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**Yunnan Energy New Material (Group) Co., Ltd.**

**2025 Annual Report**

**April 2026**

# **2025 Annual Report**

## **Section 1 Important Notes, Contents and Definitions**

**The Board of Directors and its members, and the senior management warrant that the contents of the Annual Report are truthful, accurate and complete, without any false statement, misrepresentation or major omission, and that they are jointly and severally liable for the contents.**

**Paul Xiaoming Lee (the Company’s person in charge), Li Xianglin (the person in charge of finance) and Deng Jinhuan (the person in charge of the accounting department) hereby declare and warrant that the contents of the financial statements in this Annual Report are truthful, accurate and complete.**

**All Directors were present at the Board meeting to consider and approve this Annual Report.**

**The future plans, development strategies and other forward-looking descriptions in this report do not constitute material commitments of the Company to investors. Investors and related persons shall be fully aware of the risks in connection therewith and should understand the difference between plan, forecast and commitment. Investors are advised to pay attention to investment risks.**

**For details, please refer to the “3. Risks the Company may face” under the “XI. Outlook of the Company” in the Section 3 “Management Discussion and Analysis” of this report.**

**The Company plans to pay no cash dividend and no bonus shares, and no share will be converted from reserve into share capital.**

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## **Documents Available for Inspection**

- I. Financial statements signed and sealed by the legal representative, the person in charge of finance and the person in charge of the accounting department of the Company.
- II. The original copies of all documents and announcements of the Company which have been publicly disclosed in newspapers designated by the China Securities Regulatory Commission during the Reporting Period.
- III. The original text of the 2025 annual report signed by the Chairman of the Board of Directors.
- IV. The place where the above documents are maintained: the Company's Securities Department.

## Definitions

Terms	Definitions
Energy Technology, this Company, the Company	Yunnan Energy New Material Co., Ltd.
Actual controller, Paul Xiaoming Lee family	Paul Xiaoming Lee, Li Xiaohua, Yan Ma, Yanyang Hui, Sherry Lee, Jerry Yang Li
Hongta Plastic	Yunnan Hongta Plastic Co., Ltd., a wholly-owned subsidiary of the Company
Chengdu Hongta Plastic	Hongta Plastic (Chengdu) Co., Ltd., a subsidiary of the Company
Hongchuang Packaging	Yunnan Hongchuang Packaging Co., Ltd., a controlled subsidiary of the Company
Anhui Hongchuang	Hongchuang Packaging (Anhui) Co., Ltd., a subsidiary of the Company
Shanghai Energy	Shanghai Energy New Material Technology Co., Ltd., a controlled subsidiary of the Company
Zhuhai Energy	Zhuhai Energy New Material Technology Co., Ltd., a subsidiary of the Company
Wuxi Energy	Wuxi Energy New Material Technology Co., Ltd., a subsidiary of the Company
Jiangsu Energy	Jiangsu Energy New Material Technology Co., Ltd., a subsidiary of the Company
Chongqing Energy	Chongqing Energy New Material Technology Co., Ltd., a subsidiary of the Company
Yuxi Energy	Yuxi Energy New Materials Co., Ltd., a subsidiary of the Company
Xiamen Energy	Xiamen Energy New Material Co., Ltd., a subsidiary of the Company
Newmi Tech	Chongqing Energy Newmi Technological Co., Ltd., a subsidiary of the Company
Jiangxi Tonry	Jiangxi Tonry New Energy Technology Development Co., Ltd., a subsidiary of the Company
Jiangsu Ruijie	Jiangsu Ruijie New Material Technology Co., Ltd., a subsidiary of the Company
Jiangxi Ruijie	Jiangxi Ruijie New Material Technology Co., Ltd., a subsidiary of the Company
Jiangxi Energy	Jiangxi Energy New Material Technology Co., Ltd., a subsidiary of the Company
Jiangxi Enpo	Jiangxi Enpo New Materials Co., Ltd., a subsidiary of the Company
Hubei Energy	Hubei Energy New Material Technology Co., Ltd., a subsidiary of the Company
Suzhou GreenPower	Suzhou GreenPower New Energy Materials Co., Ltd., a subsidiary of the Company
Shanghai En'erjie	Shanghai En'erjie Trading Co., Ltd., a subsidiary of the Company
Yunnan Jiechen	Yunnan Jiechen Packaging Materials Co., Ltd., a wholly-owned subsidiary of the Company
SEMCORP Hungary KFT	SEMCORP Hungary Korlátolt Felelősségű Társaság (Hungary), a subsidiary of the Company
Heyi Investment	Yuxi Heyi Investment Co., Ltd., a party acting in concert with actual controllers of the Company
Heli Investment	Yuxi Heli Investment Co., Ltd., an employee stock ownership platform of the Company
General Meeting	The general meeting of shareholders of Yunnan Energy New Material Co., Ltd.
Board of Directors	The Board of Directors of Yunnan Energy New Material Co., Ltd.
Supervisory Committee	The supervisory committee of Yunnan Energy New Material Co., Ltd.
CSRC	China Securities Regulatory Commission
SZSE	Shenzhen Stock Exchange
Company Law	Company Law of the People's Republic of China
Securities Law	Securities Law of the People's Republic of China
Articles of Association	Articles of Association of Yunnan Energy New Material Co., Ltd.
Designated information disclosure media	<i>China Securities Journal</i> , <i>Shanghai Securities News</i> , <i>Securities Times</i> , <i>Securities Daily</i> , and Cninfo (www.cninfo.com.cn)
RMB, RMB10 thousand, RMB100 million	RMB, RMB10 thousand, RMB100 million
Reporting Period, this Reporting Period	January 1, 2025 to December 31, 2025
Same period last year	January 1, 2024 to December 31, 2024
Lithium-ion battery, lithium battery	Rechargeable battery, which mainly depends on the lithium ion moving between the positive and negative electrodes. It generally uses materials containing lithium as the electrodes, and is the representative of modern high-performance batteries
Lithium-ion battery separator, lithium battery separator, the separator	In the structure of lithium battery, the separator is one of the key inner components. Its main function is to separate the positive and negative electrodes of the battery, preventing the short circuit arising from the contact between the two electrodes, current conduction and overheating
Base film, base separator	The separator immersed in the electrolyte of lithium battery is widely distributed with nano-scale micropores on its surface for lithium ions to move freely between the positive and negative electrodes
Coating film, coated separator	The separator with coating treatment
Wet-process, wet-processing	A process technique of lithium battery separator, also known as phase separation process or thermally induced phase separation process, is to add small molecules with high boiling point as porogen to polyolefin, heat and melt them into a uniform state, extrude the casting sheet by screw, extract the porogen with organic solvent after simultaneous or sequential biaxial stretching, and then obtain microporous separator material through post-processing such as stretching heat setting process

Dry-process, dry-processing	Also known as melt-stretching process, including unidirectional stretching process, biaxial stretching process and blow molding process. It refers to a preparation process of melting and extruding polyolefin resin into crystalline thin polymer film, which is crystallized and annealed to obtain a high crystallinity structure, and then further stretching at high temperature to peel off the crystalline interface to form porous structure
Cigarette label	Cigarette packaging, commonly known as “cigarette pack”
Aseptic packaging	Composite packaging materials for aseptic filling of dairy products or non-carbonated soft drinks
Specialty paper	Specialty paper refers to the paper with special functions, a general term for all kinds of special purpose paper or art paper. The term “specialty paper” in this report mainly refers to special packaging paper
BOPP film	The separator made by stretching and processing (such as corona, coating, etc.) the thick film made of polymer polypropylene melt at a certain temperature and speed in a special stretcher
Aluminum laminated film	Aluminum laminated composite film for lithium-ion pouch cell, a packaging material for lithium-ion batteries, which protects the internal materials of lithium-ion batteries
Convertible Bonds, Energy Convertible Bonds	The convertible corporate bonds of RMB1.6 billion issued on February 11, 2020 with a code of 128095

## Section 2 Company Profile & Key Financial Indicators

### I. Corporate Information

Stock Name	Energy Technology	Stock Code	002812
The Stock Exchange Where the Shares Are Listed	Shenzhen Stock Exchange		
Name of the Company in Chinese	云南恩捷新材料（集团）股份有限公司		
Short Name of the Company in Chinese	恩捷股份		
Name of the Company in English	Yunnan Energy New Material (Group) Co., Ltd.		
Short Name of the Company in English	ENERGY TECHNOLOGY		
Legal Representative of the Company	Paul Xiaoming Lee		
Registered Address	No.125, Fuxian Road, High-tech Zone, Yuxi City, Yunnan Province		
Postal Code for Registered Address	653100		
Historical Changes of the Registered Address of the Company	No		
Office Address	No.125, Fuxian Road, High-tech Zone, Yuxi City, Yunnan Province		
Postal Code for Office Address	653100		
Official Website	www.semcorp.com		
Email	groupheadquarter@cxxcl.cn		

### II. Contact Information

	Board Secretary	Securities Affairs Representative
Name	Bai Yunfei	Tang Yitong
Correspondence Address	No.125, Fuxian Road, High-tech Zone, Yuxi City, Yunnan Province	No.125, Fuxian Road, High-tech Zone, Yuxi City, Yunnan Province
Telephone	0877-8888661	0877-8888661
Fax	0877-8888677	0877-8888677
Email	groupheadquarter@cxxcl.cn	groupheadquarter@cxxcl.cn

### III. Information Disclosure and the Place Where the Annual Report is Kept

The website of the stock exchange where the Company discloses its annual report	Shenzhen Stock Exchange (www.szse.cn)
The names and websites of the media where the Company discloses the annual report	<i>Securities Times, China Securities Journal, Shanghai Securities News, Securities Daily</i> and Cninfo (www.cninfo.com.cn)
The place where the annual report is kept	Securities Department of the Company

## IV. Changes of Registration

Unified social credit code	91530000727317703K
Changes of main businesses since the Company's listing	When the Company was listed, its main businesses were divided into two categories: (1) packaging materials: BOPP films (cigarette film and flat film) and specialty paper products (laser transfer anti-counterfeiting paper, direct plating paper and cellophane); (2) packaging printing products: mainly including cigarette label products and aseptic packaging products. Upon the completion of major asset restructuring in 2018, the Company's main businesses were divided into three categories: (1) film products (lithium battery separator and BOPP film, etc.); (2) packaging printing products (cigarette label and aseptic packaging); and (3) packaging products (specialty papers, holographic anti-counterfeiting electrochemical aluminum, and other products).
Changes of controlling shareholders	Mr. Paul Xiaoming Lee and Ms. Sherry Lee, who are shareholders and actual controllers of the Company and members of Xiaoming Lee's family, signed the <i>Power of Attorney for Shareholding</i> on January 14, 2020. Pursuant to the <i>Power of Attorney</i> , Ms. Sherry Lee fully delegated the shareholders' rights, such as the right to inquire, the right to make suggestions, and the voting right in connection with all the shares she held in the Company, to her father Mr. Paul Xiaoming Lee. After the signing of the above-mentioned <i>Power of Attorney for Shareholding</i> , Mr. Paul Xiaoming Lee has become the single shareholder of the Company with the largest number of shares with voting right, and the controlling shareholder of the Company changed from Heyi Investment

## V. Other Relevant Information

The accounting firm engaged by the Company

The name of the accounting firm	Da Hua Certified Public Accountants (Special General Partnership)
The office address of the accounting firm	Room 1101, Building 7, Courtyard 16, West Fourth Ring Middle Road, Haidian District, Beijing
The names of the accountants	Kang Wenjun, Duan Liwei

The sponsor engaged by the Company to perform continuous supervision duties during the Reporting Period

Applicable Not applicable

Name of sponsor	Office address of sponsor	Name of sponsor representative	Supervision duration
CITIC Securities Company Limited	21/F, CITIC Securities Tower, No. 48 Liangmaqiao Road, Chaoyang District, Beijing	Wang Jiayi and Peng Chunyi	The statutory supervision duration was from June 20, 2023 to December 31, 2024. After December 31, 2024, ongoing supervision will continue in respect of matters relating to the unused proceeds.

The financial adviser engaged by the Company to perform continuous supervision duties during the Reporting Period

Applicable Not applicable

## VI. Key Accounting Data and Financial Indicators

Whether the Company is required to retroactively adjust or restate prior years' accounting data

Yes  No

	2025	2024	Increase or decrease in this year compared to last year	2023
Operating income (RMB)	13,632,727,136.01	10,163,655,793.70	34.13%	12,042,229,789.30
Net profit attributable to the shareholders of the listed	142,548,339.91	-556,317,501.09	125.62%	2,526,688,570.92
Net profit, net of the non-recurring gains or losses, attributable to the	110,802,429.81	-613,297,983.45	118.07%	2,461,257,928.99
Net cash flow generated from the operating activities	1,143,637,807.97	1,158,249,055.10	-1.26%	2,667,453,259.32
Basic earnings per share (RMB/share)	0.15	-0.57	126.32%	2.68
Diluted earnings per share (RMB/share)	0.15	-0.87	117.24%	2.58
Weighted average return on equity	0.58%	-2.17%	2.75%	11.87%
	At the end of 2025	At the end of 2024	Increase or decrease at the end of this year compared to the end of last year	At the end of 2023
Total assets (RMB)	48,747,236,745.37	47,199,637,500.22	3.28%	47,200,916,635.69
Net assets attributable to the shareholders of the listed	25,466,749,522.20	24,471,229,555.06	4.07%	26,926,495,494.24

The lowest of the Company's net profits before and after the deduction of non-recurring gains or losses for the last three fiscal years are negative, and the audit report for the latest year shows that Company's ability to continue as a going concern is uncertain

Yes  No

The lowest of the Company's audited total profit, net profit, and net profit after deducting non-recurring gains or losses during the Reporting Period, is negative

Yes  No

## VII. Accounting Data Differences under Chinese and Overseas Accounting Standards

### 1. Difference between the net profits and net assets of the financial report disclosed in accordance with the international accounting standards and the Chinese accounting standards

Applicable  Not applicable

There was no difference between the net profits and net assets of the financial report disclosed in accordance with the international accounting standards and the Chinese accounting standards during the Reporting Period of the Company.

### 2. Difference between the net profits and net assets of the financial report disclosed in accordance with the overseas accounting standards and the Chinese accounting standards

Applicable  Not applicable

There was no difference between the net profits and net assets of the financial report disclosed in accordance with the overseas accounting standards and the Chinese accounting standards during the Reporting Period of the Company.

## VIII. Key Financial Indicators by Quarter

Unit: RMB

	Q1	Q2	Q3	Q4
Operating income	2,728,626,155.64	3,034,254,903.63	3,780,403,628.27	4,089,442,448.47
Net profit attributable to the shareholders of the listed company	25,986,601.51	-119,100,411.48	6,790,825.59	228,871,324.29
Net profit, net of the non-recurring gains or losses, attributable to the shareholders of the listed company	29,195,738.48	-123,733,951.02	10,173,008.05	195,167,634.30
Net cash flow generated from the operating activities	124,302,344.45	85,983,290.29	667,041,722.08	266,310,451.15

Whether the above financial indicators or their sums are materially different from those disclosed in the quarterly and interim reports of the Company

Yes  No

## IX. Items and Amounts of Non-Recurring Gains or Losses

Applicable  Not applicable

Unit: RMB

Item	2025 Amount	2024 Amount	2023 Amount	Remarks
Gains and losses from the disposal of non-current assets (including the write-down of the provision for impairment of assets)	-8,203,684.96	-636,682.57	-2,635,244.01	
Government subsidies recognized in current profit or loss (except for those closely related to the Company's normal business and are in line with national policies and in accordance with defined criteria that have a continuing impact on the	63,927,360.69	86,288,377.95	91,546,051.06	
Gains or losses from changes in fair value arising from financial assets and financial liabilities held by non-financial corporation, and gains or losses from disposal of financial assets and financial liabilities, excluding the effective hedging business related to the Company's normal business operations		124,692.63	15,433,062.02	
Gains or losses on entrusted investments or assets management	-6,706,147.71			
Reversal of the provisions for impairment of receivables subject to separate impairment test	1,844,977.96	2,384,991.32	102,906.06	
One-off share-based payment recognized as a result of cancellation and modification of the share incentive			-21,942,152.71	
Non-operating income and expenses other than above-mentioned items	-10,156,736.59	-2,924,642.41	-44,249.00	
Other items within the definition of non-recurring gains or losses	1,129,596.00	461,445.22	589,416.97	
Less: Effect of the income tax	4,979,244.69	21,424,545.54	12,614,212.47	
Effect of minority equities (after tax)	5,110,210.60	7,293,154.24	5,004,935.99	
Total	31,745,910.10	56,980,482.36	65,430,641.93	--

Details of other profit or loss items that fall within the meaning of non-recurring gain or loss:  Applicable  Not applicable Mainly arising from the refund of individual income tax handling fees

The reason for the Company to define the non-recurring profit or loss items illustrated in the *Information Disclosure and Presentation Rules for Companies Making Public Offering of Securities No.1 – Non-recurring Profit or Loss* as recurring profit or loss items

Applicable  Not applicable

## Section 3 Management Discussion and Analysis

### I. Main Businesses of the Company during the Reporting Period

The Company shall comply with the disclosure requirements for the chemical industry set forth in the *Self-Regulatory Guidelines No. 3 for Companies Listed on Shenzhen Stock Exchange – Industry Information Disclosure*

Procurement model for major raw materials

Unit: RMB

Major raw materials	Procurement model	Proportion in total procurement amount	Whether there are significant changes in settlement methods	Average price in the first half of the year	Average price in the second half of the year
Raw material A	Market procurement	17.73%	No	27.17	24.92
Raw material B	Market procurement	13.79%	No	10.87	10.33
Raw material C	Market procurement	0.95%	No	10.42	8.64
Raw material D	Market procurement	3.30%	No	6.60	6.80

Reasons for significant changes in raw material prices compared with the previous reporting period: Not applicable

Energy procurement costs account for over 30% of total production costs:

Applicable Not applicable

Reasons for significant changes in major energy types: Not applicable

Production technology for major products

Major products	Phase in production technology	Information about key technical personnel	Patent technology	Strengths in product R&D
Lithium battery separator	Industrialization	All are employees of the Company, who continue to carry out R&D of projects and proactively respond to the needs of downstream customers	The Company's R&D team for lithium battery separators has achieved a series of accomplishments in improving production efficiency and lithium battery separator business. Currently, there are a total of 525 valid patents, including 264 invention patents (covering 46 international patents). Additionally, 299 patents are currently under application.	The Company has built a well-established R&D team over the years, responsible for the R&D of forward-looking technological reserve projects, such as separator and coating production equipment, improvements in separator preparation processes and raw materials, coating processes, slurry formulations, recycling and energy-saving technologies, as well as semi-solid and solid-state batteries. The Company's pioneering online coating technology has further enhanced the quality and production efficiency of coating film products. Additionally, the Company's lithium battery separator R&D team not only customizes the development of various new products for downstream customers to meet diverse customer needs, but also collaborates with them to develop products and enhance the customer loyalty.
BOPP film	Industrialization	All are employees of the Company, who develop relevant products in proactive response to the needs of downstream customers	Currently, there are 71 valid patents, including 7 invention patents and 64 utility model patents; 10 patents are currently under application.	The Company has accumulated thirty years of experience in technical R&D. Leveraging a well-established R&D team within the Company's research institute system, the Company can develop related products according to customer needs. It is one of the few Chinese enterprises capable of producing anti-counterfeiting printed cigarette films
Aseptic packaging	Industrialization	All are employees of the Company, who develop relevant products based on demands of the market and downstream customers	Currently, there are 55 valid patents, including 3 invention patents, 43 utility model patents, and 9 design patents; 26 patents are currently under application.	Leveraging a well-established R&D team within the Company's research institute system, the Company can develop related products according to customer needs to meet diverse customer needs

## Production capacity of major products

Major products	Designed capacity	Capacity utilization rate	Capacity under construction	Investment in construction
Lithium battery separator	14.4 billion m <sup>2</sup>	94.91 %	Yuxi Energy, USA Energy Production Base	During the Reporting Period, Chongqing Energy (Phase II) and Hungary Energy were put into production; Yuxi Energy and USA Energy were under construction.
BOPP film	100,000 tons	60.50%		
Aseptic packaging	6.933 billion units	80.56 %	Anhui Hongchuang Aseptic Packaging Production Base	It was put into production during the Reporting Period.

Note: The production capacity of the parent roll of the lithium battery separator in the above table was calculated by the rotational speed, width and normal wear and tear during shutdown maintenance as well as the weighted duration of the production lines put into production. In addition, before being sold, different products may need to experience different processes such as cutting and coating. For different processes, wears and tears may be different, leading to certain difference in production volume between the products and their parent rolls.

## Product categories in major chemical parks

Major chemical parks	Product category
Shanghai Energy, Zhuhai Energy, Wuxi Energy, Jiangxi Tonry, Suzhou GreenPower, Chongqing Energy, Newmi Tech, Jiangsu Energy, Hubei Energy, Hungary Energy, Jiangxi Enpo	Lithium battery separator
Hongta Plastic, Chengdu Hongta Plastic	BOPP film
Hongchuang Packaging, Anhui Hongchuang	Aseptic packaging

Note: Chemical park refers to the chemical area which features with defined geological boundary and management entities, complete infrastructure and management system, and is established after being approved by the government for developing chemical industry. The Company operates in the rubber and plastic products manufacturing sector. None of the production bases listed in the above table are located within chemical parks.

Environmental Impact Assessment (EIA) approvals being applied for or newly obtained during the Reporting Period:

Applicable Not applicable

Abnormal production shutdowns occurring in the listed company during the Reporting Period:

Applicable Not applicable

Relevant approvals, permits, qualifications and their validity periods:

Applicable Not applicable

Conducting petroleum processing and petroleum trading business:

Yes No

Conducting fertilizer business:

Yes No

Conducting pesticide business:

Yes No

Conducting chlor-alkali and soda ash businesses:

Yes No

## II. Industry Overview of the Company during the Reporting Period

The Company shall comply with the disclosure requirements for chemical industry set out in the Self-Regulatory Guidelines No. 3 for Companies Listed on Shenzhen Stock Exchange—Industry Information Disclosure.

The Company is a leading global player in the lithium battery separator industry, with lithium battery separators as its core strategic product. The relevant industry conditions are as follows:

### 1. Industry development status and overall supply and demand trends

With increasing global attention on green, low-carbon, and sustainable development, more than 150 countries set ambitious goals for carbon neutrality. At the United Nations Climate Change Conference, nearly 200 countries reached a milestone agreement—“UAE Consensus”, marking the first consensus in nearly three decades on transitioning the energy system from fossil fuels to clean energy. Countries have intensified efforts to promote the development of the new energy industry. As one of the four key materials of lithium batteries, lithium

battery separators are widely used in electric vehicles, consumer electronics, energy storage batteries, and other fields, playing a pivotal role in driving the development of China's and even global new energy industries.

Guided by China's national strategic goals of "carbon neutrality" and "carbon peaking", the new energy vehicle and energy storage industries continue to perform well, driving positive prospects for the lithium battery separator industry. However, due to the concentrated release of supply in the lithium battery separator industry in recent years, demand growth has slowed. Since 2023, fierce competition within the industry has led to a decline in separator product prices, putting pressure on the industry's overall profitability. According to third-party statistics, the downward trend in the lithium battery separator industry began to bottom out in the fourth quarter of 2024. In 2025, as the industry's supply-demand dynamics improved, capacity utilization rates rose gradually. On the supply side, following a period of profound industry restructuring in recent years, outdated capacity has been rapidly phased out and orders have become concentrated among leading enterprises. By 2025, the market concentration of the top four companies in the separator industry exceeded 72%, signaling an optimization of the competitive landscape. On the demand side, demand for power batteries continued to grow, while demand for energy storage batteries has surged, driven by policy support and the expansion of application scenarios such as data center backup storage. The supply-demand structure of the lithium battery separator market improved in the second half of 2025, with market prices stabilizing and showing signs of a gradual recovery.

The development of the lithium battery separator industry is closely linked to downstream lithium battery end-use applications. Global demand for power batteries and energy storage batteries continues to grow. According to EV Tank's data, total global lithium battery shipments in 2025 reached 2,280.5 GWh, representing a year-on-year increase of 47.6%. Of this, power battery shipments amounted to 1,495.2 GWh, up 42.2% year-on-year, while energy storage battery shipments reached 651.5 GWh, surging by as much as 76.2% year-on-year. Benefiting from the increase in new energy vehicle models and the rise in battery capacity per vehicle, global demand for power batteries is expected to continue growing. Global electricity demand growth-particularly from applications such as AI data centers-combined with domestic and international policy support, is expected to drive sustained growth in the global energy storage battery market.

The continued growth in global demand for power and energy storage batteries will significantly boost demand for separators. Furthermore, following a period of extensive industry consolidation, the capacity of small and medium-sized separator manufacturers has been rationalized, leading to a continuous optimization of the industry's supply landscape. At the same time, the construction, commissioning and customer validation cycles for separator production lines are lengthy. Coupled with the previously intense industry competition, which has led to a general slowdown in the pace of capacity expansion among separator manufacturers, the release of new high-quality capacity in the short term will be limited. Furthermore, the shift towards higher-capacity energy storage cells is raising product technical barriers, making it even more difficult to rapidly establish effective supply of separators that meet high-end requirements. These multiple factors are expected to collectively drive the separator industry's supply and demand towards a gradually tightening balance.

## 2. Market competition landscape

From the perspective of technological pathways and product structure, high-end separator products-which offer greater safety and consistency, as well as thinner profiles (effectively enhancing the energy density of lithium batteries)-will become the core driver of future industry growth. (1) In terms of technological pathways, according to data from GGII and EV Tank, wet-process separators accounted for over 80% of the Chinese market by 2025, representing a further increase from 2024. This is primarily due to upgrading downstream demand and the transition of energy storage cells towards higher capacities, which places greater demands on the stability and consistency of separator products; consequently, the market share of wet-process separators is expected to rise further. (2) In terms of product structure, coating inorganic ceramic materials, PVDF, aramid, and other materials on the base film can effectively enhance the puncture resistance and heat resistance of lithium battery separators, improving the safety and service life of batteries. Compared with base films, coating films are better able to meet the key performance requirements of lithium batteries for separators, offering higher product added value. (3) Regarding base film products themselves, those with superior key characteristics-such as strength and ionic conductivity-and thinner thicknesses are more competitive. While helping to improve the safety and service life of lithium batteries, they also provide more space for electrode materials, thereby contributing to enhanced battery energy density and energy efficiency.

From the perspective of production capacity, the effective supply of mid-to-high-end separator products is becoming increasingly tight. As downstream demands for key product performance become ever more stringent, separator manufacturers must possess strong R&D and innovation capabilities, continuously driving technological iteration and performance upgrades. They must continually develop new products with superior safety and better overall performance, while being able to provide customized solutions tailored to the needs of lithium battery customers. Consequently, companies that master core technologies and possess independent R&D and continuous innovation capabilities will enjoy broader development prospects. At the same time, to ensure the security and stability of their supply chains, leading global battery manufacturers-while prioritizing product quality and technical services-are increasingly inclined to select core suppliers whose production capacity aligns with their own requirements. Furthermore, in overseas markets, the penetration rate of new energy vehicles continues to rise, suggesting that the demand for power batteries abroad is likely to maintain its growth trajectory. Additionally, growing demand for energy storage in overseas data centers, coupled with the need for flexible resources to address power shortages, is expected to drive significant growth in overseas energy storage demand. Downstream battery manufacturers are actively expanding their global outreach, which in turn requires separator manufacturers to actively pursue global development. By establishing localized production capacity, they can better adapt to overseas policy environments, respond swiftly to customer demands, and ensure stable supply and localized service provision.

From the perspective of sustainability, against the backdrop of ongoing global efforts towards low-carbon environmental protection and carbon neutrality, leading downstream clients are placing ever-greater emphasis on green and low-carbon supply chains, with a universal focus on carbon reduction across the entire product life-cycle. Separator manufacturers equipped with green manufacturing systems and capable of achieving low-carbon production-or even carbon-neutral supply-will better align with the sustainability requirements of key downstream clients. This will enable them to form a differentiated advantage in the market competition and secure a more favorable competitive position.

## 3. The industry position of the Company

According to EV Tank's data, as of the end of the Reporting Period, the Company's market share has ranked first in the lithium battery separator market for several consecutive years. As a leading company in the lithium battery separator industry, the Company not only possesses significant competitiveness in global production capacity, product quality, cost-effectiveness, and technological R&D, but also has successfully entered the supply chain systems of the world's mainstream lithium battery manufacturers. Our products cover the three major fields of power battery, consumer battery, and energy storage battery, with abundant application scenarios.

#### 4. Industry policies

The Company's main product is lithium battery separator, an indispensable core component in lithium battery manufacturing. The industry chain of new energy lithium battery in which the Company is engaged is highly valued and supported by governments around the world. Relevant industry policies introduced in China since 2025 that have had a direct or indirect impact on the Company are detailed below:

Issuing Date	Issuing Authority	Name of Policy or Regulation	Main Content	Impact on Separator Industry
March 2025	MIIT (SAC)	Safety Requirements for Power Batteries Used in Electric Vehicles (GB 38031-2025)	GB 38031-2025 is the mandatory national standard for the safety of power batteries used in electric vehicles, replacing the 2020 version. The standard raises safety requirements by introducing new tests including fast charging safety and bottom impact, while strengthening thermal runaway and thermal spread protection. It standardizes various safety testing protocols and establishes uniform type-approval rules.	It drives the upgrade of separators towards higher safety, heat resistance and greater consistency, increasing demand for coating separators and leading to industry consolidation around technologically leading enterprises.
August 2025	NDRC, NEA	Special Action Plan for Large-Scale Deployment of New Energy Storage Technologies (2025-2027)	The Plan aims to promote the large-scale application of new energy storage technologies, raise technical standards, and enhance market-oriented development.	It drives increased demand for separators, accelerates the shift in product structure towards higher safety, longer cycle life, and lower cost, and propels the industry away from price-driven competition towards a high-quality growth cycle characterized by a simultaneous increase in both volume and price.
January 2025	NDRC, NEA	Notice on Deepening Market-Oriented Reform of Feed-in Tariffs for New Energy and Promoting the High-Quality Development of New Energy	All new energy power generation will be fully integrated into the electricity market, with feed-in tariffs market-oriented. Existing projects will retain stable returns, while new projects will be awarded through competitive bidding. This will shift energy storage from passively allocated capacity to active profit generation.	It drives growth in demand for separators, with the market shifting towards energy storage applications, leading to both volume and price increases in the separator industry. Coating separators and high-stability base films will become mainstream. Market consolidation among leading players will intensify, and technological barriers will deepen.

Furthermore, since 2025, numerous countries worldwide have rolled out a series of policies to support new energy: the European Commission has successively published the European Automotive Industry Action Plan, the National Energy and Climate Plans and the Grid Package, driving the development of electrification and energy storage from multiple angles, including electric vehicle subsidies, the refinement of energy storage market mechanisms and grid upgrades; Australia has raised its benchmark electricity prices and introduced AUD2.3 billion in subsidies for household energy storage, spurring a rush to install home storage systems; the UK has significantly boosted solar and storage installations through measures such as the Warm Homes Scheme-which offers billions in subsidies-and the mandatory installation of solar panels in new-build homes; meanwhile, several European nations including the UK, Germany, France, Italy and Spain have continued to stimulate demand for electric vehicles by reintroducing or expanding purchase subsidies, targeted grants and eco-bonuses. These policies will strongly drive growth in global demand for power batteries and energy storage batteries, thereby fueling sustained growth in demand within the lithium battery separator industry.

### III. Analysis of Core Competitiveness

#### 1. Scale advantage

As of the end of the Reporting Period, the Company is a world leader in terms of the production scale of wet-process lithium-ion battery separator, and has the largest separator production and supply capacity in the world. The Company is the world's largest supplier of lithium-ion battery separator, ranking No. 1 globally in terms of market share.

The scale advantage of the Company is mainly reflected in cost control and market expansion, enabling it to consistently take large-scale orders from leading global battery manufacturers and major automotive manufacturers, including CATL, LGES, Panasonic, CALB, EVE, Gotion High-tech, ACC, and Ultium Cells.

On the cost side, the Company effectively reduces its raw material costs through large-scale centralized procurement and optimizes production scheduling based on ample orders, thereby minimizing downtime and changeover losses. As a result, the Company leads its peers

in terms of operating rate and capacity utilization rate. On the market side, as the lithium battery industry becomes more concentrated and downstream customers intensify their requirements for energy density, cycle life, safety, and fast-charging performance, large-scale supply capacity, product consistency, and stability have become key competitive factors. Leveraging its outstanding scale and quality advantages, the Company continues to solidify its leading position in the industry.

## 2. Cost advantage

In addition to optimizing procurement costs and production losses through economies of scale, the Company has long been dedicated to the R&D and iterative improvement of advanced manufacturing technologies for wet-process lithium battery separators. Thanks to the continuous optimization of equipment and process technique by the Company's production management and technical teams, the Company leads its industry peers in terms of output from a single production line of separators and effectively reduces unit depreciation, energy consumption and labor costs. Moreover, thanks to its refined production management and technical control, the Company also leads its peers in terms of yield coefficient and first pass yield of products. The Company also continuously improves the recycling rate of auxiliary materials, with perK unit consumption of auxiliary materials below the industry average. On the whole, by relying on continuous improvements in equipment and processes, investment in R&D, refined production management and market development capabilities, the Company has established a significant comprehensive cost advantage.

## 3. Product advantage

Current industry demand is gradually shifting towards mid-to-high-end separator products, which feature higher technical barriers, stricter customer standards and more rigorous certification and validation processes. The Company has long focused on R&D and innovation in lithium battery separators, creating value for customers through high-quality products and professional services. As a core battery material, lithium battery separators directly impact battery capacity, cycle life and safety. Leading downstream enterprises impose extremely high requirements on indicators such as the uniformity of separator micro-pores and product consistency, and suppliers must undergo rigorous and long-term system validation. The Company has obtained certification from most Chinese and foreign mainstream battery manufacturers, successfully entering the overseas high-end power battery supply chain, with its product quality widely recognized. Concurrently, the Company continues to advance new product R&D and forward-looking technical reserve. With a comprehensive product portfolio, we are able to efficiently meet customers' customized and various demands.

## 4. R&D advantage

The Company has established a R&D team with a sound system through years of accumulation. Our R&D scope covers separator and coating equipment, base film preparation process, improvement of raw & auxiliary materials, coating process, slurry formula, recovery and energy saving technologies as well as multiple forward-looking technical reserve projects. As of December 31, 2025, the Company has made rich achievements in improving production efficiency, enhancing quality and developing new products. The Company now has 725 effective patents (including 46 international patents) and 342 ongoing patent applications (including 92 international patent applications). In addition, our R&D team can not only customize the development of a variety of new products for downstream customers, but also collaborate with downstream customers for innovation to meet diverse application requirements. At the same time, the Company continues to monitor industry technology trends and implements forward-looking R&D deployment in line with market directions, having already established technological reserves in fields related to semi-solid and all-solid state battery materials.

## 5. Talent advantage

The lithium battery separator industry is a relatively new, technology-intensive sector that emerged relatively late, resulting in a general shortage of specialized talent across the industry. Building on years of talent accumulation in related thin-film fields, the Company has established a comprehensive talent incentive mechanism. We recruit high-caliber professionals globally and have assembled a core technical team with an international perspective. At the same time, the Company places great emphasis on the development and optimization of its workforce. We continuously recruit high-caliber talent across various fields, refine the division of responsibilities, and implement specialized management. This effectively enhances organizational synergy and decision-making efficiency, providing robust talent and management support for the Company's long-term development and global expansion. Through sustained development, the Company has established a comprehensive pipeline of professional talent in areas such as R&D, production management, quality control, market expansion, and equipment operation and maintenance. These teams work in concert to help the Company maintain its leading international competitiveness.

## 6. Market and customer resource advantages

During the Reporting Period, the Company continued to maintain its leading position in the wet-process lithium battery separator market. We have successfully entered the supply chain systems of the world's mainstream lithium battery manufacturers, covering leading domestic enterprises such as CATL, BYD, EVE, CALB, Gotion High-tech and Cornex, as well as international battery giants and major overseas automotive manufacturers including Panasonic, LGES, ACC and Ultium Cells. While key major clients provide the Company with stable, substantial orders, the Company also engages in deep cooperation and close coordination with downstream clients. Through continuous and in-depth technical exchanges, we accurately identify and efficiently respond to client needs, providing tailored products and professional services. Furthermore, we effectively align market demand with our strengths in scale, cost efficiency, and R&D innovation, thereby creating a virtuous cycle of development. As the industry continues to grow, the Company's global production capacity is gradually released, and its technical capabilities are continuously enhanced, the Company will achieve synergistic growth and mutual development with its key clients.

# IV. Analysis on Main Businesses

## 1. Overview

The Company has consistently focused on its main business. During the Reporting Period, our core lithium battery separator business saw significant year-on-year growth, while businesses such as aseptic packaging and BOPP film maintained steady growth, showing a

positive overall business trend. During the Reporting Period, the Company achieved operating revenue of RMB13.633 billion with a year-on-year increase of 34.13%, and a net profit attributable to shareholders of the listed company of RMB143 million, marking a return to profitability.

The Company's strategic core product is lithium battery separator. During the Reporting Period, the operating revenue from this product accounted for 85.31% of the Company's total operating revenue. In recent years, amidst intensifying industry competition and overall profit pressures in the lithium battery separator industry, the Company has actively adjusted its market strategies to consolidate and expand its market share. We have continued to strengthen market expansion both domestically and internationally, while optimizing our product mix. Consequently, revenue from the Company's overseas operations has shown steady growth year-on-year, and the proportion of coating film products-which generally command higher value-added margins-has further increased compared to last year. During the Reporting Period, the operating revenue from lithium battery separator products reached RMB11.63 billion, representing a significant year-on-year increase of 40.89%; sales volume reached 12.84 billion square meters, up 45.50% year-on-year. According to data from GGII and EV Tank, the Company's market share for lithium battery separators remains the highest in the industry. Furthermore, benefiting from an improved industry supply-demand situation, coupled with the Company's multi-pronged approach of expanding global market development, optimizing product mix, and strengthening internal management and cost control, the gross margin for the Company's lithium battery separator products improved overall during the Reporting Period, rising by 10.62 percentage points year-on-year, resulting in a significant increase in the overall gross margin level.

In terms of R&D and innovation, the Company has consistently placed a high priority on these areas and maintained a significant level of investment, continuously iterating and upgrading existing products while developing new ones. Focusing on base film innovation while enhancing the safety and performance metrics of separators, the Company launched several new products during the Reporting Period, such as: the high-safety X-series base films, which utilize molecular chain modification technology to raise the rupture temperature from 150°C in traditional separators to 230°C, while reducing the rupture area by 60%, thereby providing a more robust safeguard for lithium battery safety; the high-wetting I-series base films, which utilize inter-facial wetting entropy regulation technology to enhance the separator's wetting value and ionic conductivity, resulting in a significant improvement in battery charging speed and meeting the growing demand for fast charging; the new generation of flame-retardant separators, preventing combustion under open flame using the Company's proprietary flame-retardant formula and processes, effectively enhancing cell energy density and battery lifespan by reducing the coating layer density and moisture content, thereby achieving simultaneous improvements in safety and performance; the cold-pressed high-adhesion separator products with low energy consumption and high efficiency, resolving the industry's challenges associated with high hot-pressing temperatures; and the semi-solid state coating separator products, significantly reducing electrolyte consumption and markedly improving lithium-ion transport efficiency. The Company has also launched its performance-leading second-generation 5μm high-strength base film product; with its ultra-thin, high-strength characteristics, it reduces the volume proportion of inactive materials within the battery, thereby increasing energy storage capacity. Furthermore, the Company maintains a constant focus on and exploration of forward-looking technologies, having proactively established a presence in the field of key materials for solid-state batteries. During the Reporting Period, the Company's 10-ton-scale pilot production line for sulfide solid-state electrolytes was successfully commissioned, establishing a continuous film formation process. The Company's ultra-pure lithium sulfide, sulfide electrolytes and sulfide electrolyte membranes have achieved breakthroughs in core metrics such as purity, conductivity, particle size control and strength, placing them at the forefront of the industry.

In terms of client partnerships, the Company has established a high-quality client base encompassing leading domestic and international lithium battery manufacturers and automotive manufacturers, with stable cooperative relationships. During the Reporting Period, the Company also signed long-term cooperation agreements or strategic partnership agreements with several major domestic and international lithium battery manufacturers, including LGES and ARKEMA, as well as leading automotive manufacturers. This has further strengthened the Company's deep ties with high-quality international clients and increased its market share in the mid-to-high-end separator market.

In terms of sustainable development, the Company is committed to building core competitiveness in low-carbon and environmental protection. During the Reporting Period, the Company's lithium battery separator business segment completed several technical renovation projects aimed at energy conservation and consumption reduction, achieving significant results in energy saving and carbon reduction. The Company actively established a clean energy supply system by procuring green electricity through partnerships with major green electricity suppliers and purchasing green certificates to offset carbon emissions, while vigorously promoting the construction of distributed photovoltaic power generation projects. By 2025, the proportion of green electricity used at the Company's domestic production bases had reached 100%. Thanks to our advanced green development philosophy and efficient production and operational management, we currently operate two national-level green factories, five provincial-level green factories and one municipal-level green factory. The Company is also continuing to encourage several subsidiaries to pursue green factory and near-zero carbon factory certifications. The Company's MSCI ESG rating has been maintained at "A" for three consecutive years, while its Wind ESG rating successfully rose to "AA" during the Reporting Period.

In terms of digital transformation, during the Reporting Period, the Company introduced the AI-powered intelligent monitoring and grading systems, Customer Relationship Management (CRM) system, Project Management System (PMS), contract management and human resources management system. We have also continued to optimize core management systems such as the Enterprise Resource Planning (ERP) system, Manufacturing Execution System (MES), Quality Management System (QMS), Warehouse Management System (WMS) and Business Intelligence (BI) analysis system, thereby establishing a comprehensive digital management system covering operations, R&D, manufacturing and warehousing. Leveraging Programmable Logic Controller (PLC) and Supervisory Control and Data Acquisition (SCADA) technologies, the Company has achieved 100% connectivity and data collection for all equipment. Through real-time monitoring and analysis of equipment operating status and key performance indicators in the central control room, the Company has strengthened and enhanced multi-site collaboration efficiency and technological innovation capabilities, accelerated the digital and intelligent upgrading of separator manufacturing, and driven a shift in operations from transactional tasks to data-driven decision-making.

## 2. Revenue and cost

### (1) Breakdown of operating revenue

Unit: RMB

	2025		2024		Year-on-year increase or decrease
	Amount	Proportion in operating revenue	Amount	Proportion in operating revenue	
Total operating revenue	13,632,727,136.01	100%	10,163,655,793.70	100%	34.13%
By industry					
Manufacturing	13,274,496,027.30	97.37%	9,815,794,907.87	96.58%	35.24%
Other business	358,231,108.71	2.63%	347,860,885.83	3.42%	2.98%
By product					
BOPP film	568,339,572.29	4.17%	565,613,743.82	5.57%	0.48%
Lithium battery separator	11,629,830,053.43	85.31%	8,254,655,982.64	81.22%	40.89%
Cigarette label	2,018,322.00	0.01%	14,865,512.42	0.15%	-86.42%
Aseptic packaging	968,736,188.13	7.11%	865,382,993.75	8.51%	11.94%
Specialty paper	30,342,231.61	0.22%	75,937,714.53	0.75%	-60.04%
Other product	75,229,659.84	0.55%	39,338,960.71	0.39%	91.23%
Other business	358,231,108.71	2.63%	347,860,885.83	3.42%	2.98%
By region					
Southwest China	3,218,308,322.11	23.61%	1,360,528,831.04	13.39%	136.55%
East China	5,732,862,218.53	42.05%	3,627,958,348.90	35.70%	58.02%
North China	327,144,086.35	2.40%	182,479,840.79	1.80%	79.28%
South Central China	1,870,711,049.08	13.72%	2,727,132,318.26	26.83%	-31.40%
Northwest China	174,363,349.17	1.28%	28,108,418.95	0.28%	520.32%
Northeast China	20,594,127.63	0.15%	24,173,501.59	0.24%	-14.81%
Overseas regions	2,288,743,983.14	16.79%	2,213,274,534.17	21.78%	3.41%

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

 Applicable  Not applicable

The Company shall comply with the disclosure requirements for the chemical industry set forth in the *Self-Regulatory Guidelines No. 3 for Companies Listed on Shenzhen Stock Exchange – Industry Information Disclosure*

Unit: RMB

	Operating revenue	Operating cost	Gross margin	Year-on-year increase or decrease in operating revenue	Year-on-year increase or decrease in operating cost	Year-on-year increase or decrease in gross margin
By industry						
Manufacturing	13,274,496,027.30	10,926,185,433.75	17.69%	35.24%	21.72%	9.14%
By product						
Lithium battery separator	11,629,830,053.43	9,535,243,814.83	18.01%	40.89%	24.73%	10.62%
Aseptic packaging	968,736,188.13	750,605,568.94	22.52%	11.94%	13.24%	-0.89%
By region						
Southwest China	3,218,308,322.11	2,682,631,349.03	16.64%	136.55%	122.45%	5.28%
East China	5,732,862,218.53	4,749,570,989.32	17.15%	58.02%	35.83%	13.53%
South Central China	1,870,711,049.08	1,707,406,343.10	8.73%	-31.40%	-38.90%	11.21%
Overseas regions	2,288,743,983.14	1,488,329,906.96	34.97%	3.41%	9.46%	-3.60%

Under the circumstances that the statistic specifications for the Company's data on main business were adjusted during the Reporting Period, the Company's data on main business of this past year is calculated based on the adjusted statistic specifications at the end of the Reporting Period.

 Applicable  Not applicable

Unit: RMB

Product name	Output	Sales	Revenue achieved	Movement in sales price during the Reporting Period	Reason for change
Lithium battery separator	11.824 billion m <sup>2</sup>	12.840 billion m <sup>2</sup>	11,629,830,053.43	The downward trend narrowed and gradually stabilized	The market supply and demand balance improved during the Reporting Period

Operating revenue or net profit arising from offshore operations accounted for 10% or above of the Company's audited operating revenue or net profit in the most recent fiscal year

Yes No

Name of overseas business	Details of the commencement	Impact of tax policy on overseas business during the Reporting Period	Company's response
Lithium battery separator	Sales of lithium battery separator products to overseas customers through direct sales	There was no material change in tax policy during the Reporting Period as compared with the same period last year	Continuously exploring overseas markets to increase market share

### (3) Whether the Company's revenue from the sale of physical products is higher than the revenue from service charges

Yes  No

Industry category	Item	Unit	2025	2024	Year-on-year increase or decrease
Lithium battery separator	Sales	m <sup>2</sup>	12,840,188,618.78	8,824,704,621.61	45.50%
	Output	m <sup>2</sup>	11,824,141,482.70	9,280,478,278.17	27.41%
	Inventory	m <sup>2</sup>	1,408,773,368.75	2,424,820,504.84	-41.90%
BOPP film	Sales	Ton	61,409.38	57,550.32	6.71%
	Output	Ton	60,923.31	57,190.25	6.53%
	Inventory	Ton	5,369.45	5,855.52	-8.30%
Cigarette label	Sales	10,000 boxes	3.36	7.08	-52.54%
	Output	10,000 boxes	2.72	6.94	-60.81%
	Inventory	10,000 boxes	0.17	0.81	-78.57%
Aseptic packaging	Sales	10,000	524,916.09	463,121.97	13.34%
	Output	10,000	558,515.77	467,287.44	19.52%
	Inventory	10,000	76,225.11	42,625.42	78.83%
Specialty paper	Sales	Ton	4,868.26	5,423.25	-10.23%
	Output	Ton	5,051.80	4,935.95	2.35%
	Inventory	Ton	1,482.69	1,299.15	14.13%

Reasons for a year-on-year change of more than 30% in the relevant data

Applicable Not applicable

① In 2025, the sales and inventory of lithium battery separator products fluctuated significantly, mainly due to the Company's expansion of domestic and overseas markets, improved market supply and demand conditions and increased sales;

② The sales, output and inventory of cigarette labels decreased significantly due to business reduction;

③ The significant fluctuation in inventory of aseptic packaging products was mainly attributable to advance stocking for the Spring Festival as requested by customers.

