During the Reporting Period, the automotive polarizer business maintained stable shipments. The Nanjing automotive polarizer plant commenced mass production and progressively secured customer orders, while the deployment of high-end automotive display initiatives continued to advance.

2. More investments went into innovation, enabling accelerated industrialization of scientific and technological achievements

During the Reporting Period, the Company continued to increase R&D investment, improve the system of core technology R&D teams and deeply integrate internal and external innovation resources. It

accelerated the commercialization of core technologies and products under development. The Company deepened collaborative cooperation with universities, research institutes and enterprises along the industrial chain, jointly conducted technological breakthroughs and promoted iterative upgrading of industry technologies. At the R&D level, the Company focused on directions such as ultra-thinning, flexibility and environmental friendliness, steadily advanced process optimization, capacity release and yield improvement for key projects, proactively deployed cutting-edge new materials and technologies in the display industry and continuously enriched its medium- and long-term technology reserves. In parallel, the Company deeply engaged with key brand clients, carried out full-chain collaborative development around client needs, responded rapidly from demand collection and technology pre-research to product customization and continuously improved R&D iteration efficiency and customized service capabilities.

3. Raw material supply became more resilient by creating an independent and controllable supply chain security system

The Company continued to optimize the upstream supply chain system of polarizers, deepen strategic cooperation with core suppliers, and build an autonomous, efficient, secure and stable supply chain ecosystem. By integrating high-quality supply chain resources, optimizing procurement management processes and diversifying supply channels, it effectively reduced dependence on any single channel and improved the stability and cost-effectiveness of raw material supply. Simultaneously, the Company advanced the domestic substitution of key raw materials and the diversified bidding for logistics and warehousing, further enhancing its capabilities for supply chain security and procurement bargaining power. Relying on refined supply chain management, it achieved precise alignment between production scheduling and market demand, shortened product delivery cycles, improved customer service response efficiency, and consolidated its competitive edge in supporting industrial chain capabilities.

4. Cost advantages were systematically intensified by deepening lean production system

The Company comprehensively implemented whole-process lean production and special initiatives for cost reduction and efficiency improvement. It systematically enhanced quality and reduced costs across production, process iteration and supply chain management. On the production side, it promoted intelligent upgrading of production lines. Through process optimization and enhanced process control, the product first-pass yield was significantly increased, quality losses were substantially reduced, product yield and production efficiency were effectively improved, and unit manufacturing cost was lowered. On the supply chain side, it promoted diversification and localization of raw material procurement, expanded quality supply channels and reduced both external procurement dependence and procurement costs. Following the cessation of operations at the Korean plant, outsourcing processing expenses were effectively brought under control. Simultaneously, the Company established a closed-loop management mechanism for cost reduction and efficiency improvement, transforming such initiatives from a special campaign into a routine operational capability, thereby continuously consolidating its cost competitiveness advantage across the entire chain.

5. Internal management reform was deepened to consolidate the foundation for high-quality development

The Company continued to advance the upgrade of its management system. It optimized the organizational structure and the strategic transmission mechanism, improved the closed-loop management covering business assessment, cost control and R&D commercialization, and reinforced the systems for talent incentives and risk prevention. By leveraging digital operations, it unblocked data links across all segments, thereby enhancing overall process efficiency. Through refined management, it consolidated the foundation for high-end transformation, ensured sound business operations and continuously improved the profitability and core market competitiveness of the polarizer segment.

Material changes in the Company's operating situation during the Reporting Period, and matters occurring during the Reporting Period that have a significant impact on the Company's operating situation and are expected to have a significant impact in the future

☒Applicable ☐Not Applicable

In July 2026, Conch Group and Wanwei Group completed the restructuring of the Board of Directors and management of the Company, and the change of control was smoothly effected, marking the Company ushered in a new development phase dominated by state-owned capital. After the new controlling shareholder took over, it upheld the governance standards of state-owned assets, combined compliance control with categorized authorization, and coordinately advanced the integration and enhancement of the Company from four dimensions, namely Party building guidance, governance optimization, strategic clarity and industrial empowerment.

I. Strengthening Party building guidance. The new controlling shareholder strictly implemented the requirements for Party building in state-owned enterprises, and promoted full integration of Party leadership into corporate governance. It standardized the procedure for prior deliberation by the Party organization on major matters, clarified the rights and responsibilities of governance bodies, adhered to the correct political direction, and precisely anchored strategic positioning. Through Party building, it empowered the reshaping of corporate governance and industrial development.

II. Optimizing governance system. Benchmarking against state-owned asset governance standards, the new controlling shareholder reviewed and improved the systems and internal control framework, and clarified the rights and responsibilities of the shareholders' meeting, the board of directors and the board of supervisors. By adopting a tiered authorization and list-based management model, and while strictly adhering to the compliance bottom line, it ensured the management's autonomy in operations and balanced standardized governance with operational efficiency.

III. Clarifying the strategic positioning. Leveraging the resources and strategic advantages of the state-owned shareholder, and taking into account industry trends and the industrial footprint of the Group, the new controlling shareholder initiated the formulation of a medium- and long-term development plan. Focusing on the core businesses of anode materials and polarizers, it defined business development

objectives, technology roadmaps and capacity plans, addressed strategic shortcomings and provided clear guidance for the long-term development of the Company.

IV. Focusing on industrial development. The new controlling shareholder seized industry opportunities and concentrated resources on key projects, accelerating the completion and upgrading of existing projects and the implementation of new ones. It continued technological iteration and capacity optimization by phasing out inefficient capacity, expanding high-quality capacity, and made every effort to recover delayed progress. These efforts effectively enhanced the competitiveness of core businesses and operational quality.

V. Optimizing financing structure. By leveraging the credit enhancement of state-owned capital, the new controlling shareholder continued to improve its debt structure, actively promoted the reduction of interest rates on existing loans and secured new bank credit facilities. These efforts lowered the overall financing cost, consolidated financial support for core business development and promoted sound and high-quality development of the Company.

III. Analysis on core competitiveness during the Reporting Period

☒Applicable ☐Not Applicable

(I) Analysis of core competitiveness of anode materials

The Company pioneered the industrialisation of lithium battery anode materials in China in 1999 and has been deeply engaged in this field for the past 27 years. It stands as an industry pioneer and long-term technology leader in the global lithium-ion battery anode material sector. Its subsidiaries for core anode material have successively been accredited with the National Enterprise Technology Center and the National Manufacturing Single Champion status. Shanghai Shanshan Technology Co., Ltd. was selected into the national list of Specialised, Sophisticated, Differential and Innovative “Little Giant” enterprises, representing authoritative national recognition of its solid technical R&D capabilities. The Company consistently takes customer needs as its core, adheres to the operating philosophy of technology-driven innovation, quality service assurance and lean operation as the foundation, and has built solid and differentiated competitive advantages across multiple dimensions, including product technology iteration, global core customer collaboration, integrated capacity planning and full-industry-chain coordination.

1. Technology advantage

Thanks to its high-intensity R&D investment for over two decades, the Company has established an industry-leading R&D innovation and incubation system for mass production. It possesses full-chain technical closed-loop capabilities covering customised development of raw materials, fundamental research, pilot-scale verification and industrial-scale production, and has currently built a comprehensive and diversified technology portfolio that synergistically combines artificial graphite, silicon-based anode and hard carbon materials.

Fast-charging technology. The Company, drawing on its proprietary liquid-phase coating process, was the first to overcome the technical bottleneck that had long made it difficult to reconcile high energy density with ultra-high fast-charging performance. This breakthrough has enabled its full range of fast-charging products to maintain a leading edge in both product generation and market share over an extended period. During the Reporting Period, the high-energy-density 6C ultra-fast-charging power anode materials have been stably supplied in bulk to leading downstream customers. The higher-performance ultra-fast-charging graphite products for high-end power applications have completed all technical finalisation and entered the customer mass-production introduction stage. In the consumer electronics segment, the high-matching graphite products adapted for silicon-based systems have undergone a new round of technological iteration, and the graphite anode materials combining fast-charging characteristics with low expansion have entered the trial production stage.

Silicon-based anode technology. The Company has built an integrated full-chain technology matrix spanning from resin and bio-based resin synthesis to porous carbon substrate preparation and silicon-carbon anode finished product manufacturing, with products catering to diverse applications such as consumer electronics, power batteries, power tools, and semi-solid and all-solid-state batteries. Following the successful commissioning of the Phase I production line for silicon-based anodes in Ningbo, mass-produced products have achieved stable volume deliveries to leading customers both domestically and abroad. At present, both the low-expansion bulk silicon-carbon and the high-capacity spherical silicon-carbon have entered mass production.

Graphitisation technology. Building on the mature technology of traditional crucible furnaces, the Company independently developed a new-generation box-type furnace, significantly increasing the effective internal volume and optimising the heating system. Leveraging its proprietary core patent of fixed heating devices, it notably improved furnace temperature uniformity and overall thermal energy utilisation efficiency, effectively reducing graphitisation processing costs. During the Reporting Period, the self-developed continuous graphitisation process products have passed performance verification in core projects of leading customers and entered the mass-production stage.

Raw material development and performance evaluation system. The Company has established a research and development platform for anode raw materials, achieving independent technological breakthroughs in both petroleum coke and coal-based graphite materials and completing a systematic patent portfolio. Relying on its proprietary raw material microstructure design and precision performance control technologies, it can achieve customised raw material adaptation and multi-component compounding optimisation for different downstream application scenarios, providing a solid foundational technical support for the stable mass production of high-end anode materials. During the Reporting Period, the development of two types of low-cost raw materials progressed smoothly. The high-cost-effectiveness products adapted for energy storage scenarios have completed technical finalisation.

Ongoing efforts to strengthen and refine patent portfolio. As of 30 June 2026, anode business of the Company had accumulated 434 granted patents, including 18 international patents, 277 domestic invention patents and 139 utility model patents, further widening its technology moat.

2. Product advantage

The Company has built a diversified product portfolio covering three major application scenarios: power batteries, energy storage batteries and consumer electronics. In the power battery segment, the focus is on high energy density, ultra-fast charging and cost-effectiveness, and the market share of fast-charging anode materials continues to lead the industry. In the energy storage battery segment, the product features of long cycle life and low cost are well aligned with the large-scale volume demand of the market. During the Reporting Period, the shipment share of anode materials for energy storage increased notably. In the consumer electronics segment, fast-charging products continue to maintain a global leading position, and higher-energy-density and higher-fast-charging graphite products and silicon-based anode products are under continuous iterative development.

3. Customer advantage

The Company has established long-term and deeply embedded strategic partnerships with globally leading lithium battery enterprises such as CATL, BYD, ATL and LGES. Collaborative relationships with core customers have remained solid through multiple industry cycles. During the Reporting Period, the Company continued to deepen joint technology development and production capacity coordination with key customers, with the share of orders from core customers steadily increasing.

4. Production capacity advantage

The Company has successfully realized its strategic presence relying on its three domestic integrated production bases in Inner Mongolia, Sichuan and Yunnan. The Inner Mongolia base, the Phase I of the Sichuan base and the Phase I of the Yunnan base have all been put into operation and are operating stably.

During the Reporting Period, the Company continued to improve capacity utilisation and flexible multi-product production capabilities at its operating bases through targeted equipment retrofitting of production lines and optimisation of entire production processes. It will advance the construction of planned capacity in a scientific and orderly manner. At the same time, the Company actively explored diversified overseas cooperation models, comprehensively upgraded the global supply chain's local supporting service capabilities, and steadily increased its overseas market share.

5. Supply chain advantage

The Company has continued to deepen full-chain coordination with upstream core suppliers, jointly conducting targeted R&D on key materials such as functional raw materials, high-end granulating agents and specialty coating agents to ensure product performance consistency at the source. It has established long-term and close strategic partnerships with Sinopec, PetroChina, CNOOC and leading domestic independent refiners, engaging in technology sharing, resource coordination and joint development on

core raw materials including needle coke, petroleum coke and calcined coke, thereby effectively enhancing the supply chain's resilience against fluctuations and its rapid response efficiency. The Company has steadily advanced localized supply arrangements at its core plants in Sichuan and Yunnan, and has continued to expand diversified raw material reserves. In addition, the Company maintains a dedicated market research team that monitors upstream raw material market conditions and supply-demand dynamics in real time, and strengthens its full-chain cost competitiveness through operational measures such as centralized price-lock procurement and coordinated optimization of cross-regional logistics routes.

6. Team advantage

The Company has assembled a high-level R&D team at its Anode Research Institute, led by seasoned technical experts from the industry. The core members combine deep theoretical knowledge in materials science with hands-on experience in full-process industrialisation. The team has built a closed-loop R&D platform covering the entire chain, from raw materials and product design to electrochemical mechanism research. Its professional capabilities span the complete pathway from fundamental material breakthroughs to adaptation for end-cell applications, forming an efficient iteration mechanism of R&D, pilot-scale, mass production and feedback. This provides the Company with a solid talent foundation to sustain its technological leadership and accelerate the translation of cutting-edge technologies into industrial practice.

(II) Analysis of core competitiveness of polarizer

Backed by over two decades of technological expertise and continuous R&D investment, the Company has maintained industry leadership in differentiated technology areas such as ultra-large size, ultra-thinness, high contrast ratio and wide viewing angle. Its polarizer subsidiaries have received multiple national-level designations, including National High-Tech Enterprise, National Manufacturing Single Champion Enterprise, National Specialized, Sophisticated, Differential and Innovative "Little Giant" and National Green Factory, reflecting broad recognition of their technological innovation and manufacturing capabilities.

1. Technology advantage

The Company has deep expertise in core polarizer process technologies and has continuously made breakthroughs in high-end display applications. In manufacturing processes, it has improved product first-pass yield through custom-built production equipment and precision parameter control systems. Relying on comprehensive defect detection and automated inspection technologies, it ensures high product yield. The Company has continuously optimised key processes such as film lamination and film stretching, and has successfully applied ultraviolet curing technology to polarizer manufacturing, further strengthening its process capabilities and product quality.

In standard-setting, the three group standards for polarizers led by the Company—Low Moisture Permeability Polarizers for Thin Film Transistor Liquid Crystal Displays (TFT-LCD), Polarizers for

Small- and Medium-Sized Organic Light-Emitting Diode (OLED) Displays, and Polarizers for Television OLED Displays—have been officially released and put into effect. The national standard series Test Methods for Polarizers for Flat Panel Displays, which the Company led in drafting, has also been officially released, providing important support for standardisation and technological breakthroughs in the field of core materials for flat panel displays.

As of 30 June 2026, the Company had obtained over 2,000 LCD and OLED polarizer-related patents in major countries worldwide, including South Korea, China, Japan and the United States. Among these, the number of granted patents totaled 2,182 (including 1,780 overseas patents), comprising 2,084 invention patents and 98 utility model patents, forming a solid patent barrier covering both LCD and OLED polarizer fields.

2. Product advantage

The Company's products comprehensively cover large-, medium- and small-size LCD and OLED polarizers, and are widely used in televisions, monitors, laptops, tablets, mobile phones, automotive displays and emerging display scenarios. In the large-size TV polarizer segment, the Company holds a global leading position by virtue of its ultra-wide production capacity and cost advantages from scale. In the OLED polarizer segment, it has rapidly achieved scaled supply. OLED TV polarizers have achieved stable mass production in all sizes and hold a leading global market share, while OLED mobile phone polarizers have successfully entered mass production for multiple customers and multiple models. Automotive polarizers have achieved stable shipments. During the Reporting Period, the Company continued to drive the upgrading of its product mix, with the share of high-value-added products such as high-end IT, and OLED increasing, thereby further strengthening its market competitiveness.

3. Customer advantage

The polarizer industry features high entry barriers and lengthy qualification cycles for customers. Once a supplier is qualified, it typically establishes a stable partnership with the customer. The Company has established long-term and stable relationships with leading global panel manufacturers, including BOE, CSOT, LG Display, HKC, Sharp, Xianyang CaiHong Optoelectronics, TIANMA, AUO and Qunchuang. Through collaborative development and rapid response, its product quality and services have gained high recognition from these customers. The deeply embedded customer relationships, stringent supplier certification processes and customized joint development models together create high switching barriers for customers.

4. Production capacity advantage

The Company's polarizer production capacity ranks among the global leaders, with 10 world-class production lines deployed across Nanjing, Guangzhou and Zhangjiagang, covering production needs across different technologies, applications and sizes. It operates six ultra-wide front-end production lines, including a 2,600 mm line capable of producing polarizers for screens above 115 inches, making its ultra-wide capacity a global leader. In addition, the Company has established industry-leading RTP (roll-to-

panel) lines at multiple customer sites, enabling integrated processing from polarizer roll stock to glass substrate lamination and automated inspection. This setup offers the advantages of proximity to customers, convenient supply and rapid response, while effectively reducing transportation and packaging costs and improving production efficiency and product yield.

5. Supply chain advantage

The Company has continued to deepen its strategic partnerships with leading raw material suppliers worldwide to safeguard supply chain stability and security. Concurrently, it has been proactively advancing the diversification and localization of raw materials, accelerating the adoption of domestically sourced materials, and improving the supply chain's self-reliance. These efforts enhance cost competitiveness while ensuring security of supply.

6. Team advantage

The Company has a professional team with deep industry experience and outstanding technical capabilities, maintaining a long-term focus on polarizers and related material fields. Its core R&D personnel cover key areas including materials science, process engineering, equipment development and smart manufacturing, and they consistently track global display technology trends and evolving market needs, providing solid support for product innovation and process optimisation. The management team, drawing on a profound understanding of the display industry landscape, a precise grasp of the supply chain system and keen insight into customer requirements, continues to drive the effective implementation of the Company's strategy and the steady growth of its business.

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

(I) Analysis of principal businesses

1. Analysis of changes in relevant items in the financial statements

Unit: Yuan Currency: RMB

Item	Amount for the current period	Amount for the same period last year	Change ratio (%)
Operating income	12,130,333,259.92	9,858,484,315.28	23.04
Operating costs	9,693,080,620.47	8,249,225,096.47	17.50
Selling expenses	155,737,071.82	135,800,467.89	14.68
Administrative expenses	275,517,660.31	257,275,296.06	7.09
Financial expenses	339,305,190.03	273,041,490.01	24.27
Research and development expenses	622,657,834.01	512,503,725.65	21.49
Net cash flow from operating activities	834,520,022.60	1,463,129,606.60	-42.96
Net cash flows from investment activities	17,474,930.64	-155,356,916.48	Not applicable
Net cash flow from financing activities	193,103,189.05	-1,226,269,047.24	Not applicable
Effect of foreign exchange rate changes on cash and cash equivalents	-14,846,965.19	-6,394,097.47	Not applicable

Item	Amount for the current period	Amount for the same period last year	Change ratio (%)
Credit impairment losses	-12,235,856.67	11,233,904.34	-208.92
Gains from changes in fair value	-1,236,000.00	-18,453,000.00	Not applicable
Investment income	42,717,422.54	5,402,531.26	690.69
Gains on disposal of assets	89,324.66	1,897,094.47	-95.29
Non-operating income	849,720.25	3,638,485.20	-76.65
Non-operating expenses	1,568,441.21	5,433,466.57	-71.13
Income tax expenses	119,146,174.93	76,236,663.31	56.28
Net profit attributable to shareholders of parent company	822,451,607.67	207,308,198.84	296.73
Other comprehensive income after tax attributable to the owners of parent company, net	-41,499,975.16	75,863,911.94	-154.70

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

Explanation of reasons for the change in net cash flows from operating activities: It was mainly due to the increase in production and sales volume of the anode segment during the Reporting Period and the rise in procurement and stocking.

Explanation of reasons for the change in net cash flows from investing activities: It was mainly due to the decrease in cash recovered from the reduction of treasury shares and in cash paid for acquisition of fixed assets, intangible assets and other long-term assets during the Reporting Period, compared with the same period last year.

Explanation of reasons for the change in net cash flows from financing activities: It was mainly because of the increase in the net amount of bank loans by the Company during the Reporting Period, as compared to the same period of the previous year.

Explanation of reasons for the effect of foreign exchange rate changes on cash and cash equivalents: It was mainly due to the impact of exchange rate changes.

Explanation of reasons for the credit impairment losses: It was mainly due to the increase in accounts receivable from the polarizer business during the Reporting Period. This led to a corresponding increase in the provision for bad debts.

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

Explanation of reasons for the change in the investment income: It was mainly due to an increase in investment income from long-term equity investments of the Company accounted for under the equity method during the Reporting Period.

Explanation of reasons for the change in the gains on disposal of assets: It was mainly due to the year-on-year decrease in the disposal of fixed assets and right-of-use assets by the Company during the Reporting Period.

Explanation of reasons for the change in the non-operating income: It was mainly due to a year-on-year decrease in income from fines and liquidated damages and in gains from disposal and scrapping of non-current assets of the Company during the Reporting Period.

Explanation of reasons for the change in the non-operating expenses: It was mainly due to a year-on-year decrease in losses on disposal of non-current assets, liquidated damages and litigation expenses of the Company during the Reporting Period.

Explanation of reasons for the change in income tax expenses: It was mainly due to the increase in total profit, which resulted in an increase in income tax expenses.

Explanation of reasons for the change in net profit attributable to shareholders of parent company:

It was mainly due to the steady growth in sales volumes of the anode and polarizer businesses during the Reporting Period, which led to a significant year-on-year increase in net profit, and the year-on-year increase in investment income from long-term equity investments accounted for under the equity method.

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

2. Detailed explanation of significant changes in the business type, profit composition or profit source of the Company during the period

√ Applicable □ Not applicable

For details of the reasons for the changes in the Company's performance during the period, please refer to "II. Operation Discussion and Analysis " in this section.

(I) Explanation of Significant Changes in Profit due to Non-Core Businesses

□ Applicable √ Not applicable

(II) Analysis of assets and liabilities

√ Applicable □ Not applicable

1. Assets and Liabilities

Unit: Yuan Currency: RMB

Item	Amount at the end of the current period	Amount at the end of the current period as a percentage of total assets (%)	Amount as at the end of the previous year	Amount as at the end of the previous year as a percentage of total assets (%)	Change in the amount as at the end of the current period compared to the amount as at the end of the previous year (%)	Description
Cash and cash equivalents	3,815,453,195.83	8.17	2,619,871,500.01	5.80	45.64	This was primarily due to the year-on-year improvement in operating cash flow from the polarizer segment; at the same time, the Company appropriately increased the scale of working capital loans in line with its operational needs, enhancing its working capital assurance capability.

Item	Amount at the end of the current period	Amount at the end of the current period as a percentage of total assets (%)	Amount as at the end of the previous year	Amount as at the end of the previous year as a percentage of total assets (%)	Change in the amount as at the end of the current period compared to the amount as at the end of the previous year (%)	Description
Receivables financing	188,351,755.17	0.40	59,573,414.23	0.13	216.17	Primarily due to an increase in bank acceptance bills and commercial acceptance bills held by the anode business during the reporting period compared to the beginning of the year.
Advances received	281,261.50	0.00	188,984.47	0.00	48.83	Primarily due to an increase in rent received in advance by the Company during the reporting period.
Contract liabilities	20,556,868.67	0.04	57,709,480.71	0.13	-64.38	Primarily attributable to a decrease in advance payments from customers of the Company during the reporting period.
Employee benefits payable	65,729,630.43	0.14	176,053,443.07	0.39	-62.66	This was primarily due to the payment of various types of performance-based salaries and bonuses accrued at the end of the previous year by the subsidiary industrial companies during the reporting period.
Taxes payable	147,646,151.29	0.32	108,245,043.78	0.24	36.40	This was mainly due to an increase in corporate income tax payable and other taxes from the Company's two major segments during the reporting period.
Other current liabilities	2,276,108.88	0.00	6,928,404.27	0.02	-67.15	This was primarily due to a decrease in output VAT to be transferred from the two major segments during the reporting period.

2. Status of overseas assets

√ Applicable □ Not applicable

(1) Asset size

of which: overseas assets amounted to RMB1,057,867,425.55 (Unit: Yuan, Currency: RMB), representing 2.26% of total assets.

(2) Relevant explanation regarding a relatively high proportion of overseas assets

□ Applicable √ Not applicable

3. Major assets under restriction as of the end of the reporting period

√ Applicable □ Not applicable

For details of assets whose ownership or right of use was restricted as of the end of the reporting period, please refer to "20. Assets with Restricted Ownership or Right of Use" in "Note VII. Notes to Items in the Consolidated Financial Statements" of the financial statements.

(III) Analysis of Investment Status

1. Overall Analysis of External Equity Investments

☐ Applicable ☒ Not applicable

(1) Material Equity Investments

☐ Applicable ☒ Not applicable

(2) Significant Non-Equity Investments

☒ Applicable ☐ Not applicable

Item	Project amount (RMB'0,000)	Amount invested in the current year (RMB'0,000)	Cumulative amount invested (RMB'0,000)	Source of funds	Project progress
The lithium ion battery anode material integration base project with the annual output of 200,000 tons in Meishan, Sichuan	800,000.00	7,459.45	486,343.64	Own funds + financing+proceeds (issuing GDR in 2022)	Phase I has been completed and put into operation. Preparations for the construction of the Phase II production line are currently underway.
The lithium ion battery anode material integration base project with the annual output of 300,000 tons in Anning, Yunnan	970,000.00	434.10	421,578.07	Own funds + financing	The Phase I has achieved 80 percent of the scheduled progress. The remaining work has been officially initiated. The planned production capacity target for Phase I is expected to be reached by 2027.
The lithium ion battery silica-based anode material integration base project of Shanshan with the annual output of 40,000 tons	375,000.00	2,644.68	108,815.53	Own funds + financing	Part of the Phase I production capacity has commenced operation.
The polarizer production line with an annual output of 50 million square meters in Mianyang	350,000.00	414.48	52,938.68	Own funds + financing	The pace of project construction is prudently adjusted according to market conditions and business plans.
The high-end display polarizer production line with an annual output of 40 million square meters in Yangzhou	450,000.00	0	7,688.67	Own funds + financing	The project is currently in the feasibility study and planning and design stage.

(3) Financial Assets Measured at Fair Value

√ Applicable □ Not applicable

Unit: Yuan Currency: RMB

Asset class	Opening balance	Gains or losses from changes in fair value for the current period	Cumulative changes in fair value recognized in equity	Provision for impairment in the current period	Amount purchased in the current period	Amount sold/redeemed in the current period	Other changes	Closing balance
Other equity instrument investments	100,376,840.46	-10,409,262.90	499,786,547.09			725,800.00	-3,500,420.37	85,741,357.19
Other non-current financial assets	217,684,588.93		-29,157,334.68			5,447,498.21		212,237,090.72
Accounts receivable financing	59,573,414.23						128,778,340.94	188,351,755.17
Total	377,634,843.62	-10,409,262.90	470,629,212.41			6,173,298.21	125,277,920.57	486,330,203.08

Investments in securities

√ Applicable □ Not applicable

Unit: Yuan Currency: RMB

Type of securities	Stock Code	Stock short name	Initial investment cost	Source of funds	Carrying amount at the beginning of the period	Gains or losses from changes in fair value for the current period	Cumulative changes in fair value recognized in equity	Amount transferred to retained earnings during the current period	Amount purchased in the current period	Amount sold during the current period	Investment gains and losses for the current period	Carrying amount at the end of the period	Accounting item
Stock	TSX:RM	DEFI TECHNOLOGIES INC	9,155,041.01		1,367,506.81	-431,590.32	-8,219,124.52					935,916.49	Other equity instrument investments
Stock	ASX:ARL	ARDEA RESOURCES LTD			3,395,852.96	-856,474.01	-765,008.84					2,539,378.95	Other equity instrument investments
Stock	ASX:GRL	GODOLPHIN RESOURCES LTD(GRL AT)			34,740.04	-8,761.85	25,978.19					25,978.19	Other equity

													instrument investments
Stock	ASX:KAL	KALGOORLIE GOLD MINING LTD ORDINARY SHARES(KAL AU)			71,757.86	-38,846.57	32,911.29					32,911.29	Other equity instrument investments
Stock	ASX:1MC	Morella Corporation Limited	225,883,583.93		3,301,776.13	-1,020,220.87	-223,602,028.67					2,281,555.26	Other equity instrument investments
Stock	SH:603993	Luoyang Molybdenum	13,947,037.74		73,021,140.00	-8,053,369.28	741,654,752.98	3,500,420.37		725,800.00	989,862.30	60,741,550.35	Other equity instrument investments
Total	/	/	248,985,662.68	/	81,192,773.80	-10,409,262.90	509,127,480.43	3,500,420.37		725,800.00	989,862.30	66,557,290.53	/

Explanation of securities investments

☐ Applicable ☒ Not applicable

Investment in private funds

☐ Applicable ☒ Not applicable

Investments in derivatives

☐ Applicable ☒ Not applicable

(V) Sales of Significant Assets and Equity√ Applicable ☐ Not applicable**Partial Disposal of Equity Interest in Quzhou Shanshan**

The Company completed the equity transfer and delivery of Quzhou Shanshan, its electrolyte business subsidiary, on 17 February 2023. As the counterparties, Sunyes Manufacturing and Sunyes Zhongning, failed to pay the remaining equity transfer consideration of RMB344,862,000 before 30 June 2023 as agreed, after multiple rounds of negotiations, the parties to the transaction reached an agreement and signed a Settlement Agreement, which clarified the payment arrangements for the remaining equity transfer consideration and the fee for the use of funds. Subsequently, the Company received an equity transfer consideration of RMB100,000,000.00 in accordance with the Settlement Agreement, with a remaining equity transfer consideration receivable of RMB244,862,000.00.

On 28 June 2024, Sunyes Manufacturing and Sunyes Zhongning initiated legal proceedings against Yongquan Investment, Shanshan New Energy and the Company on the grounds that the production capacity of certain production lines of Quzhou Shanshan was inconsistent with the actual circumstances. The case was heard on 22 May 2025. Before the first-instance judgment was rendered, Sunyes Manufacturing and Sunyes Zhongning applied to the Quzhou Intermediate People's Court in September 2025 to withdraw the lawsuit, and the Quzhou Intermediate People's Court ruled to permit the withdrawal. After the withdrawal of the lawsuit, Sunyes Manufacturing and Sunyes Zhongning filed a lawsuit with the Zhuhai Intermediate People's Court based on the same facts, alleging fraud in the transaction involved in the case. In February 2026, the Zhuhai Intermediate People's Court ruled to transfer the case to the Quzhou Intermediate People's Court for handling; Sunyes Manufacturing and Sunyes Zhongning appealed against this jurisdictional ruling to the Guangdong Provincial High People's Court. The Guangdong Provincial High People's Court has dismissed the appeal and upheld the original ruling, and the case has been transferred to the Quzhou Intermediate People's Court. On 21 August 2026, the Quzhou Intermediate People's Court issued a ruling permitting the withdrawal of the lawsuit by Sunyes Manufacturing and Sunyes Zhongning.

On 12 July 2024, Yongquan Investment filed a lawsuit against Sunyes Manufacturing, Sunyes Zhongning and others on the grounds that Sunyes Zhongning had failed to pay the equity transfer consideration in accordance with the Settlement Agreement. The case was heard in court on 3 June 2025. The judgment is scheduled to be pronounced on 28 August 2026.

As of the end of the Reporting Period, taking into account the financial condition of Sunyes Manufacturing, the complexity of the actual trial process, the age of accounts receivable, and other factors affecting the collectability of the receivables, the management, based on the principle of prudence, has provided for bad debts on the remaining equity transfer consideration at a rate of 30%, amounting to a total of RMB97,944,800.

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 30 June 2026, the Company has received a total of RMB142,113,300 of the equity transfer payment and received the remaining equity transfer payment of RMB26.00 million and has provided for bad debts of RMB13.00 million. The Company has continuously followed up and urged the transaction counterparty to pay the remaining equity transfer proceeds. In August 2026, the Company received RMB 3.8 million of such proceeds. As of the date of this report, the Company had RMB 22.2 million in remaining equity transfer proceeds receivable.

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

√ Applicable □ Not applicable

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

√ Applicable □ Not applicable

Unit: '0,000 Currency: RMB

Company name	Company type	Principal business	Registered capital	Total assets	Net assets	Operating revenue	Operating profit	Net profit
Shanjin Optoelectronics (Suzhou) Co., Ltd.	Subsidiary	R&D production and sales of polarizers	710,522.56	933,183.32	923,978.32	3,180.00	35.52	30.45
Shanjin Optoelectronics (Guangzhou) Co., Ltd.	Subsidiary		170,000.00	585,445.88	398,076.65	287,405.31	39,319.57	33,211.60
Shanjin Optoelectronics (Nanjing) Co., Ltd.	Subsidiary		380,000.00	700,936.98	522,049.22	413,429.24	32,313.69	28,200.85
Shanghai Shanshan Lithium Battery Materials Technology Co., Ltd.	Subsidiary	Research and development, production and sales of lithium-ion battery anode materials	118,200.00	886,395.90	582,225.96	-	-2,799.36	-2,799.36
Ningbo Shanshan New Material Technology Co., Ltd.	Subsidiary		280,000.00	492,605.09	351,541.54	122,951.35	5,489.50	4,818.70
Shanghai Shanshan New Materials Co., Ltd.	Subsidiary		100,000.00	478,639.26	127,865.70	588,606.91	3,911.47	6,225.04
Inner Mongolia Shanshan Technology Co., Ltd.	Subsidiary		130,000.00	272,318.73	168,305.55	156,026.27	2,235.57	1,715.33
Sichuan Shanshan New Material Co., Ltd.	Subsidiary		250,000.00	991,464.08	276,437.47	336,567.82	20,487.51	18,428.21

Yunnan Shanshan Material Ltd.	New Co.,	Subsidiary		205,000.00	631,057.41	217,465.31	125,611.83	-9,057.44	-7,883.24
BASF Shanshan Battery Materials Ltd.	Co.,	Participating company	Research and development, production, and sales of lithium-ion battery cathode materials	57,884.55	640,292.67	473,988.31	201,321.80	3,279.77	1,218.04
Zhejiang Chouzhou Commercial Bank Co., Ltd		Participating company	Accepting public deposits, granting loans and handling domestic settlements, etc.	460,000.00	40,244,023.05	2,843,561.71	630,864.77	173,164.32	128,375.43

Acquisition and disposal of subsidiaries during the Reporting Period

√ Applicable □ Not applicable

Company name	Method of acquisition and disposal of subsidiaries during the reporting period	Impact on overall production, operation and performance
Ningbo Shanshan Bada Powertrain Co., Ltd.	Cancellation	No significant impact

(VII) Structured entities controlled by the Company

□ Applicable √ Not applicable

I. Other Disclosures

(I) Potential Risks

√ Applicable □ Not applicable

1. Market competition risk

With the rapid development of the energy storage market and the new energy vehicle market, demand in the anode material industry has expanded quickly. Insufficient supply of high-quality capacity has created a structural capacity shortage, and a new round of capacity expansion is centred on leading enterprises. If downstream demand growth in the future falls short of expectations, it may lead to supply-demand imbalance in the industry, intensified market competition and downward pressure on product prices, which would adversely affect the Company's operating performance.

