

# 新特能源股份有限公司

## Xinte Energy Co., Ltd.

(A joint stock company incorporated in the People's Republic of China with limited liability)

Stock code : 1799

INTERIM REPORT

# 2023



# Contents

Corporate Profile	2
Definitions	4
Management Discussion and Analysis	9
Corporate Governance	30
Other Information	33
Consolidated Balance Sheet (Unaudited)	41
Balance Sheet of the Parent Company (Unaudited)	44
Consolidated Income Statement (Unaudited)	47
Income Statement of the Parent Company (Unaudited)	49
Consolidated Statement of Cash Flows (Unaudited)	51
Statement of Cash Flows of the Parent Company (Unaudited)	53
Consolidated Statement of Changes in Shareholders' Equity (Unaudited)	55
Statement of Changes in Shareholders' Equity of the Parent Company (Unaudited)	57
Notes to the Financial Statements	59



# Corporate Profile

## DIRECTORS

### Executive Directors

Mr. Zhang Jianxin (*Chairman*)  
Mr. Yin Bo  
Mr. Xia Jinjing

### Non-executive Directors

Mr. Zhang Xin  
Mr. Huang Hanjie  
Ms. Guo Junxiang

### Independent Non-executive Directors

Mr. Cui Xiang  
Mr. Chen Weiping  
Mr. Tam, Kwok Ming Banny

## SUPERVISORS

Mr. Chen Qijun (*Chairman*)  
Mr. Han Shu  
Mr. Hu Shujun  
Mr. Cao Huan  
Mr. Guo Hao

## AUDIT COMMITTEE

Mr. Tam, Kwok Ming Banny (*Chairman*)  
Mr. Cui Xiang  
Mr. Chen Weiping  
Mr. Huang Hanjie  
Ms. Guo Junxiang

## NOMINATION COMMITTEE

Mr. Chen Weiping (*Chairman*)  
Mr. Cui Xiang  
Mr. Tam, Kwok Ming Banny  
Mr. Zhang Xin  
Mr. Xia Jinjing

## REMUNERATION AND ASSESSMENT COMMITTEE

Mr. Cui Xiang (*Chairman*)  
Mr. Chen Weiping  
Mr. Tam, Kwok Ming Banny  
Mr. Zhang Jianxin  
Mr. Yin Bo

## STRATEGY COMMITTEE

Mr. Zhang Jianxin (*Chairman*)  
Mr. Cui Xiang  
Mr. Chen Weiping  
Mr. Zhang Xin  
Mr. Yin Bo

## JOINT COMPANY SECRETARIES

Ms. Zhang Juan  
Ms. Chan Yin Wah

## AUTHORIZED REPRESENTATIVES

Mr. Tam, Kwok Ming Banny  
Ms. Chan Yin Wah

## AUDITOR

### **SHINEWING Certified Public Accountants LLP**

*Certified Public Accountants*

9/F, Block A, Fu Hua Mansion  
No. 8, Chaoyangmen Beidajie, Dongcheng District  
Beijing  
the PRC

## LEGAL ADVISERS

*As to PRC law*

### **Xinjiang Tianyang Law Firm**

7/F, Block A Greentown Plaza  
888 Hong Guang Shan Road  
Shuimogou District  
Urumqi, Xinjiang  
the PRC

*As to Hong Kong law*

### **King & Wood Mallesons**

13/F Gloucester Tower, The Landmark  
15 Queen's Road Central, Central  
Hong Kong

## REGISTERED OFFICE

No. 2249, Zhongxin Street  
Ganquanpu Economic and Technological  
Development Zone (Industrial Park)  
Urumqi, Xinjiang  
the PRC

## HEADQUARTERS AND PRINCIPAL PLACE OF BUSINESS IN THE PRC

No. 2249, Zhongxin Street  
Ganquanpu Economic and Technological  
Development Zone (Industrial Park)  
Urumqi, Xinjiang  
the PRC

## PRINCIPAL PLACE OF BUSINESS IN HONG KONG

40th Floor, Dah Sing Financial Centre  
No. 248, Queen's Road East, Wanchai  
Hong Kong

## H SHARES REGISTRAR

### **Computershare Hong Kong Investor Services Limited**

Shops 1712-1716  
17th Floor, Hopewell Centre  
183 Queen's Road East, Wanchai  
Hong Kong

## STOCK CODE

1799

## COMPANY WEBSITE

[www.xinteenergy.com](http://www.xinteenergy.com)

## INVESTOR COMMUNICATIONS

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# Definitions

In this report, unless the context otherwise requires, the following terms and expressions have the meanings as set forth below:

“100,000-ton Polysilicon Project in Inner Mongolia”	the 100,000-ton-per-annum high-purity polysilicon green energy circular economy construction project in Tumed Right Banner, Baotou City, Inner Mongolia Autonomous Region, the PRC
“200,000-ton Polysilicon Project in Zhundong”	the 200,000-ton-per-annum high-end electronic-grade polysilicon green low-carbon circular economy construction project in the Changji Zhundong Industrial Park in Xinjiang Uygur Autonomous Region, the PRC
“30%-controlled company”	has the meaning as ascribed to it under the Listing Rules
“A Share(s)”	ordinary share(s) proposed to be issued by the Company under the Proposed A Share Offering and subscribed in Renminbi
“A Share Offering”, “A Share Offering and Listing” or “Proposed A Share Offering”	the proposed initial public offering of not exceeding 300,000,000 A Shares by the Company, which are intended to be listed on the SSE
“associate(s)”	has the meaning as ascribed to it under the Listing Rules
“Audit Committee”	Audit Committee of the Board of the Company
“Board”	the board of Directors of the Company
“CASBE”	China Accounting Standards for Business Enterprises issued by the MOF
“China” or “PRC”	the People’s Republic of China, excluding, for the purpose of this report, Hong Kong, Macau Special Administrative Region of the PRC and Taiwan
“Company”, “Xinte Energy”, “we” or “us”	Xinte Energy Co., Ltd. (新特能源股份有限公司), a company with limited liability incorporated in the PRC on 20 February 2008, which was transformed into a joint stock limited company on 16 October 2012, the H shares of which are listed on the Main Board of the Stock Exchange (Stock code: 1799)
“Companies Ordinance”	Companies Ordinance (Chapter 622 of the Laws of Hong Kong), as amended, supplemented or otherwise modified from time to time

“Connected Person(s)”	has the meaning as ascribed to it under the Listing Rules
“Connected Transaction(s)”	has the meaning as ascribed to it under the Listing Rules
“Controlling Shareholder(s)”	has the meaning as ascribed to it under the Listing Rules
“CSRC”	China Securities Regulatory Commission
“DC”	direct current (the unidirectional flow of electric charge)
“Director(s)”	director(s) of the Company
“Domestic Share(s)”	ordinary share(s) in the Company’s share capital, with a nominal value of RMB1.00 each, which are subscribed for and paid up in Renminbi
“Employee Share Ownership Scheme”	the 2022 employee share ownership scheme implemented by the Company, which was approved and adopted by shareholders at the 2022 first extraordinary general meeting of the Company on 5 May 2022
“Group”	the Company and its subsidiaries
“GW”	gigawatt, a unit of power. 1GW = 1,000MW
“H Share(s)”	overseas listed foreign share(s) in the share capital of the Company with nominal value of RMB1.00 each which are listed on the Main Board of the Stock Exchange and are subscribed for and traded in Hong Kong dollars
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	Hong Kong Special Administrative Region of the PRC
“installed capacity”	the intended full-load output of a power generating project usually denominated in MW; also known as the rated capacity or the (designed) production capacity
“kW”	kilowatt, a unit of power. 1kW = 1,000 watts
“kWh”	kilowatt hour, the unit of measurement for calculating the quantity of power production output. 1kWh is the work completed by a kilowatt generator running continuously for one hour at the rated output

## Definitions

“Latest Practicable Date”	21 September 2023, being the latest practicable date prior to the printing of this report for including certain information
“Listing”	listing of the H Shares on the Main Board of the Stock Exchange
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Main Board”	the stock exchange (excluding the option market) operated by the Stock Exchange which is independent from and operated in parallel with the GEM of the Stock Exchange
“MOF”	Ministry of Finance of the PRC
“MW”	megawatt, a unit of power. 1MW = 1,000kW. The capacity of a power project is generally expressed in MW
“NDRC”	National Development and Reform Commission of the PRC
“NEA”	National Energy Administration of the PRC
“Nomination Committee”	Nomination Committee of the Board of the Company
“OFAC”	the United States Treasury Department’s Office of Foreign Assets Control
“Participant(s)”	participant(s) of the Employee Share Ownership Scheme
“Partnerships” or “Shareholding Platforms”	the 11 limited partnerships established by the Participants of the Employee Share Ownership Scheme to hold the Domestic Shares
“Province”	a province or, as the context requires, a provincial level autonomous region or municipality under the direct supervision of the central government of the PRC
“PV”	photovoltaic
“R&D”	research and development
“Reporting Period”	the six months ended 30 June 2023
“RMB” or “Renminbi”	Renminbi, the lawful currency of the PRC
“SFO”	Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong), as amended, supplemented or otherwise modified from time to time

“Share(s)”	share(s) in the share capital of the Company with a nominal value of RMB1.00 each, including Domestic Shares and H Shares
“Shareholder(s)”	holder(s) of the Share(s) of the Company
“SSE”	Shanghai Stock Exchange
“Stock Exchange” or “Hong Kong Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Subject Share(s)”	the Domestic Share(s) to be granted to the Participants pursuant to the Employee Share Ownership Scheme, the source of the shares was originated from the Domestic Shares held by TBEA, the Controlling Shareholder of the Company, which were transferred to the Shareholding Platforms of the Employee Share Ownership Scheme
“Subsidiary(ies)”	has the meaning as ascribed to it under the Listing Rules
“Supervisor(s)”	a supervisor (or all supervisors) of the Company
“SVG”	Static VAR generator
“TBEA”	TBEA Co., Ltd. (特變電工股份有限公司), a joint stock company incorporated in the PRC with limited liability on 26 February 1993 and listed on the SSE (Stock code: 600089). As of the Latest Practicable Date, TBEA directly and indirectly held 64.52% equity interest of the Company, and is the Controlling Shareholder of the Company
“Xinjiang Tebian”	Xinjiang Tebian Group Co., Ltd. (新疆特變電工集團有限公司), a company with limited liability incorporated in the PRC on 27 January 2003, holding 6.07% equity interest in our Company directly and indirectly as of the Latest Practicable Date. Xinjiang Tebian is a Connected Person of the Company as it is a 30%-controlled company of Mr. Zhang Xin, a Director of the Company
“Xinte Biantong”	Tianjin Xinte Biantong Enterprise Management Partnership (Limited Partnership)* (天津新特變通企業管理合夥企業(有限合夥)), one of the Shareholding Platforms of the Employee Share Ownership Scheme
“Xinte Chengli”	Tianjin Xinte Chengli Enterprise Management Partnership (Limited Partnership)* (天津新特誠立企業管理合夥企業(有限合夥)), one of the Shareholding Platforms of the Employee Share Ownership Scheme

## Definitions

“Xinte Chengxin”	Tianjin Xinte Chengxin Enterprise Management Partnership (Limited Partnership)* (天津新特誠信企業管理合夥企業(有限合夥)), one of the Shareholding Platforms of the Employee Share Ownership Scheme
“Xinte Innovation”	Tianjin Xinte Innovation Enterprise Management Partnership (Limited Partnership)* (天津新特創新企業管理合夥企業(有限合夥)), one of the Shareholding Platforms of the Employee Share Ownership Scheme
“Xinte Dingxin”	Tianjin Xinte Dingxin Enterprise Management Partnership (Limited Partnership)* (天津新特鼎信企業管理合夥企業(有限合夥)), one of the Shareholding Platforms of the Employee Share Ownership Scheme
“Xinte Hexing”	Tianjin Xinte Hexing Enterprise Management Partnership (Limited Partnership)* (天津新特和興企業管理合夥企業(有限合夥)), one of the Shareholding Platforms of the Employee Share Ownership Scheme
“Xinte Jianming”	Tianjin Xinte Jianming Enterprise Management Partnership (Limited Partnership)* (天津新特簡明企業管理合夥企業(有限合夥)), one of the Shareholding Platforms of the Employee Share Ownership Scheme
“Xinte Kangrong”	Tianjin Xinte Kangrong Enterprise Management Partnership (Limited Partnership)* (天津新特康榮企業管理合夥企業(有限合夥)), one of the Shareholding Platforms of the Employee Share Ownership Scheme
“Xinte Green Energy”	Tianjin Xinte Green Energy Enterprise Management Partnership (Limited Partnership)* (天津新特綠能企業管理合夥企業(有限合夥)), one of the Shareholding Platforms of the Employee Share Ownership Scheme
“Xinte Tongxin”	Tianjin Xinte Tongxin Enterprise Management Partnership (Limited Partnership)* (天津新特同心企業管理合夥企業(有限合夥)), one of the Shareholding Platforms of the Employee Share Ownership Scheme
“Xinte Zhuocheng”	Tianjin Xinte Zhuocheng Enterprise Management Partnership (Limited Partnership)* (天津新特卓誠企業管理合夥企業(有限合夥)), one of the Shareholding Platforms of the Employee Share Ownership Scheme
“%”	per cent

\* For identification purpose only

# Management Discussion and Analysis

## I. REVIEW OF INDUSTRY DEVELOPMENT STATUS

In recent years, with the rising price of traditional energies, global energy security issues have become prominent. However, renewable energy power generation technologies represented by PV and wind power have made rapid progress, their costs have continued to decline, and their economic efficiency has improved significantly, ushering in good development opportunities. 2023 is a crucial year for China to continually implement the “14th Five-year Plan” energy planning. Guided by the Guidance Views on Renewable Energy Development in the Implementation of the “14th Five-year Plan” (《可再生能源發展「十四五」規劃實施的指導意見》), new energies represented by wind power and PV have entered a new stage of large-scale, market-oriented, high-proportion and high-quality leapfrog development, witnessing clearer development ideas and broader development space.

### 1. Review of Major Policies in Relation to China’s New Energy Industry

- On 28 March 2023, the NEA issued Several Opinions on Accelerating the Development of Energy Digitalization and Intelligentization (《關於加快推進能源數字化智能化發展的若干意見》), which clearly requires that the coordinated development of new energy and fossil energy should be accelerated, intelligent regulation of the integration of generation, grid, load and energy storage should be increased, the substitution of new energy for energy use in production should be enhanced, and reliable grid connection and orderly consumption of new energy power generation should be promoted, ensuring the full development of new energy resources. The development of new energy micro-grids and high-reliability digital power distribution systems should be sped up, and the intelligent and efficient configuration and operation optimization control of user-side distributed power sources and new energy storage resources should be improved, for the purposes of achieving the goal of industrial transformation and upgrade by 2030.
- On 6 April 2023, the NEA issued the Guiding Opinions on Energy Work in 2023 (《2023年能源工作指導意見》), which states that it is necessary to further promote the transformation of energy structure and increase the proportion of non-fossil energy to total energy consumption to around 18.3%, the proportion of power generation installed capacity of non-fossil energy to around 51.9%, and the proportion of electricity generated by wind power and PV to the electricity consumption of the whole society to 15.3%. The green and low-carbon energy transformation should be further promoted to consolidate the advantages of wind power and PV industry development, the supply of clean and low-carbon energy should be continually expanded, the renewable energy power consumption guarantee mechanism based on green certificates should be improved, and the weight of responsible consumption should be set scientifically to increase the installed capacity of wind power and PV to around 0.16 billion kW during the year.

## Management Discussion and Analysis

- On 2 June 2023, the Blue Book on the Development of New Power System (《新型電力系統發展藍皮書》), compiled by 11 research institutions as coordinated by the NEA, was officially released. The blue book points out that China will anchor the strategic goal of “3060” and take 2030, 2045 and 2060 as important time nodes for the construction of a new power system to formulate a “three-step” development path for the new power system, namely the rapid transformation period (2023 to 2030), the overall formation period (2030 to 2045) and the consolidation and maturity period (2045 to 2060), thus promoting the construction of the new power system in a planned and step-by-step manner.

### 2. Review of Development Status of the Polysilicon Industry

According to the statistics of the Silicon Industry Branch of China Nonferrous Metals Industry Association (中國有色金屬工業協會硅業分會), the polysilicon production capacity in the PRC reached approximately 651,700 tons in the first half of 2023, representing a year-on-year increase of 91.1%. In terms of specific pricing, the average price of monocrystalline dense materials decreased from RMB176,200/ton (tax included) at the beginning of January 2023 to RMB65,700/ton (tax included) at the end of June 2023, representing a decrease of 62.71%.

### 3. Review of Development Status of the PV and Wind Power Generation Industry in the PRC

According to the statistics from the NEA, newly installed PV power generation capacity in China was 78.42GW in the first half of 2023, representing a year-on-year increase of approximately 154%. As of the end of June 2023, China’s accumulative installed PV power generation capacity reached 470.67GW, becoming the second largest power installed capacity in China. The newly installed wind power capacity in China was 22.99GW in the first half of 2023, representing a year-on-year increase of approximately 78%. As of the end of June 2023, the accumulative installed wind power capacity in China reached 389.21GW.

## II. PRINCIPAL BUSINESS OPERATIONS OF THE GROUP

During the Reporting Period, under the guidance of the Chinese government’s “14th Five-year Plan” for energy development and the goals of “3060 carbon emissions peaking and carbon neutrality”, the new energy industry ushered in new opportunities for development, and the newly installed wind power and PV power generation capacity increased significantly year-on-year. However, due to the production expansion in various links of the PV industrial chain and the changing relationship between the supply and the demand, the market price of polysilicon products has dropped sharply. Facing such opportunities and challenges, the Group continuously improved the quality of polysilicon through technical innovation and process optimization and accelerated the release of polysilicon production capacity. By increasing its effort to acquire wind and PV power resources, and expanding the construction scale of operated power plants, the Group further improved its comprehensive competitiveness. During the Reporting Period, the Group achieved revenue from operations of RMB17,586.90 million, representing an increase of 19.51% over the corresponding period of last year, net profit of RMB5,396.36 million and the net profit attributable to shareholders of the listed company of RMB4,758.97 million, representing decreases of 10.51% and 15.28% over the corresponding period of last year, respectively.

## 1. Polysilicon Production and Construction Projects

During the Reporting Period, the polysilicon production of the Group increased significantly due to completion of the 34,000 tons/year technical transformation project of polysilicon production line in the Xinjiang Ganquanpu Base and the 100,000-ton Polysilicon Project in Inner Mongolia in 2022, the production capacity of which is released in 2023. At the same time, as a result of the shutdown of devices set by set for inspection and maintenance due to the running-in and eliminating shortages and the process re-optimization of the cold hydrogenation system of the 100,000-ton Polysilicon Project in Inner Mongolia, the Group's polysilicon production capacity has not yet fully utilized its optimal level in the first half of 2023. During the Reporting Period, the Group achieved polysilicon production capacity of 76,100 tons and polysilicon sales of 86,100 tons, representing an increase of 64.72% and 80.50% respectively over the corresponding period of last year.

At the end of June 2023, the first phase with 100,000-ton of the 200,000-ton Polysilicon Project in Zhundong invested and constructed by the Group has been basically completed, and carried out materials feeding and commissioning as scheduled, which is expected to reach quality and production before the end of 2023, so that the production and quality of polysilicon of the Group will be further improved. During the Reporting Period, in order to meet the growing market demand for N-type materials, the Group improved the quality stability control and evaluation criteria of the whole process of polysilicon, achieved system traction, strengthened synergies among process, equipment and quality, and continuously increased the proportion of N-type materials by optimising raw material acceptance, reduction process control and system discharge residues and control. In the first half of 2023, the production of N-type materials produced was 6 times that for the corresponding period of last year due to the improvement in production capacity and quality.

During the Reporting Period, in spite of a significant increase in the polysilicon production of the Group, due to the impact of the decline in polysilicon market prices, the polysilicon segment recorded revenue of RMB12,618.45 million, representing an increase of 21.79% over the corresponding period of last year, and achieved gross profit of RMB6,696.47 million, representing a decrease of 2.01% over the corresponding period of last year.

# Management Discussion and Analysis

## 2. Development, Construction and Operation of PV and Wind Power Resources

In the first half of 2023, the Group kept close abreast with the national policies, adhered to the concept of focusing on centralized development along with common development of distributed and decentralized power stations, and focused on the presence in Hebei, Shanxi, Gansu, Xinjiang and other places. It actively promoted resource acquisition mainly around project development models such as large-scale base of new energy, generation, grid, load and energy storage, composite PV and energy storage. Simultaneously, the Group carried out the planning and construction of distributed wind power projects, and low-carbon industrial parks integrating rooftop PV + energy storage + energy management.

During the Reporting Period, the Group newly obtained approximately 1.08GW of PV and wind power project index development, and the completed total installed capacity of PV and wind power construction projects of the Group which had been recognised as revenue amounted to 1.02GW. The constructions of wind power and PV power plants segment recorded revenue of RMB2,734.43 million, representing an increase of 11.22% over the corresponding period of last year, and achieved gross profit of RMB499.27 million, representing a decrease of 17.01% over the corresponding period of last year. The operation of wind power and PV power plants segment recorded revenue of RMB1,138.74 million, representing a decrease of 6.15% over the corresponding period of last year, and achieved gross profit of RMB707.53 million, representing a decrease of 11.07% over the corresponding period of last year. As of the end of June 2023, the Group had an approximately 2.93GW of operated power plants projects which have achieved grid-connected power generation.

### 3. Technology and R&D

In terms of polysilicon production, the Group carries out innovation centering on improvement in the quality of polysilicon products. Guided by market demand, the Group carries out technological innovation and research on key aspects such as improvement in reduction conversion rate, process operation stability and upgrade of N-type monocrystalline silicon materials. In the first half of 2023, the Group's proportion of polysilicon products in the first electronic grade increased by approximately 24 percentage points, the minority carriers lifetime increased by 49%, and the body and surface metal contents decreased by 56% and 61% respectively, as compared with the corresponding period of last year. During the Reporting Period, in order to further improve the efficiency of scientific research organization, the Group optimized the structure of scientific research platform and established an organizational model of "two centers + one laboratory" mainly composed of high-end veteran talents in the industry as well as doctoral and master teams from universities. It carried out research on new technologies and processes, explored cutting-edge technologies in the industry, strengthened goal orientation, and further improved the transformation and industrialization level of the Group's scientific and technological achievements.

In terms of the development, construction and operation of wind power and PV resources, the Group explored new technologies + new products + new business models around the background of building a new power system. In terms of the application of new technologies, through the research on the design plan of PV flexible bracket and the design plan of truss-type fan tower, the construction period of projects was shortened, and the cost was reduced while improving the environmental adaptability of projects. In terms of new products, the cost of engineering technology was reduced by means of promoting the demonstration and application of new materials such as N-type PV modules, PV composite material brackets, and super weather-resistant steel PV brackets. The Group carried out product innovation and R&D around high-power inverters, enhanced SVGs, and large-capacity static synchronous compensators to improve power density, reduce system energy consumption, and widen temperature operating range, effectively improving the market competitiveness of products. In terms of the innovation in new business model, the Group studied different latitude of industrial and commercial rooftop PV layout plans, and promoted the research on low-carbon industrial park solutions for industrial and commercial rooftop PV + energy storage + energy management. It studied the profitable model of shared energy storage and the selection of energy storage equipment, formulated typical designs of independent energy storage power stations and technical solutions for shared energy storage power stations, so as to provide technical support for large-scale commercial operations.

In the first half of 2023, a total of 832 patents submitted by the Group were granted. As at 30 June 2023, the Group had a total of 825 domestic patents, 7 international patents, and participated in the preparation of 89 issued standards, including 6 international standards, 45 national standards and 38 industry standards.

# Management Discussion and Analysis

## 4. Safety and Environmental Protection Construction

The Group insists on “people and safety-oriented” management policy, pays close attention to the construction of HSSE (health, safety, security and environmental protection) system and on-site management and fully implements safety and environmental protection responsibilities. In the first half of 2023, the Group had no major safety production and environmental protection accidents and incidents.

The Group continuously improved the safety production responsibility system for all employees, strengthened the target performance guidance, and paid close attention to grid-based safety management. The Group comprehensively promoted risk prevention and control and hidden danger investigation and control, arranged regular safety production education and training to improve the safety professional skills, capability of hidden hazards detection and the quality of safety management operation. Meanwhile, the Group accelerated the construction of safety information technology projects and achieved full coverage of the emergency dispatch command center platform, which effectively improved the ability to prevent and control accidents. The Group organized the establishment and implementation of a dual prevention mechanism for safety risk hierarchical management and control and hidden hazards detection, and carried out practical and detailed work on prevention, pre-control, forecast and alert, so as to eliminate hidden dangers of accidents related to safety production and environmental protection in a timely manner.

## 5. Talent Team Building

During the Reporting Period, the Group focused on the two aspects of “strategic development needs and core competitiveness building” to optimize the talent structure, enhance the quality of talents and improve the per capita efficiency, and took team diagnosis, introduction of high-end talents, dual-channel construction, and empowerment training as the key measures to stimulate the team’s vitality, strengthen the team’s capability and build a high-performance team. The Group has established and improved the talent introduction mechanism and carried out university-enterprise cooperation with Tianjin University, Beijing University of Chemical Technology, Nankai University and other well-known universities. Through the joint establishment of the “Silicon Materials Innovation Center” and the joint training program of doctoral students, the Group has customized the cultivation of professional technical and managerial talents around cutting-edge technologies of the industry. The Group has been focusing its efforts on the local chemical engineering colleges and universities in Xinjiang and Inner Mongolia, and has been cooperating with them through the establishment of practical training bases and joint training in order to tap into the production skill talents. Meanwhile, the Group continued to improve the talent nurturing and retention mechanism, strengthened the reserve talent echelon construction, and continued to promote the training of highly skilled personnel in the silicon-based industry, which covered basic safety, process skills, intelligent manufacturing and other aspects; formulated a competitive salary level and a smooth appraisal and promotion channel, and set up a multi-dimensional performance appraisal and incentive mechanism, which assisted in the enhancement of the vocational skills of the employees, the realization of self-worth and the high-quality development of the enterprise through a variety of means.

## III. OPERATING RESULTS AND ANALYSIS

### Revenue

The Group generates revenue mainly from three business segments, including polysilicon and construction and operation of wind power and PV power plants. For the six months ended 30 June 2023, the revenue of the Group was RMB17,402.25 million, representing an increase of RMB2,868.87 million or 19.74% from RMB14,533.38 million in the corresponding period of last year, which was mainly attributable to the release of the Group's polysilicon production capacity, resulting in an increase in product sales during the Reporting Period. The revenue of each business segment is as follows:

For the six months ended 30 June 2023, the revenue of the polysilicon segment was RMB12,618.45 million, representing an increase of RMB2,257.58 million or 21.79% from RMB10,360.86 million in the corresponding period of last year, which was mainly attributable to the release of the Group's polysilicon production capacity during the Reporting Period, which resulted in an increase in sales of approximately 80% as compared to the corresponding period of last year, while the sales prices of polysilicon decreased by approximately 32% as compared to the corresponding period of last year.

For the six months ended 30 June 2023, the revenue of the constructions of wind power and PV power plants segment was RMB2,734.43 million, representing an increase of RMB275.87 million or 11.22% from RMB2,458.56 million in the corresponding period of last year, which was mainly due to the Group's increased efforts on market development and the expansion of scale of the construction of wind power and PV power plant business during the Reporting Period.

For the six months ended 30 June 2023, the revenue of the operation of wind power and PV power plants segment was RMB1,138.74 million, representing a decrease of RMB74.63 million or 6.15% from RMB1,213.37 million in the corresponding period of last year. During the Reporting Period, despite an increase in the scale of the Group's wind power and PV operated power plants that have generated electricity, due to the impact of the review of Electricity Price Subsidies, there is a risk that the Electricity Price Subsidies of some of the Group's operating power station projects will be reduced or cancelled based on the self-inspection. Based on the principle of prudence, the Group recognized revenue according to the electricity price after considering the reduction or cancellation of Electricity Price Subsidies during the Reporting Period. At the same time, the Group transferred 3 operated power stations (totaling 180MW) with defective land use to TBEA during the Reporting Period. The above factors resulted in a decrease in revenue from the operation of power plants segment of the Group during the Reporting Period.

# Management Discussion and Analysis

## Cost

For the six months ended 30 June 2023, the costs incurred by the Group was RMB9,370.68 million, representing an increase of RMB3,141.46 million or 50.43% from RMB6,229.22 million in the corresponding period of last year, which was mainly due to the increase in income arising from the main businesses of the Group, resulting in a corresponding increase in costs during the Reporting Period. The cost incurred by each business segment is as follows:

For the six months ended 30 June 2023, the costs incurred by the polysilicon segment was RMB5,921.98 million, representing an increase of RMB2,394.84 million or 67.90% from RMB3,527.14 million in the corresponding period of last year, which was mainly due to the increase in sales of the Group's polysilicon products, resulting in a corresponding increase in costs during the Reporting Period.

For the six months ended 30 June 2023, the cost incurred by the construction of wind power and PV power plants segment was RMB2,235.17 million, representing an increase of RMB378.22 million or 20.37% from RMB1,856.95 million in the corresponding period of last year, which was mainly due to the expansion of scale of the construction of wind power and PV power plants business of the Group, and thus an increase in cost during the Reporting Period.

For the six months ended 30 June 2023, the cost incurred by the operation of wind power and PV power plants segment was RMB431.21 million, representing an increase of RMB13.44 million or 3.22% from RMB417.77 million in the corresponding period of last year, which was mainly due to the increase in the scale of wind power and PV power plants operation projects of the Group which have generated electricity, resulting in a corresponding increase in cost during the Reporting Period.

## Gross profit and gross profit margin

For the six months ended 30 June 2023, the gross profit of the Group was RMB8,031.57 million, representing a decrease of RMB272.59 million or 3.28% from RMB8,304.16 million in the corresponding period of last year. The comprehensive gross profit margin was 46.15%, representing a decrease of 10.99 percentage points over the corresponding period of last year, which was mainly due to a significant decrease in the sales prices of polysilicon during the Reporting Period.

## Selling expenses

For the six months ended 30 June 2023, the selling expenses of the Group were RMB239.21 million, representing a decrease of RMB47.46 million or 16.55% from RMB286.67 million in the corresponding period of last year, which was mainly due to the fact that the Group strengthened the control over selling and marketing expenses during the Reporting Period, resulting in a decrease in marketing expenses.

## Administrative expenses

For the six months ended 30 June 2023, the administrative expenses of the Group were RMB369.90 million, representing an increase of RMB52.53 million or 16.55% from RMB317.37 million in the corresponding period of last year, which was mainly due to the increase in the remuneration of the Group's employees and the share-based payment expenses recognized for the implementation of the Employee Share Ownership Scheme during the Reporting Period.

## R&D expenses

For the six months ended 30 June 2023, the R&D expenses incurred by the Group were RMB93.70 million, representing a decrease of RMB31.60 million or 25.22% from RMB125.30 million in the corresponding period of last year, which was mainly due to the fact that some new R&D projects of the Group were approved late, and the R&D expenses incurred during the Reporting Period were relatively less.

## Financial expenses

For the six months ended 30 June 2023, the financial expenses of the Group were RMB320.33 million, representing a decrease of RMB28.25 million or 8.10% from RMB348.58 million in the corresponding period of last year, which was mainly due to the downsizing of borrowings, with a decrease in the interest expenses during the Reporting Period.

## Investment income

For the six months ended 30 June 2023, the investment income of the Group was RMB16.41 million, representing a decrease of RMB20.21 million or 55.19% from RMB36.63 million in the corresponding period of last year, which was mainly due to a decrease in income from the disposal of long-term equity investments by the Group during the Reporting Period.

# Management Discussion and Analysis

## Income tax expenses

For the six months ended 30 June 2023, the income tax expenses of the Group were RMB1,045.89 million, representing a decrease of RMB17.05 million or 1.6% from RMB1,062.94 million in the corresponding period of last year.

## Net profit attributable to shareholders of the listed company

For the six months ended 30 June 2023, the net profit attributable to shareholders of the listed company was RMB4,758.97 million, representing a decrease of RMB858.32 million or 15.28% from RMB5,617.29 million in the corresponding period of last year, which was mainly due to the significant decrease in the Group's total profit as a result of a significant decrease in the sales prices of polysilicon during the Reporting Period.

## Profit or loss attributable to non-controlling interests

For the six months ended 30 June 2023, the profit attributable to non-controlling interests incurred by the Group were RMB637.39 million, representing an increase of RMB224.44 million or 54.35% from RMB412.95 million in the corresponding period of last year, which was mainly due to the increase in profit of the Company's non-wholly owned subsidiary, being Inner Mongolia Xinte Silicon Materials Co., Ltd.\* (内蒙古新特硅材料有限公司) during the Reporting Period.

## Cash flows

### Net cash flow generated from operating activities

For the six months ended 30 June 2023, the net cash flow generated from operating activities of the Group was RMB9,573.50 million, representing an increase of RMB3,890.27 million or 68.45% from RMB5,683.22 million in the corresponding period of last year, which was mainly due to the increase in the operating cash received resulting from the increase in income of the Group during the Reporting Period.

### Net cash flow generated from investing activities

For the six months ended 30 June 2023, the net cash outflow from investing activities of the Group was RMB3,362.21 million, representing a decrease of RMB3,674.51 million or 52.22% from RMB7,036.72 million in the corresponding period of last year, which was mainly due to more capital expenditure on the Group's investment in the construction of the 100,000-ton Polysilicon Project in Inner Mongolia and the 200,000-ton Polysilicon Project in Zhundong in the corresponding period of last year.

\* For identification purpose only

## Net cash flow generated from financing activities

For the six months ended 30 June 2023, the net cash flow generated from financing activities of the Group was RMB1,039.23 million, representing a decrease of RMB2,341.60 million or 69.26% from RMB3,380.83 million in the corresponding period of last year, which was mainly due to the downsizing of borrowings of the Group during the Reporting Period.

## Operation fund

	<b>As at 30 June 2023</b>	As at 31 December 2022
Balance of cash and cash equivalents at the end of the period ( <i>RMB</i> )	<b>10,667,958,310.00</b>	3,409,764,114.29
Gearing ratio	<b>23.25%</b>	45.51%
Inventory turnover rate ( <i>times</i> )	<b>2.32</b>	3.95
Inventory turnover days ( <i>days</i> )	<b>77.57</b>	91.05

As at 30 June 2023, the balance of cash and cash equivalents at the end of the period of the Group was RMB10,667.96 million (31 December 2022: RMB3,409.76 million).

The required capital fund of the construction and operation of wind power and PV power plants in which the Group is engaged generally accounts for 20%–30% of the total investment of a project, the rest of which is mainly bank loans that could materially affect the Group's gearing ratio. As at 30 June 2023, the gearing ratio of the Group was 23.25% while that as at 31 December 2022 was 45.51%. Gearing ratio was calculated as its net debt divided by total equity, where net debt is total interest-bearing liabilities less restricted cash and cash and cash equivalents.

The Group's wind power and PV power plants under construction and completed pending for transfer were included in the inventory item, and whether the wind power and PV power plants can be transferred in time is significantly important for the Group's inventory turnover rate and turnover days. The inventory turnover rate and turnover days of the Group were 2.32 times and 77.57 days as at 30 June 2023, respectively, and the inventory turnover rate and turnover days of the Group were 3.95 times and 91.05 days as at 31 December 2022, respectively.

By virtue of the stable cash inflow from the daily business operations and financing business, the Group has sufficient resources to support future expansion.

# Management Discussion and Analysis

## Capital expenditure

For the six months ended 30 June 2023, the major capital expenditure of the Group included: a total of RMB4,295.44 million of expenditure for the purchases of fixed assets and intangible assets as well as other long-term assets.

## Pledge of assets

As at 30 June 2023, the Group's short-term borrowings with an amount of RMB112.00 million were pledged by notes receivable; the Group's long-term borrowings with an amount of RMB13,138.52 million were secured by the Group's assets including fixed assets, construction in progress and receivables and guaranteed by TBEA and the Company.

## Capital liquidity

As at 30 June 2023, current assets of the Group amounted to RMB32,539.03 million, among which, RMB12,037.95 million was monetary capital; RMB5,065.81 million was inventories and contract assets; RMB12,747.69 million was accounts receivable, notes receivable and receivables financing, primarily consisting of the receivables of construction and operation of wind power and PV power plants and receivables of sales of inverters; and RMB2,574.03 million was other receivables, prepayments and other current assets, primarily consisting of deposit receivable and deposit, prepayments and deductible value-added tax.

As at 30 June 2023, current liabilities of the Group amounted to RMB24,053.32 million, including RMB15,751.62 million of accounts payable and notes payable, primarily consisting of purchases of machine and equipment for construction of polysilicon projects and payables for purchase of equipment, laboring, materials, coal fuels necessary for daily operations; RMB2,443.74 million of contract liabilities, primarily consisting of the prepayments for sales of polysilicon; RMB187.71 million of other payables, primarily consisting of deposits payable and deposits, advances payable, etc.; RMB426.60 million of taxes payable, primarily consisting of various taxes to be paid; and RMB1,449.26 million of short-term borrowings.

As at 30 June 2023, net current assets of the Group amounted to RMB8,485.71 million, representing an increase of RMB5,061.61 million as compared with the net current assets of RMB3,424.10 million as at 31 December 2022. The current ratio was 135.28% as at 30 June 2023, representing an increase of 20.98 percentage points as compared with the current ratio of 114.30% as at 31 December 2022. Restricted cash amounted to RMB1,369.99 million, mainly including deposits for bills and issuance of the letter of credit.

## Credit risk

As at 30 June 2023, the largest credit risk exposure that may incur financial loss to the Group mainly came from the other party's failure to perform its obligations under the contract that leads to a loss of financial assets of the Group. The Group reviews customers' credit line and perform other monitoring procedures to ensure necessary measures are taken to recover overdue debts. In addition, the Group reviews the recovery of each item of receivables at each balance sheet date, to ensure sufficient bad debt provisions are made on unrecoverable items. The Group's credit risk related to liquidity was relatively low as its liquidity was deposited in banks with high credit rating and TBEA Group Finance Co., Ltd. (特變電工集團財務有限公司).

## Foreign exchange risk

The Group's foreign exchange exposure is mainly related to US dollars, HK dollars and Euro. Except that several subsidiaries of the Group are using US dollars for sales, other main business operations of the Group are denominated and settled in RMB. As at 30 June 2023, some of the Group's assets and liabilities have balances in US dollars and few balances in Euro and Hong Kong dollars. The foreign exchange exposure of balances in such foreign currencies is minimal, and will not have a material adverse impact on the financial position of the Group. The Group adopts reasonable hedging instruments and products to reduce the risk of exchange rate fluctuations, adheres to the principle of exchange rate hedging, clarifies the management of target exchange rates, and appropriately conducts businesses such as spot and forward settlements to avoid the risk of exchange rate fluctuations.

## Interest rate risk

The Group's interest rate risk arises from interest-bearing liabilities such as bank borrowings and bonds payable. Financial liabilities at floating interest rates expose the Group to cash flow interest rate risk, and financial liabilities at fixed interest rates expose the Group to fair value interest rate risk. The Group determines the relative ratio of its fixed rate and floating rate contracts based on prevailing market conditions.

## Contingent liabilities

As at 30 June 2023, the Group did not have any material contingent liabilities.

# Management Discussion and Analysis

## **Material acquisition and disposal of assets, subsidiaries, associates and joint ventures**

The Group had no other material acquisition and disposal of assets, subsidiaries, associates and joint ventures during the Reporting Period, except for the equity interests transfer of wind power and PV power plant projects developed and constructed by the Group in the ordinary course of business.

## **Future plans for material investment or capital asset**

Except for the Proposed A Share Offering and investment in the construction of the 200,000-ton Polysilicon Project in Zhundong, the Group had no other future plans for material investment or capital asset as at the Latest Practicable Date.

For details of the Proposed A Share Offering and investment in the construction of the 200,000-ton Polysilicon Project in Zhundong, please refer to relevant information as set out in “Other Information” in this report.

## **Significant investments**

The Group had no significant investments during the Reporting Period.

## **Events after the balance sheet date**

After 30 June 2023 and up to the Latest Practicable Date, there were no significant events after the balance sheet date of the Group.

## IV. PROSPECTS

### Market Prospects

In June 2023, InfoLink, a third-party consulting organization, released the White Paper on Photovoltaic and Wind Power Storage Energy Transformation in 2030 (《2030光風儲能源轉型白皮書》), which points out that, according to the goals of the Paris Agreement, the two scenarios of “controlling the global average warming to within 2°C of the pre-industrial level by the end of this century” and “striving to control it within 1.5°C” are projected, and coupled with the background of growth of the global energy demand, it is estimated that the global installed capacity of renewable energy is expected to reach 9,145GW in 2030, which will fulfill the emission reduction target of renewable energy power generation in 2023, based on the current progress of global carbon dioxide emission reduction. If we want to achieve higher emission reduction targets, such as controlling the temperature within 1°C, we need to accumulate 10,959GW of renewable energy installed capacity in 2030, and there is still room for improvement.

Traditional energy is subject to the limitations of technological development, the price of bulk raw materials, carbon tax and other unfavorable factors, and there is less room for the future cost of electricity generation to decline. At the same time, renewable energy has many advantages, such as technological progress, large scale, government incentive policies and so on. The cost levels of PV and wind power generation have been reduced to a very competitive level compared with traditional energy, with obvious competitive advantages and broad market prospects.

### Business Plan in the Second Half of 2023

A consensus has been reached globally on temperature control and carbon dioxide emissions reduction, with huge potential for the development of renewable energy represented by PV and wind power; however, due to the short-term mismatch between supply and demand, the price of polycrystalline silicon has dropped significantly and will return to a reasonable level. As competition in the market has intensified, the outdated production capacity with high cost and low quality will be eliminated. In the second half of 2023, facing such opportunities and challenges, the Group will accelerate the industrial layout, increase innovation, further improve production efficiency, reduce costs and increase efficiency, improve quality and efficiency, to ensure our healthy and sustainable development.

# Management Discussion and Analysis

## 1. Safety Management Plan

The Group will resolutely implement the philosophy of “people and safety-oriented”, adhere to the principles of ensuring safety, environmental protection, and promoting production, make its best efforts in comprehensive implementation of safe production and construction and strengthening the production safety assurance system. The Group will continue to implement the safety production accountability system for all employees, put efforts in carrying out the safety responsibility management work for the commissioning of new polysilicon projects and the reaching of quality and production, the safety production of completed projects, as well as the construction and operation project of new energy power stations, improve the system of safety management and performance appraisal, establish and improve the management and control standards for new formats, and conduct all work with strictly following the relevant systems and standards. Guided by the annual targets of the HSSE system, the Group will promote the construction and operation of a comprehensive safety informatization system for its production bases, continually improve the investigation and elimination work of hidden dangers, carry out the special treatments on hidden dangers, reduce safety risks and safeguard the business operation.

## 2. Polysilicon Production Plan

In the face of the market environment where the price of polysilicon has fallen significantly, the Group will continue to reduce production costs and improve product quality in order to proactively address the adverse impact of the continuous decline in polysilicon prices on its results. Firstly, we will strengthen the control of the production process to ensure the stable operation of the production system, accelerate the achievement of quality and production of the first phase with 100,000 tons of the 200,000-ton Polysilicon Project in Zhundong and the elimination of defects in the 100,000-ton Polysilicon Project in Inner Mongolia, so as to realize the stable and full production of 300,000 tons of the Group’s production capacity and further increase the production volume. Secondly, the Group will optimize process control and enhance its management level to reduce production energy consumption and material consumption by strengthening the recycling of silicon, chlorine, hydrogen, increasing the conversion rate of trichlorosilane, optimizing the management of power generation operations, implementing the time-of-day electricity tariff trading policy to reduce electricity costs, continuously promoting production standardization and refining cost management. Thirdly, we will strengthen the management of raw material procurement. In respect of core raw materials such as industrial silicon, we will further reduce raw material procurement costs by adopting flexible procurement, analyzing the low point of trend for selective procurement, and hedging in combination with futures. Fourthly, we will improve the whole-process quality control of polysilicon, enhance the level of intelligent manufacturing, stabilize and further improve the quality of our products, and increase the proportion of N-type materials to meet the growing demand of our customers.

### 3. Development, Construction and Operation Plan of Wind and PV Power Resources

The Group will accelerate the reserve and development and construction of wind and PV resources in accordance with the new energy policy. Firstly, in the direction of base-oriented development, the Group will focus on the cooperative construction of large-scale wind power and PV bases in desert, Gobi and barren areas, as well as the acquisition of resources for the operation of power stations. Secondly, in respect of new business models such as generation, grid, load and energy storage, multi-energy complementary applications, wind power hydrogen production projects, and sand control by use of PV, we will track the paths of potential exploration and transformation of coal power, promotion of energy storage allocation and protection of self-provided green power, sort out the resources of developable areas and formulate cooperation plans to lock in the development of resources. Thirdly, we will focus on the construction cost and quality control of power stations, improve the project cost and quality control system, strictly implement comprehensive budget management, improve the establishment of cost information system, and enhance the foresight of project cost control; strengthen the price research and judgement of key equipment of new energy power stations, and reduce construction cost through centralized procurement; and continue to build sample projects of power stations, and insist on the quality control in the whole life cycle of design, construction, operation and maintenance to enhance the construction quality of the projects. Fourthly, we will strengthen the compliance management of project construction, thoroughly study and understand the industry regulatory laws and regulations and industry policies, and continuously improve the internal control mechanism for the closed-loop management of compliance procedures for the entire business process of new energy power stations. Fifthly, by accelerating the construction and application of the advanced functions of the intelligent operation and maintenance platform of power stations and the integration functions between systems, we will promote the construction of intelligent power stations, and enhance the intelligent operation and maintenance management of power station operations, so as to continuously reduce the operating costs of power stations, and further improve the efficiency of power generation.

# Management Discussion and Analysis

## 4. Technology Innovation Plan

The Group will adhere to the leading role of innovation, and based on the market demand and strategic development objectives, continue to carry out key technological R&D and innovation with the focus on improving product quality and reducing costs. Firstly, we will constantly optimize the polysilicon production process and quality control, reduce the body and surface metal contents, improve the minority carriers lifetime, and increase the proportion of N-type materials based on the market demand. Secondly, we will adhere to the policy direction, strengthen the innovative learning of new technologies and new business development models around the major new energy base in desert, Gobi and barren areas, generation, grid, load and energy storage, low-carbon industrial parks, shared energy storage, distributed power stations, and lightweight offshore VSC-HVDC transmission systems (輕型化海上柔性直流送出系統), and increase our investment in R&D. Thirdly, while strengthening our own technology innovation, we will further deepen the cooperation between industry, academia and research institutes, and continuously improve our intelligent manufacturing, new technology development and technology achievements transformation, with R&D technology innovation as the driver to enhance the Group's competitiveness.

## 5. Human Resources Plan

Based on the strategic development plan and the progress of project construction, the Group will build a team of technology and innovative talent with "strategic development needs and core competitiveness construction" as the core, and continue to optimize the ecological chain of "attracting, nurturing, employing and retaining" talents to facilitate the high-quality development of the Group. Firstly, we will enhance the training for employees, and increase the skill level of our employees through industrial simulation training bases, skilled master studios and online learning platforms, etc. Secondly, we will strengthen the cultivation of technology and innovative talent, and promote the close integration of innovative talent cultivation with industrial development through cooperation with universities in the form of "school-enterprise cooperation and collaborative cultivation". Thirdly, we will thoroughly implement the construction of "dual channels" for employee career development, consolidate the process of qualification assessment, and enhance the core competence of professional and technical personnel to realize the common development of the enterprise and its employees. Fourthly, we will formulate attractive and competitive remuneration policies in the industry and set up incentive business goals to achieve a win-win situation for both the enterprise and its employees.

## V. RISK FACTORS AND RISK MANAGEMENT

### 1. Risks associated with changes in policies

Benefiting from the energy planning of the Chinese government and the goals of “3060 carbon emissions peaking and carbon neutrality”, the entire new energy industry has been developing rapidly. With the gradual maturity of technologies in the new energy industry, the rapid expansion of industry scale and the continuous decline in costs, the national policy support for the industry has generally shown a weakening trend, and China has basically realized a full grid parity, but the adjustment of the government to support policies for the new energy industry still has a greater impact on the industry. Any significant unfavorable adjustment to the policies for the new energy industry in the future may have an adverse impact on the Group’s operations and profitability.

The Group will continue to closely follow up and analyze the introduction of new policies and their impact, and adopt effective countermeasures as an active response to such changes to minimize the adverse impact on the Group.

### 2. Risks associated with decreasing price of polysilicon

The price of polysilicon products is mainly determined by market supply and demand. From 2020 to 2022, affected by the recovery and growth of PV installed demand, silicon wafers, cells and modules and other PV manufacturing links accelerated the expansion of production. Due to long investment cycle of polysilicon capacity and other characteristics, upstream and downstream capacity mismatches led to polysilicon supply shortages in phases. As a result, the price of polysilicon continued to rise, and reached a historical high in the second half of 2022. With the gradual release of new polysilicon production capacity and the increase in market supply, polysilicon prices generally show a trend of downward fluctuations and will return to a reasonable price level.

The Group will leverage on the scale of three polysilicon industrial bases in Xinjiang Ganquanpu, Inner Mongolia Baotou, and Xinjiang Zhudong to achieve stable and full production, increase technological innovation, continuously improve the quality of polysilicon products, increase the proportion of N-type silicon materials, reduce energy and material consumption and production costs, as well as further improve competitiveness and profitability.

## Management Discussion and Analysis

### 3. Risks associated with technology and new product substitution

The polysilicon production process currently adopted by the Group is the improved Siemens approach. If there are significant changes in the technology route of the PV industry in the future, such as a major subversion of the polysilicon production technology or amorphous silicon PV products becoming the mainstream of the market, there may be risks associated with technology or new product substitution.

The Group will further establish and improve its technology innovation system, enhance its technology R&D capabilities, strengthen talent building of its technology R&D team, fully explore the advantages of improved Siemens in technology and processes to reduce the production costs, improve the product quality as well as competitiveness and profitability.

### 4. Risks associated with intensified market competition

Due to the obvious acceleration of the global energy transformation, China is speeding up the construction of a new power system based on the new energy, with new initiatives regarding the industry transformation and upgrade. In this new era of development, more and more enterprises are entering the new energy industry and participating in the new production capacity or new business development, resulting in an increasingly fierce market competition, which may exert an impact on the Group's market share and profitability to a certain extent.

The Group will actively respond to the market challenges, leverage on its strengths, supply the market with quality and low-cost products, provide its customers with professional services and continuously optimize its business structure to further consolidate and enhance its industry position.

### 5. Risks associated with grid connection and consumption of PV and wind power

In recent years, while grid connection and consumption problems of the PV and wind power continued to be mitigated, the problem of wind and PV power curtailment still existed in certain regions due to inadequate local consumption, and problem of grid stability had not been resolved completely. The above factors may pose a certain impact on the power generation efficiency and effectiveness of the Group's new energy power plants, which may further affect the Group's operating results.

The Group will make reasonable plans during the development of wind and PV resources and will strengthen the development efforts in geographical areas with favorable grid connections and consumption conditions. It will closely monitor the maintenance plans of grid lines, formulate maintenance plans for internal power station projects, and reduce losses caused by grid maintenance to ensure the power generation efficiency and effectiveness of the power plants.

### 6. Risks associated with international trade disputes and political factors

Under the background of increasing uncertainties in the international environment and intensifying international trade frictions, the PV industry has become an advantageous and strategic emerging industry in China, and is also facing a number of uncertainties, such as the United States announced that the Uyghur Forced Labor Prevention Act (《防止強迫維吾爾人勞動法》) is effective and prohibited the import of products from Xinjiang; the United States issued the Inflation Reduction Act (《通脹削減法案》), which provides a high proportion of cash allowances or preferential tax subsidies for locally manufactured PV products in the United States; the European Commission released the proposal for the Net Zero Industry Act (《淨零工業法案》), which lists eight technologies such as solar PV, onshore wind power, and battery/energy storage technologies as strategic net-zero technologies, and plans to enhance the local manufacturing capacity of strategic net-zero technology industry in the European Union by increasing subsidies and providing financial support. As all of the Group's existing production lines for new energy products are located in the PRC, the above factors, international trade disputes and political factors, may have certain impact on the Group's operations.

The Group will continue to pay attention to the international economic situation and the impact of the overseas sanctions, and will continue to improve its compliance system after taking into account of its business model, strategic planning, etc. so as to actively address the adverse impact of the above factors on the Group.

# Corporate Governance

## COMPLIANCE WITH CORPORATE GOVERNANCE CODE

As a company listed on the Stock Exchange, the Company is committed to maintaining high standards of corporate governance to safeguard the interests of Shareholders and to enhance corporate value and accountability. For the six months ended 30 June 2023, the Company complied with all code provisions of the Corporate Governance Code as set out in Appendix 14 of Listing Rules, and adopted the recommended best practices set out therein, if applicable. Meanwhile, the Company will continue to review and enhance its corporate governance practices to ensure compliance with the Corporate Governance Code.

## COMPLIANCE WITH THE MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS AND SUPERVISORS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the “**Model Code**”) set out in Appendix 10 of the Listing Rules as the code of conduct governing dealings by its Directors and Supervisors in the securities of the Company. Having made specific enquiries, all Directors and Supervisors confirmed that they had strictly complied with the required standards set out in the Model Code during the Reporting Period. The Company has also set up guidelines in respect of the dealings by its relevant employees (as defined in the Listing Rules) in the Company’s securities, which are on terms no less exacting than those in the Model Code. The Company is not aware of any breach of the guidelines by its relevant employees during the Reporting Period.

The Board will examine the corporate governance practices and operation of the Company from time to time so as to ensure the compliance with relevant requirements under the Listing Rules and to safeguard Shareholders’ interests.

## DIRECTORS’ RESPONSIBILITY FOR THE INTERIM FINANCIAL INFORMATION

The Directors acknowledge the relevant responsibilities for the preparation of the Company’s interim financial information, which are to ensure that the preparation of the Company’s interim financial information is in accordance with the relevant regulations and applicable accounting standards, and to ensure that the Company’s interim financial information is published in a timely manner.

## DIVERSITY POLICY OF BOARD MEMBERS

In order to achieve a sustainable and balanced development, the Company views the increasing diversity of its Board as a key factor in supporting its strategic targets and maintaining the sustainable development. The Company will consider and diversify its Board membership in various ways when setting the composition of the Board, and all appointments will continue to be made on the basis of the advantages and merits of the candidates, including but not limited to their gender, age, cultural and educational background, ethnicity, professional experience, skill, knowledge and tenure of service, to ensure that the Board has a balance of skills, experiences and diverse perspectives appropriate to the Company's business needs. All Board appointments will be based on meritocracy, and the candidates will be considered against objective criteria, having due regard to the benefits of diversity on the Board. The Company understands and believes in the benefits of a diverse Board.

The Company discloses the composition of the Board in the Corporate Governance Report contained in the annual report every year and oversees the enforcement of the Board Diversity Policy. The Nomination Committee reviews the Board Diversity Policy each year to ensure its effectiveness. Any necessary revisions to the Board Diversity Policy are discussed by the Nomination Committee and proposed to the Board for approval.

## INDEPENDENT NON-EXECUTIVE DIRECTORS

Pursuant to the relevant requirements of the Listing Rules, the Company has appointed a sufficient number of independent non-executive Directors, with appropriate professional qualifications, or appropriate accounting or related financial management expertise. As at the Latest Practicable Date, the Company has appointed a total of three independent non-executive Directors, namely, Mr. Cui Xiang, Mr. Chen Weiping and Mr. Tam, Kwok Ming Banny.

### AUDIT COMMITTEE

The Company has established the Audit Committee in accordance with the requirements of the Listing Rules. The primary responsibilities of the Audit Committee are to review the annual internal audit plan of the Company; oversee the financial reporting process and internal control procedures of the Group and review the quality of internal audit and disclosure of financial information of the Group; audit and supervise the Connected Transactions and evaluate their appropriateness; oversee the appointment, re-appointment and removal of external auditors, and make recommendations to the Board to approve the remuneration and terms of appointment of external auditors; review and oversee the independence and objectiveness of external auditors and effectiveness of audit procedures; formulate and implement policies in relation to non-audit services provided by external auditors; review interim and annual financial statements before submission to the Board; oversee the financial reporting system and internal control procedures of the Company; evaluate the effectiveness of the internal control and risk management structure to ensure the coordination between the internal audit personnel and external auditors and to ensure that the internal audit functions are operating with adequate resources in the Company and the relevant staff have sufficient qualifications and experience and are provided with regular training programmes or other similar arrangement.

As at the Latest Practicable Date, the Audit Committee consisted of three independent non-executive Directors and two non-executive Directors, namely, Mr. Tam, Kwok Ming Banny (independent non-executive Director), Mr. Cui Xiang (independent non-executive Director), Mr. Chen Weiping (independent non-executive Director), Mr. Huang Hanjie (non-executive Director) and Ms. Guo Junxiang (non-executive Director). Mr. Tam, Kwok Ming Banny, who has appropriate professional qualifications or accounting or related financial management expertise as required under Rule 3.10(2) of the Listing Rules, serves as the chairman of the Audit Committee.

The Audit Committee reviewed the interim results announcement of the Group for the six months ended 30 June 2023, the 2023 interim report and the unaudited interim financial report for the six months ended 30 June 2023 which was prepared in accordance with the CASBE.

# Other Information

## SHARE CAPITAL

As at 30 June 2023, the structure of the issued share capital of the Company is as follows:

<b>Classification of Shares</b>	<b>Par value per Share</b>	<b>Number of issued Shares</b>	<b>Percentage of number of issued Shares (%)</b>
Domestic Shares	RMB1.00	1,053,829,244	73.69
H Shares	RMB1.00	376,170,756	26.31
Total		1,430,000,000	100.00

## PUBLIC FLOAT

Based on the publicly available information to the Company, to the best of the Directors' knowledge, no less than 25% of the Shares of the Company in issue are held by the public during the Reporting Period and as at the Latest Practicable Date, which complied with the requirement of the Listing Rules.

## INTERIM DIVIDEND

The Board did not recommend the declaration of an interim dividend for the six months ended 30 June 2023.

## PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES

Neither the Company nor any of its subsidiaries had purchased, sold or redeemed any of the Company's listed securities during the Reporting Period.

### PROPOSED A SHARE OFFERING

On 5 May 2022, the Company's Proposed A Share Offering and related matters were considered and approved at the general meeting of the Company. On 10 May 2023, the amendment to Proposal for the Proposed A Share Offering and the strategic placement of A Share Offering were considered and approved at the general meeting of the Company. The proceeds raised from the Proposed A Share Offering will be used to invest in the construction of the 200,000-ton Polysilicon Project in Zhundong. The total investment of the 200,000-ton Polysilicon Project in Zhundong is expected to be RMB17.6 billion, of which RMB8.8 billion will be funded through the capital injection by the proceeds to be raised from the Proposed A Share Offering, whilst the remainder will be settled through bank loans and other methods. The application materials related to the Company's Proposed A Share Offering were accepted by the SSE on 4 March 2023, and were reviewed and approved by the SSE Listing Review Committee on 19 September 2023. The implementation of A Share Offering will be subject to the approval of registration by the CSRC. For details, please refer to the announcements dated 13 January 2021, 15 March 2022, 28 June 2022, 4 July 2022, 18 November 2022, 6 March 2023, 22 March 2023 and 19 September 2023, and the circulars dated 19 April 2022 and 24 April 2023, and poll results announcements dated 5 May 2022 and 10 May 2023 of the Company.

### EMPLOYEE SHARE OWNERSHIP SCHEME

On 5 May 2022, the adoption of the Employee Share Ownership Scheme was considered and approved at the general meeting of the Company, and on the same day, the Company granted 29.94 million Domestic Shares to the Participants of the Employee Share Ownership Scheme (a total of 500 Participants including Directors, Supervisors, senior management, middle management, core technical employees and core business employees of the Company) through the Shareholding Platforms of the Employee Share Ownership Scheme. Unless otherwise required by the context, the terms used below shall have the same meaning as those defined in the announcements of the Company dated 15 March 2022, 19 April 2022, 5 May 2022 and the circular of the Company dated 19 April 2022.

Details of the Employee Share Ownership Scheme are set out below:

#### (1) Objectives and Purposes

The objectives and purposes of the Employee Share Ownership Scheme are to improve and perfect the governance structure of the Company, establish an effective incentive and restraint mechanism, attract and retain talents, improve the Company's middle and senior management and key employees' sense of responsibility and mission to achieve the sustainable and healthy development, and to effectively combine the interests of Shareholders, the Company and the employees' interests.

### (2) Subject Shares

Domestic Shares, with all rights and obligations of Shareholders attached thereto, will be purchased by the Participants to have their ownership registered after the grant of the Subject Shares by the Company to the Participants at a certain price. As of the end of Reporting Period, all the Subject Shares under the Employee Share Ownership Scheme were granted, and there were no other Shares subject to grant. The Subject Shares represented 2.09% of the weighted average of the total number of Shares in issue as at 30 June 2023, and 2.84% of the weighted average of the total number of Domestic Shares in issue as at 30 June 2023.

### (3) Source of the Subject Shares

The Subject Shares under the Employee Share Ownership Scheme were originated from the Domestic Shares held by TBEA, which were transferred to the Shareholding Platforms of the Employee Share Ownership Scheme. The Employee Share Ownership Scheme shall not involve any issue of new Shares.

