

SUNGROW

Sungrow Power Supply Co., Ltd.

2022 Annual Report

Announcement No.: 2023-020

April 2023

2022 Annual Report

Section I Important Notes, Contents and Definitions

The Board of Directors, the Board of Supervisors, directors, supervisors and executives of the Company hereby guarantee that the information presented in this annual report is truthful, accurate and integrate, free of any false records, misleading statements or material omissions, and assume individual and joint legal liabilities thereof.

Cao Renxian as the President of the Company, Tian Shuai as the Chief Accountant, and Li Pan as the head of accounting department (accounting supervisor) hereby guarantee the truthfulness, integrity, and accuracy of financial statements in this annual report.

All directors have attended the board meeting to review this report.

Contents in this report concerning future plans, performance forecasts, and etc., do not constitute any commitment made by the Company to any investor or related party. Investors and related parties should maintain adequate risk awareness and understand the possible difference between plans, forecasts, and commitments. Investors are kindly advised to pay attention to investment risks.

(1) Policy-related risks

Although technologies related to renewable energy power generation are still evolving and grid parity has been achieved in most regions around the world, there are still a few regions where the power generation cost or the on-grid electricity price is higher than that of fossil energy, and the unit electricity cost per kilowatt-hour from wind-solar-storage integrated applications maintains relatively high. In addition, considering the various constraints including grid consumption, intermittent fluctuations in new energy availability, as well as land and taxation, policy support and encouragement from governments are still necessary. Since the supportive policies are formulated by the governments of various countries, while the global trend of energy conservation and emission reduction remains unchanged, major changes in the macro economies of major markets or relevant supportive policies will affect the growth pace of the industry and the Company's profitability to a certain extent. To this end, the Company actively makes global presence, and continually delves into the global market to minimize the impact of policy fluctuations within a single country.

(2) Risk of gross margin reduction due to intensified competition

As the world's largest PV inverter manufacturer, the Company's core product, PV inverters, enjoys an obvious market advantage. However, the huge potential of domestic and foreign markets has also attracted fierce market competition. If the Company fails to maintain the leading edge in technological innovation, new product development, and cost control, the products will face the risk of gross margin declination. As such, the Company needs to further accelerate new product upgrade and iteration through R&D innovation and increasing R&D investment, speed up the research and application of AI technology, so as to constantly

provide customers with value-added services, delivering better customer experience, and consolidate product advantages in the market.

(3) Risk of collecting accounts receivables

As the domestic market grows rapidly, the Company makes more efforts in product sales. In consideration of the PV industry characteristics in China, such as subsidy arrearage, large project amount, and long payment term, the Company's business growth at fast pace will lead to a quick increase of receivables and certain risks in payment collection. In order to prevent credit risks and accelerate capital turnover, the Company has formulated strict credit management systems and sale-on-credit policies, and actively reduce the risk of non-performing loans and bad accounts through legal actions.

(4) Risk of international trade frictions

Under the impact of intensified international trade frictions, global economy is under huge pressure of inclination, governments are launching monetary policies and other economic stimulation policies. While boosting the economy, such policies may cause bigger supply chain fluctuation, logistic efficiency reduction, and cost increase. The PV industry where the Company is in also faces short-term pressures due to changes in demand tempo. The Company has formulated a series of defensive measures and lean production plans to actively respond to the complicated global situation and expand the global market on the premise of ensuring employees' safety and health. By strengthening the global supply chain layout, improving supply chain management capabilities, the Company makes every effort to reduce trade frictions and other impacts, ensuring that the annual tasks are completed on time.

(5) Risk of exchange rate fluctuation

USD, AUD and EUR are the three major currencies used for the Company's overseas revenue settlement. The impact of exchange rate fluctuations is mainly reflected in the following two aspects: a. Because of the CNY exchange rate fluctuation, changes in operating income measured in local currency pose a direct impact on the gross margin of main products; b. From the moment sales revenue is confirmed and accounts receivable is generated to the moment of collecting foreign currency, the Company is subject to exchange gains/losses from the fluctuations in the CNY exchange rate, which also directly affects the Company's performance. On the foundation of normal operation and relying on specific businesses, the Company takes various means, including hedging, continuous monitoring, and timely settling foreign currency sales to reduce exchange-related loss and control operating risks.

(6) Risks in the supply chain of semiconductor components

Semiconductors used in the Company's power electronic devices mainly include power semiconductors and chips that are mostly sourced from overseas. With the rapid growth of new energy vehicles, renewable energy power generation, 5G use cases, and charging infrastructure, semiconductors are facing certain risks of short supply and price fluctuation. To this end, the Company has made plans in anticipation, established long-term strategic partnerships with suppliers, and locked orders in advance, so as to get hold of the industry supply dynamics and secure the supply chain to the maximum extent.

(7) Risks in construction management of PV power station investment and development

projects

PV power station projects feature large amount of investment and short lead time. These projects not only involve ground resources but also commercial roofs. For these projects, the investment decision-making is quite challenging, and a lot of uncertainties exist in project engineering and implementation, which may lead to project delays and jeopardize timely grid connection for power generation. While challenging the Company's project management, the projects also require a huge amount of working capital. In response to such risks, the Company makes cautious considerations when selecting new energy power generation projects to prioritize those with better grid connection conditions, clearly communicated subsidy policies, controllable installed cost and higher gross profit. Meanwhile, the Company further enhances engineering management and improves project management. After entering into sales contracts with customers, the Company reinforces project construction management in a timely manner, adequately communicates with customers on the progress, and adjusts the work schedule according to the result of communication, so that the impact of project delay on the Company's production and operation is eliminated or alleviated to the most extent. By providing project owners with safe, efficient and intelligent PV power stations that meet their needs, the Company's reputation in PV power station investment and development is improved.

The board meeting has deliberated and approved the following profit distribution proposal: Based on a base quantity of 1,478,705,935 shares, a cash dividend of CNY 2.20 per 10 shares (tax inclusive) will be distributed to all shareholders, no bonus share (tax inclusive) will be distributed, and no share distribution from capital reserve.

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Documents for Future Reference

1. Accounting statements signed and stamped by the Legal Representative, the Chief Accountant, and the head of the accounting department of the Company.
2. The original Audit Report signed and stamped by the certified public accountants and stamped by the accounting firm.
3. The originals of company documents and announcements publicly disclosed on www.cninfo.com.cn during the reporting period.
4. Other relevant documents.

Definitions

| Term | Definition |
|--------------------------|---|
| Sungrow, the Company | Sungrow Power Supply Co., Ltd. |
| Sungrow Renewables | Sungrow Renewables Development Co., Ltd., the Company's holding subsidiary |
| PV | Solar photovoltaic effect, refers to the light-caused potential difference inside uneven semiconductors or combinations of semiconductors and metals |
| Inverter, PV inverter | One of the critical devices in a solar PV power generation system, which converts DC power from solar cells into AC power that meets the grid power quality requirements |
| Centralized PV inverter | Connecting a number of parallel PV modules to the DC input of a centralized inverter for maximum power point tracking (MPPT), then connecting them into the grid after inversion. With a relatively high power, it is mainly used in large-scale centralized ground PV power stations with uniform lighting and other centralized PV power generation systems |
| String PV inverter | Performing separate MPPT on several groups (in general 1 to 4 groups) of PV modules, and connecting them into the AC grid after inversion. A string inverter may have multiple MPPT modules. With a relatively low small power, it is mainly used in distributed power generation systems, and sometimes also in centralized PV power generation systems |
| Energy storage converter | Power conversion devices between the energy storage batteries and the AC power grid, capable of charging and discharging the batteries. They are used in PV, power smoothing for wind power generation, peak load shifting, micro-grid and other scenarios |
| Wind power converter | Devices that convert the electric energy with unstable voltage frequency and amplitude generated by wind turbine generators under the actions of natural wind into electric energy with stable frequency and amplitude that meets the grid requirements, and connect it to the grid |
| Distributed power supply | Distributed power supply units, that is, small and modular standalone power supplies ranging from several kilowatts to 50 MW that are environment-compatible |
| Energy storage | Storage of electrical energy |
| UL | One of the globally renowned testing and certification bodies and |

| | | |
|---|--|--|
| | | standard development bodies |
| TüV | | A safety certification mark granted by the TüV Group to products, which is widely recognized around the world |
| CE | | A certification that must be obtained by products entering the European market |
| Enel-GUIDA | | A standard developed by the Italian State Power Board (Enel), which is widely recognized in Italy |
| AS4777 | | An Australian standard. PV modules and inverters must comply with this standard in order to be used in the design and installation of PV systems in Australia |
| CEC | | Abbreviation of the California Energy Commission. External power supplies exported to California must obtain this certification |
| CSA | | Canadian Standards Association, the largest non-profit organization for defining industrial standards in Canada |
| VDE | | One of the most experienced certification bodies in Europe with a high reputation in the world that is directly involved in developing the German national standards |
| IPD | | Integrated product development management process |
| Watt (W), Kilowatt (kW), Megawatt (MW), Gigawatt (GW) | | The unit of measure for power of electricity, in specific, 1 GW = 1,000 MW = 1,000,000 kW = 1,000,000,000 W |
| CNY, 10K CNY, 100 million CNY | | Renminbi yuan, renminbi 10,000 yuan, renminbi 100 million yuan |
| Reporting period, current reporting period, this period | | January 1, 2022 to December 31, 2022 |

Section II Company Profile & Key Financial Indicators

I. Company Profile

| | | | |
|---|---|------------|--------|
| Stock abbreviation | Sungrow | Stock code | 300274 |
| Name of the Company in Chinese | 阳光电源股份有限公司 | | |
| Abbreviation of the Company in Chinese | 阳光电源 | | |
| Name of the Company in English (if any) | Sungrow Power Supply Co., Ltd. | | |
| Abbreviation of the Company in English (if any) | Sungrow | | |
| Legal representative | Cao Renxian | | |
| Registered address | No. 1699 Xiyou Road, High-tech Zone, Hefei, Anhui Province | | |
| Zip code of registered address | 230088 | | |
| Changes in the Company's registered address | The registered address has not changed since the Company went public in 2011 | | |
| Business address | No. 1699 Xiyou Road, High-tech Zone, Hefei, Anhui Province | | |
| Zip code of business address | 230088 | | |
| Company website | http://www.sungrowpower.com | | |
| E-mail | dshms@sungrow.cn , kangml@sungrowpower.com | | |

II. Contacts and Contact Information

| | Board Secretary | Securities Affairs Representative |
|---------|--|--|
| Name | Lu Yang | Kang Maolei |
| Address | No. 1699 Xiyou Road, High-tech Zone, Hefei, Anhui Province | No. 1699 Xiyou Road, High-tech Zone, Hefei, Anhui Province |
| Phone | 0551-65325617 | 0551-65325617 |
| Fax | 0551-65327800 | 0551-65327800 |
| E-mail | dshms@sungrow.cn | kangml@sungrowpower.com |

III. Information Disclosure and Place of the Report

| | |
|--|---|
| Website of the stock exchange specified for disclosing the Annual Report | http://www.cninfo.com.cn |
| Media and websites specified for disclosing the Annual Report | <i>China Securities Journal, Securities Times, Shanghai Securities News, Securities Daily</i> |
| Place where the Annual Report is available for | Office of the Board of Directors |

| | |
|------------|--|
| inspection | |
|------------|--|

IV. Other Relevant Information

Accounting firm engaged by the Company

| | |
|---|---|
| Name of the accounting firm | RSM China (Special General Partnership) |
| Business address of the accounting firm | 29/F, Block A, the Landmark, Shushan District, Hefei City, Anhui Province |
| Name of the undersigning accountants | Wan Yunlong, Jiang Wei, Pan Lili |

Sponsor institution engaged by the Company for continuous supervision during the reporting period

Applicable Not Applicable

| Name of sponsor institution | Business address of sponsor institution | Sponsor representative | Period of continuous supervision |
|---|--|------------------------|---------------------------------------|
| China International Capital Corporation Limited | Floors 27/28, China World Office 2, No. 1 Jianguomenwai Avenue, Beijing 100004, P.R. China | Liu Chengli, Li Jizhe | October 22, 2021 to December 31, 2023 |

Financial advisor engaged by the Company for continuous supervision during the reporting period

Applicable Not Applicable

V. Key Accounting Data and Financial Indicators

Whether the Company performed a retroactive adjustment or restatement of previous accounting data

Yes No

| | 2022 | 2021 | YOY Change | 2020 |
|---|--------------------|--------------------|------------|--------------------|
| Operating income (CNY) | 40,257,239,155.34 | 24,136,598,726.55 | 66.79% | 19,285,641,347.02 |
| Net profit attributable to shareholders of the Company (CNY) | 3,593,410,009.26 | 1,582,707,374.76 | 127.04% | 1,954,308,244.82 |
| Net profit attributable to shareholders of the Company after deducting non-recurring gains and losses (CNY) | 3,385,797,303.38 | 1,334,589,366.45 | 153.70% | 1,846,326,102.70 |
| Net cash flows from operating activities (CNY) | 1,210,498,485.89 | -1,638,632,122.77 | 173.87% | 3,088,658,224.59 |
| Basic earnings per share (CNY/share) | 2.42 | 1.08 | 124.07% | 1.34 |
| Diluted earnings per share (CNY/share) | 2.42 | 1.08 | 124.07% | 1.34 |
| Weighted average return on equity | 20.95% | 13.05% | 7.90% | 20.36% |
| | As at Dec. 31 2022 | As at Dec. 31 2021 | YOY Change | As at Dec. 31 2020 |
| Total assets (CNY) | 61,626,211,527.11 | 42,840,130,915.46 | 43.85% | 28,002,933,994.86 |
| Net assets attributable to shareholders of the Company (CNY) | 18,666,305,389.67 | 15,655,063,485.71 | 19.23% | 10,455,904,743.14 |

The lower of the Company's net profit including extraordinary and net profit excluding extraordinary is negative in the last three

fiscal years, and the audit report for the last year shows that uncertainties exist in the Company's business continuity

Yes No

The lower of net profit including extraordinary and net profit excluding extraordinary is negative

Yes No

VI. Key Financial Indicators by Quarter

(in CNY)

| | Quarter 1 | Quarter 2 | Quarter 3 | Quarter 4 |
|---|-------------------|------------------|-------------------|-------------------|
| Operating income | 4,567,689,691.24 | 7,713,545,221.55 | 9,942,702,573.53 | 18,033,301,669.02 |
| Net profit attributable to shareholders of the Company | 410,913,211.59 | 489,526,979.80 | 1,160,125,763.75 | 1,532,844,054.12 |
| Net profit attributable to shareholders of the Company after deducting non-recurring gains and losses | 370,528,596.97 | 424,873,966.83 | 1,106,827,682.00 | 1,483,567,057.58 |
| Net cash flows from operating activities | -1,682,576,215.24 | 423,495,040.13 | -1,637,591,350.25 | 4,107,171,011.25 |

Whether there are significant differences between above financial indicators or their sums and the relevant financial indicators in the quarterly and half-year reports disclosed by the Company

Yes No

VII. Differences in Accounting Data between Chinese and Overseas Accounting Standards

1. Differences in the net profits and net assets disclosed in the financial statements as per the international accounting standards and China accounting standards

Applicable Not Applicable

There is no difference in the net profits and net assets disclosed in the financial statements as per the international accounting standards and China accounting standards.

2. Differences in the net profits and net assets disclosed in the financial statements as per the local (overseas) accounting standards and China accounting standards

Applicable Not Applicable

There is no difference in the net profits and net assets disclosed in the financial statements as per the local (overseas) accounting standards and China accounting standards.

VIII. Non-recurring Items and Their Gains/Losses

Applicable Not Applicable

(in CNY)

| Item | Amount in 2022 | Amount in 2021 | Amount in 2020 | Remarks |
|---|----------------|----------------|----------------|---------|
| Gains or losses from disposal of non-current assets (including the write-off accrued for impairment of assets) | -3,361,515.27 | 198,734,481.06 | 255,099.07 | |
| Government grants accounted for, in the Gains or losses for the current period (except for those closely related to the Company's normal business operation, compliant with national policies and regulations, and granted to a certain standard or at a fixed amount) | 140,744,784.09 | 110,269,947.66 | 103,595,912.36 | |
| Gains entitled to the Company when the investment cost of acquiring subsidiaries, associates or joint ventures is No more than the fair value of identifiable net assets of invested unit at the time of investment | | 266,221.04 | | |
| Gains or losses from debt restructuring | | 8,019,908.32 | | |
| Gains or losses from changes in fair value arising from holding trading financial assets and trading financial liabilities, as well as investment gains from disposal of trading financial assets, trading financial liabilities, and salable financial assets, except for the effective hedging business associated with the Company's normal business operation | 114,038,405.73 | 12,598,837.40 | 15,060,054.04 | |
| Reversal of impairment provisions for accounts receivable which are separately tested for impairment | 5,784,209.13 | 2,883,005.14 | | |
| Other non-operational income and expenditure in addition to the items listed above | -6,748,079.29 | -198,891.28 | 11,538,157.44 | |
| Less: Income tax impact | 39,295,421.32 | 42,695,728.48 | 19,730,145.34 | |
| Minority shareholders' equity impact (after tax) | 3,549,677.19 | 41,759,772.55 | 2,736,935.45 | |
| Total | 207,612,705.88 | 248,118,008.31 | 107,982,142.12 | -- |

Details of other gains or losses that fit in the definition of extraordinary items:

Applicable Not Applicable

There are no other gains or losses in the Company that fit in the definition of extraordinary items.

Explanation on defining the extraordinary items listed in the Explanatory Announcement No. 1 on Information Disclosure for Companies Publicly Offering Securities - Extraordinary Items as recurring gains or losses

Applicable Not Applicable

| Item | Amount (CNY) | Reason |
|--|---------------|---|
| Equity gains from transfer of power station projects | -1,640,494.75 | Equity transfer of power station projects is one of the Company's day-to-day businesses |
| Gains from changes in fair value of power station projects in possession | 28,274,565.33 | Equity transfer of power station projects is one of the Company's day-to-day businesses |

Section III Management's Discussion and Analysis

I. Discussion and analysis of business situation

Despite the complex international situation, economic slowdown, challenging logistics, supply chain price chaos, power device shortage and many other negative factors in 2022, under the guidance of the global low-carbon goal, renewable energy gained a vigorous momentum worldwide. In the context of global energy crisis due to the Russia-Ukraine conflict, short supply of fossil fuel and high prices further highlighted the safety and economic benefits of developing renewable energy. Major economies around the world put significantly more focus on renewable energy, strengthened policy and financial support for renewable energy in order to get away from fossil energy dependence and accelerate green energy development. For example, the European Union launched the REPowerEU plan, in which the proportion of renewable energy was increased from 40% to 45% by 2030 and a plan was made to invest EUR 210 billion more over the next five years to accelerate the growth of green energy. The United States released the IRA and planned to allocate USD 369 billion to subsidize and support projects in the clean energy sector. India launched the PLI plan to promote efficient PV manufacturing in India, which was expected to attract a direct investment of nearly INR 940 billion (USD 11.59 billion). China released the *14th Five-Year Plan for Renewable Energy Development* and the *Implementation Plan for Promoting the Quality New Energy Development in the New Era*, and put forward a number of objects, including consuming renewable energy by more than 50% in the 14th Five-Year-Plan period, and achieving a total installed capacity of over 1.2 billion kilowatts for wind power and solar power generation by 2030. On a worldwide scale, the process of new energy transformation, with solar energy being the representative, accelerated significantly with a quick expansion in scale. According to China Photovoltaic Industry Association, global installed capacity of PV increased by 230 GW-AC (installed capacity increased by about 276 GW-DC on DC-side, according to the Company) in 2022, a year-on-year increase of 35.3%, reaching a historic high. The installed capacity mainly came from China, the European Union, the United States, and India.

In 2023, as new capacity for silicon materials and etc. is gradually released, the upstream supply-demand contradiction that the PV industry has been suffering for two years will be effectively alleviated. Prices of silicon chips, solar cells and modules started to fall at the end of last year, and a downward trend is expected throughout this year. The economy of PV power generation will be further improved, downstream demand for installed capacity will be further supported and released. Driven by the carbon neutrality goals, clean energy transformation efforts and economic resurrection in many countries, the PV industry looks to a highly prosperous growth. According to the predictions of China Photovoltaic Industry Association and International Energy Agency, the installed capacity of new photovoltaic units worldwide will reach 280 to 330 GW in 2023. In 2024, the cumulative installed capacity of photovoltaic units worldwide will exceed that of hydropower, making it the largest contributor of non-fossil energy power generation. In 2026, the cumulative installed capacity of photovoltaic units worldwide will exceed that of natural gas. In 2027, the cumulative installed capacity of photovoltaic units worldwide will exceed that of coal, becoming the world's largest source of power. From 2023 to 2050, an installed capacity of 13,000 GW is expected for photovoltaic units worldwide.

II. Business Scope in the Reporting Period

Sungrow Power Supply Co., Ltd. is a national key high-tech enterprise specializing in R&D, manufacturing, sales and service of solar energy, wind energy, energy storage, electric vehicles, and other new energy power supply equipment. With a wide range of products including PV inverters, wind energy converters, energy storage systems, electric drive system for new energy vehicles, floating PV systems, and smart energy operation and maintenance service, the Company is committed to providing world-class solutions for the full life cycle of clean energy.

1. PV inverters

Since the establishment in 1997, the Company has been concentrating on the R&D and manufacturing of PV system equipment, with PV inverters being the core product. Adhering to the mission of “Clean power for all”, the Company provides cutting-edge PV system solutions to users around the globe.

PV inverter is one of the main components in a PV power generation system, which connects PV arrays to the grid and plays a critical role in ensuring the long-term and reliable operation of PV power stations and improving the project investment return. Sungrow’s PV inverter family, consisting of residential inverters, string inverters, centralized inverters, and modular inverters, covers a power range from 3 kW to 8,800 kW, and is widely used in residential, industrial and commercial, large ground power station, and other application scenarios.

Residential PV inverters feature high power density, appealing exterior design, and simple installation and maintenance, which can automatically adapt to complicated grid environment, prolong power generation, and effectively improve power generation revenue. With built-in lightning protection and high-precision leakage current protection, as well as energy storage interfaces and various communication modes, they can meet various application requirements indoor and outdoor, and are widely used in residential PV power generation systems on residential roofs or in courtyards.

String PV inverters feature high power density and simple installation and maintenance, which can meet the requirements of different applications indoor and outdoor, hence are widely used in small and medium PV power generation systems in parking lots or on commercial roofs, as well as in large-scale ground power stations on complex terrains.

Centralized PV inverters feature high conversion efficiency, safety and reliability, are highly grid-friendly and cost effective. They can cope with various environments such as extremely low temperature and high altitude, and are widely used in large and medium-sized PV power generation systems in deserts, plateaus, and on commercial roofs.

Modular inverters mark a new category in the industry. At a unit power of 1.1 MW, modules can be connected in parallel to form a flexible subarray configuration of 1.1 MW to 8.8 MW. Integrating the advantages of centralized inverters and string inverters, each module features independent operation and an independent MPPT design, is built with higher tracking accuracy and plug-and-play convenience for operation and maintenance, capable of addressing the diverse needs and application scenarios of different markets around the world.

Sungrow Cloud: Capitalizing on the Internet of Things, artificial intelligence, big data, and blockchain technologies, Sungrow Cloud enables group customers to collectively operate and manage solar energy, energy storage, charging piles and other energies, and creates a smart energy brain. It comprehensively satisfies the management needs of customers at different levels throughout the entire energy lifecycle, and delivers four core values: stabilizing investment returns, guaranteeing asset safety, standardizing operation and management, and assisting the group’s decision-making.

Sungrow's PV inverters are exported to more than 150 countries around the world, and topped the BloombergNEF list of “The World’s Most Bankable Inverter Brand for four consecutive years. In IHS Markit’s list of 2021 global PV inverter shipment, Sungrow ranked the first. As of December 2022, Sungrow has cumulatively installed over 340 GW of inverter equipment in the global market.

2. Wind power converters

The Company's wind power converter products are transmission frequency conversion devices that integrate power electronics, modern transmission control theory and new energy application technologies. Covering a power range from 1.5 MW to 26 MW and a voltage range of 690V, 1140V, and 3300V, the portfolio consists of full-power wind power converters and double-fed wind power converters that are fully compatible with mainstream wind turbine models in China, which is suitable for various wind farm environments on-shore and off-shore. Dedicated in the power electronics industry for more than 20 years, Sungrow has recently developed high-power double-fed air-cooled main control integrated converters, 3 MW to 16 MW three-level converters and other new products to supply mainstream wind turbine manufactures in China. In the future, Sungrow will stick to the low-cost innovation and development strategy, accelerate the system cost reduction of wind turbines, and contribute added values to customers.

3. Energy storage system (ESS)

Sungrow's energy storage business relies on the world-leading technology integration of power electronics, electrochemistry, and

grid support to build professional energy storage systems. With a focus on the R&D, production, sales, and service of lithium battery ESS, the Company can provide energy storage converters, lithium batteries, energy management system and other core equipment for energy storage, deliver a range of ESS solutions for auxiliary new energy grid connection, power frequency and peak regulation, demand side response, micro-grid, and residential scenarios, and is acknowledged a world-class supplier of energy storage equipment and system solutions.

As one of companies that made the earliest attempts in the field of energy storage in China, Sungrow's ESS business footprints have now covered China, US, UK, Germany, Japan, and etc.

4. New energy investment and development

In recent years, Sungrow Renewables, as the Company's new energy project development and investment platform, has upheld to the development concept of "More Power Generation in a Friendlier Way" to comprehensively advance development efforts for centralized PV, industrial and commercial PV, residential PV, and wind power, innovatively explore a new model of green and ecological development featuring multiple-energy complementation and industrial synergy. Under the dual propulsion of technology and market, Sungrow has established a diversified and collaborative business landscape featuring a solid foundation in China and rapid development overseas. As of end 2022, the Company has developed and built PV and wind power stations with a cumulatively capacity of more than 31 million kilowatts, with Sungrow Renewables continuing to hold the first place in the list of global PV developers.

Centralized PV power stations: Covering various application scenarios, centralized PV power stations leverage advanced R&D capabilities and extensive project experiences to largely improve the ROI of PV power stations, creating greater value for customers. In the meanwhile, comprehensive development models such as PV desertification control, reclamation of saline and alkaline land, PV-agriculture complement, and floating systems are adopted to enable efficient and composite utilization of wind, solar, and land resources, providing integrated development examples for comprehensive environmental treatment and new energy industry application.

Industrial and commercial PV power stations: In response to the diversified and personalized energy needs, the Company capitalizes on its world-leading new energy technological strength as well as innovative and efficient industrial and commercial PV power station products to provide enterprises with comprehensive new energy lifecycle solutions covering consulting, development, investment, and delivery. Based on the core advantages of "technology + platform", the Company builds a multi-win landscape for the brand, channel operators, partners, industrial and commercial enterprises, shortens service radius, and improves responsiveness, hence to assist a variety of industries in accelerating zero carbon transformation.

Residential PV power stations: As the world's first residential PV brand certified by TÜV, Sungrow Residential PV relies on Intelligentization and digitization to innovate serialized solutions for complex scenarios including flat roofs, flat-to-slope roofs, slope roofs, and courtyards. The end-to-end intelligent residential PV systems featuring independent design and integrated development and the innovative iSolar Roof-C residential smart design software can improve power station design efficiency by 400% and increase power generation by 0.6%.

Wind power station: Wind farms can fit in different operating environments such as high/low temperatures, high altitude, low wind speed, coastal areas, and are intended for plain wind power, mountain wind power, decentralized wind power, wind-PV complementary systems and other healthy ecosystems and development patterns to meet the diverse needs of customers and maximize value.

Multi-energy integration: Relying on the PowMart smart energy solution featuring independent intellectual property, Sungrow incorporates advanced system integration technology into the wind-PV-storage integration, wind-PV-hydrogen production, PV-storage-charging integration and other new energy integration application scenarios, establishes innovative examples in multi-energy collaboration, intelligent scheduling, grid friendliness, safety and reliability, and provides support for building a new type of power system running on new energies.

5. New energy vehicle drive system

With the profound accumulation of clean power conversion technology and R&D advantages, Sungrow has extended inverter

application into the electric vehicle industry, providing new energy vehicles with quality drive systems.

As the Company's platform for exploring the new energy vehicle industry, Sungrow Electric Power has grown into a national key high-tech enterprise specializing in R&D, production, sales, and service of electronic control, power supply, and other products for new energy vehicles. Based on the Company's R&D platform with 26 years of history, the abundant manufacturing experience and stable global supply chain, Sungrow Electric Power brings together high-level automotive electronics professionals and is committed to providing quality electric control and power supply products for energy-saving and new energy vehicles. Sungrow Electric Power has been providing products and services for manufacturers of quality passenger vehicles, commercial vehicles, and construction machineries since 2010. Having adopted a platform based design, the serialized products boast high efficiency, high reliability, and flexible adaptation. In the reporting period, Sungrow Electric Power's No. 500,000 electric control product left the production line. As of the end of 2022, the Company's products have been installed on more than 1 million vehicles.

Sungrow Electric Power has obtained the ISO9001, IATF16949, ISO14001, ISO45001 and other system certifications, as well as the ISO 26262 Automotive Safety Integrity Level ASIL-D certification, and instituted a product development and management system to the highest level of functional safety. With multiple electric control and power supply automation production lines built, the Company is capable of producing 1.5 million units per annum. With professional technological competence, trustworthy product quality, and stable delivery capability, the Company has won a number of honors, such as the Red Dot: Best of the Best, the First Prize in Science and Technology of the China Electrotechnical Society, the First Prize of Science and Technology Award of China Power Supply Society, the 2022 Top 100 EV Core Components Manufacturers in China, and Top 100 Excellent Automotive Parts Suppliers in China. In December 2022, the company was recognized as an SRDI (Specialized, Refined, Differential and Innovative) enterprise by the Anhui Provincial Department of Economy and Information Technology.

6. Floating PV system

Relying on the Company's technology R&D and production experience in the PV industry of more than 20 years, Sungrow Floating Modules (Sungrow FM) has set up an R&D team for floating PV systems consisting of industry experts and doctors. The team has mastered key technologies of floating power stations, including system design, materials, product structure and arrays, anchoring system, made more than 150 patent applications in the fields of floating bodies, anchoring system, inverter booster floating platforms, system operation and maintenance, led and participated in the formulation of multiple standards related to floating systems.

Upholding the mission of "Clean power for all" and based on the vision of "To be a global leader in floating PV systems", Sungrow FM is dedicated to creating eco-friendly, reliable, and efficient floating PV systems, and is committed to providing one-stop floating PV system solutions suitable for different water bodies. In the reporting period, Sungrow FM completed design and delivery of the first 200 MW floating PV system in a 100-meter-deep area, and cumulatively installed more than 2.2 GW of floating PV systems by the end of 2022, making it the world's first GW level floating PV system supplier and leading the global market share for five consecutive years.

7. Charging equipment

Rooted in Sungrow's 20+ years of design and application experiences in outdoor high-power-rating power supply products as well as the profound power electronics technology background, Sungrow Lechong builds EV charging equipment based on the core principles of "Reliable, Efficient, and Intelligent", has introduced DC charging piles and AC charging piles series. The industry's first "integrated DC charging pile" has adopted an innovative integrated design that delivers high reliability, maintenance free, and long service life, leading technological transformation of the charging industry. The products were quickly applied in many benchmark projects after the launch, such as the Shanghai urban road charging project and the Shenzhen freeway service area project, receiving wide praise from operators and vehicle owners.

In the reporting period, the Sungrow 30 kW charging pile was launched in Europe with batch deliveries made, continually leading the charging technology transformation. In the meanwhile, Sungrow charging piles were connected to Sungrow's PV and energy storage systems to provide charging stations with an integrated PV-storage-charging solution, offering new energy to new energy vehicles and helping to deliver the dual carbon target earlier.

8. Smart operation and maintenance

Relying on the Company's 20+ years of power electronic conversion technology and power station integration practice, the operation and maintenance business adheres to the service concept of "Secure with technology, be reliable and trustworthy" to provide one-stop asset management services for new energy assets, and continues to ensure customers' stable return and asset safety with advanced technology.

In the reporting period, Sungrow Smart Operation enlisted the National Specialized Little Giant enterprise and achieved a 90% increase in business size. As of end 2022, Sungrow Smart Operation had contracted new energy power station operation and maintenance projects with a total capacity exceeding 19 GW, accumulated extensive experiences in PV power station, wind farm, and energy storage operation and maintenance, and was capable of customizing proven and effective operation and maintenance solutions for different types of power stations. The SolarEye smart energy operation and maintenance platform developed independently by the company offers a digitalized operation and maintenance system, a data analysis system, and an intelligent application system. The platform empowers production management by digital and information-based means, hence to achieve visualized and closed-loop control of the operation and maintenance process. Moreover, it leverages intelligent tools and methods to assist in operation and maintenance work, quickly identifying problems and defects in power stations, and improving the efficiency of power station operation and maintenance.

9. Hydrogen energy

As the very first new energy company that set foot in the hydrogen energy field in China, the Company is committed to providing efficient, intelligent and safe green power hydrogen production systems and solutions, and is capable of developing and delivering IGBT hydrogen production power supply, ALK and PEM water electrolysis equipment, gas-liquid separation and purification equipment, smart hydrogen energy management system, and other integrated system equipment. The Company has also developed hydrogen production system solutions in multiple modes including off-grid, grid-connected, and micro-grid. The Company is the first to build a nationally-leading comprehensive testing platform for electrolyzed water hydrogen production system, a demonstration platform for renewable energy variable-power hydrogen production and hydrogen storage power generation, a joint laboratory of PEM electrolysis for hydrogen production technology, and an electrolysis hydrogen production material laboratory.

In the reporting period, the company passed CQC and TÜV certifications for hydrogen production power supply; optimized structure and key component materials for the 1000 m³/h ALK electrolysis cell, with cell body energy consumption reaching an industry-leading level; developed (ongoing) four 1000 m³/h ALK electrolysis cells together with one gas-liquid separation and purification device to cope with renewable energy hydrogen production projects of larger scale; developed the 100 m³/h PEM electrolysis cell and achieved system delivery; upgraded the smart hydrogen energy management system that was equipped with software platforms and monitoring systems suitable for the hydrogen energy business scenarios; established and optimized the EHS management system and the quality certification system. The hydrogen production equipment plant with a GW level annual capacity was put into operation, capable of building high-power ALK and PEM electrolysis hydrogen production systems on a large scale. In July 2022, the company was awarded the Most Influential Enterprise in China's Hydrogen Energy Industry in 2021. In November 2022, the ALK electrolyzed hydrogen production system was included in the first white list of the Hydrogen Energy Forerunner Initiative, and was awarded China's first energy efficiency certificate for the 1000 m³/h ALK electrolyzed hydrogen production system by Bureau Veritas. In December 2022, the company enlisted top 30 of the first China Hydrogen Alliance SRDI Entrepreneurship Competition, and managed to achieve top 5 of the Competition and the first place in the hydrogen production industry. In the same month, the 1000 Nm³/h ALK wind-PV hydrogen production demonstration project in Baicheng of Jilin started operation, and Yangtze Power's 200 Nm³/h PEM hydroelectricity hydrogen production demonstration project reached full capacity.