As overseas polarizer manufacturers gradually scale back or exit the polarizer market, while domestic manufacturers expand capacity through mergers and acquisitions or new production lines, competition in the domestic polarizer market is intensifying, which may give rise to risks such as price competition.

Countermeasures: The Company adheres to technological innovation and continuously drives product iteration and upgrading. It focuses on high-value-added application segments and continuously enhances product competitiveness by improving operational efficiency and implementing lean production.

2. Raw material price fluctuations and supply risk

The main raw materials for the Company's lithium-ion battery anode material business include petroleum coke and needle coke, which account for a relatively high proportion of its costs. The prices of these raw materials are affected by oil prices and will fluctuate to varying degrees. If the pressure from rising raw material prices cannot be passed on to downstream customers or cannot be offset by technological and process innovations, it will have a certain impact on the Company's operating performance.

The supply of raw materials for polarizers is mainly concentrated in Japanese and South Korean enterprises, with PVA film, TAC film and PET film in particular being primarily procured from relevant Japanese enterprises. If upstream raw material suppliers experience significant operational changes or if there are material changes in the foreign trade environment, it will have an uncertain impact on the production and operation of the Company's polarizer business. Most of the raw materials for the upstream film materials used in polarizers come from petrochemical products. An increase in crude oil prices will directly drive up the production costs of film materials, which will in turn be passed on to the polarizer segment.

Countermeasures: The Company continues to deepen its global supply chain layout, improve its supply chain management system, and closely monitor fluctuations in upstream raw material prices to ensure the security of raw material supply and mitigate the risk of cost volatility. On the one hand, the Company enters into long-term agreements with upstream suppliers to establish stable supply channels; on the other hand, it actively promotes the localisation and diversification of raw materials, continuously enhancing supply resilience and cost competitiveness. In addition, the controlling shareholder's industrial layout in the PVA (polyvinyl alcohol) sector creates upstream and downstream synergies with the Company's polarizer PVA film business. This can provide strong support for the Company's supply of key raw materials and further enhance the Company's supply chain security and its ability to independently control core materials.

3. Risks of new product and new technology development

As the performance requirements of the end market for battery energy density, safety, fast charging and other aspects continue to increase, the research, development and industrialisation of new technology routes such as solid-state batteries and sodium-ion batteries are accelerating. If the Company fails to timely grasp trends in technological changes and to upgrade or innovate its products, it may have a certain impact on the Company's market position and profitability.

The Company's polarizer products have currently achieved full coverage of mainstream LCD and OLED application technologies, and it maintains a leading market share. If the future development of new

display technologies poses a challenge to the demand for polarizers under existing technological routes, and the Company fails to respond quickly to the demand for new products by upgrading or innovating, the demand for and profitability of the polarizer business may also be affected.

Countermeasures: Leveraging the Company's profound technological accumulation and leading research and development capabilities, we will continue to increase investment in R&D and innovation, strategically deploy new materials such as silicon-based anodes and hard carbon, closely monitor technological advancements in solid-state batteries and sodium-ion batteries, and proactively plan for relevant material systems to ensure the forward-looking and leading nature of our technology. At the same time, the Company is continuously consolidating its leading edge in LCD polarizer products, expanding the application fields of OLED polarizers, and, by strengthening new product research, development and industrialisation, continuously maintaining its forward-looking strategic layout and market competitive advantages in emerging technological directions.

4. Risks of changes in the international environment

The current international environment is becoming increasingly complex, with factors such as geopolitical conflicts and trade protectionism exacerbating its instability, leading to a significant rise in the uncertainty and volatility of global supply chains. Such changes may have an adverse impact on the overseas capacity construction and market expansion of the Company's anode material business, and may also affect the stable supply of raw materials for the Company's polarizer business.

Countermeasures: We will closely monitor changes in the international environment and dynamically respond to relevant risks; deepen strategic collaboration with overseas customers, promote localisation based on demand, and continuously enhance supply chain resilience.

5. Exchange rate risk

As some of the Company's purchases and sales originate from overseas, settlement with overseas payment channels involves multiple currencies, including the USD, JPY and KRW. Therefore, foreign currency assets will be subject to certain exchange rate fluctuation risks.

Countermeasures: We will establish a dynamic monitoring mechanism, consider the corresponding exchange rate fluctuation risks when entering into contracts, and at the same time make reasonable and prudent use of relevant financial instruments to hedge against exchange rate risks.

(II) Other Disclosures

☐ Applicable ☒ Not applicable

Section IV Corporate Governance, Environment and Society

I. Changes in Directors and Senior Management of the Company

☐Applicable ☒Not Applicable

During the Reporting Period, there were no changes in directors and senior management of the Company.

For changes in directors and senior management of the Company after the Reporting Period, please refer to the “Description of changes in directors and senior management of the Company”.

Description of changes in directors and senior management of the Company

☒Applicable ☐Not Applicable

On 20 July 2026, the Company convened the 1st extraordinary shareholders’ meeting of 2026, at which the members of the 12th session of the Board of Directors were elected. The non-independent directors were Mr. Zhu Shengli, Mr. Zhuang Wei, Mr. Tao Yong, Mr. Liu Bangzhu, Mr. Qin Jianhui, Ms. Li Fengfeng and Mr. Zhu Zhiyong, and the independent directors were Mr. Zhou Xiangyang, Mr. Zhao Yongqing, Mr. Li Xifeng and Mr. Chen Aihua.

On 21 July 2026, the Company convened the 1st meeting of the 12th session of the Board of Directors, at which Mr. Zhu Shengli was elected as the Chairman of the 12th session of the Board of Directors of the Company, Mr. Zhuang Wei was appointed as the General Manager of the Company, Ms. Li Fengfeng, Mr. Zhu Zhiyong and Mr. Zhang Jiong were appointed as Deputy General Managers of the Company, Mr. Li Keqin was appointed as the Chief Financial Officer of the Company, Ms. Chen Ying was appointed as the Board Secretary of the Company, Mr. Wang Hong was appointed as the General Manager Assistant of the Company, and Mr. Yue Jian was appointed as the Deputy Chief Financial Officer of the Company.

The former members of the 11th session of the Board of Directors and senior management of the Company who were not re-elected have accordingly resigned.

II. Plan of Profit Distribution or Capitalisation of Surplus Reserve

The interim plan for profit distribution and capitalisation of capital reserves

Whether distributed or capitalised	No
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III. Share Option Incentive Scheme, Employee Share Scheme or Other Employee Incentives and Their Impact

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

☒Applicable ☐Not Applicable

Overview	Index for inquiry
On 28 April 2026, the 23rd meeting of the 11th session of the Board of Directors of the Company deliberated and approved the Proposal on the Cancellation of Share Options and Repurchase and Cancellation of Restricted Shares of the Company’s 2022 Share Options and Restricted Share Incentive Plan. On 30 July 2026, the Company completed the cancellation of the aforementioned share options and the repurchase and cancellation of restricted shares at China Securities Depository and Clearing Corporation Limited Shanghai Branch.	For details, please refer to the relevant announcements released by the Company on 30 April 2026 and 28 July 2026, in designated newspapers and media, as well as on the website of Shanghai Stock Exchange.

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

Share option incentive

☐Applicable ☒Not Applicable

Employee share scheme

☐Applicable ☒Not Applicable

Other incentives measures

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

Number of enterprises included in the list of enterprises required to disclose environmental information according to law (units)		10
No.	Enterprise name	Index for querying environmental information disclosure report according to law
1	Shanjin Optoelectronics (Nanjing) Co., Ltd.	http://ywxt.sthjt.jiangsu.gov.cn:18181/spsarchive-webapp/web/viewRunner.html?viewId=../sps/views/yfpl/views/yfplHomeNew/index.js
2	Shanjin Optoelectronics Technology (Zhangjiagang) Co., Ltd.	http://ywxt.sthjt.jiangsu.gov.cn:18181/spsarchive-webapp/web/viewRunner.html?viewId=../sps/views/yfpl/views/yfplHomeNew/index.js
3	Shanjin Optoelectronics (Guangzhou) Co., Ltd.	https://gdee.gd.gov.cn/gdeepub/front/dal/dal/newindex
4	Shanghai Shanshan Technology Co., Ltd.	https://e2.sthj.sh.gov.cn:8081/jsp/view/hjpl/index.jsp
5	Ningbo Shanshan New Material Co., Ltd.	https://mlzj.sthjt.zj.gov.cn/eps/index/enterprise-search
6	Fujian Shanshan Technology Co., Ltd.	http://220.160.52.213:10053/idp-province/#/multiple-query
7	Inner Mongolia Shanshan Technology Co., Ltd.	http://111.56.142.62:40010/support-yfpl-web/web/viewRunner.html?viewId=http://111.56.142.62:40010/support-yfpl-web/web/sps/views/yfpl/views/yfplHomeNew/index.js&cantonCode=150000
8	Inner Mongolia Shanshan New Material Co., Ltd.	http://111.56.142.62:40010/support-yfpl-web/web/viewRunner.html?viewId=http://111.56.142.62:40010/support-yfpl-web/web/sps/views/yfpl/views/yfplHomeNew/index.js&cantonCode=150000
9	Sichuan Shanshan New Material Co., Ltd.	https://www.sczfwf.gov.cn/tftb/jmopenpub/jmopen_files/webapp/html5/qyhjxxfyfpl/index.html#/index/enterprise-list?input=%E5%9B%9B%E5%B7%9D%E6%9D%89%E6%9D%89&area=
10	Yunnan Shanshan New Material Co., Ltd.	http://220.163.62.151:10085/zhwglptQyd/frontal/index.html#/home/index

V. Particulars of Consolidating and Expanding the Results of Poverty Alleviation and Rural Revitalization☐Applicable ☒Not Applicable

Section V Important Matters

I. Performance of Commitments

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

√Applicable □Not applicable

Background	Type	Party(ies)	Details	Effective time	Whether the commitments have a performance deadline	Validity period	Whether the commitments have been strictly performed in a timely manner
Commitments made in the report on acquisition or the report on the change in shareholding	Restrictions on sales of shares	Wanwei Group	1. The directly acquired shares obtained by Wanwei Group in this reorganization shall not be transferred within 36 months from the date of transfer to Wanwei Group's name. 2. The priority beneficial interests in the bankruptcy service trust obtained by Wanwei Group in this reorganization shall not be transferred within 36 months from the date Wanwei Group obtains such shares in accordance with laws and regulations. 3. During the share lock-up period, the portion of directly acquired shares that increases due to events such as bonus share issuance, capital reserve conversion into share capital, or rights issue of Ningbo Shanshan Co., Ltd. shall also comply with the aforementioned share lock-up period arrangements. 4. If the aforementioned lock-up period does not comply with the latest regulatory requirements of securities regulators, Wanwei Group agrees to make corresponding adjustments based on the latest regulatory opinions of securities regulators, and upon the expiration of the lock-up period, relevant regulations of the China Securities Regulatory Commission and the Shanghai Stock Exchange shall apply.	8 February 2026	Yes	For details, please refer to the commitment.	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
			5. This letter of commitment shall take effect from the date on which the directly acquired shares are transferred into the name of Wanwei Group.				
	Addressing horizontal competition	Conch Group , Wanwei Group	Each of Conch Group and Wanwei Group has issued the <i>Commitment Letter on Avoidance of Horizontal Competition</i> . For details, please refer to the <i>Detailed Equity Change Report of Ningbo Shanshan Co., Ltd. (Anhui Wanwei Group Co., Ltd.)</i> disclosed by the Company on 24 April 2026.	17 April 2026	No	The relevant commitment shall take effect from the date of completion of the transaction, and continue to be valid during the period when the Company acts as the (indirect) controlling shareholder of the listed company.	Yes
	Others	Wanwei Group	Wanwei Group has issued separate letters of commitment on ensuring the independence of the listed company and regulating related transactions. For details, please refer to the <i>Detailed Equity Change Report of Ningbo Shanshan Co., Ltd. (Anhui Wanwei Group Co., Ltd.)</i> disclosed by the Company on 24 April 2026.	17 April 2026	No	The above commitment shall take effect upon the Covenantor obtaining control over the listed company, and continue to be valid during the period when the Covenantor holds control over the listed company.	Yes
	Restrictions on sales of shares	Shanshan Group, Pengze Trading	1. The Retained Shares held by the Company (being the remaining 81,743,870 shares and 106,862,249 shares of Ningbo Shanshan Co., Ltd. held by Shanshan Group and Pengze Trading, respectively) shall not be transferred within 36 months from the date of the completion of the registration and transfer of all 303,670,737 shares of Ningbo Shanshan Co., Ltd. acquired by Wanwei Group.	23 April 2026	Yes	For details, please refer to the commitment letter.	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
			2. During the share lock-up period, in respect of the portion of the Retained Shares that increases due to events such as bonus share issuance, capital reserve conversion into share capital, or rights issue of Ningbo Shanshan Co., Ltd., the Company shall also comply with the aforementioned share lock-up period arrangements. 3. If the aforementioned lock-up period does not comply with the latest regulatory requirements of securities regulators, the Company agrees to make corresponding adjustments based on the latest regulatory opinions of securities regulators, and upon the expiration of the lock-up period, relevant regulations of the China Securities Regulatory Commission and the Shanghai Stock Exchange shall apply. 4. This letter of commitment shall take effect from the date on which the Acting in Concert Agreement is executed.				
	Others	Shanshan Group, Pengze Trading, Yinzhou Jielun (鄞州捷伦), Shanshan Holdings	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	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 1 January 2022 and 23 September 2022.	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
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 remains in force indefinitely.	Yes
	Addressing horizontal competition	Shanshan Holdings, Shanshan Group (the Covenantors)	There is no substantial horizontal competition between the enterprises directly or indirectly controlled by the Covenantors and Ningbo Shanshan Co., Ltd. and its holding enterprises. During the Period when the Covenantors are the (indirect) controlling shareholder of Ningbo Shanshan Co., Ltd., the Covenantors and the enterprises controlled by the Covenantors other than Ningbo Shanshan Co., Ltd. and its holding enterprises will avoid engaging in any business that competes with the main business of Ningbo Shanshan Co., Ltd. and its holding enterprises, and will not engage in any activity that causes damage to the interests of Ningbo Shanshan Co., Ltd. and its holding companies. If the Covenantors and the enterprises controlled by the Covenantors other than Ningbo Shanshan Co., Ltd. and its holding enterprises encounter business opportunities within the scope of the main business of Ningbo Shanshan Co., Ltd. and its holding enterprises, the Covenantors will facilitate the transfer of such opportunities to Ningbo Shanshan Co., Ltd. and its holding enterprises. In case of any breach of the above commitments, the Covenantors	May 2015	Yes	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 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
			shall bear all losses caused to Ningbo Shanshan Co., Ltd.				
Commitments in relation to equity incentive	Others	Ningbo Shanshan Co., Ltd.	The Company undertakes that none of the major shareholders or de facto controllers who hold more than 5% of shares and their spouses, parents and children participate in this incentive plan.	23 February 2022	Yes	For details, please refer to the relevant announcements of the Company released on the designated journals and media and the website of the SSE on 24 February 2022.	Yes
	Others	Ningbo Shanshan Co., Ltd.	The Company undertakes that it will not provide loans and financial support in any other forms, including providing guarantee for loans, to the incentive recipients with respect to the acquisition of the relevant equity under this incentive scheme.	23 February 2022	Yes	For details, please refer to the relevant announcements of the Company released on the designated journals and media and the website of the SSE on 24 February 2022.	Yes
Other commitments	Addressing horizontal competition	Ningbo Shanshan Co., Ltd.	For details, please refer to the relevant announcements of the Company released on the designated journals and media and the website of the SSE on 4 February 2020.	1 February 2020	No	Until both of Shaanxi Maoye Industry and Trade Co., Ltd. (陕西茂叶工贸有限公司) and Ningbo Liankangcai Brand Management Co., Ltd. (宁波联康财品牌管理有限责任公司) cease to be shareholders of Shanshan brand companies.	Yes

Background	Type	Party(ies)	Details	Effective time	Whether the commitments have a performance deadline	Validity period	Whether the commitments have been strictly performed in a timely manner
	Addressing horizontal competition	Shanshan 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	Yes	The Agreement shall continue to be valid and irrevocable from the date of its entry into force through the term when Shanshan Group is the controlling shareholder of the listed company.	Yes
	Addressing 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 9 June 2016.	8 June 2016	No	From the date of signing until Ningbo Shanshan Co., Ltd. ceases to be related to Shanshan brand.	Yes

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

☐Applicable ☒Not applicable

III. Illegal Guarantee

☐Applicable ☒Not Applicable

IV. Interim Report Audit

☐ Applicable ☒ Not applicable

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

☐ Applicable ☒ Not applicable

VI. Matters Relating to Bankruptcy and Restructuring

☐ Applicable ☒ Not Applicable

VII. Significant Litigations, Arbitrations

There was material litigation or arbitration during the reporting period ☒ There was no material litigation or arbitration during the Reporting Period

In August 2026, the Company was aware through the public channel of the People's Court Announcement that the Kunming Intermediate People's Court of Yunnan province had served litigation documents in relation to the relevant case, with case number (2025) Yun 01 Min Chu No. 341, to Shanghai Shanshan Lithium Battery Materials Technology Co., Ltd. (上海杉杉锂电材料科技有限公司), a subsidiary of the Company, by means of public notice.

Upon the Company's investigation, Shanghai Shanshan Lithium Battery Materials Technology Co., Ltd. and Yunnan Shanshan were neither parties to the agreement in question, nor did they actually receive or use the funds involved. Accordingly, the Company considers that Shanghai Shanshan Lithium Battery Materials Technology Co., Ltd. and Yunnan Shanshan New Materials Co., Ltd. contractually have no legal relationship with this case, and the plaintiff's claims requesting Shanghai Shanshan Lithium Battery Materials Technology Co., Ltd. and Yunnan Shanshan New Materials Co., Ltd. to assume repayment liabilities lack factual and legal basis.

The Company and the relevant subsidiaries will attach great importance to the litigation matter, actively respond to and defend against the claims, and effectively safeguard the legitimate rights and interests of the Company and all shareholders.

The final determination of liability and disposition results of the case shall be subject to the effective judgment of the people's court and the results of enforcement. The Company will fulfil its information disclosure obligations in accordance with laws and regulations based on the progress of the case. Investors are advised to pay attention to relevant investment risks.

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 7 August 2026.

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

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

☐ Applicable ☒ Not applicable

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

☐ Applicable ☒ Not applicable

During the Reporting Period, there were no circumstances in which the Company has failed to fulfill obligations determined by legally effective court rulings, or has failed to repay significant overdue debts.

On 20 March 2025, the Company's former controlling shareholder, Shanshan Group, and its wholly-owned subsidiary, Pengze Trading (together with Shanshan Group, collectively the "Debtors") were ruled by the Yinzhou Court for the substantive consolidation and reorganization. On 6 February 2026, the Debtors, the administrator appointed by the Yinzhou Court and the reorganization investors signed the Reorganization Investment Agreement. On 21 April 2026, the Yinzhou Court ruled to approve the Reorganization Plan of Shanshan Group Co., Ltd. and Ningbo Pengze Trading Co., Ltd., and terminate the reorganization proceeding for Shanshan Group and Pengze Trading.

As at 18 June 2026, 303,670,737 shares of Ningbo Shanshan Co., Ltd. held by Shanshan Group and Pengze Trading (comprising 3,474 unrestricted tradable shares and 303,667,263 restricted tradable shares) had been transferred to Wanwei Group by way of judicial transfer. Shanshan Group and Pengze Trading had entered into the Acting in Concert Agreement with Wanwei Group, agreeing to act in concert with Wanwei Group in the exercise of shareholders' rights of the Company with respect to the remaining 188,606,119 shares of Ningbo Shanshan Co., Ltd. held by them. Acting in Concert Agreement

On 20 July 2026, the Company convened the First Extraordinary Shareholders' Meeting of 2026, which approved the relevant proposals regarding the re-election of the Board of Directors. All 11 members of the new Board of Directors of Ningbo Shanshan Co., Ltd. were nominated by Wanwei Group. As of 20 July 2026, Wanwei Group collectively controls the voting rights attaching to 492,276,856 shares of the Company (representing 21.88% of the Company's then total share capital) through its direct shareholding in the Company and the arrangements with Shanshan Group and Pengze Trading to act in concert with it in the exercise of shareholders' rights of the Company. Wanwei Group has completed the procedures for reorganizing the Board of Directors of the Company. The controlling shareholder of the Company has been changed to Wanwei Group, and the de facto controller has been changed to the Anhui SASAC.

On 10 August 2026, the Company received notice from its controlling shareholder, Wanwei Group, that it had completed the industrial and commercial registration changes in relation to the capital increase of Conch Group and the free transfer of equity interests in Anhui Provincial Investment Group Holdings Co., Ltd. and Anhui State-owned Capital Operation Holding Group Co., Ltd. As a result, Conch Group has become the Company's indirect controlling shareholder, and the de facto controller of the Company remains the Anhui SASAC.

As at the date of this report, there are no circumstances in which the Company's new controlling shareholder and de facto controller have failed to fulfill their obligations determined by legally effective court rulings, or have failed to repay significant overdue debts.

X. Major Related Transactions

(I) Related Transactions Related to Daily Operations

1. Matters Disclosed in Extraordinary Announcements without Subsequent Progress or Changes

☐ Applicable ☒ Not Applicable

2. Matters Disclosed in Extraordinary Announcements with Progress or Change in the Follow-Up Implementation

☐ Applicable ☒ Not Applicable

3. Matters Undisclosed in Extraordinary Announcements

☐ Applicable ☒ Not Applicable

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

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

☐ Applicable ☒ Not Applicable

2. Matters Disclosed in Extraordinary Announcements with Progress or Change in the Follow-Up Implementation

☐ Applicable ☒ Not Applicable

3. Matters Undisclosed in Extraordinary Announcements

☐ Applicable ☒ Not Applicable

4. Discloseable Performance for the Reporting Period of Related-party Transactions with Agreed Performance Targets

☐ Applicable ☒ Not Applicable

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

1. Matters Disclosed in Extraordinary Announcements without Subsequent Progress or Changes

☐ Applicable ☒ Not Applicable

2. Matters Disclosed in Extraordinary Announcements with Progress or Change in the Follow-Up Implementation

☐ Applicable ☒ Not Applicable

3. Matters Undisclosed in Extraordinary Announcements

☐ Applicable ☒ Not Applicable

(IV) Amounts Due from/to Related Parties

1. Matters Disclosed in Extraordinary Announcements without Subsequent Progress or Changes

☐ Applicable ☒ Not Applicable

2. Matters Disclosed in Extraordinary Announcements with Progress or Change in the Follow-Up Implementation

☐ Applicable ☒ Not Applicable

3. Matters Undisclosed in Extraordinary Announcements

☐ Applicable ☒ Not Applicable

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

☐ Applicable ☒ Not Applicable

(VI) Other Major Related Transactions

☐ Applicable ☒ Not Applicable

(VII) Others

☒ Applicable ☐ Not Applicable

In July 2026, upon consideration and approval by the Company's general manager executive meeting, Shanghai Shanshan Lithium Battery Material Technology Co., Ltd., a subsidiary of the Company, entered into the Framework Agreement for Rendering of Services with Sichuan Haichuang Shangwei New Energy Technology Co., Ltd. ("Haichuang Shangwei"). Both parties agreed that Haichuang Shangwei shall provide business services including carbon powder graphitisation processing and powder material processing to Shanghai Shanshan Lithium Battery Material Technology Co., Ltd., with an agreement term from 20 July 2026 to 31 December 2026, during which both parties estimate that the transaction amount for the provision of processing services will not exceed RMB100 million. The unit transaction price shall be determined after fair negotiation between the two parties with reference to the purchase price and terms offered by third parties to Haichuang Shangwei for such services. The transaction shall be subject to the specific agreement(s) to be separately entered into by the two parties and the actual transaction amount.

From January to June 2026, Haichuang Shangwei provided processing services to a subsidiary of the Company, with a transaction amount of RMB658,100. Conch Group, an indirect controlling shareholder of the Company, is a substantial shareholder of China Conch Venture Holdings Limited ("Conch Venture"), and Haichuang Shangwei is a subsidiary of Conch Venture. In accordance with the principle of substance over form, Haichuang Shangwei is determined to be a related legal person of the Company. The aforesaid transaction constitutes a related-party transaction.

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

XI. Material Contracts and Their Implementation**(I) Custody, Contracting or Leasing Business**

☐ Applicable ☒ Not Applicable

(II) Major Guarantees Performed and Outstanding during the Reporting Period

√ Applicable □ Not applicable

Unit: 10,000 Yuan Currency: RMB

Guarantees provided by the Company (excluding the guarantees to subsidiaries)															
Guarantor	Relationship between guarantor and the listed company	Secured party	Guarantee amount	Commencement date of guarantee (date of the agreement)	Commencement date of guarantee	Expiry date of guarantee	Type of guarantee	The principal debt situation	Collateral (if any)	Whether the guarantee has been fulfilled	Guarantee overdue	Overdue amount	Counter Guarantee available	Guarantee provided to related parties	Related relationship
/	/	/	/	/	/	/	/	/	/	/	/	/	/	/	/
Total amount of guarantees incurred during the Reporting Period (excluding the guarantees provided to subsidiaries)											0				
Total balance of guarantee as at the end of the Reporting Period (A) (excluding the guarantees provided for subsidiaries)											0				
Guarantees provided by the Company and its subsidiaries to subsidiaries															
Total guarantee to subsidiaries incurred during the Reporting Period											164,884.85				
Total balance of guarantee provided to subsidiaries as at the end of the Reporting Period (B)											934,288.58				
Total guaranteed amount of the Company (including guarantees provided to subsidiaries)															
Total amount of guarantees (A+B)											934,288.58				
Total guaranteed amount as a percentage of net assets of the Company (%)											40.64				
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)											321,884.70				
Total amount of guarantees exceeding 50% of net assets (E)											0				
Total amount of the above three types of guarantees (C+D+E)											321,884.70				
Explanations on outstanding guarantee which may assume joint and several liabilities for repayment											None				
Explanations on guarantees											The statistics on "Guarantees by the Company and its subsidiaries to subsidiaries" include mutual guarantees within the scope of consolidation.				

(III) Other Major Contracts

□ Applicable √ Not Applicable

XII. Use of Proceeds Raised

□ Applicable √ Not Applicable

XIII. Description of Other Significant Events

□ Applicable √ Not Applicable

Section VI Changes in Shares and Particulars of Shareholders

I. Changes in Share Capital

(I) Changes in Shares

1. Changes in shares

Unit: share

	Before this change		Increase or decrease of this change (+, -)					After this change	
	Number	Percentage (%)	Issue of new shares	Share dividend	Capitalization of capital reserve into share capital	Others	Subtotal	Number	Percentage (%)
I. Shares subject to trading restrictions	414,303,117	18.42						414,303,117	18.42
1. State-owned shares									
2. Shares held by state-owned legal persons						303,667,263	303,667,263	303,667,263	13.50
3. Shares held by other domestic investors	413,942,967	18.40				-303,667,263	-303,667,263	110,275,704	4.90
Including: Shares held by domestic non-state-owned legal persons	410,529,512	18.25				-303,667,263	-303,667,263	106,862,249	4.75
Shares held by domestic natural persons	3,413,455	0.15						3,413,455	0.15
4. Shares held by overseas investors	360,150	0.02						360,150	0.02
Including: Shares held by overseas legal persons									
Shares held by overseas natural persons	360,150	0.02						360,150	0.02
II. Tradable shares not subject to trading restrictions	1,835,109,746	81.58						1,835,109,746	81.58
1. RMB-Denominated ordinary shares	1,835,109,746	81.58						1,835,109,746	81.58
2. Domestic-listed foreign shares									
3. Overseas-listed foreign shares									
4. Others									
III. Total number of shares	2,249,412,863	100.00						2,249,412,863	100.00

2. Explanations on Changes in Shares

√Applicable □Not applicable

On 18 June 2026, 303,670,737 shares of Ningbo Shanshan Co., Ltd. (comprising 3,474 tradable shares not subject to trading restrictions and 303,667,263 tradable shares subject to trading restrictions) held by Shanshan Group and Pengze Trading were transferred to Wanwei Group by way of legal assignment.

3. The Impact of Changes in Shares on Earnings Per Share, Net Asset Value Per Share and other Financial Indicators at the End of Reporting Period to the Date of Interim Report (If Any)

√Applicable □Not Applicable

On 30 July 2026, the Company repurchased and cancelled an aggregate of 3,773,605 restricted shares, as the performance assessment criteria for the fourth release period under the Company's 2022 Equity Incentive Plan were not satisfied and certain grantees ceased to be eligible as grantees due to resignation or retirement. Consequently, the total share capital of the Company changed from 2,249,412,863 shares to 2,245,639,258 shares.

The aforesaid change in share capital has no impact on the earnings per share, net assets value per share and other financial indicators in the 2026 interim report of the Company.

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 restricted shares at the beginning of the Period	Number of shares released from trading moratorium during the Reporting Period	Increase in the number of restricted shares during the Reporting Period	Number of restricted shares at the end of the Reporting Period	Reasons for trading moratorium	Date of release from trading moratorium
Anhui Wanwei Group Co., Ltd.	0	0	303,667,263	303,667,263	It acquired the restricted shares by way of legal assignment as a reorganization investor, and undertakes not to transfer the shares within a period of 36 months	Note
Ningbo Pengze Trading Co., Ltd.	205,264,756	0	-98,402,507	106,862,249	In implementing the reorganization plan, it undertakes not to transfer the shares within a period of 36 months	Note
Shanshan Group Co., Ltd.	205,264,756	0	-205,264,756	0	/	/
Li Fengfeng	112,500	0	0	112,500	Lock-period of restricted shares under equity incentive	Repurchased and cancelled on 30 July 2026
Zhu Zhiyong	73,500	0	0	73,500		
Other equity incentive participants	3,587,605	0	0	3,587,605		

Note: The restricted shares held by Shanshan Group and Pengze Trading were subscribed under the private placement of the Company in December 2021 with a lock-up period of 36 months, which expired in 2025 but no application for release of the restrictions was made.

In June 2026, to implement the reorganization plan of Shanshan Group and Pengze Trading, an aggregate of 303,667,263 restricted shares of the Company held by them were transferred to Wanwei Group by way of legal assignment on 18 June 2026.

Lock-up undertakings given by Wanwei Group, Shanshan Group and Pengze Trading in connection with the reorganization:

1. Wanwei Group shall not transfer the shares directly acquired under this reorganization (being 303,670,737 shares of the Company, comprising 3,474 tradable shares not subject to trading restrictions and 303,667,263 tradable shares subject to trading restrictions) within a period of 36 months from the date of transfer of such shares to Wanwei Group.

2. The remaining 81,743,870 shares and 106,862,249 shares of the Company held by Shanshan Group and Pengze Trading respectively shall not be transferred within a period of 36 months from the date when transfer registration of the 303,670,737 shares acquired by Wanwei Group is completed.

3. During the lock-up period, any additional shares of the Company arising from bonus issues, capitalization issues or rights issues in respect of the shares directly acquired by Wanwei Group and the retained shares of Shanshan Group and Pengze Trading shall also be subject to the above lock-up arrangement.

4. If the above lock-up period does not conform to the latest regulatory requirements of the securities regulatory authorities, Wanwei Group, Shanshan Group and Pengze Trading agree to make corresponding adjustments in accordance with the latest regulatory opinions of the securities regulatory authorities, and after the lock-up period expires, the provisions of the China Securities Regulatory Commission and the Shanghai Stock Exchange shall apply.