### (4) Execution of material sales contracts and material procurement contracts signed by the Company as of the Reporting Period

Applicable Not applicable

**(5) Breakdown of operating cost**

Product category

Unit: RMB

Product category	Item	2025		2024		Year-on- year increase or decrease
		Amount	Percentage of the operating cost	Amount	Percentage of the operating cost	
Lithium battery separator	Raw material	4,466,353,785.55	46.84%	3,520,191,153.08	46.05%	26.88%
	Labor	527,000,391.23	5.53%	501,436,242.83	6.56%	5.10%
	Manufacturing cost	2,691,310,776.38	28.22%	1,992,370,456.00	26.06%	35.08%
	Energy and power	1,850,578,861.66	19.41%	1,630,540,708.42	21.33%	13.49%
BOPP film	Raw material	437,912,262.04	86.04%	420,713,716.67	85.15%	4.09%
	Labor	23,368,284.59	4.59%	25,997,717.76	5.26%	-10.11%
	Manufacturing cost	26,838,243.03	5.27%	27,229,894.23	5.51%	-1.44%
	Energy and power	20,816,396.58	4.09%	20,154,896.35	4.08%	3.28%
Cigarette label	Raw material	192,067.31	6.85%	8,045,520.34	37.55%	-97.61%
	Labor	1,433,438.45	51.14%	3,364,475.30	15.70%	-57.39%
	Manufacturing cost	1,028,494.80	36.69%	9,645,711.93	45.02%	-89.34%
	Energy and power	149,145.06	5.32%	368,652.55	1.72%	-59.54%
Aseptic packaging	Raw material	658,649,739.22	87.75%	587,265,769.36	88.60%	12.16%
	Labor	48,801,404.37	6.50%	43,244,970.96	6.52%	12.85%
	Manufacturing cost	31,807,365.28	4.24%	21,857,030.86	3.30%	45.52%
	Energy and power	11,347,060.06	1.51%	10,468,097.63	1.58%	8.40%
Specialty paper	Raw material	22,363,351.79	81.80%	58,248,137.17	89.38%	-61.61%
	Labor	2,786,861.43	10.19%	2,406,303.96	3.69%	15.82%
	Manufacturing cost	1,198,674.58	4.38%	3,486,536.32	5.35%	-65.62%
	Energy and power	990,580.10	3.62%	1,026,611.86	1.58%	-3.51%
Other products	Raw material	53,225,282.70	52.56%	34,925,903.04	39.64%	52.39%
	Labor	6,285,786.28	6.21%	9,315,047.16	10.57%	-32.52%
	Manufacturing cost	36,677,698.30	36.22%	38,111,439.12	43.25%	-3.76%
	Energy and power	5,069,482.97	5.01%	5,765,567.52	6.54%	-12.07%

Explanations:

① “Other products” refer to those in the “Breakdown of operating revenue” and “Breakdown of operating cost” in Section 3 of this report mainly include holographic hot stamping foils, film products, packaging films for wrapping by hand, aluminum laminated films, water treatment membranes, other miscellaneous products and standard products. These products account for a small volume of business, and the percentage of the sales of such products in the total sales is low. Thus, such products belong to the category of other products of main businesses.

② “Other businesses” refer to in the “Breakdown of operating revenue” in Section 3 of this report mainly refers to the Company’s revenue from the sale of materials, leased assets and the sale of leftover bits and pieces. Other businesses do not belong to the category of the Company’s main businesses.

#### (6) Whether the scope of the consolidated financial statements changed during the Reporting Period

Yes  No

During the Reporting Period, compared to the previous period, the Company added 2 new entities into and eliminated 1 entity from its consolidated financial statements. These 2 new entities are HONGCHUANG PACKAGING MALAYSIA SDN. BHD and Yuxi Energy Frontier New Material Technology Co., Ltd., which were established during the Reporting Period. The eliminated 1 entity is Yunnan Dexin Paper Co., Ltd., which was cancelled during the Reporting Period.

#### (7) Major changes or adjustments in the Company’s businesses, products or services during the Reporting Period

Applicable  Not applicable

#### (8) Key customers and suppliers

The Company’s key customers

Total sales of the top five customers (RMB)	6,257,775,322.12
Proportion of total sales of the top five customers over total sales for the year	45.90%
Proportion of sales of related parties in the top five customers over total sales for the year	0.00%

Information on the Company’s top five customers

No.	Customer name	Sales (RMB)	Percentage of total sales for the year
1	Customer 1	2,042,571,871.63	14.98%
2	Customer 2	1,562,938,923.57	11.46%
3	Customer 3	1,461,094,050.71	10.72%
4	Customer 4	602,211,706.00	4.42%
5	Customer 5	588,958,770.21	4.32%
Total	--	6,257,775,322.12	45.90%

Other information on key customers

Applicable  Not applicable

The Company had no affiliated relationship with the top five customers. The Company’s directors, supervisors, senior executives, key technical personnel, shareholders holding more than 5% of shares, actual controllers, and other related parties do not directly or indirectly hold any equity in the top five customers.

## The Company's key suppliers

Total sales of the top five suppliers (RMB)	2,762,265,814.12
Proportion of total sales of the top five suppliers over total sales for the year	27.07%
Proportion of sales of related parties in the top five suppliers over total sales for the year	4.02%

## Information on the Company's top five suppliers

No.	Supplier name	Purchase amount (RMB)	Percentage of the total purchase amount for the year
1	Supplier 1	939,127,997.52	9.20%
2	Supplier 2	546,849,783.81	5.36%
3	Supplier 3	490,158,827.44	4.80%
4	Supplier 4	410,534,938.82	4.02%
5	Supplier 5	375,594,266.53	3.68%
Total	--	2,762,265,814.12	27.07%

## Other information on key suppliers

Applicable Not applicable

In the table above, except for Supplier 4, which is an affiliate controlled by the Company's actual controller (with the procurement amount consolidated), the Company has no affiliated relationship with the other suppliers in the top five. The Company's directors, supervisors, senior executives, key technical personnel, shareholders holding more than 5% of shares, actual controllers, and other related parties do not directly or indirectly hold any equity in the other suppliers in the top five.

During the Reporting Period, the revenue generated from the Company's trading business accounted for more than 10% of its operating revenue

Applicable Not applicable

### 3. Expenses

Unit: RMB

	2025	2024	Year-on-year increase or decrease	Explanations of material changes
Selling expenses	147,404,516.19	145,263,407.26	1.47%	
Administrative expenses	756,451,722.60	600,164,938.14	26.04%	Mainly due to the Company's efforts to strengthen talent team building and the resulting increase in employee compensation
Financial expenses	320,247,123.18	314,263,613.89	1.90%	
R&D expenses	689,619,013.14	662,843,179.69	4.04%	

## 4. Investment in R&D

Applicable Not applicable

Names of key R&D projects	Project purposes	Project progress	Objectives to be achieved	Expected impacts on the Company's future development
Development of base films with high safety by using simultaneous biaxial stretching process	Volume orders from a top Japanese customer	Mass production and shipment achieved	Mass production and shipment	Improving the sales volume of the Company's separator products, enhancing the stickiness of overseas high-quality key customers and establishing stable cooperative relations
Ultra-thin high-strength separators	Developing ultra-thin 5 $\mu$ m separator for high energy density lithium battery	As of the disclosure date of this Report, the third-generation development of ultra-thin 5 $\mu$ m separator for high energy density lithium battery has been completed. The second-generation 5 $\mu$ m product has been delivered in small batches	Mass production and shipment	Improving the competitiveness and sales volume of the Company's separator products and increasing the Company's market share
Mass production of semi-solid-state lithium-ion separators	Developing high energy density and high safety lithium battery separator with an energy density of above 250 wh/kg	Small batch production and awaiting customer's mass production notice	Mass production and shipment	With the aid of technological innovation, meeting the demand for lithium batteries with high energy density and high safety, enhancing the Company's technical leadership and overall competitiveness
Design and development of the third-generation base films with low shutdown temperature and high safety	Reducing the shutdown temperature and improving the safety of separators	Mass production and shipment achieved	Mass production and shipment	Improving the competitiveness and sales volume of the Company's separator products and increasing the Company's market share
High puncture strength and high-porosity base film	Addressing the high energy density and fast charging capabilities demand of terminal batteries	Mass production and shipment achieved	Mass production and shipment	Improving the competitiveness and sales volume of the Company's separator products and increasing the Company's market share
Development of high-hardness, long-cycle, low-expansion lithium battery separators (development of high-adhesion strength at low-temperature adhesive-coated separators)	Over 30% increment for the adhesive strength between separator and cathode compared to the same-type separator	Mass production and shipment achieved	Mass production and shipment	Improving the competitiveness and sales volume of the Company's separator products and increasing the Company's market share
Development of low-cost, high-heat resistant lithium battery separators (development of wet-process PP separators)	Improving ionic conductivity of separator by 5% while maintaining high strength	Sample development in progress	Optimization of physical properties to improve product cost performance	With the aid of technological innovation, enhancing the Company's technical leadership and overall competitiveness
Development of high-wettability and long-cycle lithium battery separators (development of high-wettability modified PE separators)	Improving the electrolyte contact angle and wettability by 20% compared with the conventional base film	Market promotion stage	Improving the ionic conductivity by more than 5% compared with conventional base membranes, improving the multiplication rate and cycling performance	With the aid of technological innovation, enhancing the Company's technical leadership and overall competitiveness
Development of ultra-thin 0.5 $\mu$ m heat-resistant coating separators	Improving battery energy density	Project initiated, sample building phase, and sample delivering to customers	Replacing existing thick coating separators	Improving product competitiveness and increasing market share
Flame-retardant separators	Improving battery safety	Project initiated, pilot trial and customer validating phase	Mass production of technically distinctive products and independent supply to certain customers	Enhancing the Company's technical leadership and overall competitiveness
Fluorine-free functional coating separators	Meeting environmental regulations, providing high-adhesion performance	Project initiated, sample building phase, and sample delivering to customers	Meeting environmental regulations, replacing existing PVDF coating products, maintaining and	Improving product competitiveness and increasing market share

			expanding market share	
Thinned PMMA mixedK coating separators	Combining high-heat resistant and high-adhesion performance while increasing battery energy density	Project initiated, sample building phase, sample delivering to customers	Replacing existing thick mixedK coating separators	Improving product competitiveness and increasing market share
Development of aluminum laminated films	Expanding the Company's business	Stable mass production and shipment achieved, volume steadily ramping up; samples passed testing by top overseas customers	Mass production and shipment, continuously improving product performance, and entering supply chains of high-end customers	Comprehensively improving product performance to reach the globally advanced level, laying a good foundation for entering the high-end market, and enhancing the Company's overall competitiveness
Basic development of ultra-small pore size specialty filtration film	Expanding the Company's business and increasing separator application scenarios	Small batch mass production and shipment achieved	Production line modification and upgrading completed, mass production and shipment of roll samples achieved	Expanding separator application scenarios and the Company's business scope, and enhancing the Company's overall competitiveness
Development of water treatment film for municipal sewage and industrial wastewater	Expanding the Company's business and increasing separator application scenarios	Small batch mass production and shipment achieved	Operating model defined, mass production and shipment achieved	Expanding separator application scenarios and the Company's business scope, and enhancing the Company's overall competitiveness
R&D of highly smooth and anti-static film	Developing products with high smoothness and high anti-static properties to meet the adaptability needs of high-speed printing machines, high-speed packaging machines, effectively improving the quality of prints and production efficiency, and improving the quality of product packaging	Pilot trial and customer validating phase	We have developed a series of highly smooth and anti-static film products for food, pharmaceutical, cosmetics and other packaging areas	Enhancing the product competitiveness of the Company in the market
Development of lowK heatK sealingK temperature, highK heatK sealingK strength film products	Meeting the core requirements of downstream industries for high-speed bag-making and the packaging of heat-sensitive contents, and resolving issues such as seal leaks and insufficient seal strength encountered in traditional high-speed film packaging.	Formulation and process design completed; sample building and customer validating phase	The initial heat-sealing temperature of this product is 20–30°C lower than that of conventional BOPP film, making it suitable for high-speed packaging production lines, while providing high-heat-sealing strength	Driving BOPP film transformation from commodity to highK performance, differentiated, highK addedK value products and enhancing the Company's market competitiveness
High barrier corrosion-resistant condiment packing materials with Al-PE paper complex structure	Addressing the key challenges associated with traditional liquid condiment packaging—namely its fragility, heavy weight and significant environmental concerns regarding recycling, and developing an alternative packaging solution using materials with Al-PE paper complex structure to meet high barrier, acid/alkali resistance and green requirements	Filling equipment jointly developed with Taolin Machinery; product completed and customer cooperation established	Mass production and shipment	Expanding into the condiment packaging sector, diversifying the Company's product range and further enhancing the Company's technical leadership to increase market share
Aseptic packaging with guided drainage and antiK springK back secondary sealing function	Replacing highK cost screw caps with puncture caps, reducing manufacturing costs and total usage cost for B2B customers	Samples ready and market promotion underway	Replacing screw caps for largeK capacity packaging materials and reducing manufacturing costs	Broadening business areas, enriching product portfolio, and improving the competitiveness of the Company's products

## Information on the Company's R&amp;D personnel

	2025	2024	Year-on-year change (%)
Number of R&D employees	514	533	-3.56%
R&D employees as a percentage	4.82%	5.60%	-0.78%

of total employees			
Educational background structure of R&D personnel			
Bachelor's degree and below	374	377	-0.80%
Master's degree and above	140	156	-10.26%
Age structure of R&D personnel			
Under 30	189	207	-8.70%
Aged 30-40	243	238	2.10%

## Information on investment in R&amp;D

	2025	2024	Year-on-year change (%)
Amount of investment in R&D (RMB)	689,619,013.14	662,843,179.69	4.04%
Investment in R&D as a percentage of operating revenue	5.06%	6.52%	-1.46%
Capitalized investment in R&D (RMB)	0.00	0.00	0.00%
Capitalized investment in R&D as a percentage of total investment in R&D	0.00%	0.00%	0.00%

Reasons for and impacts of significant changes in the composition of the Company's R&D personnel: Applicable Not applicable

Reasons for significant year-on-year changes in investment in R&D as a percentage of operating revenue: Applicable Not applicable

Reasons and justification for significant changes in the capitalization rate of investment in R&D: Applicable Not applicable

## 5. Cash flow

Unit: RMB

Item	2025	2024	Year-on-year increase or decrease
Subtotal of cash inflows from operating activities	9,957,135,649.35	9,244,960,014.86	7.70%
Subtotal of cash outflows from operating activities	8,813,497,841.38	8,086,710,959.76	8.99%
Net cash flows from operating activities	1,143,637,807.97	1,158,249,055.10	-1.26%
Subtotal of cash inflows from investment activities	738,718,165.02	1,379,089,146.09	-46.43%
Subtotal of cash outflows from investment activities	2,091,830,611.61	4,011,404,413.06	-47.85%
Net cash flows from investment activities	-1,353,112,446.59	-2,632,315,266.97	48.60%
Subtotal of cash inflows from financing activities	12,863,011,841.19	14,092,315,361.77	-8.72%
Subtotal of cash outflows from financing activities	12,130,682,112.67	13,678,642,439.98	-11.32%
Net cash flows from financing activities	732,329,728.52	413,672,921.79	77.03%
Net increase in cash and cash equivalents	504,687,432.26	-1,055,573,518.71	

Main reasons for significant year-on-year changes in the relevant data

Applicable Not applicable

- (1) The significant year-on-year change in net cash flows from investment activities was mainly due to a significant decrease in cash payments for the acquisition of fixed assets, intangible assets and other long-term assets during the Reporting Period;
- (2) The significant year-on-year change in net cash flows from financing activities was mainly due to no cash dividends paid during the Reporting Period;
- (3) The significant year-on-year change in the net increase in cash and cash equivalents was mainly due to higher cash outflows during the Reporting Period.

Reasons for the marked difference between net cash flow from operating activities during the Reporting Period and net profit for the year

Applicable Not applicable

The primary reason for the Company's high net cash flows during the Reporting Period was that it operates in an asset-intensive industry, with significant non-cash expenditures such as depreciation and amortization, resulting in cash flow from operating activities significantly higher than net profit. At the same time, the Company has optimized inventory turnover and intensified its efforts to reduce inventory levels, achieving remarkable results in capital recovery.

## V. Analysis of Non-main Businesses

Applicable Not applicable

Unit: RMB

	Amount	Percentage of total profit	Explanation of reasons	Whether it is sustainable
Investment income	-8,853,490.56	-2.02%	Mainly due to gains from long-term equity investments accounted for using the equity method, gains from derecognition of financial assets measured at amortized cost, and gains from wealth management products	No
Profit and loss from the fair value changes	0.00	0.00%		
Asset impairment	-298,705,532.41	-68.27%	Mainly due to the provision of impairment for certain inventories in accordance with the principle of prudence	No
Non-operating income	32,688,163.83	7.47%	Mainly due to compensation income from breach of contract, etc.	No
Non-operating expenses	49,148,177.89	11.23%	Mainly due to compensation expenses, external donations, and damage to non-current assets, etc.	No

## VI. Analysis of Assets and Liabilities

### 1. Significant changes in the composition of assets

Unit: RMB

	End of 2025		Beginning of 2025		Percentage change	Reasons for significant changes
	Amount	As a percentage of total assets	Amount	As a percentage of total assets		
Monetary funds	2,909,444,845.80	5.97%	2,574,141,019.53	5.45%	0.52%	
Accounts receivable	7,411,536,913.76	15.20%	6,102,048,232.51	12.93%	2.27%	Mainly due to the increase in operating revenue
Contract assets		0.00%		0.00%	0.00%	
Inventories	2,279,681,961.17	4.68%	2,963,026,794.82	6.28%	-1.60%	
Investment properties	8,439,623.86	0.02%	9,051,579.82	0.02%	0.00%	
Long-term equity investments	14,100,157.24	0.03%		0.00%	0.03%	
Fixed assets	28,257,962,277.25	57.97%	22,928,507,627.21	48.58%	9.39%	Mainly due to production lines at Hungarian factory and other bases reaching their usable conditions and being transferred to fixed assets
Construction in progress	1,530,563,029.64	3.14%	5,863,245,023.13	12.42%	-9.28%	Mainly due to production lines at Hungarian factory and other bases reaching their usable condition and being transferred to fixed assets
Right-of-use assets	481,651.57	0.00%	1,752,245.09	0.00%	0.00%	
Short-term borrowings	7,913,611,937.50	16.23%	8,136,897,962.50	17.24%	-1.01%	
Contract liabilities	49,593,104.39	0.10%	45,640,854.47	0.10%	0.00%	
Long-term borrowings	4,992,559,411.66	10.24%	5,070,029,111.30	10.74%	-0.50%	

Overseas assets accounted for a high percentage of the Company's total assets

Applicable Not applicable

## 2. Assets and liabilities measured at fair value

Applicable Not applicable

Unit: RMB

Item	Amount as at the beginning of the Reporting Period	Profit and loss from the fair value changes during the Reporting Period	Accumulated fair value changes recognized through equity	Impairment provided during the Reporting Period	Amount of purchase during the Reporting Period	Amount of sale during the Reporting Period	Other changes	Amount as at the end of the Reporting Period
<b>Financial assets</b>								
1. Other investment in equity instruments	78,000,000.00	-5,000,000.00						73,000,000.00
Sub-total of financial assets	78,000,000.00	-5,000,000.00						73,000,000.00
Others	408,092,531.80				1,213,767,926.87	408,092,531.80		1,213,767,926.87
Including: Bank acceptance bills	408,092,531.80				1,213,767,926.87	408,092,531.80		1,213,767,926.87
<b>Total</b>	<b>486,092,531.80</b>	<b>-5,000,000.00</b>			<b>1,213,767,926.87</b>	<b>408,092,531.80</b>		<b>1,286,767,926.87</b>
<b>Financial liabilities</b>	<b>0.00</b>							<b>0.00</b>

Are there any significant changes in the measurement attributes of the Company's major assets during the Reporting Period;

Yes No

## 3. Restriction of asset rights as of the end of the Reporting Period

Item				
	Book balance (RMB)	Book value (RMB)	Restriction type	Reason for restriction
Monetary funds	667,132,525.30	667,132,525.30	Pledged	Margin, and account deposits under bank regulation
Accounts receivable	964,697.30	964,697.30	Pledged	Pledged loan
Other current assets	50,149,722.24	50,149,722.24	Pledged	Margin
Fixed assets	2,302,569,908.75	1,876,316,484.36	Mortgaged	Mortgaged loan, mortgage-backed government subsidy
Intangible assets	161,789,525.59	149,203,471.43	Mortgaged	Mortgaged loan
<b>Total</b>	<b>3,182,606,379.18</b>	<b>2,743,766,900.63</b>		

## VII. Analysis of Investments

### 1. Summary

Applicable Not applicable

Total investment amount during the Reporting Period (RMB)	Total investment amount during the same period of last year (RMB)	Change (%)
2,068,421,367.25	4,090,743,792.62	-49.44%

### 2. Substantial equity investments obtained during the Reporting Period

Applicable Not applicable

### 3. Substantial ongoing non-equity investments during the Reporting Period

Applicable Not applicable

Unit: RMB

Project name	Investment model	Whether it is an investment in fixed assets	Industries related to the investment project	Amount of investment during the Reporting Period	Accumulated actual investment as of the end of the Reporting Period	Source of funds	Project progress	Estimated revenue	Accumulated realized revenue as at the end of the Reporting Period	Reasons for failing to make planned progress and generate estimated revenue	Disclosure date (if any)	Disclosure index (if any)
Wuxi Energy New Material Industrial Base Phase II	Self-construction	Yes	Lithium battery separator	0.00	2,409,502,311.18	①Self-owned and self-raised funds;②Raised funds by way of non-public offering in 2020	100.00%	-	15,578,723.21	N/A	July 2, 2019	Please refer to the <i>Announcement on Capital Increase by Shanghai Energy to Wuxi Energy and Investment in Wuxi Energy New Material Industrial Base Phase II - Lithium Battery Separator</i> (Announcement No.: 2019-076) disclosed at www.cninfo.com.cn
Hungary Lithium Battery Separator	Self-construction	Yes	Lithium battery separator	385,365,592.21	3,489,355,020.13	Self-owned and self-raised funds	100.00%	-	-49,132,159.75	N/A	November 11, 2020	Please refer to the <i>Announcement on Construction of Wet-process Lithium Battery Separator Project in Hungary</i> (Announcement No.: 2020-204) disclosed at www.cninfo.com.cn
Chongqing Energy High-performance Lithium Battery Micropore Separator (Phase II)	Self-construction	Yes	Lithium battery separator	69,526,677.47	1,922,456,981.26	①Self-owned and self-raised funds;②Raised funds by way of non-public offering in 2021	95.00%	-	105,452,704.80	N/A	November 23, 2021	Please refer to the <i>Announcement on Plan for Non-public Offering of A Shares in 2021</i> (Announcement No.: 2021-188) disclosed at www.cninfo.com.cn

Jiangsu Energy EV Lithium Battery Separator Industrialization Project	Self-construction	Yes	Lithium battery separator	55,645,305.39	3,566,298,948.64	①Self-owned and self-raised funds;②Raised funds by way of non-public offering in 2021	100.00%	-	-136,517,424.69	N/A	November 23, 2021	Please refer to the <i>Announcement on Plan for Non-public Offering of A Shares in 2021</i> (Announcement No.: 2021-188) disclosed at www.cninfo.com.cn
Jiangsu Ruijie EV Lithium Battery Aluminum Laminated Film Industrialization Project	Self-construction	Yes	Aluminum laminated film	34,899,398.23	571,824,013.76	①Self-owned and self-raised funds;②Raised funds by way of non-public offering in 2021	52.00%	-	-101,700,583.50	N/A	November 23, 2021	Please refer to the <i>Announcement on Plan for Non-public Offering of A Shares in 2021</i> (Announcement No.: 2021-188) disclosed at www.cninfo.com.cn
Suzhou GreenPower Annual Production of 200 million Square Meters of Lithium-ion Battery Coating Separators Project	Self-construction	Yes	Lithium battery separator (Coating films)	4,699,621.25	617,117,568.98	①Self-owned and self-raised funds;②Raised funds by way of non-public offering in 2021	100.00%	-	392,701,214.88	N/A	November 23, 2021	Please refer to the <i>Announcement on Plan for Non-public Offering of A Shares in 2021</i> (Announcement No.: 2021-188) disclosed at www.cninfo.com.cn
Yuxi Energy lithium battery separator production line construction project with an annual production capacity of 1.6 billion	Self-construction	Yes	Lithium battery separator	997,361,839.01	2,002,745,632.91	Self-owned and self-raised funds	54.73%	-	-44,770,269.21	N/A	March 30, 2022	<i>Announcement on the Progress on Yuxi Municipal People's Government Signing the Strategic Cooperation Framework Agreement</i> (Announcement No.: 2022-044) disclosed at www.cninfo.com.cn
Dry-process Lithium-ion Battery Separator Films	Self-construction	Yes	Lithium battery separator (Dry-process)	71,102,675.97	1,153,781,407.46	Self-owned and self-raised funds	80.00%	-	-87,443,757.87	N/A	February 1, 2021	<i>Announcement on Gao'an Municipal People's Government in Jiangxi Province Signing the Contract for the Construction of Dry-</i>

Project												<i>process Lithium-ion Battery Separators Project (Announcement No.: 2021-018) disclosed at www.cninfo.com.cn</i>
Hubei Energy EV Lithium Battery Separator Industrialization Project	Self-construction	Yes	Lithium battery separator	136,663,802.50	2,380,453,603.68	Self-owned and self-raised funds	98.26%	-	-130,296,613.57	N/A	August 3, 2021	<i>Announcement on the Plan to Set Up a Joint Venture with EVE to Construct a Wet- Processing Lithium Battery Separator Project (Announcement No.: 2021-128) disclosed at www.cninfo.com.cn</i>
USA Energy	Self-construction	Yes	Lithium battery separator (Coating films)	212,467,610.02	535,049,768.16	Self-owned and self-raised funds	44.07%	-	-16,416,588.21	N/A	May 5, 2022	<i>Announcement to Construct a Lithium Battery Separator Film Project in USA (Announcement No.: 2022-077) disclosed at www.cninfo.com.cn</i>
Anhui Hongchuang Liquid Drinking Packaging Box Project with an annual production capacity of 12 billion packaging boxes	Self-construction	Yes	Lithium battery separator (Coating films)	141,018,853.24	488,531,567.96	Self-owned and self-raised funds	80.17%	-	-19,704,250.46	N/A	December 21, 2021	<i>Announcement on Energy Liquid Packaging Box Project Investment and Cooperation Agreement Entered into by and between Hongchuang Packaging and Jiangsu Jintan Economic</i>
Total	--	--	--	2,108,751,375.29	19,137,116,824.12	--	--	-	-72,249,004.37	--	--	--

#### 4. Financial asset investments

##### (1) Investments in securities

Applicable Not applicable

No investments in securities during the Reporting Period.

##### (2) Investments in derivatives

Applicable Not applicable

No investments in derivatives during the Reporting Period

### VIII. Sale of Significant Assets and Equity Interests

#### 1. Sale of significant assets

Applicable Not applicable

The Company did not sell any significant assets during the Reporting Period.

#### 2. Sale of significant equity interests

Applicable Not applicable

### IX. Analysis of Major Companies in Which the Company Has a Stake or a Controlling Stake

Applicable Not applicable

Major subsidiaries and companies in which the Company has a stake with each contributing to over 10% of the Company's net profit

Unit: RMB

Company name	Company Type	Main Business	Registered Capital	Total Assets	Net Assets	Operating revenue	Operating Profit	Net Profit
Shanghai Energy	Subsidiary	Lithium battery separator	RMB389,210,834	45,698,706,666.15	11,467,327,367.70	12,013,331,066.70	112,090,688.46	-80,248,451.46
Hongchuang Packaging	Subsidiary	Aseptic packaging	RMB153,356,800	1,982,467,382.02	1,245,637,331.41	1,000,596,212.35	110,480,038.28	100,531,929.58

Acquisition and disposal of subsidiaries during the Reporting Period

Applicable Not applicable

Company name	Way of acquisition or disposal of subsidiaries during the Reporting Period	Impact on the Company's overall production, operation and earnings
HONGCHUANG PACKAGING MALAYSIA SDN. BHD	New establishment by investment	No impact so far
Yuxi Energy Frontier New Material Technology Co., Ltd.	New establishment by investment	No impact so far
Yunnan Dexin Paper Co., Ltd.	Cancellation	No impact

Explanation on major companies in which the Company has a stake or a controlling stake

Shanghai Energy is a holding subsidiary of the Company. Its major product is lithium battery separator and its major subsidiaries include Zhuhai Energy, Wuxi Energy, Jiangxi Tonry, Suzhou GreenPower, Newmi Tech and Chongqing Energy. During the Reporting Period, the Company intensified market expansion and R&D efforts, and adopted various measures to improve operational and management efficiency. Coupled with an improved supply-demand structure in the separator market, Shanghai Energy achieved an operating revenue of RMB12.013 billion in 2025, representing a significant year-on-year increase of 39.42%.

Hongchuang Packaging is a holding subsidiary of the Company. Its major product is aseptic packaging and its subsidiary is Anhui Hongchuang. During the Reporting Period, Hongchuang Packaging intensified market expansion. Following the completion and commissioning of Anhui Hongchuang, Hongchuang Packaging recorded an operating revenue of RMB1.001 billion in 2025, representing a year-on-year increase of 13.83%, with an operating profit of RMB110 million and a net profit of RMB101 million.

## X. Structured Bodies Controlled by the Company

Applicable Not applicable

## XI. Outlook of the Company

### 1. Corporate strategy

The Company specializes in the lithium battery separator sector. With a vision to become a world-class materials research, development and production enterprise, and a mission to “create exceptional quality and build a national brand”, we are committed to creating value for customers through high-quality products, competitive pricing and professional services.

To realize this vision and mission, the Company consistently adopts a customer-centric and market-oriented approach, actively expanding into overseas markets to drive leapfrog growth in its business. Building on this foundation, the Company is comprehensively enhancing operational efficiency and overall competitiveness by establishing customer-oriented collaborative mechanisms, strengthening internal coordination to reduce costs and improve efficiency, and advancing digital transformation.

We will continue to focus on nine key dimensions including supply chain optimization and inventory management enhancement; labor productivity improvement and organizational capacity building; equipment utilization rate improvement and cleaning efficiency optimization; production efficiency improvement and process standardization; continuous improvement in slurry utilization; targeted promotion of high-end products and organizational support; safety compliance and comprehensive risk prevention and control systems; financial guidance and improvement in operational quality; and assurance of production capacity and thickness consistency, providing comprehensive support for high-quality development, continuously consolidating and enhancing our global core competitiveness.

### 2. Operating plan for 2026

In 2026, the global new energy sector has been thriving. As a leader in the wet-process lithium battery separator sector, the Company will remain firmly committed to high-quality development, comprehensively advancing its global expansion, technological innovation, lean operations and sustainable development, while steadily enhancing its core competitiveness and market position within the industry.

**Capacity deployment and market expansion:** The Company will steadily advance domestic and overseas capacity deployment and project construction in accordance with established plans, continuously expand domestic and international markets, accelerate the pace of global operations, and further consolidate its leading position in the industry. The Company will comprehensively consider factors such as downstream customer demand, the Company’s financial position, and gross margins of key products when planning capacity expansion, thereby providing high-quality and reliable separator supplies to global customers.

**Technological innovation and breakthroughs in high-end products:** The Company will continue to increase investment in R&D, adhering to innovation-driven high-quality development. We will prioritize the specialized R&D, market promotion and organizational support for high-end separator products, enhancing profitability and market share with new products and technologies. At the same time, the Company will closely monitor and actively lay out cutting-edge technologies, accelerate the industrialization of semi-solid state battery separator projects, and continue R&D into key materials for all-solid-state batteries, thereby continuously refining its strategic layout in the new energy sector.

**Operational efficiency enhancement and sustainable development:** The Company will continue to comprehensively enhance operational efficiency across dimensions outlined in its established strategy, including supply chain optimization, organizational capacity building, equipment efficiency, production efficiency, process standardization, slurry utilization, safety, compliance and risk management, financial and operational quality, and the assurance of production capacity and thickness consistency. Furthermore, the Company will deepen energy-saving technical upgrades and green transformation, continue to establish national and provincial-level green factories, and advance sustainable supply chain audits and carbon footprint management. While consolidating the foundations of internal sustainability, the Company aims to create favorable conditions for overseas market expansion and enhanced international competitiveness.

**Digital “intelligent manufacturing” of separators:** Leveraging industrial big data, artificial intelligence and intelligent control technologies, the Company has rolled out the Intelligent Control System for Multi-parameter Automatic Optimization of Base Film Thickness across production bases in Wuxi, Yuxi and Jingmen. By integrating raw material characteristics, these systems enable process forecasting and proactive risk management. Utilizing an AI algorithm platform, we monitor production status in real time, rapidly identify anomalies and propose solutions. Leveraging knowledge graphs and big data technologies to uncover potential for process optimization, and through the implementation of on-line adaptive control of separator thickness and real-time quality inspection, we effectively ensure product consistency. Concurrently, we are accelerating the implementation of AI visual inspection classification system at our Wuxi, Suzhou and Jingmen bases. Adopting a cloud-edge-device collaborative architecture, we are building an AI-driven quality management system encompassing system architecture, intelligent algorithms and defect scenarios. By establishing a separator defect database and utilizing technologies such as self-supervised pre-training, ultra-lightweight model and low-contrast minor defect recognition, we are significantly enhancing defect classification accuracy, recognition precision and inspection efficiency. We will elevate the level of “intelligent manufacturing” for separators, driving the Company’s high-quality development through new quality productive forces.

Looking ahead, the Company will leverage technological innovation, digital empowerment, green manufacturing and lean management to vigorously develop new quality productive forces, thereby continuously driving steady improvements in operational quality and global core competitiveness.

### 3. Risks and countermeasures

#### (1) National regulatory risk relating to lithium battery separator business

In recent years, various countries have intensively introduced industry policies to support the development of the new energy vehicle industry. Benefiting from policy support, the production value of the new energy vehicle industry quickly increased, driving the rapid development of the upstream lithium battery industry. If there are significant adverse changes in carbon emissions, renewable energy application and other relevant industry policies in the future, the relevant policies may have a negative impact on the development of the entire industry chain of new energy vehicle, thus having an adverse impact on the upstream lithium battery separator industry and the Company’s operation result.

Countermeasures: By actively investing in the R&D of new applications of separator, the Company will explore its new commercial application market. At the same time, the Company also invests resources to distribute new product projects to diversify business risks and reduce the impact of policy fluctuations on the Company to a certain extent.

(2) Intensified market competition risk

In recent years, the rapid growth of the new energy vehicle industry has significantly propelled the swift development of the upstream lithium-ion battery separator industry. The promising outlook for in the lithium battery separator industry have attracted numerous Chinese enterprises to enter this sector. Substantial capital investments have led to a rapid increase in production capacity. Currently, competition in the Chinese lithium-ion battery separator industry is becoming increasingly fierce. If the Company fails to accurately grasp the patterns of industry development, continuously innovate in technology, and improve operational management to enhance product quality and reduce production costs, the increasingly competitive market will have an adverse impact on the Company's performance.

Countermeasures: The Company's lithium-ion battery separator business has formed industry leading advantages in production capacity, R&D capacity, product quality, lean management, customer and market and other aspects. The Company will continue to reduce costs and increase efficiency, improve the product quality and reduce the production costs through technological innovation, intensify R&D efforts to develop new products, particularly those with high added value, in response to market demands and trends, thereby optimizing our product mix and boosting profitability. Furthermore, the Company will develop diversified customer groups in Chinese and overseas markets to reduce the impact of Chinese and foreign market fluctuations on the Company's performance.

(3) Risk of price fluctuation of major raw materials

The major raw materials used by the Company are subjected to price fluctuation to some extent, especially polypropylene and polyethylene, whose prices are affected by the strong fluctuations of the international crude oil price. If the prices of the main raw materials fluctuate significantly due to factors such as macroeconomic volatility and supply-demand conditions in the upstream and downstream industries, it may still have a certain impact on the Company's gross margin and thus have an adverse effect on the Company's performance.

Countermeasures: The Company has established long-term and stable cooperative relations with major suppliers, established a strategic purchase system as a whole, and improved the bargaining power and reduced the cost of raw materials by means of large-scale purchase. The Company will also reduce the proportion of raw material cost in production cost through technological innovation, process and equipment flow transformation, production efficiency improvement and loss reduction.

(4) Risk relating to construction in progress

Current construction in progress includes Yuxi Energy, USA Energy and other production bases, which require a large amount of capital. If the Company fails to raise funds in time, complete and put into operation on schedule, it will have a negative impact on the subsequent production and operation and future profits.

Countermeasures: The Company will continue to utilize equity financing, bank loans and other diversified financing methods, strengthen cooperation with financial institutions, and take various measures to ensure that the construction of the project has sufficient sources of funds, so as to ensure that the project can be completed smoothly and on schedule.

(5) Risk of technical leakage and loss of core personnel

An enterprise engaging in lithium battery separator requires advanced technology and process, rich management experience and in-depth understanding of the industry. To ensure the ability of constant innovation and the steady growth of business, the Company should have teams consisting of steady high-quality employees in scientific research, management and sales. The Company constantly improves the mechanisms for talent cultivation, incentive, promotion and restriction, but there is still the possibility of the outflow of core employees from the Company. In case of leakage of the core technology or the departure of core employees, the production and operation of the Company may be adversely affected.

Countermeasures: The Company has implemented equity incentive to the core employees, so that the employees can share the value of the growth of the enterprise, but also make the interests of the Company and the interests of employees deeply tied. The Company will continue to increase the introduction and training of core technical personnel, further maintain the stability of core employees, continue to maintain the company's industry-leading technical level.

(6) Technological progress and product substitution risk

Lithium battery is mainly used for mobile phones, computers, new energy vehicles, power station for energy storage and other industries. After development for many years, lithium batteries have been superior to traditional storage batteries such as nickel-cadmium batteries, nickel-metal hydride batteries, lead-acid batteries in terms of volumetric specific energy, gravimetric specific energy, gravimetric specific power, cycle life, charge/discharge efficiency, etc., becoming a new energy industry with priority support and key development from national governments. Although the lithium battery is the first choice for electronic products and pure electric vehicles, and it will take quite a long time to commercialize other emerging batteries such as all-solid-state batteries which are immature technically, the market demands for lithium batteries will be affected when emerging batteries such as all-solid-state batteries break the technical bottleneck, achieve mass production and are fully commercialized, and the lithium battery separator in the industry chain will also be affected adversely.

Countermeasures: After years of R&D investment and technology accumulation, the Company has strong capabilities in research on new products and prospective technology reserves. The R&D Department of the Company continues to pay attention to the market development trend, and organizes a discussion group on film technology development, develops project development plans for R&D, and actively develops other new products and technologies of functional film. In addition, the Company will strengthen strategic cooperation with well-known lithium battery manufacturers at home and abroad, develops products together with customers in-depth cooperation, timely grasps the technical development trend and complies with the market demand.

(7) Risk of exchange rate fluctuation

The export sales volume of the Company increases constantly as the Company expands its business scale and gradually strengthens the development in the international market. If the RMB exchange rate and the foreign exchange rate in the countries where our products were sold fluctuate sharply in the future, the results of the Company may be affected to some extent.

Countermeasures: The Company will minimize the exchange risk with such measures as closely watching the exchange rate, adjusting the product prices in time based on the exchange rate to guarantee the product profit, strengthening cost control and conducting the foreign exchange derivatives trading for the purpose of hedging.

(8) Risks arising from changes in the international business and trade environment

The international business and trade environment landscape is fraught with such fluctuations ranging from shifts in the global economic climate to policy adjustments. Nevertheless, the Company's globalization strategy remains paramount. However, with increasing complexity of the international competitive landscape, major regions represented by Europe and America are progressively introducing policies to support the development of Chinese manufacturing industries. Failing to swiftly align with these policies and execute our globalization agenda could potentially impede the Company's market penetration and overall performance.

Countermeasures: While paying close attention to the relevant policies of Europe and America, the Company will continuously pay attention to the R&D efforts and technical improvement of products of various business systems, improve product quality and production efficiency, constantly consolidate and strengthen its competitive advantages in technological R&D, capacity scale, product quality, cost efficiency and other aspects, and reduce costs and increase efficiency on the premise of ensuring product quality. We will also continuously expand market development in Chinese and overseas regions, actively establish stable cooperative relations with global customers and advance our global production capacity layout to meet the localized supply needs of our overseas customers.

(9) Management risk after expansion of business scale

With the development of the Company's business, the scale of the Company's assets and business will be further expanded, which raises higher requirements for the management level of the Company. The management risk arises if the capabilities of the Company to manage the production, sales, quality control and risks cannot meet the requirements for scale expansion, and the systems for talent cultivation, organization pattern and management are not further improved.

Countermeasures: The Company will continuously improve the management system, ensure the efficient operation of production, quality control, sales, management and other business links, establish an effective incentive system, attract talents through the Company's broad development platform and effective incentive systems, strengthen talent training and deliver talents for the Company's development through targeted training and training measures for employees and managers at all levels.

## XII. Reception of Visitors to the Company for Purposes of Research, Communication, and Interview during the Reporting Period

Applicable  Not applicable

Reception Date	Reception Venue	Reception Mode	Type of Visitors	Visitors	Major Discussions and Materials Provided	Index to Main Enquiry Information
March 11, 2025	Meeting room of Shanghai Energy on the fourth floor	Field research	Institutional investors	CITIC Securities, GF Fund Management, HongShan, SWS MU Fund Management, Junhe Capital, etc.	The safety of solid-state batteries, the Company's solid-state battery deployment, and solid-state battery application scenarios, etc.	<i>Record of Investor Relations Activities on March 11, 2025</i> disclosed at <a href="http://www.cninfo.com.cn">www.cninfo.com.cn</a>
April 23, 2025	Panorama Network "Investor Relations Interactive Platform" ( <a href="http://ir.p5w.net">http://ir.p5w.net</a> )	Online Communication on network platform	Institutional investors, individual investors	Investors participating in the meeting via network platforms	Presentation of the Company's annual results for 2024	<i>Record of Investor Relations Activities on April 23, 2025</i> disclosed at <a href="http://www.cninfo.com.cn">www.cninfo.com.cn</a>
May 6, 2025	Panorama Network "Investor Relations Interactive Platform" ( <a href="http://ir.p5w.net">http://ir.p5w.net</a> )	Online Communication on network platform	Institutional investors, individual investors	Investors participating in the meeting via network platforms	Presentation of the Company's results for Q1 2025	<i>Record of Investor Relations Activities on May 6, 2025</i> disclosed at <a href="http://www.cninfo.com.cn">www.cninfo.com.cn</a>
May 19, 2025	Meeting room of Jiangsu Energy on the third floor	Field research	Institutional investors	FIDELITY INTERNATIONAL, INVESCO GLOBAL, ALLIANZ GLOBAL INVESTORS, JP MORGAN ASSET MANAGEMENT, SANDS CAPITAL MANAGEMENT LLC, HIMALAYA CAPITAL MANAGEMENT, LLC, ROTHSCHILD & COASSET MANAGEMENT EUROPE SCS, J.P. Morgan Chase & Co., etc.	Introduction to the Company's solid-state battery deployment and progress, all-solid state electrolyte preparation methods, and performance metrics, etc.	<i>Record of Investor Relations Activities on May 19, 2025</i> disclosed at <a href="http://www.cninfo.com.cn">www.cninfo.com.cn</a>
June 25, 2025	China Construction Building	Field research	Institutional investors	CITIC Securities, Southwest Securities, Huatai-PB Investments, Jiaxin Fund Management, etc.	The Company's patent deployment and advantages in the sulfide products, etc.	<i>Record of Investor Relations Activities on June 25, 2025</i> disclosed at <a href="http://www.cninfo.com.cn">www.cninfo.com.cn</a>

July 16, 2025	Meeting room of Hunan Energy on the third floor	Field research	Institutional investors	Huatai-PB Investments, Morgan Stanley Huaxin Fund Management, SWS MU Fund Management, Zhong Ou Asset Management, CITIC Asset Management, Guotai Asset Management, CICC Asset Management, Changjiang Securities, Huachuang Securities, Sinolink Securities, etc.	The Company's production capacity progress for sulfide solid-state electrolytes and the role of sulfide solid-state electrolytes, etc.	<i>Record of Investor Relations Activities on July 16, 2025</i> disclosed at <a href="http://www.cninfo.com.cn">www.cninfo.com.cn</a>
July 17, 2025	Meeting room of Shanghai Energy New Material Research Institute on the fourth floor	Field research	Institutional investors	China Securities, Changjiang Pension Insurance, etc.	The Company's current progress in overseas expansion, overseas bases supplying customers, and competitive barriers to overseas market expansion.	<i>Record of Investor Relations Activities on July 17, 2025</i> disclosed at <a href="http://www.cninfo.com.cn">www.cninfo.com.cn</a>
August 1, 2025	Meeting room of Yuxi Energy on the second floor	Field research	Institutional investors	Bosera Funds, Penghua Fund, Fullgoal Fund, CITIC Prudential Fund Management, CITIC Asset Management, China Universal Asset Management, GMG-SDIC Capital, Junhe Capital, CITIC Securities, CICC, China Securities, Changjiang Securities, Soochow Securities, China Merchants Securities, Sinolink Securities, China Galaxy Securities, Guolian Minsheng Securities, Industrial Securities, Caitong Securities, Huafu Securities, Zheshang Securities, Sealand Securities, etc.	Introduction to the process flow for solid-state electrolyte materials, application characteristics by model type, and development pathways, etc.	<i>Record of Investor Relations Activities on August 1, 2025</i> disclosed at <a href="http://www.cninfo.com.cn">www.cninfo.com.cn</a>
August 19, 2025	Panorama Network "Investor Relations Interactive Platform" ( <a href="http://ir.p5w.net">http://ir.p5w.net</a> )	Online Communication on network platform	Institutional investors, individual investors	Investors participating in the meeting via network platforms	Presentation of the Company's results for H1 2025	<i>Record of Investor Relations Activities on August 19, 2025</i> disclosed at <a href="http://www.cninfo.com.cn">www.cninfo.com.cn</a>
September 11, 2025	Energy Technology Jinqiao New Energy Headquarters	Field research	Institutional investors	Yinhua Fund Management, Ping An Asset Management, BOCOM Schroder, HSBC Jitrust Fund Management, Sinolink Securities, China Securities, etc.	The Company's capacity utilization rate, product price trends, and progress in solid-state battery material deployment, etc.	<i>Record of Investor Relations Activities on September 11, 2025</i> disclosed at <a href="http://www.cninfo.com.cn">www.cninfo.com.cn</a>
September 16, 2025	Administration Building of Shanghai Energy	Field research	Institutional investors	Harvest Fund, Bernstein, Qatar Investment Authority, Capital International Investors, Munro Investment, Carrhae Capital LLP, Springs Capital (Hong Kong) Ltd., etc.	The Company's advantages in overseas markets, downstream industry demand, and supply-demand situation in the separator industry, etc.	<i>Record of Investor Relations Activities on September 16, 2025</i> disclosed at <a href="http://www.cninfo.com.cn">www.cninfo.com.cn</a>
September 26, 2025	Energy Technology Jinqiao New Energy Headquarters	Field research	Institutional investors	Huatai-PB Investments, Taiping Pension Insurance, AEGON-INDUSTRIAL FUND, HFT Investment Management, Maxwealth Fund, DeBon Fund, Guotai Fund, Amundi BOC Wealth Management, Rosefinch Fund, Boyu Capital, Golden Trust Sinopac Fund, Intewise Capital, Western Leadbank FMC, CICC, Shenwan	The performance of the Company's ultra-thin separator products and the advantages of solid-state materials, etc.	<i>Record of Investor Relations Activities on September 26, 2025</i> disclosed at <a href="http://www.cninfo.com.cn">www.cninfo.com.cn</a>

				Hongyuan Securities, Guosheng Securities, etc.		
October 17, 2025	Meeting room of Yuxi Energy's Administration Building on the second floor	Field research	Institutional investors	China Southern Asset Management, Huatai Securities, T. Rowe Price, Point 72, China Orient International Asset Management, Symmetry Capital, etc.	The Company's separator technology advantages, industry supply-demand situation, and the impact of solid-state batteries on separators, etc.	<i>Record of Investor Relations Activities on October 17, 2025</i> disclosed at <a href="http://www.cninfo.com.cn">www.cninfo.com.cn</a>
October 30, 2025	Panorama Network "Investor Relations Interactive Platform" ( <a href="http://ir.p5w.net">http://ir.p5w.net</a> )	Online Communication on network platform	Institutional investors, individual investors	Investors participating in the meeting via network platforms	Presentation of the Company's results for Q3 2025	<i>Record of Investor Relations Activities on October 30, 2025</i> disclosed at <a href="http://www.cninfo.com.cn">www.cninfo.com.cn</a>
November 20, 2025	Energy Technology Jinqiao New Energy Headquarters	Field research	Institutional investors	E Fund Management, CITIC Prudential Fund Management, Penghua Fund, Bank of America, UBS, China Securities, CITIC Securities, etc.	The competitive landscape and supply-demand outlook for the separator industry, and the Company's order status, etc.	<i>Record of Investor Relations Activities on November 20, 2025</i> disclosed at <a href="http://www.cninfo.com.cn">www.cninfo.com.cn</a>

### XIII. Development and Implementation of Market Value Management System and Valuation Enhancement Plan

Whether the Company has a market value management system in place.

Yes  No

Whether the Company has disclosed plans for valuation enhancement.

Yes  No

The Company held the thirty-fifth meeting of the Fifth Board of Directors on December 27, 2024, and considered and approved the *Proposal on the Formulation of the Market Value Management System*. To strengthen the market value management of the Company, further standardize the Company's market value management, and safeguard the legitimate rights and interests of the Company, investors and other stakeholders, the Company formulated the *Market Value Management System*. The purpose of the market value management is to achieve the dynamic equilibrium between the Company's market value and its intrinsic value by formulating correct development strategies, perfecting corporate governance, improving operation and management, fostering core competitiveness, as well as through the tools of capital operation. Based on the systematic, scientific, normative and normal principles, the Company will focus on its main business, and enhance its operational efficiency and profitability. In addition, we will take into account our own actual situation and comprehensively utilize mergers and acquisitions and reorganization, equity incentives and employee stock ownership plans, cash dividends, investor relations management, information disclosure, share repurchases and other legal and compliant methods to enhance the value of the Company's investment.

### XIV. Implementation of the Action Plan for "Dual Improvements in Quality and Returns"

Whether the Company has disclosed the announcement on action plan for "Dual Improvements in Quality and Returns".