The Company's green power hydrogen production system is applicable for various scenarios such as energy and power, petrochemicals, transportation, and metallurgy, which has been widely used in wind-PV-water renewable energy hydrogen production projects across Jilin, Ningxia, Inner Mongolia, Gansu, and Hubei provinces.

| Division | Product | Picture | Brief Introduction |
|---|--|---|---|
| PV inverters New energy investment and development Wind power converters Energy storage system | 1+X modular products |  | Based on the profound insight into market demands, the Company made significant innovation to traditional inverters and introduced the first-to-market 1+X modular inverters in the industry. At a unit power of 1.1 MW, multiple inverters can be connected in parallel to shape a flexible sub-array of 1.1 MW to 8.8 MW, making station configuration more flexible and operation and maintenance easier. By optimizing the modular design of equipment, systems, and components, operation and maintenance is streamlined, power generation efficiency is improved. |
| | 320HX string inverter (overseas model: 350) |  | To cope with the widespread application of high-power modules, Sungrow introduced the 320HX high-power string inverter for large-scale ground power stations. Through the combination of sub-arrays and power optimization, the product can optimize system BOS cost while enabling upgrades in safety, reliability, multi-dimensional integration, and stronger support for the power grid, which is a leading 300 KW+ high-power string technology. |
| | SG30-110CX-P2-CN string inverter (for industrial and commercial scenarios) |  | Based on precise market insights, Sungrow introduced the SG30—110CX-P2 string inverters. This product series further enriches the portfolio of small and medium-sized power inverters and achieves full coverage of distributed application scenarios. |
| | SG10-25RT-P2-CN residential inverter |  | To cope with the widespread application of high-power PV modules and the demand for larger residential PV systems, Sungrow made all-around upgrades to its RT series of products. The input current of a single string is increased to 16A, allowing the it to flexibly adapt to high-power PV modules and double-sided PV modules. At the same time, the power range of products are expanded to address diversified residential installation needs. |

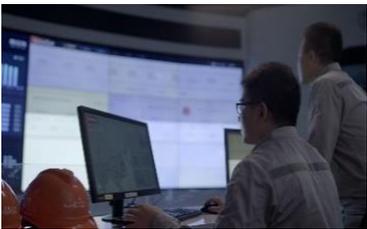
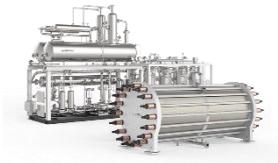
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| <p>New energy vehicle electric drive system Floating PV system Charging equipment Intelligent operation and maintenance Divisions PV inverters</p> | <p>Centralized PV power station</p> |  | <p>Centralized PV power station solution covers various application scenarios, and relies on market-leading technologies to optimize power station LCOE, hence significantly improving the ROI of PV power stations and creating greater value for customers. Following the national strategy of building large wind-PV power generation bases, Sungrow offers comprehensive utilization models such as desertification control, land reclamation, forestry-PV complement, salt-PV complement, and floating systems to set integrated development examples for comprehensive environmental treatment and new energy industry application.</p> |
| | <p>Wind power station solution</p> |  | <p>Wind power station solution covers plain wind power, mountain wind power, and decentralized wind power applications. Upholding the principle of "wind power development and ecological protection in parallel", Sungrow develops and builds ecological friendly wind power stations in various scenarios, and refines wind resource assessment according to local situation for value maximization.</p> |
| | <p>iClean cleaning solution for distributed PV system</p> |  | <p>iClean cleaning solution for distributed PV system leverages AI to ensure all-around powerful self-cleaning, which can significantly reduce dirt coverage loss and increase power generation by minimum 6%. As a distributed PV system that enables secondary power generation improvement, it can drastically reduce power station overhead and achieve long-term investment return.</p> |
| | <p>iBlock flat-roof distributed solution</p> |  | <p>iBlock flat-roof distributed solution is an innovative application developed for flat-roof distributed power stations. The module brackets are integrated with cement bases for support and stabilization. Standard modular design and installation improves placement rate of modules and increases installed capacity, hence significantly shortening the construction lead time.</p> |

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| | <p>iBuilding smart BIPV distributed solution</p> |  | <p>iBuilding smart BIPV distributed solution is an integrated system that combines modern roof building materials and PV power generation. Built with a national patented waterproof technology, it requires no consumable replacement in 30 years, enables a worry-free and comfortable production environment together with multiple benefits brought by clean power.</p> |
| | <p>iRoof residential power station solution</p> |  | <p>iRoof residential power station solution is an exclusive design and customized development of Sungrow Residential PV featuring “more power generation”. With intelligent inverters, efficient modules, intelligent grid-connection units, dedicated supports, and intelligent monitoring software integrated, the system features industry-leading stability and can work in perfect condition round-the-clock.</p> |
| | <p>iGarden colorful PV winter garden solution</p> |  | <p>iGarden colorful PV winter garden solution is an exclusive design and integrated development of Sungrow Residential PV for high-end residential PV power generation system. Featuring an exclusive patent on water resistance, it requires no glue application and is water tight. The colors can be customized, the inclination angle can be adjusted, and the dimensions can be expanded. The product can be customized according to users’ personalized needs, allowing solar energy to truly blend into the living environment.</p> |
| <p>New energy investment and development Wind power converters</p> | <p>Double-fed 4.x MW - 10 MW wind power converter</p> |  | <p>The product features an integrated heat dissipation design that improves heat dissipation efficiency and product stability, a high power density design and integrated components for a compact structure, an integrated design of main control and converters for larger load-carrying capacity, and strong environmental adaptability for customization in various application scenarios.</p> |

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| | <p>Full power 5.x MW - 26 MW wind power converter</p> |  | <p>This product features the highest unit power of wind power converters in China, and a redundant design to ensure unit power generation revenue. It can proactively adapt to complex grid environments to ensure grid friendliness; it is built with enhanced anti-corrosion and anti-condensation design to effectively cope with the marine environment; cabin-mounted applications and a special anti-vibration structure help to meet the strict vibration requirements.</p> |
| <p>Energy storage system New energy vehicle electric drive system Floating PV system</p> | <p>PowerTitan large-scale ground energy storage system</p> |  | <p>Adhering to the "3-in-1 integration" concept and innovative combination of power electronics, electrochemistry, and grid support technologies, Sungrow introduced the professionally integrated PowerTitan series energy storage systems. Liquid-cooling temperature control and intelligent cluster-level management help to deliver the goals of longer service life, higher efficiency, and less loss, reducing LCOS by more than 20%. Combined innovations in electrical safety, cell safety, and grid safety improve the overall safety of the energy storage system.</p> |
| | <p>PowerStack industrial and commercial energy storage system</p> |  | <p>In response to the increased civil power consumption and large power load fluctuations in peak hours, Sungrow introduced the PowerStack industrial and commercial energy storage system for industrial and commercial scenarios. Based on intelligent EMS energy management, the product supports multiple application modes in on-grid or off-grid scenarios, coordinates energy scheduling among grids, PV systems, charging piles, and loads, and increases scheduling gain by 10%. Thanks to the liquid-cooling technology and intelligent safety protection, it can improve the reliability of energy storage systems in multiple dimensions.</p> |

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| | Residential battery SBR096-256 |  | The overseas residential energy storage market is experiencing an explosive growth. Capitalizing on the channel advantages, Sungrow accelerates the residential PV-storage business and has introduced the new generation of SBR series residential battery solutions. The product features convenient installation, flexible configuration, safety and reliability, and outstanding performance. |
| Charging equipment Intelligent operation and maintenance Divisions PV inverters New energy investment and development Wind power converters | HEM3 series hybrid dual electric control for passenger vehicles |  | The product is suitable for Class A and Class B hybrid passenger vehicles, and can work with various drive motors with a rated power of 45 to 80 kW. Built with the brand-new discrete device parallel connection technology, it features high reliability and power scalability. |
| | EC60 series SiC motor controller |  | The product is suitable for Class B and Class C high-end new energy passenger vehicles, and can work with various drive motors with a rated power of 100 to 140 kW. Built with the full silicon carbide discrete device parallel connection technology, it features ultra-high efficiency and meets functional safety standards. |
| | EE30 series 4-in-1 controller |  | With main motor controller, DCDC, OBC, and PDU integrated, the product is suitable for N1 vehicles such as minivans. It features high integration, high reliability, and flexible adaptation. |
| | EP10 series in-vehicle power supply |  | With OBC, DCDC, and PDU functions integrated, the product is suitable for Class A00 and Class A0 new energy passenger vehicles. It features high reliability, high power density, and platform design. |
| | EC53 series motor controller |  | The product is suitable for new energy buses, heavy-duty trucks, and construction machineries. Built with single and dual-motor control functions to flexibly cope with various scenarios, it supports power expansion and is reliable and compliant with functional safety standards. |

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| | EC32 series dual-motor controller |  | <p>The product is suitable for pure electric and hybrid passenger vehicles, and can work with various drive motors with a rated power of 45 to 60 kW. Built with the new generation of parallel power modules, it can adapt to various power ratings and support single and dual-motor control, delivering high efficiency and reliability.</p> |
| | EC11 series motor controller |  | <p>The product is suitable for Class A00 pure electric passenger vehicles, and can work with various drive motors with a rated power of 10 to 15 kW. It features platform design, high reliability, and high power density.</p> |
| Energy storage system | Floating bodies |  | <p>The product underlies PV modules and electrical equipment on water surface, hence to form a floating PV power station. 1. It can reduce water evaporation and minimize waste of water resources; 2. It inhibits the growth of blue-green algae and improves water environment; 3. It effectively cools down the floating modules and can increase power generation; 4. It can be used in various water environments such as coal mining subsidence areas, reservoirs, and offshore areas.</p> |
| New energy vehicle electric drive system Floating PV system | Chinese standard 120 kW integrated DC charging pile |  | <p>The industry-leading 120 kW integrated DC charging pile features highly integrated power conversion, system control, and thermal management systems. The dual-chamber isolated design of power electronics and heat dissipation parts enables IP65 protection rating and a service life of more than 10 years, which effectively reduces the total cost across the entire life cycle and ensures ROI for charging station operators.</p> |
| | European standard 30 kW integrated DC charging pile |  | <p>This European standard charging pile is compatible with all vehicles with a European CCS2 interface, and is mainly used in destination charging scenarios. Being a reliable, efficient, and friendly product, it delivers industry-leading technological advantages, including IP65 protection rating, efficiency up to 96.5%, noise below 50 dB, and residential level EMC Class B performance. The product has a minimum service life of 10 years, is reliable and maintenance</p> |

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| | | | free, and brings continuous benefits to customers. |
| Charging equipment | Smart operation and maintenance service |  | Relying on the Company's 20+ years of power electronic conversion technology and power station integration practice, Sungrow Smart Maintenance adheres to the service concept of "Secure with technology, be reliable and trustworthy" to provide standard all-around services for new energy assets, and continues to ensure customers' stable return and asset safety with advanced technology. |
| Intelligent operation and maintenance | IGBT rectifier power supply |  | The product leverages the IGBT full-control power devices and PWM control technology to rectify and convert AC into DC required for the electrolytic cell, which is suitable for large-scale renewable energy AC-coupling hydrogen production scenarios. |
| | IGBT DC conversion power supply |  | The product leverages the IGBT full-control power devices and PWM control technology to convert unstable wind or solar power supply into DC required for the electrolytic cell, which is suitable for direct hydrogen production scenarios using off-grid wind and/or solar power. |
| | Alkaline electrolyzed water hydrogen production equipment |  | The product uses direct current to electrolyze alkaline solution into hydrogen and oxygen, and obtains high-purity finished hydrogen after gas-liquid separation and purification. It consists of an alkaline electrolysis cell, gas-liquid separation and purification equipment, and utilities equipment. |
| | PEM electrolyzed water hydrogen production facility |  | The product uses direct current to electrolyze pure water into hydrogen and oxygen, and obtains high-purity finished hydrogen after gas-liquid separation and purification. It consists of a PEM electrolysis cell, gas-liquid separation and purification equipment, and utilities equipment. |

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| | <p>Intelligent hydrogen energy management system</p> |  | <p>The product is the "brain" of green power hydrogen production systems, which enables coordinated control between multiple hydrogen production systems as well as between hydrogen production systems and multiple energy sources. It is built with four major functions: operation monitoring, analysis and diagnosis, coordinated control, and operation management, which can ensure system efficiency, intelligence, and safety.</p> |
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The Company needs to comply with the requirements on the disclosure of PV industry chain related business specified in the *Shenzhen Stock Exchange's No. 4 Regulatory Guidelines for Listed Companies — Information Disclosure of GEM-Listed Companies*.

1. PV inverters' conversion efficiency

The indicator "conversion efficiency" refers to the ratio of inverters converting the input DC power to AC power, which is inverter's output power / inverter's DC input power × 100%.

By utilizing new semiconductor materials and high-efficiency magnetic devices, optimizing circuit design, improving MPPT algorithm, and optimizing the heat dissipation system, the Company continuously drives inverters' efficiency to go up. The maximum efficiency of Sungrow's full range of inverters has reached 99% at the moment.

2. Cost of energy per kilowatt-hour of the Company's PV system

The indicator "cost of energy per kilowatt-hour" refers to the ratio of the PV system's total investment cost versus the power generated throughout the entire life cycle of the system. The total investment cost includes the initial investment and the operation and maintenance investment throughout the life cycle. The cost of energy per kilowatt-hour directly reflects the power generation cost of the PV system, that is, the lower the cost of energy per kilowatt-hour, the higher revenue the PV system generates.

Through constant technological innovation and system optimization, the Company reduces investment cost and increases system power generation, thereby reducing the cost of energy per kilowatt-hour and improving customers' return on investment. By increasing the unit power of inverters, less inverters are required for power stations to reach the same capacity, and the cable cost is also reduced. By forming inverters into power units of larger capacity, a maximum sub-array of 12.5 MW can be supported, which further saves the cost of transformers and reduces the initial investment. Highly integrated inverters and solutions will be widely used. For example, the box-type medium-voltage inverter not only has the inverter, transformer, power distribution, communication, and smoke detection functions integrated, but also is built with a PID control box and communication power supply interfaces for the tracking system. By improving the level of integration, the system cost across its life cycle, including cable cost, construction cost, project management cost, post-operation and maintenance cost, can be reduced; systems are strongly coupled, which improves reliability and increases power generation of the power station. The modular design from "device level" to "system level" reduces system operation and maintenance costs, and higher equipment uptime rate increases the power generation of PV power stations. Intelligent medium-voltage shutdown solutions feature intelligent algorithm control between inverters, collector circuit breakers, and step-up transformers, achieving zero loss standby for step-up transformers and further improving ROI for customers.

3. PV system's grid friendliness

As PV systems are being utilized at large scale, the penetration rate of PV increases year by year. Inverters are directly connected to the grid as a link for energy transfer, and the requirements for inverters' grid friendliness are getting increasingly higher.

Sungrow inverters are built with low-voltage ride-through, zero-voltage ride-through, and high-voltage ride-through capabilities, which can cope with the voltage changes of power grid in the case of power grid problems, hence to ensure that PV systems will not be disconnected from the grid on a large scale and result in the escalation of incident. Moreover, inverters are built-in with fast power

control modules to enable quick scheduling in less than 20 ms for reactive power response and support stronger reactive power. They also support the VSG (virtual synchronous power generation) technology to realize proactive support for the power grid. Inverters have the DC energy storage interface integrated, hence to eliminate transformation afterwards. In addition, they support reverse charging and take advantages of the energy storage equipment. The power generation side is a multi-energy complementary platform that allows PV power station peak regulation, smooth PV power station output, and grid stability; the power consumption side is an intelligent PV-storage micro-grid platform, which enables peak-trough balance through energy storage, improves PV consumption, and achieves precise energy supply. As new energy application increases year by year, the SCR (short-circuit ratio) of power grid decreases, which can easily cause frequent disconnection of inverters. Sungrow has developed the adaptive control algorithm to precisely perceive the strength of power grid. The algorithm has passed the SCR=1.02 weak current grid certification, which positively promotes an ear of "grid friendliness" and achieves the dual carbon target.

4. PV system safety

As the installed capacity of PV systems increase year by year, safety hazards in PV power stations become an increasingly large concern. The Company takes the safety of power stations a priority at work and further improves the safety of system design.

Sungrow's inverter systems are capable of detecting DC series and parallel arc pulling in real time. They have passed relevant protection certifications, can quickly identify arc pulling based on the intelligent arc pulling detection algorithm, and cut off in milliseconds to block the damage of arc pulling. Inverters are built with AC/DC insulation monitoring systems to cope with various application environments, quickly locate insulation faults, enable self-protection in case of cable faults, avoid electric shock and fire risks, and safeguard the power station round-the-clock. Thanks to the intelligent protection and control algorithms, integrated isolation switches, and big data-based operations, inverters can precisely identify reverse connections, short circuits, and other faults, cut off in down to 10 ms, hence effectively avoiding fault escalation.

5. Unit production cost of the Company's PV inverters

Due to wide range of the Company's PV inverters and different power ratings, the unit production cost varies from CNY 0.07 to CNY 0.15 per watt at the moment.

III. Analysis of Core Competitiveness

In the nearly two decades of rapid development, the Company has been committed to the independent innovation of power electronics and electric energy conversion technology in the new energy field, with a number of technologies reaching the world-leading level. In recent years, the Company successively deployed a range of new businesses, such as key components of new energy vehicles, micro-grid energy storage, smart energy and new energy hydrogen production, and gained considerable growth.

1. Brand Advantages

As the first enterprise engaged in the R&D and production of inverter products in China, the Company has been committed to developing and producing PV inverters and other PV system equipment since its establishment in 1997, and secured a solid leading position. In 2015, the Company for the first time outperformed a European company that had been the world leader in terms of shipment for many years, and shipped the most PV inverters in the world. With a leading market share, the Company's products were sold to more than 150 countries including Germany, Italy, Australia, the United States, Japan, and India. By the end of 2022, the Company has cumulatively installed more than 340 GW of inverter equipment worldwide. The Company's brand and reputation are highly acknowledged in the industry and continually improving. The Company has successively received the honors of China Industry Awards, Demonstration Enterprise of National Individual Champion in Manufacturing, Forbes Top 50 Most Innovative Chinese Companies, National Intellectual Property Demonstration Enterprise, Global Top 500 New Energy Enterprises, Best Companies to Work For in Asia, and etc. Boasting a state-level post-doctoral research workstation, a national high-tech industrialization demonstration base, a national recognized enterprise technology center, a national industrial design center, and a national green plant, the Company holds a leading position in the global new energy power generation industry in terms of comprehensive strength. In the 2022 list of China's 500 Most Valuable Brands released by the World Brand Lab, the Company

ranked No. 153 with a brand value of CNY 61.586 billion, a year-on-year increase of over 40%. In 2022, the Company was the only inverter brand rated 100% bankable by BloombergNEF, securing the top position for four consecutive years.

2. R&D Innovation Capability

Since its establishment in 1997, the Company has been focusing on the new energy power generation sector to advance the research and development of core technologies while maintaining market oriented and innovation based. To transform technological advantages into product advantages, benefits advantages, and competitive advantages, the Company has fostered a professional R&D team with solid R&D experiences and strong innovation capabilities. The Company has set up six R&D centers in Hefei, Shanghai, Nanjing, Shenzhen, Germany, and the Netherlands, providing leading technological support for building globally competitive new energy equipment. In order to explore cutting-edge technologies, the Company has set up the Central Research Institute that is responsible for making high-value intellectual property plans in advance and addressing critical technical challenges, hence to provide efficient platform services and innovation management for the Company's product and technology development, and foster R&D and management professionals to build core technological competitiveness. In the meantime, each division has set up an independent R&D task-force for close interaction with the market and customers. In 2022, the Company invested CNY 1.692 billion in research and development, an increase of 45.70% year-on-year. As of the end of the reporting period, the Company boasted an R&D headcount of 3,647, accounting for nearly 40% of total employees, including 51 doctorate holders and 1,336 master's degree holders. The Company has successively undertaken more than 20 national key science and technology programs, and led the drafting of multiple national standards, making it one of the few enterprises in the industry that boast multiple independent core technologies. The Company also attaches great importance to the accumulation of intellectual properties in technological innovation achievements and closely follows the evolution of various new technical standards. In 2022, 1,756 new patent applications were filed, accounting for a patent application growth rate of 57%, which added up to 5,410 patent applications cumulatively, including 4,691 in China and 719 overseas. A total of 2,877 patents were awarded cumulatively, accounting for a growth rate of 47.4%, including 1,073 inventions, 1,591 utility models, and 213 exterior designs. Relying on the industry-leading technological reserve, the Company actively promoted the formulation and optimization of relevant standards in the industry, organized and contributed to a number of Chinese national standards.

The Company has introduced the IPD (Integrated Product Development) process to guide the technological reserve and product development efforts according to customer demand analysis, technology development analysis, and competitive strategy analysis. From concept, planning, development, verification, trial production to mass production, staged quality indicators are set for each step of new product development to ensure the quality of products. The Company has invested in a world-leading electromagnetic compatibility laboratory that is equipped with high-performance large-capacity low-voltage ride-through facilities as well as a variety of power supplies and power grid simulators, which is capable of providing the most demanding test condition. The Company continues to establish and optimize the ISO9001:2015, ISO14001, OHSAS18001 management systems, and strictly promote the integrated quality, environment, occupational health and safety management system. The Company's products have passed a number of authoritative international certifications including UL, TÜV, CE, Enel-GUIDA, AS4777, CEC, CSA, and VDE.

3. Global Marketing, Channels and Service Network

Since its establishment, the Company has identified a global development strategy, and established now an oversea production capacity of 25 GW in the India production base and the Thailand plant. As of today, the Company has set up 20+ oversea subsidiaries, 6 global service regions, 85+ global service centers, 280+ authorized service providers, and hundreds of important channel partners, with products being sold to more than 150 countries around the world. In the future, the Company will continue to explore the global market, orderly promote the global deployment of inverters, energy storage, charging, power stations, and floating system businesses, prioritize the improvement of global marketing, service, financing, and other key capabilities, thereby reinforcing the global support capability system and strengthen the global influence.

IV. Core Business Analysis

1. Overview

A. Overview of core business analysis

As the global new energy market grew rapidly in 2012, the Company seized the opportunity and overcame the impacts of challenging logistics and supply shortage to enhance R&D innovation and deeply explore the global market. As a result, the Company further consolidated its leading position in core business and expanded the brand influence. At the same time, benefited from the scale effect, channel expansion, and improvements in operational capabilities, the Company's profitability improved further.

In the reporting period, the Company achieved a total revenue of CNY 40.257 billion, an increase of 66.79% year-on-year; an operating cost of CNY 30.376 billion, a year-on-year increase of 61.87%. The increase in both revenue and operating cost mainly came from the Company's continuous expansion in the market and the subsequent expansion of sales scale. The Company achieved a gross profit rate of 24.55%, a year-on-year increase of 2.29%, which mainly came from expansion of the energy storage business, especially the increase in the proportion of residential storage and the decrease in shipping costs. The Company realized a net profit attributable to shareholders of CNY 3.593 billion, an increase of 127.04% year-on-year; selling expenses amounted to CNY 3.169 billion, a year-on-year increase of 100.26%, which mainly came from expansion of business scale, increase in sales personnel costs, and increased investment to expand the global channel and service network. The Company realized R&D expenses amounting to CNY 1.692 billion, a year-on-year increase of 45.70%, which was mainly due to the large increase in the salaries of R&D staff and the use of raw materials for the expanded R&D investment in the current period. The Company realized financial expenses of CNY -477 million, a year-on-year decrease of 268.48%, mainly due to the relatively large exchange earnings from foreign exchange rate fluctuations in the current period. The net cash flow from operating activities was CNY 1.210 billion, a year-on-year increase of 173.87%, which was mainly contributed by the increase in cash collection from commodities sold and labor services provided in the current period.

B. Overview of core business in the reporting period

In the reporting period, the Company made the following attempts related to the main business:

(1) Business development

PV inverters

In the reporting period, the Company released the 2023-2027 technology roadmap, based on which the Company intended to advance technological R&D and product innovation related to the solar power and energy storage. In addition, the Company continued to strengthen R&D innovation, vigorously pushed forward the global brand strategy, and deeply explore key segmented markets, in order to capitalize on the global marketing, service, and supply chain advantages. With increasing global competitiveness and influence, the Company successfully guaranteed green power supply for the World Cup 2022, 2022 Winter Olympics, COP27 and other global events. In 2022, the Company shipped 77 GW of PV inverters in total, including 900,000 units shipped through channels. As of December 2022, the Company has cumulatively installed over 340 GW of inverter equipment in the global market.

In the reporting period, the Company expanded its presence in the European, American, Australian, and Chinese channel markets, and set up 370+ service outlets worldwide, including 85+ global service centers and 280+ authorized certification service providers. Being customer-oriented, the Company has established solid cooperation with global customers, entered into several contracts for GW-level inverters. The Company's performance in distributed market continued to go up, with the market share in dominating markets stably ranking the first.

In the reporting period, the SG320HX leading the 300kW+ string technology and the groundbreaking 1+X modular inverter were widely applied in various scenarios worldwide. The Company assisted in the grid connection operation of an 800 MW PV power station in Qatar, contracted a 256 MW (the largest in Africa) standalone new energy power generation project with the SOLA Group in South Africa, as well as a 650 MW PV project in Brazil, a 480 MW PV project in Chile, and a 320MW project in Denmark.

In the meanwhile, Modular Technology and Equipment for New Medium-Voltage PV Power Generation Units, one of the National

Key Research and Development Plan programs, passed acceptance, giving birth to the world's first direct-mounted 35 kV medium-voltage PV inverter.

For the distributed market, the Company launched new industrial and commercial products globally, with 125 kW high-power products leading the industry. Sungrow's upgraded CX series industrial and commercial PV inverters fitted in various industrial and commercial scenarios, featuring the advantages of flexible compatibility with large modules, global MPPT solutions, and removable enclosure design. This series further enriched the portfolio of small and medium-sized power inverters and redefined the future of distributed inverters.

In response to the growing global demand for residential storage, Sungrow released the new generation of residential integrated PV-storage-charging solution, and launched the PV-Storage-Charging Green Power Solution for residences. Leading the global residence energy independency transition, the solutions were widely acknowledged by the market because of its high power generation efficiency and convenient operation and maintenance. They were also largely welcomed and praised by customers in many projects.

Wind power converters

In the reporting period, significant breakthroughs were made in offshore wind power converters, wind power aftermarket, and powertrain businesses. In 2022, 23 GW of wind power converters were shipped, marking a year-on-year increase of 53%. The Company continued to increase strategic investment in the wind energy business during the reporting period, insisted on R&D innovation, maintained a leading edge in wind power converter technologies, and continually expanded in wind power conversion and electric powertrain technologies, hence to increase Sungrow's brand influence in the wind power industry, promote quality development of the wind power industry, and contribute to the earlier arrival of a zero carbon society under the dual-carbon goal.

Energy storage

In the reporting period, Sungrow introduced PowerTitan and PowerStack, the industry's first "3-in-1 professionally integrated" liquid-cooling energy storage solutions. three electricity integration professional integration" full series of liquid cooling energy storage solutions, PowerTitan and PowerStack, for large-scale ground and industrial power plant application scenarios. While maintaining the temperature uniformity and lower power consumption of liquid cooling, the solutions creatively incorporated "cluster-level managers" to address the "barrel effect" of batteries, and supported mixed use of new and old batteries to further reduce LCOS. In 2022, Sungrow shipped 7.7 GWh of energy storage systems worldwide.

At present, the Company's energy storage systems are widely used in mature electricity markets such as US, UK, and Germany to enhance the deep integration of wind power, solar power, and energy storage. No safety incident was reported in any of the energy storage projects the Company was involved in, extensive application experiences were gained in frequency regulation and peak shaving, auxiliary renewable energy grid connection, micro-grid, industrial and commercial energy storage, residential energy storage and other fields. In the reporting period, the Company provided one-stop solutions for various projects around the world, including the 638 MWh energy storage project (the largest) in Latin America, the Phase I 176 MWh PV-storage integration project of Ginan Solar in Australia, the 136.24 MWh PV-storage integrated power station (the largest) in Southeast Asia, the 430 MWh energy storage project (the largest) in Israel, and the 100 MW/200 MWh grid-side standalone energy storage project in Taiyang of Taierzhuang, Shandong.

According to the Energy Storage Industry White Paper 2023 released by China Energy Storage Alliance in April 2023, Sungrow's shipment of energy storage systems ranked No. 1 among Chinese manufacturers for 7 consecutive years. the shipment volume of solar power storage systems ranked first among Chinese enterprises for seven consecutive years. With proven strengthen in clean power conversion technology, Sungrow will continuously capitalize on the advantages of collaborative wind power, solar power and energy storage innovation, ensure the safe, stable, and efficient operation of new energy, energy storage, and power grid, advance top-level industry designs, and assist in building new power systems running on new energy.

New energy investment and development

In the reporting period, Sungrow Renewables focused on the vision of "To be the global leader of new energy power generation technology", practiced the value proposition of "More Power Generation in a Friendlier Way", and continued to implement the

business policy of “being pragmatic and refined in operation”. The Company continued to enhance research and development of new energy system technology, innovative and optimize power station products, accelerate channel business layout, and upgrade service capability. As of the end of the reporting period, Sungrow's new energy business extended into 30 provinces, autonomous regions and municipalities in China, as well as countries along the Belt and Road, with cumulative volume of global development and construction of PV/wind power stations exceeding 31 million kilowatts.

Leveraging system technology innovation to secure the differentiated competitiveness, Sungrow Renewables continually increases technological innovation and industrial application of new energy systems. In the reporting period, the Company increased R&D investment targeting at three core technology systems (high-efficiency power generation, system integration, and power station life cycle optimization); upgraded the PowMart smart energy solution portfolio to cover more application scenarios and cope with diversified industries. The latest iSolarRoof-B intelligent industrial and commercial PV system design software, iSolarBP initial evaluation software for industrial and commercial PV systems, and iSolarRoof-C intelligent residential PV system design software assisted industrial, commercial, and residential PV power stations in efficient evaluation and decision-making, streamlined designing, intelligent optimization, cost reduction and efficiency improvement, and efficient power generation, which comprehensively improved the development quality of the distributed PV industry.

In the reporting period, Sungrow Renewables joined forces with the National Energy Key Laboratory for Wind and Solar Simulation, Testing and Certification and the China General Certification Center to roll out the Good PV Power Station certification project. As a result, the *BIPV (Building Integrated PV) Technology White Paper*, the *Floating PV System Power Generation Technology White Paper*, and a number of Good PV Power Station evaluation standards for BIPV, floating systems, and PV integration with agriculture, forestry, husbandry, fishery, soil/environment reclamation were released. The relevant white papers and technical achievements bridged the gap of no evaluation standards available for quality PV power stations, and played a significant role in guiding the quality development of the PV industry. Along the course, the Company chaired the Webinar on Tonga Volcano Eruption and PV Power Generation, and the Webinar on Energy Storage System Development under the Dual Carbon Target, providing consistent technical support for developing PV, energy storage and other new energy businesses.

Focusing on the new energy development track and guided by the value proposition of “More Power Generation in a Friendlier Way”, Sungrow Renewables openly embraced major national energy strategies such as the large-scale wind power and PV base, and the county-wide PV/wind power development across the county, continuously built project reserve and converted resource conversion. In the domestic market, the Company built the first grid-side energy storage application demonstration project in Anhui Province, the largest PV-storage integration project in China, the annual energy storage demonstration project in Shandong, and a number of industry benchmarks. In the overseas market, the Company accelerated market exploration, maintained a steady momentum, won the bid of Australia's top credit rating PPA project and officially connected Kazakhstan's 150 MW wind power project to the grid.

In the field of industrial and commercial PV systems, the Company insisted on parallel development of “direct selling + channel distribution”, and fully leveraged the advantages of “technology + platform” dual drive, to incubate unique technologies in the field of industrial and commercial PV systems, as well as effective power generation products and intelligent software that assist channel partners in rapid development. Sungrow Renewables has also innovated a series of technology service platform, partner platform, financing platform, supply chain platform, information management platform, and etc., to provide channel partners with all-around platform services throughout the entire lifecycle. In the reporting period, Sungrow Renewables cumulatively developed more than 4 GW of industrial and commercial PV power stations, and cooperated with nearly one thousand industrial and commercial enterprises. In response to the increasingly popular residential PV market, Sungrow continued to enhance the comprehensive advantages in brand, product, service, and other aspects, deepen the channel model, and achieve coordinated development of multiple business models including full payment, financing, cooperative operation, and operational leasing in the market. The Company continued to shape a community of interests for manufacturers; made market assistance efforts in technological guidance, financial support, training and empowerment, market promotion; kicked off the 2022 All Quality Matters Tour and other brand service initiatives in China to enhance customer experience. To consolidate the product and technological advantages, the Company optimized and upgraded the iRoof residential power station, the iGarden colorful PV winter garden and other products to ensure efficient power generation. In the

reporting period, the market share of Sungrow residential PV systems steadily increased, the installed capacity doubled, enabling the Company to hold a solid position in the leading group among residential PV manufacturers, and earning the 2022 Influential Brands of Residential PV Systems in China as well as other honors.

While the business developed rapidly, Sungrow Renewables received a number of honors, such as the National May Day Labor Award, Anhui Provincial Industrial Design Center, National Service-oriented Manufacturing Demonstration Enterprise, and 2022 Best ESG Employers in China. The Company won the very first TÜV Rheinland PV Power Station Developer Award, and received the approval for establishing a postdoctoral research workstation.

Sungrow Renewables proactively embraces changes in policies and market environment, and adheres to the strategic positioning of being a proven player in new energy system technologies. With comprehensive efforts made in brand, products, channels, and service, the Company develops and builds power station products featuring “More Power Generation in a Friendlier Way”, helping achieve higher power generation efficiency and lower unit electricity costs, and leading the quality development of the new energy industry.

(2) Operation management and others

The 2022 Restricted Stock Incentive Plan

To further optimize the long-term incentive mechanism of the Company, attract and retain outstanding talents, and motivate employees at work, by effectively considering the interests of shareholders, the Company, and employees so that all parties jointly contribute to the Company’s long-term development, and following the principle of equal benefits and contributions, a total of 6,165,000 Class II restricted shares were granted to 467 incentive objects at the price of CNY 35.54 per share in the reporting period. This equity incentive plan helped to grow endogenous force for the sustainable and healthy development of the Company, which integrated the interests of core personnel with the Company’s future performance growth and shareholder return capability. It helped to continuously improve the Company’s operating performance and value creation capability, and set a guidance for attracting and retaining more outstanding employees in the future and effectively implementing long-term strategic plans.

Share buyback for equity incentive

Based on the positive prospect of the Company’s growth, Sungrow successfully implemented the share buyback plan in 2022 to safeguard the interests of shareholders, enhance investors’ confidence, and further improve the Company’s long-term incentive mechanism. Taking into account the Company’s operating performance, financial performance, profitability, and development prospects, the Company bought back some of the Company’s shares with self-supplied funds, and intended to use them for employee stock ownership plans or equity incentive plans for key employees in the future. As of the end of the reporting period, the Company had bought back approximately 6,485,000 shares through centralized bidding in the Shenzhen Stock Exchange’s trading system, with the total payment amounting to CNY 521 million.

Corporate culture

Year 2022 marked the 25th anniversary of Sungrow. With systematic thinking and collective wisdom, the Company instituted the *Sungrow Guidelines* to guide the Company’s operation and growth in the future. While firmly upholding the green mission of “Clean power for all”, Sungrow’s core values were upgraded to “Honest & Reliable, Excellent & Open-minded, Innovative & Respectful, Customer First”, which intended to foster an inclusive organizational atmosphere, and strived to enable all Sungrow employees to innovate and collaborate in mutual trust and respect. In the reporting period, the “Global Sungrow” concept was reinforced to expand the influence of the Sungrow culture; the Role Model series publicizing passed on positive attitude and inspired empathy; the Cross-Cultural Salon promoted exchange and interaction of cross-cultural teams. A number of themed cultural activities were carried out: the Sungrow Trailwalk attracted nearly 10,000 employees from all over the world as well as external followers, with the cumulative distance hitting nearly 250,000 kilometers; the Global Skills Competition helped to communicate the concepts of lean production and smart manufacturing; employees across multiple regions in China and overseas acted in coordination to bless Sungrow’s 25th anniversary in diversified ways; the Love from Sungrow Donation brought warmth to the left-behind children in rural areas and demonstrated corporate social responsibilities. By continuously advancing the global employer branding efforts across Europe, Americas, and Asia Pacific regions, Sungrow won multiple international employer brand awards including Top Company 2022, Great Place To Work Certification, and Best Companies to Work For in Asia, which further consolidated Sungrow’s employer

brand image overseas. The third Sungrow University Innovation Competition attracted more than 100 undergraduates as well as master and doctoral candidates from key universities in the country; Open Day activities, campus workshops, winter camps and etc. attracted more talents to the Company. Sungrow has created a diverse and inclusive workplace, and recruited 900 employees overseas, accounting for a localized employment rate of 99.6%. The Company extends internal and external training to empower employees, offers diversified incentives and benefits to motivate employees and enhance employees' well-being, and shapes the Sungrow atmosphere of "joyful work and healthy life".

Social responsibilities

Since the Company joined EP100 and made commitments to increase energy productivity by at least 35% by 2028 on top of the 2018 benchmark, multiple energy-saving and emission reduction activities were launched to progress refined energy management driven by technology and management. In the meanwhile, the Company speeded up towards the RE100 target and realized 45% of green power use during the year.

Assuming the mission of "Clean power for all", the Company makes in-depth exploration in the field of clean power, and is committed to addressing the challenges in producing, converting, storing, and using clean power with technological progress. We strive to lower energy cost, raise the proportion of green energy worldwide, offer more efficient and convenient ways to use energy, and allow more people to get involved, ultimately enabling affordable, safe, and smart low-carbon energy to be accessible for all, and making unremitting contributions to a greener planet.

Adhering to the brand position of "technologic power", the Company insists on high level of R&D investment, delves into the energy-saving and emission-reduction scenarios of various industries, continually innovates and delivers outstanding products and services, to help customers reduce emissions, save resources, and lead partners in the ecosystem towards low-carbon transformation. By the end of 2022, the Company has achieved a cumulative installed capacity of 340 GW of inverter equipment worldwide, produced 471.1 billion kWh of clean power, and reduced carbon dioxide emission by nearly 377 million tons per annum. Moreover, the Company has reduced carbon emission by 23,000 tons throughout the year by focusing on company-wide green operation.

In 2022, the Company made full use of its advantages and professional capabilities, and rolled out public welfare volunteer programs in ecology and environment protection, support for education, technology and human resources, poverty alleviation, community growth, and disaster assistance. The Sungrow Forest program was included in *China's Sustainability Cases in Industrial and Information Technology* released by China Federation of Industrial Economics. The Company released the *Supplier Code of Conduct* and conducted a product carbon footprint survey. In addition, the Company set up a dedicated public welfare fund of CNY 10 million and launched the Sungrow Global Volunteer Service Program to repay the care and support received from society. Throughout the year, the Company made a total donation of CNY 7.4807 million.

R&D, intellectual property

In the reporting period, the Company continued to increase R&D investment and actively advanced the consolidation of independent intellectual properties and patent application. In 2022, the Company was granted 895 new patents, all of which were original ones, including 40 patents overseas, 208 inventions, 598 utility models, and 50 exterior design patents in China. A total of 1,750 new patent applications were filed, including 169 patents in foreign countries, 743 invention patents, 764 utility model patents and 74 appearance patents in China. Such efforts further enhanced the Company's independent innovation capabilities and strengthened the core competitiveness.

As of the end of the reporting period, the Company has cumulatively acquired a total of 2,877 patents, including 1,073 inventions, 1,591 utility models, and 213 exterior designs. Relying on the industry-leading technological reserve, the Company actively promoted the formulation and optimization of relevant standards in the industry, organized and contributed to a number of Chinese national standards.