### (4) Participants

The Participants mainly include the Company's (i) Directors, Supervisors and senior management; (ii) middle management; (iii) core technical employees and core business employees; and (iv) other Participants identified by the Board. The number of Participants who meet the above conditions and participate in the Employee Share Ownership Scheme is in a total of 500.

In determining the number of Subject Shares to be granted to the Participants, the Company has considered the Participants' seniority, performance, function, contribution and importance to the Company and formulated a uniform principle for granting.

The grant date of the Subject Shares was 5 May 2022, being the date on which the Employee Share Ownership Scheme was approved by the Company at the 2022 first extraordinary general meeting. The Participants shall be employees of the Group at the time when the Subject Shares are granted. As at the Latest Practicable Date, a total of 34 Participants of the Employee Share Ownership Scheme have resigned. As the Company has submitted filing for its A Share Offering and Listing to the regulatory authorities, the black-out period for the Employee Share Ownership Scheme has started and the window period has been closed, during which no change of Shares would be made. Upon the opening of the window period, the above resigned personnel will proceed to exit from the Employee Share Ownership Scheme.

## Other Information

Name/Category of Grantee	Grant price of the Subject Shares per share (RMB) <sup>(1)</sup>	Number of Subject Shares granted but not unlocked as at 1 January 2023 ('0,000 shares) <sup>(2)</sup>	During the Reporting Period Number of Shares				Number of Subject Shares granted but not unlocked as at 30 June 2023 ('0,000 shares) <sup>(2)</sup>
			Granted ('0,000 shares)	Unlocked ('0,000 shares)	Cancelled ('0,000 shares)	Lapsed ('0,000 shares)	
<b>Directors</b>							
Zhang Jianxin	13.73	100	—	—	—	—	100
Yin Bo	13.73	100	—	—	—	—	100
Xia Jinjing	13.73	25	—	—	—	—	25
<b>Supervisors</b>							
Cao Huan	13.73	18	—	—	—	—	18
Guo Hao	13.73	7	—	—	—	—	7
Senior management, middle management, core technical and business employees, as well as other Participants identified by the Board (495 <sup>(3)</sup> in total)	13.73	2,744	—	—	—	—	2,744
<b>Total</b>		<b>2,994</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>2,994</b>

- (1) The grant price of the Subject Shares was determined with reference to the price of the latest issue of Domestic Shares of the Company, i.e. RMB13.73 per share. As at the grant date, the relevant subscription amounts had been paid by the Participants.
- (2) The lock-up period of the Employee Share Ownership Scheme shall start from the grant date to the end of 36 months after the listing date of the Company's A Shares. If the Company fails to materialize the A Share Offering and there is no further plan for it at that time, the "Special exit circumstances" will be automatically triggered. Participants may, through the Partnership, decide whether to transfer its Shares in the Company to TBEA or other third party. In such circumstances, the lockup period shall be 3 years from the grant date.
- (3) None of the Participants was granted with Shares in excess of the 1% individual limit (as defined in the Listing Rules).

## INTERESTS AND SHORT POSITIONS OF THE DIRECTORS, SUPERVISORS AND CHIEF EXECUTIVES IN SHARES, UNDERLYING SHARES AND DEBENTURES OF THE COMPANY AND ITS ASSOCIATED CORPORATION

As at 30 June 2023, so far as known to the Company, the interest and short positions of the Directors, Supervisors and chief executives of the Company in the Shares, underlying shares or debentures of the Company or any of its associated corporation (within the meaning of Part XV of the SFO) (a) which will have to be notified to the Company and the Stock Exchange (including those taken or deemed to be owned by them under such provisions of the SFO); or (b) which will be required, pursuant to Section 352 of the SFO, to be entered in the register referred to therein; or (c) which will be required to be notified to the Company and the Stock Exchange pursuant to the Model Code are as follows:

Name	Nature of interest	The Company/ associated corporation	Number/type of shares of the Company/ associated corporation held	Approximate percentage of shareholdings in the total share capital of the Company/ associated corporation <sup>(1)</sup>	Approximate percentage of shareholdings in the relevant class of Shares of the Company <sup>(2)</sup>	Long position/ short position
<b>Directors</b>						
Mr. Zhang Xin	Interest in a controlled corporation <sup>(3)</sup>	The Company	86,759,908 Domestic Shares	6.07%	8.23%	Long position
	Beneficial owner	TBEA <sup>(4)</sup>	406,403 shares	0.01%	N/A	Long position
	Interest in a controlled corporation <sup>(5)</sup>	TBEA <sup>(4)</sup>	446,982,637 shares	11.49%	N/A	Long position
Mr. Huang Hanjie	Beneficial owner	TBEA <sup>(4)</sup>	1,660,180 shares	0.04%	N/A	Long position
Ms. Guo Junxiang	Beneficial owner	TBEA <sup>(4)</sup>	825,180 shares	0.02%	N/A	Long position
Mr. Zhang Jianxin	Interest in a controlled corporation <sup>(6)</sup>	The Company	15,955,000 Domestic Shares	1.12%	1.51%	Long position
Mr. Yin Bo	Interest in a controlled corporation <sup>(7)</sup>	The Company	16,165,000 Domestic Shares	1.13%	1.54%	Long position
Mr. Xia Jinjing	Beneficial owner	TBEA <sup>(4)</sup>	260,000 shares	0.01%	N/A	Long position
<b>Supervisors</b>						
Mr. Han Shu	Beneficial owner	TBEA <sup>(4)</sup>	1,058 shares	0.00%	N/A	Long position
Mr. Hu Shujun	Beneficial owner	TBEA <sup>(4)</sup>	69,376 shares	0.00%	N/A	Long position
Mr. Guo Hao	Beneficial owner	TBEA <sup>(4)</sup>	56,000 shares	0.00%	N/A	Long position
Mr. Cao Huan	Beneficial owner	TBEA <sup>(4)</sup>	2,000 shares	0.00%	N/A	Long position

## Other Information

- (1) The calculation is based on the total number of 3,890,229,479 shares of TBEA in issue and the total number of 1,430,000,000 Shares of the Company in issue as at 30 June 2023.
- (2) The calculation is based on the total number of 1,053,829,244 Domestic Shares of the Company in issue as at 30 June 2023.
- (3) Mr. Zhang Xin directly holds 40.08% equity interest in Xinjiang Tebian and holds 24.04% equity interest in Xinjiang Tebian through his wholly-owned Tianjin Hongyuan Innovation Enterprise Management Co., Ltd.\* (天津宏遠創新企業管理有限公司); pursuant to the SFO, as Xinjiang Hongyuan Innovation Enterprise Management Co., Ltd.\* (新疆宏遠創新企業管理有限公司) ("**Xinjiang Hongyuan**"), in which he holds 70% equity interest, acts as the general partner of Xinjiang Xingze Enterprise Management Limited Partnership\* (新疆興則企業管理有限合夥企業) ("**Xinjiang Xingze**"), Mr. Zhang Xin is also deemed to be interested in the 32.95% equity interest in Xinjiang Tebian held by Xinjiang Xingze. Xinjiang Tebian held 83,863,108 Domestic Shares of the Company as at 30 June 2023; Xinjiang Far Excellence Enterprise Management Consulting Co., Ltd.\* (新疆遠卓企業管理諮詢有限公司), a wholly-owned subsidiary of Xinjiang Tebian, holds 2,896,800 Domestic Shares of the Company. Therefore, Mr. Zhang Xin holds approximately 6.07% of the total issued Shares of the Company through his interests in the controlled corporations.
- (4) TBEA is the Company's Controlling Shareholder and therefore an associated corporation of the Company. As at 30 June 2023, TBEA held 921,286,161 Domestic Shares (approximately 87.42% of the relevant class of Shares) of the Company, and TBEA (HONGKONG) CO., LIMITED, a wholly-owned subsidiary of TBEA, held 1,223,200 H Shares (approximately 0.33% of the relevant class of Shares) of the Company, which in total accounted for approximately 64.52% of the total number of issued Shares of the Company.
- (5) Mr. Zhang Xin directly holds 40.08% equity interest in Xinjiang Tebian and holds 24.04% equity interest in Xinjiang Tebian through his wholly-owned Tianjin Hongyuan Innovation Enterprise Management Co., Ltd.\*; pursuant to the SFO, as Xinjiang Hongyuan, in which he holds 70% equity interest, acts as the general partner of Xinjiang Xingze, Mr. Zhang Xin is also deemed to be interested in the 32.95% equity interest in Xinjiang Tebian held by Xinjiang Xingze, and Xinjiang Tebian directly holds 446,982,637 shares of TBEA.
- (6) Mr. Zhang Jianxin is a limited partner of Xinte Kangrong and holds 45.87% interest in it, so he is deemed to be interested in the 2,180,000 Domestic Shares of the Company held by Xinte Kangrong; in addition, Mr. Zhang Jianxin is the general partner of 5 partnership enterprises (namely Xinte Tongxin, Xinte Chengxin, Xinte Zhuocheng, Xinte Green Energy and Xinte Innovation), and has contributed RMB1,000 to each of the 5 partnership enterprises. Mr. Zhang Jianxin (as the general partner) is deemed to be interested in the total 13,775,000 Domestic Shares of the Company held by the aforesaid 5 partnership enterprises under the SFO.
- (7) Mr. Yin Bo is the general partner of 6 partnership enterprises (namely Xinte Dingxin, Xinte Chengli, Xinte Biantong, Xinte Kangrong, Xinte Jianming and Xinte Hexing), and has contributed RMB1,000 to each of the 6 partnership enterprises. Mr. Yin Bo (as the general partner) is deemed to be interested in the total 16,165,000 Domestic Shares of the Company held by the aforesaid 6 partnership enterprises under the SFO.

Save as disclosed above, as at 30 June 2023, none of the Directors, Supervisors and chief executives of the Company had any interest or short positions in the Shares, underlying shares or debentures of the Company or any of its associated corporation, which will have to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including those being taken or deemed to be owned by them under such provisions of the SFO), or which will be required, pursuant to section 352 of the SFO, to be entered in the register referred to therein, or which will be required to be notified to the Company and the Stock Exchange pursuant to the Model Code.

\* For identification purpose only

## SUBSTANTIAL SHAREHOLDERS' INTERESTS IN SHARES

As at 30 June 2023, so far as known to the Directors of the Company after reasonable enquiry, the following persons (other than the Directors, Supervisors or chief executives of the Company) had interests or short positions in the Shares or underlying shares of the Company which would fall to be disclosed to the Company pursuant to Divisions 2 and 3 of Part XV of the SFO and had been entered in the register required to be kept by the Company according to Section 336 of the SFO:

Name of Shareholder	Nature of interest	Class of Shares held	Number of Shares held	Approximate percentage of shareholdings in the relevant class of Shares of the Company <sup>(1)</sup>	Approximate percentage of shareholdings in the total share capital of the Company <sup>(1)</sup>	Long position/ short position
TBEA	Beneficial owner	Domestic Shares	921,286,161	87.42%	64.43%	Long position
	Interest in a controlled corporation <sup>(2)</sup>	H Shares	1,223,200	0.33%	0.09%	Long position
					64.52%	
Xinjiang Tebian	Beneficial owner	Domestic Shares	83,863,108	7.96%	5.86%	Long position
	Interest in a controlled corporation <sup>(3)</sup>	Domestic Shares	2,896,800	0.27%	0.20%	Long position
					6.07%	

Notes:

- (1) The calculation is based on the total number of 1,430,000,000 Shares of the Company in issue as at 30 June 2023, in which 376,170,756 are H Shares and 1,053,829,244 are Domestic Shares.
- (2) TBEA indirectly holds 1,223,200 H Shares through its wholly-owned subsidiary TBEA (HONGKONG) CO., LIMITED.
- (3) Xinjiang Tebian indirectly holds 2,896,800 Domestic Shares through its wholly-owned subsidiary Xinjiang Far Excellence Enterprise Management Consulting Co., Ltd.\* (新疆遠卓企業管理諮詢有限公司).

Save as disclosed above, as at 30 June 2023, the Directors of the Company are not aware that any other person (other than the Directors, Supervisors and chief executives of the Company) had interests or short positions in the Shares or underlying Shares of the Company which would fall to be disclosed to the Company pursuant to Divisions 2 and 3 of Part XV of the SFO or had been entered in the register required to be kept by the Company according to Section 336 of the SFO.

\* For identification purpose only

## Other Information

### EMPLOYEES

As at 30 June 2023, the Group had a total of 8,454 employees. Remuneration paid to the Group's employees is comprised of basic salary of the respective position and performance-based salary, with the performance-based salary determined based on the performance of the Group and performance assessment results of the employees. The Group also implemented the Employee Share Ownership Scheme, realizing the combination of medium and long-term interests of the enterprise and its employees.

The Group values the importance of training of its staff, and continuously improves its education and training system. Based on aspects including construction of a team of talents, qualifications of positions, and business requirements, the Group systematically organises the needs of training, and has built a training system that encompasses all our staff and is relevant to their career paths, based on the career development of different levels and positions. The Group has also taken the training of core personnel involved in technological innovation projects and qualification recognition of grassroots positions as the focus of training, and through scientific and technological innovations, technological problem-solving and productivity streamlining projects, has expanded the horizon and enriched the knowledge of our workers, and continuously improved their levels of self-cultivation and professional skills.

During the Reporting Period, the Group paid employees remuneration of RMB983.72 million in aggregate.

### MAJOR LEGAL PROCEEDING

During the Reporting Period, the Company was not involved in any material litigation or arbitration, and there was no litigation or claim of material importance pending and threatened by or against the Company.

### COMPLIANCE WITH OFAC UNDERTAKINGS

During the Listing of the Company, an undertaking ("**OFAC Undertakings**") was made to the Stock Exchange by the Company that the Company would not use any proceeds from the global offering to directly or indirectly finance or prompt any activities or businesses (no matter for what purpose) conducted with or for any sanctioned objects. Hence, the Directors confirmed that the Company had complied with the OFAC Undertakings during the Reporting Period and will continue to comply with the OFAC Undertakings in the ordinary course of business of the Company in the future.

### CHANGE IN INFORMATION OF DIRECTORS, SUPERVISORS AND SENIOR MANAGEMENT

During the Reporting Period, there has been no change in the information of Directors, Supervisors and senior management of the Company that is required to be disclosed under Rules 13.51(2) and 13.51B of the Listing Rules.

# Consolidated Balance Sheet (Unaudited)

Unit: RMB

Items	Notes	30 June 2023	31 December 2022 (adjusted)
<b>Current assets:</b>			
Monetary capital	VII. 1	12,037,952,580.79	5,195,451,976.71
Clearing settlement funds		—	—
Loans to other banks		—	—
Financial assets held for trading	VII. 2	113,550,941.06	66,798,941.06
Derivative financial assets		—	—
Notes receivable	VII. 3	1,744,217,567.51	2,099,428,816.78
Accounts receivable	VII. 4	4,653,533,241.73	5,206,682,797.69
Receivables financing	VII. 5	6,349,941,876.53	6,172,012,029.97
Prepayments	VII. 6	658,164,710.69	729,957,458.23
Premiums receivable		—	—
Reinsurance accounts receivable		—	—
Reinsurance contract reserve receivable		—	—
Other receivables	VII. 7	373,835,744.66	456,140,154.87
Including: Interests receivable		—	—
Dividends receivable	VII. 7.2	46,759,581.38	78,463,017.24
Financial assets held under resale agreements		—	—
Inventories	VII. 8	3,559,818,692.96	4,611,331,640.47
Contract assets	VII. 9	1,505,986,702.20	1,326,016,397.80
Assets held for sale		—	—
Non-current assets due within one year		—	—
Other current assets	VII. 10	1,542,026,112.94	1,504,925,469.52
<b>Total current assets</b>		<b>32,539,028,171.07</b>	<b>27,368,745,683.10</b>
<b>Non-current assets:</b>			
Loans and advances		—	—
Debt investments		—	—
Other debt investments		—	—
Long-term receivables		—	—
Long-term equity investments	VII. 11	433,095,304.60	395,877,169.52
Other equity instrument investments	VII. 12	250,999,977.52	250,999,977.52
Other non-current financial assets		—	—
Investment properties		—	—
Fixed assets	VII. 13	34,003,339,893.72	34,112,445,590.94
Construction in progress	VII. 14	12,376,482,251.95	12,137,744,003.05
Productive biological assets		—	—
Oil and gas assets		—	—
Right-of-use assets	VII. 15	371,299,500.06	331,804,558.88
Intangible assets	VII. 16	1,372,223,014.21	1,352,182,707.79
Development expenses		—	—
Goodwill		—	—
Long-term deferred expenses	VII. 17	26,296,593.75	30,560,906.25
Deferred income tax assets	VII. 18	610,469,076.00	563,362,209.15
Other non-current assets	VII. 19	2,341,890,551.73	2,610,864,101.24
<b>Total non-current assets</b>		<b>51,786,096,163.54</b>	<b>51,785,841,224.34</b>
<b>Total assets</b>		<b>84,325,124,334.61</b>	<b>79,154,586,907.44</b>

# Consolidated Balance Sheet (Unaudited)

Unit: RMB

Items	Notes	30 June 2023	31 December 2022 (adjusted)
<b>Current liabilities:</b>			
Short-term borrowings	VII. 20	1,449,259,398.08	1,932,112,636.46
Borrowing from central bank		—	—
Loans from other banks		—	—
Financial liabilities held for trading	VII. 21	36,839,296.11	3,263,277.24
Derivative financial liabilities		—	—
Notes payable	VII. 22	6,523,768,866.13	4,700,904,722.81
Accounts payable	VII. 23	9,227,846,314.08	10,399,018,417.81
Advances received		—	—
Contract liabilities	VII. 24	2,443,739,855.36	2,543,263,742.11
Proceeds from sale of repurchase financial assets		—	—
Deposits from clients and placements from other banks		—	—
Deposit for agency security transaction		—	—
Deposit for agency security underwriting		—	—
Staff remuneration payables	VII. 25	477,445,205.77	678,491,004.80
Taxes payable	VII. 26	426,597,025.97	712,008,231.04
Other payables	VII. 27	187,707,711.30	339,664,447.66
Including: Interests payable		—	—
Dividends payable	VII. 27.2	—	852,205.20
Handling fees and commission payable		—	—
Reinsurance accounts payable		—	—
Liabilities held for sale		—	—
Non-current liabilities due within one year	VII. 28	2,883,458,775.19	2,071,841,209.73
Other current liabilities	VII. 29	396,659,723.69	564,078,917.08
<b>Total current liabilities</b>		<b>24,053,322,171.68</b>	<b>23,944,646,606.74</b>
<b>Non-current liabilities:</b>			
Provision for insurance contracts		—	—
Long-term borrowings	VII. 30	17,169,485,735.87	17,354,651,890.30
Bonds payable		—	—
Including: Preference shares		—	—
Perpetual bonds		—	—
Lease liabilities	VII. 31	235,159,910.26	238,202,226.90
Long-term payables	VII. 32	3,000,000.00	355,100,000.00
Long-term staff remuneration payables		—	—
Accrued liabilities	VII. 33	157,888,167.37	227,751,929.75
Deferred income	VII. 34	495,978,869.01	467,595,233.67
Deferred income tax liabilities	VII. 18	486,190,179.49	529,403,780.45
Other non-current liabilities		—	—
<b>Total non-current liabilities</b>		<b>18,547,702,862.00</b>	<b>19,172,705,061.07</b>
<b>Total liabilities</b>		<b>42,601,025,033.68</b>	<b>43,117,351,667.81</b>

# Consolidated Balance Sheet (Unaudited)

Unit: RMB

Items	Notes	30 June 2023	31 December 2022 (adjusted)
<b>Shareholders' equity:</b>			
Share capital	VII. 35	1,430,000,000.00	1,430,000,000.00
Other equity instruments		—	—
Including: Preference shares		—	—
Perpetual bonds		—	—
Capital reserve	VII. 36	9,531,489,740.27	9,100,232,065.48
Less: Treasury shares		—	—
Other comprehensive income	VII. 37	-3,871,320.19	-3,860,015.30
Special reserve	VII. 38	9,820,088.34	9,623,405.48
Surplus reserve	VII. 39	981,955,892.67	981,955,892.67
General risk reserve		—	—
Undistributed profit	VII. 40	24,960,405,271.50	20,201,436,523.42
<b>Total equity attributable to the shareholders of the parent company</b>		<b>36,909,799,672.59</b>	31,719,387,871.75
<b>Non-controlling interest</b>		<b>4,814,299,628.34</b>	4,317,847,367.88
<b>Total shareholders' equity</b>		<b>41,724,099,300.93</b>	36,037,235,239.63
<b>Total liabilities and shareholders' equity</b>		<b>84,325,124,334.61</b>	79,154,586,907.44

# Balance Sheet of the Parent Company (Unaudited)

Unit: RMB

Items	Notes	30 June 2023	31 December 2022
<b>Current assets:</b>			
Monetary capital		502,868,523.32	561,111,409.97
Financial assets held for trading		—	—
Derivative financial assets		—	—
Notes receivable		273,738,065.78	285,598,139.43
Accounts receivable	XVII. 1	1,417,993,168.56	419,179,686.50
Receivables financing		1,159,143,331.87	505,723,058.76
Prepayments		32,888,218.39	49,751,110.35
Other receivables	XVII. 2	4,166,959,341.88	2,810,321,864.08
Including: Interests receivable		—	—
Dividends receivable		440,332,771.69	—
Inventories		364,746,336.43	787,366,760.97
Contract assets		—	—
Assets held for sale		—	—
Non-current assets due within one year		—	—
Other current assets		—	—
<b>Total current assets</b>		<b>7,918,336,986.23</b>	<b>5,419,052,030.06</b>
<b>Non-current assets:</b>			
Debt investments		—	—
Other debt investments		—	—
Long-term receivables		—	—
Long-term equity investments	XVII. 3	15,619,409,113.59	15,302,654,296.23
Other equity instrument investments		249,999,977.52	249,999,977.52
Other non-current financial assets		—	—
Investment properties		—	—
Fixed assets		5,902,134,989.90	5,964,725,657.28
Construction in progress		124,803,365.52	170,839,241.06
Productive biological assets		—	—
Oil and gas assets		—	—
Right-of-use assets		—	—
Intangible assets		177,994,527.21	183,799,170.42
Development expenses		—	—
Goodwill		—	—
Long-term deferred expenses		—	—
Deferred income tax assets		118,032,739.54	91,359,087.62
Other non-current assets		19,354,229.75	29,784,219.21
<b>Total non-current assets</b>		<b>22,211,728,943.03</b>	<b>21,993,161,649.34</b>
<b>Total assets</b>		<b>30,130,065,929.26</b>	<b>27,412,213,679.40</b>

# Balance Sheet of the Parent Company (Unaudited)

Unit: RMB

Items	30 June 2023	31 December 2022
<b>Current liabilities:</b>		
Short-term borrowings	—	—
Financial liabilities held for trading	11,714,600.78	—
Derivative financial liabilities	—	—
Notes payable	826,444,084.90	669,756,040.74
Accounts payable	2,215,250,560.91	2,297,385,490.82
Advances received	—	—
Contract liabilities	1,126,740,992.47	1,266,786,437.42
Staff remuneration payables	187,743,340.80	293,728,123.25
Taxes payable	125,986,641.34	146,532,319.32
Other payables	4,478,077,782.93	2,593,337,173.44
Including: Interests payable	—	—
Dividends payable	—	852,205.20
Liabilities held for sale	—	—
Non-current liabilities due within one year	619,947,887.22	152,744,553.89
Other current liabilities	233,827,569.70	350,651,578.45
<b>Total current liabilities</b>	<b>9,825,733,461.05</b>	<b>7,770,921,717.33</b>
<b>Non-current liabilities:</b>		
Long-term borrowings	631,000,000.00	1,208,500,000.00
Bonds payable	—	—
Including: Preference shares	—	—
Perpetual bonds	—	—
Lease liabilities	—	—
Long-term payables	—	—
Long-term staff remuneration payables	—	—
Accrued liabilities	—	—
Deferred income	263,604,579.70	252,773,119.40
Deferred income tax liabilities	164,644,354.46	181,027,886.01
Other non-current liabilities	—	—
<b>Total non-current liabilities</b>	<b>1,059,248,934.16</b>	<b>1,642,301,005.41</b>
<b>Total liabilities</b>	<b>10,884,982,395.21</b>	<b>9,413,222,722.74</b>

## Balance Sheet of the Parent Company (Unaudited)

Unit: RMB

Items	30 June 2023	31 December 2022
<b>Shareholders' equity:</b>		
Share capital	1,430,000,000.00	1,430,000,000.00
Other equity instruments	—	—
Including: Preference shares	—	—
Perpetual bonds	—	—
Capital reserve	9,172,127,656.99	9,148,780,253.03
Less: Treasury shares	—	—
Other comprehensive income	—	—
Special reserve	—	—
Surplus reserve	980,338,798.74	980,338,798.74
Undistributed profit	7,662,617,078.32	6,439,871,904.89
<b>Total shareholders' equity</b>	<b>19,245,083,534.05</b>	17,998,990,956.66
<b>Total liabilities and shareholders' equity</b>	<b>30,130,065,929.26</b>	27,412,213,679.40

# Consolidated Income Statement (Unaudited)

Unit: RMB

Items	Notes	From January to June 2023	From January to June 2022
<b>I. Total operating revenue</b>		<b>17,586,899,623.68</b>	14,716,265,976.66
Including: Operating revenue	VII. 41	17,586,899,623.68	14,716,265,976.66
Interest income		—	—
Premium earned		—	—
Handling fees and commission income		—	—
<b>II. Total operating cost</b>		<b>10,633,302,556.29</b>	7,539,371,632.29
Including: Operating cost	VII. 41	9,480,052,553.27	6,277,489,049.99
Interest expenses		—	—
Handling fees and commission expenses		—	—
Surrender value		—	—
Net payment of insurance claims		—	—
Net provision of insurance liability reserve		—	—
Premium bonus expenses		—	—
Reinsurance expenses		—	—
Taxes and surcharges	VII. 42	130,110,077.04	183,963,872.13
Selling expenses	VII. 43	239,210,367.38	286,667,804.32
Administrative expenses	VII. 44	369,901,630.90	317,370,444.75
R&D expenses	VII. 45	93,699,330.69	125,303,480.90
Financial expenses	VII. 46	320,328,597.01	348,576,980.20
Including: Interest expenses		365,322,521.66	381,748,457.77
Interest income		47,914,001.02	37,692,414.41
Add: Other revenue	VII. 47	169,706,799.94	43,427,268.07
Investment income (loss is represented by “-”)	VII. 48	16,410,753.21	36,625,126.23
Including: Investment income from associates and joint ventures		51,096,188.69	38,120,768.63
Gains from derecognition of financial assets measured at amortized cost		—	—
Gains from foreign exchange (loss is represented by “-”)		—	—
Gains from net exposure to hedging (loss is represented by “-”)		—	—
Gain on changes in fair value (loss is represented by “-”)	VII. 49	-29,129,758.87	-14,703,522.37
Impairment loss of credit (loss is represented by “-”)	VII. 50	-63,171,613.00	-69,969,002.04
Impairment loss of assets (loss is represented by “-”)	VII. 51	-608,925,499.60	-67,212,894.39
Gains from disposal of assets (loss is represented by “-”)	VII. 52	-3,359,542.17	1,789,467.53
<b>III. Operating profit (loss is represented by “-”)</b>		<b>6,435,128,206.90</b>	7,106,850,787.40
Add: Non-operating revenue	VII. 53	20,624,185.07	27,601,961.80
Less: Non-operating expenses	VII. 54	13,499,514.82	41,274,023.99

# Consolidated Income Statement (Unaudited)

Unit: RMB

Items	Notes	From January to June 2023	From January to June 2022
<b>IV. Total profit (total loss is represented by "-")</b>		<b>6,442,252,877.15</b>	7,093,178,725.21
Less: Income tax expenses	VII. 55	<b>1,045,890,496.15</b>	1,062,940,700.43
<b>V. Net profit (net loss is represented by "-")</b>		<b>5,396,362,381.00</b>	6,030,238,024.78
(I) Classified by continuity of operations			
1. Net profit from continuing operations (net loss is represented by "-")		<b>5,396,362,381.00</b>	6,030,238,024.78
2. Net profit from discontinued operation (net loss is represented by "-")		—	—
(II) Classified by ownership			
1. Net profit attributable to owners of the parent company (net loss is represented by "-")		<b>4,758,968,748.08</b>	5,617,285,066.40
2. Profit or loss attributable to non-controlling interests (net loss is represented by "-")		<b>637,393,632.92</b>	412,952,958.38
<b>VI. Net other comprehensive income after tax</b>		<b>-14,923.19</b>	186,167.03
Net other comprehensive income after tax attributable to owners of the parent company		<b>-11,304.89</b>	170,162.52
(I) Other comprehensive income not reclassified to profit or loss		—	—
1. Changes arising on remeasurement of defined benefit plans		—	—
2. Other comprehensive income accounted for using the equity method that cannot be reclassified to profit or loss		—	—
3. Changes in fair value of investments in other equity instruments		—	—
4. Changes in fair value of own credit risk of the Company		—	—
5. Others		—	—
(II) Other comprehensive income to be reclassified to profit or loss		<b>-11,304.89</b>	170,162.52
1. Other comprehensive income accounted for using the equity method that may be reclassified to profit or loss		—	—
2. Changes in fair value of other debt investments		—	—
3. Amount of financial assets reclassified into other comprehensive income		—	—
4. Provisions for credit impairment of other debt investments		—	—
5. Reserve for cash flow hedging (effective portion of profit or loss on cash flow hedging)		—	—
6. Exchange differences on translation of financial statements in foreign currency		<b>-11,304.89</b>	170,162.52
7. Others		—	—
Net other comprehensive income after tax attributable to non-controlling interest		<b>-3,618.30</b>	16,004.51
<b>VII. Total comprehensive income</b>		<b>5,396,347,457.81</b>	6,030,424,191.81
Total comprehensive income attributable to shareholders of the parent company		<b>4,758,957,443.19</b>	5,617,455,228.92
Total comprehensive income attributable to non-controlling interests		<b>637,390,014.62</b>	412,968,962.89
<b>VIII. Earnings per share:</b>			
(I) Basic earnings per share (RMB/share)		<b>3.3280</b>	3.9282
(II) Diluted earnings per share (RMB/share)		<b>3.3280</b>	3.9282

# Income Statement of the Parent Company (Unaudited)

Unit: RMB

Items	Notes	From January to June 2023	From January to June 2022
<b>I. Operating revenue</b>	XVII. 4	4,181,358,047.57	5,925,382,998.86
Less: Operating cost	XVII. 4	3,054,643,416.47	3,358,421,725.94
Taxes and surcharges		36,115,988.02	58,594,692.52
Selling expenses		1,113,769.34	2,791,261.90
Administrative expenses		50,645,147.65	35,608,304.96
R&D expenses		11,289,135.55	53,460,172.28
Financial expenses		22,957,612.61	23,334,479.45
Including: Interest expenses		26,825,920.14	38,755,056.33
Interest income		4,287,826.12	13,660,227.78
Add: Other revenue		130,379,323.90	15,519,055.37
Investment income (loss is represented by “-”)	XVII. 5	441,265,265.68	354,715,517.24
Including: Investment income from associates and joint ventures		—	—
Gains from derecognition of financial assets measured at amortized cost		—	—
Gains from net exposure to hedging (loss is represented by “-”)		—	—
Gain on changes in fair value (loss is represented by “-”)		-9,565,040.78	—
Impairment loss of credit (loss is represented by “-”)		-117,978,146.75	-22,341,133.46
Impairment loss of assets (loss is represented by “-”)		-78,974,944.03	—
Gains from disposal of assets (loss is represented by “-”)		-2,694,258.54	1,113,534.19
<b>II. Operating profit (loss is represented by “-”)</b>		1,367,025,177.41	2,742,179,335.15
Add: Non-operating revenue		13,924,977.33	3,806,506.03
Less: Non-operating expenses		724,426.93	—
<b>III. Total profit (total loss is represented by “-”)</b>		1,380,225,727.81	2,745,985,841.18
Less: Income tax expenses		157,480,554.38	362,679,517.55
<b>IV. Net profit (net loss is represented by “-”)</b>		1,222,745,173.43	2,383,306,323.63
(I) Net profit from continuing operations (net loss is represented by “-”)		1,222,745,173.43	2,383,306,323.63
(II) Net profit from discontinued operation (net loss is represented by “-”)		—	—

# Income Statement of the Parent Company (Unaudited)

Unit: RMB

Items	Notes	From January to June 2023	From January to June 2022
<b>V. Net other comprehensive income after tax</b>			
(I) Other comprehensive income not reclassified to profit or loss		—	—
1. Changes arising on remeasurement of defined benefit plans		—	—
2. Other comprehensive income accounted for using the equity method that cannot be reclassified to profit or loss		—	—
3. Changes in fair value of investments in other equity instruments		—	—
4. Changes in fair value of own credit risk of the Company		—	—
5. Others		—	—
(II) Other comprehensive income to be reclassified to profit or loss		—	—
1. Other comprehensive income accounted for using the equity method that may be reclassified to profit or loss		—	—
2. Changes in fair value of other debt investments		—	—
3. Amount of financial assets reclassified into other comprehensive income		—	—
4. Provisions for credit impairment of other debt investments		—	—
5. Reserve for cash flow hedging (effective portion of profit or loss on cash flow hedging)		—	—
6. Exchange differences on translation of financial statements in foreign currency		—	—
7. Others		—	—
<b>VI. Total comprehensive income</b>		<b>1,222,745,173.43</b>	<b>2,383,306,323.63</b>
<b>VII. Earnings per share</b>			
(I) Basic earnings per share (RMB/share)		—	—
(II) Diluted earnings per share (RMB/share)		—	—

# Consolidated Statement of Cash Flows (Unaudited)

Unit: RMB

Items	Notes	From January to June 2023	From January to June 2022
<b>I. Cash flows from operating activities:</b>			
Cash received from sales of goods and provision of services		18,567,230,974.70	17,712,472,519.37
Net increase in deposits from clients and placements from other banks		—	—
Net increase in borrowings from central bank		—	—
Net increase in loans from other financial institutions		—	—
Cash received from premiums of original insurance contracts		—	—
Net cash received from reinsurance business		—	—
Net increase in deposits from policyholders and investments		—	—
Cash received from interest, handling fees and commissions		—	—
Net increase in loans from other banks		—	—
Net increase in repurchases business fund		—	—
Net cash received from agency security transaction		—	—
Receipt of tax rebates		195,744,671.56	486,305,496.89
Other cash received from activities relating to operation		282,191,602.35	231,657,494.70
<b>Sub-total of cash inflow from operating activities</b>		<b>19,045,167,248.61</b>	<b>18,430,435,510.96</b>
Cash paid for goods purchased and services rendered		5,567,287,680.57	9,159,400,888.00
Net increase in loans and advances to customers		—	—
Net increase in placements with central bank and other banks		—	—
Cash paid for claims on original insurance contracts		—	—
Net increase in loans to other banks		—	—
Cash payment for interest, handling fees and commissions		—	—
Cash payment for premium bonus		—	—
Cash paid to and on behalf of staff		983,717,759.74	853,944,776.83
Taxes paid		2,592,795,609.82	2,312,197,587.26
Other cash paid for activities relating to operating activities		327,868,753.77	421,669,608.82
<b>Sub-total of cash outflow from operating activities</b>		<b>9,471,669,803.90</b>	<b>12,747,212,860.91</b>
<b>Net cash flows generated from operating activities</b>		<b>9,573,497,444.71</b>	<b>5,683,222,650.05</b>

# Consolidated Statement of Cash Flows (Unaudited)

Unit: RMB

Items	Notes	From January to June 2023	From January to June 2022
<b>II. Cash flow generated from investment activities:</b>			
Cash received from disposal of investments		14,831,412.17	147,818,374.63
Cash received from gains in investments		46,866,017.01	15,145,707.46
Net cash received from disposal of fixed assets, intangible assets and other long-term assets		40,000.00	540,900.00
Net cash received from disposal of subsidiaries and other operating entities		607,308,512.63	201,279,499.15
Other cash received relating to investment activities		742,926,658.51	20,039,066.87
<b>Sub-total of cash inflow from investment activities</b>		<b>1,411,972,600.32</b>	<b>384,823,548.11</b>
Cash paid for purchase of fixed assets, intangible assets and other long-term assets		4,295,440,074.02	5,749,348,933.40
Cash paid for investment		392,636,122.76	1,360,704,000.00
Net increase in pledged loans		—	—
Net cash paid for acquiring subsidiaries and other operating entities		—	—
Other cash paid relating to investment activities		86,107,519.61	311,488,064.52
<b>Sub-total of cash outflow from investment activities</b>		<b>4,774,183,716.39</b>	<b>7,421,540,997.92</b>
<b>Net cash flow generated from investment activities</b>		<b>-3,362,211,116.07</b>	<b>-7,036,717,449.81</b>
<b>III. Cash flow from financing activities:</b>			
Proceeds received from investments		490,000.00	—
Including: Proceeds received by subsidiaries from minority interests' investment		—	—
Cash received from borrowings		4,146,974,498.00	6,912,440,089.07
Other cash received relating to financing activities		970,918,532.64	816,346,754.65
<b>Sub-total of cash inflow from financing activities</b>		<b>5,118,383,030.64</b>	<b>7,728,786,843.72</b>
Cash paid for repayment of debts		2,918,516,525.00	2,042,449,487.05
Cash payments for dividend and profit distribution or interest repayment		550,964,503.18	2,067,621,441.31
Including: Dividend and profit paid by subsidiaries to minority interests		140,964,616.68	140,974,137.93
Other cash paid relating to financing activities		609,668,379.95	237,884,188.17
<b>Sub-total of cash outflow from financing activities</b>		<b>4,079,149,408.13</b>	<b>4,347,955,116.53</b>
<b>Net cash flow generated from financing activities</b>		<b>1,039,233,622.51</b>	<b>3,380,831,727.19</b>
<b>IV. Effect on cash and cash equivalents due to changes in foreign exchange rates</b>		<b>7,674,244.56</b>	<b>3,631,311.06</b>
<b>V. Net increase in cash and cash equivalents</b>		<b>7,258,194,195.71</b>	<b>2,030,968,238.49</b>
Add: Balance of cash and cash equivalents at the beginning of the period		3,409,764,114.29	3,192,107,888.60
<b>VI. Balance of cash and cash equivalents at the end of the period</b>		<b>10,667,958,310.00</b>	<b>5,223,076,127.09</b>

# Statement of Cash Flows of the Parent Company (Unaudited)

Unit: RMB

Items	Notes	From January to June 2023	From January to June 2022
<b>I. Cash flows from operating activities:</b>			
Cash received from sales of goods and provision of services		977,524,789.67	6,839,993,066.05
Receipt of tax rebates		110,196,422.92	—
Other cash received from activities relating to operation		50,820,487.65	120,426,049.76
<b>Sub-total of cash inflow from operating activities</b>		<b>1,138,541,700.24</b>	<b>6,960,419,115.81</b>
Cash paid for goods purchased and services rendered		1,148,996,277.24	1,844,286,047.59
Cash paid to and on behalf of staff		311,707,528.94	229,239,128.63
Taxes paid		463,796,383.43	783,421,959.00
Other cash paid for activities relating to operating activities		122,925,080.19	103,963,577.33
<b>Sub-total of cash outflow from operating activities</b>		<b>2,047,425,269.80</b>	<b>2,960,910,712.55</b>
<b>Net cash flows generated from operating activities</b>		<b>-908,883,569.56</b>	<b>3,999,508,403.26</b>
<b>II. Cash flow generated from investment activities:</b>			
Cash received from disposal of investments		—	—
Cash received from gains in investments		—	516,179,217.24
Net cash received from disposal of fixed assets, intangible assets and other long-term assets		40,000.00	540,900.00
Net cash received from disposal of subsidiaries and other operating entities		—	—
Other cash received relating to investment activities		—	—
<b>Sub-total of cash inflow from investment activities</b>		<b>40,000.00</b>	<b>516,720,117.24</b>
Cash paid for purchase of fixed assets, intangible assets and other long-term assets		251,066,783.99	254,841,228.38
Cash paid for investment		345,879,308.24	3,400,000,000.00
Net cash paid for acquiring subsidiaries and other operating entities		—	—
Other cash paid relating to investment activities		—	—
<b>Sub-total of cash outflow from investment activities</b>		<b>596,946,092.23</b>	<b>3,654,841,228.38</b>
<b>Net cash flow generated from investment activities</b>		<b>-596,906,092.23</b>	<b>-3,138,121,111.14</b>

# Statement of Cash Flows of the Parent Company (Unaudited)

Unit: RMB

Items	Notes	From January to June 2023	From January to June 2022
<b>III. Cash flow from financing activities:</b>			
Proceeds received from investments		—	—
Cash received from borrowings		—	116,350,000.00
Other cash received relating to financing activities		1,995,298,190.70	—
<b>Sub-total of cash inflow from financing activities</b>		<b>1,995,298,190.70</b>	<b>116,350,000.00</b>
Cash paid for repayment of debts		110,000,000.00	191,500,000.00
Cash payments for dividend and profit distribution or interest repayment		27,678,125.34	1,568,980,902.96
Other cash paid relating to financing activities		886,600,000.00	137,069,001.13
<b>Sub-total of cash outflow from financing activities</b>		<b>1,024,278,125.34</b>	<b>1,897,549,904.09</b>
<b>Net cash flow generated from financing activities</b>		<b>971,020,065.36</b>	<b>-1,781,199,904.09</b>
<b>IV. Effect on cash and cash equivalents due to changes in foreign exchange rates</b>		<b>-2,671.51</b>	<b>28,365.02</b>
<b>V. Net increase in cash and cash equivalents</b>		<b>-534,772,267.94</b>	<b>-919,784,246.95</b>
Add: Balance of cash and cash equivalents at the beginning of the period		326,278,216.95	1,311,288,353.34
<b>VI. Balance of cash and cash equivalents at the end of the period</b>		<b>-208,494,050.99</b>	<b>391,504,106.39</b>

# Consolidated Statement of Changes in Shareholders' Equity (Unaudited)

Unit: RMB

Items	From January to June 2023														
	Share capital	Preference shares	Other equity instruments	Others	Capital reserve	Less: Treasury shares	Other comprehensive income	Special reserve	Surplus reserve	General risk reserve	Undistributed profit	Others	Sub-total	Non-controlling interest	Total shareholders' equity
<b>I. Balance at the end of previous year</b>	1,430,000,000.00	-	-	-	9,100,232,055.48	-	(3,890,015.30)	9,623,405.48	881,955,892.67	-	20,201,436,529.42	-	31,719,337,871.75	4,317,847,367.88	36,037,235,239.63
Add: Changes in accounting policy	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Prior-period error correction	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Merger of enterprises under common control	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Others	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>II. Balance at the beginning of the current year</b>	1,430,000,000.00	-	-	-	9,100,232,055.48	-	(3,890,015.30)	9,623,405.48	881,955,892.67	-	20,201,436,529.42	-	31,719,337,871.75	4,317,847,367.88	36,037,235,239.63
<b>III. Amount of increase/decrease/ change in the current year (decrease is represented by "-")</b>	-	-	-	-	43,125,674.79	-	(11,304.89)	196,682.66	-	-	4,758,667,746.08	-	23,347,403.96	486,452,260.46	5,686,664,061.30
(I) Total comprehensive income	-	-	-	-	-	-	(11,304.89)	196,682.66	-	-	4,758,667,746.08	-	4,758,667,746.08	637,390,014.62	5,396,057,760.70
(II) Contribution and reduction of capital by shareholders	-	-	-	-	43,125,674.79	-	-	-	-	-	-	-	43,125,674.79	490,000.00	43,615,674.79
1. Ordinary shares contributed by shareholders	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2. Capital contributed by other equity instrument holders	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
3. Amount included in Shareholders' equity in share payment	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
4. Others	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(III) Profit distribution	-	-	-	-	23,347,403.96	-	-	-	-	-	-	-	23,347,403.96	490,000.00	23,837,403.96
1. Withdrawal of surplus reserves	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2. Withdrawal of general risk reserve	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
3. Distributions to shareholders	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
4. Others	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(IV) Carry-forward of Shareholders' equity	-	-	-	-	407,810,270.83	-	-	-	-	-	-	-	407,810,270.83	(140,964,616.69)	266,845,654.14
1. Conversion of capital reserves to increase share capital	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2. Conversion of surplus reserves to increase share capital	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
3. Making up of losses by surplus reserves	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
4. Carry-forward of retained earnings from changes in defined benefit plans	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
5. Carry-forward of retained earnings from other comprehensive income	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
6. Others	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(V) Special reserves	-	-	-	-	-	-	-	196,682.66	-	-	-	-	196,682.66	(483,137.50)	(286,454.84)
1. Current withdrawal	-	-	-	-	-	-	-	76,040,436.35	-	-	-	-	76,040,436.35	13,245,349.93	89,285,786.28
2. Current use	-	-	-	-	-	-	-	75,843,753.49	-	-	-	-	75,843,753.49	13,708,467.43	89,552,240.92
(VI) Others	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>IV. Balance at the end of the current year</b>	1,430,000,000.00	-	-	-	9,531,687,740.27	-	(3,871,320.19)	9,820,688.34	881,955,892.67	-	24,960,406,271.50	-	36,999,799,672.59	4,814,299,628.34	41,724,099,300.93

# Consolidated Statement of Changes in Shareholders' Equity (Unaudited)

Unit: RMB

Items	2022													
	Share capital	Preference shares	Other equity instruments	Equity attributable to the shareholders of the parent company					Undistributed profit	General risk reserve	Sub-total	Total shareholders' equity		
			Perpetual bonds	Capital reserve	Less: Treasury shares	Other comprehensive income	Special reserve	Surplus reserve	General risk reserve	Others		Non-controlling interest		
<b>I. Balance at the end of previous year</b>	1,430,000,000.00	-	-	9,100,088,619.11	-	-4,038,343.45	-	547,653,992.38	-	8,683,910,525.69	-	20,027,574,793.73	3,361,064,807.16	23,388,639,600.89
Add: Changes in accounting policy	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Prior-period error correction	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Merger of enterprises under common control	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Others	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>II. Balance at the beginning of the current year</b>	1,430,000,000.00	-	-	9,100,088,619.11	-	-4,038,343.45	-	547,653,992.38	-	8,683,910,525.69	-	20,027,574,793.73	3,361,064,807.16	23,388,639,600.89
<b>III. Amount of increase/decrease/ change in the current year (decrease is represented by "-")</b>														
(i) Total comprehensive income	-	-	-	-59,638,553.63	-	198,228.15	9,623,405.48	434,301,900.29	-	11,307,525,997.73	-	11,691,813,076.02	956,782,560.72	12,648,595,636.74
(ii) Contribution and reduction of capital by shareholders	-	-	-	-59,638,553.63	-	198,228.15	-	-	-	13,314,627,896.02	-	13,315,026,226.17	1,004,982,327.94	14,320,008,554.11
1. Ordinary shares contributed by shareholders	-	-	-	-	-	-	-	-	-	-	-	-59,638,553.63	90,955,919.16	31,119,365.53
2. Capital contributed by other equity instrument holders	-	-	-	-	-	-	-	-	-	-	-	-	-	-
3. Amount included in Shareholders' equity in share payment	-	-	-	-	-	-	-	-	-	-	-	-	-	-
4. Others	-	-	-	35,348,650.80	-	-	-	-	-	-	-	35,348,650.80	586,488.92	35,915,139.72
(iii) Profit distribution	-	-	-	-95,185,204.43	-	-	-	434,301,900.29	-	-2,007,301,900.29	-	-95,185,204.43	90,388,430.24	-4,795,774.19
1. Withdrawal of surplus reserves	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2. Withdrawal of general risk reserve	-	-	-	-	-	-	-	-	-	-	-	-	-	-
3. Distributions to shareholders	-	-	-	-	-	-	-	-	-	-	-	-	-	-
4. Others	-	-	-	-	-	-	-	434,301,900.29	-	-484,301,900.29	-	-1,573,000,000.00	-140,974,137.93	-1,719,974,137.93
(iv) Carry-forward of Shareholders' equity	-	-	-	-	-	-	-	-	-	-	-	-	-	-
1. Conversion of capital reserves to increase share capital	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2. Conversion of surplus reserves to increase share capital	-	-	-	-	-	-	-	-	-	-	-	-	-	-
3. Making up of losses by surplus reserves	-	-	-	-	-	-	-	-	-	-	-	-	-	-
4. Carry-forward of retained earnings from changes in defined benefit plans	-	-	-	-	-	-	-	-	-	-	-	-	-	-
5. Carry-forward of retained earnings from other comprehensive income	-	-	-	-	-	-	-	-	-	-	-	-	-	-
6. Others	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(v) Special reserves	-	-	-	-	-	-	9,623,405.48	-	-	-	-	9,623,405.48	1,818,451.55	11,441,857.03
1. Current withdrawal	-	-	-	-	-	-	101,910,531.00	-	-	-	-	101,910,531.00	19,305,094.79	115,815,625.79
2. Current use	-	-	-	-	-	-	92,287,125.52	-	-	-	-	92,287,125.52	12,086,943.24	104,373,768.76
(vi) Others	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>IV. Balance at the end of the current year</b>	1,430,000,000.00	-	-	9,100,232,065.48	-	-3,880,015.30	9,623,405.48	981,955,892.67	-	20,201,436,523.42	-	31,719,387,871.75	4,317,847,967.88	36,037,235,239.63

# Statement of Changes in Shareholders' Equity of the Parent Company (Unaudited)

Unit: RMB

Items	From January to June 2023							Total shareholders' equity				
	Share capital	Preference shares	Perpetual bonds	Others	Capital reserve	Less: Treasury shares	Other comprehensive income		Special reserve	Surplus reserve	Undistributed profit	Others
<b>I. Balance at the end of previous year</b>	1,430,000,000.00	-	-	-	9,148,780,253.03	-	-	-	980,338,798.74	6,439,871,904.89	-	17,988,990,956.66
Add: Changes in accounting policy	-	-	-	-	-	-	-	-	-	-	-	-
Prior-period error correction	-	-	-	-	-	-	-	-	-	-	-	-
Others	-	-	-	-	-	-	-	-	-	-	-	-
<b>II. Balance at the beginning of the current year</b>	1,430,000,000.00	-	-	-	9,148,780,253.03	-	-	-	980,338,798.74	6,439,871,904.89	-	17,988,990,956.66
<b>III. Amount of increase/decrease/change in the current year (decrease is represented by "-")</b>	-	-	-	-	23,347,403.96	-	-	-	-	1,222,745,173.43	-	1,246,092,577.39
(I) Total comprehensive income	-	-	-	-	-	-	-	-	-	1,222,745,173.43	-	1,222,745,173.43
(II) Contribution and reduction of capital by shareholders	-	-	-	-	23,347,403.96	-	-	-	-	-	-	23,347,403.96
1. Ordinary shares contributed by shareholders	-	-	-	-	-	-	-	-	-	-	-	-
2. Capital contributed by other equity instrument holders	-	-	-	-	-	-	-	-	-	-	-	-
3. Amount included in Shareholders' equity in share payment	-	-	-	-	-	-	-	-	-	-	-	-
4. Others	-	-	-	-	-	-	-	-	-	-	-	-
(III) Profit distribution	-	-	-	-	-	-	-	-	-	-	-	-
1. Withdrawal of surplus reserves	-	-	-	-	-	-	-	-	-	-	-	-
2. Distributions to shareholders	-	-	-	-	-	-	-	-	-	-	-	-
3. Others	-	-	-	-	-	-	-	-	-	-	-	-
(IV) Carry-forward of Shareholders' equity	-	-	-	-	23,347,403.96	-	-	-	-	-	-	23,347,403.96
1. Conversion of capital reserves to increase share capital	-	-	-	-	-	-	-	-	-	-	-	-
2. Conversion of surplus reserves to increase share capital	-	-	-	-	-	-	-	-	-	-	-	-
3. Making up of losses by surplus reserves	-	-	-	-	-	-	-	-	-	-	-	-
4. Carry-forward of retained earnings from changes in defined benefit plans	-	-	-	-	-	-	-	-	-	-	-	-
5. Carry-forward of retained earnings from other comprehensive income	-	-	-	-	-	-	-	-	-	-	-	-
6. Others	-	-	-	-	-	-	-	-	-	-	-	-
(V) Special reserves	-	-	-	-	-	-	-	21,438,854.00	-	-	-	21,438,854.00
1. Current withdrawal	-	-	-	-	-	-	-	21,438,854.00	-	-	-	21,438,854.00
2. Current use	-	-	-	-	-	-	-	-	-	-	-	-
(VI) Others	-	-	-	-	-	-	-	-	-	-	-	-
<b>IV. Balance at the end of the current year</b>	1,430,000,000.00	-	-	-	9,172,127,656.99	-	-	-	980,338,798.74	7,662,617,078.32	-	19,245,093,534.05

# Statement of Changes in Shareholders' Equity of the Parent Company (Unaudited)

Unit: RMB

Items	2022							Total shareholders' equity
	Share capital	Preference shares	Other equity instruments	Less: Treasury shares	Other comprehensive income	Undistributed profit	Others	
			Perpetual bonds	Capital reserve	Special reserve	Surplus reserve		
<b>I. Balance at the end of previous year</b>	1,430,000,000.00	-	-	9,114,857,682.39	-	546,036,898.45	4,104,154,802.33	15,185,049,393.17
Add: Changes in accounting policy	-	-	-	-	-	-	-	-
Prior-period error correction	-	-	-	-	-	-	-	-
Others	-	-	-	-	-	-	-	-
<b>II. Balance at the beginning of the current year</b>	1,430,000,000.00	-	-	9,114,857,682.39	-	546,036,898.45	4,104,154,802.33	15,185,049,393.17
<b>III. Amount of increase/decrease/change in the current year (decrease is represented by "-")</b>								
(I) Total comprehensive income	-	-	-	33,922,560.64	-	434,301,900.29	2,335,717,102.56	2,803,941,563.49
(II) Contribution and reduction of capital by shareholders	-	-	-	-	-	-	4,343,019,002.85	4,343,019,002.85
1. Ordinary shares contributed by shareholders	-	-	-	33,922,560.64	-	-	-	33,922,560.64
2. Capital contributed by other equity instrument holders	-	-	-	-	-	-	-	-
3. Amount included in Shareholders' equity in share payment	-	-	-	-	-	-	-	-
4. Others	-	-	-	33,922,560.64	-	-	-	33,922,560.64
(III) Profit distribution	-	-	-	-	-	-	-	-
1. Withdrawal of surplus reserves	-	-	-	-	-	434,301,900.29	-2,007,301,900.00	-1,573,000,000.00
2. Distributions to shareholders	-	-	-	-	-	434,301,900.29	-434,301,900.29	-
3. Others	-	-	-	-	-	-	-1,573,000,000.00	-1,573,000,000.00
(IV) Carry-forward of Shareholders' equity	-	-	-	-	-	-	-	-
1. Conversion of capital reserves to increase share capital	-	-	-	-	-	-	-	-
2. Conversion of surplus reserves to increase share capital	-	-	-	-	-	-	-	-
3. Making up of losses by surplus reserves	-	-	-	-	-	-	-	-
4. Carry-forward of retained earnings from changes in defined benefit plans	-	-	-	-	-	-	-	-
5. Carry-forward of retained earnings from other comprehensive income	-	-	-	-	-	-	-	-
6. Others	-	-	-	-	-	-	-	-
(V) Special reserves	-	-	-	-	37,197,948.58	-	-	37,197,948.58
1. Current withdrawal	-	-	-	-	37,197,948.58	-	-	37,197,948.58
2. Current use	-	-	-	-	-	-	-	-
(VI) Others	-	-	-	-	-	-	-	-
<b>IV. Balance at the end of the current year</b>	1,430,000,000.00	-	-	9,148,780,253.03	-	980,338,798.74	6,439,871,904.89	17,988,890,956.66

# Notes to the Financial Statements

From 1 January 2023 to 30 June 2023

(The notes to the financial statements are presented in RMB, except as otherwise noted)

## I. GENERAL INFORMATION OF THE COMPANY

### (I) Company Profile

1. Name of the Company: Xinte Energy Co., Ltd. (the Company, together with its subsidiaries, the Group)
2. Date of establishment of the Company: 20 February 2008
3. Registered capital: RMB1.43 billion (RMB1,430,000,000.00)
4. Address: No. 2249, Zhongxin Street, Ganquanpu Economic and Technological Development Zone (Industrial Park), Urumqi, Xinjiang
5. Legal representative: Yin Bo
6. On 30 December 2015, the H shares issued by the Company were listed on the Main Board of the Hong Kong Stock Exchange
7. Scope of business: production and sales of silicon and relevant highly purified materials and relevant technology R&D; research, design, system integration, installation and maintenance, consulting service on new energy construction environmental protection technology and relevant engineering projects; manufacture, installment and technology consulting service and operating management on solar silicon wafers, solar cells, solar cell modules, controllers, inverters, solar battery cells, junction boxes, building components, brackets, accessories and environmental devices related to solar systems and relevant product applications; engineering design, production, installment and maintenance, sales and aftersales service related to solar PV off-grid, on-grid and solar-wind hybrid, solar-thermal hybrid, PV-hydroelectricity hybrid system and other system complementary to PV electricity generation; general construction contracting, commissioning and operation for thermal power, hydraulic and hydropower engineering, electrical power engineering; thermal power generation, thermal production and sales; labor dispatching; import and export business for goods and technologies; production and sales of chemicals by-products related to polysilicon production; production and sales of components and assemblies for intraocular lenses, energy storage materials, hydrogen fuel cells, secondary batteries, etc.; nitride materials, oxide materials, carbide materials and zirconium products production and sales; industrial sodium hydroxide, sodium hydroxide (food grade), caustic soda, industrial liquid chlorine, sodium hypochlorite (available chlorine content higher than 5%), hydrochloric acid, sulphuric acid, nitric acid, hydrogen chloride, hydrogen, nitrogen, ammonia and sodium sulfate decahydrate production and sales; ordinary road cargo transportation, international road cargo transportation; leasing of properties; internal training; sales of machinery and electrical equipment, wires and cables, steel products, steel pipes, valves, building materials; production, supply and sales of water for domestic and industrial uses. (For items subject to approval in accordance with the laws, operating activities can only be conducted upon approval by the relevant authorities).

# Notes to the Financial Statements

From 1 January 2023 to 30 June 2023

(The notes to the financial statements are presented in RMB, except as otherwise noted)

## I. GENERAL INFORMATION OF THE COMPANY (continued)

### (I) Company Profile (continued)

8. Parent company and ultimate holding company of the Company: TBEA Co., Ltd. (特變電工股份有限公司), the legal domicile of which is No. 189, Beijing South Road, Changji City, Changji Prefecture, Xinjiang.

9. Company registration number/unified social credit code: 916500006702303076

### (II) Nature of Business

The Group's polysilicon business falls within the "computer, communication and other electronic equipment manufacturing industry", wind power and PV power plants development and construction business falls within "professional technical services", and wind power and PV power plants operation business falls within the "electricity and heat production and supply industry".

### (III) Main Business

The Group is principally engaged in the R&D, production and sales of high-purity polysilicon, and the development, construction and operation of wind power and PV power plants.

## II. SCOPE OF THE CONSOLIDATED FINANCIAL STATEMENTS

As of 30 June 2023, the consolidated scope of the Company includes 418 subsidiaries, representing a decrease of 40 compared with the end of 2022 and including 10 newly added subsidiaries due to new establishment, 9 subsidiaries reduced due to transfer, and 41 subsidiaries reduced due to cancellation.

For details on the addition and reduction of subsidiaries during the Reporting Period, please refer to Note "VIII. Changes in the Scope of Consolidation". For relevant information of subsidiaries, please refer to Note "IX. Interests in Other Entities".

# Notes to the Financial Statements

From 1 January 2023 to 30 June 2023  
(The notes to the financial statements are presented in RMB, except as otherwise noted)

## III. BASIS FOR THE PREPARATION OF FINANCIAL STATEMENTS

### 1. Basis of preparation

The financial statements of the Group have been prepared on a going-concern basis and transactions, based on transactions and events that have actually occurred, in accordance with the Accounting Standards for Business Enterprises (the “ASBE”) issued by the MOF and relevant provisions under the Hong Kong Companies Ordinance and the Listing Rules of the Hong Kong Stock Exchange and based on the accounting policies and accounting estimates stated in Note “IV. Significant Accounting Policies and Accounting Estimates”.

### 2. Going concern

The Group has a recent history of profitable operation and financial resources to support its operation, and believes that it is reasonable to prepare the financial statements on a going concern basis.

## IV. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES

Specific accounting policies and accounting estimates indication: specific accounting policies and accounting estimates developed by the Group according to characteristics of actual production and operation include business cycle, the recognition and measurement of provisions for bad debts from receivables, the measurement of inventory dispatched, fixed assets classification and depreciation methods, amortization of intangible assets, conditions for capitalizing R&D expenses, recognition and measurement of incomes, etc.

### 1. Statement of compliance with the ASBE

The Group declares that the financial statements prepared comply with the ASBE, which reflect the financial position, results of operation and cash flow of the Company and the Group truly and completely.

### 2. Accounting period

The accounting period of the Group is from 1 January to 31 December of each calendar year.

### 3. Business cycle

The business cycle of the Group is 12 months.

# Notes to the Financial Statements

From 1 January 2023 to 30 June 2023

(The notes to the financial statements are presented in RMB, except as otherwise noted)

## IV. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (continued)

### 4. Recording currency

Renminbi (“**RMB**”) is the currency of the main economic environment where the Company and its domestic subsidiaries operate and is therefore their recording currency. The recording currency of the overseas subsidiaries of the Company is determined based on the main economic environment where they operate. The currency adopted by the Group for the preparation of these financial statements is RMB.