Yes  No

To safeguard the interests of all shareholders, enhance investor confidence, and promote the long-term healthy and sustainable development of the Company, we have formulated the action plan for "Dual Improvements in Quality and Returns." Actions have been formulated in the plan focusing on such aspects as "focusing on the main business and driving high-quality development with innovation," "consolidating competitive advantages and realizing globalization," "consolidating governance and improving standardized operation," "investor-oriented and valuing investor returns," "improving information disclosure and adhering to an investor demand-oriented approach." For details, please refer to the *Announcement on the Action Plan for "Dual Improvements in Quality and Returns"* (Announcement No. 2024-039) disclosed by the Company on February 27, 2024 in the designated information disclosure media.

During the Reporting Period, the Company proactively advanced the implementation of the action plan for "Dual Improvements in Quality and Returns". In terms of production and operations, the Company adhered to its established strategy by maintaining its lithium battery separator business as its core focus, continuously expanding into domestic and international markets, and strengthening new product R&D to optimize its product and customer portfolio, thereby enhancing the Company's profitability. During the reporting period, the Company's lithium battery separator products maintained an industry-leading market share, with both sales volume and revenue achieving significant year-over-year growth. Concurrently, the Company continued its R&D efforts and launched several new separator products with superior performance and enhanced safety during the reporting period. In terms of investor relations management, the Company attaches importance to investor relations management. During the Reporting Period, the Company strengthened its communication with investors by more frequent, in-depth and targeted communications. By multiple channels, such as, organizing investor on-site visits and investigations, holding result briefings, making response via [irm.cninfo.com.cn](http://irm.cninfo.com.cn), and answering investor hotline calls, we proactively conveyed our long-term investment value to the market, which increased the information communication efficiency and transparency. We focus on investors' expectations and suggestions, and construct an ecology for good interactions with investors, with an aim to create long-term value for investors.

## Section 4 Corporate Governance, Environment and Social

### I. Basic Information of Corporate Governance

The Company strictly adheres to the requirements of laws, regulations, and normative documents such as the *Company Law*, the *Securities Law*, the *Rules Governing the Listing of Stocks on the Shenzhen Stock Exchange*, the *Code of Corporate Governance for Listed Companies* in China, and constantly optimizes the corporate governance structure, refines the internal control system to promote the Company's standardized and efficient operation. During the Reporting Period, the Company formulated the *ESG Management System*, the *Public Opinion Management System* and the Information Disclosure Management System for Debt Financing Instruments of Non-Financial Enterprises" in accordance with the *Company Law*, the *Securities Law*, the *Rules Governing the Listing of Stocks on the Shenzhen Stock Exchange*, the *Self-regulatory Guideline No. 1 for Listed Companies of the Shenzhen Stock Exchange – Standardized Operation of Companies Listed on the Main Board* and other relevant laws, regulations and normative documents and taking into account the actual situation of the Company; and revised the *Articles of Association*, the *Information Disclosure Management System*, the *Code of Conduct for Controlling Shareholders and Actual Controllers*, *Independent Director System*, *Rules of Procedures for General Meetings*, *Rules of Procedure for Board Meetings*, the *Regulations for the Implementation of Cumulative Voting*, the *System of Connected Transactions*, the *Management System of Foreign Investments*, the *Management System of Raised Funds*, the *Authorization Management System*, the *External Guarantee System*, the *Internal Control System* and other relevant systems. During the Reporting Period, the Company held 10 General Meetings, 16 Board meetings, 9 meetings of the Supervisory Committee and 4 special meetings of independent directors. The procedures for holding the meetings are legal and the resolutions are legal and effective.

Were there any significant differences between the Company's actual governance status and laws, administrative regulations, and the regulations issued by CSRC on listed company governance

Yes No, there was no difference between the Company's actual governance status and laws, administrative regulations, and the regulations issued by CSRC on listed company governance.

### II. Details of the Company's Separation from the Controlling Shareholder and Actual Controller with Respect to Corporate Assets, Personnel, Finance, Organization, Business, etc.

The Company is independent of its shareholders in terms of business, assets, personnel, institutions, financial affairs, etc., has an independent and complete business system and market-oriented independent operation ability, and has a complete supply, production and sales system.

1. Assets integrity: The Company has independent and complete business assets that can be used for business activities. The Company has complete sites, facilities, instruments and equipment, trademarks, patents, etc. required for production independent of shareholders and other related parties. The Company's assets are strictly separated from the shareholders and actual controller, and there is no case that the shareholders and actual controller encroach on the Company's assets.

2. Personnel independence: The General Manager, Vice General Manager, Chief Financial Officer, Secretary of the Board and other senior executives of the Company are all full-time working in the Company and receiving remuneration, and there is no case that they hold any post other than director or supervisor at the controlling shareholder, actual controller and other enterprises under their control, or hold any position in other enterprises with the same or similar business with the Company. The Company's financial personnel are not doing part-time job in the controlling shareholders, actual controllers and other enterprises under their control. The Company is completely independent in terms of social security and salary.

3. Financial independence: The Company has set up an independent financial department, and established an independent and complete financial accounting system according to the current accounting standards and relevant laws and regulations, which can help make financial decisions independently. The Company has a standardized financial accounting system and financial management system. The Company has set up an independent bank account and, as an independent taxpayer, has gone through tax registration with the tax bureau of Yuxi High-tech Zone. The Company does not guarantee the debts of shareholders or other related parties with the Company's assets, interests or reputation. The Company has complete control over all assets, and there is no case that monetary funds or other assets are occupied by shareholders and damage the Company's interests.

4. Institutional independence: The Company has a production and operation place and organization independent of the controlling shareholder, and there is no mixed operation or joint office with the controlling shareholder. There is no interference of the controlling shareholder and any other units or individuals in the Company's organizational structure. In accordance with the requirements of the *Company Law*, the Company has established and improved the organizational structure system of the General Meeting, the Board of Directors, the Supervisory Committee, and the management, and is completely independent of the affiliated enterprises in terms of institutional setting. The shareholder unit nominates directors to participate in the management of the Company in accordance with the provisions of the *Company Law* and the *Articles of Association*, and does not directly interfere with the production and operation activities of the Company.

5. Business independence: The Company has an independent production, supply and marketing system, and independently carries out various businesses. There is no case of relying on or entrusting shareholders or other related parties to sell products, or relying on or entrusting shareholders or other related parties to purchase raw materials. There is no horizontal competition with the controlling shareholder, actual controller and the enterprises under their control.

### III. Horizontal Competition

Applicable Not applicable

## IV. Details on Directors and Senior Management

### 1. Basic information

Name	Gender	Age	Title	Service status	Start date	End date	Shares held at the beginning of the period (share)	Quantity of shares increased in the current period (share)	Quantity of shares decreased in the current period (share)	Other increased or decreased changes (share)	Quantity of shares held at the end of the period (share)	Reason for share increase/decrease
Paul Xiaoming Lee	Male	68	Chairman	Incumbent	April 20, 2011	March 22, 2029	128,443,138				128,443,138	
Li Xiaohua	Male	64	Vice chairman and general manager	Incumbent	April 20, 2011	March 22, 2029	68,766,089			11,983,790	80,749,879	Share repurchase
Zhai Jun	Male	52	Director	Incumbent	August 7, 2023	March 22, 2029	0				0	
Xiang Ming	Male	63	Director	Departure	August 7, 2023	March 23, 2026	0				0	
Mai Weihua	Male	59	Director	Departure	November 22, 2021	March 23, 2026	143,500			6,000	137,500	Repurchase of restricted shares under 2024 Restricted Share Incentive Plan for cancellation
Feng Jie	Male	62	Director	Departure	January 4, 2017	September 4, 2025	82,000				82,000	
Li Zhe	Male	39	Independent Director	Incumbent	December 29, 2023	March 22, 2029	0				0	
Pan Siming	Male	49	Independent Director	Incumbent	March 24, 2023	March 22, 2029	0				0	
Zhang Jing	Female	65	Independent Director	Incumbent	March 24, 2023	March 22, 2029	0				0	
Kang Wenting	Female	39	Employee Representative Supervisor	Departure	April 8, 2020	September 4, 2025	0				0	
Kang Wenting	Female	39	Employee Representative Director	Incumbent	September 4, 2025	March 22, 2029	0				0	
Yu Xue	Female	39	Board Secretary and Securities Affairs Representative	Departure	November 4, 2021	May 13, 2025	242,400			57,600	184,800	Repurchase of restricted shares under 2022 Share Option and Restricted Share Incentive Plan for cancellation, repurchase of restricted shares under 2024 Restricted Share Incentive Plan for cancellation
Yu Xue	Female	39	Vice General Manager	Departure	November 4, 2021	March 27, 2026						
Li Jian	Male	48	Chief Financial Officer	Departure	September 30, 2020	April 28, 2025	236,900		44,200	60,000	132,700	Repurchase of restricted shares under 2024 Restricted Share Incentive Plan for cancellation, shareholding decrease
Bai Yunfei	Male	42	Board Secretary	Incumbent	May 13, 2025	March 22, 2029	0				0	
Li Xianglin	Male	47	Chief Financial Officer	Incumbent	April 28, 2025	March 22, 2029					1,900	Li Xianglin has served as the Company's Chief Financial Officer since April 28, 2025; as of the end of the Reporting Period, the shares he held were those he held prior to his appointment.
Total	--	--	--	--	--	--	197,914,027	0	44,200	12,107,390	209,731,917	--

Whether there was any departure of Directors and senior management during the term of office during the Reporting Period

Yes  No

(1) On April 28, 2025, Mr. Li Jian, the Company's former Chief Financial Officer, submitted his resignation from the position of Chief Financial Officer for personal reasons, and simultaneously requested to resign from all other positions he held within the Company. Following his resignation, Mr. Li Jian no longer holds any position with the Company.

(2) On May 13, 2025, Ms. Yu Xue, the Company's former Board Secretary and Securities Affairs Representative, submitted her resignation from the positions of Board Secretary and Securities Affairs Representative due to a change in her work arrangements. Following her resignation from the aforementioned positions, Ms. Yu Xue continues to serve as the Company's Vice General Manager, Chairman of the Company's subsidiary Chairman of Hubei Energy, and Director of the Company's subsidiary Jiangxi Ruijie; On March 27, 2026, Ms. Yu Xue ceased to serve as the Company's Vice General Manager.

(3) On September 4, 2025, Mr. Feng Jie, the Company's former director, submitted his resignation from his positions as a director of the Board, a member of the Strategy Committee, and a member of the Nomination Committee due to personal reasons. Following his resignation from the aforementioned positions, Mr. Feng Jie continued to serve as General Manager and Head of the Sales Department of the Company's subsidiary, Chengdu Hongta Plastic.

Changes in Directors and senior management of the Company

Applicable  Not applicable

Name	Title	Status	Date	Reason
Feng Jie	Director	Departure	September 4, 2025	Personal Reasons
Yu Xue	Board Secretary	Dismissal	May 13, 2025	Work Reassignment
Li Jian	Chief Financial Officer	Dismissal	April 28, 2025	Personal Reasons
Kang Wenting	Employee Representative Director	Elected	September 4, 2025	Work Reassignment
Bai Yunfei	Board Secretary	Appointment	May 13, 2025	Work Reassignment
Li Xianglin	Chief Financial Officer	Appointment	April 28, 2025	Work Reassignment

## 2. Positions Held

Professional background, main working experience and main duties in the Company of current directors and senior executives of the Company

(I) Members of the Board of Directors

1. Paul Xiaoming Lee, Chairman of the Company, male, born in 1958, American nationality with the right of residence in foreign country, and master's degree. He joined Kunming Plastic Research Institute of China in 1982, acted as the Vice President from 1984 to 1989, graduated from the polymer material discipline at the University of Massachusetts of America in December 1992, and served as the Manager of the Technical Department of Inteplast Corporation in America from 1992 to 1995. Since April 1996, he has successively served as the Vice General Manager, General Manager, Vice Chairman and Chairman of Hongta Plastic, Chairman and General Manager of Dexin Paper, and Chairman of Chengdu Hongta Plastic. Mr. Lee joined Innovative Color Printing as the Chairman in 2006. He is currently the Chairman of Hongchuang Packaging, the Chairman of Shanghai Energy, the Chairman of Hongta Plastic, the Chairman of Jiangxi Enpo and the Chairman of the Company.

2. Li Xiaohua, Vice Chairman of the Company, male, born in 1962, Chinese nationality with the right of residence in foreign country, and master's degree. He graduated from the polymer material discipline at the University of Massachusetts of America in February 1993, and worked at World-Pak Corporation in the US from 1993 to 1996. Since April 1996, he has successively served as the Vice General Manager and Vice Chairman of Hongta Plastic, the Vice Chairman of Dexin Paper, and the General Manager and Vice Chairman of Chengdu Hongta Plastic, and joined Innovative Color Printing as the General Manager and Vice Chairman in 2006. He is currently the Director of Hongchuang Packaging, the Vice Chairman of Shanghai Energy, the Director of Jiangxi Enpo and the General Manager and Vice Chairman of the Company.

3. Zhai Jun, Director of the Company, male, born in 1974, Chinese nationality, and master's degree. He graduated from Wuhan University of Technology majoring in Vehicle Engineering in June 2000 and served as project manager in State Development and Investment Corporation from April 2000 to January 2006. Mr. Zhai worked for Valeo Automotive Air Conditioning Hubei Co., Ltd. as a Director and Vice General Manager from January 2006 to March 2009; he served as a project manager of State Development and Hi-tech Investment Corporation from March 2009 to July 2009; and he also serves as a Managing Director of SDIC Investment Management Co., Ltd. from July 2009 to present. He is currently the Director of the Company.

4. Wang Xingguang, Director of the Company, male, born in 1981, Chinese nationality, without the right of permanent residence in foreign countries, and junior college degree. He served as Technical Section Chief at NEC Dongjin Electronic Technology Co., Ltd. from 2002 to 2008; he served as Technical Manager at Nantong Tianfeng Electronic Material Co., Ltd. from 2010 to 2012; he served as Vice General Manager of Jiangsu Anreda New Material Co., Ltd. from 2012 to 2017; he successively served as Assistant to the General Manager and Director of Technology R&D Department of Suzhou Green Power, and General Manager of Newmi Tech from July 2017 to May 2025. He is currently the Chairman of Newmi Tech, Director and Manager of Suzhou Green Power, Manager of Yuxi Energy, and Director and Vice General Manager of the Company.

5. Bai Yunfei, Director of the Company, male, born in 1984, graduated from Northwest University of Political Science and Law with a master's degree in Law. He is a Certified Public Accountant and holds a Legal Professional Qualification Certificate. He successively served as Vice General Manager (acting head) and General Manager of the Legal Compliance Department, Consumer Rights Protection Department and Asset Preservation Department of China Minsheng Bank Kunming Branch from May 2017 to January 2021. He successively served as Vice General Manager, Secretary to the Board of Directors and Director of QuakeSafe Technologies Co., Ltd. from April 2021 to December 2024. He served as Assistant to the Chairman of the Company from December 2024 to May 2025. He is currently the Director and Secretary to the Board of Directors of the Company.

6. Kang Wenting, Employee Representative Director of the Company, born in 1987, Chinese nationality, and bachelor's degree. She served as the Personnel Supervisor of Kunming Xinghe Spa Resort & Hotel from 2013 to 2014. From 2015 to 2019, she served as the Personnel Supervisor of the Human Resources Department of the Company. From October 2019 to present, she served as the director of the Operation Support Department and the Administrative Department of the Company. From March 16, 2020 to September 4, 2025, she served as Employee Representative Supervisor of the Company. She is currently the Employee Representative Director of the Company.

7. Li Zhe, Independent Director of the Company, male, born in 1987, Chinese nationality, without the right of permanent residence in foreign countries, and doctoral candidate. He is currently the professor of the School of Accounting, the tutor of doctoral candidate, the deputy director of the Finance Department of Central University of Finance and Economics. He has been an independent director of Leyard Optoelectronic Co., Ltd. from January 2023 to present. Mr. Li serves as an independent director of Genertec Kunming Machine Tool Co., Ltd. from July 2023 to present. He is currently an Independent Director of the Company.

8. Pan Siming, Independent Director of the Company, male, born in 1977, Chinese nationality, and bachelor's degree. He served as a financial analyst of Huachen Automotive Group from July 2001 to December 2009. He served as financial manager of Zhejiang Longsheng Group Co., Ltd. from December 2009 to August 2012. Mr. Pan was appointed as the director of post-loan management of the small and medium-sized department of Minsheng Bank from August

2012 to April 2016, and has been appointed as the director of post-investment management of Yang Yue Shanghai Investment Management Ltd. from April 2016 to present. He is currently an Independent Director of the Company.

9. Zhang Jing, female, born in 1961, Chinese nationality, professor and doctoral tutor of Applied Physics in the College of Science of Donghua University. She served as executive vice president of the College of Science of Donghua University and Secretary of the Party Committee of the College of Science. She was a director of Shanghai Energy from 2016 to 2018. She was a director of the Plasma Science and Technology Committee of the CSTAM from 2015 to 2020. Ms. Zhang has been a director of Shanghai Sunshine Esailchem Technology Corp., Ltd. since 2018. Ms. Zhang is an associate editor of the journal Plasma Science and Technology from 2021 to present. She is currently an Independent Director of the Company.

#### (II) Senior Management

1. Li Xiaohua, male, born in 1962, Chinese nationality with the right of residence in foreign country, and master's degree. He graduated from the polymer material discipline at the University of Massachusetts in February 1993, and worked at World-Pak Corporation in the US from 1993 to 1996. Since April 1996, he has successively served as the Vice General Manager and Vice Chairman of Hongta Plastic, the Vice Chairman of Dexin Paper, and the General Manager and Vice Chairman of Chengdu Hongta Plastic. Joined Innovative Color Printing as the General Manager and Vice Chairman in 2006. He is currently the Chairman of Hongchuang Packaging, the Chairman of Shanghai Energy, the Director of Jiangxi Enpo, and the General Manager and the Vice Chairman of the Company.

2. Wang Xingguang, male, born in 1981, Chinese nationality, without the right of permanent residence in foreign countries, and junior college degree. He served as Technical Section Chief at NEC Dongjin Electronic Technology Co., Ltd. from 2002 to 2008; he served as Technical Manager at Nantong Tianfeng Electronic Material Co., Ltd. from 2010 to 2012; he served as Vice General Manager of Jiangsu Anreda New Material Co., Ltd. from 2012 to 2017; he successively served as Assistant to the General Manager and Director of Technology R&D Department of Suzhou Green Power, and General Manager of Newmi Tech from July 2017 to May 2025. He is currently the Chairman of Newmi Tech, Director and Manager of Suzhou Green Power, Manager of Yuxi Energy, and Director and Vice General Manager of the Company.

3. Bai Yunfei, male, born in 1984, graduated from Northwest University of Political Science and Law with a master's degree in Law. He is a Certified Public Accountant and holds a Legal Professional Qualification Certificate. He successively served as Vice General Manager (acting head) and General Manager of the Legal Compliance Department, Consumer Rights Protection Department and Asset Preservation Department of China Minsheng Bank Kunming Branch from May 2017 to January 2021. He successively served as Vice General Manager, Secretary to the Board of Directors and Director of QuakeSafe Technologies Co., Ltd. from April 2021 to December 2024. He served as Assistant to the Chairman of the Company from December 2024 to May 2025. He is currently the Director and Secretary to the Board of Directors of the Company.

4. Li Xiangling, male, born 1979, Chinese nationality, without the right of residence in foreign countries. He graduated from Hunan University majoring in International Finance, with a bachelor's degree in Economics, and is a non-practicing member of the Chinese Institute of Certified Public Accountants. From July 2005 to May 2006, he served as Financial Manager of Dongjiang Environmental Company Limited. From June 2006 to April 2021, he successively served as Financial Manager, and Head of Finance for Country and Regional Departments at Huawei Technologies Co., Ltd. He joined Ople Lighting Co., Ltd. in April 2021 and served as Chief Financial Officer of Ople Lighting Co., Ltd. from June 2021 to October 2022. He joined Hundsun Technologies Inc. in October 2022 and served as Chief Financial Officer of Hundsun Technologies Inc. from June 2023 to May 2024. From May 2024 to October 2024, he served as Chief Financial Officer of AUX Group Co., Ltd. He is currently the Chief Financial Officer of the Company.

The controlling shareholder and the actual controller simultaneously serve as the Chairman of the Board and the General Manager of the listed company.

Applicable Not applicable

Positions held at the shareholder's entity

Applicable Not applicable

Name of person	Name of shareholder's entity	Position held in shareholder's entity	Start date	End date	Receiving remuneration and allowance at shareholder's entity
Li Xiaohua	Yuxi Heyi Investment Co., Ltd.	Chairman	February 4, 2024		No
Zhai Jun	CMG-SDIC Capital Co., Ltd.	Managing director	October 31, 2017		Yes

Positions held at other entities

Applicable Not applicable

Name of person	Other Entity Names	Positions in other organizations	Start date	End date	Receiving remuneration and allowance at other entities
Paul Xiaoming Lee	Shanghai Ruiji New Material Technology Co.,	Director	November 19, 2024		No
Li Xiaohua	Shanghai Ruiji New Material Technology Co.,	Chairman	January 20, 2020		No
	Zhuhai Chenyu New Material Technology Co., Ltd.	Chairman	April 19, 2024		No
	Zhuhai Hanchen New Material Technology Co., Ltd.	Chairman	November 15, 2024		No
	Changshu Chenyu New Material Technology Co., Ltd.	Chairman	May 7, 2024		No
	JOT Automation Oy	President	August 2, 2025		No
Li Zhe	Central University of Finance and Economics	Professor, Ph.D. Advisor, Deputy Director of the Finance Division	May 15, 2023		Yes
	Leyard Optoelectronic CO., LTD.	Independent Director	January 16, 2023		Yes
	Genertec Kunming Machine Tool Co., Ltd.	Independent Director	July 14, 2023		Yes

Zhai Jun	SDIC Fund	Managing director	July 31, 2009		Yes
	Kelong New Energy	Director	December 13, 2016		No
	HXF Saw Co., Ltd.	Director	October 22, 2012		No
	China Intelligent Vehicle Innovation Platform (Shanghai) Co., Ltd.	Director	November 30, 2021		No
	Jingci Material Science Co., Ltd.	Director	June 11, 2018		No
Zhang Jing	College of Science, Dong Hua University	Professor, Doctoral Supervisor	January 30, 1989		Yes
	Shanghai Sunshine Esailchem Technology Co., Ltd.	Director	December 11, 2017		Yes
Pan Siming	Shanghai Yangyue Investment Management Co., Ltd.	Director of Post-Investment Management	April 11, 2016		Yes

Penalties to the current directors and senior management of the Company and those leaving office during the Reporting Period by securities regulatory agencies in the past three years:

Applicable Not applicable

### 3. Remuneration for Directors and Senior Management

Decision-making procedures, determination basis and actual payment of remuneration for directors and senior management

1. Decision-making procedure for remunerations of directors and senior management: The Remuneration & Evaluation Committee of the Board of Directors of the Company studies and establishes the evaluation standard, remuneration policy and plan for the directors, General Manager and other senior management members of the Company, the Board of Directors reviews the remunerations for the senior management, the General Meeting reviews the remunerations of the directors, and the Human Resources Department and the Finance Department of the Company assist the Remuneration & Evaluation Committee of the Board of Directors to implement the remuneration plan for the directors and the senior management of the Company.

2. Basis for determining the remunerations of directors and senior management. The remunerations for the directors are determined in line with the actual working status of the Company and in combination of the current market situation. The remunerations of the senior management are determined in line with related provisions of the Company and in combination of the operating objectives of the Company in 2025 and specific job responsibilities the senior management members of the Company take to complete the annual operating objectives.

3. Actual payment of remunerations to the directors and senior management. The remunerations of the Independent Directors are paid to personal accounts based on the standard and schedule every quarter or every month. The remunerations of other people are paid based on respective evaluation result on a monthly basis or at the time specified by the remuneration payment policy.

Remuneration for Directors and senior management during the Reporting Period

Name	Gender	Age	Title	Service status	Total pre-tax remunerations received from the Company (RMB'0,000)	Whether remuneration was received from related parties of the Company
Paul Xiaoming Lee	Male	68	Chairman	Incumbent	204.28	No
Li Xiaohua	Male	64	Director	Incumbent	175.27	No
Mai Weihua	Male	59	Director	Departure	73.95	No
Feng Jie	Male	62	Director	Departure	16.6	No
Xiang Ming	Male	63	Director	Departure	0	No
Zhai Jun	Male	52	Director	Incumbent	0	No
Li Zhe	Male	39	Independent Director	Incumbent	10	No
Pan Siming	Male	49	Independent Director	Incumbent	10	No
Zhang Jing	Female	65	Independent Director	Incumbent	10	No
Kang Wenting	Female	39	Employee Representative Director	Incumbent	18.57	No
Yu Xue	Female	39	Board Secretary and Vice General Manager	Departure	86.8	No
Li Jian	Male	48	Chief Financial Officer	Departure	35.05	No
Bai Yunfei	Male	42	Board Secretary	Incumbent	60.86	No
Li Xianglin	Male	47	Chief Financial Officer	Incumbent	202.67	No
Total	--	--	--	--	904.05	--

Basis for evaluating the actual compensation received by all directors and senior management at the end of the Reporting Period	Company policies and procedures regarding compensation and performance evaluation.
Status of performance evaluation for all directors and senior management regarding actual compensation received as of the end of the Reporting Period	In 2025, the performance evaluation requirements did not apply to the allowances received by independent directors; non-independent directors and senior management completed their performance evaluations in accordance with the Company's performance evaluation regulations.
Deferred payment arrangements for the actual compensation received by all directors and senior management as of the end of the Reporting Period	No

Status of payment stoppage and clawback of the actual compensation received by all directors and senior management as of the end of the Reporting Period	No
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Additional notes: Applicable Not applicable

## V. Performance of Directors during the Reporting Period

### 1. Details of directors' attendance at board meetings and General Meetings

Details of directors' attendance at board meetings and General Meetings							
Name of director	Meetings required to attend during the Reporting Period (times)	Attendance in person (times)	Attendance by way of telecommunication (times)	Entrusted presence (times)	Absence (times)	Whether non-attendance in person for two consecutive times or not	Attendance in General Meetings
Paul Xiaoming Lee	16	16	0	0	0	No	10
Li Xiaohua	16	15	1	0	0	No	10
Feng Jie	11	11	0	0	0	No	8
Mai Weihua	16	16	0	0	0	No	10
Zhai Jun	16	1	15	0	0	No	10
Xiang Ming	16	1	15	0	0	No	10
Kang Wenting	5	5	0	0	0	No	10
Li Zhe	16	0	16	0	0	No	10
Pan Siming	16	0	16	0	0	No	10
Zhang Jing	16	1	15	0	0	No	10

### 2. Details on directors' objection to relevant matters

Whether Directors object to relevant matters of the Company

Yes No

During the Reporting Period, no Directors objected to relevant matters of the Company.

### 3. Other details about the performance of directors

Whether advice to the Company from Directors adopted

Yes No

Explanation on advice to the Company from Directors being adopted or not adopted

During the Reporting Period, directors of the Company were diligent, conscientious, honest and self-disciplined, and faithfully performed the responsibilities as directors. On important matters such as corporate strategic planning, project development, profit distribution, redemption of convertible bonds, mergers and acquisitions, the establishment of internal control systems, the selection and appointment of senior management, and the selection of external audit firms, the Board of Directors carefully reviews management's reports and actively provides professional deliberative opinions. The independent directors strictly adhere to laws and regulations, upholding a stance of independence, objectivity, and impartiality. Through participation in Board meetings and General Meetings, as well as by convening special meetings, the independent directors conduct prudent deliberations on major related-party transactions, financial assistance, and other matters. The independent directors also conduct on-site investigations into the Company's operations, engage in in-depth discussions with management and other directors, provide professional advice on the Company's development, and effectively fulfill their supervisory and advisory duties, thereby safeguarding the lawful rights and interests of the Company and all shareholders.

## VI. Details on Specialized Committees under the Board of Directors during the Reporting Period

Committee Name	Members	Number of Meetings	Date convened	Meeting Content	Important Opinions and Suggestions Proposed	Other Duty Performance Information	Details on Objection to Matters
Strategy Committee of the 5 <sup>th</sup> Board of Directors	Paul XiaomingLee, Li Xiaohua, Kang Wenting, Li Zhe, Pan Siming	1	December 8, 2025	The meeting considered and approved the <i>Proposal on the Company's Compliance with the Relevant Laws and Regulations in Relation to the Issuance of Shares for the Purchase of Assets and the Raising of Supporting Funds</i> , the <i>Proposal on the Plan for the Company's Issuance of Shares for the Purchase of Assets and the Raising of Supporting Funds</i> , the <i>Proposal on the Draft Plan of Yunnan Energy New Material Co., Ltd. for the Issuance of Shares for the Purchase of Assets and the Raising of Supporting Funds and Its Summary</i> , the <i>Proposal on the Expected Non-constituting of a Connected Transaction, Major Asset Restructuring or Backdoor Listing in Respect of This Transaction</i> , the <i>Proposal on the Signing by the Company and the Counterparties of the Transaction Agreement with Conditions Precedent to Its Effectiveness</i> , the <i>Proposal on This Transaction's Compliance with Article 11, Article 43 and Article 44 of the Administrative Measures for Major Asset Restructuring of Listed Companies</i> , the <i>Proposal on This Transaction's Compliance with Article 4 of the Regulatory Guidelines for Listed Companies No. 9 — Regulatory Requirements for the Planning and Implementation of Major Asset Restructuring by Listed Companies</i> , the <i>Proposal on the Absence of Any Circumstance under Article 11 of the Administrative Measures for the Registration of Securities Issuance by Listed Companies Where Shares May Not Be Issued to Specific Targets in Respect of This Transaction</i> , the <i>Proposal on the Absence of Any Circumstance under Article 12 of the Regulatory Guidelines for Listed Companies No. 7 — Regulation of Abnormal Trading in Shares Relating to Major Asset Restructuring of Listed Companies and Article 30 of the Self-Regulatory Guidelines for Listed Companies of the Shenzhen Stock Exchange No. 8 — Major Asset Restructuring in Respect of the Relevant Parties to This Transaction</i> , the <i>Proposal on the Completeness and Compliance of the Statutory Procedures Performed for This Transaction and the Validity of the Legal Documents Submitted</i> , the <i>Proposal on the Fluctuations in the Company's Share Price Prior to the Initial Disclosure of This Transaction</i> , the <i>Proposal on the Purchases and Disposals of Assets within the 12 Months Prior to This Transaction</i> , and the <i>Proposal on the Confidentiality Measures and Confidentiality System Adopted for This Transaction</i>	Unanimously adopted	None	None
Audit Committee of the 5th Board of Directors	Li Zhe, Xiang Ming, Pan Siming	9	April 3, 2025	The meeting considered and approved the <i>Proposal on the Company's 2024 Annual Financial Report</i> , the <i>Proposal on the Provision for Asset Impairment for 2024</i> , the <i>Report on the Evaluation of the Performance of Duties by the Accounting Firm for 2024 and the Performance of Supervisory Duties</i> , the <i>Proposal on the 2024 Internal Control Evaluation Report</i> , the <i>Proposal on the 2024 Work Report of the Audit Department and the 2025 Work Plan</i> , the <i>Proposal on the Renewal of the Appointment of RSM CHINA (Special General Partnership) as the Company's Financial Audit Institution and Internal Control Audit Institution for 2025</i> , and the <i>Proposal on the 2024 Financial Final Accounts Report of the Company</i>	Unanimously adopted	None	None
			April 24, 2025	The meeting considered and approved the <i>Proposal on the Appointment of the Company's Chief Financial Officer</i>	Unanimously adopted	None	None
			April 25, 2025	The meeting considered and approved the <i>Proposal on the Company's Financial Report for the First Quarter of 2025</i> , and the <i>Proposal on the 2025 First Quarterly Internal Audit Report of the Company</i>	Unanimously adopted	None	None
			August 8, 2025	The meeting considered and approved the <i>Proposal on the Interim Report for 2025</i> and the <i>Proposal on the Interim Internal Audit Report for 2025</i>	Unanimously adopted	None	None
			October 25, 2025	The meeting considered and approved the <i>Proposal on the Company's Financial Report for the Third Quarter of 2025</i> , the <i>Proposal on the 2025 Third Quarterly Internal Audit Report of the Company</i> , and the <i>Proposal on the Provision for Asset Impairment for the First Three Quarters of 2025</i>	Unanimously adopted	None	None
			December 8, 2025	The meeting considered and approved the <i>Proposal on the Company's Compliance with the Relevant Laws and Regulations in Relation to the Issuance of Shares for the Purchase of Assets and the Raising of Supporting Funds</i> , the <i>Proposal on the Plan for the Company's Issuance of Shares for the Purchase of Assets and the Raising of Supporting Funds</i> , the <i>Proposal on the Draft Plan of Yunnan Energy New Material Co., Ltd. for the Issuance of Shares for the Purchase of Assets and the Raising of Supporting Funds and Its Summary</i> , the <i>Proposal on the Expected Non-constituting of a Connected Transaction, Major Asset Restructuring or Backdoor Listing in Respect of This Transaction</i> , the <i>Proposal on the Signing by the Company and the Counterparties of the Transaction Agreement with Conditions Precedent to Its Effectiveness</i> , the <i>Proposal on This Transaction's Compliance with Article 11, Article 43 and Article 44 of the Administrative Measures for Major Asset Restructuring of Listed Companies</i> , the <i>Proposal on This Transaction's Compliance with Article 4 of the Regulatory Guidelines for Listed Companies No. 9 — Regulatory Requirements for the Planning and Implementation of Major Asset Restructuring by Listed Companies</i> , the <i>Proposal on the Absence of Any Circumstance under Article 11 of the Administrative Measures for the Registration of Securities Issuance by Listed Companies Where Shares May Not Be Issued to Specific Targets in Respect of This Transaction</i> , the <i>Proposal on the Absence of Any Circumstance under Article 12 of the Regulatory Guidelines for Listed Companies No. 7 — Regulation of Abnormal Trading in Shares Relating to Major Asset Restructuring of Listed Companies and</i>	Unanimously adopted	None	None

				<i>Article 30 of the Self-Regulatory Guidelines for Listed Companies of the Shenzhen Stock Exchange No. 8 — Major Asset Restructuring in Respect of the Relevant Parties to This Transaction, the Proposal on the Completeness and Compliance of the Statutory Procedures Performed for This Transaction and the Validity of the Legal Documents Submitted, the Proposal on the Fluctuations in the Company's Share Price Prior to the Initial Disclosure of This Transaction, the Proposal on the Purchases and Disposals of Assets within the 12 Months Prior to This Transaction, and the Proposal on the Confidentiality Measures and Confidentiality System Adopted for This Transaction</i>			
			December 12, 2025	The meeting considered and approved the <i>Proposal on the Selection and Appointment Plan for the Auditor</i>	Unanimously adopted	None	None
			December 15, 2025	The meeting considered and approved the <i>Proposal on the Proposed Change of Auditor</i>	Unanimously adopted	None	None
			December 27, 2025	The meeting considered and approved the <i>Proposal on the Application to Banks for Comprehensive Credit Facilities for 2026, the Proposal on the Guarantee Limit for 2026 for Entities within the Scope of the Company's Consolidated Financial Statements, the Proposal on the Provision of Financial Assistance to the Company's Controlled Subsidiaries and Their Subsidiaries, the Proposal on the Investment Limit for the Purchase of Bank Wealth Management Products with Part of the Company's Idle Self-owned Funds, the Proposal on the Carrying Out of Foreign Exchange Hedging Business, and the Proposal on the Repurchase and Cancellation of Part of the Restricted Shares under the 2024 Restricted Shares Incentive Plan</i>	Unanimously adopted	None	None
The Remuneration and Appraisal Committee of the 5th Board of Directors	Li Zhe, Paul Xiaoming Lee, Zhang Jing	4	April 3, 2025	The meeting considered and approved the <i>Proposal on the Company's Directors' Remuneration for 2024 and the Proposed Remuneration Plan for 2025, the Proposal on the Company's Senior Management's Remuneration for 2024 and the Proposed Remuneration Plan for 2025, the Proposal on the Non-fulfilment of the Exercise Conditions for the Third Exercise Period of the Stock Options under the 2022 Stock Option and Restricted Share Incentive Plan, the Proposal on the Non-fulfilment of the Unlocking Conditions for the Third Unlocking Period of the Restricted Shares under the 2022 Stock Option and Restricted Share Incentive Plan, the Proposal on the Non-fulfilment of the Unlocking Conditions for the First Unlocking Period of the Initial Grant under the 2024 Restricted Share Incentive Plan, the Proposal on the Repurchase and Cancellation of Part of the Restricted Shares, and the Proposal on the Cancellation of Part of the Stock Options under the 2022 Stock Option and Restricted Share Incentive Plan</i>	Unanimously adopted	None	None
			May 10, 2025	The meeting considered and approved the <i>Proposal on the Repurchase and Cancellation of Part of the Restricted Shares</i>	Unanimously adopted	None	None
			July 1, 2025	The meeting considered and approved the <i>Proposal on the Purchase of Directors', Supervisors' and Senior Management Liability Insurance</i>	Unanimously adopted	None	None
			December 27, 2025	The meeting considered and approved the <i>Proposal on the Repurchase and Cancellation of Part of the Restricted Shares under the 2024 Restricted Share Incentive Plan.</i>	Unanimously adopted	None	None
The Nomination Committee of the 5th Board of Directors	Pan Siming, Kang Wenting, Zhang Jing	2	April 24, 2025	The meeting considered and approved the <i>Proposal on the Appointment of the Company's Chief Financial Officer.</i>	Unanimously adopted	None	None
			May 9, 2025	The meeting considered and approved the <i>Proposal on the Appointment of the Company's Secretary to the Board and Securities Affairs Representative.</i>	Unanimously adopted	None	None
Environment, Social and Governance (ESG) Committee of the 5th Board of Directors	Li Xiaohua, Zhang Jing, Zhai Jun	2	February 9, 2025	The meeting considered and approved the <i>Proposal on the Adoption of the ESG Management System.</i>	Unanimously adopted	None	None
			April 3, 2025	The meeting considered and approved the <i>Proposal on the Company's 2024 Environmental, Social and Governance Report (ESG Report).</i>	Unanimously adopted	None	None

## VII. Details on the Work of the Audit Committee

Whether there were any risks in the Company according to the Audit Committee during the Reporting Period:  Yes  No, The Audit Committee raised no objection to matters under supervision during the Reporting Period.

## VIII. Employees of the Company

### 1. Number of employees, composition by profession, and educational level

Incumbent staff of parent company at the end of the Reporting Period (person)	17
Incumbent staff of major subsidiary at the end of the Reporting Period (person)	9,220
Total incumbent staff at the end of the Reporting Period (person)	10,664
Total staff receiving remunerations in current period (person)	15,571
Number of retirees whose expenses shall be borne by the parent company and major subsidiaries (person)	0
Composition by profession	
Category of profession	Number of persons by profession
Production staff	8,869
Sales people	146
Technician	514
Financial staff	121
Administrative staff	1,014
Total	10,664
Educational level	
Category of educational level	Number (person)
Doctor's degree and above	18
Master's degree	251
Bachelor's degree	1,353
Junior college	2,589
Technical secondary school and below	6,453
Total	10,664

### 2. Remuneration policy

During the Reporting Period, the Company observed the principles of distribution based on labor, efficiency priority combining fairness and sustainable development, and on this basis, the Company made detailed policies in respect of staff's remuneration, fringe benefit, performance evaluation and other aspects. The Company built a new salary architecture featuring a wide range and "hierarchical ladder," and implemented the two-level salary distribution mechanism. At the same time, the Company has linked the salary and bonus to the working time at the Company, output, cost, fixed staff of every position, equipment maintenance and other factors, and established a reasonable evaluation mechanism. The Company has taken multifaceted measures, including diversification of internal remuneration structure, to motivate employees and attract high-quality human resources. These measures have helped the Company improve the overall performance, realized a sustainable development of the Company and made the Company more competitive in the market. The Company has actively explored and continuously deepened the income distribution system. In future, the Company will make a moderate adjustment to the remuneration system based on its performance, market situation and industry trend.

### 3. Training plan

In 2025, the Company kept taking in excellent talents, actively strengthened internal personnel training, established a sound training system and enhanced the professional development ability of employees. The Company has recorded a total of 9,888 training events, including 7,073 internal training session and 2,815 external training sessions, and recorded a total of about 150,000 class hours. These trainings have benefited a total of about 170,000 people. These trainings cover new employee training, job skill training, risk management training, quality and safety management training, food safety training, product knowledge training, anti-fraud training, general management training, certification training, safety training and reserve talent training.

### 4. Labor outsourcing

Applicable Not applicable

Total hours of labour outsourcing (hours)	1,338,698
Total remuneration paid for labour outsourcing (RMB)	32,772,375.00

## IX. Profit Distribution and Conversion of Capital Reserve into Share Capital

Formulation, execution or adjustments of profit distribution policy, especially cash dividend policy, during the Reporting Period

Applicable Not applicable

During the Reporting Period, in accordance with the *Company Law*, the relevant laws, regulations and normative documents including the China Securities Regulatory Commission's *Transitional Arrangements for the Implementation of Ancillary Institutional Rules to the New Company Law* and the *Guidelines for the Articles of Association of Listed Companies*, and taking into account the actual circumstances of the Company and its operational and management needs, the Company ceased to establish the Supervisory Committee and made corresponding amendments to the *Articles of Association*. The provisions in the *Articles of Association* relating to profit distribution were also amended accordingly. For details of such amendments, please refer to the announcement of the Company dated August 19, 2025 published on the designated information disclosure media, titled "*Announcement on the Cancellation of the Supervisory Committee and the Amendments to the Articles of Association and the Handling of Industrial and Commercial Change Registration*" (Announcement No. 2025-137). According to the *Articles of Association* as amended, the Company's profit distribution policy is as follows:

1. Principles of profit distribution: The Company's profit distribution policy shall focus on the reasonable investment return to investors, take into

account the sustainable development of the Company, reflect the strong awareness of rewarding shareholders, and maintain continuity and stability.

2. Form of profit distribution, proportion of cash dividends: The Company pays dividends in cash or by shares in a positive manner.

In particular, the cash dividend policy target is low normal dividend plus extra dividend. Where the Company's audited net profit is positive with no significant investment plan or significant cash expenditure in a year, the Company shall include the cash distribution in its profit distribution scheme for that year. The annual cash dividend of the Company shall not be less than 20% of the distributable profit realized in the current year (excluding the undistributed profit at the beginning of the year). Where available, the Company may distribute interim cash dividends. If the Company's revenue grows rapidly and the Board of Directors considers that the stock price of the Company does not match the size of the Company's share capital, it may plan for dividend distribution by stock while satisfying the above requirement for cash dividend distribution.

3. Interval for profit distribution: subject to the satisfaction of the cash dividend conditions stipulated in paragraph 4 below, the Company shall, in principle, pay cash dividends once a year, and the Board of Directors of the Company may propose interim cash dividends based on the profit status and capital demands of the Company. The Board of Directors of the Company shall, taking into account the characteristics of the industry in which it operates, its development stage, its own business model, its profitability level, and any plan of its significant capital expenditure, distinguish the following circumstances and propose a differentiated cash dividend policy in accordance with the procedures set forth in the Articles of Association of the Company:

(1) If the Company is in a maturity stage and has no plan of significant expenditure, the proportion of cash dividends in the overall profit distribution shall account for at least 80%;

(2) If the Company is in a maturity stage and has any plan of significant expenditure, the proportion of cash dividends in the overall profit distribution shall account for at least 40%;

(3) If the Company is in a growth stage and has any plan of significant expenditure, the proportion of cash dividends in the overall profit distribution shall account for at least 20%;

If it is difficult to distinguish the development stage of the Company and there are major capital expenditure arrangements, the profit distribution may be dealt with pursuant to the preceding item III.

The proportion of cash dividend in this profit distribution shall be the cash dividend divided by the sum of cash dividend and share dividend.

#### 4. Conditions for distributing cash dividends

(1) The remaining distributable profit of the Company is positive after the profit achieved in the current year is used for making up for the losses of previous years and making provision for surplus reserves.

(2) The auditor of the Company issues a standard unqualified audit report on the financial statements of the Company in the current year.

(3) The Company has no significant investment plans or significant cash expenditure.

Significant investment plan or significant cash expenditure means that the accumulative expenditure of the Company for the proposed external investment, assets acquisition or equipment purchase within the next twelve months reaches or exceeds 30% of the Company's latest audited net assets and exceeds RMB300 million.

5. Conditions for distributing stock dividends: where the Company is well-run, with rapid growth of operating revenue and net profit, and the Board of Directors believes that the Company is in the growth stage, the level of the Company's net assets is high and the stock price does not match the size of the share capital, it may propose a Plan for stock dividend distribution, subject to the consideration and approval at the General Meeting of the Company. Stock dividend may be distributed separately or in conjunction with cash dividend.

6. The Company can refrain from distributing profits when any of the following circumstances exist:

(1) The most recent year's audit report was unqualified or unqualified with a paragraph on material uncertainties related to going concern;

(2) Data from the most recent financial statements showed a gearing ratio of more than 70%;

(3) Net cash flows from operating activities for the period were negative;

(4) Other cases in which profit distribution is not appropriate.

Special explanation on cash dividend distribution policy	
Whether or not the policy is in compliance with the provisions of the Articles of Association or requirements of the resolutions of the General Meeting of the Company:	Yes
Whether or not the standard and proportion of dividends are clear and defined:	Yes
Whether or not the relevant decision-making process and mechanism are complete:	Yes
Whether or not the Independent Directors fully perform their duties and play their roles:	Yes

In case of not conducting cash dividend distribution, the Company shall disclose the specific reasons and the next steps to be adopted to enhance investor return level:	As the lithium battery separator industry remains in a period of profound adjustment and market competition is intense, the Company needs to make overall funding arrangements to cope with industry fluctuations and ensure stable operations. The Company is currently at a critical stage of its global expansion, and continuous capital investment is required for capacity expansion, research and development innovation and equipment upgrades. In addition, as the Company only turned losses into profits during the current year and its profit scale remains limited, in order to promote the sustained and healthy development of the Company, enhance its risk resistance capability and safeguard the long-term interests of all shareholders, and having taken into account the actual circumstances of the Company's operation and development, the Company proposes to retain the accumulated undistributed profits, which will be mainly used for capacity deployment, technological research and development, digital transformation and replenishment of working capital, so as to ensure the steady operation and long-term development of the Company.  In order to enhance returns to investors, the Company proposes that the General Meeting authorise the Board to formulate and implement the 2026 interim profit distribution plan, subject to the satisfaction of the conditions for cash dividend distribution and provided that it will not affect the normal operation and sustainable development of the Company, after taking into account various factors including the results for the relevant period and undistributed profits. The relevant proposal will be submitted, together with this annual report, to the 2025 Annual General Meeting of the Company for
Whether or not minority shareholders have the opportunity to voice their opinions and demands, and whether or not their legitimate rights and interests are fully protected:	Yes
If the cash dividend policy is adjusted or amended, whether or not the conditions and procedures are compliant and transparent:	Yes

The Company made a profit during the Reporting Period and the profit distributable to the shareholders of the parent Company was positive, but it did not put forward a plan for cash dividend distribution to shareholders

Applicable Not applicable

Reasons for not proposing a cash dividend distribution plan despite the profit recorded during the Reporting Period and positive profits available for distribution to shareholders at the parent company level	Proposed use and plan for utilisation of the Company's undistributed profits
As the lithium battery separator industry remains in a period of profound adjustment and market competition is intense, the Company needs to make overall funding arrangements to cope with industry fluctuations and ensure stable operations. The Company is currently at a critical stage of its global expansion, and continuous capital investment is required for capacity expansion, research and development innovation and equipment upgrades. In addition, as the Company only turned losses into profits during the current year and its profit scale remains limited, in order to promote the sustained and healthy development of the Company, enhance its risk resistance capability and safeguard the long-term interests of all shareholders, and having taken into account the actual circumstances of the Company's operation and development, the Board has formulated the 2025 profit distribution plan: no cash dividend will be distributed, no bonus shares will be issued and no capitalisation issue will be made from the capital reserve.	The Company proposes to retain the accumulated undistributed profits, which will be mainly used for capacity deployment, technological research and development, digital transformation and replenishment of working capital, so as to ensure the steady operation and long-term development of the Company.

Profit distribution and conversion of capital reserve to share capital during the Reporting Period Applicable Not applicable

There will be no cash dividends, no bonus shares, and no conversion of capital with provident fund for the year.

## X. Implementation of any Equity Incentive Plan, Employee Stock Ownership Scheme or Other Incentive Measures for Employees

Applicable Not applicable

### 1. Equity Incentive

As of the end of the Reporting Period, the Company's 2022 Share Option and Restricted Share Incentive Plan had been fully implemented, while the 2024 Restricted Share Incentive Plan remained in operation. Details are set out below:

#### (I) 2022 Share Option and Restricted Share Incentive Plan

1. On January 24, 2022, the 41st meeting of the Fourth Board of Directors of the Company considered and approved the *Proposal on the 2022 Stock Option and Restricted Share Incentive Plan (Draft) and its Summary*, the *Proposal on the Formulation of the Measures for the Administration of the Implementation and Evaluation of the 2022 Stock Option and Restricted Share Incentive Plan*, and the *Proposal on Requesting the General Meeting to Authorize the Board of Directors to Handle Matters Relating to Equity Incentives*. The independent directors expressed a concurring independent opinion with respect to the Incentive Plan and solicited proxy votes from all shareholders with respect to the Incentive Plan.