II. Particulars of Shareholders

(I) Total Number of Shareholders:

Total number of ordinary shareholders as of the end of the Reporting Period (shareholder)	208,125
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(II) Shareholding of the top ten shareholders and top ten circulating shareholders (or shareholders not subject to trading restrictions) as of the end of the Reporting Period

Unit: share

Shareholding of the top ten shareholders (excluding the shares lent through refinancing)							
Name of shareholder (Full name)	Changes during the Reporting Period	Number of shares held as at the end of the Period	Proportion (%)	Number of shares held subject to trading moratorium	Shares pledged, marked or frozen		Nature of shareholders
					Status of shares	Number	
Anhui Wanwei Group Co., Ltd.	303,670,737	303,670,737	13.50	303,667,263	Nil	0	State-owned legal person
Ningbo Pengze Trading Co., Ltd.	-98,402,507	106,862,249	4.75	106,862,249	Nil	0	Domestic non-state-owned legal person
Shanshan Group Co., Ltd.	-238,552,830	81,743,870	3.63	0	Nil	0	Domestic non-state-owned legal person
Hong Kong Securities Clearing Company Limited	14,700,772	43,722,510	1.94	0	Nil	0	Overseas legal person

Shanghai Haiyi Supply Chain Management Co., Ltd.	2,312,190	41,155,644	1.83	0	Frozen	33,284,600	Domestic non-state-owned legal person
Shanshan Holdings Co., Ltd.	-140,000	32,652,203	1.45	0	Pledged	29,430,541	Domestic non-state-owned legal person
					Marked	29,430,541	
					Frozen	3,221,662	
Bailian Group Co., Ltd. (百联集团有限公司)	0	30,743,625	1.37	0	Nil	0	State-owned legal person
Industrial and Commercial Bank of China Limited – GF CNI New Energy Vehicle Battery Exchange-Traded Fund	-4,471,600	11,617,403	0.52	0	Nil	0	Others
Jiangsu Xinyangzi Trading Co., Ltd.	9,430,700	9,430,700	0.42	0	Nil	0	Domestic non-state-owned legal person
Yao Bo	2,076,100	7,577,900	0.34	0	Nil	0	Domestic natural person
Shareholdings of top ten shareholders not subject to trading restrictions (excluding the shares lent through refinancing)							
Name of shareholder	Number of tradable shares not subject to trading moratorium	Type and number of shares					
		Type	Number				
Shanshan Group Co., Ltd.	81,743,870	RMB-denominated ordinary shares	81,743,870				
Hong Kong Securities Clearing Company Limited	43,722,510	RMB-denominated ordinary shares	43,722,510				
Shanghai Haiyi Supply Chain Management Co., Ltd.	41,155,644	RMB-denominated ordinary shares	41,155,644				
Shanshan Holdings Co., Ltd.	32,652,203	RMB-denominated ordinary shares	32,652,203				
Bailian Group Co., Ltd.	30,743,625	RMB-denominated ordinary shares	30,743,625				
Industrial and Commercial Bank of China Limited – GF CNI New Energy Vehicle Battery Exchange-Traded Fund	11,617,403	RMB-denominated ordinary shares	11,617,403				
Jiangsu Xinyangzi Trading Co., Ltd.	9,430,700	RMB-denominated ordinary shares	9,430,700				
Yao Bo	7,577,900	RMB-denominated ordinary shares	7,577,900				
Zhu Gang	7,495,300	RMB-denominated ordinary shares	7,495,300				
Zhou Bing	7,487,300	RMB-denominated ordinary shares	7,487,300				
Explanations on the special account for repurchase among the top ten shareholders	The top ten shareholders have “securities account for share repurchase of Ningbo Shanshan Co., Ltd.”, holding 84,183,694 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	Pursuant to the "Acting in Concert Agreement", Shanshan Group Co., Ltd. and its wholly-owned subsidiary Ningbo Pengze Trading Co., Ltd. shall act in concert with Anhui Wanwei Group Co., Ltd. when exercising shareholders' rights. Save for the above circumstances, the Company is not aware of whether there is any other relationship between the other shareholders or whether they are parties acting in concert.
Preferred shareholders with their voting rights restored and the number of shares they hold	N/A

Notes:

As of the end of the Reporting Period, Shanshan Group Co., Ltd. held 81,743,870 shares of the Company, including a total of 64 shares previously transferred by Shanshan Group Co., Ltd. to Shanshan Group-LC Securities-22 S. EB1 Guarantee and Trust Property Account, Shanshan Group-LC Securities-22 S. EB2 Guarantee and Trust Property Account, Shanshan Group-LC Securities-22 S. EB3 Guarantee and Trust Property Account, and Shanshan Group-LC Securities-22 S. EB4 Guarantee and Trust Property Account due to the non-public issuance of exchangeable corporate bonds.

In addition to the number of pledged, frozen and marked shares in the table, the shares held by Shanshan Holdings Co., Ltd. at the end of the period were subject to waiting-list freezing, with a cumulative total of 723,135,947 shares being placed under waiting-list freezing.

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

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

☐Applicable ☒Not applicable

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

☐Applicable ☒Not applicable

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

☒Applicable ☐Not applicable

Unit: share

No.	Name of shareholders subject to trading restrictions	Number of shares held subject to trading restrictions	Listing and trading of shares subject to trading restrictions		Trading restriction conditions
			Date eligible for listing and trading	Number of shares newly eligible for listing and trading	

1	Anhui Wanwei Group Co., Ltd.	303,667,263			The shares shall not be transferred within a period of 36 months from the date of completion of registration and transfer of 303,670,737 shares of Ningbo Shanshan Co., Ltd. (comprising 3,474 tradable shares not subject to trading restrictions and 303,667,263 tradable shares subject to trading restrictions) transferred to Wanwei Group.
2	Ningbo Pengze Trading Co., Ltd.	106,862,249			If the lock-up period does not conform to the latest regulatory requirements of the securities regulatory authorities, the parties agree to make appropriate adjustments in accordance with the latest regulatory opinions issued by the relevant securities regulatory authorities. The specific listing date shall be subject to the relevant announcements to be issued by the Company from time to time.
3	Li Fengfeng	112,500			These are restricted shares subject to the fourth lock-up period initially granted under the Company’s 2022 Equity Incentive Plan, which have been repurchased and cancelled on 30 July 2026.
4	Ding Xiaoyang	90,000			
5	Zhu Zhiyong	73,500			
6	Geng Hailong	67,500			
6	Jiang Ninglin	67,500			
8	Zhang Hua	60,000			
8	Li Peng	60,000			
10	Wu Zhihong	52,500			
10	Qu Bo	52,500			
10	Qiao Yongmin	52,500			
Note on connected relationship or acting in concert of the above shareholders				Ningbo Pengze Trading Co., Ltd. is acting in concert with Anhui Wanwei Group Co., Ltd.	

(III) Strategic Investors or General Legal Persons Who Become the Top Ten Shareholders due to the Placement of New Shares

☐Applicable ☒Not applicable

III. Particulars of Directors and Senior Management

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

☐Applicable ☒Not applicable

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

☐Applicable ☒Not applicable

IV. Changes in Controlling Shareholder or De Facto Controller

√Applicable □Not applicable

Name of new controlling shareholder	Anhui Wanwei Group Co., Ltd.
Name of new de facto controller	Anhui Provincial People's Government State-owned Assets Supervision and Administration Commission
Date of change	20 July 2026
Disclosure information website search index and date	For details, please refer to the relevant announcements issued by the Company on the designated newspapers and media and website of the Shanghai Stock Exchange on 23 April 2026 and 21 July 2026, respectively.

V. Information regarding Preferred Shares

□Applicable √Not applicable

Section VII Information regarding Bonds**I. Corporate Bonds (Including Enterprise Bonds) and Non-Financial Corporate Debt Financing Instruments**

□Applicable √Not applicable

II. Convertible Corporate Bonds

□Applicable √Not applicable

Section VIII Financial Report

I. Auditor's report

□Applicable √Not Applicable

II. Financial statements

Consolidated Balance Sheet

30 June 2026

Prepared by: Ningbo Shanshan Co., Ltd.

Unit: Yuan

Unit: RMB

Item	Note VII	30 June 2026	31 December 2025
Current assets:			
Cash at bank and on hand	1	3,815,453,195.83	2,619,871,500.01
Deposit reservation for balance			
Lending funds			
Trading financial assets			
Derivative financial assets			
Notes receivable	2	26,860,699.61	21,459,451.40
Accounts receivable	3	4,742,494,188.09	4,644,323,051.66
Receivables financing	4	188,351,755.17	59,573,414.23
Prepayments	5	1,333,008,918.77	1,040,335,342.26
Insurance premium receivable			
Reinsurance premium receivables			
Reserves for reinsurance contracts receivable			
Other receivables	6	232,707,167.90	256,596,284.03
Of which: Interest receivable			
Dividend receivable		4,000,000.00	4,000,000.00
Financial assets purchased under agreements to resell			
Inventories	7	7,750,339,246.98	7,063,833,924.71
Of which: Data resources			
Contract assets			
Assets held for sale			
Non-current assets due within one year			
Other current assets	8	677,756,478.77	664,898,004.72
Total current assets		18,766,971,651.12	16,370,890,973.02
Non-current assets:			
Borrowings and advances issued			
Debt investment			
Other debt investment			
Long-term receivables			
Long-term equity investment	9	5,992,915,539.51	5,960,091,643.44
Investment in other equity instruments	10	85,741,357.19	100,376,840.46
Other non-current financial assets	11	212,237,090.72	217,684,588.93

Item	Note VII	30 June 2026	31 December 2025
Investment properties			
Fixed assets	12	16,178,130,636.32	16,958,817,568.44
Construction in progress	13	985,787,398.82	969,707,106.39
Productive biological assets			
Oil and gas assets			
Right-of-use assets	14	832,461,021.27	819,700,416.38
Intangible assets	15	2,221,646,375.34	2,306,619,474.53
Of which: Data resources			
Development costs			
Of which: Data resources			
Goodwill	16	1,133,835,512.95	1,133,835,512.95
Long-term prepaid expenses	17	33,174,419.28	44,194,556.79
Deferred income tax assets	18	252,795,892.60	241,557,541.29
Other non-current assets	19	11,786,584.33	12,502,935.99
Total non-current assets		27,940,511,828.33	28,765,088,185.59
Total assets		46,707,483,479.45	45,135,979,158.61
Current liabilities:			
Short-term borrowings	21	6,503,742,208.98	5,503,635,800.93
Borrowings from the Central Bank			
Borrowings from other banks and other financial institutions			
Trading financial liabilities			
Derivative financial liabilities			
Notes payable	22	310,473,939.73	246,138,749.68
Accounts payable	23	4,112,174,605.38	4,173,855,838.10
Advances from customers	24	281,261.50	188,984.47
Contract liabilities	25	20,556,868.67	57,709,480.71
Financial assets sold for repurchase			
Deposits from customers and interbanks			
Receiving from vicariously traded securities			
Receiving from vicariously sold securities			
Employee compensation payable	26	65,729,630.43	176,053,443.07
Taxes payable	27	147,646,151.29	108,245,043.78
Other payables	28	286,496,755.74	295,083,683.50
Of which: Interest payable			
Dividend payable		701,360.00	701,360.00
Handling charges and commissions payable			
Reinsurance premium payables			
Liabilities held for sale			
Non-current liabilities due within one year	29	3,816,367,474.26	4,673,139,291.05
Other current liabilities	30	2,276,108.88	6,928,404.27
Total current liabilities		15,265,745,004.86	15,240,978,719.56

Item	Note VII	30 June 2026	31 December 2025
Non-current liabilities:			
Reserve fund for insurance contracts			
Long-term borrowings	31	5,753,715,469.53	5,268,385,599.43
Bonds payable			
Of which: Preferred shares			
Perpetual bonds			
Lease liabilities	32	741,162,961.96	718,744,121.76
Long-term payables	33	17,045,742.96	17,045,742.96
Long-term employee compensation payable			
Estimated liabilities	34	42,990,575.90	41,259,522.64
Deferred income	35	525,317,794.64	551,383,123.13
Deferred income tax liabilities	18	319,599,360.24	323,996,613.64
Other non-current liabilities			
Total non-current liabilities		7,399,831,905.23	6,920,814,723.56
Total liabilities		22,665,576,910.09	22,161,793,443.12
Owners' equity (or shareholders' equity):			
Paid-in capital (or share capital)	36	2,249,412,863.00	2,249,412,863.00
Other equity instruments			
Of which: Preferred shares			
Perpetual bonds			
Capital reserve	37	8,846,922,413.80	8,784,900,909.01
Less: Treasury shares	38	1,237,119,730.41	1,413,658,051.37
Other comprehensive income	39	-266,855,529.32	-223,049,904.16
Special reserves			
Surplus reserves	40	292,801,918.55	292,801,918.55
Surplus reserves			
Retained earnings	41	13,103,912,981.85	12,270,427,193.56
Total owners' equity (or shareholders' equity) attributable to parent company		22,989,074,917.47	21,960,834,928.59
Non-controlling interests		1,052,831,651.89	1,013,350,786.90
Total owners' equity (or shareholders' equity)		24,041,906,569.36	22,974,185,715.49
Total liabilities and owners' equity (or shareholders' equity)		46,707,483,479.45	45,135,979,158.61

Principal of the Company: Zhu Shengli

Person in charge of accounting: Li Keqin

Person in charge of the accounting authority: Yue Jian

Balance Sheet of Parent Company

30 June 2026

Prepared by: Ningbo Shanshan Co., Ltd.

Unit: Yuan Currency: RMB

Item	Note XIX	30 June 2026	31 December 2025
Current assets:			
Cash at bank and on hand		456,768,876.68	215,340,705.96
Trading financial assets			
Derivative financial assets			
Notes receivable			6,553,099.78
Accounts receivable	1	1,285,464.79	1,124,004.36
Receivables financing			
Prepayments		4,223,604.87	672,559.47
Other receivables	2	2,734,801,222.13	2,764,442,706.58
Of which: Interest receivable			
Dividend receivable		4,000,000.00	4,000,000.00
Inventories			
Of which: Data resources			
Contract assets			
Assets held for sale			
Non-current assets due within one year			
Other current assets		7,716,360.21	8,720,585.48
Total current assets		3,204,795,528.68	2,996,853,661.63
Non-current assets:			
Debt investment			
Other debt investment			
Long-term receivables			
Long-term equity investment	3	13,353,379,021.53	13,322,237,751.18
Investment in other equity instruments		8,184,066.66	8,184,066.66
Other non-current financial assets			
Investment properties			
Fixed assets		67,746,316.61	70,244,131.96
Construction in progress			
Productive biological assets			
Oil and gas assets			
Right-of-use assets			
Intangible assets		1,879,730.99	2,087,810.43
Of which: Data resources			
Development costs			
Of which: Data resources			
Goodwill			
Long-term prepaid expenses		712,190.34	1,433,466.06
Deferred income tax assets		34,483,597.08	34,483,597.08
Other non-current assets			
Total non-current assets		13,466,384,923.21	13,438,670,823.37
Total assets		16,671,180,451.89	16,435,524,485.00
Current liabilities:			
Short-term borrowings		2,700,486,328.77	2,367,298,336.10
Trading financial liabilities			
Derivative financial liabilities			

Item	Note XIX	30 June 2026	31 December 2025
Notes payable			
Accounts payable		43,390,412.60	15,107,207.61
Advances from customers		226,345.71	188,983.66
Contract liabilities			
Employee compensation payable		3,346,340.54	7,254,843.20
Taxes payable		417,654.87	1,350,000.99
Other payables		1,598,866,915.66	1,640,067,665.20
Of which: Interest payable			
Dividend payable		701,360.00	701,360.00
Liabilities held for sale			
Non-current liabilities due within one year		1,627,431,502.73	2,464,579,709.31
Other current liabilities			
Total current liabilities		5,974,165,500.88	6,495,846,746.07
Non-current liabilities:			
Long-term borrowings		1,395,835,498.63	840,742,927.77
Bonds payable			
Of which: Preferred shares			
Perpetual bonds			
Lease liabilities			
Long-term payables			
Long-term employee compensation payable			
Estimated liabilities		3,000,000.00	3,000,000.00
Deferred income			
Deferred income tax liabilities			
Other non-current liabilities			
Total non-current liabilities		1,398,835,498.63	843,742,927.77
Total liabilities		7,373,000,999.51	7,339,589,673.84
Owners' equity (or shareholders' equity):			
Paid-in capital (or share capital)		2,249,412,863.00	2,249,412,863.00
Other equity instruments			
Of which: Preferred shares			
Perpetual bonds			
Capital reserve		7,499,657,191.48	7,437,635,686.69
Less: Treasury shares		1,237,119,730.41	1,413,658,051.37
Other comprehensive income		1,396,199.06	-553,829.54
Special reserves			
Surplus reserves		294,927,373.13	294,927,373.13
Retained earnings		489,905,556.12	528,170,769.25
Total owners' equity (or shareholders' equity)		9,298,179,452.38	9,095,934,811.16
Total liabilities and owners' equity (or shareholders' equity)		16,671,180,451.89	16,435,524,485.00

Principal of the Company: Zhu Shengli

Person in charge of accounting: Li Keqin

Person in charge of the accounting authority: Yue Jian

Consolidated Income Statement

January-June 2026

Unit: Yuan Currency: RMB

Item	Note VII	Half year of 2026	Half year of 2025
I. Total operating income		12,130,333,259.92	9,858,484,315.28
Of which: Operating income	42	12,130,333,259.92	9,858,484,315.28
Interest income			
Premium earned			
Income for handling charges and commissions			
II. Total operating cost		11,162,969,643.12	9,495,045,155.75
Of which: Operating cost	42	9,693,080,620.47	8,249,225,096.47
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	43	76,671,266.48	67,199,079.67
Sales expenses	44	155,737,071.82	135,800,467.89
Administrative expenses	45	275,517,660.31	257,275,296.06
Research and development expenses	46	622,657,834.01	512,503,725.65
Financial expenses	47	339,305,190.03	273,041,490.01
Of which: Interest expenses		311,493,726.06	261,647,123.36
Interest income		12,999,004.02	14,623,203.51
Plus: Other income	48	132,717,404.58	116,323,391.42
Investment income (loss expressed with "-")	49	42,717,422.54	5,402,531.26
Of which: Share of profit of associates and joint ventures		44,783,914.83	2,726,931.26
Gains from derecognition of financial assets measured at amortized cost (loss expressed with "-")			
Foreign exchange gains (losses expressed with "-")			
Net exposure hedging benefits (losses expressed with "-")			
Gains from changes in fair value (losses expressed with "-")	50	-1,236,000.00	-18,453,000.00
Credit impairment losses (losses expressed with "-")	51	-12,235,856.67	11,233,904.34
Assets impairment losses (losses expressed with "-")	52	-147,443,744.67	-162,888,685.45
Gains on disposal of assets (losses expressed with "-")	53	89,324.66	1,897,094.47
III. Operating profit (loss expressed with "-")		981,972,167.24	316,954,395.57
Plus: Non-operating income	54	849,720.25	3,638,485.20
Less: Non-operating expenses	55	1,568,441.21	5,433,466.57
IV. Total profit (total loss is indicated with "-")		981,253,446.28	315,159,414.20
Less: Income tax expenses	56	119,146,174.93	76,236,663.31
V. Net profit (net loss is indicated with "-")		862,107,271.35	238,922,750.89

Item	Note VII	Half year of 2026	Half year of 2025
(I) Classified by operating continuity			
1. Net profit from continuing operations (net loss is indicated with “-”)		862,107,271.35	238,922,750.89
2. Net profit from discontinuing operations (net loss is indicated with “-”)			
(II) Classified by ownership			
1. Net profits attributable to the shareholders of the parent company (net loss to be listed with “-”)		822,451,607.67	207,308,198.84
2. Non-controlling interests (net loss to be listed with “-”)		39,655,663.68	31,614,552.05
VI. Other comprehensive income, net of tax		-41,674,773.85	75,968,169.04
(I) Net of tax of other comprehensive income attributable to the parent company owners		-41,499,975.16	75,863,911.94
1. Other comprehensive income that cannot be reclassified through profit or loss		-8,715,585.86	13,665,236.95
(1) Changes arising from re-measurement of the defined benefit plan			
(2) Other comprehensive income that cannot be reclassified into profits or losses under the equity method			
(3) Changes in fair value of other equity instrument investments		-8,715,585.86	13,665,236.95
(4) Changes in fair value of the enterprise's credit risk			
2. Other comprehensive income that will be reclassified into profits or losses		-32,784,389.30	62,198,674.99
(1) Other comprehensive income that can be reclassified into profits or losses under the equity method		51,782.07	-2,004,557.15
(2) Changes in fair value of other debt investments			
(3) Amount of financial assets reclassified into other comprehensive income			
(4) Provision for impairment of credit in other debt investments			
(5) Cash flow hedging reserve			
(6) Exchange differences from translation of financial statements denominated in foreign currencies		-32,836,171.37	64,203,232.14
(7) Others			
(II) Other comprehensive income attributable to minority shareholders, net of tax		-174,798.69	104,257.10
VII. Total comprehensive income		820,432,497.50	314,890,919.93
(I) Total comprehensive income attributable to owners of parent company		780,951,632.51	283,172,110.78
(II) Total comprehensive income attributable to minority shareholders		39,480,864.99	31,718,809.15
VIII. Earnings per share:			
(I) Basic earnings per share (RMB/share)		0.386	0.096
(II) Diluted earnings per share (RMB/share)		0.386	0.096

Principal of the Company: Zhu Shengli

Person in charge of accounting: Li Keqin

Person in charge of the accounting authority: Yue Jian

Income Statement of Parent Company

January-June 2026

Unit: Yuan Currency: RMB

Item	Note XIX	Half year of 2026	Half year of 2025
I. Operating income	4	4,487,912.76	6,580,894.70
Less: Operating costs	4	1,139,075.18	1,304,835.29
Taxes and surcharges		314,316.73	242,414.07
Sales expenses		432,389.91	649,371.12
Administrative expenses		23,400,780.96	31,130,705.92
Research and development expenses			
Financial expenses		67,615,980.80	92,309,206.40
Of which: Interest expense		90,875,280.07	88,865,809.21
Interest income		-26,662,909.51	-551,881.11
Add: Other income		130,661.83	1,022,954.57
Investment income (loss is indicated with "-")	5	41,203,042.58	57,966,449.56
Of which: Share of profit of associates and joint ventures		41,203,042.58	57,966,449.56
Gains from derecognition of financial assets measured at amortized cost (loss expressed with "-")			
Net exposure hedging benefits (losses expressed with "-") (losses expressed with "-")			
Gains from changes in fair value (losses expressed with "-")			
Credit impairment losses (losses expressed with "-")		8,803,653.28	-4,998,183.05
Assets impairment losses (losses expressed with "-")			-9,189,327.93
Gains on disposal of assets (losses expressed with "-")			-4,852.12
II. Operating profit (loss expressed with "-")		-38,277,273.13	-74,258,597.07
Plus: Non-operating income		12,060.00	1,145,660.38
Less: Non-operating expenses			
III. Total profit (total loss expressed with "-")		-38,265,213.13	-73,112,936.69
Less: Income tax expenses			
IV. Net profit (net loss expressed with "-")		-38,265,213.13	-73,112,936.69
(I) Net profit from continuing operations (net loss is indicated with "-")		-38,265,213.13	-73,112,936.69
(II) Net profit from discontinuing operations (net loss is indicated with "-")			
V. Net other comprehensive income after tax		1,950,028.60	-2,004,557.15
(I) Other comprehensive income that cannot be reclassified through profit or loss			

Item	Note XIX	Half year of 2026	Half year of 2025
1. Changes arising from re-measurement of the defined benefit plan			
2. Other comprehensive income that cannot be reclassified into profits or losses under the equity method			
3. Changes in fair value of other equity instrument investments			
4. Changes in fair value of the enterprise's credit risk			
(II) Other comprehensive income that will be reclassified into profits or losses		1,950,028.60	-2,004,557.15
1. Other comprehensive income that can be reclassified into profits or losses under the equity method		1,950,028.60	-2,004,557.15
2. Changes in fair value of other debt investments			
3. Amount of financial assets reclassified into other comprehensive income			
4. Provision for impairment of credit in other debt investments			
5. Cash flow hedging reserve			
6. Exchange differences from translation of financial statements denominated in foreign currencies			
7. Others			
VI. Total comprehensive income		-36,315,184.53	-75,117,493.84
VII. Earnings per share:			
(I) Basic earnings per share (RMB/share)		-0.018	-0.034
(II) Diluted earnings per share (RMB/share)		-0.018	-0.034

Principal of the Company: Zhu Shengli Person in charge of accounting: Li Keqin
Person in charge of the accounting authority: Yue Jian

Consolidated Statement of Cash Flows

January-June 2026

Unit: Yuan Currency: RMB

Item	Note VII	Half year of 2026	Half year of 2025
I. Cash flows from operating activities:			
Cash received from sales of goods or rendering of services		10,807,977,427.63	10,448,223,042.83
Net increase in deposits from customers 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		19,570,625.58	100,871,581.77
Cash received relating to other operating activities	57	118,331,425.73	179,078,449.10
Sub-total of cash inflows from operating activities		10,945,879,478.94	10,728,173,073.70
Cash paid for goods and services		8,904,249,983.95	7,505,556,341.00
Net increase in customer loans and advances			
Net increase of deposits in the Central Bank and other financial institutions			
Cash paid for claims under direct insurance contract			
Net increase in lending funds			
Cash paid for interests, handling charges and commissions			
Cash paid for the policy dividends			
Cash paid to and on behalf of employees		768,372,958.29	725,113,058.83
Payments of taxes and surcharges		334,347,889.61	840,108,424.15
Cash paid relating to other operating activities	57	104,388,624.49	194,265,643.12
Sub-total of cash outflows from operating activities		10,111,359,456.34	9,265,043,467.10
Net cash flows from operating activities		834,520,022.60	1,463,129,606.60
II. Cash flows from investing activities:			
Cash received from disposal of investments		263,461,749.01	61,354,162.49

Item	Note VII	Half year of 2026	Half year of 2025
Cash received from returns on investments		989,862.30	2,675,600.00
Net cash received from disposal of fixed assets, intangible assets & other long-term assets		2,924,933.81	146,694,359.97
Net cash received from the disposal of subsidiaries and other business entities		7,897,999.77	10,199,710.43
Cash received relating to other investing activities	57		678,026,757.28
Sub-total of cash inflows from investing activities		275,274,544.89	898,950,590.17
Cash paid to acquire fixed assets, intangible assets and other long-term assets		253,096,278.22	1,054,307,506.65
Cash paid to acquire investments			
Net increase in pledge loans			
Net cash paid for the acquisition of subsidiaries and other business entities			
Cash paid relating to other investing activities	57	4,703,336.03	
Sub-total of cash outflows from investing activities		257,799,614.25	1,054,307,506.65
Net cash flows from investing activities		17,474,930.64	-155,356,916.48
III. Cash flows from financing activities:			
Cash received from capital contributions			
Of which: Cash received from capital contributions by non-controlling interests of subsidiaries			
Cash received from borrowings		6,158,625,500.00	4,850,571,192.94
Cash received relating to other financing activities	57	77,392,175.37	317,433,337.58
Sub-total of cash inflows from financing activities		6,236,017,675.37	5,168,004,530.52
Cash repayments of borrowings		5,560,565,756.29	5,731,606,767.14
Cash payments for distribution of dividends, profits or interest expenses		267,365,499.58	288,110,035.01
Of which: Dividends and profits paid to non-controlling interests by subsidiaries			
Cash paid relating to other financing activities	57	214,983,230.45	374,556,775.61
Sub-total of cash outflows from financing activities		6,042,914,486.32	6,394,273,577.76
Net cash flows from financing activities		193,103,189.05	-1,226,269,047.24
IV. Effect of foreign exchange rate changes on cash and cash equivalents		-14,846,965.19	-6,394,097.47
V. Net increase in cash and cash equivalents		1,030,251,177.10	75,109,545.41
Plus: Opening balance of Cash and cash equivalents		1,674,896,558.76	1,831,148,236.87
VI. Closing balance of Cash and cash equivalents		2,705,147,735.86	1,906,257,782.28

Principal of the Company: Zhu Shengli

Person in charge of accounting: Li Keqin

Person in charge of the accounting authority: Yue Jian

Cash Flow Statement of Parent Company

January-June 2026

Unit: Yuan Currency: RMB

Item	Note	Half year of 2026	Half year of 2025
I. Cash flows from operating activities:			
Cash received from sales of goods or rendering of services		3,517,816.55	8,223,587.35
Refunds of taxes and surcharges			
Cash received relating to other operating activities		674,349.67	15,233,936.46
Sub-total of cash inflows from operating activities		4,192,166.22	23,457,523.81
Cash paid for goods and services		27,206.91	471,284.55
Cash paid to and on behalf of employees		15,329,713.34	18,635,603.11
Payments of taxes and surcharges		1,589,653.10	7,577,018.02
Cash paid relating to other operating activities		19,079,516.28	85,043,217.75
Sub-total of cash outflows from operating activities		36,026,089.63	111,727,123.43
Net cash flows from operating activities		-31,833,923.41	-88,269,599.62
II. Cash flows from investing activities:			
Cash received from disposal of investments		255,022,741.02	
Cash received from returns on investments			
Net cash received from disposal of fixed assets, intangible assets & other long-term assets			55,875,679.70
Net cash received from the disposal of subsidiaries and other business entities		1,000,000.00	10,199,710.43
Cash received relating to other investing activities		2,929,461,820.59	2,171,828.78
Sub-total of cash inflows from investing activities		3,185,484,561.61	68,247,218.91
Cash paid to acquire fixed assets, intangible assets and other long-term assets		139,033.00	12,500.00
Cash paid to acquire investments			
Net cash paid for the acquisition of subsidiaries and other business entities			
Cash paid relating to other investing activities		2,872,474,549.98	117,580,000.00
Sub-total of cash outflows from investing activities		2,872,613,582.98	117,592,500.00
Net cash flows from investing activities		312,870,978.63	-49,345,281.09

Item	Note	Half year of 2026	Half year of 2025
III. Cash flows from financing activities:			
Cash received from capital contributions			
Cash received from borrowings		2,163,630,000.00	1,522,000,000.00
Cash received relating to other financing activities		250,000.00	50,106,828.00
Sub-total of cash inflows from financing activities		2,163,880,000.00	1,572,106,828.00
Cash repayments of borrowings		2,113,400,000.00	1,731,100,000.00
Cash payments for distribution of dividends, profits or interest expenses		89,939,292.02	120,643,657.94
Cash paid relating to other financing activities		9,000,000.00	109,626,170.82
Sub-total of cash outflows from financing activities		2,212,339,292.02	1,961,369,828.76
Net cash flows from financing activities		-48,459,292.02	-389,263,000.76
IV. Effect of foreign exchange rate changes on cash and cash equivalents		-149,574.43	-29,117.71
V. Net increase in cash and cash equivalents		232,428,188.77	-526,906,999.18
Plus: Opening balance of Cash and cash equivalents		156,214,258.85	758,267,021.14
VI. Closing balance of Cash and cash equivalents		388,642,447.62	231,360,021.96

Principal of the Company: Zhu Shengli

Person in charge of accounting: Li Keqin

Person in charge of the accounting authority: Yue Jian

Consolidated Statement of Changes in Owners' Equity
January-June 2026

Unit: Yuan Currency: RMB

Item	Half year of 2026														
	Owner's equity attributable to parent company													Non-controlling interests	Total owner's equity
	Paid-in capital (or share capital)	Other equity instruments			Capital reserves	Less: Treasury shares	Other comprehensive income	Special reserves	Surplus reserves	General risk provision	Retained earnings	Others	Subtotal		
		Preferred shares	Perpetual bonds	Others											
I. Closing balance of the previous year	2,249,412,863.00				8,784,900,909.01	1,413,658,051.37	-223,049,904.16		292,801,918.55		12,270,427,193.56		21,960,834,928.59	1,013,350,786.90	22,974,185,715.49
Plus: Changes in accounting policies															
Correction of priorperiod errors															
Others															
II. Opening balance of the current year	2,249,412,863.00				8,784,900,909.01	1,413,658,051.37	-223,049,904.16		292,801,918.55		12,270,427,193.56		21,960,834,928.59	1,013,350,786.90	22,974,185,715.49
III. Increase or decrease amount in the current period (decrease expressed with "-")					62,021,504.79	-176,538,320.96	-43,805,625.16				833,485,788.29		1,028,239,988.88	39,480,864.99	1,067,720,853.87
(I) Total comprehensive income							-41,499,975.16				822,451,607.67		780,951,632.51	39,480,864.99	820,432,497.50
(II) Capital contributions or withdrawals by owners					74,033,305.62	-176,538,320.96							250,571,626.58		250,571,626.58
1. Capital contributions by owners															
2. Capital contributions by other equity instruments holders															
3. Share-based payments charged into owners' equity															
4. Others					74,033,305.62	-176,538,320.96							250,571,626.58		250,571,626.58
(III) Profit distribution									-		-				
1. Appropriation to surplus reserves											-				
2. Appropriation to general risk provision															
3. Distribution to owners (or shareholders)											-				
4. Others															
(IV) Transfer within owner's equity							-2,305,650.00		-		11,034,180.62		8,728,530.62		8,728,530.62
1. Transfer of capital reserve to capital (or share capital)															
2. Transfer of surplus reserve to capital (or share capital)									-						
3. Surplus reserves used to offset accumulated losses															
4. Transfer remeasurement of defined benefit obligations to retained earnings															
5. Transfer from other comprehensive income to retained earnings							-2,305,650.00				11,034,180.62		8,728,530.62		8,728,530.62
6. Others															
(V) Special reserve															
1. Provision in the current period															
2. Use in the current period															
(VI) Others					-12,011,800.83								-12,011,800.83		-12,011,800.83
IV. Closing balance for the period	2,249,412,863.00				8,846,922,413.80	1,237,119,730.41	-266,855,529.32		292,801,918.55		13,103,912,981.85		22,989,074,917.47	1,052,831,651.89	24,041,906,569.36

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Item	Half year of 2025														
	Owner's equity attributable to parent company													Non-controlling interests	Total owners' equity
	Paid-in capital (or share capital)	Other equity instruments			Capital reserve	Less: Treasury shares	Other comprehensive income	Special reserves	Surplus reserves	General risk provision	Retained earnings	Others	Subtotal		
I. Closing balance of the previous year	2,253,396,168.00				9,014,799,973.78	1,469,285,164.43	-233,336,549.38	10,880.60	292,801,918.55		11,723,056,845.38		21,581,444,072.50	953,043,310.21	22,534,487,382.71
Add: Changes in accounting policies															
Correction of errors in the prior period															
Others															
II. Opening balance of the current year	2,253,396,168.00				9,014,799,973.78	1,469,285,164.43	-233,336,549.38	10,880.60	292,801,918.55		11,723,056,845.38		21,581,444,072.50	953,043,310.21	22,534,487,382.71
III. Increase/decrease for the period (decrease is indicated with "-")	-3,983,305.00				-101,207,778.43	-55,627,113.06	75,863,911.94				246,733,732.41		273,033,673.98	27,974,076.00	301,007,749.98
(I) Total comprehensive income							75,863,911.94				207,308,198.84		283,172,110.78	31,718,809.15	314,890,919.93
(II) Contribution and withdrawal of capital by owners	-3,983,305.00				-101,207,778.43	-55,627,113.06							-49,563,970.37	-3,744,733.15	-53,308,703.52
1. Ordinary shares invested by owners															
2. Capital invested by holders of other equity instruments															
3. Amount of share payment credited to owner's equity															
4. Others	-3,983,305.00				-101,207,778.43	-55,627,113.06							-49,563,970.37	-3,744,733.15	-53,308,703.52
(III) Profit distribution															
1. Withdrawal of surplus reserve															
2. Provision for general risk															
3. Distribution to owners (or shareholders)															
4. Others															
(IV) Internal carry-over of owner's equity											39,425,533.57		39,425,533.57		39,425,533.57
1. Transfer of capital reserve to capital (or share capital)															
2. Transfer of surplus reserve to capital (or share capital)															
3. Covering loss with surplus reserve															
4. Change of defined benefit plan carried forward to retained earnings															
5. Other comprehensive income carried forward to retained earnings											39,425,533.57		39,425,533.57		39,425,533.57
6. Others															
(V) Special reserves															
1. Provision for the period															
2. Utilization for the period															
(VI) Others															
IV. Closing balance for the period	2,249,412,863.00				8,913,592,195.35	1,413,658,051.37	-157,472,637.44	10,880.60	292,801,918.55		11,969,790,577.79		21,854,477,746.48	981,017,386.21	22,835,495,132.69