Honors and awards received in the reporting period

| Honors and Awards | Awarded by |
|---|-------------------------|
| Top Chinese Listed Companies 2022 (Most Progressive Listed) | National Business Daily |

| | |
|---|--|
| Companies in New Energy and New Materials Industries) | |
| 2022 Top 100 Companies in Anhui | Anhui Enterprise Federation, Anhui Entrepreneur Federation |
| 2022 Top 100 Manufacturing Companies in Anhui | Anhui Enterprise Federation, Anhui Entrepreneur Federation |
| 2022 Top 500 Manufacturing Companies in China | China Enterprise Confederation, China Entrepreneur Association |
| PVBL Top Global Photovoltaic Brand Award | Photovoltaic Brand Lab (PVBL), Century New Energy Network |
| Top 100 Global Photovoltaic Brands | Century New Energy Network, Photovoltaic Brand Lab |
| 2022 Top 100 Most Valuable Chinese PV Brands | Organizing Committee of the 5th China International Photovoltaic Industry Summit Forum |
| 2022 EPC Excellence PV Companies | World Solar Photovoltaic Industry Expo, Guangdong Hongwei International Exhibition Co., Ltd. |
| 2022 Excellent PV Inverter Companies | World Solar Photovoltaic Industry Expo, Guangdong Hongwei International Exhibition Co., Ltd. |
| 2022 Most Influential Chinese Rooftop PV Inverter Brands | Organizing Committee of China Residential PV Conference |
| China Distributed PV Conference - Top Ten Most Influential Inverter Brands | Organizing Committee of the 5th China Distributed PV Conference |
| 2022 China Energy Storage Industry Evaluation - Best System Integration Solution Award | Solarbe ESN, The Solar Energy Cup Evaluation Committee |
| The Solar Energy Cup Evaluation - 2022 Most Influential PV Inverter Companies | Solarbe Global, The Solar Energy Cup Evaluation Committee |
| The Solar Energy Cup Evaluation - 2022 Most Influential PV Storage Solution Providers | Solarbe Global, The Solar Energy Cup Evaluation Committee |
| The 11th North Star Cup 2022 Most Influential PV-Storage Integration Solution Providers | North Star Solar Photovoltaic Network, Beijing Huonet Power Technology Co., Ltd. |
| The 11th North Star Cup 2022 Most Influential PV Inverter Brands | North Star Solar Photovoltaic Network, Beijing Huonet Power Technology Co., Ltd. |
| GGII Energy Storage 2022 Energy Storage Industry Chain | GGII Energy Storage, GGII |
| Nominee for the Paulson Prize for Sustainability | Paulson Institute |
| Contributor to the Carbon Neutrality Green Brand Influence Initiative | China Energy News, China Institute of Energy Economics |
| Demonstration Enterprise of Green Design for Industrial Products | Ministry of Industry and Information Technology |
| The 11th North Star Cup 2022 Most Influential Low Carbon Action Brands | North Star Solar Photovoltaic Network, Beijing Huonet Power Technology Co., Ltd. |

| | |
|--|--|
| First Prize in the Science and Technology Progress Award (Dispatching and Control Technology and its Application for Multiple New Resources Involved in Secondary Frequency Regulation of Power Systems) | China Electrotechnical Society |
| Science and Technology Award of China Power Supply Society (First Prize - Technological Invention) (Key Technologies and Application of a Large Scale Energy Storage System Based on Power Electronics Battery Units) | China Power Supply Society |
| Anhui Province Patent Gold Award (a method for exiting and switching the MPPT centralized mode and its application) | Anhui Provincial Market Supervision and Administration |
| 2022 Forbes Most Innovative Chinese Companies | Forbes China |
| China's 500 Most Valuable Brands | World Brand Lab |
| Enterprise of Best Practices in Achieving the Sustainable Development Goals (Carbon Peaking and Carbon Neutrality) | Global Compact China Network |
| 2022 Best Companies to Work For In Asia | HR Asia |
| Top Company | Kununu |

2. Income and Cost Analysis

(1) Composition of operating income

The Company needs to comply with the requirements on the disclosure of “PV industry chain related business” specified in the *Shenzhen Stock Exchange’s No. 4 Regulatory Guidelines for Listed Companies — Information Disclosure of GEM-Listed Companies*:

Overview of operating income

(in CNY)

| | 2022 | | 2021 | | YoY Change |
|---|-------------------|-----------------------|-------------------|-----------------------|------------|
| | Amount | % of Operating Income | Amount | % of Operating Income | |
| Total operating income | 40,257,239,155.34 | 100% | 24,136,598,726.55 | 100% | 66.79% |
| By sector | | | | | |
| PV | 27,245,555,359.81 | 67.68% | 18,931,185,451.66 | 78.43% | 43.92% |
| Energy storage | 10,126,474,666.35 | 25.15% | 3,137,622,772.49 | 13.00% | 222.74% |
| Other | 2,885,209,129.18 | 7.17% | 2,067,790,502.40 | 8.57% | 39.53% |
| By product | | | | | |
| PV inverters and other power conversion devices | 15,717,345,647.09 | 39.04% | 9,050,773,565.63 | 37.50% | 73.66% |
| New energy investment and development | 11,603,806,618.82 | 28.82% | 9,678,744,379.61 | 40.10% | 19.89% |
| Energy storage systems | 10,126,474,666.35 | 25.15% | 3,137,622,772.49 | 13.00% | 222.74% |

| | | | | | |
|--|-------------------|--------|-------------------|--------|---------|
| Wind power converters | 1,461,329,609.84 | 3.63% | 1,177,080,263.56 | 4.88% | 24.15% |
| PV power generation | 625,483,634.25 | 1.55% | 485,629,355.11 | 2.01% | 28.80% |
| Other | 722,798,978.99 | 1.80% | 606,748,390.15 | 2.51% | 19.13% |
| By geography | | | | | |
| Mainland China (not including Hong Kong, Macau and Taiwan) | 21,194,893,809.26 | 52.65% | 14,959,211,117.66 | 61.98% | 41.68% |
| Overseas (including Hong Kong, Macao and Taiwan) | 19,062,345,346.08 | 47.35% | 9,177,387,608.89 | 38.02% | 107.71% |

Sales to major revenue-contributing countries

(in CNY)

| Major revenue-contributing countries | Sales volume | Sales revenue | Significant adverse changes in local PV industrial policies or trade policies and their impacts on the Company's current and future operating results |
|--------------------------------------|----------------|-------------------|---|
| China | Not Applicable | 21,194,893,809.26 | Not Applicable |

Basic situation of PV power stations

Since there are a large number of PV power station projects in the reporting period, the basic information of the top ten PV power stations by revenue is disclosed here item by item, and the rest power stations are listed as a whole by business pattern.

| No. | Project Name | BT/EPC | Capacity (MW/MWH) | Status | Source of PV inverters/wind power converters |
|-----|---|--------|-------------------|--------------------------|--|
| 1 | The BOREY 100 MW Wind Power Project in Kazakhstan | BT | 100 | Grid connected | Outsourced |
| 2 | Hebei Yangmin New Energy 190 MW Sungrow Residential PV Power Station Project | BT | 203 | Construction in progress | Self-supplied |
| 3 | Anyang Yangzhao 260 MW Sungrow Residential PV Power Station Project | BT | 195 | Construction in progress | Self-supplied |
| 4 | Hefei Yangjie New Energy Technology Co., Ltd. 370 MW Residential Project | BT | 175 | Construction in progress | Self-supplied |
| 5 | Laizhou Haoyang Phase II 140 MW PV Project | EPC | 140 | In trial operation | Self-supplied |
| 6 | Luohe Yangzhao 90 MW Sungrow Residential PV Power Station Project | BT | 180 | Construction in progress | Self-supplied |
| 7 | Sungrow Renewables - Gao'an Fuyang Xiangfu Town 150 MW Project | BT | 114 | Construction in progress | Self-supplied |
| 8 | Shandong Daiyang New Energy Co., Ltd. 260 MW Residential PV Power Station Project | BT | 121 | Construction in progress | Self-supplied |
| 9 | Hefei Yangyuan New Energy Technology Co., | BT | 122 | Construction in | Self-supplied |

| | | | | | |
|--|--|----|---|--------------------------|---------------|
| | Ltd. 340 MW Sungrow Residential PV Power Station Project | | | progress | |
| 10 | Kaifeng Yangzhao 365 MW Sungrow Residential PV Power Station Project | BT | 123 | Construction in progress | Self-supplied |
| Other BT power station projects | | | 1,513 | - | - |
| Other EPC power station projects | | | 506 | - | - |
| Accounting treatment for BT and EPC models | | | <p>The construction contract between the Company and the customer includes the performance obligation for power station construction. Since customer has control over the construction-in-progress during the contract performance, the Company considers it as a performance obligation within a certain period of time, and recognizes revenue according to the progress of performance, unless the progress of performance cannot be reasonably determined. The Company determines the performance progress of service provision according to the percentage of investment. The performance progress is the ratio of the actual cost incurred for the performance of the contract versus the estimated cost of the contract. The Company re-estimates the progress of completion or the labor service provided on the date of the balance sheet, so that it can reflect changes in the contract performance.</p> | | |

(2) Industries, products, geographies, and sales models that account for more than 10% of the Company's operating income or operating profit

Applicable Not Applicable

(in CNY)

| | Operating income | Operating cost | Gross margin | YoY changes in operating income | YoY changes in operating cost | YoY changes in gross margin |
|---|-------------------|-------------------|--------------|---------------------------------|-------------------------------|-----------------------------|
| By sector | | | | | | |
| PV | 27,245,555,359.81 | 20,387,578,197.75 | 25.17% | 43.92% | 40.60% | 1.77% |
| Energy storage | 10,126,474,666.35 | 7,773,287,416.92 | 23.24% | 222.74% | 188.43% | 9.13% |
| By product | | | | | | |
| PV inverters and other power conversion devices | 15,717,345,647.09 | 10,495,620,278.70 | 33.22% | 73.66% | 75.18% | -0.58% |
| New energy investment and development | 11,603,806,618.82 | 10,238,914,199.99 | 11.76% | 19.89% | 20.08% | -0.15% |
| Energy storage systems | 10,126,474,666.35 | 7,773,287,416.92 | 23.24% | 222.74% | 188.43% | 9.13% |
| By geography | | | | | | |

| | | | | | | |
|--|-------------------|-------------------|--------|---------|---------|--------|
| Mainland China (not including Hong Kong, Macau and Taiwan) | 21,194,893,809.26 | 16,523,804,445.24 | 22.04% | 41.68% | 36.48% | 2.97% |
| Overseas (including Hong Kong, Macao and Taiwan) | 19,062,345,346.08 | 13,852,002,105.08 | 27.33% | 107.71% | 108.04% | -0.12% |

Where the statistical caliber for the Company's core business data was adjusted in the reporting period, the adjusted core business data in the last year at the end of the reporting period

Applicable Not Applicable

(3) Whether the Company's physical sales revenue is greater than the labor revenue

Yes No

| Sector | Item | UoM | 2022 | 2021 | YoY Change |
|--------------|------------|-----|------|------|------------|
| PV inverters | Sales | GW | 77 | 47 | 63.83% |
| | Production | GW | 82 | 56 | 46.43% |
| | Inventory | GW | 23 | 18 | 27.78% |

Reasons for year-on-year changes greater than 30%

Applicable Not Applicable

Sales volume increased by 63.83% year-on-year, mainly contributed by the increase in business scale;

Production volume increased by 46.43% year-on-year, mainly contributed by the increase in business scale.

(4) Performance of major sales contracts and purchase contracts entered by the Company up to the reporting period

Applicable Not Applicable

(5) Composition of operating cost

By sector

(in CNY)

| Sector | Item | 2022 | | 2021 | | YoY Change |
|--------|---------------|-------------------|-----------------------|-------------------|-----------------------|------------|
| | | Amount | % of Operating Income | Amount | % of Operating Income | |
| PV | Raw materials | 16,582,269,527.82 | 81.13% | 11,648,179,923.82 | 80.33% | 42.36% |

(6) Whether the scope of consolidation changed in the reporting period

Yes No

For details, please refer to the Description of Changes in the Scope of Consolidation in Section X Financial Reports.

(7) Significant changes or adjustments to the Company's business, products or services in the reporting period

Applicable Not Applicable

(8) Major Customers and Major Suppliers

Major customers

| | |
|---|------------------|
| Total amount of sales to top five customers (CNY) | 5,239,115,401.56 |
| Proportion of total sales amount to top five customers in the annual total sales | 13.01% |
| Proportion of related party sales to top five customers in the annual total sales | 0.00% |

Sales to top 5 customers

| No. | Customer Name | Sales (CNY) | % of Total Annual Sales |
|-------|---------------|------------------|-------------------------|
| 1 | Customer 1 | 1,338,807,154.18 | 3.33% |
| 2 | Customer 2 | 1,298,032,210.93 | 3.22% |
| 3 | Customer 3 | 1,213,105,455.78 | 3.01% |
| 4 | Customer 4 | 721,485,964.97 | 1.79% |
| 5 | Customer 5 | 667,684,615.70 | 1.66% |
| Total | -- | 5,239,115,401.56 | 13.01% |

Other information about major customers

Applicable Not Applicable

Major suppliers

| | |
|--|------------------|
| Total amount of purchase from top five suppliers (CNY) | 9,932,320,322.67 |
| Proportion of total purchase amount from top five suppliers in the annual purchase amount | 27.21% |
| Proportion of related party purchase from top five suppliers in the annual purchase amount | 0.00% |

Purchase from top 5 suppliers

| No. | Supplier Name | Purchase Amount (CNY) | % of Total Annual Purchase Amount |
|-------|---------------|-----------------------|-----------------------------------|
| 1 | Supplier 1 | 4,960,843,607.87 | 13.59% |
| 2 | Supplier 2 | 1,746,457,310.41 | 4.78% |
| 3 | Supplier 3 | 1,130,956,185.58 | 3.10% |
| 4 | Supplier 4 | 1,054,275,704.98 | 2.89% |
| 5 | Supplier 5 | 1,039,787,513.83 | 2.85% |
| Total | -- | 9,932,320,322.67 | 27.21% |

Other information about major suppliers

Applicable Not Applicable

3. Expenses

(in CNY)

| | 2022 | 2021 | YOY Change | Notes on Major Changes |
|---------------------|------------------|------------------|------------|---|
| Selling expenses | 3,169,263,472.82 | 1,582,578,297.46 | 100.26% | Mainly due to the large increase in the salaries of sales staff and the post-sales service fee accrued for the increased sales revenue in the current period. |
| Management expenses | 612,314,748.77 | 491,053,482.80 | 24.69% | |
| Financial expenses | -477,244,161.25 | 283,256,851.58 | -268.48% | Mainly due to the relatively large exchange earnings from foreign exchange rate fluctuations in the current period. |
| R&D expenses | 1,692,156,198.42 | 1,161,389,788.60 | 45.70% | Mainly due to the large increase in the salaries of R&D staff and the use of raw materials for the expanded R&D investment in the current period. |

4. R&D Investment

Applicable Not Applicable

| Major R&D Projects | Purpose | Progress | Planned Objective | Impacts Expected on the Company's Growth |
|-------------------------------------|--|---------------------------|---|---|
| The SG8800UD Series Product Project | Modular design to lower power generation loss due to faults; optimized system design to improve equipment utilization; enhanced intelligent operation and maintenance to reduce maintenance costs. | Ready for volume shipment | Design an 8.8 MW series integrated MV system that can be accommodated in a 40-foot container; design a 4.4 MW integrated MV system that can be accommodated in a 20-foot container; reduce LCOE of power station; offer IP65 protection; real-time monitoring of DC parallel arcing; reactive response < 20 ms. | Solve the problem of large power generation loss due to faults in previous generations; drastically reduce costs; gradually replace the SG3125HV series with new product in the market. |
| The SG320HX Project | Bridge deficiencies in previous generations of products; reduce product costs; increase power generation; expand product application scenarios. | In volume shipment | Carry on the characteristics of SG250HX series products following the principle of suitability for manual handling; cope with the 182 and 210 series modules introduced in the industry. | Solve problems facing previous generations; further reduce product cost and safeguard customer investment; increase power generation and customer revenue. |

| | | | | |
|--|--|--------------------|---|--|
| The SG320HX Module Replacement Project | Guarantee product delivery. | In volume shipment | Guarantee product delivery; reduce cost and increase efficiency; introduce multiple suppliers to reduce finished product cost. | Replace the legacy product SG225HX; increase customer power generation and reduce customer investment; repair failures in legacy products and increase market share. |
| The SG6250HV-MV Optimization Project | Introduce multiple suppliers to reduce cost and increase efficiency; satisfy customer needs. | In volume shipment | Lightweight container design, introduce multiple suppliers to ensure delivery; satisfy customer needs, integrate new customer demands into product development; create value for customers, and contribute to customer success. | Enhance product competitiveness; improve product gross margin; enhance the market share of centralized products. |

Statement of R&D staff

| | 2022 | 2021 | % of Change |
|-------------------------------------|--------|--------|-------------|
| Total R&D Staff | 3,647 | 2,734 | 33.39% |
| R&D Staff in Total HC | 39.47% | 40.65% | -1.18% |
| Educational Background of R&D Staff | | | |
| Bachelor | 1,807 | 1,350 | 33.85% |
| Master | 1,336 | 994 | 34.41% |
| Doctor | 51 | 31 | 64.52% |
| College Graduate and. below | 453 | 359 | 26.18% |
| Age Structure of R&D Staff | | | |
| Below 30 | 1,463 | 1,031 | 41.90% |
| 30 to 40 | 1,945 | 1,529 | 27.21% |
| Above 40 | 239 | 174 | 37.36% |

R&D investment size and percentage in operating proceeds in the past three years

| | 2022 | 2021 | 2020 |
|---|------------------|------------------|----------------|
| R&D investment (CNY) | 1,692,156,198.42 | 1,161,389,788.60 | 806,352,266.48 |
| Percentage of R&D investment in operating proceeds | 4.20% | 4.81% | 4.18% |
| Capitalized R&D expenditure (CNY) | 0.00 | 0.00 | 0.00 |
| Capitalized R&D expenditure as a percentage of R&D investment | 0.00% | 0.00% | 0.00% |
| Capitalized R&D expenditure as a percentage of net profit in the period | 0.00% | 0.00% | 0.00% |

Reasons for substantial changes in R&D staff and their impacts

Applicable Not Applicable

Reasons for substantial change in percentage of total R&D investment in operating income as compared with the previous year

Applicable Not Applicable

Reasons for substantial changes in the capitalization rate of R&D investment and the justifications

Applicable Not Applicable

5. Cash Flows

(in CNY)

| Item | 2022 | 2021 | YoY Change (%) |
|---|-------------------|-------------------|----------------|
| Cash inflow from operating activities | 40,759,815,988.81 | 24,052,818,855.57 | 69.46% |
| Cash outflow from operating activities | 39,549,317,502.92 | 25,691,450,978.34 | 53.94% |
| Net cash flow from operating activities | 1,210,498,485.89 | -1,638,632,122.77 | 173.87% |
| Cash inflow from investment activities | 14,684,990,549.50 | 4,557,428,471.65 | 222.22% |
| Cash outflow from investment activities | 14,339,435,233.12 | 8,270,637,807.44 | 73.38% |
| Net cash flow from investment activities | 345,555,316.38 | -3,713,209,335.79 | 109.31% |
| Cash inflow from financing activities | 9,949,974,901.15 | 6,979,881,183.93 | 42.55% |
| Cash outflow from financing activities | 8,203,257,437.80 | 1,801,225,561.76 | 355.43% |
| Net cash flow from financing activities | 1,746,717,463.35 | 5,178,655,622.17 | -66.27% |
| Net increase in cash and cash equivalents | 3,242,092,864.04 | -192,686,945.97 | 1,782.57% |

Explanation on main contributors to the significant YoY change in relevant data

Applicable Not Applicable

1. Cash inflow from operating activities increased by 69.46% YoY, mainly contributed by the increase in cash collection from commodities sold and labor services provided in the current period;
2. Cash outflow from operating activities increased by 53.94% YoY, mainly contributed by the increase in cash payment for commodities purchased and labor services received in the current period;
3. Cash inflow from investment activities increased by 222.22% YoY, mainly contributed by the increase in cash recovery of project investment in the current period;
4. Cash outflow from investment activities increased by 73.38% YoY, mainly contributed by the increase in cash payments for investment projects in the current period;
5. Cash inflow from financing activities increased by 42.55% YoY, mainly contributed by the increase in cash received from borrowings in the current period;
6. Cash outflow from financing activities increased by 355.43% YoY, mainly contributed by the increase in cash paid for borrowings in the current period;

Explanation on reasons for the significant difference between the net cash flow from operating activities and the net profit of the year during the reporting period

Applicable Not Applicable

V. Status of Non-Core Business

Applicable Not Applicable

VI. Analysis of Assets and Liabilities

1. Significant changes in asset composition

(in CNY)

| | End of Year 2022 | | Beginning of Year 2022 | | Change | Notes on Major Variations |
|-----------------------------|-------------------|-------------------|------------------------|-------------------|--------|---------------------------|
| | Amount | % of Total Assets | Amount | % of Total Assets | | |
| Money funds | 11,666,601,491.42 | 18.93% | 7,790,144,016.01 | 18.18% | 0.75% | |
| Accounts receivable | 13,804,040,262.60 | 22.40% | 8,748,141,497.54 | 20.42% | 1.98% | |
| Contract assets | 1,291,527,303.40 | 2.10% | 1,364,393,136.40 | 3.18% | -1.08% | |
| Inventory | 19,060,142,584.88 | 30.93% | 10,767,519,365.64 | 25.13% | 5.80% | |
| Long-term equity investment | 228,278,242.43 | 0.37% | 115,159,366.42 | 0.27% | 0.10% | |
| Fixed assets | 4,543,555,993.02 | 7.37% | 4,245,993,353.02 | 9.91% | -2.54% | |
| Construction-in-progress | 1,188,671,605.49 | 1.93% | 424,310,899.34 | 0.99% | 0.94% | |
| Right-of-use asset | 559,699,600.83 | 0.91% | 344,386,440.69 | 0.80% | 0.11% | |
| Short-term loan | 1,422,187,421.05 | 2.31% | 1,524,580,849.05 | 3.56% | -1.25% | |
| Contract liabilities | 3,788,439,560.39 | 6.15% | 1,713,946,572.46 | 4.00% | 2.15% | |
| Long-term loan | 4,161,650,000.00 | 6.75% | 1,891,445,000.00 | 4.42% | 2.33% | |
| Lease liability | 430,999,112.05 | 0.70% | 283,789,579.70 | 0.66% | 0.04% | |

High percentage of overseas assets

Applicable Not Applicable

2. Assets and liabilities measured at fair value

Applicable Not Applicable

(in CNY)

| Item | Beginning Amount | Gains/losses from changes at fair value in the period | Cumulative changes at fair value included in equity | Impairment accrued for the period | Amount of procurement in the period | Amount of sales in the period | Other changes | Closing amount |
|------------------------------------|------------------|---|---|-----------------------------------|-------------------------------------|-------------------------------|---------------|------------------|
| Financial Assets | | | | | | | | |
| 1. Trading financial assets (excl. | 3,802,888,726.03 | -30,274,158.24 | | | 11,851,632,954.00 | 14,143,207,870.42 | | 1,481,039,651.37 |

| | | | | | | | | |
|--|------------------|---------------|--|--|-------------------|-------------------|------------|------------------|
| derivative financial assets) | | | | | | | | |
| 2. Derivative financial assets | 10,008,062.95 | -553,717.34 | | | | | | 9,454,345.61 |
| 3. Other investments in debts | 762,715,906.62 | | | | 5,431,559,855.18 | 5,156,234,263.55 | | 1,038,041,498.25 |
| 4. Investment in other equity instruments | 40,008,527.59 | 53,309,889.74 | | | 217,201,271.87 | 6,842,046.24 | | 303,677,642.96 |
| Sum - Financial Assets | 4,615,621,223.19 | 22,482,014.16 | | | 17,500,394,081.05 | 19,306,284,180.21 | | 2,832,213,138.19 |
| Sub-total | 4,615,621,223.19 | 22,482,014.16 | | | 17,500,394,081.05 | 19,306,284,180.21 | | 2,832,213,138.19 |
| Financial Liabilities | | | | | | | | |
| 1. Trading financial liabilities (excl. derivative financial assets) | | 51,919,973.63 | | | | | | 51,919,973.63 |
| 2. Derivative financial liabilities | | 173,025.00 | | | | | 854,928.77 | 1,027,953.77 |
| Sum - Financial Liabilities | | 52,092,998.63 | | | | | 854,928.77 | 52,947,927.40 |

Significant changes in the measurement attributes of the Company's main assets in the reporting period

Yes No

3. Restricted asset rights as of the end of the reporting period

(in CNY)

| Item | Closing Book Value | Reasons for Restriction |
|-----------------------|--------------------|---|
| Other monetary assets | 1,842,079,141.45 | Bank acceptance, letter of guarantee, letter of credit and PV loan deposit, refundable deposits |
| Notes receivable | 240,597,907.63 | Short-term loan pledge, notes payable pledge |
| Cash in bank | 22,429,693.17 | Judicial freeze |
| Receivables financing | 721,517,301.09 | Short-term loan pledge, notes payable pledge |
| Accounts receivable | 717,277,614.31 | Long-term loan pledge |
| Other receivables | 23,968,200.00 | Long-term loan pledge |
| Fixed assets | 1,722,200.00 | Long-term loan pledge |
| Total | 3,569,592,057.65 | |

VII. Investment Analysis

1. Overview

Applicable Not Applicable

| Investment in the reporting period (CNY) | Investment in the same period last year (CNY) | Change |
|--|---|--------|
| 2,619,435,233.12 | 2,674,922,334.76 | -2.07% |

2. Significant equity investment received in the reporting period

Applicable Not Applicable

3. Significant non-equity investment in progress in the reporting period

Applicable Not Applicable

4. Financial asset investment

(1) Securities investment

Applicable Not Applicable

The Company made no securities investment in the reporting period.

(2) Derivatives investment

Applicable Not Applicable

a. Derivatives investment for hedging purpose in the reporting period

Applicable Not Applicable

For details, please refer to VII. Notes to Consolidated Financial Statement, 2. Trading Financial Assets in Section X.

b. Derivatives investment for speculative purpose in the reporting period

Applicable Not Applicable

The Company made no derivatives investment for speculative purpose in the reporting period.

5. Use of raised funds

Applicable Not Applicable

(1) General use of raised funds

Applicable Not Applicable

(in CNY 10K)

| Year of fund-raising | Fund-raising mode | Total raised funds | Total amount of raised funds used in this period | Cumulative amount of raised funds used | Total amount of raised funds with changed use in the reporting period | Cumulative amount of raised funds with changed use | Percentage of cumulative amount of raised funds with changed use | Total funds raised but not used | Purpose and whereabouts of unused raised funds | Amount of raised funds that have been idle for more than two years |
|----------------------|-------------------|--------------------|--|--|---|--|--|---------------------------------|--|--|
| 2021 | Non-public | 362,314.61 | 71,133.30 | 155,757.96 | 0 | 0 | 0.00% | 214,667.65 | CNY 1,056,676, | 0 |

| | | | | | | | | | | |
|---|----------|------------|-----------|------------|---|---|-------|------------|--|---|
| | offering | | | | | | | | 500 in the special account for raised funds, CNY 1,090,000,000 used on undue financial products. | |
| Total | -- | 362,314.61 | 71,133.30 | 155,757.96 | 0 | 0 | 0.00% | 214,667.65 | -- | 0 |
| Description of the general use of raised funds | | | | | | | | | | |
| <p>1. Before the above-mentioned raised funds were in place, the Company had accumulatively invested CNY 243,141,600 in fund-raising projects with self-raised funds as of October 11, 2021. After the raised funds were in place, the Company replaced the self-raised funds of CNY 243,141,600 with the raised funds for the specific projects.</p> <p>2. In 2022, the raised funds were used as the following: a. An amount of CNY 711,333,000 was directly invested in fund-raising projects; b. An amount of CNY 800,000,000 from idle raised funds was used to supplement working capital in this period, and was fully recovered at the end of the period; c. A total return and interest amounting to CNY 74,519,500 was gained from financial products bought with the temporarily idle raised funds; d. A service charge of CNY 25,200 was paid for the special account for raised funds in this period. As of December 31, 2022, the balance of raised funds was CNY 2,146,676,500, of which CNY 1,056,676,500 was in the special account for raised funds, CNY 1,090,000,000 was in premature wealth management products.</p> | | | | | | | | | | |

(2) Projects commitments of raised funds

Applicable Not Applicable

(in CNY 10K)

| Investment projects committed and target of over-raised funds | Changes in projects (including partial changes) | Total investment amount committed by raised funds | Total investment after adjustment (1) | Amount invested in the reporting period | Cumulative amount of investment by the end of the period (2) | Investment progress by the end of the period (3)=(2)/(1) | Date of projects reaching scheduled availability | Benefit realized in the reporting period | Cumulative benefit realized by the end of the reporting period | Achieved the expected benefits | Substantial changes in the project feasibility |
|--|---|---|---------------------------------------|---|--|--|--|--|--|--------------------------------|--|
| Investment Project Commitments | | | | | | | | | | | |
| The New Energy Power Generation Equipment Manufacturing Base Project with an annual output of 100 GW | No | 241,787 | 240,343.09 | 40,434.17 | 65,468.23 | 27.24% | Apr. 30, 2024 | 0 | 0 | Not applicable | No |
| The R&D Innovation Center Expansion Project | No | 63,970 | 63,970 | 28,026.4 | 42,490.44 | 66.42% | Mar. 31, 2024 | 0 | 0 | Not applicable | No |
| The Global Marketing Service System Project | No | 49,835 | 49,835 | 2,672.73 | 39,632.77 | 79.53% | Mar. 31, 2023 | 0 | 0 | Not applicable | No |
| The Supplementary Working Capital Project | No | 8,166.52 | 8,166.52 | | 8,166.52 | 100.00% | | 0 | 0 | Not applicable | No |
| Subtotal of committed investment projects | -- | 363,758.52 | 362,314.61 | 71,133.3 | 155,757.96 | -- | -- | | | -- | -- |
| Target of over-raised funds | | | | | | | | | | | |
| Total | -- | 363,758.52 | 362,314.61 | 71,133.3 | 155,757.96 | -- | -- | | | -- | -- |
| Description of projects behind planned schedule or failing to gain expected returns and the reasons (including those identified as "Not Applicable" in the | Not Applicable | | | | | | | | | | |

| | |
|---|--|
| column “Achieved the expected benefits”) | |
| Description of material changes in project feasibility | Not Applicable |
| Amount, purpose, and progress of use of over-raised funds | Not Applicable |
| Changes in implementation locations of projects invested with raised funds | Not Applicable |
| Changes in implementation modes of projects invested with raised funds | Not Applicable |
| Preliminary investment and replacement in projects invested with raised funds | Applicable |
| Changes in implementation modes of projects invested with raised funds | Not Applicable |
| Preliminary investment and replacement in projects invested with raised funds | <p>Applicable</p> <p>As of October 11, 2021, the Company had invested CNY 243,141,600 in fund-raising projects with self-raised funds, of which CNY 143,827,900 was for the new energy power generation equipment manufacturing base with an annual output of 100 GW, CNY 94,743,100 for the expansion of R&D Innovation Center, and CNY 4,570,600 for the global marketing service system project. At the 12th meeting of the Fourth Board of Directors, the <i>Proposal on Replacing Self-Raised Funds Previously Used in Fund-Raising Projects</i> was reviewed and approved, which agreed that the Company should replace CNY 243,141,600 of self-raised funds previously used in fund-raising projects with the raised funds. RSM China (Special General Partnership) verified the advanced investment in the above-mentioned fundraising projects, and issued the <i>Assurance Report on the Advance Input in Fund-Raising Projects made by Sungrow Power Supply Co., Ltd. with Self-Raised Funds</i> (RSM [2021] No. 230Z2674) on October 12, 2021.</p> |

| | |
|--|--|
| Description of temporarily replenishing working capital with idle raised funds | <p>Applicable</p> <p>On October 26, 2022, the Company held the 21st meeting of the Fourth Board of Directors, at which the <i>Proposal on Temporarily Replenishing Working Capital with Some of the Idle Raised Funds</i> was reviewed and approved. It was agreed that the Company would temporarily replenish working capital with less than CNY 1,000 million of idle raised funds provided that the funding needs of fund-raising projects and the normal progress of the raised funds investment plans were ensured. Such an amount should be used within a period of 12 months from the date of approval by the Board of Directors, and should be returned to the special account for raised funds upon expiration. As of December 31, 2022, the Company had used CNY 800 million of raised funds to temporarily replenish working capital, and returned this amount to the special account for raised funds within 12 months.</p> |
| Amount of surplus raised fund in project implementation and reasons behind | <p>Not Applicable</p> |
| Purpose and whereabouts of unused raised funds | <p>As of December 31, 2022, the unused raised funds amounted to CNY 2,146,676,500, of which CNY 1,056,676,500 was in the special account for raised funds, CNY 1,090,000,000 was in premature wealth management products.</p> |
| Problems or other situations in the use and disclosure of raised funds | <p>On April 16, 2021, the Company held the first extraordinary general meeting in 2021, at which the <i>Proposal on Requesting the Shareholders' Meeting to Authorize the Board of Directors to Proceed with the Issuance to Specific Objects</i> was reviewed and approved. The Board of Directors was authorized to handle all matters related to the issuance of shares to specific objects in 2021, including but not limited to determining the specific arrangements for the use of the raised funds for this issuance to specific objects.</p> <p>On October 21, 2021, Company held the 12th meeting of the fourth Board of Directors and the 11th meeting of the fourth Board of Supervisors, at which the <i>Proposal on Paying the Fund-Raising Investment Projects with Bank Acceptances and Replacing Them Equally with Raised funds</i> was reviewed and approved. It was agreed that during the implementation of the fund-raising investment project, the Company could use bank acceptances for payments involved in the project, and regularly transfer the same amount from the special account of raised funds to the Company's general settlement account. The Board of Supervisors, independent directors and sponsors expressed their consent. As of December 31, 2022, the Company had accumulatively made investment project-related payments with CNY 160,688,900 of bank acceptances, and the same amount had been replaced with raised funds.</p> |

(3) Projects with changes in raised funds

Applicable Not Applicable

There were no projects with changes in raised funds in the reporting period.

VIII. Sale of Major Assets or Equity

1. Sale of major assets

Applicable Not Applicable

The Company did not sell any major assets in the reporting period.

2. Sale of major equity

Applicable Not Applicable

IX. Analysis of Major Controlling and Holding Companies

Applicable Not Applicable

Major subsidiaries and holding companies that contribute to a net profit by 10% and above

(in CNY 10K)

| Company Name | Type | Main Business | Registered Capital | Total Assets | Net Assets | Operating Income | Operating Profit | Net Profit |
|--|------------|---------------------------------------|--------------------|--------------|------------|------------------|------------------|------------|
| Sungrow Renewables Development Co., Ltd. | Subsidiary | New energy investment and development | 142,053.44 | 2,151,023.36 | 579,224.76 | 1,287,714.31 | 78,819.89 | 64,120.69 |

Subsidiaries acquired or disposed in the reporting period

Applicable Not Applicable

For details, please refer to VIII. Changes in the Scope of Consolidation 2. Changes in the scope of consolidation due to other reasons in Section X Financial Reports.

X. Structured Entities Controlled by the Company

Applicable Not Applicable

XI. Prospects of the Company's Future Development

(1) Planned Prospects

Focus on the field of clean power, continuously increase R&D investment, hold on to development both in scope and in depth, make deeper explorations in power electronics, grid support, and AI technology, further enrich product categories, and deliver leading solutions for the integration of solar energy, wind energy, energy storage, electricity and hydrogen energy. Promote customer-oriented transformation towards sales and service integration, pursue extraordinary customer experience, improve digital operation standard, strengthen the brand image as a "technological power", and further expand global leading advantages.

(2) Operating Plan

In 2023, the bottlenecks constraining the global green energy industry chain will be fully alleviated, and the high-growth momentum will be further enhanced and continued. Taking "Gain momentum and embrace changes, make in-depth breakthroughs, contribute to customer success with digital operation" as the annual guideline, the Company capitalizes on the opportunities for rapid market

development, comprehensively improves brand power, product power and marketing power, reinforces digital operation, and continues to expand global leading advantages in a variety of businesses to achieve rapid and sustainable growth.

To deliver the annual business objectives, the Company plans to take the following key measures:

1. Maintain high level of investment in research and development, make in-depth breakthroughs in key technologies. Taking the six R&D centers worldwide as the foundation, the Company continues to empower innovation with a high level of R&D investment, makes in-depth breakthroughs in power electronics, grid support, and AI technologies, so as to gain leading advantages in technology and promote product iteration and upgrading.
2. Further enrich product categories and improve the capability of delivering integrated solutions. By introducing diverse product categories, strengthening coverage of segmented markets, and leveraging the Company's advantageous layout for solar energy, wind energy, energy storage, electricity and hydrogen energy, the Company creates integrated solutions on the basis of terminal new energy application scenarios, and continues to deliver customer values in solar power, energy storage, and charging integration.
3. Explore the global market further and promote the sales and service integration. The Company upholds the globalization strategy, consolidates national-level business systems, optimizes the global marketing and service network, establishes an integrated sales and service platform, and increases investment in service resources to enhance customer service experience.
4. Upgrade global manufacturing and supply systems. By continuously optimizing the global supply network layout and strengthening localization and core supplier management, the Company secures the stable supply of strategic materials. By building digital plants worldwide and continuously improving lean manufacturing capabilities, the Company establishes a global supply system featuring fast response, favorable cost, reliable quality, and timely delivery.
5. Create a globally renowned brand and continue to advance ESG efforts. By highlighting product innovation and globalized marketing service, the Company continues to shape a trustworthy and responsible global brand. By improving the level of corporate governance, actively contributing to environmental protection and social development, the Company empowers sustainable development of itself while being deeply integrated with the global sustainable development process.
6. Advance all-around digital operations. The Company accelerates digital transformation, builds an integrated business process across the entire value chain, and leverages digital intelligence technologies to create an intelligent enterprise and an agile organization that is always online, shared, and transparent, hence to reduce operational cost, improve operational efficiency, and continuously raise the standard of lean operation.
7. Strengthen organizational capacity building. Based on the principles of empowering business and focusing on core competitiveness, the Company establishes a closed-loop organizational capability management system through the identification, tracking, evaluation, and improvement of critical organizational capabilities. Furthermore, such capabilities are effectively embedded in the organization to promote the constant upgrade of organizational capabilities.

XII. Events Register for Research Visits, Communication, and Interviews in the Period

Applicable Not Applicable

| Date | Venue | Type of Visit | Type of Visitors | Visitors | Main Contents of the Discussion and Information Provided | Index of Basic Research Data |
|---------------|--------------|---------------|------------------|---|---|---|
| Apr. 19, 2022 | On the phone | Via phone | Institution | 1,000+ investors including Haitong Securities, Dongwu Securities, and Sinolink Securities | 2021 annual performance, status quo of operation and governance, 2022 | www.cninfo.com.cn Investor Relations Activity Register No. 20220420 |

| | | | | | | |
|---------------|--|-----------|-------------|---|---|---|
| | | | | | strategic plan and adjustment | |
| Apr. 22, 2022 | An investor relations online interaction platform (https://ir.p5w.net) | Other | Institution | Investors participating in the Sungrow 2022 Online Performance Briefing via the online interaction platform (www.p5w.net) | Status of the Company's core business, status quo of operation and governance, etc. | www.cninfo.com.cn Investor Relations Activity Register No. 20220422 |
| Aug. 26, 2022 | On the phone | Via phone | Institution | 1,000+ investors including Haitong Securities, Dongwu Securities, CITIC Securities, and Yangtze Fund | 2022 half-year financial performance, highlights of core business, key initiatives for the second half year | www.cninfo.com.cn Investor Relations Activity Register No. 20220826 |
| Sep. 7, 2022 | An investor relations online interaction platform (https://ir.p5w.net) | Other | Institution | Online investors | Current development status of energy storage business, overseas business situation, adjustment to the Company's business layout | www.cninfo.com.cn Investor Relations Activity Register No. 20220907 |
| Sep. 20, 2022 | An online roadshow (https://ir.p5w.net) | Other | Institution | Investors participating in the activity via the Panorama Roadshow | Prediction for the future inverter and energy storage markets, and investment plans of the Company | www.cninfo.com.cn Investor Relations Activity Register No. 20220920 |
| Oct. 26, 2022 | On the phone | Via phone | Institution | 1,000+ investors including Haitong Securities, Changjiang Securities, Dongwu Securities, and Nomura Fund | Current situation of the PV industry, financial status of the Company, and overseas market analysis | www.cninfo.com.cn Investor Relations Activity Register No. 20221026 |
| Dec. 2, 2022 | Sungrow No. 1 Conference Room | Other | Institution | 2,000+ investors including Haitong Securities, Changjiang Securities, Dongwu Securities, and | Global PV and energy storage market situation, the impact of the | www.cninfo.com.cn Investor Relations Activity Register No. 20221204 |

| | | | | | | |
|--|--|--|--|-------------|--|--|
| | | | | Nomura Fund | Russia-Ukraine conflict on the European market, etc. | |
|--|--|--|--|-------------|--|--|

Section IV Corporate Governance

I. Basic Situation of Corporate Governance

During the reporting period, the Company strictly followed the *Company Law*, the *Securities Law*, the *Governance Guidelines for Listed Companies*, the *Rules for Stock Listing at Shenzhen Stock Exchange* as well as other laws and regulations to constantly optimize the corporate governance structure, improve the internal control system, and achieve standardized operation.