On January 24, 2022, the 35th meeting of the Fourth Supervisory Committee of the Company considered and approved the *Proposal on the 2022 Stock Option and Restricted Share Incentive Plan (Draft) and its Summary*, the *Proposal on the Formulation of the Measures for the Administration of the Implementation and Evaluation of the 2022 Stock Option and Restricted Share Incentive Plan*, and the *Proposal on Verifying the List of Incentive Recipients of the Company's 2022 Stock Option and Restricted Share Incentive Plan*.

For details, please refer to the *Announcement on Resolutions of the Forty-first Meeting of the Fourth Board of Directors* (Announcement No. 2022-012), the *Announcement on Resolutions of the Thirty-fifth Meeting of the Fourth Supervisory Committee* (Announcement No. 2022-018), and the *Announcement on the 2022 Share Option and Restricted Share Incentive Plan (Draft) (Corrected) of the Company* published by the Company on January 25, 2022 in the designated information disclosure media.

The Company published the names and titles of the incentive recipients under the Incentive Plan from January 26, 2022 to February 6, 2022 on its intranet OA system. The Supervisory Committee of the Company did not receive any objections from any organization or individual during the public announcement period. For details, please refer to the Supervisory Committee's *Verification Opinion on the List of Incentive Recipients under the 2022 Stock Option and Restricted Share Incentive Plan and Explanation of Public Announcement* (Announcement No. 2022-022), which was disclosed in the designated media for information disclosure on February 7, 2022.

On February 14, 2022, the second extraordinary general meeting of the Company for 2022 considered and approved the *Proposal on the 2022 Stock Option and Restricted Share Incentive Plan (Draft) and its Summary*, the *Proposal on the Formulation of the Measures for the Administration of the Implementation and Evaluation of the 2022 Stock Option and Restricted Share Incentive Plan*, and the *Proposal on Requesting the General Meeting to Authorize the Board of Directors to Handle Matters Relating to Equity Incentives*. The Company's implementation of the 2022 Stock Option and Restricted Share Incentive Plan was approved, and the Board of Directors was authorized to set the grant date, to grant stock options and restricted shares to incentive recipients when they become eligible, and to handle all matters necessary for the grant. For details, please refer to the *Announcement on the Resolutions of the Second Extraordinary General Meeting of 2022* (Announcement No. 2022-026) disclosed by the Company on February 15, 2022 in the designated information disclosure media.

The Company conducted a self-inspection on the trading of the Company's shares by the persons who have knowledge of the insider information of the Incentive Plan and the incentive recipients during the six months (i.e., from July 23, 2021 to January 24, 2022) prior to the public disclosure of the draft Incentive Plan (Draft). For details, please refer to the *Self-Investigation Report on the Trading of the Company's Shares by Incentive Recipients and Informants with Insider Information under the 2022 Stock Option and Restricted Share Incentive Plan* (Announcement No. 2022-027) disclosed by the Company in the designated information disclosure media on February 15, 2022.

2. On March 7, 2022, the Company held the 43rd Meeting of the Fourth Board of Directors and the 37th Meeting of the Fourth Supervisory Committee, which considered and approved the *Proposal to Adjust the List of Stock Option Incentive Recipients and the Number of Equity Granted under the 2022 Stock Option and Restricted Share Incentive Plan* and the *Proposal to Grant Stock Options to Incentive Recipients under the 2022 Stock Option and Restricted Share Incentive Plan*. The independent directors of the Company expressed an independent opinion of "Agree." The Supervisory Committee of the Company reviewed the list of incentive recipients on the date of grant of stock options and issued a verification opinion. For details, please refer to the *Announcement on Adjustment of the List of Stock Option Incentive Recipients and the Number of Equity Granted under the 2022 Stock Option and Restricted Share Incentive Plan* (Announcement No. 2022-034), the *Announcement on Grant of Stock Options to Incentive Recipients under the 2022 Stock Option and Restricted Share Incentive Plan* (Announcement No. 2022-035) and the *Verification Opinion of the Supervisory Committee on the List of Incentive Recipients on the Date of Grant of Stock Options under the 2022 Stock Option and Restricted Share Incentive Plan* (Announcement No. 2022-037) disclosed by the Company in the designated information disclosure media on March 8, 2022.

On March 14, 2022, the Company completed the registration of stock option grants under the 2022 Stock Option and Restricted Share Incentive Plan, granting 1,595,437 stock options to 877 incentive recipients. For details, please refer to the *Announcement on Completion of Registration of Stock Option Grants under the 2022 Stock Option and Restricted Share Incentive Plan* (Announcement No. 2022-040) disclosed by the Company on March 15, 2022 in the designated information disclosure media.

3. Pursuant to the authorization of the Board of Directors by the General Meeting in the *Proposal on Requesting the General Meeting to Authorize the Board of Directors to Handle Matters Relating to the Equity Incentive*, which was considered and approved by the Second Extraordinary General Meeting of 2022, on May 9, 2022, at the 49th meeting of the 4th Board of Directors and the 42nd meeting of the 4th Supervisory Committee of the Company, the *Proposal on the Adjustment of Matters Relating to Restricted Shares under the 2022 Stock Option and Restricted Share Incentive Plan* and the *Proposal on the Granting of Restricted Shares to Incentive Recipients under the 2022 Stock Option and Restricted Share Incentive Plan* were considered and approved. The independent directors of the Company expressed an independent opinion of "Agree." The Supervisory Committee of the Company reviewed the list of incentive recipients on the date of grant of restricted shares and issued a verification opinion. For details, please refer to the *Announcement Regarding Adjustment of Matters Related to Restricted Shares under the 2022 Stock Option and Restricted Share Incentive Plan* (Announcement No. 2022-085), the *Announcement on Grant of Restricted Shares to Incentive Recipients under the 2022 Stock Option and Restricted Share Incentive Plan* (Announcement No. 2022-086), and the *Verification Opinion of the Supervisory Committee on the List of Incentive Recipients on the Date of Grant of Restricted Shares under the 2022 Stock Option and Restricted Share Incentive Plan* (Announcement No. 2022-087) disclosed by the Company on May 10, 2022 in the designated information disclosure media.

On May 23, 2022, the Company completed the registration of restricted share grants under the 2022 Stock Option and Restricted Share Incentive Plan, granting 1,595,437 restricted shares to 826 incentive recipients. For details, please refer to the *Announcement on Completion of Registration of Restricted Share Grants under the 2022 Stock Option and Restricted Share Incentive Plan* (Announcement No. 2022-098) disclosed by the Company on May 24, 2022 in the designated information disclosure media.

4. On June 25, 2023, pursuant to the authorization of the second extraordinary meeting of 2022, the seventh meeting of the Fifth Board of Directors and the seventh meeting of the Fifth Supervisory Committee of the Company considered and approved the *Proposal on the Compliance with the Exercise Conditions of the First Exercise Period of the Company's 2022 Stock Option and Restricted Share Incentive Plan for Stock Options*, and the *Proposal to Adjust the Exercise Prices of Stock Options and Cancel Certain Stock Options under the 2022 Stock Option and Restricted Share Incentive Plan*, approving to cancel 123,477 stock options granted but not yet authorized for exercise for 90 persons. The independent directors of the Company expressed an independent opinion of "Agree." For details, please refer to the *Announcement on Adjustment of Stock Option Exercise Prices and Cancellation of Certain Stock Options under the 2022 Stock Option and Restricted Share Incentive Plan* (Announcement No. 2023-102), and the *Announcement Regarding Compliance with Exercise Conditions for the First Exercise Period of Stock Options under the Company's 2022 Stock Option and Restricted Share Incentive Plan* (Announcement No. 2023-103) disclosed by the Company on June 26, 2023 in the designated information disclosure media.

On July 3, 2023, the Company's cancellation of certain stock options was completed upon the examination and confirmation by CSDC Shenzhen Branch, and the total number of stock options cancelled this time was 123,477 units. For details, please refer to the *Announcement on the Completion of Cancellation of Certain Stock Options under the Company's 2022 Stock Option and Restricted Share Incentive Plan* (Announcement No. 2023-116) disclosed by the Company on July 4, 2023 in the designated information disclosure media.

5. On June 25, 2023, the seventh meeting of the Fifth Board of Directors and the seventh meeting of the Fifth Supervisory Committee of the Company considered and approved the *Proposal on the Repurchase and Cancellation of Certain Restricted Shares under the 2022*

*Stock Option and Restricted Share Incentive Plan* and the *Proposal Regarding the First Unlocking Period of Restricted Shares under the Company's 2022 Stock Option and Restricted Stock Incentive Plan Meeting the Conditions for Unlocking*. The conditions for unlocking the restricted shares during the first unlocking period of the Company's 2022 Stock Option and Restricted Share Incentive Plan were satisfied. It was approved to unlock 598,537 restricted shares held by 765 incentive recipients; and the Company was approved to repurchase and cancel 88,630 restricted shares held by 68 incentive recipients in aggregate. The independent directors of the Company expressed an independent opinion of "Agree." For details, please refer to the *Announcement on Repurchase and Cancellation of Certain Restricted Shares under the 2022 Stock Option and Restricted Share Incentive Plan* (Announcement No. 2023-104) and the *Announcement Regarding the First Unlocking Period of Restricted Shares under the Company's 2022 Stock Option and Restricted Stock Incentive Plan Meeting the Conditions for Unlocking* (Announcement No. 2023-105) disclosed by the Company on June 26, 2023 in the designated information disclosure media. The aforesaid repurchase and cancellation was considered and approved by the second extraordinary general meeting of the Company for 2023.

On June 30, 2023, the Company disclosed the *Suggestive Announcement on the Listing and Circulation of Shares in the First Unlocking Period of Restricted Shares under the Company's 2022 Stock Option and Restricted Share Incentive Plan* (Announcement No. 2023-114) in the designated information disclosure media. The 598,537 restricted shares unlocked during the first unlocking period of the Incentive Plan were listed on July 3, 2023.

On July 20, 2023, the Company disclosed the *Announcement on the Completion of the Repurchase and Cancellation of Certain Restricted Shares under the 2022 Stock Option and Restricted Share Incentive Plan* (Announcement No. 2023-123) in the designated information disclosure media. The Company completed the procedures for the repurchase and cancellation of 88,630 restricted shares at the CSDC Shenzhen Branch.

6. On March 18, 2024, the twenty-first meeting of the Fifth Board of Directors and the seventeenth meeting of the Fifth Supervisory Committee of the Company considered and approved the *Proposal on Cancellation of Part of the Stock Options under the 2022 Stock Option and Restricted Share Incentive Plan*, approving the Company to cancel 584,593 stock options granted to 794 incentive recipients but not exercised as of the expiration of the first exercise period. For details, please refer to the *Announcement on Cancellation of Certain Stock Options under the 2022 Stock Option and Restricted Share Incentive Plan* (Announcement No. 2024-047) disclosed by the Company on March 19, 2024 in the designated information disclosure media.

On March 26, 2024, the Company disclosed the *Announcement on the Completion of Cancellation of Certain Stock Options under the 2022 Stock Option and Restricted Share Incentive Plan* (Announcement No. 2024-050) in the designated information disclosure media. The Company completed the procedures for the cancellation of 584,593 stock options at CSDC Shenzhen Branch.

7. On June 6, 2024, the twenty-sixth meeting of the Fifth Board of Directors and the twenty-second meeting of the Fifth Supervisory Committee of the Company considered and approved the *Proposal on the Repurchase and Cancellation of Certain Restricted Shares and Adjustment of Repurchase Prices under the 2022 Stock Option and Restricted Share Incentive Plan* and the *Proposal on the Cancellation of Certain Stock Options under the 2022 Stock Option and Restricted Share Incentive Plan*. It was approved to repurchase and cancel an aggregate of 166,541 restricted shares held by 100 incentive recipients who have separated or demoted, and to cancel an aggregate of 152,320 stock options held by 103 incentive recipients who have separated or demoted. As the performance assessment requirements at the corporate level for the second unlocking period/exercise period of the Company's 2022 Stock Option and Restricted Share Incentive Plan were not met, it was agreed to repurchase and cancel an aggregate of 365,858 restricted shares held by 665 incentive recipients, and to cancel an aggregate of 362,513 stock options that had been granted to 691 incentive recipients but had not yet been exercised. Meanwhile, in view of the Company's 2022 annual equity distribution, 2023 semi-annual equity distribution and 2023 annual equity distribution, the repurchase price of the Company's restricted shares was adjusted accordingly in accordance with the relevant regulations and the Company's 2022 Stock Option and Restricted Share Incentive Plan. For details, please refer to the *Announcement on Cancellation of Certain Stock Options under the 2022 Stock Option and Restricted Share Incentive Plan* (Announcement No. 2024-127) and *Announcement on the Repurchase and Cancellation of Certain Restricted Shares under the 2022 Stock Option and Restricted Stock Incentive Plan and Adjustment of the Repurchase Price* (Announcement No. 2024-128) disclosed by the Company on June 7, 2024 in the designated information disclosure media. The restricted share repurchases and cancellation was considered and approved by the fifth extraordinary general meeting of the Company for 2024.

On June 18, 2024, the Company disclosed the *Announcement on the Completion of Cancellation of Certain Stock Options under the 2022 Stock Option and Restricted Share Incentive Plan* (Announcement No. 2024-133) in the designated information disclosure media. The Company completed the procedures for the cancellation of 514,833 stock options at CSDC Shenzhen Branch.

On September 10, 2024, the Company disclosed the *Announcement on the Completion of the Repurchase and Cancellation of Certain Restricted Shares* (Announcement No. 2024-202) in the designated information disclosure media. The Company completed the procedures for the repurchase and cancellation of 532,399 restricted shares at the CSDC Shenzhen Branch.

8. On December 13, 2024, at the 34th meeting of the Fifth Board of Directors and the 28th meeting of the Fifth Supervisory Committee of the Company, the *Proposal on the Repurchase and Cancellation of Certain Restricted Shares* and the *Proposal on the Cancellation of Certain Stock Options under the 2022 Stock Option and Restricted Share Incentive Plan* were considered and approved. It was approved to repurchase and cancel an aggregate of 18,638 restricted shares held by 37 departed incentive recipients, and to cancel an aggregate of 18,638 stock options granted but not yet authorized for exercise. For details, please refer to the *Announcement on Repurchase and Cancellation of Certain Restricted Shares* (Announcement No. 2024-243) and the *Announcement on Cancellation of Certain Stock Options under the 2022 Stock Option and Restricted Stock Incentive Plan* (Announcement No. 2024-244) disclosed by the Company on December 14, 2024 in the designated information disclosure media. The restricted share repurchases and cancellation was considered and approved by the tenth extraordinary general meeting of the Company for 2024.

On January 10, 2025, the Company disclosed the *Announcement on the Completion of the Cancellation of Certain Stock Options under the 2022 Stock Option and Restricted Share Incentive Plan* (Announcement No. 2025-009) in the designated information disclosure media. The Company completed the procedures for the cancellation of 18,638 stock options at CSDC Shenzhen Branch.

On March 22, 2025, the Company disclosed the *Announcement on the Completion of Repurchase and Cancellation of Certain Restricted Shares* (Announcement No. 2025-037) in the designated information disclosure media. The Company completed the procedures for the repurchase and cancellation of 18,638 restricted shares at CSDC Shenzhen Branch.

9. On January 2, 2025, at the 36th meeting of the Fifth Board of Directors and the 30th meeting of the Fifth Supervisory Committee of the Company, the *Proposal on the Repurchase and Cancellation of Certain Restricted Shares* and the *Proposal on the Cancellation of Certain Stock Options under the 2022 Stock Option and Restricted Share Incentive Plan* were considered and approved. It was approved to repurchase and cancel an aggregate of 17,197 restricted shares, being all or part of the restricted shares granted to 13 incentive recipients but not yet released from lock-up, and to cancel an aggregate of 14,877 stock options granted but not yet authorized for exercise. For details, please refer to the *Announcement on Repurchase and Cancellation of Certain Restricted Shares* (Announcement No. 2025-003) and the *Announcement on Cancellation of Certain Stock Options under the 2022 Stock Option and Restricted Stock Incentive Plan* (Announcement No. 2025-004) disclosed by the Company on January 3, 2025 in the designated information disclosure media. The restricted share repurchases and cancellation was considered and approved by the second extraordinary general meeting of the Company for 2025.

On January 10, 2025, the Company disclosed the *Announcement on the Completion of Cancellation of Certain Stock Options under the 2022 Stock Option and Restricted Share Incentive Plan* (Announcement No. 2025-009) in the designated information disclosure media. The Company completed the procedures for the cancellation of 14,877 stock options at CSDC Shenzhen Branch.

On March 22, 2025, the Company disclosed the *Announcement on the Completion of the Repurchase and Cancellation of Certain Restricted Shares* (Announcement No. 2025-037) in the designated information disclosure media. The Company completed the procedures for the repurchase and cancellation of 17,197 restricted shares at the Shenzhen Branch of China Securities Depository and Clearing Corporation Limited.

10. On April 22, 2025, at the 40th meeting of the Fifth Board of Directors and the 33rd meeting of the Fifth Supervisory Committee of the Company,

the *Proposal on the Repurchase and Cancellation of Certain Restricted Shares* and the *Proposal on the Cancellation of Certain Stock Options under the 2022 Stock Option and Restricted Share Incentive Plan* were considered and approved. As the performance assessment requirements at the corporate level for the third unlocking period of the Company's 2022 Stock Option and Restricted Share Incentive Plan were not met, it was agreed to repurchase and cancel an aggregate of 330,036 restricted shares granted to 624 incentive recipients but not yet released from lock-up. As the performance assessment requirements at the corporate level for the third exercise period of the Company's 2022 Stock Option and Restricted Share Incentive Plan were not met, it was agreed to cancel an aggregate of 329,019 stock options that had been granted to 650 incentive recipients but had not yet been exercised. For details, please refer to the *Announcement on Repurchase and Cancellation of Certain Restricted Shares* (Announcement No. 2025-058) and the *Announcement on Cancellation of Certain Stock Options under the 2022 Stock Option and Restricted Stock Incentive Plan* (Announcement No. 2025-059) disclosed by the Company on April 23, 2025 in the designated information disclosure media. The restricted share repurchases and cancellation was considered and approved by the annual general meeting of the Company for 2024.

On May 15, 2025, the Company disclosed the *Announcement on the Completion of the Cancellation of Certain Stock Options under the 2022 Stock Option and Restricted Share Incentive Plan* (Announcement No. 2025-083) in the designated information disclosure media. The Company completed the procedures for the cancellation of 329,019 stock options at CSDC Shenzhen Branch.

On August 2, 2025, the Company disclosed the *Announcement on the Completion of the Repurchase and Cancellation of Certain Restricted Shares* (Announcement No. 2025-121) in the designated information disclosure media. The Company completed the procedures for the repurchase and cancellation of 330,036 restricted shares at the Shenzhen Branch of China Securities Depository and Clearing Corporation Limited.

## (II) 2024 restricted share incentive plan

1. On February 2, 2024, the 19th meeting of the Fifth Board of Directors of the Company considered and approved the *Proposal on the 2024 Restricted Share Incentive Plan (Draft) and its Summary*, the *Proposal on the Formulation of the Measures for the Administration of the Implementation and Evaluation of the 2024 Restricted Share Incentive Plan*, and the *Proposal on Requesting the General Meeting to Authorize the Board of Directors to Handle Matters Relating to Equity Incentives*. The relevant proposals were considered and approved by the Remuneration and Appraisal Committee of the Board of Directors of the Company and the Special Meeting of Independent Directors.

On February 2, 2024, the 15th meeting of the Fifth Supervisory Committee of the Company considered and approved the *Proposal on the 2024 Restricted Share Incentive Plan (Draft) and Its Summary*, the *Proposal on the Formulation of the Measures for the Administration of the Implementation and Evaluation of the 2024 Restricted Share Incentive Plan*, and the *Proposal on Verifying the List of Incentive Recipients of the Company's 2024 Restricted Share Incentive Plan*. The Supervisory Committee of the Company verified and issued a verification opinion on matters relating to the Incentive Plan.

For details, please refer to the *Announcement on Resolutions of the 19th Meeting of the Fifth Board of Directors* (Announcement No. 2024-019), the *Announcement on Resolutions of the 15th Meeting of the Fifth Supervisory Committee* (Announcement No. 2024-024), and the *Announcement on the 2024 Restricted Share Incentive Plan of Yunnan Energy New Material Co., Ltd (Draft)* published by the Company on February 3, 2024 in the designated information disclosure media.

From February 6, 2024 to February 16, 2024, the names and positions of certain incentive recipients of the initial grant under the Restricted Share Incentive Plan were posted on the Company's bulletin board. During the public announcement period, the Supervisory Committee did not receive any objections to the list of incentive recipients under the Restricted Share Incentive Plan. On February 20, 2024, the Company disclosed in the designated information disclosure media the *Verification Opinion of the Supervisory Committee on the List of Incentive Recipients of the 2024 Restricted Share Incentive Plan and Explanation of Public Announcement* (Announcement No. 2024-034). On February 27, 2024, the Company disclosed the *Self-Investigation Report on the Trading of the Company's Shares by Incentive Recipients and Informants with Insider Information under the Restricted Share Incentive Plan* (Announcement No. 2024-037).

On February 26, 2024, the first extraordinary general meeting of the Company for 2024 considered and approved the *Proposal on the 2024 Restricted Share Incentive Plan (Draft) and Its Summary*, the *Proposal on the Formulation of the Measures for the Administration of the Implementation and Evaluation of the 2024 Restricted Share Incentive Plan*, and the *Proposal on Requesting the General Meeting to Authorize the Board of Directors to Handle Matters Relating to Equity Incentives*. For details, please refer to the *Announcement on the Resolutions of the First Extraordinary General Meeting for 2024* (Announcement No. 2024-038) disclosed by the Company on February 27, 2024 in the designated information disclosure media.

2. Pursuant to the authorization of the Board of Directors by the General Meeting in the *Proposal on Requesting the General Meeting to Authorize the Board of Directors to Handle Matters Relating to the Equity Incentive*, which was considered and approved by the First Extraordinary General Meeting of 2024, on May 16, 2024, at the 24th meeting of the 5th Board of Directors and the 20th meeting of the 5th Supervisory Committee of the Company, the *Proposal on the Adjustment of Matters Relating to Restricted Shares under the 2024 Restricted Share Incentive Plan* and the *Proposal on the Granting of Restricted Shares to Incentive Recipients* under the 2024 Restricted Share Incentive Plan were considered and approved. The Supervisory Committee of the Company verified the foregoing, reviewed the list of incentive recipients on the first grant date and expressed its verification opinion. Grandall Law Firm issued a legal opinion. For details, please refer to the *Announcement Regarding Adjustment of Matters Related to Restricted Shares under the 2024 Restricted Share Incentive Plan* (Announcement No. 2024-105), the *Announcement on Grant of Restricted Shares to Incentive Recipients under the 2024 Restricted Share Incentive Plan* (Announcement No. 2024-106), and the *Verification Opinion of the Supervisory Committee on the List of Incentive Recipients on the Date of Grant of Restricted Shares under the 2024 Restricted Share Incentive Plan* (Announcement No. 2024-109) disclosed by the Company on May 17, 2024 in the designated information disclosure media.

On May 22, 2024, the Company completed the registration of the initial grant of restricted shares under the 2024 Restricted Share Incentive Plan, granting 5,034,316 restricted shares to 140 incentive recipients. For details, please refer to the *Announcement on Completion of Registration of the First Grant under the 2024 Restricted Share Incentive Plan* (Announcement No. 2024-113) disclosed by the Company on May 23, 2024 in the designated information disclosure media.

3. On June 21, 2024, at the twenty-eighth meeting of the Fifth Board of Directors and the twenty-fourth meeting of the Fifth Supervisory Committee, the *Proposal on the Repurchase and Cancellation of Certain Restricted Shares under the 2024 Restricted Stock Incentive Plan and Adjustment of the Repurchase Price* was considered and adopted, approving to repurchase and cancel the 40,700 restricted shares held by the two separated incentive recipients. Meanwhile, in view of the Company's 2023 annual equity distribution, the repurchase price of the Company's restricted shares was adjusted accordingly in accordance with relevant regulations and the Company's 2022 Stock Option and Restricted Share Incentive Plan. For details, please refer to the *Announcement on Repurchase and Cancellation of Certain Restricted Shares under the 2024 Restricted Share Incentive Plan and Adjustment of Repurchase Price* (Announcement No. 2024-143) disclosed by the Company on June 22, 2024 in the designated information disclosure media. The matter was approved by the seventh extraordinary general meeting of the Company in 2024.

On September 10, 2024, the Company disclosed the *Announcement on the Completion of the Repurchase and Cancellation of Certain Restricted Shares* (Announcement No. 2024-202) in the designated information disclosure media. The Company completed the procedures for the repurchase and cancellation of 40,700 restricted shares at the CSDC Shenzhen Branch.

4. On December 13, 2024, the *Proposal on the Repurchase and Cancellation of Certain Restricted Shares* was considered and approved at the thirty-fourth meeting of the Fifth Board of Directors and the twenty-eighth meeting of the Fifth Supervisory Committee of the Company. It was agreed that a total of 45,600 restricted shares held by nine departed incentive recipients would be repurchased and cancelled. For details, please refer to the *Announcement on Repurchase and Cancellation of Certain Restricted Shares* (Announcement No. 2024-243) disclosed by the Company on December 14, 2024 in the designated information disclosure media. The matter was approved by the tenth extraordinary general meeting of the Company in 2024.

On March 22, 2025, the Company disclosed the *Announcement on the Completion of Repurchase and Cancellation of Certain Restricted Shares* (Announcement No. 2025-037) in the designated information disclosure media. The Company completed the procedures for the repurchase and cancellation of 45,600 restricted shares at CSDC Shenzhen Branch.

5. On January 2, 2025, at the 36th meeting of the Fifth Board of Directors and the 30th meeting of the Fifth Supervisory Committee of the Company, the *Proposal on the Repurchase and Cancellation of Certain Restricted Shares* was considered and approved. It was approved to repurchase and cancel an aggregate of 1,689,882 restricted shares, being part of the restricted shares granted to 11 incentive recipients but not yet released from lock-up. For details, please refer to the *Announcement on Repurchase and Cancellation of Certain Restricted Shares* (Announcement No. 2025-003) disclosed by the Company on January 3, 2025 in the designated information disclosure media. The matter was considered and approved by the second extraordinary general meeting of the Company for 2025.

On March 22, 2025, the Company disclosed the *Announcement on the Completion of the Repurchase and Cancellation of Certain Restricted Shares* (Announcement No. 2025-037) in the designated information disclosure media. The Company completed the procedures for the repurchase and cancellation of 1,689,882 restricted shares at the Shenzhen Branch of China Securities Depository and Clearing Corporation Limited.

6. On April 22, 2025, at the 40th meeting of the Fifth Board of Directors and the 33rd meeting of the Fifth Supervisory Committee of the Company, the *Proposal on the Repurchase and Cancellation of Certain Restricted Shares* was considered and approved. As the performance assessment requirements at the corporate level for the first unlocking period of the Company's 2024 Restricted Share Incentive Plan in respect of the first grant of restricted shares were not met, it was agreed to repurchase and cancel an aggregate of 580,946 restricted shares granted to 115 incentive recipients under the first grant but not yet released from lock-up. As 14 incentive recipients among the incentive recipients of the first grant of restricted shares under the Company's 2024 Restricted Share Incentive Plan had resigned or been demoted, it was agreed to repurchase and cancel an aggregate of 341,400 restricted shares granted to the 14 incentive recipients but not yet released from lock-up. For details, please refer to the *Announcement on Repurchase and Cancellation of Certain Restricted Shares* (Announcement No. 2025-058) disclosed by the Company on April 23, 2025 in the designated information disclosure media. The matter was considered and approved by the annual general meeting of the Company for 2024.

On August 2, 2025, the Company disclosed the *Announcement on the Completion of the Repurchase and Cancellation of Certain Restricted Shares* (Announcement No. 2025-121) in the designated information disclosure media. The Company completed the procedures for the repurchase and cancellation of 922,346 restricted shares at the Shenzhen Branch of China Securities Depository and Clearing Corporation Limited.

7. On May 13, 2025, at the 43rd meeting of the Fifth Board of Directors and the 35th meeting of the Fifth Supervisory Committee of the Company, the *Proposal on the Repurchase and Cancellation of Certain Restricted Shares* was considered and approved. As 4 incentive recipients among the incentive recipients of the first grant of restricted shares under the Company's 2024 Restricted Share Incentive Plan had resigned or had changes in position, it was agreed to repurchase and cancel an aggregate of 108,000 restricted shares granted to the 4 incentive recipients but not yet released from lock-up. For details, please refer to the *Announcement on the Repurchase and Cancellation of Certain Restricted Shares under the 2024 Restricted Share Incentive Plan* (Announcement No. 2025-076) disclosed by the Company on May 14, 2025 in the designated information disclosure media. The matter was considered and approved by the fourth extraordinary general meeting of the Company for 2025.

On August 2, 2025, the Company disclosed the *Announcement on the Completion of the Repurchase and Cancellation of Certain Restricted Shares* (Announcement No. 2025-121) in the designated information disclosure media. The Company completed the procedures for the repurchase and cancellation of 108,000 restricted shares at the Shenzhen Branch of China Securities Depository and Clearing Corporation Limited.

8. On December 30, 2025, at the 51st meeting of the Fifth Board of Directors of the Company, the *Proposal on the Repurchase and Cancellation of Certain Restricted Shares under the 2024 Restricted Share Incentive Plan* was considered and approved. As 11 incentive recipients among the incentive recipients of the first grant of restricted shares under the Company's 2024 Restricted Share Incentive Plan had resigned, it was agreed to repurchase and cancel an aggregate of 88,240 restricted shares granted to the 11 incentive recipients but not yet released from lock-up. For details, please refer to the *Announcement on the Repurchase and Cancellation of Certain Restricted Shares under the 2024 Restricted Share Incentive Plan* (Announcement No. 2025-221) disclosed by the Company on December 31, 2025 in the designated information disclosure media. The matter was considered and approved by the first extraordinary general meeting of the Company for 2026.

On March 27, 2026, the Company disclosed the *Announcement on the Completion of the Repurchase and Cancellation of Certain Restricted Shares* (Announcement No. 2026-042) in the designated information disclosure media. The Company completed the procedures for the repurchase and cancellation of 88,240 restricted shares at the Shenzhen Branch of China Securities Depository and Clearing Corporation Limited.

Equity incentives granted to the Company's Directors and senior management

Applicable Not applicable

Unit: Share

Name	Post	The number of stock options held at the beginning of the year	The number of newly granted stock options during the Reporting Period	The number of exercisable options during the Reporting Period	The number of exercised options during the Reporting Period	The exercise price of the number of options exercised during the Reporting Period (RMB per share)	The number of stock options held at the end of the period	The market price at the end of the Reporting Period (RMB per share)	The number of restricted shares held at the beginning of the period	The number of unlocked shares during the current period	The number of newly granted restricted shares during the Reporting Period	The grant price of restricted shares (RMB per share)	The number of restricted shares held at the end of the period
Ma Weihua	Director	0	0	0	0		0		30,000	0	0	24.59	24,000
Yu Xue	Vice General Manager	12,000	0	0	0		0		72,000	0	0	24.59	14,400
Li Jian	Chief Financial Officer (former)	0	0	0	0		0		60,000	0	0	24.59	0
Total	--	12,000	0	0	0	--	0	--	162,000	0	0	--	38,400
Remarks (if any)	<p>(1) As the performance assessment requirements at the corporate level for the first unlocking period of the Company's 2024 Restricted Share Incentive Plan in respect of the first grant of restricted shares were not met, 6,000 restricted shares held by Ma Weihua were repurchased and cancelled during the Reporting Period. As at the end of the Reporting Period, all restricted shares held by Ma Weihua were granted under the Company's 2024 Restricted Share Incentive Plan at the grant price of RMB24.59 per share.</p> <p>(2) As the assessment requirements at the corporate level for the third unlocking period under the Company's 2022 Share Option and Restricted Share Incentive Plan were not fulfilled, the performance assessment requirements at the corporate level for the first unlocking period in respect of the first grant of restricted shares under the Company's 2024 Restricted Share Incentive Plan were not fulfilled, and due to a change in position, 57,600 restricted shares held by Yu Xue were repurchased and cancelled during the Reporting Period. As at the end of the Reporting Period, all restricted shares held by Yu Xue were granted under the Company's 2024 Restricted Share Incentive Plan at the grant price of RMB24.59 per share.</p> <p>(3) All restricted shares held by Li Jian were granted under the Company's 2024 Restricted Share Incentive Plan at the grant price of RMB24.59 per share. As the performance assessment requirements at the corporate level for the first unlocking period in respect of the first grant of restricted shares under the 2024 Restricted Share Incentive Plan were not fulfilled and due to resignation, 60,000 restricted shares held by Li Jian were repurchased and cancelled during the Reporting Period.</p>												

#### Evaluation mechanism and incentive of senior management

The Company has established a complete performance evaluation system, and the income of senior management is linked to the overall operating performance. During the Reporting Period, the Board of Directors of the Company evaluated the work performance of senior management according to the annual operating performance of the Company, the job responsibilities of senior management and the completion of annual work objectives, and prepared incentive compensation plans for senior management according to the evaluation results. Such plans were submitted for review in accordance with regulations. The Company encouraged senior management with the equity incentive plan. The Company formulated implementation check-up management measures for all of the Company's equity incentive plans. The Company's check-up indicators are related to the Company's medium and long-term development strategies and annual business objectives. According to the relevant check-up methods, the Company conducted individual level performance assessment on the incentive recipients according to the key work performance, work ability, work attitude and other indicators, and finally determined the number of restricted shares or options that shall be unlocked by the incentive recipients based on the Company level and individual level assessment results.

## 2. Implementation of Employee Stock Ownership Plan

Applicable Not applicable

## 3. Other Employee Incentives

Applicable Not applicable

## XI. Internal Control System Construction and Implementation during the Reporting Period

### 1. Internal control construction and implementation

During the Reporting Period, the Company, in accordance with the *Basic Norms for the Internal Control of Enterprises* and related guidelines, updated and perfected its internal control system in due time, and established an internal control system featuring scientific design, simplicity, applicability, and effective running. The Audit Committee of the Board of Directors and internal audit department jointly formed the Company's risk management and internal control organization system to supervise and evaluate the internal control management of the Company. Through the operation, analysis and evaluation of the internal control system, the Company effectively prevented risks in operational management and promoted the fulfillment of internal control objectives.

During the Reporting Period, the Company organized and carried out the internal control evaluation for 2025 in accordance with the procedures prescribed under the enterprise internal control regulatory framework and the Company's internal control evaluation methodology. Based on the identification of material weaknesses in the Company's internal control, as at the reference date of the internal control evaluation report, the Company had no material weakness in internal control over financial reporting or non-financial reporting. The Board is of the view that the Company has maintained effective internal control over financial reporting and non-financial reporting in all material respects in accordance with the requirements of the enterprise internal control regulatory framework and the relevant provisions.

### 2. Details on material weakness in the Company's internal control during the Reporting Period

Yes No

## XII. The Company's Management and Control of Subsidiaries during the Reporting Period

The Company will continue to exercise management and supervision over the standardized operations, information disclosure, financial matters, and business operations of its subsidiaries in accordance with relevant laws, regulations, and institutional requirements such as the *Company Law* and the *Articles of Association*. This includes timely monitoring of significant events such as the financial status of subsidiaries to ensure lawful and compliant operations, asset security, the authenticity and completeness of financial reports and related information, thereby further enhancing the subsidiaries' operational management and risk management capabilities.

Whether there were any irregularities in the management and control over subsidiaries

Yes No

## XIII. Internal Control Assessment Report or Internal Control Audit Report

### 1. Assessment report on internal control

Disclosure date of the assessment report on internal control	April 23, 2026	
Disclosure index of the assessment report on internal control	2025 Assessment Report on Internal Control disclosed at www.cninfo.com.cn on April 23, 2026	
Ratio of total assets of the unit included in the assessment scope to the total assets on the Company's consolidated financial statements		100.00%
Ratio of operating revenue of the unit included in the assessment scope to the operating revenue on the Company's consolidated financial statements		100.00%
Defect identification criteria		
Type	Financial report	Non-financial report
Qualitative criteria	General defects: There is little possibility that a failure to take any action will result in potential misstatement, economic loss or unachieved business objectives. Material defects: There is some possibility that a failure to take any action will result in potential misstatement, economic loss or unachieved business objectives. Major defects: There is the possibility that a failure to take any action will result in potential misstatement, economic loss or unachieved business objectives.	General defects: There is little possibility that a failure to take any action will result in potential misstatement, economic loss or unachieved business objectives. Material defects: There is some possibility that a failure to take any action will result in potential misstatement, economic loss or unachieved business objectives. Major defects: There is the possibility that a failure to take any action will result in potential misstatement, economic loss or unachieved business objectives.
Quantitative criteria	General defects: < 0.25% of Total Assets, < 0.5% of Operating revenue; material defects: $\geq 0.25\%$ of Total Assets and < 1% of Total Assets, $\geq 0.5\%$ of Operating revenue and < 1.5% of Operating revenue; major defects: $\geq 1\%$ of Total Assets, $\geq 1.5\%$ of Operating revenue.	General defects: < 0.25% of Total Assets, < 0.5% of Operating revenue; material defects: $\geq 0.25\%$ of Total Assets and < 1% of Total Assets, $\geq 0.5\%$ of Operating revenue and < 1.5% of Operating revenue; major defects: $\geq 1\%$ of Total Assets, $\geq 1.5\%$ of Operating revenue.
Number of major defects in the financial report		0
Number of major defects in the non-financial report		0
Number of material defects in the financial report		0
Number of material defects in the non-financial report		0

## 2. Audit report on internal control

Applicable Not applicable

Audit opinion in the audit report on internal control	
In our opinion, Energy Technology maintained, in all material respects, effective internal control over financial reporting as of December 31, 2025, in accordance with the <i>Basic Norms for the Internal Control of Enterprises</i> and related provisions.	
Disclosure of the audit report on internal control	Disclosed
Disclosure date of the full audit report on internal control	April 23, 2026
Disclosure index of the audit report on internal control	The <i>Audit Report on Internal Control of Yunnan Energy New Material (Group) Co., Ltd.</i> (Da Hua Nei Zi [2026] No. 0011000064) disclosed by the Company at <a href="http://www.cninfo.com.cn">www.cninfo.com.cn</a> on April 23, 2026
Type of opinion in the audit report on internal control	Unqualified opinion
Whether there was any major defect in the non-financial report	No

Whether the accounting firm issued a qualified audit report on internal control or not: Yes No

Whether the audit report on internal control issued by the accounting firm is consistent with the self-assessment report from the Board of Directors or not: Yes No

Whether a non-standard audit opinion on internal control was issued for the Reporting Period or the previous year: Yes No

## XIV. Rectification of Problems Found in Self-Inspection of the Special Operation on Improving Corporate Governance of Listed Companies

Not applicable

## XV. Disclosure of Environmental Information

Whether the listed company and its major subsidiaries are included in the list of enterprises whose environmental information has been disclosed in accordance with the law

Yes No

Number of enterprises included in the list of enterprises whose environmental information has been disclosed in accordance with the law		Seven
No.	Name of enterprise	Inquiry index of reports on legal disclosure of environmental information
1	Shanghai Energy New Material Technology Co., Ltd.	Enterprise Environmental Information Disclosure System (Shanghai) <a href="https://e2.sthj.sh.gov.cn/jsp/view/hjpl/index.jsp">https://e2.sthj.sh.gov.cn/jsp/view/hjpl/index.jsp</a>
2	Wuxi Energy New Material Technology Co., Ltd.	Enterprise Environmental Information Disclosure System (Jiangsu) <a href="http://ywxt.sthjt.jiangsu.gov.cn:18181/spsarchive-webapp/web/viewRunner.html?viewId=http://ywxt.sthjt.jiangsu.gov.cn:18181/spsarchive-webapp/web/sps/views/yfpl/views/yfplHomeNew/index.js">http://ywxt.sthjt.jiangsu.gov.cn:18181/spsarchive-webapp/web/viewRunner.html?viewId=http://ywxt.sthjt.jiangsu.gov.cn:18181/spsarchive-webapp/web/sps/views/yfpl/views/yfplHomeNew/index.js</a>
3	Jiangxi Tony New Energy Technology Development Co., Ltd.	Enterprise Environmental Information Disclosure System (Jiangxi) <a href="http://qyhjxxyfpl.sthjt.jiangxi.gov.cn:15004/pilouxiangqing?id=1243953665132343296">http://qyhjxxyfpl.sthjt.jiangxi.gov.cn:15004/pilouxiangqing?id=1243953665132343296</a>
4	Zhuhai Energy New Material Technology Co., Ltd.	Department of Ecology and Environment of Guangdong Province -Enterprise Environmental Information Disclosure System <a href="https://gdee.gd.gov.cn/gdeepub/front/dal/dal/newindex">https://gdee.gd.gov.cn/gdeepub/front/dal/dal/newindex</a>
5	Yunnan Hongchuang Packaging Co., Ltd.	Enterprise Environmental Information Disclosure System (Yunnan) <a href="http://183.224.17.39:10097/ynyfpl/frontal/index.html#/home/overview">http://183.224.17.39:10097/ynyfpl/frontal/index.html#/home/overview</a>
6	Chongqing Energy New Material Technology Co., Ltd.	Enterprise Environmental Information Disclosure System (Chongqing) <a href="http://183.66.66.47:10001/eps/index/enterprise-more?code=91500115MA61C9JG0H&amp;uniqueCode=541a39dac7a44d25&amp;date=2024&amp;type=true&amp;isSearch=true">http://183.66.66.47:10001/eps/index/enterprise-more?code=91500115MA61C9JG0H&amp;uniqueCode=541a39dac7a44d25&amp;date=2024&amp;type=true&amp;isSearch=true</a>
7	Chongqing Energy Newmi Technological Co., Ltd.	Enterprise Environmental Information Disclosure System (Chongqing) <a href="http://183.66.66.47:10001/eps/index/enterprise-more?code=91500115699296852F&amp;uniqueCode=595ee1ee4f758e81&amp;date=2025&amp;type=true&amp;isSearch=true">http://183.66.66.47:10001/eps/index/enterprise-more?code=91500115699296852F&amp;uniqueCode=595ee1ee4f758e81&amp;date=2025&amp;type=true&amp;isSearch=true</a>

The Company shall comply with the disclosure requirements for the chemical industry set forth in the *Self-Regulatory Guidelines No. 3 for Companies Listed on Shenzhen Stock Exchange – Industry Information Disclosure*

Information about environmental accidents occurring in the listed company: None

## **XVI. Social Responsibility**

For details, please refer to the *Environmental, Social and Governance Report 2025 (ESG report)* disclosed by the Company at [www.cninfo.com.cn](http://www.cninfo.com.cn) on April 23, 2026.

## **XVII. Information about Efforts to Consolidate and Extend the Achievements of Poverty Alleviation and Rural Revitalization**

Through a range of public welfare initiatives, we have actively engaged in rural development, connecting urban and rural areas with goodwill and making a steady contribution to the revitalization of rural areas. Providing stable employment opportunities for rural workers is a vital means of consolidating the achievements of poverty alleviation, stimulating the development of county-level economies, and supporting the national rural revitalization strategy. We have actively carried out targeted recruitment assistance. As of the end of the Reporting Period, we had recruited a total of 149 employees whose registered residence is in former nationally designated poverty-stricken counties (60 in Yunnan, 48 in Hubei, 5 in Jiangxi, and 36 in Chongqing). This has not only brought a diverse workforce to us but has also consolidated the achievements of poverty alleviation and strengthened the endogenous momentum of these counties, achieving an effective integration of corporate development with rural revitalization.