### 5. Accounting treatment method for business merger under common control and different control

The assets and liabilities acquired by the Group, as the combination party, from a business merger under common control should be measured at the book value in consolidated statements of the ultimate controlling party of the combined party at the merger date. The difference between the book value of the net assets obtained and the book value of the consideration of the merger paid shall be used to adjust the capital reserves; where the capital reserves are not sufficient to be offset, the retained earnings shall be adjusted.

The identifiable assets, liabilities and contingent liabilities of the acquiree acquired in the business merger under different control are measured at fair value at the acquisition date. The cost for merging is the sum of the fair value of cash or non-cash assets paid, liabilities issued or assumed, equity securities issued, etc. for obtaining the control power of the acquiree by the Group at the purchase date and various direct related expenses in the business merger (in the business merger realized step by step through several transactions, the cost for merging is the sum of the cost for each single transaction). The difference between the cost of merging and the fair value of the identifiable net assets of the acquiree obtained by the Group in business merger shall be recognized as goodwill; if the cost of merging is less than such fair value, the fair value of various identifiable assets, liabilities and contingent liabilities obtained in business merger and the fair value of non-cash assets or equity security issued in the consideration of merger shall be re-checked first. If the re-checked cost of merger is still less than such fair value, the difference shall be included into current non-operating revenue.

# Notes to the Financial Statements

From 1 January 2023 to 30 June 2023  
(The notes to the financial statements are presented in RMB, except as otherwise noted)

## IV. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (continued)

### 6. Preparation methods of consolidated financial statements

The Group incorporates all subsidiaries and structured entities controlled by it into the scope of consolidated financial statements.

When preparing consolidated financial statements, if the accounting policy or the accounting period adopted is inconsistent between the subsidiaries and the Company, necessary adjustments shall be made to the financial statements of subsidiaries according to the accounting policy or the accounting period of the Company.

All significant internal transactions, current balances and unrealized profits within the scope of the merger are offset in preparing consolidated statements. Shares in owners' equity of subsidiaries but not attributed to the parent company, net profit or loss for the current period, other comprehensive income and shares attributed to non-controlling interests in total comprehensive income shall be listed in consolidated financial statements as "non-controlling interests, non-controlling profit or loss, other comprehensive income attributed to minority shareholders and total comprehensive income attributed to minority shareholders, respectively".

Operating results and cash flows of subsidiaries which are acquired by business merger under common control are included into consolidated financial statements at the beginning of the current period of the merger. Upon the preparation of comparative consolidated financial statements, any adjustments to relevant items in financial statements of the previous year are considered as the subject of reports formed after the merger as if they have existed since the ultimate controlling party assumed control.

Under the circumstance that the equity of the investee is obtained under the common control through multiple transactions step by step, which results in business merger, such equity shall be adjusted in the preparation of consolidated financial statements as if they might have existed as the current state from the time when final controlling party takes the control. When preparing comparative accounts, relevant assets and liabilities of the acquiree are included in comparative accounts of consolidated financial statements of the Group according to the restriction that the time above shall be later than the time when the Group and the acquiree are under the common control of final controlling party, moreover, increased net assets resulting from the merger are adjusted as relevant items under owners' equity in the comparative accounts. In order to avoid repeated calculation of the value of net assets of the merged party, the long-term equity investment held by the Group before the merger is achieved, the changes in relevant profits or losses, other comprehensive incomes and other net assets that have been recognized in the period from the later date, when the long-term equity investment is acquired and when the Group and the acquiree are under the final control of the same party, to the merger date, shall respectively be applied to write off the opening retained earnings or current profits or losses during the period of comparative statement.

# Notes to the Financial Statements

From 1 January 2023 to 30 June 2023

(The notes to the financial statements are presented in RMB, except as otherwise noted)

## IV. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (continued)

### 6. Preparation methods of consolidated financial statements (continued)

As for subsidiaries acquired by business merger under the different control, operating results and cash flows shall be incorporated into consolidated financial statements from the date when the Group takes the control. In preparing consolidated financial statements, adjustments to financial statements of subsidiaries are based on the fair value of identifiable assets, liabilities and contingent liabilities, which is identified at the purchase date.

Where control right over the investee is lost due to the disposal of partial equity investment of the Group or other reasons, the residual equity will be re-calculated based on the fair value thereof on the day the control is lost when preparing the consolidated financial statements. The difference between the sum of the consideration obtained from the equity disposal and the fair value of the residual equity minus the share of the net assets of the original subsidiaries calculated continuously in proportion to the original holdings from the purchase date or date of merging shall be recorded into the investment profit or loss of the current period in which the control right is lost, with goodwill written off simultaneously. Other comprehensive income related to the equity investment of the original subsidiaries shall be converted to the current investment profit or loss when losing the control right.

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

The Group's joint arrangements include joint operations and joint ventures. In projects for joint operation, for assets held and liabilities assumed solely, which are confirmed by the Group as the joint-venture party in joint operation and assets held and liabilities assumed according to shares, their relevant income and costs shall be determined as per related individual agreements or shares. If purchases or sales related to joint operation are not construed as assets transactions of business, it should only determine parts which belong to other participants of joint operation in profit or loss arising from such transactions.

## IV. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (continued)

### 8. Cash and cash equivalents

Cash shown in the cash flow statement of the Group refers to the cash on hand and deposits that are available for payment at any time. Cash equivalent refers to investments which have a holding period of not more than 3 months, and are of strong liquidity and readily convertible to known amounts of cash with low risk of value change.

### 9. Foreign currency operations and translation of foreign currency financial statements

#### (1) Foreign currency transaction

The foreign currency amount in a foreign currency transaction of the Group is converted into an amount in RMB based on the spot exchange rate on the transaction date. Monetary items calculated in foreign currency in the balance sheet shall be translated into RMB at the spot exchange rate on the balance sheet date; the exchange difference shall be included in current profit or loss directly, after disposal of the balance of exchange that is formed by special foreign currency loans borrowed for acquiring or producing assets which meet capitalized terms. Foreign currency non-monetary items calculated at fair value are converted into RMB by using the spot rate on the date when the fair value is determined. The generated conversion difference is included in current profits or losses directly as the change of fair value. Foreign currency non-monetary items measured at historical cost are still converted based on the spot exchange rate on the transaction date, with the RMB amount unchanged.

#### (2) Translation of financial statements in foreign currency

The asset and liability items in the foreign currency balance sheet shall be translated as per the spot exchange rate on the balance sheet date; the owner's equity items, except for the item of "undistributed profit", shall be translated as per the spot exchange rate at the time of business occurrence; the income and expenditure items in the income statement shall be translated as per the spot exchange rate on the transaction date. The translation differences in the foreign currency financial statements arising from the above translations shall be listed in the owner's equity items separately. Foreign currency cash flow is translated as per the spot exchange rate on the date when the said cash flow occurs. The amount of influence of exchange rate change on cash shall be listed in the cash flow statement separately.

# Notes to the Financial Statements

From 1 January 2023 to 30 June 2023

(The notes to the financial statements are presented in RMB, except as otherwise noted)

## IV. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (continued)

### 10. Financial assets and financial liabilities

Financial assets and financial liabilities are recognized when the Group becomes a party to the contractual provisions of the financial instrument.

#### (1) Financial assets

##### 1) *Classification, determination basis and measurement method of financial assets*

The Group classifies financial assets based on the business model of managing financial assets and the contractual cash flow characteristics of financial assets as financial assets measured at amortized cost, financial assets at fair value through other comprehensive income, and financial assets at fair value through profit or loss.

The Group classifies financial assets meeting both of the following conditions into financial assets at amortized cost: ① the financial asset is held within a business model with the objective to hold the financial assets in order to collect contractual cash flows; ② the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. Such financial assets are initially measured at fair value, and related transaction costs are included in the initial recognition amount; the amounts are subsequently measured at amortized cost. Such financial assets which are not part of a hedging relationship are amortized and impaired using the effective interest method, the exchange gains and losses and the gains or losses arising from derecognition are included in profit or loss for the current period. The financial assets classified into this category by the Group include accounts receivable, other receivables, etc.

The Group classifies financial assets meeting both of the following conditions into financial assets at fair value through other comprehensive income: ① the financial asset is held within a business model with the objective of both holding to collect contractual cash flows and selling the financial assets; ② the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. Such financial assets are initially measured at fair value, and related transaction costs are included in the initial recognition amount. Gains or losses arising from such financial assets which are not part of a hedging relationship, other than credit impairment losses or gains, exchange gains or losses and interest on such financial assets calculated using the effective interest method, are included in other comprehensive income. Upon derecognition of the financial assets, the cumulative gains or losses previously included in other comprehensive income shall be transferred out and be included in profit or loss for the current period. The financial assets classified into this category by the Group include other debt investments, other equity instrument investments, receivables financing, etc.

# Notes to the Financial Statements

From 1 January 2023 to 30 June 2023  
(The notes to the financial statements are presented in RMB, except as otherwise noted)

## IV. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (continued)

### 10. Financial assets and financial liabilities (continued)

#### (1) Financial assets (continued)

##### 1) *Classification, determination basis and measurement method of financial assets (continued)*

The Group recognizes interest income using the effective interest method. Interest income is calculated and determined by multiplying the effective interest rate by the carrying balance of the financial asset, except: ① for the purchased or internally generated credit-impaired financial assets, their interest income is calculated and determined based on amortized cost and credit-adjusted effective interest rate of such financial assets since the initial recognition; and ② for the purchased or internally generated financial assets without credit-impairment but subsequently becoming credit-impaired, their interest income is calculated and determined based on amortized costs and effective interest rate of such financial assets in subsequent periods.

The Group designates the investments in equity instruments not held for trading as financial assets at fair value through other comprehensive income. Such designation cannot be revoked once made. The investments in equity instruments not held for trading designated as at fair value through other comprehensive income by the Group are initially measured at fair value with related transaction costs to be included in the initial recognition amount. Except for any received dividends (excluding those belonging to the recovery of the investment costs) which are included in profit or loss for the current period, other related gains or losses are included in other comprehensive income and may not be transferred to the current profit or loss subsequently. Upon derecognition, the cumulative gains or losses previously included in other comprehensive income shall be transferred out and be included in retained earnings.

Other than the above financial assets classified as financial assets measured at amortized cost and financial assets at fair value through other comprehensive income, the Group classifies its financial assets as financial assets at fair value through profit or loss. Such financial assets are initially measured at fair value with related transaction costs to be directly included in profit or loss for the current period. Gains or losses on such financial assets are included in profit or loss for the current period. The financial assets classified into this category by the Group include financial assets held for trading.

Financial assets arising from contingent consideration recognized by the Group during the business merger under different control, are classified as financial assets at fair value through profit or loss.

When the Group changes its business model of managing financial assets, it reclassifies all affected financial assets.

# Notes to the Financial Statements

From 1 January 2023 to 30 June 2023

(The notes to the financial statements are presented in RMB, except as otherwise noted)

## IV. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (continued)

### 10. Financial assets and financial liabilities (continued)

#### (1) Financial assets (continued)

##### 2) *Recognition and measurement of transfer of financial assets*

The Group derecognizes financial assets if one of the following conditions is met: ① the contractual rights to collect the cash flows from the financial asset expire; ② the financial asset has been transferred, and the Group has transferred substantially all the risks and rewards of ownership of the financial asset; ③ the financial asset has been transferred, and the Group neither transfers nor retains substantially all the risks and rewards of ownership of the financial asset, and it has not retained control over such financial asset.

If the transfer of financial assets partially meets the conditions of derecognition, the difference between the carrying amount of the transferred financial assets on the date of derecognition and the sum of the consideration received from the transfer and the accumulative amount of the changes in the fair value originally included in other comprehensive income which shall be apportioned to the derecognized portion (when the transferred financial assets meet the following conditions: the financial asset is held within a business model with the objective of holding the financial assets in order to collect contractual cash flows; where the contractual terms of the financial assets give rise on specific dates to cash flows that are solely payments of interest on the principal amount), are included in profit or loss for the current period.

If the transfer of financial asset partially meets the conditions of derecognition, the entire carrying amount of the transferred financial asset is, between the portion which is derecognized and the portion which is not, apportioned according to their respective relative fair value, and the difference between the sum of the consideration received from the transfer and the accumulative amount of the changes of the fair value originally included in other comprehensive income which shall be apportioned to the derecognized portion (when the transferred financial assets meet the following conditions: the financial asset is held within a business model with the objective to hold the financial assets in order to collect contractual cash flows; where the contractual terms of the financial assets transferred give rise on specific dates to cash flows that are solely payments of interest on the principal amount), and the apportioned entire carrying amount of the said financial assets are included in profit or loss for the current period.

## IV. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (continued)

### 10. Financial assets and financial liabilities (continued)

#### (2) Financial liabilities

##### 1) *Classification, recognition and measurement of financial liabilities*

Except for the following, the Group classifies its financial liabilities as financial liabilities measured at amortized cost, and measured at amortized cost subsequently using the effective interest method:

- ① financial liabilities at fair value through profit or loss (inclusive of derivatives of such financial liabilities), including held-for-trading financial liabilities and financial liabilities designated as at fair value through profit or loss on initial recognition, such financial liabilities are subsequently measured at fair value. Any gains or losses arising from changes in the fair value and any dividend or interest income earned on the financial liabilities are included in profit or loss for the current period.
- ② financial liabilities arising from financial assets of which the transfer does not meet the conditions of derecognition or continuing involvement in the transferred financial assets. The Group measured such financial liabilities in accordance with the relevant standards for the transfer of financial assets.
- ③ financial guarantee contracts that do not fall within the range of ① or ②, and loan commitments that do not fall within the range of above ① and are at a rate less than the market interest rate. As the issuer of such financial liabilities, the Group shall measure such financial liabilities at the higher of the amount of loss provision determined in accordance with the relevant standards for impairment of financial instruments and the amount initially recognized less cumulative amortization amount determined in accordance with the relevant regulations set out in revenue standard.

Financial liabilities arising from contingent consideration recognized by the Group as the purchaser during the business merger under different control, are accounted for at fair value through profit or loss.

# Notes to the Financial Statements

From 1 January 2023 to 30 June 2023

(The notes to the financial statements are presented in RMB, except as otherwise noted)

## IV. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (continued)

### 10. Financial assets and financial liabilities (continued)

#### (2) Financial liabilities (continued)

##### 2) *Derecognition conditions of financial liabilities*

When the present obligation of such financial liability was wholly or partially discharged, that financial liability or the discharged obligation shall be derecognized. If the Group and a creditor enter into an agreement to replace the existing financial liability with a new financial liability on substantially different terms, the existing financial liability shall be derecognized, whereas the new financial liability shall be recognized. Where the Group made substantial modifications to the terms of the existing financial liabilities in whole or in part, it derecognizes the existing financial liability in whole or in part and recognizes the financial liability with the revised terms as a new financial liability. The difference between the book value of the derecognized part of financial liability and the consideration paid is included in profit or loss for the current period.

##### 3) *Method for determination of fair values of financial assets and financial liabilities*

Fair values of financial assets and financial liabilities of the Group are measured at the prices in principal market. In case there is no principal market, fair values of financial assets and financial liabilities are calculated using the price which is the most beneficial to the market, and using valuation techniques which is the most appropriate at that time and with sufficient available data and other information. The inputs which are used to measure the fair value have been divided into 3 levels: Level 1 inputs are unadjusted quoted prices in active markets for identical assets or liabilities on the measurement date; Level 2 are inputs for the asset or liability (other than those included in Level 1) that are either directly or indirectly observable; Level 3-inputs are unobservable inputs to the related assets or liabilities. The Level 1 inputs are the priority to use by the Group, and level 3 inputs will be the last one to use. The Level 1 inputs shall be applied to the financial assets held for trading. The level of fair value measurement is determined by the lowest level of inputs which are significant to the measurement of fair value as a whole.

The Group's investments in equity instruments are measured at fair value. However, in limited circumstances, if the short-term information used to determine the fair value is insufficient, or the possible estimated amount of fair value is widely distributed, and the cost represents the best estimate of the fair value within the scope, the cost may represent appropriate estimates of fair value within the distribution.

## IV. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (continued)

### 10. Financial assets and financial liabilities (continued)

#### (2) Financial liabilities (continued)

##### 4) *Offset of financial assets and financial liabilities*

The Group's financial assets and financial liabilities are presented separately in the balance sheet and are not offset against each other. However, they are presented in the balance sheet in net amounts after offsetting each other if the following conditions are met: 1) the Group has a legal right to offset the recognized amounts and such legal right is currently enforceable; 2) the Group intends either to settle on a net basis, or to realize the financial assets and settle the financial liabilities simultaneously.

##### 5) *The distinction between financial liabilities and equity instruments and related treatment methods*

The Group distinguishes financial liabilities and equity instruments according to the following principles: 1) if the Group cannot unconditionally avoid fulfilling a contractual obligation by paying cash or other financial assets, the contractual obligation is consistent with the definition of financial liability. Some financial instruments, although not explicitly containing the terms and conditions of settling cash or other financial assets obligations, may indirectly form contractual obligations through other terms and conditions; 2) if a financial instrument is required or can be settled by the Group's own equity instruments as to it is necessary to consider the Group's own equity instruments used to settle the instrument, whether it is a substitute for cash or other financial assets, or for the holder of the instrument to enjoy the remaining interest in the assets of the issuer after deducting all liabilities. In the former case, the instrument is the issuer's financial liability; if it is the latter, the instrument is the issuer's equity instrument. In some cases, a financial instrument contract stipulates that the Group is required to or may settle the financial instrument with its own equity instruments, where the amount of contractual rights or contractual obligations equals the number of equity instruments available or to be delivered multiplied by the fair value at settlement. Whether the amount of the contractual rights or obligations is fixed, or totally or partly based on changes in variables other than the market price of the Group's own equity instruments (interest rate, price of a commodity, or price of a financial instrument), the contract is classified as a financial liability.

When the Group classifies financial instruments (or their components) in the consolidated statements, it considers all the terms and conditions between the group members and the holders of financial instruments. If the Group as a whole assumes the obligation to settle cash, other financial assets, or other means of causing the instrument to become a financial liability due to the financial instruments, the instrument should be classified as a financial liability.

# Notes to the Financial Statements

From 1 January 2023 to 30 June 2023

(The notes to the financial statements are presented in RMB, except as otherwise noted)

## IV. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (continued)

### 10. Financial assets and financial liabilities (continued)

#### (2) Financial liabilities (continued)

- 5) *The distinction between financial liabilities and equity instruments and related treatment methods (continued)*

If the financial instrument or its components are classified as financial liabilities, the relevant interest, stock dividends (or dividends), gains or losses, and gains or losses arising from redemption or refinancing are included in profit or loss for the current period.

If the financial instrument or its component is an equity instrument, it is treated as a change in equity when it is issued (including refinancing), repurchased, sold or canceled, and no change in the fair value of the equity instrument is recognized.

### 11. Notes receivable

Determination method and accounting treatment of expected credit loss of notes receivable:

Notes receivable are divided into different portfolios and the accounting estimation policies for the expected credit loss thereof are determined by the Group based on the shared characteristics of acceptors' credit risks:

Category of portfolio	Basis for determining the portfolio	Method for measuring expected credit loss
Bank acceptance notes	The acceptor is a bank or financial company with less credit risk	Based on historical credit loss experience, the current situation and the forecast of future economic conditions, calculate expected credit loss through exposure at default and lifetime expected credit loss rate
Trade acceptance notes	The acceptor is an enterprise with a higher credit risk	

The Group calculates the expected credit loss for notes receivable on the balance sheet date. If the expected credit loss is higher than the book value of the current provision for the impairment of the notes receivable, the Group will recognize such difference as impairment loss of the notes receivables, which will be debited to "impairment loss of credit" and credited to "provision for bad debt". Otherwise, the Group will recognize such difference as impairment gain and make the opposite accounting records.

## IV. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (continued)

### 11. Notes receivable (continued)

Where the Group actually incurs credit loss and determines that the relevant notes receivable cannot be recovered, if the receivables have been approved for cancellation after verification, the Group shall be debited to “provision for bad debt” and credited to “notes receivable” according to the approved amount of write-off. If the amount of write-off is greater than the accrued loss provision, the “impairment loss of credit” shall be debited according to the difference.

### 12. Provision for bad debt of receivables

(1) The Group always measures the loss provisions for receivables which are formed by the transaction specified by the Accounting Standards for Business Enterprises No. 14 – Revenue and does not include the significant financing component according to the amount of lifetime expected credit loss. The Group adopted the Accounting Standards for Business Enterprises No. 22 – Recognition and Measurement of Financial Instruments (Cai Kuai (2017) No. 7), and based on the Group’s historical bad debt loss, reviewed the appropriateness of the provision for bad debts of accounts receivable in previous years. The Group considered that there is a correlation between the probability of default and the aging, and the aging is still an indicator of whether the credit risk of the Group’s accounts receivable has increased significantly. Therefore, the credit risk loss of the Group’s accounts receivable is estimated based on the aging and the original loss ratio for the previous years. The accounting estimation policies of the Group to measure the expected credit loss of accounts receivable are as follows:

The assessment based on the portfolio is as follows. For accounts receivable, the Group is unable to obtain sufficient evidence of a significant increase in credit risk at a reasonable cost at the level of individual instruments, whereas it is feasible to assess whether credit risk increases significantly on the basis of the portfolio. Therefore, the Group divides the accounts receivable into groups, considers and assesses whether there is a significant increase in credit risk on a portfolio basis by taking the items such as the types of financial instruments, credit risk rating, collateral type, initial recognition date and residual contract duration, the industry where the debtor operates, geographical location of the debtor, and value of collaterals relative to financial assets as the common risk characteristics.

# Notes to the Financial Statements

From 1 January 2023 to 30 June 2023

(The notes to the financial statements are presented in RMB, except as otherwise noted)

## IV. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (continued)

### 12. Provision for bad debt of receivables (continued)

#### (2) Measurement of expected credit loss

The Group calculates the expected credit loss of accounts receivable on the balance sheet date. If the expected credit loss is higher than the book value of the current provision for the impairment of accounts receivable, the Group will recognize such difference as impairment loss of the accounts receivable, which will be debited to “impairment loss of credit” and credited to “provision for bad debt”. Otherwise, the Group will recognize such difference as impairment gain and make the opposite accounting records.

Where the Group actually incurs credit loss and determines that the relevant accounts receivable cannot be recovered, if the receivables have been approved for cancellation after verification, the Group shall be debited to “provision for bad debt” and credited to “Accounts receivable” according to the approved amount of write-off. If the amount of write-off is greater than the accrued loss provision, the “impairment loss of credit” shall be debited according to the difference.

Based on the actual credit losses in previous years, and considering the prospective information in the current year, the accounting estimation policies to measure the expected credit loss are as follows: the Group determines the expected credit loss rate in a single item for accounts receivable with significantly different credit risks; in addition to determining the expected credit loss rate for accounts receivable in a single item, the Group adopts the expected credit loss model based on the characteristics of aging, calculates the expected credit loss of accounts receivable through default risk exposure of accounts receivable and expected credit loss rate, and determines the expected credit loss rate based on the default probability and loss given default.

Should the Group transfer receivables to financial institutions without recourses, the difference between the trade amount excluding written off the book value of accounts receivable and relevant taxes is recognised in profit or loss for the current period.

## IV. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (continued)

### 13. Receivables financing

Receivable financing items reflect notes receivable and accounts receivable at fair value through other comprehensive income on the balance sheet date. According to the needs of its daily fund management, the Group discounts and endorses certain bank acceptance bills, and factorizes a part of accounts receivable. Based on the sales frequency and amount as well as internal management, such financial assets are held within a business model whose objective is to hold financial assets in order to collect contractual cash flows and sell the financial assets, and the characteristics of the contractual cash flows of such financial assets are consistent with the basic borrowing arrangements.

At the time of initial recognition, the fair value usually equals the trading price; if there exists a difference, distinctions should be made in the following situations:

- (1) At the time of initial recognition, if the fair value of the financial asset or financial liability is set by the quoted price of identical asset or liability in an active market, or merely determined by the valuation techniques using observable market data, the difference between fair value and trading price is recognised as a gain or loss.
- (2) At the time of initial recognition, if the fair value of the financial asset or financial liability is set by other means, the difference between fair value and trading price should be deferred. After the initial recognition, the deferred difference will be recognised as gains or losses in the corresponding accounting period depending on the degree of volatility of a certain factor within the period. This factor should only be restricted to those considered by the market participants when pricing the financial instrument, including time, etc.

All the gains and losses that arise from the financial asset at fair value through other comprehensive income should be charged to other comprehensive income, except for those generated by impairment and exchange differences, until the derecognition or the reclassification of the financial asset.

When the financial asset is derecognised, the accumulative gains or losses which were previously charged to other comprehensive income should be transferred out and included in profit or loss for the current period.

# Notes to the Financial Statements

From 1 January 2023 to 30 June 2023

(The notes to the financial statements are presented in RMB, except as otherwise noted)

## IV. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (continued)

### 14. Inventories

The Group's inventories mainly include raw materials, low-value consumables, packaging materials, works in progress, commissioned processing materials, semi-finished goods, goods in stock, goods in transit, contract performance costs and new energy power stations, etc.

The perpetual inventory system is adopted by the Group. Goods in stock is valued at actual cost when acquired. The weighted average method is used to determine the actual cost of the inventory used or issued. Low-value consumables are amortised at one time when they are used. The closing inventories are valued at cost or net realizable value, whichever is lower. For the estimated irrecoverable part of cost due to inventory damage, obsolescence of all or partial inventories, or sale price lower than the cost, provisions for impairment of inventories are accrued. The net realizable value of inventories is determined on the basis of clear evidence obtained, taking into account the purpose of holding inventories and the effect of events after the balance sheet date.

After the provision for impairment of inventories is made, if the circumstances that previously caused inventories to be written-off no longer exist so that the net realizable value of inventories is higher than their carrying amount, the original provision for impairment of inventories is reversed and the reversed amount is recognised in profit or loss for the current period.

### 15. Contract assets

#### (1) Methods and standards for the determination of contract assets

Contract assets refer to the rights to receive consideration for the transfer of goods by the Group to its customers, and that right depends on factors other than the passage of time. If the Group sells two commodities that can be clearly distinguished to its customers, under which condition the Group has the right to collect money because one of the commodities has been delivered, while the collection of money also depends on the delivery of the other commodity, the Group regards the right to collect money as the contract assets.

#### (2) Determination methods and the accounting methods for the expected credit loss of contract assets

The determination methods for the expected credit loss of contract assets are as follows: for the contract assets classified as a group, the Group calculates the expected credit loss by referring to historical credit loss experience, current situation and forecasts of future economic conditions and based on the default risk exposure and lifetime expected credit loss rates.

## IV. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (continued)

### 15. Contract assets (continued)

#### (2) Determination methods and the accounting methods for the expected credit loss of contract assets (continued)

As for accounting methods, the Group calculates the expected credit loss of contract assets on the balance sheet date. If the expected credit loss is greater than the book value of the current provision for the impairment of contract assets, the Group will recognize such difference as impairment loss, which will be debited to “impairment loss of assets” and credited to “provision for the impairment of contract assets”. Otherwise, the Group will recognize such difference as impairment gain and make the opposite accounting records.

Where the Group actually incurs credit loss and determines that the relevant contract assets cannot be recovered, if the contract assets have been approved for cancellation after verification, the Group shall be debited to “provision for the impairment of contract assets” and credited to “contract assets” according to the approved amount of write-off. If the amount of write-off is greater than the accrued loss provision, the “impairment loss of assets” shall be debited according to the difference.

### 16. Contract costs

#### (1) Methods for the recognition of the amount of assets related to contract costs

The Group's assets related to contract costs comprise contract performance costs and contract acquisition costs.

The cost incurred by the Group to perform a contract which does not fall under the scope of other business accounting standards and meets all of the following conditions, is recognised as an asset as contract performance cost: such cost directly relates to an existing or expected contract, including direct labour, direct materials, manufacturing cost (or similar cost) or other costs expressly to be borne by customers and incidental only to the contract; such cost increases the resources of the Group for future performance obligations; and such cost is expected to be recoverable.

The incremental cost to obtain a contract of the Group which is expected to be recoverable is recognised as an asset as contract acquisition cost, provided that such asset is included in profit or loss for the period as incurred when the amortization period is no longer than one year. Incremental cost refers to the cost which will not be incurred by the Group had the contract had not been acquired, such as sales commissions. Other expenses incurred by the Group to obtain a contract (such as travel expenses to be incurred regardless of obtaining a contract or not and excluding the incremental cost expected to be recoverable) are included in profit or loss for the period as incurred, save for those expressly to be borne by customers.

# Notes to the Financial Statements

From 1 January 2023 to 30 June 2023

(The notes to the financial statements are presented in RMB, except as otherwise noted)

## IV. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (continued)

### 16. Contract costs (continued)

#### (2) Amortization of assets related to contract costs

The Group's assets related to contract costs are amortised on the same basis as those for the revenue from goods relating to such assets and included in profit or loss for the current period.

#### (3) Impairment of assets related to contract costs

When recognizing the impairment loss of assets related to contract costs, the Group initially recognizes the impairment loss for other assets related to the contract which are recognised according to other relevant business accounting standards. Subsequently, in the event that the book value of assets related to contract costs is greater than the excess of the remaining consideration expected to be obtained by the Group arising from the transfer of goods relating to such assets over the estimated cost to be incurred to transfer such goods, the provision for impairment shall be made for such excess and recognised as impairment loss of assets.

If the above-mentioned excess is greater than the book value of such assets as a result of any subsequent change of impairment factors in the previous period, the provision for impairment of assets previously made shall be reversed and included in profit or loss for the period as incurred to the extent that the book value of such assets upon reversal shall not be higher than that of such assets on the reversal date assuming no provision for impairment has been made.

### 17. Other debt investments

For the determination methods and the accounting methods of the expected credit loss of other debt investments, please refer to the relevant description in "12. Provision for bad debt of receivables" above.

### 18. Long-term equity investments

The long-term equity investments of the Group mainly refer to the investment in subsidiaries, investment in associates and investment in joint ventures.

The Group's basis for judgement in respect of common control is that all participating parties or a group of participating parties control such arrangement, and that policies on the related business of such arrangement have to obtain unanimous agreement from all participating parties that collectively control such arrangement.

# Notes to the Financial Statements

From 1 January 2023 to 30 June 2023  
(The notes to the financial statements are presented in RMB, except as otherwise noted)

## IV. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (continued)

### 18. Long-term equity investments (continued)

The Group is usually deemed to have significant influence on the investee when it owns, directly or indirectly through its subsidiaries, more than 20% (inclusive) but less than 50% of the voting right of the investee, which is usually deemed to have significant influence on the investee. For voting rights of less than 20% in the investee, significant influence over the investee will be judged by comprehensively taking into consideration of such facts and circumstances as assigning a representative to the Board or similar authority of the investee, or participating in the formulation process of financial and operation policies of the investee, or having major transactions with the investee, or sending management personnel to the investee or providing key technical information to the investee.

An investee that is under the control of the Group shall be deemed as a subsidiary of the Group. For long-term equity investments acquired through business merger under common control, the share of the book value of net assets of the combined party in the consolidated statement of the ultimate controlling party on the merger date shall be accounted for as the initial investment cost of the long-term equity investments. If the book value of net assets of the combined party on the merger date is negative, the cost of the long-term equity investments is determined as nil.

For equity in an investee under common control obtained in stages through multiple transactions, which results in business merger, the Group will conduct the accounting method on each transaction as one transaction which obtains control if the transactions belong to a package deal; if the transactions do not belong to a package deal, the share of the book value of net assets of the combined party in the combined financial statements of the ultimate controlling party upon the combination shall be deemed as the initial investment cost of the long-term equity investments on the merger date. The difference between the initial investment cost and the sum of the book value of long-term equity investments before the merger and the book value of newly-paid consideration for further acquisition of shares on the merger date shall be applied to adjust capital reserve. If the capital reserve is insufficient for offsetting, the retained earnings shall be offset.

For long-term equity investments obtained through business merger under different control, combined cost shall be recognised as initial investment cost.

# Notes to the Financial Statements

From 1 January 2023 to 30 June 2023

(The notes to the financial statements are presented in RMB, except as otherwise noted)

## IV. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (continued)

### 18. Long-term equity investments (continued)

For equity in an investee under different control obtained in stages through multiple transactions, which results in business merger, supplementary disclosure to treatment methods for long-term equity investment in financial statements of the parent company shall be made in the reporting period for acquiring the control. For instance, for equity in an investee under different control obtained in stages through multiple transactions, which results in the business merger, the Group will conduct accounting treatment on each transaction as one transaction which obtains the control right if the transactions belong to a package deal. If the transactions do not belong to a package deal, the sum of the book value of equity investment held originally and additional investment costs shall be the initial investment cost whose calculation method is changed to cost method. If the equity held before the acquisition date is calculated by the equity method, the related other comprehensive income originally calculated by the equity method shall not be adjusted; and the accounting method shall be applied as per the same basis as that of directly disposing of related assets or liabilities of the investee when disposing of the investment. If the equity held before the acquisition date is designated as non-transactional equity instrument investments at fair value through other comprehensive income, the accumulative change in fair value originally included in other comprehensive income shall not be transferred into the current profit or loss.

Apart from the long-term equity investments acquired through business merger mentioned above, for long-term equity investments acquired by cash payment, the investment cost is the actual amount of cash paid for the acquisition; for long-term equity investments acquired by issuing equity securities, the cost of investment is the fair value of the equity securities issued; for long-term equity investments invested by the investor, the investment cost is the agreed consideration under the investment contract or agreement. If the Group holds long-term equity investments acquired through debt restructuring, non-monetary asset exchange, etc., the method of recognition of investment cost should be determined according to the requirements of the relevant business accounting standards and the disclosure of the Group's actual conditions.

The Group's investments in subsidiaries are accounted for using the cost method, and the investments in joint ventures and associates are accounted for using the equity method.

For long-term equity investments for which the subsequent measurement is accounted for using the cost method, when additional investment is made, the book value of the long-term equity investment cost will be added according to the fair value of cost paid for additional investment and the related expenses incurred by related transactions. For cash dividend or profit declared and paid by the investee, it shall be recognised as its investment income for the period at the amount to which it entitles.

## IV. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (continued)

### 18. Long-term equity investments (continued)

For long-term equity investment for which the subsequent measurement is accounted for using the equity method, the book value of long-term equity investment shall be increased or decreased accordingly according to the change in the owners' equity of the investee. In which, the attributable net profit or loss in the investee is recognised on the basis of the fair value of various identifiable net assets in the investee at the time of acquisition and in accordance with the accounting policies and accounting period of the Group, based on the share attributable to the investor as calculated according to shareholdings, after elimination of the profit or loss for intra-group transactions with associates and joint ventures and after adjustment to the net profits of the investee.

When long-term equity investments are disposed of, the difference between the book value and the proceeds actually received shall be included in investment income for the period. If the long-term equity investment accounted for under the equity method is included in owners' equity due to the other changes in the owners' equity of the investee besides net profit and loss, the portion previously included in the owners' equity shall, when disposing of such long-term equity investment, be transferred to the current profit or loss on investment on a pro-rata basis.

Where the common control or significant influence over the investee is lost due to the partial disposal of equity investment or other reasons, and the residual equity after disposal is calculated according to the Accounting Standards for Business Enterprises No. 22 – Recognition and Measurement of Financial Instruments (Cai Kuai (2017) No. 7), the difference between the fair value and book value of such residual equity on the date when the common control or significant influence is lost shall be included in profit or loss for the current period. For other comprehensive income recognised by the original equity investment due to the adoption of the equity method shall be treated on the same basis as the related assets or liabilities directly disposed of by the invested entity upon the termination of the adoption of the equity method and carried forward on a pro-rata basis. The owner's equity recognised as a result of the changes in the owner's equity of the investee other than net profit and loss, other comprehensive income and profit distribution shall be transferred to the current investment income on a pro-rata basis.

For the loss of the control of the investee due to disposal of partial long-term equity investments, the residual equity after disposal, if capable of realizing joint control or exerting significant influence on the investee, is changed to the equity method for calculation, the difference for disposal of book value and consideration is included in the investment income, and the residual equity is adjusted as it is calculated by the equity method since it was acquired; the residual equity after disposal, if unable to realize joint control or exert significant influence on the invested unit, the Accounting Standards for Business Enterprises No. 22 – Recognition and Measurement of Financial Instruments (Cai Kuai (2017) No. 7) shall be applied for the accounting methods, the difference for disposal of book value and consideration is included in the investment income, and the difference between the fair value and book value of the residual equity on the control-lost date is included in profit or loss for the current period.

# Notes to the Financial Statements

From 1 January 2023 to 30 June 2023

(The notes to the financial statements are presented in RMB, except as otherwise noted)

## IV. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (continued)

### 18. Long-term equity investments (continued)

For each transaction where equity is disposed by the Group in stages until loss of control and which does not belong to a package transaction, the accounting for each transaction shall be conducted separately. For the package transaction, the accounting treatment shall be conducted on each transaction as the transaction that disposes of subsidiary with loss of control. However, before loss of control, the difference between disposal price for each transaction and the book value of corresponding long-term investments of the equity disposed of, shall be recognised as other comprehensive income, and, upon loss of control, shall be transferred to the current profit or loss when the control is lost.

### 19. Investment properties

Investment properties include buildings and lands which have been leased out. Investment properties are recorded at their costs. The costs of purchased investment properties include purchase price, relevant taxes and other expenditures that can directly be attributed to the asset; the cost for self-constructing investment properties shall be comprised of necessary expenditures for making the asset reach its intended use. Investment properties of the Group are subsequently measured using the cost method and shall be depreciated or amortized over its expected useful life and net residual rate using the straight-line method.

The subsequent measurement of buildings measured using the cost method is consistent with the subsequent measurement of fixed assets; the subsequent measurement of land use rights measured using the cost method is consistent with the measurement of intangible assets.

When investment properties are converted for self-use, such investment properties shall be changed into fixed assets or intangible assets since the date of conversion. When self-use properties are converted for gaining rental income or capital increase, the fixed assets or intangible assets shall be changed into investment properties since the date of conversion. When conversion occurs, the book value prior to conversion shall be accounted for the value after conversion. If an investment property is disposed of or withdrawn permanently from use and no economic benefit can be obtained from the disposal, the recognition of the investment properties shall be terminated. The disposal income from selling, transferring, discarding or damaging of investment properties shall be deducted by the book value and relevant taxes thereof and then included in profit or loss for the current period.

# Notes to the Financial Statements

From 1 January 2023 to 30 June 2023  
(The notes to the financial statements are presented in RMB, except as otherwise noted)

## IV. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (continued)

### 20. Fixed assets

Fixed assets are tangible assets held for use in the production or supply of goods or services, for rental to others, or for administrative purposes, and expected to be used for more than one year. Fixed assets include buildings and structures, transportation vehicles, electronic equipment, office equipment and others, as the value of the recorded costs at the time of acquisition; the cost of purchased fixed assets includes the purchase price and import duties and other related taxes and fees, as well as other expenses incurred before the fixed assets reach the intended use status can be directly attributed to the asset; the cost for self-constructing the fixed assets consists of the necessary expenditure incurred before the asset is constructed to its intended use; the fixed assets invested by the investor shall be recorded at the value agreed upon in the investment contract or agreement, but the unfair value agreed upon in the contract or agreement shall be recorded at fair value; for the fixed assets for finance leases, the fair value of leased assets on the lease commencement date and the present value of minimum leasing payment shall be accounted for, whichever is lower.

The Group shall make depreciation for all the fixed assets except the fixed assets which have been fully depreciated but are still in use and the land which is separately priced and recorded. Depreciation is calculated using the straight-line method. The depreciation expenses shall be separately included in the costs of related assets or current expenses by purpose. The category, depreciation period, expected net residual rate and depreciation rate of the fixed assets of the Group are as follows:

Category of fixed assets	Depreciation period (year)	Residual rate (%)	Annual depreciation rate (%)
Buildings and structures	20–40	5	2.38–4.75
Machinery equipment	5–25	5	3.80–19.00
Transportation vehicles	5–10	5	9.50–19.00
Electronic equipment	3–5	5	19.00–31.67
Others	5–20	5	4.75–19.00

At the end of each year, the Group shall review the expected useful life, expected net residual value and depreciation method of the fixed assets. If there is any change, it will be treated as an accounting estimate change.

# Notes to the Financial Statements

From 1 January 2023 to 30 June 2023

(The notes to the financial statements are presented in RMB, except as otherwise noted)

## IV. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (continued)

### 20. Fixed assets (continued)

The fixed assets are derecognized on disposal or when no future economic benefits are expected from their use or disposal. The amount of proceeds from disposals on sale, transfer, retirement or damage of the fixed assets, net of their carrying amounts and related taxes, is included in the current profits or losses. Subsequent expenditures related to the fixed assets are included in the carrying amounts of the fixed assets only when the economic benefits associated with the assets that will flow to the enterprise exceed the original estimates, such as extending its useful life, enhancing product quality or reducing product cost. The amount so increased will not exceed the recoverable amount of the fixed assets. Subsequent expenditures other than such amount shall be recognized as the current expenses, and shall no longer be calculated using the accrual or deferred method.

(1) Repair costs related to fixed assets are directly included in the current expenses. (2) Improvement expenses related to fixed assets are included in the carrying amounts of the fixed assets. The amount so increased will not exceed the recoverable amount of the fixed assets. (3) In the event that it is unable to determine whether it is repair or improvement of fixed assets, or the repair of fixed assets and improvement of fixed assets are integrated, the judgment shall be made according to the above principles, and the subsequent expenses incurred shall be included in the value of fixed assets or included in current expenses respectively. (4) Depreciation charge on improvement expenses of fixed assets which meets the criteria for capitalization is accounted for in a separate item of "Improvement of fixed assets" under "Fixed assets", and is calculated separately using the reasonable method based on the shorter of the period between two improvements and the useful life of the fixed assets. In the event that there is still a balance in the item of "Improvement of fixed assets" related to the fixed asset at the next improvement, the balance shall be fully included in the current non-operating expenses. (5) Subsequent expenditures on fixed assets leased by means of financial leasing shall be treated in accordance with the above principles. Depreciation charge on improvement expenses of fixed assets which meets the criteria for capitalization is calculated separately using the reasonable method based on the shorter of the period between two improvements, the remaining lease term and the useful life of fixed assets.

### 21. Construction in progress

The construction in progress is measured at the actual cost. The self-operated construction project is measured by direct materials, direct labour, direct construction costs, etc. The outsourced construction works shall be measured according to the project price payable. The project cost shall be determined according to the value of the equipment installed, the installation cost, the expenses incurred in the trial operation of the project, etc. The cost of construction in progress also includes borrowing costs and exchange gains and losses that should be capitalized.

# Notes to the Financial Statements

From 1 January 2023 to 30 June 2023  
(The notes to the financial statements are presented in RMB, except as otherwise noted)

## IV. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (continued)

### 21. Construction in progress (continued)

Construction in progress shall be transferred into fixed assets at the estimated value as per the project budget, construction prices or actual construction costs from the date when they are ready for intended use, and be depreciated from the next month and be adjusted for difference from the original value of the fixed asset after the completion settlement procedures.

### 22. Borrowing costs

Borrowing costs include interest on borrowings, amortization of discounts or premiums, ancillary expenses and exchange differences arising from foreign currency borrowings. Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets are capitalized when expenditures for such assets and borrowing costs are incurred and activities relating to the acquisition, construction or production of the asset that are necessary to prepare the asset for its intended use or sale have commenced. Capitalization of borrowing costs ceases when the qualifying asset being acquired, constructed or produced becomes ready for its intended use or sale. Other borrowing costs are recognized as an expense in the period in which they are incurred.

Where borrowings are borrowed for a specific purpose, the actual interest expense incurred on that borrowing for the period less any bank interest earned from depositing the unutilized borrowed funds in banks or any investment income on the temporary investment of those borrowings shall be capitalized. Where borrowings are borrowed for general purposes, the amount to be capitalized is determined by multiplying the weighted average of the excess amount of accumulated asset expense over the amount of specific-purpose borrowings by capitalization rate of general-purpose borrowings occupied. The capitalization rate shall be determined based on the weighted average interest rates applicable to the general-purpose borrowings.

The qualifying assets to be capitalized are fixed assets, investment properties and inventories which need to be acquired, constructed or produced through a long period of time (usually more than one year (inclusive)), in order to become ready for its intended use or sale. Capitalization of borrowing costs is suspended during periods in which the acquisition, construction or production of a qualifying asset is suspended abnormally and when the suspension is for a continuous period of more than 3 months. Capitalization is suspended until the acquisition, construction or production of the asset is resumed.

# Notes to the Financial Statements

From 1 January 2023 to 30 June 2023

(The notes to the financial statements are presented in RMB, except as otherwise noted)

## IV. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (continued)

### 23. Right-of-use assets

The right-of-use assets are defined as the rights of the Group as a lessee to use the leased asset in the lease term.

#### (1) Initial measurement

At the commencement date of the lease, the Group initially measures the right-of-use assets at cost, which includes the following: ① the amount of the initial measurement of the lease liability; ② any lease payments made on or before the commencement date, less the amount of lease incentives received, if any; ③ any initial direct costs incurred, i.e. the incremental costs incurred for the execution of the lease; ④ the costs expected to be incurred for dismantling and removing the leased asset, restoring the site on which the leased asset is located or restoring it to the condition as agreed in the terms of the lease, except those incurred for the production of inventories.

#### (2) Subsequent measurement

After the commencement date of the lease, the Group adopts a cost model for the subsequent measurement of the right-of-use assets, where the right-of-use assets are measured at cost less accumulated depreciation and accumulated impairment losses.

Where the Group re-measures the lease liability in accordance with the relevant provisions of the lease standards, the book value of the right-of-use assets shall be adjusted accordingly.

#### (3) Depreciation of right-of-use assets

The Group provides for the depreciation of the right-of-use assets from the commencement date of the lease. Right-of-use assets are usually depreciated from the month in which the lease term commences. The amount of the provision for depreciation is included in the cost of the relevant assets or the current profit or loss according to the use of the right-of-use assets.

When determining the depreciation method of the right-of-use assets, the Group makes decisions based on the expected methods of consuming the economic benefits related to the right-of-use assets, and provides for depreciation for the right-of-use assets on a straight-line basis.

## IV. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (continued)

### 23. Right-of-use assets (continued)

#### (3) Depreciation of right-of-use assets (continued)

When determining the depreciation period of the right-of-use assets, the Group adheres to the following principles: if it is reasonably certain that the ownership of the leased asset will be obtained at the end of the lease term, the provision for depreciation will be made within the remaining useful life of the leased asset; if it is not reasonably certain that the ownership of the leased asset will be obtained when the lease term expires, the provision for depreciation is made during the lease term or the remaining useful life of the leased asset, whichever is the shortest.

If the right-of-use assets are impaired, the Group will make subsequent provisions for depreciation based on the book value of the right-of-use assets after deducting the impairment losses.

### 24. Intangible assets

Intangible assets include land use rights, patent rights, non-patent technology, software and trademark rights, etc. Intangible assets are measured at the actual costs upon acquisition. The purchased intangible assets are stated at actual cost based on the actual price paid and related other expenses. For intangible assets invested by investors, the actual costs are determined according to the values specified in the investment contract or agreement, for the unfair values agreed in the contract or agreement, the actual costs are determined at the fair value.

The land use rights shall be evenly amortized over its remaining term when it is obtained from the date of transfer. The patent technology, non-patent technology and other intangible assets are amortized evenly by stages over estimated useful life, beneficial term stipulated by contract and legal effective term, whichever is the shortest. The amortization amount is included in relevant asset cost and the current profit or loss according to its beneficiaries.

The Group reviews the estimated useful life and amortization method of intangible assets with finite useful life at the end of each year, and any changes will be treated as changes in accounting estimates. The Group reviews the estimated useful life of intangible assets with uncertain useful life at each accounting period. If there is evidence that the useful life of intangible assets is finite, the useful life should be estimated and amortized during that period.

# Notes to the Financial Statements

From 1 January 2023 to 30 June 2023

(The notes to the financial statements are presented in RMB, except as otherwise noted)

## IV. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (continued)

### 25. Research and development

The expenses for internal research and development projects of the Group (including purchased external research projects) are divided into expenses in the research stage and expenses in the development stage.

Expenses in the research stage are included in profit or loss for the current period as incurred. Expenses in the development stage may only be capitalized if the following conditions are satisfied: the completion of such intangible assets for use or sale is technically feasible; the Company has the intention to use or sell the intangible assets upon completion; the way in which the intangible assets bring economic benefits shows that there exists a consumption market for the products with the use of these intangible assets or the intangible assets themselves, or that they are useful in case of internal utilization; the Company has sufficient technological, financial and other resources to complete the development of the intangible assets and the ability to make them available for use or sale; and the expenses attributable to such intangible assets can be measured reliably at the development stage. Development expenses that do not satisfy all the above conditions are included in profit or loss for the current period as incurred. Development expenses previously included in profit or loss will not be recognized as assets in subsequent periods. The capitalized expenditures for the development stage are presented as development expenses on the balance sheet, and are converted to intangible assets from the date when the project reaches its intended use.

Expenditures in the research stage, such as planned investigation, evaluation and selection for the process of the specific product, are included in profit or loss for the current period as incurred. Expenditures in the development stage, such as the designing and testing for the final application of the process of the specific product before the scale production, shall be capitalized only if all of the following conditions are satisfied: (1) the R&D technology of the process of the specific product has been fully approved by the technical team; any proprietary technology formed by the capitalization of R&D expenditures shall obtain the certification issued by the relevant third party or industry authority; (2) the R&D expenditure capitalization shall be approved in accordance with the relevant procedures of the Company's science and technology department, and the project approval report shall be obtained, and the budget relating to the process of the specific product has been approved by the management; (3) the research and analysis from the marketing investigation demonstrated that the product produced during the process of the specific product has marketing capability; and the proprietary technology must reach the international and domestic advanced level or fill the international, domestic and Company gaps, and can be put into production, with good earnings expectations; (4) there are adequate technical and financial resources for the development of the process of the specific product and the subsequent scale production; (5) the expenditure attributable to the process of the specific product can be liable collected.

## IV. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (continued)

### 26. Impairment of non-financial long-term assets

Long-term equity investments, fixed assets, construction in progress, and intangible assets with finite useful lives are tested for impairment if there is any indication that the assets may be impaired at the balance sheet date. For goodwill and intangible assets with uncertain useful life, impairment tests shall be conducted at the end of each year regardless of whether there is any indication of impairment. If it is difficult to test the recoverable amount of a single asset, the test shall be based on the asset group or combination of the asset group to which the asset belongs. If the result of the impairment test indicates that the carrying amount of an asset is greater than its recoverable amount, the difference is recognized as an impairment loss. If the impairment loss for the aforesaid assets is recognized, it shall not be reversed in subsequent accounting periods. The recoverable amount of an asset is the higher between the net value of the fair value of the asset minus the disposal expense and the present value of the expected future cash flow of the asset. The indicators of impairment are as follows:

(1) The market price of assets has fallen sharply in the current period, and the decline is significantly higher than the expected decline due to the passage of time or normal use; (2) there is an adverse impact on the enterprise, because of the material changes of the economic, technological or legal environment which enterprise operates and the market in which the asset is located in the current or recent period; (3) the market interest rate or other market investment return rate has increased in the current period, which affects the discount rate of the enterprise to calculate the present value of the expected future cash flow of the asset, and resulting in a substantial reduction in the asset's recoverable amount; (4) there is evidence that the asset has become obsolete or its entity has been damaged; (5) assets have been or will be idled, terminated, or planned for disposal in advance; (6) the evidence in the internal report of the Company indicates that the economic performance of the asset has been lower or will be lower than expected, such as the net cash flow created by the asset or the realized operating profit (or loss) is much lower (or higher) than the expected amount; (7) other indicators that assets may have been impaired.

### 27. Goodwill

Goodwill is the amount at the acquisition date or purchasing date, of the equity investment cost or cost of business merger not involving enterprises under common control, that exceeds the acquirer's interest in the fair value of the investees' or acquiree's identifiable net assets. Goodwill relating to subsidiaries is presented in consolidated financial statements as a separate item. Goodwill relating to associates and joint ventures is included in the carrying amount of the long-term equity investments.

# Notes to the Financial Statements

From 1 January 2023 to 30 June 2023

(The notes to the financial statements are presented in RMB, except as otherwise noted)

## IV. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (continued)

### 28. Contract liabilities

Contract liabilities reflect the Group's obligation to transfer goods to a customer for which the Group has received consideration or an amount of consideration is due from the customer. Before the Group transfers goods to a customer, the customer has already paid the contract consideration, or the Group has obtained unconditional right to receive the contract consideration. At the earlier of the date of actual payment from the customer and the due date of payment, contract liabilities were recognized based on the amount received or receivable.

### 29. Long-term deferred expenses

The long-term deferred expenses are expenses which have been paid but will be amortized within the period over one year (excluding one year). Such expenses are amortized evenly over periods in which benefits are derived. If the long-term expenses to be amortized are no longer beneficial in subsequent accounting periods, the amortized value of the unamortized item is transferred in full to the current profit or loss.

### 30. Staff remuneration

Staff remuneration refers to all forms of rewards or compensations given by the Group in exchange for services rendered by employees or for the termination of employment relationship. Staff remuneration includes short-term remuneration, post-employment benefits, termination benefits and other long-term employee benefits.

Short-term remuneration includes staff salaries, bonuses, allowances and subsidies, staff welfare payments, social insurance premiums including medical insurance premiums, work injury insurance premiums and maternity insurance premiums, housing provident fund, labor union expenses and staff education expenses, short-term paid leaves, short-term benefits sharing scheme, non-monetary welfare and other short-term remuneration. During the accounting period in which the employees render services, the Group recognizes the short-term remuneration incurred as liabilities and includes in profit or loss for the current period or costs of relevant assets according to the beneficiaries of the services.

Post-employment benefit includes defined contribution plans. Defined contribution plans mainly comprise basic pension insurance, unemployment insurance and annuity. The relevant contribution amount is included in the costs of relevant assets or the profit or loss for the period during which the expenses are incurred.

## IV. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (continued)

### 30. Staff remuneration (continued)

Where the labor relationship with employees is terminated prior to the expiration of the labor contract with employees, or compensation suggestions are made to encourage employees to accept the cutback voluntarily, the employee payroll liabilities incurred by the termination benefits shall be recognized and included in profit or loss for the current period when the Group cannot withdraw unilaterally the termination benefits provided for the termination plan of labor relations or cutback suggestions, or when the Group recognizes the cost related to reorganization involving the payment of termination benefits, whichever is earlier. However, if it is anticipated that the termination benefits cannot be fully paid within 12 months after the end of the annual reporting period, such welfare shall be treated as other long-term staff remuneration.

The internal retirement plan for employees shall be treated by the same principle as the above termination benefits. The Group will pay the salary and contribute social insurance for the internal retirement from the service ceased to be provided by such employee to normal retirement. Such fee is included in profit or loss for the current period (termination benefits) when conforming to the recognition condition of estimated liability.

Accounting treatment shall be conducted on other long-term employee benefits provided to employees by the Group according to defined contribution plans if such plans are conformed. In addition, accounting treatment shall be conducted according to defined benefit plans. The Group did not set up any defined benefit plan.

### 31. Accrued liabilities

Where the business related to contingencies including external guarantee, discount of commercial acceptance bills, pending litigations or arbitrations, product quality assurance, etc. meets the following conditions, the Group will recognize it as liabilities: the obligation is a present obligation of the Group; it is probable that an outflow of economic benefits will be required to settle the obligation; and the amount of the obligation can be measured reliably.

Accrued liabilities are initially measured at the best estimate required to be paid when performing relevant current obligations, with comprehensive consideration of such factors as risks, uncertainties and time value of money related to contingencies. Where the time value of money is of great influence, the best estimate is determined through the discount of relevant future cash outflows. On each balance sheet date, the book value of the accrued liabilities shall be reviewed and adjusted (if any change) to reflect the current best estimate.

# Notes to the Financial Statements

From 1 January 2023 to 30 June 2023

(The notes to the financial statements are presented in RMB, except as otherwise noted)

## IV. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (continued)

### 32. Lease liabilities

#### (1) Initial measurement

The Group initially measures lease liabilities based on the present value of the lease payments that have not been paid at the commencement date of the lease term.

##### 1) *Lease payments*

Lease payments are defined as the payments made by the Group to the lessors related to the rights to use leased assets during the lease term, including: ① fixed payments and fixed payments in substance, net of lease incentives, if any; ② variable lease payments based on indexes or ratios, which are determined at the initial measurement based on the indexes or ratios on the commencement date of the lease term; ③ the exercise price of the purchase option when the Group is reasonably certain to exercise the purchase option; ④ the payments required to be paid for exercising the option to terminate the lease when the lease term reflects that the Group will exercise the option to terminate the lease; ⑤ the amount expected to be paid based on the residual value of the guarantee provided by the Group.

##### 2) *Discount rate*

In calculating the present value of a lease payment, the Group uses the interest rate implicit in the lease as the discount rate, which is a rate that matches the sum of the present value of the lease receipts of the lessor and the present value of unguaranteed residual value with the sum of the fair value of the leased asset and the initial direct expenses incurred by the lessor. The Group uses the incremental borrowing rate as the discount rate when it is unable to determine the interest rate implicit in the lease. The incremental borrowing interest rate refers to the interest rate payable by the Group to borrow funds under similar mortgage conditions in similar periods in order to acquire the assets of an amount close to the value of the right-of-use assets in a similar economic environment. The interest rate is related to the following: ① the Group's own situation, that is, the Group's solvency and credit status; ② the term of the "borrowing", that is, the lease term; ③ the amount of "borrowed" funds, that is, the amount of lease liabilities; ④ "mortgage conditions", that is, the nature and quality of the underlying assets; ⑤ the economic environment, including the jurisdiction in which the lessee is located, the currency of denomination, and the time of signing the contract. Based on the bank loan interest rate, the Group makes adjustments in respect of the above-mentioned factors to derive the incremental borrowing interest rate.

## IV. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (continued)

### 32. Lease liabilities (continued)

#### (2) Subsequent measurement

After the commencement date of the lease term, the Group conducts the subsequent measurement of the lease liabilities according to the following principles: ① increasing the book value of the lease liabilities when recognizing the interest on the lease liabilities; ② reducing the book value of the lease liabilities when making lease payments; ③ re-measuring the book value of the lease liabilities in case of any change in the lease payments due to revaluation or lease variations.

The interest expenses of the lease liabilities in each period of the lease term are calculated at fixed periodic interest rates and are included in the profit and loss for the current period, except those that shall be capitalized. Periodic interest rates refer to the discount rates used by the Group in the initial measurement of lease liabilities, or the revised discount rates adopted by the Group when lease liabilities need to be re-measured at revised discount rates due to changes in lease payments or lease changes.

#### (3) Re-measurement

After the commencement date of the lease term, when the following circumstances occur, the Group re-measures the lease liabilities at the present value calculated based on the lease payments after changes and the revised discount rates, and adjusts the book value of the right-of-use assets accordingly. If the book value of the right-of-use assets has been reduced to zero, but the lease liabilities still need to be further reduced, the Group will include the balance in the current profit or loss. The circumstances include ① any change in the fixed payment in substance; ② any change in the expected payable amount of the residual value of the guarantee; ③ any change in the indexes or ratios used to determine the lease payments; ④ any change in the evaluation result of the purchase option; ⑤ any change in the evaluation result or actual exercise of the option to renew or terminate the lease.

### 33. Share-based payments

The equity-settled share-based payment in return for employees' services shall be measured based on the fair value of equity instruments granted to the employees on the date of grant. Equity Instruments which are exercisable immediately upon the grant are included in relevant costs or expenses at the fair value of equity instruments on the date of grant and capital reserves are increased accordingly. If exercising is conditional upon completion of services in the vesting period or fulfillment of performance conditions, on each balance sheet date during the vesting period, based on the best estimate of the number of exercisable equity instruments, the services received for the period are recognized as the costs or expenses and capital reserves at the fair value of the equity instruments on the date of grant. After the date when the equity instruments are exercisable, costs or expenses and total shareholders' equity which have been recognized will not be adjusted.

# Notes to the Financial Statements

From 1 January 2023 to 30 June 2023

(The notes to the financial statements are presented in RMB, except as otherwise noted)

## IV. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (continued)

### 33. Share-based payments (continued)

Cash-settled share-based payments are measured at the fair value of the liabilities (share-based or other equity instrument-based) assumed by the Group. Equity instruments which are exercisable immediately upon the grant are included in relevant costs or expenses at the fair value of liabilities assumed by the Group on the date of grant and liabilities are increased accordingly. If exercising is conditional upon completion of services in the vesting period or fulfillment of performance conditions, on each balance sheet date during the vesting period, based on the best estimate of the exercisable situation, the services received for the period are recognized as the costs or expenses at the fair value of the liabilities assumed by the Group, and the liabilities are adjusted accordingly.

At each balance sheet date and settlement date before the settlement of relevant liabilities, the fair value of liabilities is remeasured with respective changes included in profit or loss for the current period.

If the Group cancelled the granted equity instrument during the vesting period (other than cancellations due to non-fulfillment of the vesting conditions), it is deemed as accelerated vesting, as if all vesting conditions of the equity-based payment scheme during the remaining vesting period have been fulfilled, all expenses of the remaining vesting period are recognized during the period of cancellation of such equity instrument granted.