The Company's overall operation in the reporting period was standardized and highly independent, the information disclosure was compliant, and the actual situation was basically in line with the requirements in the CSRC normative documents on the governance of listed companies.

a. About shareholders and the shareholders' meeting

Shareholders of the Company hold equal status based on the shares they possess and assume corresponding obligations following the provisions in the *Articles of Association*. The Company convenes and holds shareholders' meetings in strict accordance with the regulations and requirements of the *Rules for the Shareholders' Meeting of Listed Companies* and the *Rules of Procedure for the Shareholder's Meeting*, making sure shareholders exercise their rights and interests legitimately, treating all shareholders equally, and providing as much convenience as possible for shareholders to participate in the shareholders' meetings, so that they can fully exercise their rights as shareholders.

b. About the Company and the controlling shareholder

The Company's controlling shareholder, Mr. Cao Renxian, strictly abides by the *Governance Guidelines for Listed Companies*, *Rules for GEM Stock Listing at Shenzhen Stock Exchange*, *Shenzhen Stock Exchange's No. 2 Regulatory Guidelines for Listed Companies — Standardized Operation of GEM-Listed Companies*, and the *Articles of Association* to regulate his behavior. He makes no actions that directly or indirectly interfere with the Company's decision-making and business activities beyond the shareholders' meeting, nor jeopardizes the interests of the Company and other shareholders. There is no occurrence of the controlling shareholder taking up the Company's funds or the Company providing guarantees for the controlling shareholder. The Company owns independent and complete business and is capable of operating independently. The Company is independent from the controlling shareholder in terms of business, assets, personnel, organization and finance; the Company's Board of directors, Board of Supervisors, and internal organizations operate independently.

c. About directors and the Board of Directors

The Board of Directors is composed of 8 directors, including 3 independent directors. The number of directors and the composition of the Board of Directors are in line with the relevant laws, regulations and the *Articles of Association*. Directors perform their duties in accordance with the *Rules of Procedure for the Board of Directors*, the *Rules for Independent Director*, and the *Shenzhen Stock Exchange's No. 2 Regulatory Guidelines for Listed Companies — Standardized Operation of GEM-Listed Companies*, attend board meetings and shareholders' meetings, diligently assume their job responsibilities and obligations, and actively participate in relevant training to get familiar with the relevant laws and regulations.

d. About supervisors and the Board of Supervisors

The Board of Supervisors is composed of 3 supervisors, including 2 employee supervisors. The number of supervisors and the composition of the Board of Supervisors are in line with the requirements of laws and regulations. Supervisors perform their duties in accordance with the *Rules of Procedure for the Board of Supervisors*, and supervise the Company's major transactions, related-party transactions, financial status, and the legitimacy and compliance of directors' and executives' job performance.

e. About performance evaluation and the incentive and restraint mechanism

The Remuneration and Evaluation Committee is set up under the Board of Directors, which has formulated the *Working Rules of the Remuneration and Evaluation Committee*, established and implemented the performance evaluation system, and defined a scientific

system of indicators. The various centers, product lines, and departments make full use of the performance management tools to ensure objectives and performance plans are under control. The manager-in-charge holds the primary accountability for realizing annual objectives and performance plans of the respective department. Each department further breaks down the work plan into monthly and weekly tasks, and strives to achieve performance indicators on time, in quality and quantity, hence to ensure the delivery of the Company's annual objectives. All accountable organizations and all employees are subject to regular performance evaluation and objective assessment, and the evaluation results are used as the grounds for determining employees' remuneration, promotion/demotion, appraisal and job transfer.

f. About information disclosure and transparency

In strict accordance with relevant laws and regulations, as well as the requirements in the *Information Disclosure Management Procedures* and the *Investor Relations Management Procedures*, the Company fairly discloses the relevant information in a truthful, accurate, timely, and complete manner. The Company's Board Secretary is appointed to take charge of information disclosure, coordinate the relations between the Company and investors, receive investors' visits, reply investors' inquiries, and provide investors with the information disclosed by the Company. The Company has also designated www.cninfo.com.cn as the website for disclosing company information, *China Securities Journal*, *Securities Times*, *Securities Daily* and *Shanghai Securities News* as the newspapers for disclosing the Company's periodical reports, hence to ensure that all shareholders of the Company are informed of with equal opportunities.

g. About stakeholders

The Company fully values and safeguards the legitimate rights and interests of relevant stakeholders, attaches great importance to the Company's social responsibilities, actively collaborates with relevant stakeholders, and enhances communication and exchange with all parties, so as to realize the coordination and balance of the interests of shareholders, employees, society and other parties, and jointly promote the sustainable and healthy development of the Company.

Whether there is a material difference between the actual situation of corporate governance and laws, administrative regulations and the CSRC regulations on the governance of listed companies

Yes No

There is no material difference between the actual situation of corporate governance and laws, administrative regulations and the CSRC regulations on the governance of listed companies

II. The specific measures taken by the controlling shareholders and actual controllers to ensure the independence of the Company's assets, personnel, finance, organization and business

The Company is capable of operating its business independently and has set up a complete operation and management system that is independent from the controlling shareholder in terms of business, personnel, assets, organization, and finance.

III. Horizontal competition

Applicable Not Applicable

IV. Information on the annual shareholders' meeting and the extraordinary general meeting(s) held in the reporting period

1. The shareholders' meeting in the reporting period

| Session | Type | Investor | Date of Meeting | Date of Disclosure | Resolution(s) |
|---------|------|----------|-----------------|--------------------|---------------|
|---------|------|----------|-----------------|--------------------|---------------|

| | | Participation % | | | |
|---|-------------------------------|-----------------|--------------|--------------|---|
| 2021 Annual Shareholders' Meeting | Annual Shareholders' Meeting | 44.80% | May 18, 2022 | May 18, 2022 | No. 2022-039 <i>Announcement on the Resolutions of the 2021 Annual Shareholders' Meeting</i> on http://www.cninfo.com.cn |
| The First Extraordinary General Meeting in 2022 | Extraordinary General Meeting | 45.30% | May 30, 2022 | May 30, 2022 | No. 2022-047 <i>Announcement on the Resolutions of the First Extraordinary General Meeting in 2022</i> on http://www.cninfo.com.cn |

2. The extraordinary general meeting(s) requested by preference shareholders with restored voting rights

Applicable Not Applicable

V. The Company's voting rights difference arrangement

Applicable Not Applicable

VI. Corporate governance with the red-chip architecture

Applicable Not Applicable

VII. Directors, Supervisors and Executives

1. Basic Situation

| Name | Title | Status | Gender | Age | Office starts on | Office ends on | Shares held at the beginning of the period | Shares increased during the period | Shares decreased during the period | Other changes (shares) | Shares held at the end of the period | Reason for changes in shares |
|---------------|------------------------|-----------|--------|-----|------------------|----------------|--|------------------------------------|------------------------------------|------------------------|--------------------------------------|------------------------------|
| Cao Renxian | Chairman and President | Incumbent | Male | 55 | Dec. 8, 2016 | May 19, 2023 | 451,008,000 | | | | 451,008,000 | |
| Zhang Xucheng | Vice Chairman | Incumbent | Male | 51 | May 19, 2020 | May 19, 2023 | 150,000 | | 37,500 | | 112,500 | Sell |
| Zheng | Director | Incumbent | Male | 55 | Dec. 8, | May 19, | 11,976,3 | | | | 11,976,3 | |

| | | | | | | | | | | | | |
|---------------|--------------------------------------|-----------|--------|----|---------------|--------------|-----------|--|--|--|-----------|--|
| Guibiao | SVP | nt | | | 2016 | 2023 | 60 | | | | 60 | |
| Zhao Wei | Director, SVP | Incumbent | Male | 50 | Dec. 8, 2016 | May 19, 2023 | 7,076,000 | | | | 7,076,000 | |
| Gu Yilei | Director, SVP | Incumbent | Male | 45 | Dec. 11, 2018 | May 19, 2023 | 450,000 | | | | 450,000 | |
| Li Mingfa | Ind. Director | Incumbent | Male | 60 | May 19, 2020 | May 19, 2023 | | | | | - | |
| Li Baoshan | Ind. Director | Incumbent | Male | 70 | Dec. 8, 2016 | May 19, 2023 | | | | | - | |
| Gu Guang | Ind. Director | Incumbent | Female | 60 | May 19, 2020 | May 19, 2023 | | | | | - | |
| Tao Gaozhou | Chairman of the Board of Supervisors | Incumbent | Male | 52 | Dec. 8, 2016 | May 19, 2023 | | | | | - | |
| He Wei | Employee Supervisor | Incumbent | Male | 48 | Dec. 8, 2016 | May 19, 2023 | | | | | - | |
| Li Xiaomei | Employee Supervisor | Incumbent | Female | 55 | Dec. 8, 2016 | May 19, 2023 | | | | | - | |
| Zhang Youquan | VP | Incumbent | Male | 56 | Dec. 8, 2016 | May 19, 2023 | 225,000 | | | | 225,000 | |
| Chen Zhiqiang | VP | Incumbent | Male | 43 | Dec. 8, 2016 | May 19, 2023 | 375,000 | | | | 375,000 | |
| Wu Jiamao | VP | Incumbent | Male | 51 | Dec. 8, 2016 | May 19, 2023 | 375,000 | | | | 375,000 | |
| Xie Xiaoyong | VP | Incumbent | Male | 47 | Aug. 14, 2017 | May 19, 2023 | 300,000 | | | | 300,000 | |
| Deng Dejun | VP | Incumbent | Male | 47 | Dec. 11, 2018 | May 19, 2023 | 369,679 | | | | 369,679 | |
| Li Shun | VP | Incumbent | Male | 46 | Oct. 29, 2020 | May 19, 2023 | 25,000 | | | | 25,000 | |
| Peng Chaocai | VP | Incumbent | Male | 46 | Oct. 29, 2020 | May 19, 2023 | 78,750 | | | | 78,750 | |

| | | | | | | | | | | | | |
|-------------|---------------------------|-----------|------|----|------------------|------------------|-----------------|--|---------|--|-----------------|------|
| Lu Yang | VP, Board Secretary | Incumbent | Male | 41 | Oct. 21, 2021 | May 19, 2023 | | | | | | |
| Tian Shuai | Finance Director | Incumbent | Male | 40 | Jun. 27, 2022 | May 19, 2023 | | | | | | |
| Liu Zhen | Director | Resigned | Male | 47 | Dec. 8, 2016 | May 18, 2022 | | | | | | |
| Cheng Cheng | VP | Resigned | Male | 43 | Dec. 8, 2016 | May 13, 2022 | 375,000 | | 93,700 | | 281,300 | Sell |
| Li Guojun | Finance Director | Resigned | Male | 48 | Dec. 8, 2016 | Jun. 27, 2022 | 1,200,000 | | | | 1,200,000 | |
| Total | -- | -- | -- | -- | -- | -- | 473,983, 789 | | 131,200 | | 473,852, 589 | -- |

Resignation of directors/supervisors or dismissal of executives within the term of office during the reporting period

Yes No

Changes in directors, supervisors and executives of the Company

Applicable Not Applicable

| Name | Position | Type | Date | Reason |
|-------------|------------------|-------------|---------------|---|
| Liu Zhen | Director | Departure | May 18, 2022 | Because Mr. Liu Zhen was unable to perform his duties as a director, the Board of Directors proposed to the Shareholders' Meeting to remove Liu Zhen from his position of a director (non-independent director) of the fourth Board of Directors |
| Gu Yilei | Director | Election | May 18, 2022 | Following review and approval by the 2021 Annual Shareholders' Meeting, Mr. Gu Yilei was elected as a director (non-independent director) of the fourth Board of Directors |
| Cheng Cheng | VP | Departure | May 13, 2022 | Due to personal health reasons, Mr. Cheng Cheng resigned from the position of Vice President of the Company |
| Li Guojun | Finance Director | Departure | Jun. 27, 2022 | Due to personal reasons, Mr. Li Guojun resigned from the position of Finance Director of the Company |
| Tian Shuai | Finance Director | Appointment | Jun. 27, 2022 | At the 18th meeting of the Fourth Board of Directors, Mr. Tian Shuai was appointed Finance Director of the Company. This appointment intended to further improve the Company's financial informatization level and global service capabilities, promote the rapid and healthy development of the Company's businesses |

2. Incumbents Overview

The professional background, main work experience and job responsibilities of current directors, supervisors and executives of the Company

(1) Directors

Mr. Cao Renxian, Chinese national with no permanent residency overseas, born in July 1968, master degree, and researcher, is currently a delegate of the 14th National People's Congress and the chairman of the China Photovoltaic Industry Association. Mr. Cao Renxian was one of the faculty of Hefei University of Technology from June 1993 to 1998, and worked in Sungrow Power Supply Co., Ltd. from July 1998 to July 2001. He served the role of Executive Director and General Manager of Sungrow Power Supply Co., Ltd. from July 2001 to August 2007, followed by the role of Chairman and President from August 2007 to date.

Mr. Zhang Xucheng, Chinese national with no permanent residency overseas, born in June 1972, master degree. He served the roles of Vice Procurement Manager, Logistics Manager, Human Resources Manager and Senior Vice President of Sungrow. He is currently Vice Chairman of Sungrow, Chairman and President of Sungrow Renewables Development Co., Ltd.

Mr. Zheng Guibiao, Chinese national with no permanent residency overseas, born in May 1968, master degree, senior engineer. He served the roles of Vice General Manager and Director of Sungrow, and is currently Director and Senior Vice President of Sungrow.

Mr. Zhao Wei, Chinese national with no permanent residency overseas, born in December 1973, Ph.D., senior engineer. He served the roles of Vice Director and Vice General Manager of Sungrow R&D Center, and is currently Director and Senior Vice President of Sungrow.

Mr. Gu Yilei, Chinese national with no permanent residency overseas, born in February 1978, Ph.D. He has successively worked in Zhongda Simike Electronics Co., Ltd. (Delta Group), Shenzhen Kangdawei Electronic Technology Co., Ltd., Santak Electronics (Shenzhen) Co., Ltd., and Eaton (China) Investment Co., Ltd. He joined Sungrow in September 2015, and successively served the roles of Vice Director of the Sungrow Research Institute, Director of the Central Research Institute. He is currently Director and Senior Vice President of Sungrow and President of the Solar Storage Division.

Mr. Li Mingfa, Chinese national with no permanent residency overseas, born in February 1963, Ph.D., Level 2 professor and doctoral supervisor of Anhui University. He was Director of the Law School of Anhui University and Executive Vice Director of the Graduate School of Anhui University. He is currently Executive Director of the Civil Law Research Association of the China Law Society, Vice Director-General of the Anhui Civil and Commercial Law Research Association, Legal Adviser of the Standing Committee of the Anhui Provincial People's Congress, and an Expert Advisor of the Anhui Provincial People's Procuratorate. He is currently an independent director of Wuhu Sanlian Forging Co., Ltd., Tongling Kingkong Electronics Technology Co., Ltd., Anhui Estone Materials Technology Co., Ltd., and Sungrow Power Supply Co., Ltd.

Mr. Li Baoshan, Chinese national with no permanent residency overseas, born in March 1953, bachelor, senior engineer. He was a research intern of the Energy Research Institute of the State Development and Reform Commission, an engineer of the Agricultural Engineering Design and Research Institute of the Ministry of Agriculture, a vice section chief, researcher and vice inspector in the Department of High and New Technology Development of the Ministry of Science and Technology. He is currently Vice Chairman and Advisor of China Renewable Energy Society, an independent director of CECEP Wind Power Co., Ltd., Titan Wind Energy (Suzhou) Co., Ltd., Sinofibers Technology Co., Ltd. and Sungrow Power Supply Co., Ltd.

Ms. Gu Guang, Chinese national with no permanent residency overseas, born in July 1963, master degree, certified public accountant of China (non-practicing member). She graduated from the Department of Economics of Anhui University in 1986, and has been teaching at the university ever since, having served the roles of Vice Director and Director of the Accounting Department of the School of Business, Anhui University, Director of the MPAcc Education Center, Associate Professor and Master's Supervisor in accounting at the School of Business, Anhui University. Currently, she is an independent director of Anhui Shanhe Pharmaceutical Excipients Co., Ltd., Anhui Taida New Materials Co., Ltd., Anhui Hongyu Wuzhou Medical Manufacturer Co., Ltd., Atech Automotive Co., Ltd., and Sungrow Power Supply Co., Ltd.

(2) Supervisors

Mr. Tao Gaozhou, Chinese national with no permanent residency overseas, born in March 1971, master degree, senior engineer. He was Manager of Structure Department and a Supervisor of Sungrow, and is currently the Chairman of Sungrow's Board of Supervisors and a senior expert of the Structure Platform Department of Central Research Institute

Mr. He Wei, Chinese national with no permanent residency overseas, born in October 1975, master degree. He was Business

Planning Manager and Logistics Assurance Manager of Sungrow, and is currently an Employee Representative Supervisor of Sungrow and General Manager of the Administrative Service Center.

Ms. Li Xiaomei, Chinese national with no permanent residency overseas, born in November 1968, bachelor degree. She was the Process Technology Manager of Sungrow R&D Center, the PV System Engineering Technology Manager, and a Senior Internal Audit Specialist of the System Management Team of the Power Station Division. She is currently an Employee Representative Supervisor of Sungrow and a Senior SQE Engineer of the Supply Chain Quality Technology Department.

(3) Executives

Mr. Cao Renxian, President. Refer to the introduction in “(1) Directors” for details.

Mr. Zheng Guibiao, Senior Vice President. Refer to the introduction in “(1) Directors” for details.

Mr. Zhao Wei, Senior Vice President. Refer to the introduction in “(1) Directors” for details.

Mr. Gu Yilei, Senior Vice President. Refer to the introduction in “(1) Directors” for details.

Mr. Zhang Youquan, Chinese national with no permanent residency overseas, born in April 1967, master degree, senior engineer. He was Vice Chief Engineer of Sungrow Hefei, Director of the Product Management Center, Chairman of the Board of Supervisors and Vice General Manager of Sungrow. He is currently Vice President of Sungrow.

Mr. Chen Zhiqiang, Chinese national with no permanent residency overseas, born in April 1980, graduated from the University of Science and Technology of China in 2020 with a master degree, and a certified quality engineer of China. He was the Quality Control Supervisor, Quality Control Manager, Management Representative, Quality Director, Employee Supervisor, and Chairman of the Board of Supervisors of Sungrow. He is currently Vice President of Sungrow.

Mr. Wu Jiamao, Chinese national with no permanent residency overseas, born in September 1972, master degree. He worked for Anhui Ningguo Shuangjin Group previously and joined Sungrow in March 2005. He successively served the roles of Sales Manager of Sungrow, General Manager of Shanghai Yangfeng Power Supply Co., Ltd., General Manager of Sungrow Shanghai Company, and is currently Vice President of Sungrow and Vice President of the Solar Storage Division.

Mr. Xie Xiaoyong, Chinese national with no permanent residency overseas, born in September 1976, master degree. He worked for Xuancheng Administration for Industry and Commerce, Yiren (Ningbo) Arts & Crafts Co., Ltd., Wison Marine Engineering Co., Ltd. previously, and joined Sungrow in October 2009. He successively served the roles of Human Resources Manager, Strategic Planning Manager, Operation Director, General Manager of the Strategy Center of Sungrow, and is currently Vice President of Sungrow.

Mr. Deng Dejun, Chinese national with no permanent residency overseas, born in September 1976, bachelor degree. He worked for Maanshan Iron and Steel Co., Ltd., Foxconn Technology Group, Philips Electronics, and Great Wall Development Technology Co., Ltd. previously. After joining Sungrow in January 2011, he successively served the role of Production Planning Manager, Production Planning Manager and Vice General Manager of the Gansu Division, Manufacturing Director of the Production Center and Production Planning Manager, Vice General Manager of the Production Center, and General Manager of the Production Center. He is currently Vice President of Sungrow and General Manager of the Production Center.

Mr. Li Shun, Chinese national with no permanent residency overseas, born in January 1977, master degree. He worked for China Academy of Engineering Physics, Santak Electronics (Shenzhen) Co., Ltd., and Samil Power Co., Ltd. After joining Sungrow, he successively served the roles of Director of Small-to-Medium Power Products, Director of String Products, and Vice President of the Solar Storage Division. He is currently Vice President of Sungrow and Vice President of the Solar Storage Division.

Mr. Peng Chaocai, Chinese national with no permanent residency overseas, born in December 1977, master degree. He worked for Shangqiu Experimental Middle School, Sinoma Technology Wind Power Blade Co., Ltd., and Delta Electronics (Shanghai) Co., Ltd. before joining Sungrow as President of the Wind Energy Division. He is currently Vice President of Sungrow and President of the Wind Energy Division.

Mr. Lu Yang, Chinese national with no permanent residency overseas, born in October 1982, master degree. He worked previously for State Nuclear Power Technology Corporation, Beijing Zhenglue Junce Management Consulting Co., Ltd., and ENN Group Co., Ltd. In August 2016, he joined Sungrow and successively served the roles of Strategic Planning Manager, Strategic Planning Director, and General Manager of the Strategy Center. He is currently Vice President, Board Secretary, and General Manager of the

Strategy Center of Sungrow.

Mr. Tian Shuai, Chinese national with no permanent residency overseas, born in November 1983, bachelor degree and MBA candidate of Peking University, CMA (Certified Management Accountant). He worked previously for Sany Heavy Industry Co., Ltd., Huawei Technologies Co., Ltd., Hunan Huinong Technology Co., Ltd., and Honor Device Co., Ltd. In September 2021, he joined Sungrow and successively served the roles of Vice General Manager of the Finance Center and General Manager of the Finance Center. He is currently Finance Director of Sungrow.

Positions in organizations as a shareholder

Applicable Not Applicable

Positions in other organizations

Applicable Not Applicable

| Name | Organization | Position | Office starts on | Office ends on | Paid by the Organization |
|--------------|--|-------------------|------------------|----------------|--------------------------|
| Cao Renxian | Hefei Renshang Enterprise Management Co., Ltd. | Supervisor | | | No |
| Li Mingfa | Anhui Estone Material Technology Co., Ltd. | Ind. Director | | | Yes |
| Li Mingfa | Wuhu Sanlian Forging Co., Ltd. | Ind. Director | | | Yes |
| Li Mingfa | Tongling Kingkong Electronics Technology Co., Ltd. | Ind. Director | | | Yes |
| Li Baoshan | Titan Wind Energy (Suzhou) Co., Ltd. | Ind. Director | | | Yes |
| Li Baoshan | CECEP Wind Power Co., Ltd. | Ind. Director | | | Yes |
| Gu Guang | Anhui Shanhe Pharmaceutical Excipients Co., Ltd. | Ind. Director | | | Yes |
| Gu Guang | Anhui Hongyu Wuzhou Medical Manufacturer Co., Ltd. | Ind. Director | | | Yes |
| Gu Guang | Anhui Taida New Materials Co., Ltd. | Ind. Director | | | Yes |
| Gu Guang | Atech Automotive Co., Ltd. | Ind. Director | | | Yes |
| Xie Xiaoyong | Hefei Shangneng Enterprise Management Co., Ltd. | Exe. Director, GM | | | No |
| Lu Yang | Jiangyin Wanzai Trading Co., Ltd. | Supervisor | | | No |

Penalties imposed by securities regulators in the past three years on incumbent directors, supervisors, executives and those departed in the reporting period

Applicable Not Applicable

3. Remuneration of Directors, Supervisors and Executives

The procedure for determining remuneration for directors, supervisors and executives, the ground for determination, and the actual payment

Procedure for determination: Remuneration of the Company's directors and supervisors is determined by the shareholders' meeting; remuneration of executives is determined by the Board of Directors. Directors, supervisors and executives who hold offices in the Company receive remuneration according to their specific positions.

Grounds for determination: Remuneration of directors, supervisors and executives is determined and paid in accordance with the provisions in the *Working Rules of the Remuneration and Evaluation Committee* defined by the Board of Directors, taking into consideration of their respective business performance, professional competency, job ranking and other evaluation results.

Actual payment: Remuneration of directors, supervisors and executives has been paid in full according to the predefined standard.

Remuneration of Directors, Supervisors and Executives of the Company during the Reporting Period

(in CNY 10K)

| Name | Position | Gender | Age | Status | Total remuneration before tax | Paid by related-party of the Company Y/N |
|---------------|--------------------------------------|--------|-----|-----------|-------------------------------|--|
| Cao Renxian | Chairman, President | Male | 55 | Incumbent | 351 | No |
| Zhang Xucheng | Vice Chairman | Male | 51 | Incumbent | 276 | No |
| Zheng Guibiao | Director, SVP | Male | 55 | Incumbent | 220 | No |
| Zhao Wei | Director, SVP | Male | 50 | Incumbent | 294 | No |
| Gu Yilei | Director, SVP | Male | 45 | Incumbent | 960 | No |
| Li Mingfa | Ind. Director | Male | 60 | Incumbent | 8 | No |
| Li Baoshan | Ind. Director | Male | 70 | Incumbent | 8 | No |
| Gu Guang | Ind. Director | Female | 60 | Incumbent | 8 | No |
| Tao Gaozhou | Chairman of the Board of Supervisors | Male | 52 | Incumbent | 105 | No |
| He Wei | Employee Supervisor | Male | 48 | Incumbent | 105 | No |
| Li Xiaomei | Employee Supervisor | Female | 55 | Incumbent | 51 | No |
| Zhang Youquan | VP | Male | 56 | Incumbent | 170 | No |
| Chen Zhiqiang | VP | Male | 43 | Incumbent | 240 | No |
| Wu Jiamao | VP | Male | 51 | Incumbent | 775 | No |
| Xie Xiaoyong | VP | Male | 47 | Incumbent | 230 | No |
| Deng Dejun | VP | Male | 47 | Incumbent | 213 | No |
| Li Shun | VP | Male | 46 | Incumbent | 400 | No |
| Peng Chaocai | VP | Male | 46 | Incumbent | 276 | No |
| Lu Yang | VP, Board Secretary | Male | 41 | Incumbent | 181 | No |
| Tian Shuai | Finance Director | Male | 40 | Incumbent | 202 | No |
| Liu Zhen | Director | Male | 47 | Resigned | 0 | No |
| Cheng Cheng | VP | Male | 43 | Resigned | 28 | No |

| | | | | | | |
|-----------|------------------|------|----|----------|-------|----|
| Li Guojun | Finance Director | Male | 48 | Resigned | 65 | No |
| Total | -- | -- | -- | -- | 5,166 | -- |

VIII. Directors' Performance of Duties During the Reporting Period

1. Board meetings during the reporting period

| Session | Date of Meeting | Date of Disclosure | Resolution(s) |
|---|--------------------|--------------------|---|
| The 14th meeting of the fourth Board of Directors | April 19, 2022 | April 20, 2022 | No. 2022-005 <i>Announcement on Resolutions of the Fourteenth Meeting of the Fourth Board of Directors</i> on http://www.cninfo.com.cn |
| The 15th meeting of the fourth Board of Directors | May 6, 2022 | May 6, 2022 | No. 2022-029 <i>Announcement on Resolutions of the Fifteenth Meeting of the Fourth Board of Directors</i> on http://www.cninfo.com.cn |
| The 16th meeting of the fourth Board of Directors | May 13, 2022 | May 14, 2022 | No. 2022-033 <i>Announcement on Resolutions of the Sixteenth Meeting of the Fourth Board of Directors</i> on http://www.cninfo.com.cn |
| The 17th meeting of the fourth Board of Directors | May 30, 2022 | May 30, 2022 | No. 2022-049 <i>Announcement on Resolutions of the Seventeenth Meeting of the Fourth Board of Directors</i> on http://www.cninfo.com.cn |
| The 18th meeting of the fourth Board of Directors | June 27, 2022 | June 27, 2022 | No. 2022-057 <i>Announcement on Resolutions of the Eighteenth Meeting of the Fourth Board of Directors</i> on http://www.cninfo.com.cn |
| The 19th meeting of the fourth Board of Directors | August 26, 2022 | August 27, 2022 | No. 2022-069 <i>Announcement on Resolutions of the Nineteenth Meeting of the Fourth Board of Directors</i> on http://www.cninfo.com.cn |
| The 20th meeting of the fourth Board of Directors | September 14, 2022 | September 14, 2022 | No. 2022-081 <i>Announcement on Resolutions of the Twentieth Meeting of the Fourth Board of Directors</i> on http://www.cninfo.com.cn |
| The 21st meeting of the fourth Board of Directors | October 26, 2022 | October 27, 2022 | No. 2022-092 <i>Announcement on Resolutions of the Twenty-first Meeting of the Fourth Board of Directors</i> on http://www.cninfo.com.cn |

2. Directors' presence at Board Meetings and Shareholders' Meetings

| Directors' presence at Board Meetings and Shareholders' Meetings | | | | | | | |
|--|---|--------------------------------------|--|-------------------------------------|-----------------------------|--|------------------------------------|
| Director | Board meetings to be attended in the period | In-person presence at board meetings | Audio/Video presence at board meetings | Delegate presence at board meetings | Absence from board meetings | Failed in-person presence at two consecutive | Presence at shareholders' meetings |

| | | | | | | board meetings | |
|---------------|---|---|---|---|---|----------------|---|
| Cao Renxian | 8 | 1 | 7 | 0 | 0 | No | 2 |
| Zhang Xucheng | 8 | 1 | 7 | 0 | 0 | No | 2 |
| Zheng Guibiao | 8 | 1 | 7 | 0 | 0 | No | 2 |
| Zhao Wei | 8 | 1 | 7 | 0 | 0 | No | 2 |
| Gu Yilei | 5 | 1 | 4 | 0 | 0 | No | 1 |
| Li Mingfa | 8 | 1 | 7 | 0 | 0 | No | 2 |
| Li Baoshan | 8 | 1 | 7 | 0 | 0 | No | 2 |
| Gu Guang | 8 | 1 | 7 | 0 | 0 | No | 2 |
| Liu Zhen | 2 | 0 | 0 | 0 | 2 | Yes | 0 |

Explanation on failing in-person presence at two consecutive board meetings

Mr. Liu Zhen, an external director of the Company, was suspected of serious violations of discipline and law, and was unable to perform his duties as a director. He was unreachable for the 14th and 15th meetings of the fourth Board of Directors, and failed in-person presence at two consecutive board meetings, nor delegated anyone to attend the board meetings on his behalf. The 2021 Annual Shareholders' Meeting held on May 18, 2022 reviewed and approved to remove him from the director position.

3. Objections raised by directors to matters related to the Company

Whether there were objections raised by directors to matters related to the Company

Yes No

No directors raised any objection to matters related to the Company during the reporting period.

4. Other explanations on directors' performance of duties

Whether suggestions made by directors were accepted

Yes No

Explanation on accepting or rejecting suggestions made by directors

During the reporting period, all directors of the Company strictly followed the *Company Law*, the *Securities Law*, the *Governance Guidelines for Listed Companies*, the *Shenzhen Stock Exchange's No. 2 Regulatory Guidelines for Listed Companies — Standardized Operation of GEM-Listed Companies*, as well as other relevant regulations and requirements in the *Articles of Association* and the *Rules of Procedure for the Board of Directors*. All directors performed their duties in a diligent and conscientious way to ensure thoughts were adequately exchanged, decisions were made in a timely and efficient manner, and the legitimate rights and interests of the Company and all shareholders were safeguarded. During the reporting period, independent directors expressed independent views on critical issues such as profit distribution and outbound guarantee, which safeguarded the legitimate rights and interests of the Company and all shareholders.

IX. Operation of Special Committees under the Board of Directors During the Reporting Period

| Committee | Members | No. of | Date of | Content of | Important comments and | Performance of | Specific circumstances |
|-----------|---------|--------|---------|------------|------------------------|----------------|------------------------|
|-----------|---------|--------|---------|------------|------------------------|----------------|------------------------|

| | | Meetings | Meetings | Meeting | suggestions made | other duties | of objection (if any) |
|--------------------------|-------------------------------------|----------|---------------|---|---|--------------|-----------------------|
| The Audit Committee | Gu Guang, Li Baoshan, Zheng Guibiao | 1 | Apr. 16, 2022 | Deliberation of the <i>Proposal on Re-engaging the Company's Auditing Firm for 2022</i> , the <i>Proposal on the Company's 2022 First Quarter Report</i> , the <i>Proposal on the Company's 2021 Annual Report and the Report Summary</i> | Approved the proposal, and agreed to submit the proposal for deliberation by the Board of Directors | None | None |
| The Audit Committee | Gu Guang, Li Baoshan, Zheng Guibiao | 1 | Aug. 24, 2022 | Deliberation of the <i>Proposal on the Company's 2022 Half Year Report and the Report Summary</i> | Approved the proposal, and agreed to submit the proposal for deliberation by the Board of Directors | None | None |
| The Audit Committee | Gu Guang, Li Baoshan, Zheng Guibiao | 1 | Oct. 24, 2022 | Deliberation of the <i>Proposal on the Company's 2022 Third Quarter Report</i> | Approved the proposal, and agreed to submit the proposal for deliberation by the Board of Directors | None | None |
| The Nomination Committee | Cao Renxian, Li Mingfa, Gu Guang | 1 | Jun. 24, 2022 | Deliberation of the <i>Proposal on the Appointment of Finance Director</i> | Approved the proposal, and agreed to submit the proposal for deliberation by the Board of | None | None |

| | | | | | Directors | | |
|---|---|---|---------------|--|---|------|------|
| The Strategy Committee | Cao Renxian, Zhang Xucheng, Zheng Guibiao | 1 | Nov. 30, 2022 | Deliberation of the <i>Proposal on the Company's Medium- and long-term Planning and Three-Year Rolling Plans of Functional Centers</i> | Approved the proposal | None | None |
| The Remuneration and Evaluation Committee | Li Baoshan, Li Mingfa, Zhang Xucheng | 1 | Apr. 16, 2022 | Deliberation of the <i>Proposal on the 2022 Remuneration of Directors, Supervisors and Executives</i> | Approved the proposal, and agreed to submit the proposal for deliberation by the Board of Directors | None | None |

X. Operation of the Board of Supervisors

Whether the Board of Supervisors identified any risks during the monitoring activities in the reporting period

Yes No

The Board of Supervisors had no objections to matters subject to supervision in the reporting period.

XI: Employees

1. The number of employees and their professional and educational background

| | |
|---|------------|
| Incumbent employees of the parent company at the end of the period | 4,349 |
| Incumbent employees of major subsidiaries at the end of the period | 4,890 |
| Total incumbent employees at the end of the period | 9,239 |
| Total number of employees receiving remuneration in the current period | 9,239 |
| Retirees to be financially supported by the parent company and major subsidiaries | 0 |
| Professional Background | |
| Profession Split | Head Count |
| Production | 2,834 |
| Sales | 1,511 |

| | |
|-------------------------------|-------------------|
| Technical | 3,647 |
| Financial | 137 |
| Administration | 1,110 |
| Total | 9,239 |
| Educational Background | |
| Education Level | Head Count |
| Doctor | 64 |
| Master | 2,033 |
| Bachelor | 4,086 |
| College Graduate and below | 3,056 |
| Total | 9,239 |

2. Remuneration policy

Competitive remuneration stimulates employees' enthusiasm and creativity, and promotes the sustainable growth of the Company. In consideration of the Company's strategic development needs and based on the different stages of business development (mature business for profit contribution and seeding business for rapid growth), the Company designed targeted incentive plans incorporating the medium- and long-term objectives, thereby promoting the sustainable development of the various businesses. The Company also made remuneration adjustments according to the relevant national laws and regulations on human resources management, the market status, and employees' individual job performance, so as to allow employees to receive reasonable returns, and establish a remuneration and performance management system that takes into account of internal fairness and external competitiveness.

3. Training plan

Centered around the employee value proposition of "accelerate employees' growth and fulfill employees' dreams", the Company attaches great importance to employee development, pays attention to growing employees' technical skills and comprehensive competency, and has established a robust training system. The Company has designed professional and personalized learning and growth programs for different training groups and focuses, such as training programs for new hires from open recruitment and campus recruitment, hierarchical leadership empowerment programs, cross-cultural training, and other general skills training programs. The Company clarifies the annual training needs in combination with the corporate development objectives and the work targets of each department, formulates a comprehensive annual training plan, and establishes a hierarchical curriculum design to facilitate job-related skills training. While engaging external trainers, the Company has also set up an internal trainers' team and trained a number of excellent internal trainers, so that training efficiency and effectiveness could be improved, employees' skills and competencies could be upgraded to better serve the business growth.