## Section 5 Significant Events

### I. Performance of commitments

#### 1. Commitments of the Company's actual controller, shareholders, related parties and acquirer, as well as the Company and other commitment makers performed during the Reporting Period or ongoing at the end of the Reporting Period

Applicable Not applicable

Commitment	Commitment made by	Type of commitment	Details of commitment	Time of commitment	Term of commitment	Performance of commitment
Commitments made during asset restructuring	The Company and all directors, supervisors and senior management	Commitment to submit true, accurate and complete information	1. There are no false records, misleading statements or major omissions in the information disclosed and application documents submitted by Energy Technology, and those making the commitments shall be jointly and severally liable for the authenticity, accuracy and integrity of such documents 2. If the information provided or disclosed for this major assets restructuring contains false records, misleading statements or major omissions, and is put on file by the judicial organ for investigation or by the CSRC for investigation, before the conclusion of the investigation is made, those making the commitments will not transfer the shares with interests in Energy Technology, and will submit the application for suspending the transfer and share accounts to the Board of Directors of the Energy Technology within two trading days after receiving the notice of the investigation, and the Board of Directors shall apply for lockup to the stock exchange and the registration and clearing company on behalf of those making the commitments; if the Board of Directors fails to submit the lockup application within two trading days, it will authorize the Board of Directors to directly submit the identity and account information of those making the commitments to the stock exchange and the registration and clearing company after verification and apply for lockup; if the Board of Directors fails to submit the identity and account information of those making the commitments to the stock exchange and the registration and clearing company, those making the commitments will authorize the stock exchange and the registration and clearing company to directly lock up the related shares. If the investigation found that there is any violation of laws or regulations, those making the commitments promise to use voluntarily the shares locked up to compensate the related investors.	June 13, 2017	Long term	Strictly performed
	The Company	Commitment on legal compliance	1. The Company and its controlling shareholder and actual controller have not been investigated by judicial authorities for suspected crimes or investigated by the CSRC for suspected violations of laws and regulations in recent 3 years; 2. the Company and its controlling shareholders and actual controllers have not been publicly censured by the stock exchange and have no other major acts of dishonesty in the past 12 months; 3. The Company and its incumbent directors and senior management have not been investigated by judicial authorities for suspected crimes or investigated by the CSRC for suspected violations of laws and regulations.	June 13, 2017	Long term	Strictly performed
	Directors and senior management of the Company	Commitment on dilution of current return and remedial measures	1. I hereby commit neither to tunnel to other units or individuals without compensation or under unfair conditions, nor to damage the Company's interests in other ways. 2. I hereby commit to restrict my position-related consumption activities. 3. I hereby commit not to use the Company's assets for investment and consumption activities not related to execution of my duties. 4. I hereby commit to link the remuneration system formulated by the Board of Directors or the Remuneration Committee or Assessment Committee of the Company with the execution of the return recovery measures. 5. I hereby commit to link the vesting conditions with the implementation of the return recovery measures if the Company will implement any share incentive scheme in the future. 6. Since the date of this commitment up to completion of this major asset restructuring, if the CSRC imposes other new regulatory requirements in relation to the return recovery measures and its commitments and such commitments cannot meet such rules of the CSRC, I commit to issue supplemental undertakings in accordance with the latest requirements of the CSRC.	May 25, 2017	Long term	Strictly performed
	Counterparty	Commitment to submit true, accurate and complete information	The counterparty will timely provide Energy Technology with information related to restructuring, and guarantee the authenticity, accuracy and completeness of the information provided. In case of any false record, misleading statement or major omission of the information provided, resulting in any loss to Energy Technology or investors, it shall be liable for compensation according to law. In case of any false record, misleading statement or major omission in the information provided or disclosed in this material assets restructuring, which is put on file by the judicial organ for investigation or by the CSRC for investigation, the counterparty will suspend the transfer of the shares with interests in Energy Technology	June 13, 2017	Long term	Strictly performed

			until the case investigation conclusion is clear.			
Counterparty	Commitment on legal compliance	1. Gao Xiang was the CFO of Shanghai Lvxin Packaging Materials Co., Ltd. (Shunhao). Due to Shunhao's failure to disclose related party transactions with related natural persons according to law, in violation of the relevant provisions on information disclosure in the Securities Law and the Administrative Measures for Information Disclosure of Listed Companies, on July 27, 2016, Shanghai Securities Regulatory Bureau issued a warning to Shunhao and related parties, including Gao Xiang, and imposed an administrative penalty of RMB30,000 on Gao Xiang; on January 5, 2017, Shenzhen Stock Exchange made the Decision on Criticism to Shanghai Shunhao New Material Technology Co., Ltd. and Related Parties through Circulating Notices, and circulated notification of criticism to Shunhao and related parties, including Gao Xiang. In addition, other counterparties have not been subject to administrative or criminal penalties related to the securities market in the past five years, and have not involved in major civil litigation or arbitration related to economic disputes. 2. Counterparties are eligible to purchase shares not publicly offered by Energy Technology, and are not under any circumstances where they are not allowed to purchase shares not publicly offered by Energy Technology as stipulated by laws, regulations, rules or normative documents. 3. Over the last five years, the counterparties have not failed to repay a large amount of debts as scheduled, failed to fulfill their declaration, been subject to administrative measures by the CSRC or disciplined by the stock exchange and there are no ongoing or threatened administrative or judicial proceedings for investigation against my material violation of laws or regulations.	June 13, 2017	Long term	Strictly performed	
Counterparty	Commitment on integrity of asset ownership	1. Shares of Shanghai Energy held by counterparties according to law. The counterparty has performed its contribution obligation to Shanghai Energy in accordance with the law, and there is no false contribution, delayed contribution, withdrawal of capital and other acts in violation of its obligations and responsibilities as a shareholder, and there is no situation that may affect the legal survival of Shanghai Energy. 2. The equity of Shanghai Energy held by the counterparty is actually legally owned. There is no ownership dispute, there is no trust, entrusted shareholding or similar arrangement, and there is no pledge, freezing, sealing, property preservation or other rights restrictions on the equity of Shanghai Energy held by the counterparty.	June 13, 2017	Long term	Strictly performed	
Counterparty	Commitment on no insider trading	I/the enterprise and its main management do not leak any insider information of Energy Technology or leverage insider information to conduct insider trading. If the above commitments are violated, all losses caused to the listed company will be borne.	June 13, 2017	Long term	Strictly performed	
Heyi Investment, Paul Xiaoming Lee family	Commitment to regulate related party transactions	After the completion of the major asset restructuring, the enterprises that are controlled by those making the commitments will avoid and reduce the related party transactions with Energy Technology as far as possible. For those related party transactions that cannot be avoided or have reasonable reasons, the enterprises that are controlled by those making the commitments will sign agreements with Energy Technology and perform legal procedures in accordance with the principles of justice, fairness and compensation for equal value, and shall, in accordance with the provisions of relevant laws, regulations, other normative documents and the Articles of Association of Yunnan Energy New Material Co., Ltd., perform relevant internal decision-making approval procedures in accordance with the law and timely perform information disclosure obligations, guarantee not to trade with Energy Technology under unfair conditions compared with the market, guarantee not to illegally transfer the funds and profits of Energy Technology by using related party transactions, and do not use such transactions to engage in any behavior that damages the legitimate rights and interests of Energy Technology and other shareholders. If a breach of the above commitment results in damage to the interests of Energy Technology, those making the commitments will compensate the Energy Technology for the losses caused by the above acts to Energy Technology.	June 13, 2017	Long term	Strictly performed	
Heyi Investment, Paul Xiaoming Lee family	Commitment to avoid horizontal competition	1. At present, those making the commitments are not directly or indirectly engaged in the same or similar business with the existing business of Energy Technology or Shanghai Energy through other operating entities directly or indirectly controlled by it or in the name of natural person, and do not hold any position or act as any kind of consultant in any operating entity with the main business same as or similar to that in Energy Technology or Shanghai Energy, or engage in any other competition with Energy Technology or Shanghai Energy. 2. The commitment maker guarantees that after the completion of this major asset restructuring, it will not carry out or operate the same or similar business with the main business of Energy Technology or Shanghai Energy in its own way, directly or indirectly through other business entities under its direct or indirect control; do not hold any position or act as any kind of consultant in any operating entity with the same or similar business with Energy Technology or Shanghai Energy; do not provide technical services for existing customers of Energy Technology or Shanghai Energy in the name of other than Energy Technology or Shanghai Energy; avoid any horizontal competition. 3. If any loss is caused to Energy Technology or Shanghai Energy due to the commitment maker's breach of the above commitments, the operating profit obtained shall be owned by Energy Technology and all losses suffered by Energy Technology or Shanghai Energy shall be compensated.	June 13, 2017	Long term	Strictly performed	
Heyi Investment, Paul Xiaoming Lee family	Commitment on ensuring the independence of the listed	Before this major asset restructuring, Energy Technology has been completely separated from other enterprises controlled by the commitment maker in terms of business, assets, institutions, personnel and finance. Energy Technology's business, assets, institutions, personnel and finance are independent. After the completion of this major asset restructuring, the commitment maker undertakes not to use the identity of the controlling shareholder or actual controller of Energy	June 13, 2017	Long term	Strictly performed	

	company	Technology to affect the independence of Energy Technology, and to ensure the independence of Energy Technology in business, assets, institutions, personnel and finance as far as possible.			
Paul Xiaoming Lee family	Commitment on the existence of previous administrative penalty	There were administrative punishments in fire control and water affairs in Shanghai Energy. As of the date of this letter of commitment, Shanghai Energy and its subsidiaries do not have any administrative penalty that has not been implemented or rectified. In November 2015, Shanghai Pudong New Area Administration of Work Safety ordered Shanghai Energy to rectify the three dichloromethane storage tanks within a time limit. Shanghai Energy has completed the rectification, but has not completed the safety acceptance after the rectification. If the relevant competent departments in the local place where Shanghai Energy and its subsidiaries are located in have made administrative punishment to Shanghai Energy and its subsidiaries for fire control, water service or the three dichloromethane tanks at any time, the commitment maker promises to make cash compensation for all economic losses suffered by Shanghai Energy or its subsidiaries within 30 days after the actual punishment or loss amount is determined, so as to ensure that it will not have a material impact on the production, operation and financial situation of Shanghai Energy and its subsidiaries. Joint and several liability shall be borne by those making the commitments.	May 25, 2017	Long term	Strictly performed
Li Xiaohua	Commitment on capital source of Shanghai Energy	Although I hold the certificate of permanent residence right of the United States, I have not changed my nationality, I am still a Chinese nationality; my own investment in Shanghai Energy is all China's income, and does not involve the contribution of foreign exchange or foreign assets.	June 13, 2017	Long term	Strictly performed
Shanghai Hengzou Enterprise Management Firm (Limited Partnership (formerly known as Zhuhai Hengjie Enterprise Management Firm (Limited Partnership))	Commitment of the enterprise not belonging to private investment funds or a private fund manager	This enterprise is the employee stock ownership platform of Shanghai Energy, and the enterprise does not exist to raise funds in a non-public way to qualified investors. There is no asset management by the fund manager or general partner, nor does it serve as the manager of any private equity fund. Therefore, the enterprise does not belong to the private investment fund or a private fund manager in the <i>Interim Measures for the Supervision and Administration of Private Investment Funds</i> and the <i>Measures for the Registration and Filing of Private Investment Fund Managers (for Trial Implementation)</i> , and does not need to follow the <i>Interim Measures for the Supervision and Administration of Private Investment Funds</i> and the <i>Measures for the Registration and Filing of Private Investment Fund Managers (for Trial Implementation)</i> and other relevant laws and regulations to fulfill the registration and filing procedures.	June 13, 2017	Long term	Strictly performed
Kunming Huachen Investment Co., Ltd	Commitment of the enterprise not belonging to private investment funds or a private fund manager	The Company is not established by raising funds from qualified investors in a non-public way, or doesn't have the assets managed by the fund manager or the general partner, or act as the manager of any private investment fund. Therefore, the Company does not belong to the private investment funds or a private fund manager in the <i>Interim Measures for the Supervision and Administration of Private Investment Funds</i> and the <i>Measures for the Registration and Filing of Private Investment Fund Managers (for Trial Implementation)</i> , and does not need to follow the <i>Interim Measures for the Supervision and Administration of Private Investment Funds</i> and the <i>Measures for the Registration and Filing of Private Investment Fund Managers (for Trial Implementation)</i> and other relevant laws and regulations to fulfill the registration and filing procedures.	June 13, 2017	Long term	Strictly performed
Paul Xiaoming Lee, Li Xiaohua	Non-competition commitment	During the term of office of Shanghai Energy or within 2 years after the resignation of Shanghai Energy, it will not directly or indirectly operate the same or similar business with Energy Technology or Shanghai Energy on its own or in the name of others, nor will it hold any post or provide any service in entities with the same or similar business with Energy Technology or Shanghai Energy; if they violate the aforesaid non-competition commitment, they shall pay a penalty of RMB5 million to Energy Technology, and shall turn over all the operating profits, wages, remuneration and other income earned by them due to the violation of the commitment to Energy Technology. If the aforesaid compensation still cannot make up for Energy Technology, Energy Technology has the right to request the breach party to be liable for the loss suffered by Energy Technology.	May 2, 2017	Long term	Strictly performed
Paul Xiaoming Lee, Li Xiaohua	Commitment on no part-time work	During the term of office at Shanghai Energy, without the consent of Energy Technology, it is not allowed to work part-time (except for directors and supervisors) in other companies, and the income violating the prohibition of concurrent operation shall be owned by Energy Technology.	May 2, 2017	Long term	Strictly performed
Jerry Yang Li	Commitment to ensure the independence of listed companies	Due to the death of Ms. Wang Yuhua, a member of Paul Xiaoming Lee's family who is the shareholder and actual controller of the Company, I, as one of the heirs, inherited 10,416,022 shares of the Company held by her according to her will and the contribution of the Company's controlling shareholder Heyi Investment of RMB17.955 million. After succession, I directly and indirectly hold 54,655,167 shares of the Company through Heyi Investment, accounting for 11.53% of the total share capital of the Company. My directly held shares are acquired by Ms. Wang Yuhua as one of counterparties, through purchasing the equity of Shanghai Energy through issuing shares of the Company. Therefore, with regard to the independence of listed companies involved in this restructuring, I hereby make the following confirmation and commitment: before this restructuring, Shanghai Energy has been completely separated from other enterprises under	October 25, 2018	Long term	Strictly performed

			my control in terms of business, assets, institutions, personnel and finance, and Shanghai Energy's business, assets, institutions, personnel and finance are independent. After the completion of this restructuring, I promise not to use the identity of the actual controller of the listed company to affect the independence of the listed company, and to ensure the independence of the listed company in business, assets, institutions, personnel and finance as far as possible.			
	Jerry Yang Li	Commitment on regulating related party transactions	Due to the death of Ms. Wang Yuhua, a member of Paul Xiaoming Lee's family who is the shareholder and actual controller of the Company, I, as one of the heirs, inherited 10,416,022 shares of the Company held by her according to her will and the contribution of the Company's controlling shareholder Heyi Investment of RMB17.955 million. After succession, I directly and indirectly hold 54,655,167 shares of the Company through Heyi Investment, accounting for 11.53% of the total share capital of the Company. My directly held shares are acquired by Ms. Wang Yuhua as one of counterparties, through purchasing the equity of Shanghai Energy through issuing shares of the Company. To reduce and standardize the related party transactions that may occur with the listed company, I hereby make the following commitments: after the completion of this restructuring, the enterprises under my control will avoid and reduce the related party transactions with the listed company as much as possible. For the related party transactions that cannot be avoided or have reasonable reasons, the enterprises under my control will follow the principles of justice, fairness, equal value and compensation with the listed company in accordance with the law sign the agreement, perform the legal procedures, and in accordance with the provisions of relevant laws, regulations, other normative documents and the Articles of Association of Yunnan Energy New Material Co., Ltd., perform the relevant internal decision-making approval procedures in accordance with the law and timely perform the obligation of information disclosure, ensure that transactions with listed companies will not be conducted in an unfair manner compared with the market, and that the funds and profits of listed companies should not be transferred illegally by related party transactions, nor will they engage in any act that damages the legitimate rights and interests of listed companies and other shareholders. If there is any violation of the above commitments, resulting in damages to the interests of the listed company, I will compensate the listed company for the losses caused by the foregoing behavior to the listed Company.	October 25, 2018	Long term	Strictly performed
	Jerry Yang Li	Commitment on avoiding horizontal competition	Due to the death of Ms. Wang Yuhua, a member of Paul Xiaoming Lee's family who is the shareholder and actual controller of the Company, I, as one of the heirs, inherited 10,416,022 shares of the Company held by her according to her will and the contribution of the Company's controlling shareholder Heyi Investment of RMB17.955 million. After succession, I directly and indirectly hold 54,655,167 shares of the Company through Heyi Investment, accounting for 11.53% of the total share capital of the Company. My directly held shares are acquired by Ms. Wang Yuhua as one of counterparties, through purchasing the equity of Shanghai Energy through issuing shares of the Company. Therefore, To protect the legitimate rights and interests of the listed company and other shareholders and avoid horizontal competition with the listed company, I hereby make the following solemn commitment: 1. At present, I have not directly or indirectly engaged in the same or similar business with the existing business of the listed company or Shanghai Energy through other business entities directly or indirectly controlled by me or in the name of natural persons, have not held any position or acted as any kind of consultant in any business entity with the same or similar main business as the listed company or Shanghai Energy, or any other situation of horizontal competition with the listed company or Shanghai Energy. 2. I guarantee that after the completion of this transaction, I will not carry out or operate the same or similar business with the main business of the listed company and Shanghai Energy through other business entities directly or indirectly controlled by myself, directly or indirectly; I will not hold any position or serve as any form of consultant in any business entity with the same or similar business with the listed company or Shanghai Energy; do not provide technical services for listed companies or existing customers of Shanghai Energy in the name of listed companies or other than Shanghai Energy; avoid any horizontal competition. 3. If any loss is caused to the listed company or Shanghai Energy due to my violation of the above commitments, the operating profit obtained shall be owned by the listed company and all losses suffered by the listed company or Shanghai Energy shall be compensated.	October 25, 2018	Long term	Strictly performed
Commitments made at the time of IPO or refinancing	The Company, controlling shareholders and the actual controller, directors, supervisors and senior management	Commitment on authenticity, accuracy and completeness of documents related to IPO	(I). Company's commitment: 1. there are no false records, misleading statements or major omissions in the prospectus of the Company's initial public offering. 2. If any competent authority finds that the initial prospectus issued by the Company has false records, misleading statements or major omissions, which will make a significant and substantial impact on judging whether it meets the requirements of the law, the Company will repurchase all the new shares of the IPO in accordance with the law. 3. Within 10 trading days after the competent authority determines that the prospectus of the Company has false records, misleading statements or major omissions that have a significant and substantial impact on the judgment of whether the Company complies with the issuance conditions stipulated by the law, the Board of Directors of the Company shall formulate the share repurchase plan and submit it to the General Meeting for consideration and approval, and after it is approved, reviewed or filed by the relevant competent department (if necessary), share repurchase measures will be started, and all new shares of the initial public offering will be repurchased according to law; the repurchase price (in case of ex-right and ex-dividend due to cash dividend, share distribution, conversion to share capital and new share issuance, the right shall be restored in accordance with the relevant provisions of Shenzhen Stock Exchange, the same below) shall be determined according to relevant laws and regulations, and shall not be lower than the	September 14, 2016	Long term	Strictly performed

			<p>issuance price of the initial public offering shares. 4. If the prospectus of the Company's initial public offering contains false records, misleading statements or major omissions, which causes investors to suffer losses in securities trading, the Company will compensate investors for losses according to law. (II). Commitment of the controlling shareholder and actual controller of the Company: 1. there are no false records, misleading statements or major omissions in the prospectus of the Company's initial public offering. 2. If any competent authority determines that there are false records, misleading statements or major omissions in the prospectus of the Company's initial public offering, which have a significant and substantial impact on the judgment of whether it meets the issuance conditions prescribed by law, Heyi Investment and the family will buy back the transferred original restricted shares according to law; Heyi Investment and the family will formulate the share repurchase plan within 10 trading days after the above matters are identified, the original restricted shares issued by the Company's shareholders at the time of initial public offering shall be repurchased in accordance with the law by means of centralized bidding transaction in secondary market, bulk transaction, agreement transfer, tender offer, etc. The repurchase price is determined according to the negotiated price or secondary market price, but not lower than the original transfer price and the price determined according to relevant laws and regulations and regulatory rules. If Heyi Investment and the family buy back the original restricted shares that have been transferred to trigger the tender offer conditions, Heyi Investment and the family will perform the tender offer procedures in accordance with the law and perform the corresponding information disclosure obligations. 3. If the prospectus of the Company's initial public offering contains false records, misleading statements or major omissions, which causes investors to suffer losses in securities trading, Heyi Investment and the family will compensate investors for losses according to law. (III). Commitment of directors, supervisors and senior managers of the Company: 1. the prospectus of the issuer's initial public offering doesn't contain false records, misleading statements or major omissions, and I am jointly and severally liable for its authenticity, accuracy and completeness. 2. If the prospectus of the issuer's initial public offering contains false records, misleading statements or major omissions, which causes investors to suffer losses in securities trading, I will compensate investors for losses according to law.</p>			
	<p>Controlling shareholder, actual controller, and Shanghai Guohe Modern Services Equity Investment Fund Partnership (Limited Partnership)</p>	<p>About shareholding intention and reduction intention</p>	<p>(I). Commitment of controlling shareholders and actual controllers' shareholding intention and reduction intention: 1. as the controlling shareholder and actual controller of the Company, Heyi Investment and the family hold the Company's shares in strict accordance with the provisions of laws, regulations, normative documents and regulatory requirements, and abide by the share locking period; after the expiration of the locking period, the Company's shares held by Heyi Investment and the family's reduction shall comply with the requirements of relevant laws, regulations, normative documents and rules of the stock exchange; 2. Heyi Investment and the family shall not reduce the shares of the Company directly held within three years after the Company's listing; after the Company's listing for three years, the shares of the Company directly held by Heyi Investment and the family transferred each year shall not exceed 25% of the total shares of the Company directly or indirectly held by them. 3. Within two years after the expiration of the equity lock-in period promised by Heyi Investment and the family, the shares of the Company shall be reduced at a price not lower than the issue price of the Company's initial public offering shares (in case of ex-right and ex-dividend matters, the issue price shall be treated as ex-right and ex-dividend accordingly). Within two years after the expiration of the lock-up period, the total number of shares held by Heyi Investment and the family shall not exceed 30% of the total shares held by Heyi Investment and the family directly or indirectly before the issuance. 4. Within two years after the expiration of the shareholding lock-in period of Heyi Investment and the family's commitment, the price of shares of the Company reduced by Heyi Investment and the family through the secondary market will be determined according to the market price at that time on the premise of meeting the commitments made by Heyi Investment and the family, and the specific reduction plan will be formulated according to the market situation at that time. 5. Heyi Investment and the family promise to make an announcement through the Company three trading days in advance when carrying out the reduction, and complete the announcement within six months, and fulfill the obligation of information disclosure accurately and completely in accordance with the rules of the stock exchange. (II). Shanghai Guohe's commitment to shareholding intention and reduction intention: 1. Within two years after the expiration of the shareholding locking period promised by the Company, the Company intends to reduce its shareholding by means of, including but not limited to, centralized competitive trading in the secondary market, block trading, agreement-based transfer, etc. The reduction price will not be lower than the price of net assets per share, and the specific reduction price will be determined according to the market price at the time of the reduction on the premise of meeting the commitments made by the Company; the specific reduction plan will be based on the market conditions at that time. The specific reduction plan will be formulated in accordance with the market conditions and the operating condition of the Company. 2. The enterprise commits that it will make an announcement through the Company three days ahead of schedule in the implementation of the reduction. At the same time, it will fulfill the obligation of information disclosure accurately and completely in accordance with the rules of the stock exchange, except when it holds shares less than 5% equity of the Company. 3. The enterprise will strictly fulfill the above commitments, and promise to abide by the following binding measures: (1) if it fails to fulfill the above commitments, the Company's cash dividends I should receive will be withheld by the Company and owned by the Company; (2) if it fails to fulfill the</p>	<p>September 14, 2016</p>	<p>Share holding period</p>	<p>Within the performance period, strictly performed</p>

			above commitments, it will bear relevant legal liabilities according to laws and regulations.			
Directors and senior management of Company	About shareholding intention and reduction intention	Paul Xiaoming Lee, Li Xiaohua, Xu Ming (resigned), Ma Weihua and Wang Xiaolu (resigned), directors and senior management of the Company, have made the following commitments: Within 36 months from the date of listing of the Company's shares, I will not transfer or delegate the management of the Company's shares directly or indirectly held prior to this offering, nor will I cause the Company to repurchase such shares. After the expiration of the lockup period of the above commitment, during the period when I am a director or senior management of the Company, the number of shares of the Company directly or indirectly held by me to be transferred each year shall not exceed 25% of the total number of shares of the Company held by me. I will not transfer the shares of the Company directly or indirectly held by me within 6 months after my departure. If I reduce my holding of the Company's shares within two years after the expiration of the lock-up period, the price of the reduction shall not be lower than the issue price of the Company's initial public offering. If the closing price of the Company's shares is lower than the issue price for 20 consecutive trading days within 6 months after the listing of the Company, or if the closing price is lower than the issue price at the end of the 6-month period after the listing of the Company, the lock-up period of the Company's shares will be automatically extended for 6 months. I will not affect the effectiveness of the commitment due to the change of position or resignation, and I will continue to fulfill the above commitment.	September 14, 2016	During the period of shareholding and serving as a director and senior management of the Company	Within the performance period, strictly performed	
The Company	Commitment on remedial measures for breaking faith	1. If the Company fails to take the specific measures as promised to stabilize the stock price, the Company undertakes to accept the following binding measures: (1) the Company will publicly explain the specific reasons for not taking the above measures in the General Meeting and the newspapers designated by the CSRC, and apologize to the shareholders of the Company and the public investors; (2) If the investor suffers losses in the securities trading due to the failure to fulfill the commitments, the Company will compensate the investor for the losses according to law after being recognized by the CSRC, the stock exchange or the judicial organ; (3) The commitment of stock price stability is the true meaning of the Company. The responsible parties voluntarily accept the supervision of the regulatory body, self-discipline organization and the public. In case of the violation of the relevant commitments, the main body will bear corresponding responsibilities according to law. 2. If the controlling shareholder and the actual controller have delivered the notice of increase to the Company, but fail to fulfill the obligation of increasing the holdings, the Company has the right to detain the equal amount of the cash dividends payable to the controlling shareholder and the actual controller until the controlling shareholder and the actual controller fulfill their obligation to increase. 3. If a director or senior manager fails to fulfill his obligation to increase his or her holdings, the Company shall have the right to detain salaries and cash dividends of directors and senior management until the directors and senior managers fulfill their obligations to increase their holdings. 4. If there are any false records, misleading statements or major omissions in the prospectus of this public offering of shares, the Company will make a timely announcement, and the Company will disclose in its regular report that the Company, its controlling shareholders, actual controllers, and its directors, supervisors and senior management buy back shares due to information disclosure violations, performance of commitments such as acquisition of shares and compensation for losses, as well as remediation and correction in case of failure to perform commitments. 5. If the Company fails to perform, has failed to perform or fails to perform on schedule due to objective reasons beyond the control of the Company, such as changes in relevant laws and regulations, policies, natural disasters and other force majeure, the Company shall take the following measures: (1) Timely and fully disclose the specific reasons for the Company's failure, failure to fulfill its commitments or failure to fulfill its commitments on schedule; (2) make supplementary or alternative commitments to the investors of the Company (relevant commitments shall be subject to relevant approval procedures in accordance with laws, regulations and the articles of association), so as to protect the rights and interests of investors as much as possible.	September 14, 2016	Long term	Strictly performed	
Controlling shareholder, actual controller	Commitment on remedial measures for breaking faith	1. If the controlling shareholder and the actual controller have delivered the notice of increase to the Company, but failed to fulfill the obligation of increasing the holdings, the Company has the right to detain the equal amount of the cash dividends payable to the controlling shareholder and the actual controller until the controlling shareholder and the actual controller fulfill their obligation to increase. 2. The controlling shareholder and the actual controller have signed the commitment letter of false record, misleading statement or major omission in the prospectus of this public offering of shares. The controlling shareholder and the actual controller take the profit distribution enjoyed by the controlling shareholder and the actual controller in the Company's profit distribution plan of the current year and the following years as the performance guarantee of the above commitment, and if the controlling shareholder and the actual controller fail to fulfill the above-mentioned obligation of acquisition or compensation, the shares of the Company held by the controlling shareholder and the actual controller shall not be transferred before fulfilling the above-mentioned commitment. 3. The controlling shareholder and the actual controller have signed the promise of controlling shareholder and actual controller's shareholding intention and reduction intention. The controlling shareholder and the actual controller will strictly carry out the above commitments and promise to abide by the following restraint measures: (1) If the above commitments are not performed, the cash dividends to be obtained by the controlling shareholder and the actual controller shall be withheld by the Company and owned by the Company; (2) if the above commitments are not performed, the controlling shareholder	September 14, 2016	Long term	Strictly performed	

			and the actual controller shall extend the lock-in period for six months after the lock-in period they promised; (3) The remuneration that the employees in the Company should receive from the Company shall be withheld by the Company and owned by the Company; (4) if the above commitments are not performed and the investors suffer losses in the securities trading, the controlling shareholder and the actual controller will compensate the investors for the losses according to law. 4. If the Company fails to perform, has failed to perform or fails to perform on schedule due to objective reasons beyond the control of the Company, such as changes in relevant laws and regulations, policies, natural disasters and other force majeure, the Company shall take the following measures: (1) Timely and fully disclose the specific reasons for the Company's failure, failure to fulfill its commitments or failure to fulfill its commitments on schedule; (2) make supplementary or alternative commitments to the investors of the Company (relevant commitments shall be subject to relevant approval procedures in accordance with laws, regulations and the articles of association), so as to protect the rights and interests of investors as much as possible.			
Directors, supervisors and senior managers	Commitment on remedial measures for breaking faith	1. If any director or senior management of the Company fails to fulfill his obligation to increase the holdings, the Company shall have the right to detain directors and senior management salaries and cash dividends until the directors and senior managers fulfill their obligations to increase their holdings. 2. The directors, supervisors and senior managers have made corresponding commitments on the information disclosure of IPO and listing. The directors, supervisors and senior managers take the dividend of the Company in the current year and the following years obtained by holding the Company's shares directly or indirectly and the salary received from the Company in the current year and the following years as the performance guarantee of the above commitments. If the director, supervisor or senior manager fails to perform, has failed to perform or fails to perform on schedule due to objective reasons beyond the control of the director, supervisor or senior manager such as changes in relevant laws and regulations, policies, natural disasters and other force majeure, the director, supervisor or senior manager shall take the following measures: (1) Timely and fully disclose the specific reasons for the Company's failure, failure to fulfill its commitments or failure to fulfill its commitments on schedule; (2) make supplementary or alternative commitments to the investors of the Company (relevant commitments shall be subject to relevant approval procedures in accordance with laws, regulations and the articles of association), so as to protect the rights and interests of investors as much as possible.	September 14, 2016	Long term	Strictly performed	
Paul Xiaoming Lee family, Heyi Investment and Heli Investment	Commitment on avoiding horizontal competition	1. The undertaker does not, and will not, directly or indirectly engage in any activity that constitutes horizontal competition with the existing and future business of the Company and its holding subsidiaries, and is willing to assume compensation liability for the economic losses caused to the Company due to violation of the above commitments. 2. For other enterprises directly and indirectly controlled by the undertaker, the undertaker will adopt the representative office and personnel (including but not limited to directors, general managers, etc.) and the controlling position of the undertaker in such enterprises, to ensure that such enterprises perform the same obligations as the undertaker under this letter of commitment, to ensure that such enterprises do not compete with the Company and its holding subsidiaries in the same industry, and the undertaker is willing to bear all compensation liabilities for the economic losses caused to the Company due to violation of the above commitments. 3. If the Company further expands its scope of business on the basis of its existing business, and the undertaker and the enterprise controlled by the undertaker have carried out production and operation on this, the undertaker promises to transfer the possible horizontal competition business or equity held by this enterprise, and agrees that the Company has the priority to acquire and operate under the same commercial conditions. 4. Except for the investment in the Company, the undertaker will not invest in or operate the products (or similar products, or products with alternative function) developed, produced or operated by the Company and its holding subsidiaries in any way in any place. 5. This commitment letter is effective during the period when the undertaker and the company controlled by the undertaker are related parties of the Company.	November 10, 2012	Effective during the period in which the undertaker and the companies he/she controls have relation with the Company	Strictly performed	
The Company, controlling shareholder and actual controller, director and senior management	The commitment that the Company's compensation measures can be effectively performed	1. The Company and its controlling shareholder and the actual controller make a commitment to the Company's ability to fill in the return measures. It does not exceed the authority to interfere in the Company's management activities and does not occupy the Company's interests. 2. Directors and senior managers make a commitment to fulfill the Company's return measures: (1) Promise not to transfer interests to other units or individuals free of charge or under unfair conditions, and not to damage the interests of the Company in other ways; (2) Promise to restrict the post consumption behavior of directors and senior managers; (3) Promise not to use the Company's assets to engage in investment and consumption activities unrelated to the performance of its duties; (4) Commit that the remuneration system formulated by the board of directors or remuneration committee is linked to the implementation of the Company's measures to fill the return; (5) Promise that the exercise conditions of the Company's equity incentive to be announced are linked to the implementation of the Company's compensation measures.	September 14, 2016	Long term	Strictly performed	
Heyi Investment, a controlling shareholder, and family members of Paul Xiaoming	Commitment on avoiding occupation of the Company's funds	The undertaker, close relative and the affiliated enterprise under control strictly restrict the funds of the Company and its subsidiary companies in the operating capital transactions between the Company and its subsidiaries; the Company and its subsidiaries shall not be required to pay wages, welfare, insurance, advertising and other expenses; the Company and its subsidiary funds are not directly or indirectly provided to the undertaker, close relatives and controlled affiliated enterprises, including: 1. to lend funds to the undertaker, close relatives and controlled affiliated enterprises for use with	September 14, 2016	Long term	Strictly performed	

	Lee, the actual controllers of the Company		compensation or free of charge; 2. to provide entrusted loans without commercial substance to the undertaker, close relatives and controlled affiliated enterprises through banks or non-bank financial institutions; 3. to entrust the undertaker, close relatives and controlled affiliated enterprises to carry out investment activities without commercial substance; 4. to issue commercial acceptance bills without real transaction background for the undertaker, close relatives and controlled affiliated enterprises; 5. to repay debts on behalf of the undertaker, close relatives and controlled affiliated enterprises; 6. to provide funds to the undertaker, close relatives and controlled affiliated enterprises in other ways without consideration for goods and services; 7. Other methods recognized by China Securities Regulatory Commission.			
	Jerry Yang Li	Commitment on remedial measures for breaking faith	Due to the death of Ms. Wang Yuhua, a member of Paul Xiaoming Lee's family who is the shareholder and actual controller of the Company, I, as one of the heirs, inherited 10,416,022 shares of the Company held by her according to her will and the contribution of the Company's controlling shareholder Heyi Investment of RMB17.955 million. I promise that I will strictly fulfill the commitments disclosed in the initial public offering and listing prospectus of the controlling shareholder and actual controller. If the commitments of the controlling shareholder and actual controller are not performed, cannot be performed or cannot be performed on schedule (except for objective reasons beyond the control of controlling shareholders and actual controllers such as changes in relevant laws and regulations, policies, natural disasters and another force majeure), I promise to strictly abide by the following measures: 1. If the controlling shareholder or the actual controller has served the Company with the increase notice but failed to fulfill the increase obligation, the Company has the right to withhold the cash dividends payable to the same amount until the controlling shareholder or the actual controller fulfills the increase obligation; 2. The controlling shareholder and the actual controller have signed the commitment letter of false record, misleading statement or major omission in the prospectus of this public offering of shares. The controlling shareholder and the actual controller take the profit distribution enjoyed by the controlling shareholder and the actual controller in the Company's profit distribution plan of the current year and the following years as the performance guarantee of the above commitment, and if the controlling shareholder and the actual controller fail to perform the above-mentioned acquisition or compensation obligations, the shares of the Company held by the controlling shareholder and the actual controller shall not be transferred before the above-mentioned commitments are performed; 3. The controlling shareholder and the actual controller have signed the commitment of the controlling shareholder and the actual controller's shareholding intention and reduction intention. The controlling shareholder and the actual controller will strictly perform the above commitments and promise to abide by the following binding measures: (1) If the above commitments are not performed, the cash dividends to be obtained by the controlling shareholder and the actual controller shall be withheld by the Company and owned by the Company; (2) if the above commitments are not performed, the controlling shareholder and the actual controller shall extend the lock-in period for half a year; (3) The remuneration that the employees in the Company should receive from the Company shall be withheld by the Company and owned by the Company; (4) if the above commitments are not performed and the investors suffer losses in the securities trading, the controlling shareholder and the actual controller will compensate the investors for the losses according to law; 4. If the Company fails to perform, has failed to perform or fails to perform on schedule due to objective reasons beyond the control of the Company, such as changes in relevant laws and regulations, policies, natural disasters and other force majeure, the Company shall take the following measures: (1) Timely and fully disclose the specific reasons for the Company's failure, failure to fulfill its commitments or failure to fulfill its commitments on schedule; (2) make supplementary or alternative commitments to the investors of the Company (relevant commitments shall be subject to relevant approval procedures in accordance with laws, regulations and the articles of association), so as to protect the rights and interests of investors as much as possible.	October 25, 2018	Long term	Strictly performed
	Jerry Yang Li	Commitment on avoiding horizontal competition with Energy Technology	1. The undertaker does not, and will not, directly or indirectly engage in any activity that constitutes horizontal competition with the existing and future business of the Company and its holding subsidiaries, and is willing to assume compensation liability for the economic losses caused to the Company due to violation of the above commitments. 2. For other enterprises directly and indirectly controlled by the undertaker, the undertaker will adopt the representative office and personnel (including but not limited to directors, general managers, etc.) and the controlling position of the undertaker in such enterprises, to ensure that such enterprises perform the same obligations as the undertaker under this letter of commitment, to ensure that such enterprises do not compete with the Company and its holding subsidiaries in the same industry, and the undertaker is willing to bear all compensation liabilities for the economic losses caused to the Company due to violation of the above commitments. 3. If the Company further expands its scope of business on the basis of its existing business, and the undertaker and the enterprise controlled by the undertaker have carried out production and operation on this, the undertaker promises to transfer the possible horizontal competition business or equity held by this enterprise, and agrees that the Company has the priority to acquire and operate under the same commercial conditions. 4. Except for the investment in the Company, the undertaker will not invest in or operate the products (or similar products, or products with alternative function) developed, produced or operated by the Company and its holding subsidiaries in any way in any place. 5. This commitment letter is effective during the period when the undertaker and the company controlled by the undertaker are related parties of the Company.	October 25, 2018	Long term	Strictly performed

Jerry Yang Li	Commitment on reduction intention	Due to the death of Ms. Wang Yuhua, a member of Paul Xiaoming Lee's family who is the shareholder and actual controller of the Company, I, as one of the heirs, inherited 10,416,022 shares of the Company held by her according to her will and the contribution of RMB17.955 million by Heyi Investment, the Company's controlling shareholder. With respect to the Company's shares indirectly held by me through Heyi Investment, my shareholding intention and reduction intention are as follows: 1. as the actual controller of the Company, I hold the Company's shares in strict accordance with the provisions of laws, regulations, normative documents and regulatory requirements, and abide by the share locking period; after the expiration of the locking period, I shall reduce my holding of the Company's shares in accordance with the requirements of relevant laws, regulations, normative documents and rules of the stock exchange; 2. within three years after the listing of the Company, I will not reduce the shares of the Company I directly hold; upon expiry of three years after the listing of the Company, I will transfer the shares of the Company I directly hold each year not more than 25% of the total shares of the Company I directly hold; 3. within two years after the locking period I committed, the Company's shares will be reduced at a price not lower than the initial public offering price of the Company. If the Company's shares are subject to ex-right and ex-dividend during the period, such as dividend distribution, stock distribution, capital reserve converted to share capital, the issue price shall be ex-right and ex- dividend accordingly; 4. After two years after the expiration of my commitment to hold shares, the price at which I reduce my holdings of the Company's shares through the secondary market will be determined based on the market price at the time of the reduction, provided that all my previously made commitments are fulfilled. The specific reduction plan will be drawn up according to the market situation at that time; 5. I promise that I will announce the implementation of the reduction through the Company three trading days in advance, and complete the announcement within six months. At the same time, I will fulfill the obligation of information disclosure accurately and completely in accordance with the rules of the stock exchange; 6. I will strictly fulfill the above commitments, and promise to abide by the following binding measures: (1) if I fail to fulfill the above commitments, the Company's cash dividends I should receive will be withheld by the Company and owned by the Company; (2) the Company will own the profits I get from reducing the shares held in violation of the above commitments; (3) The remuneration that the employees in the Company should receive from the Company shall be withheld by the Company and owned by the Company; (4) if the above commitments are not performed and the investors suffer losses in the securities trading, I will compensate the investors for the losses in accordance with the law.	October 25, 2018	Holding period	Within the performance period, strictly performed
Jerry Yang Li	Commitment on avoiding capital occupation of Energy Technology	(1) Except for the capital occupation disclosed in writing to the relevant intermediary institutions, there is no other capital occupation that shall be disclosed but not disclosed in accordance with the laws and regulations and the relevant provisions of the CSRC for the time being by the undertaker, close relatives, controlled affiliated enterprises and the Company and its subsidiaries; (2) The undertaker, close relatives and controlled affiliated enterprises will strictly limit the occupation of funds of the Company and its subsidiaries in the operational capital transactions with the Company and its subsidiaries; (3) The undertaker, close relatives and controlled affiliated enterprises shall not require the Company and its subsidiaries to advance wages, welfare, insurance, advertising and other expenses, or require the Company and its subsidiaries to bear costs and other expenses on behalf of them; (4) The undertaker, close relatives and controlled affiliated enterprises do not seek to provide the funds of the Company and its subsidiaries directly or indirectly to the undertaker, close relatives and controlled affiliated enterprises in the following ways, including: a. To lend funds to the undertaker, close relatives and controlled affiliated enterprises for use with compensation or free of charge; b. Provide entrusted loans without commercial substance to the undertaker, close relatives and controlled affiliated enterprises through banks or non-bank financial institutions; c. Entrust the undertaker, close relatives and controlled affiliated enterprises to carry out investment activities without commercial substance; d. To issue commercial acceptance bills without real transaction background for the undertaker, close relatives and controlled affiliated enterprises; e. Repay debts on behalf of the undertaker, close relatives and controlled affiliated enterprises; f. Provide funds to the undertaker, close relatives and controlled affiliated enterprises in other ways without consideration for goods and services; g. Other methods recognized by China Securities Regulatory Commission; (5) If the undertaker, close relatives and controlled affiliated enterprises occupy the funds of the Company and its subsidiaries and require the Company and its subsidiaries to provide guarantees in violation of laws and regulations, the Company's board of directors shall not transfer the shares of the Company held and controlled before all the occupied funds are returned and all the illegal guarantees are released, and handle the procedures of share locking for the relevant parties. The board of directors of the Company shall, within 5 trading days from the date of knowing the fact that the undertaker, close relatives and controlled affiliated enterprises occupy the funds of the Company and its subsidiaries, and the Company and its subsidiaries provide guarantees in violation of laws and regulations, handle the locking procedures for the relevant parties.	October 25, 2018	Long term	Strictly performed
Sherry Lee	Commitment on reduction intention	Due to the death of Ms. Wang Yuhua, a member of Paul Xiaoming Lee's family who is the shareholder and actual controller of the Company, I, as one of the heirs, inherited 15,624,033 shares of the Company held by her according to her will and the contribution of the Company's controlling shareholder Heyi Investment of RMB9.045 million. Before inheritance, I have held 27,593,884 shares of the Company, of which 15,997,000 shares were held at the time of IPO and listing of the Company, 11,596,884 shares of the Company acquired by the Company's issuance of shares to purchase	October 25, 2018	Share holding period	Within the performance period, strictly performed

			shares of Shanghai Energy. After inheritance, I hold directly and hold 65,503,802 shares of the Company indirectly through Heyi Investment, accounting for 13.82% of the total share capital of the Company. With respect to locking period for the Company's shares directly and indirectly held by me, I commit as follows: 1. as the actual controller of the Company, I hold the Company's shares in strict accordance with the provisions of laws, regulations, normative documents and regulatory requirements, and abide by the share locking period; after the expiration of the locking period, I shall reduce my holding of the Company's shares in accordance with the requirements of relevant laws, regulations, normative documents and rules of the stock exchange; 2. within three years after the listing of the Company, I will not reduce the shares of the Company I directly hold; upon expiry of three years after the listing of the Company, I will transfer the shares of the Company I directly hold each year not more than 25% of the total shares of the Company I directly hold; 3. within two years after the locking period I committed, the Company's shares will be reduced at a price not lower than the initial public offering price of the Company. If the Company's shares are subject to ex-right and ex-dividend during the period, such as dividend distribution, stock distribution, capital reserve converted to share capital, the issue price shall be ex-right and ex-dividend accordingly; 4. After two years after the expiration of my commitment to hold shares, the price at which I reduce my holdings of the Company's shares through the secondary market will be determined based on the market price at the time of the reduction, provided that all my previously made commitments are fulfilled. The specific reduction plan will be drawn up according to the market situation at that time; 5. I promise that I will announce the implementation of the reduction through the Company three trading days in advance, and complete the announcement within six months. At the same time, I will fulfill the obligation of information disclosure accurately and completely in accordance with the rules of the stock exchange; 6. I will strictly fulfill the above commitments, and promise to abide by the following binding measures: (1) if I fail to fulfill the above commitments, the Company's cash dividends I should receive will be withheld by the Company and owned by the Company; (2) the Company will own the profits I get from reducing the shares held in violation of the above commitments; (3) The remuneration that the employees in the Company should receive from the Company shall be withheld by the Company and owned by the Company; (4) if the above commitments are not performed and the investors suffer losses in the securities trading, I will compensate the investors for the losses in accordance with the law.			
Directors and senior management of Company	Commitment on dilution on current returns as a result of the public offering of convertible corporate bonds, and the return recovery measures	1. Neither to tunnel to other units or individuals without compensation or under unfair conditions, nor to damage the Company's interests in other ways; 2. to restrict my position-related consumption activities; 3. not to use the Company's assets for investment and consumption activities not related to execution of my duties; 4. to link the remuneration system formulated by the Board of Directors or the Remuneration Committee or Assessment Committee of the Company with the execution of the return recovery measures; 5. to link the vesting conditions with the implementation of the return recovery measures if the Company will implement any share incentive scheme in the future; 6. since the date of this commitment up to completion of this public offering of convertible corporate bonds, if the CSRC imposes other new regulatory requirements in relation to the return recovery measures and its commitments and such commitments cannot meet such rules of the CSRC, I commit to issue supplemental undertakings in accordance with the latest requirements of the CSRC. To ensure the proper implementation of the return recovery measures, I commit to strictly perform the above commitments. If I breach or refuse to fulfill the above commitments, I will perform obligations of interpretation and apology as required under the <i>Guiding Opinions on Matters relating to the Dilution on Current Returns as a result of Initial Public Offering, Refinancing and Major Asset Restructuring</i> (CSRC Announcement No. [2015] 31), and agree that relevant regulatory or self-regulation measures shall be imposed or taken in accordance with the relevant provisions and rules specified or published by CSRC and Shenzhen Stock Exchange; if the Company or investors suffered losses as a result of my breach or refusal, I am willing to assume relevant liability for compensation.	May 14, 2019	Long term	Strictly performed	
Company's actual controller and controlling shareholder	Commitment on dilution on current returns as a result of the public offering of convertible corporate bonds, and the return recovery measures	1. Not interfere with the operation and management activities of the Company beyond the authority, and not encroach on the interests of the Company; 2. since the date of this commitment up to completion of the convertible corporate bonds, if the CSRC imposes other new regulatory requirements in relation to the return recovery measures and its commitments and such commitments cannot meet such rules of the CSRC, I commit to issue supplemental undertakings in accordance with the latest requirements of the CSRC. To ensure the proper implementation of the return recovery measures, I commit to strictly perform the above commitments. If I breach or refuse to fulfill the above commitments, I will perform obligations of interpretation and apology as required under the <i>Guiding Opinions on Matters relating to the Dilution on Current Returns as a result of Initial Public Offering, Refinancing and Major Asset Restructuring</i> (CSRC Announcement No. [2015] 31), and agree that relevant regulatory or self-regulation measures shall be imposed or taken in accordance with the relevant provisions and rules specified or published by CSRC and Shenzhen Stock Exchange; if the Company or investors suffered losses as a result of my breach or refusal, I am willing to assume relevant liability for compensation.	May 14, 2019	Long term	Strictly performed	
All directors of Energy Technology	Commitment on the authenticity, accuracy and completeness of	All directors of the Company commit that the report on this offering and the announcement on listing don't contain false records, misleading statements or major omissions, and they will jointly and severally liable for its authenticity, accuracy and completeness.	September 3, 2020	Long term	Strictly performed	

		information submitted in connection with the non-public offering of A shares in 2020				
Controlling shareholder and actual controller	Commitment on dilution on current returns as a result of the non-public offering of A shares in 2020, and the return recovery measures	1. I promise not to interfere with the operation and management activities of the Company beyond the authority, and not encroach on the interests of the Company; 2. I commit to proper implementation of the current return recovery measures formulated by the Company and fulfill any commitment I make in relation to the current return recovery measures, and assume the liability for compensation to the Company or investors according to law if I violate such commitments and as a result cause any loss to the Company or investors; 3. since the date of this commitment up to completion of this non-public offering of shares by Energy Technology, if the CSRC imposes other new regulatory requirements in relation to the return recovery measures and its commitments and such commitments cannot meet such rules of the CSRC, I commit to issue supplemental undertakings in accordance with the latest requirements of the CSRC.	March 23, 2020	Long term	Strictly performed	
Directors and senior management of Company	Commitment on dilution on current returns as a result of the non-public offering of A shares in 2021, and the return recovery measures	1. I promise not to tunnel to other units or individuals without compensation or under unfair conditions, or to damage the Company's interests in other ways; 2. I commit to restrict my position-related consumption activities; 3. I commit to not use the Company's assets for investment and consumption activities not related to execution of my duties; 4. I commit to link the remuneration system formulated by the Board of Directors or the Remuneration Committee or Assessment Committee of the Company with the execution of the return recovery measures; 5. I commit to link the vesting conditions with the implementation of the return recovery measures if the Company will implement any share incentive scheme in the future; 6. since the date of this commitment up to completion of this non-public offering of shares, if the CSRC imposes other new regulatory requirements in relation to the return recovery measures and its commitments and such commitments cannot meet such rules of the CSRC, I commit to issue supplemental undertakings in accordance with the latest requirements of the CSRC.	November 21, 2021	Long term	Strictly performed	
Controlling shareholder and actual controller	Commitment on dilution on current returns as a result of the non-public offering of A shares in 2021, and the return recovery measures	I promise not to interfere with the operation and management activities of the Company beyond the authority, and not encroach on the interests of the Company; I commit to proper implementation of the current return recovery measures formulated by the Company and fulfill any commitment I make in relation to the current return recovery measures, and assume the liability for compensation to the Company or investors according to law if I violate such commitments and as a result cause any loss to the Company or investors; since the date of this commitment up to completion of this non-public offering of shares by the Company, if the CSRC imposes other new regulatory requirements in relation to the return recovery measures and its commitments and such commitments cannot meet such rules of the CSRC, I commit to issue supplemental undertakings in accordance with the latest requirements of the CSRC.	November 21, 2021	Long term	Strictly performed	
Listed company	Letter of Commitment regarding the truthfulness, accuracy, and completeness of information provided	1. During the course of this transaction, the listed company shall promptly provide relevant information to the intermediaries providing professional services for this transaction, including audit, valuation, legal, and financial advisory services. The listed company warrants that the information provided is true, accurate, and complete, containing no false records, misleading statements, or material omissions; that all signatures and seals on the documents are authentic; and that all copies are consistent with the originals. If the listed company or investors suffer losses due to false representations, misleading statements or material omissions in information provided or disclosed in relation to this transaction, the counterparty shall be responsible for the compensation in accordance with the law. 2. During the participation in this transaction, the listed company shall, in accordance with relevant laws, regulations, rules, and the provisions of the CSRC and the stock exchange, timely disclose information concerning this transaction. The listed company warrants that such information is true, accurate, and complete, containing no false records, misleading statements, or material omissions. 3. The listed company warrants that it has the authority to execute this letter of commitment. Upon formal execution, this letter of commitment shall constitute a valid, legal, and binding commitment on the listed company, which shall bear corresponding legal liabilities.	December 12, 2025	Long term	Performed normally	
Listed company	Letter of statement and commitment regarding legality, compliance, and integrity	1. During the past five years, the listed company has not been subject to any administrative penalties or criminal penalties related to the securities market. 2. The listed company has maintained a good record of integrity over the past five years. There are no circumstances involving failure to repay substantial debts on time or failure to fulfill commitments. 3. There are no pending or foreseeable material litigations, arbitrations, or administrative penalties. The listed company is not currently under investigation by judicial authorities for suspected crimes, nor under investigation by the CSRC for suspected violations of laws or regulations.	December 12, 2025	Long term	Performed normally	