Principal of the Company: Zhu Shengli

Person in charge of accounting: Li Keqin

Person in charge of the accounting authority: Yue Jian

Statement of Changes in Owners' Equity of Parent Company

January - June 2026

Unit: Yuan Currency: RMB

Item	Half year of 2026										
	Paid-in capital (or share capital)	Other equity instruments			Capital reserve	Less: Treasury shares	Other comprehensive income	Special reserves	Surplus reserves	Retained earnings	Total owners' equity
		Preferred shares	Perpetual bonds	Others							
I. Closing balance of the previous year	2,249,412,863.00				7,437,635,686.69	1,413,658,051.37	-553,829.54		294,927,373.13	528,170,769.25	9,095,934,811.16
Add: Changes in accounting policies											
Correction of errors in the prior period											
Others											
II. Opening balance of the current year	2,249,412,863.00				7,437,635,686.69	1,413,658,051.37	-553,829.54		294,927,373.13	528,170,769.25	9,095,934,811.16
III. Increase/decrease for the period (decrease is indicated with “-”)					62,021,504.79	-176,538,320.96	1,950,028.60			-38,265,213.13	202,244,641.22
(I) Total comprehensive income							1,950,028.60			-38,265,213.13	-36,315,184.53
(II) Contribution and withdrawal of capital by owners					74,033,305.62	-176,538,320.96					250,571,626.58
1. Ordinary shares invested by owners											
2. Capital invested by holders of other equity instruments											
3. Amount of share payment credited to owner's equity											
4. Others					74,033,305.62	-176,538,320.96					250,571,626.58
(III) Profit distribution											
1. Withdrawal of surplus reserve											
2. Distribution to owners (or shareholders)											
3. Others											
(IV) Internal carry-over of owner's equity											
1. Transfer of capital reserve to capital (or share capital)											
2. Transfer of surplus reserve to capital (or share capital)											
3. Covering loss with surplus reserve											
4. Change of defined benefit plan carried forward to retained earnings											
5. Other comprehensive income carried forward to retained earnings											
6. Others											
(V) Special reserves											
1. Provision for the period											
2. Utilization for the period											
(VI) Others					-12,011,800.83						-12,011,800.83
IV. Closing balance for the period	2,249,412,863.00				7,499,657,191.48	1,237,119,730.41	1,396,199.06		294,927,373.13	489,905,556.12	9,298,179,452.38

Item	Half year of 2025										
	Paid-in capital (or share capital)	Other equity instruments			Capital reserve	Less: Treasury shares	Other comprehensive income	Special reserves	Surplus reserves	Retained earnings	Total owner's equity Preferred shares
		Preferred shares	Perpetual bonds	Others							
I. Closing balance of the previous year	2,253,396,168.00				7,667,534,751.46	1,469,285,164.43	14,445,120.76		294,927,373.13	1,783,565,318.84	10,544,583,567.76
Add: Changes in accounting policies											
Correction of errors in the prior period											
Others											
II. Opening balance of the current year	2,253,396,168.00				7,667,534,751.46	1,469,285,164.43	14,445,120.76		294,927,373.13	1,783,565,318.84	10,544,583,567.76
III. Increase/decrease for the period (decrease is indicated with "-")	-3,983,305.00				-51,643,808.06	-55,627,113.06	-2,004,557.15			-73,112,936.69	-75,117,493.84
(I) Total comprehensive income							-2,004,557.15			-73,112,936.69	-75,117,493.84
(II) Contribution and withdrawal of capital by owners	-3,983,305.00				-51,643,808.06	-55,627,113.06					
1. Ordinary shares invested by owners											
2. Capital invested by holders of other equity instruments											
3. Amount of share payment credited to owner's equity											
4. Others	-3,983,305.00				-51,643,808.06	-55,627,113.06					
(III) Profit distribution											
1. Withdrawal of surplus reserve											
2. Distribution to owners (or shareholders)											
3. Others											
(IV) Internal carry-over of owner's equity											
1. Transfer of capital reserve to capital (or share capital)											
2. Transfer of surplus reserve to capital (or share capital)											
3. Covering loss with surplus reserve											
4. Change of defined benefit plan carried forward to retained earnings											
5. Other comprehensive income carried forward to retained earnings											
6. Others											
(V) Special reserves											
1. Provision for the period											
2. Utilization for the period											
(VI) Others											
IV. Closing balance for the period	2,249,412,863.00				7,615,890,943.40	1,413,658,051.37	12,440,563.61		294,927,373.13	1,710,452,382.15	10,469,466,073.92

Principal of the Company: Zhu Shengli

Person in charge of accounting: Li Keqin

Person in charge of the accounting authority: Yue Jian

III. Basic information about the Company**1. Company profile**

☒ Applicable" ☐ Not applicable"

Ningbo Shanshan Co., Ltd. was approved by Ningbo Economic System Reform Office and registered with Ningbo Administration for Market Regulation on 14 December 1992, and it was listed on Shanghai Stock Exchange on 30 January 1996, with its headquarters located in Ningbo City, Zhejiang Province. As of the end of the Reporting Period, the Company held a business license for corporate legal entity with the unified social credit code of 91330200704803055M, a registered capital of RMB2,253,396,200, and a total number of shares of 2,249,412,863 (with a par value of RMB1 per share). Among them, there are 414,303,117 restricted tradable A-shares and 1,835,109,746 unrestricted tradable A-shares.

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

These financial statements have been approved for external release by the 20th meeting of the 12th session of the Board of Directors of the Company on 26 August 2026.

IV. Preparation basis of financial statements**1. Preparation basis**

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

2. Going concern

☒ Applicable" ☐ Not applicable"

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

V. Significant accounting policies and accounting estimates

Specific accounting policies and accounting estimates:

☒ Applicable" ☐ Not applicable"

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

1. Statement on observing the Accounting Standards for Business Enterprises

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

2. Accounting period

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

3. Business cycle

☒ Applicable" ☐ Not applicable"

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

4. Bookkeeping currency

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

5. Method for determining materiality criteria and selection basis

☒ Applicable" ☐ Not applicable"

The Company follows the principle of materiality in the preparation and disclosure of its financial statements. The matters disclosed in the notes to these financial statements that involve judgments on materiality criteria, along with the methods for determining and the basis for selecting such materiality criteria, are set out below:

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

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

☒ Applicable" ☐ Not applicable"

(1) Accounting treatment methods for business combinations under the common control

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

the retained earnings shall be adjusted.

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

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

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

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

"√ Applicable" "□ Not applicable"

(1) Judgement of controlling

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

(2) Method of preparation of consolidated financial statements

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

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

1. Increase subsidiaries or business

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

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

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

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

2. Disposal of subsidiaries

1) General treatment method

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

2) Disposal of subsidiaries step by step

If the terms, conditions, and economic impacts on various transactions of disposing the equity

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

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

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

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

3. Purchasing minority equity of subsidiaries

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

4. Partially disposing of the equity investment in subsidiaries without losing the control

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

8. Classification of joint venture arrangements and accounting treatment methods for joint operations

☒ Applicable" ☐ Not applicable"

(1) The joint venture arrangements are divided into joint operation and joint venture.

(2) When the company is a joint venture party of a joint operation, the Company recognizes the following items related to its share of interest in joint operations:

- 1. To confirm the assets held separately, and the assets jointly held according to the shares;
- 2. To confirm the liabilities assumed separately, and the liabilities jointly assumed according to the shares;

3. To confirm the revenue generated by the sale of the output shares of joint operation enjoyed by the Company;

4. To confirm the revenue generated by the sale of assets of joint operation according to the shares held by the company;

5. To confirm the expenses incurred separately, and the expenses incurred in joint operation according to the shares held by the company.

9. Recognition criteria for cash and cash equivalents

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

10. Foreign currency transactions and conversion of foreign currency financial statements

"√ Applicable" "□ Not applicable"

(1) Translation of foreign currency transactions

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

(2) Translation of foreign currency financial statements

When translating foreign currency accounting statements, assets and liabilities in the balance sheet shall be translated at the spot exchange rate on the balance sheet date. Except for “retained earnings” item in the owners' equity, other items shall be translated at the spot exchange rate at the time of occurrence, and the income and expense items in the income statement shall be translated at the spot exchange rate on the transaction date. The differences in translating the foreign currency financial statements arising from the above translations shall be included in other comprehensive income.

11. Financial instruments

"√ Applicable" "□ Not applicable"

(1) Classification of financial assets and financial liabilities

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

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

(2) Recognition basis, measurement method and derecognition conditions of financial assets and financial liabilities

1. Recognition basis and initial measurement of financial assets and financial liabilities

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

2. Subsequent measurement of financial assets

1) Financial assets at amortized cost

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

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

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

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

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

4) Financial assets at fair value through profit or loss

The fair value shall be adopted for subsequent measurement, and the resulting gains or losses

(including interest and dividend income) shall be included in the current profits or losses, unless the financial asset is part of the hedging relationship.

3. Subsequent measurement of financial liabilities

1) Financial liabilities at fair value through profit and loss

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

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

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

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

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

4) Financial liabilities at amortized cost

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

4. Derecognition of financial assets and financial liabilities

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

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

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

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

(3) Recognition basis and measurement method of transfer of financial assets

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

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

(4) Determination method of fair value of financial assets and financial liabilities

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

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

2. Level 2 inputs refer to the directly or indirectly observable inputs of related assets or liabilities in addition to Level 1 inputs, including: quotations of similar assets or liabilities in active markets; quotations of the same or similar assets or liabilities in inactive markets; other observable inputs other than quotations,

including interest rate and yield curves that can be observed during normal quotation intervals; and market-verified inputs, etc.

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

(5) Impairment of financial instruments

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

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

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

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

For financial assets other than those measured using the aforementioned method, the Company shall assess whether their credit risk has significantly increased since their initial recognition on each balance sheet date. If the credit risks have increased significantly since the initial recognition, the Company shall measure the loss allowance according to the amount of the expected credit losses over the entire duration; and if the credit risks have not increased significantly since the initial recognition, the Company shall measure the loss allowance according to the amount of the expected credit losses in the next 12 months.

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

On the balance sheet date, once determining that a financial instrument only faces a low credit risk,

the Company shall assume that the credit risk of the financial instrument has not increased significantly since the initial recognition.

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

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

(6) Offsetting of financial assets and financial liabilities

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

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

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

"√ Applicable" "□ Not applicable"

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

Combination category	Basis for Determining Combination	Method for measuring expected credit losses
Bank acceptance bills receivable	Type of bills	Expected credit loss rate determined by combining historical loss rate with forward-looking adjustments
Commercial acceptance bills receivable		
Accounts receivable - aging combination	Account age portfolio	Expected credit loss rate determined by combining historical loss rate with forward-looking adjustments
Receivables—Related parties within the combination [note]	Nature of payments	Expected credit loss rate determined by combining historical loss rate with forward-looking adjustments
Other receivables - aging combination	Account age portfolio	Expected credit loss rate determined by combining historical loss rate with forward-looking adjustments
Other receivables—Related parties within the combination [note]	Nature of payments	Expected credit loss rate determined by combining historical loss rate with forward-looking adjustments

Combination category	Basis for Determining Combination	Method for measuring expected credit losses
Other receivables - business category combination	Business category	Expected credit loss rate determined by considering common credit risk characteristics of business categories and forward-looking factors

[Note] With the scope of combination of Ningbo Shanshan Co., Ltd.

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

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

13. Inventories

"√ Applicable" "□ Not applicable"

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

"√ Applicable" "□ Not applicable"

(1) Classification of inventories

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

(2) Valuation method for issued inventories

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

(3) Inventory system

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

(4) Amortization method of low-value consumables and packaging materials

1. Low-value consumables

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

2. Packaging materials

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

Recognition criteria and accrual method of inventory depreciation reserve

"√ Applicable" "□ Not applicable"

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

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

"√ Applicable" "□ Not applicable"

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

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

"√ Applicable" "□ Not applicable"

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

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

For one of the following reasons beyond the control of the Company, as a result, transactions among unrelated parties cannot be completed within one year, and the Company still promises to sell non-current assets or disposal group, then the Company shall continue to classify non-current assets or disposal group as held for sale: (1) The buyer or other parties accidentally set conditions that lead to postponement of the sale, the Company has taken timely actions against such conditions, and it is expected that the delay factors can be successfully resolved within one year from the setting of the conditions that lead to the postponement; and (2) Due to rare circumstances, the non-current assets or disposal group held for sale fail to complete the sale within one year; and in the first year, the Company has taken necessary measures against such new situations and re-met the classification conditions of the categories held for sale.

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

"√ Applicable" "□ Not applicable"

(1) Initial measurement and subsequent measurement

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

impairment of the assets held for sale.

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

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

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

(2) Accounting treatment for reversal of losses on asset impairment

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

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

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

(3) Accounting treatment for discontinuing to be classified as held for sale and derecognition

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

When the held-for-sale non-current assets or disposal group are derecognized, the Company shall

record the unrecognized gains or losses into the current profits or losses.

Recognition criteria and presentation methods for discontinued operations

☒ Applicable" ☐ Not applicable"

(1) Recognition criteria for discontinued operations

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

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

(2) Presentation methods for discontinued operations

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

15. Long-term equity investment

☒ Applicable" ☐ Not applicable"

(1) Judgment of joint control and significant influence

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

(2) Determination of investment cost

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

The Company shall judge whether the long-term equity investment formed by the business

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

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

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

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

2) In a consolidated financial statement, it shall judge whether it constitutes a “package deal”. If yes, each transaction shall be treated as a transaction for obtaining control. If not, the equity of the acquired party held before the acquisition date shall be re-measured at the fair value of the equity on the acquisition date, and the difference between the fair value and its carrying value shall be included in the current investment income; and if the equity of the acquiree held before the acquisition date involves other comprehensive income under the equity method, other comprehensive income related to it shall be converted into the current income on the acquisition date. However, other comprehensive income arising from the re-measurement of the changes in net liabilities or net assets of the defined benefit plans by the investee shall be excluded.

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

(3) Subsequent measurement and profit and loss recognition method

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

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

1. Principles for determining whether it constitutes a “package deal”

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

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

2. Accounting treatment of those not constituting a “package deal”

1) For individual financial statements

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

2) For consolidated financial statements

Before the loss of control, the difference between the disposal price and the share of net assets continuously calculated by the subsidiary from the acquisition date or combination date corresponding to the disposal of long-term equity investment shall be adjusted, and the capital reserve (capital premium) shall be adjusted. And the retained earnings shall be offset if the capital premium is insufficient to offset.

In case of loss of control over the original subsidiary, the remaining equity shall be re-measured at its fair value on the date of loss of control. The balance between the sum of the consideration obtained from the disposal of the equity and the fair value of the remaining equity and the share of net asset continuously calculated since the date of acquisition of the original subsidiary calculated based on the original proportion of shareholding to which the enterprise is entitled shall be included in the investment gains of the current period when the control is lost, and the goodwill shall be charged against at the same time. Other comprehensive income relating to the equity investment of the original subsidiary shall be converted into the investment gains of the current period when the control is lost.

3. Accounting treatment of those constituting a “package deal”

1) For individual financial statements

Each transaction shall be treated as a transaction that disposes of the subsidiary and loses control.

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

2) For consolidated financial statements

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

16. Investment property

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

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

17. Fixed assets

(1) Recognition criteria

"√ Applicable" "□ Not applicable"

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

(2) Depreciation Method

"√ Applicable" "□ Not applicable"

Category	Depreciation Method	Depreciation Period (Year)	Residual Value Rate (%)	Annual Depreciation Rate (%)
Houses and buildings	Straight-line method	20-35	3	4.85—2.77
Machinery equipment	Straight-line method	8-10	3	12.13—9.70
Transportation equipment	Straight-line method	4-10	3	24.25—9.70
Other equipment	Straight-line method	5-8	3	19.40—12.13
Fixed assets decoration	Straight-line method	3-5	0	33.33—20.00

18. Construction in progress

"√ Applicable" "□ Not applicable"

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

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

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

19. Borrowing costs

"√ Applicable" "□ Not applicable"

(1) Recognition principle of capitalization of borrowing costs

Where the borrowing costs incurred to the Company can be directly attributable to the acquisition and construction or production of assets eligible for capitalization, it shall be capitalized and recorded into the costs of related assets. Other borrowing costs shall be recognized as expenses on the basis of the actual amount incurred, and shall be recorded into the current profits or losses.

(2) Capitalization period of borrowing costs

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

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

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

(3) Capitalization rate and capitalization amount of borrowing costs

As for specifically borrowed loans for the acquisition and construction or production of assets eligible for capitalization, the to-be-capitalized amount of interests (including amortization of the discount or

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

20. Intangible assets

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

☒ Applicable" ☐ Not applicable"

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

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

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

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

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

☒ Applicable" ☐ Not applicable"

1. Scope of R&D expenditure aggregation

1) Personnel labor costs

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

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

development projects.

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

2) Direct input fees

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

3) Depreciation expenses and long-term deferred expenses

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

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

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

4) Amortization expenses of intangible assets

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

5) Design fees

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

6) Equipment commissioning and testing costs

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

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

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

7) Outsourced research and development expenses

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

8) Other expenses

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

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

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

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

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

21. Impairment of certain long-term assets

☒ Applicable ☐ Not applicable

For long-term assets such as long-term equity investments, investment property measured at cost model, fixed assets, construction in progress, right-of-use assets, and intangible assets with a limited service life, if there are signs of impairment on the balance sheet date, the recoverable amount shall be

estimated. For goodwill formed by means of business combination and intangible assets with an uncertain service life, the impairment test shall be carried out every year regardless of whether there are signs of impairment. Goodwill shall be tested for impairment in combination with its related asset groups or combination of asset groups.

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

22. Long-term deferred expenses

☒ Applicable" ☐ Not applicable"

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

23. Employee benefits

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

(1) Accounting treatment of short-term benefits

☒ Applicable" ☐ Not applicable"

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

(2) Accounting treatment of post-employment benefits

☒ Applicable" ☐ Not applicable"

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

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

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

1) According to the expected cumulative welfare unit method, unbiased and mutually consistent actuarial assumptions are used to estimate demographic and financial variables, while measuring the obligations arising from the defined benefit plan and determining the period to which relevant obligations belong. At the same time, the obligations arising from the defined benefit plan shall be discounted to determine the present value and current service cost of the obligations under the defined benefit plan;

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

in the defined benefit plan, the enterprise shall measure net assets of the defined benefit plan at the lower of the surplus and asset limit of the defined benefit plan.

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

(3) Accounting treatment of termination benefits

☒ Applicable" ☐ Not applicable"

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

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

☒ Applicable" ☐ Not applicable"

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

24. Estimated liabilities

☒ Applicable" ☐ Not applicable"

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

Included amount of estimated liabilities shall be the best estimated number of the needed expenditure for paying the liability off.

(2) On the balance sheet date, it is required to review the carrying amount of estimated liabilities.

25. Share-based payment

"√ Applicable" "□ Not applicable"

(1) Type of share-based payment

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

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

1. Equity-settled share-based payment

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

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

2. Cash-settled share-based payment

A cash-settled share-based payment in exchange for employee services that are exercisable immediately after the grant shall be recognized on the grant date at fair value of the liability assumed by the Company in the relevant cost or expense, with a corresponding increase in liability. A cash-settled share-based payment in exchange for employee services that are not exercisable until the completion of services within the waiting period or the achievement of specified performance conditions shall be recognized on each balance sheet date within the waiting period in the relevant cost or expense and the corresponding liability for the services acquired in the current period at fair value of the liability assumed by the company, based on the best estimation of the circumstances under which the right to the services would be exercisable.

3. Modification and termination of share-based payment plan

If the modification increases the fair value of the equity instruments granted, the Company shall recognize the increase in services according to the increase in fair value of the equity instruments; if the modification increases the number of equity instruments granted, the Company shall recognize the fair

value of the increased equity instruments as an increase in services; and if the Company modifies the vesting conditions in a manner favorable to the employees, the Company shall consider the revised vesting conditions when dealing with vesting conditions.

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

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

26. Revenue

(1) Accounting policies for revenue recognition and measurement

"√ Applicable" "□ Not applicable"

1. Principle for revenue recognition

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

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

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

in kind; 4) the Company has transferred the main risks and rewards on the ownership of the goods to the customer, that is, the customer has obtained the main risks and rewards on the ownership of the goods; 5) the customer has accepted the goods; and 6) other signs showing that the customer has gained control over the goods.

2. Principles for revenue measurement

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

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

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

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

3. Detailed measures for revenue recognition

Product sales and processing services: After issuing sales delivery notes and completing shipments based on customer sales contracts or orders, the revenue is recognized upon receipt of customer sign-off or pickup receipts, or sales realization confirmation lists, when payments have been collected or payment vouchers have been obtained, and it is probable that the related economic benefits will flow in.

27. Contract acquisition cost and contract performance cost

☒ Applicable ☐ Not applicable

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

(1) The cost is directly related to a current or expected contract, including direct labor, direct materials, manufacturing expenses (or similar expenses), cost clearly to be borne by the customer and other costs incurred only due to the contract;

(2) The cost increases the resources used by the Company to fulfill its performance obligations in the

future; and

(3) The cost is expected to be recovered.

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

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

28. Contract assets and contract liabilities

"☒ Applicable" "☐ Not applicable"

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

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

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

29. Government Subsidies

"☒ Applicable" "☐ Not applicable"

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

(2) Judgment basis and accounting treatment method of government subsidies pertinent to assets According to government documents, government subsidies used for the purchase, construction or otherwise formation of long-term assets are classified as government subsidies pertinent to assets. If government documents do not make it unclear, the judgment shall be made on the basis of the basic conditions that must be met to obtain the subsidy, and government subsidies pertinent to assets shall be made on the basis of the purchase, construction or otherwise formation of long-term assets. Government

subsidies pertinent to assets shall be offset against the carrying value of related assets or recognized as deferred income. If the government subsidies pertinent to assets are recognized as deferred income, they shall be included in gains or losses in a reasonable and systematic manner within the service life of related assets. Government subsidies measured at the nominal amount shall be recognized directly in the current profits or losses. If related assets are sold, transferred, scrapped or damaged before the end of their service life, relevant deferred income balances that have not been allocated shall be transferred to the current profits or losses at the time of asset disposal.

(3) Judgment basis and accounting treatment method of government subsidies pertinent to gains

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

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

(5) Accounting treatment method for policy-based loan with discounted interest

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

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

30. Deferred income tax assets / deferred income tax liabilities

☒ Applicable ☐ Not applicable

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

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

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

(4) The current income tax and deferred income tax of the Company shall be included in the current profits or losses as income tax expenses or income, excluding the income tax arising from the following circumstances: (1) business combination; and (2) transactions or events directly recognized in the owners' equity.

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

31. Lease

"√ Applicable" "□ Not applicable"

The Company as the lessee

"√ Applicable" "□ Not applicable"

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

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

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

(1) Right-of-use assets

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

The Company shall adopt the straight-line method to accrue depreciation for the right-of-use assets.

If it can be reasonably determined that the ownership of the leased assets can be acquired when the lease term expires, the Company shall accrue depreciation during the remaining service life of the leased assets. If it cannot be reasonably determined that the ownership of the leased assets can be acquired when the lease term expires, the Company shall accrue depreciation within the shorter of the lease term and the remaining service life of the leased assets.

(2) Lease liabilities

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

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

The Company as the lessor

☒ Applicable ☐ Not applicable

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

(1) Operating lease

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

(2) Financial lease

On the lease commencement date, the net lease investment (which is the sum of the unsecured residual value and the present value of the lease receipts not received at the beginning of the lease term as discounted at the lease embedded interest rate) shall be recognized as financial lease payments, and the

financial lease assets shall be derecognized. During each period of the lease term, the Company shall calculate and recognize interest income based on the lease embedded interest rate.

The amount of variable lease payments obtained by the Company that are not included in the measurement of net lease investment shall be included in the current profits or losses when actually incurred.

Sale and leaseback

(1) The Company as the lessee

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

If the transfer of assets in the sale-leaseback transaction is a sale, the Company shall measure the right-of-use assets formed by the sale and leaseback according to the part of the book value of the original assets related to the right of use acquired by the leaseback, and only recognize the relevant gains or losses in respect of the right transferred to the lessor.

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

(2) The Company as the lessor

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

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

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

32. Segment report

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

(1) The component is capable of generating revenues and incurring expenses in its routine business activities;

(2) The management is able to regularly assess the operating results of the component to determine resource allocation and evaluate its performance;

(3) It is possible to obtain relevant accounting information regarding the financial status, operating results, and cash flows of this component through analysis.

33. Other significant accounting policies and accounting estimates

Accounting treatment methods related to repurchasing shares of the Company

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

34. Changes in significant accounting policies and accounting estimates

(1) Changes in significant accounting policies

☐Applicable ☒Not applicable"

(2) Changes in significant accounting estimates

☐Applicable ☒Not applicable"

(3) Initial adoption of new accounting standards or interpretations, etc., that involve adjustments to the opening financial statements for the year of initial implementation from 2026 onwards

☐Applicable ☒Not applicable"

VI. Taxes

1. Main taxes and tax rates

Main taxes and tax rates

☒Applicable" ☐Not applicable"

Type of tax	Tax base	Tax rate
Value-added tax	The value-added amount generated in the course of selling goods or providing taxable services	Tax rates under the general tax calculation method: 13%, 9%, 6% Simplified tax calculation (statutory levy rate): 3% Optional simplified tax calculation levy rate during the transition period (1 January 2026 to 31 December 2027): 5%
Consumption tax	Japanese subsidiary: Difference between total sales and total purchases	10%, 8% (Japanese consumption tax, applicable only to transactions within Japan)
Urban maintenance and construction tax	VAT and consumption tax actually paid	7%, 5%, 1% (applicable depending on the taxpayer's location)

Type of tax	Tax base	Tax rate
Corporate income tax	Taxable income	Applicable income tax rates: 25%, 23.2%, 20%, 16.5%, 15%, 14%, 9%, 8.25%, 0%
Land value added tax	Appreciation amount arising from the transfer of state-owned land use rights and the buildings and other structures attached thereto for consideration	Applicable four-tier progressive tax rates on excess rates: 30%, 40%, 50%, 60%
Real estate tax	Ad valorem basis: the residual value after a one-off deduction of 30% from the original value of the property; rental basis: rental income	1.2% (ad valorem basis) and 12% (rental basis)
Education surcharge	VAT and consumption tax actually paid	3%
Local Education Surcharge	VAT and consumption tax actually paid	2%

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

"☒ Applicable" "☐ Not applicable"

Name of taxpayer	Income tax rate (%)
Shanjin Optoelectronics Vietnam Co., Ltd.	0.00
Shanshan New Material (Hong Kong) Limited	8.25
South Korea Shanjin Optoelectronics Co., Ltd.	9
Shanshan New Material (Luxembourg) Sarl	14
Shanghai Shanshan Technology Co., Ltd.	15
Ningbo Shanshan New Material Technology Co., Ltd.	15
Chenzhou Shanshan New Material Co., Ltd.	15
Fujian Shanshan Technology Co., Ltd.	15
Inner Mongolia Shanshan Technology Co., Ltd.	15
Inner Mongolia Shanshan New Material Co., Ltd.	15
Sichuan Shanshan New Material Co., Ltd.	15
Yunnan Shanshan New Material Co., Ltd.	15
Ningbo Shanshan Silicon Base Material Technology Co., Ltd.	15
Sichuan Shanshan New Energy Co., Ltd.	15
Shanjin Optoelectronics (Guangzhou) Co., Ltd.	15
Shanjin Optoelectronics (Nanjing) Co., Ltd.	15
Hong Kong Shanshan Resources Co., Ltd.	16.50
Shanshan New Material (Finland) Co., Ltd.	20
Taiwan Shanjin Optoelectronics Co., Ltd.	20
Shanjin Tokyo Co., Ltd.	23.20
Other taxable entities other than the above	25

2. Tax incentives

"√ Applicable" "□ Not applicable"

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

(2) Pursuant to the Announcement on the Value-Added Tax Super-Credit Deduction Policy for Advanced Manufacturing Enterprises (Announcement No. 43 of 2023 of the Ministry of Finance and the State Taxation Administration) issued by the Ministry of Finance and the State Taxation Administration, and the Notice of the General Office of the Ministry of Industry and Information Technology on Matters Concerning the Formulation of the List of Advanced Manufacturing Enterprises Entitled to the Value-Added Tax Super-Credit Deduction Policy for 2023 (Gong Xin Ting Cai Han [2023] No. 267) issued by the General Office of the Ministry of Industry and Information Technology, from 1 January 2023 to 31 December 2027, advanced manufacturing enterprises are allowed to deduct the payable value-added tax amount by an additional 5% based on the deductible input tax amount for the current period. The Company's subsidiaries, namely Shanghai Shanshan Technology Co., Ltd., Ningbo Shanshan New Material Technology Co., Ltd., Chenzhou Shanshan New Material Co., Ltd., Fujian Shanshan Technology Co., Ltd., Inner Mongolia Shanshan Technology Co., Ltd., Inner Mongolia Shanshan New Material Co., Ltd., Shanjin Optoelectronics (Guangzhou) Co., Ltd. and Shanjin Optoelectronics (Nanjing) Co., Ltd., are advanced manufacturing enterprises, and are entitled to deduct their value-added tax payable for the current period with an additional 5% based on the deductible input tax for the current period.

(3) Shanjin Optoelectronics Vietnam Co., Ltd. was established in Trang Due Industrial Park within Dinh Vu-Cat Hai Economic Zone, Haiphong, Vietnam. Pursuant to the provisions regarding "preferential tax rates" in Articles 19 and 20 of Circular No. 78/2014/TT-BTC issued by the Ministry of Finance of Vietnam on 18 June 2014: income derived by an enterprise from new investment projects in economic zones and high-tech zones is entitled to preferential tax policies comprising a four-year tax exemption followed by a 50% reduction in tax payable for the subsequent nine years (with the pre-concession tax rate being 20%), Shanjin Optoelectronics Vietnam Co., Ltd. is exempt from tax from 2025 to 2028.

(4) Pursuant to the Announcement of the Ministry of Finance, the State Taxation Administration, and the National Development and Reform Commission on Continuing the Enterprise Income Tax Policies for the Western Development Strategy (Cai Shui [2020] No. 23) and the Catalog of Encouraged Industries in the Western Region (2025 Edition), Sichuan Shanshan New Energy Co., Ltd., a subsidiary of the Company, qualifies as an enterprise under the Western Development Strategy and is subject to enterprise income tax at a reduced preferential rate of 15%.