4. Labor outsourcing

Applicable Not Applicable

XII. Profit Distribution and Conversion of Capital Reserve into Share Capital

The formulation, implementation or adjustment of the profit distribution policy, especially the cash dividend policy, during the reporting period

Applicable Not Applicable

The Company strictly implemented the profit distribution policy in accordance with the *Articles of Association*. The formulation and implementation of the Company's cash dividend policy were aligned with the provisions in the *Articles of Association* and the requirements in the resolution of the shareholders' meeting. The dividend standard and proportion were clearly specified; the relevant decision-making procedures and mechanisms were in place. Independent directors fulfilled their responsibilities and played their roles, the minority shareholders fully expressed their opinions and demands, and the legitimate rights and interests of the minority shareholders were adequately safeguarded.

| Special Explanation on the Cash Dividend Policy | |
|--|-----|
| Whether it complied with the provisions in the Articles of Association or the requirements in the resolution(s) of the shareholders' meeting: | Yes |
| Whether the dividend standard and proportion were clearly specified: | Yes |
| Whether the relevant decision-making procedures and mechanisms were in place: | Yes |
| Whether independent directors performed their duties and played their roles: | Yes |
| Whether minority shareholders had the opportunity to fully express their views and demands, and whether their legitimate rights and interests were adequately safeguarded: | Yes |
| In the case of cash dividend policy modification or change, whether the conditions and procedures were compliant and transparent: | Yes |

The Company's profit distribution plan and capital reserve conversion plan for the reporting period were consistent with the relevant provisions in the Articles of Association and the dividend management policy

Yes No Not Applicable

The Company's profit distribution plan and capital reserve conversion plan for the reporting period were in line with the relevant provisions in the Articles of Association.

Profit distribution and conversion of capital reserve into share capital for the year

| Number of bonus shares for every 10 shares | 0 |
|--|------------------|
| Dividend (in CNY) per 10 shares (tax inclusive) | 2.20 |
| Number of shares transferred per 10 shares | 0 |
| Equity base of the distribution plan (in shares) | 1,478,705,935.00 |
| Cash dividend (in CNY) (tax inclusive) | 325,315,305.70 |
| Cash dividend in other ways (such as share buyback) (in CNY) | 520,543,225.73 |
| Total cash dividend (including those distributed in other ways) (in CNY) | 845,858,531.43 |
| Distributable profit (in CNY) | 8,636,973,267.33 |
| Total cash dividend (including those distributed in other ways) in total profit distribution | 100.00% |
| Overview of this Cash Dividend | |
| Other | |

Detailed description of the profit distribution or the capital reserve conversion plan

As audited and confirmed by RSM China (Special General Partnership), the net profit realized by the parent company in 2022 was CNY 3,495,882,716.50. After setting aside statutory reserves of CNY 349,588,271.65 at 10% of the net profit realized, the undistributed profit amounted to CNY 3,146,294,444.85. Adding up the undistributed profit of CNY 5,654,051,628.97 from the previous year and deducting the 2021 cash dividend of CNY 163,372,806.49 already distributed, the distributable profit of the parent company as of December 31, 2022 was CNY 8,636,973,267.33.

According to CSRC's *Notice on Further Implementing Cash Dividends of Listed Companies and Related Matters*, the *Company Law*, the *No. 3 Regulatory Guidelines for Listed Companies — Cash Dividends of Listed Companies* and the *Articles of Association*, and after comprehensive consideration of the Company's financial status, business development needs in the future and return to shareholders, the Company made the following profit distribution plan for 2022:

Based on a share capital of 1,478,705,935 shares (the existing total share capital of 1,485,190,984 shares minus 6,485,049 shares that have been bought back in the special account for buyback), the Company plans to distribute a cash dividend of CNY 2.20 (tax inclusive) for every 10 shares to all shareholders, with the total cash dividend amounting to CNY 325,315,305.70 (tax inclusive). The remaining undistributed profit will carry forward next year. No share capital was increased, and no bonus shares was issued this year. In the event that the Company's total share capital changes prior to the execution of the distribution plan due to the conversion of convertible bonds, share buyback, exercise of equity incentives, and listing of new shares from refinancing, the Company will adjust the distribution ratio while maintaining the total amount of distribution unchanged.

The Company was profitable during the reporting period, the parent company made positive profits distributable to shareholders, but no cash dividend distribution plan was proposed

Applicable Not Applicable

XIII. Progress of the Company's Equity Incentive Plan, Employee Stock Ownership Plan or Other Employee Incentive Measures

Applicable Not Applicable

a. Equity Incentives

The 2018 Restricted Stock Incentive Plan

1. On December 11, 2018, the Company held the 16th meeting of the third Board of Directors, at which the *2018 Restricted Stock Incentive Plan (Draft)* and its summary, the *Assessment Measures for the Implementation of the 2018 Restricted Stock Incentive Plan*, and the *Proposal on Requesting the Shareholders' Meeting to Authorize the Board of Directors to Proceed with the 2018 Restricted Stock Incentive Plan Related Initiatives* were reviewed and approved. On the same day, independent directors expressed independent views on the incentive object's qualification and the specific contents of the restricted stock incentive plan, as well as on whether it contributed to the sustainable development of the Company and whether there were any signs of compromising the benefits of the Company and all shareholders.
2. On December 27, 2018, the Company held the fourth extraordinary general meeting in 2018, at which the *2018 Restricted Stock Incentive Plan (Draft)* and its summary, the *Assessment Measures for the Implementation of the 2018 Restricted Stock Incentive Plan*, and the *Proposal on Requesting the Shareholders' Meeting to Authorize the Board of Directors to Proceed with the 2018 Restricted Stock Incentive Plan Related Initiatives* were reviewed and approved. The Board of Directors was authorized to deal with the changes and terminations of the Plan according to the provisions in the Company's 2018 Restricted Stock Incentive Plan, including but not limited to revoking the incentive object's qualifications for unlocking restricted shares, buying back and cancelling restricted shares held by incentive objects that have not been unlock.
3. On January 9, 2019, the Company held the 17th meeting of the third Board of Directors, at which the *Proposal on Granting*

Restricted Shares to Incentive Objects for the First Time was reviewed and approved. The Company decided to take January 9, 2019 as the granting date, and granted 7.5 million restricted shares to 142 incentive objects of the first grant in 2018 at the granting price of CNY 4.66 per share.

In the registration for the first grant of restricted shares in 2018, some incentive objects voluntarily waived the restricted shares, in whole or in part, due to personal reasons, the quantity of first grant in the 2018 incentive plan changed from 7.5 million shares to 7.35 million shares, and the number of incentive objects changed from 142 to 139. After review and confirmation by the Shenzhen Stock Exchange and the China Securities Depository and Clearing Corporation Limited Shenzhen Branch, the Company completed the registration of 7.35 million restricted shares granted to 139 incentive objects involved in the first grant, and the restricted shares granted were listed on February 27, 2019.

4. On May 9, 2019, the Company held the 20th meeting of the third Board of Directors, at which the *Proposal on the Buyback and Cancellation of Some Restricted Shares* was reviewed and approved. Since some of the Company's original incentive objects, Wei Yongzhen, Zhang Daqiang, Ai Shaowei, Cheng Zheng, Zeng Jin, and Wang Qigang, resigned, according to the relevant provisions of the Company's equity incentive plan, all the restricted shares that were granted to them but not unlocked should be bought back and cancelled by the Company. Since the individual annual performance of the Company's original incentive objects, Li Bing, accounted for an unlocking percentage of 50%, according to the relevant provisions of the Company's equity incentive plan, the remaining part of restricted shares that were granted to him but not unlocked should be bought back and cancelled by the Company. The total buyback quantity amounted to 268,750 shares. The buyback price was CNY 5.1314 per share for restricted shares in the first grant in 2017, CNY 8.8002 per share for the reserved grant in 2017, and CNY 4.66 per share for the first grant in 2018.
5. On August 14, 2019, the Company held the 21th meeting of the third Board of Directors and the 18th meeting of the third Board of Supervisors, at which the *Proposal on the Buyback and Cancellation of Some Restricted Shares* was reviewed and approved. Since some of the Company's original incentive objects, Li Chen, Meng Wei, Hu Weichao, Li Guo, Jiang Lihui, Cao Zhi, Geng Anran, Yu Guoqiang, Ling Li, Lai Chengzhi, Li Guoqing, Yang Mei, Zuo Yalian, Lu Tao, and Ma Xiangyun, resigned, according to the relevant provisions of the Company's equity incentive plan, all the restricted shares that were granted to them but not unlocked should be bought back and cancelled by the Company, with the total buyback quantity amounting to 528,000 shares. The buyback price was CNY 5.0714 per share for restricted shares in the first grant in 2017, CNY 8.7402 per share for the reserved grant in 2017, and CNY 4.6 per share for the first grant in 2018.
6. On October 25, 2019, the Company held the 22th meeting of the third Board of Directors and the 19th meeting of the third Board of Supervisors, at which the *Proposal on the Buyback and Cancellation of Some Restricted Shares* was reviewed and approved. Since some of the Company's original incentive objects, Sun Hongfei, Ji Ruifei, Huang Yong, Yin Zufu, Tu Chao, Chen Yadong, Dong Bincheng, Wang Huichao, and Han Gao, resigned, according to the relevant provisions of the Company's equity incentive plan, all the restricted shares that were granted to them but not unlocked should be bought back and cancelled by the Company, with the total buyback quantity amounting to 274,000 shares. The buyback price was CNY 5.0714 per share for restricted shares in the first grant in 2017, CNY 8.7402 per share for the reserved grant in 2017, and CNY 4.6 per share for the first grant in 2018.
7. On December 26, 2019, the Company held the 23rd meeting of the third Board of Directors and the 20th meeting of the third Board of Supervisors, at which the *Proposal on Granting the Reserved Part of Restricted Shares to Incentive Objects* was reviewed and approved. The Company decided to take December 26, 2019 as the granting date and granted 1.5 million restricted shares from the reserved part of 2018 to 38 incentive objects.
8. On April 23, 2020, the Company held the 24th meeting of the third Board of Directors, at which the *Proposal on the Achievement of Unlocking Conditions for Stage III of the First Batch and Stage II of the Reserved Part of Restricted Shares*

Granted in 2017 and Stage I of the First Batch Granted in 2018 was reviewed and approved. It was agreed that the unlocking of the Stage I restricted shares in the first grant in 2018 should be proceeded with according to the relevant provisions of the *2018 Restricted Stock Incentive Plan*. A total of 131 incentive objects were eligible for the Stage I unlock of the first batch granted in 2018, and the total number of restricted shares that could be unlocked was 2,145,000, accounting for 0.1472% of the Company's total share capital at present.

9. On April 23, 2020, the Company held the 24th meeting of the third Board of Directors and the 21st meeting of the third Board of Supervisors, at which the *Proposal on the Buyback and Cancellation of Some Restricted Shares* was reviewed and approved. Since some of the Company's original incentive objects, Lu Chunguang, Xiao Fuqin, Wu Changhong, Zhang Changxin, Zhang Lei, Wang Xiaofei, Yu Hong, Zhang Yingfan, Xie Jiehua, Liu Ziyu, Liu Dawei, Chen Qiang, Gao Yu, Jiao Xiangbo, Xu Zhongren, Zhang Jiannan, Qu Rao, and Li Gaoshan, resigned, according to the relevant provisions of the Company's equity incentive plan, all the restricted shares that were granted to them but not unlocked should be bought back and cancelled by the Company. Since the individual annual performance of the Company's original incentive objects, Yang Li, accounted for an unlocking percentage of 50%, according to the relevant provisions of the Company's equity incentive plan, the remaining part of restricted shares that were granted to him but not unlocked should be bought back and cancelled by the Company. The total buyback quantity amounted to 522,000 shares. The buyback price was CNY 5.0714 per share for restricted shares in the first grant in 2017, CNY 8.7402 per share for the reserved grant in 2017, and CNY 4.6 per share for the first grant in 2018.
10. On May 14, 2020, the Stage I unlocked restricted shares from the first grant of the 2018 Restricted Stock Incentive Plan were listed for circulation. The number of restricted shares unlocked this time was 2,145,000, accounting for 0.1472% of the Company's total share capital at present; the actual number of restricted shares that could be listed for circulation was 1,895,000, accounting for 0.1301% of the Company's total share capital at present.
11. On July 13, 2020, the Company held the second meeting of the fourth Board of Directors and the second meeting of the fourth Board of Supervisors, at which the *Proposal on the Buyback and Cancellation of Some Restricted Shares* was reviewed and approved. Since some of the Company's original incentive objects, Yao Shaohua, Wu Zongjian, Zhang Fenggang, Liu Lei, Wang Rui, Tian Geng, Wang Baoping, Wu Jie, Tang Jie, Yan Shichao, Wu Bin, Cheng Qi, Yang Gangxin, Shen Tan, Song Zijian, Lin Guangyi, and Chen Chao, resigned, according to the relevant provisions of the Company's equity incentive plan, all the restricted shares that were granted to them but not unlocked should be bought back and cancelled by the Company, with the total buyback quantity amounting to 504,000 shares. The buyback price was CNY 5.0014 per share for restricted shares in the first grant in 2017, CNY 8.6702 per share for the reserved grant in 2017, and CNY 4.5300 per share for the first grant in 2018.
12. On August 28, 2020, the Company made the *Announcement on the Completion of the Reserved Grant Registration for the 2018 Restricted Stock Incentive Plan*, and shares granted this time were listed on September 1, 2020. Since a large number of incentive objects for this grant were foreign employees working outside China, it was very challenging for employees to pay and verify their capital due to conditional constraints; therefore, the share-granting progress fell behind. The original plan was to grant a total of 1.5 million restricted shares to 38 eligible incentive objects. In the subsequent payment and capital verification process, the original incentive objects Xu Youbin and CARDOSOROBERTOMIGUEL voluntarily waived; therefore, 36 incentive objects were actually granted this time, and the actual quantity granted was 1,450,000 shares.
13. On October 29, 2020, the Company held the fourth meeting of the fourth Board of Directors and the fourth meeting of the fourth Board of Supervisors, at which the *Proposal on the Buyback and Cancellation of Some Restricted Shares* was reviewed and approved. Since some of the Company's original incentive objects, Zhu Hui, Yang Guoqiang, Zhang Tao, Wang Xinzong, Dong Yugang, Liu Ming, Yu Chuandian, Xing Zhen, Tian Hao, Hu Di, Tu Fang, WARDZACHARIAH HUSSEIN, and KIM MYUNGKWAN, resigned, according to the relevant provisions of the Company's equity incentive plan, all the restricted shares that were granted to them but not unlocked should be bought back and cancelled by the Company, with the total buyback quantity amounting to 297,500 shares. The buyback price was CNY 5.0014 per share for restricted shares in the first grant in

2017 and CNY 8.6702 per share for the reserved grant in 2017, the buyback price was CNY 4.5300 per share for restricted shares granted in the first grant in 2018 and CNY 5.3000 per share for the reserved grant in 2018.

14. On April 26, 2021, the Company held the 8th meeting of the fourth Board of Directors and the 7th meeting of the fourth Board of Supervisors, at which the *Proposal on the Buyback and Cancellation of Some Restricted Shares* was reviewed and approved. Since some of the Company's original incentive objects, Wan Rubin, Zhou Ping, Zhan Zhihai, Zhang Jianzhou, Jiang Wenjun, Xie Feng, and Yao Li, resigned, according to the relevant provisions of the Company's equity incentive plan, all the restricted shares that were granted to them but not unlocked should be bought back and cancelled by the Company. Since the individual annual performance of the Company's original incentive objects, Li Tao and Shang Xiaozhong, accounted for an unlocking percentage of 50%, according to the relevant provisions of the Company's equity incentive plan, the remaining part of restricted shares that were granted to them but not unlocked should be bought back and cancelled by the Company. The total buyback quantity amounted to 142,000 shares. The buyback price for restricted shares in the first grant in 2017 was CNY 5.0014 per share and that for restricted shares in the first grant in 2018 was CNY 4.5300 per share.
15. On April 26, 2021, the Company held the 8th meeting of the fourth Board of Directors and the 7th meeting of the fourth Board of Supervisors, at which the *Proposal on the Achievement of Unlocking Conditions for Stage IV of the First Batch and Stage III of the Reserved Part of Restricted Shares Granted in 2017 and Stage II of the First Batch Granted in 2018* was reviewed and approved. It was agreed that the unlocking of the Stage II restricted shares in the first grant in 2018 should be proceeded with according to the relevant provisions of the *2018 Restricted Stock Incentive Plan*. A total of 116 incentive objects were eligible for the Stage II unlock of the first batch granted in 2018, and the total number of restricted shares that could be unlocked was 1,986,000, accounting for 0.1363% of the Company's total share capital at present.
16. On May 12, 2021, the Stage II unlocked restricted shares from the first grant of the 2018 Restricted Stock Incentive Plan were listed for circulation. The number of restricted shares unlocked this time was 1,986,000, accounting for 0.1363% of the Company's total share capital at present; the actual number of restricted shares that could be listed for circulation was 1,326,000, accounting for 0.0910% of the Company's total share capital at present.
17. On September 8, 2021, the Stage I unlocked restricted shares from the reserved part of the 2018 Restricted Stock Incentive Plan were listed for circulation. The number of restricted shares unlocked this time was 680,000, accounting for 0.0467% of the Company's total share capital at present; the actual number of restricted shares that could be listed for circulation was 680,000, accounting for 0.0467% of the Company's total share capital at present.
18. On April 19, 2022, the Company held the 14th meeting of the fourth Board of Directors and the 13th meeting of the fourth Board of Supervisors, at which the *Proposal on the Achievement of Unlocking Conditions for Stage III of the First Batch of Restricted Shares Granted in 2018* was reviewed and approved. It was agreed that the unlocking of the Stage III restricted shares in the first grant in 2018 should be proceeded with according to the relevant provisions of the *2018 Restricted Stock Incentive Plan*. A total of 116 incentive objects were eligible for the Stage III unlock of the first batch granted in 2018, and the total number of restricted shares that could be unlocked was 2,648,000, accounting for 0.1783% of the Company's total share capital at present.
19. On April 19, 2022, the Company held the 14th meeting of the fourth Board of Directors and the 13th meeting of the fourth Board of Supervisors, at which the *Proposal on the Buyback and Cancellation of Some Restricted Shares* was reviewed and approved. Since Han Zhiyuan, one of the Company's original incentive objects, resigned, according to the relevant provisions of the Company's equity incentive plan, all the restricted shares that were granted to him but not unlocked were bought back and cancelled by the Company, with the buyback quantity amounting to 25,000 shares. During the buyback period, the Company completed equity distribution for 2021 and adjusted the buyback price to CNY 5.0495176 per share.
20. On May 6, 2022, the Stage III unlocked restricted shares from the first grant of the 2018 Restricted Stock Incentive Plan were

listed for circulation. The number of restricted shares unlocked this time was 264,8000, accounting for 0.1783% of the Company's total share capital at present; the actual number of restricted shares that could be listed for circulation was 1,468,938, accounting for 0.0989% of the Company's total share capital at present.

21. On August 26, 2022, the Company held the 19th meeting of the fourth Board of Directors and the 16th meeting of the fourth Board of Supervisors, at which the *Proposal on the Achievement of Unlocking Conditions for Stage II of the Reserved Part of Restricted Shares Granted in 2018* was reviewed and approved. It was agreed that the unlocking of the Stage II restricted shares in the reserved part granted in 2018 should be proceeded with according to the relevant provisions of the *2018 Restricted Stock Incentive Plan*. A total of 31 incentive objects were eligible for the Stage II unlock of the reserved part granted in 2018, and the total number of restricted shares that could be unlocked was 615,000, accounting for 0.0414% of the Company's total share capital at present.
22. On September 5, 2022, the Stage II unlocked restricted shares from the reserved part of the 2018 Restricted Stock Incentive Plan were listed for circulation. The number of restricted shares unlocked this time was 615,000, accounting for 0.0414 of the Company's total share capital at present; the actual number of restricted shares that could be listed for circulation was 615,000, accounting for 0.0414% of the Company's total share capital at present.

The 2022 Restricted Stock Incentive Plan

1. On May 13, 2022, the Company held the 16th meeting of the fourth Board of Directors, at which the *Proposal on the 2022 Restricted Stock Incentive Plan (Draft) and its Summary*, the *Assessment Measures for the Implementation of the 2022 Restricted Stock Incentive Plan*, and the *Proposal on Requesting the Shareholders' Meeting to Authorize the Board of Directors to Proceed with the 2022 Restricted Stock Incentive Plan Related Initiatives* were reviewed and approved. On the same day, independent directors expressed independent views on the incentive object's qualification and the specific contents of the restricted stock incentive plan, as well as on whether it contributed to the sustainable development of the Company and whether there were any signs of compromising the benefits of the Company and all shareholders.
2. On May 30, 2022, the Company held the first extraordinary general meeting in 2022, at which the *Proposal on the 2022 Restricted Stock Incentive Plan (Draft) and its Summary*, the *Assessment Measures for the Implementation of the 2022 Restricted Stock Incentive Plan*, and the *Proposal on Requesting the Shareholders' Meeting to Authorize the Board of Directors to Proceed with the 2022 Restricted Stock Incentive Plan Related Initiatives* were reviewed and approved. The Board of Directors was authorized to deal with the changes and terminations of the Plan according to the provisions in the Company's 2022 Restricted Stock Incentive Plan, including but not limited to revoking the incentive object's qualifications for unlocking restricted shares, buying back and cancelling restricted shares held by incentive objects that have not been unlock.
3. On May 30, 2022, the Company held the 17th meeting of the fourth Board of Directors, at which the *Proposal on Adjusting the List of Incentive Objects, the Number of Objects and the Number of Shares to be Granted for the First Grant of the 2022 Restricted Stock Incentive Plan* and the *Proposal on Granting Restricted Shares to Incentive Objects for the First Time* were reviewed and approved. Since one of the Company's original incentive objects resigned and was no longer eligible for the incentive, the Board of Directors agreed to adjust the list of incentive objects, the number of objects and the number of shares for the first grant. After the adjustment, the number of incentive objects for the first grant of the 2022 Plan changed from 468 to 467, the total number of restricted shares to be granted changed from 6,500,000 to 6,485,000, and the number of restricted shares for the first grant changed from 6,180,000 to 6,165,000. It was also agreed to take May 30, 2022 as the granting date for the first grant of the 2022 Restricted Stock Incentive Plan to grant restricted shares to incentive objects.

Equity incentives granted to directors and executives

Applicable Not Applicable

(in Shares)

| Name | Title | Stock options held at the beginning of the period | Stock options granted in the period | Shares exercisable in the period | Shares exercised in the period | Exercise price of shares exercised in the period (CNY/share) | Stock options held at the end of the period | Market price at the end of the period (CNY/share) | Restricted shares held at the beginning of the period | Restricted shares unlocked in the period | Restricted shares newly granted in the period | Granting price of restricted shares (CNY/share) | Restricted shares held at the end of the period |
|------------------|---|---|-------------------------------------|----------------------------------|--------------------------------|--|---|---|---|--|---|---|---|
| Zheng Guibiao | Director, SVP | | | | | | | | 120,000 | 120,000 | | | |
| Zhao Wei | Director, SVP | | | | | | | | 120,000 | 120,000 | | | |
| Gu Yilei | Director, SVP | | | | | | | | 120,000 | 120,000 | | | |
| Chen Zhiqiang | VP | | | | | | | | 120,000 | 120,000 | | | |
| Wu Jiamao | VP | | | | | | | | 120,000 | 120,000 | | | |
| Xie Xiaoyong | VP | | | | | | | | 120,000 | 120,000 | | | |
| Zhang Youquan | VP | | | | | | | | 120,000 | 120,000 | | | |
| Deng Dejun | VP | | | | | | | | 80,000 | 80,000 | | | |
| Peng Chaocai | VP | | | | | | | | 60,000 | 60,000 | | | |
| Total | -- | 0 | 0 | 0 | 0 | -- | 0 | -- | 980,000 | 980,000 | | -- | |
| Remarks (if any) | On April 19, 2022, the Company held the 14th meeting of the fourth Board of Directors and the 13th meeting of the fourth Board of Supervisors, at which the <i>Proposal on the Achievement of Unlocking Conditions for Stage III of the First Batch of Restricted Shares Granted in 2018</i> was reviewed and approved. It was agreed that a total of 980,000 restricted shares granted to directors and executives in Stage III of the first grant in the 2018 Restricted Stock Incentive Plan should be unlocked according to the relevant provisions of the 2018 Plan. | | | | | | | | | | | | |

Evaluation mechanism and incentives for executives

The Company has established a complete performance evaluation system and remuneration system for executives. Based on the delivery status of the Company's annual business objectives and the job performance of executives, the Remuneration and Evaluation Committee of the Board of Directors carries out annual performance evaluation of executives and supervises the

implementation of the remuneration system. Rewards and punishments will be applied correspondingly according to the performance evaluation results.

b. Implementation of the Employee Stock Ownership Plan

Applicable Not Applicable

c. Other Employee Incentive Measures

Applicable Not Applicable

XIV: Establishment and Implementation of the Internal Control System during the Reporting Period

1. Establishment and Implementation of Internal Control

In strict accordance with the *Company Law*, the *Securities Law*, the *Governance Guidelines for Listed Companies* as well as other requirements in normative documents on the governance of listed companies issued by the China Securities Regulatory Commission, the Company continued to improve the corporate governance structure and systems, such as the shareholders' meeting, the Board of Directors, and the Board of Supervisors. In addition, the Company followed the latest requirements of laws and regulations to standardize the behavior of controlling shareholders, actual controllers, directors, supervisors, executives and related parties, thereby improving the level of internal governance. The Company organized directors, supervisors and executives to regulatory compliance training on a timely basis, hence to improve the corporate governance standard of the management team. For middle-level managers and ordinary employees, the Company conducted targeted compliance training to improve their risk prevention awareness, strengthen operational compliance, and ensure the effective implementation of internal control policies, so that the Company's standard operation level could be effectively raised, and the healthy and sustainable development could be promoted.

Subject to the *Basic Internal Control Standards* and the supporting guidelines as well as other internal control regulations, the Company established internal control systems and evaluation mechanisms. Following the principle of risk orientation, such systems and mechanisms were constantly optimized on the basis of routine supervision and special supervision of internal control, so as to cope with the ever-changing external environment and internal management requirements. During the reporting period, the development and implementation of the Company's internal control system complied with the *Basic Internal Control Standards* and the relevant laws and regulations, and ensured effective internal control in all major aspects related to the business operation and management of the Company. There were no critical internal control deficiencies in financial reporting or non-financial reporting.

2. Description of Critical Internal Control Deficiencies Identified During the Reporting Period

Yes No

XV: Management and Control of the Company's Subsidiaries during the Reporting Period

| Company Name | Integration Plan | Integration Progress | Problems during Integration | Resolutions Taken | Resolution Progress | Action Plan |
|----------------|------------------|----------------------|-----------------------------|-------------------|---------------------|----------------|
| Not Applicable | Not Applicable | Not Applicable | Not Applicable | Not Applicable | Not Applicable | Not Applicable |

XVI. Internal Control Self-Assessment Report or Internal Control Audit Report

1. Internal Control Self-Assessment Report

| The full text of the internal control assessment report was disclosed on | April 25, 2023 | |
|--|---|--|
| The full text of the internal control assessment report was disclosed at | www.cninfo.com.cn | |
| The ratio of the total assets of organizations included in the assessment to the total assets of the Company's consolidated financial statements | 100.00% | |
| The ratio of the operating income of organizations included in the assessment to the Company's total operating income in the consolidated financial statements | 100.00% | |
| Criteria of Deficiencies | | |
| Category | Financial Reports | Non-Financial Reports |
| Qualitative Criteria | Each of the following is considered a critical deficiency of the Company: Fraudulence of the Company's directors, supervisors and executives; corrections to financial statements disclosed; mistakes or omissions of major data in the current financial statements discovered by certified public accountant but ignored by the internal audit department during the control operation. | <p>Deficiencies with the following characteristics are considered as critical deficiencies in the internal control of non-financial reports:</p> <ol style="list-style-type: none"> 1) No scientific basis for the decision-making procedures, resulting in major mistakes; 2) High turnover of key positions, professionals and technical personnel; 3) Internal control assessment results, especially critical deficiencies, are not rectified; 4) Other situations that may have a significant negative impact on the Company. <p>Other situations are categorized as major deficiencies or minor deficiencies according</p> |

| | | |
|--|--|---|
| | | to the level of impact. |
| Quantitative Criteria | <p>The quantitative criteria for determining the significance of mistakes (including omissions) in the Company's consolidated financial statements by benchmarking the data from previous annual financial statements:</p> <p>Critical deficiency: mistakes \geq 5% of total profit</p> <p>Major deficiency: 2% of total profits \leq mistakes \leq 5% of total profit</p> <p>Minor deficiency: mistakes \leq 2% of total profit</p> | The quantitative criteria for determining internal control deficiencies in non-financial reports shall refer to the quantitative criteria for determining internal control deficiencies in financial reports. |
| Number of critical deficiencies in financial reports | 0 | |
| Number of critical deficiencies in non-financial reports | 0 | |
| Number of major deficiencies in financial reports | 0 | |
| Number of major deficiencies in non-financial reports | 0 | |

2. Internal Control Audit Report or Assurance Report

Internal Control Assurance Report

| Review Opinion in the Internal Control Assurance Report | |
|---|----------------|
| Sungrow's 2022 <i>Special Report on the Annual Deposit and Use of Raised Funds</i> was prepared in accordance with the <i>No. 2 Regulatory Guidelines for Listed Companies — Regulatory Requirements for the Management and Use of Raised Funds by Listed Companies</i> and relevant regulations of the exchange in all critical aspects, which fairly reflected the actual deposit and use of raised funds by Sungrow in 2022. | |
| Disclosure of Internal Control Assurance Report (Y/N) | Yes |
| Date of disclosing the full text of Internal Control Assurance Report | April 25, 2023 |

| | |
|--|-----------------------------|
| Disclosure index of the full text of Internal Control Assurance Report | www.cninfo.com.cn |
| Type of Internal Control Assurance Report opinion | Standard unmodified opinion |
| Critical deficiencies in non-financial reports (Y/N) | No |

Does the accounting firm issue an internal control assurance report with non-standard opinion

Yes No

Is the opinion in the internal control assurance report issued by the accounting firm consistent with that in the self-assessment report of the Board of Directors

Yes No

XVII: Rectification of Problems Found in Dedicated Self-Examination Initiatives on Corporate Governance

According to the relevant requirements, the Company carried out dedicated self-examination initiatives on corporate governance in strict accordance with the *Company Law*, the *Securities Law* and relevant laws and administrative regulations following a truth-based principle. The dedicated self-examination on corporate governance of listed companies identified that the Company had established a supporting corporate governance structure and internal control system in accordance with the provisions of the *Company Law*, the *Securities Law*, and the *Governance Guidelines for Listed Companies*, and there were no critical issues that need to be rectified. As the Company develops and the internal and external environment changes, it shall further improve the internal control system, strengthen the learning and training of directors, supervisors, executives and relevant personnel, optimize the management details of the internal control system and standardized operation of listed companies, hence to continuously improve the governance quality as a listed company.

Section V Environment and Social Responsibilities

I. Major Environmental Issues

Whether the Company and its subsidiaries are included in the list of key pollutant discharge organizations identified by the environmental authority

Yes No

Administrative penalties for environmental issues during the reporting period

The Company was subject to no environment-related administrative penalties during the reporting period.

Refer to other environmental information disclosed by key pollutant discharge units

Not Applicable

Measures taken to reduce carbon emissions during the reporting period and their effects

Applicable Not Applicable

The Company actively implements carbon inventory and carbon footprint standards, and practices transparent and science-based verification for low-carbon development. To assume corporate responsibilities, the Company started company-wide carbon inventory in 2020, established independent inventory capabilities in 2022 and extended the inventory coverage to India Plant and Thailand Plant. In 2022, the Company avoided 23,331.44 tons of carbon emission by directly purchasing green power and generating power with rooftop PV power stations in plant areas, offset 10,265.40 tons of carbon emission by purchasing I-REC, making significant achievements in emission reduction. For details of the Company's carbon emission results, please refer to the *Sungrow Power Supply Co., Ltd. 2022 Sustainability Report* disclosed on www.cninfo.com.cn.

Reasons for not disclosing other environmental information

The Company and its subsidiaries are not included in the list of key pollutant discharge units identified by the environmental authority. The Company actively responds to the requirements of the national and local governments, strictly regulates noise, effluent, waste gas, and hazardous waste generated within the Company, formulates corresponding environmental protection rules and regulations, and monitors noise, effluent, waste gas, and hazardous waste in strict accordance with the pollution discharge permit management requirements.

II. Social Responsibilities

For details, please refer to the *Sungrow Power Supply Co., Ltd. 2022 Sustainability Report* disclosed by the Company on www.cninfo.com.cn.

III. Efforts on Consolidating and Expand the Achievements of Poverty Alleviation and Rural Revitalization

Sungrow practices sustainability in operation and leverages its business advantages and resources to improve the lives of residents in the surrounding, and contribute to local communities. The Company collaborates with governments, customers, enterprises, and non-profit organizations in various countries to launch a number of activities, including rural revitalization, disaster assistance, and public welfare donations, so as to benefit the communities along the Company's operations. In order to progress the public welfare volunteer service effectively, ensure the rational and efficient use of public welfare funds, and practically fulfill corporate social responsibilities, the Company formulated the *Regulations on Managing External Donations* in 2022, developed implementation

plans for public welfare products, and empowered public welfare volunteer service in the aspects of system, process, and resources. The Company has made the following efforts in 2022:

1. Setting up a dedicated public welfare fund

On September 5, in response to the theme of the Charity Day of China — Participating in Charity Efforts, Spreading Truth, Kindness and Beauty, Sungrow set up a dedicated public welfare fund of CNY 10 million at Hefei Charity Federation to support the Federation's exploration of goodness practices under common prosperity. During the reporting period, the Company donated scholarship to Chengguan No. 5 Primary School in Jianhe County and Changqing No. 2 Primary School in Danzhai County of Guizhou Province through the Federation, in order to promote rural education.

2. Public welfare volunteer services

The Company introduced the Volunteer Management Platform and launched the Global Volunteer Service Week program. From November 29th to December 5th every year, volunteers may pick an area that is closely related to their functions, and participate in volunteer activities worldwide in the same theme. With a focus on ecology and environment protection, a number of activities were held in Hefei, Beijing, Shanghai, Munich, San Francisco, and Phoenix, including the Plastic Workshop, Canvas Shoes Painting, community renovation, One Week Fast Cooking, and park cleaning. Currently, there are 230 registered volunteers in the Company. In the future, Sungrow will further optimize the volunteer management system, plan diverse global activities, expand the number of registered volunteers and increase volunteer service hours.

3. Poverty Alleviation

Sungrow Renewables proactively interacts with the local government of where the Company operates, surveys and visits impoverished areas and population. In 2022, the Company offered assistance to the Vocational and Technical High School in Lingbi County of Anhui Province and the Saryoba Middle School in Singapore, donated funds to renovate the village, school, water tower, and clinic in Saryoba.

4. Community Development

Sungrow Renewables closely integrates social responsibilities with corporate development, and proactively responds to the national strategy of rural revitalization. The Company donated a 200 kW residential PV power station in Jiulianshan of Fuyu City, to help residents improve their quality of life and enable joint development with the local community. In remote areas such as Gansu and Qinghai, the Company set up Sungrow Smart Classrooms and Sungrow Elderly Care to watch for the growth and education of vulnerable children as well as the physical and mental health of the elderly.

5. Disaster Recovery Assistance

In 2022, Sungrow Renewables and Sungrow FM donated supplies to Shaanxi, Jilin, Hunan (Changde City) and Anhui (Huainan City).ther places.

Section VI Significant Events

I. Fulfillment of Undertakings

1. Undertakings made by the Company or its actual controller, shareholder, related party and acquirer that are to be fulfilled in the reporting period, or undertakings not yet fulfilled by the end of the reporting period

Applicable Not Applicable

| Origin of undertaking | Undertaker | Type of undertaking | Content | Date of undertaking | Duration | Status of fulfillment |
|-----------------------------------|--------------------------------------|--|---|---------------------|-----------|---|
| Undertaking at IPO or refinancing | Cao Renxian, Zheng Guibiao, Zhao Wei | Undertaking on executive's share lock up | Shareholders Mr. Cao Renxian, Mr. Zheng Guibiao and Mr. Zhao Wei, who serve as the Company's directors and/or executives, hereby undertake that no shares exceeding 25% of the total shares held by each individual shall be transferred each year after the lock-up period, and no shares held by each individual shall be transferred within 6 months after the shareholder resigns from the Company. | Jan. 31, 2011 | Long-term | The undertaking is being fulfilled with no signs of breaching |
| Undertaking at IPO or refinancing | Cao Renxian | Undertaking on horizontal competition | 1. On the date of signing this Letter of Undertaking, I or the companies I have interests in, have not produced or developed any product that competes or may compete with those produced by the joint-stock company; have not directly or indirectly operated any business that competes or may compete with those operated by the joint-stock company; have not invested in any other enterprise that competes or may compete with the joint-stock company in terms of products or business; 2. As of the date of signing | Jan. 31, 2011 | Long-term | The undertaking is being fulfilled with no signs of breaching |

| | | | | | | |
|-----------------------------------|--|---------------------------------------|--|---------------|-----------|---|
| | | | <p>this Letter of Undertaking, I or the companies I have interests in, will not produce or develop any product that competes or may compete with those produced by the joint-stock company; will not directly or indirectly operate any business that competes or may compete with those operated by the joint-stock company; will not invest in any other enterprise that competes or may compete with the joint-stock company in terms of products or business; 3. As of the date of signing this Letter of Undertaking if the joint-stock company further expands its products and business scope, I or the companies I have interests in, will not compete with the joint-stock company in terms of the expanded products or business. In the event of competition with the expanded products or business of the joint-stock company, I or the companies I have interests in, will stop producing the competing product or operating the competing business, or incorporate the competing business into the joint-stock company, or transfer the competing business to an unrelated third party, in order to avoid horizontal competition; 4. If this Letter of Undertaking is proven to be untrue or not complied with, the undertaker will indemnify the joint-stock company for any and all direct and indirect losses.</p> | | | |
| Undertaking at IPO or refinancing | Hefei Huizhuo Equity Investment Partnership (Limited Partnership) (formerly Xinjiang Shangge Equity Investment Partnership (Limited Partnership), Luzhou Huizhuo | Undertaking on horizontal competition | 1. On the date of signing this Letter of Undertaking, the undertaker or the company held or controlled by the undertaker, has not produced or developed any product that competes or may compete with those produced by the joint-stock company; has not directly or indirectly | Jan. 31, 2011 | Long-term | The undertaking is being fulfilled with no signs of breaching |

| | | | | | | |
|----------------------------------|---|-------------------|--|--------------|---|---|
| | Enterprise Management Partnership (Limited Partnership)) | | operated any business that competes or may compete with those operated by the joint-stock company; has not invested in any other enterprise that competes or may compete with the joint-stock company in terms of products or business; 2. Whenever the undertaker still holds 5% or more of the joint-stock company's shares, the undertaker or the company controlled by the undertaker will not produce or develop any product that competes or may compete with those produced by the joint-stock company; will not directly or indirectly operate any business that competes or may compete with those operated by the joint-stock company; will not control any other enterprise that competes or may compete with the joint-stock company in terms of products or business; 3. If this Letter of Undertaking is proven to be untrue or not complied with, the undertaker will indemnify the joint-stock company for any and all direct and indirect losses. | | | |
| Undertaking on equity incentive | Sungrow | Other undertaking | The undertaker does not provide loans or financial assistance in other forms, including providing guarantees for their loans, for incentive objects of the 2022 Restricted Stock Incentive Plan to acquire restricted shares. | May 13, 2022 | During the implementation of the Company's 2022 Restricted Stock Incentive Plan | The undertaking is being fulfilled with no signs of breaching |
| Undertaking is fulfilled on time | Yes | | | | | |

| | |
|--|----------------|
| If the undertaking is expired and not fulfilled, specify the detailed reasons for failure to fulfill and subsequent action plans | Not Applicable |
|--|----------------|

2. If there is a profit forecast on the Company's assets or projects and the forecast period contains the reporting period, provide an explanation on whether assets or projects achieving the profit forecast and the reasons behind

Applicable Not Applicable

II. Non-Operating Appropriation of Funds by Controlling Shareholders or Other Related Parties

Applicable Not Applicable

In the reporting period, there was no non-operating appropriation of funds by controlling shareholders or other related parties.