### 34. Special reserve

The safety expenditures accrued by the Group in accordance with the national regulations shall be included in the cost of related products or the current profit or loss, and shall be credited to the special reserve account.

The safety expenditures withdrawn and used by the Group, if being expenses in nature, are directly written down to specific reserve. The safety expenditures of the Group that are formed into fixed assets through collection of construction in progress are recognized as fixed assets when the safety projects are completed and reach the expected conditions for use. Meanwhile, a special reserve is written down based on the costs of the formed fixed assets, and the same amount is recognized to accumulated depreciation. For these fixed assets, there will be no further depreciation in the subsequent periods.

## IV. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (continued)

### 35. Revenue recognition principles

The Group is principally engaged in the R&D, production and sale of the high-purity polysilicon, and the development, construction and operation of wind power and PV power plants.

The Group recognizes revenue when a performance obligation in the contract is satisfied, i.e. when control of the goods or services underlying the particular performance obligation is transferred to the customers.

When the contract contains two or more performance obligations, on the inception of the contract, the transaction price is allocated to each separate performance obligation in proportion to the stand-alone price of the promised goods or services, and the revenue is recognized according to the transaction price allocated to each performance obligation.

The transaction price is the amount of consideration to which the Group expects to be entitled in exchange for transferring goods or services to a customer, excluding amounts collected on behalf of third parties. The transaction price confirmed by the Group does not exceed the amount that is highly probable that a significant reversal in the amount of cumulative revenue recognized will not occur when the related uncertainty resolved. The amount expected to be refunded to the customer shall be recognized as a liability and not included in the transaction price. Where there is significant financing component in the contract, the Group shall determine the transaction price on the basis of the amount payable in cash when the customer assumes control of the goods or services. The difference between the transaction price and the contract consideration shall be amortized by the effective interest method during the contract period. The Group shall not take into account the existence of a significant financing component in the contract if the Group expects, at contract inception, that the period between when the customer acquires the control of the promised goods or services and when the customer pays for those goods or services will be one year or less.

The Group satisfies a performance obligation over time, if one of the following criteria is met; otherwise, it satisfies a performance obligation at a point in time:

- (1) The customer simultaneously receives and consumes the benefits provided by the Group's performance as the Group performs.
- (2) The customer can control the asset which is created by the Group's performance.
- (3) The Group's performance does not create an asset with an alternative use and the Group has an enforceable right to receive payment in respect of performance completed to date during the whole contract period.

# Notes to the Financial Statements

From 1 January 2023 to 30 June 2023

(The notes to the financial statements are presented in RMB, except as otherwise noted)

## IV. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (continued)

### 35. Revenue recognition principles (continued)

For a performance obligation satisfied over time, the Group shall recognize revenue over time by measuring the process towards complete satisfaction of the performance obligation and determine the progress of performance based on the percentage of completion method. If the Group is unable to reasonably measure the progress towards complete satisfaction of a performance obligation and the costs incurred by the Group can be expected to be compensated, the revenue shall be recognized according to the costs incurred until such time that it can reasonably measure the process towards complete satisfaction of the performance obligation.

For a performance obligation satisfied at a point in time, the Group shall recognize revenue when the customer obtains control of relevant goods or services. In judging whether customers obtain control of promised goods or services, the Group considers the following indications:

- (1) The Group has a present right to receive the payment in respect of the goods or services.
- (2) The Group has transferred the legal title of the goods to customers.
- (3) The Group has transferred physical possession of the goods to customers.
- (4) The Group has transferred the significant risks and rewards of the ownership of the goods to the customers.
- (5) Customers have accepted the goods or services.
- (6) Other signs indicating that customers have acquired control over the goods.

The Group's right to consideration in exchange for goods or services that it has transferred to a customer is stated as contract asset. The allowances for impairment of contract assets are based on expected credit losses. A receivable is the Group's unconditional right to consideration to be received from a customer. A contract liability is the Group's obligation to transfer goods or services to a customer for which the Group has received consideration (or an amount of consideration is due) from the customer.

## IV. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (continued)

### 35. Revenue recognition principles (continued)

Specific policies and methods for revenue recognition are as follows:

- (1) Revenue from the sales of the Group's polysilicon related products is recognized when control is transferred to the purchaser. The specific revenue recognition criteria are as follows: according to the contract for polysilicon related products, after the Group's products arrive at the delivery location of the customer, the customer confirms the quantity and specifications of the products according to the contract under the "polysilicon transportation execution sheet" and signs or stamps the "polysilicon transportation execution sheet" to confirm the transfer of control of the goods, and the Company recognizes the realization of revenue. The Group bears the transportation costs and risks of the products until they arrive at the delivery location (within Mainland China only) as stipulated in the Group's polysilicon related products business contracts. Normally, transportation services are treated as a separate performance obligation after the transfer of control of the goods to the customer. Otherwise, transportation services incurred prior to the transfer of control of the goods to the customer are not a separate performance obligation promised to the customer, but are recognized as the component of the cost required to fulfill the contract, i.e., transfer of goods to the customer.
- (2) For the development and construction business of wind power and PV power plants, the Group assesses contracts at their effective dates and determines whether the relevant contract performance obligations meet the condition for "performance over time".

For contracts meeting the condition for "performance over time", the Group recognizes revenue based on the contract performance progress during that time. The Group adopts the input method to determine the appropriate progress of performance, which is determined by the total actual contract cost incurred in proportion to the total estimated contract cost. When the performance progress cannot be reasonably determined, the incurred cost expected to be compensated for is recognized as revenue, until the performance progress can be reasonably determined. If the incurred cost is expected to be unrecoverable, it is recognized as expense upon occurrence, without recognizing revenue.

When the total revenue from a contract can be estimated reliably, contract-related economic benefits could probably flow into the Group, the incurred contract cost can be clearly identified and reliably measured, and the percentage of completion and estimated future costs could be reliably measured, the outcome of a contract is deemed to be reasonably foreseeable and the performance progress can be reasonably determined.

If the condition to "performance over time" is not met, the Group recognizes revenue based on the transaction price specified in the contract or relevant documents when the related products are completed and delivered.

# Notes to the Financial Statements

From 1 January 2023 to 30 June 2023

(The notes to the financial statements are presented in RMB, except as otherwise noted)

## IV. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (continued)

### 35. Revenue recognition principles (continued)

- (3) Sales revenue from the Group's operation business of wind power and PV power plants is recognized on the basis of the grid capacity confirmed by both purchasers and sellers, the on-grid tariff approved by the relevant state authorities and the competitive tariff.

### 36. Government grants

The Group's government grants include asset-related and income-related government grants. Asset-related government grants refer to those obtained by the Group and used for the acquisition or construction of long-term assets or obtainment of such assets by other means. Income-related government grants refer to those other than asset-related government grants. If no assistance object is specified in the government documents, the Group will make a judgment based on the above principles. If it is difficult to distinguish between government grants, they are integrally classified as income-related government grants.

Government grants that are monetary assets are measured based on the actual amounts received. For the subsidies paid according to fixed quota standards, or when concrete evidence shows that relevant conditions specified in fiscal support policies can be met and the fiscal support funds are expected to be received at the end of the period, the government grants shall be measured based on the receivable amounts. Government grants that are non-monetary assets are measured based on their fair value; if the fair value cannot be estimated reliably, it will be measured based on nominal amount (RMB1).

Asset-related government grants are recognized as deferred income, and are distributed equally within the useful lives of the related assets and included in current profit or loss. For relevant assets that are sold, transferred, discarded or damaged before the end of their useful lives, balance of the relevant unallocated deferred income is transferred into the profit or loss of the current period when the assets are disposed of.

Income-related government grants used to compensate for related costs or losses during future periods are recognized as deferred income, and will be included in current profit or loss during the period when they are recognized. Government grants related to daily activities are included in other income according to the nature of the economic activities. Government grants unrelated to daily activities are included in non-operating revenue.

## IV. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (continued)

### 37. Deferred income tax assets and deferred income tax liabilities

Deferred income tax assets and deferred income tax liabilities are recognized by calculating the difference (temporary difference) between the tax base and the book value thereof. As for taxable income with deductible loss and tax deduction that can be deducted in subsequent years as specified by tax laws, corresponding deferred income tax assets will be recognized based on the temporary difference. Deferred income tax assets and liabilities are measured at the applicable tax rate during the anticipated period for withdrawing such assets or during the period for paying off such liabilities on the balance sheet date. The Group recognizes the deferred income tax assets arising from deductible temporary difference to the extent that the amount of taxable income to be offset by the deductible temporary difference is likely to be obtained by the Group. For recognized deferred income tax assets, if it is predicted that the amount of taxable income cannot be sufficient to deduct the deferred income tax assets in a future period, the book value of deferred income tax assets will be written down. If it is possible to obtain the sufficient amount of taxable income, the amount that has been written down will be reversed.

The impact of all taxable temporary differences on income tax of the Group should be measured as per the income tax rate in the estimated reversal period, and this impact is recognized as deferred income tax liabilities.

### 38. Lease

#### (1) Identification of lease

Lease refers to a contract under which the lessor transfers the right-of-use of assets to the lessee for consideration within a certain period of time. At the commencement date of the contract, the Group assesses whether the contract is a lease or contains a lease. If a party to the contract transfers the right-of-use of an identified asset or several identified assets for consideration within a certain period of time, such a contract is regarded as a lease or includes a lease. In order to determine whether the right to control the use of the identified assets within a certain period of time has been transferred in the contract, the Group assesses whether the customers in the contract are entitled to substantially all economic benefits arising from the use of the identified assets and have the right to dominate the use of the identified assets during the period of use.

Where a contract concurrently contains multiple separate leases, the Group splits the contract and conducts accounting treatment respectively for all separate leases. Where a contract concurrently includes both leased and non-leased parts, the Group shall split the leased and non-leased parts and conduct accounting treatment.

# Notes to the Financial Statements

From 1 January 2023 to 30 June 2023

(The notes to the financial statements are presented in RMB, except as otherwise noted)

## IV. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (continued)

### 38. Lease (continued)

#### (2) The Group as lessee

On the beginning date of the lease term, the Group recognizes the right-of-use asset and the lease liability. The right-of-use asset is initially measured at cost, which comprises the initial measurement amount of the lease liability, the lease payments made on or before the commencement date of the lease term (net of lease incentives received), plus any initial direct costs incurred and an estimate of costs to dismantle and remove the leased asset or to restore the site where the leased asset is located or restore the leased asset to its agreed condition under the terms of the lease.

- 1) The Group recognizes a right-of-use asset and a lease liability under leases as lessee.
- 2) *Changes in leases*

Changes in leases refer to the changes in the lease scope, lease consideration, and lease term other than the original contract terms, including the addition or termination of the right-of-use of one or more leased assets, and the extension or shortening of the lease period stipulated in the contract. The effective date of the lease change refers to the date both parties agree on a lease change.

If a lease change happens and meets the following conditions, the Group will conduct accounting treatment for the lease change as a separate lease: ① the lease change expands the scope of lease by increasing the right-of-use of one or more leased assets; ② the increased consideration and the individual price of the expanded part of the lease are equivalent after adjustment is made in accordance with the contract.

If accounting treatment for the lease change as a separate lease is not conducted, on the effective date of the lease change, the Group shall apportion the consideration of the changed contract in accordance with the relevant provisions of the lease standards, and re-determine the lease period after the change; and discount the modified lease payments using the revised discount rate, in order to remeasure the lease liabilities. When calculating the present value of the lease payments after modification, the Group adopts the interest rate implicit in the lease for the remaining lease periods as the discount rate; if the lease interest rate implicit in the lease for the remaining lease period cannot be readily determined, the lessee's incremental borrowing rate shall then be used by the Group as the discount rate on the effective date of modification of lease. In view of the consequences of the above adjustment of the lease liabilities, the Group conducts accounting treatment in each of the following cases accordingly: ① If the lease change results in a narrower scope of lease or a shorter lease term, the lessee shall reduce the book value of the right-of-use assets, and recognize the gain or loss relevant to the partial or complete termination of the lease in profit or loss for the current period; ② For other modification of lease that may lead to remeasurement of lease liabilities, the lessee adjusts the book value of the right-of-use assets accordingly.

## IV. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (continued)

### 38. Lease (continued)

#### (2) The Group as lessee (continued)

##### 3) *Short-term leases and low-value asset leases*

For short-term leases with a lease period of not more than 12 months and leases of low-value assets that have a lower value when the individual leased asset is a brand-new asset, the Group chooses not to recognize the right-of-use assets and lease liabilities. During different periods in the lease term, lease payments on short-term leases and leases of low-value assets are recognized as relevant asset costs or the current profit or loss on a straight-line basis or by other systematic and reasonable methods.

#### (3) The Group as a lessor

Based on the assessment as stated in (1), if the contract is a lease or includes a lease, such lease for which the Group is a lessor is classified as a finance lease or an operating lease on the lease commencement date.

A lease is classified as a finance lease by lessor if it transfers substantially all the risks and rewards incidental to the ownership of a leased asset. Other leases other than finance leases shall be classified as operating leases.

A lease is usually classified as a finance lease by the Group when one or more of the following conditions are satisfied: ① At the expiration of the lease term, the ownership of the leased asset is transferred to the lessee; ② The lessee has the option to purchase the leased asset. The purchase price entered into is sufficiently low compared to the fair value of the leased asset when the option is exercised. Therefore, it can be reasonably determined at the commencement date of the lease that the lessee will exercise the option; ③ Although the ownership of the asset is not transferred, the lease term accounts for the majority of the useful life of the leased asset (not shorter than 75% of the useful life of the leased asset); ④ On the commencement date of the lease, the present value of the lease receivable amount is basically equivalent to the fair value of the leased asset (not lower than 90% of the fair value of the leased asset); ⑤ The leased asset is special in nature. If no major modifications are made to it, only the lessee can use it. If one or more of the following conditions exist in a lease, the Group may also classify it as a finance lease: ① If the lessee terminates the lease, the lessee shall bear the losses caused by the termination of the lease to the lessor; ② The profits or losses caused by the fluctuation of the fair value of the balance of assets belong to the lessee; ③ The lessee can continue to lease at a rent far below the market level for the next period.

# Notes to the Financial Statements

From 1 January 2023 to 30 June 2023

(The notes to the financial statements are presented in RMB, except as otherwise noted)

## IV. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (continued)

### 38. Lease (continued)

#### (3) The Group as a lessor (continued)

##### 1) Accounting treatment for finance leases

###### Initial measurement

At the beginning of the lease term, the Group recognizes the finance leases receivable on the finance leases and terminates the recognition of the finance leases assets. When the initial measurement of the finance leases receivable is made by the Group, the Group uses the net lease investment as the entry value of the finance leases receivable.

The net lease investment is the sum of the unguaranteed residual value and the present value of leases receipts that have not been received on the start date of the lease term, which is discounted according to the interest rate implicit in the lease. The lease receipts refer to the amounts that the lessor should collect from the lessee for the purpose of transferring the right-of-use of the leased asset during the lease term, including: ①The fixed payment amount and the substantial fixed payment amount to be paid by the lessee, if there is a lease incentive, the amount related to the lease incentive is deducted; ②Variable lease payments depending on the index or ratio, and such amounts, are determined at the initial measurement based on the index or ratio at the beginning of the lease term; ③The exercise price of the purchase option, provided that it is reasonably determined that the lessee will exercise the option; ④The amount to be paid by the lessee for the termination of the lease option, provided that it's reflected the lessee will exercise the option to terminate the lease during the lease term; ⑤The residual value of the guarantee provided to the lessor by the lessee, a party concerned with the lessee and an independent third party with the financial ability to perform the guarantee obligation.

###### Subsequent measurement

The Group calculates and recognizes interest income for each period of the lease term based on a fixed periodic interest rate. Such periodic interest rate refers to the discount rate implicit in lease used to determine the net lease investment. In the case of intermediate lease, if it is impossible to determine the interest rate implicit in the lease under such intermediate lease, the discount rate of the original lease shall be adopted and adjustments shall be made based on initial direct costs of such intermediate lease. For a finance lease change that is not accounted for as a separate lease, if the lease is classified as a finance lease when the change becomes effective on the lease start date, its discount rate shall be revised according to relevant regulations.

## IV. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (continued)

### 38. Lease (continued)

#### (3) The Group as a lessor (continued)

##### 1) *Accounting treatment for finance leases (continued)*

###### Accounting treatment for lease changes

If a finance lease changes and meets the following conditions, the Group will account for the change as a separate lease for accounting treatment: ① The modification expands the scope of the lease by increasing the right to use one or more leased assets; ② The increased consideration is equal to the individual price of the expanded portion of the lease, as adjusted by the contractual situation.

For a finance lease modification that is not accounted for as a separate lease, if the lease is classified as an operating lease when the change becomes effective on the lease start date, the Group accounts for it as a new lease from the effective date of the lease change and uses the net lease investment before the effective date of the lease change as the book value of the leased asset.

##### 2) *Accounting treatment for operating leases*

###### Treatment of lease payment

Lease receipts under an operating lease are recognized as rental income on a straight-line basis over each period of the lease term.

###### Incentive measures provided

Total rental of the Group is recognized on a straight-line basis over each period of the lease term, without excluding the rent-free period, and rental income is recognized during the rent-free period. If the Group has undertaken certain expenses of the lessee, the expenses will be deducted from the total rental income, and the rental income will be allocated according to the balance of the rental income after deduction during the lease term.

###### Initial direct costs

The initial direct costs incurred by the Group in relation to the operating leases shall be capitalized as the costs of the subject leased asset and apportioned on the same basis as the rental income recognition during the lease term, and included in profit or loss for the current period.

# Notes to the Financial Statements

From 1 January 2023 to 30 June 2023

(The notes to the financial statements are presented in RMB, except as otherwise noted)

## IV. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (continued)

### 38. Lease (continued)

#### (3) The Group as a lessor (continued)

##### 2) *Accounting treatment for operating leases (continued)*

###### Depreciation

For fixed assets in operating leases, the Group measures the depreciation in accordance with depreciation policies for similar assets; for other operating leases assets, the Group adopts a systematic and reasonable method on amortization.

###### Variable lease payments

The variable lease payments received by the Group that are not included in the lease receipts related to the operating leases are recognized in profit or loss in the period in which they are actually incurred.

###### Operating lease changes

The Group accounts for a modification to an operating lease as a new lease from the effective date of the modification, and any lease receipts received in advance or receivable relating to the original lease are considered as part of the lease receipts for the new lease.

### 39. Held-for-sale

- (1) The Group classifies non-current assets or disposal groups that meet the following criteria as held-for-sale: 1) they are ready for immediate sale under current conditions based on the practice of selling such assets or disposal groups in similar transactions; 2) it is highly probable that the sale will occur; that is, a decision has been made on a plan to sell and an undertaking to purchase has been obtained, and the sale is expected to be completed within a year. Relevant approval is required for sales subject to approval of relevant authorities or regulators as stipulated by relevant regulations. Before the Group classifies non-current assets or disposal groups as held-for-sale for the first time, the book value of each asset and liability of the non-current assets or disposal groups is measured according to the requirements of the relevant accounting standards. On initial measurement or remeasurement on the balance sheet date of a non-current asset or disposal group held-for-sale, where its book value is higher than the net value of its fair value less sales expenses, its book value is written down to that net value less disposal expenses, and the amount of the write-down is recognized as an impairment loss on the asset and charged to the current profit or loss, and at the same time, a provision is made for impairment of assets held for sale.

## IV. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (continued)

### 39. Held-for-sale (continued)

- (2) Non-current assets or disposal groups acquired by the Group specifically for resale which satisfy the requirement of “expected completion of sale within one year” on the date of acquisition, and are probable to meet other conditions for classification as held-for-sale in the short term (usually within 3 months) are classified as held-for-sale on the date of acquisition. At initial measurement, the amount of the initial measurement assuming that it is not classified as held-for-sale and the net value of its fair value less sales expenses are compared, and the lower of the two is measured. Other than non-current assets or disposal groups acquired through business merger, the difference arising from recognizing the net value of the fair value of non-current assets or disposal groups less sales expenses as the initial measurement amount is recognized in profit and loss in the current period.
- (3) Where the Group has lost control of a subsidiary due to reasons such as disposal of investment in a subsidiary, regardless of the Group retaining part equity investment after the disposal, upon the investment in a subsidiary to be disposed of satisfying the conditions for classification as held-for-sale, the investment in a subsidiary will be generally classified as held-for-sale in the parent’s separate financial statements, and all assets and liabilities of the subsidiary are classified as held-for-sale in the consolidated financial statements.
- (4) Where there is an increase in the net value of fair value less sales expenses for non-current assets held-for-sale on subsequent balance sheet dates, the previously charged difference should be recovered and reversed in asset impairment loss recognized after classification as held-for-sale investment, with the reversal amount recognized in profit and loss in the current period. Asset impairment loss recognized before classification as held-for-sale investment is not reversible.
- (5) Asset impairment loss recognized for disposal groups held-for-sale is first offset against the book value of goodwill of the disposal groups and then offset against the book values proportionally according to the share of book value of each non-current asset.

Where there is an increase in the net value of the fair value less sales expenses of disposal groups held-for-sale at a subsequent balance sheet date, the previously charged difference should be recovered and reversed in asset impairment loss of non-current assets recognized as required by the appropriate relevant measurement after classification as held-for-sale investment, with the reversal amount recognized in profit and loss in the current period. Offset goodwill book value and asset impairment loss recognized before classification of non-current assets as held-for-sale investment are not reversible.

Reversal amount after recognition of asset impairment loss of disposal groups held-for-sale other than goodwill in the disposal groups should be added proportionally based on the share of book value of each non-current asset.

# Notes to the Financial Statements

From 1 January 2023 to 30 June 2023

(The notes to the financial statements are presented in RMB, except as otherwise noted)

## IV. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (continued)

### 39. Held-for-sale (continued)

- (6) No provision for depreciation or amortization of non-current assets held-for-sale or non-current assets in disposal groups, and interest on liabilities and other expenses of disposal groups held-for-sale continue to be recognized.
- (7) When non-current assets or disposal groups held-for-sale are no longer classified as held-for-sale or non-current assets are removed from disposal groups held-for-sale, measurement is performed based on the lower of the following: 1) book value prior to classification as held-for-sale adjusted by recognition of depreciation, amortization or impairment assuming there is no classification as held-for-sale; 2) recoverable amount.
- (8) Upon derecognition of non-current assets or disposal groups held-for-sale, unrecognized gain or loss is recognized in profit or loss in the current period.

### 40. Hedge accounting

The Group formally designates the hedging instrument and the hedged item at the beginning of the hedge, and prepares written documents on the hedging relations and the Group's risk management strategies and risk management objectives for engaging in the hedge. The written documents shall at least include the hedging instrument, the hedged item, the nature of the hedged risk and the method of assessing hedge effectiveness, etc. In addition, the Group continuously evaluates the hedge effectiveness at the beginning of the hedge and in subsequent periods.

The Group applies cash flow hedge accounting to hedges of expected transactions that satisfy the prescribed conditions and accounts for them as follows:

If a hedging instrument is designated as a cash flow hedge and satisfies relevant conditions, the portion of the gain or loss arising from the hedge that is effective is recorded as a cash flow hedge reserve in other comprehensive income, and the portion of the hedge that is ineffective is included in profit or loss for the current period.

When an expected transaction results in the Group subsequently recognizing a non-financial asset or non-financial liability, or when an expected transaction of a non-financial asset or non-financial liability creates a determined commitment that is subject to fair value hedge accounting, the Group transfers out the amount of the cash flow hedge reserve originally recognized in other comprehensive income to the amount initially recognized for that asset or liability. For cash flow hedges other than these, the Group transfers out the amount of the cash flow hedge reserve originally recognized in other comprehensive income to profit or loss for the current period in which the expected cash flows being hedged affect profit or loss.

## IV. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (continued)

### 40. Hedge accounting (continued)

If all or part of the net loss originally included in other comprehensive income is not expected to be recovered in future accounting periods, the portion that is not recovered is transferred out to profit or loss for the current period.

When the Group ceases to apply a hedge accounting to a cash flow hedge, the cumulative cash flow hedge reserve, which is included in other comprehensive income, is retained for as long as future cash flows are expected to continue to occur and is transferred out of other comprehensive income to profit or loss for the current period when future cash flows are no longer expected to occur.

### 41. Accounting for income tax

Income tax is accounted for using the balance sheet liability method. Income tax expenses represent the sum of current income tax and deferred income tax. Current income tax and deferred income tax relating to the transactions and matters that are directly recorded in shareholders' equity are dealt with in shareholders' equity. Deferred tax income arising from business merger is adjusted to the book value of goodwill. Expenses or income of all other current income tax and deferred income tax are recognized in profit or loss for the current period.

The current income tax is the amount of tax payable to taxation authority by the enterprises, i.e. income tax payable, calculated and determined in accordance with tax regulations for transactions and events occurring during the year. The deferred income tax is the difference between the balances of the deferred income tax assets and deferred income tax liabilities that should be recognized using the balance sheet liabilities approach at the end of the year and their balances originally recognized.

### 42. Other comprehensive income

Other comprehensive income refers to the gains and losses not recognized in profit or loss for the current period in accordance with other accounting standards. The Group presents other comprehensive income by the following two groups in accordance with other relevant accounting standards:

- (1) Other comprehensive income items not eligible to be reclassified as profit or loss in the subsequent accounting periods mainly include the changes caused by remeasurement of net liabilities or net assets of defined benefit plans and the Group's share in the other comprehensive income not eligible to be reclassified as profit or loss in the subsequent accounting periods of the investee and accounted for using the equity method;

# Notes to the Financial Statements

From 1 January 2023 to 30 June 2023

(The notes to the financial statements are presented in RMB, except as otherwise noted)

## IV. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (continued)

### 42. Other comprehensive income (continued)

- (2) Other comprehensive income items to be reclassified as profit or loss in the subsequent accounting periods upon the satisfaction of stipulated conditions mainly include the Group's share in other comprehensive income to be reclassified as profit or loss in the subsequent accounting periods of the investee upon the satisfaction of stipulated conditions and accounted for using the equity method, gains or losses arising from changes in the fair value of available-for-sale financial assets, gains or losses arising from the reclassification of held-to-maturity investments to available-for-sale financial assets, the portion of the gains or losses arising from cash flow hedges instrument as may be attributable to effective hedging activities, difference in translation of financial statements in foreign currency, etc.

### 43. Discontinued operation

The Group recognizes a separately distinguishable component that has been disposed of or classified as held-for-sale as a discontinued operation component if one of the following conditions is met: (1) the component represents an independent main business or a separate major business area; (2) the component is part of an associated plan to dispose of an independent main business or a separate major business area; (3) this component is a subsidiary that is specifically acquired for resale.

Gains or losses on operation and disposal such as impairment losses from discontinued operation and reversal are presented in the income statement as profit or loss from discontinued operation.

### 44. Changes in significant accounting policies and accounting estimates

- (1) Changes in significant accounting policies: Nil
- (2) Changes in significant accounting estimates: Nil.

# Notes to the Financial Statements

From 1 January 2023 to 30 June 2023  
(The notes to the financial statements are presented in RMB, except as otherwise noted)

## V. PRIOR YEAR ADJUSTMENTS

In preparation for the A-shares listing, the Company by making reference to the latest progress in the review of renewable energy power generation subsidies (“**Electricity Price Subsidies**”) and the accounting treatment of the review of Electricity Price Subsidies by listed companies and companies to be listed in the same industry, has made a correction of errors for the accounting treatment of the provision for impairment loss of credit of the accounts receivable of Electricity Price Subsidies from wind power and PV power plants projects which may be subject to risks of Electricity Price Subsidies reduction or cancellation and for which the revenue was recognized but not yet recovered on 31 December 2022, and adjusted to offset the operating revenue in 2022. Specific adjustments to the financial data relating to the consolidated balance sheet and consolidated income statement for the year ended 31 December 2022 are as follows:

### (1) Consolidated balance sheet

	31 December 2022 (before adjustment)	Adjustment	31 December 2022 (after adjustment)
Deferred income tax assets	669,819,363.84	-106,457,154.69	563,362,209.15
Undistributed profit	20,282,081,924.13	-80,645,400.71	20,201,436,523.42
Non-controlling interest	4,343,659,121.86	-25,811,753.98	4,317,847,367.88

### (2) Consolidated income statement

	2022 (before adjustment)	Adjustment	2022 (after adjustment)
Operating revenue	37,541,114,499.68	-709,714,364.60	36,831,400,135.08
Impairment loss of credit	-855,943,084.59	709,714,364.60	-146,228,719.99
Income tax expenses	2,388,803,221.32	106,457,154.69	2,495,260,376.01
Net profit	14,426,245,721.45	-106,457,154.69	14,319,788,566.76
Net profit attributable to owners of the parent company	13,395,473,298.73	-80,645,400.71	13,314,827,898.02
Profit or loss attributable to non- controlling interests	1,030,772,422.72	-25,811,753.98	1,004,960,668.74

# Notes to the Financial Statements

From 1 January 2023 to 30 June 2023

(The notes to the financial statements are presented in RMB, except as otherwise noted)

## VI. TAXATION

1. The main types and rates of taxes applicable to the Group are as follows:

Type of taxes	Tax basis	Tax rate
Value-added tax	Value added amount from sales of goods and provision of taxable services	13%, 9%, 6%, 3%
City maintenance and construction tax	Actual amount of turnover tax paid	7%, 5%, 1%
Education surcharges	Actual amount of turnover tax paid	3%
Local educational surcharge	Actual amount of turnover tax paid	2%
Enterprise income tax	Taxable income	25%, 20%, 15%

2. Tax preference and approvals

### (1) Value-added tax

According to the Announcement on Clarifying the VAT Reduction and Exemption Policy for Small-scale VAT Taxpayers (Announcement of the Ministry of Finance and the State Taxation Administration No. 1 of 2023), the Company's subsidiaries, Xinjiang Xinte Xinneng Materials Co., Ltd. (新疆新特新材料检测中心有限公司) and Xinjiang Information Technology Co., Ltd. (新疆知信科技有限公司) as taxpayers of the production service industry, will be subject to the following policy for the calculation of VAT credit and reduction from 1 January 2023 to 31 December 2023, that is, the taxpayers in the production service industry shall be allowed to offset the tax payable by 5% of the amount of the current deductible input tax.

According to the Notice of the MOF and the State Taxation Administration on the Issuance of the Catalogue on Products and Labour Services relating to Comprehensive Utilisation of Resources Eligible for Concessions of Value-added Tax (Cai Shui [2015] No. 78), the policy of 70% instant refund of value-added tax shall be implemented for the sales of self-produced products by taxpayers included in the catalogue attached to the notice. The production and sale of autoclaved aerated concrete blocks by Xinjiang Xinte Energy Construction Material Co., Ltd., a subsidiary of the Company, meets the condition that more than 70% of the raw materials of bricks, tiles, blocks and other products in the catalogue come from industrial waste, and enjoys the policy of 70% instant refund of value-added tax.

According to the Notice of the MOF and the State Taxation Administration on Value-added Tax Policies for Software Products (Cai Shui [2011] No. 100), there are embedded software products in the goods sold by TBEA Xi'an Electrical Technology Co., Ltd., a subsidiary of the Company. On 17 July 2019, TBEA Xi'an Electrical Technology Co., Ltd. obtained the Tax Eligibility Form for the instant refund of value-added tax on software products from the Tax Bureau of Xi'an High-tech Development Zone of the State Taxation Administration, and enjoys the preferential policy of instant refund of embedded software value-added tax for the part of the actual tax burden exceeding 3% since July 2019.

## VI. TAXATION (continued)

### 2. Tax preference and approvals (continued)

#### (1) Value-added tax (continued)

According to the Circular of the MOF and the State Taxation Administration on Value-Added Tax Policy for Wind Power Generation (Cai Shui (2015) No. 74), since 1 July 2015, the policy of 50% instant refund of value-added tax is implemented for the sale of electricity products generated by wind power and produced by taxpayers. The Company's subsidiary, Guyang County Wind Power Generation Co., Ltd. (固陽縣風源發電有限責任公司) applied for the preferential policy of 50% levy and refund of VAT in the first half of 2023.

According to the Announcement of the MOF, the State Taxation Administration and the General Administration of Customs on Relevant Policies for Deepening the Value-Added Tax Reform (Announcement [2019] No. 39 of the MOF, the State Taxation Administration and the General Administration of Customs), the Announcement of the MOF and the State Taxation Administration on Further Strengthening the Implementation of Policies for Period-end Uncredited Value-Added Tax Refund (Announcement [2022] No. 14 of the MOF and the State Taxation Administration), the taxpayers who meet the requirements of both announcements may apply to the competent tax authorities for refund of the newly-added credits. Inner Mongolia Xinte Silicon Materials Co., Ltd., a subsidiary of the Company, complied with the above preferential policies and applied for the tax refund in the first half of 2023.

#### (2) Enterprise income tax

##### 1) Preferential tax treatment for hi-tech enterprises

According to the Notice of the Ministry of Science and Technology, the MOF and the State Taxation Administration on the Revision and Issuance of the Administrative Measures for Determination of High-Tech Enterprises (Guo Ke Fa Huo [2016] No. 32), the Company was jointly recognized as a national high-tech enterprise by the Department of Science and Technology, Department of Finance and Taxation Bureau of Xinjiang Uygur Autonomous Region, with the certificate number GR202065000004, issued on 19 October 2020, valid for three years, and the enterprise income tax rate of 15% of the Company for the first half of 2023.

According to the Notice of the Ministry of Science and Technology, the MOF and the State Taxation Administration on the Revision and Issuance of the Administrative Measures for Determination of High-Tech Enterprises (Guo Ke Fa Huo [2016] No. 32), Xinjiang Jingshuo New Materials Co., Ltd. (新疆晶碩新材料有限公司), a subsidiary of the Company, was jointly recognized as a national high-tech enterprise by the Department of Science and Technology, Department of Finance and Taxation Bureau of Xinjiang Uygur Autonomous Region, with the certificate number GR202265000110, issued on 12 October 2022, valid for three years, and the enterprise income tax rate of 15% of Xinjiang Jingshuo New Materials Co., Ltd. for the first half of 2023.

# Notes to the Financial Statements

From 1 January 2023 to 30 June 2023

(The notes to the financial statements are presented in RMB, except as otherwise noted)

## VI. TAXATION (continued)

### 2. Tax preference and approvals (continued)

#### (2) Enterprise income tax (continued)

##### 1) *Preferential tax treatment for hi-tech enterprises (continued)*

According to the Notice of the Ministry of Science and Technology, the MOF and the State Taxation Administration on the Revision and Issuance of the Administrative Measures for Determination of High-Tech Enterprises (Guo Ke Fa Huo [2016] No. 32), Xinjiang Xinte Xinneng Materials Co., Ltd., a subsidiary of the Company, was jointly recognized as a national high-tech enterprise by the Department of Science and Technology, Department of Finance and Taxation Bureau of Xinjiang Uygur Autonomous Region, with the certificate number GR202065000064, issued on 19 October 2020, valid for three years, and the enterprise income tax rate of 15% for the first half of 2023.

According to the Notice of the Ministry of Science and Technology, the MOF and the State Taxation Administration on the Revision and Issuance of the Administrative Measures for Determination of High-Tech Enterprises (Guo Ke Fa Huo [2016] No. 32), Xinjiang Xinte Energy Construction Material Co., Ltd., a subsidiary of the Company, was jointly recognized as a national high-tech enterprise by the Department of Science and Technology, Department of Finance and Taxation Bureau of Xinjiang Uygur Autonomous Region, with the certificate number GR202065000038, issued on 19 October 2020, valid for three years, and the enterprise income tax rate of 15% for the first half of 2023.

# Notes to the Financial Statements

From 1 January 2023 to 30 June 2023  
(The notes to the financial statements are presented in RMB, except as otherwise noted)

## VI. TAXATION (continued)

### 2. Tax preference and approvals (continued)

#### (2) Enterprise income tax (continued)

##### 2) Preferential tax treatment for exploration and development of the western region

According to Announcement of the State Taxation Administration on Issues Relating to Enterprise Income Tax Pertaining to Implementation of the Catalogue of Encouraged Industries in Western Region and Cai Shui [2011] No. 58, the enterprises, whose principal business is in the scope of the newly encouraged industries included in the Catalogue of Encouraged Industries in Western Region and revenue from main operations for the year accounts for over 70% of total revenue, are entitled to a preferential enterprise income tax rate of 15% since 1 October 2014. In addition, according to the Notice of the Continuation of the Enterprise Income Tax Policy for Exploration and Development of Western Region (MOF Notice [2020] No. 23) by the MOF, the State Taxation Administration and the NDRC, enterprise income tax will be levied at a reduced rate of 15% on enterprises located in the western region in the encouraged industries from 1 January 2021 to 31 December 2030. The enterprises in encouraged industries stated in this provision refer to those whose main business belongs to the industries and projects as set out in the Catalogue of Encouraged Industries in Western Region and whose revenue from main operations accounts for more than 60% of the total income of the enterprise. The subsidiaries entitled to the above preferential documents include Inner Mongolia Xinte Silicon Materials Co., Ltd.\* (內蒙古新特硅材料有限公司), Xinjiang Xinte Crystal Silicon Hightech Co., Ltd. (新疆新特晶體硅高科技有限公司), TBEA Xinjiang Sunoasis Co., Ltd. (特變電工新疆新能源股份有限公司), Guyang County Wind Power Generation Co., Ltd. (固陽縣風源發電有限責任公司), Naiman Banner Huite PV Power Generation Co., Ltd. (奈曼旗匯特光伏發電有限責任公司), Tumu Shuke Dongrun Huanneng PV Power Generation Co., Ltd. (圖木舒克東潤環能光伏發電有限公司), TBEA Xi'an Electrical Technology Co., Ltd. (特變電工西安電氣科技有限公司), TBEA Xi'an Flexible Power Transmission & Distribution Co., Ltd. (特變電工西安柔性輸配電有限公司), Xi'an TBEA Electric Power Design Co., Ltd. (西安特變電工電力設計有限責任公司), Xi'an Purui Xinte Energy Co., Ltd. (西安普瑞新特能源有限公司), Shaanxi TBEA New Energy Co., Ltd. (陝西特變電工新能源有限公司), Habahe County Xinte Wind Power Co., Ltd. (哈巴河縣新特風電有限公司), Hami Huafeng New Energy Power Generation Co., Ltd. (哈密華風新能源發電有限公司), Heqing Huineng Power Generation Co., Ltd. (鶴慶匯能發電有限責任公司), Hami Fengshang Power Generation Co., Ltd. (哈密風尚發電有限責任公司), Yun County Huineng Power Co., Ltd. (雲縣匯能發電有限責任公司), Baotou Guangyi Solar Power Co., Ltd. (包頭市光羿太陽能發電有限責任公司), Burqin County Jingneng Wind Power Co., Ltd. (布爾津縣晶能風力發電有限責任公司), Mulei County Jiayu Fengsheng Power Generation Co., Ltd. (木壘縣嘉裕風晟發電有限公司), Mulei County Xinte Huineng Power Generation Co., Ltd. (木壘縣新特匯能發電有限責任公司), Xilingol Xinyuan New Energy Co., Ltd. (錫林郭勒新園新能源有限公司), Zhengxiangbai Banner Fengsheng Power Generation Co., Ltd. (正鑲白旗風盛發電有限公司) and Zhongmin (Mulei) Wind Power Co., Ltd. (中閩(木壘)風電有限公司).

# Notes to the Financial Statements

From 1 January 2023 to 30 June 2023  
(The notes to the financial statements are presented in RMB, except as otherwise noted)

## VI. TAXATION (continued)

### 2. Tax preference and approvals (continued)

#### (2) Enterprise income tax (continued)

##### 3) Preferential enterprise income tax treatment for public infrastructure projects

According to the Regulation on the Implementation of the Enterprise Income Tax Law of the People's Republic of China, Cai Shui [2008] No. 46, Cai Shui [2008] No. 116, Guo Shui Fa [2009] No. 80 and other documents, incomes from investments in and operation of public infrastructure projects that satisfy the scope, conditions and standards specified in the Catalogue of Public Infrastructure Projects Enjoying Preferential Enterprise Income Tax (Cai Shui [2008] No. 46) (the "**Catalogue**") shall, commencing from the taxable year in which such project receives its first business income, be exempted from enterprise income tax from the first year to the third year, and be entitled to a 50% reduction in enterprise income tax from the fourth year to the sixth year. The companies that are entitled to the above preferential enterprise income tax treatment are shown as the following table:

Name of company	Exemption period of income tax	50% reduction-period of income tax	Remarks
Ruicheng County Huiyuan Power Generation Co., Ltd. (芮城縣暉源發電有限責任公司)	2017–2019	2020–2022	
Xi'an Guangcheng Electricity Sales Co., Ltd., (西安光成售電有限公司)	2018–2020	2021–2023	
Xintai Guanghua PV Power Generation Co., Ltd. (新泰市光華光伏發電有限責任公司)	2018–2020	2021–2023	Disposed of in January 2023
Yu County Huaguang PV Power Generation Co., Ltd. (孟縣華光光伏發電有限公司)	2017–2019	2020–2022	
Hami Fengshang Power Generation Co., Ltd. (哈密風尚發電有限責任公司)	2018–2020	2021–2023	
Baotou Guangyi Solar Power Co., Ltd. (包頭市光羿太陽能發電有限責任公司)	2019–2021	2022–2024	
Xilingol Xinyuan New Energy Co., Ltd. (錫林郭勒新圓新能源有限公司)	2021–2023	2024–2026	
Zhengxiangbai Banner Fengsheng Power Generation Co., Ltd. (正鑲白旗風盛發電有限公司)	2021–2023	2024–2026	
Mulei County Jiayu Fengsheng Power Generation Co., Ltd. (木壘縣嘉裕風晟發電有限公司)	2021–2023	2024–2026	
Chongren County Huafeng Power Generation Co., Ltd. (崇仁縣華風發電有限公司)	2021–2023	2024–2026	Disposed of in May 2023
Mulei County Xinte Huineng Power Generation Co., Ltd. (木壘縣新特匯能發電有限責任公司)	2021–2023	2024–2026	

# Notes to the Financial Statements

From 1 January 2023 to 30 June 2023  
(The notes to the financial statements are presented in RMB, except as otherwise noted)

## VI. TAXATION (continued)

### 2. Tax preference and approvals (continued)

#### (2) Enterprise income tax (continued)

#### 3) Preferential enterprise income tax treatment for public infrastructure projects (continued)

Name of company	Exemption period of income tax	50% reduction-period of income tax	Remarks
Heze Mudan District Haofeng New Energy Co., Ltd. (菏澤市牡丹區浩風新能源有限公司)	2021–2023	2024–2026	
Burqin County Jingneng Wind Power Co., Ltd. (布爾津縣晶能風力發電有限責任公司)	2021–2023	2024–2026	
Wuqi County Huaguang New Energy Co., Ltd. (吳起縣華光新能源有限公司)	2021–2023	2024–2026	Disposed of in January 2023
Zhidan County Xinsheng PV Technology Co., Ltd. (志丹縣新晟光伏科技有限公司)	2020–2022	2023–2025	
Zhongmin (Mulei) Wind Power Co., Ltd. (中閩(木壘)風電有限公司)	2021–2023	2024–2026	
Dunhuang Teneng New Energy Co., Ltd. * (敦煌市特能新能源有限公司)	2022–2024	2025–2027	
Hami Zhenchao Wind Power Co., Ltd. (哈密市振超風力發電有限公司)	2022–2024	2025–2027	
Luyi Fengyi Power Co., Ltd. (鹿邑縣風易發電有限公司)	2021–2023	2024–2026	
Xuyi High Drive Wind Power Co., Ltd. * (盱眙高傳風力發電有限公司)	8MW: 2019–2021 72MW: 2020–2022	8MW: 2022–2024 72MW: 2023–2025	Disposed of in May 2023
Fengning Manchu Autonomous County Xinlong Wind Power Co., Ltd. (豐寧滿族自治縣新隆風力發電有限公司)	2022–2024	2025–2027	
Baotou Guangchi Solar Energy Co., Ltd. (包頭市光熾太陽能有限責任公司)	2023–2025	2026–2028	
Xingtang County Xingte New Energy Co., Ltd. (行唐縣行特新能源有限公司)	2022–2024	2025–2027	
Xifeng Rongsheng Power New Energy Co., Ltd. (西豐縣榮晟電力新能源有限公司)	2023–2025	2026–2028	

# Notes to the Financial Statements

From 1 January 2023 to 30 June 2023

(The notes to the financial statements are presented in RMB, except as otherwise noted)

## VI. TAXATION (continued)

### 2. Key tax preference and approvals (continued)

#### (2) Enterprise income tax (continued)

##### 4) Preferential tax treatment for small and low-profit enterprises

According to the Notice on the Income Tax Incentives to Small and Micro Enterprises and Individual Business (MOF and STA Notice [2023] No. 6), from 1 January 2023 to 31 December 2024, for the part of small and low-profit enterprises whose annual taxable income does not exceed RMB1 million, 25% shall be included in the taxable income, and the enterprise income tax shall be paid at the tax rate of 20%. Xinjiang Information Technology Co., Ltd. (新疆知信科技有限公司), Xinjiang Changhe Yangguang Property Services Co., Ltd. (新疆昌和陽光物業服務有限公司), Xinjiang Shahai Green Energy Services Co., Ltd. (新疆沙海綠色能源服務有限公司), Xinjiang Silicon-based New Material Innovation Center Co., Ltd. (新疆硅基新材料創新中心有限公司), Urumqi Strategic Emerging Industry Xinte Energy Leading Fund (LLP) (烏魯木齊戰略性新興產業新特能源引導基金(有限合夥)), Urumqi Huaguang Guangsheng Power Technology Co., Ltd. (烏魯木齊華光光盛電力科技有限公司) and Binzhou Zhanhua Guangsheng New Energy Co., Ltd. (濱州市沾化區廣盛新能源有限公司), subsidiaries of the Company, are eligible for the preferential tax policies for small and micro enterprises, with the enterprise income tax levied at the applicable tax rate for small and micro enterprises in the first half of 2023.

## VII. NOTES TO KEY ITEMS OF CONSOLIDATED FINANCIAL STATEMENTS

For the data of consolidated financial statements disclosed below, unless otherwise indicated, “opening” or “beginning of the period” represents 31 December 2022, “closing” or “end of the period” represents 30 June 2023, “current period” represents the period from 1 January to 30 June 2023, “previous period” represents the period from 1 January to 30 June 2022, all figures are stated in RMB.

### 1. Monetary capital

Items	Closing balance	Opening balance
Cash in hand	11,606.92	0.00
Bank deposits	10,667,946,703.08	3,409,764,114.29
Other monetary capital	1,369,994,270.79	1,785,687,862.42
<b>Total</b>	<b>12,037,952,580.79</b>	<b>5,195,451,976.71</b>
Including: Total amount deposited overseas	116,902,892.97	98,930,098.85

## Notes to the Financial Statements

From 1 January 2023 to 30 June 2023  
(The notes to the financial statements are presented in RMB, except as otherwise noted)

### VII. NOTES TO KEY ITEMS OF CONSOLIDATED FINANCIAL STATEMENTS (continued)

#### 1. Monetary capital (continued)

Restricted monetary capital

Items	Closing balance	Opening balance
Security deposits for bank acceptance notes	1,215,872,262.31	1,514,075,083.80
Funds frozen by the court	56,224,104.00	33,864,931.18
Security deposits for the letter of guarantee	45,526,289.31	82,456,270.62
Special funds under shared accounts	23,663,664.77	139,793,342.85
Margin and deposits for land rehabilitation	14,082,383.07	12,333,047.23
Foreign exchange margin	8,625,544.87	3,136,165.74
Term deposits and call deposits	6,000,000.00	0.00
Others	22.46	29,021.00
<b>Total</b>	<b>1,369,994,270.79</b>	<b>1,785,687,862.42</b>

#### 2. Financial assets held for trading

Items	Closing balance	Opening balance
Financial assets at fair value through profit or loss	113,550,941.06	66,798,941.06
Including: Investments in equity instruments	113,550,941.06	66,798,941.06
Investments in derivative instruments	0.00	0.00
<b>Total</b>	<b>113,550,941.06</b>	<b>66,798,941.06</b>

Note: Investments in equity instruments represent equity investments held and are accounted for as financial assets at fair value through profit or loss and presented as financial assets held for trading in accordance with management's intention.

# Notes to the Financial Statements

From 1 January 2023 to 30 June 2023  
(The notes to the financial statements are presented in RMB, except as otherwise noted)

## VII. NOTES TO KEY ITEMS OF CONSOLIDATED FINANCIAL STATEMENTS (continued)

### 3. Notes receivable

#### (1) Notes receivable by category

Items	Closing balance	Opening balance
Bank acceptance notes	1,715,491,335.40	2,088,941,669.56
Trade acceptance notes	28,726,232.11	10,487,147.22
<b>Total</b>	<b>1,744,217,567.51</b>	<b>2,099,428,816.78</b>

#### (2) Pledged notes receivable at the end of the period

Items	Pledged amount at the end of the period
Bank acceptance notes	474,283,221.29

#### (3) Notes receivable endorsed or discounted at the end of the period but not due at the balance sheet date

Items	Amount derecognized at the end of the period	Amount not derecognized at the end of the period
Bank acceptance notes	0.00	89,137,281.11
Trade acceptance notes	0.00	23,500,564.80
<b>Total</b>	<b>0.00</b>	<b>112,637,845.91</b>

#### (4) Notes transferred to accounts receivable at the end of the period due to non-performance of issuers

Nil.

# Notes to the Financial Statements

From 1 January 2023 to 30 June 2023  
(The notes to the financial statements are presented in RMB, except as otherwise noted)

## VII. NOTES TO KEY ITEMS OF CONSOLIDATED FINANCIAL STATEMENTS (continued)

### 3. Notes receivable (continued)

#### (5) Method of provision for bad debts by category

Category	Book balance		Closing balance Provision for bad debts		Carrying amount
	Amount	Percentage (%)	Amount	Provision percentage (%)	
Bad debt provision made on individual basis	0.00	0.00	0.00	0.00	0.00
Bad debt provision made on a collective basis	1,761,835,926.78	100.00	17,618,359.27	1.00	1,744,217,567.51
Including: Bank acceptance notes	1,732,819,530.71	98.35	17,328,195.31	1.00	1,715,491,335.40
Trade acceptance notes	29,016,396.07	1.65	290,163.96	1.00	28,726,232.11
<b>Total</b>	<b>1,761,835,926.78</b>	<b>100.00</b>	<b>17,618,359.27</b>	<b>—</b>	<b>1,744,217,567.51</b>

Category	Book balance		Opening balance Provision for bad debts		Carrying amount
	Amount	Percentage (%)	Amount	Provision percentage (%)	
Bad debt provision made on individual basis	0.00	0.00	0.00	0.00	0.00
Bad debt provision made on a collective basis	2,120,635,168.46	100.00	21,206,351.68	1.00	2,099,428,816.78
Including: Bank acceptance notes	2,110,042,090.46	99.50	21,100,420.90	1.00	2,088,941,669.56
Trade acceptance notes	10,593,078.00	0.50	105,930.78	1.00	10,487,147.22
<b>Total</b>	<b>2,120,635,168.46</b>	<b>100.00</b>	<b>21,206,351.68</b>	<b>—</b>	<b>2,099,428,816.78</b>

# Notes to the Financial Statements

From 1 January 2023 to 30 June 2023  
(The notes to the financial statements are presented in RMB, except as otherwise noted)

## VII. NOTES TO KEY ITEMS OF CONSOLIDATED FINANCIAL STATEMENTS (continued)

### 3. Notes receivable (continued)

#### (6) Provisions for bad debt accrued, recovered and reversed for notes receivable during the current period

Category	Opening balance	Changes of the current period				Closing balance
		Accrued	Recovered or reversed	Carry-forward or written off	Others	
Bank acceptance notes	21,100,420.90	-3,772,225.59	0.00	0.00	0.00	17,328,195.31
Trade acceptance notes	105,930.78	184,233.18	0.00	0.00	0.00	290,163.96
<b>Total</b>	21,206,351.68	-3,587,992.41	0.00	0.00	0.00	17,618,359.27

#### (7) Notes receivable written off in the current period

Nil.

### 4. Accounts receivable

#### (1) Method of provision for bad debts made on accounts receivable by category

Category	Book balance		Closing balance		Carrying amount
	Amount	Percentage (%)	Amount	Provision percentage (%)	
Bad debt provision made on individual basis	92,565,816.17	1.77	92,565,816.17	100.00	0.00
Bad debt provision made on a collective basis	5,146,383,611.66	98.23	492,850,369.93	9.58	4,653,533,241.73
Including: Portfolio of aging	2,721,449,409.11	51.94	373,161,914.09	13.71	2,348,287,495.02
Portfolio of electricity and subsidies	2,424,934,202.55	46.29	119,688,455.84	4.94	2,305,245,746.71
<b>Total</b>	5,238,949,427.83	100.00	585,416,186.10	—	4,653,533,241.73

Note: Details of restricted accounts receivable are set out in Note VII. 57, and details of pledged accounts receivable are set out in Note XV. 3.

# Notes to the Financial Statements

From 1 January 2023 to 30 June 2023  
(The notes to the financial statements are presented in RMB, except as otherwise noted)

## VII. NOTES TO KEY ITEMS OF CONSOLIDATED FINANCIAL STATEMENTS (continued)

### 4. Accounts receivable (continued)

#### (1) Method of provision for bad debts made on accounts receivable by category (continued)

Category	Book balance		Opening balance Provision for bad debts		Carrying amount
	Amount	Percentage (%)	Amount	Provision percentage (%)	
Bad debt provision made on individual basis	92,565,816.17	1.61	92,565,816.17	100.00	0.00
Bad debt provision made on a collective basis	5,661,397,429.97	98.39	454,714,632.28	8.03	5,206,682,797.69
Including: Portfolio of aging	3,264,254,972.31	56.73	350,003,782.69	10.72	2,914,251,189.62
Portfolio of electricity and subsidies	2,397,142,457.66	41.66	104,710,849.59	4.37	2,292,431,608.07
<b>Total</b>	<b>5,753,963,246.14</b>	<b>100.00</b>	<b>547,280,448.45</b>	<b>—</b>	<b>5,206,682,797.69</b>

#### 1) Bad debt provision made on accounts receivable on individual basis

Item	Closing balance			Reasons for provision
	Book balance	Provision for bad debts	Provision percentage (%)	
Reduction or cancellation of Electricity Price Subsidies involving sales tax	92,565,816.17	92,565,816.17	100.00	Details set out in the note
<b>Total</b>	<b>92,565,816.17</b>	<b>92,565,816.17</b>	<b>100.00</b>	<b>—</b>

Note: From March 2022, the NDRC, the MOF and NEA have jointly carried out the review of Electricity Price Subsidies. Based on the review, there is a risk that Electricity Price Subsidies for some of the Company's wind power and PV power station projects will be reduced or cancelled. The Company made impairment provisions for the above-mentioned new energy power station related assets with indications of impairment aggregating to RMB486,735,700, including RMB92,565,800 of provision for credit impairment loss in respect of the irrecoverable sales tax arising from the reduction or cancellation of the Electricity Price Subsidies, RMB374,576,900 of provision for asset impairment loss of fixed assets, RMB12,392,900 of provision for asset impairment loss of intangible assets, and RMB7,200,100 of provision for asset impairment loss of right-of-use assets.

# Notes to the Financial Statements

From 1 January 2023 to 30 June 2023  
(The notes to the financial statements are presented in RMB, except as otherwise noted)

## VII. NOTES TO KEY ITEMS OF CONSOLIDATED FINANCIAL STATEMENTS (continued)

### 4. Accounts receivable (continued)

#### (1) Method of provision for bad debts made on accounts receivable by category (continued)

##### 2) Bad debt provision made on accounts receivable on an aging portfolio basis

Aging	Closing balance		Provision percentage (%)
	Accounts receivable	Bad debt provision	
Within 1 year (inclusive)	1,638,922,694.47	32,778,453.87	2.00
1 year to 2 years (inclusive)	523,368,739.84	26,168,436.99	5.00
2 years to 3 years (inclusive)	281,790,450.37	56,358,090.07	20.00
3 years to 4 years (inclusive)	11,694,133.06	3,508,239.90	30.00
4 years to 5 years (inclusive)	22,649,396.23	11,324,698.12	50.00
Over 5 years	243,023,995.14	243,023,995.14	100.00
<b>Total</b>	<b>2,721,449,409.11</b>	<b>373,161,914.09</b>	<b>—</b>

Aging	Opening balance		Provision percentage (%)
	Accounts receivable	Bad debt provision	
Within 1 year (inclusive)	1,986,177,949.75	39,723,559.00	2.00
1 year to 2 years (inclusive)	815,842,467.40	40,792,123.37	5.00
2 years to 3 years (inclusive)	131,087,983.61	26,217,596.72	20.00
3 years to 4 years (inclusive)	13,243,109.80	3,972,932.94	30.00
4 years to 5 years (inclusive)	157,211,782.19	78,605,891.10	50.00
Over 5 years	160,691,679.56	160,691,679.56	100.00
<b>Total</b>	<b>3,264,254,972.31</b>	<b>350,003,782.69</b>	<b>—</b>

In portfolios, accounts receivable with provision made for bad debts using other methods.

# Notes to the Financial Statements

From 1 January 2023 to 30 June 2023  
(The notes to the financial statements are presented in RMB, except as otherwise noted)

## VII. NOTES TO KEY ITEMS OF CONSOLIDATED FINANCIAL STATEMENTS (continued)

### 4. Accounts receivable (continued)

#### (1) Method of provision for bad debts made on accounts receivable by category (continued)

##### 2) Bad debt provision made on accounts receivable on an aging portfolio basis (continued)

Among the portfolio of electricity and subsidies, upon taking into account the aging situation, the Company discounted the book balance of the portfolio of electricity and subsidies based on the decline of 10% of the five-year LPR during the Reporting Period, and calculated the expected credit loss based on the difference between book value and discounted amount.

Aging	Closing balance		Provision percentage (%)
	Accounts receivable	Bad debt provision	
Portfolio of electricity and subsidies	2,424,934,202.55	119,688,455.84	4.94

Aging	Opening balance		Provision percentage (%)
	Accounts receivable	Bad debt provision	
Portfolio of electricity and subsidies	2,397,142,457.66	104,710,849.59	4.37

# Notes to the Financial Statements

From 1 January 2023 to 30 June 2023

(The notes to the financial statements are presented in RMB, except as otherwise noted)

## VII. NOTES TO KEY ITEMS OF CONSOLIDATED FINANCIAL STATEMENTS (continued)

### 4. Accounts receivable (continued)

#### (2) Accounts receivable by aging based on recording dates

Aging	Closing balance	Opening balance
Within 1 year (inclusive)	2,506,611,915.15	3,013,937,963.72
1 year to 2 years (inclusive)	1,291,169,419.99	1,619,714,476.63
2 years to 3 years (inclusive)	740,822,675.97	468,920,318.22
3 years to 4 years (inclusive)	294,377,359.38	298,141,619.77
4 years to 5 years (inclusive)	149,746,282.63	192,191,413.74
Over 5 years	256,221,774.71	161,057,454.06
<b>Total</b>	<b>5,238,949,427.83</b>	<b>5,753,963,246.14</b>

#### (3) Bad debt provision for accounts receivable

Category	Opening balance	Accrued	Changes of the current period		Others	Closing balance
			Recovered or reversed	Carry-forward or written off		
Bad debt provision made on accounts receivable	547,280,448.45	64,203,072.97	0.00	0.00	-26,067,335.32	585,416,186.10
<b>Total</b>	<b>547,280,448.45</b>	<b>64,203,072.97</b>	<b>0.00</b>	<b>0.00</b>	<b>-26,067,335.32</b>	<b>585,416,186.10</b>

Note: Other changes of the current period amounted to RMB-26,067,300, mainly due to the decrease in bad debt provision for the Company's disposal of project companies including Xintai Guanghua PV Power Generation Co., Ltd. (新泰市光華光伏發電有限責任公司), Xuyi High Drive Wind Power Co., Ltd. \* (盱眙高傳風力發電有限公司) and Chongren County Huafeng Power Generation Co., Ltd. (崇仁縣華風發電有限公司).

# Notes to the Financial Statements

From 1 January 2023 to 30 June 2023  
(The notes to the financial statements are presented in RMB, except as otherwise noted)

## VII. NOTES TO KEY ITEMS OF CONSOLIDATED FINANCIAL STATEMENTS (continued)

### 4. Accounts receivable (continued)

#### (4) Accounts receivable written off in the current period

There were no significant accounts receivable written off in the current period.

#### (5) Particulars of the top five of balances of accounts receivable presented by debtors

The aggregate amount of the top five of closing balances of accounts receivable presented by debtors was RMB2,542,020,703.81 in the current period, accounting for 48.52% of the total closing balance of accounts receivable, and the closing balance of corresponding provision for bad debts was RMB341,451,810.95.

### 5. Receivables financing

Items	Closing balance	Opening balance
Notes receivable	6,349,941,876.53	6,172,012,029.97
<b>Total</b>	<b>6,349,941,876.53</b>	<b>6,172,012,029.97</b>

Note: The bank acceptance notes included in the balance of receivables financing have short remaining terms, and their carrying amount approximates to the fair value. Therefore, the carrying amount is used as the fair value at the end of the period.

Note: Details of restricted receivables financing are set out in Note VII. 57.