VII. Notes to Consolidated Financial Statement Items**1. Cash at bank and on hand**

"√ Applicable" "□ Not applicable"

Unit: Yuan Currency: RMB

Item	Closing balance	Opening balance
Cash on hand	32,625.13	139,750.90
Bank deposit	2,778,658,120.01	1,751,303,374.51
Other monetary capitals	1,036,762,450.69	868,428,374.60
Total	3,815,453,195.83	2,619,871,500.01
Of which: Total amount of money deposited abroad	293,258,583.85	203,691,470.59

2. Notes receivable**(1) Presentation of notes receivable by category**

"√ Applicable" "□ Not applicable"

Unit: Yuan Currency: RMB

Item	Closing balance	Opening balance
Banker's acceptance bill		
Commercial acceptance bill	26,860,699.61	21,459,451.40
Total	26,860,699.61	21,459,451.40

(2) Disclosed by bad debt provision method

"√ Applicable" "□ Not applicable"

Unit: Yuan Currency: RMB

Category	Closing balance					Opening balance				
	Book balance		Amount of bad debt provision		Book value	Book balance		Amount of bad debt provision		Book value
	Amount	Proportion (%)	Amount	Withdrawal ratio (%)		Amount	Proportion (%)	Amount	Withdrawal ratio (%)	
Provision for bad debts is made on a portfolio basis	26,903,745.60	100.00	43,045.99	0.16	26,860,699.61	21,828,239.77	100.00	368,788.37	1.69	21,459,451.40
Of which:										
Commercial acceptance bill	26,903,745.60	100.00	43,045.99	0.16	26,860,699.61	21,828,239.77	100.00	368,788.37	1.69	21,459,451.40
Total	26,903,745.60	/	43,045.99	/	26,860,699.61	21,828,239.77	/	368,788.37	/	21,459,451.40

(3) Provision for bad debt

"√ Applicable" "□ Not applicable"

Unit: Yuan Currency: RMB

Category	Opening balance	Amount of change in the current period				Closing balance
		Provision	Recovery or reversal	Transfer or write-off	Other changes	
Provision for bad debts is made on a portfolio basis	368,788.37	188,839.83	514,582.21			43,045.99
Total	368,788.37	188,839.83	514,582.21			43,045.99

(4) Notes receivable not pledged by the Company at the end of the period**3. Accounts receivable****(1) Disclosed by aging**

"√ Applicable" "□ Not applicable"

Unit: Yuan Currency: RMB

Account age	Closing book balance	Opening book balance
Within 1 year (inclusive)	4,882,102,904.65	4,763,840,930.70
1-2 years	2,469,900.75	14,046,008.43
2-3 years	5,006,920.34	6,451,599.06
3-4 years	2,514,745.56	2,277,313.29
4-5 years	2,516,113.29	929,787.20
Above 5 years	6,815,950.42	6,471,835.51
Subtotal	4,901,426,535.01	4,794,017,474.19
Less: Bad debt provision	158,932,346.92	149,694,422.53
Total	4,742,494,188.09	4,644,323,051.66

(2) Disclosed by bad debt provision method

"√ Applicable" "□ Not applicable"

Unit: Yuan Currency: RMB

Category	Closing balance					Opening balance				
	Book balance		Amount of bad debt provision		Book value	Book balance		Amount of bad debt provision		Book value
	Amount	Proportion (%)	Amount	Withdrawal ratio (%)		Amount	Proportion (%)	Amount	Withdrawal ratio (%)	
Provision for bad debts made on an individual basis	24,993,210.19	0.51	23,947,136.49	95.81	1,046,073.70	28,012,530.51	0.58	26,966,456.81	96.27	1,046,073.70
Provision for bad debts is made on a portfolio basis	4,876,433,324.82	99.49	134,985,210.43	2.77	4,741,448,114.39	4,766,004,943.68	99.42	122,727,965.72	2.58	4,643,276,977.96
Total	4,901,426,535.01	/	158,932,346.92	/	4,742,494,188.09	4,794,017,474.19	/	149,694,422.53	/	4,644,323,051.66

Significant accounts receivable for which provision for bad debts is made on an individual basis
(Individual amount of RMB5 million and the individually assessed provision accounting for 10% or more of the provision for bad debts)

□ Applicable "√ Not applicable"

Accounts receivable for which provision for bad debts is made on a portfolio basis:

"√ Applicable" "□ Not applicable"

Combined provision items: Account age portfolio

Unit: Yuan Currency: RMB

Name	Closing balance		
	Book balance	Amount of bad debt provision	Withdrawal ratio (%)
Within 1 year	4,868,374,044.41	129,717,432.44	2.66
1-2 years	2,469,900.75	616,122.68	24.95
2-3 years	2,079.64	623.89	30.00
3-4 years	732,685.45	366,342.73	50.00
year and 4-5 years	2,157,313.29	1,587,387.41	73.58
Above 5 years	2,697,301.28	2,697,301.28	100.00

Name	Closing balance		
	Book balance	Amount of bad debt provision	Withdrawal ratio (%)
Total	4,876,433,324.82	134,985,210.43	2.77

(3) Provision for bad debt

"√ Applicable" "□ Not applicable"

Unit: Yuan Currency: RMB

Category	Opening balance	Amount of change in the current period				Closing balance
		Provision	Recovery or reversal	Transfer or write-off	Exchange rate changes	
Provision for bad debts made on an individual basis	26,966,456.81		3,019,320.32			23,947,136.49
Provision for bad debts is made on a portfolio basis	122,727,965.72	243,163,551.64	230,612,355.29		293,951.64	134,985,210.43
Total	149,694,422.53	243,163,551.64	233,631,675.61		293,951.64	158,932,346.92

(4) Actual write-off of accounts receivable for the period

□ Applicable "√ Not applicable"

(5) Accounts receivable ranking the top five in the closing balance summarized by the debtors

"√ Applicable" "□ Not applicable"

Unit: Yuan Currency: RMB

Name of entity	Relationship with the Company	Closing balance of accounts receivable	Years	Percentage of total receivables (%)	Amount of bad debt provision Closing balance
Customer A	Non-related party	952,130,968.19	Within 1 year (inclusive)	19.43	47,606,548.41
Customer B	Non-related party	835,629,819.54	Within 1 year (inclusive)	17.05	41,781,490.98
Customer C	Non-related party	379,702,292.79	Within 1 year (inclusive)	7.75	607,523.67
Customer D	Non-related party	323,057,229.04	Within 1 year (inclusive)	6.59	12,955,956.52
Customer E	Non-related party	264,514,010.31	Within 1 year (inclusive)	5.40	423,222.42
Total		2,755,034,319.87		56.20	103,374,742.00

4. Receivables financing**(1) Presented by classification of receivables financing**

"√ Applicable" "□ Not applicable"

Unit: Yuan Currency: RMB

Item	Closing balance	Opening balance
Banker's acceptance bill	106,566,710.84	55,624,131.60
Changhong Youdan	4,563,690.02	3,791,972.36

Item	Closing balance	Opening balance
BYD Di Chain	9,189,012.94	157,310.27
CATL financing orders	68,032,341.37	
Total	188,351,755.17	59,573,414.23

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

"√ Applicable" "□ Not applicable"

Unit: Yuan Currency: RMB

Item	Amount recognized at the end of the period
Banker's acceptance bill	4,469,331,971.60
CATL financing orders	1,453,798,981.19
BYD Di Chain	1,913,165,690.18
Total	7,836,296,642.97

Note:

The acceptor of banker's acceptance bill is a commercial bank with high credit, and the possibility of the bank's acceptance bill accepted by it will not be paid at maturity is low, so the Company will terminate the confirmation of the endorsed or discounted bank's acceptance bill. However, if these notes are not paid at maturity, according to the provisions of the Negotiable Instruments Law, the Company will still be jointly and severally liable to the holder.

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

5. Prepayment

(1) Prepayments are listed as per account age

"√ Applicable" "□ Not applicable"

Unit: Yuan Currency: RMB

Account age	Closing balance		Opening balance	
	Amount	Proportion (%)	Amount	Proportion (%)
Within 1 year	1,327,184,763.54	99.56	1,026,638,889.17	98.68
1-2 years	3,531,508.67	0.26	10,881,499.01	1.05
2-3 years	651,886.95	0.05	2,789,699.08	0.27
Above 3 years	1,640,759.61	0.12	25,255.00	
Total	1,333,008,918.77	100.00	1,040,335,342.26	100.00

(2) Top five prepayments with closing balance grouped by prepaid objects

"√ Applicable" "□ Not applicable"

Unit: Yuan Currency: RMB

Name of entity	Closing balance	Percentage of the total closing balance of prepayments (%)
Supplier A	454,157,458.30	34.07
Supplier B	103,675,236.14	7.78
Supplier C	99,755,406.82	7.48
Supplier D	87,657,178.46	6.58
Supplier E	60,313,796.28	4.52
Total	805,559,076.00	60.42

- (3) Among the balance of prepayments as of the end of the period, there were no debts owed by shareholding companies holding more than 5% (including 5%) of the voting shares of the Company

6. Other receivables

Presentation of items

"√ Applicable" "□ Not applicable"

Unit: Yuan Currency: RMB

Item	Closing balance	Opening balance
Interest receivable		
Dividend receivable	4,000,000.00	4,000,000.00
Other receivables	228,707,167.90	252,596,284.03
Total	232,707,167.90	256,596,284.03

Dividend receivable

"√ Applicable" "□ Not applicable"

Unit: Yuan Currency: RMB

Item (or investee)	Closing balance	Opening balance
Suiyong Holdings Co., Ltd.	4,000,000.00	4,000,000.00
Total	4,000,000.00	4,000,000.00

Other receivables

(1) Disclosed by aging

"√ Applicable" "□ Not applicable"

Unit: Yuan Currency: RMB

Account age	Closing book balance	Opening book balance
Within 1 year (inclusive)	57,579,986.13	77,445,411.47
1-2 years	4,098,847.26	9,062,852.07
2-3 years	53,320,050.10	291,351,248.55
3-4 years	252,414,416.64	7,482,221.30
4-5 years	15,487,770.30	17,494,927.10
Above 5 years	41,643,423.38	42,568,340.30
Subtotal	424,544,493.81	445,405,000.79
Less: Bad debt provision	195,837,325.91	192,808,716.76
Total	228,707,167.90	252,596,284.03

(2) Disclosure by nature of payments

Unit: Yuan Currency: RMB

Category	Closing balance				
	Book balance	Proportion (%)	Amount of bad debt provision	Withdrawal ratio (%)	Book value
Provision for bad debts made on an individual basis	356,170,233.42	83.89	193,225,960.54	54.25	162,944,272.88
Provision for bad debts is made on a portfolio basis	68,374,260.39	16.11	2,611,365.37	3.82	65,762,895.02
Total	424,544,493.81	100.00	195,837,325.91	46.13	228,707,167.90

(Continued above)

Category	Balance at the beginning of the year				
	Book balance	Proportion (%)	Amount of bad debt provision	Withdrawal ratio (%)	Book value
Provision for bad debts made on an individual basis	354,395,337.62	79.57	190,852,489.90	53.85	163,542,847.72
Provision for bad debts is made on a portfolio basis	91,009,663.17	20.43	1,956,226.86	2.15	89,053,436.31
Total	445,405,000.79	100.00	192,808,716.76	43.29	252,596,284.03

Significant provision for bad debts made on an individual basis Other receivables:

Unit: Yuan Currency: RMB

Name	Closing balance				Balance at the end of the previous year		
	Book balance	Amount of bad debt provision	Withdrawal ratio (%)	Provision reason	Book balance	Amount of bad debt provision	Withdrawal ratio (%)
Zhejiang Xinya Zhongning New Energy Co., Ltd.	244,862,000.00	97,944,800.00	40.00	Overdue and being involved in lawsuit	244,862,000.00	97,944,800.00	40.00
Shandong Fanyue Information Technology Co., Ltd.	44,100,000.00	44,100,000.00	100.00	Overdue, not expected to be recoverable	44,100,000.00	44,100,000.00	100.00
Ningbo Liankangcai Brand Management Co., Ltd.	26,000,000.00	13,000,000.00	50.00	The final payment of equity transfer accounts receivable is overdue and there is a significant risk of recovery. The transferee has provided an equity pledge guarantee.	27,000,000.00	13,500,000.00	50.00
Shenzhen Zhonglian Jinxin Business Services Co., Ltd.	14,113,178.00	11,290,542.40	80.00	Overdue and significant risk of recovery	14,113,178.00	11,290,542.40	80.00
Putian Hualin Vegetable Base Co., Ltd.	13,372,982.07	13,372,982.07	100.00	Winning the case, but unable to execute	13,372,982.07	13,372,982.07	100.00
Total	342,448,160.07	179,708,324.47	52.48		343,448,160.07	180,208,324.47	52.47

Other receivables for which provision for bad debts is made on an individual basis:

Unit: Yuan Currency: RMB

Name	Closing balance		
	Other receivables	Bad debt provision	Withdrawal ratio (%)
Portfolio of risk-free	21,096,479.67		
Of which: Portfolio of financing security deposit	21,096,479.67		
Account age portfolio	14,705,065.56	1,028,947.64	7.00
Portfolio of security deposit and deposit	8,224,820.57	411,241.03	5.00
Portfolio of advances	24,312,116.25	1,169,387.78	4.81
Of which: Individual social security of settlement, collection and payment every other month	924,570.72		
Portfolio of reserve	35,778.34	1,788.92	5.00

Name	Closing balance		
	Other receivables	Bad debt provision	Withdrawal ratio (%)
Total	68,374,260.39	2,611,365.37	3.82

Note: Portfolio of financing security deposit has no risk of return, and no provision for bad debts is made.

(3) Provision for bad debts

"√ Applicable" "□ Not applicable"

Unit: Yuan Currency: RMB

Bad debt provision	Phase I	Phase II	Phase III	Total
	Expected credit losses for the next 12 months	Expected credit losses for the entire duration (no credit impairment occurred)	Expected credit losses for the entire duration (with credit impairment occurred)	
Balance as of 1 January 2026	1,956,226.86	122,992,587.90	67,859,902.00	192,808,716.76
Balance as of 1 January 2026 in the current period	1,956,226.86	122,992,587.90	67,859,902.00	192,808,716.76
-- Transferred to Phase II				
-- Transferred to Phase III				
-- Transferred back to Phase II				
-- Transferred back to Phase I				
Current provision	8,097,365.97	2,957.05	2,995,513.59	11,095,836.61
Current reversal	-7,441,113.59	-625,000.00		-8,066,113.59
Current reselling				
Current write-off				
Other changes				
Effects of exchange rate changes	-1,113.87			-1,113.87
Balance as of 30 June 2026	2,611,365.37	122,370,544.95	70,855,415.59	195,837,325.91
Percentage of bad debt provision at end of the period (%)	3.82	42.89	100.00	46.13

(4) Provision for bad debt

"√ Applicable" "□ Not applicable"

Unit: Yuan Currency: RMB

Category	Opening balance	Amount of change in the current period				Closing balance
		Provision	Recovery or reversal	Transfer or write-off	Exchange rate changes	
Bad debt provisions of other accounts receivable	192,808,716.76	11,095,836.61	8,066,113.59		1,113.87	195,837,325.91
Total	192,808,716.76	11,095,836.61	8,066,113.59		1,113.87	195,837,325.91

(5) Other receivable ranking the top five in the Closing balance summarized by the debtors

"√ Applicable" "□ Not applicable"

Unit: Yuan Currency: RMB

Name of entity	Closing balance	Proportion in total closing balance of other receivables (%)	Nature of amount	Account age	Bad debt provision Closing balance
Zhejiang Xinya Zhongning New Energy Co., Ltd.	244,862,000.00	57.68	Equity transfer payment	3-4 years	97,944,800.00
Shandong Fanyue Information Technology Co., Ltd.	44,100,000.00	10.39	Equity transfer payment	2-3 years	44,100,000.00
Ningbo Liankangcai Brand Management Co., Ltd.	26,000,000.00	6.12	Equity transfer payment	Above 5 years	13,000,000.00
Everbright Financial Leasing Co., Ltd.	18,000,000.00	4.24	Financial leasing business	Within 1 year	
Shenzhen Zhonglian Jinxin Business Services Co., Ltd.	14,113,178.00	3.32	Equity transfer payment	4-5 years	11,290,542.40
Total	347,075,178.00	81.75	/	/	166,335,342.40

7. Inventories

(1) Classification of inventories

"√ Applicable" "□ Not applicable"

Unit: Yuan Currency: RMB

Item	Closing balance			Opening balance		
	Book balance	Provision for decline in value of inventories/provision for impairment of contract fulfillment costs	Book value	Book balance	Provision for decline in value of inventories/provision for impairment of contract fulfillment costs	Book value
Goods in transit	165,502,535.54		165,502,535.54	180,160,338.23		180,160,338.23
Raw materials	1,328,427,195.84	36,068,358.43	1,292,358,837.41	1,392,950,589.39	25,165,665.09	1,367,784,924.30
Products in progress	2,485,388,548.06	174,123,842.33	2,311,264,705.73	2,669,248,512.21	215,130,333.19	2,454,118,179.02
Finished goods	2,366,086,172.28	58,368,660.71	2,307,717,511.57	1,603,743,563.85	88,363,215.77	1,515,380,348.08
Materials outsourced for processing	887,388,696.15	33,824,119.03	853,564,577.12	656,472,468.74	21,604,528.77	634,867,939.97
Turnover materials, package and low-value consumption goods	836,021,484.70	16,090,405.09	819,931,079.61	911,522,195.11		911,522,195.11
Total	8,068,814,632.57	318,475,385.59	7,750,339,246.98	7,414,097,667.53	350,263,742.82	7,063,833,924.71

(2) Provision for decline in value of inventories

"√ Applicable" "□ Not applicable"

Unit: Yuan Currency: RMB

Item	Opening balance	Amount increased in the current period		Amount decreased in the current period		Closing balance
		Provision	Others	Reversal or reselling	Others	
Raw materials	25,165,665.09	20,369,900.13		9,467,206.79		36,068,358.43
Products in progress	215,130,333.19	53,248,450.88		94,254,941.74		174,123,842.33
Finished goods	88,363,215.77	23,709,620.06		53,704,175.12		58,368,660.71
Materials outsourced for processing	21,604,528.77	20,450,261.42		8,230,671.16		33,824,119.03
Turnover materials, package and low-value consumption goods		16,090,405.09				16,090,405.09
Total	350,263,742.82	133,868,637.58		165,656,994.81		318,475,385.59

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

"√ Applicable" "□ Not applicable"

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

8. Other current assets

"√ Applicable" "□ Not applicable"

Unit: Yuan Currency: RMB

Item	Closing balance	Opening balance
Prepaid income tax	661,720,663.44	653,558,942.78
Input value-added-tax to be deducted	14,473,282.04	10,977,519.65
Other prepaid taxes and fees	292,533.29	361,542.29
Others	1,270,000.00	
Total	677,756,478.77	664,898,004.72

9. Long-term equity investment

(1) Classification

Unit: Yuan Currency: RMB

Item	Amount at the end of the period			Opening amount		
	Book balance	Provision for impairment	Book value	Book balance	Provision for impairment	Book value
Investments in associates and joint ventures	95,540,961.16		95,540,961.16	101,164,163.22		101,164,163.22
Investments in associates and joint ventures	6,347,568,679.44	450,194,101.09	5,897,374,578.35	6,309,121,581.31	450,194,101.09	5,858,927,480.22
Total	6,443,109,640.60	450,194,101.09	5,992,915,539.51	6,410,285,744.53	450,194,101.09	5,960,091,643.44

(2) Breakdown

"√ Applicable" "□ Not applicable"

Unit: Yuan Currency: RMB

Name of investees	Opening balance Book value	Provision for impairment Opening balance	Increase and decrease in the current period							Closing balance Book value	Provision for impairment Closing balance
			Increased investment	Decreased investment	Investment profit or loss recognized under equity method	Adjustment of other comprehensive income	Change in other equities	Cash dividends or profit declared to be issued	Provision for impairment		
I. Joint ventures											
Ningbo Liweineng Energy Storage System Co., Ltd.	101,164,163.22				-5,623,202.06					95,540,961.16	
Subtotal	101,164,163.22				-5,623,202.06					95,540,961.16	
II. Associates											
BASF Shanshan Battery Materials Co., Ltd	3,367,642,232.23	189,934,660.64			5,968,397.56	-1,898,246.53				3,371,712,383.26	189,934,660.64
Zhejiang Chouzhou Commercial Bank Co.,Ltd.	1,667,747,755.89	137,050,000.00			67,633,053.56	1,950,028.60	-12,011,800.83			1,725,319,037.22	137,050,000.00
Suiyong Holdings Co., Ltd.	410,552,223.30				-26,446,029.47					384,106,193.83	
Xinya Shanshan New Material	136,619,468.94	92,901,882.32			5,312,500.00					141,931,968.94	92,901,882.32

Name of investees	Opening balance Book value	Provision for impairment Opening balance	Increase and decrease in the current period							Closing balance Book value	Provision for impairment Closing balance
			Increased investment	Decreased investment	Investment profit or loss recognized under equity method	Adjustment of other comprehensive income	Change in other equities	Cash dividends or profit declared to be issued	Provision for impairment		
Technology(Quzhou) Co., Ltd.											
Ningbo Airport Logistics Development Co., Ltd.	187,081,846.79				262,128.79					187,343,975.58	
Shanshan Brand Management Co., Ltd.	52,977,120.65				219,760.42					53,196,881.07	
Ningbo Shanqi Property Services Co., Ltd.	7,075,068.47	30,307,558.13								7,075,068.47	30,307,558.13
Jiangxi Zhanxiao New Energy Technology Co., Ltd.	6,774,924.90				-180,390.36					6,594,534.54	
Shanghai Shanshan Chuanghui Venture Capital Management Co., Ltd.	16,182,946.25				-1,926,452.72					14,256,493.53	
Shenzhen Yuanshan Private Equity Investment Management Co., Ltd.	3,142,462.52				-203,741.93					2,938,720.59	
Suzhou Shanyue Energy System Co., Ltd.	3,131,430.28				-232,108.96					2,899,321.32	
Winsky Gaoke Group Co., Ltd. note											
Subtotal	5,858,927,480.22	450,194,101.09			50,407,116.89	51,782.07	-12,011,800.83			5,897,374,578.35	450,194,101.09
Total	5,960,091,643.44	450,194,101.09			44,783,914.83	51,782.07	-12,011,800.83			5,992,915,539.51	450,194,101.09

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

10. Investment in other equity instruments- Investments in unlisted**(1) Investment in other equity instruments**

"√ Applicable" "□ Not applicable"

Unit: Yuan Currency: RMB

Item	Opening balance	Increase and decrease in the current period				Closing balance	Dividend income recognized in this period	Accumulated gains and losses recognized in other comprehensive income at end of the current period
		Increased investment	Decreased investment	Gains and losses recognized in other comprehensive income for the current period	Others			
Investment in other equity instruments-Investment in listed equity instruments	81,192,773.80		725,800.00	-10,409,262.90	-3,500,420.37	66,557,290.53	989,862.30	-77,866,613.92
Investment in other equity instruments-Investments in unlisted equity instruments	19,184,066.66					19,184,066.66		-8,365,933.34
Total	100,376,840.46		725,800.00	-10,409,262.90	-3,500,420.37	85,741,357.19	989,862.30	-86,232,547.26

(2) Reasons for designating as investment in equity instruments at fair value through other comprehensive income

This kind of investment is not aimed at short-term transactions or short-term profits, but is a long-term strategic holding, and it is planning to hold it for a long time to obtain capital appreciation and other purposes.

(3) Explanation of derecognition in the current period

Unit: Yuan Currency: RMB

Item	Fair value at time of derecognition	Cumulative gains and losses transferred to retained earnings upon derecognition	Reason for derecognition
Investment in other equity instruments-Investment in listed equity instruments	4,226,220.37	3,500,420.37	Disposal of some of the shares through the centralized bidding trading system of the stock exchange
Total	4,226,220.37	3,500,420.37	/

11. Other non-current financial assets

"√ Applicable" "□ Not applicable"

Unit: Yuan Currency: RMB

Item	Closing balance	Opening balance
Financial assets at fair value through profit or loss	212,237,090.72	217,684,588.93
Of which: equity investment	212,237,090.72	217,684,588.93
Total	212,237,090.72	217,684,588.93

12. Fixed assets**Presentation of items**

"√ Applicable" "□ Not applicable"

Unit: Yuan Currency: RMB

Item	Closing balance	Opening balance
Fixed assets	16,177,756,693.65	16,958,714,500.47
Liquidation of fixed assets	373,942.67	103,067.97
Total	16,178,130,636.32	16,958,817,568.44

Fixed assets**(1) Fixed assets**

"√ Applicable" "□ Not applicable"

Unit: Yuan Currency: RMB

Item	Houses and buildings	Machinery equipment	Transportation equipment	Other equipment	Fixed assets decoration	Total
I. Original book value:						
1. Opening balance	7,426,937,788.66	15,036,577,633.44	41,182,127.01	351,032,142.61	8,040,196.34	22,863,769,888.06
2. Amount increased in the current period	3,010,268.36	115,498,693.20	834,004.74	8,226,345.06	1,091,901.44	128,661,212.80
(1) Purchase	1,357,614.82	9,399,639.45	686,915.07	1,479,537.63	1,013,002.36	13,936,709.33
(2) Transfer of construction in progress	1,652,653.54	124,019,151.56	150,510.73	9,150,275.89	78,899.08	135,051,490.80
(3) Exchange rate changes		-17,927,435.68		-2,399,551.65		-20,326,987.33
(4) Internal breakdown adjustments		7,337.87	-3,421.06	-3,916.81		
3. Amount decreased in the current period	910,000.00	51,665,167.11	1,499,115.05	1,300,492.53		55,374,774.69
(1) Disposal or scrapping	910,000.00	51,665,167.11	1,499,115.05	1,300,492.53		55,374,774.69
4. Closing balance	7,429,038,057.02	15,100,411,159.53	40,517,016.70	357,957,995.14	9,132,097.78	22,937,056,326.17
II. Accumulated depreciation						
1. Opening balance	827,456,273.43	4,603,815,739.23	20,684,844.30	170,728,739.17	5,966,059.47	5,628,651,655.60
2. Amount increased in the current period	120,614,283.03	763,087,413.26	2,594,731.22	17,633,781.64	444,837.17	904,375,046.32
(1) Accrual	120,614,283.03	770,054,691.94	2,594,731.22	18,536,027.39	444,837.17	912,244,570.75
(2) Exchange rate changes		-6,967,278.68		-902,245.75		-7,869,524.43
3. Amount decreased in the current period		25,786,228.22	222,160.51	1,105,607.07		27,113,995.80
(1) Disposal or scrapping		25,786,228.22	222,160.51	1,105,607.07		27,113,995.80
4. Closing balance	948,070,556.46	5,341,116,924.27	23,057,415.01	187,256,913.74	6,410,896.64	6,505,912,706.12
III. Provision for impairment						
1. Opening balance		259,462,262.86	4,440,345.91	12,501,123.22		276,403,731.99
2. Amount increased in the current period		-1,696,498.54		-586,550.32		-2,283,048.86
(1) Accrual						
(2) Exchange rate changes		-1,696,498.54		-586,550.32		-2,283,048.86

3. Amount decreased in the current period		20,614,130.81		119,625.92		20,733,756.73
(1) Disposal or scrapping		20,614,130.81		119,625.92		20,733,756.73
4. Closing balance		237,151,633.51	4,440,345.91	11,794,946.98		253,386,926.40
IV. Book value						
1. Closing book value	6,480,967,500.56	9,522,142,601.75	13,019,255.78	158,906,134.42	2,721,201.14	16,177,756,693.65
2. Opening book value	6,599,481,515.23	10,173,299,631.35	16,056,936.80	167,802,280.22	2,074,136.87	16,958,714,500.47

(2) Temporarily idle fixed assets

"√ Applicable" "□ Not applicable"

Unit: Yuan Currency: RMB

Item	Original book value	Accumulated depreciation	Provision for impairment	Book value
Houses and buildings	69,047,000.00	37,487,039.85		31,559,960.15
Machinery equipment	375,862,398.41	188,911,370.48	173,456,308.02	13,494,719.91
Transportation equipment	140,500.00	133,775.28	6,724.72	
Others	14,293,455.72	12,680,678.00	1,136,131.76	476,645.96
Total	459,343,354.13	239,212,863.61	174,599,164.50	45,531,326.02

(3) Fixed assets leased out through operating leases

"√ Applicable" "□ Not applicable"

Unit: Yuan Currency: RMB

Item	Closing book value
Houses and buildings	137,914,031.75
Total	137,914,031.75

Note: The houses and buildings leased out by the Company through operating leases are temporarily idle self-use houses, not investment properties.

(4) Fixed assets without proper certificate of title

"√ Applicable" "□ Not applicable"

Unit: Yuan Currency: RMB

Item	Book value	Reasons for not completing the certificate of title
House buildings	3,995,600,537.39	Self-built factory building of which title certificate is still in process
House buildings	206,276,139.14	For commissioned factory construction, as the relevant property rights transfer agreement has not yet been signed and the property rights certificates have not yet been obtained
Total	4,201,876,676.53	

Liquidation of fixed assets

"√ Applicable" "□ Not applicable"

Unit: Yuan Currency: RMB

Item	Closing balance	Opening balance
Fixed assets	373,942.67	103,067.97
Total	373,942.67	103,067.97

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

"√ Applicable" "□ Not applicable"

Unit: Yuan Currency: RMB

Item	Closing balance	Opening balance
Construction in progress	977,387,417.98	962,315,829.53
Construction materials	8,399,980.84	7,391,276.86
Total	985,787,398.82	969,707,106.39

Construction in progress**(1) Construction in progress**

"√ Applicable" "□ Not applicable"

Unit: Yuan Currency: RMB

Item	Closing balance			Opening balance		
	Book balance	Provision for impairment	Book value	Book balance	Provision for impairment	Book value
Polarizer technology reform and add RTP	119,428,742.17	19,294,212.90	100,134,529.27	190,960,038.35	12,862,808.60	178,097,229.75
Project of a Polarizer Production Line with an Annual Output of 40 Million Square Meters for High-end Display in Yangzhou	3,888,352.95		3,888,352.95	3,888,352.95		3,888,352.95
Project of a Polarizer Production Line with an Annual Output of 40 Million Square Meters for LCD in Zhangjiagang	8,049,508.65		8,049,508.65	8,049,508.65		8,049,508.65
Project of a polarizer production line with an annual output of 50 million square meters in Mianyang	468,296,537.69	10,363,740.95	457,932,796.74	464,151,726.82	5,922,137.69	458,229,589.13
New R&D Base for New Materials in Shanghai	2,620,520.49		2,620,520.49	5,763,014.23		5,763,014.23
Sichuan Meishan Integrated Base Project for 200,000 Tons of Lithium Ion Battery Negative Electrode Materials	109,375,687.44		109,375,687.44	45,403,965.85		45,403,965.85
Negative Electrode Material Production Capacity Expansion Supporting Project	16,187,469.70		16,187,469.70	16,224,042.18		16,224,042.18
Yunnan Anning Annual Production of 300,000 tons of Lithium Ion Battery anode materials Integrated Base Project	72,805,346.72		72,805,346.72	70,081,442.28		70,081,442.28
Project of Integrated Base for Producing 40,000 Tons of Silicon- based anode materials for Lithium-ion Batteries Annually of Shanshan Company	196,425,240.98		196,425,240.98	172,455,938.10		172,455,938.10
Others	9,967,965.04		9,967,965.04	4,122,746.41		4,122,746.41
Total	1,007,045,371.83	29,657,953.85	977,387,417.98	981,100,775.82	18,784,946.29	962,315,829.53

(2) Changes in significant construction-in-progress projects in the current period

"√ Applicable" "□ Not applicable"

Unit: Yuan Currency: RMB

Item name	Budget amount	Opening balance	Amount increased in the current period	Amount transferred to fixed assets in the current period	Other amount decreased in the current period	Closing balance	Proportion of cumulative project investment in budget (%)	Project progress	Source of funds
Project of a Polarizer Production Line with an Annual Output of 40 Million Square Meters for High-end Display in Yangzhou	RMB4.5 billion	3,888,352.95				3,888,352.95	1.71	The project is in the preliminary planning stage	Self-financing + borrowing
Project of a polarizer production line with an annual output of 50 million square meters in Mianyang	RMB3.5 billion	464,151,726.82	4,144,810.87			468,296,537.69	15.13	Project under construction	Self-financing + borrowing
New R&D Base for New Materials in Shanghai	RMB0.6 billion	5,763,014.23	4,158,684.50	7,299,585.32	1,592.92	2,620,520.49	113.56	The project has been basically completed	Self-financing + borrowing
Sichuan Meishan Integrated Base Project for 200,000 Tons of Lithium Ion Battery Negative Electrode Materials	RMB8 billion (Phase I RMB4.2 billion)	45,403,965.85	74,594,549.70	10,171,060.81	451,767.30	109,375,687.44	60.79	The project phase I is in operation and the warehouses and dormitories of the project phase II are under construction	Proceeds (issuing GDR in 2022)+self-financing+borrowing
Yunnan Anning Annual Production of 300,000 tons of Lithium Ion Battery anode materials Integrated Base Project	RMB0.97 billion	70,081,442.28	4,340,957.89	1,604,204.74	12,848.71	72,805,346.72	43.67	The project phase I is in operation; the project phase II has not yet started	Self-financing + borrowing
Project of Integrated Base for Producing 40,000 Tons of Silicon-based anode materials for Lithium-ion Batteries Annually of Shanshan Company	RMB0.37.5 billion	172,455,938.10	26,446,838.91	1,567,997.44	909,538.59	196,425,240.98	29.02	Some production capacity of Phase I has been put into trial production	Self-financing + borrowing
Total		761,744,440.23	113,685,841.87	20,642,848.31	1,375,747.52	853,411,686.27	/	/	/

Construction materials

"√ Applicable" "□ Not applicable"

Unit: Yuan Currency: RMB

Item	Closing balance			Opening balance		
	Book balance	Provision for impairment	Book value	Book balance	Provision for impairment	Book value
Materials for graphitization furnace project	8,399,980.84		8,399,980.84	7,391,276.86		7,391,276.86
Total	8,399,980.84		8,399,980.84	7,391,276.86		7,391,276.86

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

"√ Applicable" "□ Not applicable"

Unit: Yuan Currency: RMB

Item	Houses and buildings	Machinery equipment	Transportation equipment	Total
I. Original book value				
1. Opening balance	938,260,192.33	47,293,650.32	71,695.82	985,625,538.47

Item	Houses and buildings	Machinery equipment	Transportation equipment	Total
2. Amount increased in the current period	42,767,308.59		-3,137.69	42,764,170.90
New lease	42,767,308.59			42,767,308.59
Exchange rate changes			-3,137.69	-3,137.69
3. Amount decreased in the current period	24,468,678.24			24,468,678.24
Disposal	24,468,678.24			24,468,678.24
4. Closing balance	956,558,822.68	47,293,650.32	68,558.13	1,003,921,031.13
II. Accumulated depreciation				
1. Opening balance	156,582,218.53	9,333,941.58	8,961.98	165,925,122.09
2. Amount increased in the current period	27,043,476.18	2,361,268.84	16,747.32	29,421,492.34
(1) New lease	27,043,476.18	2,361,268.84	16,747.32	29,421,492.34
3. Amount decreased in the current period	23,886,604.57			23,886,604.57
(1) Disposal	23,886,604.57			23,886,604.57
4. Closing balance	159,739,090.14	11,695,210.42	25,709.30	171,460,009.86
III. Provision for impairment				
1. Opening balance				
2. Amount increased in the current period				
(1) New lease				
3. Amount decreased in the current period				
(1) Disposal				
4. Closing balance				
IV. Book value				
1. Closing book value	796,819,732.54	35,598,439.90	42,848.83	832,461,021.27
2. Opening book value	781,677,973.80	37,959,708.74	62,733.84	819,700,416.38

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

"√ Applicable" "□ Not applicable"

Unit: Yuan Currency: RMB

Item	Land-use right	Patent right	Software and others	Customer relationship	Total
I. Original book value					
1. Opening balance	1,409,918,172.02	1,108,740,000.00	159,463,890.56	316,000,000.00	2,994,122,062.58
2. Amount increased in the current period			4,639,617.50		4,639,617.50
(1) Purchase			4,320,554.72		4,320,554.72

Item	Land-use right	Patent right	Software and others	Customer relationship	Total
(2) Transfer of construction in progress			343,872.11		343,872.11
(3) Increase due to exchange rate changes			-24,809.33		-24,809.33
3. Amount decreased in the current period					
(1) Disposal or scrapping					
4. Closing balance	1,409,918,172.02	1,108,740,000.00	164,103,508.06	316,000,000.00	2,998,761,680.08
II. Accumulated amortisation					
1. Opening balance	137,621,530.92	384,933,824.27	72,994,482.05	91,525,000.00	687,074,837.24
2. Amount increased in the current period	14,779,347.39	52,332,741.92	6,700,627.38	15,800,000.00	89,612,716.69
(1) Accrual	14,779,347.39	52,332,741.92	6,700,627.38	15,800,000.00	89,612,716.69
3. Amount decreased in the current period					
(1) Disposal or scrapping					
4. Closing balance	152,400,878.31	437,266,566.19	79,695,109.43	107,325,000.00	776,687,553.93
III. Provision for impairment					
1. Opening balance			427,750.81		427,750.81
2. Amount increased in the current period					
(1) Accrual					
3. Amount decreased in the current period					
(1) Disposal or scrapping					
4. Closing balance			427,750.81		427,750.81
IV. Book value					
1. Closing book value	1,257,517,293.71	671,473,433.81	83,980,647.82	208,675,000.00	2,221,646,375.34
2. Opening book value	1,272,296,641.10	723,806,175.73	86,041,657.70	224,475,000.00	2,306,619,474.53

(2) Single intellectual property with significant impact

Patent rights include intellectual property rights related to the acquisition of the LCD polariser business and the SP polariser business. As at the end of June 2026, there were a total of 2,182 granted patents (including 1,780 overseas patents), comprising 2,084 invention patents and 98 utility model patents. The number of internationally granted patents was 1,780. The net value at the end of the reporting period was RMB635 million.