III. Illegal External Guarantees

Applicable Not Applicable

In the reporting period, the Company made no illegal external guarantees.

IV. The Board of Directors' Statement on the Most Recent Non-Standard Audit Report

Applicable Not Applicable

V. Statement of the Board of Directors, the Board of Supervisors, and Independent Directors (if any) on the Non-Standard Audit Report Issued by the Accounting Firm in the Reporting Period

Applicable Not Applicable

VI. The Board of Directors' Statement on the Changes in Accounting Policies and Accounting Estimates and the Corrections to Significant Accounting Errors in the Reporting Period

Applicable Not Applicable

1. Implementation of the provisions on “Accounting Treatment for External Sale of Products or By-products Produced before Enterprise’s Fixed Assets Reaching Intended Usable State or during Research and Development” and “Judgment of Loss Contracts” in the *No. 15 Interpretation of Accounting Standards for Business Enterprises*

On December 30, 2021, the Ministry of Finance issued the *No. 15 Interpretation of Accounting Standards for Business Enterprises* (MOF-Acc-[2021] No. 35) (hereinafter referred to as the Interpretation No. 15), in which the provisions on “Accounting Treatment for External Sale of Products or By-products Produced before Enterprise’s Fixed Assets Reaching Intended Usable State or during Research and Development” and “Judgment of Loss Contracts” came into force as of January 1, 2022. Implementing the relevant provisions of Interpretation No. 15 had no impact on the Company's financial statements for the reporting period.

2. Implementation the *No. 16 Interpretation of Accounting Standards for Business Enterprises*

On November 30, 2022, the Ministry of Finance issued the *No. 16 Interpretation of Accounting Standards for Business Enterprises* (MOF-Acc-[2022] No. 31) (hereinafter referred to as the Interpretation No. 16), in which the provisions on “Accounting Treatment for the Income Tax Impact on Dividends related to Financial Instruments Classified as Equity Instruments by the Issuer”, and “Accounting Treatment for Enterprises’ Switch from Cash Settled Stock Payments to Equity Settled Stock Payments” came into force on the date of issuance. Implementing the relevant provisions of Interpretation No. 16 had no impact on the Company's financial statements for the reporting period.

VII. Changes in the Scope of Consolidated Statements as Compared to the Financial Reports of the Previous Year

Applicable Not Applicable

1. Newly established subsidiaries

In this period, the Company newly established 11 wholly-owned subsidiaries, namely Hefei Sungrow Zhiyuan Technology Co., Ltd., Binzhou Binyang Power Supply Co., Ltd., Liaoning Xinyang Power Supply Co., Ltd., Ordos Xuyang Power Supply Co., Ltd., Sungrow Power Supply (Sanya) Co., Ltd., Bozhou Daoyang Power Supply Technology Co., Ltd., Liaoning Huiyang Power Supply Co., Ltd., Gansu Renyang Power Supply Co., Ltd., Ordos Zhunyang Power Supply Co., Ltd., Yan'an Anyang Green Energy Power Supply Co., Ltd., and Dingyuan Renyang Power Supply Technology Co., Ltd.; the Company’s holding subsidiary, Sungrow Renewables Development Co., Ltd., newly established 214 subsidiaries for power station projects; other holding subsidiaries of the Company newly established 8 subsidiaries; none of the subsidiaries newly established in this period is an important one.

2. Consolidated project companies in this period

In this period, the Company’s holding subsidiary, Sungrow Renewables Development Co., Ltd., acquired 8 overseas project companies for the purpose of developing power station business. None of the project companies newly included in the scope of

consolidated statements for this period is an important one.

3. Cancellation of subsidiaries

According to the Company's business needs, in this period, the Company cancelled 1 subsidiary, Hefei Sungrow Floating Modules Co., Ltd.; the Company's holding subsidiary, Sungrow Renewables Development Co., Ltd., cancelled 112 subsidiaries that were not in actual business; other holding subsidiaries of the Company cancelled 6 subsidiaries that were not in actual business.

4. Transfer of new energy project companies

According to the Company's business needs, the Company's holding subsidiary, Sungrow Renewables Development Co., Ltd., transferred 136 new energy project companies in this period, all of which were set up and transferred for the implementation of projects.

VIII. Engagement and Disengagement of Accounting Firms

Accounting firm currently engaged

| | |
|---|---|
| Name of accounting firm in China | RSM China (Special General Partnership) |
| Compensation for accounting firm in China (CNY 10K) | 206 (tax-inclusive) |
| Years of continuous auditing service provided by the accounting firm in China | 16 |
| Name of CPAs of the accounting firm in China | Wan Yunlong, Jiang Wei, Pan Lili |
| Years of continuous auditing service provided by the CPAs of the firm | 3 years, 3 years, 1 year |

Whether to replace the accounting firm or not

Yes No

Engagement of internal control auditing/accounting firms, financial advisors, or sponsors

Applicable Not Applicable

IX. Statement on Delisting after the Disclosure of Annual Report

Applicable Not Applicable

X. Matters Related to Bankruptcy Reorganization

Applicable Not Applicable

No bankruptcy reorganization related matters happened to the Company in the reporting period.

XI. Major Litigations and Arbitrations

Applicable Not Applicable

Date of Disclosure: September 5, 2019

Announcement No.: 2019-057

Disclosed at: www.cninfo.com.cn

<http://www.cninfo.com.cn/new/disclosure/detail?plate=szse&orgId=9900021300&stockCode=300274&announcementId=120690379>

2&announcementTime=2019-09-05%2015:52

| Plaintiff or Applicant | Defendant or Respondent | Basic information of litigation (arbitration) | Amount involved (in CNY 10K) | An estimated liability Y/N | Progress of litigation (arbitration) | Result and impacts of litigation (arbitration) | Execution of litigation (arbitration) judgment | Case Closed Y/N |
|--------------------------------|--|--|------------------------------|----------------------------|--------------------------------------|--|--|-----------------|
| Sungrow Power Supply Co., Ltd. | Jingjiang Changrunfenghe New Energy Technology Co., Ltd. Changzhou Fenghe Photoelectric Technology Co., Ltd | A case was filed against the customer because they failed to make the payment as agreed in the contract. We applied for enforcement to the court, and the case is under enforcement at the moment. | 141.15 | No | In bankruptcy proceedings | Judgment made by the People's Court of Hefei High-Tech Industrial Development Zone | Enforcement was terminated by the People's Court of Hefei High-Tech Industrial Development Zone because the defendant had no property available for enforcement. Our bankruptcy liquidation application (2022-JS-1282-BLA-38) has been accepted by the People's Court of Jingjiang City, our rights as a creditor has been declared and confirmed. Currently, Jiangsu Shenque Law Firm, the bankruptcy administrator, is proceeding with bankruptcy liquidation, we will receive corresponding repayment in proportion to the asset situation in the future. | No |

| | | | | | | | | |
|--------------------------------|--|---|----------|-----|---------------------------|---|---|----|
| Sungrow Power Supply Co., Ltd. | Guangdong Shengpa New Energy Development Co., Ltd. | A case was filed against the customer because they failed to make the payment as agreed in the contract. The two parties reached a mediation in the second instance, but the defendant failed to perform as per the mediation. Therefore, we applied for enforcement to the court, and the case is under enforcement at the moment. | 134.44 | No | In enforcement | Judgment made by the People's Court of Hefei High-Tech Industrial Development Zone, and mediated at the Intermediate People's Court of Hefei City | Enforcement was terminated by the People's Court of Hefei High-Tech Industrial Development Zone because the defendant had no property available for enforcement. Our bankruptcy liquidation application (2022-GD-13-BLA-46) was rejected by the Interim People's Court of Huizhou City. We have appealed to the Higher People's Court of Guangdong Province, and the case is currently under trial. | No |
| Sungrow Power Supply Co., Ltd. | Inner Mongolia Geoho Energy Equipment Co., Ltd. | The customer is a subsidiary of Zhejiang Dunan Group. Affected by the overall operation of Dunan Group, the customer failed to pay as agreed in the contract. Although a lawsuit was brought to the court, they failed to perform; therefore, we applied for enforcement. | 1,856.40 | Yes | In bankruptcy proceedings | Judgment made by the Intermediate People's Court of Hangzhou City | We were not effectively repaid after judgment was made by the Intermediate People's Court of Hangzhou City. On February 4, 2021, the Intermediate People's Court of Ordos City in Inner Mongolia issued a ruling (2021-IM-0602-BLA-1) on the Company's bankruptcy | No |

| | | | | | | | | |
|--------------------------------|---|---------------|--------|-----|---------------------------|---|--|----|
| | | | | | | | and liquidation, and we have declared creditors' claims to the administrator. So far, the first creditors' meeting has been held, the administrator is working on the checking, sorting, and resale of the company's assets. | |
| Sungrow Power Supply Co., Ltd. | Inner Mongolia Geoho Energy Equipment Co., Ltd. | Same as above | 448.85 | Yes | In bankruptcy proceedings | Judgment made by the Intermediate People's Court of Hangzhou City | We were not effectively repaid after judgment was made by the Intermediate People's Court of Hangzhou City. On February 4, 2021, the Intermediate People's Court of Ordos City in Inner Mongolia issued a ruling (2021-IM-0602-BLA-1) on the Company's bankruptcy and liquidation, and we have declared creditors' claims to the administrator. So far, the first creditors' meeting has been held, the administrator is working on the checking, sorting, and resale of the | No |

| | | | | | | | company's assets. | |
|--------------------------------|---|--|--------|-----|---------------------------|--|--|----|
| Sungrow Power Supply Co., Ltd. | Inner Mongolia Geoho Energy Equipment Co., Ltd. | Same as above | 562.15 | Yes | In bankruptcy proceedings | Judgment made by the Intermediate People's Court of Hangzhou City | We were not effectively repaid after judgment was made by the Intermediate People's Court of Hangzhou City. On February 4, 2021, the Intermediate People's Court of Ordos City in Inner Mongolia issued a ruling (2021-IM-0602-BLA-1) on the Company's bankruptcy and liquidation, and we have declared creditors' claims to the administrator. So far, the first creditors' meeting has been held, the administrator is working on the checking, sorting, and resale of the company's assets. | No |
| Sungrow Power Supply Co., Ltd. | Wuhan Suotai Green Energy Environmental Technology Co., Ltd. Wuhan Suotai Energy Group | A case was filed against the customer because they failed to make the payment as agreed in the contract. We brought a lawsuit to the court, and the case is under enforcement at the moment. | 103.11 | No | In enforcement | Judgment made by the People's Court of Hefei High-Tech Industrial Development Zone | Enforcement was terminated by the People's Court of Hefei High-Tech Industrial Development Zone because the defendant had no property available for enforcement. | No |

| | | | | | | | | |
|---|--|--|-------|-----|---------------------------|--|---|----|
| | Co., Ltd. | | | | | | After we filed the bankruptcy liquidation application at the Intermediate People's Court of Wuhan City on May 28, 2022, the company provided its accounts receivable claims to a third party. Based on the information, we had the accounts receivable claims to third party frozen. Currently, the claims have not matured and will be paid as conditions allow. | |
| Sungrow-Samsung SDI Energy Storage Power Supply Co., Ltd. | Jiangsu FGY Energy Storage Technology Research Institute Co., Ltd. | A case was filed at the court because the customer failed to make the payment as agreed in the contract. Customer was requested to pay CNY 222,000 for the purchase together with overdue interests. Judgment has been made and enforcement in progress. | 28.16 | Yes | In bankruptcy proceedings | Judgment made by the People's Court of Hefei High-Tech Industrial Development Zone | Enforcement was terminated by the People's Court of Hefei High-Tech Industrial Development Zone because the defendant had no property available for enforcement. On March 29, 2021, other creditors applied for bankruptcy liquidation of the company; however, the bankruptcy reorganization failed. On July 2, 2022, the People's Court of | No |

| | | | | | | | | |
|--------------------------------|-------------------------------------|--|--------|----|---------------------------|--|--|----|
| | | | | | | | Zhenjiang Economic Development Zone ruled bankruptcy liquidation of the Company (2021-JS-1191-BLA-3). We have declared creditor's rights to the administrator and is currently waiting for the administrator's further advice. | |
| Sungrow Power Supply Co., Ltd. | Shandong Yuhui New Energy Co., Ltd. | A case was filed at the court because the customer failed to make the payment as agreed in the contract. Judgment has been made and enforcement in progress. | 36.06 | No | In enforcement | Judgment made by the People's Court of Hefei High-Tech Industrial Development Zone | Enforcement was terminated by the People's Court of Hefei High-Tech Industrial Development Zone because the defendant had no property available for enforcement. In June 2022, we filed a bankruptcy liquidation application for the company at the People's Court of Lanshan District, Linyi City, and the application materials are currently being reviewed by the court. | No |
| Sungrow Power Supply Co., Ltd. | Hefei Sanchuan Automatic Control | A case was filed at the court because the customer failed to make the payment as agreed in the contract. After the judgment | 148.06 | No | In bankruptcy proceedings | Judgment made by the People's Court of Hefei High-Tech | Enforcement was terminated by the People's Court of Hefei High-Tech | No |

| | | | | | | | | |
|--------------------------------|--|--|--------|----|----------------|--|--|---|
| | Engineering Co., Ltd. | was made, we applied for enforcement | | | | Industrial Development Zone | Industrial Development Zone because the defendant had no property available for enforcement. Our bankruptcy liquidation application (2022-AH-8601-BLA-15) has been accepted by the Railway Transportation Primary Court of Hefei. So far, the first creditors' meeting has been held, the administrator is sorting the company's assets. | |
| Sungrow Power Supply Co., Ltd. | Huaxia Juguang (Inner Mongolia) PV Power Co., Ltd. | A case was filed at the court because the customer failed to make the payment as agreed in the contract. After the judgment was made, we applied for enforcement | 249.82 | No | In enforcement | Judgment made by the People's Court of Hefei High-Tech Industrial Development Zone | Enforcement was terminated by the People's Court of Hefei High-Tech Industrial Development Zone because the defendant had no property available for enforcement. After we filed the bankruptcy liquidation application at the Intermediate People's Court of Hohohot City on May 28, 2022, the company provided its accounts receivable claims | 否 |

| | | | | | | | | |
|--|--|--|----------|----|----------------|--|--|----|
| | | | | | | | to a third party. Based on the information, we had the accounts receivable claims to third party frozen. Currently, the claims have not matured and will be paid as conditions allow. | |
| Sungrow Power Supply Co., Ltd. | Kelin Environmental Protection Equipment Co., Ltd. | A case was filed at the court because the customer failed to make the payment as agreed in the contract. After the judgment was made, we applied for enforcement | 182.77 | No | In enforcement | Judgment made by the People's Court of Hefei High-Tech Industrial Development Zone | Enforcement in process. Application has been filed to the court to list the respondent as a defaulter and limit his/her high-end consumption. The Company is actively pursuing clues of respondent's property at the moment. | No |
| Huainan Sungrow Floating Module Sci. & Tech. Co., Ltd. | Huainan Haifeng Plastic Products Co., Ltd. | A case was filed at the court because the customer failed to make the payment as agreed in the contract. After the judgment was made, we applied for enforcement | 1,092.58 | No | In enforcement | Mediated at the People's Court of Hefei High-Tech Industrial Development Zone | Enforcement in process. Application has been filed to the court to list the respondent as a defaulter and limit his/her high-end consumption. The payment has been partially recovered from the enforcement, and the Company is actively pursuing clues of | No |

| | | | | | | | | |
|--------------------------------|---|--|--------|----|----------------|---|---|----|
| | | | | | | | respondent's property at the moment in order to recover the outstanding | |
| Sungrow Power Supply Co., Ltd. | Sichuan Yuanzhongyuan Electric Power Engineering Design Co., Ltd. | A case was filed at the court because the customer failed to make the payment as agreed in the contract. After the judgment was made, we applied for enforcement | 94.65 | No | In enforcement | Judgment made by the People's Court of Hefei High-Tech Industrial Development Zone | Enforcement was terminated by the People's Court of Hefei High-Tech Industrial Development Zone because the defendant had no property available for enforcement. We have filed a bankruptcy liquidation application at the People's Court of Wuhou District, Chengdu City on July 25, 2022, and are currently waiting for the court result. | No |
| Sungrow Power Supply Co., Ltd. | Qinghai Zhuma Sapphire Crystal Co., Ltd. | A case was filed at the court because the defendant, Qinghai Zhuma, refused to refund the bid security. We requested Qinghai Zhuma and the guarantor He Kangyu to assume the repayment obligations. After the case came into effect, we applied for enforcement to the court, and the enforcement is in process at the moment. | 355.57 | No | In enforcement | Application for court enforcement filed at the People's Court of Hefei High-Tech Zone | Qinghai Zhuma Sapphire Crystal Co., Ltd. and He Kangyu were listed as defaulters by the court. No money or assets have been collected from the execution. | No |

XII. Punishments and Rectification

Applicable Not Applicable

The Company was subject to no punishment or rectification in the reporting period.

XIII. Integrity of the Company, its Controlling Shareholder and Actual Controller

Applicable Not Applicable

XIV. Significant Related-Party Transactions

1. Related-party transactions involving daily operations

Applicable Not Applicable

| Related-party | Relation | Type of transaction | Content of transaction | Pricing principles for transactions | Transaction price | Amount of related-party transaction (in CNY 10K) | In percentage of the amount of similar transactions | Transaction limit approved (in CNY 10K) | Exceeding the approved limit Y/N | Settlement of transaction | Market price available for similar transactions | Date of disclosure | Disclosure index |
|--|---|-----------------------------|------------------------------------|-------------------------------------|-------------------|--|---|---|----------------------------------|------------------------------|---|--------------------|--|
| EnerTrack Technology Co., Ltd. (EnerTrack) | EnerTrack is the holding subsidiary of Hefei Renchuang Phase II Equity Partnership (Limited Partnership), and Mr. Cao | Purchase from related-party | Brackets | Market price-based | Market price | 10,679.39 | 11.94% | 25,000 | N | Wire transfer, bank transfer | Not applicable | Apr. 20, 2022 | Apr. 20, 2022 Announcement No.: 2022-015 |
| | | Sell to related-party | Technical services & raw materials | Market price-based | Market price | 31.47 | 100.00% | | | Wire transfer, bank transfer | Not applicable | | |

| | | | | | | | | | | | | | |
|--|--|-----------------------------|---|--------------------|--------------|----------|---------|-------|---|------------------------------|----------------|---------------|---|
| | Renxian, the Chairman, is a limited partner of Hefei Renchuang Phase II Equity Partnership (Limited Partnership) | | | | | | | | | | | | |
| Sunpure Intelligent Technology Co., Ltd. (Sunpure) | EnerTrack is the holding subsidiary of Hefei Renchuang Phase II Equity Partnership (Limited Partnership), and Mr. Cao Renxian, the Chairman, is a limited partner of Hefei Renchuang Phase II Equity Partnership (Limited Partnership) | Purchase from related-party | Intelligent operation & maintenance system | Market price-based | Market price | 172.42 | 61.70% | 1,050 | N | Wire transfer, bank transfer | Not applicable | Aug. 27, 2022 | Aug. 27, 2022 Announcement No.: 2022-074 |
| | | Sell to related-party | Intelligent cleaning robots & raw materials | Market price-based | Market price | 1,337.63 | 8.46% | 3,476 | N | Wire transfer, bank transfer | Not applicable | Apr. 20, 2022 | Apr. 20, 2022 Announcement No.: 2022-015 |
| | | Lease from related-party | Houses | Market price-based | Market price | 24.82 | 100.00% | | N | Wire transfer, bank transfer | Not applicable | | |

| | | | | | | | | | | | | |
|--|---|---|--|--|--|--|--|--|--|--|--|--|
| |) | | | | | | | | | | | |
| Details of large sales returns | | Not applicable | | | | | | | | | | |
| Actual performance of daily related-party transactions in the reporting period (if any), for which the total amount is estimated by category | | There is a difference between the actual amount of daily related-party transactions and the expected amount in 2022. This is mainly because the expected amount of daily related-party transactions in 2022 is calculated based on the upper limit of possible transactions according to business needs and market demand, while the actual amount is determined according to the specific performance progress of both parties, which is subject to a certain extent of uncertainty. Related-party transactions of the Company follow the principles of fairness, justice and reasonableness, and the prices of which are determined through consultation with reference to the market price, with no damage to the interests of the Company and shareholders. | | | | | | | | | | |
| Reasons for significant differences between transaction prices and market prices (if applicable) | | Not applicable | | | | | | | | | | |

2. Related-party transactions arising from the acquisition or sale of assets or equity

Applicable Not Applicable

The Company did not make any related-party transactions arising from the acquisition or sale of assets or equity in the reporting period.

3. Related-party transactions of joint outbound investment

Applicable Not Applicable

| Co-Investors | Relationship | Name of investee | Main business of investee | Registered capital of investee (in CNY 10K) | Total assets of investee (in CNY 10K) | Net assets of investee (in CNY 10K) | Net profit of investee (in CNY 10K) |
|--|--|--|---|---|---------------------------------------|-------------------------------------|-------------------------------------|
| Cao Renxian, Hefei Renfa Xinneng Investment Fund Management Co., Ltd., Anhui Railway Development Fund Co., Ltd., Hefei Quality Development Guidance Fund Co., Ltd., Hefei Zhegu Energy | Mr. Cao Renxian, the controlling shareholder, is currently the Chairman and President of the company | Hefei Sungrow Renfa Carbon Neutrality Investment Management Center (Limited Partnership) | Engaging in equity investment, investment management, asset management and other activities with private equity funds | 102,000 | 34,090.29 | 34,065.34 | -104.66 |

| | | | | | | | |
|--|-----------------------|--|--|--|--|--|--|
| <p>Conservation Industry Development Partnership (Limited Partnership), Shanghai Yihe Hanyang New Materials Co., Ltd., Anhui Provincial Enterprises Reform and Development Fund Partnership (Limited Partnership), Jiaxing Jun'an Equity Investment Partnership (Limited Partnership) Hefei Mingyang Enterprise Management Partnership (Limited Partnership), Anhui SME Development Fund Co., Ltd.</p> | | | | | | | |
| <p>Status of major construction-in-progress of the investee (if any)</p> | <p>Not applicable</p> | | | | | | |

4. Related Credits and Liabilities

Applicable Not Applicable

There were no related credits and liabilities in the reporting period.

5. Transactions with Related Financial Companies

Applicable Not Applicable

There was no saving, loan, credit or other financial business between the Company and related financial companies or related parties.

6. Transactions Between Financial Companies Controlled by the Company and Related Parties

Applicable Not Applicable

There was no saving, loan, credit or other financial business between financial companies controlled by the Company and related parties.

7. Other Significant Related-Party Transactions

Applicable Not Applicable

There were no other significant related-party transactions in the reporting period.

XV. Major Contracts and the Contract Performance

1. Trusteeship, Contracting and Leasing

(1) Trusteeship

Applicable Not Applicable

There was no trusteeship in the reporting period.

(2) Contracting

Applicable Not Applicable

There was no contracting in the reporting period.

(3) Leasing

Applicable Not Applicable

There was no leasing in the reporting period.

2. Major Guarantees

Applicable Not Applicable

| Outbound Guarantees of the Company and its Subsidiaries (Excl. Guarantees for Subsidiaries) | | | | | | | | | | |
|--|--|-------------------|--------------------------|----------------------------|---------------------------------------|---------------------|----------------------------|---|---------------|---------------------------------|
| Guarantee Object | Date of Disclosure of Announcements Related to the Amount Guaranteed | Amount Guaranteed | Actual Date of Guarantee | Actual Amount of Guarantee | Type of Guarantee | Collateral (if any) | Counter-Guarantee (if any) | Guarantee Period | Fulfilled Y/N | Guarantee for Related Party Y/N |
| Users of the Company's residential PV products, owners of industrial and commercial distributed projects (loan application from collaborating banks) | January 26, 2018; May 18, 2018; April 1, 2021 | 80,478.17 | January 26, 2018 | 58,467.00 | Joint and several liability guarantee | | | From the date of loan origination to the date of loan pay off | No | No |
| Residential PV users eligible for financing | August 5, 2021 | 50,000.00 | August 6, 2021 | 17,811.00 | Joint and several liability guarantee | | | From the date of loan origination to the date of loan pay off | No | No |
| Hefei Zhongan Sungrow New Energy Industry Investment Partnership (Limited Partnership) | December 27, 2018; April 1, 2021 | 55,807.46 | December 27, 2018 | 55,807.46 | Joint and several liability guarantee | | | No more than 10 years | No | No |
| The Company's Guarantee for Subsidiaries | | | | | | | | | | |
| Guarantee Object | Date of Disclosure of Announcements Related to the Amount Guaranteed | Amount Guaranteed | Actual Date of Guarantee | Actual Amount of Guarantee | Type of Guarantee | Collateral (if any) | Counter-Guarantee (if any) | Guarantee Period | Fulfilled Y/N | Guarantee for Related Party Y/N |
| Sungrow Power (Hong Kong) Co., Ltd. | May 19, 2020 | 14,181.00 | May 20, 2020 | 3,187.85 | Joint and several liability | | | No more than 3 years | No | No |

| | | | | | | | | | | |
|---|-----------------------------|------------|---------------|------------|---------------------------------------|--|--|---------------------------------|-----|----|
| | | | | | guarantee | | | | | |
| Sungrow USA corporation | Nov. 17, 2020 | 71,742.63 | Nov. 20, 2020 | 71,742.63 | Joint and several liability guarantee | | | No more than 2 years | No | No |
| SUNGROW POWER UK LIMITED | Apr. 16, 2021 | 40,075.14 | Nov. 11, 2021 | 40,075.14 | Joint and several liability guarantee | | | No more than 10 years | No | No |
| Sungrow USA Corporation | May 18, 2021 | 115,966.11 | Feb. 17, 2022 | 61,736.75 | Joint and several liability guarantee | | | No later than December 31, 2025 | No | No |
| | | | Dec. 4, 2021 | 54,229.36 | Joint and several liability guarantee | | | No later than December 31, 2026 | No | No |
| Sungrow Energy Storage Technology Co., Ltd. | May 18, 2021 | 500,000.00 | Dec. 31, 2022 | 274,896.81 | Joint and several liability guarantee | | | No more than 2 years | No | No |
| Lingbi Qingyang New Energy Power Generation Co., Ltd. | Jul. 24, 2017; Apr. 1, 2021 | 17,307.00 | Mar. 15, 2018 | 14,914.00 | Joint and several liability guarantee | | | No more than 15 years | Yes | No |
| Xiao County Yiguang New Energy Power Generation Co., Ltd. | Apr. 23, 2018; Apr. 1, 2021 | 8,052.00 | Jun. 26, 2018 | 7,041.00 | Joint and several liability | | | No more than 15 years | Yes | No |

| | | | | | | | | | | |
|--|-----------------------------|------------|---------------|-----------|---------------------------------------|--|--|-----------------------|-----|----|
| | | | | | guarantee | | | | | |
| Weishan Guoyang New Energy Power Generation Co., Ltd. | Nov. 22, 2019; Apr. 1, 2021 | 27,500.00 | Sep. 28, 2019 | 26,500.00 | Joint and several liability guarantee | | | No more than 15 years | Yes | No |
| Tuanfeng Shengyang New Energy Power Generation Co., Ltd. | Nov. 17, 2020 | 55,000.00 | Jun. 11, 2021 | 49,350.00 | Joint and several liability guarantee | | | No more than 15 years | Yes | No |
| Shenmu Yuanhang New Energy Development Co., Ltd. | Nov. 17, 2020 | 12,000.00 | Apr. 17, 2021 | 9,166.00 | Joint and several liability guarantee | | | No more than 15 years | Yes | No |
| Sungrow Renewables Development Co., Ltd. | Nov. 17, 2020 | 120,000.00 | | | Joint and several liability guarantee | | | | No | No |
| Sungrow Renewables Development Co., Ltd. | April 16, 2021 | 150,000.00 | | | Joint and several liability guarantee | | | | No | No |
| Sungrow Renewables Development Co., Ltd. | May 18, 2021 | 250,000.00 | May 31, 2021 | 8,714.42 | Joint and several liability guarantee | | | No more than 2 years | No | No |
| Zongyang Chenyang New Energy Power Generation Co., Ltd. | May 18, 2021 | 16,200.00 | Jun. 30, 2021 | 15,900.00 | Joint and several liability | | | No more than 15 years | Yes | No |

| | | | | | | | | | | |
|--|---------------|------------|---------------|------------|--|--|--|--|----|----|
| | | | | | guarantee | | | | | |
| SUNGROW POWER (VIETNAM) LIMITED COMPANY | Aug. 20, 2021 | 21,005.31 | May 6, 2022 | 4,725.00 | Joint and several liability guarantee | | | 2 years after the due date of each project payment under the main contract, that is, by the end of 2024 | No | No |
| Sungrow USA Corporation | May 18, 2022 | 800,000.00 | Aug. 10, 2022 | 79,487.91 | Joint and several liability guarantee | | | No later than December 31, 2027 | No | No |
| | | | Oct. 19, 2022 | 134,194.02 | Joint and several liability guarantee | | | No later than July 13, 2028 | No | No |
| Sungrow Australia Group PTY LTD | May 18, 2022 | 75,000.00 | | | Joint and several liability guarantee | | | | No | No |
| Sungrow Japan K.K. | May 18, 2022 | 5,000.00 | | | Joint and several liability guarantee | | | | No | No |

| | | | | | | | | | | |
|---|--------------|-----------|---------------|----------|---------------------------------------|--|--|---|-----|----|
| Sungrow Power UK limited | May 18, 2022 | 32,000.00 | Jul. 14, 2022 | 8,517.92 | Joint and several liability guarantee | | | No more than 10 years | No | No |
| SUNGROW DO BRASIL REPRESENTACAO COMERCIAL, INSTALACAO E MANUTENCAO DE EQUIPAMENTOS LTDA | May 18, 2022 | 15,000.00 | Jun. 13, 2022 | 6,674.32 | Joint and several liability guarantee | | | From the date of the Letter of guarantee to December 17, 2022 | Yes | No |
| | | | Sep. 29, 2022 | 1,454.83 | Joint and several liability guarantee | | | When obligations are completed or five years from the date of the Letter of guarantee (whichever comes first) | No | No |
| Sungrow Power Korea Limited | May 18, 2022 | 3,000.00 | | | Joint and several liability guarantee | | | | No | No |
| Sungrow Floating Modules Technology Co., Ltd. | May 18, 2022 | 10,000.00 | Dec. 31, 2022 | 221.00 | Joint and several liability guarantee | | | No more than 2 years | No | No |
| Hefei Sungrow Electric Power | May 18, 2022 | 10,000.00 | | | Joint and | | | | No | No |

| Technology Co., Ltd. | | | | | several liability guarantee | | | | | |
|---|--|-------------------|--------------------------|----------------------------|---------------------------------------|---------------------|----------------------------|---|---------------|---------------------------------|
| Sungrow Smart Operation Technology Co., Ltd. | May 18, 2022 | 10,000.00 | | | Joint and several liability guarantee | | | | No | No |
| Subsidiary's Guarantee for Subsidiaries | | | | | | | | | | |
| Guarantee Object | Date of Disclosure of Announcements Related to the Amount Guaranteed | Amount Guaranteed | Actual Date of Guarantee | Actual Amount of Guarantee | Type of Guarantee | Collateral (if any) | Counter-Guarantee (if any) | Guarantee Period | Fulfilled Y/N | Guarantee for Related Party Y/N |
| Sungrow USA Corporation | Apr. 24, 2020 | 15,445.90 | Apr. 25, 2020 | 15,445.90 | General guarantee | | | No more than 5 years | No | No |
| SUNGROW DO BRASIL REPRESENTACAO COMERCIAL, INSTALACAO E MANUTENCAO DE EQUIPAMENTOS LTDA | Mar. 31, 2021 | 8,449.79 | Apr. 1, 2021 | 8,449.79 | Joint and several liability guarantee | | | No more than 7 years | No | No |
| Five projects in Australia owned by Sungrow Investment & Holdings Pte. Ltd | Sep. 29, 2021 | 9,365.2 | Sep. 30, 2021 | 9,365.2 | General guarantee | | | No later than December 31, 2022 | Yes | No |
| Sungrow Power Australia Pty Ltd | Dec. 1, 2021 | 14,714.05 | Dec. 2, 2021 | 14,714.05 | General guarantee | | | No more than two years from the effective date of the Letter of | No | No |

| | | | | | | | | Commitment | | |
|---|--------------|------------|--------------|-----------|---------------------------------------|--|--|---|----|----|
| Sungrow Ibérica S.A.U. | Dec. 1, 2021 | 3,309.16 | Dec. 2, 2021 | 3,309.16 | Joint and several liability guarantee | | | Five years from the date of the Letter of Guarantee | No | No |
| Sungrow Ibérica S.A.U. | Jul. 1, 2022 | 26,459.68 | Jul. 2, 2021 | 26,459.68 | Joint and several liability guarantee | | | Five years from the date of the Letter of Guarantee | No | No |
| SUNGROW RENEWABLE ENERGY INVESTMENT PTE.LTD | Dec. 2, 2022 | 160,000.00 | | | Joint and several liability guarantee | | | | No | No |
| SUNGROW POWER (VIETNAM) COMPANY LIMITED | Dec. 2, 2022 | 35,000.00 | Dec. 2, 2022 | 1,412.24 | joint and several liability guarantee | | | No more than 1 year | | |
| SUNGROW QURYLYS LLP | Dec. 2, 2022 | 35,000.00 | | | Joint and several liability guarantee | | | | | |
| SUNGROW POWER AUSTRALIA PTY LTD | Dec. 2, 2022 | 30,000.00 | | | Joint and several liability guarantee | | | | | |
| SUNGROW RENEWABLE ENERGY SPAIN, S.L. | Dec. 2, 2022 | 15,000.00 | | | Joint and several liability | | | | No | No |

| | | | | | | | | | | |
|---|--------------|------------|--------------|----------|---------------------------------------|--|--|---------------------|----|----|
| | | | | | guarantee | | | | | |
| Xuancheng Heyang New Energy Co., Ltd. | Dec. 2, 2022 | 5,000.00 | | | Joint and several liability guarantee | | | | No | No |
| Anhui Sungrow Supply Chain Management Co., Ltd. | Dec. 2, 2022 | 300,000.00 | Dec. 2, 2022 | 9,382.10 | Joint and several liability guarantee | | | No more than 1 year | No | No |
| SUNGROW POWER CONSTRUCCIONES SPA | Dec. 2, 2022 | 25,000.00 | | | Joint and several liability guarantee | | | | No | No |

3. Cash Assets Management Entrusted to Others

(1) Entrusted financial management

Applicable Not Applicable

Overview of entrusted financial management in the reporting period

(in CNY 10K)

| Type | Source of funds for entrusted financial management | Amount of entrusted financial management | Undue balance | Overdue amount to be collected | Impairment provision for overdue amount to be collected |
|---|--|--|---------------|--------------------------------|---|
| Financial products issued by banks | Funds raised | 499,000.00 | 109,000.00 | 0 | 0 |
| Financial products issued by banks | Funds owned by the Company | 968,000.00 | 20,000.00 | 0 | 0 |
| Financial products issued by securities traders | Funds owned by the Company | | 1,000.00 | 0 | 0 |

| | | | | |
|-------|--------------|------------|---|---|
| Total | 1,467,000.00 | 130,000.00 | 0 | 0 |
|-------|--------------|------------|---|---|

Details of high-risk entrusted financial management with large amount, low security, or low flowability

Applicable Not Applicable

Expected inability to recover the principal of entrusted financial management or other circumstances that may lead to impairment

Applicable Not Applicable

(2) Entrusted loans

Applicable Not Applicable

There were no entrusted loans in the reporting period.

4. Other major contracts

Applicable Not Applicable

There were no other major contracts in the reporting period.

XVI. Explanation on Other Significant Matters

Applicable Not Applicable

There were no other significant matters to be explained in the reporting period.