Listed company	Statement regarding the non-existence of circumstances stipulated in Article 12 of the <i>Regulatory Guidelines for Listed Companies No. 7— Regulation of Abnormal Stock Transactions Related to Major Asset Restructurings of Listed Companies</i> and Article 30 of the <i>Shenzhen Stock Exchange Self-discipline Supervisory Guidelines for Listed Companies No.8 – Material Asset Reorganisations</i>	There are no circumstances where the listed company is currently under investigation or inquiry for suspected insider trading related to this transaction. Furthermore, within the past 36 months, the listed company has not been subject to administrative penalties by the CSRC or criminal liability pursued by judicial authorities due to insider trading related to major asset reorganizations. Finally, there are no circumstances under Article 12 of the <i>Regulatory Guidelines for Listed Companies No. 7</i> and Article 30 of the <i>Shenzhen Stock Exchange Self-discipline Supervisory Guidelines for Listed Companies No.8</i> that would disqualify the listed company from participating in any major asset reorganization of listed companies.	December 12, 2025	Long term	Performed normally
Listed company	Statement regarding confidentiality measures and the confidentiality system	1. The Committing Party warrants that effective confidentiality measures have been taken and confidentiality obligations have been fulfilled regarding this transaction, so as to prevent affiliates, employees, and other relevant entities or individuals of the Committing Party from engaging in illegal activities such as insider trading or securities market manipulation in connection with this transaction. 2. The Committing Party shall strictly abide by the confidentiality system and fulfill confidentiality obligations. Prior to the lawful disclosure of inside information, the Committing Party shall not disclose or leak such inside information to the public, nor shall it trade the listed company's shares based on such inside information or advise others to trade such shares. 3. This Statement shall become effective as of the date of signature by the Committing Party. Should the Committing Party violate the foregoing commitments and thereby cause losses to investors, it shall bear corresponding legal liabilities in accordance with the law.	December 12, 2025	Long term	Performed normally
Listed company	Letter of commitment regarding the non-existence of circumstances disqualifying the issuance of shares to specific objects	As of the date of the letter of commitment, the listed company does not have any of the following circumstances stipulated in Article 11 of the <i>Measures for the Administration of Registration of Securities Issuance by Listed Companies</i> that would disqualify it from issuing shares to specific objects: (1) The use of the previous proceeds is changed and not corrected or without the approval of the General Meeting; (2) The financial statements prepared and disclosed in the past year do not significantly comply with the provisions of the accounting standards for business enterprises or relevant information disclosure rules. Additionally, the financial accounting reports for the past year have received an adverse opinion or a disclaimer of opinion in the audit report. Furthermore, the financial accounting reports have received a qualified opinion in the audit report, and the issues involved in the qualified opinion continue to have a significant adverse impact on the listed company. Except for the issuance involving major asset restructuring; (3) Current directors and senior management personnel have been subject to administrative penalties by the CSRC in the past three years, or have been publicly condemned by the stock exchange in the past year; (4) The listed company or its current directors and senior management are under criminal investigation by judicial authorities or are being investigated by the CSRC for suspected violations of laws and regulations; (5) The controlling shareholder or actual controller has committed major illegal acts that significantly harm the interests of the listed company or the legitimate rights and interests of investors in the past three years; (6) There have been major illegal acts in the past three years that seriously harm the legitimate rights and interests of investors or the public interest.	December 12, 2025	Long term	Performed normally
All directors and senior management of	Letter of Commitment regarding the	1. During the course of this transaction, the listed company shall promptly provide relevant information to the intermediaries providing professional services for this transaction, including audit, valuation, legal, and financial advisory services. The listed company warrants that the information provided is true, accurate, and complete, containing no false	December 12, 2025	Long term	Performed normally

the listed company	truthfulness, accuracy, and completeness of information provided	records, misleading statements, or material omissions; that all signatures and seals on the documents are authentic; and that all copies are consistent with the originals. If the listed company or investors suffer losses due to false representations, misleading statements or material omissions in information provided or disclosed in relation to this transaction, the Committing Party shall be responsible for the compensation in accordance with the law. 2. If this transaction is placed under investigation by judicial authorities or the CSRC due to suspected false records, misleading statements, or material omissions in the information provided or disclosed, the Committing Party shall not transfer the shares in the listed company in which it holds interests prior to the clarification of the investigation conclusions. The Committing Party shall submit a written application for suspension of transfer and its stock account information to the Board of Directors of the listed company within two trading days after receiving the investigation notice. The Board of Directors shall, on behalf of the Committing Party, apply to the Stock Exchange and the Securities Depository and Clearing Corporation to freeze the relevant shares; If the Committing Party fails to submit the freezing application within the aforementioned two trading days, the Board of Directors is hereby authorized to verify the information and directly report the Committing Party's identity and account information to the Stock Exchange and the Securities Depository and Clearing Corporation to apply for the freezing of shares; If the Board of Directors fails to report such information, the Stock Exchange and the Securities Depository and Clearing Corporation are hereby authorized to directly freeze the relevant shares. If the investigation conclusion finds any illegal acts or violations of regulations, the Committing Party agrees that the frozen shares shall be voluntarily used for the compensation arrangement for relevant investors.			
All directors and senior management of the listed company	Letter of statement and commitment regarding legality, compliance, and integrity	1. During the past five years, the listed company has not been subject to any administrative penalties or criminal penalties related to the securities market, nor has the listed company been involved in any material civil litigation or arbitration concerning economic disputes. 2. The listed company has maintained a good record of integrity over the past five years. There are no circumstances involving failure to repay substantial debts on time or failure to fulfill commitments. 3. There are no pending or foreseeable material litigations, arbitrations, or administrative penalties. The listed company is not currently under investigation by judicial authorities for suspected crimes, nor under investigation by the CSRC for suspected violations of laws or regulations.	December 12, 2025	Long term	Performed normally
All directors and senior management of the listed company	Statement regarding the non-existence of circumstances stipulated in Article 12 of the Regulatory Guidelines for Listed Companies No. 7—Regulation of Abnormal Stock Transactions Related to Major Asset Restructurings of Listed Companies and Article 13 of	There are no circumstances where the listed company is currently under investigation or inquiry for suspected insider trading related to this transaction. Furthermore, within the past 36 months, the listed company has not been subject to administrative penalties by the CSRC or criminal liability pursued by judicial authorities due to insider trading related to major asset reorganizations. Finally, there are no circumstances under Article 12 of the Regulatory Guidelines for Listed Companies No. 7 and Article 30 of the Shenzhen Stock Exchange Self-discipline Supervisory Guidelines for Listed Companies No.8 that would disqualify the listed company from participating in any major asset reorganization of listed companies.	December 12, 2025	Long term	Performed normally
All directors and senior management of the listed company	Statement regarding confidentiality measures and the confidentiality system	1. The Committing Party warrants that effective confidentiality measures have been taken and confidentiality obligations have been fulfilled regarding this transaction, so as to prevent affiliates, employees, and other relevant entities or individuals of the Committing Party from engaging in illegal activities such as insider trading or securities market manipulation in connection with this transaction. 2. The Committing Party shall strictly abide by the confidentiality system and fulfill confidentiality obligations. Prior to the lawful disclosure of inside information, the Committing Party shall not disclose or leak such inside information to the public, nor shall it trade the listed company's shares based on such inside information or advise others to trade such shares. 3. This Statement shall become effective as of the date of signature by the Committing Party. Should the Committing Party violate the foregoing commitments and thereby cause losses to investors, it shall bear corresponding legal liabilities in accordance with the law.	December 12, 2025	Long term	Performed normally
All directors and senior management of the listed	Letter of commitment regarding share reduction plans	1. As of the date of this letter of commitment, I do not have any plans to actively dispose of the shares of the listed company. 2. During the period from the date of the announcement of the resolution of the first meeting of the Board of Directors of the listed company to review the proposals related to this transaction until the completion of the implementation of this transaction (hereinafter referred to as the "Period of This Transaction"), if I have any plans to	December 12, 2025	Long term	Performed normally

	company	during the period of this transaction	dispose of the shares of the listed company during the period of this transaction, I will strictly implement such plan in accordance with relevant laws, regulations, and normative documents, and timely fulfill the information disclosure obligations. The aforementioned shares include the shares of the listed company currently held by me and the derivative shares of the listed company obtained during the period of this transaction due to reasons such as dividends, bonus shares, and capitalization of capital reserve. 3. If the Committing Party violate this commitment and thereby cause losses to the listed company or other investors, the Committing Party commit to bear the corresponding compensation liability to the listed company or other investors in accordance with the law. 4. If the Committing Party's commitment on share reduction is inconsistent with the relevant provisions and requirements of laws, administrative regulations, administrative rules, normative documents, the CSRC, the SZSE, and other regulatory authorities, the Committing Party commit to make corresponding adjustments to the aforementioned commitment on share reduction to ensure compliance with such provisions and requirements.			
	All directors and senior management of the listed company	Letter of commitment regarding the effective implementation of measures to mitigate the dilution of current returns in connection with this transaction	1. Commit not to tunnel to other units or individuals without compensation or under unfair conditions, nor to damage the listed company's interests in other ways. 2. Commit not to restrict the Committing Party's position-related consumption activities. 3. Commit not to use the listed company's assets for investment and consumption activities not related to execution of the Committing Party's duties. 4. Commit to exercise own authority to ensure that the remuneration system formulated by the Board of Directors or the Remuneration Committee or Assessment Committee of the listed company is linked with the execution of the return recovery measures. 5. Commit to exercise own authority to ensure that the vesting conditions of the share incentive plan are linked to the implementation of the listed company's measures to compensate for the dilution of current returns if the listed company will implement any share incentive scheme in the future; 6. Commit to faithfully and diligently perform the duties and to safeguarding the legitimate rights and interests of the Company and all Shareholders. 7. Since the date of this commitment up to completion of this transaction, if the CSRC or the stock exchange imposes other new regulatory requirements in relation to the return recovery measures and its commitments and such commitments cannot meet such rules of the CSRC or the stock exchange, the Committing Party commits to issuing supplemental undertakings in accordance with the latest requirements of the CSRC or the stock exchange. 8. Commit to undertake to faithfully implement the return recovery measures established by the listed company, as well as any commitments made by the Committing Party regarding such measures. If the Committing Party breaches the foregoing commitments or refuses to fulfill them, thereby causing losses to the listed company or investors, the Committing Party shall bear the corresponding legal liability in accordance with the law.	December 12, 2025	Long term	Performed normally
	Listed company's controlling shareholder, actual controller and parties acting in concert with them	Letter of Commitment regarding the truthfulness, accuracy, and completeness of information provided	1. During the course of this transaction, the listed company shall promptly provide relevant information to the intermediaries providing professional services for this transaction, including audit, valuation, legal, and financial advisory services. The listed company warrants that the information provided is true, accurate, and complete, containing no false records, misleading statements, or material omissions; that all signatures and seals on the documents are authentic; and that all copies are consistent with the originals. If the listed company or investors suffer losses due to false representations, misleading statements or material omissions in information provided or disclosed in relation to this transaction, the Committing Party shall be responsible for the compensation in accordance with the law. 2. If this transaction is placed under investigation by judicial authorities or the CSRC due to suspected false records, misleading statements, or material omissions in the information provided or disclosed, the Committing Party shall not transfer the shares in the listed company in which it holds interests prior to the clarification of the investigation conclusions. The Committing Party shall submit a written application for suspension of transfer and its stock account information to the Board of Directors of the listed company within two trading days after receiving the investigation notice. The Board of Directors shall, on behalf of the Committing Party, apply to the Stock Exchange and the Securities Depository and Clearing Corporation to freeze the relevant shares; If the Committing Party fails to submit the freezing application within the aforementioned two trading days, the Board of Directors is hereby authorized to verify the information and directly report the Committing Party's identity and account information to the Stock Exchange and the Securities Depository and Clearing Corporation to apply for the freezing of shares; If the Board of Directors fails to report such information, the Stock Exchange and the Securities Depository and Clearing Corporation are hereby authorized to directly freeze the relevant shares. If the investigation conclusion finds any illegal acts or violations of regulations, the Committing Party agrees that the frozen shares shall be voluntarily used for the compensation arrangement for relevant investors. 3. Assume individual and joint legal liability for the truthfulness, accuracy, and completeness of information provided.	December 12, 2025	Long term	Performed normally
	Listed company's controlling shareholder, actual controller and parties acting in concert with them	Letter of statement and commitment regarding legality, compliance, and integrity	1. During the past five years, the listed company has not been subject to any administrative penalties or criminal penalties related to the securities market, nor has the listed company been involved in any material civil litigation or arbitration concerning economic disputes. 2. The listed company has maintained a good record of integrity over the past five years. There are no circumstances involving failure to repay substantial debts on time or failure to fulfill commitments. 3. There are no pending or foreseeable material litigations, arbitrations, or administrative penalties. The listed company is not currently under investigation by judicial authorities for suspected crimes, nor under investigation by the CSRC for suspected violations of laws or regulations.	December 12, 2025	Long term	Performed normally

Listed company's controlling shareholder, actual controller and parties acting in concert with them	Statement regarding the non-existence of circumstances stipulated in Article 12 of the Regulatory Guidelines for Listed Companies No. 7— Regulation of Abnormal Stock Transactions Related to Major Asset Restructurings of Listed Companies and Article 13 of	There are no circumstances where the listed company is currently under investigation or inquiry for suspected insider trading related to this transaction. Furthermore, within the past 36 months, the listed company has not been subject to administrative penalties by the CSRC or criminal liability pursued by judicial authorities due to insider trading related to major asset reorganizations. Finally, there are no circumstances under Article 12 of the <i>Regulatory Guidelines for Listed Companies No. 7</i> and Article 30 of the <i>Shenzhen Stock Exchange Self-discipline Supervisory Guidelines for Listed Companies No.8</i> that would disqualify the listed company from participating in any major asset reorganization of listed companies.	December 12, 2025	Long term	Performed normally
Listed company's controlling shareholder, actual controller and parties acting in concert with them	Statement regarding confidentiality measures and the confidentiality system	1. The Committing Party warrants that effective confidentiality measures have been taken and confidentiality obligations have been fulfilled regarding this transaction, so as to prevent affiliates, employees, and other relevant entities or individuals of the Committing Party from engaging in illegal activities such as insider trading or securities market manipulation in connection with this transaction. 2. The Committing Party shall strictly abide by the confidentiality system and fulfill confidentiality obligations. Prior to the lawful disclosure of inside information, the Committing Party shall not disclose or leak such inside information to the public, nor shall it trade the listed company's shares based on such inside information or advise others to trade such shares. 3. This Statement shall become effective as of the date of signature by the Committing Party. Should the Committing Party violate the foregoing commitments and thereby cause losses to investors, it shall bear corresponding legal liabilities in accordance with the law.	December 12, 2025	Long term	Performed normally
Listed company's controlling shareholder, actual controller and parties acting in concert with them	Letter of commitment regarding share reduction plans during the period of this transaction	1. As of the date of this letter of commitment, the Company/I has/have not any plans to actively dispose of the shares of the listed company. 2. During the period from the date of the announcement of the resolution of the first meeting of the Board of Directors of the listed company to review the proposals related to this transaction until the completion of the implementation of this transaction (hereinafter referred to as the "Period of This Transaction"), if the Company/I has/have any plans to dispose of the shares of the listed company during the period of this transaction, the Company/I will strictly implement such plan in accordance with relevant laws, regulations, and normative documents, and timely fulfill the information disclosure obligations. The aforementioned shares include the shares of the listed company currently held by the Company/me and the derivative shares of the listed company obtained during the period of this transaction due to reasons such as dividends, bonus shares, and capitalization of capital reserve. 3. If the Committing Party violate this commitment and thereby cause losses to the listed company or other investors, the Committing Party commit to bear the corresponding compensation liability to the listed company or other investors in accordance with the law. 4. If the Committing Party's commitment on share reduction is inconsistent with the relevant provisions and requirements of laws, administrative regulations, administrative rules, normative documents, the CSRC, the SZSE, and other regulatory authorities, the Committing Party commit to make corresponding adjustments to the aforementioned commitment on share reduction to ensure compliance with such provisions and requirements.	December 12, 2025	Long term	Performed normally
Listed company's controlling shareholder, actual controller and parties acting in concert with them	The principle opinions on this transaction	The transaction is in the best interests of the listed company and all its shareholders, and will help promote the listed company's future business development; therefore, the Committing Party agrees in principle to the relevant matters pertaining to this transaction.	December 12, 2025	Long term	Performed normally
Listed company's controlling shareholder, actual controller and parties acting in concert with	Letter of commitment regarding the effective implementation of measures to	1. Commit to continue to maintain the independence of the listed company. 2. Commit not to interfere with the listed company's management and operational activities beyond own authority, nor to infringe upon the listed company's interests. 3. Since the date of this commitment up to completion of this transaction, if the CSRC or the stock exchange imposes other new regulatory requirements in relation to the return recovery measures and its commitments and such commitments cannot meet such rules of the CSRC or the stock exchange, the Committing Party commits to issue supplemental undertakings in accordance with the latest requirements of the CSRC or the stock exchange. 4. Commit to	December 12, 2025	Long term	Performed normally

	them	mitigate the dilution of current returns in connection with this transaction	undertake to faithfully implement the return recovery measures established by the listed company, as well as any commitments made by the Committing Party regarding such measures. If the Committing Party breaches the foregoing commitments or refuses to fulfill them, thereby causing losses to the listed company or investors, the Committing Party shall bear the corresponding legal liability in accordance with the law.			
Commitment on stock ownership incentive scheme	The Company	Other commitments	Not to offer loans or any other form of financial aids to the incentive recipients for them to obtain related stock options or restricted shares according to this incentive plan, including guaranteeing the loans.	January 24, 2022	The period when the Company's 2022 Stock Option and Restricted Share Incentive Plan was implemented	Fully performed
	Incentive objects	Other commitments	In case of any false record, misleading statement or major omission in the information disclosed by the Company, resulting in non-compliance with the arrangements for granting or exercising the interests, the incentive recipients will, upon acknowledgment of any false record, misleading statement or major omission existing in any related information disclosure document, return all interests obtained from the equity incentive plan.	January 24, 2022	Long term	Strictly performed
	The Company	Other commitments	Not to offer loans or any other form of financial aids to the incentive recipients for them to obtain related restricted shares according to this incentive plan, including guaranteeing the loans.	February 2, 2024	The period when the Company's 2024 Restricted Share Incentive Plan was implemented	Strictly performed
	Incentive objects	Other commitments	In case of any false record, misleading statement or major omission in the information disclosed by the Company, resulting in non-compliance with the arrangements for granting or exercising the interests, the incentive recipients will, upon acknowledgment of any false record, misleading statement or major omission existing in any related information disclosure document, return all interests obtained from the equity incentive plan.	February 2, 2024	Long term	Strictly performed
Other commitments	Actual controller	Commitment to repurchase in case of reduction in violation of regulations	The actual controller of the Company and its acting-in-concert parties undertake to use their own and self-financed funds to repurchase the shares of Energy Technology that have been disproportionately reduced and reduced in violation of regulations within the next 12 months, subject to the permission of rules. The actual controller and its acting-in-concert parties undertake to surrender the proceeds arising from the repurchase of the shares that have been disproportionately reduced and reduced in violation of regulations to Energy Technology. The actual controller and its acting-in-concert parties undertake to strictly fulfill the aforesaid commitments and strictly fulfill the information disclosure obligations.	July 23, 2024	The repurchase period is from July 23, 2024, to July 22, 2025	Strictly performed
Whether the commitment is performed on time			Yes			
If the commitments are overdue and have not been fulfilled, the specific reason for non-fulfilment and further work plan shall be explained in detail			Not applicable			

**2. Where any earnings forecast was made for any of the Company's assets or projects and the Reporting Period is still within the forecast period, the Company shall explain whether the performance of the asset or project reaches the earnings forecast and the reason**

Applicable Not applicable

**3. The Company's performance commitments**

Applicable Not applicable

## II. Occupation of the Listed Company's Capital by the Controlling Shareholder or Its Related Parties for Non-Operating Purposes

Applicable Not applicable, in the Reporting Period, no controlling shareholder or its related party occupied capital of the listed company for non-operating purposes.

## III. Illegal external guarantee

Applicable Not applicable, the Company did not provide any illegal external guarantee during the Reporting Period.

## IV. Explanation of the Board of Directors Regarding the "Non-standard Audit Report" Issued for the Latest Period

Applicable Not applicable

## V. Explanation of the Board of Directors and Independent Directors (If Any) Regarding the "Non-standard Audit Report" Issued by the Accounting Firm for the Reporting Period

Applicable Not applicable

## VI. Reason for Changes in Scope of the Consolidated Financial Statements as Compared to the Financial Report for the Previous Fiscal Year

Applicable Not applicable

On December 6, 2024, the Ministry of Finance issued the *Notice on Issuing the Interpretation No. 18 of the Enterprise Accounting Standards* (Cai Kuai [2024] No. 24). In accordance with the relevant provisions, the Company made corresponding changes to its accounting policies. The changes stipulate that for provisions arising from assurance-type warranties, the debit entry shall be recognized in "Cost of Sales" and "Other Operating Costs", and shall no longer be recognized in "Selling Expenses". Pursuant to the above notice, this accounting policy change takes effect from the date of issuance. The Company considered and approved the above accounting policy change at the 37th meeting of the Fifth Board of Directors held on January 22, 2025. This accounting policy change has no impact on the Company.

## VII. Reason for Changes in Scope of the Consolidated Financial Statements as Compared to the Financial Report for the Previous Fiscal Year

Applicable Not applicable

During the Reporting Period, compared to the previous period, the Company added 2 new entities into and eliminated 1 entity from its consolidated financial statements. These 2 new entities are respectively HONGCHUANG PACKAGING MALAYSIA SDN. BHD and Yuxi Energy Frontier New Material Technology Co., Ltd., which were all established during the Reporting Period. The 1 eliminated entity is Yunnan Dexin Paper Co., Ltd., which was cancelled during the Reporting Period.

## VIII. Engagement and Disengagement of CPA Firm

CPA firm engaged at present

Name of the domestic CPA firm	Da Hua Certified Public Accountants
Remuneration of the domestic CPA firm (RMB0'000)	280
Consecutive years of audit services provided by the domestic auditor	1 year
Names of the certified public accountants from domestic accounting firm	Kang Wenjun, Duan Liwei
Consecutive years of audit services provided by the Certified Public Accountants from domestic accounting firm	The years of consecutive audit services provided by Kang Wenjun and Duan Liwei are both one year.
Name of overseas CPA firm (if any)	Nil

Whether the CPA firm was changed in the current period: Yes No

Whether the accounting firm was replaced during the audit period: Yes No

Whether the approval process for changing accounting firms was carried out: Yes No

Explanation on the reappointment and change of accounting firms

To ensure the independence and objectivity of the audit work, and taking into account the Company's business development and overall audit needs, the Company appoints Da Hua Certified Public Accountants (hereinafter referred to as "Dahua") as the auditor of the Company's 2025 annual financial statements and internal control. The Audit Committee of the Board of Directors of the Company fully reviewed the professional competence, investor protection, integrity and independence of Dahua, and appropriateness of the reasons for the change of accounting firm. They believed that Dahua is a large reputable accounting firm with securities qualifications and high-quality practitioners, and agreed to engage Dahua as the auditor of the Company's financial statements and internal control for 2025. The proposal was submitted to the Board of Directors and General Meeting for consideration. The Company held the fiftieth meeting of the Fifth Board of Directors on December 15, 2025, and the Ninth Extraordinary General Meeting on December 31, 2025, to consider and approve the change of accounting firm. The Company's change of accounting firm was in compliance with the Measures for the Administration of Selection and Engagement of Accounting Firms by State-Owned Enterprises and Listed Companies (Cai Kuai [2023] No. 4) issued by the Ministry of Finance, the State-owned Assets Supervision and Administration Commission of the State Council and the CSRC.

The Company has communicated with the former and current accounting firms regarding the change of the accounting firm, and all parties have clearly noted this matter and confirmed that they have no objections.

Engagement of any CPA firm, financial advisor or sponsor for internal control and audit:

Applicable Not applicable, during the Reporting Period, the Company engaged Da Hua Certified Public Accountants as the internal control audit accounting firm and the audit fee was RMB600,000.



**IX. Possibility of Delisting after Disclosure of this Annual Report**

Applicable Not applicable

**X. Matters Related to Bankruptcy and Reorganization**

Applicable Not applicable, the Company was not bankrupt and reorganized during the Reporting Period.

**XI. Material Litigation and Arbitration**

Applicable Not applicable

During the Reporting Period, the Company had no significant litigation or arbitration matters. The total amount involved in other litigations was RMB 140.5437 million (of which the amount for which the Company acted as plaintiff was RMB 108.3548 million, and as defendant was RMB 32.1889 million). As of the end of the Reporting Period, the total amount involved in the aforementioned cases that remained unresolved was RMB 68.2767 million. These litigation matters do not have a material adverse effect on the Company's financial condition and ability to continue as a going concern.

**XII. Punishments and Rectifications**

Applicable Not applicable

Name	Type	Reason	Type of investigation penalty	Conclusion (if any)	Disclosure date	Disclosure index
The Company	Others	The fundraising management system was unsound; part of the fundraising funds were paid through non-fundraising special accounts; certain fundraising projects replaced self-raised funds with fundraising funds without fulfilling the required deliberation procedures and information disclosure obligations; some temporarily idle fundraising funds were used as supplementary working capital without fulfilling the required deliberation procedures and information disclosure obligations.	Administrative supervisory measures taken by the CSRC	Ordering the Company to make corrections as an administrative regulatory measure	April 19, 2025	<i>Announcement on Receipt of Decision on Administrative Supervisory Measures from Yunnan Supervision Bureau of China Securities Regulatory Commission (Announcement No. 2025-050) disclosed in the designated information disclosure media</i>
Paul Xiaoming Lee, Yan Ma, Sherry Lee, Li Xiaohua, Yanyang Hui, Jerry YangLi, Heyi Investment	Actual controllers and their respective acting-in-concert parties	Inaccurate disclosure of persons acting in concert and interests in the family of actual controller of Energy Technology; Failure to timely disclose the required short-form report of changes in equity and to cease trading in the Company's shares; Reduction of shares disproportionately and in violation of regulations.	Disciplinary actions taken by the stock exchange	Impose a circular criticism as disciplinary punishment to Paul Xiaoming Lee, Yan Ma, Sherry Lee, Li Xiaohua, Yanyang Hui, Jerry Yang Li, Heyi Investment, Yuxi Heli Investment Co., Ltd.	--	--
Heli Investment	Others					

Explanations on rectification

Applicable Not applicable

During the Reporting Period, the Company received from the Yunnan Bureau of the China Securities Regulatory Commission the administrative regulatory measure decision letter titled *Decision on Ordering Yunnan Energy New Materials Co., Ltd. to Make Corrections*, and from the Listing Company Management Department I of the Shenzhen Stock Exchange the *Supervisory Letter Regarding Yunnan Energy New Materials Co., Ltd.*. The aforesaid administrative regulatory measures and supervision letters mainly involve irregularities in the use and management of raised funds in previous years. The Company took these matters very seriously, has carried out corrective actions, and disclosed the *Corrective Action Report on the Administrative Regulatory Measure of Ordering Corrections Taken by the Yunnan Bureau of the CSRC Against the Company* (Announcement No.: 2025-075) on May 14, 2025. Taking this as a lesson, the Company will effectively strengthen the compliance awareness of all directors, supervisors, and senior management in performing their duties, enhance their duty-performance capabilities and the level of standardized operations, reinforce the normativeness of internal governance, duly safeguard the interests of the Company and all shareholders, and promote the healthy, stable, and high-quality development of the Company.

**XIII. The Company made no punishment or rectification during the Reporting Period.**

Applicable Not applicable

During the Reporting Period, the Company and its controlling shareholder and the actual controller were in good standing, and there were no outstanding effective court judgments that have not been performed, nor any significant debts owed.

## XIV. Significant related party transactions

### 1. Related party transactions arising from routine operation

Applicable  Not applicable

Unit: RMB'000

Related transaction party	Relation	Type of related transaction	Details of related transaction	Pricing principle of the related transaction	Related transaction price	Related transaction amount (inclusive of tax) (RMB'000)	Proportion in the total amount of transaction of the same type	Approved transaction limit (RMB'000)	Whether the transaction exceeded the approved limit or not	Settlement mode for related transaction	Obtainable market price for the transaction of the same type	Disclosure date	Disclosure index		
Yuxi Kunshasi Plastic Masterbatch Co., Ltd.	It was an equity investee subsidiary of the Company, and the Company's Chairman and Vice Chairman previously served as its Vice Chairman and director respectively. In December 2025, Yuxi Kunshasi Plastic Masterbatch Co., Ltd. ceased to be an equity investee subsidiary of the Company, and the Company's Chairman and Vice Chairman no longer hold any positions in it.	Purchase raw materials from related parties	Purchase additives	Agreed by both parties based on market price	--	3,043.28	56.76%	2,000 -3,500	No	T/T or acceptance bills	—	February 26, 2025	Announcement on the Expected Routine Related Transactions in 2025 (No.:2025-030)disclosed at www.cninfo.com.cn		
		Sell products and commodities to related parties	Sell raw materials		--	912.96	2.26%	1,000 -2,000	No	T/T	—				
		Sell products and commodities to related parties	Sell plastic products		--	4,178.33	33.89%	5,000 -8,000	No	T/T	—				
		Lease to related parties	Lease workshop		--	10	5.43%	2.4	No	T/T	—				
Yuxi Heyi Investment Co., Ltd.	An enterprise controlled by the Company's actual controller	Lease to related parties	Lease office	Agreed by both parties based on market price	--	0.33	0.18%	0.33	No	T/T	—				
Yuxi Heli Investment Co., Ltd.	The Company's employee stock ownership platform	Lease to related parties	Lease office	Agreed by both parties based on market price	--	0.24	0.14%	0.24	No	T/T	—				
Suzhou Jiasheng Technology Co., Ltd. and its subsidiaries	An enterprise controlled by the Company's actual controller	Purchase equipment and spare parts from related parties	Purchase equipment and spare parts	Agreed by both parties based on market price	--	32,631.52	7.31%	Not exceeding 60,880.05	No	T/T or acceptance bills	—				
Zhuhai Chenyu New Material Technology Co., Ltd. and its subsidiaries	An enterprise controlled by the Company's actual controller	Purchase materials from related parties	Purchase materials	Agreed by both parties based on market price	--	13,308.07	8.00%	Not exceeding 23,500	No	T/T or acceptance bills	—				
		Sell packaging materials and others to related parties	Sell packaging materials		--	7.5	0.02%	Not exceeding 18	No	T/T or acceptance bills	—				

Total	--	--	54,092.22	--	Not exceeding 97,901.02	--	--	--	--	--
Details of any sales return of a large amount	No									
Give the actual situation during the Reporting Period (if any) where a forecast had been made for the total amounts of routine related party transactions by type to occur in the current period	The actual routine transaction amount between the Company and the related parties did not exceed the total amount of routine related party transactions estimated by the Company by type.									
Reason for any significant difference between the transaction price and the market reference price (if applicable)	Not applicable									

**2. Related party transactions relevant to acquisition and sales of assets or equities**

Applicable  Not applicable, the Company did not acquire or sell assets or equities during the Reporting Period.

**3. Related party transactions in connection with joint external investments**

Applicable  Not applicable, the Company had no related party transaction in connection with joint external investments during the Reporting Period.

**4. Credits and liabilities with related parties**

Applicable  Not applicable, whether there were any credits or liabilities with related parties for non-operating purposes:  Yes  No, the Company did not have any non-operating related-party debt or credit transactions during the Reporting Period.

**5. Dealing with related financial companies**

Applicable  Not applicable, there was no deposit, loan, credit granting or other financial business between the Company and the related financial companies and the related parties.

**6. Dealing between the financial companies controlled by the Company and the related parties**

Applicable  Not applicable, there was no deposit, loan, credit granting or other financial business between the financial companies controlled by the Company and the related parties.

**7. Other significant related party transactions**

Applicable  Not applicable, the Company has no other significant related party transactions during the Reporting Period.

**XV. Significant contracts and their execution****1. Trusteeships, Contracts, and Leases****(1) Trusteeships**

Applicable  Not applicable, there was no trusteeship during the Reporting Period.

**(2) Contracts**

Applicable  Not applicable, there were no such cases during the Reporting Period.

**(3) Leases**

Applicable  Not applicable, there are no lease projects during the Reporting Period whose profit or loss impact on the Company accounts for more than 10% of the Company's total profit for the Reporting Period.

**2. Significant guarantees**

Applicable  Not applicable

Unit: RMB0'000

External guarantees provided by the Company and its subsidiaries (excluding those for subsidiaries)								
Guaranteed party	Disclosure date of related announcement of guarantee quota	Guarantee quota	Actual occurrence date	Actual guarantee amount	Type of guarantee	Guarantee period	Performed or not	Guarantee for a related party or not
Nil								
Guarantees provided by the Company to its subsidiaries								

Guaranteed party	Disclosure date of related announcement of guarantee quota	Guarantee quota	Actual occurrence date	Actual guarantee amount	Type of guarantee	Guarantee period	Performed or not	Guarantee for a related party or not
Hongta Plastic	December 31, 2024	4,400	June 11, 2024	0	Joint-liability guarantee	Indefinite Period	No	No
Hongta Plastic	December 31, 2024	12,900	July 7, 2023	3,184.22	Joint-liability guarantee	3 Years	No	No
Hongta Plastic	December 31, 2024	7,000	January 2, 2024	0	Joint-liability guarantee	3 Years	No	No
Hongta Plastic	December 31, 2024	5,000	January 27, 2025	2,264.15	Joint-liability guarantee	1 Year	No	No
Hongta Plastic	December 31, 2024	5,000	March 10, 2025	4,600	Joint-liability guarantee	1 Year	No	No
Hongta Plastic	December 31, 2024	6,000	April 9, 2025	0	Joint-liability guarantee	4 Years	No	No
Hongta Plastic	December 31, 2024	10,000	April 8, 2025	2,123.98	Joint-liability guarantee	1 Year	No	No
Hongta Plastic	December 31, 2024	6,000	July 25, 2025	5,413.48	Joint-liability guarantee	5 Years	No	No
Hongta Plastic	December 31, 2024	5,000	November 18, 2025	2,000	Joint-liability guarantee	1 Year	No	No
Hongta Plastic	December 31, 2024	4,100	December 23, 2025	0	Joint-liability guarantee	3 Years	No	No
Hongchuang Packaging	December 31, 2024	6,600	June 11, 2024	0	Joint-liability guarantee	Indefinite Period	No	No
Hongchuang Packaging	December 31, 2024	6,000	September 22, 2023	1,515.23	Joint-liability guarantee	3 Years	No	No
Hongchuang Packaging	December 31, 2024	9,000	January 2, 2024	0	Joint-liability guarantee	3 Years	No	No
Hongchuang Packaging	December 31, 2024	2,000	January 29, 2024	0	Joint-liability guarantee	3 Years	No	No
Hongchuang Packaging	December 31, 2024	10,000	December 26, 2024	9,978.33	Joint-liability guarantee	3 Years	No	No
Hongchuang Packaging	December 31, 2024	16,200	March 25, 2025	4,879.46	Joint-liability guarantee	3 Years	No	No
Hongchuang Packaging	December 31, 2024	15,000	April 24, 2025	2,152.44	Joint-liability guarantee	1 Year	No	No
Hongchuang Packaging	December 31, 2024	5,000	May 9, 2025	2,496.18	Joint-liability guarantee	1 Year	No	No
Hongchuang Packaging	December 31, 2024	10,000	March 20, 2025	4,882.76	Joint-liability guarantee	1 Year	No	No
Hongchuang Packaging	December 31, 2024	5,000	November 18, 2025	1,100	Joint-liability	1 Year	No	No

					guarantee			
Chengdu Hongta Plastic	December 31, 2024	1,000	April 9, 2025	0	Joint-liability guarantee	4 Years	No	No
Chengdu Hongta Plastic	December 31, 2024	7,500	May 20, 2025	218.4	Joint-liability guarantee	1 Year	No	No
Shanghai Energy	December 31, 2024	85,600	September 28, 2020	36,600	Joint-liability guarantee	7 Years	No	No
Shanghai Energy	December 31, 2024	66,000	February 7, 2022	30,000	Joint-liability guarantee	5 Years	No	No
Shanghai Energy	December 31, 2024	24,000	June 5, 2022	16,000	Joint-liability guarantee	3 Years	No	No
Shanghai Energy	December 31, 2024	4,622.59	June 10, 2022	0	Joint-liability guarantee	5 Years	No	No
Shanghai Energy	December 31, 2024	30,000	August 18, 2022	20,000	Joint-liability guarantee	5 Years	No	No
Shanghai Energy, Wuxi Energy, Jiangsu Energy	December 31, 2024	39,224.90	November 30, 2020	0	Joint-liability guarantee	8 Years	No	No
Shanghai Energy	December 31, 2024	120,000	August 1, 2023	52,892.50	Joint-liability guarantee	5 Years	No	No
Shanghai Energy	December 31, 2024	21,308.40	April 16, 2024	0	Joint-liability guarantee	3 Years	No	No
Shanghai Energy	December 31, 2024	21,358.49	June 24, 2024	10,000	Joint-liability guarantee	Indefinite Period	No	No
Shanghai Energy	December 31, 2024	90,000	February 25, 2025	82,000	Joint-liability guarantee	3 Years	No	No
Shanghai Energy	December 31, 2024	25,000	March 11, 2025	25,000	Joint-liability guarantee	1 Year	No	No
Shanghai Energy	December 31, 2024	20,000	May 8, 2025	19,000	Joint-liability guarantee	1 Year	No	No
Shanghai Energy	December 31, 2024	25,000	June 12, 2025	16,000	Joint-liability guarantee	Indefinite Period	No	No
Shanghai Energy	December 31, 2024	62,500	July 30, 2025	40,000	Joint-liability guarantee	1 Year	No	No
Shanghai Energy	December 31, 2024	19,600	August 14, 2025	12,000	Joint-liability guarantee	1 Year	No	No
Shanghai Energy	December 31, 2024	50,000	August 28, 2025	50,000	Joint-liability guarantee	1 Year	No	No
Shanghai Energy	December 31, 2024	20,900	September 9, 2025	19,000	Joint-liability guarantee	1 Year	No	No
Shanghai Energy	December 31, 2024	10,000	September 10, 2025	10,000	Joint-liability guarantee	4 Years	No	No

Shanghai Energy	December 31, 2024	20,000	September 12, 2025	17,000	Joint-liability guarantee	1 Year	No	No
Shanghai Energy	December 31, 2024	20,000	November 5, 2025	15,200	Joint-liability guarantee	1 Year	No	No
Shanghai Energy	December 31, 2024	54,600	November 14, 2025	10,500	Joint-liability guarantee	1 Year	No	No
Shanghai Energy	December 31, 2024	20,000	December 24, 2025	20,000	Joint-liability guarantee	1 Year	No	No
Shanghai Energy	December 31, 2024	50,000	December 24, 2025	10,000	Joint-liability guarantee	1 Year	No	No
Zhuhai Energy	December 31, 2024	15,000	May 29, 2023	0	Joint-liability guarantee	3 Years	No	No
Zhuhai Energy	December 31, 2024	22,000	December 1, 2023	22,000	Joint-liability guarantee	4 Years	No	No
Zhuhai Energy	December 31, 2024	3,200	March 1, 2024	0	Joint-liability guarantee	3 Years	No	No
Zhuhai Energy	December 31, 2024	27,096.70	April 12, 2024	0	Joint-liability guarantee	2 Years	No	No
Zhuhai Energy	December 31, 2024	35,682	July 30, 2024	0	Joint-liability guarantee	Indefinite Period	No	No
Zhuhai Energy	December 31, 2024	27,000	January 3, 2025	19,410.05	Joint-liability guarantee	3 Years	No	No
Zhuhai Energy	December 31, 2024	40,000	April 17, 2025	17,500	Joint-liability guarantee	5 Years	No	No
Zhuhai Energy	December 31, 2024	30,000	May 8, 2025	15,200	Joint-liability guarantee	1 Year	No	No
Zhuhai Energy	December 31, 2024	20,000	April 12, 2024	3,058	Joint-liability guarantee	2 Years	No	No
Zhuhai Energy	December 31, 2024	20,000	August 19, 2024	5,520	Joint-liability guarantee	1 Year	No	No
Zhuhai Energy	December 31, 2024	20,000	July 9, 2025	6,867.12	Joint-liability guarantee	5 Years	No	No
Zhuhai Energy	December 31, 2024	30,000	July 16, 2025	15,000	Joint-liability guarantee	1 Year	No	No
Zhuhai Energy	December 31, 2024	44,200	October 23, 2025	26,845.99	Joint-liability guarantee	10 Years	No	No
Zhuhai Energy	December 31, 2024	22,000	December 22, 2025	18,500	Joint-liability guarantee	2 Years	No	No
Zhuhai Energy	December 31, 2024	20,000	December 1, 2025	0	Joint-liability guarantee	2 Years	No	No
Wuxi Energy	December 31, 2024	116,000	December 1, 2020	8,581.29	Joint-liability	9 Years	No	No

					guarantee			
Wuxi Energy, Jiangxi Tonry, Suzhou Jieli, Chongqing Energy, Jiangxi Ruijie, Jiangsu Energy, Jiangsu Ruijie, Jiangxi Enpo, Hubei Energy, Jiangsu Sanhe Battery Material Technology Co., Ltd., Yuxi Energy	December 31, 2024	70,000	May 6, 2022	0	Joint-liability guarantee	4 Years	No	No
Wuxi Energy, Jiangxi Tonry, Suzhou Jieli, Chongqing Energy, Jiangxi Ruijie, Jiangsu Energy, Jiangsu Ruijie, Jiangxi Enpo, Hubei Energy, Jiangsu Sanhe Battery Material Technology Co., Ltd., Yuxi Energy, Xiamen Energy, Jiangxi Energy	December 31, 2024	200,000	March 1, 2024	0	Joint-liability guarantee	1 Year	No	No
Wuxi Energy, Jiangxi Tonry, Suzhou Jieli, Chongqing Energy, Jiangxi Ruijie, Jiangsu Energy, Jiangsu Ruijie, Jiangxi Enpo, Hubei Energy, Yuxi Energy, Xiamen Energy, Jiangxi Energy, Anhui Hongchuang	December 31, 2024	150,000	April 10, 2024	0	Joint-liability guarantee	3 Years	No	No
Wuxi Energy	December 31, 2024	10,000	September 24, 2024	0	Joint-liability guarantee	5 Years	No	No
Wuxi Energy	December 31, 2024	20,000	September 2, 2024	2,300	Joint-liability guarantee	1 Year	No	No
Wuxi Energy	December 31, 2024	10,000	March 24, 2025	10,000	Joint-liability guarantee	1 Year	No	No
Wuxi Energy	December 31, 2024	12,000	October 20, 2025	6,890	Joint-liability guarantee	1 Year	No	No
Jiangxi Tonry	December 31, 2024	25,000	June 25, 2024	24,700	Joint-liability guarantee	2 Years	No	No
Jiangxi Tonry	December 31, 2024	5,000	June 25, 2024	4,850	Joint-liability guarantee	2 Years	No	No
Jiangxi Tonry	December 31, 2024	1,000	October 9, 2024	940	Joint-liability guarantee	2 Years	No	No
Jiangxi Tonry	December 31, 2024	4,000	October 9, 2024	2,560	Joint-liability guarantee	2 Years	No	No
Jiangxi Tonry	December 31, 2024	13,500	October 31, 2024	10,000	Joint-liability guarantee	3 Years	No	No
Jiangxi Tonry	December 31, 2024	10,000	February 12, 2025	10,000	Joint-liability guarantee	1 Year	No	No

Jiangxi Tonry	December 31, 2024	28,000	March 27, 2025	22,999.20	Joint-liability guarantee	3 Years	No	No
Jiangxi Tonry	December 31, 2024	10,000	October 13, 2025	10,000	Joint-liability guarantee	1 Year	No	No
Jiangxi Tonry	December 31, 2024	15,000	November 12, 2025	15,000	Joint-liability guarantee	1 Year	No	No
Jiangxi Tonry, Jiangxi Energy	December 31, 2024	25,000	December 23, 2025	21,000	Joint-liability guarantee	4 Years	No	No
Suzhou Jieli	December 31, 2024	55,000	May 23, 2022	9,349.79	Joint-liability guarantee	5 Years	No	No
Suzhou Jieli	December 31, 2024	10,400	March 9, 2022	0	Joint-liability guarantee	5 Years	No	No
Suzhou Jieli	December 31, 2024	18,000	January 9, 2024	13,000	Joint-liability guarantee	5 Years	No	No
Suzhou Jieli	December 31, 2024	14,000	March 5, 2024	8,000	Joint-liability guarantee	3 Years	No	No
Suzhou Jieli	December 31, 2024	20,000	November 14, 2024	19,983.74	Joint-liability guarantee	1 Year	No	No
Suzhou Jieli	December 31, 2024	10,000	December 10, 2024	10,000	Joint-liability guarantee	5 Years	No	No
Suzhou Jieli	December 31, 2024	5,000	September 15, 2025	5,000	Joint-liability guarantee	3 Years	No	No
Suzhou Jieli	December 31, 2024	10,000	September 23, 2025	0	Joint-liability guarantee	1 Year	No	No
Suzhou Jieli	December 31, 2024	10,000	November 27, 2025	10,000	Joint-liability guarantee	5 Years	No	No
Chongqing Energy	December 31, 2024	160,000	April 26, 2022	59,103.35	Joint-liability guarantee	6 Years	No	No
Chongqing Energy	December 31, 2024	10,000	February 23, 2024	9,850	Joint-liability guarantee	3 Years	No	No
Chongqing Energy	December 31, 2024	8,000	August 26, 2025	6,300	Joint-liability guarantee	1 Year	No	No
Chongqing Energy	December 31, 2024	5,000	September 22, 2025	5,000	Joint-liability guarantee	1 Year	No	No
Chongqing Energy	December 31, 2024	30,000	November 28, 2025	30,000	Joint-liability guarantee	1 Year	No	No
Jiangxi Ruijie	December 31, 2024	40,000	April 12, 2023	29,250	Joint-liability guarantee	7 Years	No	No
Jiangsu Energy	December 31, 2024	20,000	November 18, 2024	7,495.05	Joint-liability guarantee	2 Years	No	No
Jiangsu Energy	December 31, 2024	30,000	February 8, 2025	24,850	Joint-liability	1 Year	No	No

					guarantee			
Jiangsu Energy	December 31, 2024	10,000	October 23, 2025	10,000	Joint-liability guarantee	1 Year	No	No
Jiangsu Energy	December 31, 2024	20,000	November 27, 2025	0	Joint-liability guarantee	3 Years	No	No
Jiangxi Enpo	December 31, 2024	43,350	April 28, 2024	83,250	Joint-liability guarantee	8 Years	No	No
Hubei Energy	December 31, 2024	49,500	May 24, 2023	0	Joint-liability guarantee	5 Years	No	No
Hubei Energy	December 31, 2024	165,000	May 24, 2023	96,595.47	Joint-liability guarantee	6 Years	No	No
Hubei Energy	December 31, 2024	20,000	March 17, 2025	15,000	Joint-liability guarantee	3 Years	No	No
Yuxi Energy	December 31, 2024	100,000	March 1, 2023	0	Joint-liability guarantee	3 Years	No	No
Yuxi Energy	December 31, 2024	70,000	April 10, 2024	0	Joint-liability guarantee	3 Years	No	No
Yuxi Energy	December 31, 2024	100,000	July 16, 2024	46,400	Joint-liability guarantee	10 Years	No	No
Yuxi Energy	December 31, 2024	350,000	March 4, 2025	85,289.57	Joint-liability guarantee	9 Years	No	No
Yuxi Energy	December 31, 2024	3,000	October 15, 2025	2,845	Joint-liability guarantee	4 Years	No	No
Newmi Tech	December 31, 2024	10,000	August 13, 2024	9,900	Joint-liability guarantee	3 Years	No	No
Newmi Tech	December 31, 2024	3,500	October 24, 2024	1,700	Joint-liability guarantee	2 Years	No	No
Shanghai Energy	December 31, 2024	1,000	February 25, 2025	1,000	Joint-liability guarantee	3 Years	No	No
Shanghai Energy	December 31, 2024	1,000	March 19, 2025	1,000	Joint-liability guarantee	1 Year	No	No
Shanghai Energy	December 31, 2024	1,000	June 26, 2025	1,000	Joint-liability guarantee	5 Years	No	No
Shanghai Energy	December 31, 2024	1,000	September 18, 2025	1,000	Joint-liability guarantee	1 Year	No	No
Anhui Hongchuang	December 31, 2024	55,000	July 23, 2024	17,742.30	Joint-liability guarantee	5 Years	No	No
Anhui Hongchuang	December 31, 2024	2,000	May 30, 2025	0	Joint-liability guarantee	3 Years	No	No
Anhui Hongchuang	December 31, 2024	2,900	September 25, 2025	1,000	Joint-liability guarantee	2 Years	No	No

	Anhui Hongchuang	December 31, 2024	5,000	December 18, 2025	0	Joint-liability guarantee	3 Years	No	No
	Chuangxin New Material (Hong Kong) Co., Ltd.	December 31, 2024	10,160.01	February 1, 2024	0	Joint-liability guarantee	Indefinite Period	No	No
	Chuangxin New Material (Hong Kong) Co., Ltd.	December 31, 2024	120,643.90	April 12, 2024	0	Joint-liability guarantee	Indefinite Period	No	No
	Jiechen Packaging	December 31, 2024	2,000	January 2, 2025	0	Joint-liability guarantee	3 Years	No	No
	Jiechen Packaging	December 31, 2024	1,000	May 28, 2025	90	Joint-liability guarantee	1 Year	No	No
Total line of guarantees granted to subsidiaries during the Reporting Period (B1)		5,929,343.38		Total actual amount of guarantees in favour of subsidiaries during the Reporting Period (B2)		1,555,648.89			
Total line of guarantees granted to subsidiaries as at the end of the Reporting Period (B3)		5,929,343.38		Total actual amount of guarantees in favour of subsidiaries as at the end of the Reporting Period (B4)		1,555,648.89			
Guarantees provided by subsidiaries for subsidiaries									
Guaranteed party	Disclosure date of related announcement of guarantee quota	Guarantee quota	Actual occurrence date	Actual guarantee amount	Type of guarantee	Guarantee period	Performed or not	Guarantee for a related party or not	
SEMCORP Hungary KFT	December 31, 2024	656.62	November 28, 2025	0	Joint-liability guarantee	3 years	No	No	
Jiangsu Ruijie	December 31, 2024	70,000	May 9, 2024	17,020	Joint-liability guarantee	8 years	No	No	
Total line of guarantees granted to subsidiaries during the Reporting Period (C1)		70,656.62		Total line of guarantees granted to subsidiaries during the Reporting Period (C2)		17,020			
Total line of guarantees granted to subsidiaries as at the end of the Reporting Period (C3)		70,656.62		Total actual amount of guarantees in favour of subsidiaries as at the end of the Reporting Period (C4)		17,020			
Total guarantee amount provided by the Company (sum of the aforesaid three categories)									
Total line of guarantees granted during the Reporting Period (A1+B1+C1)		6,000,000		Total actual amount of guarantees during the Reporting Period (A2+B2+C2)		1,572,668.89			
Total line of guarantees granted as at the end of the Reporting Period(A3+B3+C3)		6,000,000		Total actual amount of guarantees as at the end of the Reporting Period (A4+B4+C4)		1,495,737.05			
Total guarantee balance (A4+B4+C4) in proportion to net asset of the Company		58.73%							
Including:									
Balance of guarantees given for shareholders, actual controllers and their related parties (D)						0			
Balance of debt guarantees direct or indirectly given for guarantee parties with gearing ratio of over 70% (E)						2,330,371			
Amount of total guarantees in excess of 50% of net assets (F)						2,558,866.13			
Total of the above three guarantee amounts (D+E+F)						2,558,866.13			
For unexpired guarantees, descriptions about the guarantee liabilities or possible joint and several liabilities of repayment occurred during the Reporting Period (if any)						Nil			
External guarantees in breach of procedural requirements (if any)						Nil			
Total line of guarantees granted to		70,656.62		Total line of guarantees granted to subsidiaries during		17,020			

subsidiaries during the Reporting Period (C1)		the Reporting Period (C2)	
Total line of guarantees granted to subsidiaries as at the end of the Reporting Period (C3)	70,656.62	Total actual amount of guarantees in favour of subsidiaries as at the end of the Reporting Period (C4)	17,020
Total guarantee amount provided by the Company (sum of the aforesaid three categories)			
Total line of guarantees granted during the Reporting Period (A1+B1+C1)	6,000,000	Total actual amount of guarantees during the Reporting Period (A2+B2+C2)	1,572,668.89
Total line of guarantees granted as at the end of the Reporting Period(A3+B3+C3)	6,000,000	Total actual amount of guarantees as at the end of the Reporting Period (A4+B4+C4)	1,495,737.05
Total guarantee balance (A4+B4+C4) in proportion to net asset of the Company			58.73%
Including:			
Balance of guarantees given for shareholders, actual controllers and their related parties (D)			0
Balance of debt guarantees direct or indirectly given for guarantee parties with gearing ratio of over 70% (E)			2,330,371
Amount of total guarantees in excess of 50% of net assets (F)			2,558,866.13
Total of the above three guarantee amounts (D+E+F)			2,558,866.13
For unexpired guarantees, descriptions about the guarantee liabilities or possible joint and several liabilities of repayment occurred during the Reporting Period (if any)			Nil
External guarantees in breach of procedural requirements (if any)			Nil

Circumstances in which composite guarantees are used: N/A

### 3. Entrusted cash assets management

#### (1) Entrusted wealth management

Applicable  Not applicable

Overview of entrusted wealth management during the Reporting Period

Product Category	Risk Profile	Balance of Entrusted Wealth Management during the Reporting Period (RMB'0,000)	Overdue Unrecovered Amount (RMB'0,000)
Bank Wealth Management Products	Low Risk	36,072.48	0

Specific information on the Company acting as a single entrusting party to entrust financial institutions with asset management, or investing in high-risk entrusted wealth management products with lower safety and poor liquidity.