16. Goodwill

(1) Breakdown of goodwill

"√ Applicable" "□ Not applicable"

Unit: Yuan Currency: RMB

Name of investee or matters forming goodwill	Amount at the end of the period			Opening amount		
	Book balance	Provision for impairment	Book value	Book balance	Provision for impairment	Book value
Huzhou Shanshan New Energy	148,044,702.20	148,044,702.20		148,044,702.20	148,044,702.20	

Name of investee or matters forming goodwill	Amount at the end of the period			Opening amount		
	Book balance	Provision for impairment	Book value	Book balance	Provision for impairment	Book value
Technology Co., Ltd.						
Polarizer LCD business	879,235,149.99	50,914,431.44	828,320,718.55	879,235,149.99	50,914,431.44	828,320,718.55
Polarizer SP business	325,400,504.00	19,885,709.60	305,514,794.40	325,400,504.00	19,885,709.60	305,514,794.40
Total	1,352,680,356.19	218,844,843.24	1,133,835,512.95	1,352,680,356.19	218,844,843.24	1,133,835,512.95

(2) Original book value of goodwill

"√ Applicable" "□ Not applicable"

Unit: Yuan Currency: RMB

Name of investee or matters forming goodwill	Opening balance	Increase in the period	Decrease in the period	Closing balance
		arising from business combinations	Disposal	
Huzhou Shanshan New Energy Technology Co.,Ltd.	148,044,702.20			148,044,702.20
Polarizer LCD business	879,235,149.99			879,235,149.99
Polarizer SP business	325,400,504.00			325,400,504.00
Total	1,352,680,356.19			1,352,680,356.19

(3) Provision for impairment of goodwill

"√ Applicable" "□ Not applicable"

Unit: Yuan Currency: RMB

Name of investee or matters forming goodwill	Opening balance	Increase in the period	Decrease in the period	Closing balance
		Provision	Disposal	
Huzhou Shanshan New Energy Technology Co.,Ltd.	148,044,702.20			148,044,702.20
Polarizer LCD business	50,914,431.44			50,914,431.44
Polarizer SP business	19,885,709.60			19,885,709.60
Total	218,844,843.24			218,844,843.24

17. Long-term deferred expenses

"√ Applicable" "□ Not applicable"

Unit: Yuan Currency: RMB

Item	Opening balance	Amount increased in the current period	Amortisation amount in the current period	Closing balance
Expenses for leased-in fixed assets improvement	18,914,157.26	252,293.58	3,897,620.03	15,268,830.81
Amortization of turnover materials	11,344,110.06	4,256,069.64	6,954,420.60	8,645,759.10
Others	13,936,289.47	252,873.06	4,929,333.16	9,259,829.37
Total	44,194,556.79	4,761,236.28	15,781,373.79	33,174,419.28

18. Deferred income tax assets / deferred income tax liabilities**(1) Deferred income tax assets without offsetting**

"√ Applicable" "□ Not applicable"

Unit: Yuan Currency: RMB

Item	Closing balance		Opening balance	
	Deductible temporary differences	Deferred income tax assets	Deductible temporary differences	Deferred income tax assets
Provision for impairment of assets	843,115,478.40	140,519,580.43	816,923,256.60	136,590,747.16
Unrealised gross profit within the scope of consolidation	230,318,658.80	34,547,798.82	220,203,815.00	33,030,572.25
The income from equity transfer within the consolidation scope, recognized for tax purposes and offset by accounting	163,893,536.52	40,973,384.13	163,893,536.52	40,973,384.13
Deductible losses	521,988,285.46	78,298,242.81	521,988,285.46	78,298,242.81
Income recognized by tax, not yet recognized for accounting purposes	319,273,404.69	47,891,010.70	262,574,272.49	39,386,140.87
Expenditure recognized by accounting, not yet recognized for tax purposes	305,936,598.42	45,901,185.55	314,072,927.82	47,121,634.96
Changes in fair value of other non current financial assets recognized in current period profit and loss	5,030,000.00	1,257,500.00	5,030,000.00	1,257,500.00
Deductible temporary differences formed by leasing	1,164,341,156.44	174,651,173.47	1,146,740,488.11	172,011,073.22
Total	3,553,897,118.73	564,039,875.91	3,451,426,582.00	548,669,295.40

(2) Deferred income tax liabilities without offsetting

"√ Applicable" "□ Not applicable"

Unit: Yuan Currency: RMB

Item	Closing balance		Opening balance	
	Taxable temporary differences	Deferred income taxLiabilities	Taxable temporary differences	Deferred income taxLiabilities
Changes in fair value of other equity instruments included in other comprehensive income	47,520,312.62	11,880,078.17	59,074,102.26	14,768,525.58
Difference between accelerated depreciation tax and financial caliber of fixed assets	1,230,293,515.78	184,544,027.42	1,212,804,027.71	181,920,604.21
Long term investment fair value adjustment when the original subsidiary loses control	1,237,956,808.36	309,489,202.09	1,237,956,808.36	309,489,202.09
Taxable temporary differences arising from leasing	819,398,353.09	122,909,752.96	819,398,353.09	122,909,752.96
Super deduction of equipment	12,338,043.45	2,020,282.91	12,338,043.45	2,020,282.91
Total	3,347,507,033.30	630,843,343.55	3,341,571,334.87	631,108,367.75

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

"√ Applicable" "□ Not applicable"

Unit: Yuan Currency: RMB

Item	Closing balance		Opening balance	
	Offset amount between deferred income tax assets and liabilities	Balance of deferred income tax assets or liabilities after offset	Offset amount between deferred income tax assets and liabilities	Balance of deferred income tax assets or liabilities after offset
Deferred income tax assets	311,243,983.31	252,795,892.60	307,111,754.11	241,557,541.29
Deferred income tax liabilities	311,243,983.31	319,599,360.24	307,111,754.11	323,996,613.64

19. Other non-current assets

"√ Applicable" "□ Not applicable"

Unit: Yuan Currency: RMB

Item	Closing balance			Opening balance		
	Book balance	Provision for impairment	Book value	Book balance	Provision for impairment	Book value
Prepayments for engineering equipment	11,786,584.33		11,786,584.33	12,502,935.99		12,502,935.99
Total	11,786,584.33		11,786,584.33	12,502,935.99		12,502,935.99

20. Assets with restricted ownership or use rights

"√ Applicable" "□ Not applicable"

Unit: Yuan Currency: RMB

Item	End of the period				Beginning of the period			
	Book balance	Book value	Type of restriction	Restrictions	Book balance	Book value	Type of restriction	Restrictions
Cash at bank and on hand	1,019,773,312.73	1,019,773,312.73	Deposit	Margin deposits for bills, margin deposits for letters of credit, etc.	855,954,836.42	855,954,836.42	Deposit	Margin deposits for bills, margin deposits for letters of credit, etc.
Cash at bank and on hand	90,532,147.24	90,532,147.24	Froze	Judicial freeze, etc.	88,932,232.60	88,932,232.60	Froze	Judicial freeze, etc.
Cash at bank and on hand					87,872.23	87,872.23	Interest on term deposits	Accrual of interest on term deposits
Accounts receivable	404,517,650.37	403,870,422.13	Pledge	Used for loan pledge	159,819,200.99	159,563,490.27	Pledge	Used for loan pledge
Receivables financing					11,223,939.44	11,223,939.44	Pledge	Used for loan pledge
Fixed assets	5,226,569,827.86	4,656,170,950.64	Mortgage	Used as collateral for borrowings	5,075,585,717.17	4,595,477,482.72	Mortgage	Used as collateral for borrowings
Construction in progress	56,127,000.00	56,127,000.00	Mortgage	Used as collateral for borrowings				
Intangible assets	958,392,285.58	851,809,802.01	Mortgage	Used as collateral for borrowings	1,199,574,143.40	1,101,412,129.60	Mortgage	Used as collateral for borrowings
Total	7,755,912,223.78	7,078,283,634.75	/	/	7,391,177,942.25	6,812,651,983.28	/	/

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

"√ Applicable" "□ Not applicable"

Unit: Yuan Currency: RMB

Item	Closing balance	Opening balance
Mortgage borrowings	1,122,095,342.46	996,895,683.33
Guaranteed borrowings	2,296,128,778.28	1,898,230,352.05
Credit borrowings	1,420,104,246.58	1,170,184,180.55
Notes payable financing	1,145,000,000.00	1,047,000,000.00
Mortgage and guaranteed borrowings	370,413,841.66	310,236,250.00
Pledged and guaranteed borrowings	150,000,000.00	81,089,335.00
Total	6,503,742,208.98	5,503,635,800.93

22. Notes payable

"√ Applicable" "□ Not applicable"

Unit: Yuan Currency: RMB

Category	Closing balance	Opening balance
Commercial acceptance bill		
Banker's acceptance bill	310,473,939.73	246,138,749.68
Total	310,473,939.73	246,138,749.68

23. Accounts payable**(1) Presentation of accounts payable**

"√ Applicable" "□ Not applicable"

Unit: Yuan Currency: RMB

Item	Closing balance	Opening balance
Payables for purchase of goods or labor services	2,947,688,130.33	2,782,396,101.69
Payables for purchase of long-term assets	1,164,486,475.05	1,391,459,736.41
Total	4,112,174,605.38	4,173,855,838.10

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

24. Account collected in advance**(1) Presentation of account collected in advance**

"√ Applicable" "□ Not applicable"

Unit: Yuan Currency: RMB

Item	Closing balance	Opening balance
Pre-paid rent and others	281,261.50	188,984.47
Total	281,261.50	188,984.47

(2) No significant account collected in advance with an aging over 1 year

(3) Among the closing balance, there were no account collected in advance from shareholding companies holding more than 5% (inclusive) of the voting shares of the Company

25. Contract liabilities

"√ Applicable" "□ Not applicable"

Unit: Yuan Currency: RMB

Item	Closing balance	Opening balance
Sales	20,556,868.67	57,709,480.71
Total	20,556,868.67	57,709,480.71

26. Payroll payable**(1) Payroll payable list**

"√ Applicable" "□ Not applicable"

Unit: Yuan Currency: RMB

Item	Opening balance	Increase in the period	Decrease in the period	Closing balance
I. Short-term compensation	174,650,594.15	582,806,434.34	692,917,008.09	64,540,020.40
II. Welfare after demission-defined contribution plan	1,239,081.92	52,248,208.11	52,297,680.00	1,189,610.03
III. Dismissal welfare	163,767.00	2,345,613.21	2,509,380.21	
Total	176,053,443.07	637,400,255.66	747,724,068.30	65,729,630.43

(2) Short-term compensation list

"√ Applicable" "□ Not applicable"

Unit: Yuan Currency: RMB

Item	Opening balance	Increase in the period	Decrease in the period	Closing balance
I. Wages, bonuses, allowances and subsidies	170,600,837.69	498,928,513.26	610,551,110.91	58,978,240.04
Welfare expenses for the employees	762,612.07	25,705,933.86	24,462,035.56	2,006,510.37
III. Social insurance expenses	689,926.41	27,911,664.70	27,939,769.58	661,821.53
Of which: Medical insurance premiums	637,233.90	23,806,249.15	23,831,931.87	611,551.18
Industrial injury insurance premiums	16,280.43	3,003,914.75	3,004,697.17	15,498.01
Maternity insurance premiums	36,412.08	1,101,500.80	1,103,140.54	34,772.34
IV. Housing accumulation fund	263,365.00	22,054,391.32	22,314,123.32	3,633.00
V. Labor union expenditure and employee education expenses	2,333,852.98	8,205,931.20	7,649,968.72	2,889,815.46
VI. Short-term paid absence				
VII. Short-term profit sharing plan				
Total	174,650,594.15	582,806,434.34	692,917,008.09	64,540,020.40

(3) Defined contribution plan list

"√ Applicable" "□ Not applicable"

Unit: Yuan Currency: RMB

Item	Opening balance	Increase in the period	Decrease in the period	Closing balance
1、Basic endowment insurance	1,201,231.07	50,476,380.29	50,524,398.02	1,153,213.34
2、Unemployment insurance premiums	37,850.85	1,771,827.82	1,773,281.98	36,396.69
Total	1,239,081.92	52,248,208.11	52,297,680.00	1,189,610.03

27. Taxes payable

"√ Applicable" "□ Not applicable"

Unit: Yuan Currency: RMB

Item	Closing balance	Opening balance
Enterprise income tax	89,329,902.72	60,241,350.06
Value added tax	28,054,303.56	15,062,911.10
House property tax	11,683,126.77	12,656,901.99
Withholding and remitting individual income tax	6,090,604.24	5,902,298.12
Land use tax	4,167,857.75	4,737,188.62
Urban maintenance and construction tax	903,278.79	1,623,553.76
Education surcharges	594,593.50	1,188,447.53
Others	6,822,483.96	6,832,392.60
Total	147,646,151.29	108,245,043.78

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

"√ Applicable" "□ Not applicable"

Unit: Yuan Currency: RMB

Item	Closing balance	Opening balance
Dividend payable	701,360.00	701,360.00
Other receivables	285,795,395.74	294,382,323.50
Total	286,496,755.74	295,083,683.50

(2) Dividend payable

"√ Applicable" "□ Not applicable"

Unit: Yuan Currency: RMB

Item	Closing balance	Opening balance
Dividends on common shares-corporate shareholders	701,360.00	701,360.00
Total	701,360.00	701,360.00

(3) Other receivables

Other payables listed by nature of payment

"√ Applicable" "□ Not applicable"

Unit: Yuan Currency: RMB

Item	Closing balance	Opening balance
Accrued expenses	119,238,439.70	134,987,114.11
Contingent repurchase payables of Restricted Share	65,421,905.82	65,421,905.82
Deposit security deposit	48,217,389.90	38,671,326.75
Temporary receipts payable	45,842,591.85	48,226,908.35
Final property payment payable	7,075,068.47	7,075,068.47
Total	285,795,395.74	294,382,323.50

29. Non-current Liabilities Due within One Year

"√ Applicable" "□ Not applicable"

Unit: Yuan Currency: RMB

Item	Closing balance	Opening balance
Long-term borrowings due within 1 year	3,042,027,851.81	3,925,952,762.64
Bonds payable due within 1 year		
Long-term payables due within 1 year	352,142,624.20	357,659,381.47
Lease liabilities due within 1 year	422,196,998.25	389,527,146.94
Total	3,816,367,474.26	4,673,139,291.05

30. Other current liabilities

"√ Applicable" "□ Not applicable"

Unit: Yuan Currency: RMB

Item	Closing balance	Opening balance
Output tax to be transferred	2,276,108.88	6,928,404.27
Total	2,276,108.88	6,928,404.27

31. Long-term borrowings**(1) Classification of long-term borrowings**

"√ Applicable" "□ Not applicable"

Unit: Yuan Currency: RMB

Item	Closing balance	Opening balance
Pledged borrowings	319,237,602.74	442,370,486.11
Mortgage borrowings		
Guaranteed borrowings		398,372,441.66
Credit borrowings	274,240,219.18	
Mortgage and guaranteed borrowings	4,357,879,970.90	4,427,642,671.66
Pledged and guaranteed borrowings	802,357,676.71	
Total	5,753,715,469.53	5,268,385,599.43

32. Lease liabilities

"√ Applicable" "□ Not applicable"

Unit: Yuan Currency: RMB

Item	Closing balance	Opening balance
Houses and buildings	703,544,733.10	680,754,621.12
Machinery equipment	37,609,414.12	37,962,068.99
Others	8,814.74	27,431.65
Total	741,162,961.96	718,744,121.76

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

"√ Applicable" "□ Not applicable"

Unit: Yuan Currency: RMB

Item	Closing balance	Opening balance
Sale and leaseback payable	17,045,742.96	17,045,742.96
Total	17,045,742.96	17,045,742.96

34. Estimated liabilities

"√ Applicable" "□ Not applicable"

Unit: Yuan Currency: RMB

Item	Opening balance	Increase in the period	Decrease in the period	Closing balance
Product quality guarantee	38,259,522.64	1,731,053.26		39,990,575.90
Estimated disposal loss	3,000,000.00			3,000,000.00
Total	41,259,522.64	1,731,053.26		42,990,575.90

35. Deferred income

Deferred income

"√ Applicable" "□ Not applicable"

Unit: Yuan Currency: RMB

Item	Opening balance	Increase in the period	Decrease in the period	Closing balance
Government Subsidies	551,383,123.13	4,953,400.00	31,018,728.49	525,317,794.64
Total	551,383,123.13	4,953,400.00	31,018,728.49	525,317,794.64

36. Share capital

"√ Applicable" "□ Not applicable"

Unit: Yuan Currency: RMB

Item	Opening balance	Change in the current period: increase (+)/decrease (-)					Closing balance
		Issuance of new shares	Share dividend	Transfer from provident fund	Others	Subtotal	
Total number of shares	2,249,412,863.00						2,249,412,863.00

37. Capital reserve

"√ Applicable" "□ Not applicable"

Unit: Yuan Currency: RMB

Item	Opening balance	Increase in the period	Decrease in the period	Closing balance
Capital premium (equity premium) Note	7,567,427,553.95	74,033,305.62		7,641,460,859.57
Other capital reserve	1,217,473,355.06		12,011,800.83	1,205,461,554.23
Total	8,784,900,909.01	74,033,305.62	12,011,800.83	8,846,922,413.80

Note: In February 2026, the Company disposed of 17,035,800 treasury shares for a total disposal amount of RMB255,174,700 (before deducting transaction costs, taxes, etc.), resulting in an increase of RMB74,033,300 in capital reserve.

38. Treasury shares

"√ Applicable" "□ Not applicable"

Unit: Yuan Currency: RMB

Item	Opening balance	Increase in the period	Decrease in the period	Closing balance
Treasury shares from centralized bidding repurchase Note	1,346,952,290.86		176,538,320.96	1,170,413,969.90
Treasury shares repurchased from stock option incentive plan	66,705,760.51			66,705,760.51
Total	1,413,658,051.37		176,538,320.96	1,237,119,730.41

Note: The Company disposed of 17,035,800 treasury shares in February 2026 for a total disposal amount of RMB255,174,700 (before deducting transaction fees, taxes, etc.).

39. Other comprehensive income

Unit: Yuan Currency: RMB

Item	Opening balance	Amount in the current period						Closing balance
		Other comprehensive income, net of tax					Less: Amounts recognized in other comprehensive income in prior periods transferred to retained earnings in the current period (after tax attributable to the parent company)	
		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 expenses	That attributable to the company after tax	That attributable to non-controlling interests after tax		
1. Other comprehensive incomes that will not be reclassified into profit or loss	-198,355,640.79	-10,835,483.27		-2,119,897.41	-8,715,585.86		2,305,650.00	-209,376,876.65
Of which: Remeasurement of changes in defined benefit plans								
Other comprehensive income that cannot be transferred to profit and loss under equity method	9,834,645.03							9,834,645.03
Changes in fair value of other equity instrument investments	-208,190,285.82	-10,835,483.27		-2,119,897.41	-8,715,585.86		2,305,650.00	-219,211,521.68
Changes in fair value of enterprise's own credit risk								
2. Other comprehensive incomes to be reclassified into profit and loss	-24,694,263.37	-32,784,389.30			-32,784,389.30	-174,798.69		-57,478,652.67
Of which: other comprehensive income that may be reclassified to profit or loss under the equity method	7,389,971.06	51,782.07			51,782.07			7,441,753.13
Changes in fair value of other debt investments								0.00
The balance arisen from the translation of foreign currency financial statements	-32,084,234.43	-32,836,171.37			-32,836,171.37	-174,798.69		-64,920,405.80
Total other comprehensive income	-223,049,904.16	-43,619,872.57		-2,119,897.41	-41,499,975.16	-174,798.69	2,305,650.00	-266,855,529.32

40. Surplus reserve

"√ Applicable" "□ Not applicable"

Unit: Yuan Currency: RMB

Item	Opening balance	Increase in the period	Decrease in the period	Closing balance
surplus	292,801,918.55			292,801,918.55
Total	292,801,918.55			292,801,918.55

41. Unappropriated profits

"√ Applicable" "□ Not applicable"

Unit: Yuan Currency: RMB

Item	The current period	The previous year
Retained earnings at the end of the previous period before adjustment	12,270,427,193.56	11,723,056,845.38
Adjustment to total retained earnings at the beginning of the period(+for increase and - for decrease)		
after adjustment	12,270,427,193.56	11,723,056,845.38
Plus: Net profits attributable to equity owners the	822,451,607.67	457,916,266.13
Less: Withdrawal of legal surplus reserve		
Withdrawal of discretionary surplus reserve		
Withdrawal of common risk provision		
Common share dividends payable		
Common share dividends converted to share capital		
Add: The retained earnings transferred in the current period but previously included in other comprehensive income	11,034,180.62	89,454,082.05
Retained earnings at the end of the period	13,103,912,981.85	12,270,427,193.56

42. Operating income and operating cost**(1) Operating income and operating cost**

"√ Applicable" "□ Not applicable"

Unit: Yuan Currency: RMB

Item	Amount for the current period		Amount incurred in previous period	
	Revenue	Cost	Revenue	Cost
Main Business	12,076,187,705.81	9,677,447,222.17	9,801,941,138.25	8,247,092,561.06
Other business	54,145,554.11	15,633,398.30	56,543,177.03	2,132,535.41
Total	12,130,333,259.92	9,693,080,620.47	9,858,484,315.28	8,249,225,096.47
Of which: Income from contracts with customers	12,118,101,274.70	9,685,571,227.93	9,848,188,753.31	8,242,085,574.95

(2) Breakdown information of operating income and operating costs

"√ Applicable" "□ Not applicable"

1) Revenue generated from contracts with customers by type of goods or services

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

2) Revenue generated from contracts with customers by operating region

The breakdown information of revenue by operating region is detailed in the segment report

within the notes to these financial statements.

3) Revenue generated from contracts with customers by the time of transfer of goods or services

Unit: Yuan Currency: RMB

Item	Amount for the current period	Amount for the same period last year
Recognition of income at a point of time	12,117,850,273.90	9,846,636,763.52
Recognition of income over a period of time	251,000.80	1,551,989.79
Total	12,118,101,274.70	9,848,188,753.31

43. Taxes and surcharges

"√ Applicable" "□ Not applicable"

Unit: Yuan Currency: RMB

Item	Amount for the current period	Amount incurred in previous period
Urban maintenance and construction tax	12,347,117.87	7,819,530.93
Education surcharges	8,794,035.68	5,602,763.10
Stamp duty	14,126,721.60	12,023,286.62
Property tax and land use tax	38,667,564.78	36,924,797.43
Others	2,735,826.55	4,828,701.59
Total	76,671,266.48	67,199,079.67

44. Selling expenses

"√ Applicable" "□ Not applicable"

Unit: Yuan Currency: RMB

Item	Amount for the current period	Amount incurred in previous period
Material consumption, transportation costs, vehicle costs and others	81,347,168.73	50,285,776.46
Marketing and promotion expenses, marketing expenses	28,935,274.95	36,713,908.33
Employee compensation payable	20,504,382.11	20,029,128.55
Office expenses, travel expenses, and temporary lease	3,825,190.25	4,391,561.78
Consulting fees and expenses of external intermediary agencies	11,634,221.74	14,243,787.35
Depreciation and amortization expenses	7,731,441.73	7,739,238.93
Business entertainment expenses	1,749,047.88	2,220,745.35
Share-based payment expenses		-117,324.89
Others	10,344.43	293,646.03
Total	155,737,071.82	135,800,467.89

45. Administrative expenses

"√ Applicable" "□ Not applicable"

Unit: Yuan Currency: RMB

Item	Amount for the current period	Amount incurred in previous period
Employee compensation payable	105,772,765.96	119,668,978.88
Depreciation and amortization expenses	103,324,179.40	99,973,614.94
Consulting fees and expenses of external intermediary agencies	39,581,801.28	53,331,004.76

Item	Amount for the current period	Amount incurred in previous period
Office expenses, travel expenses, and temporary lease	14,776,264.16	13,149,351.60
Business entertainment expenses	5,980,286.74	5,821,770.21
Information technology expenses	1,092,074.00	2,797,874.00
Transportation costs, vehicle costs and others	1,359,994.26	1,068,433.16
Conference fees and others	1,211,664.64	438,524.35
Material consumption	2,303,590.46	2,217,923.28
Share-based payment expenses		-41,247,906.82
Others	115,039.41	55,727.70
Total	275,517,660.31	257,275,296.06

46. Research and development expenses

"√ Applicable" "□ Not applicable"

Unit: Yuan Currency: RMB

Item	Amount for the current period	Amount incurred in previous period
Material consumption and utility fees	404,038,373.85	319,261,390.24
Employee compensation payable	169,918,692.33	162,181,881.66
Depreciation and amortization expenses	35,222,383.11	31,754,858.23
Consulting fees and expenses of external intermediary agencies	9,112,849.91	8,765,363.18
Office expenses, travel expenses, and temporary lease	4,047,421.54	2,029,475.09
Share-based payment expenses		-11,943,471.81
Business entertainment expenses	318,113.27	454,229.06
Total	622,657,834.01	512,503,725.65

47. Financial expenses

"√ Applicable" "□ Not applicable"

Unit: Yuan Currency: RMB

Item	Amount for the current period	Amount incurred in previous period
Interest expenses	311,493,726.06	261,647,123.36
Less: interest income	12,999,004.02	14,623,203.51
Exchange gain/loss	27,990,833.85	16,995,375.68
Handling charges	12,819,634.14	9,022,194.48
Total	339,305,190.03	273,041,490.01

48. Other gains

"√ Applicable" "□ Not applicable"

Unit: Yuan Currency: RMB

Item	Amount for the current period	Amount incurred in previous period	Amounts included into the current non-recurring profit and loss
Assets related government subsidies	31,018,728.49	21,463,344.11	31,018,728.49
Gains related government subsidies	30,706,702.98	37,990,842.73	30,706,702.98
Refund of handling fees for withholding individual income tax	1,630,868.84	1,497,600.37	
VAT deduction	69,361,104.27	55,371,604.21	
Total	132,717,404.58	116,323,391.42	61,725,431.47

49. Investment income

"√ Applicable" "□ Not applicable"

Unit: Yuan Currency: RMB

Item	Amount for the current period	Amount incurred in previous period
Long-term equity investment incomes accounted by the equity method	44,783,914.83	2,726,931.26
Investment incomes generated from disposal of long-term equity investment	-3,057,644.00	
Dividend income earned during the holding period of investments in other equity instruments	989,862.30	2,675,600.00
Other gains	1,289.41	
Total	42,717,422.54	5,402,531.26

50. Gains from changes in fair value

"√ Applicable" "□ Not applicable"

Unit: Yuan Currency: RMB

Sources of gains from changes in fair value	Amount for the current period	Amount incurred in previous period
Other non-current financial assets	-1,236,000.00	-18,453,000.00
Total	-1,236,000.00	-18,453,000.00

51. Credit impairment losses

"√ Applicable" "□ Not applicable"

Unit: Yuan Currency: RMB

Item	Amount for the current period	Amount incurred in previous period
Bad debt losses on notes receivable	325,742.38	-216,448.21
Bad debt losses on accounts receivable	-9,531,876.03	10,877,026.40
Bad debt losses on other receivables	-3,029,723.02	573,326.15
Total	-12,235,856.67	11,233,904.34

52. Assets impairment losses

"√ Applicable" "□ Not applicable"

Unit: Yuan Currency: RMB

Item	Amount for the current period	Amount incurred in previous period
Decline in the value of inventories and impairment loss on contract fulfilment costs impairment losses	-136,570,737.11	-115,489,557.97
Impairment loss of long-term equity investment		-9,189,327.93
Impairment loss of fixed assets		-38,209,799.55
Impairment loss of project under construction	-10,873,007.56	
Total	-147,443,744.67	-162,888,685.45

53. Gains on disposal of assets

"√ Applicable" "□ Not applicable"

Unit: Yuan Currency: RMB

Item	Amount for the current period	Amount incurred in previous period	Amounts included into the current non-recurring profit and loss
Gains on disposal of fixed assets	84,162.03	299,667.29	84,162.03

Item	Amount for the current period	Amount incurred in previous period	Amounts included into the current non-recurring profit and loss
Gains on disposal of right-of-use assets	5,162.63	1,597,427.18	5,162.63
Total	89,324.66	1,897,094.47	89,324.66

54. Operating income

"√ Applicable" "□ Not applicable"

Unit: Yuan Currency: RMB

Item	Amount for the current period	Amount incurred in previous period	Amounts included into the current non-recurring profit and loss
Income from fines and liquidated damages	394,451.71	2,019,731.21	394,451.71
Gains from destroyed and damaged non-current asset	2,093.90	1,208,272.75	2,093.90
Payables that cannot be paid due to the reasons of creditors	423,737.97	127,150.00	423,737.97
Settlement of insurance claim	25,705.15	117,843.21	25,705.15
Others	3,731.52	165,488.03	3,731.52
Total	849,720.25	3,638,485.20	849,720.25

55. Non-operating expenses

"√ Applicable" "□ Not applicable"

Unit: Yuan Currency: RMB

Item	Amount for the current period	Amount incurred in previous period	Amounts included into the current non-recurring profit and loss
External donations	20,000.00	10,000.00	20,000.00
Payment for liquidated damages, litigation and others	594,837.65	2,125,309.21	594,837.65
Loss from destroyed and damaged non-current asset	952,441.47	3,290,271.18	952,441.47
Others	1,162.09	7,886.18	1,162.09
Total	1,568,441.21	5,433,466.57	1,568,441.21

56. Income tax expenses**(1) Table of income tax expenses**

"√ Applicable" "□ Not applicable"

Unit: Yuan Currency: RMB

Item	Amount for the current period	Amount incurred in previous period
Income tax expenses in the current period	136,989,016.86	96,110,838.43
Deferred income tax expenses	-17,842,841.93	-19,874,175.12
Total	119,146,174.93	76,236,663.31

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

"√ Applicable" "□ Not applicable"

Unit: Yuan Currency: RMB

Item	Amount for the current period
Total profit	981,253,446.28
Income tax expenses calculated at the applicable tax rate of the parent company	245,313,361.57
Effect of different tax rates applied to subsidiaries	-92,937,842.98
Effect of adjustments to income taxes of prior periods	-40,426,652.50
Effect of non-taxable income	0.00
Effect of non-deductible costs, expenses and losses	462,017.45
Effect of deductible losses on the use of deferred tax assets not recognized in prior periods	-10,718,473.91
Effect of deductible temporary losses on the use of deferred tax assets not recognized in prior periods	20,106,231.75
Effect of deductible temporary differences or deductible losses on deferred income tax assets not recognized in the current period	15,893,556.78
Super-deductible expenses	-18,546,023.23
Income tax expenses	119,146,174.93

57. Cash flow statement items**(1) Cash related to operating activities**

Other cash received related to operating activities

"√ Applicable" "□ Not applicable"

Unit: Yuan Currency: RMB

Item	Amount for the current period	Amount incurred in previous period
Government subsidies received	35,660,102.98	116,239,638.68
Receipt of business-related deposits or current accounts	71,139,398.29	29,543,392.54
Rent fee and interest income from bank deposits	10,133,375.92	11,279,179.01
Non-operating income received related to business activities	1,398,548.54	22,016,238.87
Total	118,331,425.73	179,078,449.10

Other cash paid related to operating activities

"√ Applicable" "□ Not applicable"

Unit: Yuan Currency: RMB

Item	Amount for the current period	Amount incurred in previous period
Operating-related expenses	95,576,328.74	126,632,595.66
Payment of various types of business-related deposits and security deposits	8,801,563.37	67,623,047.46
Non-operating expenses paid related to operating activities	10,000.00	10,000.00
Operating guarantee deposits and security deposits included in restricted monetary funds	732.38	
Total	104,388,624.49	194,265,643.12

(2) Cash related to investing activities

Other cash received related to investing activities

"√ Applicable" "□ Not applicable"

Unit: Yuan Currency: RMB

Item	Amount for the current period	Amount incurred in previous period
Guarantee fees received from Ningbo Ulica Solar Co., Ltd.		363,091.28
Retrieve the investment SP business deposit for polarizers		637,997,335.00
Tax refund received related to the disposal of shares of Luoyang Molybdenum		39,666,331.00
Total		678,026,757.28

Cash related to financing activities

"√ Applicable" "□ Not applicable"

Unit: Yuan Currency: RMB

Item	Amount for the current period	Amount incurred in previous period
Relevant taxes and fees paid for the disposal of shares in China Molybdenum	4,703,336.03	
Total	4,703,336.03	

(3) Cash related to financing activities

Other cash received related to financing activities

"√ Applicable" "□ Not applicable"

Unit: Yuan Currency: RMB

Item	Amount for the current period	Amount incurred in previous period
Recovery of deposits on bills and letters of credit used for financing	77,142,175.37	267,326,509.58
Current accounts received from Ningbo Liweineng Energy Storage System Co., Ltd.	250,000.00	106,828.00
Current accounts received from Shanghai Shanrong Industrial Co., Ltd. (上海杉融实业有限公司)		50,000,000.00
Total	77,392,175.37	317,433,337.58

Other cash paid related to financing activities

"√ Applicable" "□ Not applicable"

Unit: Yuan Currency: RMB

Item	Amount for the current period	Amount incurred in previous period
Repurchase of restricted shares		55,627,113.06
Repayment of finance lease loans or payment of finance lease deposits	23,177,394.49	25,000,000.00
Payment of deposits on bills and letters of credit used for financing	191,805,835.96	243,929,662.55
Payment of current accounts payable to Shanghai Shanrong Industrial Co., Ltd.		50,000,000.00
Total	214,983,230.45	374,556,775.61