# Notes to the Financial Statements

From 1 January 2023 to 30 June 2023  
(The notes to the financial statements are presented in RMB, except as otherwise noted)

## VII. NOTES TO KEY ITEMS OF CONSOLIDATED FINANCIAL STATEMENTS (continued)

### 6. Prepayments

#### (1) Aging of prepayments

Items	Closing balance		Opening balance	
	Amount	Percentage (%)	Amount	Percentage (%)
Within 1 year (inclusive)	616,343,937.65	93.65	685,845,269.31	93.96
1 year to 2 years (inclusive)	25,685,976.82	3.90	30,471,702.39	4.17
2 years to 3 years (inclusive)	11,641,858.99	1.77	9,567,277.70	1.31
Over 3 years	4,492,937.23	0.68	4,073,208.83	0.56
<b>Total</b>	<b>658,164,710.69</b>	<b>100.00</b>	<b>729,957,458.23</b>	<b>100.00</b>

#### (2) Particulars of the top five of balances of prepayments presented by debtors

The aggregate amount of the top five of closing balances of prepayments presented by prepayment objects was RMB286,160,664.35 in the current period, accounting for 43.48% of the total closing balance of prepayments.

### 7. Other receivables

Items	Closing balance	Opening balance
Interests receivable	0.00	0.00
Dividends receivable	46,759,581.38	78,463,017.24
Other receivables	327,076,163.28	377,677,137.63
<b>Total</b>	<b>373,835,744.66</b>	<b>456,140,154.87</b>

# Notes to the Financial Statements

From 1 January 2023 to 30 June 2023  
(The notes to the financial statements are presented in RMB, except as otherwise noted)

## VII. NOTES TO KEY ITEMS OF CONSOLIDATED FINANCIAL STATEMENTS (continued)

### 7. Other receivables (continued)

#### 7.1 Interests receivable

Nil.

#### 7.2 Dividends receivable

(1) Dividends receivable by category

Items	Closing balance	Opening balance
Chongren County Huafeng Power Generation Co., Ltd. (崇仁縣華風發電有限公司)	23,773,281.80	0.00
Xuwen Haoneng PV Power Generation Co., Ltd. (徐聞縣昊能光伏發電有限公司)	17,344,905.91	17,344,905.91
Hotan Saiwei PV Technology Co., Ltd. (和田賽維光伏科技有限公司)	3,025,118.46	8,219,152.26
Sichuan Ganzi Datang International New Energy Co., Ltd. (四川甘孜大唐國際新能源有限責任公司)	1,542,082.78	7,559,818.83
Urumqi Xinte Power Generation Co., Ltd. (烏魯木齊新特發電有限責任公司)	905,417.52	905,417.52
Chabuchaer Huaguang Power Generation Co., Ltd. (察布查爾華光發電有限責任公司)	168,774.91	168,774.91
Huocheng Huaguang Power Generation Co., Ltd. (霍城華光發電有限責任公司)	0.00	20,908,906.98
Turpan TBEA New Energy Co., Ltd. (吐魯番特變電工新能源有限公司)	0.00	17,657,748.51
Wujiaqu Xinte Energy Co., Ltd. (五家渠新特能源有限責任公司)	0.00	5,698,292.32
<b>Total</b>	<b>46,759,581.38</b>	<b>78,463,017.24</b>

# Notes to the Financial Statements

From 1 January 2023 to 30 June 2023  
(The notes to the financial statements are presented in RMB, except as otherwise noted)

## VII. NOTES TO KEY ITEMS OF CONSOLIDATED FINANCIAL STATEMENTS (continued)

### 7. Other receivables (continued)

#### 7.2 Dividends receivable (continued)

(2) Significant dividends receivable with aging of over 1 year

Investees	Closing balance	Aging	Reason for non-recovery	Whether impairment is incurred and the basis of judgment
Chabuachaer Huaguang Power Generation Co., Ltd. (察布查爾華光發電有限責任公司)	168,774.91	2 years - 3 years	Collection conditions have not been met	No
Hotan Saiwei PV Technology Co., Ltd. (和田賽維光伏科技有限公司)	3,025,118.46	2 years - 4 years	Collection conditions have not been met	No
Xuwen Haoneng PV Power Generation Co., Ltd. (徐聞縣昊能光伏發電有限公司)	17,344,905.91	within 5 years	Collection conditions have not been met	No
Urumqi Xinte Power Generation Co., Ltd. (烏魯木齊新特發電有限責任公司)	905,417.52	1 year - 2 years	Collection conditions have not been met	No
Sichuan Ganzi Datang International New Energy Co., Ltd. (四川甘孜大唐國際新能源有限責任公司)	1,542,082.78	Over 5 years	Collection conditions have not been met	No
<b>Total</b>	<b>22,986,299.58</b>	—	—	—

# Notes to the Financial Statements

From 1 January 2023 to 30 June 2023  
(The notes to the financial statements are presented in RMB, except as otherwise noted)

## VII. NOTES TO KEY ITEMS OF CONSOLIDATED FINANCIAL STATEMENTS (continued)

### 7. Other receivables (continued)

#### 7.3 Other receivables

(1) Other receivables by nature

Nature	Book balance at the end of the period	Book balance at the beginning of the period
Margin and deposits	270,726,987.31	299,023,619.40
Related-party transactions	27,498,802.17	20,786,261.21
Advances	33,260,136.49	55,008,458.52
Principals and interests of borrowings	14,068,754.26	26,266,779.77
Daily cash advances	9,510,687.78	7,761,678.54
Others	4,076,842.29	2,595,280.52
<b>Total</b>	<b>359,142,210.30</b>	<b>411,442,077.96</b>

# Notes to the Financial Statements

From 1 January 2023 to 30 June 2023  
(The notes to the financial statements are presented in RMB, except as otherwise noted)

## VII. NOTES TO KEY ITEMS OF CONSOLIDATED FINANCIAL STATEMENTS (continued)

### 7. Other receivables (continued)

#### 7.3 Other receivables (continued)

(2) *Bad debt provision made on other receivables*

Bad debt provision	Stage 1	Stage 2	Stage 3	Total
	12-month expected credit loss	Lifetime expected credit loss (without credit impairment)	Lifetime expected credit loss (with credit impairment)	
<b>Opening balance</b>	0.00	32,141,940.33	1,623,000.00	33,764,940.33
Book balance of other receivables at the beginning of the period	—	—	—	—
— transferred to Stage 2	0.00	0.00	0.00	0.00
— transferred to Stage 3	0.00	0.00	0.00	0.00
— reversed to Stage 2	0.00	0.00	0.00	0.00
— reversed to Stage 1	0.00	0.00	0.00	0.00
Accrued in current period	0.00	2,556,532.44	0.00	2,556,532.44
Reversed in current period	0.00	0.00	0.00	0.00
Carry-forward in current period	0.00	0.00	0.00	0.00
Written off in current period	0.00	0.00	0.00	0.00
Other changes	0.00	-4,255,425.75	0.00	-4,255,425.75
<b>Closing balance</b>	0.00	30,443,047.02	1,623,000.00	32,066,047.02

# Notes to the Financial Statements

From 1 January 2023 to 30 June 2023  
(The notes to the financial statements are presented in RMB, except as otherwise noted)

## VII. NOTES TO KEY ITEMS OF CONSOLIDATED FINANCIAL STATEMENTS (continued)

### 7. Other receivables (continued)

#### 7.3 Other receivables (continued)

##### (3) Other receivables by aging

Aging	Closing balance	Opening balance
Within 1 year (inclusive)	207,262,050.08	265,165,615.57
1 year to 2 years (inclusive)	111,701,553.08	105,178,846.36
2 years to 3 years (inclusive)	19,907,761.12	21,825,303.93
3 years to 4 years (inclusive)	2,476,031.54	509,953.86
4 years to 5 years (inclusive)	366,895.24	155,439.00
Over 5 years	17,427,919.24	18,606,919.24
<b>Total</b>	<b>359,142,210.30</b>	<b>411,442,077.96</b>

##### (4) Bad debt provision for other receivables

Category	Opening balance	Accrued	Changes of the current period		Others	Closing balance
			Recovered or reversed	Carry-forward or written off		
Bad debt provision made on other receivables	33,764,940.33	2,556,532.44	0.00	0.00	-4,255,425.75	32,066,047.02
<b>Total</b>	<b>33,764,940.33</b>	<b>2,556,532.44</b>	<b>0.00</b>	<b>0.00</b>	<b>-4,255,425.75</b>	<b>32,066,047.02</b>

Note: Other changes of the period in an amount of RMB-4,255,400 were mainly due to the decrease of bad debt provision as a result of the Company's disposal of its project companies including Xintai Guanghai PV Power Generation Co., Ltd. (新泰市光華光伏發電有限責任公司) and Xuyi High Drive Wind Power Co., Ltd. (盱眙高傳風力發電有限公司).

##### (5) Other receivables written off in the current period

Nil.

# Notes to the Financial Statements

From 1 January 2023 to 30 June 2023

(The notes to the financial statements are presented in RMB, except as otherwise noted)

## VII. NOTES TO KEY ITEMS OF CONSOLIDATED FINANCIAL STATEMENTS (continued)

### 7. Other receivables (continued)

#### 7.3 Other receivables (continued)

(6) Particulars of the top five of closing balances for other receivables presented by debtors

Name of entity	Nature of amount	Closing balance	Aging	Percentage of the closing balance of other receivables (%)	Closing balance of bad debt provision
Guotai Junan Securities Co., Ltd.	Margin and deposits	65,940,635.37	Within 1 year	18.36	1,318,812.71
Zhumadian Yuzi Investment Development Co., Ltd. (駐馬店市豫資投資發展有限公司)	Margin and deposits	30,000,000.00	Within 1 year	8.35	600,000.00
Fuxin Coal Chemical Industry Base Management Committee (阜新市煤化工產業基地管理委員會)	Margin and deposits	24,000,000.00	1 year–2 years	6.68	1,200,000.00
Zhangjiakou Qiaoxi Technology Industry and Trade Development Co., Ltd. (張家口市橋西科工貿開發有限公司)	Margin and deposits	20,212,600.00	1 year–2 years	5.63	1,010,630.00
Beijing Jingchuan Electronic Technology Development Co., Ltd. (北京晶川電子技術發展有限責任公司)	Margin and deposits	14,387,200.00	Within 2 years	4.01	696,194.00
<b>Total</b>	—	<b>154,540,435.37</b>	—	43.03	4,825,636.71

# Notes to the Financial Statements

From 1 January 2023 to 30 June 2023  
(The notes to the financial statements are presented in RMB, except as otherwise noted)

## VII. NOTES TO KEY ITEMS OF CONSOLIDATED FINANCIAL STATEMENTS (continued)

### 8. Inventories

#### (1) Inventories by category

Items	Book balance	Closing balance Reserve for stock depreciation	Book value
Raw materials	874,832,838.36	116,573,588.58	758,259,249.78
Packaging materials and low-value consumables	2,285,767.83	0.00	2,285,767.83
Goods in stock	734,049,348.87	133,152,145.28	600,897,203.59
Work in progress and semi-finished goods	815,497,454.26	89,799,659.30	725,697,794.96
Materials processed on commission	322,384,534.00	167,977,081.11	154,407,452.89
Wind power and PV power plants	1,547,244,306.96	228,973,083.05	1,318,271,223.91
<b>Total</b>	<b>4,296,294,250.28</b>	<b>736,475,557.32</b>	<b>3,559,818,692.96</b>

Note: Details of restricted inventories are set out in Note VII. 57; details of pledged inventories are set out in Note XV. 2.

Items	Book balance	Opening balance Reserve for stock depreciation	Book value
Raw materials	782,076,005.58	20,878,000.59	761,198,004.99
Packaging materials and low-value consumables	2,631,899.51	0.00	2,631,899.51
Goods in stock	1,635,466,275.30	27,564,062.89	1,607,902,212.41
Work in progress and semi-finished goods	466,046,104.09	3,794,305.05	462,251,799.04
Materials processed on commission	612,836,766.47	0.00	612,836,766.47
Wind power and PV power plants	1,458,323,792.93	293,812,834.88	1,164,510,958.05
<b>Total</b>	<b>4,957,380,843.88</b>	<b>346,049,203.41</b>	<b>4,611,331,640.47</b>

# Notes to the Financial Statements

From 1 January 2023 to 30 June 2023  
(The notes to the financial statements are presented in RMB, except as otherwise noted)

## VII. NOTES TO KEY ITEMS OF CONSOLIDATED FINANCIAL STATEMENTS (continued)

### 8. Inventories (continued)

#### (2) Reserve for stock depreciation

Items	Opening balance	Increase in current period		Decrease in current period		Closing balance
		Accrued	Others	Carry-forward or written off	Others	
Raw materials	20,878,000.59	99,815,172.80	0.00	4,119,584.81	0.00	116,573,588.58
Goods in stock	27,564,062.89	125,234,010.33	0.00	19,645,927.94	0.00	133,152,145.28
Work in progress and semi-finished goods	3,794,305.05	89,039,942.43	0.00	3,034,588.18	0.00	89,799,659.30
Materials processed on commission	0.00	167,977,081.11	0.00	0.00	0.00	167,977,081.11
New energy power plants	293,812,834.88	35,480,610.20	0.00	4,571,393.26	95,748,968.77	228,973,083.05
<b>Total</b>	346,049,203.41	517,546,816.87	0.00	31,371,494.19	95,748,968.77	736,475,557.32

### 9. Contract assets

#### (1) Breakdown of contract assets

Items	Book balance	Closing balance Provision for impairment	Book value
Projects completed but not settled	1,225,233,266.46	6,642,887.68	1,218,590,378.78
Retention money	341,691,259.74	54,294,936.32	287,396,323.42
<b>Total</b>	1,566,924,526.20	60,937,824.00	1,505,986,702.20

Items	Book balance	Opening balance Provision for impairment	Book value
Projects completed but not settled	984,758,092.16	3,935,587.36	980,822,504.80
Retention money	382,311,664.57	37,117,771.57	345,193,893.00
<b>Total</b>	1,367,069,756.73	41,053,358.93	1,326,016,397.80

## Notes to the Financial Statements

From 1 January 2023 to 30 June 2023  
(The notes to the financial statements are presented in RMB, except as otherwise noted)

### VII. NOTES TO KEY ITEMS OF CONSOLIDATED FINANCIAL STATEMENTS (continued)

#### 9. Contract assets (continued)

##### (2) Provision for impairment of contract assets accrued in the current period

Items	Opening balance	Accrued in current period	Reversed in current period	Carry-forward/ written off in current period	Closing balance	Reasons
Projects completed but not settled	3,935,587.36	2,707,300.32	0.00	0.00	6,642,887.68	
Retention money	37,117,771.57	17,177,164.75	0.00	0.00	54,294,936.32	
<b>Total</b>	41,053,358.93	19,884,465.07	0.00	0.00	60,937,824.00	—

#### 10. Other current assets

Items	Closing balance	Opening balance
Value-added tax credits	1,224,329,374.85	1,486,364,590.14
Prepaid income tax	308,220,939.25	10,059,359.33
Prepaid goods and services tax	9,475,798.84	8,499,341.06
Other prepaid taxes	0.00	2,178.99
<b>Total</b>	1,542,026,112.94	1,504,925,469.52

# Notes to the Financial Statements

From 1 January 2023 to 30 June 2023  
(The notes to the financial statements are presented in RMB, except as otherwise noted)

## VII. NOTES TO KEY ITEMS OF CONSOLIDATED FINANCIAL STATEMENTS (continued)

### 11. Long-term equity investments

Investees	Opening balance	Additional investment	Changes in current period					Closing balance	Closing balance of provision for impairment	Shareholding (%)	Proportion of voting right (%)	
			Decrease	Profit or loss on investments recognized under the equity method	Adjustment of other comprehensive income	Changes of other equity	Declaration of cash dividends or profits					Provision for impairment
<b>Joint venture</b>												
Sichuan Ganzhi Datang International New Energy Co., Ltd. (四川甘孜大唐國際新能源有限責任公司)	10,558,300.00	0.00	25,099,913.43	14,541,613.43	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Guyang County Changlan Wind Power Co., Ltd. * (固陽縣長嵐風力發電有限公司)	0.00	0.00	0.00	-1,305,929.92	0.00	0.00	0.00	0.00	1,305,929.92	0.00	0.00	40
<b>Associates</b>												
Jeminay Xinte Wind Power Co., Ltd. (吉木乃新特風電有限公司)	28,520,509.50	0.00	0.00	3,335,409.53	0.00	0.00	0.00	0.00	0.00	31,855,919.03	0.00	49
Wuling Jiangyong Power Co., Ltd. (五凌江永電力有限公司)	51,192,321.02	0.00	0.00	3,606,203.74	0.00	0.00	0.00	0.00	0.00	54,798,524.76	0.00	30
Jiangyong Clean Energy Development Co., Ltd. (江永清潔能源開發有限公司)	39,859,322.04	0.00	0.00	3,215,986.29	0.00	0.00	0.00	0.00	0.00	43,075,308.33	0.00	30
Daoxian Clean Energy Development Co., Ltd. (道縣清潔能源開發有限公司)	38,622,377.10	0.00	0.00	13,306,323.10	0.00	0.00	0.00	0.00	0.00	51,928,700.20	0.00	30
Jiangyong Shenghua Energy Development Co., Ltd. (江永晟華能源開發有限公司)	91,981,413.13	0.00	0.00	13,318,806.42	0.00	0.00	0.00	0.00	0.00	105,300,219.55	0.00	49
Turpan TBEA New Energy Co., Ltd. (吐魯番特變電工新能源有限公司)	78,139,004.51	0.00	0.00	8,011,721.05	0.00	0.00	0.00	0.00	0.00	86,150,725.56	0.00	48
Wujiaqu Xinte Energy Co., Ltd. (五家渠新特能源有限責任公司)	17,051,630.77	0.00	0.00	1,621,469.76	0.00	0.00	0.00	0.00	0.00	18,673,100.53	0.00	40
Wujiaqu TBEA PV Power Technology Co., Ltd. (五家渠特變電工光電科技有限責任公司)	18,964,279.25	0.00	0.00	1,382,408.97	0.00	0.00	0.00	0.00	0.00	20,346,688.22	0.00	40
China Energy Xinjiang Ganquanpu Integrated Energy Co., Ltd. (國能新疆甘泉綜合能源有限公司)	20,003,299.38	0.00	0.00	848.91	0.00	0.00	0.00	0.00	0.00	20,004,148.29	0.00	10
Huaxiang (Hongdong) New Energy Technology Co., Ltd.	984,712.82	0.00	0.00	-22,742.69	0.00	0.00	0.00	0.00	0.00	961,970.13	0.00	10
<b>Total</b>	<b>395,877,169.52</b>	<b>0.00</b>	<b>25,099,913.43</b>	<b>61,012,118.59</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>1,305,929.92</b>	<b>433,095,304.60</b>	<b>0.00</b>	<b>-</b>

Note: In December 2022, TBEA New Energy (a subsidiary of the Company), entered into an equity transfer agreement with Sichuan Datang International Renewable Power Company Limited (四川大唐國際新能源有限公司) to transfer its 50% equity interest in Sichuan Ganzhi Datang International New Energy Co., Ltd. (四川甘孜大唐國際新能源有限責任公司). The equity transfer was completed in February 2023, upon which TBEA New Energy no longer held the equity interest of that company.

# Notes to the Financial Statements

From 1 January 2023 to 30 June 2023  
(The notes to the financial statements are presented in RMB, except as otherwise noted)

## VII. NOTES TO KEY ITEMS OF CONSOLIDATED FINANCIAL STATEMENTS (continued)

### 12. Other equity instrument investments

#### (1) Breakdown of other equity instrument investments

Items	Closing balance	Opening balance
Gokin Solar Co., Ltd. (高景太陽能股份有限公司)	249,999,977.52	249,999,977.52
Urumqi Xinte Power Generation Co., Ltd. (烏魯木齊新特發電有限責任公司)	1,000,000.00	1,000,000.00
Tumxuk Hengrunjin Power Technology Co., Ltd. (圖木舒克恆潤金電力科技有限公司)	0.00	0.00
<b>Total</b>	<b>250,999,977.52</b>	<b>250,999,977.52</b>

#### (2) Equity instrument investments not held for trading in the current period

Items	Dividend income recognized in current period	Cumulative gains	Cumulative losses	Amount of other comprehensive income transferred to retained earnings	Reason for being designated as FVOCI	Reason for transferring from other comprehensive income to retained earnings
Gokin Solar Co., Ltd. (高景太陽能股份有限公司)	936,802.23	936,802.23	0.00	0.00	Held not for the purpose of trading	–
Urumqi Xinte Power Generation Co., Ltd. (烏魯木齊新特發電有限責任公司)	0.00	0.00	0.00	0.00	Held not for the purpose of trading	–
Tumxuk Hengrunjin Power Technology Co., Ltd. (圖木舒克恆潤金電力科技有限公司)	0.00	0.00	7,066,041.44	0.00	Held not for the purpose of trading	–

### 13. Fixed assets

Items	Carrying amount at the end of the period	Carrying amount at the beginning of the period
Fixed assets	34,003,339,893.72	34,112,445,590.94
Disposal of fixed assets	0.00	0.00
<b>Total</b>	<b>34,003,339,893.72</b>	<b>34,112,445,590.94</b>

Note: Details of restricted fixed assets are set out in Note VII. 57; details of pledged fixed assets are set out in Note XV. 2.

# Notes to the Financial Statements

From 1 January 2023 to 30 June 2023

(The notes to the financial statements are presented in RMB, except as otherwise noted)

## VII. NOTES TO KEY ITEMS OF CONSOLIDATED FINANCIAL STATEMENTS (continued)

### 13. Fixed assets (continued)

#### 13.1 Fixed assets

##### (1) Breakdown of fixed assets

Items	Buildings and structures	Machinery and equipment	Transportation facilities	Electronic equipment	Others	Total
I. Original value						
<b>1. Opening balance</b>	9,362,987,321.24	32,887,905,689.19	74,229,582.95	189,350,140.01	424,473,070.40	42,938,945,803.79
<b>2. Increase in current period</b>	214,853,315.90	2,035,523,997.62	15,534,169.98	5,038,351.55	272,106.69	2,271,221,941.74
(1) Acquisition	76,911,841.21	162,766,434.39	15,534,169.98	5,038,351.55	272,106.69	260,522,903.82
(2) Transfer from construction in progress	137,495,343.07	1,872,757,563.23	0.00	0.00	0.00	2,010,252,906.30
(3) Increase in business merger	0.00	0.00	0.00	0.00	0.00	0.00
(4) Translation of financial statements in foreign currency	446,131.62	0.00	0.00	0.00	0.00	446,131.62
<b>3. Decrease in current period</b>	206,928,113.77	1,179,468,695.52	588,987.00	399,636.52	21,297,231.93	1,408,682,664.74
(1) Disposal or retirement	239,787.50	57,761,103.11	251,164.17	356,395.57	1,006,219.42	59,614,669.77
(2) Decrease in business merger	206,688,326.27	1,121,707,592.41	337,822.83	43,240.95	20,291,012.51	1,349,067,994.97
(3) Translation of financial statements in foreign currency	0.00	0.00	0.00	0.00	0.00	0.00
<b>4. Closing balance</b>	9,370,912,523.37	33,743,960,991.29	89,174,765.93	193,988,855.04	403,447,945.16	43,801,485,080.79
II. Accumulated depreciation						
<b>1. Opening balance</b>	1,342,675,325.19	6,522,419,745.87	26,327,317.01	101,529,259.72	155,250,649.21	8,148,202,297.00
<b>2. Increase in current period</b>	159,200,558.50	945,254,879.79	9,824,725.03	10,287,502.96	18,221,600.64	1,142,789,266.92
(1) Accrual	159,200,558.50	945,254,879.79	9,824,725.03	10,287,502.96	18,221,600.64	1,142,789,266.92
(3) Increase in business merger	0.00	0.00	0.00	0.00	0.00	0.00
(3) Others	0.00	0.00	0.00	0.00	0.00	0.00
<b>3. Decrease in current period</b>	27,804,284.32	181,710,117.52	376,698.11	375,533.25	12,455,357.48	222,721,990.68
(1) Disposal or retirement	79,787.10	31,694,008.50	152,045.99	338,575.44	955,908.39	33,220,325.42
(2) Decrease in business merger	27,719,675.41	150,016,109.02	224,652.12	36,957.81	11,499,449.09	189,496,843.45
(3) Translation of financial statements in foreign currency	4,821.81	0.00	0.00	0.00	0.00	4,821.81
<b>4. Closing balance</b>	1,474,071,599.37	7,285,964,508.14	35,775,343.93	111,441,229.43	161,016,892.37	9,068,269,573.24
III. Provision for impairment						
<b>1. Opening balance</b>	41,679,144.81	621,269,439.06	252,868.44	6,437,811.16	8,658,652.38	678,297,915.85
<b>2. Increase in current period</b>	5,890,801.83	62,492,984.26	0.00	536.79	2,809.17	68,387,132.05
(1) Accrual	5,890,801.83	62,492,984.26	0.00	536.79	2,809.17	68,387,132.05
(2) Others	0.00	0.00	0.00	0.00	0.00	0.00
<b>3. Decrease in current period</b>	109,482.70	16,695,666.06	0.00	4,285.31	0.00	16,809,434.07
(1) Disposal or retirement	109,482.70	16,695,666.06	0.00	4,285.31	0.00	16,809,434.07
(2) Others	0.00	0.00	0.00	0.00	0.00	0.00
<b>4. Closing balance</b>	47,460,463.94	667,066,757.26	252,868.44	6,434,062.64	8,661,461.55	729,875,613.83
IV. Carrying amount						
<b>1. Closing balance</b>	7,849,380,460.06	25,790,929,725.89	53,146,553.56	76,113,562.97	233,769,591.24	34,003,339,893.72
<b>2. Opening balance</b>	7,978,632,851.24	25,744,216,504.26	47,649,397.50	81,383,069.13	260,563,768.81	34,112,445,590.94

Note: The "decrease in business merger" in the table was mainly due to the Company's disposal of its project companies including Xintai Guanghai PV Power Generation Co., Ltd. (新泰市光華光伏發電有限責任公司), Xuyi High Drive Wind Power Co., Ltd.\* (盱眙高傳風力發電有限公司) and Chongren County Huafeng Power Generation Co., Ltd. (崇仁縣華風發電有限公司).

# Notes to the Financial Statements

From 1 January 2023 to 30 June 2023  
(The notes to the financial statements are presented in RMB, except as otherwise noted)

## VII. NOTES TO KEY ITEMS OF CONSOLIDATED FINANCIAL STATEMENTS (continued)

### 14. Construction in progress

Items	Closing balance	Opening balance
Construction in progress	12,335,736,825.34	12,090,642,988.90
Project materials	40,745,426.61	47,101,014.15
<b>Total</b>	<b>12,376,482,251.95</b>	<b>12,137,744,003.05</b>

Note: Details of restricted construction in progress are set out in Note VII. 57; details of pledged construction in progress are set out in Note XV. 2.

# Notes to the Financial Statements

From 1 January 2023 to 30 June 2023  
(The notes to the financial statements are presented in RMB, except as otherwise noted)

## VII. NOTES TO KEY ITEMS OF CONSOLIDATED FINANCIAL STATEMENTS (continued)

### 14. Construction in progress (continued)

#### 14.1 Construction in progress

(1) Breakdown of construction in progress

Items	Closing			Opening		
	Book balance	Provision for impairment	Carrying amount	Book balance	Provision for impairment	Carrying amount
200,000-ton-per-annum High-end Electronic-grade Polysilicon Green Low-carbon Circular Economy Construction Project (Phase I)	8,985,374,531.82	0.00	8,985,374,531.82	7,730,871,687.76	0.00	7,730,871,687.76
Wuwei Wusheng 150MW PV Power Generation Project	508,023,063.66	0.00	508,023,063.66	451,739,461.55	0.00	451,739,461.55
Kaipin 100 MW PV and Energy Storage Power Generation Project	426,880,937.78	0.00	426,880,937.78	342,797,718.77	0.00	342,797,718.77
Yarkant 100MW PV On-grid Power and Energy Storage Facility Project	392,027,930.08	0.00	392,027,930.08	308,347,410.01	0.00	308,347,410.01
Urumqi Toi 100MW Wind Power Project	347,496,434.43	0.00	347,496,434.43	293,648,585.69	0.00	293,648,585.69
Baotou Tumed Right Banner Land Governance and Agriculture-PV Complement 300,000 KW PV Demonstration Project	214,780,232.34	0.00	214,780,232.34	1,090,805,691.08	0.00	1,090,805,691.08
Bazhou Ruoqiang Milan 50MW Wind Power Project	214,460,353.80	0.00	214,460,353.80	194,042,268.12	0.00	194,042,268.12
Gansu Jiuquan Dunhuang 100MW On-grid PV Power Generation Project	178,195,223.82	0.00	178,195,223.82	153,043,759.19	0.00	153,043,759.19
Tieling Xifeng Baiyu Wind Power Project	93,093,927.37	0.00	93,093,927.37	485,832,010.22	0.00	485,832,010.22
Gansu Wuwei Jiuduntan 330KV Booster Station Project	77,917,038.48	0.00	77,917,038.48	47,629,353.79	0.00	47,629,353.79
Other projects	897,487,151.76	0.00	897,487,151.76	991,885,042.72	0.00	991,885,042.72
<b>Total</b>	<b>12,335,736,825.34</b>	<b>0.00</b>	<b>12,335,736,825.34</b>	<b>12,090,642,988.90</b>	<b>0.00</b>	<b>12,090,642,988.90</b>

# Notes to the Financial Statements

From 1 January 2023 to 30 June 2023  
(The notes to the financial statements are presented in RMB, except as otherwise noted)

## VII. NOTES TO KEY ITEMS OF CONSOLIDATED FINANCIAL STATEMENTS (continued)

### 14. Construction in progress (continued)

#### 14.2 Project materials

Items	Closing provision for impairment			Opening provision for impairment		
	Book balance	Carrying amount		Book balance	Carrying amount	
Special materials	40,745,426.61	0.00	40,745,426.61	47,101,014.15	0.00	47,101,014.15
<b>Total</b>	<b>40,745,426.61</b>	<b>0.00</b>	<b>40,745,426.61</b>	<b>47,101,014.15</b>	<b>0.00</b>	<b>47,101,014.15</b>

### 15. Right-of-use assets

Items	Land use right	Others	Total
<b>I. Original book value</b>			
<b>1. Opening balance</b>	385,209,801.26	5,388,663.60	390,598,464.86
<b>2. Increase in current period</b>	103,496,264.38	275,520.26	103,771,784.64
(1) Lease	103,496,264.38	0.00	103,496,264.38
(2) Translation of financial statements in foreign currency	0.00	275,520.26	275,520.26
<b>3. Decrease in current period</b>	71,925,533.95	0.00	71,925,533.95
(1) Decrease in scope of consolidation	71,925,533.95	0.00	71,925,533.95
<b>4. Closing balance</b>	<b>416,780,531.69</b>	<b>5,664,183.86</b>	<b>422,444,715.55</b>
<b>II. Accumulated depreciation</b>			
<b>1. Opening balance</b>	53,301,878.36	1,375,152.89	54,677,031.25
<b>2. Increase in current period</b>	8,223,217.19	543,992.34	8,767,209.53
(1) Accrual	8,223,217.19	543,992.34	8,767,209.53
<b>3. Decrease in current period</b>	19,484,690.45	14,424.68	19,499,115.13
(1) Decrease in scope of consolidation	19,484,690.45	0.00	19,484,690.45
(2) Translation of financial statements in foreign currency	0.00	14,424.68	14,424.68
<b>4. Closing balance</b>	<b>42,040,405.10</b>	<b>1,904,720.55</b>	<b>43,945,125.65</b>
<b>III. Provision for impairment</b>			
<b>1. Opening balance</b>	4,116,874.73	0.00	4,116,874.73
<b>2. Increase in current period</b>	3,083,215.11	0.00	3,083,215.11
<b>3. Decrease in current period</b>	0.00	0.00	0.00
<b>4. Closing balance</b>	<b>7,200,089.84</b>	<b>0.00</b>	<b>7,200,089.84</b>
<b>IV. Carrying amount</b>			
<b>1. Closing balance</b>	367,540,036.75	3,759,463.31	371,299,500.06
<b>2. Opening balance</b>	327,791,048.17	4,013,510.71	331,804,558.88

Note: The “decrease in scope of consolidation” in the table was mainly due to the Company’s disposal of its project company Xintai Guanghua PV Power Generation Co., Ltd. (新泰市光華光伏發電有限責任公司).

# Notes to the Financial Statements

From 1 January 2023 to 30 June 2023

(The notes to the financial statements are presented in RMB, except as otherwise noted)

## VII. NOTES TO KEY ITEMS OF CONSOLIDATED FINANCIAL STATEMENTS (continued)

### 16. Intangible assets

#### (1) Breakdown of intangible assets

Items	Land use rights	Proprietary technology	Software	Mining rights	Total
<b>I. Original book value</b>					
<b>1. Opening balance</b>	1,434,986,049.77	172,465,034.60	129,479,170.76	17,671,257.28	1,754,601,512.41
<b>2. Increase in current period</b>	24,529,141.46	0.00	60,909,725.07	41,262.14	85,480,128.67
(1) Acquisition	24,529,141.46	0.00	60,909,725.07	41,262.14	85,480,128.67
(2) Independent R&D	0.00	0.00	0.00	0.00	0.00
(3) Increase in scope of consolidation	0.00	0.00	0.00	0.00	0.00
(4) Transfer from construction in progress	0.00	0.00	0.00	0.00	0.00
<b>3. Decrease in current period</b>	25,105,971.20	0.00	1,922,832.11	0.00	27,028,803.31
(1) Disposal	0.00	0.00	1,922,832.11	0.00	1,922,832.11
(2) Decrease in scope of consolidation	25,105,971.20	0.00	0.00	0.00	25,105,971.20
(3) Others	0.00	0.00	0.00	0.00	0.00
<b>4. Closing balance</b>	1,434,409,220.03	172,465,034.60	188,466,063.72	17,712,519.42	1,813,052,837.77
<b>II. Accumulated amortisation</b>					
<b>1. Opening balance</b>	191,726,887.71	128,652,299.11	55,860,691.29	4,547,813.75	380,787,691.86
<b>2. Increase in current period</b>	18,844,688.13	3,599,564.88	17,810,011.96	3,939,783.89	44,194,048.86
(1) Accrual	18,844,688.13	3,599,564.88	17,810,011.96	3,939,783.89	44,194,048.86
(2) Increase in scope of consolidation	0.00	0.00	0.00	0.00	0.00
(3) Others	0.00	0.00	0.00	0.00	0.00
<b>3. Decrease in current period</b>	4,094,360.50	0.00	1,712,539.92	0.00	5,806,900.42
(1) Disposal	0.00	0.00	1,712,539.92	0.00	1,712,539.92
(2) Decrease in scope of consolidation	4,094,360.50	0.00	0.00	0.00	4,094,360.50
(3) Others	0.00	0.00	0.00	0.00	0.00
<b>4. Closing balance</b>	206,477,215.34	132,251,863.99	71,958,163.33	8,487,597.64	419,174,840.30
<b>III. Provision for impairment</b>					
<b>1. Opening balance</b>	12,369,041.57	5,313,997.12	3,948,074.07	0.00	21,631,112.76
<b>2. Increase in current period</b>	0.00	0.00	23,870.50	0.00	23,870.50
(1) Accrual	0.00	0.00	23,870.50	0.00	23,870.50
<b>3. Decrease in current period</b>	0.00	0.00	0.00	0.00	0.00
(1) Disposal	0.00	0.00	0.00	0.00	0.00
<b>4. Closing balance</b>	12,369,041.57	5,313,997.12	3,971,944.57	0.00	21,654,983.26
<b>IV. Carrying amount</b>					
<b>1. Closing balance</b>	1,215,562,963.12	34,899,173.49	112,535,955.82	9,224,921.78	1,372,223,014.21
<b>2. Opening balance</b>	1,230,890,120.49	38,498,738.37	69,670,405.40	13,123,443.53	1,352,182,707.79

Note: The “decrease in scope of consolidation” in the table was mainly due to the Company’s disposal of its project companies including Xintai Guanghua PV Power Generation Co., Ltd. (新泰市光華光伏發電有限責任公司), Xuyi High Drive Wind Power Co., Ltd. \* (盱眙高傳風力發電有限公司) and Chongren County Huafeng Power Generation Co., Ltd. (崇仁縣華風發電有限公司).

# Notes to the Financial Statements

From 1 January 2023 to 30 June 2023  
(The notes to the financial statements are presented in RMB, except as otherwise noted)

## VII. NOTES TO KEY ITEMS OF CONSOLIDATED FINANCIAL STATEMENTS (continued)

### 17. Long-term deferred expenses

Items	Opening balance	Increase in current period	Amortization in current period	Closing balance
Long-term right of delivery	30,560,906.25	0.00	4,264,312.50	26,296,593.75
<b>Total</b>	30,560,906.25	0.00	4,264,312.50	26,296,593.75

### 18. Deferred income tax assets and deferred income tax liabilities

#### (1) Deferred income tax assets not offset

Items	Closing balance	
	Deductible temporary differences	Deferred income tax assets
Provision for impairment of assets	2,005,888,907.47	300,677,392.17
Deferred income	386,442,456.05	57,966,368.41
Provision for retention money	94,272,854.29	14,140,928.14
Provision for other expenses	4,243,337.89	636,500.68
Share-based compensation expenses	30,278,567.92	4,535,877.87
Unrealized profits of intra-group transactions	1,339,913,054.62	201,668,094.99
Deductible losses	137,858,929.98	20,678,839.49
Others	65,007,495.39	10,165,074.25
<b>Total</b>	4,063,905,603.61	610,469,076.00

# Notes to the Financial Statements

From 1 January 2023 to 30 June 2023  
(The notes to the financial statements are presented in RMB, except as otherwise noted)

## VII. NOTES TO KEY ITEMS OF CONSOLIDATED FINANCIAL STATEMENTS (continued)

### 18. Deferred income tax assets and deferred income tax liabilities (continued)

#### (1) Deferred income tax assets not offset (continued)

Items	Opening balance	
	Deductible temporary differences	Deferred income tax assets
Provision for impairment of assets	1,714,208,283.46	260,909,283.11
Deferred income	356,157,910.69	53,423,686.60
Provision for retention money	103,834,733.59	15,575,210.04
Provision for other expenses	32,076,193.89	4,795,465.29
Share-based compensation expenses	26,732,956.55	3,998,128.82
Unrealized profits of intra-group transactions	1,244,466,245.95	186,669,936.89
Deductible losses	131,793,031.81	20,122,119.02
Others	115,067,463.05	17,868,379.38
<b>Total</b>	<b>3,724,336,818.99</b>	<b>563,362,209.15</b>

#### (2) Deferred income tax liabilities not offset

Items	Closing balance	
	Taxable temporary differences	Deferred income tax liabilities
Accelerated depreciation of fixed assets	3,241,267,863.41	486,190,179.49
<b>Total</b>	<b>3,241,267,863.41</b>	<b>486,190,179.49</b>

Items	Closing balance	
	Taxable temporary differences	Deferred income tax liabilities
Accelerated depreciation of fixed assets	3,529,358,536.36	529,403,780.45
<b>Total</b>	<b>3,529,358,536.36</b>	<b>529,403,780.45</b>

# Notes to the Financial Statements

From 1 January 2023 to 30 June 2023  
(The notes to the financial statements are presented in RMB, except as otherwise noted)

## VII. NOTES TO KEY ITEMS OF CONSOLIDATED FINANCIAL STATEMENTS (continued)

### 19. Other non-current assets

Items	Closing balance		Carrying amount
	Book balance	Provision for impairment	
Prepayments for long-term assets	1,234,401,568.41	0.00	1,234,401,568.41
Value-added tax credits	1,107,488,983.32	0.00	1,107,488,983.32
<b>Total</b>	<b>2,341,890,551.73</b>	<b>0.00</b>	<b>2,341,890,551.73</b>

Items	Opening balance		Carrying amount
	Book balance	Provision for impairment	
Prepayments for long-term assets	1,450,669,412.93	0.00	1,450,669,412.93
Value-added tax credits	1,160,194,688.31	0.00	1,160,194,688.31
<b>Total</b>	<b>2,610,864,101.24</b>	<b>0.00</b>	<b>2,610,864,101.24</b>

### 20. Short-term borrowings

#### (1) Short-term borrowings by category

Category	Closing balance	Opening balance
Credit loans	1,445,819,398.08	1,624,854,941.84
Factoring loans	2,320,000.00	6,380,000.00
Bank acceptance notes discounted but not derecognized	1,120,000.00	300,877,694.62
<b>Total</b>	<b>1,449,259,398.08</b>	<b>1,932,112,636.46</b>

#### (2) Outstanding overdue short-term borrowings in the Reporting Period: Nil.

# Notes to the Financial Statements

From 1 January 2023 to 30 June 2023  
(The notes to the financial statements are presented in RMB, except as otherwise noted)

## VII. NOTES TO KEY ITEMS OF CONSOLIDATED FINANCIAL STATEMENTS (continued)

### 21. Financial liabilities held for trading

Items	Opening balance	Increase in current period	Decrease in current period	Closing balance
Financial liabilities held for trading	3,263,277.24	33,576,018.87	0.00	36,839,296.11
Including: Derivative financial liabilities	3,263,277.24	33,576,018.87	0.00	36,839,296.11
<b>Total</b>	3,263,277.24	33,576,018.87	0.00	36,839,296.11

Note: Derivative financial liabilities represent the amount of unsettled forward settlement and sale of foreign exchange held by the Company at the end of the period and floating losses arising from premiums and open positions of industrial silicon options business.

### 22. Notes payable

Category	Closing balance	Opening balance
Bank acceptance notes	6,276,024,207.49	4,527,515,819.38
Trade acceptance notes	247,744,658.64	173,388,903.43
<b>Total</b>	6,523,768,866.13	4,700,904,722.81

### 23. Accounts payable

#### (1) Accounts payable by aging based on recording dates

Aging	Closing balance	Opening balance
Within 1 year (inclusive)	6,462,238,457.94	7,658,657,463.07
1 year to 2 years (inclusive)	1,334,513,399.61	977,579,548.39
2 years to 3 years (inclusive)	660,614,191.75	929,092,815.74
Over 3 years	770,480,264.78	833,688,590.61
<b>Total</b>	9,227,846,314.08	10,399,018,417.81

# Notes to the Financial Statements

From 1 January 2023 to 30 June 2023  
(The notes to the financial statements are presented in RMB, except as otherwise noted)

## VII. NOTES TO KEY ITEMS OF CONSOLIDATED FINANCIAL STATEMENTS (continued)

### 23. Accounts payable (continued)

#### (2) Significant accounts payable with aging of over 1 year

Name of entity	Closing balance	Reason for non-repayment or non-carry-forward
Hualu Engineering & Technology Co., Ltd. (華陸工程科技有限責任公司)	262,959,290.18	Payments for equipment, not yet settled
Sinopec Chemical Construction Co., Ltd. (中石化建設有限公司)	239,114,463.67	Payments for project, not yet settled
China Chemical Engineering No. 16 Construction Co., Ltd. (中國化學工程第十六建設有限公司)	237,568,297.41	Payments for project, not yet settled
China Chemical Engineering No. 6 Construction Co., Ltd. (中國化學工程第六建設有限公司)	195,993,379.32	Payments for project, not yet settled
Sinochem Second Construction Group Co., Ltd. (中化二建集團有限公司)	194,566,013.56	Payments for project, not yet settled
<b>Total</b>	<b>1,130,201,444.14</b>	—

### 24. Contract liabilities

Items	Closing balance	Opening balance
Sales revenue received in advance	1,728,791,268.79	1,550,025,089.90
Settled payments for unfinished projects	430,679,096.23	797,347,230.92
Project payments received in advance	284,269,490.34	195,891,421.29
<b>Total</b>	<b>2,443,739,855.36</b>	<b>2,543,263,742.11</b>

# Notes to the Financial Statements

From 1 January 2023 to 30 June 2023  
(The notes to the financial statements are presented in RMB, except as otherwise noted)

## VII. NOTES TO KEY ITEMS OF CONSOLIDATED FINANCIAL STATEMENTS (continued)

### 25. Staff remuneration payables

#### (1) Staff remuneration payables by category

Items	Opening balance	Increase in current period	Decrease in current period	Closing balance
Short-term compensation	671,899,649.98	863,237,826.80	1,064,503,215.36	470,634,261.42
Post-employment benefits – defined contribution plans	6,591,354.82	73,422,403.58	73,202,814.05	6,810,944.35
<b>Total</b>	678,491,004.80	936,660,230.38	1,137,706,029.41	477,445,205.77

#### (2) Short-term compensation

Items	Opening balance	Increase in current period	Decrease in current period	Closing balance
Salaries, bonuses, allowances and subsidies	609,280,572.13	687,824,703.34	886,067,040.22	411,038,235.25
Employee benefits	0.00	79,719,506.42	79,719,506.42	0.00
Social insurance	3,673,416.78	38,659,142.08	38,555,784.94	3,776,773.92
Including: Medical insurance	3,400,476.82	34,768,333.54	34,669,774.47	3,499,035.89
Work-related injury insurance	256,744.86	3,852,626.51	3,844,077.35	265,294.02
Maternity insurance	16,195.10	38,182.03	41,933.12	12,444.01
Housing provident funds	3,986,384.07	36,808,028.76	36,836,218.16	3,958,194.67
Labor union fees and employee education fees	54,959,277.00	19,664,438.65	22,762,658.07	51,861,057.58
Short-term paid leaves	0.00	0.00	0.00	0.00
Short-term profit distribution plans	0.00	0.00	0.00	0.00
Termination benefits and internal retirement compensation	0.00	562,007.55	562,007.55	0.00
<b>Total</b>	671,899,649.98	863,237,826.80	1,064,503,215.36	470,634,261.42

# Notes to the Financial Statements

From 1 January 2023 to 30 June 2023  
(The notes to the financial statements are presented in RMB, except as otherwise noted)

## VII. NOTES TO KEY ITEMS OF CONSOLIDATED FINANCIAL STATEMENTS (continued)

### 25. Staff remuneration payables (continued)

#### (3) Defined contribution plans

Items	Opening balance	Increase in current period	Decrease in current period	Closing balance
Basic pension	6,301,592.99	69,364,659.04	69,143,186.14	6,523,065.89
Unemployment insurance	240,531.62	2,380,352.82	2,373,739.77	247,144.67
Enterprise annuity	49,230.21	1,677,391.72	1,685,888.14	40,733.79
<b>Total</b>	6,591,354.82	73,422,403.58	73,202,814.05	6,810,944.35

### 26. Taxes payable

Items	Closing balance	Opening balance
Enterprise income tax	354,977,493.29	528,114,192.18
Value-added tax	40,406,618.22	121,784,522.04
Urban maintenance and construction tax	9,579,899.15	9,469,901.44
Individual income tax	8,576,368.77	37,268,591.05
Educational surcharge	4,277,588.12	4,232,814.05
Stamp duty	3,393,010.70	5,951,137.92
Local educational surcharge	2,858,412.68	2,821,876.05
Real estate tax	1,212,650.93	1,218,181.46
Land use tax	880,414.01	840,361.66
Others	434,570.10	306,653.19
<b>Total</b>	426,597,025.97	712,008,231.04

# Notes to the Financial Statements

From 1 January 2023 to 30 June 2023

(The notes to the financial statements are presented in RMB, except as otherwise noted)

## VII. NOTES TO KEY ITEMS OF CONSOLIDATED FINANCIAL STATEMENTS (continued)

### 27. Other payables

Items	Closing balance	Opening balance
Interests payable	0.00	0.00
Dividends payable	0.00	852,205.20
Other payables	187,707,711.30	338,812,242.46
<b>Total</b>	<b>187,707,711.30</b>	<b>339,664,447.66</b>

#### 27.1 Interests payable

Nil.

#### 27.2 Dividends payable

Item	Closing balance	Opening balance
Dividends for ordinary shares	0.00	852,205.20
<b>Total</b>	<b>0.00</b>	<b>852,205.20</b>

#### 27.3 Other payables

(1) *Other payables by nature*

Nature	Closing balance	Opening balance
Margin and deposits payable	101,320,505.30	110,665,203.43
Advances payable	58,009,313.56	77,477,600.57
Equity transfer payable	0.00	71,473,300.00
Fees payable	14,468,351.10	72,162,986.06
Due to related parties	4,902,510.07	76,951.50
Other payables	9,007,031.27	6,956,200.90
<b>Total</b>	<b>187,707,711.30</b>	<b>338,812,242.46</b>

# Notes to the Financial Statements

From 1 January 2023 to 30 June 2023  
(The notes to the financial statements are presented in RMB, except as otherwise noted)

## VII. NOTES TO KEY ITEMS OF CONSOLIDATED FINANCIAL STATEMENTS (continued)

### 27. Other payables (continued)

#### 27.3 Other payables (continued)

(2) Significant other payables with aging of over 1 year

Name of entity	Closing balance	Reason for non-repayment or carry-forward
Xuanhua Yuanhe New Energy Co., Ltd. (宣化縣源和新能源有限公司)	22,469,102.98	Advances payable unsettled
Dingbian Jiayi Energy Development Co., Ltd. (定邊縣佳益能源開發有限公司)	7,070,082.87	Advances payable unsettled
Tianjin Zhongxinde Metal Structure Co., Ltd. (天津中信德金屬結構有限公司)	3,766,040.00	Advances payable unsettled
Huaneng Dingbian New Energy Power Co., Ltd. (華能定邊新能源發電有限公司)	3,000,000.00	Advances payable unsettled
Dingbian Jiawei PV Power Co., Ltd. (定邊珈偉光伏電力有限公司)	1,857,150.00	Advances payable unsettled
<b>Total</b>	<b>38,162,375.85</b>	—

### 28. Non-current liabilities due within one year

Items	Closing balance	Opening balance
Long-term borrowings due within one year	2,868,314,209.42	2,048,915,504.86
Lease liabilities due within one year	15,144,565.77	22,925,704.87
<b>Total</b>	<b>2,883,458,775.19</b>	<b>2,071,841,209.73</b>

# Notes to the Financial Statements

From 1 January 2023 to 30 June 2023  
(The notes to the financial statements are presented in RMB, except as otherwise noted)

## VII. NOTES TO KEY ITEMS OF CONSOLIDATED FINANCIAL STATEMENTS (continued)

### 29. Other current liabilities

#### (1) Other current liabilities by category

Items	Closing balance	Opening balance
Notes receivable not derecognized	111,517,845.91	330,136,615.41
Sales tax to be carried forward	285,141,877.78	233,942,301.67
<b>Total</b>	<b>396,659,723.69</b>	<b>564,078,917.08</b>

### 30. Long-term borrowings

#### (1) Long-term borrowings by category

Category	Closing balance	Opening balance
Credit loans	4,030,968,867.88	3,994,877,233.69
Pledged borrowings	383,200,000.00	41,000,000.00
Mortgage borrowings	225,000,000.00	262,500,000.00
Secured borrowings	1,036,340,000.00	1,279,710,000.00
Mortgage and pledged loans	11,493,976,867.99	11,776,564,656.61
<b>Total</b>	<b>17,169,485,735.87</b>	<b>17,354,651,890.30</b>

### 31. Lease liabilities

Items	Closing balance	Opening balance
Lease payments	361,663,797.11	384,327,972.22
Unrecognized financing cost	-111,359,321.08	-123,200,040.45
Reclassification to non-current liabilities due within one year	-15,144,565.77	-22,925,704.87
<b>Total</b>	<b>235,159,910.26</b>	<b>238,202,226.90</b>

# Notes to the Financial Statements

From 1 January 2023 to 30 June 2023  
(The notes to the financial statements are presented in RMB, except as otherwise noted)

## VII. NOTES TO KEY ITEMS OF CONSOLIDATED FINANCIAL STATEMENTS (continued)

### 32. Long-term payables

Item	Closing balance	Opening balance
Long-term payables (special loans)	3,000,000.00	355,100,000.00
<b>Total</b>	<b>3,000,000.00</b>	<b>355,100,000.00</b>

### 33. Accrued liabilities

Items	Closing balance	Opening balance
Product quality assurance	107,364,793.29	95,384,570.19
Compensation for project delay	11,755,931.92	11,755,931.92
Expected refund of tariff subsidy	32,043,599.72	113,858,724.72
Pending lawsuits	6,064,180.31	6,064,180.31
Onerous contract to be performed	659,662.13	688,522.61
<b>Total</b>	<b>157,888,167.37</b>	<b>227,751,929.75</b>

### 34. Deferred income

#### (1) Deferred income by category

Items	Opening balance	Increase in current period	Decrease in current period	Other changes	Closing balance	Reason
Government grants (related to assets)	411,119,496.38	52,526,120.76	23,570,117.57	-1,440,000.00	438,635,499.57	Related to assets
Government grants (related to income)	1,370,213.01	200,000.00	638,297.76	0.00	931,915.25	Related to income
Internal unrealized gains and losses in downstream transactions	55,105,524.28	1,305,929.91	0.00	0.00	56,411,454.19	—
<b>Total</b>	<b>467,595,233.67</b>	<b>54,032,050.67</b>	<b>24,208,415.33</b>	<b>-1,440,000.00</b>	<b>495,978,869.01</b>	<b>—</b>

# Notes to the Financial Statements

From 1 January 2023 to 30 June 2023

(The notes to the financial statements are presented in RMB, except as otherwise noted)

## VII. NOTES TO KEY ITEMS OF CONSOLIDATED FINANCIAL STATEMENTS (continued)

### 34. Deferred income (continued)

#### (2) Items of government grants

Items of government grants	Opening balance	New grants in current period	Amount included in other income in current period	Other changes	Closing balance	Related to assets/ Related to income
Development of 200,000-ton-per-annum High-purity Polysilicon, Supporting 200,000-ton Industrial-grade Silicon and New Energy Power Plant	81,174,107.13	20,000,000.00	3,308,928.57	0.00	97,665,178.56	Related to assets
2018 Industrial Transformation and Upgrading Fund – Intranet Upgrading and Integrated Application of High-purity Silicon-based New Materials Based on the Industrial Internet Platform	41,071,428.57	0.00	1,785,714.29	0.00	39,285,714.28	Related to assets
Upgrading of Cold Hydrogenation Technology for 360,000-ton-per-annum Recycling of Polysilicon Byproduct Silicon Oxide	35,714,285.72	0.00	3,571,428.57	0.00	32,142,857.15	Related to assets
Construction of Enterprise Network-based Upgrading Promotion Platform for the Silicon-based Materials Industry	16,205,416.67	0.00	603,928.57	0.00	15,601,488.10	Related to assets
Construction of Public Service Platform for New Materials Testing and Evaluation	14,599,285.70	0.00	540,714.30	0.00	14,058,571.40	Related to assets
Subsidies for the Demonstration Project of Electronic-grade High-purity Polysilicon Technology Upgrading	14,549,999.99	0.00	1,039,285.71	0.00	13,510,714.28	Related to assets
Funds for Construction of TB-eCloud Industrial Internet Platform	12,619,088.98	0.00	942,217.01	0.00	11,676,871.97	Related to assets
Support Funds for 1,500-ton-per-annum Polysilicon Expansion	11,324,444.44	0.00	777,777.78	0.00	10,546,666.66	Related to assets
Polysilicon cold hydrogenation synthesis gas heat recovery and slurry process energy-saving optimization project	10,062,500.00	0.00	375,000.00	0.00	9,687,500.00	Related to assets
2018 Ecological Civilization Construction Projects Funded by Central Government's Budgets – 10,000-ton Polysilicon CDI System Energy Efficiency Improvement	10,044,642.86	0.00	446,428.57	0.00	9,598,214.29	Related to assets
Central government's support funds for high-quality development of the manufacturing sector for 2019	9,642,857.14	0.00	482,142.86	0.00	9,160,714.28	Related to assets
Green Manufacturing System Integration Project in 2016	9,562,500.00	0.00	482,142.86	0.00	9,080,357.14	Related to assets
Urumqi Air Pollution Control Project	8,929,999.97	0.00	637,857.14	0.00	8,292,142.83	Related to assets

# Notes to the Financial Statements

From 1 January 2023 to 30 June 2023  
(The notes to the financial statements are presented in RMB, except as otherwise noted)

## VII. NOTES TO KEY ITEMS OF CONSOLIDATED FINANCIAL STATEMENTS (continued)

### 34. Deferred income (continued)

#### (2) Items of government grants (continued)

Items of government grants	Opening balance	New grants in current period	Amount included in other income in current period	Other changes	Closing balance	Related to assets/ Related to income
High-purity polysilicon intelligent manufacturing innovation mode application project	7,994,505.50	0.00	357,142.86	0.00	7,637,362.64	Related to assets
Key projects for resource conservation and recycling in 2017	7,392,857.15	0.00	321,428.57	0.00	7,071,428.58	Related to assets
Central financial industrial transformation and upgrading funds	7,261,904.77	0.00	357,142.86	0.00	6,904,761.91	Related to assets
2016 Provincial industrial transformation and upgrading special fund project and high-end equipment manufacturing special fund project	6,916,666.59	0.00	250,000.02	0.00	6,666,666.57	Related to assets
Special funds for the central infrastructure investment budget	6,830,357.14	0.00	303,571.43	0.00	6,526,785.71	Related to assets
Industrial transformation and upgrading of public service platform funds	6,765,000.00	0.00	990,000.00	0.00	5,775,000.00	Related to assets
State-owned assets supervision and administration commission 2021 pollution control and energy conservation and carbon reduction special energy conservation and emission reduction project funds (國有資產監督管2021年污染治理和節能減碳專項節能減排項目資金)	6,400,000.00	0.00	0.00	0.00	6,400,000.00	Related to assets
2016 key projects for resource conservation and recycling under the Central Budget Investment Plan	5,807,142.85	0.00	290,357.14	0.00	5,516,785.71	Related to assets
2015 key projects of industrial transformation and upgrading 10,000-ton Polysilicon Cold Hydrogenation Thermal Energy Comprehensive Utilization and Transformation Project (《萬噸級多晶硅冷氫化熱能綜合利用改造項目》)	5,800,000.00	0.00	300,000.00	0.00	5,500,000.00	Related to assets
Financial allocation from the Industrial Innovation Research Institute of the Autonomous Region	0.00	20,000,000.00	0.00	0.00	20,000,000.00	Related to assets
Others	75,820,718.22	12,726,120.76	6,045,206.22	-1,440,000.00	81,061,632.76	—
<b>Total</b>	<b>412,489,709.39</b>	<b>52,726,120.76</b>	<b>24,208,415.33</b>	<b>-1,440,000.00</b>	<b>439,567,414.82</b>	<b>—</b>

# Notes to the Financial Statements

From 1 January 2023 to 30 June 2023  
(The notes to the financial statements are presented in RMB, except as otherwise noted)

## VII. NOTES TO KEY ITEMS OF CONSOLIDATED FINANCIAL STATEMENTS (continued)

### 35. Share capital

Name of shareholder	Opening balance	Issue of new shares	Changes in current period (+, -)			Sub-total	Closing balance
			Bonus issue	Share capital converted from reserves	Others		
TBEA Co., Ltd.	921,286,161.00	0.00	0.00	0.00	0.00	0.00	921,286,161.00
Xinjiang Tebian (Group) Co., Ltd.	83,863,108.00	0.00	0.00	0.00	0.00	0.00	83,863,108.00
Xinjiang Far Excellence Enterprise Management Consulting Co., Ltd.	2,896,800.00	0.00	0.00	0.00	0.00	0.00	2,896,800.00
Liu Bingcheng	774,732.00	0.00	0.00	0.00	0.00	0.00	774,732.00
Jia Boyun	448,560.00	0.00	0.00	0.00	0.00	0.00	448,560.00
Jinglong Technology Holdings Limited	14,619,883.00	0.00	0.00	0.00	0.00	0.00	14,619,883.00
TBEA (HONGKONG) CO., LIMITED	1,223,200.00	0.00	0.00	0.00	0.00	0.00	1,223,200.00
Public shares	374,947,556.00	0.00	0.00	0.00	0.00	0.00	374,947,556.00
Employee share ownership platform	29,940,000.00	0.00	0.00	0.00	0.00	0.00	29,940,000.00
<b>Total shares</b>	<b>1,430,000,000.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>1,430,000,000.00</b>

### 36. Capital reserve

Items	Opening balance	Increase in current period	Decrease in current period	Closing balance
Share premium	8,977,115,534.25	0.00	0.00	8,977,115,534.25
Others capital reserve	123,116,531.23	431,257,674.79	0.00	554,374,206.02
<b>Total</b>	<b>9,100,232,065.48</b>	<b>431,257,674.79</b>	<b>0.00</b>	<b>9,531,489,740.27</b>

Note: Other capital reserve included increase of RMB431,257,674.79 in the current period, mainly due to ① the Company's equity-settled share-based compensation expenses in the current period of RMB23,347,403.96; ② the inclusion of equity transaction arising from the Company's transfer of its subsidiaries to the Controlling Shareholder in the current period into the capital reserve in an amount of RMB407,910,270.83.