Applicable  Not applicable

□ (2) Entrusted loans

□ Applicable  Not applicable, there were no entrusted loans during the Reporting Period.

#### 4. Other major contracts

Applicable  Not applicable

Contracting party (the Company's side)	Contracting party (the other side)	Contract object	Date of signature	Pricing principle	Transaction content	Related party transaction or not	Related party relationship	Status of implementation as at the end of the Reporting Period	Disclosure date	Disclosure index
Shanghai Energy	Beijing Welion New Energy Technology Co., Ltd.	Electrolyte separator for semi-solid and all-solid-state batteries	January 13, 2025	Market price	Beijing Welion New Energy Technology Co., Ltd. has designated that 80% of its procurement volume of required materials will be sourced from Shanghai Energy and its affiliates with controlling stakes for the purchase of electrolyte separators for semi-solid batteries and electrolytes and electrolyte membranes for all-solid-state batteries. From 2025 to 2030, Beijing Welion New Energy Technology Co., Ltd. expects to place purchase orders with Shanghai Energy and its affiliates with controlling stakes for electrolyte separators for semi-solid and all-solid-state batteries totaling no less than 300 million square meters, and for all-solid state battery electrolytes totaling no less than 100 tons, subject to actual purchase orders.	No	None	Ongoing as scheduled	January 15, 2025	<i>Announcement on the Signing of Purchase Framework Agreement between a Majority Controlled Subsidiary and Beijing Welion New Energy Technology Co., Ltd.</i> (Announcement No. 2025-010) disclosed at www.cninfo.com.cn
Shanghai Energy	LG Energy Solution, Ltd.	Lithium battery separator	January 21, 2025	Market price	Based on the long-term and stable global strategic cooperation between the parties, LGES expects to purchase approximately 3.55 billion square meters of lithium battery separators from Shanghai Energy (including its affiliates with controlling stakes) in the global market from 2025 to 2027, subject to actual purchase orders.	No	None	Ongoing as scheduled	January 22, 2025	<i>Announcement on Signing of Significant Contracts between a Majority Controlled Subsidiary and LG Energy Solution, Ltd.</i> (Announcement No. 2025-018) disclosed at www.cninfo.com.cn
SEMCORP Manufacturing USA LLC	A well known US automotive manufacturer	Lithium battery separator	April 2, 2025	Market price	The collaborating customer expects to purchase approximately 973 million square meters of lithium battery separators from SEMCORP Manufacturing USA LLC (including its affiliates with controlling stakes) from 2026 to 2030, subject to actual purchase orders.	No	None	Ongoing as scheduled	April 4, 2025	<i>Announcement on Signing of Supply Agreements by Subsidiaries</i> (Announcement No. 2025-045) disclosed at www.cninfo.com.cn

**XVI. Use of funds raised**

☑ Applicable ☐ Not applicable

**1. Overall use of funds raised**

☑ Applicable ☐ Not applicable

Unit: RMB'0,000

Year of raising funds	Way of raising funds	Date of listing of securities	Total amount of funds raised	Net amount of funds raised (1)	Total amount of funds used during the Reporting Period	Cumulative amount of funds used (2)	Proportion of proceeds utilized at the end of the Reporting Period (3)=(2)/(1)	Total amount of funds raised with changes of use during the Reporting Period	Total cumulative amount of Funds raised with changes of use	Total cumulative amount of funds raised with changes of use as a percentage of the total amount of funds raised	Total Amount of unused funds	Use and whereabouts of unused funds	Amount of funds raised that have been idle for more than two years
2016	Initial Public Offering	September 14, 2016	78,376.68	74,776.7	787.93	66,534.98	88.98%	0	10,588.68	14.16%	9,698.01	Deposited in a designated bank account for fundraising	9,698.01
2020	Offering of convertible corporate bonds to non-specific investors	February 28, 2020	160,000	158,612.26	0	158,612.26	100.00%	0	0	0.00%	0	N/A	0
2020	Offering of shares to specific investors	September 4, 2020	500,000	498,250.46	0	503,663.58	101.09%	0	0	0.00%	0	N/A	0
2023	Offering of shares to specific investors	June 20, 2023	750,000	745,354.61	32,070.62	750,418.94	100.68%	28,430.24	28,430.24	3.81%	0.35	Deposited in a designated bank account for fundraising	0
Total	--	--	1,488,376.68	1,476,994.03	32,858.55	1,479,229.76	100.15%	28,430.24	39,018.92	2.64%	9,698.36	--	9,698.01

Explanations of the overall use of the funds raised:

#### I. Initial Public Offering

Upon the approval of the CSRC in Zheng Jian Xu Ke [2016] No. 1886, the Company made its initial public offering of 33.48 million RMB-denominated ordinary shares. China Merchants Securities Co., Ltd., the main underwriter, issued 33.48 million shares by combining offline enquiry and allotment to investors and online subscription based on market value to public investors. All of the 33.48 million shares issued are new shares, with no transfer of old shares. Among them, 3.348 million shares were allotted offline, 30.132 million shares were issued online at a price of RMB23.41 per share. After deducting RMB35.9998 million of newly increased external expenses directly related to the issuance of equity securities, such as online issuance fees, prospectus printing fees, accountancy fees relating to filing the relevant documents, lawyer fees and valuation fees, the net amount of raised funds was RMB747.767 million. The availability of the above raised funds was verified by Dahua CPAs (SGP) with the capital verification report titled “Da Hua Yan Zi [2016] No. 000897”. As of September 30, 2016, the Company’s self-owned funds invested in the fundraising projects reached RMB236.6591 million, which was audited by Dahua CPAs (SGP) with the issuance of the report titled “Da Hua He Zi No. [2016] No. 004562”. In 2017, the total amount of raised funds used was RMB26,067,736.89. In 2018, the total amount of raised funds used was RMB36,288,006.85. In 2019, the total amount of raised funds used was RMB24,728,775.11. In April 2019, the Company held the 27th meeting of the Third Board of Directors, and in May 2019, the 2018 Annual General Meeting, during which the *Proposal on Adjustment of Certain Fundraising Investment Projects* was considered and approved. The original investment projects financed by the proceeds from IPO, namely the “Reconstruction and expansion project of high-grade environmental-friendly specialty papers with annual production output of 13,000 tons” and the “R&D center construction project” were changed to the “Energy Technology Research Institute Project” which is being implemented by the wholly-owned subsidiary, Shanghai Energy New Materials Research Co., Ltd. In 2023, Shanghai Energy New Materials Research Co., Ltd. began operations. In 2023, the total amount of raised funds used was RMB13,472,295.56. In 2024, the total amount of raised funds used was RMB2,117,999.66. During the Reporting Period, the total amount of raised funds used was RMB7,879,274.34. As of December 31, 2025, the balance of the special account was RMB96,980,139.09 (including the net interest income from the special fundraising account after deducting handling fees, amounting to RMB14,562,944.70).

#### II. Public Offering of Convertible Corporate Bonds in 2020

Upon the approval of the CSRC with the *Reply on Approving the Public Offering of Convertible Corporate Bonds of Yunnan Energy New Material Co., Ltd.* (Zheng Jian Xu Ke [2019] No. 2701), the Company publicly issued 1.6 million convertible corporate bonds on February 11, 2020, with a face value of RMB100 each bond and a total amount of RMB1,600,000,000. After deducting the underwriting and sponsorship fees (pre-tax) of RMB9,433,962.26 and other offering expenses (pre-tax) of RMB4,443,396.23 from the total amount of proceeds from the public offering of convertible corporate bonds, the net amount of proceeds from the offering by the Company was RMB1,586,122,641.51. The availability of funds raised this time was verified by Dahua CPAs (SGP) with the capital verification report titled “Da Hua Yan Zi [2020] No. 000047”. As verified by Dahua CPAs (SGP), the Company used the raised funds of RMB1,586,122,641.51 for the complete replacement of part of the self-raised funds that have been previously invested in the projects financed by the proceeds. As of December 31, 2020, funds raised from convertible corporate bonds issued by the Company were all used to replace self-raised funds, the balance of the special account was RMB0.00, and the Company had canceled the special fundraising account.

#### III. Non-public Offering of Shares in 2020

Upon the approval of the CSRC with the *Reply on Approving the Non-public Offering of Shares of Yunnan Energy New Material Co., Ltd.* (Zheng Jian Xu Ke [2020] No. 1476), the Company non-publicly issued 69,444,444 RMB-denominated ordinary shares to 22 specific investors on August 17, 2020, with a face value of RMB1.00 each share, at the offering price of RMB72.00 per share, and the total amount of the funds raised from this offering was RMB4,999,999,968.00. After deducting the underwriting and sponsorship fees (pre-tax) of RMB14,150,943.40 and other offering expenses (pre-tax) of RMB3,344,470.11 from the total amount of the funds raised from this offering, the net amount of funds raised from this offering by the Company was RMB4,982,504,554.49. The availability of funds raised this time was verified by Dahua CPAs (SGP) with the capital verification report titled “Da Hua Yan Zi [2020] No. 000460”. As verified by Dahua CPAs (SGP), the Company used the raised funds of RMB254,221,260.11 for the replacement of the self-raised funds that have been previously invested in the projects financed by the proceeds. The amount of raised funds used was RMB1,999,307,646.21 in 2020. The amount of raised funds used was RMB2,637,743,136.15 in 2021. The amount of raised funds used was RMB145,363,757.34 in 2022. As of December 31, 2022, the balance of the fundraising account was RMB0.00, and the Company had canceled the special fundraising account.

#### IV. Non-public Offering of Shares in 2021

Upon the approval of the CSRC with the *Reply on Approving the Non-public Offering of Shares of Yunnan Energy New Material Co., Ltd.* (Zheng Jian Xu Ke [2022] No. 1343), the Company non-publicly issued 85,421,412 RMB-denominated ordinary shares to specific investors on May 24, 2023, with a face value of RMB1.00 each share, at the offering price of RMB87.80 per share, and the total amount of the funds raised from this offering was RMB7,499,999,973.60. After deducting the pre-tax offering expenses of RMB46,453,872.58, the actual amount of funds raised from this offering by the Company was RMB7,453,546,101.02. The availability of funds raised this time was verified by Dahua CPAs (SGP) with the capital verification report titled “Da Hua Yan Zi [2023] No. 000250”. As verified by Dahua CPAs (SGP), the Company used the raised funds of RMB3,998,086,272.07 for the replacement of the part of self-raised funds that have been previously invested in the projects financed by the proceeds. From June 14, 2023 to December 31, 2023, the Company used RMB2,546,795,768.34 of the raised funds. The amount of raised funds used was RMB638,601,104.38 in 2024. During the Reporting Period, RMB320,706,232.50 of the raised funds was used. As of December 31, 2025, the balance of the raised funds is RMB3,536.68.

## 2. Projects in which the Company undertakes to invest the funds raised

Applicable  Not applicable

Unit: RMB'0,000

Name of financing project	Date of listing of securities	Projects in which the Company undertakes to invest the funds raised and the whereabouts of the over raised funds	Nature of project	Whether the project has been changed, including changes of some parts of the project	Total amount of funds the Company undertakes to invest	Total investment amount after the adjustment (1)	Investment amount during the Reporting Period	Cumulative investment amount as of the end of the Reporting Period (2)	Investment progress as of the end of the Reporting Period (3)=(2)/(1)	Date on which the project will be ready for use	Benefits achieved during the Reporting Period	Cumulative benefits achieved as of the end of the Reporting Period	Whether the expected benefits are achieved	Whether the feasibility of the project has changed significantly
Projects in which the Company undertakes to invest the funds raised														
Initial Public Offering	September 14, 2016	Reconstruction and expansion project of color packaging boxes with annual production output of 3 billion pieces	Production construction	No	28,414.7	28,414.7	0	28,414.7	100.00%	August 15, 2019	12,179.31	49,552.17	Yes	No
		Reconstruction and expansion project of high-grade environmental-friendly specialty papers with annual production output of 13,000 tons	Production construction	Yes	10,684.57	3,617.5	0	3,617.5	100.00%				N/A	Yes
		R&D center construction project	R&D project	Yes	4,993.17	1,471.56	0	1,471.56	100.00%				N/A	No
		Repayment of bank loans	Repayment of loans	No	20,000	20,000	0	20,000	100.00%				N/A	No
		Addition to current capital	Replenishment of liquidity	No	10,684.26	10,684.26	0	10,684.26	100.00%				N/A	No
Public Offering of Convertible Corporate Bonds in	February 28, 2020	Lithium-ion battery separator project (phase I) with an annual production output of 400 million square meters of Jiangxi	Production construction	No	58,612.26	58,612.26	0	58,612.26	100.00%	December 31, 2019	11,724.09	154,517.75	No	No

2020		Tonry New Energy Technology Development Co., Ltd.												
		Wuxi Energy New Material Industrial Base	Production construction	No	100,000	100,000	0	100,000	100.00%	September 30, 2020	-22,671.91	55,552.17	No	No
Non-public Offering of Shares in 2020	September 4, 2020	Expansion project of lithium-ion battery separator (phase I) of Jiangxi Tonry New Energy Technology Development Co., Ltd.	Production construction	No	148,250.46	148,250.46	0	149,909.24	101.12%	July 31, 2022	19,906.36	124,093.62	No	No
		Expansion of Wuxi Energy New Material Industrial Base Phase II	Production construction	No	200,000	200,000	0	203,754.33	101.88%	October 31, 2022	-37,224.95	10,606.84	No	No
		Addition to current capital	Replenishment of liquidity	No	150,000	150,000	0	150,000	100.00%				N/A	No
Non-public Offering of Shares in 2021 <sup>1</sup>	June 20, 2023	Microporous membrane project of high-performance lithium-ion battery of Chongqing Energy (phase I)	Production construction	No	41,010	41,010	0	41,010	100.00%	July 31, 2022	-50.93	18,460.94	No	No
		Microporous membrane project of high-performance lithium-ion battery of Chongqing Energy (phase II)	Production construction	No	140,630	140,630	0	140,630	100.00%	December 31, 2025	-110.65	12,135.79	No	No
		Suzhou Green Power project with an annual output of 200 million square meters of lithium-ion battery coated separator	Production construction	No	35,160	35,160	0	35,160	100.00%	November 30, 2023	7,371.81	39,521.44	No	No
		Jiangsu Energy EV Lithium Battery Separator Industrialization Project	Production construction	No	281,250	281,250	2,147.02	284,820.96	101.27%	December 31, 2024	-5,952.66	-13,105.37	No	No
		Jiangsu Ruijie EV Lithium Battery Aluminum Laminated Film Industrialization Project	Production construction	Yes	76,170	47,739.76	0	47,739.76	100.00%	December 31, 2025	-6,410.31	-10,170.06	No	Yes
		Addition to current capital	Reple	No	171,134.61	171,134.61	0	171,134.61	100.00%				N/A	No

			nishment of liquid ity											
Total of committed investment projects				--	1,476,994.03	1,437,975.11	2,147.02	1,446,959.18	--	--	-21,239.84	441,165.29	--	--
Whereabouts of the over raised funds														
None														
Total				--	1,476,994.03	1,437,975.11	2,147.02	1,446,959.18	--	--	-21,239.84	441,165.29	--	--
Explanation for each project on the failure to meet planned progress, expected returns, and the reasons (including the reasons for selecting "N/A" for "Whether the expected benefits are achieved")	<p>The expected benefits refer to the annual profit after the project reaches a usable state and the full production capacity is released. The "Microporous membrane project of high-performance lithium-ion battery of Chongqing Energy (phase II)" has been fully completed and put into production, and is still in the capacity ramp-up phase as of the end of the Reporting Period. The following projects have reached production capacity: "Lithium-ion battery separator project (phase I) with an annual production output of 400 million square meters of Jiangxi Tonry New Energy Technology Development Co., Ltd.", "Expansion project of lithium-ion battery separator (phase I) of Jiangxi Tonry New Energy Technology Development Co., Ltd.", "Wuxi Energy New Material Industrial Base", "Expansion of Wuxi Energy New Material Industrial Base Phase II", "Microporous membrane project of high-performance lithium-ion battery of Chongqing Energy (phase I)", "Suzhou Green Power project with an annual output of 200 million square meters of lithium-ion battery coated separator", and "Jiangsu Energy EV Lithium Battery Separator Industrialization Project". However, due to the intensified market competition in the lithium battery separator industry in recent years, the price and gross margin of lithium battery separator products have declined significantly compared with the levels at the time of project initiation, leading to the failure to achieve the expected benefits this year.</p> <p>Due to intensified competition in the industry chain in recent years and a decline in product prices across all segments, the Company, after prudent consideration, has determined that continuing to implement the "Jiangsu Ruijie EV Lithium Battery Aluminum Laminated Film Industrialization Project" at this stage may expose the Company to the risk that the project's return on investment will fail to meet expectations, and therefore the project's investment strategy needs to be adjusted. Accordingly, taking into account the Company's overall strategic planning, and in order to mitigate the investment risk of fundraising projects and enhance the efficiency of fund utilization, the Company terminated the "Jiangsu Ruijie EV Lithium Battery Aluminum Laminated Film Industrialization Project" during the Reporting Period and permanently supplemented its working capital with the remaining proceeds raised from the project, to be used for daily operating activities related to the Company's main businesses. In the future, the Company will decide whether to continue the project using its own funds based on the development of the industry and its business operations.</p>													
Explanation for material changes in the feasibility of projects	<p>I. Initial Public Offering</p> <p>1. The "Reconstruction and expansion project of high-grade environmental-friendly specialty papers with annual production output of 13,000 tons" was planned by the Company based on the market situation and the Company's production capacity before listing. As time goes by, the market has changed dramatically. Since 2016, the procurement model of downstream tobacco manufacturers for special paper products has been adjusted from quantity allocation by cigarette manufacturers to the independent procurement mode through centralized bidding or commercial negotiation by cigarette label printing enterprises. Cigarette-related enterprises can expand their bargaining range from region to the entire country by means of tendering or commercial negotiation through public market inquiry and bargaining by themselves, breaking the original competitive landscape featuring fixed share and region. As a result, special paper manufacturers took active competition strategies like price cuts to snap up orders, and the industry pattern changed. As a result of the above industrial policy adjustments, the special paper industry has formed a new pattern featuring full market competition, with intensified market competition and a sharp decline in prices. If the "Reconstruction and expansion project of high-grade environmental-friendly specialty papers with annual production output of 13,000 tons" went on as scheduled, we may face risks that the utilization rate of raised funds may decline and the expected investment objective may not be achieved. Therefore, the Company terminated the implementation of the "Reconstruction and expansion project of high-grade environmental-friendly specialty papers with annual production output of 13,000 tons" in 2019.</p> <p>2. The "R&amp;D center construction project" was launched to meet the Company's demand for R&amp;D in its main businesses before listing. With the completion of major asset restructuring in 2018, the Company's main businesses included lithium battery separator, which has high technological requirements. The manufacturing of lithium batteries has a high requirement for the characteristics of separator materials, especially consistency, and the size and uniformity of distribution of separator micropores. Based on the Company's business development plan and market demand, to better implement its development strategy, the Company intends to integrate the technology centers currently scattered in subordinate companies, so as to ensure that the Company's R&amp;D technology can further improve production efficiency, product quality and new product development capacity. The above change was considered and approved by the Company at the 27th meeting of the Third Board of Directors, the 22nd meeting of the Third Supervisory Committee and the 2018 Annual General Meeting.</p> <p>II. Non-public Offering of Shares in 2021</p> <p>1. Since the proceeds raised were received in 2023, the Company has been actively advancing the implementation of the "Jiangsu Ruijie EV Lithium Battery Aluminum Laminated Film Industrialization Project". However, due to intensified competition in the industry chain in recent years and a decline in product prices across all segments, the Company, after prudent consideration, has determined that continuing to implement the "Jiangsu Ruijie EV Lithium Battery Aluminum Laminated Film Industrialization Project" at this stage may expose the Company to the risk that the project's return on investment will fail to meet expectations, and therefore the project's investment strategy needs to be adjusted. Accordingly, taking into account the Company's overall strategic planning, and in order to mitigate the investment risk of fundraising projects and enhance the efficiency of fund utilization, the Company terminated the "Jiangsu Ruijie EV Lithium Battery Aluminum Laminated Film Industrialization Project" during the Reporting Period and permanently supplemented its working capital with the remaining proceeds raised from the project, to be used for daily operating activities related to the Company's main businesses. In the future, the Company will decide whether to continue the project using its own funds based on the development of the industry and its business operations. The proposed termination of the above-mentioned project and the permanent supplementation of working capital with the remaining proceeds were considered and approved by the 46th meeting of the Fifth Board of Directors and the 38th meeting of the Fifth Supervisory Committee held by the Company on August 18, 2025. This matter was also considered and approved by the Company at the Seventh Extraordinary General Meeting of 2025.</p>													
Amount, use and status of over raised funds	N/A													

Unauthorized change of use of the proceeds raised and improper use of the proceeds raised.	N/A
Changes in the location to implement the projects financed by the proceeds	Applicable Occurred in the past
	<p>Upon the consideration and approval of the <i>Proposal on Adjustment of Certain Fundraising Investment Projects</i> at the 27th meeting of the Third Board of Directors of the Company, it was agreed to terminate the “Reconstruction and expansion project of high-grade environmental-friendly specialty papers with annual production output of 13,000 tons” and the “R&amp;D center construction project”, and invest the balance of the raised funds for these two projects, totaling RMB105.8868 million, and corresponding interest income, in the new investment project financed by the proceeds “Energy Research Institute Project”. The Company invested to establish a wholly-owned subsidiary as the entity to implement the “Energy Research Institute Project”, and leased the experimental building in the factory area of Shanghai Energy. The location to implement the project is changed to 155 Nanlu Road, Pudong New Area, Shanghai.</p> <p>Since the Company plans to establish its New Energy Shanghai Management Headquarters, Energy Research Institute and other corporate management facilities in the Jinqiao Development Zone of the Pudong New Area, Shanghai, and in order to meet the Company’s R&amp;D needs and ensure the efficient progress of the “Energy Research Institute Project”, the Company considered and approved the <i>Proposal on Adding a New Implementation Location and Extending the Timeline for Certain Fundraising Investment Projects</i> at the 46th meeting of the Fifth Board of Directors and the 38th meeting of the Fifth Supervisory Committee held by the Company on August 18, 2025. The Company resolved to add “Lane 1851, Jinqiao Road, Pudong New Area, Shanghai, China” as the implementation location for the “Energy Research Institute Project”.</p>
Adjustment to the implementation method of the projects financed by the proceeds	Applicable Occurred in the past
	<p>Upon the consideration and approval of the <i>Proposal on Adjustment of Certain Fundraising Investment Projects</i> at the 27th meeting of the Third Board of Directors of the Company, it was agreed to terminate the “Reconstruction and expansion project of high-grade environmental-friendly specialty papers with annual production output of 13,000 tons” and the “R&amp;D center construction project”, and invest the balance of the raised funds for these two projects, totaling RMB105.8868 million, and corresponding interest income, in the new investment project financed by the proceeds “Energy Research Institute Project”. The entity to implement the new investment project financed by the proceeds is the Company’s wholly-owned subsidiary-Shanghai Energy New Materials Research Co., Ltd.</p> <p>Upon the consideration and approval of the <i>Proposal on Adjustment of Certain Fundraising Investment Projects</i> at the 46th meeting of the Fifth Board of Directors of the Company, it was agreed to terminate the “Reconstruction and expansion project of high-grade environmental-friendly specialty papers with annual production output of 13,000 tons” and the “R&amp;D center construction project”, and invest the balance of the raised funds for these two projects, totaling RMB105.8868 million, and corresponding interest income, in the new investment project financed by the proceeds “Energy Research Institute Project”. The entity to implement the new investment project financed by the proceeds is the Company’s wholly-owned subsidiary-Shanghai Energy New Materials Research Co., Ltd.</p> <p>Occurred during the Reporting Period: At the 46th meeting of the Fifth Board of Directors and the 38th meeting of the Fifth Supervisory Committee held by the Company on August 18, 2025, the <i>Proposal on Adding a New Implementation Location and Extending the Timeline for Certain Fundraising Investment Projects</i> was considered and approved. It was agreed to extend the date of “Energy Research Institute Project” on which the project will be ready for use to December 31, 2026, and to add “Lane 1851, Jinqiao Road, Pudong New Area, Shanghai, China” as the implementation location for the “Energy Research Institute Project”.</p>
Previous investment in the projects financed by the proceeds and replacement with the funds raised	Applicable
	<p>I. Initial Public Offering Upon the consideration and approval of the <i>Proposal on Replacing Self-raised Funds Previously Invested in Fundraising Investment Projects with the Funds Raised</i> at the 18th meeting of the Second Board of Directors of the Company, it was agreed to replace the self-raised funds of RMB236.6591 million that had been invested in projects financed by the proceeds. RMB197.9357 million was previously invested in the “Reconstruction and expansion project of color packaging boxes with annual production output of 3 billion pieces”, RMB24.2138 million was previously invested in the “Reconstruction and expansion project of high-grade environmental-friendly specialty papers with annual production output of 13,000 tons”, and RMB14.5096 million was previously invested in the “R&amp;D center construction project”.</p> <p>II. Public Offering of Convertible Corporate Bonds in 2020 At the 42nd meeting of the Third Board of Directors of the Company, the <i>Proposal on Replacing Self-raised Funds Previously Invested in Fundraising Investment Projects with the Funds Raised from Convertible Corporate Bonds</i> was considered and approved, and it was agreed that the Company used the funds raised from this offering to replace some of the self-raised funds already invested in projects financed by the proceeds. As of March 16, 2020, the Company cumulatively invested self-raised funds of RMB1,697.9844 million in projects financed by the proceeds, and the net amount of funds raised from this offering of convertible corporate bonds was RMB1,586.1226 million, which was used fully to replace the previously invested self-raised funds. Specifically, RMB586.1226 million of self-raised funds invested in the “Lithium-ion battery separator project (phase I) with an annual production output of 400 million square meters of Jiangxi Tonry New Energy Technology Development Co., Ltd.” in which RMB596.8886 million was previously invested, was replaced; RMB1,000 million of self-raised funds invested in the “Wuxi Energy New Material Industrial Base”, in which RMB1101.0959 million was previously invested, was replaced.</p> <p>III. Non-public Offering of Shares in 2020 At the 11th meeting of the Fourth Board of Directors and the 11th meeting of the Fourth Supervisory Committee, the <i>Proposal on Replacing Self-raised Funds Previously Invested in Fundraising Investment Projects with the Funds Raised from the Non-public Offering of A Shares in 2020</i> was considered and approved, and it was agreed to replace the self-raised funds of RMB254.2213 million already invested in the projects with the funds raised. Specifically, RMB157.1693 million was previously invested in the “Expansion project of lithium-ion battery separator (phase I) of Jiangxi Tonry New Energy Technology Development Co., Ltd.”, and RMB97.052 million was previously invested in the “Expansion of Wuxi Energy New Material Industrial Base Phase II”.</p> <p>IV. Non-public Offering of Shares in 2021</p>

	<p>At the sixth meeting of the Fifth Board of Directors and the sixth meeting of the Fifth Supervisory Committee, the <i>Proposal on Replacing Self-raised Funds Previously Invested in Fundraising Investment Projects with the Funds Raised from the Non-public Offering of A Shares in 2021</i> was considered and approved, and it was agreed to replace part of self-raised funds already invested in the projects financed by the proceeds with the funds raised. As of June 13, 2023, the amount previously invested by the Company in the projects financed by the proceeds with self-raised funds was RMB4,017,576,500.58, and the amount replaced with raised funds from this offering amounted to RMB3,998,086,272.07. Specifically, previously invested funds amounted to RMB411,491,379.33 for “Microporous membrane project of high-performance lithium-ion battery of Chongqing Energy (phase I)”, and RMB410,100,000.00 of such funds were replaced. Previously invested funds amounted to RMB1,409,367,607.63 for “Microporous membrane project of high-performance lithium-ion battery of Chongqing Energy (phase II)”, and RMB1,406,300,000.00 of such funds were replaced. Previously invested funds amounted to RMB1,421,550,504.48 for “Jiangsu Energy EV Lithium Battery Separator Industrialization Project”, and RMB1,421,550,504.48 of such funds were replaced. Previously invested funds amounted to RMB408,535,767.59 for “Jiangsu Ruijie EV Lithium Battery Aluminum Laminated Film Industrialization Project”, and RMB408,535,767.59 of such funds were replaced. Previously invested funds amounted to RMB366,631,241.55 for “Suzhou Green Power project with an annual output of 200 million square meters of lithium-ion battery coated separator”, and RMB351,600,000.00 of such funds were replaced.</p>
Use of idle funds raised to temporarily replenish working capital	<p>Applicable</p> <p>I. Initial Public Offering On February 24, 2020, at the 41st meeting of the Third Board of Directors and the 36th meeting of the Third Supervisory Committee, the <i>Proposal on Using Some Idle Funds Raised to Temporarily Replenish Working Capital</i> was considered and approved, and it was agreed to use idle funds raised of no more than RMB110 million to temporarily replenish working capital within 12 months from the date of the approval of the above proposal. Both independent directors and sponsor expressed opinions of agreeing upon the proposal. On August 26, 2020, the Company returned the aforementioned RMB110 million that was temporarily used to replenish working capital to the Company’s special fundraising account, and timely informed the sponsor CITIC Securities and sponsor representative of the return of the funds.</p> <p>II. Non-public Offering of Shares in 2020 On September 7, 2020, at the 11th meeting of the Fourth Board of Directors and the 11th meeting of the Fourth Supervisory Committee, the <i>Proposal on Using Some Idle Funds Raised to Temporarily Replenish Working Capital</i> was considered and approved, and it was agreed to use idle funds raised from the non-public offering of shares in 2020 of no more than RMB800 million to temporarily replenish working capital for production and operation activities related to the Company’s main business within 12 months from the date on which the Sixth Extraordinary General Meeting of 2020 approved the proposal. Both independent directors and sponsor expressed opinions of agreeing upon the proposal. As of June 1, 2021, the Company returned the aforementioned RMB800 million that was temporarily used to replenish working capital to the Company’s special fundraising account, and timely informed the sponsor CITIC Securities and sponsor representative of the return of the funds.</p>
Amount of and reasons for any balance of the funds raised after the project implementation	<p>Applicable</p> <p>Due to intensified competition in the industry chain in recent years and a decline in product prices across all segments, the Company needs to adjust its project investment strategy. Taking into account the Company’s overall planning, and in order to mitigate the investment risks of fundraising projects and enhance the efficiency of fund utilization, the Company terminated the “Jiangsu Ruijie EV Lithium Battery Aluminum Laminated Film Industrialization Project” financed by the proceeds from its Non-public Offering of Shares in 2021 during the Reporting Period. The remaining net proceeds from that project of RMB284.3024 million, together with related interest income (i.e., net income from wealth management products and bank deposit interest after deducting handing fees and other charges), were permanently transferred to working capital for daily operating activities related to the Company’s main business. This matter was considered and approved by the Company at the 46th meeting of the Fifth Board of Directors, the 38th meeting of the Fifth Supervisory Committee, and the Seventh Extraordinary General Meeting of 2025.</p>
Use and whereabouts of unused proceeds	<p>Deposited in the designated bank account for fundraising</p>
Problems and other situations in the utilization and disclosure of the raised funds	<p>During the Reporting Period, the Company used the proceeds raised in accordance with the provisions and requirements of relevant laws, regulations and regulatory documents, and disclosed the use of the proceeds raised in a timely manner. There were no irregularities in the use or management of the proceeds raised.</p> <p>On April 18, 2025, the Company respectively received the administrative supervision measure decision document <i>Decision on Ordering Yunnan Energy New Material Co., Ltd. to Rectify</i> from the Yunnan Regulatory Bureau of the China Securities Regulatory Commission, and the <i>Regulatory Letter regarding Yunnan Energy New Material Co., Ltd.</i> from the Listed Company Management Department I of the Shenzhen Stock Exchange. The aforementioned administrative supervision measure and regulatory letter primarily related to irregularities in the use and management of the proceeds raised in prior years. The Company took these matters very seriously and has initiated corrective actions. On May 14, 2025, the Company published the <i>Corrective Action Report in Response to the Administrative Supervision Measure of Ordering Rectification against the Company by the Yunnan Regulatory Bureau of the China Securities Regulatory Commission</i> (Announcement No. 2025-075) in the designated information disclosure media. The Company will take this as a lesson to effectively enhance the compliance awareness of all directors, supervisors and senior management in the performance of their duties, enhance their professional capabilities and the level of standardized operations, strengthen the standardization of internal governance, and effectively safeguard the interests of the Company and all shareholders, thereby promoting the healthy, stable and high-quality development of the Company.</p>

Note: 1 The previously invested funds in the projects financed by the proceeds raised from this offering have been replaced with the proceeds raised. The cumulative benefits of the projects are calculated from the year in which the replaced funds were invested.

### 3. Project with changed use of funds raised

Applicable  Not applicable

Unit: RMB'0,000

Name of financing project	Way of raising funds	Project after the change	Project before the change	Total amount of intended investment from the funds raised in the project after the change (1)	Actual investment amount during the Reporting Period	Actual cumulative investment amount as at the end of the Reporting Period (2)	Investment progress as of the end of the Reporting Period (3)=(2)/(1)	Date on which the project will be ready for use	Benefits achieved during the Reporting Period	Whether expected benefits are achieved	Whether the project feasibility has changed significantly after the change
Initial Public Offering	Initial Public Offering	Energy Technology Research Institute Project	1. Reconstruction and expansion project of high-grade environmental-friendly specialty papers with annual production output of 13,000 tons; 2. R&D center construction project	10,588.68	787.93	2,346.96	22.16%	December 31, 2026	-	N/A	No
Non-public Offering of Shares in 2021	Offering of shares to specific investors	Permanent replenishment of working capital	Jiangsu Ruijie EV Lithium Battery Aluminum Laminated Film Industrialization Project	28,430.24	29,923.6	29,923.6	105.25%		-	N/A	No
Total	--	--	--	39,018.92	30,711.53	32,270.56	--	--	-	--	--
Reason for change, decision making procedure and information disclosure (by specific project)	<p>1. "Reconstruction and expansion project of high-grade environmental-friendly specialty papers with annual production output of 13,000 tons" and "R&amp;D center construction project"</p> <p>The "Reconstruction and expansion project of high-grade environmental-friendly specialty papers with annual production output of 13,000 tons" was planned by the Company based on the market situation and the Company's production capacity before listing. As time goes by, the market has changed dramatically. Since 2016, the procurement mode of downstream tobacco manufacturers for special paper products has been adjusted from quantity allocation by cigarette manufacturers to the independent procurement mode through centralized bidding or commercial negotiation by cigarette label printing enterprises. Cigarette-related enterprises can expand their bargaining range from region to the entire country by means of tendering or commercial negotiation through public market inquiry and bargaining by themselves, breaking the original competitive landscape featuring fixed share and region. As a result, special paper manufacturers took active competition strategies like price cuts to snap up orders, and the industry pattern changed. As a result of the above industrial policy adjustments, the special paper industry has formed a new pattern featuring full market competition, with intensified market competition and a sharp decline in prices. If the "Reconstruction and expansion project of high-grade environmental-friendly specialty papers with annual production output of 13,000 tons" went on as scheduled, we may face risks that the utilization rate of raised funds may decline and the expected investment objective may not be achieved. Therefore, the Company terminated the implementation of the "Reconstruction and expansion project of high-grade environmental-friendly specialty papers with annual production output of 13,000 tons" during the Reporting Period. The "R&amp;D center construction project" was launched to meet the Company's demand for R&amp;D in its main businesses before listing. With the completion of major asset restructuring in 2018, the Company's main businesses included lithium battery separator, which has high technological requirements. The manufacturing of lithium batteries has a high requirement for the characteristics of separator materials, especially consistency, and the size and uniformity of distribution of separator micropores. Based on the Company's business development plan and market demand, to better implement its development strategy, the Company intends to integrate the technology centers currently scattered in subsidiaries, so as to ensure that the Company's R&amp;D technology can further improve production efficiency, product quality and new product development capacity. The above changes were considered and approved by the Company at the 27th meeting of the Third Board of Directors, the 22nd meeting of the Third Supervisory Committee and the 2018 Annual General Meeting. For details, please refer to the <i>Announcement on Adjustment of Certain Fundraising Investment Projects</i> (Announcement No. 2019-041) published by the Company in the designated information disclosure media on April 26, 2019.</p> <p>At the 46th meeting of the Fifth Board of Directors and the 38th meeting of the Fifth Supervisory Committee held by the Company on August 18, 2025, the <i>Proposal on Adding a New Implementation Location and Extending the Timeline for Certain Fundraising Investment Projects</i> was considered and approved. It was agreed to extend the date of "Energy Research Institute Project" on which the project will be ready for use to December 31, 2026, and to add a new implementation location. For details, please refer to the <i>Announcement on Adding a New Implementation Location and Extending the Timeline for Certain Fundraising Investment Projects</i> (Announcement No. 2025-135) published by the Company in the designated information disclosure media on August 19, 2025.</p> <p>2. "Jiangsu Ruijie EV Lithium Battery Aluminum Laminated Film Industrialization Project"</p> <p>Since the proceeds raised were received, the Company has been actively advancing the implementation of the "Jiangsu Ruijie EV Lithium Battery Aluminum Laminated Film Industrialization Project". However, due to intensified competition in the industry chain in recent years and a decline in product prices across all segments, the Company, after prudent consideration, has determined that continuing to implement the "Jiangsu Ruijie EV Lithium Battery Aluminum Laminated Film Industrialization Project" at this stage may expose the Company to the risk that the project's return on investment will fail to meet expectations, and therefore the project's investment strategy needs to be adjusted. Accordingly, taking into account the Company's overall strategic planning, and in order to mitigate the investment risk</p>										

	<p>of fundraising projects and enhance the efficiency of fund utilization, the Company decided to terminate the “Jiangsu Ruijie EV Lithium Battery Aluminum Laminated Film Industrialization Project” and permanently supplement its working capital with the remaining proceeds raised from the project, to be used for daily operating activities related to the Company’s main businesses. In the future, the Company will decide whether to continue the project using its own funds based on the development of the industry and its business operations. The above-mentioned change was considered and approved by the Company at the 46th meeting of the Fifth Board of Directors, the 38th meeting of the Fifth Supervisory Committee and the Seventh Extraordinary General Meeting of 2025. For details, please refer to the <i>Announcement on Terminating Certain Fundraising Investment Projects and Permanently Supplementing Working Capital with the Remaining Proceeds</i> (Announcement No. 2025-134) published by the Company in the designated information disclosure media on August 19, 2025.</p>
Status of and reason for failing to make planned progress or achieve expected returns (by specific project)	<p>The main reason for the failure of the “Energy Technology Research Institute Project” to meet the planned schedule is that changes in the lithium battery separator market in recent years and rapid equipment upgrades made the Company more prudent in its R&amp;D activities such as the purchase of experimental equipment for this project. In addition, the industrial and commercial registration in the early stage of the implementing entity-Shanghai Energy New Materials Research Co., Ltd.-was slower than expected. Under these circumstances, and out of prudence, in order to ensure compliance in the use of the proceeds raised, the Company mainly used its own funds for R&amp;D activities, R&amp;D investments, equipment purchases and facility expenses incurred during the period before the completion of the industrial and commercial registration procedures of the project implementing entity.</p>
Description of major changes in project feasibility after the change	<p>As of the date of this Report, the industrial and commercial registration of Shanghai Energy New Materials Research Co., Ltd, the implementation body of the “Energy Technology Research Institute Project” has been completed and the facility was put into use in 2023. The Company attaches great importance to R&amp;D investment with relevant R&amp;D activities primarily focusing on the Company’s main business and forward-looking technology reserves based on related technical fields, and has demonstrated that there has been no significant change in the feasibility of the project. In order to optimize the efficiency of the use of the proceeds raised, ensure precise allocation of funds, and avoid unnecessary expenditures that may arise from compressing the project timeline, the Company has decided to extend the timeline of the “Energy Technology Research Institute Project” and postpone its expected date of readiness for use to December 31, 2026.</p>

#### 4. Verification opinion of an intermediary institution regarding the deposit and use of raised funds

Applicable  Not applicable

During the period of ongoing supervision, the sponsor verified the deposit, use and implementation of the Company's fundraising investment projects through various methods, including document review and onK site inspections. The main verification content included: bank statements of the Company's proceedsK raised deposits, original vouchers for the use of the proceeds, relevant announcements and supporting documents regarding the use of the proceeds, and project progress information, among other materials.

After verification, the sponsor is of the opinion that:

During the Reporting Period, Yunnan Energy New Material (Group) Co., Ltd. did not experience any misappropriation of proceeds raised by the controlling shareholder or the actual controller during the use of the proceeds, and there was no serious violation of the relevant rules on the use of proceeds raised.

#### XVII. Explanation for Other Significant Events

Applicable  Not applicable

1. As of January 22, 2025, the Company's convertible bond "Energy Convertible Bonds" triggered the clause of downward revision of the conversion price. On January 22, 2025, the Company held the 37th meeting of the Fifth Board of Directors, at which the *Proposal on the Board of Directors' Proposal to Revise Downward the Conversion Price of the "Energy Convertible Bonds"* was considered and approved. The Board of Directors proposed to revise downward the conversion price of the "Energy Convertible Bonds" and submitted the proposal to the General Meeting of the Company for approval. For details, please refer to the *Announcement on the Board of Directors' Proposal to Revise Downward the Conversion Price of the "Energy Convertible Bonds"* (Announcement No. 2025-020) published by the Company in the designated information disclosure media on January 23, 2025. On February 10, 2025, the Company held the Third Extraordinary General Meeting of 2025, which considered and approved the above matter and authorized the Board of Directors to take full charge of all matters relating to the downward revision of the conversion price of the "Energy Convertible Bonds" in accordance with the *Prospectus for the Public Offering of Convertible Corporate Bonds* and other relevant regulations. On February 10, 2025, the Company held the 38th meeting of the Fifth Board of Directors, at which the *Proposal on Revising Downward the Conversion Price of the "Energy Convertible Bonds"* was considered and approved. Pursuant to the authorization granted by the Third Extraordinary General Meeting of 2025, the Board of Directors resolved to revise downward the conversion price of the "Energy Convertible Bonds" to RMB32.00 per share, with the revised conversion price taking effect from February 11, 2025. For details, please refer to the *Announcement on Revising Downward the Conversion Price of the "Energy Convertible Bonds"* (Announcement No. 2025-027) published by the Company in the designated information disclosure media on February 11, 2025.

2. During the Reporting Period, in order to achieve the coordinated and balanced development of the Company's economic, social and environmental performance and its sustainable development, strengthen environmental, social and governance (ESG) management, actively fulfill corporate social responsibility, and enhance the Company's risk control capabilities and value creation capacity in the areas of environment, society and governance, the Company formulated the *Environmental, Social and Governance (ESG) Management System* in accordance with relevant laws, regulations, rules and normative documents, as well as the provisions of the *Articles of Association*, and in light of the Company's actual circumstances. To enhance the Company's capacity to address various public opinion issues, establish rapid response and emergency handling mechanisms, and promptly and appropriately manage the impact of such issues on the Company's share price, commercial reputation and normal production and business operations, while effectively safeguarding the legitimate rights and interests of investors, the Company formulated the *Public Opinion Management System* in accordance with relevant laws, regulations, normative documents and the provisions of the *Articles of Association*, and in light of the Company's actual circumstances. The above-mentioned *Environmental, Social and Governance (ESG) Management System* and *Public Opinion Management System* were considered and approved at the 38th meeting of the Fifth Board of Directors and the 40th meeting of the Fifth Board of Directors, respectively.

3. On June 16, 2025, the Company held the 44th meeting of the Fifth Board of Directors, at which the *Proposal on the Proposed Registration and Issuance of Debt Financing Instruments of Non-Financial Enterprises in the Inter-Bank Bond Market* was considered and approved. Based on strategic development needs, in order to broaden financing channels, optimize the financing structure and reduce financing costs, the Company plans to apply to the National Association of Financial Market Institutional Investors (NAFMII) for the registration and issuance of debt financing instruments of non-financial enterprises in the inter-bank bond market with an aggregate amount not exceeding RMB1.0 billion. The types of instruments to be issued include medium-term notes, short-term commercial paper and ultra-short-term commercial paper, to meet the Company's funding requirements for its rapid development. This matter was considered and approved by the Company at the Fifth Extraordinary General Meeting of 2025. At the same time, in order to regulate the Company's information disclosure practices regarding the issuance of debt financing instruments of non-financial enterprises in the inter-bank bond market and to strengthen the management of information disclosure matters, the Company formulated the *Information Disclosure Management System for Debt Financing Instruments of Non-Financial Enterprises in the Inter-Bank Bond Market*. On July 4, 2025, the Company held the 45th meeting of the Fifth Board of Directors, at which the *Proposal on Adjusting the Types of Debt Financing Instruments of Non-Financial Enterprises to Be Issued in the Inter-Bank Bond Market* was considered and approved. While keeping the total registered issuance amount unchanged, the Company adjusted the types of instruments to be issued from medium-term notes, short-term commercial paper and ultra-short-term commercial paper to medium-term notes only. For details, please refer to the *Announcement on the Proposed Registration and Issuance of Debt Financing Instruments of Non-Financial Enterprises in the Inter-Bank Bond Market* (Announcement No. 2025-094) and the *Announcement on Adjusting the Types of Debt Financing Instruments of Non-Financial Enterprises to Be Issued in the Inter-Bank Bond Market* (Announcement No. 2025-104) published by the Company in the designated information disclosure media on June 17, 2025 and July 5, 2025, respectively.

4. On July 4, 2025, the Company held the 45th meeting of the Fifth Board of Directors, at which the *Proposal on the Purchase of Directors', Supervisors' and Senior Management's Liability Insurance* was considered and approved. In order to further improve the risk management system, reduce the Company's operating risks, and enable the relevant responsible persons to more fully exercise their decision-making, supervisory and management functions within their respective scopes of duties, the Company purchased liability insurance for its directors, supervisors, senior management and other relevant responsible persons in accordance with the *Corporate Governance Code for Listed Companies* and other relevant regulations. The annual insurance limit is not more

than RMB80 million (subject to the terms of the insurance contract), the annual premium is not more than RMB400,000 (subject to the terms of the insurance contract), and the policy period is one year (renewable or replaceable annually thereafter). This matter was considered and approved by the Company at the Sixth Extraordinary General Meeting of 2025. For details, please refer to the *Announcement on the Purchase of Directors', Supervisors' and Senior Management's Liability Insurance* (Announcement No. 2025-105) published by the Company in the designated information disclosure media on July 5, 2025.