58. Supplementary materials of cash flow statement**(1) Supplementary materials of cash flow statement**

"√ Applicable" "□ Not applicable"

Unit: Yuan Currency: RMB

Supplementary information	Amount for the current period	Amount for the previous period
1. Cash flow for adjusting net profits to operating activities:		
Net profit	862,107,271.35	238,922,750.89
Plus: Impairment reserves of assets	147,443,744.67	162,888,685.45
Credit impairment losses	12,235,856.67	-11,233,904.34
Depreciation of fixed assets and investment properties	912,244,570.75	809,711,209.39
Depreciation of right-of-use assets	29,421,492.34	44,297,799.05
Amortisation of intangible assets	89,612,716.69	90,717,889.56
Amortisation of long-term deferred expenses	15,781,373.79	26,913,984.91

Supplementary information	Amount for the current period	Amount for the previous period
Loss on disposal of fixed assets, intangible assets and other long-term assets (gains expressed with "-")	-89,324.66	-1,897,094.47
Losses on scrapping of fixed assets (gains expressed with "-")	952,441.47	3,290,271.18
Losses on changes in fair value (gain expressed with "-")	1,236,000.00	18,453,000.00
Financial expenses (gain expressed with "-")	339,484,559.91	278,642,499.04
Investment losses (gain expressed with "-")	-42,717,422.54	-5,402,531.26
Decrease of deferred income tax assets (increase expressed with "-")	-11,238,351.31	-12,089,239.82
Increase of deferred income tax liabilities (decrease expressed with "-")	2,623,423.21	176,450.49
Decrease in inventories (increase expressed with "-")	817,940,877.50	-742,230,673.82
Decrease in operating receivable items (increase expressed with "-")	-668,271,475.38	1,260,428,041.01
Increase in operating payable items (decrease expressed with "-")	63,644,724.74	-620,126,981.97
Deferred income carried forward to other income	-102,010,701.60	-78,332,548.69
Net cash flow from operating activities	834,520,022.60	1,463,129,606.60
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	2,705,147,735.86	1,906,257,782.28
Less: Opening balance of cash	1,674,896,558.76	1,831,148,236.87
Plus: Closing balance of cash equivalents		
Less: Opening balance of cash equivalents		
Net increase in cash and cash equivalents	1,030,251,177.10	75,109,545.41

(2) Composition of cash and cash equivalents

"√ Applicable" "□ Not applicable"

Unit: Yuan Currency: RMB

Item	Closing balance	Opening balance
I. Cash	2,705,147,735.86	1,674,896,558.76
Of which: Cash on hand	32,625.13	139,750.90
Bank deposit available for payment at any time	2,688,125,972.77	1,662,529,271.70
Other monetary capitals available for payment at any time	16,989,137.96	12,227,536.16
Funds deposited with the central bank that can be used for payments		
Deposits with banks and other financial institutions		
Placements with banks and other financial institutions		
II. Cash equivalents		
Of which: Bond investment due within 3 months		
III. Cash and cash equivalents balance at the end of the period	2,705,147,735.86	1,674,896,558.76
Of which: Cash and cash equivalents with restricted use in the company or subsidiaries of the Group		

(3) Cash at bank and on hand that are not cash and cash equivalents

"√ Applicable" "□ Not applicable"

Unit: Yuan Currency: RMB

Item	Closing balance	Opening balance	Reason
Cash at bank and on hand	1,019,773,312.73	855,954,836.42	Deposit
Cash at bank and on hand	90,532,147.24	88,932,232.60	Froze
Cash at bank and on hand		87,872.23	Interest on term deposits
Total	1,110,305,459.97	944,974,941.25	/

(4) Changes in liabilities arising from financing activities

"√ Applicable" "□ Not applicable"

Unit: Yuan Currency: RMB

Item	Opening balance	Increase in the period		Decrease in the period		Closing balance
		Cash changes	Non-cash changes	Cash changes	Non-cash changes	
Short-term loans	5,503,635,800.93	4,734,785,500.00	7,826,479.14	3,737,468,693.33	5,036,877.76	6,503,742,208.98
Long-term loans (including long-term loans due within one year)	9,194,338,362.07	508,200,000.00	1,702,160,595.73	976,037,586.60	1,632,918,049.86	8,795,743,321.34
Lease liabilities (including lease liabilities due within one year)	1,108,271,268.70		61,664,723.06		6,576,031.55	1,163,359,960.21
Total	15,806,245,431.70	5,242,985,500.00	1,771,651,797.93	4,713,506,279.93	1,644,530,959.17	16,462,845,490.53

(5) Significant operating activities not involving cash receipts and payments

"√ Applicable" "□ Not applicable"

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

Unit: Yuan Currency: RMB

Item	Amount for the current period	Amount incurred in previous period
Amount of commercial bills transferred by endorsement	2,482,800,471.28	4,404,424,985.10
Of which: payment of goods	2,297,155,248.07	4,254,318,644.93
Payment for the purchase of long-term assets such as fixed assets	185,645,223.21	150,106,340.17

59. Foreign currency monetary items

"√ Applicable" "□ Not applicable"

Unit: Yuan

Item	Foreign currency balance at the end of the period	Exchange rate	Converted RMB balance at the end of the period
Cash at bank and on hand	-	-	391,665,844.92
Of which: USD	46,889,743.45	6.8109	319,361,353.66
Euro	349,642.27	7.7671	2,715,706.48
Japanese yen	165,190,775.00	0.0420	6,945,446.13
HKD	17,006,678.55	0.8686	14,771,150.65
AUD	2.09	4.6804	9.78
KRW	9,568,993,646.00	0.0044	42,131,884.67
VND	8,672,316,010.00	0.0003	2,246,132.09
TWD	16,334,727.00	0.2139	3,494,161.45
Accounts receivable	-	-	412,270,104.22
Of which: USD	60,467,122.86	6.8109	411,835,527.09

Item	Foreign currency balance at the end of the period	Exchange rate	Converted RMB balance at the end of the period
Euro	22,454.00	7.7671	174,402.46
TWD	1,216,281.00	0.2139	260,174.67
Prepayments	-	-	853,130,945.26
Of which: USD	1,874,446.20	6.8109	12,766,665.62
Japanese yen	19,983,241,122.00	0.0420	840,195,372.97
KRW	577,500.00	0.0044	2,542.71
VND	187,833,334.00	0.0003	48,648.88
TWD	550,301.85	0.2139	117,715.07
Other receivables	-	-	961,810.09
Of which: USD	100,000.00	6.8109	681,090.00
Japanese yen	610,000.00	0.0420	25,647.45
VND	519,800,000.00	0.0003	134,628.33
TWD	563,060.67	0.2139	120,444.31
Investment in other equity instruments- Investments in unlisted	-	-	5,815,740.36
Of which: USD	518,901.33	6.8109	3,534,185.07
AUD	487,470.15	4.6804	2,281,555.29
Accounts payable	-	-	201,041,610.55
Of which: USD	23,508,154.60	6.8109	160,111,690.17
Japanese yen	956,355,137.00	0.0420	40,209,951.74
KRW	92,963,944.00	0.0044	409,316.41
VND	1,199,428,300.00	0.0003	310,652.24
Other receivables	-	-	7,291,677.69
Of which: USD	177,885.89	6.8109	1,211,563.01
Japanese yen	134,949.00	0.0420	5,673.93
HKD	14,900.00	0.8686	12,941.40
KRW	543,318,625.00	0.0044	2,392,209.51
VND	3,295,139,238.00	0.0003	853,441.92
TWD	13,163,704.00	0.2139	2,815,847.92
Non-current Liabilities Due within One Year	-	-	163,998.60
Of which: TWD	766,671.05	0.2139	163,998.60

60. Lease

(1) The Company as the lessee

"√ Applicable" "□ Not applicable"

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

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

Unit: Yuan Currency: RMB

Item	Amount for the current period	Amount for the same period last year
Short-term lease expenses	34,136,797.72	33,839,252.11
Lease expenses for low-value assets (excluding short-term leases)	305,514.65	310,814.09
Total	34,442,312.37	34,150,066.20

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

Unit: Yuan Currency: RMB

Item	Amount for the current period	Amount for the same period last year
Interest expense on lease liabilities	32,883,305.59	34,254,123.22
Income from sublease of right-of-use assets		
Total cash outflows related to leases	42,048,878.74	72,027,670.10

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

(2) The Company as the lessor

Operating lease as the lessor

1. Lease income

Unit: Yuan Currency: RMB

Item	Amount for the current period	Amount for the same period last year
Operating lease income	7,813,918.71	10,445,511.58
Of which: Income related to variable lease payments not included in lease payments		

2. Operating lease assets

Unit: Yuan Currency: RMB

Item	Amount at the end of the period	Amount at the end of the previous year
Fixed assets	137,914,031.75	137,290,399.95
Total	137,914,031.75	137,290,399.95

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

Unit: Yuan Currency: RMB

Remaining Terms:	Amount at the end of the period	Amount at the end of the previous year
Within 1 year	6,644,193.36	8,077,152.34
1-2 years	2,478,636.88	3,546,146.69
2-3 years	890,100.45	1,133,316.85
3-4 years	449,541.28	449,541.28
4-5 years	449,541.28	449,541.28
Above 5 years	7,192,660.48	7,417,431.12
Total	18,104,673.73	21,073,129.56

VIII. Research and development expenditure

Presented by nature of expense

"√ Applicable" "□ Not applicable"

Unit: Yuan Currency: RMB

Item	Amount for the current period	Amount incurred in previous period
Material consumption and utility fees	404,038,373.85	319,261,390.24
Employee compensation payable	169,918,692.33	162,181,881.66
Depreciation and amortization expenses	35,222,383.11	31,754,858.23
Consulting fees and expenses of external intermediary agencies	9,112,849.91	8,765,363.18
Office expenses, travel expenses, and temporary lease	4,047,421.54	2,029,475.09
Share-based payment expenses		-11,943,471.81
Business entertainment expenses	318,113.27	454,229.06

Total	622,657,834.01	512,503,725.65
Of which: Expensed R&D expenses	622,657,834.01	512,503,725.65
Capitalized R&D expenses		

IX. Changes in the scope of consolidation**1. Business combination not under the same control**

□Applicable "√Not applicable"

2. Business combination under the same control

□Applicable "√Not applicable"

3. Reverse purchase

□Applicable "√Not applicable"

4. Disposal of subsidiaries

Whether there are any transactions or events that result in the loss of control over subsidiaries in the current period

□Applicable "√Not applicable"

Whether there is a situation where the investment in a subsidiary is disposed of in steps through multiple transactions and control is lost in the current period.

□Applicable "√Not applicable"

5. Changes in the scope of consolidation for other reasons

Description of the changes in the scope of consolidation caused by other reasons (such as establishment of new subsidiaries, and liquidation of subsidiaries) and related information:

"√ Applicable" "□ Not applicable"

Company excluded from scope of combination	Reason
Ningbo Shanshan Bada Power Assembly Co., Ltd.	Deregistration of the company

6. Others

□Applicable "√Not applicable"

X. Interests in other subjects**1. Interests in subsidiaries****(1) Composition of enterprise groups**

1. The Company includes 49 subsidiaries such as Shanghai Shanshan Technology Co., Ltd., Ningbo Shanshan New Material Technology Co., Ltd., Shanghai Shanshan New Material Co., Ltd., Shanjin Optoelectronics (Guangzhou) Co., Ltd., Shanjin Optoelectronics (Nanjing) Co., Ltd., ShanJin Optoelectronics Technology (Zhangjiagang) Co., Ltd., and Sichuan Shanshan New Material Co., Ltd. in the scope of consolidated financial statements.

2. Basic information of important subsidiaries

"√ Applicable" "□ Not applicable"

Unit: 100 million Currency: RMB

Name of subsidiary	Registered capital	Principal place of business and place of incorporation	Business nature	Shareholding ratio (%)		Acquisition Method
				Direct	Indirect	
Shanjin Optoelectronics (Suzhou) Co., Ltd.	71.05	Suzhou, Jiangsu	Manufacturing	100		Establishment
Shanjin Optoelectronics (Guangzhou) Co., Ltd.	17	Guangzhou Guangdong	Manufacturing		100	Establishment

Name of subsidiary	Registered capital	Principal place of business and place of incorporation	Business nature	Shareholding ratio (%)		Acquisition Method
				Direct	Indirect	
Shanjin Optoelectronics (Nanjing) Co., Ltd.	38	Nanjing, Jiangsu	Manufacturing		100	Establishment
Shanghai Shanshan Lithium Battery Material Technology Co., Ltd.	11.82	Shanghai	Investment	87.5137		Establishment
Ningbo Shanshan New Material Technology Co., Ltd.	28	Ningbo, Zhejiang	Manufacturing		100	Establishment
Shanghai Shanshan New Material Co., Ltd.	10	Shanghai	Manufacturing		100	Establishment
Inner Mongolia Shanshan Technology Co., Ltd.	13	Baotou, Inner Mongolia	Manufacturing		100	Establishment
Sichuan Shanshan New Material Co., Ltd.	25	Mengshan, Sichuan	Manufacturing		100	Establishment
Yunnan Shanshan New Material Co., Ltd.	20.5	Kunming, Yunnan	Manufacturing		100	Establishment
Ningbo Shanshan Venture Capital Investment Co., Ltd.	10	Ningbo, Zhejiang	Investment		100	Establishment

Holding half or less of the voting rights but still controlling the investee:

Baotou Graphene Material Research Institute Co., Ltd. is 50% owned by the Company, and the Company sends a majority of its directors and appoints all key management personnel.

(2) Significant non-wholly owned subsidiaries

☒ Applicable ☐ Not applicable

Unit: Yuan Currency: RMB

Name of subsidiary	Shareholding ratio of non-controlling interests	Profit and loss attributable to non-controlling interests in the current period	Dividends declared to non-controlling interests in the current period	Balance of non-controlling interests' equity at the end of the period
Shanghai Shanshan Lithium Battery Material Technology Co., Ltd.	12.4863	40,173,984.59	0.00	1,058,264,333.34

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

☒ Applicable ☐ Not applicable

Unit: Yuan Currency: RMB

Name of subsidiary	Closing balance					
	Current assets	Non-current assets	Total assets	Current liabilities	Non-current liabilities	Total liabilities
Shanghai Shanshan Lithium Battery Material Technology Co., Ltd.	10,620,535,532.41	12,818,722,072.27	23,439,257,604.68	10,579,246,562.65	4,030,392,564.58	14,609,639,127.23

(Continued above)

Name of subsidiary	Opening balance					
	Current assets	Non-current assets	Total assets	Current liabilities	Non-current liabilities	Total liabilities
Shanghai Shanshan Lithium Battery Material Technology Co., Ltd.	9,382,864,343.24	13,239,597,513.66	22,622,461,856.90	10,062,404,171.52	4,050,336,536.41	14,112,740,707.93

Name of subsidiary	Amount for the current period			
	Operating income	Net profit	Total comprehensive income	Cash flows from operating activities
Shanghai Shanshan Lithium Battery Material Technology Co., Ltd.	6,120,678,470.91	321,297,252.35	319,897,328.48	64,903,114.77

(Continued above)

Name of subsidiary	Amount incurred in previous period			
	Operating income	Net profit	Total comprehensive income	Cash flows from operating activities
Shanghai Shanshan Lithium Battery Material Technology Co., Ltd.	4,118,229,108.58	270,639,838.61	271,474,810.50	1,095,260,880.14

2. Interest in joint ventures or associates

"√ Applicable" "□ Not applicable"

(1) Significant joint ventures or associates

"√ Applicable" "□ Not applicable"

Name of joint venture or associate	Main business locations	Place of registration	Business nature	Shareholding ratio (%)		The accounting method for investments in joint ventures or associates
				Direct	Indirect	
Zhejiang Chouzhou Commercial Bank Co., Ltd.	Zhejiang	Yiwu	Commercial bank	6.45		Equity method
BASF Shanshan Battery Materials Co., Ltd	Hunan	Changsha	Industry		49.00	Equity method

(2) Key financial information of important associates

"√ Applicable" "□ Not applicable"

Unit: Yuan Currency: RMB

Item	Closing balance/Amount incurred in the current period		Opening balance/Amount incurred in previous period	
	Zhejiang Chouzhou Commercial Bank Co., Ltd.	BASF Shanshan Battery Materials Co., Ltd	Zhejiang Chouzhou Commercial Bank Co., Ltd.	BASF Shanshan Battery Materials Co., Ltd
Current assets	327,117,350,684.41	3,602,973,271.32	325,403,005,399.35	3,509,815,546.86
Non-current assets	75,322,879,853.79	2,799,953,467.52	69,824,224,545.85	2,893,793,028.42
Total assets	402,440,230,538.20	6,402,926,738.84	395,227,229,945.20	6,403,608,575.28
Current liabilities	332,920,944,762.56	1,654,023,066.64	327,189,263,316.51	1,668,822,949.12

Item	Closing balance/Amount incurred in the current period		Opening balance/Amount incurred in previous period	
	Zhejiang Chouzhou Commercial Bank Co., Ltd.	BASF Shanshan Battery Materials Co., Ltd	Zhejiang Chouzhou Commercial Bank Co., Ltd.	BASF Shanshan Battery Materials Co., Ltd
Non-current liabilities	41,083,668,699.02	9,020,530.08	38,110,355,137.73	3,208,914.70
Total liabilities	374,004,613,461.58	1,663,043,596.72	365,299,618,454.24	1,672,031,863.82
Equity of non-controlling interests	1,686,484,716.65		1,571,057,136.08	
Equity attributable to shareholders of the company	26,749,132,359.97	4,739,883,142.12	28,356,554,354.88	4,731,576,711.46
Less: Perpetual bonds			2,500,000,000.00	
Share of net assets based on percentage of shareholding	1,725,319,037.22	2,322,542,739.65	1,667,747,755.89	2,318,472,588.62
Adjustment matters		1,049,169,643.61		1,049,169,643.61
--Goodwill				
--Unrealized profit on internal transactions				
--Others		1,049,169,643.61		1,049,169,643.61
Book value of equity investment in associates	1,725,319,037.22	3,371,712,383.26	1,667,747,755.89	3,367,642,232.23
Fair value of equity investments in associates for which publicly quoted prices exist				
Operating income	6,308,647,663.30	2,013,217,986.60	6,063,851,072.76	2,040,647,356.21
Net profit	1,283,754,251.35	12,180,403.17	1,226,697,117.39	-68,113,407.91
Of which: Net profit attributable to owners of the parent company	1,168,574,473.90	12,180,403.17	1,117,173,963.48	-68,113,407.91
Net profit from discontinued operations				
Other comprehensive income	30,480,804.66		-28,393,160.83	
Total comprehensive income	1,314,235,056.01	12,180,403.17	1,198,303,956.56	-68,113,407.91
Dividends received from associates during the year				

(3) Aggregated financial information of immaterial joint ventures and associates

"√ Applicable" "□ Not applicable"

Unit: Yuan Currency: RMB

Item	Closing balance/Amount incurred in the current period	Opening balance/Amount incurred in the previous period
Joint ventures:		
Ningbo Liweineng Energy Storage System Co., Ltd.	95,540,961.16	101,164,163.22
Associates:		

Item	Closing balance/Amount incurred in the current period	Opening balance/Amount incurred in the previous period
Ningbo Airport Logistics Development Co., Ltd.	187,343,975.58	187,081,846.79
Ningbo Shanqi Property Services Co., Ltd.	7,075,068.47	7,075,068.47
Suiyong Holdings Co., Ltd.	384,106,193.83	410,552,223.30
Shanghai Shanshan Chuanghui Venture Capital Management Co., Ltd.	14,256,493.53	16,182,946.25
Suzhou Shanyue Energy System Co., Ltd.	2,899,321.32	3,131,430.28
Shanshan Brand Management Co., Ltd.	53,196,881.07	52,977,120.65
Shenzhen Yuanshan Private Equity Investment Management Co., Ltd.	2,938,720.59	3,142,462.52
Jiangxi Zhanxiao New Energy Technology Co., Ltd.	6,594,534.54	6,774,924.90
Xinya Shanshan New Material Technology(Quzhou) Co., Ltd.	141,931,968.94	136,619,468.94
Total book value of investments	895,884,119.03	924,701,655.32
Total of the following in proportion to shareholdings		
--Net profit	-28,817,536.29	-39,078,753.80
--Other comprehensive income		
--Total comprehensive income	-28,817,536.29	-39,078,753.80

(4) Excess losses incurred by joint ventures or associates

"√ Applicable" "□ Not applicable"

Unit: Yuan Currency: RMB

Name of joint venture or associate	Accumulated losses in the previous periods that are accumulated and unrecognized	Unrecognized losses for the current period (or share of net profit for the current period)	Accumulated unrecognized losses at the end of the period
Winsky Gaoke Group Co., Ltd.	-28,534,630.15	-7,017,879.00	-35,552,509.15

XI. Government Subsidies**1. Situation of government subsidies newly added in the current period**

Unit: Yuan Currency: RMB

Item	Newly increased subsidy amount in the Period
Assets related government subsidies	4,953,400.00
Of which: included in deferred income	4,953,400.00
Gains related government subsidies	30,706,702.98
Of which: included in other income	30,706,702.98
Total	35,660,102.98

2. Liabilities involving government subsidies

"√ Applicable" "□ Not applicable"

Unit: Yuan Currency: RMB

Items in financial statement	Opening balance	Newly increased subsidy amount in the Period	Amount recognized in other income for the current period	Amount recognized in non-operating income for the current period	Other changes for the period	Closing balance	Related to assets/income
Deferred income	551,383,123.13	4,953,400.00	31,018,728.49			525,317,794.64	Related to assets
Total	551,383,123.13	4,953,400.00	31,018,728.49			525,317,794.64	/

3. Government subsidies included in current profits and losses

"√ Applicable" "□ Not applicable"

Unit: Yuan Currency: RMB

Category	Amount for the current period	Amount incurred in previous period
Amount of government subsidies included in other income	61,725,431.47	59,454,186.84
Total	61,725,431.47	59,454,186.84

XII. Risks related to financial instruments

"√ Applicable" "□ Not applicable"

The objective of the Company's risk management is to strike a balance between risk and return, minimize the negative impact of risks on the Company's operating results, and maximize the interests of shareholders and other equity investors. Based on this risk management objective, the basic strategy of the Company's risk management is to identify and analyze various risks faced by the Company, establish appropriate risk tolerance thresholds, conduct risk management, supervise various risks in a timely and reliable manner, and control risks within the specified scope.

The Company faces various risks related to financial instruments in its daily activities, mainly including credit risk, liquidity risk and market risk. The management has reviewed and approved policies for managing these risks, which are summarized as follows.

(I) Credit Risk

Credit risk refers to the risk that one party to a financial instrument fails to fulfill its obligations, resulting in financial losses to the other party.

1. Credit Risk Management Practices**(1) Methods for Evaluating Credit Risk**

The Company assesses, on each balance sheet date, whether the credit risk of the relevant financial instruments has increased significantly since initial recognition. When determining whether credit risk has increased significantly since initial recognition, the Company considers reasonable and supportable information that is available without undue cost or effort, including qualitative and quantitative analysis based on historical data, external credit risk ratings and forward-looking information. The Company determines the change in the risk of default of a financial instrument during its expected life by comparing the risk of default of the financial instrument on the balance sheet date with that on the initial recognition date, on the basis of individual financial instruments or groups of financial instruments with similar credit risk characteristics.

The Company considers that the credit risk of a financial instrument has increased significantly when one or more of the following quantitative or qualitative criteria are triggered:

1. The quantitative criteria mainly refer to the fact that the default probability of the remaining life on the balance sheet date has increased by more than a certain percentage compared with that at the initial recognition;

2. The qualitative criteria mainly refer to significant adverse changes in the debtor's operating or financial conditions, existing or expected changes in the technical, market, economic or legal environment that will have a significant adverse impact on the debtor's ability to repay the Company, etc.

(2) Definition of default and credit-impaired assets

A financial instrument is considered to be in default by the Company when it meets one or more of the following conditions, which align with the definition of credit-impaired:

1. The debtor is in significant financial difficulty;
2. The debtor breaches the binding clauses of the contract on the debtor;
3. It is probable that the debtor will enter bankruptcy or other financial reorganization;
4. The creditor, for economic or contractual considerations relating to the debtor's financial difficulty, gives the debtor a concession that it would not have made under any other circumstances.

2. Measurement of expected credit losses (ECL)

The key parameters for measuring ECL include probability of default, loss given default and exposure at default. The Company considers quantitative analysis of historical statistical data (such as counterparty ratings, guarantee methods and collateral categories, repayment methods, etc.) and forward-looking information to establish models for the probability of default, loss given default and exposure at default.

3. For details of the reconciliation statement between the opening balance and the closing balance of financial instrument loss provision, please refer to the explanations in Notes 7(2), 7(3), 7(4) and 7(6) to these financial statements.

4. Credit risk exposure and credit risk concentration

The Company's credit risk mainly arises from cash at bank and on hand and receivables. In order to control the above related risks, the Company has taken the following measures respectively:

(1) Cash at bank and on hand

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

(2) Accounts receivable

The Company regularly conducts credit assessments on customers who use credit transactions. Based on the results of credit evaluation, the Company chooses to trade with approved and creditworthy customers, and monitors their receivable balances to ensure that the Company does not face significant bad debt risks.

As the Company only transacts with approved and creditworthy third parties, no collateral is required. Credit risk is managed centrally by customer. As at 30 June 2026, the Company was exposed to a certain degree of credit concentration risk, where 56.21% (31 December 2025: 58.15%) of the Company's trade receivables was attributable to the top five customers by balance. The Company does not hold any collateral or other credit enhancement on the balance of accounts receivable.

The Company's maximum credit risk exposure is the carrying amount of each financial asset in the balance sheet.

(II) Liquidity risk

Liquidity risk refers to the risk of shortage of funds when the Company fulfills its obligation to settle by delivering cash or other financial assets. Liquidity risk may arise from the inability to sell financial assets promptly at fair value; or from the other party's inability to repay its contractual debts; or from a

debt that become due earlier than anticipated; or from an inability to generate the expected cash flows.

In order to control this risk, the Company comprehensively uses various financing methods such as bill settlement and bank borrowings, and adopts an appropriate combination of long-term and short-term financing methods to optimize the financing structure, so as to maintain a balance between financing continuity and flexibility. The Company has secured banking facilities from multiple commercial banks to meet working capital requirements and capital expenditures.

Financial liabilities classified by remaining maturity

Unit: Yuan Currency: RMB

Item	Amount at the end of the period				
	Book value	Undiscounted contract amounts	Within 1 year	1-3 years	Above 3 years
Bank borrowings	15,299,485,530.32	15,898,703,666.83	10,076,980,011.75	3,697,323,296.67	2,124,400,358.41
Notes payable	310,473,939.73	310,473,939.73	310,473,939.73		
Accounts payable	4,112,174,605.38	4,112,174,605.38	4,112,174,605.38		
Other receivables	286,496,755.74	286,496,755.74	286,496,755.74		
Lease liabilities	1,163,359,960.21	1,934,986,336.94	493,858,351.05	267,230,480.75	1,173,897,505.14
Long-term payables	369,188,367.16	369,188,367.16	352,142,624.20	17,045,742.96	
Sub-total	21,541,179,158.54	22,912,023,671.78	15,632,126,287.85	3,981,599,520.38	3,298,297,863.55

(Continued above)

Item	Amount at the end of the previous year				
	Book value	Undiscounted contract amounts	Within 1 year	1-3 years	Above 3 years
Bank borrowings	14,697,974,163.00	15,400,816,602.49	9,517,042,281.38	3,155,601,226.01	2,728,173,095.10
Notes payable	246,138,749.68	246,138,749.68	246,138,749.68		
Accounts payable	4,173,855,838.10	4,173,855,838.10	4,173,855,838.10		
Other receivables	295,083,683.50	295,083,683.50	295,083,683.50		
Lease liabilities	1,108,271,268.70	1,902,384,090.97	455,173,235.57	169,598,413.39	1,277,612,442.01
Long-term payables	374,705,124.43	374,705,124.43	357,659,381.47	17,045,742.96	
Sub-total	20,896,028,827.41	22,392,984,089.17	15,044,953,169.70	3,342,245,382.36	4,005,785,537.11

(III) Market Risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market price. Market risk primarily includes interest rate risk and foreign exchange risk.

1. Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Interest-bearing financial instruments with fixed interest rates expose the Company to fair value interest rate risk, and interest-bearing financial instruments with floating interest rates expose the Company to cash flow interest rate risk. The Company determines the proportion of fixed-rate and floating-rate financial instruments according to the market environment, and maintains an appropriate portfolio of financial instruments through regular review and monitoring. The Company's exposure to cash flow interest rate risk is mainly related to the Company's bank borrowings bearing interest at floating rates.

As of 30 June 2026, the principal of the Company's bank borrowings at floating interest rates amounted to RMB11,199,088,412.20 (31 December 2025: RMB11,114,633,362.01). The increase in interest rates will raise the cost of new interest-bearing debts and the interest expenses of the Company's outstanding interest-bearing debts at floating interest rates, and adversely affect the financial performance of the Company. Management will make timely adjustments based on the latest market conditions, such as appropriate increases in fixed interest rate arrangements to address the risks associated with financial instruments.

2. Foreign exchange risks

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

For details of the Company's foreign currency monetary assets and liabilities at the end of the period, please refer to Note VII. to financial statements.

XIII. Disclosure of fair value

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

"√ Applicable" "□ Not applicable"

Unit: Yuan Currency: RMB

Item	Closing fair value			
	Level 1 fair value measurement	Level 2 fair value measurement	Level 3 fair value measurement	Total
Continuous fair value measurement				
(I) Receivables financing			188,351,755.17	188,351,755.17
(II) Investment in other equity instruments	66,557,290.53		19,184,066.66	85,741,357.19
1. Investment in listed equity instruments	66,557,290.53			66,557,290.53
2. Investments in unlisted equity instruments			19,184,066.66	19,184,066.66
(III) Other non-current financial assets		11,249,000.00	200,988,090.72	212,237,090.72
1. Financial assets at fair value through profit or loss		11,249,000.00	200,988,090.72	212,237,090.72
(1) Investment in debt instruments				
(2) Investment in equity instruments		11,249,000.00	200,988,090.72	212,237,090.72
(3) Derivative financial assets				
(4) Others				
Total assets continuously measured at fair value	66,557,290.53	11,249,000.00	408,523,912.55	486,330,203.08

2. Basis for determining the market value of continuing Level I fair value measurement items

☒ Applicable" ☐ Not applicable"

Other equity instruments held by the Company at Level I fair value measurement are stocks traded in active markets, and the Company determines the fair values based on their quoted prices in active markets.

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

☒ Applicable" ☐ Not applicable"

Other non-current financial assets at Level II fair value measurement held by the company are LP shares of limited partnerships. The quoted prices of the shares of the companies in which the fund invests after the penetration exist in an active market and their fair values are recognized according to the shares of the fund held.

4. Continuing Level III fair value measurement items, qualitative and quantitative information on the valuation techniques and significant parameters used

☒ Applicable" ☐ Not applicable"

1. The financing of receivables at Level III fair value measurement held by the Company is bank acceptance bills receivable, which have small credit risk and short remaining term. The Company determines its fair value based on its face balance.

2. Investment in other equity instruments and other non-current financial assets at Level III fair value measurement held by the company are equity of unlisted companies. For unlisted equity instrument investments, the Company comprehensively considers the use of market method and discounted future cash flow methods to estimate the fair value. If there is no significant change in the operating environment, operating conditions and financial status of the investee, the Company uses the investment cost as a reasonable estimate of fair value for measurement.

XIV. Related Parties and Related Party Transactions**1. Description of the parent company of the Company**

☒ Applicable" ☐ Not applicable"

Unit: 0'000 Currency: RMB

Parent company name	Place of registration	Business nature	Registered capital	Parent company's shareholding ratio in the Company (%)	Parent company's voting right ratio in the Company (%)
Anhui Wanwei Group Co., Ltd.	No. 56 Wanwei Road, Chaohu City, Anhui Province	Chemical building materials	58,901.6648	13.50	22.74

Explanation of shareholding percentage and voting rights percentage:

The above shareholding percentages and voting rights percentages were calculated based on the total number of shares of the Company and the total number of shares with voting rights of the Company as at the end of the Reporting Period, respectively. As at the end of the reporting period, the total number of shares of the Company was 2,249,412,863, and the number of shares in the Company's securities account for share repurchases was 84,183,694; as the shares in the Company's securities account for share repurchases carry no voting rights, the total number of voting shares of the Company was 2,165,229,169.

Description of the parent company of the Company:

On 21 April 2026, the Yinzhou Court ruled to approve the reorganization plan of the former controlling shareholder, Shanshan Group, and its wholly-owned subsidiary, Pengze Trading, terminated the reorganization proceedings, and entered into the implementation stage of the reorganization plan.

Pursuant to the relevant arrangements for the implementation of the reorganization plans of Shanshan Group and Pengze Trading, the reorganization investor, Wanwei Group, completed the transfer registration of the shares of the Company on 18 June 2026, and entered into an Acting in Concert Agreement with Shanshan Group and Pengze Trading, controlling in aggregate the voting rights corresponding to 492,276,856 shares of the Company. Among them, Wanwei Group directly held 303,670,737 shares in the Company, and Shanshan Group and Pengze Trading held a total of 188,606,119 shares in the Company. Pursuant to the Acting in Concert Agreement, Shanshan Group, Pengze Trading and Wanwei Group act in concert in exercising the shareholder rights of the Company.

On 20 July 2026, the Company convened the 2026 first extraordinary general meeting, at which the resolutions regarding the re-election of members of the Board of Directors were considered and approved. The new session of the Board of Directors of the Company comprises a total of 11 members, all of whom were nominated by Wanwei Group. Wanwei Group completed the reorganization of the Board of Directors of the Company, and the controlling shareholder of the Company was changed to Wanwei Group.

On 10 August 2026, the Company received a notice from Wanwei Group that it had completed the industrial and commercial registration of changes for the capital increase by Conch Group and the gratuitous transfer of equity by Anhui Province Investment Group Holding Co., Ltd. and Anhui State-owned Capital Operation Holding Group Co., Ltd., and Conch Group became an indirect controlling shareholder of the Company.