# Notes to the Financial Statements

From 1 January 2023 to 30 June 2023  
(The notes to the financial statements are presented in RMB, except as otherwise noted)

## VII. NOTES TO KEY ITEMS OF CONSOLIDATED FINANCIAL STATEMENTS (continued)

### 37. Other comprehensive income

Items	Opening balance	Amount before tax in current period	Amount recognized in current period			Closing balance
			Less: income tax expenses	After-tax amount attributable to the parent company	After-tax amount attributable to non-controlling interest	
I. Other comprehensive income not reclassified to profit or loss	-4,233,052.18	0.00	0.00	0.00	0.00	-4,233,052.18
Changes in fair value of investments in other equity instruments	-4,233,052.18	0.00	0.00	0.00	0.00	-4,233,052.18
II. Other comprehensive income to be reclassified to profit or loss	373,036.88	-14,923.19	0.00	-11,304.89	-3,618.30	361,731.99
Exchange differences on translation of financial statements in foreign currency	373,036.88	-14,923.19	0.00	-11,304.89	-3,618.30	361,731.99
<b>Total other comprehensive income</b>	<b>-3,860,015.30</b>	<b>-14,923.19</b>	<b>0.00</b>	<b>-11,304.89</b>	<b>-3,618.30</b>	<b>-3,871,320.19</b>

### 38. Special reserve

Items	Closing balance	Opening balance
Safe production expenses	9,820,088.34	9,623,405.48
<b>Total</b>	<b>9,820,088.34</b>	<b>9,623,405.48</b>

### 39. Surplus reserve

Items	Opening balance	Increase in current period	Decrease in current period	Closing balance
Statutory surplus reserve	981,955,892.67	0.00	0.00	981,955,892.67
<b>Total</b>	<b>981,955,892.67</b>	<b>0.00</b>	<b>0.00</b>	<b>981,955,892.67</b>

# Notes to the Financial Statements

From 1 January 2023 to 30 June 2023  
(The notes to the financial statements are presented in RMB, except as otherwise noted)

## VII. NOTES TO KEY ITEMS OF CONSOLIDATED FINANCIAL STATEMENTS (continued)

### 40. Undistributed profit

Items	Current period	Previous period
<b>Balance at the beginning of the current period</b>	<b>20,201,436,523.42</b>	8,893,910,525.69
Add: Adjustment of undistributed profit at the beginning of the period	0.00	0.00
<b>Adjusted balance at the beginning of the period</b>	<b>20,201,436,523.42</b>	8,893,910,525.69
Add: Net profit attributable to owners of the parent company for the period	<b>4,758,968,748.08</b>	13,314,827,898.02
Less: Appropriation to statutory surplus reserve	0.00	434,301,900.29
Appropriation to discretionary surplus reserve	0.00	0.00
Appropriation to general risk reserve	0.00	0.00
Payable dividends for ordinary shares	0.00	1,573,000,000.00
Dividends of ordinary shares transferred to share capita	0.00	0.00
<b>Balance at the end of the current period</b>	<b>24,960,405,271.50</b>	20,201,436,523.42

### 41. Operating revenue, operating cost

#### (1) Operating revenue, operating cost

Items	Amount recognized in current period	
	Revenue	Cost
Main businesses	17,402,249,179.22	9,370,681,074.56
Other businesses	184,650,444.46	109,371,478.71
<b>Total</b>	<b>17,586,899,623.68</b>	<b>9,480,052,553.27</b>

Items	Amount recognized in previous period	
	Revenue	Cost
Main businesses	14,533,382,298.50	6,229,223,088.82
Other businesses	182,883,678.16	48,265,961.17
<b>Total</b>	<b>14,716,265,976.66</b>	<b>6,277,489,049.99</b>

# Notes to the Financial Statements

From 1 January 2023 to 30 June 2023  
(The notes to the financial statements are presented in RMB, except as otherwise noted)

## VII. NOTES TO KEY ITEMS OF CONSOLIDATED FINANCIAL STATEMENTS (continued)

### 41. Operating revenue, operating cost (continued)

#### (2) By business segment

Items	Amount recognized in current period	
	Revenue from main businesses	Cost of main businesses
Polysilicon	12,618,445,506.80	5,921,975,768.61
Construction of wind power and PV power plants	2,734,433,049.65	2,235,165,699.28
Operation of wind power and PV power plants	1,138,744,906.02	431,213,384.99
Others	910,625,716.75	782,326,221.68
<b>Total</b>	<b>17,402,249,179.22</b>	<b>9,370,681,074.56</b>

Items	Amount recognized in previous period	
	Revenue from main businesses	Cost of main businesses
Polysilicon	10,360,864,945.36	3,527,144,999.00
Construction of wind power and PV power plants	2,458,562,262.72	1,856,945,677.53
Operation of wind power and PV power plants	1,213,373,609.51	417,765,525.30
Others	500,581,480.91	427,366,886.99
<b>Total</b>	<b>14,533,382,298.50</b>	<b>6,229,223,088.82</b>

# Notes to the Financial Statements

From 1 January 2023 to 30 June 2023  
(The notes to the financial statements are presented in RMB, except as otherwise noted)

## VII. NOTES TO KEY ITEMS OF CONSOLIDATED FINANCIAL STATEMENTS (continued)

### 42. Taxes and surcharges

Items	Amount recognized in current period	Amount recognized in previous period
Urban maintenance and construction tax	47,135,971.81	81,832,627.36
Educational surcharge	20,323,108.78	35,321,011.72
Real estate tax	19,538,998.38	12,038,609.71
Land use tax	14,750,616.29	9,768,751.54
Stamp duty	13,578,951.10	18,681,791.23
Local educational surcharge	13,555,426.43	23,492,431.83
Others	1,227,004.25	2,828,648.74
<b>Total</b>	<b>130,110,077.04</b>	<b>183,963,872.13</b>

### 43. Selling expenses

Items	Amount in current period	Amount in previous period
Employee compensation	96,879,825.20	103,803,093.45
Early project fees	38,051,823.82	54,141,248.58
Quality cost	31,854,052.82	26,713,361.96
Business entertainment	26,930,011.64	28,762,540.87
Travel expenses	12,830,424.84	10,370,140.27
Labor service fees	9,443,691.80	11,721,681.84
Lease payments	7,695,477.02	10,598,336.77
Advisory fees	6,356,108.24	2,284,816.03
Tender fees	3,216,896.00	4,534,701.88
Vehicle fees	1,379,246.45	1,219,796.60
Others	4,572,809.55	32,518,086.07
<b>Total</b>	<b>239,210,367.38</b>	<b>286,667,804.32</b>

# Notes to the Financial Statements

From 1 January 2023 to 30 June 2023  
(The notes to the financial statements are presented in RMB, except as otherwise noted)

## VII. NOTES TO KEY ITEMS OF CONSOLIDATED FINANCIAL STATEMENTS (continued)

### 44. Administrative expenses

Items	Amount recognized in current period	Amount recognized in previous period
Employee compensation	173,514,685.24	163,935,428.55
Depreciation cost	44,397,855.34	29,852,703.93
Labor service fees	21,859,597.93	18,583,777.98
Advisory fees	18,031,455.02	24,372,898.92
Advertising and promotion fees	13,695,563.85	7,145,987.91
Share-based payment	13,289,180.43	11,536,924.30
Amortization of intangible assets	10,548,771.39	8,996,653.49
Maintenance fees	9,794,475.19	9,861,458.81
Travel expenses	7,461,375.34	4,585,310.81
Utilities	6,939,803.34	1,106,588.87
Business entertainment	4,956,140.69	4,395,572.68
Lease payments	3,723,935.74	2,594,658.44
Training expense	3,522,639.56	543,859.86
Intermediary fees	3,095,669.60	2,009,411.24
Office expenses	2,980,576.41	2,208,909.81
Others	32,089,905.83	25,640,299.15
<b>Total</b>	<b>369,901,630.90</b>	<b>317,370,444.75</b>

# Notes to the Financial Statements

From 1 January 2023 to 30 June 2023  
(The notes to the financial statements are presented in RMB, except as otherwise noted)

## VII. NOTES TO KEY ITEMS OF CONSOLIDATED FINANCIAL STATEMENTS (continued)

### 45. R&D expenses

Items	Amount recognized in current period	Amount recognized in previous period
Direct inputs	21,956,329.09	54,389,200.46
Staff labor costs	45,516,890.25	45,371,114.58
Depreciation and amortization expenses	9,599,701.44	14,336,616.18
Other related costs	16,626,409.91	11,206,549.68
<b>Total</b>	<b>93,699,330.69</b>	<b>125,303,480.90</b>

### 46. Financial expenses

Items	Amount recognized in current period	Amount recognized in previous period
Interest expenses	365,322,521.66	381,748,457.77
Less: Interest income	47,914,001.02	37,692,414.41
Exchange loss (gain)	-6,300,360.12	-7,548,556.44
Handling fees and others	9,220,436.49	12,069,493.28
<b>Total</b>	<b>320,328,597.01</b>	<b>348,576,980.20</b>

### 47. Other revenue

Sources of other revenue	Amount recognized in current period	Amount recognized in previous period
Government grants	165,013,195.4	39,660,031.43
Refund of handling fees for withholding individual income tax	4,693,604.54	3,767,236.64
<b>Total</b>	<b>169,706,799.94</b>	<b>43,427,268.07</b>

# Notes to the Financial Statements

From 1 January 2023 to 30 June 2023  
(The notes to the financial statements are presented in RMB, except as otherwise noted)

## VII. NOTES TO KEY ITEMS OF CONSOLIDATED FINANCIAL STATEMENTS (continued)

### 47. Other revenue (continued)

#### (1) The breakdown of other revenue is set out below:

Items	Amount in current period	Amount in previous period	Related to assets/income	Source and basis
Rewards and subsidies to Xinte Energy Co., Ltd. by China Merchants in 2022	109,584,100.00	0.00	Related to income	Memorandum of Understanding on Cooperation between Urumqi Ganquanpu Economic and Technological Development Zone and Xinte Energy Co., Ltd. on the New 24,000-ton-per-annum High-purity Polysilicon Project-Tax Rebate
Amortization of deferred income	24,208,415.34	22,155,304.07	Related to assets	—
Funding for the re-engineering of the central industrial base and high-quality development of the manufacturing sector in 2022	16,550,000.00	0.00	Related to income	Xin Gong Xin Zhuang Bei [2022] No. 3
Awards for high-quality development in 2022	2,000,000.00	0.00	Related to income	Liang Ban Zi [2023] No. 12
Project funds for intellectual property operation center of new materials industry	1,950,000.00	0.00	Related to income	Contract for the Construction of Urumqi Intellectual Property Operation and Service System Project
70% of government grants for scientific research support allocated according to the "Tianchi Talent" plan	1,225,000.00	0.00	Related to income	Notice on the Announcement of the List of Candidates and the Funding Support Program of the "Tianchi Talent" Introduction Plan of the Autonomous Region in 2022 (Xin Ren She Han [2023] No. 34)
Payment received from Tuyouqi Employment Center – Micro and Small Enterprises Absorption	1,021,767.41	0.00	Related to income	Bao Jiu Ban Fa [2022] No. 24
Rewards and subsidies for scientific research and innovation platforms in the autonomous region	1,000,000.00	0.00	Related to income	Xin Dang Zu Tong Zi [2020] No. 6
Training subsidy for retained workers	942,000.00	0.00	Related to income	Ren She Bu Fa [2022] No. 23
Value-added tax rebate	820,000.00	0.00	Related to income	—

# Notes to the Financial Statements

From 1 January 2023 to 30 June 2023

(The notes to the financial statements are presented in RMB, except as otherwise noted)

## VII. NOTES TO KEY ITEMS OF CONSOLIDATED FINANCIAL STATEMENTS (continued)

### 47. Other revenue (continued)

#### (1) The breakdown of other revenue is set out below: (continued)

Items	Amount in current period	Amount in previous period	Related to assets/income	Source and basis
Job stabilization and expansion subsidies	719,332.56	2,117,339.18	Related to income	Notice On Stabilizing Jobs Through Unemployment Insurance And Improving Skills To Prevent Unemployment
Tianshan Talent Cultivation Plan	700,000.00	0.00	Related to income	Mission Statement of "Tianshan Talent" Cultivation Plan
Subsidies for introduction of masters and Ph.D	600,000.00	0.00	Related to income	Bao Fu Fa [2022] No. 18
2023 provincial talent special fund (first batch)	500,000.00	0.00	Related to income	Shan Ke Xie Fa [2022] Shi Qi Zi No. 6
Platform rewards and subsidies for efficient usage and pollutant prevention key laboratory of high-Alkali coal cleaning in Xinjiang (新疆高鹼煤清潔高效利用與污染物防治重點實驗室平台獎補)	400,000.00	0.00	Related to income	List of key laboratories to be identified in 2019
Input tax deduction	88,264.74	2,359,660.80	Related to income	Announcement on Relevant Policies for Deepening Value-Added Tax Reform
2021 special fund for foreign economic and trade development	0.00	2,100,000.00	Related to income	Letter on applying for the appropriation of 2021 foreign economic and trade development fund to joint declaration projects
Special development funds for high-tech enterprises (高新技術企業專項發展資金)	0.00	400,000.00	Related to income	Xin Dang FA [2020] No. 23
Technological innovation incentives	0.00	1,300,000.00	Related to income	Branch of Ecological Environment and Industry Development Bureau in Urumqi Ganquanpu Economic and Technological Development Zone (Industry Zone)
Reduction of taxes for Xinte Energy to hire retired soldiers (59 people)	0.00	51,750.00	Related to income	Cai Shui [2019] No. 21
Others	7,397,919.89	12,943,214.02	Related to income	—
<b>Total</b>	<b>169,706,799.94</b>	<b>43,427,268.07</b>	—	—

# Notes to the Financial Statements

From 1 January 2023 to 30 June 2023  
(The notes to the financial statements are presented in RMB, except as otherwise noted)

## VII. NOTES TO KEY ITEMS OF CONSOLIDATED FINANCIAL STATEMENTS (continued)

### 48. Investment income

Items	Amount recognized in current period	Amount recognized in previous period
Income of long-term equity investments under equity method	51,096,188.69	38,120,768.63
Investment income from disposal of long-term equity investments	-13,270,483.65	2,104,681.79
Investment income recognized for financial products	0.00	555,138.36
Investment income from financial and derivative instruments	-16,022,149.95	-4,155,462.55
Dividend income received in the period of holding other equity instrument investments	936,802.23	0.00
Gains from derecognition of financial assets measured at amortized cost	-6,329,604.11	0.00
<b>Total</b>	<b>16,410,753.21</b>	<b>36,625,126.23</b>

### 49. Gain on changes in fair value

Items	Amount recognized in current period	Amount recognized in previous period
Derivative financial assets	0.00	1,367,602.63
Derivative financial liabilities	-29,129,758.87	-16,071,125.00
<b>Total</b>	<b>-29,129,758.87</b>	<b>-14,703,522.37</b>

# Notes to the Financial Statements

From 1 January 2023 to 30 June 2023

(The notes to the financial statements are presented in RMB, except as otherwise noted)

## VII. NOTES TO KEY ITEMS OF CONSOLIDATED FINANCIAL STATEMENTS (continued)

### 50. Impairment loss of credit

Items	Amount recognized in current period	Amount recognized in previous period
Loss on bad debts of notes receivable	3,587,992.41	-2,192,872.43
Loss on bad debts of accounts receivable	-64,203,072.97	-61,905,524.41
Loss on bad debts of other receivables	-2,556,532.44	-5,870,605.20
<b>Total</b>	<b>-63,171,613.00</b>	<b>-69,969,002.04</b>

### 51. Impairment loss of assets

Items	Amount recognized in current period	Amount recognized in previous period
Loss on stock depreciation	-517,546,816.87	-49,700,768.26
Loss on impairment of contract assets	-19,884,465.07	-6,061,122.34
Loss on impairment of fixed assets	-68,387,132.05	-11,451,003.79
Loss on impairment of intangible assets	-23,870.50	0.00
Loss on impairment of right-of-use assets	-3,083,215.11	0.00
<b>Total</b>	<b>-608,925,499.60</b>	<b>-67,212,894.39</b>

# Notes to the Financial Statements

From 1 January 2023 to 30 June 2023  
(The notes to the financial statements are presented in RMB, except as otherwise noted)

## VII. NOTES TO KEY ITEMS OF CONSOLIDATED FINANCIAL STATEMENTS (continued)

### 52. Gains from disposal of assets

Items	Amount recognized in current period	Amount recognized in previous period	Including: amount included in non-recurring profit or loss of current period
Gains from disposal of non-current assets	-3,359,542.17	1,789,467.53	-3,359,542.17
Including: Gains from disposal of non-current assets not classified as held for sale	-3,359,542.17	1,789,467.53	-3,359,542.17
Including: Gains from disposal of fixed assets	-3,512,422.25	1,789,467.53	-3,512,422.25
Gains from disposal of intangible assets	152,880.08	0.00	152,880.08
<b>Total</b>	<b>-3,359,542.17</b>	<b>1,789,467.53</b>	<b>-3,359,542.17</b>

### 53. Non-operating revenue

Items	Amount recognized in current period	Amount recognized in previous period	Including: amount included in non-recurring profit or loss of current period
Gains from compensations and penalties	19,022,534.38	20,038,162.75	19,022,534.38
Others	1,601,650.69	7,563,799.05	1,601,650.69
<b>Total</b>	<b>20,624,185.07</b>	<b>27,601,961.80</b>	<b>20,624,185.07</b>

# Notes to the Financial Statements

From 1 January 2023 to 30 June 2023  
(The notes to the financial statements are presented in RMB, except as otherwise noted)

## VII. NOTES TO KEY ITEMS OF CONSOLIDATED FINANCIAL STATEMENTS (continued)

### 54. Non-operating expenses

Items	Amount recognized in current period	Amount recognized in previous period	Amount included in non-recurring profit or loss of current period
Losses on damage or retirement of non-current assets	41,303.11	132.36	41,303.11
Including: Loss on retirement of fixed assets	41,303.11	132.36	41,303.11
Loss on retirement of intangible assets	0.00	0.00	0.00
Loss on retirement of construction in progress	0.00	0.00	0.00
Extraordinary loss	0.00	20,986,213.36	0.00
Inventory losses	51,836.32	0.00	51,836.32
Payment of charitable donations	262,630.00	1,030,000.00	262,630.00
Payment of compensations and penalties	12,911,232.19	18,598,100.71	12,911,232.19
Others	232,513.20	659,577.56	232,513.20
<b>Total</b>	<b>13,499,514.82</b>	<b>41,274,023.99</b>	<b>13,499,514.82</b>

### 55. Income tax expenses

Items	Amount recognized in current period	Amount recognized in previous period
Current income tax expenses	1,165,564,914.73	1,092,581,441.72
Deferred income tax expenses	-119,674,418.58	-29,640,741.29
<b>Total</b>	<b>1,045,890,496.15</b>	<b>1,062,940,700.43</b>

# Notes to the Financial Statements

From 1 January 2023 to 30 June 2023  
(The notes to the financial statements are presented in RMB, except as otherwise noted)

## VII. NOTES TO KEY ITEMS OF CONSOLIDATED FINANCIAL STATEMENTS (continued)

### 56. Items of the cash flow statement

#### (1) Supplementary information of the consolidated cash flow statement

Items	Amount recognized in current period	Amount recognized in previous period
<b>1. Net profit reconciled to cash flows from operating activities:</b>		
Net profit	5,396,362,381.00	6,030,238,024.78
Add: Provision for impairment of assets	608,925,499.60	67,212,894.39
Impairment loss of credit	63,171,613.00	69,969,002.04
Depreciation of fixed assets, depletion of oil and gas assets, depreciation of productive biological assets	1,142,789,266.92	824,715,038.59
Amortization of right-of-use assets	8,767,209.53	5,432,099.21
Amortization of intangible assets	44,194,048.86	29,486,520.27
Amortization of long-term deferred expenses	4,264,312.50	2,293,391.94
Loss on disposal of fixed assets, intangible assets and other long-term assets (gain is represented by “-”)	3,359,542.17	-1,789,467.53
Loss on retirement of fixed assets (gain is represented by “-”)	41,303.11	132.36
Gain or loss from changes in fair value (gain is represented by “-”)	29,129,758.87	14,703,522.37
Financial expenses (income is represented by “-”)	359,022,161.54	374,199,901.33
Investment loss (income is represented by “-”)	-16,410,753.21	-36,625,126.23
Decrease of deferred income tax assets (increase is represented by “-”)	-76,461,133.34	-23,598,228.63
Increase of deferred income tax liabilities (decrease is represented by “-”)	-43,213,600.96	-6,042,512.66
Decrease of inventories (increase is represented by “-”)	533,966,130.64	351,298,685.61
Decrease of operating receivables (increase is represented by “-”)	175,124,687.24	-1,116,724,567.79
Increase of operating payables (decrease is represented by “-”)	1,340,465,017.24	-901,546,660.00
Others	0.00	0.00
Net cash flow from operating activities	9,573,497,444.71	5,683,222,650.05
<b>2. Significant investment and financing activities not involving cash receipt and payment</b>		
Conversion of debt into capital	0.00	0.00
Convertible corporate bonds due within one year	0.00	0.00
Fixed assets leased through financing	0.00	0.00

# Notes to the Financial Statements

From 1 January 2023 to 30 June 2023

(The notes to the financial statements are presented in RMB, except as otherwise noted)

## VII. NOTES TO KEY ITEMS OF CONSOLIDATED FINANCIAL STATEMENTS (continued)

### 56. Items of the cash flow statement (continued)

#### (1) Supplementary information of the consolidated cash flow statement (continued)

Items	Amount recognized in current period	Amount recognized in previous period
<b>3. Net changes of cash and cash equivalents:</b>		
Balance of cash at the end of the period	10,667,958,310.00	5,223,076,127.09
Less: Balance of cash at the beginning of the period	3,409,764,114.29	3,192,107,888.60
Add: Balance of cash equivalents at the end of the period	0.00	0.00
Less: Balance of cash equivalents at the beginning of the period	0.00	0.00
Net increase of cash and cash equivalents	7,258,194,195.71	2,030,968,238.49

# Notes to the Financial Statements

From 1 January 2023 to 30 June 2023  
(The notes to the financial statements are presented in RMB, except as otherwise noted)

## VII. NOTES TO KEY ITEMS OF CONSOLIDATED FINANCIAL STATEMENTS (continued)

### 56. Items of the cash flow statement (continued)

#### (2) Cash and cash equivalents

Items	Closing balance	Opening balance
Cash	10,667,958,310.00	5,223,076,127.09
Including: Cash in hand	11,606.92	
Bank deposits that are readily available for payment	10,667,946,703.08	5,223,076,127.09
Other monetary funds that are readily available for payment	0.00	0.00
Cash equivalents	0.00	0.00
Including: Debt investments due within three months	0.00	0.00
Balance of cash and cash equivalents at the end of the year	10,667,958,310.00	5,223,076,127.09
Including: Restricted cash and cash equivalents	113,193,555.97	100,264,193.35

### 57. Assets with restrictions in ownership or use rights

Items	Carrying amount at the end of the period	Carrying amount at the beginning of the period
Monetary capital	1,369,994,270.79	1,785,687,862.42
Notes receivable	474,283,221.29	147,189,861.60
Accounts receivable	2,266,681,506.31	2,141,771,270.54
Receivables financing	2,464,899,751.31	637,544,706.10
Inventories	255,331,674.58	485,341,139.91
Fixed assets	13,882,319,161.57	13,251,038,891.19
Construction in progress	2,924,528,591.84	3,107,647,876.12
Intangible assets	137,249,899.23	147,735,106.35
<b>Total</b>	<b>23,775,288,076.92</b>	<b>21,703,956,714.23</b>

# Notes to the Financial Statements

From 1 January 2023 to 30 June 2023

(The notes to the financial statements are presented in RMB, except as otherwise noted)

## VII. NOTES TO KEY ITEMS OF CONSOLIDATED FINANCIAL STATEMENTS (continued)

### 57. Assets with restrictions in ownership or use rights (continued)

Note 1: Restricted monetary capital mainly represents security deposits for bank acceptance notes, Term deposits or call deposits, security deposits for the letter of guarantee and others.

Note 2: Restricted notes receivable and receivables financing mainly represent bank acceptance notes pledged at the end of the period.

Note 3: Restricted accounts receivable mainly represent factoring of accounts receivable and the rights to tariff after the completion of wind power and PV power plants together with all revenue of such projects pledged for borrowings.

Note 4: Restricted inventories mainly represent assets of wind power and PV power plants pledged for borrowings.

Note 5: Restricted fixed assets and intangible assets mainly represent assets pledged as collateral and security of borrowings.

Note 6: Restricted construction in progress mainly represent assets pledged for borrowings.

### 58. Foreign currency monetary items

Items	Foreign currency balance at the end of the period	Exchange rate	Balance translated to RMB at the end of the period
Cash in hand			
Including: Indian Rupee	131,300.00	0.0884	11,606.92
Bank deposits			
Including: USD	16,272,092.84	7.2258	117,578,888.44
EUR	3,513,735.20	7.8771	27,678,043.55
AUD	1,295.19	4.7992	6,215.88
Brazilian Real	2,911,334.30	1.4932	4,347,204.38
Indian Rupee	243,239,436.31	0.0884	21,502,366.17
Pakistani Rupee	97,787,993.84	0.0253	2,474,036.24
Egyptian Pound	3,207,255.62	0.2349	753,384.35
HKD	169,377.70	0.9220	156,166.24
Chilean Peso	8,174,806.00	0.0090	73,573.25
Bangladeshi Taka	3,073,719.08	0.0669	205,631.81
Turkish Lira	261,991.38	0.2785	72,964.60
Other monetary funds			
Including: USD	1,511,874.59	7.2258	10,924,503.41
EUR	56,154.90	7.8771	442,337.76
AUD	1,060.29	4.7992	5,088.54
Indian Rupee	41,829,525.80	0.0884	3,697,730.08
Accounts receivable			

# Notes to the Financial Statements

From 1 January 2023 to 30 June 2023  
(The notes to the financial statements are presented in RMB, except as otherwise noted)

## VII. NOTES TO KEY ITEMS OF CONSOLIDATED FINANCIAL STATEMENTS (continued)

### 58. Foreign currency monetary items (continued)

Items	Foreign currency balance at the end of the period	Exchange rate	Balance translated to RMB at the end of the period
Including: USD	3,259,219.98	7.2258	23,550,471.73
Indian Rupee	418,040,606.88	0.0884	36,954,789.65
Pakistani Rupee	227,416,234.04	0.0253	5,753,630.72
EUR	2,180,013.79	7.8771	17,172,186.63
Brazilian Real	7,904,550.03	1.4932	11,803,074.10
Other receivables			
Including: USD	249,994.23	7.2258	1,806,408.31
Egyptian Pound	45,901.92	0.2349	10,782.36
Accounts payable			
Including: USD	3,216,337.27	7.2258	23,240,609.85
EUR	41,736.15	7.8771	328,759.83
HKD	142,468.46	0.9220	131,355.92
Pakistani Rupee	7,912,703.00	0.0253	200,191.39
Chilean Peso	2,169,721.00	0.0090	19,527.49
Egyptian Pound	237,274.01	0.2349	55,735.66
Malaysian Ringgit	2,650.00	1.5512	4,110.68
Indian Rupee	1,245,678,940.14	0.0884	110,118,018.31
Other payables			
Including: USD	337,031.25	7.2258	2,435,320.41
Pakistani Rupee	30,610,106.24	0.0253	774,435.69
Egyptian Pound	460,198.21	0.2349	108,100.56
Indian Rupee	1,105,613.44	0.0884	97,736.23

# Notes to the Financial Statements

From 1 January 2023 to 30 June 2023  
(The notes to the financial statements are presented in RMB, except as otherwise noted)

## VII. NOTES TO KEY ITEMS OF CONSOLIDATED FINANCIAL STATEMENTS (continued)

### 59. Government grants

#### (1) Basic information of government grants

Category	Amount	Presentation item	Amount included in profit or loss of the period
Details set out in Note VII. 34	52,726,120.76	Deferred income	24,208,415.33
Details set out in Note VII. 47	140,804,780.06	Other income	140,804,780.06
<b>Total</b>	193,530,900.82	—	165,013,195.39

#### (2) Refund of government grants

Nil.

## VIII.CHANGES IN THE SCOPE OF CONSOLIDATION

### 1. Business merger involving enterprises under different control

Nil.

### 2. Business merger involving enterprises under common control

Nil.

### 3. Reverse takeover

Nil.

# Notes to the Financial Statements

From 1 January 2023 to 30 June 2023  
(The notes to the financial statements are presented in RMB, except as otherwise noted)

## VIII.CHANGES IN THE SCOPE OF CONSOLIDATION (continued)

### 4. Disposal of subsidiaries

#### (1) Loss of control due to a single disposal of investments in subsidiaries

Name of subsidiary	Category	Proportion of equity disposed of (%)	Way of equity disposal	Time of losing the control right	Basis for determination of time of losing the control right
Urumqi Mingrui Guangsheng Power Co., Ltd. (烏魯木齊明瑞廣晟發電有限公司)	Second-level subsidiary	100.00	Equity disposal	January 2023	Actual loss of control over the subsidiary
Xintai Guanghua PV Power Generation Co., Ltd. (新泰市光華光伏發電有限責任公司)	Third-level subsidiary	100.00	Equity disposal	January 2023	Actual loss of control over the subsidiary
Wuqi County Huaguang New Energy Co., Ltd. (吳起縣華光新能源有限公司)	Third-level subsidiary	100.00	Equity disposal	January 2023	Actual loss of control over the subsidiary
Urumqi Xinhe Guangsheng Power Technology Co., Ltd. (烏魯木齊鑫禾光晟電力科技有限公司)	Second-level subsidiary	100.00	Equity disposal	March 2023	Actual loss of control over the subsidiary
Huocheng Guangsheng PV Power Co., Ltd. (霍城縣光晟光伏發電有限公司)	Third-level subsidiary	100.00	Equity disposal	March 2023	Actual loss of control over the subsidiary
Chongren County Huafeng Power Generation Co., Ltd. (崇仁縣華風發電有限公司)	Second-level subsidiary	100.00	Equity disposal	May 2023	Actual loss of control over the subsidiary
Ningxia Beiyao Optical Storage New Energy Technology Co., Ltd. (寧夏貝耀光儲新能源科技有限公司)	Third-level subsidiary	100.00	Equity disposal	June 2023	Actual loss of control over the subsidiary
Ningxia Daozhiguang New Energy Storage Co., Ltd. (寧夏道至光儲新能源有限公司)	Fourth-level subsidiary	100.00	Equity disposal	June 2023	Actual loss of control over the subsidiary
Xuyi High Drive Wind Power Co., Ltd.* (盱眙高傳風力發電有限公司)	Second-level subsidiary	100.00	Equity disposal	May 2023	Actual loss of control over the subsidiary

# Notes to the Financial Statements

From 1 January 2023 to 30 June 2023

(The notes to the financial statements are presented in RMB, except as otherwise noted)

## VIII.CHANGES IN THE SCOPE OF CONSOLIDATION (continued)

### 5. Changes in the scope of consolidation for other reasons:

#### (1) Cancellation of subsidiaries

Name of subsidiary	Way of disposal	Time of cancellation
Xiayi Fengshang Wind Power Co., Ltd. (夏邑縣風尚風力發電有限公司)	Cancellation	February 2023
Urumqi Huaxin Guangsheng Power Technology Co., Ltd. (烏魯木齊華鑫光晟電力科技有限公司)	Cancellation	March 2023
Shangdu Fengsheng Power Co., Ltd. (商都縣風盛發電有限公司)	Cancellation	March 2023
Guyang Guangyu Power Generation Co., Ltd. (固陽縣光煜發電有限責任公司)	Cancellation	March 2023
TBEA Dunhuang Electric Technology Co., Ltd. (特變電工敦煌電氣科技有限公司)	Cancellation	April 2023
Daqing Wind Power Generation Investment Co., Ltd. (大慶風源風力發電投資有限公司)	Cancellation	April 2023
Danzhou Haiguang New Energy Technology Co., Ltd. (儋州海光新能源科技有限責任公司)	Cancellation	April 2023
Hanchuan Huirui New Energy Co., Ltd. (漢川市輝銳新能源有限公司)	Cancellation	April 2023
Wushan Fengshou New Energy Co., Ltd. (巫山縣風收新能源有限公司)	Cancellation	April 2023
Ankang Xinjia New Energy Co., Ltd. (安康新佳新能源有限公司)	Cancellation	April 2023
Qinghe Huaguang Power Generation Co., Ltd. (清河華光發電有限責任公司)	Cancellation	April 2023
Wuqi Xinrui Wind Power Co., Ltd. (吳起縣新瑞風電有限公司)	Cancellation	May 2023
Yichuan Xinjia Wind Power Co., Ltd. (宜川縣新佳風電有限公司)	Cancellation	May 2023
Fugu Xinrui New Energy Co., Ltd. (府谷縣新瑞新能源有限公司)	Cancellation	May 2023
Xinzheng Fengshang Power Co., Ltd. (新鄭市風尚電力有限公司)	Cancellation	May 2023
Chengmai Jianghaijiang New Energy Technology Co., Ltd. (澄邁縣疆海疆新能源科技有限公司)	Cancellation	May 2023
Yuanshi Mingrui New Energy Co., Ltd. (元氏縣明瑞新能源有限公司)	Cancellation	May 2023
Xi'an Liantang New Energy Co., Ltd. (西安連唐新能源有限公司)	Cancellation	May 2023
Xiangyang City Xiangzhou District Minteng Agricultural Development Co., Ltd., (襄陽市襄州區民騰農業開發有限公司)	Cancellation	May 2023

# Notes to the Financial Statements

From 1 January 2023 to 30 June 2023  
(The notes to the financial statements are presented in RMB, except as otherwise noted)

## VIII.CHANGES IN THE SCOPE OF CONSOLIDATION (continued)

### 5. Changes in the scope of consolidation for other reasons: (continued)

#### (1) Cancellation of subsidiaries (continued)

Name of subsidiary	Way of disposal	Time of cancellation
Laohekou Hejing Runneng Agricultural Development Co., Ltd. (老河口市河晶潤能農業發展有限公司)	Cancellation	May 2023
Gucheng Xingte New Energy Technology Co., Ltd. (故城行特新能源科技有限公司)	Cancellation	May 2023
Haikou Yucheng New Energy Technology Co., Ltd. (海口市於成新能源科技有限公司)	Cancellation	May 2023
Danzhou Yucheng New Energy Technology Co., Ltd. (儋州市玉成新能源科技有限公司)	Cancellation	May 2023
Guiding Shengguang Energy Development Co., Ltd. (貴定晟光能源開發有限公司)	Cancellation	May 2023
Xi'an Guangzhuang PV Power Generation Co., Ltd. (西安光莊光伏發電有限公司)	Cancellation	May 2023
Xi'an Laineng Guangsheng Power Generation Co., Ltd. (西安來能廣晟發電有限公司)	Cancellation	May 2023
Chengcheng Xinrui New Energy Co., Ltd. (澄城縣新瑞新能源有限公司)	Cancellation	May 2023
Gucheng Junneng Agricultural Development Co., Ltd. (故城俊能農業開發有限公司)	Cancellation	May 2023
Guiding Shenghua Energy Development Co., Ltd. (貴定晟華能源開發有限公司)	Cancellation	May 2023
Hailin Xinfeng New Energy Co., Ltd. (海林市新風新能源有限公司)	Cancellation	May 2023
Gushi Huafeng Power Generation Co., Ltd. (固始縣華風發電有限公司)	Cancellation	June 2023
Linxi Huite Wind Power Co., Ltd. (林西縣匯特風電有限責任公司)	Cancellation	June 2023
Zhoukou Fengshang Power Generation Co., Ltd. (周口風尚發電有限公司)	Cancellation	June 2023
Yanbian Wanhui PV Power Generation Co., Ltd. (鹽邊萬輝光伏發電有限公司)	Cancellation	June 2023
Panzhijia Zhaoneng New Energy Technology Co., Ltd. (攀枝花昭能新能源科技有限公司)	Cancellation	June 2023
Luanping Xinchu Agricultural Development Co., Ltd. (灤平縣新池農業發展有限公司)	Cancellation	June 2023
Daqing Huacan Solar Power Co., Ltd. (大慶華燦太陽能發電有限責任公司)	Cancellation	June 2023
Xi'an Xinchu New Energy Co., Ltd. (西安新池新能源有限公司)	Cancellation	June 2023

# Notes to the Financial Statements

From 1 January 2023 to 30 June 2023

(The notes to the financial statements are presented in RMB, except as otherwise noted)

## VIII.CHANGES IN THE SCOPE OF CONSOLIDATION (continued)

### 5. Changes in the scope of consolidation for other reasons: (continued)

#### (1) Cancellation of subsidiaries (continued)

Name of subsidiary	Way of disposal	Time of cancellation
Xi'an Lianhuai New Energy Co., Ltd. (西安連淮新能源有限公司)	Cancellation	June 2023
Lianshui Liantu New Energy Co., Ltd. (漣水縣連途新能源有限公司)	Cancellation	June 2023
Gaotang Yuguang PV Power Generation Co., Ltd. (高唐縣裕光光伏發電有限公司)	Cancellation	June 2023

#### (2) Newly established subsidiaries

There was an increase of 10 subsidiaries including Shenxian Shente New Energy Power Co., Ltd. (莘縣莘特新能源發電有限公司) and Mulan County Lvsheng New Energy Co., Ltd. (木蘭縣綠晟新能源有限公司) due to new establishment in the current period.

# Notes to the Financial Statements

From 1 January 2023 to 30 June 2023  
(The notes to the financial statements are presented in RMB, except as otherwise noted)

## IX. INTERESTS IN OTHER ENTITIES

### 1. Interests in subsidiaries

#### (1) Structure of the Group

##### 1) Major subsidiaries of the Group

Name of subsidiary	Type of legal person	Place of registration and principal place of business		Registered capital (RMB'0,000)	Shareholding (%)		Way of acquisition
		Business	Business		Directly	Indirectly	
TBEA Xinjiang Sunoasis Co., Ltd. (特變電工新疆新能源股份有限公司)	Joint stock company	Urumqi, Xinjiang	Construction of wind power and PV power plants	520,340.00	75.75	0.00	Business merger involving enterprises under common control
Inner Mongolia Xinte Silicon Materials Co., Ltd. (內蒙古新特硅材料有限公司)	Limited liability company	Baotou, Inner Mongolia	Production and sales of polysilicon	350,000.00	82.00	0.00	Incorporation
Xinte Silicon New Materials Co., Ltd. (新特硅基新材料有限公司)	Limited liability company	Changji, Xinjiang	Production and sales of polysilicon	440,000.00	100.00	0.00	Incorporation
Xinjiang Xinte Crystal Silicon Hightech Co., Ltd. (新疆新特晶體硅高科技有限公司)	Limited liability company	Urumqi, Xinjiang	Production and sales of polysilicon	233,915.98	92.34	0.00	Incorporation
Xinjiang Xinte Energy Construction Material Co., Ltd. (新疆新特新能建材有限公司)	Limited liability company	Urumqi, Xinjiang	Production and sales of aerated blocks	4,500.00	100.00	0.00	Incorporation
Xinjiang Xinte Energy Logistic Co., Ltd. (新疆新特能源物流有限公司)	Limited liability company	Urumqi, Xinjiang	Logistics business	500.00	100.00	0.00	Incorporation
Xinjiang Jingshuo New Materials Co., Ltd. (新疆晶碩新材料有限公司)	Limited liability company	Urumqi, Xinjiang	R&D, production and sales of zirconium-based new materials	27,000.00	7.41	85.50	Incorporation
TBEA Xi'an Electrical Technology Co., Ltd. (特變電工西安電氣科技有限公司)	Limited liability company	Xi'an, Shaanxi Province	R&D, production and sales of inverters	20,000.00	0.00	75.75	Incorporation
Baotou Guangyi Solar Power Co., Ltd. (包頭市光羿太陽能發電有限責任公司)	Limited liability company	Baotou, Inner Mongolia	Operation of PV power plants	15,578.32	0.00	75.75	Incorporation
Burqin County Jingneng Wind Power Co., Ltd. (布爾津縣晶能風力發電有限責任公司)	Limited liability company	Altay Prefecture, Xinjiang	Operation of wind power plants	26,700.00	0.00	75.75	Incorporation
Guyang County Wind Power Generation Co., Ltd. (固陽縣風源發電有限責任公司)	Limited liability company	Baotou, Inner Mongolia	Operation of wind power and PV power plants	19,465.00	0.00	75.75	Incorporation
Hami Fengshang Power Generation Co., Ltd. (哈密風尚發電有限責任公司)	Limited liability company	Hami, Xinjiang	Operation of wind power plants	38,457.699	0.00	75.75	Incorporation

# Notes to the Financial Statements

From 1 January 2023 to 30 June 2023  
(The notes to the financial statements are presented in RMB, except as otherwise noted)

## IX. INTERESTS IN OTHER ENTITIES (continued)

### 1. Interests in subsidiaries (continued)

#### (1) Structure of the Group (continued)

##### 1) Major subsidiaries of the Group (continued)

Name of subsidiary	Type of legal person	Place of registration and principal place of business	Business	Registered capital (RMB'0,000)	Shareholding (%)		Way of acquisition
					Directly	Indirectly	
Hami Huafeng New Energy Power Generation Co., Ltd. (哈密華風新能源發電有限公司)	Limited liability company	Hami, Xinjiang	Operation of wind power plants	30,162.432	0.00	75.75	Incorporation
Mulei County Jiayu Fengsheng Power Generation Co., Ltd. (木壘縣嘉裕風晟發電有限公司)	Limited liability company	Changji, Xinjiang	Operation of wind power plants	28,107.00	0.00	75.75	Incorporation
Mulei County Xinte Huineng Power Generation Co., Ltd. (木壘縣新特匯能發電有限責任公司)	Limited liability company	Changji, Xinjiang	Operation of wind power plants	16,250.00	0.00	75.75	Incorporation
Xilingol Xinyuan New Energy Co., Ltd. (錫林郭勒新圓新能源有限公司)	Limited liability company	Xilingol League, Inner Mongolia	Operation of wind power plants	29,644.73	0.00	75.75	Incorporation
Yu County Huaguang PV Power Generation Co., Ltd. (孟縣華光光伏發電有限公司)	Limited liability company	Yangquan, Shanxi Province	Operation of PV power plants	15,349.60	0.00	75.75	Incorporation
Zhengxiangbai Banner Fengsheng Power Generation Co., Ltd. (正鑲白旗風盛發電有限公司)	Limited liability company	Xilingol League, Inner Mongolia	Operation of wind power plants	73,293.89	0.00	75.75	Incorporation
Zhongmin (Mulei) Wind Power Co., Ltd. (中閩(木壘)風電有限公司)	Limited liability company	Changji, Xinjiang	Operation of wind power plants	42,000.00	0.00	75.75	Merger involving enterprises under different control
Xi'an TBEA Electric Power Design Co., Ltd. (西安特變電工電力設計有限責任公司)	Limited liability company	Xi'an, Shaanxi Province	Electric power design	2,099.90	0.00	75.75	Incorporation
TBEA Xi'an Flexible Power Transmission & Distribution Co., Ltd. (特變電工西安柔性輸配電有限公司)	Limited liability company	Xi'an, Shaanxi Province	R&D, production and sales of flexible DC power transmission and distribution	5,000.00	0.00	75.75	Incorporation
Heze Mudan District Haofeng New Energy Co., Ltd. (菏澤市牡丹區浩風新能源有限公司)	Limited liability company	Heze, Shandong Province	Operation of wind power plants	10,900.00	0.00	75.75	Incorporation
Ruicheng County Huiyuan Power Generation Co., Ltd. (芮城縣輝源發電有限責任公司)	Limited liability company	Yuncheng, Shanxi Province	Operation of PV power plants	7,967.96	0.00	75.75	Incorporation

# Notes to the Financial Statements

From 1 January 2023 to 30 June 2023  
(The notes to the financial statements are presented in RMB, except as otherwise noted)

## IX. INTERESTS IN OTHER ENTITIES (continued)

### 1. Interests in subsidiaries (continued)

#### (2) Interests in joint ventures or associates:

- 1) Significant joint ventures or associates:

Nil.

- 2) Summary of financial information of insignificant joint ventures and associates

Items	Closing balance/amount recognized in current period	Opening balance/amount recognized in previous year
<b>Joint ventures:</b>		
Total carrying amount of investments	0.00	73,524,179.85
Total amount calculated according to proportion of shareholding		
— Net profit	1,181,651.29	4,433,847.30
— Other comprehensive income	0.00	0.00
— Total comprehensive income	1,181,651.29	4,433,847.30
<b>Associates:</b>		
Total carrying amount of investments	433,095,304.58	386,064,143.62
Total amount calculated according to proportion of shareholding		
— Net profit	35,106,920.75	25,586,404.56
— Other comprehensive income	0.00	0.00
— Total comprehensive income	35,106,920.75	25,586,404.56

- (3) Significant joint operations: Nil.

- (4) Structure entities not included in the scope of consolidated financial statements: Nil.

# Notes to the Financial Statements

From 1 January 2023 to 30 June 2023

(The notes to the financial statements are presented in RMB, except as otherwise noted)

## X. RISKS RELATED TO FINANCIAL INSTRUMENTS

Main financial instruments of the Group include borrowings, receivables and payables, and details of each are set out in Note VII. Risks related to these financial instruments and risk management policies the Group adopts to mitigate such risks are discussed below. The management of the Group manages and monitors the exposure of these risks, to ensure that these risks are controlled within specific ranges.

### 1. Risk management goals and policies

The goal of the Group's risk management is to achieve reasonable balance between risk and income, minimize the negative impact of risks on the Group's operating results and maximize the interests of shareholders and other equity investors. Based on the goal, the Group's basic strategy of risk management is to identify and analyze the risks the Group is subject to, establish appropriate risk tolerance baseline, promote risk management, monitor risks in a timely and reliable manner and control the risks within specific ranges.

#### (1) Market risks

- 1) Foreign exchange risk: The Group's foreign exchange exposure is mainly related to US dollars, HK dollars and Euro. Except that individual subsidiaries of the Group are using US dollars for sales, other main business operations of the Group are denominated and settled in RMB. As at 30 June 2023, some of the Group's assets and liabilities have balances in US dollars and few balances in Euro and Hong Kong dollars. The foreign exchange exposure of balances in such foreign currencies is minimal, and will not have a material adverse impact on the financial position of the Group. The Group adopts reasonable hedging instruments and products to reduce the risk of exchange rate fluctuations, adheres to the principle of exchange rate hedging, clarify the management of target exchange rates, and appropriately conducts businesses such as spot and forward settlements to avoid the risk of exchange rate fluctuations.

Items	Closing balance	Opening balance
<b>Cash in hand</b>		
Including: Indian Rupee	131,300.00	0.00
<b>Bank deposits</b>		
Including: USD	16,272,092.84	14,753,924.96
EUR	3,513,735.20	8,896,621.05
AUD	1,295.19	1,295.19
Brazilian Real	2,911,334.30	0.00
Indian Rupee	243,239,436.31	107,132,855.28
Pakistani Rupee	97,787,993.84	69,031,736.81
Egyptian Pound	3,207,255.62	3,209,878.23
HKD	169,377.70	169,875.68
Chilean Peso	8,174,806.00	8,174,806.00
Bangladeshi Taka	3,073,719.08	3,073,719.08
Turkish Lira	261,991.38	214,178.79

# Notes to the Financial Statements

From 1 January 2023 to 30 June 2023  
(The notes to the financial statements are presented in RMB, except as otherwise noted)

## X. RISKS RELATED TO FINANCIAL INSTRUMENTS (continued)

### 1. Risk management goals and policies (continued)

#### (1) Market risks (continued)

1) (continued)

Items	Closing balance	Opening balance
<b>Other monetary funds</b>		
Including: USD	1,511,874.59	1,406,934.66
EUR	56,154.90	56,154.90
AUD	1,060.29	1,060.29
Indian Rupee	41,829,525.80	29,921,440.80
<b>Accounts receivable</b>		
Including: USD	3,259,219.98	5,869,600.04
Indian Rupee	418,040,606.88	50,000.00
Pakistani Rupee	227,416,234.04	218,364,534.93
EUR	2,180,013.79	648,068.91
Brazilian Real	7,904,550.03	0.00
<b>Other receivables</b>		
Including: USD	249,994.23	255,554.23
Pakistani Rupee	0.00	258,651.47
Egyptian Pound	45,901.92	45,901.92
EUR	0.00	74,706.96
<b>Accounts payable</b>		
Including: USD	3,216,337.27	1,162,000.95
EUR	41,736.15	29,437.15
HKD	142,468.46	142,468.46
Pakistani Rupee	7,912,703.00	4,918,468.00
Chilean Peso	2,169,721.00	2,169,721.00
Egyptian Pound	237,274.01	237,274.01
Malaysian Ringgit	2,650.00	2,650.00
Indian Rupee	1,245,678,940.14	5,914,256.43
Brazilian Real	0.00	0.00
<b>Other payables</b>		
Including: USD	337,031.25	441,017.74
EUR	0.00	19,910.40
Pakistani Rupee	30,610,106.24	4,491,699.35
Egyptian Pound	460,198.21	532,168.93
Indian Rupee	1,105,613.44	5,750,179.78

# Notes to the Financial Statements

From 1 January 2023 to 30 June 2023

(The notes to the financial statements are presented in RMB, except as otherwise noted)

## X. RISKS RELATED TO FINANCIAL INSTRUMENTS (continued)

### 1. Risk management goals and policies (continued)

#### (1) Market risks (continued)

- 2) Interest rate risk: The Group's interest rate risk arises from interest-bearing liabilities such as bank borrowings. Financial liabilities at floating interest rates expose the Group to cash flow interest rate risk, and financial liabilities at fixed interest rates expose the Group to fair value interest rate risk. The Group determines the relative ratio of its fixed rate and floating rate contracts based on prevailing market conditions. As at 30 June 2023, the Company's interest-bearing liabilities mainly represent fixed rate and floating rate contracts denominated in RMB, with the aggregate value of RMB21,487,059,343.37 (31 December 2022: RMB21,335,680,031.62, 31 December 2021: RMB17,724,309,125.70).
- 3) Price risk: The Group is subject to price fluctuations as it procures raw materials and sells products at market rates.

#### (2) Credit risk

As at 30 June 2023, the largest credit risk exposure that may incur financial loss to the Group mainly came from the other party's failure to perform its obligations under the contract that leads to a loss of financial assets of the Group, including:

Carrying amount of financial assets recognized in the consolidated balance sheet; for financial instruments measured at fair value, the carrying amount reflects the risk exposure, which is not the largest risk exposure, and the largest risk exposure will change according to the changes of fair value in the future.

To minimize the credit risk, the Group establishes a designated department to determine the credit line, review credit approval and perform other monitoring procedures to ensure necessary measures are adopted to recover overdue debts. In addition, the Group reviews the recovery of each item of receivables at each balance sheet date, to ensure sufficient bad debt provisions are made on unrecoverable items. Therefore, the management of the Group believes that the credit risk the Group is subject to has been reduced significantly.

The Group's credit risk related to liquidity was relatively low as its liquidity was deposited in banks with high credit ratings and TBEA Group Finance Co., Ltd. (特變電工集團財務有限公司).

The Group had taken necessary measures to make sure all customers have a good credit record. Other than the five largest amounts of accounts receivable, the Group does not have other significant credit risk concentration.

# Notes to the Financial Statements

From 1 January 2023 to 30 June 2023  
(The notes to the financial statements are presented in RMB, except as otherwise noted)

## X. RISKS RELATED TO FINANCIAL INSTRUMENTS (continued)

### 1. Risk management goals and policies (continued)

#### (3) Liquidity risk

Liquidity risk is the risk that the Group is not be able to meet the financial obligations at maturity. The Group's policy of liquidity risk management is to ensure sufficient liquidity to meet the financial obligations as the fall due without incurring unacceptable losses or causing damage to its reputation. The Group regularly analyzes the structure and maturity of liabilities to ensure that sufficient funds are available. The management of the Group monitors the use of bank borrowings and ensures compliance with the agreements. It also negotiates with financial institutions on financing to maintain a certain credit limit and reduce liquidity risk.

The Group takes bank borrowings as the major source of funds. As at 30 June 2023, the Group's unutilized facilities were RMB33,379,139,400.

## XI. DISCLOSURE OF FAIR VALUE

### 1. Fair value of assets and liabilities measured at fair value at the end of the period

Items	Fair value at the end of the period			Total
	Level 1 fair value measurement	Level 2 fair value measurement	Level 3 fair value measurement	
<b>I. Continuous fair value measurement</b>				
(I) Financial assets held for trading	0.00	0.00	113,550,941.06	113,550,941.06
1. Financial assets at fair value through profit or loss	0.00	0.00	113,550,941.06	113,550,941.06
(1) Investments in debt instruments	0.00	0.00	0.00	0.00
(2) Investments in equity instruments	0.00	0.00	113,550,941.06	113,550,941.06
(3) Derivative financial instruments	0.00	0.00	0.00	0.00
(II) Receivables financing	0.00	6,349,941,876.53	0.00	6,349,941,876.53
(III) Other debt investments	0.00	0.00	0.00	0.00
(IV) Other equity instrument investments	0.00	0.00	250,999,977.52	250,999,977.52
Total assets continuously measured at fair value	0.00	6,349,941,876.53	364,550,918.58	6,714,492,795.11
(V) Financial liabilities held for trading				
1. Financial liabilities at fair value through profit or loss	36,839,296.11	0.00	0.00	36,839,296.11
(1) Derivative financial liabilities	36,839,296.11	0.00	0.00	36,839,296.11
Total liabilities continuously measured at fair value	36,839,296.11	0.00	0.00	36,839,296.11

### 2. Valuation techniques and qualitative and quantitative information of important parameters adopted for items of continuous and non-continuous Level 2 fair value measurement

The fair value of receivables financing of the Group approximates the carrying amount, as the remaining term is relatively short.

# Notes to the Financial Statements

From 1 January 2023 to 30 June 2023

(The notes to the financial statements are presented in RMB, except as otherwise noted)

## XI. DISCLOSURE OF FAIR VALUE (continued)

### 3. Valuation techniques and qualitative and quantitative information of important parameters adopted for items of continuous and non-continuous Level 3 fair value measurement

Non-current financial assets under Level 3 fair value measurement mainly include investments in unlisted equity (private equity) and private funds. As the Group's shareholding in the investees are relatively low and has no significant influence on investees, it is impractical to adopt income approach or market-based approach to assess the value of investees; the investees do not have introduction of investors or equity transfer of shareholders in recent periods that can serve as reference of fair value; based on the analysis of relevant information acquired, the Group has not noticed significant changes of investees' internal and external environments since their establishment. Therefore, it is a "limited circumstance" where the book value is deemed as the best estimate of fair value, and the cost is recognized as fair value at the end of the period accordingly.

## XII. RELATED PARTIES AND RELATED-PARTY TRANSACTIONS

### (I) Relationship with related parties

#### 1. Controlling Shareholder and ultimate controlling party

##### (1) Controlling Shareholder and ultimate controlling party

Name of Controlling Shareholder	Registration place	Business	Registered capital (RMB'0,000)	Proportion of shareholding in the Company (%)	Proportion of voting right in the Company (%)
TBEA Co., Ltd.	Urumqi	Production and sales	389,022.95	64.52	64.52

Name of Controlling Shareholder and ultimate controlling party	Type	Legal representative	Unified Social Credit Identifier
TBEA Co., Ltd.	Other joint stock company (listed)	Zhang Xin	91650000299201121Q

Zhang Xin holds a total of 70.58% of the shares of the Company through Xinjiang Tebian Group Co., Ltd. (新疆特變電工集團有限公司), TBEA Co., Ltd. (特變電工股份有限公司), Xinjiang Far Excellence Enterprise Management Consulting Co., Ltd. (新疆遠卓企業管理諮詢有限公司) and TBEA (HONGKONG) CO., LIMITED (特變電工(香港)有限公司) and is the de facto controller of the Company.

# Notes to the Financial Statements

From 1 January 2023 to 30 June 2023  
(The notes to the financial statements are presented in RMB, except as otherwise noted)

## XII. RELATED PARTIES AND RELATED-PARTY TRANSACTIONS

(continued)

### (I) Relationship with related parties (continued)

#### 1. Controlling Shareholder and ultimate controlling party (continued)

##### (2) Registered capital of Controlling Shareholder and the changes

Controlling Shareholder	Opening balance	Increase in current period	Decrease in current period	Closing balance
TBEA Co., Ltd.	3,885,465,706.00	4,763,773.00	0.00	3,890,229,479.00

##### (3) Shares or equity interest held by Controlling Shareholder and the changes

Controlling Shareholder	Amount of shareholding		Proportion of shareholding (%)	
	Closing balance	Opening balance	Closing balance	Opening balance
TBEA Co., Ltd.	922,509,361.00	922,509,361.00	64.52	64.52

#### 2. Subsidiaries

Details of subsidiaries are set out in Note "IX. 1. (1) Structure of the Group".