XVII. Significant Matters of the Company's Subsidiaries

Applicable Not Applicable

Section VII Changes in Shares and Information about Shareholders

I. Changes in Share Capital

1. Changes in Shares

(in Shares)

| | Before the change | | Changes in the period (+, -) | | | | | After the change | |
|---|-------------------|------------|------------------------------|-------|---------------------------------|-------------|-------------|------------------|------------|
| | Quantity | Percentage | New issuance | Bonus | Capitalized from common reserve | Others | Sub-total | Quantity | Percentage |
| I. Shares subject to conditional restriction(s) | 389,073,583 | 26.20% | | | | -33,105,267 | -33,105,267 | 355,968,316 | 23.97% |
| 1. Shares held by state-owned corporation | 1,171,875 | 0.08% | | | | -1,171,875 | -1,171,875 | | |
| 2. Shares held by other domestic shareholders | 373,287,761 | 25.13% | | | | -17,319,445 | -17,319,445 | 355,968,316 | 23.97% |
| Incl. shares held by domestic enterprise | 9,585,937 | 0.65% | | | | -9,585,937 | -9,585,937 | | |
| Shares held by domestic natural person | 363,701,824 | 24.49% | | | | -7,733,508 | -7,733,508 | 355,968,316 | 23.97% |
| 3. Shares held by foreign capital | 14,613,947 | 0.98% | | | | -14,613,947 | -14,613,947 | | |
| Incl. shares held by overseas enterprise | 14,613,947 | 0.98% | | | | -14,613,947 | -14,613,947 | | |
| II. Shares subject to no restrictions | 1,096,142,401 | 73.80% | | | | 33,080,267 | 33,080,267 | 1,129,222,668 | 76.03% |
| 1. A-shares | 1,096,142,401 | 73.80% | | | | 33,080,267 | 33,080,267 | 1,129,222,668 | 76.03% |
| III. Total | 1,485,215,984 | 100.00% | | | | -25,000.00 | -25,000.00 | 1,485,190,984 | 100.00% |

Reasons for share changes

Applicable Not Applicable

1. On April 20, 2022, the Company made the *Suggestive Announcement on Unlocking and Circulating Restricted Shares Issued to Specific Objects*. According to the Announcement, the

transfer restriction period for a total of 28,418,634 non-public A-shares issued to 18 specific objects in 2021 expired, the corresponding shares were listed for circulation as of April 22, 2022.

2. On April 29, 2022, the Company made the *Suggestive Announcement on Unlocking and Circulating Stage III Restricted Shares from the First Grant of the 2018 Restricted Stock Incentive Plan*. Subject to the approval of the fourteenth meeting of the fourth Board of Directors, unlocking conditions for stage III restricted shares from the first grant of the 2018 Restricted Stock Incentive Plan had been achieved, a total of 1,468,938 restricted shares were unlocked and listed for circulation as of May 6, 2022.
3. On September 1, 2022, the Company made the *Suggestive Announcement on Unlocking and Circulating Stage II Restricted Shares from the Reserved Part of the 2018 Restricted Stock Incentive Plan*. Subject to the approval of the nineteenth meeting of the fourth Board of Directors, unlocking conditions for stage II restricted shares from the reserved part of the 2018 Restricted Stock Incentive Plan had been achieved, a total of 615,000 restricted shares were unlocked and listed for circulation as of September 5, 2022.
4. On the first trading day of 2022, the statutory amount of transferable shares in 2022 held by the Company's directors, supervisors, and executives were calculated as 25% of total shares registered to each of them on the last trading day of 2021. On the same day, Shenzhen Branch of China Securities Depository and Clearing Corporation Limited unlocked the tradable shares held by the Company's directors, supervisors, and executives that are subject to no transfer restrictions within the current year's transferable amount.
5. On April 19, 2022, the Company held the fourteenth meeting of the fourth Board of Directors and the thirteenth meeting of the fourth Board of Supervisors, at which the *Proposal on the Buyback and Cancellation of Some Restricted Shares* was reviewed and approved. Since Han Zhiyuan, one of the Company's original incentive objects, resigned, according to the relevant provisions of the Company's equity incentive plan, all the restricted shares that were granted to the aforementioned personnel but not unlocked should be bought back and cancelled by the Company, with the total buyback quantity amounting to 25,000 shares. The Company completed the buyback and cancellation at the Shenzhen Branch of China Securities Depository and Clearing Corporation Limited on July 18, 2022, and the Company's total share capital changed from 1,485,215,984 shares to 1,485,190,984 shares.

Approvals for share changes

Applicable Not Applicable

Refer to "Reasons for share changes".

Share transfers

Applicable Not Applicable

Refer to "Reasons for share changes".

The impact of changes in shares on financial indicators such as basic earnings per share, diluted earnings per share, net assets per share attributable to common shareholders in the last year and the last period

Applicable Not Applicable

Other contents the Company considers necessary or required by the securities regulatory authorities to disclose

Applicable Not Applicable

2. Changes in Restricted Shares Applicable Not Applicable

(in Shares)

| Shareholder | Opening restricted shares | Increased in current period | Unlocked in current period | Closing restricted shares | Reason for restriction | Time of unlocking |
|---------------|---------------------------|-----------------------------|----------------------------|---------------------------|---|--|
| Cao Renxian | 338,256,000 | | | 338,256,000 | Lock-up of executives' shares | 25% of lock-up shares at the end of last year is released every year |
| Zheng Guibiao | 9,807,270 | 120,000 | 945,000 | 8,982,270 | Lock-up of executives' shares | 25% of lock-up shares at the end of last year is released every year |
| Zhao Wei | 6,057,000 | 120,000 | 870,000 | 5,307,000 | Lock-up of executives' shares | 25% of lock-up shares at the end of last year is released every year |
| Li Guojun | 1,110,000 | 80,000 | 290,000 | 900,000 | Lock-up of executives' shares, although holder has resigned as an executive prior to the expiration of the term of office | Holder has resigned for more than 6 months in the reporting period; 75% of shares in holder's possession remain locked |
| Gu Yilei | 450,000 | 120,000 | 232,500 | 337,500 | Lock-up of executives' shares | 25% of lock-up shares at the end of last year is released every year |
| Zhang Xucheng | 150,000 | | 37,500 | 112,500 | Lock-up of executives' shares | 25% of lock-up shares at the end of last year is released every year |
| Chen Zhiqiang | 375,000 | 120,000 | 213,750 | 281,250 | Lock-up of executives' shares | 25% of lock-up shares at the end of last year is released every year |
| Wu Jiamao | 375,000 | 120,000 | 213,750 | 281,250 | Lock-up of executives' shares | 25% of lock-up shares at the end of last year is released every year |
| Cheng Cheng | 375,000 | 120,000 | 213,750 | 281,250 | Lock-up of executives' shares, although holder has resigned as an executive prior to the expiration of the | Holder has resigned for more than 6 months in the reporting period; 75% of shares in holder's possession remain |

| | | | | | term of office | locked |
|---|-----------|---------|-----------|---------|---|--|
| Xie Xiaoyong | 300,000 | 120,000 | 195,000 | 225,000 | Lock-up of executives' shares | 25% of lock-up shares at the end of last year is released every year |
| Deng Dejun | 369,679 | 80,000 | 172,420 | 277,259 | Lock-up of executives' shares | 25% of lock-up shares at the end of last year is released every year |
| Zhang Youquan | 225,000 | 120,000 | 176,250 | 168,750 | Lock-up of executives' shares | 25% of lock-up shares at the end of last year is released every year |
| Li Shun | 18,750 | | | 18,750 | Lock-up of executives' shares | 25% of lock-up shares at the end of last year is released every year |
| Peng Chaocai | 78,750 | 60,000 | 79,688 | 59,062 | Lock-up of executives' shares | 25% of lock-up shares at the end of last year is released every year |
| Zhou Yanfeng | 559,500 | | 119,025 | 440,475 | Lock-up of executives' shares, although holder has resigned as an executive prior to the expiration of the term of office | 25% of lock-up shares at the end of last year is released every year |
| Other incentive objects | 2,148,000 | | 2,108,000 | 40,000 | Equity incentive restriction | September 2022 |
| Shanghai Greenwoods Asset Management Co. Ltd. - Greenwoods Jingtai Fenshou Private Securities Investment Fund | 937,500 | | 937,500 | | Non-public offering of shares with a commitment to lock for 6 months | Apr. 22, 2022 |
| Shanghai Greenwoods Asset Management Co. Ltd. - Fengshou No. 3 Private Equity Fund | 937,500 | | 937,500 | | Non-public offering of shares with a commitment to lock for 6 months | Apr. 22, 2022 |
| Huatai Financial Holdings (Hong Kong) Limited | 937,500 | | 937,500 | | Non-public offering of shares with a commitment to lock for 6 months | Apr. 22, 2022 |
| JPMorgan Chase Bank, National | 1,171,875 | | 1,171,875 | | Non-public offering of shares with a | Apr. 22, 2022 |

| | | | | | | |
|---|-----------|--|-----------|--|---|---------------|
| Association | | | | | commitment to lock for 6 months | |
| Dajia Asset Management Co., Ltd. - Dajia Asset-ICBC-DaJia Asset-Blue Chip Selected No. 5 Collective Asset Management Product | 1,562,500 | | 1,562,500 | | Non-public offering of shares with a commitment to lock for 6 months | Apr. 22, 2022 |
| Yunnan Energy Investment Co., Ltd. | 1,171,875 | | 1,171,875 | | Non-public offering of shares with a commitment to lock for 6 months | Apr. 22, 2022 |
| Goldman Sachs & Co. LLC | 1,234,375 | | 1,234,375 | | Non-public offering of shares with a commitment to lock for 6 months | Apr. 22, 2022 |
| The Hongkong and Shanghai Banking Corporation Limited | 937,500 | | 937,500 | | Non-public offering of shares with a commitment to lock for 6 months | Apr. 22, 2022 |
| UBS AG | 6,738,948 | | 6,738,948 | | Non-public offering of shares with a commitment to lock for 6 months | Apr. 22, 2022 |
| J.P.Morgan Securities PLC | 1,054,687 | | 1,054,687 | | Non-public offering of shares with a commitment to lock for 6 months | Apr. 22, 2022 |
| Gao Jinhua | 1,171,875 | | 1,171,875 | | Non-public offering of shares with a commitment to lock for 6 months | Apr. 22, 2022 |
| Beijing XHTH Asset Management (Limited Partnership) - Xinhong Xinghong No. 2 Private Securities Investment Fund | 937,500 | | 937,500 | | Non-public offering of shares with a commitment to lock for 6 months | Apr. 22, 2022 |
| WT Asset Management Limited | 1,562,500 | | 1,562,500 | | Non-public offering of shares with a commitment to lock for 6 months | Apr. 22, 2022 |
| Runhui Investment Management Hong Kong Co., Ltd. | 976,562 | | 976,562 | | Non-public offering of shares with a commitment to lock for 6 months | Apr. 22, 2022 |
| Jinan Jiangshan Investment Partnership | 1,953,125 | | 1,953,125 | | Non-public offering of shares with a | Apr. 22, 2022 |

| | | | | | | |
|--|-------------|-----------|------------|-------------|--|---------------|
| (Limited Partnership) | | | | | commitment to lock for 6 months | |
| Caitong Fund Management Co., Ltd. | 960,937 | | 960,937 | | Non-public offering of shares with a commitment to lock for 6 months | Apr. 22, 2022 |
| Zhong Ge | 1,875,000 | | 1,875,000 | | Non-public offering of shares with a commitment to lock for 6 months | Apr. 22, 2022 |
| Lord Abbett China Asset Management Co., Ltd. | 2,296,875 | | 2,296,875 | | Non-public offering of shares with a commitment to lock for 6 months | Apr. 22, 2022 |
| Total | 389,073,583 | 1,180,000 | 34,285,267 | 355,968,316 | -- | -- |

II. Issuance and Listing of Securities

1. Securities (excl. preference shares) issued during the reporting period

Applicable Not Applicable

2. Changes in the Company's total shares and shareholder structure, and changes in the Company's asset and liability structure

Applicable Not Applicable

On April 19, 2022, the Company held the fourteenth meeting of the fourth Board of Directors and the thirteenth meeting of the fourth Board of Supervisors, at which the *Proposal on the Buyback and Cancellation of Some Restricted Shares* was reviewed and approved. Since Han Zhiyuan, one of the Company's original incentive objects, resigned, according to the relevant provisions of the Company's equity incentive plan, all the restricted shares that were granted to the aforementioned personnel but not unlocked should be bought back and cancelled by the Company, with the total buyback quantity amounting to 25,000 shares. The Company completed the buyback and cancellation at the Shenzhen Branch of China Securities Depository and Clearing Corporation Limited on July 18, 2022, and the Company's total share capital changed from 1,485,215,984 shares to 1,485,190,984 shares.

3. Existing employees' shares

Applicable Not Applicable

III. Shareholders and Actual Controllers

1. Total number of shareholders and share holdings

(in Shares)

| Total number of ordinary shareholders at the end of the reporting period | 136,437 | Total number of ordinary shareholders at the end of the previous month before the disclosure date of the annual report | 143,001 | Total number of preference shareholders with restored voting rights at the end of the reporting period (if any) (see Note 9) | 0 | Total number of preference shareholders with restored voting rights at the end of the previous month before the disclosure date of the annual report (if any) (see Note 9) | 0 | Total number of shareholders holding special voting shares (if any) | 0 |
|--|---------------------------------------|--|--|--|--------------------------|--|----------------------------|---|---|
| Shareholders with a shareholding of over 5% or shareholdings of the top ten shareholders | | | | | | | | | |
| Name of shareholder | Nature of shareholder | Percentage | Total shares held at the end of the reporting period | Changes in the reporting period | Non-tradable shares held | Tradable shares held | Pledged, marked, or frozen | | |
| | | | | | | | Share status | Quantity | |
| Cao Renxian | Domestic natural person | 30.37% | 451,008,000.00 | | 338,256,000.00 | 112,752,000.00 | Pledged | 22,800,000.00 | |
| Hong Kong Securities Clearing Company Limited | Overseas legal person | 10.17% | 151,060,230.00 | -11,186,643.00 | | 151,060,230.00 | | | |
| Hefei Huizhuo Equity Investment Partnership (Limited Partnership) | Domestic non-state-owned legal person | 3.55% | 52,687,201.00 | -2,179,000.00 | | 52,687,201.00 | | | |
| Shanghai Pudong Development Bank Co., Ltd. - GF High-End Manufacturing Equity Sponsored Securities Investment Fund | Other | 0.85% | 12,690,710.00 | 321,661.00 | | 12,690,710.00 | | | |

| Zheng Guibiao | Domestic natural person | 0.81% | 11,976,360.00 | | 8,982,270.00 | 2,994,090.00 | | |
|---|--|---------------|----------------|---------------|--------------|---------------|--|--|
| Chinalink Asia Holdings Limited | Overseas legal person | 0.76% | 11,235,305.00 | -472,000.00 | | 11,235,305.00 | | |
| China Construction Bank Corporation - GF Technology Pioneer Hybrid Securities Investment Fund | Other | 0.72% | 10,715,006.00 | -1,443,704.00 | | 10,715,006.00 | | |
| Bank of China Co., Ltd. - Huatai-PineBridge CSI PV Industry Open-Ended Index Securities Investment Fund | Other | 0.70% | 10,381,647.00 | 1,659,267.00 | | 10,381,647.00 | | |
| China Minsheng Bank Co., Ltd. - GF Industry Selected Three-Year Hybrid Securities Investment Fund | Other | 0.63% | 9,422,419.00 | -572,783.00 | | 9,422,419.00 | | |
| CITIC Securities Co., Ltd. - Tianhong CSI PV Industry Index Initiated Securities Investment Fund | Other | 0.54% | 8,053,609.00 | -271,288.00 | | 8,053,609.00 | | |
| Relations between the above-mentioned shareholders or actions in concert | Mr. Cao Renxian, the controlling shareholder and actual controller of the Company, holds 10.44% equity of Hefei Huizhuo Equity Investment Partnership (Limited Partnership). Apart from the shareholders' relations specified as above, the Company is not aware of any other relations between shareholders, and does not know whether they are persons acting in concert as stipulated in the <i>Administrative Measures for the Acquisition of Listed Companies</i> . | | | | | | | |
| Shares held by top 10 shareholders subject to no restrictions on trading | | | | | | | | |
| Shareholder | Unrestricted shares held at the end of the reporting period | Share Details | | | | | | |
| | | Type | Quantity | | | | | |
| Hong Kong Securities Clearing Company Limited | 151,060,230.00 | A-share | 151,060,230.00 | | | | | |
| Cao Renxian | 112,752,000.00 | A-share | 112,752,000.00 | | | | | |
| Hefei Huizhuo Equity Investment Partnership (Limited Partnership) | 52,687,201.00 | A-share | 52,687,201.00 | | | | | |

| | | | |
|---|--|---------|---------------|
| Shanghai Pudong Development Bank Co., Ltd. - GF High-End Manufacturing Equity Sponsored Securities Investment Fund | 12,690,710.00 | A-share | 12,690,710.00 |
| Chinalink Asia Holdings Limited | 11,235,305.00 | A-share | 11,235,305.00 |
| China Construction Bank Corporation - GF Technology Pioneer Hybrid Securities Investment Fund | 10,715,006.00 | A-share | 10,715,006.00 |
| Bank of China Co., Ltd. - Huatai-PineBridge CSI PV Industry Open-Ended Index Securities Investment Fund | 10,381,647.00 | A-share | 10,381,647.00 |
| China Minsheng Bank Co., Ltd. - GF Industry Selected Three-Year Hybrid Securities Investment Fund | 9,422,419.00 | A-share | 9,422,419.00 |
| CITIC Securities Co., Ltd. - Tianhong CSI PV Industry Index Initiated Securities Investment Fund | 8,053,609.00 | A-share | 8,053,609.00 |
| Industrial and Commercial Bank of China Limited - GF Double Engine Upgraded Hybrid Securities Investment Fund | 7,942,999.00 | A-share | 7,942,999.00 |
| Relations between top 10 shareholders of unrestricted circulating shares, relations between top 10 shareholders of unrestricted circulating shares and top 10 shareholders, or actions in concert | Mr. Cao Renxian, the controlling shareholder and actual controller of the Company, holds 10.44% equity of Hefei Huizhuo Equity Investment Partnership (Limited Partnership). Apart from the shareholders' relations specified as above, the Company is not aware of any other relations between shareholders, and does not know whether they are persons acting in concert as stipulated in the <i>Administrative Measures for the Acquisition of Listed Companies</i> . | | |

Whether the Company has made arrangements for different voting rights

Applicable Not Applicable

Whether the top 10 shareholders of ordinary shares and the top 10 shareholders of ordinary shares subject to no trading restrictions made the buy-back transaction as agreed in the reporting period

Yes No

The top 10 shareholders of ordinary shares and the top 10 shareholders of ordinary shares subject to no trading restrictions did not make the buy-back transaction as agreed in the reporting period.

2. Controlling Shareholders of the Company

Nature of controlling shareholder: Natural person

Type of controlling shareholder: Natural person

| Name of controlling shareholder | Nationality | In possession of right of abode in other countries |
|---|---|--|
| Cao Renxian | Chinese | No |
| Main occupation and title | Mr. Cao Renxian has been the Chairman and President of the Company for the past 5 years | |
| Domestic/overseas listed companies controlled/vested in the past 10 years | Mr. Cao Renxian does not control other domestic/overseas listed companies | |

Changes of controlling shareholder during the reporting period

Applicable Not Applicable

The controlling shareholder of the Company did not change in the reporting period.

3. Actual Controllers and Persons Acting In Concert

Nature of actual controller: Domestic natural person

Type of actual controller: Natural person

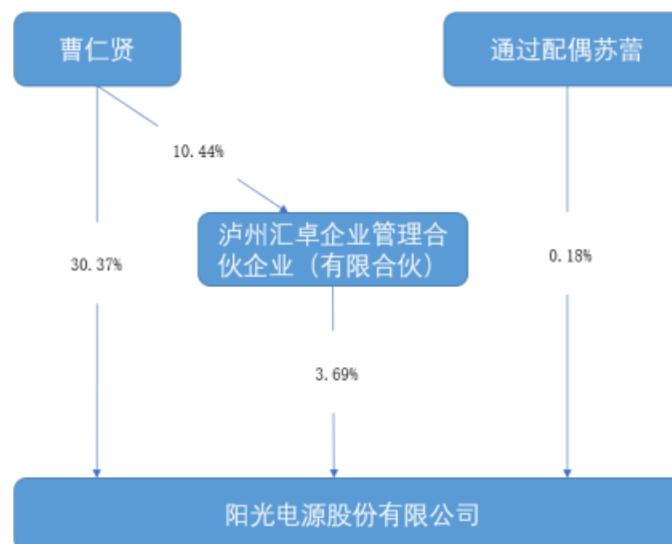
| Name of actual controller | Relationship with actual controller | Nationality | In possession of right of abode in other countries |
|---|---|-------------|--|
| Cao Renxian | Himself | Chinese | No |
| Main occupation and title | Mr. Cao Renxian has been the Chairman and President of the Company for the past 5 years | | |
| Domestic/overseas listed companies controlled/vested in the past 10 years | Mr. Cao Renxian does not control other domestic/overseas listed companies | | |

Change of actual controller during the reporting period

Applicable Not Applicable

The actual controller of the Company did not change during the reporting period.

Block diagram of the property rights and control relationship between the Company and the actual controller



| 中文 | 英文 |
|--------------------|---|
| 曹仁贤 | Cao Renxian |
| 通过配偶苏蕾 | Via spouse Su Lei |
| 合肥汇卓股份投资合伙企业（有限合伙） | Hefei Huizhuo Equity Investment Partnership (Limited Partnership) |
| 阳光电源股份有限公司 | Sungrow Power Supply Co., Ltd. |

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

Applicable Not Applicable

4. The cumulative quantity of pledged shares of the Company's controlling shareholder or the largest shareholder and its persons acting in concert account for more than 80% of the Company's shares held by them

Applicable Not Applicable

5. Other legal person shareholders holding more than 10% of the shares

Applicable Not Applicable

6. Share restrictions and reductions of controlling shareholder, actual controller, restructuring parties, and other undertaking entities

Applicable Not Applicable

IV. Specific implementation of share buy-back during the reporting period

Progress of share buy-back

Applicable Not Applicable

| Disclosure time of the plan | Number of shares to be bought-back | In percentage of total share capital | Planned amount of buy-back (in CNY 10,000) | Planned period of buy-back | Purpose of buy-back | Number of shares already bought-back | In percentage of the target quantity involved in the equity incentive plan (if any) |
|-----------------------------|------------------------------------|--------------------------------------|--|-----------------------------|---|--------------------------------------|---|
| May 14, 2022 | 5,000,000 - 10,000,000 | 0.3367%-0.6733% | 50,000 - 100,000 | May 13, 2022 – May 12, 2023 | Used for the employee stock ownership plan or equity incentive plan | 6,485,049 | |

Progress of buy-back share reduction via centralized bidding

Applicable Not Applicable

Section VIII Preference shares

Applicable Not Applicable

No preference shares exist in the Company during the reporting period.

Section IX Bonds

Applicable Not Applicable

Section X Financial Reports

I. Audit Report

| | |
|------------------------|---|
| Type of Audit Opinion | Standard unqualified opinion |
| Audit Report Signed on | April 24, 2023 |
| Auditing Firm | RSM China (Special General Partnership) |
| Audit Report Number | RSM-AR [2023] No. 230Z0453 |
| Name of CPAs | Wan Yunlong, Jiang Wei, Pan Lili |

Audit Report

I. Audit Opinion

We have audited the financial statements of Sungrow Power Supply Co., Ltd. (hereinafter referred to as Sungrow), including the Consolidated Balance Sheet and Balance Sheet of Parent Company as at December 31, 2022, the Consolidated Income Statement and Income Statement of Parent Company in 2022, and the Consolidated Statement of Cash Flows and Statement of Cash Flows of Parent Company, Consolidated Statement of Changes in Equity and Statement of Changes in Equity of Parent Company, as well as Notes to the relevant financial statements.

In our opinion, the financial statements as attached were prepared in accordance with the Accounting Standards for Business Enterprises in all material aspects, which fairly reflect the consolidated financial position of Sungrow and the parent company as at December 31, 2022, as well as the consolidated operating results and cash flows of Sungrow and the parent company in 2022.

II. Grounds for the Audit Opinion

The audit has been performed in accordance with the Auditing Standards for Certified Public Accountants of China. Our responsibilities under these standards are further explained in the part CPA's Responsibilities for the Audit of Financial Statements in the audit report. Abiding by the China Code of Ethics for Certified Public Accountants, we have operated independently from Sungrow, and fulfilled other responsibilities in professional ethics. We believe that the audit evidence we obtained is sufficient and appropriate to provide a ground for our audit opinion.

III. Key Audit Matters

Key audit matters are those we consider to be the most important to the audit of financial statements of the current period based on our professional judgment. Such matters are addressed in the context that the financial statements are audited as a whole with the audit opinion issued. We do not express separate opinions on these matters.

A. Recoverability of accounts receivable

1. Description of the matter

As stated in Notes "III. 10 Financial Instruments" and "V. 4 Accounts Receivable", the book value of accounts receivable in Sungrow's consolidated financial statements was CNY 13,804 million, of which bad debt provision was CNY 1,367 million. The Company determined the bad debt provision according to the recoverability of accounts receivable. To determine the book value of the accounts receivable at the end of the period, the Sungrow management team (hereinafter referred to as the Management) needs to identify the items that have been impaired and the objective evidences, evaluate the cash flows that are expected in the future and determine their present value, which involves the Management's use of significant accounting estimates and judgments. Moreover,

the recoverability of accounts receivable is vital to the financial statements; therefore, we have identified the recoverability of accounts receivable as a key audit matter.

2. Audit response

The procedures we performed mainly include the following:

- (1) We evaluated and tested the rationality of design and operational effectiveness of Sungrow's credit policy and internal controls related to accounts receivable management.
- (2) We analyzed the rationality of accounting estimates for bad debt provision for Sungrow's accounts receivable, including the basis for determining the combination of accounts receivable and the judgment on separate bad debts provision.
- (3) After considering the actual amount of bad debts of similar receivables and the situations in the past, and in combination with customer credit, market condition, and other factors, we evaluated the appropriateness of approaches used by the Management which divided receivables into several groups for impairment assessment. For receivables that had been accrued for bad debt provision individually, we verified the foundations used by the Management to evaluate the expected cash flow; for receivables that had been accrued for bad debt provision according to the characteristics of credit risk combination, we used expected credit loss rate and aging analysis to test the rationality and accuracy of the Management's provision for bad debts.
- (4) We evaluated the recoverability of accounts receivable in large amount, with special attention paid to those with an aging of more than one year and those covered in lawsuits filed by Sungrow (for selected samples). Through the investigation of customer background, operating status, litigation situation and etc., we interviewed with lawyers and sales personnel, inspected the letters of confirmation and collections after the period, in order to evaluate the rationality and adequacy of the Management's bad debts provision.

B. Revenue recognition

1. Description of the matter

As stated in Notes "III. 26 Principles and Measurements for Revenue Recognition" and "V. 45 Operating Income and Operating Costs", Sungrow recognized an operating income of CNY 40,257 million. Since operating income is one of the Company's key metrics, there might be an inherent risk that the Management manipulate revenue recognition in order to achieve specific goals or expectations; therefore, we have identified revenue recognition as a key audit matter.

2. Audit response

The procedures we used mainly include the following:

- (1) We evaluated and tested the design and operational effectiveness of internal controls related to Sungrow's revenue from product sales and power station construction.
- (2) We verified revenue growth and changes in gross profit in an analytic way.
- (3) For revenue from product sales, we inspected samples of sales contracts, sales invoices, logistics documents, customer receipts, customs declarations and other relevant materials to evaluate the authenticity of revenue recognition; for sales revenue recognized around the date of the balance sheet, we ran cut-off test and verified supporting documents such as customer receipts, thereby evaluating the completeness of revenue recognition.
- (4) For revenue from power station construction, we compared and analyzed the actual total cost of the completed project samples and the total contract cost estimated by the Management before project completion to evaluate the Management's experience and capacity in making the accounting estimation; we inspected contracts of major construction projects to verify the total contract revenue, review key contract terms, and confirm the correctness of contract revenue. For major contracts involving power generation commitments, we reviewed the basis for determining the power generation estimation and the accuracy of

revenue recognition. For the actual cost of major projects, we checked the supporting documents such as contracts, invoices, equipment receipts, progress confirmation documents, and analyzed the gross profit rate of the project, thereby evaluating the authenticity and accuracy of the actual cost accounting. We shortlisted several projects and visited the project sites to determine whether the site status matched the progress recorded.

C. Inventories

1. Description of the matter

As stated in Notes “III. 12 Inventories” and “V. 8 Inventories”, as of December 31, 2022, the book balance of inventories in Sungrow’s consolidated financial statements is CNY 19,684 million, the inventory depreciation provision is CNY 624 million, and the book value of inventories is CNY 19,060 million. In consideration that the inventory amount is huge and the determination of the net realizable value of inventories involves significant management judgment, we have identified inventories as a key audit matter.

2. Audit response

The procedures we used mainly include the following:

- (1) We evaluated and tested the rationality of design and operational effectiveness of Sungrow's internal controls related to inventory management.
- (2) We supervised inventory counting in the field, and inspected the quantity and status of inventories, with special attention paid to the ending inventory status and the identification of obsolete stocks. For inventories at customers’ premises, we ran external confirmations to verify the quantity.
- (3) In combination with the audit of accounts payable and prepayments, we ran external confirmations with major suppliers to verify the purchase amount, ending balance of current transactions, etc.
- (4) We analyzed inventory changes and conducted valuation tests on major inventories to verify the accuracy of carrying cost of inventories.
- (5) We obtained the Management’s spreadsheet for calculating inventory depreciation provision, ran the inventory impairment test and confirmation procedure, checked and analyzed the rationality of the net realizable value, and evaluated the accuracy of the inventory depreciation reserve and resale.
- (6) We conducted peer analysis of Sungrow’s inventory turnover rate and ratio of inventory depreciation provision, to analyze whether the Company's inventory depreciation significantly deviates from the average level of the peer industry.
- (7) We evaluated the appropriateness of the Management's disclosure of inventories and notes in the financial statements.

IV. Other information

Sungrow’s management team is responsible for other information. Other information includes those covered in Sungrow's 2022 annual report, but does not include the financial statements and our audit report.

The audit opinion on financial statements does not cover other information, nor do we make assurance conclusions on other information in any form.

As it relates to the audit of financial statements, our responsibility is to read other information and identify whether there are material inconsistency or errors between other information and the financial statements or the situation we learned during the audit.

Based on what we have done, if we are certain that material errors exist in other information, we should report. In this case, there is nothing to be reported.

V. Management’s and Governance’s Responsibilities for the Financial Statements

The Sungrow management team is responsible for preparing and presenting these financial statements fairly in accordance with the Accounting Standards for Business Enterprises, and for designing, implementing, and maintaining necessary internal controls so that the financial statements are free from material misstatements due to fraud or error.

When preparing the financial statements, the management team is responsible for evaluating Sungrow's ability to continue as a going concern, disclosing matters related to going concerns, and applying going concern assumptions, unless the management team is arranging liquidation, termination, or options of no other realistic alternatives for Sungrow.

Sungrow's governance team is responsible for overseeing Sungrow's financial reporting process.

VI. CPA's Responsibilities for the Audit of the Financial Statements

Our objective is to obtain reasonable assurance on that the financial statements as a whole are free from material misstatement due to fraud or error, and to issue an auditor report containing our audit opinion. A reasonable assurance is a high level of assurance, however, there is no assurance that an audit performed in accordance with Auditing Standards can always identify a material misstatement in existence. Misstatements may result from fraud or error, and are generally considered material if, individually or in aggregate, the misstatements could be reasonably expected to influence the economic decisions made by users of the financial statements based on the content of the financial statements.

In the process of conducting the audit in accordance with Auditing Standards, we exercise professional judgment and maintain professional skepticism. At the same time, we also perform the following:

1. Identify and evaluate the risk of material misstatement due to fraud or error, design and implement auditing procedures to address the risk, and obtain sufficient and appropriate audit evidence as the grounds for our audit opinion. Since fraud may involve collusion, forgery, intentional omission, misrepresentation or override of internal controls, the risk of failure to detect material misstatements due to fraud is higher than the risk of failure to detect material misstatements due to error.
2. Understand the audit-related internal controls in order to design an appropriate auditing procedure.
3. Evaluate the appropriateness of accounting policies selected by the Management and the rationality of accounting estimates and related disclosures.
4. Conclude on the appropriateness of the going concern assumptions used by the Management. Based on the audit evidence obtained, draw conclusions on whether there are significant uncertainties in matters or situations that are likely to impair Sungrow's ability to continue as a going concern. Should the conclusions considered significant uncertainties, we are required by the auditing standards to remind users of the financial statements to the relevant disclosures in the financial statements; if the disclosures were insufficient, we should not issue our opinion as non-qualified. Our conclusions are based on information available as of the date of the audit report. However, matters or circumstances in the future may still cause Sungrow to cease to operate as a going concern.
5. Evaluate the overall presentation, structure and content of the financial statements, and evaluate whether the financial statements fairly reflect the relevant transactions and matters.
6. Obtain sufficient and appropriate audit evidence on the financial information of Sungrow's entities or business activities, so as to issue an audit opinion on the financial statements. We are responsible for directing, supervising and performing the group audit, and are solely responsible for the audit opinion we make.

We communicate with the governance team on the planned scope, schedule and significant audit findings of the audit, including internal control deficiencies of concern that we identified during our audit.

We have also provided the governance team with a statement of compliance with professional ethical requirements related to independence, and communicated with them on all relationships and other matters that might be reasonably believed to affect our

independence, together with the corresponding countermeasures.

From the list of matters that we have communicated with the governance team, we identify those of the most significance to the audit of financial statements of the current period as the key audit matters. We describe these matters in our audit report unless public disclosure of such matters is prohibited by laws or regulations or; in rare circumstances where the adverse consequences of communicating a matter in the audit report would be reasonably expected to outweigh the benefits in the public interest, we decide not to communicate such a matter in the audit report.

II. Financial Statements

All numbers in the financial statements are in CNY.

1. Consolidated Balance Sheet

Prepared by: Sungrow Power Supply Co., Ltd.