The ultimate controlling party of the Company is the Anhui SASAC.

2. Information about the subsidiaries of the Company

☒ Applicable ☐ Not applicable

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

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

☒ Applicable ☐ Not applicable

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

The details of other joint ventures or associates that had related party transactions with the Company during the period, or had related party transactions with the Company in the prior period resulting in balances are as follows

☒ Applicable ☐ Not applicable

Name of joint venture or associate	Relationship with the Company
Shanshan Brand Management Co., Ltd.	An associate
Zhejiang Chouzhou Commercial Bank Co., Ltd.	An associate
Ningbo Liweineng Energy Storage System Co., Ltd.	A joint venture
Anhui Liweineng Power Battery Co., Ltd.	A joint venture
Shanghai Shanshan Chuanghui Venture Capital Management Co., Ltd.	An associate
Shenzhen Shanchuang Venture Capital Co., Ltd.	An associate
Suzhou Shanyue Energy System Co., Ltd.	An associate

Name of joint venture or associate	Relationship with the Company
Ningbo Shanqi Property Services Co., Ltd.	An associate
BASF Shanshan Battery Materials Co., Ltd	An associate
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
Winsky Gaoke Group Co., Ltd.	An associate
Ningbo New Airport International Logistics Co., Ltd.	Subsidiary of an associate
Ningbo Shanjing Clothing Co., Ltd.	Associate of an associate

4. Information on other related parties

"√ Applicable" "□ Not applicable"

Names of other related parties	Relationship between other related parties and the Company
Ningbo Shanli Packaging Products Co., Ltd.	Other enterprises controlled by the original controlling shareholder
Ningbo Shanju Industrial Co., Ltd.	Other enterprises controlled by the original controlling shareholder
Ningbo Shanqi Property Services Co., Ltd.	Other enterprises controlled by the original controlling shareholder
Ningbo Shanshan Energy & Chemical Co., Ltd.	Other enterprises controlled by the original controlling shareholder
Ningbo Shanshan Products Co., Ltd.	Other enterprises controlled by the original controlling shareholder
Ningbo Shanxin Commercial Real Estate Management Co., Ltd.	Other enterprises controlled by the original controlling shareholder
Shanshan Products Group Co., Ltd.	Other enterprises controlled by the original controlling shareholder
Shanghai Shanshan Trading Co., Ltd.	Other enterprises controlled by the original controlling shareholder
Shanghai Shanshan Industrial Co., Ltd.	Other enterprises controlled by the original controlling shareholder
Zhejiang Shanshan Hongzhi Trading Co., Ltd.	Other enterprises controlled by the original controlling shareholder
Ningbo Langhe New Materials Technology Co., Ltd.	Other enterprises controlled by the original controlling shareholder and directors
Ningbo Mingshan Garment Co., Ltd.	Other enterprises controlled by the original controlling shareholder and directors
Shanghai Jingruihui Industrial Co., Ltd.	Other enterprises controlled by the original controlling shareholder
Shanghai Shanrong Industrial Co., Ltd.	Other enterprises controlled by the original controlling shareholder
Junkang General Hospital (Shanghai) Co., Ltd.	Other enterprises controlled by the original controlling shareholder
Shanghai Junsheng Tongda Real Estate Co., Ltd.	Actually-controlled enterprise with significant influence from the original controlling shareholder
Ningbo Yuantong Trading Co., Ltd.	Other enterprises with significant influence from original controlling shareholder
Jiangsu Shanyuan Technology Co., Ltd.	Participating company

5. Related transactions**(1) Related party transactions for sales and purchases of goods, provision and receipt of services**

Table of purchase of goods/receipt of services

"√ Applicable" "□ Not applicable"

Unit: 0'000 Yuan Currency: RMB

Related party	Contents of related transaction	Amount for the current period	Amount incurred in previous period
Jiangsu Shanyuan Technology Co., Ltd.	Purchase of goods	0.92	5.31
BASF Shanshan Battery Materials Co., Ltd.	Purchase of goods	2.57	3.47
Inner Mongolia Mengji New Carbon Material Co., Ltd.	Purchase of goods		262.57
Shanshan Brand Management Co., Ltd.	Purchase of goods	78.06	24.23
Xinya Shanshan New Material Technology(Quzhou) Co., Ltd.	Purchase of goods	1.17	1.46
Junkang General Hospital (Shanghai) Co., Ltd.	Service fee		14.32
Ningbo New Airport International Logistics Co., Ltd.	Transportation expenses		187.95
Ningbo Langhe New Materials Technology Co., Ltd.	Purchase of equipment	15.93	
Ningbo Mingshan Garment Co., Ltd.	Purchase of equipment	23.89	
Total		122.54	499.31

Information of commodities sold/labor services provided

"√ Applicable" "□ Not applicable"

Unit: 0'000 Yuan Currency: RMB

Related party	Contents of related transaction	Amount for the current period	Amount incurred in previous period
Ningbo Shanli Packaging Products Co., Ltd.	Water fees		0.06
Ningbo Shanjing Clothing Co., Ltd.	Utilities		4.80
Shanshan Brand Management Co., Ltd.	Utilities, property management		7.83
Anhui Liweineng Power Battery Co., Ltd.	Sales of goods	1,897.71	532.51
Jiangsu Shanyuan Technology Co., Ltd.	Sales of goods		0.08
Total		1,897.71	545.28

(2) Related leases

The Company as the lessor:

"√ Applicable" "□ Not applicable"

Unit: 0'000 Yuan Currency: RMB

Name of lessee	Types of leased assets	Rental income recognized in the current period	Rental income recognized in the previous period
Shanghai Shanshan Trading Co., Ltd.	House buildings	17.21	17.21
Zhejiang Shanshan Hongzhi Trading Co., Ltd.	House buildings		24.23
Total		17.21	41.44

The Company as the lessee:

"√ Applicable" "□ Not applicable"

Unit: 0'000 Yuan Currency: RMB

Name of lessor	Types of leased assets	Amount for the current period					Amount incurred in previous period				
		Rental costs for short-term leases and leases of low-value assets that are streamlined (if applicable)	Variable lease payments that are not included in the measurement of the lease liability (if applicable)	Rent paid	Interest expense on lease liabilities assumed	Increased right-to-use assets	Rental costs for short-term leases and leases of low-value assets that are streamlined (if applicable)	Variable lease payments that are not included in the measurement of the lease liability	Rent paid	Interest expense on lease liabilities assumed	Increased right-to-use assets
Shanghai Junsheng Tongda Real Estate Co., Ltd.	House buildings	88.11									
Shanshan Group Co., Ltd.	House buildings	37.88							53.19	1.25	

(3) Related guarantees

The Company as the guarantor
☐ Applicable "√ Not applicable"

The Company as the guaranteed party
☒ Applicable "□ Not applicable"

Unit: 0'000 Yuan Currency: RMB

Guarantor	Guarantee amount	Guarantee start date	Guarantee expiration date	Whether the guarantee has been fulfilled
Shanshan Holdings Co., Ltd.	10,000.00	2026/4/1	2027/4/1	No
Shanshan Holdings Co., Ltd.	29,800.00	2024/1/2	2027/1/1	No
Shanshan Holdings Co., Ltd.	103,560.00	2021/1/20	2028/1/20	No
Shanshan Group Co., Ltd.	10,000.00	2024/9/20	2026/8/10	No
Shanshan Group Co., Ltd.	10,000.00	2024/2/29	2027/2/28	No
Shanshan Group Co., Ltd.	25,000.00	2023/1/1	2026/12/14	No
Shanshan Group Co., Ltd.	10,000.00	2022/3/24	2026/9/2	No
Total	198,360.00			

(4) Remuneration to key management personnel

"√ Applicable" "□ Not applicable"

Unit: 0'000 Currency: RMB

Item	Amount for the current period	Amount incurred in previous period
Remuneration to key management personnel	1,394.84	1,494.74

(5) Other related transactions

"√ Applicable" "□ Not applicable"

In June 2026, the Company and its subsidiaries did not incur any bank borrowings with Zhejiang Chouzhou Commercial Bank Co., Ltd. As at 30 June 2026, the deposit balance of the Company and its subsidiaries with Zhejiang Chouzhou Commercial Bank Co., Ltd. was RMB26,400, and the interest income for the first half of 2026 was RMB300.

6. Unsettled items receivable from/payable to related parties**(1) Receivable items**

"√ Applicable" "□ Not applicable"

Unit: 0'000 Yuan Currency: RMB

Item name	Related party	Closing balance		Opening balance	
		Book balance	Bad debt provision	Book balance	Bad debt provision
Accounts receivable	Anhui Liweineng Power Battery Co., Ltd.	1,721.73	2.75	787.32	1.26
	Jiangxi Zhanxiao New Energy Technology Co., Ltd.	77.82	77.82	77.82	77.82
	Ningbo Liweineng Energy Storage System Co., Ltd.	401.93	248.97	401.93	248.97
Prepayments	BASF Shanshan Battery Materials Co., Ltd.			2.90	
	Anhui Liweineng Power Battery Co., Ltd.	0.03		0.03	
	Jiangxi Zhanxiao New Energy Technology Co., Ltd.	0.01		0.01	
	Xinya Shanshan New Material Technology(Quzhou) Co., Ltd.	0.26		0.43	
	Shanshan Brand Management Co., Ltd.	0.09			
Other receivables	Ningbo Liweineng Energy Storage System Co., Ltd.	25.70	12.85	50.70	25.35
	Suiyong Holdings Co., Ltd.	400.00		400.00	

(2) Payable items

"√ Applicable" "□ Not applicable"

Unit: 0'000 Yuan Currency: RMB

Item name	Related party	Closing book balance	Opening book balance
Accounts payable	Jiangsu Shanyuan Technology Co., Ltd.	1.97	1.73
	Ningbo Liweineng Energy Storage System Co., Ltd.	74.80	74.80
	Ningbo New Airport International Logistics Co., Ltd.		128.58
	Shanshan Brand Management Co., Ltd.	56.25	55.57
	Ningbo Langhe New Materials Technology Co., Ltd.	0.03	24.23
	Shanghai Junsheng Tongda Real Estate Co., Ltd.	48.54	48.54
	Winsky Gaoke Group Co., Ltd.	8.64	8.64
Other receivables	Suzhou Shanyue Energy System Co., Ltd.	1.82	1.82
	Ningbo New Airport International Logistics Co., Ltd.	100.00	100.00
	Ningbo Liweineng Energy Storage System Co., Ltd.	0.60	0.60
	Shanshan Brand Management Co., Ltd.	2.00	2.00

Item name	Related party	Closing book balance	Opening book balance
	Ningbo Shanqi Property Services Co., Ltd.	707.51	707.51
	Shanghai Shanshan Industrial Co., Ltd.	14.63	14.63
	Zhejiang Shanshan Hongzhi Trading Co., Ltd.		8.48
	Shanghai Shanshan Trading Co., Ltd.	4.17	4.17
	Ningbo Shanxin Commercial Real Estate Management Co., Ltd.	8.70	
	Shanghai Shanshan Chuanghui Venture Capital Management Co., Ltd.		1.18

XV. Share-based payment

☐Applicable ☒Not applicable"

XVI. Commitments and contingencies**1. Important commitments**

☒ Applicable" ☐ Not applicable"

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

(1) Outstanding letters of credit

Currency	Amount in original currency
RMB	401,400,000.00

(2) Outstanding letters of guarantee

Category	Currency	Amount in original currency
Aggregate taxation guarantee	RMB	209,000,000.00

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

☒ Applicable" ☐ Not applicable"

1. Contingent liabilities arising from pending litigation and arbitration and their financial impact

On 28 June 2024, Sunyes Manufacturing and Sunyes Zhongning filed a lawsuit against Yongquan Investment, Shanshan New Energy, and the Company, on the grounds that the production capacity of certain production lines of Quzhou Shanshan did not match the actual situation. The case was heard in court on 22 May 2025. Prior to the judgment of first instance, Sunyes Manufacturing and Sunyes Zhongning applied to the Quzhou Intermediate People's Court in September 2025 to withdraw the lawsuit, and the Quzhou Intermediate People's Court ruled to grant permission for the withdrawal of the lawsuit. Following the withdrawal of the lawsuit, Sunyes Manufacturing and Sunyes Zhongning, based on the same facts, filed a lawsuit with the Zhuhai Intermediate People's Court on the grounds of fraud in the transactions involved in the case. In February 2026, the Zhuhai Intermediate People's Court ruled to transfer the case to the Quzhou Intermediate People's Court for handling; Sunyes Manufacturing and Sunyes Zhongning filed an appeal against the jurisdictional ruling with the Guangdong Provincial Higher People's Court. The Guangdong Provincial Higher People's Court has dismissed the appeal and upheld the original ruling, and the case has been transferred to the Quzhou Intermediate People's Court. The Quzhou

Intermediate People's Court issued a ruling on 21 August 2026, permitting the withdrawal of the lawsuit by Sunyes Manufacturing and Sunyes Zhongning.

On 12 July 2024, Yongquan Investment filed a lawsuit against Sunyes Manufacturing, Sunyes Zhongning and others on the grounds that Sunyes Zhongning failed to pay the equity transfer consideration in accordance with the Settlement Agreement. The court hearing of the case took place on 3 June 2025, and judgment is scheduled to be handed down on 28 August 2026.

The Company believes that the lawsuit filed by Sunyes Manufacturing against Yongquan Investment lacks factual basis, as Yongquan Investment did not make any actual production capacity commitments, and the agreement did not stipulate the required production capacity status corresponding to the payment nodes for the equity transfer amount. Based on the fundamental facts of the case and legal advice, the Company considers the likelihood of a favorable judgment to be high. However, taking into comprehensive consideration factors such as Sunyes Manufacturing's operational and financial condition, the complexity of the actual litigation process, and the aging of receivables, which may impact the recoverability of the amount, the management has prudently made a provision for bad debts totaling RMB97.9498 million for other receivables from Sunyes Zhongning on a 40% individual basis.

2. There were no contingent liabilities arising from debt guarantees provided to other entities or their financial impact in the current period.

XVII. Matters after the balance sheet date

1. Significant non-adjusting matters

☐Applicable ☒Not applicable

2. Profit distribution

☐Applicable ☒Not applicable

3. Sales returns

☐Applicable ☒Not applicable

4. Description of other matters after the balance sheet date

☐Applicable ☒Not applicable

XVIII. Other important matters

1. Correction of prior accounting errors

(1) Retrospective restatement

☐Applicable ☒Not applicable

(2) Future application

☐Applicable ☒Not applicable

2. Major debt restructuring

☐Applicable ☒Not applicable

3. Asset swaps

(1) Non-monetary asset exchange

☐Applicable ☒Not applicable

(2) Other asset swaps

☐Applicable ☒Not applicable

4. Annuity plan

☐Applicable ☒Not applicable"

5. Discontinuation of operations

☐Applicable ☒Not applicable"

6. Segment information**(1) Basis of determination of report segments and accounting policies**

☒Applicable" ☐ Not applicable"

The Company determines report segments based on internal organizational structure, management requirements and internal reporting system, etc., and determines report segments based on business segments. Operating income and operating cost are categorised according to revenue from sales of goods, revenue from entrusted processing and revenue from services and other sales.

The Company determines its reportable segments on the basis of geographical segments, and operating revenue and cost of sales are classified according to the locations where sales are ultimately realized,

The total assets and total liabilities of each reportable segment are not disclosed as they cannot be accurately allocated.

(2) Financial information for report segments

☒Applicable" ☐ Not applicable"

1. Business segments

Unit: Yuan Currency: RMB

Item	Polarizer segment	Lithium battery material segment	Others	Total
Operating income	6,003,045,184.47	6,120,678,470.91	6,609,604.54	12,130,333,259.92
Of which: Revenue from sales of goods	5,998,100,717.22	6,116,277,451.40		12,114,378,168.62
Revenue from entrusted processing				
Revenue from service and other sales	4,944,467.25	4,401,019.51	6,609,604.54	15,955,091.30
Operating cost	4,782,669,707.47	4,907,185,700.28	3,225,212.72	9,693,080,620.47
Total assets	15,916,541,669.99	27,182,615,870.07	3,608,325,939.39	46,707,483,479.45
Total liabilities	3,659,649,630.54	15,799,425,956.76	3,206,501,322.79	22,665,576,910.09

2. Regional distribution

Unit: Yuan Currency: RMB

Item	Revenue	Cost
Sales in mainland China	11,459,471,137.84	8,979,878,465.15
Taiwan China	124,215,812.97	107,086,479.14
Overseas sales	546,646,309.11	606,115,676.18
Subtotal	12,130,333,259.92	9,693,080,620.47

XIX. Notes to major items of financial statements of the parent company**1. Accounts receivable****(1) Disclosed by aging**

☒Applicable" ☐ Not applicable"

Unit: Yuan Currency: RMB

Account age	Closing book balance	Opening book balance
Within 1 year (inclusive)	326,824.57	41,396.83
Within 1 year	326,824.57	41,396.83
1-2 years	41,396.78	2,079.64
2-3 years	2,079.64	732,685.45
3-4 years	732,685.45	1,139,851.76
4-5 years	1,139,851.76	
Above 5 years	92,379.00	92,379.00
Subtotal	2,335,217.20	2,008,392.68
Less: Bad debt provision	1,049,752.41	884,388.32
Total	1,285,464.79	1,124,004.36

(2) Disclosed by bad debt provision method

"√ Applicable" "□ Not applicable"

Unit: Yuan Currency: RMB

Category	Closing balance					Opening balance				
	Book balance		Bad debt provision		Book value	Book balance		Bad debt provision		Book value
	Amount	Proportion (%)	Amount	Withdrawal ratio (%)		Amount	Proportion (%)	Amount	Withdrawal ratio (%)	
Provision for bad debts is made on a portfolio basis	2,335,217.20	100.00	1,049,752.41	44.95	1,285,464.79	2,008,392.68	100.00	884,388.32	44.03	1,124,004.36
Of which:										
Account age portfolio	2,335,217.20	100.00	1,049,752.41	44.95	1,285,464.79	2,008,392.68	100.00	884,388.32	44.03	1,124,004.36
Total	2,335,217.20	100.00	1,049,752.41	44.95	1,285,464.79	2,008,392.68	100.00	884,388.32	44.03	1,124,004.36

Provision for bad debts made on an individual basis

□ Applicable "√ Not applicable"

Provision for bad debts made on a portfolio basis:

"√ Applicable" "□ Not applicable"

Combined provision items: Account age portfolio

Unit: Yuan Currency: RMB

Name	Closing balance		
	Book balance	Bad debt provision	Withdrawal ratio (%)
Within 1 year	326,824.57	16,341.23	5.00
1-2 years	41,396.78	4,139.68	10.00
2-3 years	2,079.64	623.89	30.00
3-4 years	732,685.45	366,342.73	50.00
4-5 years	1,139,851.76	569,925.88	50.00

Name	Closing balance		
	Book balance	Bad debt provision	Withdrawal ratio (%)
Above 5 years	92,379.00	92,379.00	100.00
Total	2,335,217.20	1,049,752.41	44.95

(3) Provision for bad debt

"√ Applicable" "□ Not applicable"

Unit: Yuan Currency: RMB

Category	Opening balance	Amount of change in the current period			Closing balance
		Provision	Recovery or reversal	Transfer or write-off	
Bad debt provision	884,388.32	165,364.09			1,049,752.41
Total	884,388.32	165,364.09			1,049,752.41

(4) Accounts receivable ranking the top five in the closing balance summarized by the debtors

"√ Applicable" "□ Not applicable"

Unit: Yuan Currency: RMB

Name of entity	Closing balance of accounts receivable	Percentage of the total Closing balance of accounts receivable (%)	Closing balance of bad debt provision
Ningbo Liweineng Energy Storage System Co., Ltd.	1,916,013.63	82.05	941,032.18
Dongliu Sub-district Office of the People's Government of Yinzhou District, Ningbo City	326,824.47	14.00	16,341.22
Shandong Tengzhou Shengyuan Thermal Power Co., Ltd.	60,712.00	2.60	60,712.00
Shandong Best Machinery Equipment Co., Ltd.	31,667.00	1.35	31,667.00
Zhejiang Ningbo Costco Electric Appliance Co., Ltd. (浙江宁波市开市客电器有限公司)	0.10	0.00	0.01
Total	2,335,217.20	100.00	1,049,752.41

2. Other receivables**Presentation of items**

"√ Applicable" "□ Not applicable"

Unit: Yuan Currency: RMB

Item	Closing balance	Opening balance
Interest receivable		
Dividend receivable	4,000,000.00	4,000,000.00
Other receivables	2,730,801,222.13	2,760,442,706.58
Total	2,734,801,222.13	2,764,442,706.58

Dividend receivable

"√ Applicable" "□ Not applicable"

Unit: Yuan Currency: RMB

Item (or investee)	Closing balance	Opening balance
Suiyong Holdings Co., Ltd.	4,000,000.00	4,000,000.00
Total	4,000,000.00	4,000,000.00

Other receivables**(1) Disclosed by aging**

"√ Applicable" "□ Not applicable"

Unit: Yuan Currency: RMB

Account age	Closing book balance	Opening book balance
Within 1 year (inclusive)	1,851,306,272.34	1,878,007,849.79
Within 1 year	1,851,306,272.34	1,878,007,849.79
1-2 years	289,204,559.11	300,029,196.15
2-3 years	673,303,090.01	675,526,970.65
3-4 years	2,734,493.30	
4-5 years		160,887.34
Above 5 years	33,524,855.44	34,613,968.10
Subtotal	2,850,073,270.20	2,888,338,872.03
Less: Bad debt provision	119,272,048.07	127,896,165.45
Total	2,730,801,222.13	2,760,442,706.58

(2) Disclosed by classification

Unit: Yuan Currency: RMB

Category	Closing balance				
	Carrying amount	Percentage in total (%)	Bad debt provision	Percentage of bad debt provision (%)	Book value
Provision for bad debts made on an individual basis	33,507,153.80	1.18	20,378,646.56	60.82	13,128,507.24
Provision for bad debts is made on a portfolio basis	2,816,566,116.40	98.82	98,893,401.51	3.51	2,717,672,714.89
Total	2,850,073,270.20	100.00	119,272,048.07	4.18	2,730,801,222.13

(Continued above)

Category	Balance at the beginning of the year				
	Carrying amount	Percentage in total (%)	Bad debt provision	Percentage of bad debt provision (%)	Book value
Provision for bad debts made on an individual basis	34,757,153.80	1.20	21,003,646.56	60.43	13,753,507.24

Category	Balance at the beginning of the year				
	Carrying amount	Percentage in total (%)	Bad debt provision	Percentage of bad debt provision (%)	Book value
Provision for bad debts is made on a portfolio basis	2,853,581,718.23	98.80	106,892,518.89	3.75	2,746,689,199.34
Total	2,888,338,872.03	100.00	127,896,165.45	4.43	2,760,442,706.58

Significant provision for bad debts made on an individual basis Other receivables:

Unit: Yuan Currency: RMB

Name	Closing balance				Balance at the end of the previous year	
	Book balance	Bad debt provision	Withdrawal ratio (%)	Provision reason	Book balance	Bad debt provision
Beijing Shanshan Kaili New Energy Technology Co., Ltd.	7,100,000.00	7,100,000.00	100.00	Low expected possibility of recovery	7,100,000.00	7,100,000.00
Ningbo Liankangcai Brand Management Co., Ltd.	26,000,000.00	13,000,000.00	50.00	The final payment of equity transfer accounts receivable is overdue and there is a significant risk of recovery. The transferee has provided an equity pledge guarantee.	27,000,000.00	13,500,000.00
Total	33,100,000.00	20,100,000.00	/	/	34,100,000.00	20,600,000.00

Provision for bad debts made on a portfolio basis:

Unit: Yuan Currency: RMB

Name	Closing balance			Balance at the end of the previous year		
	Other receivables	Bad debt provision	Withdrawal ratio (%)	Book balance	Bad debt provision	Withdrawal ratio (%)
Intra-group balances	2,797,122,531.89	97,982,056.69	3.50	2,835,140,923.55	105,981,056.68	3.74
Portfolio of advances	13,000,000.00	650,010.50	5.00	13,002,557.80	650,127.89	5.00
Portfolio of security deposit and deposit	5,226,686.26	261,334.32	5.00	5,226,686.26	261,334.32	5.00
Collection and payment of personal social security in advances	1,216,898.25			211,550.62		
Total	2,816,566,116.40	98,893,401.51	3.51	2,853,581,718.23	106,892,518.89	3.75

(3) Provision for bad debts

"√ Applicable" "□ Not applicable"

Unit: Yuan Currency: RMB

Bad debt provision	Phase I	Phase II	Phase III	Total
	Expected credit losses for the next 12 months	Expected credit losses for the entire duration (no credit impairment occurred)	Expected credit losses for the entire duration (with credit impairment occurred)	
Balance as of 1 January 2026	106,892,518.89	13,753,507.24	7,250,139.32	127,896,165.45
Balance as of 1 January 2026 in the current period	106,892,518.89	13,753,507.24	7,250,139.32	127,896,165.45
-- Transferred to Phase II				
-- Transferred to Phase III				
-- Transferred back to Phase II				
-- Transferred back to Phase I				
Current provision				
Current reversal	-7,999,117.38	-625,000.00		-8,624,117.38
Current reselling				
Current write-off				
Other changes				
Balance as of 30 June 2026	98,893,401.51	13,128,507.24	7,250,139.32	119,272,048.07
Proportion of provision for bad debts at the end of the period (%)	3.51	3.51 50.00	100.00	4.18

(4) Other receivable ranking the top five in the Closing balance summarized by the debtors

"√ Applicable" "□ Not applicable"

Unit: Yuan Currency: RMB

Name of entity	Nature of amount	Closing balance	Account age	Proportion in total closing balance of other receivables(%)	Bad debt provision Closing balance
Shanghai Shanshan Lithium Battery Material Technology Co., Ltd.	Consolidated current accounts of related parties	1,670,197,058.81	Within 1 year	58.60	
Ningbo Shanshan New Energy Technology Development Co., Ltd.	Consolidated current accounts of related parties	653,657,592.74	Within 1 year, 1-2 years and 2-3 years	22.93	
Ningbo Yongquan Investment Co., Ltd.	Consolidated current accounts of related parties	215,873,759.64	Within 1 year and 1-2 years	7.57	
ShanJin Optoelectronics (Guangzhou) Co., Ltd.	Consolidated current accounts of related parties	100,000,000.00	Within 1 year	3.51	
Ningbo Shanshan Electric Vehicle Technology Development Co., Ltd.	Consolidated current accounts of related parties	46,563,684.73	Within 1 year	1.63	46,563,684.73
Total	/	2,686,292,095.92	/	94.24	46,563,684.73

3. Long-term equity investment

"√ Applicable" "□ Not applicable"

Unit: Yuan Currency: RMB

Item	Closing balance			Opening balance		
	Book balance	Provision for impairment	Book value	Book balance	Provision for impairment	Book value
Investments in subsidiaries	12,167,661,820.35	986,918,700.00	11,180,743,120.35	12,167,661,820.35	986,918,700.00	11,180,743,120.35
Investments in associates and joint ventures	2,339,993,459.31	167,357,558.13	2,172,635,901.18	2,308,852,188.96	167,357,558.13	2,141,494,630.83
Total	14,507,655,279.66	1,154,276,258.13	13,353,379,021.53	14,476,514,009.31	1,154,276,258.13	13,322,237,751.18

(1) Investments in subsidiaries

"√ Applicable" "□ Not applicable"

Unit: Yuan Currency: RMB

Name of investees	Opening balance Book value	Provision for impairment Opening balance	Increase and decrease in the current period				Closing balance Book value	Provision for impairment Closing balance
			Increased investment	Decreased investment	Provision for impairment	Others		
Ningbo Shanshan Tongda Trading Co., Ltd.	32,000,000.00						32,000,000.00	
Ningbo Shanshan Electric Vehicle Technology Development Co., Ltd.		986,918,700.00						986,918,700.00
Shanghai Tunheng Trading Co., Ltd.	47,500,000.00						47,500,000.00	
Shanghai Shanshan Garment Co., Ltd.	72,000,000.00						72,000,000.00	
Ningbo Shanshan New Energy Technology Development Co., Ltd.	2,097,262,110.45						2,097,262,110.45	
Ningbo Shanshan Venture Capital Investment Co., Ltd.	1,000,000,000.00						1,000,000,000.00	
Hong Kong Shanshan Resources Co., Ltd.	314,542,830.00						314,542,830.00	
Ningbo Yunling Zhichuang Park Operation Management Co., Ltd.	10,000,000.00						10,000,000.00	
Shanshan Fashion Industrial Park Suqian Co., Ltd.	59,941,524.23						59,941,524.23	
ShanJin Optoelectronics (Suzhou) Co., Ltd.	7,325,030,685.96						7,325,030,685.96	
Shanghai Shanshan New Energy Technology Co., Ltd.	112,627,969.71						112,627,969.71	
Ningbo Haoheng Trading Co., Ltd.	50,000,000.00						50,000,000.00	
Ningbo Ziheng Trading Co., Ltd.	50,000,000.00						50,000,000.00	

Name of investees	Opening balance Book value	Provision for impairment Opening balance	Increase and decrease in the current period				Closing balance Book value	Provision for impairment Closing balance
			Increased investment	Decreased investment	Provision for impairment	Others		
Shanjin Tokyo Co., Ltd.	9,838,000.00						9,838,000.00	
Total	11,180,743,120.35	986,918,700.00					11,180,743,120.35	986,918,700.00

(2) Investments in associates and joint ventures

"√ Applicable" "□ Not applicable"

Unit: Yuan Currency: RMB

Investment Unit	Opening balance Book value	Provision for impairment Opening balance	Increase and decrease in the current period								Closing balance Book value	Provision for impairment Closing balance
			Increased investment	Decreased investment	Investment profit or loss recognized under equity method	Adjustment of other comprehensive income	Change in other equities	Cash dividends or profit declared to be issued	Provision for impairment	Others		
I. Joint ventures												
II. Associates												
Ningbo Shanqi Property Services Co., Ltd.	7,075,068.47	30,307,558.13									7,075,068.47	30,307,558.13
Zhejiang Chouzhou Commercial Bank Co., Ltd.	1,667,747,755.89	137,050,000.00			67,633,053.56	1,950,028.60	-12,011,800.83				1,725,319,037.22	137,050,000.00
Shanshan Brand Management Co., Ltd.	52,977,120.65				219,760.42						53,196,881.07	
Shenzhen Yuanshan Private Equity Investment Management Co., Ltd.	3,142,462.52				-203,741.93						2,938,720.59	
Suiyong Holdings Co., Ltd.	410,552,223.30				-26,446,029.47						384,106,193.83	
Subtotal	2,141,494,630.83	167,357,558.13			41,203,042.58	1,950,028.60	-12,011,800.83				2,172,635,901.18	167,357,558.13
Total	2,141,494,630.83	167,357,558.13			41,203,042.58	1,950,028.60	-12,011,800.83				2,172,635,901.18	167,357,558.13

4. Operating income and operating cost**(1) Operating income and operating cost**

"√ Applicable" "□ Not applicable"

Unit: Yuan Currency: RMB

Item	Amount for the current period		Amount incurred in previous period	
	Revenue	Cost	Revenue	Cost
Main Business				
Other business	4,487,912.76	1,139,075.18	6,580,894.70	1,304,835.29
Total	4,487,912.76	1,139,075.18	6,580,894.70	1,304,835.29
Of which: Income from contracts with customers	772,767.30		3,748,154.18	

Breakdown of revenue**1) Revenue generated from contracts with customers by type of goods or services**

Unit: Yuan Currency: RMB

Item	Amount for the current period	Amount for the previous period
Expenses for property utilities income		1,310,202.50
Interest, service fee and other income	772,767.30	2,437,951.68
Total	772,767.30	3,748,154.18

2) Revenue generated from contracts with customers by operating region

Unit: Yuan Currency: RMB

Item	Amount for the current period		Amount for the same period last year	
	Revenue	Cost	Revenue	Cost
Sales in mainland China	772,767.30		3,748,154.18	
Total	772,767.30		3,748,154.18	

3) Revenue generated from contracts with customers by the time of transfer of goods or services

Unit: Yuan Currency: RMB

Item	Amount for the current period	Amount for the same period last year
Recognition of income at a point of time	772,767.30	2,437,951.68
Recognition of income over a period of time		1,310,202.50
Total	772,767.30	3,748,154.18

5. Investment income

"√ Applicable" "□ Not applicable"

Unit: Yuan Currency: RMB

Item	Amount for the current period	Amount incurred in previous period
Long-term equity investment incomes accounted by the equity method	41,203,042.58	57,966,449.56
Total	41,203,042.58	57,966,449.56

XX. Supplementary information**1. Breakdown of non-recurring profits and losses**

"√ Applicable" "□ Not applicable"

Unit: Yuan Currency: RMB

Item	Amount
Non-current asset disposal gains and losses, including the offsetting portion of the provision for impairment of assets	-2,977,168.90
Government subsidies recognized in profit or loss for the current period except those closely related to the Company's normal operating business, and compliant with national policies, available according to determined requirements, and having a continuous impact on the Company's profit or loss	61,725,431.47
Except for effective hedging business related to the Company's normal operating business, the fair value gains and losses arising from the holding of financial assets and financial liabilities by non-financial enterprises, as well as the gains and losses arising from the disposal of financial assets and financial liabilities	-1,236,000.00
Reversal of impairment provision for receivables subject to separate impairment testing	625,000.00
Other non-operating income and expenses other than those mentioned above	-709,871.40
Less: Amount impacted by income tax	9,268,129.65
Amount impacted by non-controlling interests' equity (after tax)	5,570,325.61
Total	42,588,935.91

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

☐Applicable ☒Not applicable"

2. Return on net assets and earnings per share

☒Applicable ☐ Not applicable"

Profit during the Reporting Period	Weighted average return on net assets (%)	Earnings per share	
		Basic earnings per share	Diluted earnings per share
Net profits attributable to ordinary shareholders of the Company	3.692	0.386	0.386
Net profits attributable to ordinary shareholders of the Company after deducting non-recurring profits and losses	3.501	0.366	0.366

3. Differences in accounting data under domestic and foreign accounting standards

☐Applicable ☒Not applicable"

Legal representative: Zhu Shengli

Date of approval by the Board of Directors: 26 August 2026