#### 3. Joint ventures and associates with operations and transactions with the Company

Name of related party with operations and transactions with the Company	Relationship with the Company
Jeminay Xinte Wind Power Co., Ltd. (吉木乃新特風電有限公司)	Associate
Wuling Jiangyong Power Co., Ltd. (五凌江永電力有限公司)	Associate
Jiangyong Shenghua Energy Development Co., Ltd. (江永晟華能源開發有限公司)	Associate
Jiangyong Clean Energy Development Co., Ltd. (江永清潔能源開發有限公司)	Associate
Daoxian Clean Energy Development Co., Ltd. (道縣清潔能源開發有限公司)	Associate
Wujiayu TBEA PV Power Technology Co., Ltd. (五家渠特變電工光電科技有限責任公司)	Associate
Turpan TBEA New Energy Co., Ltd. (吐魯番特變電工新能源有限公司)	Associate
Wujiayu Xinte Energy Co., Ltd. (五家渠新特能源有限責任公司)	Associate
Guyang County Changlan Wind Power Co., Ltd. * (固陽縣長嵐風力發電有限公司)	Joint venture
China Energy Xinjiang Ganquanpu Integrated Energy Co., Ltd. (國能新疆甘泉堡綜合能源有限公司)	Associate
Jiangyong Xinfeng New Energy Development Co., Ltd. * (江永鑫風新能源開發有限公司)	Associate
Huaxiang (Hongdong) New Energy Technology Co., Ltd. (華翔(洪洞)新能源科技有限公司)	Associate
Sichuan Ganzhi Datang International New Energy Co., Ltd. (四川甘孜大唐國際新能源有限責任公司)	Joint venture, transferred in February 2023
Xi'an Wucheng New Energy Power Co., Ltd. (西安吳城新能源發電有限公司)	Associate, transferred in March 2022
Xi'an Xingwu Wind Power Co., Ltd. (西安興武風力發電有限公司)	Associate, transferred in March 2022

# Notes to the Financial Statements

From 1 January 2023 to 30 June 2023  
(The notes to the financial statements are presented in RMB, except as otherwise noted)

## XII. RELATED PARTIES AND RELATED-PARTY TRANSACTIONS

(continued)

### (I) Relationship with related parties (continued)

#### 4. Other related parties with operations and transactions with the Company

Name of other related party with operations and transactions with the Company	Relationship with the Company
Changji Hui Autonomous Prefecture TBEA Employee Training Center (昌吉回族自治州特變電工職業培訓中心)	Enterprise controlled by the controlling shareholder
Liaoning Hanwei International Logistics Co., Ltd. (遼寧漢威國際物流有限公司)	Enterprise controlled by the controlling shareholder
Nanjing Electric Power Research and Automation Co., Ltd. (南京電研電力自動化股份有限公司)	Enterprise controlled by the controlling shareholder
Xinjiang Joinworld Co., Ltd. (新疆眾和股份有限公司)	Enterprise controlled by the controlling shareholder
Xinjiang Joinworld Jinyuan Magnesium Industry Co., Ltd. (新疆眾和金源鎂業有限公司)	Enterprise controlled by the controlling shareholder
Shihezi Zhongjin Electrode Foil Co., Ltd. (石河子眾金電極箔有限公司)	Enterprise controlled by the controlling shareholder
Urumqi Zhongrong Electronic Material Technology Co., Ltd. (烏魯木齊眾榮電子材料科技有限公司)	Enterprise controlled by the controlling shareholder
Xinjiang Ene Gold Graphene Technology Co., Ltd. (新疆烯金石墨烯科技有限公司)	Enterprise controlled by the controlling shareholder
Sanyang Silu (Korgas) Factoring Co., Ltd. (三陽絲路(霍爾果斯)商業保理有限公司)	Enterprise controlled by the controlling shareholder
TBEA (Deyang) Cable Co., Ltd. (特變電工(德陽)電纜股份有限公司)	Enterprise controlled by the controlling shareholder
TBEA International Engineering Co., Ltd. (特變電工國際工程有限公司)	Enterprise controlled by the controlling shareholder
TBEA Hengyang Transformer Co., Ltd. (特變電工衡陽變壓器有限公司)	Enterprise controlled by the controlling shareholder
TBEA Hunan Electrical Power and Equipment Co., Ltd. (特變電工湖南電氣有限公司)	Enterprise controlled by the controlling shareholder
TBEA Group Finance Co., Ltd. (特變電工集團財務有限公司)	Enterprise controlled by the controlling shareholder
TBEA Jing-Jin-Ji Intelligence Technology Co., Ltd. (特變電工京津冀智能科技有限公司)	Enterprise controlled by the controlling shareholder
TBEA Technology Investment Co., Ltd. (特變電工科技投資有限公司)	Enterprise controlled by the controlling shareholder
TBEA Shandong Luneng Taishan Cable Co., Ltd. (特變電工山東魯能泰山電纜有限公司)	Enterprise controlled by the controlling shareholder
TBEA Shandong Shenbian Electrical Equipment Co., Ltd. (特變電工山東沈變電氣設備有限公司)	Enterprise controlled by the controlling shareholder
TBEA Shenyang Transformer Group Co., Ltd. (特變電工瀋陽變壓器集團有限公司)	Enterprise controlled by the controlling shareholder
TBEA Shenyang Electric Power Survey & Design Co., Ltd. (特變電工瀋陽電力勘测設計有限公司)	Enterprise controlled by the controlling shareholder
TBEA Xinjiang Energy Co., Ltd. (特變電工新疆能源有限公司)	Enterprise controlled by the controlling shareholder
TBEA Yunji High-voltage Switch Co., Ltd. (特變電工雲集高壓開關有限公司)	Enterprise controlled by the controlling shareholder
TBEA Intelligent Electrical Power and Equipment Co., Ltd. (特變電工智能電氣有限責任公司)	Enterprise controlled by the controlling shareholder
TBEA Zhongfa Shanghai High-voltage Switch Co., Ltd. (特變電工中發上海高壓開關有限公司)	Enterprise controlled by the controlling shareholder
Tianjin TBEA Transformer Co., Ltd. (天津市特變電工變壓器有限公司)	Enterprise controlled by the controlling shareholder
Xinjiang Tianchi Energy Sales Co., Ltd. (新疆天池能源銷售有限公司)	Enterprise controlled by the controlling shareholder
Xinjiang Tianchi Energy Co., Ltd. (新疆天池能源有限責任公司)	Enterprise controlled by the controlling shareholder
Xinjiang Zhudong TBEA Energy Co., Ltd. (新疆准東特變能源有限責任公司)	Enterprise controlled by the controlling shareholder
Xinjiang Changji TBEA Energy Co., Ltd. (新疆昌吉特變能源有限責任公司)	Enterprise controlled by the controlling shareholder
Xinjiang TBEA Electrical Industry Cultural Tourism Co., Ltd. (新疆特變電工工業文化旅遊有限責任公司)	Enterprise controlled by the controlling shareholder

# Notes to the Financial Statements

From 1 January 2023 to 30 June 2023  
(The notes to the financial statements are presented in RMB, except as otherwise noted)

## XII. RELATED PARTIES AND RELATED-PARTY TRANSACTIONS

(continued)

### (I) Relationship with related parties (continued)

#### 4. Other related parties with operations and transactions with the Company (continued)

Name of other related party with operations and transactions with the Company	Relationship with the Company
Tianjin Sanyang Silu Commercial Factoring Co., Ltd. (天津三陽絲路商業保理有限公司)	Enterprise controlled by the controlling shareholder
Xinjiang TBEA Loulan New Material Technology Co., Ltd. (新疆特變電工樓蘭新材料技術有限公司)	Enterprise controlled by the controlling shareholder
TBEA Yunji Electrical Power and Equipment Co., Ltd. * (特變電工雲集電氣有限公司)	Enterprise controlled by the controlling shareholder
Huocheng Guangsheng PV Power Co., Ltd. (霍城縣光晟光伏發電有限公司)	Enterprise controlled by the controlling shareholder
Wuji County Huaguang New Energy Co., Ltd. (吳起縣華光新能源有限公司)	Enterprise controlled by the controlling shareholder
Shihezi Zhonghe New Materials Co., Ltd (石河子眾和新材料有限公司)	Enterprise controlled by the controlling shareholder
Xintai Guanghua PV Power Generation Co., Ltd. (新泰市光華光伏發電有限責任公司)	Enterprise controlled by the controlling shareholder
TBEA Kangjia (Shenyang) Transformer Co., Ltd. (特變電工康嘉(瀋陽)互感器有限責任公司)	Enterprise controlled by the controlling shareholder
Chongren County Huafeng Power Generation Co., Ltd. (崇仁縣華風發電有限公司)	Enterprise controlled by the controlling shareholder
Xuyi High Drive Wind Power Co., Ltd. * (盱眙高傳風力發電有限公司)	Enterprise controlled by the controlling shareholder
TBEA Xinjiang Cable Co., Ltd. (特變電工新疆電纜有限公司)	Enterprise controlled by the controlling shareholder
Northwest Wire & Cable Testing Co., Ltd. (西北電線電纜檢測中心有限公司)	Enterprise controlled by the controlling shareholder
Xinjiang TBEA Shared Financial Services Co., Ltd. * (新疆特變電工共享財務服務有限公司)	Enterprise controlled by the controlling shareholder
Shenyang TBEA Electrical Engineering Co., Ltd. (瀋陽特變電工電氣工程有限公司)	Enterprise controlled by directors of the Company
Inner Mongolia TBEA Energy Equipment Co., Ltd. (內蒙古特變電工能源裝備有限公司)	Enterprise controlled by directors of the Company
Xinjiang Changte Power Transmission and Transformation Devices Co., Ltd. (新疆昌特輸變電配件有限公司)	Enterprise controlled by directors of the Company
Xinjiang TBEA International Package Services Co., Ltd. (新疆特變電工國際成套工程承包有限公司)	Enterprise controlled by directors of the Company
Xinjiang Tebian Group Logistics Co., Ltd. (新疆特變電工集團物流有限公司)	Enterprise controlled by directors of the Company
Xinjiang TBEA Automatic Control Equipment Co., Ltd. (新疆特變電工自控設備有限公司)	Enterprise controlled by directors of the Company
Zhongjiang Logistics Co., Ltd. (中疆物流有限責任公司)	Enterprise controlled by directors of the Company
Zhongsilu Construction Investment Group Co., Ltd. (中絲路建設投資集團有限公司)	Enterprise controlled by directors of the Company
Zhongsilu Design & Consulting Co., Ltd. (中絲路設計諮詢有限公司)	Enterprise controlled by directors of the Company
Tianjin Zhongjiang Supply Chain Management Co., Ltd. (天津中疆供應鏈管理有限公司)	Enterprise controlled by directors of the Company
China Radio and Television Xinjiang Network Co., Ltd. (中國廣播新疆網絡股份有限公司)	Party of other relationship
Tumxuk Hengrunjin Power Technology Co., Ltd. (圖木舒克恆潤金電力科技有限公司)	Party of other relationship
Urumqi Xinte Power Generation Co., Ltd. (烏魯木齊新特發電有限責任公司)	Party of other relationship
China General Certification Center Co., Ltd. (北京鑒衡認證中心有限公司)	Party of other relationship
CSCEC Xinjiang Construction & Engineering (Group) Co., Ltd. (中建新疆建工(集團)有限公司)	Party of other relationship
Shishou Shouyi New Energy Co., Ltd. (石首市首義新能源有限公司)	Party of other relationship
Huadian Huocheng New Energy Co., Ltd. (華電霍城新能源有限公司)	Party of other relationship

# Notes to the Financial Statements

From 1 January 2023 to 30 June 2023

(The notes to the financial statements are presented in RMB, except as otherwise noted)

## XII. RELATED PARTIES AND RELATED-PARTY TRANSACTIONS

(continued)

### (II) Related-party transactions

#### 1. Related-party transactions of purchase of goods and acceptance of services

##### (1) Purchase of goods/acceptance of services

Related party	Amount recognized in current period	Amount recognized in previous period
Xinjiang Tianchi Energy Sales Co., Ltd. (新疆天池能源銷售有限公司)	148,829,199.57	171,120,132.73
Zhongsilu Construction Investment Group Co., Ltd. (中絲路建設投資集團有限公司)	140,439,519.22	29,828,469.86
Xinjiang TBEA Automatic Control Equipment Co., Ltd. (新疆特變電工自控設備有限公司)	79,450,141.40	93,060,854.15
TBEA Xinjiang Energy Co., Ltd. (特變電工新疆能源有限公司)	79,289,361.59	90,871,926.60
TBEA Co., Ltd. (特變電工股份有限公司)	70,748,155.76	192,689,488.00
Xinjiang Joinworld Co., Ltd. (新疆眾和股份有限公司)	60,128,440.68	50,158,182.15
Nanjing Electric Power Research and Automation Co., Ltd. (南京電研電力自動化股份有限公司)	33,951,577.89	27,263,716.75
TBEA Jing-Jin-Ji Intelligence Technology Co., Ltd. (特變電工京津冀智能科技有限公司)	26,642,902.64	0.00
TBEA International Engineering Co., Ltd. (特變電工國際工程有限公司)	21,199,811.49	43,816,346.23
Inner Mongolia TBEA Energy Equipment Co., Ltd. (內蒙古特變電工能源裝備有限公司)	21,112,964.59	0.00
Xinjiang TBEA International Package Services Co., Ltd. (新疆特變電工國際成套工程承包有限公司)	17,403,029.63	12,242,539.00
Tianjin TBEA Transformer Co., Ltd. (天津市特變電工變壓器有限公司)	12,999,026.55	12,757,522.11
TBEA Shandong Luneng Taishan Cable Co., Ltd. (特變電工山東魯能泰山電纜有限公司)	11,639,925.00	31,445,914.35
Shenyang TBEA Electrical Engineering Co., Ltd. (瀋陽特變電工電氣工程有限公司)	10,398,494.34	18,497,542.06
TBEA (Deyang) Cable Co., Ltd. (特變電工(德陽)電纜股份有限公司)	9,695,579.65	7,845,201.12
TBEA Technology Investment Co., Ltd. (特變電工科技投資有限公司)	9,289,160.26	2,433,962.26
TBEA Hunan Electrical Power and Equipment Co., Ltd. (特變電工湖南電氣有限公司)	9,286,054.87	589,645.14
TBEA Hengyang Transformer Co., Ltd. (特變電工衡陽變壓器有限公司)	8,672,566.37	0.00

# Notes to the Financial Statements

From 1 January 2023 to 30 June 2023  
(The notes to the financial statements are presented in RMB, except as otherwise noted)

## XII. RELATED PARTIES AND RELATED-PARTY TRANSACTIONS

(continued)

### (II) Related-party transactions (continued)

#### 1. Related-party transactions of purchase of goods and acceptance of services (continued)

##### (1) Purchase of goods/acceptance of services (continued)

Related party	Amount recognized in current period	Amount recognized in previous period
TBEA Shandong Shenbian Electrical Equipment Co., Ltd. (特變電工山東沈變電氣設備有限公司)	4,257,730.09	4,159,292.04
Xinjiang TBEA Electrical Industry Cultural Tourism Co., Ltd. (新疆特變電工工業文化旅遊有限責任公司)	3,900,285.41	2,015,709.28
TBEA Shenyang Transformer Group Co., Ltd. (特變電工瀋陽變壓器集團有限公司)	2,864,625.49	12,563,833.73
TBEA Shenyang Electric Power Survey & Design Co., Ltd. (特變電工瀋陽電力勘測設計有限公司)	2,320,377.36	21,226.42
Zhongsilu Design & Consulting Co., Ltd. (中絲路設計諮詢有限公司)	2,150,943.34	6,845,796.97
TBEA Kangjia (Shenyang) Transformer Co., Ltd. (特變電工康嘉(瀋陽)互感器有限責任公司)	1,910,707.96	0.00
TBEA Yunji Electrical Power and Equipment Co., Ltd. * (特變電工雲集電氣有限公司)	1,022,238.07	34,117,662.79
TBEA Intelligent Electrical Power and Equipment Co., Ltd. (特變電工智能電氣有限責任公司)	638,053.10	152,141,415.89
Changji Hui Autonomous Prefecture TBEA Employee Training Center (昌吉回族自治州特變電工職業培訓中心)	613,615.60	221,366.10
TBEA Xinjiang Cable Co., Ltd. (特變電工新疆電纜有限公司)	537,265.31	0.00
Liaoning Hanwei International Logistics Co., Ltd. (遼寧漢威國際物流有限公司)	113,619.27	171,544.95
Xinjiang TBEA Shared Financial Services Co., Ltd. * (新疆特變電工共享財務服務有限公司)	53,854.89	46,843.50
China General Certification Center Co., Ltd. (北京鑒衡認證中心有限公司)	0.00	292,264.15
Northwest Wire & Cable Testing Co., Ltd. (西北電線電纜檢測中心有限公司)	0.00	7,981.13
<b>Total</b>	<b>791,559,227.39</b>	<b>997,226,379.46</b>

# Notes to the Financial Statements

From 1 January 2023 to 30 June 2023

(The notes to the financial statements are presented in RMB, except as otherwise noted)

## XII. RELATED PARTIES AND RELATED-PARTY TRANSACTIONS

(continued)

### (II) Related-party transactions (continued)

#### 1. Related-party transactions of purchase of goods and acceptance of services (continued)

##### (2) Sales of goods/provision of services

Related party	Amount recognized in current period	Amount recognized in previous period
Shishou Shouyi New Energy Co., Ltd. (石首市首義新能源有限公司)	365,163,947.80	0.00
Huocheng Guangsheng PV Power Co., Ltd. (霍城縣光晟光伏發電有限公司)	227,133,372.95	0.00
Huadian Huocheng New Energy Co., Ltd. (華電霍城新能源有限公司)	18,152,267.89	0.00
Guyang County Changlan Wind Power Co., Ltd.* (固陽縣長嵐風力發電有限公司)	15,535,093.11	0.00
Xinjiang Joinworld Co., Ltd. (新疆眾和股份有限公司)	14,745,401.01	52,083,197.05
Jiangyong Xinfeng New Energy Development Co., Ltd. (江永鑫風新能源開發有限公司)	11,811,951.54	12,342,251.39
Jiangyong Clean Energy Development Co., Ltd. (江永清潔能源開發有限公司)	5,421,147.10	6,048,429.82
Jiangyong Shenghua Energy Development Co., Ltd. (江永晟華能源開發有限公司)	4,341,833.18	4,556,209.25
Urumqi Zhongrong Electronic Material Technology Co., Ltd. (烏魯木齊眾榮電子材料科技有限公司)	3,311,551.33	3,914,714.69
Liaoning Hanwei International Logistics Co., Ltd. (遼寧漢威國際物流有限公司)	3,268,609.10	2,357,369.72
Jeminay Xinte Wind Power Co., Ltd. (吉木乃新特風電有限公司)	3,232,741.10	3,232,741.10
Xuyi High Drive Wind Power Co., Ltd.* (盱眙高傳風力發電有限公司)	3,229,150.95	0.00
TBEA Hunan Electrical Power and Equipment Co., Ltd. (特變電工湖南電氣有限公司)	3,146,283.19	0.00
Daoxian Clean Energy Development Co., Ltd. (道縣清潔能源開發有限公司)	2,590,398.59	5,026,628.52
CSCEC Xinjiang Construction & Engineering (Group) Co., Ltd. (中建新疆建工(集團)有限公司)	2,522,594.72	4,140,835.36
Shihezi Zhonghe New Materials Co., Ltd. (石河子眾和新材料有限公司)	2,346,345.14	0.00
Wuqi Huaguang New Energy Co., Ltd.* (吳起縣華光新能源有限公司)	1,902,515.70	0.00
Xintai Guanghua PV Power Generation Co., Ltd. (新泰市光華光伏發電有限責任公司)	1,572,327.04	0.00
Inner Mongolia TBEA Energy Equipment Co., Ltd. (內蒙古特變電工能源裝備有限公司)	1,055,045.87	0.00
TBEA Technology Investment Co., Ltd. (特變電工科技投資有限公司)	851,258.45	0.00
TBEA Co., Ltd. (特變電工股份有限公司)	754,769.78	819,759.56

## Notes to the Financial Statements

From 1 January 2023 to 30 June 2023  
(The notes to the financial statements are presented in RMB, except as otherwise noted)

### XII. RELATED PARTIES AND RELATED-PARTY TRANSACTIONS

(continued)

#### (II) Related-party transactions (continued)

##### 1. Related-party transactions of purchase of goods and acceptance of services (continued)

###### (2) Sales of goods/provision of services (continued)

Related party	Amount recognized in current period	Amount recognized in previous period
Zhongsilu Construction Investment Group Co., Ltd. (中絲路建設投資集團有限公司)	511,675.37	543,350.50
Chongren County Huafeng Power Generation Co., Ltd. (崇仁縣華風發電有限公司)	471,698.11	0.00
Nanjing Electric Power Research and Automation Co., Ltd. (南京電研電力自動化股份有限公司)	441,769.91	0.00
Sichuan Ganzi Datang International New Energy Co., Ltd. (四川甘孜大唐國際新能源有限責任公司)	336,303.73	3,368,127.21
Xinjiang Tianchi Energy Co., Ltd. (新疆天池能源有限責任公司)	200,886.78	51,625.47
Shihezi Zhongjin Electrode Foil Co., Ltd. (石河子眾金電極箔有限公司)	127,462.66	105,832.03
Xinjiang Zhundong TBEA Energy Co., Ltd. (新疆准東特變能源有限責任公司)	65,094.34	0.00
Xinjiang Tebian Group Co., Ltd. (新疆特變電工集團有限公司)	35,849.06	0.00
TBEA International Engineering Co., Ltd. (特變電工國際工程有限公司)	24,905.66	0.00
TBEA Intelligent Electrical Power and Equipment Co., Ltd. (特變電工智能電氣有限責任公司)	18,867.92	0.00
Tianjin Zhongjiang Supply Chain Management Co., Ltd. (天津中疆供應鏈管理有限公司)	14,433.96	0.00
Xinjiang Changji TBEA Energy Co., Ltd. (新疆昌吉特變能源有限責任公司)	5,880.51	83,717.10
Xi'an Xingwu Wind Power Co., Ltd. (西安興武風力發電有限公司)	0.00	138,031,988.21
Xi'an Wucheng New Energy Power Co., Ltd. (西安吳城新能源發電有限公司)	0.00	133,215,573.41
Wuling Jiangyong Power Co., Ltd. (五凌江永電力有限公司)	0.00	3,859,246.34
TBEA Hengyang Transformer Co., Ltd. (特變電工衡陽變壓器有限公司)	0.00	207,795.69
Xinjiang TBEA Loulan New Material Technology Co., Ltd. (新疆特變電工樓蘭新材料技術有限公司)	0.00	100,754.71
Xinjiang Ene Gold Graphene Technology Co., Ltd. (新疆烯金石墨烯科技有限公司)	0.00	26,405.54
Xinjiang Tianchi Energy Sales Co., Ltd. (新疆天池能源銷售有限公司)	0.00	14,716.98
Xinjiang TBEA Automatic Control Equipment Co., Ltd. (新疆特變電工自控設備有限公司)	0.00	10,091.74
China Radio and Television Xinjiang Network Co., Ltd. (中國廣電新疆網絡股份有限公司)	0.00	2,558.23
<b>Total</b>	<b>694,343,433.55</b>	<b>374,143,919.62</b>

# Notes to the Financial Statements

From 1 January 2023 to 30 June 2023  
(The notes to the financial statements are presented in RMB, except as otherwise noted)

## XII. RELATED PARTIES AND RELATED-PARTY TRANSACTIONS

(continued)

### (II) Related-party transactions (continued)

2. **Related-party trusteeship/contracting and commissioned management/outsourcing: Nil.**
3. **Related-party lease: Nil.**
4. **Related-party guarantee**

(1) *As secured party*

Guarantor	Secured party	Amount of guarantee	Inception date	Expiration date	Whether the performance is completed
TBEA Co., Ltd.	Xinte Energy Co., Ltd.	86,000,000.00	2019-5-28	2029-5-28	No
TBEA Co., Ltd.	Xinte Energy Co., Ltd.	600,000,000.00	2019-5-28	2029-5-28	No
TBEA Co., Ltd.	Xinjiang Xinte Crystal Silicon Hightech Co., Ltd. (新疆新特晶體硅高科技有限公司)	100,000,000.00	2018-9-21	2027-9-20	No
TBEA Co., Ltd.	Xinjiang Xinte Crystal Silicon Hightech Co., Ltd. (新疆新特晶體硅高科技有限公司)	200,000,000.00	2018-10-11	2027-9-20	No
TBEA Co., Ltd.	Xinjiang Xinte Crystal Silicon Hightech Co., Ltd. (新疆新特晶體硅高科技有限公司)	150,000,000.00	2018-10-18	2027-9-20	No
TBEA Co., Ltd.	Xinjiang Xinte Crystal Silicon Hightech Co., Ltd. (新疆新特晶體硅高科技有限公司)	150,000,000.00	2018-11-27	2027-9-20	No
TBEA Co., Ltd.	Xinjiang Xinte Crystal Silicon Hightech Co., Ltd. (新疆新特晶體硅高科技有限公司)	100,000,000.00	2018-11-16	2027-9-20	No
TBEA Co., Ltd.	Xinjiang Xinte Crystal Silicon Hightech Co., Ltd. (新疆新特晶體硅高科技有限公司)	400,000,000.00	2019-1-31	2025-12-13	No
TBEA Co., Ltd.	Xinjiang Xinte Crystal Silicon Hightech Co., Ltd. (新疆新特晶體硅高科技有限公司)	1,000,000,000.00	2019-1-31	2025-12-13	No
TBEA Co., Ltd.	Xinjiang Xinte Crystal Silicon Hightech Co., Ltd. (新疆新特晶體硅高科技有限公司)	700,000,000.00	2019-1-31	2025-12-13	No

5. **Related-party borrowings: Nil.**
6. **Asset transfer and debt restructuring of related parties: Nil.**

# Notes to the Financial Statements

From 1 January 2023 to 30 June 2023  
(The notes to the financial statements are presented in RMB, except as otherwise noted)

## XII. RELATED PARTIES AND RELATED-PARTY TRANSACTIONS

(continued)

### (II) Related-party transactions (continued)

#### 7. Bank deposits in TBEA Group Finance Co., Ltd.

Entity	Closing balance	Opening balance
TBEA Xinjiang Sunoasis Co., Ltd. (特變電工新疆新能源股份有限公司)	87,506,562.45	136,774,879.65
Xinte Energy Co., Ltd.	13,269,786.95	222,493,522.15
Xinjiang Xinte Crystal Silicon Hightech Co., Ltd. (新疆新特晶體硅高科技有限公司)	2,286,686,836.86	847,798,070.24
Mulei County Jiayu Fengsheng Power Generation Co., Ltd. (木壘縣嘉裕風晟發電有限公司)	69,896.55	674,878.34
Burqin County Jingneng Wind Power Co., Ltd. (布爾津縣晶能風力發電有限責任公司)	237,133.03	4,291,763.32
TBEA Xi'an Electrical Technology Co., Ltd. (特變電工西安電氣科技有限公司)	150,508,923.36	102,843,071.56
Xinjiang Jingshuo New Material Co., Ltd. (新疆晶碩新材料有限公司)	90,687,401.82	86,215,014.57
Inner Mongolia Xinte Silicon Materials Co., Ltd. (內蒙古新特硅材料有限公司)	8,345,373.32	246,469,122.06
Xinjiang Xinte Xinneng Materials Co., Ltd. (新疆新特新材料檢測中心有限公司)	25,801,570.38	36,350,630.94
Xi'an TBEA Electric Power Design Co., Ltd. (西安特變電工電力設計有限責任公司)	37,139,130.54	42,718,747.56
Xintai Guanghua PV Power Generation Co., Ltd. (新泰市光華光伏發電有限責任公司)	0.00	2,298,384.49
Shaanxi TBEA New Energy Co., Ltd. (陝西特變電工新能源有限公司)	11,767,880.21	12,696,290.13
Zhoukou Yingfeng Power Co., Ltd. (周口市迎風發電有限公司)	3,559,357.61	3,553,080.79
Wujaqu Xinte Power Co., Ltd. (五家渠新特電力有限公司)	773,445.93	14,994,107.27
Xinjiang Xinte Energy Construction Material Co., Ltd. (新疆新特新能建材有限公司)	510,191.88	14,996,911.46
Heze Mudan District Haofeng New Energy Co., Ltd. (荷澤市牡丹區浩風新能源有限公司)	13,407,954.98	6,881,098.85
Guyang County Wind Power Generation Co., Ltd. (固陽縣風源發電有限責任公司)	1,225,009.42	6,175,061.41
Ruicheng County Huiyuan Power Generation Co., Ltd. (芮城縣暉源發電有限責任公司)	33,701.86	4,493,168.27
Chengde Guangsheng Energy Technology Co., Ltd. (承德光晟能源科技有限公司)	1,563,531.75	4,078,910.77
TBEA Xi'an Flexible Power Transmission & Distribution Co., Ltd. (特變電工西安柔性輸配電有限公司)	21,211,222.77	13,592,312.28
Xinjiang Shahai Green Energy Services Co., Ltd. (新疆沙海綠色能源服務有限公司)	2,405.26	16,149,280.22

# Notes to the Financial Statements

From 1 January 2023 to 30 June 2023

(The notes to the financial statements are presented in RMB, except as otherwise noted)

## XII. RELATED PARTIES AND RELATED-PARTY TRANSACTIONS

(continued)

### (II) Related-party transactions (continued)

#### 7. Bank deposits in TBEA Group Finance Co., Ltd. (continued)

Entity	Closing balance	Opening balance
Luyi Fengyi Power Co., Ltd. (鹿邑縣風易發電有限公司)	20,948.64	428,220.99
Baotou Guangyi Solar Power Co., Ltd. (包頭市光羿太陽能發電有限責任公司)	1,245,883.65	1,640,291.30
Zhengxiangbai Banner Fengsheng Power Generation Co., Ltd. (正鑲白旗風盛發電有限公司)	508,666.94	6,430,829.53
Yu County Huaguang PV Power Generation Co., Ltd. (孟縣華光光伏發電有限公司)	147,251.22	1,500,418.87
Xinjiang Information Technology Co., Ltd. (新疆知信科技有限公司)	36,013,144.42	741,978.55
Xinjiang Changhe Yangguang Property Services Co., Ltd. (新疆昌和陽光物業服務有限公司)	2,415,373.39	2,432,704.47
Urumqi Mingrui Guangsheng Power Co., Ltd. (烏魯木齊明瑞廣晟發電有限公司)	0.00	2,306,576.08
Xilingol Xinyuan New Energy Co., Ltd. (錫林郭勒新園新能源有限公司)	2,271,114.53	5,048,907.27
Ningxia Guangyu Technology Co., Ltd. (寧夏光煜科技有限公司)	840,070.80	1,606,880.27
Hami Huafeng New Energy Power Generation Co., Ltd. (哈密華風新能源發電有限公司)	317,929.23	1,928,400.41
TBEA South New Energy Technology Co., Ltd. (特變電工南方新能源科技有限公司)	555,569.58	894,432.00
Hami Fengshang Power Generation Co., Ltd. (哈密風尚發電有限責任公司)	45,987.81	4,309,637.88
Naiman Banner Huite Photovoltaic Power Generation Co., Ltd. (奈曼旗匯特光伏發電有限責任公司)	1,747,093.50	582,809.83
Urumqi Yufeng Power Generation Co., Ltd. (烏魯木齊裕風發電有限責任公司)	1,195,147.26	1,193,195.24
Urumqi Huahui Guangsheng Power Co., Ltd. (烏魯木齊華暉廣晟發電有限公司)	2,516.42	1,804,066.76
Xiangcheng Yuanhui Wind Power Co., Ltd. (項城市遠匯風電有限公司)	884,273.07	882,870.39
Urumqi Kangyuan Guangsheng Power Technology Co., Ltd. (烏魯木齊康源光晟電力科技有限公司)	743,325.14	741,771.83
Zhengxiangbai Banner Huite PV Power Generation Co., Ltd. (正鑲白旗匯特光伏發電有限公司)	44,739.16	344,409.27
TBEA Shanxi Energy Technology Co., Ltd. (特變電工山西能源科技有限公司)	1,432,872.67	2,137,207.95
Urumqi Huaguang Guangsheng Power Technology Co., Ltd. (烏魯木齊華光光盛電力科技有限公司)	1,662,877.66	191,695.29
Xi'an Purui Xinte Energy Co., Ltd. (西安普瑞新特能源有限公司)	378,605.23	243,535.76
TBEA Baotou Energy Co., Ltd. (特變電工包頭能源有限公司)	714,231.51	694,966.21

# Notes to the Financial Statements

From 1 January 2023 to 30 June 2023  
(The notes to the financial statements are presented in RMB, except as otherwise noted)

## XII. RELATED PARTIES AND RELATED-PARTY TRANSACTIONS

(continued)

### (II) Related-party transactions (continued)

#### 7. Bank deposits in TBEA Group Finance Co., Ltd. (continued)

Entity	Closing balance	Opening balance
Urumqi Mingyu Guangsheng Power Co., Ltd. (烏魯木齊明煜廣晟發電有限公司)	1,865.78	1,619,101.92
TBEA Inner Mongolia Energy Co., Ltd. (特變電工內蒙古能源有限公司)	152,804.63	549,996.07
TBEA Hami PV Technology Co., Ltd. (特變電工哈密光伏科技有限公司)	6,145.07	50,886.66
Xinjiang Xinte Energy Logistic Co., Ltd. (新疆新特能源物流有限公司)	45,486,858.51	25,646,613.78
Urumqi Huihuang Guangsheng Electric Power Technology Co., Ltd. (烏魯木齊輝煌光晟電力科技有限公司)	85,090.02	85,099.58
Urumqi Huiyuan Guangsheng Electric Power Technology Co., Ltd. (烏魯木齊暉源光晟電力科技有限公司)	61,507.53	61,558.76
Urumqi Jinyu Guangsheng Power Technology Co., Ltd. (烏魯木齊金煜光晟電力科技有限公司)	128,187.81	127,115.85
Xinjiang Xinte PV Energy Technology Co., Ltd. (新疆新特光伏能源科技有限公司)	944,297.92	931,703.14
Urumqi Jiayu Fengsheng Power Technology Co., Ltd. (烏魯木齊嘉裕風晟電力科技有限公司)	33,884.01	33,984.06
Urumqi Huihe Guangsheng Electric Power Technology Co., Ltd. (烏魯木齊暉禾光晟電力科技有限公司)	21,535.89	21,657.75
Xifeng Rongsheng Power New Energy Co., Ltd. (西豐縣榮晟電力新能源有限公司)	389,906.85	2,240,262.22
Urumqi Yuanhe Guangrui Power Technology Co., Ltd. (烏魯木齊源禾光瑞電力科技有限公司)	409.62	568.82
Urumqi Jiarui Fengsheng Power Technology Co., Ltd. (烏魯木齊嘉瑞風晟電力科技有限公司)	446,213.95	5,444,176.88
Urumqi Huacan Wind Power Co., Ltd. (烏魯木齊華燦風力發電有限責任公司)	0.00	40.14
Xinte Silicon-based New Material Co., Ltd. (新特硅基新材料有限公司)	121,852.88	21,911,305.54
Xinte (Tianjin) Energy Technology Co., Ltd. (新特(天津)能源科技有限責任公司)	946,810.05	27,913,348.93
Dunhuang Teneng New Energy Co., Ltd. (敦煌市特能新能源有限公司)	1,004,896.80	15,484,936.85
Tianmen Tianchen Energy Development Co., Ltd. (天門天辰能源發展有限公司)	1,153,731.25	10,456,690.11
Hami Shisanjianfang Xinte Wind Energy Co., Ltd. (哈密十三間房新特風能有限責任公司)	283,433.06	6,502,472.87

## Notes to the Financial Statements

From 1 January 2023 to 30 June 2023

(The notes to the financial statements are presented in RMB, except as otherwise noted)

## XII. RELATED PARTIES AND RELATED-PARTY TRANSACTIONS

(continued)

### (II) Related-party transactions (continued)

#### 7. Bank deposits in TBEA Group Finance Co., Ltd. (continued)

Entity	Closing balance	Opening balance
Habahe County Xinte Wind Power Co., Ltd. (哈巴河縣新特風電有限公司)	4,428,515.75	3,363,308.90
Wuyang Xinyang New Energy Co., Ltd. (舞陽縣新陽新能源有限公司)	380,466.54	3,089,396.86
Jiuquan Xinsheng Haoyu Electric Power Equipment Co., Ltd. (酒泉新晟浩宇電力設備有限公司)	3,781,890.94	2,534,760.40
TBEA Zhangjiakou Energy Technology Co., Ltd. (特變電工張家口能源科技有限公司)	4,362.19	2,048,383.74
Xi'an Guangcheng Electricity Sales Co., Ltd., (西安光成售電有限公司)	1,442,168.73	1,817,999.59
Xingtang County Xingte New Energy Co., Ltd. (行唐縣行特新能源有限公司)	1,702,165.28	1,817,158.66
Wuwei Huiyu New Energy Technology Co., Ltd. (武威暉煜新能源科技有限公司)	83,693.82	1,637,327.20
Sixian Mingyuan Guangsheng Wind Power Co., Ltd. (泗縣明源廣晟風力發電有限公司)	1,134,067.06	1,568,246.14
Baotou Guangchi Solar Energy Co., Ltd. (包頭市光熾太陽能有限責任公司)	22,439,820.95	1,557,439.63
Jiujiang Guangte New Energy Co., Ltd. (九江光特新能源有限公司)	9,067,328.37	1,522,536.17
Inner Mongolia Guangxin Solar Power Co., Ltd. (內蒙古光鑫太陽能發電有限責任公司)	363,476.62	1,281,757.05
Tumu Shuke Dongrun Huanneng PV Power Generation Co., Ltd. (圖木舒克東潤環能光伏發電有限公司)	2,494,179.97	1,132,683.37
Pingtang County Xuxinyang PV Power Generation Co., Ltd. (平塘縣旭鑫陽光伏發電有限公司)	74,659.79	1,041,267.61
Sandu County Jieyang PV Power Generation Co., Ltd. (三都縣潔陽光伏發電有限公司)	985,989.18	983,619.12
Ningxia Daozhiguang New Energy Storage Co., Ltd. (寧夏道至光儲新能源有限公司)	0.00	981,822.41
Jiaokou Haoneng New Energy Co., Ltd. (交口縣昊能新能源有限公司)	983,915.71	981,552.68
Fengning Manchu Autonomous County Xinlong Wind Power Co., Ltd. (豐寧滿族自治縣新隆風力發電有限公司)	9,036,130.21	903,407.15
Linfen Yaodu Jieyuan PV Power Generation Co., Ltd. (臨汾市堯都區節源光伏發電有限公司)	22,588.65	896,663.73
Jiaokou Zhengfeng Energy Technology Co., Ltd. (交口縣正風能源科技有限公司)	885,460.05	883,430.71
Hexian Xinsheng New Energy Co., Ltd. (和縣新晟新能源有限公司)	75,104.92	731,987.96

# Notes to the Financial Statements

From 1 January 2023 to 30 June 2023  
(The notes to the financial statements are presented in RMB, except as otherwise noted)

## XII. RELATED PARTIES AND RELATED-PARTY TRANSACTIONS

(continued)

### (II) Related-party transactions (continued)

#### 7. Bank deposits in TBEA Group Finance Co., Ltd. (continued)

Entity	Closing balance	Opening balance
TBEA (Guangdong) New Energy Technology Co., Ltd. (特變電工(廣東)新能源科技有限公司)	633,236.15	631,550.81
Xiangyuan County Xingyuan New Energy Co., Ltd. (襄垣縣興垣新能源有限公司)	598,865.47	597,807.49
Gucheng Junneng New Energy Technology Co., Ltd. (故城俊能新能源科技有限公司)	565,373.68	564,429.22
Tianjin Lingsheng New Energy Co., Ltd. (天津市凌晟新能源有限公司)	220,695.27	520,246.98
Luochuan Fuyang New Energy Co., Ltd. (洛川賦陽新能源有限公司)	4,023,857.69	454,239.10
Wuwei Wusheng New Energy Technology Co., Ltd. (武威武晟新能源科技有限公司)	22,683,842.94	452,750.31
Luohe Xinneng New Energy Co., Ltd. (漯河鑫能新能源有限公司)	4,154,916.45	316,490.34
Wuwei Wangshu New Energy Technology Co., Ltd. (武威望舒新能源科技有限公司)	314,218.10	313,822.77
Yongcheng Chenfeng Xingneng New Energy Co., Ltd. (永城市宸楓興能新能源有限公司)	1,015,398.05	223,645.89
Haiyuan County Yufeng Energy Technology Co., Ltd. (海原縣馭風能源科技有限公司)	180,869.37	200,683.46
Heze Jiayang New Energy Co., Ltd. (菏澤嘉陽新能源有限公司)	1,575,364.81	127,023.59
Xilingol League Xinfeng New Energy Co., Ltd. (錫林郭勒盟新風新能源有限公司)	117,641.94	117,593.98
Xi'an Bosheng Ruida New Energy Co., Ltd. (西安博晟瑞達新能源有限公司)	113,676.39	113,635.43
Wuwei Wensheng New Energy Power Co., Ltd. (武威文晟新能源發電有限公司)	92,618.69	92,614.95
Fuping Mingte New Energy Co., Ltd. (阜平縣名特新能源有限公司)	90,151.44	90,000.00
Hubei Jiangxia New Energy Co., Ltd. (湖北省疆峽新能源有限公司)	31,498,818.19	90,000.00
Xi'an Guangzhuang PV Power Generation Co., Ltd. (西安光莊光伏發電有限公司)	0.00	80,683.48
Linshu Huarui Wind Power Co., Ltd. (臨洮華瑞風電有限公司)	79,604.60	79,623.85
Longhua Guangsheng Wind Power Co., Ltd. (隆化廣晟風力發電有限公司)	73,504.62	73,534.65
Guyang Fengmao Power Co., Ltd. (固陽縣風茂發電有限責任公司)	71,898.95	71,931.82
Zhidan County Xinsheng PV Technology Co., Ltd. (志丹縣新晟光伏科技有限公司)	37,767.45	62,504.00
Chengde Fengsheng PV Power Generation Co., Ltd. (承德縣豐晟光伏發電有限公司)	57,451.97	57,186.91
Longyao Fengyao New Energy Co., Ltd. (隆堯縣風堯新能源有限公司)	47,200.06	47,276.58

# Notes to the Financial Statements

From 1 January 2023 to 30 June 2023

(The notes to the financial statements are presented in RMB, except as otherwise noted)

## XII. RELATED PARTIES AND RELATED-PARTY TRANSACTIONS

(continued)

### (II) Related-party transactions (continued)

#### 7. Bank deposits in TBEA Group Finance Co., Ltd. (continued)

Entity	Closing balance	Opening balance
Xi'an Ruihui Guangsheng Power Co., Ltd. (西安瑞暉廣晟發電有限公司)	42,542.76	42,627.50
Xi'an Tianlong Guangsheng New Energy Co., Ltd. (西安天龍光晟新能源有限公司)	42,311.82	42,396.98
Wuwei Huisheng New Energy Co., Ltd. (武威暉晟新能源有限責任公司)	49,297.58	39,857.08
Jingxian Yute New Energy Development Co., Ltd. (景縣煜特新能源開發有限公司)	37,434.07	37,527.85
Longyao Xingyao New Energy Co., Ltd. (隆堯縣興堯新能源有限公司)	33,328.28	33,429.31
Hechi Yizhou District Shenghui PV Power Generation Co., Ltd. (河池市宜州區晟暉光伏發電有限公司)	0.00	33,147.78
Xi'an Louyang PV Power Generation Co., Ltd. (西安樓陽光伏發電有限公司)	30,952.51	31,057.74
Tengzhou Shanguo New Energy Co., Ltd. (滕州善國新能源有限公司)	30,048.28	30,136.52
Gongan Zhusheng New Energy Co., Ltd. (公安縣竹晟新能源有限公司)	0.00	30,000.00
Donghai County Guangsheng Haoneng New Energy Co., Ltd. (東海縣廣晟昊能新能源有限公司)	29,806.17	29,913.42
Guiyang Jieyang New Energy Technology Co., Ltd. (貴陽市潔陽新能源科技有限公司)	28,896.94	29,005.80
Guiyang Xuxinyang New Energy Technology Co., Ltd. (貴陽市旭鑫陽新能源科技有限公司)	28,752.89	28,837.13
Daqing Wind Power Generation Investment Co., Ltd. (大慶風源風力發電投資有限公司)	0.00	23,662.26
Shangdu Fengsheng Power Co., Ltd. (商都縣風盛發電有限公司)	0.00	22,267.82
Haikou Jianghai New Energy Technology Co., Ltd. (海口市疆海新能源科技有限公司)	0.00	20,312.82
Xi'an Fengtuo Wind Power Co., Ltd. (西安風拖風力發電有限公司)	19,543.93	19,669.31
Guyang Guangyu Power Generation Co., Ltd. (固陽縣光煜發電有限責任公司)	0.00	14,414.31
Xi'an Huarui Guangsheng Power Generation Co., Ltd. (西安華瑞廣晟發電有限公司)	10,462.02	10,603.46
Donghai County Dongkou New Energy Co., Ltd. (東海縣東口新能源有限公司)	0.00	10,264.01
Xixian Yufeng New Energy Wind Power Co., Ltd. (息縣豫風新能風力發電有限公司)	9,331.65	9,475.08

# Notes to the Financial Statements

From 1 January 2023 to 30 June 2023  
(The notes to the financial statements are presented in RMB, except as otherwise noted)

## XII. RELATED PARTIES AND RELATED-PARTY TRANSACTIONS

(continued)

### (II) Related-party transactions (continued)

#### 7. Bank deposits in TBEA Group Finance Co., Ltd. (continued)

Entity	Closing balance	Opening balance
Urumqi Junsheng Wind Power Generation Co., Ltd. (烏魯木齊君盛風力發電有限公司)	1,447,948.63	8,952.67
Weichang Man and Mongolia Autonomous County Shenghui PV Power Generation Co., Ltd. (圍場滿族蒙古自治縣晟輝光伏發電有限公司)	8,356.83	8,799.64
Junan Huarui Wind Power Co., Ltd. (萆南華瑞風電有限公司)	8,086.57	8,232.20
Xi'an Jinyi Guangsheng New Energy Technology Co., Ltd. (西安錦嶧光晟新能源科技有限公司)	7,054.63	7,202.09
Ruoqiang Zhuo Shang New Energy Co., Ltd. (若羌縣卓尚新能源有限公司)	10,486.43	5,640.17
Ejin Horo Qi Guangsheng Power Generation Co., Ltd. (伊金霍洛旗光盛發電有限責任公司)	10,686.22	5,339.24
Luanping County Hongsheng PV Power Generation Co., Ltd. (灤平縣鴻盛光伏發電有限公司)	4,630.89	4,783.00
Pingtang Zhaoxu Wind Power Co., Ltd. (平塘縣朝旭風力發電有限公司)	1,843.75	4,424.51
Xi'an Fuyang New Energy Co., Ltd. (西安賦陽新能源有限公司)	1,724.59	1,881.47
Xi'an Leming New Energy Co., Ltd. (西安樂鳴新能源有限公司)	334,258.45	946.90
Urumqi Huite PV Power Generation Co., Ltd. (烏魯木齊匯特光伏發電有限責任公司)	447.18	804.16
Urumqi Xinte Wind Power Generation Co., Ltd. (烏魯木齊新特風源發電有限責任公司)	413.94	770.98
Xinjiang Sangou Solar Energy Equipment Co., Ltd. (新疆桑歐太陽能設備有限責任公司)	10.33	170.23
Jinggangshan Huafeng TBEA Power Generation Co., Ltd. (井岡山市華風特變電工發電有限公司)	5,795.36	40.13
Mulei County Xinte Huineng Power Generation Co., Ltd. (木壘縣新特匯能發電有限責任公司)	40.21	40.13
Urumqi Green Energy Wind Power Co., Ltd. (烏魯木齊綠能風力發電有限責任公司)	7,046.88	40.13
Urumqi Rongsheng New Energy Co., Ltd. (烏魯木齊榮晟新能源有限責任公司)	6,010.25	40.13
Urumqi Yuneng Wind Power Co., Ltd. (烏魯木齊昱能風力發電有限責任公司)	6,313.85	40.13
Ningxia Wensheng PV Power Generation Co., Ltd. (寧夏文晟光伏發電有限公司)	4,880.97	36.17
Anhui TBEA Energy Technology Co., Ltd. (安徽特變電工能源科技有限公司)	1,842.50	0.00

# Notes to the Financial Statements

From 1 January 2023 to 30 June 2023

(The notes to the financial statements are presented in RMB, except as otherwise noted)

## XII. RELATED PARTIES AND RELATED-PARTY TRANSACTIONS

(continued)

### (II) Related-party transactions (continued)

#### 7. Bank deposits in TBEA Group Finance Co., Ltd. (continued)

Entity	Closing balance	Opening balance
Baiyin Jiayu New Energy Co., Ltd. (白銀佳裕新能源有限公司)	9,223.21	0.00
Baiyin Wanze New Energy Development Co., Ltd. (白銀萬澤新能源開發有限公司)	1,842.40	0.00
Binzhou Zhanhua Guangsheng New Energy Co., Ltd. (濱州市沾化區廣盛新能源有限公司)	8,446.01	0.00
Chaoyang Xinsheng Power Generation Co., Ltd. (朝陽市新晟發電有限責任公司)	248,399.58	0.00
Chengdu Chengguangsheng New Energy Technology Co., Ltd. (成都宸光晟新能源科技有限公司)	59,256.49	0.00
Chengde Shenghui Energy Technology Co., Ltd. (承德晟輝能源科技有限公司)	1,842.50	0.00
Dongzhi Yili New Energy Power Generation Co., Ltd. (東至縣以利新能源發電有限公司)	1,842.50	0.00
Fugu Guanghua TBEA New Energy Co., Ltd. (府谷縣光華特變電工新能源有限公司)	2,214.94	0.00
Guyang Fengsheng New Energy Co., Ltd. (固陽縣風盛新能源有限責任公司)	1,842.50	0.00
Guyang Guangsheng Solar Energy Co., Ltd. (固陽縣光盛太陽能有限責任公司)	1,842.50	0.00
Guizhou Zhaoxu New Energy Technology Co., Ltd. (貴州朝旭新能源科技有限公司)	4,846.34	0.00
Hangjinqi Guangyuan Power Generation Co., Ltd. (杭錦旗光源發電有限責任公司)	42,226.06	0.00
Jiujiang Huiyi New Energy Technology Co., Ltd. (九江慧熠新能源科技有限公司)	1,842.50	0.00
Julu Mufeng New Energy Co., Ltd. (巨鹿縣牧風新能源有限公司)	4,846.34	0.00
Julu Yifengda New Energy Co., Ltd. (巨鹿縣易風達新能源有限公司)	3,845.07	0.00
Kangping Xinyang New Energy Co., Ltd. (康平新陽新能源有限公司)	1,243,255.00	0.00
Linxi Huite Wind Power Co., Ltd. (林西縣匯特風電有限責任公司)	1,842.50	0.00
Lushan Chenyang New Energy Power Generation Co., Ltd. (魯山縣宸陽新能源發電有限公司)	2,843.78	0.00
Luohe Xingneng New Energy Co., Ltd. (漯河市興能新能源有限公司)	1,842.40	0.00
Nanjing Xinrui New Energy Co., Ltd. (南京新瑞新能源有限公司)	91,233.93	0.00
Inner Mongolia Xinfeng New Energy Co., Ltd. (內蒙古新風新能源有限公司)	1,842.50	0.00
Ningxia Mancheng Guangchu New Energy Technology Co., Ltd. (寧夏曼誠光儲新能源科技有限公司)	1,841.86	0.00
Ningyuan Clean Energy Development Co., Ltd. (寧遠清潔能源開發有限公司)	979,408.98	0.00

# Notes to the Financial Statements

From 1 January 2023 to 30 June 2023  
(The notes to the financial statements are presented in RMB, except as otherwise noted)

## XII. RELATED PARTIES AND RELATED-PARTY TRANSACTIONS

(continued)

### (II) Related-party transactions (continued)

#### 7. Bank deposits in TBEA Group Finance Co., Ltd. (continued)

Entity	Closing balance	Opening balance
Qianjiang Huiruida New Energy Co., Ltd. (潛江輝銳達新能源有限公司)	10,012.35	0.00
Shanxi Rentai New Energy Co., Ltd. (山西仁泰新能源有限公司)	1,842.50	0.00
Shishou Shouchang New Energy Co., Ltd. (石首市首倡新能源有限公司)	30,039.09	0.00
Si Zi Wang Qi Guangyuan Power Generation Co., Ltd. (四子王旗光源發電有限公司)	11,517.14	0.00
Sixian Hongte New Energy Technology Co., Ltd. (泗縣虹特新能源科技有限公司)	4,846.34	0.00
Suiling Hesheng New Energy Co., Ltd. (綏陵縣禾晟新能源有限公司)	89,852.26	0.00
Taiyuan Haoneng New Energy Co., Ltd. (太原昊能新能源有限公司)	1,842.40	0.00
Taiyuan Yuanxing New Energy Co., Ltd. (太原垣興新能源有限公司)	2,843.78	0.00
TBEA (Tibet) Energy Co., Ltd. (特變電工(西藏)能源有限公司)	1,841.86	0.00
Xi'an Jieyuan Guangsheng Power Generation Co., Ltd. (西安節源廣晟發電有限公司)	9,852.77	0.00
Xi'an Jingu New Energy Co., Ltd. (西安津古新能源有限公司)	2,843.78	0.00
Xi'an Mingmou Guangsheng Power Generation Co., Ltd. (西安明眸廣晟發電有限公司)	1,842.50	0.00
Xi'an Mingyuan Guangsheng Power Generation Co., Ltd. (西安明源廣晟發電有限公司)	4,613.27	0.00
Xichuan Yuwan Solar Energy New Energy Power Generation Co., Ltd. (浙川縣豫宛光電新能源發電有限公司)	2,843.78	0.00
Xiangcheng Chengguang PV Power Generation Co., Ltd. (鄉城縣宸光光伏發電有限責任公司)	1,841.86	0.00
Yun County Huineng Power Co., Ltd. (雲縣匯能發電有限責任公司)	68,672.85	0.00
Zhangwu Dongsheng New Energy Co., Ltd. (彰武縣東晟新能源有限公司)	253,559.39	0.00
Zhangwu Rongsheng New Energy Co., Ltd. (彰武縣榮晟新能源有限公司)	439,488.58	0.00
Zhengzhou Xinfeng New Energy Co., Ltd. (鄭州新風新能源有限公司)	1,842.50	0.00
Binzhou City Zhanhua District Minghai PV Technology Co., Ltd. (濱州市沾化區明海光伏科技有限公司)	1,358,153.54	0.00
Dunhuang Henghua New Energy Co., Ltd. (敦煌市恆華新能源有限公司)	2,330.28	0.00
Hexian Baisheng New Energy Co., Ltd. (和縣白晟新能源有限公司)	1,841.15	0.00
Hexian Shenghua New Energy Co., Ltd. (和縣晟華新能源有限公司)	1,841.15	0.00
Hubei Xinte Energy Development Co., Ltd. (湖北省鑫特能源發展有限公司)	8,527.39	0.00

# Notes to the Financial Statements

From 1 January 2023 to 30 June 2023

(The notes to the financial statements are presented in RMB, except as otherwise noted)

## XII. RELATED PARTIES AND RELATED-PARTY TRANSACTIONS

(continued)

### (II) Related-party transactions (continued)

#### 7. Bank deposits in TBEA Group Finance Co., Ltd. (continued)

Entity	Closing balance	Opening balance
Laohekou Guangte Risheng New Energy Co., Ltd. (老河口市光特日盛新能源有限責任公司)	40,273.14	0.00
Longhua Guangsheng Rihui PV Power Generation Co., Ltd. (隆化縣光晟日輝光伏發電有限公司)	3,001.84	0.00
Nanning Huineng Wind Power Co., Ltd. (南寧匯能風力發電有限公司)	2,423,212.63	0.00
Pingshan Fengrui Wind Power Co., Ltd. (平山風瑞風力發電有限公司)	2,000.68	0.00
Qingdao Shuyang New Energy Development Co., Ltd. (青島曙陽新能源發展有限公司)	5,847.89	0.00
Qinghe County Huineng Power Generation Co., Ltd. (青河縣匯能發電有限責任公司)	77,945.11	0.00
TBEA Henan Energy Technology Co., Ltd. (特變電工河南能源科技有限公司)	4,842.99	0.00
Tianmen Xiangte Intelligent Equipment Manufacturing Co., Ltd. (天門市翔特智能裝備製造有限公司)	1,352,321.94	0.00
Toksun County TBEA Wind Power Co., Ltd. (托克遜縣特變電工風電有限公司)	5,988.74	0.00
Xi'an Fengrui Guangsheng Power Co., Ltd. (西安風瑞廣晟發電有限公司)	2,841.77	0.00
Xi'an Fengxinlong Wind Power Co., Ltd. (西安風新隆風力發電有限公司)	71,884.03	0.00
Xi'an Fengqiao New Energy Power Co., Ltd. (西安楓橋新能源發電有限公司)	4,842.99	0.00
Xi'an Guangsheng Jinte New Energy Co., Ltd. (西安光昇金特新能源有限公司)	50,066.09	0.00
Xi'an Guangsheng Zhixing New Energy Co., Ltd. (西安光昇知行新能源有限公司)	2,841.77	0.00
Xi'an Luyuan Taineng New Energy Power Co., Ltd. (西安魯源太能新能源發電有限公司)	4,842.99	0.00
Xi'an Muguang Guangsheng New Energy Co., Ltd. (西安沐光光晟新能源有限公司)	1,840.83	0.00
Xi'an Pushan New Energy Power Co., Ltd. (西安蒲山新能源發電有限公司)	2,841.77	0.00
Xi'an Yongneng Fengyuan New Energy Power Co., Ltd. (西安永能豐源新能源發電有限公司)	1,841.15	0.00

# Notes to the Financial Statements

From 1 January 2023 to 30 June 2023  
(The notes to the financial statements are presented in RMB, except as otherwise noted)

## XII. RELATED PARTIES AND RELATED-PARTY TRANSACTIONS

(continued)

### (II) Related-party transactions (continued)

#### 7. Bank deposits in TBEA Group Finance Co., Ltd. (continued)

Entity	Closing balance	Opening balance
Xi'an Yusheng PV Power Generation Co., Ltd. (西安煜盛光伏發電有限公司)	38,863.82	0.00
Yantai Fushan District Guangsheng New Energy Co., Ltd. (煙台市福山區廣盛新能源有限公司)	8,839.92	0.00
Yanggu Guangcan Power Co., Ltd. (陽谷光燦發電有限公司)	190,172.48	0.00
Yanggu Huayao Power Co., Ltd. (陽谷華耀發電有限公司)	189,443.34	0.00
Yanggu Guacan Power Co., Ltd. (陽谷縣谷燦發電有限公司)	190,193.69	0.00
Yongcheng Chenfeng New Energy Power Generation Co., Ltd. (永城市宸楓新能源發電有限公司)	1,336,715.76	0.00
Yulin Yuguang Guangsheng New Energy Co., Ltd. (榆林榆光廣晟新能源有限公司)	2,841.77	0.00
Zhongmin (Mulei) Wind Power Co., Ltd. (中閩(木壘)風電有限公司)	3,158,481.56	0.00
<b>Total</b>	<b>3,002,865,947.85</b>	<b>2,020,456,447.36</b>

# Notes to the Financial Statements

From 1 January 2023 to 30 June 2023  
(The notes to the financial statements are presented in RMB, except as otherwise noted)

## XII. RELATED PARTIES AND RELATED-PARTY TRANSACTIONS

(continued)

### (II) Related-party transactions (continued)

#### 8. Remuneration of key management personnel

Item	Amount from January to June 2023	Amount from January to June 2022
<b>Total remuneration</b>	<b>28,106,867.61</b>	21,203,423.76

### (III) Balance of transactions with related parties

#### 1. Receivables

Items	Related party	Closing balance	Opening balance
Prepayments	Tianjin TBEA Transformer Co., Ltd. (天津市特變電工變壓器有限公司)	6,879,900.00	0.00
Prepayments	Inner Mongolia TBEA Energy Equipment Co., Ltd. (內蒙古特變電工能源裝備有限公司)	6,636,960.00	6,636,960.00
Prepayments	TBEA (Deyang) Cable Co., Ltd. (特變電工(德陽)電纜股份有限公司)	5,156,110.69	5,158,988.95
Prepayments	Huaxiang (Hongdong) New Energy Technology Co., Ltd. (華翔(洪洞)新能源科技有限公司)	3,632,760.00	3,632,760.00
Prepayments	TBEA Jing-Jin-Ji Intelligence Technology Co., Ltd. (特變電工京津冀智能科技有限公司)	2,640,000.00	0.00
Prepayments	TBEA Hengyang Transformer Co., Ltd. (特變電工衡陽變壓器有限公司)	2,512,193.70	0.00
Prepayments	Xinjiang TBEA Automatic Control Equipment Co., Ltd. (新疆特變電工自控設備有限公司)	915,000.00	48,762,410.81
Prepayments	TBEA Technology Investment Co., Ltd. (特變電工科技投資有限公司)	525,000.00	175,000.00
Prepayments	Xinjiang TBEA Electrical Industry Cultural Tourism Co., Ltd. (新疆特變電工工業文化旅遊有限責任公司)	255,749.80	265,602.80
Prepayments	Zhongsilu Construction Investment Group Co., Ltd. (中絲路建設投資集團有限公司)	50,000.00	0.00

# Notes to the Financial Statements

From 1 January 2023 to 30 June 2023  
(The notes to the financial statements are presented in RMB, except as otherwise noted)

## XII. RELATED PARTIES AND RELATED-PARTY TRANSACTIONS

(continued)

### (III) Balance of transactions with related parties (continued)

#### 1. Receivables (continued)

Items	Related party	Closing balance	Opening balance
Prepayments	TBEA Co., Ltd. (特變電工股份有限公司)	0.00	18,089,290.46
Prepayments	Xinjiang Joinworld Co., Ltd. (新疆眾和股份有限公司)	0.00	8,450,000.00
Prepayments	TBEA Shandong Luneng Taishan Cable Co., Ltd. (特變電工山東魯能泰山電纜有限公司)	0.00	3,929,797.67
Prepayments	Nanjing Electric Power Research and Automation Co., Ltd. (南京電研電力自動化股份有限公司)	0.00	1,978,287.59
Prepayments	TBEA International Engineering Co., Ltd. (特變電工國際工程有限公司)	0.00	50,000.00
Accounts receivable	Jiangyong Shenghua Energy Development Co., Ltd. (江永晟華能源開發有限公司)	11,625,928.69	11,625,928.69
Accounts receivable	Daoxian Clean Energy Development Co., Ltd. (道縣清潔能源開發有限公司)	7,764,071.35	7,764,071.35
Accounts receivable	Jiangyong Clean Energy Development Co., Ltd. (江永清潔能源開發有限公司)	7,356,890.09	7,356,890.09
Accounts receivable	Huadian Huocheng New Energy Co., Ltd. (華電霍城新能源有限公司)	8,427,051.81	0.00
Accounts receivable	Wuling Jiangyong Power Co., Ltd. (五凌江永電力有限公司)	5,065,300.00	0.00
Accounts receivable	Xuyi High Drive Wind Power Co., Ltd.* (盱眙高傳風力發電有限公司)	2,462,400.00	0.00
Accounts receivable	Tumxuk Hengrunjin Power Technology Co., Ltd. (圖木舒克恆潤金電力科技有限公司)	2,160,000.00	2,160,000.00
Accounts receivable	Xinjiang Joinworld Co., Ltd. (新疆眾和股份有限公司)	2,023,077.63	290,734.50
Accounts receivable	TBEA Shenyang Transformer Group Co., Ltd. (特變電工瀋陽變壓器集團有限公司)	1,698,960.00	1,132,640.00
Accounts receivable	TBEA Co., Ltd. (特變電工股份有限公司)	1,321,000.00	570,000.00
Accounts receivable	Shihezi Zhonghe New Materials Co., Ltd (石河子眾和新材料有限公司)	1,185,037.98	0.00

## Notes to the Financial Statements

From 1 January 2023 to 30 June 2023

(The notes to the financial statements are presented in RMB, except as otherwise noted)

### XII. RELATED PARTIES AND RELATED-PARTY TRANSACTIONS

(continued)

#### (III) Balance of transactions with related parties (continued)

##### 1. Receivables (continued)

Items	Related party	Closing balance	Opening balance
Accounts receivable	Inner Mongolia TBEA Energy Equipment Co., Ltd. (內蒙古特變電工能源裝備有限公司)	1,150,000.00	0.00
Accounts receivable	Xintai Guanghua PV Power Generation Co., Ltd. (新泰市光華光伏發電有限責任公司)	1,016,000.00	0.00
Accounts receivable	TBEA Technology Investment Co., Ltd. (特變電工科技投資有限公司)	900,000.00	0.00
Accounts receivable	TBEA Hunan Electrical Power and Equipment Co., Ltd. (特變電工湖南電氣有限公司)	770,315.00	0.00
Accounts receivable	Urumqi Zhongrong Electronic Material Technology Co., Ltd. (烏魯木齊眾榮電子材料科技有限公司)	724,891.80	678,565.20
Accounts receivable	TBEA Yunji High-voltage Switch Co., Ltd. (特變電工雲集高壓開關有限公司)	672,000.00	1,272,000.00
Accounts receivable	Xinjiang Tianchi Energy Co., Ltd. (新疆天池能源有限責任公司)	590,674.74	580,074.74
Accounts receivable	Wuqi Huaguang New Energy Co., Ltd. (吳起縣華光新能源有限公司)	549,999.99	0.00
Accounts receivable	Xinjiang Changji TBEA Energy Co., Ltd. (新疆昌吉特變能源有限責任公司)	206,747.84	206,747.84
Accounts receivable	Zhongsilu Construction Investment Group Co., Ltd. (中絲路建設投資集團有限公司)	178,193.16	439.49
Accounts receivable	Shihezi Zhongjin Electrode Foil Co., Ltd. (石河子眾金電極箔有限公司)	49,324.12	190,943.00
Accounts receivable	Xinjiang Zhundong TBEA Energy Co., Ltd. (新疆准東特變能源有限責任公司)	39,000.00	233,367.91
Accounts receivable	Tianjin Zhongjiang Supply Chain Management Co., Ltd. (天津中疆供應鏈管理有限公司)	15,300.00	0.00
Accounts receivable	Guyang County Changlan Wind Power Co., Ltd. (固陽縣長嵐風力發電有限公司)	0.00	175,311,640.58