December 31, 2022

(in CNY)

| Item | December 31, 2022 | January 1, 2022 |
|---|-------------------|-------------------|
| Current Assets: | | |
| Cash and cash equivalents | 11,666,601,491.42 | 7,790,144,016.01 |
| Settlements Provision | | |
| Loans to banks and other financial institutions | | |
| Financial assets held for trading | 1,490,493,996.98 | 3,812,896,788.98 |
| Derivative financial assets | | |
| Notes receivable | 1,086,866,640.25 | 784,339,002.72 |
| Accounts receivable | 13,804,040,262.60 | 8,748,141,497.54 |
| Financing receivables | 1,038,041,498.25 | 762,715,906.62 |
| Prepayments | 382,891,914.73 | 359,819,409.47 |
| Insurance premium receivable | | |
| Due from reinsurers | | |
| Reinsurance contract reserves receivable | | |
| Other receivables | 1,171,813,634.65 | 946,579,893.54 |
| Including: Interest receivable | | |
| Dividends receivable | 27,389,502.93 | |
| Financial assets purchased under agreements to resell | | |
| Inventories | 19,060,142,584.88 | 10,767,519,365.64 |
| Contract assets | 1,291,527,303.40 | 1,364,393,136.40 |
| Assets classified as held for sale | | |

| | | |
|---|-------------------|-------------------|
| Non-current assets due in one year | 53,713,000.00 | 75,528,337.39 |
| Other current assets | 947,593,110.24 | 895,355,467.22 |
| Total current assets | 51,993,725,437.40 | 36,307,432,821.53 |
| Non-current assets: | | |
| Loans and advances | | |
| Debt investment | | |
| Other debt investments | | |
| Long-term receivables | 352,460,000.00 | 213,044,303.38 |
| Long-term equity investments | 228,278,242.43 | 115,159,366.42 |
| Other equity instruments investments | | |
| Other non-current financial assets | 303,677,642.96 | 40,008,527.59 |
| Investment properties | | |
| Fixed assets | 4,543,555,993.02 | 4,245,993,353.02 |
| Construction in progress | 1,188,671,605.49 | 424,310,899.34 |
| Productive biological assets | | |
| Oil and gas assets | | |
| Right-of-use asset | 559,699,600.83 | 344,386,440.69 |
| Intangible assets | 340,374,616.37 | 174,385,023.72 |
| Development expenditures | | |
| Goodwill | | |
| Long-term prepaid expenses | 98,761,004.79 | 23,696,359.28 |
| Deferred tax assets | 1,024,759,727.51 | 638,432,375.29 |
| Other non-current assets | 992,247,656.31 | 313,281,445.20 |
| Total non-current assets | 9,632,486,089.71 | 6,532,698,093.93 |
| Total assets | 61,626,211,527.11 | 42,840,130,915.46 |
| Current liabilities: | | |
| Short-term borrowings | 1,422,187,421.05 | 1,524,580,849.05 |
| Borrowing from the central bank | | |
| Deposits and balances from banks and other financial institutions | | |
| Financial liabilities held for trading | 51,919,973.63 | |
| Derivative financial liabilities | 1,027,953.77 | |
| Notes payable | 12,502,200,528.61 | 7,939,950,795.46 |
| Accounts payable | 13,423,788,672.62 | 9,824,886,816.58 |

| | | |
|--|-------------------|-------------------|
| Receipts in advance | | |
| Contract liabilities | 3,788,439,560.39 | 1,713,946,572.46 |
| Financial assets sold under agreements to buy | | |
| Customer deposits and balances from banks and other financial institutions | | |
| Customer brokerage deposits | | |
| Securities underwriting brokerage deposits | | |
| Payroll and employee benefits payable | 647,136,521.65 | 380,993,966.96 |
| Taxes payable | 842,046,338.30 | 508,768,582.40 |
| Other payables | 760,375,319.15 | 500,890,674.53 |
| Including: Interest payable | | |
| Dividend payable | | |
| Fees and commission payable | | |
| Payable reinsurance | | |
| Liabilities classified as held for sale | | |
| Non-current liabilities due in one year | 809,879,585.68 | 205,372,932.33 |
| Other current liabilities | 1,219,596,256.39 | 907,970,842.58 |
| Total current liabilities | 35,468,598,131.24 | 23,507,362,032.35 |
| Non-current liabilities: | | |
| Insurance reserves | | |
| Long-term borrowings | 4,161,650,000.00 | 1,891,445,000.00 |
| Bonds payable | | |
| Including: Preference shares | | |
| Perpetual debt | | |
| Lease liabilities | 430,999,112.05 | 283,789,579.70 |
| Long-term Payable | 596,102,307.79 | 56,156,864.10 |
| Long-term payroll and employee benefits payable | | |
| Provisions | 1,012,055,993.93 | 242,096,475.53 |
| Deferred income | 166,799,167.22 | 141,475,530.69 |
| Deferred tax liabilities | 13,401,614.14 | 14,127,384.33 |
| Other non-current liabilities | 39,610,000.00 | |
| Total non-current liabilities | 6,420,618,195.13 | 2,629,090,834.35 |
| Total liabilities | 41,889,216,326.37 | 26,136,452,866.70 |
| Owners' equity: | | |

| | | |
|---|-------------------|-------------------|
| Paid-in capital | 1,485,190,984.00 | 1,485,215,984.00 |
| Other equity instruments | | |
| Including: Preference share | | |
| Perpetual debt | | |
| Capital reserve | 7,052,840,542.50 | 6,959,695,649.18 |
| Less: treasury shares | 520,749,625.73 | 15,133,520.00 |
| Other comprehensive income | -30,520,376.52 | -24,221,290.12 |
| Special reserve | | |
| Surplus reserve | 1,066,201,017.69 | 716,612,746.04 |
| General risk reserve | | |
| Retained earnings | 9,613,342,847.73 | 6,532,893,916.61 |
| Equity attributable to owners of the parent | 18,666,305,389.67 | 15,655,063,485.71 |
| Non-controlling interests | 1,070,689,811.07 | 1,048,614,563.05 |
| Total owners' equity | 19,736,995,200.74 | 16,703,678,048.76 |
| Total liabilities and owners' equity | 61,626,211,527.11 | 42,840,130,915.46 |

Legal Representative: Cao Renxian

Chief Accountant: Tian Shuai

Head of Accounting Department: Li Pan

2. Balance Sheet of Parent Company

(in CNY)

| Item | December 31, 2022 | January 1, 2022 |
|------------------------------------|-------------------|------------------|
| Current Assets: | | |
| Cash and cash equivalents | 7,843,493,020.92 | 4,686,803,427.38 |
| Financial assets held for trading | 1,023,462,624.14 | 2,655,239,184.22 |
| Derivative financial assets | | |
| Notes receivable | 513,951,198.39 | 460,268,788.01 |
| Accounts receivable | 12,289,281,607.26 | 6,633,778,001.81 |
| Financing receivables | 841,039,102.74 | 477,280,432.91 |
| Prepayments | 15,214,576.36 | 54,560,360.00 |
| Other receivables | 1,064,683,730.83 | 729,294,428.68 |
| Including: Interest receivable | | |
| Dividends receivable | 27,389,502.93 | |
| Inventories | 4,305,038,408.84 | 3,571,281,925.32 |
| Contract assets | 356,483,190.49 | 400,767,894.33 |
| Assets classified as held for sale | | |

| | | |
|--|-------------------|-------------------|
| Non-current assets due in one year | 53,713,000.00 | 75,528,337.39 |
| Other current assets | 49,297,706.52 | 179,708,891.30 |
| Total current assets | 28,355,658,166.49 | 19,924,511,671.35 |
| Non-current assets: | | |
| Debt investment | | |
| Other debt investments | | |
| Long-term receivables | 352,460,000.00 | 213,044,303.38 |
| Long-term equity investments | 5,287,620,696.34 | 4,645,754,539.19 |
| Other equity instruments investments | | |
| Other non-current financial assets | 125,035,324.41 | |
| Investment properties | | |
| Fixed assets | 1,412,825,971.90 | 1,276,995,771.25 |
| Construction in progress | 585,904,972.37 | 240,635,749.42 |
| Productive biological assets | | |
| Oil and gas assets | | |
| Right-of-use asset | 47,727,364.25 | 42,607,365.77 |
| Intangible assets | 207,480,610.30 | 122,705,732.83 |
| Development expenditures | | |
| Goodwill | | |
| Long-term prepaid expenses | 57,092,196.74 | 17,802,929.79 |
| Deferred tax assets | 310,943,335.06 | 348,201,521.51 |
| Other non-current assets | 537,065,057.02 | 171,253,899.20 |
| Total non-current assets | 8,924,155,528.39 | 7,079,001,812.34 |
| Total assets | 37,279,813,694.88 | 27,003,513,483.69 |
| Current liabilities: | | |
| Short-term borrowings | 74,407,523.19 | 566,025,816.24 |
| Financial liabilities held for trading | 6,367,790.64 | |
| Derivative financial liabilities | 1,027,953.77 | |
| Notes payable | 6,574,809,279.06 | 3,859,144,185.00 |
| Accounts payable | 9,326,539,265.79 | 6,093,277,528.94 |
| Receipts in advance | | |
| Contract liabilities | 690,409,136.06 | 695,217,795.44 |
| Payroll and employee benefits payable | 259,302,306.80 | 166,713,271.18 |
| Taxes payable | 265,054,124.87 | 139,986,244.97 |

| | | |
|---|-------------------|-------------------|
| Other payables | 419,115,721.82 | 273,839,838.70 |
| Including: Interest payable | | |
| Dividend payable | | |
| Liabilities classified as held for sale | | |
| Non-current liabilities due in one year | 64,942,372.58 | 23,520,306.60 |
| Other current liabilities | 124,706,255.00 | 91,452,860.84 |
| Total current liabilities | 17,806,681,729.58 | 11,909,177,847.91 |
| Non-current liabilities: | | |
| Long-term borrowings | 957,720,000.00 | 10,500,000.00 |
| Bonds payable | | |
| Including: Preference shares | | |
| Perpetual debt | | |
| Lease liabilities | 21,784,939.47 | 28,185,840.68 |
| Long-term Payable | | |
| Long-term payroll and employee benefits payable | | |
| Provisions | 532,428,639.25 | 14,629,180.74 |
| Deferred income | 146,613,574.00 | 125,720,570.24 |
| Deferred tax liabilities | | |
| Other non-current liabilities | | |
| Total non-current liabilities | 1,658,547,152.72 | 179,035,591.66 |
| Total liabilities | 19,465,228,882.30 | 12,088,213,439.57 |
| Owners' equity: | | |
| Paid-in capital | 1,485,190,984.00 | 1,485,215,984.00 |
| Other equity instruments | | |
| Including: Preference share | | |
| Perpetual debt | | |
| Capital reserve | 7,146,687,476.79 | 7,074,553,205.11 |
| Less: treasury shares | 520,749,625.73 | 15,133,520.00 |
| Other comprehensive income | 281,692.50 | |
| Special reserve | | |
| Surplus reserve | 1,066,201,017.69 | 716,612,746.04 |
| Retained earnings | 8,636,973,267.33 | 5,654,051,628.97 |
| Total owners' equity | 17,814,584,812.58 | 14,915,300,044.12 |

| | | |
|--------------------------------------|-------------------|-------------------|
| Total liabilities and owners' equity | 37,279,813,694.88 | 27,003,513,483.69 |
|--------------------------------------|-------------------|-------------------|

3. Consolidated Income Statement

(in CNY)

| Item | 2022 | 2021 |
|---|-------------------|-------------------|
| I. Total revenue | 40,257,239,155.34 | 24,136,598,726.55 |
| Including: Operating proceeds | 40,257,239,155.34 | 24,136,598,726.55 |
| Interest income | | |
| Net earned premiums | | |
| Net fee and commission revenue | | |
| II. Total operating costs | 35,514,911,265.50 | 22,365,999,105.36 |
| Including: Operating costs | 30,375,806,550.32 | 18,765,234,741.08 |
| Interest expenses | | |
| Fees and commission expenses | | |
| Surrenders | | |
| Net payments for insurance claims | | |
| Net provision of insurance reserve | | |
| Policyholder dividends | | |
| Reinsurance expenses | | |
| Taxes and surcharges | 142,614,456.42 | 82,485,943.84 |
| Selling expenses | 3,169,263,472.82 | 1,582,578,297.46 |
| General and administrative expenses | 612,314,748.77 | 491,053,482.80 |
| R&D expenses | 1,692,156,198.42 | 1,161,389,788.60 |
| Financial expenses | -477,244,161.25 | 283,256,851.58 |
| Including: Interest expense | 209,088,016.88 | 124,111,368.70 |
| Interest income | 77,821,870.16 | 62,999,892.35 |
| Add: Other income | 220,935,253.06 | 186,298,661.20 |
| Investment gains (or losses) | 40,338,523.02 | 354,966,135.62 |
| Including: Share of gains of associates and joint ventures | -2,286,676.64 | 9,335,376.24 |
| Gains from derecognition of financial assets measured at amortized cost | | |
| Exchange gains (or losses) | | |
| Net exposure hedging gains (or losses) | | |

| | | |
|--|------------------|------------------|
| Gains (or losses) on the changes in fair value | -29,610,984.47 | 66,438,296.41 |
| Credit impairment losses | -456,447,435.65 | -207,580,392.56 |
| Assets impairment losses | -374,657,742.38 | -273,593,601.70 |
| Gain (or losses) from disposal of assets | -1,741,000.52 | 448,633.20 |
| III. Operating profit (or loss) | 4,141,144,502.90 | 1,897,577,353.36 |
| Add: Non-operating income | 9,156,115.54 | 17,119,329.76 |
| Less: Non-operating costs | 16,339,008.39 | 22,024,546.89 |
| IV. Profit (or loss) before tax | 4,133,961,610.05 | 1,892,672,136.23 |
| Less: Income tax expense | 438,525,751.74 | 188,677,565.32 |
| V. Net profit (or loss) | 3,695,435,858.31 | 1,703,994,570.91 |
| (1) Categorized by operation continuity | | |
| 1. Net profit (or loss) from continuing operations | 3,695,435,858.31 | 1,703,994,570.91 |
| 2. Net profit (or loss) from discontinuing operations | | |
| (2) Categorized by ownership | | |
| 1. Net profit attributable to shareholders of parent company | 3,593,410,009.26 | 1,582,707,374.76 |
| 2. Net profit attributable to non-controlling interests | 102,025,849.05 | 121,287,196.15 |
| VI. Other comprehensive income, net of tax | -7,899,020.61 | -9,833,344.80 |
| Other comprehensive income, net of tax, attributable to shareholders of parent company | -6,299,086.40 | -9,833,344.80 |
| a. Other comprehensive income not be reclassified as profit or loss | | |
| 1. Remeasurement gains or losses of a defined benefit plan | | |
| 2. Other comprehensive income not to be reclassified as profit or loss using the equity method | | |
| 3. Changes in fair value of other equity instrument investments | | |
| 4. Changes in fair value of enterprise's own credit risk | | |

| | | |
|--|------------------|------------------|
| 5. Others | | |
| b. Other comprehensive income to be reclassified as profit or loss | -6,299,086.40 | -9,833,344.80 |
| 1. Other comprehensive income to be reclassified as profit or loss using equity method | | |
| 2. Changes in fair value of other debt investments | | |
| 3. Amount of financial assets reclassified into other comprehensive income | | |
| 4. Provision for credit impairment of other debt investments | | |
| 5. Cash flow hedging reserves | 281,692.50 | |
| 6. Exchange differences on translation of foreign currency financial | -6,580,778.90 | -9,833,344.80 |
| 7. Others | | |
| Other comprehensive income, net of tax, attributable to non-controlling interests | -1,599,934.21 | |
| VII. Total comprehensive income | 3,687,536,837.70 | 1,694,161,226.11 |
| Total comprehensive income attributable to owners of parent company | 3,587,110,922.86 | 1,572,874,029.96 |
| Total comprehensive income attributable to non-controlling interests | 100,425,914.84 | 121,287,196.15 |
| VIII. Earnings per share | | |
| (1) Basic earnings per share | 2.42 | 1.08 |
| (2) Diluted earnings per share | 2.42 | 1.08 |

Legal Representative: Cao Renxian

Chief Accountant: Tian Shuai

Head of Accounting Department: Li Pan

4. Income Statement of Parent Company

(in CNY)

| Item | 2022 | 2021 |
|-------------------------------------|-------------------|-------------------|
| I. Operating revenue | 26,798,345,232.68 | 11,679,896,018.21 |
| Less: Operating costs | 20,736,938,957.77 | 9,435,266,771.20 |
| Taxes and surcharges | 89,454,540.58 | 32,993,657.30 |
| Selling expenses | 1,121,725,628.76 | 466,391,969.51 |
| General and administrative expenses | 294,158,951.57 | 212,847,588.74 |

| | | |
|--|------------------|------------------|
| R&D expenses | 1,108,693,906.17 | 791,547,101.42 |
| Financial expenses | -387,191,420.14 | 69,838,783.75 |
| Including: Interest expense | 24,305,403.72 | 15,910,260.18 |
| Interest income | 75,655,482.56 | 128,135,123.54 |
| Add: Other income | 70,596,800.23 | 78,490,900.38 |
| Investment gains (or losses) | 434,746,619.98 | 376,596,031.61 |
| Including: Share of gains of associates and joint ventures | -2,408,049.57 | -1,641,941.89 |
| Gains (or losses) from derecognition of financial assets measured at amortized cost | | |
| Net exposure hedging gains (or losses) | | |
| Gains (or losses) on the changes in fair value | -506,748.31 | 33,457,802.21 |
| Credit impairment losses | -447,759,303.14 | 169,936,441.85 |
| Assets impairment losses | -15,264,193.57 | -37,298,170.36 |
| Gain (or losses) from disposal of assets | 86,130.64 | 418,400.22 |
| II. Operating profit (or loss) | 3,876,463,973.80 | 1,292,611,552.20 |
| Add: Non-operating income | 4,704,919.95 | 10,938,246.07 |
| Less: Non-operating costs | 5,014,049.48 | 20,522,307.52 |
| III. Total profit (or loss) | 3,876,154,844.27 | 1,283,027,490.75 |
| Less: Income tax expense | 380,272,127.77 | 55,714,428.41 |
| V. Net profit (or loss) | 3,495,882,716.50 | 1,227,313,062.34 |
| a. Net profit (or loss) from continuing operations | 3,495,882,716.50 | 1,227,313,062.34 |
| b. Net profit (or loss) from discontinuing operations | | |
| V. Other comprehensive income, net of tax | 281,692.50 | |
| a. Other comprehensive income not to be reclassified as profit or loss | | |
| 1. Remeasurement gains or losses of a defined benefit plan | | |
| 2. Other comprehensive income not to be reclassified as profit or loss using the equity method | | |
| 3. Changes in fair value of other equity | | |

| | | |
|--|------------------|------------------|
| instrument investments | | |
| 4. Changes in fair value of enterprise's own credit risk | | |
| 5. Others | | |
| b. Other comprehensive income to be reclassified as profit or loss | 281,692.50 | |
| 1. Other comprehensive income to be reclassified as profit or loss using equity method | | |
| 2. Changes in fair value of other debt investments | | |
| 3. Amount of financial assets reclassified into other comprehensive income | | |
| 4. Provision for credit impairment of other debt investments | | |
| 5. Cash flow hedging reserves | 281,692.50 | |
| 6. Exchange differences on translation of foreign currency financial | | |
| 7. Others | | |
| VI. Total comprehensive income | 3,496,164,409.00 | 1,227,313,062.34 |
| VII. Earnings per share | | |
| (1) Basic earnings per share | | |
| (2) Diluted earnings per share | | |

5. Consolidated Statement of Cash Flows

(in CNY)

| Item | 2022 | 2021 |
|--|-------------------|-------------------|
| I. Cash flows from operating activities | | |
| Cash receipts from the sale of goods and the rendering of services | 38,113,475,847.04 | 22,746,962,796.41 |
| Net increase in customer bank deposits and due to banks and other financial institutions | | |
| Net increase in loans from the central bank | | |
| Net increase in funds borrowed from other financial institutions | | |
| Cash premiums received on original insurance contracts | | |

| | | |
|---|-------------------|-------------------|
| Net cash received from re-insurance business | | |
| Net increase in deposits and investments from insurers | | |
| Cash received from interest, fees and commission | | |
| Net increase in funds deposit | | |
| Net increase in repurchase business funds | | |
| Net income from securities trading brokerage business | | |
| Tax refunds received | 2,010,210,787.57 | 790,867,061.23 |
| Cash received relating to other operating activities | 636,129,354.20 | 514,988,997.93 |
| Sub-total of cash inflows | 40,759,815,988.81 | 24,052,818,855.57 |
| Cash paid for purchase of goods and services | 32,223,692,792.32 | 21,463,759,761.25 |
| Net increase in loans and payments on behalf of customers | | |
| Net increase in deposits with central bank and other financial institutions | | |
| Payments for claims for original insurance contracts | | |
| Net increase in funds lent | | |
| Cash paid for interest, fees and commission | | |
| Commissions on insurance policies paid | | |
| Cash paid to and on behalf of employee | 2,905,936,662.96 | 1,763,505,472.38 |
| Cash paid for taxes | 1,983,956,956.63 | 848,134,227.11 |
| Cash paid relating to other operating activities | 2,435,731,091.01 | 1,616,051,517.60 |
| Sub-total of cash outflows | 39,549,317,502.92 | 25,691,450,978.34 |
| Net cash flows from operating activities | 1,210,498,485.89 | -1,638,632,122.77 |
| II. Cash flows from investing activities: | | |
| Cash received from disposal of investments | 14,661,894,272.35 | 4,399,319,691.62 |
| Cash received from investment income | 13,728,203.53 | 142,090,826.04 |
| Net proceeds from disposal of fixed assets, intangible assets and other long-term assets | 9,368,073.62 | 12,149,964.76 |
| Cash received from disposal of subsidiaries and other business units | | 3,814,295.00 |
| Cash received relating to other investing activities | | 53,694.23 |
| Sub-total of cash inflows | 14,684,990,549.50 | 4,557,428,471.65 |
| Cash paid for purchase/construction of fixed assets, intangible assets and other non-current assets | 1,526,766,108.85 | 1,665,649,098.40 |

| | | |
|--|-------------------|-------------------|
| Cash paid for investments | 12,812,669,124.27 | 6,604,988,709.04 |
| Net increase in secured loans | | |
| Net cash paid for acquisition of a subsidiary and other operating units | | |
| Cash paid relating to other investing activities | | |
| Sub-total of cash outflows | 14,339,435,233.12 | 8,270,637,807.44 |
| Net cash flows from investing activities | 345,555,316.38 | -3,713,209,335.79 |
| III. Cash flows from financing activities: | | |
| Cash received from investment | 15,000,000.00 | 4,178,537,220.12 |
| Including: Cash receipts from capital contributions from non-controlling interests of subsidiaries | 15,000,000.00 | |
| Proceeds from borrowings | 8,870,222,959.85 | 2,727,391,963.81 |
| Cash receipts relating to other financing activities | 1,064,751,941.30 | 73,952,000.00 |
| Subtotal of cash inflows | 9,949,974,901.15 | 6,979,881,183.93 |
| Repayments for debts | 5,678,221,694.06 | 1,357,130,322.37 |
| Cash payments for distribution of dividends or profit and interest expenses | 351,615,275.80 | 319,225,674.30 |
| Including: Dividends or profit paid to non-controlling shareholders of subsidiaries | | |
| Cash payments relating to other financing activities | 2,173,420,467.94 | 124,869,565.09 |
| Subtotal of cash outflows | 8,203,257,437.80 | 1,801,225,561.76 |
| Net cash flows from financing activities | 1,746,717,463.35 | 5,178,655,622.17 |
| IV. Effect of exchange rate changes on cash and cash equivalents | -60,678,401.58 | -19,501,109.58 |
| V. Net increase in cash and cash equivalents | 3,242,092,864.04 | -192,686,945.97 |
| Add: Cash and cash equivalents at beginning of the period | 6,559,999,792.76 | 6,752,686,738.73 |
| VI. Cash and cash equivalents at end of the period | 9,802,092,656.80 | 6,559,999,792.76 |

6. Statement of Cash Flows of Parent Company

(in CNY)

| Item | 2022 | 2021 |
|--|-------------------|-------------------|
| I. Cash flows from operating activities | | |
| Cash receipts from the sale of goods and the rendering of services | 21,311,183,225.00 | 13,888,228,231.73 |
| Tax refunds received | 1,147,907,367.79 | 573,067,985.35 |

| | | |
|---|-------------------|-------------------|
| Cash received relating to other operating activities | 190,264,372.84 | 267,054,687.30 |
| Sub-total of cash inflows | 22,649,354,965.63 | 14,728,350,904.38 |
| Cash paid for purchase of goods and services | 16,517,692,526.60 | 12,624,409,133.49 |
| Cash paid to and on behalf of employee | 1,275,541,506.39 | 864,821,507.51 |
| Cash paid for taxes | 417,527,277.33 | 86,378,257.47 |
| Cash paid relating to other operating activities | 1,213,446,733.19 | 875,243,605.70 |
| Sub-total of cash outflows | 19,424,208,043.51 | 14,450,852,504.17 |
| Net cash flows from operating activities | 3,225,146,922.12 | 277,498,400.21 |
| II. Cash flows from investing activities: | | |
| Cash received from disposal of investments | 13,338,421,935.62 | 2,459,948,800.00 |
| Cash received from investment income | 107,506,947.55 | 263,267,352.70 |
| Net proceeds from disposal of fixed assets, intangible assets and other long-term assets | 25,086,997.75 | 15,354,478.36 |
| Cash received from disposal of subsidiaries and other business units | | |
| Cash received relating to other investing activities | 2,019,346,250.00 | |
| Sub-total of cash inflows | 15,490,362,130.92 | 2,738,570,631.06 |
| Cash paid for purchase/construction of fixed assets, intangible assets and other non-current assets | 853,811,119.38 | 1,060,816,972.70 |
| Cash paid for investments | 12,442,801,480.00 | 7,402,062,808.31 |
| Net increase in secured loans | | |
| Net cash paid for acquisition of a subsidiary and other operating units | 2,267,731,705.99 | |
| Cash paid relating to other investing activities | 15,564,344,305.37 | 8,462,879,781.01 |
| Sub-total of cash outflows | -73,982,174.45 | -5,724,309,149.95 |
| Net cash flows from investing activities | | |
| III. Cash flows from financing activities: | | 3,623,146,130.36 |
| Cash received from investment | 1,209,531,000.00 | 563,705,196.00 |
| Cash received from borrowings | 134,997,884.97 | 1,994,736,469.94 |
| Cash receipts relating to other financing activities | 1,344,528,884.97 | 6,181,587,796.30 |
| Subtotal of cash inflows | 726,205,196.00 | 606,044,522.37 |
| Repayments for debts | 182,657,721.65 | 222,227,003.29 |
| Cash payments for distribution of dividends or profit and interest expenses | 736,422,321.35 | 160,201,781.92 |
| Cash payments relating to other financing activities | 1,645,285,239.00 | 988,473,307.58 |

| | | |
|--|------------------|------------------|
| Net cash flows from financing activities | -300,756,354.03 | 5,193,114,488.72 |
| IV. Effect of exchange rate changes on cash and cash equivalents | -52,497,688.47 | -9,667,764.78 |
| V. Net increase in cash and cash equivalents | 2,797,910,705.17 | -263,364,025.80 |
| Add: Cash and cash equivalents at beginning of the period | 4,127,114,236.11 | 4,390,478,261.91 |
| VI. Cash and cash equivalents at end of the period | 6,925,024,941.28 | 4,127,114,236.11 |

7. Consolidated Statement of Changes in Equity

Current period amount

(in CNY)

| Item | 2022 | | | | | | | | | | | | | | |
|---|---|--------------------------|--------|--|------------------|-----------------------|----------------------------|-----------------|-----------------|-----------------|-------------------|--------|-------------------|---------------------------|----------------------|
| | Equity attributable to owners of the parent | | | | | | | | | | | | | Non-controlling interests | Total owners' equity |
| | Share capital | Other equity instruments | | | Capital reserve | Less: treasury shares | Other comprehensive income | Special reserve | Surplus reserve | General reserve | Retained earnings | Others | Subtotal | | |
| | Preference share | Perpetual debt | Others | | | | | | | | | | | | |
| I. Balance at the end of previous year | 1,485,215,984.00 | | | | 6,959,695,649.18 | 15,133,520.00 | -24,221,290.12 | | 716,612,746.04 | | 6,532,893,916.61 | | 15,655,063,485.71 | 1,048,614,563.05 | 16,703,678,048.76 |
| Add: changes in accounting policies | | | | | | | | | | | | | | | |
| Corrections of prior period errors | | | | | | | | | | | | | | | |
| Business combination under common control | | | | | | | | | | | | | | | |
| Others | | | | | | | | | | | | | | | |
| II. Balance at the beginning | 1,485,215,984.00 | | | | 6,959,695,649.18 | 15,133,520.00 | -24,221,290.12 | | 716,612,746.04 | | 6,532,893,916.61 | | 15,655,063,485.71 | 1,048,614,563.05 | 16,703,678,048.76 |

| | | | | | | | | | | | | | | |
|--|----------------|--|--|--------------------|--------------------|---------------|--|--------------------|--|----------------------|--|----------------------|--------------------|----------------------|
| of the year | 00 | | | | | | | | | | | | | |
| III. Increase (or decrease) during the period | -25,000 .00 | | | 93,144,8 93.32 | 505,616,1 05.73 | -6,299,086.40 | | 349,588, 271.65 | | 3,080,448,931 .12 | | 3,011,241, 903.96 | 22,075,248. 02 | 3,033,317,1 51.98 |
| a. Total comprehensiv e income | | | | | | -6,299,086.40 | | | | 3,593,410,009 .26 | | 3,587,110, 922.86 | 102,025,849 .05 | 3,689,136,7 71.91 |
| b. Owners' contribution and reduction | -25,000 .00 | | | 118,536, 062.03 | 505,616,1 05.73 | | | | | | | -387,105,0 43.70 | -4,729,545.5 3 | -391,834,58 9.23 |
| 1. Owners' contribution in ordinary share | -25,000 .00 | | | -101,237 .94 | | | | | | | | -126,237.9 4 | -4,729,545.5 3 | -4,855,783. 47 |
| 2. Contribution from other equity instruments | | | | | | | | | | | | | | |
| 3. Amount of share-based payments recognized in equity | | | | 118,637, 299.97 | 505,616,1 05.73 | | | | | | | -386,978,8 05.76 | | -386,978,80 5.76 |
| 4. Others | | | | | | | | | | | | | | |
| c. Profit distribution | | | | | | | | 349,588, 271.65 | | -512,961,078. 14 | | -163,372,8 06.49 | | -163,372,80 6.49 |

| | | | | | | | | | | | | | | |
|---|--|--|--|--|--|--|--|--|----------------|--|-----------------|-----------------|--|-----------------|
| 1. Transfer to surplus reserve | | | | | | | | | 349,588,271.65 | | -349,588,271.65 | | | |
| 2. Transfer to general reserve | | | | | | | | | | | | | | |
| 3. Distribution to owner (or shareholder) | | | | | | | | | | | -163,372,806.49 | -163,372,806.49 | | -163,372,806.49 |
| 4. Others | | | | | | | | | | | | | | |
| d. Transfer within equity | | | | | | | | | | | | | | |
| 1. Capital reserves converted to share capital | | | | | | | | | | | | | | |
| 2. Surplus reserves converted to share capital | | | | | | | | | | | | | | |
| 3. Loss made up by surplus reserves | | | | | | | | | | | | | | |
| 4. Changes in the defined benefit plan transferred to | | | | | | | | | | | | | | |

| | | share | debt | | | shares | income | | | | | | | | |
|---|------------------|-------|------|--|------------------|----------------|----------------|--|----------------|--|------------------|--|-------------------|----------------|-------------------|
| I. Balance at the end of previous year | 1,457,236,850.00 | | | | 3,218,415,694.87 | 76,130,653.30 | -14,387,945.32 | | 593,881,439.81 | | 5,276,889,357.08 | | 10,455,904,743.14 | 408,792,371.89 | 10,864,697,115.03 |
| Add: changes in accounting policies | | | | | | | | | | | | | | | |
| Corrections of prior period errors | | | | | | | | | | | | | | | |
| Business combination under common control | | | | | | | | | | | | | | | |
| Others | | | | | | | | | | | | | | | |
| II. Balance at the beginning of the year | 1,457,236,850.00 | | | | 3,218,415,694.87 | 76,130,653.30 | -14,387,945.32 | | 593,881,439.81 | | 5,276,889,357.08 | | 10,455,904,743.14 | 408,792,371.89 | 10,864,697,115.03 |
| III. Increase (or decrease) during the period | 27,979,134.00 | | | | 3,741,279,954.31 | -60,997,133.30 | -9,833,344.80 | | 122,731,306.23 | | 1,256,004,559.53 | | 5,199,158,742.57 | 639,822,191.16 | 5,838,980,933.73 |
| a. Total comprehensive income | | | | | | | -9,833,344.80 | | | | 1,582,707,374.76 | | 1,572,874,029.96 | 121,287,196.15 | 1,694,161,226.11 |
| b. Owners' contribution | 27,979,134.00 | | | | 3,741,279,954.31 | -60,997,133.30 | | | | | | | 3,830,256,221.61 | 518,534,995.01 | 4,348,791,216.62 |

| | | | | | | | | | | | | | | | |
|--|---------------|--|--|--|------------------|----------------|--|----------------|--|-----------------|--|--|------------------|----------------|------------------|
| and reduction | | | | | | | | | | | | | | | |
| 1. Owners' contribution in ordinary share | 27,979,134.00 | | | | 3,592,820,606.46 | | | | | | | | 3,620,799,740.46 | 491,720,977.71 | 4,112,520,718.17 |
| 2. Contribution from other equity instruments | | | | | | | | | | | | | | | |
| 3. Amount of share-based payments recognized in equity | | | | | 169,330,279.19 | -60,997,133.30 | | | | | | | 230,327,412.49 | | 230,327,412.49 |
| 4. Others | | | | | -20,870,931.34 | | | | | | | | -20,870,931.34 | 26,814,017.30 | 5,943,085.96 |
| c. Profit distribution | | | | | | | | 122,731,306.23 | | -326,702,815.23 | | | -203,971,509.00 | | -203,971,509.00 |
| 1. Transfer to surplus reserve | | | | | | | | 122,731,306.23 | | -122,731,306.23 | | | | | |
| 2. Transfer to general reserve | | | | | | | | | | -203,971,509.00 | | | -203,971,509.00 | | -203,971,509.00 |
| 3. Distribution to owner (or shareholder) | | | | | | | | | | | | | | | |
| 4. Others | | | | | | | | | | | | | | | |
| d. Transfer within equity | | | | | | | | | | | | | | | |

| | | | | | | | | | | | | | | | |
|---|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|
| 1. Capital reserves converted to share capital | | | | | | | | | | | | | | | |
| 2. Surplus reserves converted to share capital | | | | | | | | | | | | | | | |
| 3. Loss made up by surplus reserves | | | | | | | | | | | | | | | |
| 4. Changes in the defined benefit plan transferred to retained earnings | | | | | | | | | | | | | | | |
| 5. Other comprehensive income transferred to retained earnings | | | | | | | | | | | | | | | |
| 6. Others | | | | | | | | | | | | | | | |
| e. Special reserve | | | | | | | | | | | | | | | |
| 1. Additions | | | | | | | | | | | | | | | |

| | | | | | | | | | | | | | | | |
|--------------------------------------|------------------|--|--|--|------------------|---------------|----------------|--|----------------|--|------------------|--|-------------------|------------------|-------------------|
| 2. Utilization | | | | | | | | | | | | | | | |
| f. Others | | | | | | | | | | | | | | | |
| IV. Balance at the end of the period | 1,485,215,984.00 | | | | 6,959,695,649.18 | 15,133,520.00 | -24,221,290.12 | | 716,612,746.04 | | 6,532,893,916.61 | | 15,655,063,485.71 | 1,048,614,563.05 | 16,703,678,048.76 |

8. Statement of Changes in Owners' Equity of Parent Company

Current amount

(in CNY)

| Item | 2022 | | | | | | | | | | | Total Owners' Equity |
|---|------------------|--------------------------|----------------|--------|------------------|-----------------------|----------------------------|-----------------|-----------------|-------------------|--------|----------------------|
| | Share capital | Other equity instruments | | | Capital reserve | Less: treasury shares | Other comprehensive income | Special reserve | Surplus reserve | Retained earnings | Others | |
| | | Preference share | Perpetual debt | Others | | | | | | | | |
| I. Balance at the end of previous year | 1,485,215,984.00 | | | | 7,074,553,205.11 | 15,133,520.00 | | | 716,612,746.04 | 5,654,051,628.97 | | 14,915,300,044.12 |
| Add: changes in accounting policies | | | | | | | | | | | | |
| Corrections of prior period errors | | | | | | | | | | | | |
| Others | | | | | | | | | | | | |
| II. Balance at the beginning of the year | 1,485,215,984.00 | | | | 7,074,553,205.11 | 15,133,520.00 | | | 716,612,746.04 | 5,654,051,628.97 | | 14,915,300,044.12 |
| III. Increase (or decrease) during the period | -25,000.00 | | | | 72,134,271.68 | 505,616,105.73 | 281,692.50 | | 349,588,271.65 | 2,982,921,638.36 | | 2,899,284,768.46 |

| | | | | | | | | | | | | |
|--|------------|--|--|---------------|----------------|--|------------|--|----------------|------------------|--|------------------|
| a. Total comprehensive income | | | | | | | 281,692.50 | | | 3,495,882,716.50 | | 3,496,164,409.00 |
| b. Owners' contribution and reduction | -25,000.00 | | | 72,134,271.68 | 505,616,105.73 | | | | | | | -433,506,834.05 |
| 1. Owners' contribution in ordinary share | -25,000.00 | | | -101,237.94 | | | | | | | | -126,237.94 |
| 2. Contribution from other equity instruments | | | | | | | | | | | | |
| 3. Amount of share-based payments recognized in equity | | | | 72,235,509.62 | 505,616,105.73 | | | | | | | -433,380,596.11 |
| 4. Others | | | | | | | | | | | | |
| c. Profit distribution | | | | | | | | | 349,588,271.65 | -512,961,078.14 | | -163,372,806.49 |
| 1. Transfer to surplus reserve | | | | | | | | | 349,588,271.65 | -349,588,271.65 | | |
| 2. Distribution to owner (or shareholder) | | | | | | | | | | -163,372,806.49 | | -163,372,806.49 |
| 3. Others | | | | | | | | | | | | |
| d. Transfer within equity | | | | | | | | | | | | |
| 1. Capital reserves converted to share capital | | | | | | | | | | | | |
| 2. Surplus reserves converted to share capital | | | | | | | | | | | | |

| | | | | | | | | | | | | |
|---|------------------|--|--|--|------------------|----------------|------------|------------------|------------------|--|--|-------------------|
| 3. Loss made up by surplus reserves | | | | | | | | | | | | |
| 4. Changes in the defined benefit plan transferred to retained earnings | | | | | | | | | | | | |
| 5. Other comprehensive income transferred to retained earnings | | | | | | | | | | | | |
| 6. Others | | | | | | | | | | | | |
| e. Special reserve | | | | | | | | | | | | |
| 1. Additions | | | | | | | | 290,881.03 | | | | 290,881.03 |
| 2. Utilization | | | | | | | | 290,881.03 | | | | 290,881.03 |
| f. Others | | | | | | | | | | | | |
| IV. Balance at the end of the period | 1,485,190.984.00 | | | | 7,146,687.476.79 | 520,749,625.73 | 281,692.50 | 1,066,201,017.69 | 8,636,973,267.33 | | | 17,814,584,812.58 |

Last period amount

(in CNY)

| Item | 2021 | | | | | | | | | | | |
|-----------------------------------|----------------|--------------------------|----------------|--------|-----------------|-----------------------|----------------------------|-----------------|-----------------|-------------------|--------|----------------------|
| | Share capital | Other equity instruments | | | Capital reserve | Less: treasury shares | Other comprehensive income | Special reserve | Surplus reserve | Retained earnings | Others | Total Owners' Equity |
| | | Preference share | Perpetual debt | Others | | | | | | | | |
| I. Balance at the end of previous | 1,457,236,850. | | | | 3,355,671.7 | 76,130,653.3 | | | 593,881,439 | 4,753,441, | | 10,084,100,773.07 |

| | | | | | | | | | | | | |
|---|------------------|--|--|--|------------------|----------------|--|--|----------------|------------------|--|-------------------|
| year | 00 | | | | 54.70 | 0 | | | .81 | 381.86 | | |
| Add: changes in accounting policies | | | | | | | | | | | | |
| Corrections of prior period errors | | | | | | | | | | | | |
| Others | | | | | | | | | | | | |
| II. Balance at the beginning of the year | 1,457,236,850.00 | | | | 3,355,671,754.70 | 76,130,653.30 | | | 593,881,439.81 | 4,753,441,381.86 | | 10,084,100,773.07 |
| III. Increase (or decrease) during the period | 27,979,134.00 | | | | 3,718,881,450.41 | -60,997,133.30 | | | 122,731,306.23 | 900,610,247.11 | | 4,831,199,271.05 |
| a. Total comprehensive income | | | | | | | | | | 1,227,313,062.34 | | 1,227,313,062.34 |
| b. Owners' contribution and reduction | 27,979,134.00 | | | | 3,718,881,450.41 | -60,997,133.30 | | | | | | 3,807,857,717.71 |
| 1. Owners' contribution in ordinary share | 27,979,134.00 | | | | 3,592,820,606.46 | | | | | | | 3,620,799,740.46 |
| 2. Contribution from other equity | | | | | | | | | | | | |

| | | | | | | | | | | | | |
|--|--|--|--|--|----------------|----------------|--|--|----------------|-----------------|--|-----------------|
| instruments | | | | | | | | | | | | |
| 3. Amount of share-based payments recognized in equity | | | | | 126,060,843.95 | -60,997,133.30 | | | | | | 187,057,977.25 |
| 4. Others | | | | | | | | | | | | |
| c. Profit distribution | | | | | | | | | 122,731,306.23 | -326,702,815.23 | | -203,971,509.00 |
| 1. Transfer to surplus reserve | | | | | | | | | 122,731,306.23 | -122,731,306.23 | | |
| 2. Distribution to owner (or shareholder) | | | | | | | | | | -203,971,509.00 | | -203,971,509.00 |
| 3. Others | | | | | | | | | | | | |
| d. Transfer within equity | | | | | | | | | | | | |
| 1. Capital reserves converted to share capital | | | | | | | | | | | | |
| 2. Surplus reserves converted to share capital | | | | | | | | | | | | |
| 3. Loss made up by surplus | | | | | | | | | | | | |

| | | | | | | | | | | | | |
|---|------------------|--|--|--|------------------|---------------|--|--|----------------|------------------|--|-------------------|
| reserves | | | | | | | | | | | | |
| 4. Changes in the defined benefit plan transferred to retained earnings | | | | | | | | | | | | |
| 5. Other comprehensive income transferred to retained earnings | | | | | | | | | | | | |
| 6. Others | | | | | | | | | | | | |
| e. Special reserve | | | | | | | | | | | | |
| 1. Additions | | | | | | | | | | | | |
| 2. Utilization | | | | | | | | | | | | |
| f. Others | | | | | | | | | | | | |
| IV. Balance at the end of the period | 1,485,215,984.00 | | | | 7,074,553,205.11 | 15,133,520.00 | | | 716,612,746.04 | 5,654,051,628.97 | | 14,915,300,044.12 |