# Notes to the Financial Statements

From 1 January 2023 to 30 June 2023  
(The notes to the financial statements are presented in RMB, except as otherwise noted)

## XII. RELATED PARTIES AND RELATED-PARTY TRANSACTIONS

(continued)

### (III) Balance of transactions with related parties (continued)

#### 1. Receivables (continued)

Items	Related party	Closing balance	Opening balance
Accounts receivable	Xinjiang TBEA Automatic Control Equipment Co., Ltd. (新疆特變電工自控設備有限公司)	0.00	261,500.00
Accounts receivable	Xinjiang Changte Power Transmission and Transformation Devices Co., Ltd. (新疆昌特輸變電配件有限公司)	0.00	38,000.00
Contract assets	Shishou Shouyi New Energy Co., Ltd. (石首市首義新能源有限公司)	49,459,633.58	0.00
Contract assets	Jiangyong Clean Energy Development Co., Ltd. (江永清潔能源開發有限公司)	17,121,094.35	17,121,094.35
Contract assets	Jiangyong Shenghua Energy Development Co., Ltd. (江永晟華能源開發有限公司)	17,080,228.65	17,080,228.65
Contract assets	Daoxian Clean Energy Development Co., Ltd. (道縣清潔能源開發有限公司)	17,032,115.28	17,032,115.28
Contract assets	Jiangyong Xinfeng New Energy Development Co., Ltd. * (江永鑫風新能源開發有限公司)	2,895,820.38	0.00
Contract assets	Xintai Guanghua PV Power Generation Co., Ltd. (新泰市光華光伏發電有限責任公司)	461,273.15	0.00
Contract assets	TBEA Yunji High-voltage Switch Co., Ltd. (特變電工雲集高壓開關有限公司)	424,000.00	542,000.00
Contract assets	TBEA Hunan Electrical Power and Equipment Co., Ltd. (特變電工湖南電氣有限公司)	216,765.00	39,000.00
Contract assets	Xinjiang TBEA Loulan New Material Technology Co., Ltd. (新疆特變電工樓蘭新材料技術有限公司)	0.00	7,113,189.31
Contract assets	Wuling Jiangyong Power Co., Ltd. (五凌江永電力有限公司)	0.00	5,065,300.00
Contract assets	TBEA Shenyang Transformer Group Co., Ltd. (特變電工瀋陽變壓器集團有限公司)	0.00	566,320.00
Other receivables	Guyang County Changlan Wind Power Co., Ltd. (固陽縣長嵐風力發電有限公司)	11,228,719.26	0.00

# Notes to the Financial Statements

From 1 January 2023 to 30 June 2023

(The notes to the financial statements are presented in RMB, except as otherwise noted)

## XII. RELATED PARTIES AND RELATED-PARTY TRANSACTIONS

(continued)

### (III) Balance of transactions with related parties (continued)

#### 1. Receivables (continued)

Items	Related party	Closing balance	Opening balance
Other receivables	Shishou Shouyi New Energy Co., Ltd. (石首市首義新能源有限公司)	2,610,950.82	2,610,950.82
Other receivables	Tumxuk Hengrunjin Power Technology Co., Ltd. (圖木舒克恆潤金電力科技有限公司)	1,623,000.00	1,623,000.00
Other receivables	Daoxian Clean Energy Development Co., Ltd. (道縣清潔能源開發有限公司)	599,428.62	0.00
Other receivables	TBEA Co., Ltd. (特變電工股份有限公司)	165,318.52	3,672.56
Other receivables	CSCEC Xinjiang Construction & Engineering (Group) Co., Ltd. (中建新疆建工(集團)有限公司)	30,000.00	30,000.00
Dividends receivable	Urumqi Xinte Power Generation Co., Ltd. (烏魯木齊新特發電有限責任公司)	905,417.52	0.00
Other non-current assets	TBEA Co., Ltd. (特變電工股份有限公司)	2,144,700.00	0.00
Other non-current assets	TBEA Shandong Shenbian Electrical Equipment Co., Ltd. (特變電工山東沈變電氣設備有限公司)	1,315,623.90	1,315,623.90
Other non-current assets	Xinjiang TBEA Automatic Control Equipment Co., Ltd. (新疆特變電工自控設備有限公司)	834,000.00	6,434,220.00
Other non-current assets	Xinjiang Joinworld Co., Ltd. (新疆眾和股份有限公司)	657,191.39	0.00
Other non-current assets	TBEA Yunji Electrical Power and Equipment Co., Ltd. * (特變電工雲集電氣有限公司)	384,900.00	640,000.00
Other non-current assets	Zhongsilu Construction Investment Group Co., Ltd. (中絲路建設投資集團有限公司)	0.00	47,551,652.39
Other non-current assets	Inner Mongolia TBEA Energy Equipment Co., Ltd. (內蒙古特變電工能源裝備有限公司)	0.00	12,543,930.00
Other non-current assets	Nanjing Electric Power Research and Automation Co., Ltd. (南京電研電力自動化股份有限公司)	0.00	189,000.00
<b>Total</b>		<b>214,346,018.81</b>	<b>444,303,938.93</b>

# Notes to the Financial Statements

From 1 January 2023 to 30 June 2023  
(The notes to the financial statements are presented in RMB, except as otherwise noted)

## XII. RELATED PARTIES AND RELATED-PARTY TRANSACTIONS

(continued)

### (III) Balance of transactions with related parties (continued)

#### 2. Payables

Item	Related party	Book balance at the end of the period	Book balance at the beginning of the period
Short-term borrowings	TBEA Group Finance Co., Ltd. (特變電工集團財務有限公司)	1,206,481,452.78	1,386,451,438.88
Long-term borrowings	TBEA Group Finance Co., Ltd. (特變電工集團財務有限公司)	500,000,000.00	500,000,000.00
Contract liabilities	Guyang County Changlan Wind Power Co., Ltd. (固陽縣長嵐風力發電有限公司)	87,499,194.08	163,525,429.53
Contract liabilities	Jiangyong Clean Energy Development Co., Ltd. (江永清潔能源開發有限公司)	9,448,022.58	14,166,625.98
Contract liabilities	Jiangyong Shenghua Energy Development Co., Ltd. (江永晟華能源開發有限公司)	2,911,408.61	3,159,012.42
Contract liabilities	Liaoning Hanwei International Logistics Co., Ltd. (遼寧漢威國際物流有限公司)	1,464,717.61	758,673.03
Contract liabilities	Daoxian Clean Energy Development Co., Ltd. (道縣清潔能源開發有限公司)	913,287.80	976,527.66
Contract liabilities	Shishou Shouyi New Energy Co., Ltd. (石首市首義新能源有限公司)	0.00	70,128,440.37
Contract liabilities	Wuling Jiangyong Power Co., Ltd. (五凌江永電力有限公司)	0.00	3,291,698.59
Other current liabilities	Liaoning Hanwei International Logistics Co., Ltd. (遼寧漢威國際物流有限公司)	131,824.58	68,280.57
Other current liabilities	Shishou Shouyi New Energy Co., Ltd. (石首市首義新能源有限公司)	0.00	6,311,559.63
Other payables	TBEA Co., Ltd. (特變電工股份有限公司)	220,422.30	503,547.37
Other payables	China General Certification Center Co., Ltd. (北京鑒衡認證中心有限公司)	30,000.00	26,886.79
Accounts payable	Tianjin Sanyang Silu Commercial Factoring Co., Ltd. (天津三陽絲路商業保理有限公司)	332,659,983.06	172,097,816.56
Accounts payable	Zhongsilu Construction Investment Group Co., Ltd. (中絲路建設投資集團有限公司)	102,314,312.19	136,607,339.69
Accounts payable	Sanyang Silu (Korgas) Factoring Co., Ltd. (三陽絲路(霍爾果斯)商業保理有限公司)	74,375,508.05	3,016,667.00
Accounts payable	Xinjiang TBEA International Package Services Co., Ltd. (新疆特變電工國際成套工程承包有限公司)	40,109,469.08	25,225,631.12

# Notes to the Financial Statements

From 1 January 2023 to 30 June 2023  
(The notes to the financial statements are presented in RMB, except as otherwise noted)

## XII. RELATED PARTIES AND RELATED-PARTY TRANSACTIONS

(continued)

### (III) Balance of transactions with related parties (continued)

#### 2. Payables (continued)

Item	Related party	Book balance at the end of the period	Book balance at the beginning of the period
Accounts payable	TBEA International Engineering Co., Ltd. (特變電工國際工程有限公司)	32,614,901.47	125,139,689.05
Accounts payable	Nanjing Electric Power Research and Automation Co., Ltd. (南京電研電力自動化股份有限公司)	32,585,048.54	28,410,524.32
Accounts payable	Xinjiang Tianchi Energy Sales Co., Ltd. (新疆天池能源銷售有限公司)	29,871,423.49	29,274,488.51
Accounts payable	Shenyang TBEA Electrical Engineering Co., Ltd. (瀋陽特變電工電氣工程有限公司)	27,849,075.12	22,038,816.02
Accounts payable	Inner Mongolia TBEA Energy Equipment Co., Ltd. (內蒙古特變電工能源裝備有限公司)	19,180,120.09	12,637,930.09
Accounts payable	Xinjiang Joinworld Co., Ltd. (新疆眾和股份有限公司)	15,149,868.75	13,012,872.30
Accounts payable	TBEA Hengyang Transformer Co., Ltd. (特變電工衡陽變壓器有限公司)	9,884,965.12	9,930,365.12
Accounts payable	Tianjin TBEA Transformer Co., Ltd. (天津市特變電工變壓器有限公司)	9,084,107.01	19,647,908.87
Accounts payable	TBEA Shenyang Transformer Group Co., Ltd. (特變電工瀋陽變壓器集團有限公司)	7,984,999.37	7,475,110.02
Accounts payable	TBEA Technology Investment Co., Ltd. (特變電工科技投資有限公司)	6,454,261.08	2,010,481.70
Accounts payable	TBEA Shandong Shenbian Electrical Equipment Co., Ltd. (特變電工山東沈變電氣設備有限公司)	5,445,541.66	4,379,811.09
Accounts payable	TBEA Co., Ltd. (特變電工股份有限公司)	5,364,232.53	8,034,276.00
Accounts payable	TBEA Jing-Jin-Ji Intelligence Technology Co., Ltd. (特變電工京津冀 智能科技有限公司)	4,366,806.00	2,795,105.88
Accounts payable	TBEA Hunan Electrical Power and Equipment Co., Ltd. (特變電工湖南電氣有限公司)	4,052,257.50	2,228,167.90
Accounts payable	Xinjiang TBEA Automatic Control Equipment Co., Ltd. (新疆特變電 工自控設備有限公司)	2,242,996.33	66,799,929.46
Accounts payable	Zhongjiang Logistics Co., Ltd. (中疆物流有限責任公司)	1,500,000.00	1,500,000.00

# Notes to the Financial Statements

From 1 January 2023 to 30 June 2023  
(The notes to the financial statements are presented in RMB, except as otherwise noted)

## XII. RELATED PARTIES AND RELATED-PARTY TRANSACTIONS

(continued)

### (III) Balance of transactions with related parties (continued)

#### 2. Payables (continued)

Item	Related party	Book balance at the end of the period	Book balance at the beginning of the period
Accounts payable	Xinjiang Changte Power Transmission and Transformation Devices Co., Ltd. (新疆昌特輸變電配件有限公司)	617,904.46	617,904.46
Accounts payable	TBEA Shandong Luneng Taishan Cable Co., Ltd. (特變電工山東魯能泰山電纜有限公司)	559,985.03	91,580.31
Accounts payable	Changji Hui Autonomous Prefecture TBEA Employee Training Center (昌吉回族自治州特變電工職業培訓中心)	381,029.86	245,323.50
Accounts payable	TBEA Yunji Electrical Power and Equipment Co., Ltd. (特變電工雲集電氣有限公司)	354,107.97	343,000.00
Accounts payable	TBEA (Deyang) Cable Co., Ltd. (特變電工(德陽)電纜股份有限公司)	238,817.50	340,475.57
Accounts payable	Xinjiang TBEA Electrical Industry Cultural Tourism Co., Ltd. (新疆特變電工工業文化旅遊有限責任公司)	217,043.01	0.00
Accounts payable	Xinjiang Tebian Group Logistics Co., Ltd. (新疆特變電工集團物流有限公司)	777.28	82,044.55
Accounts payable	Urumqi Xinte Power Generation Co., Ltd. (烏魯木齊新特發電有限責任公司)	0.00	3,800,000.00
Accounts payable	Zhongsilu Design & Consulting Co., Ltd. (中絲路設計諮詢有限公司)	0.00	1,045,871.56
Accounts payable	TBEA Intelligent Electrical Power and Equipment Co., Ltd. (特變電工智能電氣有限責任公司)	0.00	920,353.98
Accounts payable	China General Certification Center Co., Ltd. (北京鑒衡認證中心有限公司)	0.00	120,000.00
Accounts payable	Xinjiang Joinworld Jinyuan Magnesium Industry Co., Ltd. (新疆眾和金源鎂業有限公司)	0.00	76,261.06
Accounts payable	TBEA Shenyang Electric Power Survey & Design Co., Ltd. (特變電工瀋陽電力勘测設計有限公司)	0.00	22,500.00
Accounts payable	Liaoning Hanwei International Logistics Co., Ltd. (遼寧漢威國際物流有限公司)	0.00	21,100.92
Accounts payable	TBEA Zhongfa Shanghai High-voltage Switch Co., Ltd. (特變電工中發上海高壓開關有限公司)	0.00	5,309.73
<b>Total</b>		<b>2,574,559,871.89</b>	<b>2,849,362,777.16</b>

# Notes to the Financial Statements

From 1 January 2023 to 30 June 2023

(The notes to the financial statements are presented in RMB, except as otherwise noted)

## XII. RELATED PARTIES AND RELATED-PARTY TRANSACTIONS

(continued)

### (IV) Related-party commitment

Nil.

## XIII. SHARE-BASED PAYMENT

### 1. General information on share-based payments

The Proposal for the Adoption of the Company's 2022 Employee Share Ownership Scheme was considered and approved at the Company's 2022 third extraordinary board meeting held on 15 March 2022 and the 2022 first extraordinary general meeting held on 5 May 2022. The Company granted 29.94 million Domestic Shares to the Participants of the Employee Share Ownership Scheme (a total of no more than 500 Participants including Directors, Supervisors, senior management, middle management, core technical employees and core business employees of the Company) through the Shareholding Platforms of the Employee Share Ownership Scheme. The source of the shares was originated from the Domestic Shares transferred by TBEA, the Controlling Shareholder of the Company. The grant price was RMB13.73 per Domestic Share. For details, please refer to the announcement dated 15 March 2022, the circular dated 19 April 2022 and the voting results announcement dated 5 May 2022 of the Company.

### 2. Equity-settled share-based payments

Items	Note
Methodology for determining the fair value of equity instruments at the date of grant	The fair value is determined according to the valuation report (Yin Xin Ping Bao Zi [2022] Hu No. 0765) issued by Yinxin Appraisal Co., Ltd (銀信資產評估有限公司)
Basis for determining the number of exercisable equity instruments	Estimated exercisable number of equity incentive shares on the balance sheet date
Reasons for significant differences between estimates for the period and previous year	Nil
Accumulated amount of equity-settled share-based payments included in capital reserve	54,790,182.59
Total expense recognized for equity-settled share-based payments during the period	23,347,403.96

# Notes to the Financial Statements

From 1 January 2023 to 30 June 2023  
(The notes to the financial statements are presented in RMB, except as otherwise noted)

## XIV. CONTINGENCIES

1. Contingent liabilities arising from pending lawsuits or arbitration: Nil.
2. Contingent liabilities arising from provision of external guarantees: Nil.
3. Other contingent liabilities: Nil.
4. As at 30 June 2023, the Group did not have other material contingencies.

## XV. COMMITMENTS

### 1. Significant commitments

As at 30 June 2023, the amount of contingent liabilities of the Group arising from the guarantees under bank letters of guarantee issued was equivalent to RMB2,395,821,067.85 at the benchmark exchange rate at the end of the period, with maturity in 2028 at the latest.

### 2. Information of mortgaged assets

Entity mortgaging assets	Mortgagee	Category of mortgaged assets	Appraised asset value/	
			Original book value	Project of mortgage/guarantee
Xinte Energy Co., Ltd.	Industrial Bank Co., Ltd. Urumqi Branch	Machinery and equipment of the 180,000-ton-per-annum Deep Cold Hydrogenation and Recycling of Silicon Tetrachloride and High-purity Polysilicon Transformation and Upgrading Project	706,605,468.88	Machinery and equipment of the 180,000-ton-per-annum Deep Cold Hydrogenation and Recycling of Silicon Tetrachloride and High-purity Polysilicon Transformation and Upgrading Project (18萬噸/年四氯化硅深化冷氫化循環利用及高純晶體硅轉型升級技術改造項目機器設備)
Guyang County Wind Power Generation Co., Ltd. (固陽縣風源發電有限責任公司)	China Development Bank Xinjiang Branch	Fixed assets and land use rights after the completion of TBEA Guyang Xingshunxi Wind Power Plant Phase I 100MW Wind Power Project	644,678,425.37	TBEA Guyang Xingshunxi Wind Power Plant Phase I 100MW Wind Power Project (特變電工固陽興順西風電場一期100MW風電工程項目)
Guyang County Wind Power Generation Co., Ltd. (固陽縣風源發電有限責任公司)	China Development Bank Xinjiang Branch	Fixed assets and land use rights after the completion of TBEA Guyang Xingshunxi PV Power Plant 20MW Integrated Wind Power and PV Power Plant PV Power Generation Project		TBEA Guyang Xingshunxi PV Power Plant 20MW Integrated Wind Power and PV Power Plant PV Power Generation Project (特變電工固陽興順西光伏電場20MW風光同場太陽能光伏發電工程項目)

# Notes to the Financial Statements

From 1 January 2023 to 30 June 2023  
(The notes to the financial statements are presented in RMB, except as otherwise noted)

## XV. COMMITMENTS (continued)

### 2. Information of mortgaged assets (continued)

Entity mortgaging assets	Mortgagee	Category of mortgaged assets	Appraised asset value/	
			Original book value	Project of mortgage/guarantee
Hami Fengshang Power Generation Co., Ltd. (哈密風尚發電有限公司)	China Development Bank Xinjiang Branch	Lands, buildings, machinery and equipment of Xinjiang Hami Wind Power Base Phase II Jingxia No. 6 Wind Power Plant Block B 200MW Project	1,364,059,090.19	Xinjiang Hami Wind Power Base Phase II Jingxia No. 6 Wind Power Plant Block B 200MW Project (新疆哈密風電基地二期項目景峽第六風電場B區200MW項目建設)
Zhengxiangbaiqi Fengsheng Power Generation Co., Ltd. (正鑲白旗風盛發電有限公司)	China Development Bank Xinjiang Branch	Fixed assets and land use rights after the completion of Fengsheng Zhengxiangbaiqi Ultra-high Voltage 275,000kW Wind Power Plant Project	3,080,698,598.55	Fengsheng Zhengxiangbaiqi Ultra-high Voltage 275,000kW Wind Power Plant Project under the Poverty Alleviation Program (風盛正鑲白旗特高壓外送27.5萬千瓦風電場扶貧開發建設項目)
Zhengxiangbaiqi Fengsheng Power Generation Co., Ltd. (正鑲白旗風盛發電有限公司)	China Development Bank Xinjiang Branch	Fixed assets and land use rights after the completion of Fengsheng Zhengxiangbaiqi Ultra-high Voltage 200,000kW Wind Power Plant Project		Fengsheng Zhengxiangbaiqi Ultra-high Voltage 200,000kW Wind Power Plant Project under the Poverty Alleviation Program (風盛正鑲白旗特高壓外送20萬千瓦風電場扶貧開發建設項目)
Ruicheng County Huiyuan Power Generation Co., Ltd. (芮城縣輝源發電有限公司)	China Development Bank Xinjiang Branch	Fixed assets after the completion of Shanxi Ruicheng PV Leading Technology Base Xiyao 50MW PV Power Project	302,663,566.21	Shanxi Ruicheng PV Leading Technology Base Xiyao 50MW PV Power Project (山西芮城光伏领跑技術基地西堯50MW光伏發電項目)
Yu County Huaguang PV Power Generation Co., Ltd. (盩厔縣華光光伏發電有限公司)	China Development Bank Xinjiang Branch	Fixed assets after the completion of Shanxi Yangquan Deep Mining Area National Leading PV Power Demonstration Project	682,108,239.64	Shanxi Yangquan Deep Mining Area National Leading PV Power Demonstration Project (山西陽泉市採煤深陷區國家先進技術光伏發電示範基地項目)
Hami Huafeng New Energy Power Generation Co., Ltd. (哈密華風新能源發電有限公司)	China Development Bank Xinjiang Branch	Fixed assets after the completion of Hami Southeast Shankou TBEA 150MWp PV Power Project	862,746,853.57	Hami Southeast Shankou TBEA 150MWp PV Power Project (哈密東南部山口特變電工150MWp光伏發電項目)
Heqing Huiheng Power Generation Co., Ltd. (鶴慶匯能發電有限公司)	China Development Bank Xinjiang Branch	Fixed assets after the completion of Yunnan Province Dali Prefecture Heqing Huangping On-grid PV Power Project	176,216,297.75	Yunnan Dali Prefecture Heqing Huangping On-grid PV Power Project (雲南省大理州鶴慶縣黃坪併網光伏電站項目)
Naimanqi Huite Photovoltaic Power Generation Co., Ltd. (奈曼旗匯特光伏發電有限公司)	China Development Bank Xinjiang Branch	Fixed assets after the completion of Huite Naimanqi 30MWp PV On-grid Power Project	210,703,625.60	Huite Naimanqi 30MWp PV On-grid Power Project (匯特奈曼旗30MWp光伏併網發電項目)
Yun County Huiheng Power Co., Ltd. (雲縣匯能發電有限公司)	China Development Bank Xinjiang Branch	Fixed assets after the completion of Yunxian Ganlongtan On-grid PV Power Plant	156,866,784.98	Yunxian Ganlongtan On-grid PV Power Plant (雲縣幹龍潭併網光伏電站項目)
Mulei County Xinte Huiheng Power Generation Co., Ltd. (木壘縣新特匯能發電有限公司)	Agricultural Development Bank of China Mulei Sub-branch	Fixed assets after the completion of Mulei Laojunmiao 100MW Wind Power Project	650,966,117.34	Mulei Laojunmiao 100MW Wind Power Project (木壘老君廟100MW風力發電項目)
Tumu Shuke Dongrun Huanneng PV Power Generation Co., Ltd. (圖木舒克東潤環能光伏發電有限公司)	China Development Bank Xinjiang Branch	Fixed assets after the completion of Tumu Shuke Dongrun Huanneng PV Power Generation Co., Ltd. No. 3 Division Jiashi Plant Phase I 20MWp On-grid PV Power Plant	138,657,183.73	Tumu Shuke Dongrun Huanneng PV Power Generation Co., Ltd. No. 3 Division Jiashi Plant Phase I 20MWp On-grid PV Power Plant (圖木舒克東潤環能光伏發電有限公司第三師伽師總場一期20MWp併網光伏電站項目)
Mulei Jiayu Fengsheng Power Co., Ltd. (木壘縣嘉裕風盛發電有限公司)	China Development Bank Xinjiang Branch	Fixed assets after the completion of TBEA Mulei Dashitou 200MW Wind Power Project	1,281,355,602.40	TBEA Mulei Dashitou 200MW Wind Power Project (特變電工木壘大石頭200MW風力發電項目)

# Notes to the Financial Statements

From 1 January 2023 to 30 June 2023  
(The notes to the financial statements are presented in RMB, except as otherwise noted)

## XV. COMMITMENTS (continued)

### 2. Information of mortgaged assets (continued)

Entity mortgaging assets	Mortgagee	Category of mortgaged assets	Appraised asset value/	
			Original book value	Project of mortgage/guarantee
Baotou Guangyi Solar Power Co., Ltd. (包頭市光羿太陽能發電有限公司)	China Development Bank Xinjiang Branch	Fixed assets after the completion of Baotou Guangyi Solar Power Co., Ltd. Shiguai District Leader No. 1 100MWp PV Project	645,549,715.18	Baotou Guangyi Solar Power Co., Ltd. Shiguai District Leader No. 1 100MWp PV Project (包頭市光羿太陽能發電有限公司石拐區領跑者1號100MWp光伏項目)
Burqin County Jingneng Wind Power Co., Ltd. (布爾津縣晶能風力發電有限公司)	Agricultural Bank of China Limited Burqin Sub-branch	Fixed assets after the completion of Xinjiang Zhundong Base TBEA Burqin 150MW Wind Power Plant	1,188,000,000.00	Xinjiang Zhundong Base TBEA Burqin 150MW Wind Power Plant (新疆准東基地特變電工布爾津縣150MW風電場)
Heze Mudan District Haofeng New Energy Co., Ltd. (菏澤市牡丹區浩風新能源有限公司)	Shanghai Pudong Development Bank Co., Ltd. Heze Branch	Fixed assets of Haofeng New Energy Mudan District Wanghao Village 50MW Wind Power Project	328,540,927.00	Haofeng New Energy Mudan District Wanghao Village 50MW Wind Power Project (浩風新能源牡丹區王浩屯50MW風電項目)
Luyi Fengyi Power Co., Ltd. (鹿邑縣風易發電有限公司)	Shanghai Pudong Development Bank Co., Ltd. Xuchang Branch	Fixed assets after the completion of Luyi Mudian 20MW Distributed Project	170,818,875.57	Luyi Mudian 20MW Distributed Project (鹿邑縣店20MW分散式項目)
Hami Zhenchao Wind Power Co., Ltd. (哈密市振超風力發電有限公司)	Bank of China Limited Hami Branch	Fixed assets after the completion of Luotuoquanzi 15MW Distributed Wind Power Project	97,819,027.05	Luotuoquanzi 15MW Distributed Wind Power Project (駱駝圈子15MW分散式風電項目)
Xilinqol Xinyuan New Energy Co., Ltd. (錫林郭勒新圓新能源有限公司)	China Development Bank Xinjiang Branch	Fixed assets after the completion of Xinyuan Zhengxiangbaiqi Ultra-high Voltage 200,000kW Wind Power Plant	1,382,482,514.23	Xinyuan Zhengxiangbaiqi Ultra-high Voltage 200,000kW Wind Power Plant under the Poverty Alleviation Program (新圓正鑲白旗特高壓外送20萬千瓦風電場扶貧開發建設項目)
Zhongmin (Mulei) Wind Power Co., Ltd. (中閩(木壘)風電有限公司)	Industrial and Commercial Bank of China Limited Changji Branch	Fixed assets after the completion of Zhongmin Wind Power Mulei Dashitou 200MW Wind Power Project	1,550,317,270.46	Zhongmin (Mulei) Wind Power Co., Ltd. Mulei Dashitou 200MW Wind Power Project (中閩(木壘)風電有限公司木壘大石頭200MW風力發電項目)
Shache County Xinshang Energy Power Generation Co., Ltd. (莎車縣新尚能源發電有限公司)	Industrial and Commercial Bank of China Limited Kashgar Branch	Fixed assets after the completion of Xinshang Energy Shache 100MW PV On-grid Power and Energy Storage Facilities Project	360,548,750.41	Xinshang Energy Shache 100MW PV On-grid Power and Energy Storage Facilities Project (新尚能源莎車100兆瓦光伏併網發電和儲能設施項目)
Kalpin County Kete New Energy Co., Ltd. (柯坪縣柯特新能源有限公司)	China Development Bank Xinjiang Branch	Fixed assets after the completion of Kete New Energy Kalpin County 100MW PV and Energy Storage and Power Generation Project	450,761,002.57	Kete New Energy Kalpin County 100MW PV and Energy Storage and Power Generation Project (柯特新能源柯坪縣100兆瓦光伏及儲能發電項目)
Xifeng Rongsheng Power New Energy Co., Ltd. (西豐縣榮晟電力新能源有限公司)	Shanghai Pudong Development Bank Co., Ltd. Tieling Branch and China Development Bank Liaoning Province Branch	Fixed assets after the completion of Tieling Xifeng County Baiyu Township Wind Power Project	533,549,202.24	Tieling Xifeng County Baiyu Township Wind Power Project (鐵嶺市西豐縣柏榆鎮風電項目)
Wuwei Wusheng New Energy Technology Co., Ltd. (武威武晟新能源科技有限公司)	Agricultural Bank of China Financial Leasing Co., Ltd.	Fixed assets after the completion of Wuwei 150 MW PV Power Project	904,173,624.28	Wuwei 150 MW PV Power Project (武威武晟150兆瓦光伏發電項目)
Baotou Guangchi Solar Energy Co., Ltd. (包頭市光熾太陽能有限公司)	China Construction Bank Baotou Branch	Fixed assets after the completion of Baotou Tumed Right Banner Land Governance and Agriculture-PV Complement 300,000 KW PV Demonstration Project	1,344,021,260.98	Baotou Tumed Right Banner Land Governance and Agriculture-PV Complement 300,000 KW PV Demonstration Project (包頭市土默特右旗土地治理暨農光互補30萬千瓦光伏示範項目)

# Notes to the Financial Statements

From 1 January 2023 to 30 June 2023  
(The notes to the financial statements are presented in RMB, except as otherwise noted)

## XV.COMMITMENTS (continued)

### 3. Information of pledged assets

Entity pledging assets	Pledgee	Category of pledged assets	Appraised asset value/Original book value	Project of pledge/guarantee
Guyang County Wind Power Generation Co., Ltd. (固陽縣風源發電有限責任公司)	China Development Bank Xinjiang Branch	The right to tariff after the completion and all revenue under the project	303,506,354.16	TBEA Guyang Xingshunxi Wind Power Plant Phase I 100MW Wind Power Project (特變電工固陽興順西風電場一期100MW風電工程項目)
Guyang County Wind Power Generation Co., Ltd. (固陽縣風源發電有限責任公司)	China Development Bank Xinjiang Branch	The right to tariff after the completion and all revenue under the project		TBEA Guyang Xingshunxi PV Power Plant 20MW Integrated Wind Power and PV Power Plant PV Power Generation Project (特變電工固陽興順西光伏電場20MW風光同場太陽能光伏發電工程項目)
Hami Fengshang Power Generation Co., Ltd. (哈密風尚發電有限責任公司)	China Development Bank Xinjiang Branch	The right to tariff after the completion and all revenue under the project	611,660,347.97	Xinjiang Hami Wind Power Base Phase II Jingxia No. 6 Wind Power Plant Block B 200MW Project (新疆哈密風電基地二期項目景峽第六風電場B區200MW項目建設)
Zhengxiangbaiqi Fengsheng Power Generation Co., Ltd. (正鑠白旗風盛發電有限公司)	China Development Bank Xinjiang Branch	The right to tariff after the completion and all revenue under the project	48,503,649.43	Fengsheng Zhengxiangbaiqi Ultra-high Voltage 275,000kW Wind Power Plant Project under the Poverty Alleviation Program (風盛正鑠白旗特高壓外送27.5萬千瓦風電場扶貧開發建設項目)
Zhengxiangbaiqi Fengsheng Power Generation Co., Ltd. (正鑠白旗風盛發電有限公司)	China Development Bank Xinjiang Branch	The right to tariff after the completion and all revenue under the project		Fengsheng Zhengxiangbaiqi Ultra-high Voltage 200,000kW Wind Power Plant Project under the Poverty Alleviation Program (風盛正鑠白旗特高壓外送20萬千瓦風電場扶貧開發建設項目)
Ruicheng County Huiyuan Power Generation Co., Ltd. (芮城縣輝源發電有限責任公司)	China Development Bank Xinjiang Branch	The right to tariff after the completion and all revenue under the project	75,954,294.90	New Shanxi Ruicheng PV Leading Technology Base Xiyao 50MW PV Power Project (新疆山西芮城光伏领跑技術基地西堯50MW光伏發電項目)
Yu County Huaguang PV Power Generation Co., Ltd. (孟縣華光光伏發電有限公司)	China Development Bank Xinjiang Branch	The right to tariff after the completion and all revenue under the project	274,820,409.55	Shanxi Yangquan Deep Mining Area National Leading PV Power Demonstration Project (山西陽泉市採煤深陷區國家先進技術光伏發電示範基地項目)
Hami Huafeng New Energy Power Generation Co., Ltd. (哈密華風新能源發電有限公司)	China Development Bank Xinjiang Branch	The right to tariff after the completion and all revenue under the project	275,045,546.86	Hami Southeast Shankou TBEA 150MWp PV Power Project (哈密東南部山口特變電工150MWp光伏發電項目)
Heqing Huiheng Power Generation Co., Ltd. (鶴慶匯能發電有限責任公司)	China Development Bank Xinjiang Branch	The right to tariff after the completion and all revenue under the project	81,028,354.17	Yunnan Dali Prefecture Heqing Huangping On-grid PV Power Project (雲南省大理州鶴慶縣黃坪併網光伏電站項目)
Naimanqi Huite Photovoltaic Power Generation Co., Ltd. (奈曼旗匯特光伏發電有限責任公司)	China Development Bank Xinjiang Branch	The right to tariff after the completion and all revenue under the project	15,472,477.85	Huite Naimanqi 30MWp PV On-grid Power Project (匯特奈曼旗30MWp光伏併網發電項目)
Yun County Huiheng Power Co., Ltd. (雲縣匯能發電有限責任公司)	China Development Bank Xinjiang Branch	The right to tariff after the completion and all revenue under the project	98,872,555.67	Yunxian Ganlongtan On-grid PV Power Plant (雲縣幹龍潭併網光伏電站項目)
Mulei County Xinte Huiheng Power Generation Co., Ltd. (木壘縣新特匯能發電有限責任公司)	Agricultural Development Bank of China Mulei Sub-branch	The right to tariff after the completion and all revenue under the project	1,543,500,000.00	Mulei Laojunmiao 100MW Wind Power Project (木壘老君廟100MW風力發電項目)

# Notes to the Financial Statements

From 1 January 2023 to 30 June 2023  
(The notes to the financial statements are presented in RMB, except as otherwise noted)

## XV. COMMITMENTS (continued)

### 3. Information of pledged assets (continued)

Entity pledging assets	Pledgee	Category of pledged assets	Appraised asset value/Original book value	Project of pledge/guarantee
Tumu Shuke Dongrun Huanneng PV Power Generation Co., Ltd. (圖木舒克東潤環能光伏發電有限公司)	China Development Bank Xinjiang Branch	The right to tariff after the completion and all revenue under the project	51,734,432.77	Tumu Shuke Dongrun Huanneng PV Power Generation Co., Ltd. No. 3 Division Jiashi Plant Phase I 20MWp On-grid PV Power Plant (圖木舒克東潤環能光伏發電有限公司第三師伽師總場一期20MWp併網光伏電站項目)
Mulei Jiayu Fengsheng Power Co., Ltd. (木壘縣嘉裕風晟發電有限公司)	China Development Bank Xinjiang Branch	The right to tariff after the completion and all revenue under the project	20,009,668.40	TBEA Mulei Dashiou 200MW Wind Power Project (特變電工木壘大石頭200MW風力發電項目)
Baotou Guangyi Solar Power Co., Ltd. (包頭市光羿太陽能發電有限責任公司)	China Development Bank Xinjiang Branch	The right to tariff after the completion and all revenue under the project	65,216,051.36	Baotou Guangyi Solar Power Co., Ltd. Shiguai District Leader No. 1 100MWp PV Project (包頭市光羿太陽能發電有限責任公司石拐區領跑者1號100MWp光伏項目)
Burqin County Jingneng Wind Power Co., Ltd. (布爾津縣晶能風力發電有限公司)	Agricultural Bank of China Limited Burqin Sub-branch	The right to tariff after the completion and all revenue under the project	1,400,000,000.00	Xinjiang Zhundong Base TBEA Burqin 150MW Wind Power Plant (新疆准東基地特變電工布爾津縣150MW風電場)
Heze Mudan District Haofeng New Energy Co., Ltd. (菏澤市牡丹區浩風新能源有限公司)	Shanghai Pudong Development Bank Co., Ltd. Heze Branch	The right to tariff after the completion and all revenue under the project	58,058,962.11	Haofeng New Energy Mudan District Wanghao Village 50MW Wind Power Project (浩風新能源牡丹區王浩屯50MW風電項目)
Luyi Fengyi Power Co., Ltd. (鹿邑縣風易發電有限公司)	Shanghai Pudong Development Bank Co., Ltd. Xuchang Branch	The right to tariff after the completion and all revenue under the project	14,375,457.58	Luyi Mudan 20MW Distributed Project (鹿邑縣店20MW分散式項目)
Hami Zhenchao Wind Power Co., Ltd. (哈密市振超風力發電有限公司)	Bank of China Limited Hami Branch	The right to tariff after the completion and all revenue under the project	7,459,594.00	Luotuquanzi 15MW Distributed Wind Power Project (駱駝圈子15MW分散式風電項目)
Xilingol Xinyuan New Energy Co., Ltd. (錫林郭勒新圓新能源有限公司)	China Development Bank Xinjiang Branch	The right to tariff after the completion and all revenue under the project	21,206,868.55	Xinyuan Zhengxiangbaiqi Ultra-high Voltage 200,000kW Wind Power Plant under the Poverty Alleviation Program (新圓正鑲白旗特高壓外送20萬千瓦風電場扶貧開放建設項目)
Zhongmin (Mulei) Wind Power Co., Ltd. (中閩(木壘)風電有限公司)	Industrial and Commercial Bank of China Limited Changji Branch	The right to tariff after the completion and all revenue under the project	28,375,399.59	Zhongmin (Mulei) Wind Power Co., Ltd. Mulei Dashiou 200MW Wind Power Project (中閩(木壘)風電有限公司木壘大石頭200MW風力發電項目)
Baotou Guangchi Solar Energy Co., Ltd. (包頭市光熾太陽能有限責任公司)	China Construction Bank Baotou Branch	The right to tariff after the completion and all revenue under the project	15,555,000.00	Baotou Tumed Right Banner Land Governance and Agriculture-PV Complement 300,000 KW PV Demonstration Project (包頭市土默特右旗土地治理暨農光互補30萬千瓦光伏示範項目)
Xifeng Rongsheng Power New Energy Co., Ltd. (西豐縣榮晟電力新能源有限公司)	Shanghai Pudong Development Bank Co., Ltd. Tieling Branch and China Development Bank Liaoning Branch	The right to tariff after the completion and all revenue under the project	6,807,884.08	Tieling Xifeng County Baiyu Township Wind Power Project (鐵嶺市西豐縣柏榆鎮風電項目)
Shache County Xinshang Energy Power Generation Co., Ltd. (莎車縣新尚能源發電有限責任公司)	Industrial and Commercial Bank of China Limited Kashgar Branch	The right to tariff after the completion and all revenue under the project	3,338,342.72	Xinshang Energy Shache 100MW PV On-grid Power and Energy Storage Facilities Project (新尚能源莎車100兆瓦光伏併網發電和儲能設施項目)
Kalpin County Kete New Energy Co., Ltd. (柯坪縣柯特新能源有限責任公司)	China Development Bank Xinjiang Branch	The right to tariff after the completion and all revenue under the project	2,627,919.43	Kete New Energy Kalpin County 100MW PV and Energy Storage and Power Generation Project (柯特新能源柯坪縣100兆瓦光伏及儲能發電項目)

# Notes to the Financial Statements

From 1 January 2023 to 30 June 2023  
(The notes to the financial statements are presented in RMB, except as otherwise noted)

## XVI. EVENTS AFTER THE BALANCE SHEET DATE

Nil.

## XVII. NOTES TO KEY ITEMS OF FINANCIAL STATEMENTS OF THE PARENT COMPANY

### 1. Accounts receivable

#### (1) Accounts receivable classified by bad debt provision method

Category	Book balance		Closing balance		Carrying amount
	Amount	Percentage	Amount	Provision for bad debts	
		(%)		Percentage	
		(%)	Amount	(%)	
Bad debt provision made on individual basis	0.00	0.00	0.00	0.00	0.00
Bad debt provision made on a collective basis	1,498,115,650.60	100.00	80,122,482.04	5.35	1,417,993,168.56
Including: Portfolio of aging	1,498,115,650.60	100.00	80,122,482.04	5.35	1,417,993,168.56
Portfolio of tariff and subsidies	0.00	0.00	0.00	0.00	0.00
<b>Total</b>	<b>1,498,115,650.60</b>	<b>100.00</b>	<b>80,122,482.04</b>	<b>5.35</b>	<b>1,417,993,168.56</b>

Category	Book balance		Opening balance		Carrying amount
	Amount	Percentage	Amount	Provision for bad debts	
		(%)		Percentage	
		(%)	Amount	(%)	
Bad debt provision made on an individual basis	0.00	0.00	0.00	0.00	0.00
Bad debt provision made on a portfolio basis	461,113,696.46	100.00	41,934,009.96	9.09	419,179,686.50
Including: Portfolio of aging	461,113,696.46	100.00	41,934,009.96	9.09	419,179,686.50
Portfolio of tariff and subsidies	0.00	0.00	0.00	0.00	0.00
<b>Total</b>	<b>461,113,696.46</b>	<b>100.00</b>	<b>41,934,009.96</b>	<b>9.09</b>	<b>419,179,686.50</b>

- 1) There were no accounts receivable with bad debt provision made on an individual basis at the end of the current period.

# Notes to the Financial Statements

From 1 January 2023 to 30 June 2023  
(The notes to the financial statements are presented in RMB, except as otherwise noted)

## XVII. NOTES TO KEY ITEMS OF FINANCIAL STATEMENTS OF THE PARENT COMPANY (continued)

### 1. Accounts receivable (continued)

#### (1) Accounts receivable classified by bad debt provision method (continued)

##### 2) Accounts receivable with bad debt provision made on a portfolio basis

Aging	Closing balance		Provision percentage (%)
	Accounts receivable	Bad debt provision	
Within 1 year (inclusive)	1,209,859,971.75	24,197,199.43	2.00
1 year to 2 years (inclusive)	93,454,941.93	4,672,747.10	5.00
2 years to 3 years (inclusive)	78,692,681.08	15,738,536.22	20.00
3 years to 4 years (inclusive)	112,725,143.14	33,817,542.94	30.00
4 years to 5 years (inclusive)	3,372,912.70	1,686,456.35	50.00
Over 5 years	10,000.00	10,000.00	100.00
<b>Total</b>	<b>1,498,115,650.60</b>	<b>80,122,482.04</b>	<b>—</b>

Aging	Opening balance		Provision percentage (%)
	Accounts receivable	Bad debt provision	
Within 1 year (inclusive)	209,735,783.80	4,194,715.68	2.00
1 year to 2 years (inclusive)	97,884,444.33	4,894,222.22	5.00
2 years to 3 years (inclusive)	132,289,700.40	26,457,940.07	20.00
3 years to 4 years (inclusive)	21,073,759.87	6,322,127.96	30.00
4 years to 5 years (inclusive)	130,008.06	65,004.03	50.00
Over 5 years	0.00	0.00	100.00
<b>Total</b>	<b>461,113,696.46</b>	<b>41,934,009.96</b>	<b>—</b>

# Notes to the Financial Statements

From 1 January 2023 to 30 June 2023  
(The notes to the financial statements are presented in RMB, except as otherwise noted)

## XVII. NOTES TO KEY ITEMS OF FINANCIAL STATEMENTS OF THE PARENT COMPANY (continued)

### 1. Accounts receivable (continued)

#### (2) Accounts receivable by aging based on recording dates

Aging	Closing balance	Opening balance
Within 1 year (inclusive)	1,209,859,971.75	209,735,783.80
1 year to 2 years (inclusive)	93,454,941.93	97,884,444.33
2 years to 3 years (inclusive)	78,692,681.08	132,289,700.40
3 years to 4 years (inclusive)	112,725,143.14	21,073,759.87
4 years to 5 years (inclusive)	3,372,912.70	130,008.06
Over 5 years	10,000.00	0.00
<b>Total</b>	<b>1,498,115,650.60</b>	<b>461,113,696.46</b>

#### (3) Bad debt provision for accounts receivable in the current period

Category	Opening balance	Accrued	Changes of the current period		Others	Closing balance
			Recovered or reversed	Carry-forward or written off		
Bad debt provision made on accounts receivable	41,934,009.96	38,188,472.08	0.00	0.00	0.00	80,122,482.04
<b>Total</b>	<b>41,934,009.96</b>	<b>38,188,472.08</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>80,122,482.04</b>

#### (4) Accounts receivable written off in the current period:

Nil.

#### (5) Particulars of the top five of closing balances of accounts receivable presented by debtors

The aggregate amount of the top five of closing balances of accounts receivable presented by debtors was RMB1,486,836,026.65, accounting for 99.25% of the total closing balances of accounts receivable, and the closing balance of corresponding provision for bad debts was RMB79,662,394.55.

# Notes to the Financial Statements

From 1 January 2023 to 30 June 2023  
(The notes to the financial statements are presented in RMB, except as otherwise noted)

## XVII. NOTES TO KEY ITEMS OF FINANCIAL STATEMENTS OF THE PARENT COMPANY (continued)

### 2. Other receivables

Items	Closing balance	Opening balance
Interests receivable	0.00	0.00
Dividends receivable	440,332,771.69	0.00
Other receivables	3,726,626,570.19	2,810,321,864.08
<b>Total</b>	<b>4,166,959,341.88</b>	<b>2,810,321,864.08</b>

#### 2.1 Interests receivable

Nil.

#### 2.2 Dividends receivable

(1) Dividends receivable by category

Items	Closing balance	Opening balance
TBEA Xinjiang Sunoasis Co., Ltd. (特變電工新疆新能源股份有限公司)	440,332,771.69	0.00
<b>Total</b>	<b>440,332,771.69</b>	<b>0.00</b>

# Notes to the Financial Statements

From 1 January 2023 to 30 June 2023  
(The notes to the financial statements are presented in RMB, except as otherwise noted)

## XVII. NOTES TO KEY ITEMS OF FINANCIAL STATEMENTS OF THE PARENT COMPANY (continued)

### 2. Other receivables (continued)

#### 2.3 Other receivables

##### (1) Other receivables by nature

Nature	Book balance at the end of the period	Book balance at the beginning of the period
Related-party transactions	3,824,817,266.26	2,870,477,570.88
Margin and deposits	39,498,908.93	110,000.00
Advances	7,794,218.01	6,769,352.60
Daily cash advances	4,867,495.22	3,446,785.44
Principals and interests of borrowings	22,000.00	22,000.00
Others	40,000.00	0.00
<b>Total</b>	<b>3,877,039,888.42</b>	<b>2,880,825,708.92</b>

##### (2) Bad debt provision for other receivables

Bad debt provision	Stage 1	Stage 2	Stage 3	Total
	12-month expected credit loss	Lifetime expected credit loss (without credit impairment)	Lifetime expected credit loss (with credit impairment)	
Opening balance	0.00	70,503,844.84	0.00	70,503,844.84
Book balance of other receivables at the beginning of the period	—	—	—	—
— Transferred to Stage 2	0.00	0.00	0.00	0.00
— Transferred to Stage 3	0.00	0.00	0.00	0.00
— Reversed to Stage 2	0.00	0.00	0.00	0.00
— Reversed to Stage 1	0.00	0.00	0.00	0.00
Accrued in current period	0.00	79,909,473.39	0.00	79,909,473.39
Reversed in current period	0.00	0.00	0.00	0.00
Carry-forward in current period	0.00	0.00	0.00	0.00
Written off in current period	0.00	0.00	0.00	0.00
Other changes	0.00	0.00	0.00	0.00
<b>Closing balance</b>	<b>0.00</b>	<b>150,413,318.23</b>	<b>0.00</b>	<b>150,413,318.23</b>

# Notes to the Financial Statements

From 1 January 2023 to 30 June 2023  
(The notes to the financial statements are presented in RMB, except as otherwise noted)

## XVII. NOTES TO KEY ITEMS OF FINANCIAL STATEMENTS OF THE PARENT COMPANY (continued)

### 2. Other receivables (continued)

#### 2.3 Other receivables (continued)

##### (3) Other receivables by aging

Aging	Closing balance	Opening balance
Within 1 year (inclusive)	3,402,274,395.18	2,451,248,020.12
1 year to 2 years (inclusive)	83,901,788.75	429,577,688.8
2 years to 3 years (inclusive)	390,863,704.49	0.00
<b>Total</b>	<b>3,877,039,888.42</b>	<b>2,880,825,708.92</b>

##### (4) Bad debt provision for other receivables

Category	Opening balance	Accrued	Changes of the current period		Others	Closing balance
			Recovered or reversed	Carry-forward or written off		
Bad debt provision made on other receivables	70,503,844.84	79,909,473.39	0.00	0.00	0.00	150,413,318.23
<b>Total</b>	<b>70,503,844.84</b>	<b>79,909,473.39</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>150,413,318.23</b>

##### (5) Other receivables written off in the current period

Nil.

# Notes to the Financial Statements

From 1 January 2023 to 30 June 2023  
(The notes to the financial statements are presented in RMB, except as otherwise noted)

## XVII. NOTES TO KEY ITEMS OF FINANCIAL STATEMENTS OF THE PARENT COMPANY (continued)

### 2. Other receivables (continued)

#### 2.3 Other receivables (continued)

(6) Particulars of the top five of closing balances of other receivables presented by debtors

Company	Nature	Closing balance	Aging	Percentage of total closing balance of accounts receivable (%)	Closing balance of bad debt provision
Xinte Silicon-based New Material Co., Ltd. (新特硅基新材料有限公司)	Intra-company related-party transactions	3,257,363,953.00	Within 1 year	84.02	65,147,279.06
Xinjiang Jingshuo New Material Co., Ltd. (新疆晶碩新材料有限公司)	Intra-company related-party transactions	383,285,329.72	1 year to 3 years	9.89	72,689,960.82
Urumqi Strategic Emerging Industry Xinte Energy Leading Fund (LLP) (烏魯木齊戰略性新興產業新特能源引導基金(有限合夥))	Intra-company related-party transactions	45,875,000.00	1 year to 3 years	1.18	917,500.00
Xinjiang Xinte Xinneng Materials Co., Ltd. (新疆新特新材料檢測中心有限公司)	Intra-company related-party transactions	45,729,341.20	1 year to 3 years	1.18	6,186,346.86
Xinjiang Xinte Energy Construction Material Co., Ltd. (新疆新特新能建材有限公司)	Intra-company related-party transactions	41,108,691.41	1 year to 3 years	1.06	2,518,818.41
<b>Total</b>	—	<b>3,773,362,315.33</b>	—	<b>97.33</b>	<b>147,459,905.15</b>

(7) Receivables related to government grants

Nil.

(8) Other receivables derecognized due to transfer of financial assets

Nil.

(9) Assets and liabilities arising from transfer of other receivables with continuing involvement

Nil.

# Notes to the Financial Statements

From 1 January 2023 to 30 June 2023  
(The notes to the financial statements are presented in RMB, except as otherwise noted)

## XVII. NOTES TO KEY ITEMS OF FINANCIAL STATEMENTS OF THE PARENT COMPANY (continued)

### 3. Long-term equity investments

#### (1) Long-term equity investments by category

Items	Book balance	Closing balance	
		Provision for impairment	Carrying amount
Investments in subsidiaries	15,619,409,113.59	0.00	15,619,409,113.59
Investments in associates	0.00	0.00	0.00
<b>Total</b>	<b>15,619,409,113.59</b>	<b>0.00</b>	<b>15,619,409,113.59</b>

Items	Book balance	Opening balance	
		Provision for impairment	Carrying amount
Investments in subsidiaries	15,302,654,296.23	0.00	15,302,654,296.23
Investments in associates	0.00	0.00	0.00
<b>Total</b>	<b>15,302,654,296.23</b>	<b>0.00</b>	<b>15,302,654,296.23</b>

# Notes to the Financial Statements

From 1 January 2023 to 30 June 2023

(The notes to the financial statements are presented in RMB, except as otherwise noted)

## XVII. NOTES TO KEY ITEMS OF FINANCIAL STATEMENTS OF THE PARENT COMPANY (continued)

### 3. Long-term equity investments (continued)

#### (2) Investments in subsidiaries

Investee	Opening balance	Increase in current period	Decrease in current period	Closing balance	Provision for impairment accrued in current period	Balance of provision for impairment at the end of the period
TBEA Xinjiang Sunoasis Co., Ltd. (特變電工新疆新能源股份有限公司)	5,950,335,431.26	9,845,559.44	0.00	5,960,180,990.70	0.00	0.00
Inner Mongolia Xinte Silicon Materials Co., Ltd. (內蒙古新特硅材料有限公司)	2,872,940,540.42	2,126,640.84	0.00	2,875,067,181.26	0.00	0.00
Xinte Silicon-based New Material Co., Ltd. (新特硅基新材料有限公司)	4,400,000,000.00	1,717,065.57	0.00	4,401,717,065.57	0.00	0.00
Xinjiang Xinte Crystal Silicon Hightech Co., Ltd. (新疆新特晶體硅高科技有限公司)	1,606,122,388.89	1,130,270.22	0.00	1,607,252,659.11	0.00	0.00
Xinjiang Jingshuo New Material Co., Ltd. (新疆晶碩新材料有限公司)	22,326,177.51	1,149,961.35	0.00	23,476,138.86	0.00	0.00
Xinjiang Xinte Energy Construction Material Co., Ltd. (新疆新特新能建材有限公司)	45,199,536.67	124,710.40	0.00	45,324,247.07	0.00	0.00
Xinjiang Xinte Xinneng Materials Co., Ltd. (新疆新特新材料檢測中心有限公司)	53,550,065.50	204,787.63	0.00	53,754,853.13	0.00	0.00
Xinjiang Shantai Green Energy Services Co., Ltd. (新疆沙海綠色能源服務有限公司)	5,183,783.78	141,745.44	0.00	5,325,529.22	0.00	0.00
Xinjiang Xinte Energy Logistic Co., Ltd. (新疆新特能源物流有限公司)	5,262,548.25	202,493.46	0.00	5,465,041.71	0.00	0.00
Xinte Europe Technology Limited (新特歐洲科技有限公司)	4,376,295.00	0.00	0.00	4,376,295.00	0.00	0.00
Xinjiang Information Technology Co., Ltd. (新疆知信科技有限公司)	37,357,528.95	111,583.01	0.00	37,469,111.96	0.00	0.00
Urumqi Strategic Emerging Industry Xinte Energy Leading Fund (LLP) (烏魯木齊戰略性新興產業新特能源引導基金(有限合夥))	300,000,000.00	300,000,000.00	0.00	600,000,000.00	0.00	0.00
<b>Total</b>	<b>15,302,654,296.23</b>	<b>316,754,817.36</b>	<b>0.00</b>	<b>15,619,409,113.59</b>	<b>0.00</b>	<b>0.00</b>

#### (3) Investments in associates and joint ventures

Nil.

# Notes to the Financial Statements

From 1 January 2023 to 30 June 2023  
(The notes to the financial statements are presented in RMB, except as otherwise noted)

## XVII. NOTES TO KEY ITEMS OF FINANCIAL STATEMENTS OF THE PARENT COMPANY (continued)

### 4. Operating revenue and operating cost

#### (1) Operating revenue and operating cost

Items	Amount occurred in current period	
	Revenue	Cost
Main businesses	3,374,351,100.69	2,489,281,886.86
Other businesses	807,006,946.88	565,361,529.61
<b>Total</b>	<b>4,181,358,047.57</b>	<b>3,054,643,416.47</b>

Items	Amount occurred in previous period	
	Revenue	Cost
Main businesses	5,134,160,577.68	2,600,900,223.45
Other businesses	791,222,421.18	757,521,502.49
<b>Total</b>	<b>5,925,382,998.86</b>	<b>3,358,421,725.94</b>

#### (2) By business segment

Items	Amount occurred in current period	
	Revenue from main businesses	Cost from main businesses
Polysilicon	2,821,347,711.09	1,928,598,134.47
Others	553,003,389.60	560,683,752.39
<b>Total</b>	<b>3,374,351,100.69</b>	<b>2,489,281,886.86</b>

# Notes to the Financial Statements

From 1 January 2023 to 30 June 2023  
(The notes to the financial statements are presented in RMB, except as otherwise noted)

## XVII. NOTES TO KEY ITEMS OF FINANCIAL STATEMENTS OF THE PARENT COMPANY (continued)

### 4. Operating revenue and operating cost (continued)

#### (2) By business segment (continued)

Items	Amount occurred in previous period	
	Revenue from main businesses	Cost from main businesses
Polysilicon	4,690,313,937.52	2,155,889,745.40
Others	443,846,640.16	445,010,478.05
<b>Total</b>	<b>5,134,160,577.68</b>	<b>2,600,900,223.45</b>

### 5. Investment income

Items	Amount occurred in current period	Amount occurred in previous period
Investment income from financial and derivative instruments	-4,308.24	0.00
Dividend income received in the period of holding other equity instrument investments	936,802.23	0.00
Income from long-term equity investments under the cost method	440,332,771.69	354,715,517.24
<b>Total</b>	<b>441,265,265.68</b>	<b>354,715,517.24</b>

### 6. Others

Nil.

## XVIII. APPROVAL OF THE FINANCIAL REPORT

This financial report has been approved for issue by the Company on 15 August 2023.

# Notes to the Financial Statements

From 1 January 2023 to 30 June 2023  
(The notes to the financial statements are presented in RMB, except as otherwise noted)

## XIX. SUPPLEMENTARY INFORMATION

### 1. Explanation of non-recurring profit or loss

According to requirements in Announcement No. 1 on Information Disclosure for Companies Offering Securities to the Public – Non-recurring Profit and Loss (2008) issued by the CSRC, the non-recurring profit and loss of the Group are as follows:

Items	From January to June 2023	From January to June 2022	Explanation
Gains and losses from disposal of non-current assets	-3,400,845.28	1,789,467.53	–
Tax refunds and relief of ultra vires or without formal approval or incidental tax refunds or relief	0.00	0.00	–
Government grants included in the profit or loss for the period (except for the government grants closely related to the corporate businesses and granted at a fixed amount or quantity in accordance with national uniform standards)	165,013,195.40	39,512,649.51	–
Funds utilization fees collected from non-financial enterprises included in the profit or loss for the period	2,616,601.16	691,432.45	–
Gains from the excess of the fair value of identifiable net assets of the investee attributable to the enterprise at acquisition over the costs of investment in the subsidiaries, associates and joint ventures	0.00	0.00	–
Gains and losses from the exchange of non-monetary assets	0.00	0.00	–
Gains and losses from entrusting others to invest or manage assets	0.00	0.00	–
Provision for impairment of assets as a result of force majeure factors, such as natural disasters	0.00	0.00	–
Gains and losses from debt restructuring	0.00	0.00	–
Costs for enterprise reorganization	0.00	0.00	–
Gains and losses arising from transactions where the transaction price is unfair and exceeds fair value	0.00	0.00	–
Net gains or losses for the period of subsidiaries arising from business merger involving enterprises under common control from the beginning of the year to the date of combination	0.00	0.00	–
Gains and losses arising from contingent matters not related to the normal operation of the Company	0.00	0.00	–
Gains and losses from changes in fair value of financial assets and liabilities held for trading, and investment income from the disposal of financial assets held for trading, financial liabilities held for trading and available-for-sale financial assets (excluding the effective hedging activities related to the Company's normal operations)	-33,326,861.59	-2,834,289.31	–
Reversal of impairment provision of receivables tested on individual basis	0.00	0.00	–
Gains and losses from external entrusted loan	0.00	0.00	–
Gains and losses from the changes in fair value of investment properties measured by fair value model subsequently	0.00	0.00	–
Effect of one-off adjustment to profit or loss for the period according to the laws and regulations regarding taxation and accounting on profit or loss for the period	1,831,968.77	0.00	–

# Notes to the Financial Statements

From 1 January 2023 to 30 June 2023

(The notes to the financial statements are presented in RMB, except as otherwise noted)

## XIX. SUPPLEMENTARY INFORMATION (continued)

### 1. Explanation of non-recurring profit or loss (continued)

Items	From January to June 2023	From January to June 2022	Explanation
Entrust fee income from entrusted operation	0.00	0.00	—
Other non-operating income and expenditures apart from the above	7,165,973.36	-13,672,062.19	—
Other items of profit or loss meeting the definition of non-recurring profit or loss	4,693,604.54	3,914,618.56	—
<b>Sub-total</b>	<b>144,593,636.36</b>	<b>29,401,816.55</b>	—
Effect of income tax	21,659,811.47	4,557,623.71	—
Effect of non-controlling interest (after tax)	2,212,345.75	2,000,529.55	—
<b>Total</b>	<b>120,721,479.14</b>	<b>22,843,663.29</b>	—

### 2. Return on net assets and earnings per share

According to requirements in the Compilation Rules for Information Disclosure by Companies Offering Securities to the Public No. 9 — Calculation and Disclosure of Return on Net Assets and Earnings Per Share (revised in 2010) issued by the CSRC, the weighted average return on net assets, basic earnings per share and diluted earnings per share of the Group are as follows:

Profit during the Reporting Period	Reporting Period	Weighted average return on net assets (%)	Earnings per share	
			Basic earnings per share	Diluted earnings per share
Net profit attributable to the shareholders of the parent company	January to June 2023	13.8945	3.3280	3.3280
	January to June 2022	24.5981	3.9282	3.9282
Net profit attributable to shareholders of the parent company after deduction of non-recurring profit or loss	January to June 2023	13.5659	3.2435	3.2435
	January to June 2022	24.4981	3.9122	3.9122

**Xinte Energy Co., Ltd.**

15 August 2023

\* for identification purpose only