5. On August 18, 2025, the Company held the 46th meeting of the Fifth Board of Directors, at which the following proposals were considered and approved: The *Proposal on Terminating Certain Fundraising Investment Projects and Permanently Supplementing Working Capital with the Remaining Proceeds*. In order to improve the efficiency of the use of the proceeds raised, after prudent study, the Company terminated the construction of the “Jiangsu Ruijie EV Lithium Battery Aluminum Laminated Film Industrialization Project” and permanently supplemented its working capital with the remaining proceeds from that project for daily production and operation. This matter was considered and approved by the Company at the Seventh Extraordinary General Meeting of 2025; The *Proposal on Adding a New Implementation Location and Extending the Timeline for Certain Fundraising Investment Projects*. On a prudent basis and taking into account the actual progress of the “Energy Research Institute Project” (a fundraising investment project), the Company extended the expected date of readiness for use of the “Energy Research Institute Project” to December 31, 2026, while keeping the implementing entity, the use of the proceeds raised and the total investment amount unchanged. In addition, an additional implementation location, “Lane 1851, Jinqiao Road, Pudong New Area, Shanghai, China,” was added; The *Proposal on Using Own Funds and Acceptance Bills to Finance Certain Fundraising Investment Projects and Subsequently Replacing the Equivalent Amount with Funds Raised*. The Company was agreed to, during the implementation of the “Energy Research Institute Project”, use its own funds and acceptance bills to finance certain fundraising investment projects and subsequently replace the equivalent amount with funds raised on a periodic basis, transferring the funds from the proceeds-raised special account to the Company’s non-proceeds-raised accounts. Such equivalent replacement amounts are deemed to be the funds used for fundraising investment projects. For details, please refer to the *Announcement on Terminating Certain Fundraising Investment Projects and Permanently Supplementing Working Capital with the Remaining Proceeds* (Announcement No. 2025-134), the *Announcement on Adding a New Implementation Location and Extending the Timeline for Certain Fundraising Investment Projects* (Announcement No. 2025-135), the *Announcement on Using Own Funds and Acceptance Bills to Finance Certain Fundraising Investment Projects and Subsequently Replacing the Equivalent Amount with Funds Raised* (Announcement No. 2025-136), and the *Announcement on the Resolutions of the Seventh Extraordinary General Meeting of 2025* (Announcement No. 2025-146), published by the Company in the designated information disclosure media on August 19, 2025.

6. On August 18, 2025, the Company held the 46th meeting of the Fifth Board of Directors, at which the *Proposal on Canceling the Supervisory Committee, Amending the Articles of Association, and Making Corresponding Changes to the Industrial and Commercial Registration* was considered and approved. In light of the Company’s actual circumstances and operational management needs, the Company will no longer have a Supervisory Committee. The relevant powers and functions of the Supervisory Committee will be exercised by the Audit Committee of the Board of Directors. The provisions of the Company’s policies relating to the Supervisory Committee, including the *Rules of Procedure for the Supervisory Committee*, will be repealed accordingly. Simultaneously, an Employee Representative Director will be added. For details, please refer to the *Announcement on Canceling the Supervisory Committee, Amending the Articles of Association, and Making Corresponding Changes to the Industrial and Commercial Registration* (Announcement No. 2025-137) and the *Announcement on Canceling the Supervisory Committee* (Announcement No. 2025-147) published by the Company in the designated information disclosure media on August 19, 2025.

7. On September 4, 2025, the Company held a Workers Congress, at which Ms. Kang Wenting was democratically elected as the Employee Representative Director of the Fifth Board of Directors. Mr. Feng Jie resigned from his positions as a Director of the Board of Directors, a member of the Strategic Committee and a member of the Nomination Committee due to personal reasons. After resigning from the above positions, Mr. Feng Jie will continue to serve as the General Manager and the Head of the Sales Department of Hongta Plastic (Chengdu) Co., Ltd., a subsidiary of the Company. On October 9, 2025, the Company held the 47th meeting of the Fifth Board of Directors, at which the *Proposal on Adjusting the Composition of Certain Special Committees of the Board of Directors* was considered and approved. Ms. Kang Wenting was elected as a member of the Strategic Committee and a member of the Nomination Committee of the Board of Directors, effective from the date of approval by the Board of Directors until the expiry of the term of the Fifth Board of Directors. For details, please refer to the *Announcement on the Resignation of a Non-Independent Director and the Election of an Employee Representative Director* (Announcement No. 2025-148) and the *Announcement on Adjusting the Composition of Certain Special Committees of the Board of Directors* (Announcement No. 2025-156) published by the Company in the designated information disclosure media on September 5, 2025 and October 10, 2025, respectively.

8. On October 9, 2025, the “Energy Convertible Bonds” triggered the conditional redemption clause. On the same day, the Company held the 47th meeting of the Fifth Board of Directors, at which the *Proposal on Early Redemption of the “Energy Convertible Bonds”* was considered and approved. The Board of Directors resolved to exercise the early redemption right in respect of the “Energy Convertible Bonds”. October 27, 2025 was the last trading day of the “Energy Convertible Bonds” and October 30, 2025 was the last conversion day. As from October 31, 2025, conversion of the “Energy Convertible Bonds” was suspended. October 31, 2025 was the redemption date. The Company redeemed all 24,163 “Energy Convertible Bonds” that had not been converted at a redemption price of RMB101.44 per bond (including accrued interest for the current period, with the current interest rate being 2.00%, and such interest being inclusive of tax). The redemption price after tax was subject to the price approved by the China Securities Depository and Clearing Corporation Limited (CSDC), and the total redemption payment amounted to RMB2,451,094.72 (excluding redemption handling fees). On November 10, 2025, the “Energy Convertible Bonds” (Bond Code: 128095) issued by the Company were delisted from the Shenzhen Stock Exchange. For details, please refer to the *Announcement on the Redemption Results of the “Energy Convertible Bonds”* (Announcement No. 2025-186) and the *Announcement on the Delisting of the “Energy Convertible Bonds”* (Announcement No. 2025-187) published by the Company in the designated information disclosure media on November 8, 2025.

9. On December 12, 2025, the Company held the 49th meeting of the Fifth Board of Directors, at which the *Proposal on the Plan for Issuing Shares to Purchase Assets and Raising Supporting Funds by Yunnan Energy New Material Co., Ltd. and its Summary* and other proposals related to the transaction were considered and approved. The Company proposed to acquire 100% of the equity interests in Qingdao Zhongkehualian New Material Co., Ltd. held by the transaction parties, including Zhi Lipeng, Qingdao Zhongzhida Investment Co., Ltd., Chen Jichao, Yang Bo and Yuan Jun, by way of issuing shares, and to raise supporting funds by issuing shares to no more than 35 eligible specific investors. For details, please refer to the relevant announcements published by the Company on December 13, 2025. The Company disclosed information regarding the material asset restructuring in accordance with the *Administrative Measures for Material Asset Restructuring of Listed Companies* and other relevant regulations, and published a progress announcement on the transaction every thirty days. For details, please refer to the *Announcement on Progress of Issuing Shares to Purchase Assets and Raising Supporting Funds* (Announcement Nos. 2026-003, 2026-014, 2026-029, 2026-046) published by the Company on January 10, 2026, February 7, 2026, March 7, 2026 and April 4, 2026, respectively.

10. On October 29, 2025, the Company held the 48th meeting of the Fifth Board of Directors, at which the *Proposal on the Proposed Change of the Company's Name, Amendment of the Articles of Association and Handling of Changes to Industrial and Commercial Registration* was considered and approved. The Company resolved to change its name to “云南恩捷新材料（集团）股份有限公司” with the English name correspondingly changed to “Yunnan Energy New Material (Group) Co., Ltd.” This matter was considered and approved by the Company at the Eighth Extraordinary General Meeting of 2025. On January 6, 2026, the Company completed the relevant filing procedures for changes to industrial and commercial registration and obtained the new *Business License* issued by the Yuxi Municipal Administration for Market Regulation. For details, please refer to the *Announcement on the Proposed Change of the Company's Name, Amendment of the Articles of Association and Handling of Changes to Industrial and Commercial Registration* (Announcement No. 2025-181), the *Announcement on the Change of the Company's Full Name and Completion of Changes to Industrial and Commercial Registration* (Announcement No. 2026-002), and the *Announcement on the Resolutions of the Eighth Extraordinary General Meeting of 2025* (Announcement No. 2025-191) published by the Company in the designated information disclosure media on October 30, 2025 and January 8, 2026, respectively.

## XVIII. Significant Events of the Company's Subsidiaries

Applicable  Not applicable

1. On January 17, 2025, Hubei Energy, a subsidiary of the Company, applied to the competent tax authority in accordance with the relevant requirements of the *Announcement of the Ministry of Finance and the State Taxation Administration on Further Stepping up of the Application of End-of-Period Excess Input Value-Added Tax Credit Refund Policies* (Announcement No. 14, 2022), and recently received a refund of end-of-period excess input value-added tax (VAT) credits in the amount of RMB27,076,059.55. For details, please refer to the *Announcement on the Receipt of VAT Excess Input Credit Refund by a Subsidiary* (Announcement No. 2025-014) published by the Company in the designated information disclosure media on January 18, 2025.

2. On April 3, 2025, Newmi Tech, a subsidiary of the Company, received the *Decision on Taking Administrative Supervision Measures of Corrective Action and Issuance of a Warning Letter on Chongqing Energy Newmi Technological Co., Ltd.* (No. [2025] 21) from the Chongqing Regulatory Bureau of the China Securities Regulatory Commission for failing to promptly disclose the progress of performance of commitments and for incomplete disclosure of related party transactions. The Chongqing Regulatory Bureau of the China Securities Regulatory Commission imposed on the relevant responsible persons of Newmi Tech both regulatory interviews and a warning letter as regulatory measures. Newmi Tech and the relevant responsible persons attached great importance to the matter, conducted a comprehensive review of the issues involved, and diligently formulated rectification plans and implemented corrective actions in an effort to comprehensively address Newmi Tech's existing problems. For details, please refer to the *Corrective Action Report in Response to the Administrative Supervision Measures of Corrective Action and Issuance of a Warning Letter Imposed by the Chongqing Regulatory Bureau of the China Securities Regulatory Commission against the Company* (Announcement No. 2025-021) published by Newmi Tech on the National Equities Exchange and Quotations ([www.neeq.com.cn](http://www.neeq.com.cn)) on May 7, 2025.

3. In light of its overall strategic development planning, Newmi Tech intends to apply for the termination of listing of its shares on the National Equities Exchange and Quotations (NEEQ). Newmi Tech held the 10th meeting of the Fourth Board of Directors on September 19, 2025, and the Fourth Extraordinary General Meeting of 2025 on October 10, 2025, at which the *Proposal on the Proposed Application for the Termination of Listing of Newmi Tech's Shares on the National Equities Exchange and Quotations* was considered and approved. Trading in Newmi Tech's shares was suspended from September 25, 2025. On October 21, 2025, Newmi Tech submitted its application materials for the termination of listing to the NEEQ Company, which, upon review, decided to accept the application and issued to Newmi Tech the *Acceptance Notice* with number ZZGP2025100004. As of the date of this Report, the termination of listing of Newmi Tech has not yet been completed.

## Section 6 Share Changes and Shareholder Details

### I. Changes in Shares

#### 1. Changes in shares

Unit: Shares

	Before the change		Increase or decrease (+, -)					After the change	
	Number of shares	Proportion	New shares issued	Bonus issuance	Conversion of reserve into share	Others	Subtotal	Number of shares	Proportion
I. Shares subject restriction on sale	154,167,328.00	15.87%				5,418,571.00	5,418,571	159,585,899	16.25%
1. Shares held by state									
2. Shares held by state-owned legal persons									
3. Shares held by other domestic investors	57,787,226.00	5.95%				5,430,240.00	5,430,240	63,217,466	6.44%
Including: Shares held by domestic legal persons									
Shares held by domestic natural persons	57,787,226.00	5.95%				5,430,240.00	5,430,240	63,217,466	6.44%
4. Shares held by overseas investors	96,380,102.00	9.92%				-11,669.00	-11,669	96,368,433	9.81%
Including: Shares held by overseas legal persons									
Shares held by overseas natural persons	96,380,102.00	9.92%				-11,669.00	-11,669	96,368,433	9.81%
II. Shares not subject to restrictions on sale	817,111,828.00	84.13%				5,522,410.00	5,522,410	822,634,238	83.75%
1. Renminbi denominated common shares	817,111,828.00	84.13%				5,522,410.00	5,522,410	822,634,238	83.75%
2. Domestically-listed foreign shares									
3. Foreign shares listed overseas									
4. Others									
III. Total shares	971,279,156.00	100.00%				10,940,981.00	10,940,981	982,220,137	100.00%

Reason for Changes in Shares

Applicable Not applicable

## 1. Conversion of convertible corporate bonds into shares

Under the approval granted by the CSRC under the *Reply on Approving the Public Offering of Convertible Corporate Bonds by Yunnan Energy New Material Co., Ltd.* (Zheng Jian Xu Ke [2019] No. 2701), the Company made a public offering of 16 million convertible corporate bonds (bond abbreviation: Energy Convertible Bond, bond code: 128095) on February 11, 2020 and started trading at Shenzhen Stock Exchange on February 28, 2020. The conversion period of "Energy Convertible Bonds" was from August 17, 2020 to October 30, 2025. During the Reporting Period, a total of 14,072,680 shares were converted from the bonds, and by the end of the Reporting Period, a total of 31,705,156 shares were converted from the bonds.

## 2. 2022 Stock Option and Restricted Share Incentive Plan

During the Reporting Period, pursuant to the *Administrative Measures for Equity Incentives of Listed Companies* and other relevant laws, regulations, normative documents, as well as the Company's *2022 Stock Option and Restricted Share Incentive Plan*, due to the resignation or demotion of 50 incentive recipients under the restricted share grants of the 2022 Stock Option and Restricted Share Incentive Plan, the Company repurchased and cancelled 35,835 restricted shares that had been granted but not subject to unlocking. On March 21, 2025, the Company completed the repurchase and cancellation of the aforementioned 35,835 restricted shares. Due to the failure to meet the company-level performance assessment requirement for the third vesting period of the 2022 Stock Option and Restricted Share Incentive Plan, the Company repurchased and cancelled 330,036 restricted shares that had been granted but not subject to unlocking for all incentive recipients. On August 1, 2025, the Company completed the repurchase and cancellation of the aforementioned 330,036 restricted shares.

## 3. 2024 Restricted Share Incentive Plan

During the Reporting Period, pursuant to the *Administrative Measures for Equity Incentives of Listed Companies* and other relevant laws,

regulations, normative documents, as well as the Company's 2024 Restricted Share Incentive Plan, due to the resignation or demotion of 20 incentive recipients under the initial grant of restricted shares of the 2024 Restricted Share Incentive Plan, the Company repurchased and cancelled a total of 1,735,482 restricted shares that had been granted but not subject to unlocking. On March 21, 2025, the Company completed the repurchase and cancellation of the aforementioned 1,735,482 restricted shares. Due to the failure to meet the company-level performance assessment requirement for the first vesting period of the initial grant under the 2024 Restricted Share Incentive Plan, as well as the resignation or demotion of certain incentive recipients, the Company repurchased and cancelled 1,030,346 restricted shares that had been granted but not subject to unlocking. On August 1, 2025, the Company completed the repurchase and cancellation of the aforementioned 1,030,346 restricted shares.

#### 4. Changes in the locked-up shares held by the senior management

The shares held by the Company's directors, supervisors, and senior management are managed and locked up in accordance with the relevant provisions of the *Rules Governing the Listing of Stocks on the Shenzhen Stock Exchange*, the *Self-Regulatory Guidelines No. 18 for Companies Listed on Shenzhen Stock Exchange - Shareholding Decrease by Shareholders, Directors, Supervisors and Senior Management*, the *Self-Regulatory Guidelines No. 18 for Companies Listed on Shenzhen Stock Exchange - Shareholding Decrease by Shareholders, Directors and Senior Management (2025 Revision)*, the *Administrative Measures for Shareholding Reduction by Shareholders of Listed Companies*, and the *Administrative Measures for Shareholding Reduction by Shareholders of Listed Companies (2025 Revision)*, among other relevant regulations.

Approval of Changes in Shares

Applicable Not applicable

##### 1. Conversion of convertible corporate bonds into shares

Under the approval granted by the CSRC under the *Reply on Approving the Public Offering of Convertible Corporate Bonds by Yunnan Energy New Material Co., Ltd.* (Zheng Jian Xu Ke [2019] No. 2701), the Company made a public offering of 16 million convertible corporate bonds (bond abbreviation: Energy Convertible Bond, bond code: 128095) on February 11, 2020 and started trading at Shenzhen Stock Exchange on February 28, 2020. The conversion period of "Energy Convertible Bonds" started on August 17, 2020.

##### 2. Repurchase and cancellation of partial restricted shares under 2022 Stock Option and Restricted Share Incentive Plan

On January 2, 2025, the 36<sup>th</sup> meeting of the 5<sup>th</sup> Board of Directors and the 30<sup>th</sup> meeting of the 5<sup>th</sup> Supervisory Committee of the Company considered and approved the *Proposal on the Repurchase and Cancellation of Certain Restricted Shares*. On January 20, 2025, the Company convened the Second Extraordinary General Meeting for 2025, which considered and approved the above proposal. With the approval of CSDC Shenzhen Branch and the Shenzhen Stock Exchange, the Company completed the repurchase and cancellation procedures for the relevant restricted shares on March 21, 2025. On April 22, 2025, the 40<sup>th</sup> meeting of the 5<sup>th</sup> Board of Directors and the 33<sup>rd</sup> meeting of the 5<sup>th</sup> Supervisory Committee considered and approved the *Proposal on the Repurchase and Cancellation of Certain Restricted Shares*. On May 14, 2025, the Company convened the 2024 Annual General Meeting, which considered and approved the above proposal. With the approval of CSDC Shenzhen Branch and the Shenzhen Stock Exchange, the Company completed the repurchase and cancellation procedures for the relevant restricted shares on August 1, 2025.

##### 3. Repurchase and cancellation of partial restricted shares under the 2024 Restricted Share Incentive Plan

On January 2, 2025, the 36<sup>th</sup> meeting of the 5<sup>th</sup> Board of Directors and the 30<sup>th</sup> meeting of the 5<sup>th</sup> Supervisory Committee considered and approved the *Proposal on the Repurchase and Cancellation of Certain Restricted Shares*. On January 20, 2025, the Company convened the Second Extraordinary General Meeting for 2025, which considered and approved the above proposal. With the approval of CSDC Shenzhen Branch and the Shenzhen Stock Exchange, the Company completed the repurchase and cancellation procedures for the relevant restricted shares on March 21, 2025. On April 22, 2025, the 40<sup>th</sup> meeting of the 5<sup>th</sup> Board of Directors and the 33<sup>rd</sup> meeting of the 5<sup>th</sup> Supervisory Committee considered and approved the *Proposal on the Repurchase and Cancellation of Certain Restricted Shares*. On May 14, 2025, the Company convened the 2024 Annual General Meeting, which considered and approved the above proposal. With the approval of CSDC Shenzhen Branch and the Shenzhen Stock Exchange, the Company completed the repurchase and cancellation procedures for the relevant restricted shares on August 1, 2025. On May 13, 2025, the 43<sup>rd</sup> meeting of the 5<sup>th</sup> Board of Directors and the 35<sup>th</sup> meeting of the 5<sup>th</sup> Supervisory Committee considered and approved the *Proposal on the Repurchase and Cancellation of Certain Restricted Shares*. On May 30, 2025, the Company convened the 4<sup>th</sup> Extraordinary General Meeting for 2025, which considered and approved the above proposal. With the approval of CSDC Shenzhen Branch and the Shenzhen Stock Exchange, the Company completed the repurchase and cancellation procedures for the relevant restricted shares on August 1, 2025.

Transfer of share ownership

Applicable Not applicable

##### 1. Conversion of convertible corporate bonds into shares

A total of 14,072,680 shares were converted from "Energy Convertible Bonds" during the Reporting Period, and a total of 31,705,156 shares were converted from "Energy Convertible Bonds" as of the end of the Reporting Period.

##### 2. Repurchase and cancellation of partial restricted shares under the 2022 Stock Option and Restricted Stock Incentive Plan and the 2024 Restricted Stock Incentive Plan

- (1) The Company completed the repurchase and cancellation of a total of 1,771,317 restricted shares which were not released from restriction under the 2022 Stock Option and Restricted Stock Incentive Plan, and the 2024 Restricted Stock Incentive Plan, at the sum of the repurchase price plus the interest on deposits with the bank for the same period. The repurchase and cancellation of certain restricted shares by the Company was verified by RSM CHINA (Special General Partnership), which issued the Capital Verification Report (Rong Cheng Yan Zi [2025] No. 100Z0006. On March 21, 2025, the aforesaid repurchase and cancellation was reviewed and confirmed by CSDC Shenzhen Branch and the process was completed.
- (2) The Company completed the repurchase and cancellation of 330,036 restricted shares which were not released from restriction under the 2022 Stock Option and Restricted Share Incentive Plan, and a total of 1,030,346 restricted shares which were not released from restriction under the 2024 Restricted Share Incentive Plan, at the sum of the repurchase price plus the interest on deposits with the bank for the same period. The repurchase and cancellation of certain restricted shares by the Company was verified by RSM CHINA (Special General Partnership), which issued the Capital Verification Report (Rong Cheng Yan Zi [2025] No. 100Z0038. On August 1, 2025, the aforesaid repurchase and cancellation was reviewed and confirmed by CSDC Shenzhen Branch and the process was completed.

Effects of change in shares on the basic EPS, diluted EPS, net assets per share attributable to ordinary shareholders of the Company, and other financial indicators for the prior year and the latest period.

Applicable Not applicable

① During the Reporting Period, the conversion of a small number of 14,072,680 shares from the "Energy Convertible Bonds" had small impact on the Company's basic earnings per share and diluted earnings per share, and had an impact on the net assets per share attributable to ordinary shareholders of the Company by RMB0.08/share;

② During the Reporting Period, the Company repurchased and cancelled a total of 3,131,699 restricted shares under the stock incentive plan, which had a small impact on the Company's basic earnings per share, and diluted earnings per share, and had an impact on the net assets per share attributable to ordinary shareholders of the Company by approximately RMB0.01/share.

Other contents that the Company considers it necessary to disclose or that are required by the security regulatory authorities to disclose

Applicable Not applicable

## 2. Changes in restricted shares

Applicable Not applicable

Unit: Shares

Name of shareholder	Number of restricted shares at the beginning of period	Increase of restricted shares in the current period	Number of restricted shares unlocked in the current period	Number of restricted shares at the end of period	Reason for restriction	Date of unlocking
Paul Xiaoming Lee	96,332,352	1		96,332,353	Locked-up shares held by senior executives	A director can unlock 25% of the total shares he holds every year
Li Xiaohua	52,034,039	8,528,370		60,562,409	Locked-up shares held by senior executives	A director and general manager can unlock 25% of the total shares he holds every year
Feng Jie	61,500	20,500		82,000	Locked-up shares held by senior executives	He resigned from the position of the director on September 4, 2025. Within six months after resignation, he shall not reduce his holdings of the Company's shares. Until the expiration of six months after the term of office confirmed at the time of appointment, 25% of his total shareholdings may be unlocked each year.
Ma Weihua	115,125		13,500	101,625	①Locked-up shares held by senior executives ②Restricted shares for equity incentive	①A director can unlock 25% of the total shares he or she holds every year; ② The restricted shares under the 2024 Restricted Stock Incentive Plan of the Company will be released in three installments 12 months after the completion of the first grant registration, during the Reporting Period, the company-level performance requirement for the first vesting period was not met, and 6,000 shares of the incentive restricted shares held by him were repurchased and cancelled by the Company.
Shou Chunyan	450		450	0	Locked-up shares held by senior executives	She resigned from the position of the independent director on December 31, 2023. As of the end of the Reporting Period, more than six months have passed since her resignation, and the total number of shares held in the Company does not exceed 1,000 shares, which may be transferred in full at one time.
Zhang Tao	23,100	7,700		30,800	Locked-up shares held by senior executives	He resigned from the position of the supervisor on September 4, 2025. Within six months after resignation, he shall not reduce his holdings of the Company's shares. Until six months after the expiration of the term of office confirmed at the time of appointment, 25% of his total shareholdings may be unlocked each year.
Li Bing	16,800	6,224		23,024	Locked-up shares held by senior executives	Resigned as supervisor on September 4, 2025. Within six months after resignation, he shall not reduce his holdings of the Company's shares. Until six months after the expiration of the term of office confirmed at the time of appointment, 25% of his total shareholdings may be unlocked each year.
Li Xianglin	0	1,425		1,425	Locked-up shares held by senior executives	As Chief Financial Officer, 25% of his total shareholdings may be unlocked each year.
Yu Xue	193,800		63,600	130,200	①Locked-up shares held by senior executives; ② Restricted shares for equity incentive	① A Deputy General Manager can unlock 25% of the total shares he or she holds every year; ②The restricted shares held under the 2022 Stock Option and Restricted Stock Incentive Plan of the Company will be released in three installments 12 months after the completion of the first grant registration. During the Reporting Period, the company-level performance requirement for the third vesting period was not met, and all 12,000 incentive restricted shares held by her were repurchased and cancelled by the Company; ③ The restricted shares held under the Company's 2024 Restricted Share Incentive Plan are subject to three vesting tranches, starting 12 months after the completion of the initial grant registration. Due to the failure to meet the company-level performance

						requirement for the first vesting period during the Reporting Period and her job adjustment, 45,600 incentive restricted shares held by her were repurchased and cancelled by the Company.
Li Jian	192,675		60,000	132,675	① Locked-up shares held by senior executives; ② Restricted shares for equity incentive	① Resigned as Chief Financial Officer on April 28, 2025. Within six months after resignation, he shall not reduce his holdings of the Company's shares. Until six months after the expiration of the term of office confirmed at the time of appointment, 25% of his total shareholdings may be unlocked each year; ② The restricted shares held under the Company's 2024 Restricted Share Incentive Plan are subject to three vesting tranches, starting 12 months after the completion of the initial grant registration. As he no longer qualifies as an incentive recipient after resignation, all 60,000 incentive restricted shares held by him were repurchased and cancelled by the Company.
Other incentive recipients under 2022 Stock Option and Restricted Stock Incentive Plan (other than directors and senior executives)	353,871		353,871	0	Restricted shares for equity incentive	The restricted shares held under the 2022 Stock Option and Restricted Stock Incentive Plan of the Company will be released in three installments 12 months after the completion of the first grant registration; During the Reporting Period, 353,871 shares were repurchased and cancelled by the Company for the reason of failure to meet the performance assessment requirement in the company level in the third unlocking period, and also for the reason of resignation or demotion of some grantees thereunder.
Other incentive recipients under 2024 Restricted Stock Incentive Plan (other than directors, supervisors and senior executives)	4,843,616		2,654,228	2,189,388	Restricted shares for equity incentive	The restricted shares held under the 2024 Restricted Stock Incentive Plan of the Company will be released in three installments 12 months after the completion of the first grant registration. During the Reporting Period, 2,654,228 shares were repurchased and cancelled due to the failure to meet the company-level performance requirement for the first vesting period and the resignation or demotion of certain incentive recipients.
Total	154,167,328	8,564,220	3,145,649	159,585,899	--	--

## II. Issuance and Listing of Securities

### 1. Issuance of securities (excluding preferred shares) during the Reporting Period

Applicable  Not applicable

### 2. Statement on changes in total shares and shareholder structure of the Company, and changes in assets and liabilities of the Company

Applicable  Not applicable

At the beginning of the Reporting Period, the Company recorded a total share capital of 971,279,156 shares (of which, 154,167,328 shares were restricted shares, and the remaining 817,111,828 shares were unrestricted shares) and a gearing ratio of 44.48%. During the Reporting Period, the "Energy Convertible Bonds" were converted into 14,072,680 shares. The Company repurchased and cancelled a total of 365,871 restricted shares not meeting the unlocking conditions under the 2022 Stock Option and Restricted Stock Incentive Plan. The Company also repurchased and cancelled a total of 2,765,828 restricted shares not meeting the incentive conditions under the 2024 Restricted Stock Incentive Plan. As at the end of the Reporting Period, the Company recorded a total share capital of 982,220,137 (of which, 159,585,899 shares were restricted shares, and the remaining 822,634,238 shares were unrestricted shares) and a gearing ratio of 44.17%.

### 3. Existing shares held by internal employees of the Company

Applicable Not applicable

## III. Details of Shareholders and Actual Controllers

### 1. Number of shareholders and their shareholdings

Unit: Shares

Name of shareholder	Nature of shareholder	Shareholding ratio	Number of shares held at the end of the Reporting Period	Increase or decrease of shares during the Reporting Period	Number of restricted shares held	Number of unrestricted shares held	Pledged, tagged or frozen	
							Status of shares	Number of shares
Total ordinary shareholders at the end of the Reporting Period	111,670	Total ordinary shareholders at the end of the previous month before annual report disclosure date	122,165	Total preferred shareholders resuming voting right at the end of the Reporting Period	0	Total preferred shareholders resuming voting right at the end of the previous month before annual report disclosure date		0
Shareholders holding more than 5% of shares or shareholdings of the top 10 shareholders (excluding shares lent through securities lending and refinancing)								
Name of shareholder	Nature of shareholder	Shareholding ratio	Number of shares held at the end of the Reporting Period	Increase or decrease of shares during the Reporting Period	Number of restricted shares held	Number of unrestricted shares held	Pledged, tagged or frozen	
							Status of shares	Number of shares
PAUL XIAOMING LEE	Overseas natural person	13.08%	128,443,138	0	96,332,353	32,110,785	Pledged	65,000,000
Yuxi Heyi Investment Co., Ltd.	Domestic non-state-owned legal person	12.16%	119,449,535	0	0	119,449,535	Pledged	76,960,600
Li Xiaohua	Domestic natural person	8.22%	80,749,879	11,983,790	60,562,409	20,187,470	Pledged	40,970,000
SHERRY LEE	Overseas as natural person	7.26%	71,298,709	0	0	71,298,709	Not applicable	0
Hong Kong Clearing Company Limited Securities	Overseas legal person	4.17%	40,984,924	14,949,869	0	40,984,924	Not applicable	0
China Merchants Bank Co., Ltd. – Origin Xuyuan three-year mixed securities investment fund	Others	2.09%	20,552,267	-6,459,913	0	20,552,267	Not applicable	0
JERRY YANG LI	Overseas natural person	1.50%	14,735,754	0	0	14,735,754	Pledged	14,735,754
Zhang Yong	Domestic natural person	1.24%	12,175,707	0	0	12,175,707	Not applicable	0
Kunming Huachen Investment Co., Ltd.	Domestic non-state-owned legal person	1.20%	11,767,995	-4,233,018	0	11,767,995	Not applicable	0
Huang Shuhua	Domestic natural person	0.73%	7,150,000	594,155	0	7,150,000	Not applicable	0
Strategic investors or general legal persons who have become top 10 shareholders due to new share allotment	The Company issued 85,421,412 A shares to specific investors in 2021, and these shares were listed on the Shenzhen Stock Exchange on June 20, 2023. Of these, Origin Asset Management Co., Ltd. subscribed 3,416,856 shares in cash, which were locked up for a period of 6 months, and were released from restriction and listed for trading on December 20, 2023. The shareholdings of China Merchants Bank Co., Ltd - Origin Xuyuan three-year mixed securities investment fund are shown in the table above.							
Statement on related party relationship or concerted action between above-mentioned shareholders	PAUL XIAOMING LEE, Sherry Lee, Li Xiaohua and Jerry Yang Li are all the family members of the Company's actual controller Paul Xiaoming Lee and Heyi Investment represents the person acting in concert with the actual controller. The other shareholders are not known as to whether they have the related party relationships between them or constitute the persons acting in concert.							
Explanation of delegation/acceptance of voting	Not applicable							

right and waiver of voting right involving the above shareholders			
Special explanation on the existence of designated repurchase account among the top 10 shareholders	Not applicable		
Top 10 shareholders holding unrestricted shares (excluding shares lent through securities lending and refinancing, and locked-up shares held by senior executives)			
Name of shareholder	Number of unrestricted shares held at the end of the Reporting Period	Types of shares	
		Type of shares	Number of shares
Yuxi Heyi Investment Co., Ltd.	119,449,535	Renminbi denominated common shares	119,449,535
SHERRY LEE	71,298,709	Renminbi denominated common shares	71,298,709
Hong Kong Securities Clearing Company Limited	40,984,924	Renminbi denominated common shares	40,984,924
PAUL XIAOMING LEE	32,110,785	Renminbi denominated common shares	32,110,785
China Merchants Bank Co., Ltd. – Origin Xuyuan three-year mixed securities investment fund	20,552,267	Renminbi denominated common shares	20,552,267
Li Xiaohua	20,187,470	Renminbi denominated common shares	20,187,470
JERRY YANG LI	14,735,754	Renminbi denominated common shares	14,735,754
Zhang Yong	12,175,707	Renminbi denominated common shares	12,175,707
Kunming Huachen Investment Co., Ltd.	11,767,995	Renminbi denominated common shares	11,767,995
Huang Shuhua	7,150,000	Renminbi denominated common shares	7,150,000
Statement on related party relationships or concerted action between top 10 shareholders holding unrestricted outstanding shares and between top 10 shareholders holding unrestricted outstanding shares and top 10 shareholders	PAUL XIAOMING LEE, Sherry Lee, Li Xiaohua and Jerry Yang Li are all the family members of the Company's actual controller Paul Xiaoming Lee and Heyi Investment represents the person acting in concert with the actual controller. The other shareholders are not known as to whether they have the related party relationships between them or constitute the persons acting in concert.		
Statement on top 10 ordinary shareholders' participation in securities margin trading business	Not applicable		

Shares lent through securities lending and refinancing by shareholders holding more than 5% of shares, the top 10 shareholders and the top 10 holding unrestricted outstanding shares: Applicable Not applicable

Change in the top 10 shareholders and the top 10 shareholders holding unrestricted outstanding shares from the previous period for shares lent or returned through securities lending and refinancing: Applicable Not applicable

Did any of the top 10 ordinary shareholders or top 10 unrestricted ordinary shareholders of the Company conduct any transactions on agreed repurchase during the Reporting Period

Yes No

The Company's top 10 ordinary shareholders and the top 10 unrestricted ordinary shareholders did not conduct any transactions on agreed repurchase during the Reporting Period.

## 2. Details about the controlling shareholder of the Company

Nature of controlling shareholder: The nature of the controlling entity is unclear

Type of controlling shareholder: Natural person

Controlling shareholder's name	Nationality	Acquisition of right of residence in other countries or regions
Paul Xiaoming Lee	American	Yes
Major occupation and position	Paul Xiaoming Lee serves as the Chairman of the Company	
Equities in other Chinese and overseas listed companies under its control or in which it participated during the Reporting Period	Not applicable	

Change of controlling shareholder during the Reporting Period: Applicable Not applicable, the controlling shareholder of the Company has not changed during the Reporting Period

### 3. Details about the actual controller and persons acting in concert

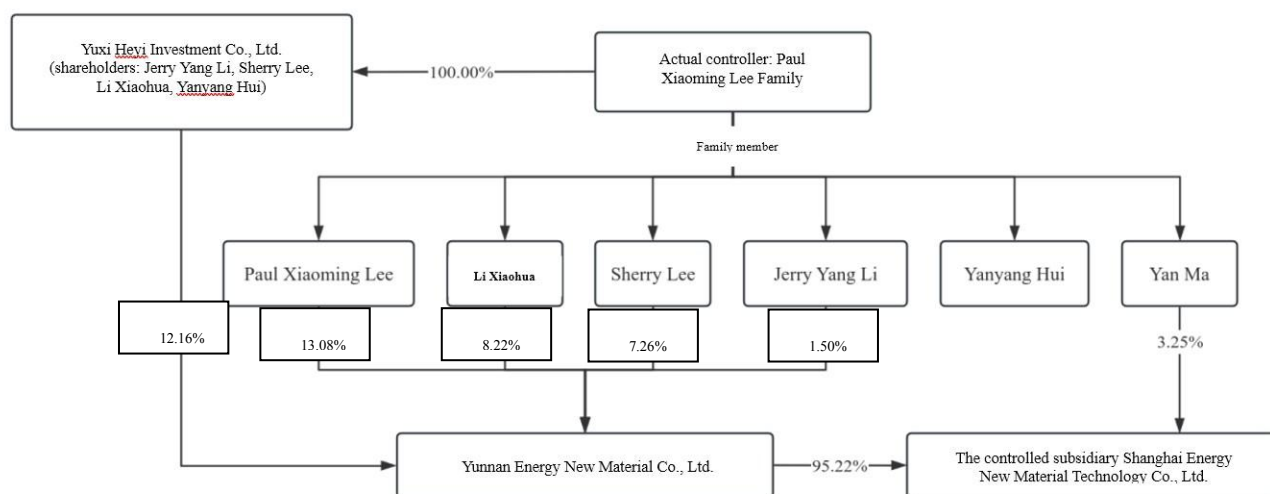
Nature of actual controller: Domestic natural person, overseas natural person, other domestic organizations

Type of actual controller: Natural person

Name of actual controller	Relationship with actual controller	Nationality	Acquisition of right of residence in other countries or regions
Paul Xiaoming Lee	Self	American	Yes
Yan Ma	Self	American	Yes
Sherry Lee	Self	American	Yes
Li Xiaohua	Self	Chinese	Yes
Yanyang Hui	Self	American	Yes
Jerry Yang Li	Self	American	Yes
Yuxi Heyi Investment Co., Ltd.	Act in concert (including agreement, kinship and common control)	Chinese	No
Major occupation and position	Paul Xiaoming Lee serves as the Chairman of the Company. Li Xiaohua serves as the Vice Chairman and General Manager of the Company. Yan Ma, Yanyang Hui, Sherry Lee and Jerry Yang Li take no positions at the Company.		
Control over Chinese and overseas listed companies over past 10 years	None		

Change of actual controller during the Reporting Period: Applicable Not applicable, the actual controller of the Company has not changed during the Reporting Period.

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



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

Applicable Not applicable

**4. The accumulated number of pledged shares of the Company's controlling shareholder or the largest shareholder of the Company and its persons acting in concert accounted for 80% of the Company's shares held**

Applicable Not applicable

**5. Other corporate shareholders holding more than 10% of the shares**

Applicable Not applicable

Name of legal person shareholder	Legal representative/principal of organization	Date of incorporation	Registered capital	Major operating activities or management activities
Yuxi Heyi Investment Co., Ltd.	Li Xiaohua	November 10, 2010	RMB30.00 million	Conduct venture capital activities with free capital; make project investment and manage investment project; investment management, investment consulting and social and economic consultation.

**6. Details about restrictions on reduction of shareholdings of controlling shareholders, actual controllers, restructuring parties, and other entities making commitments**

Applicable Not applicable

**IV. Information on implementation of share repurchase during the Reporting Period**

Progress in implementation of share repurchase

Applicable Not applicable

Progress of centralized bidding for reduction of shares repurchased

Applicable Not applicable

**V. Details about Preferred Shares**

Applicable Not applicable

During the Reporting Period, there were no preferred shares in the Company.

## Section 7 Details about Bonds

Applicable Not applicable

### I. Corporate bonds

Applicable Not applicable, during the Reporting Period, there were no corporate bonds of the Company.

### II. Debentures

Applicable Not applicable, during the Reporting Period, there were no debentures of the Company.

### III. Debt financing instruments of non-financial enterprises

Applicable Not applicable, during the Reporting Period, there were no non-financial enterprise debt financing tool of the Company.

### IV. Convertible corporate bonds

Applicable Not applicable

#### 1. Issuance of Convertible Bonds

Upon the approval of the file “Zheng Jian Xu Ke [2019] No. 2701” promulgated by China Securities Regulatory Commission, the Company issued 16,000,000 convertible corporate bonds in a public offering on February 11, 2020, with a par value of RMB 100 per bond, an aggregate issue size of RMB 1,600,000,000, and a term of 6 years. On October 9, 2025, “Energy Convertible Bonds” triggered the conditional redemption clause. On the same day, the Company convened the 47<sup>th</sup> meeting of the 5<sup>th</sup> Board of Directors, which considered and approved the *Proposal on Early Redemption of “Energy Convertible Bonds”*. The Board resolved to exercise the early redemption right in respect of “Energy Convertible Bonds”. October 27, 2025 was the last trading day of “Energy Convertible Bonds”; October 30, 2025 was the last conversion date; bond conversion was suspended starting October 31, 2025. October 31, 2025 was the redemption date. The Company redeemed all 24,163 outstanding unconverted bonds at a redemption price of RMB 101.44 per bond (including accrued interest for the current period at a coupon rate of 2.00%, before tax). The after-tax redemption price shall be subject to the price approved by China Securities Depository and Clearing Corporation Limited. The total redemption payment amounted to RMB 2,451,094.72 (excluding redemption handling fees). On November 10, 2025, “Energy Convertible Bonds” (bond code: 128095) was delisted on the Shenzhen Stock Exchange.

#### 2. Guarantor and Top 10 Holders of Convertible Bonds During the Reporting Period

Name of Convertible Corporate Bonds	Energy Convertible Bonds
Number of bondholders at the end of Reporting Period	0
Guarantor of the Company’s convertible bonds	Not applicable
Material changes in profitability, asset position and credit standing of the guarantor	Not applicable

#### 3. Changes in Convertible Bonds During the Reporting Period

Applicable Not applicable

Unit: RMB

Name of Convertible Corporate Bonds	Before This Change	Increase or Decrease in This Change			After This Change
			Redemption	Put	
Energy Convertible Bonds	452,910,900.00	450,494,600.00	2,416,300.00	0.00	0.00

#### 4. Cumulative Bond Conversion

Applicable Not applicable

Name of Convertible Corporate Bonds	Start and end date of share conversion	Total volume of bond issuance (number of bonds)	Total amount of issuance (RMB)	Cumulative conversion amount (RMB)	Cumulative number of shares converted (shares)	Ratio of the number of shares converted to the total issued shares of the Company before the start of the conversion	Amount of shares not yet converted (RMB)	Ratio of amount of shares not yet converted to the total amount of issuance
Energy Convertible Bonds	August 17, 2020 to February 11, 2026	16,000,000	1,600,000,000.00	1,597,580,700.00	31,705,156	3.94%	0.00	0.00%

#### 5. Historical Adjustments and Revisions of Conversion Price

Name of Convertible Corporate Bonds	Conversion Price Adjustment Date	Adjusted Conversion Price (RMB)	Disclosure Date	Description of Conversion Price Adjustment	Latest Conversion Price as at the end of the Reporting Period (RMB)
Energy Convertible Bonds	May 21, 2020	64.49	May 15, 2020	Implementation of 2019 annual profit distribution	

Name of Convertible Corporate Bonds	Conversion Price Adjustment Date	Adjusted Conversion Price (RMB)	Disclosure Date	Description of Conversion Price Adjustment	Latest Conversion Price as at the end of the Reporting Period (RMB)
Energy Convertible Bonds	September 4, 2020	65.09	September 3, 2020	Approved by the China Securities Regulatory Commission in its <i>Reply on Approving the Non-public Issuance of Shares by Yunnan Energy New Materials Co., Ltd.</i> (Zheng Jian Xu Ke [2020] No. 1476), the Company privately issued 69,444,444 RMB ordinary shares (A-shares) to 22 specific investors by way of private placement. The newly issued shares were listed on the Shenzhen Stock Exchange on September 4, 2020.	
Energy Convertible Bonds	April 30, 2021	64.92	April 23, 2021	The Company implemented its 2020 annual profit distribution plan.	
Energy Convertible Bonds	May 16, 2022	64.62	May 10, 2022	The Company implemented its 2021 annual profit distribution plan.	
Energy Convertible Bonds	June 20, 2023	66.64	June 19, 2023	Approved by the China Securities Regulatory Commission in its <i>Reply on Approving the Non-public Issuance of Shares by Yunnan Energy New Materials Co., Ltd.</i> (Zheng Jian Xu Ke [2022] No. 1343), the Company privately issued 85,421,412 RMB ordinary shares (A-shares) to 21 specific investors by way of private placement. The newly issued shares were listed on the Shenzhen Stock Exchange on June 20, 2023.	
Energy Convertible Bonds	August 21, 2023	66.46	August 15, 2023	The Company implemented its 2022 annual profit distribution plan.	
Energy Convertible Bonds	September 21, 2023	66.26	September 15, 2023	The Company implemented its 2023 interim profit distribution plan.	
Energy Convertible Bonds	June 3, 2024	64.73	May 28, 2024	The Company implemented its 2023 annual profit distribution plan.	
Energy Convertible Bonds	November 6, 2024	64.92	November 6, 2024	The Company completed the cancellation formalities for 5,905,097 repurchased shares.	
Energy Convertible Bonds	February 11, 2025	32.00	February 11, 2025	On January 22, 2025, the Company's share triggered the downward adjustment clause for the conversion price of "Energy Convertible Bonds". Upon consideration and approval at the 37 <sup>th</sup> meeting of the 5 <sup>th</sup> Board of Directors, the 3 <sup>rd</sup> Extraordinary General Meeting 2025 and the 38 <sup>th</sup> meeting of the 5 <sup>th</sup> Board of Directors, the conversion price of "Energy Convertible Bonds" was adjusted downward to RMB 32.00 per share.	
Energy Convertible Bonds	March 24, 2025	32.01	March 22, 2025	The Company completed the repurchase and cancellation of a total of 1,771,317 restricted shares under the 2022 Stock Option and Restricted Share Incentive Plan and the 2024 Restricted Share Incentive Plan.	

## 6. The Company's Liabilities and Credit Changes at the End of the Reporting Period, and Cash Arrangements for Debt

### Repayment in Future Years

(1) The Company's liabilities: relevant indicators such as the asset-liability ratio, interest coverage multiple, and loan repayment rate at the end of the Reporting Period, and year-on-year changes are detailed in the "VIII. Major Accounting data and financial indicators of the Company in the recent two years as at the end of the Reporting Period."

(2) Changes in the Company's credit standing: According to the Regular Follow-up Rating Report on Public Offering of Convertible Corporate Bonds by Yunnan Energy New Material Co., Ltd. (No. Follow-up Rating on Corporate Bonds by Shanghai Brilliance (2020) 100053, Follow-up Rating on Corporate Bonds by Shanghai Brilliance (2021) 100043, Follow-up Rating on Corporate Bonds by Shanghai Brilliance (2022) 100280), Follow-up Rating on Corporate Bonds by Shanghai Brilliance (2023) 100005), Follow-up Rating on Corporate Bonds by Shanghai Brilliance (2024) 100211) and Follow-up Rating on Corporate Bonds by Shanghai Brilliance (2025) 100099) issued by the credit rating agency - Shanghai Brilliance Credit Rating & Investors Service Co, Ltd., the credit rating of the Company on the whole was AA, the credit rating of "Energy Convertible Bonds" was AA, and the said bonds were affirmed with a "stable" outlook. The above-mentioned follow-up rating results have not changed compared with the previous rating results. In view of the full redemption of all "Energy Convertible Bonds", in accordance with relevant regulatory provisions and the relevant business rules of Shanghai Brilliance Credit Rating & Investors Service Co, Ltd., Shanghai Brilliance terminated the credit rating on Yunnan Energy New Material Co., Ltd. and its issued "Energy Convertible Bonds" on November 8, 2025. The aforesaid ratings will no longer be updated. The regular follow-up rating reports and the *Announcement of Shanghai Brilliance Credit Rating & Investors Service Co, Ltd. on Terminating the Credit Rating of Yunnan Energy New Material Co., Ltd. as an Issuer and Its Issued "Energy Convertible Bonds"* are available on [www.cninfo.com.cn](http://www.cninfo.com.cn).

## V. Losses in the scope of consolidated statements during the Reporting Period exceeding 10% of the net assets as at the end of the prior year

Applicable Not applicable

## VI. Overdue repayment of interest-bearing debt other than bonds as at the end of the Reporting Period

Applicable Not applicable

## VII. Violation of rules and regulations during the Reporting Period

Yes No

## VIII. Major accounting data and financial indicators of the Company in the recent two years as at the end of the Reporting Period

Unit: RMB'0,000

Item	At the end of the Reporting Period	At the end of the prior year	Increase or decrease at the end of the current Reporting Period compared with the end of prior year
Current ratio	1.0541	1.0132	4.04%
Asset-liability ratio	44.17%	44.48%	-0.31%
Quick ratio	0.8466	0.6951	21.80%
	The Reporting Period	The corresponding period of prior year	Increase or decrease of the Reporting Period compared with the corresponding period of prior year
Net profit after deduction of non-recurring gains and losses	11,080.24	-61,329.8	118.07%
Debt-to-EBITDA ratio	13.55%	6.23%	7.32%
Interest coverage ratio	1.98	-1.27	255.91%
Cash interest coverage ratio	4.47	3.77	18.57%
EBITDA interest coverage ratio	7.41	3.37	119.88%
Loan repayment rate	100.00%	100.00%	0.00%
Interest coverage rate	100.00%	100.00%	0.00%

## Section 8 Financial Report

### I. Audit Report

Type of audit opinion	Unqualified opinion
Signature date of audit report	April 22, 2026
Audit organization name	Dahua CPAs (SGP)
Audit report number	Da Hua Shen Zi [2026] No. 0011004247
Name of the certified public accountants (CPAs)	Kang Wenjun, Duan Liwei

#### Body of the audit report To

all shareholders of Yunnan Energy New Material (Group) Co., Ltd.:

#### I. Audit Opinions

We have audited the financial statements of Yunnan Energy New Material (Group) Co., Ltd. (“Energy Technology”), including the consolidated and the parent company’s balance sheets as of December 31, 2025, the consolidated and parent company’s income statement, the consolidated and the parent company’s cash flow statement, the consolidated and the parent company’s statement of changes in equity for 2025, and the relevant notes to financial statements.

In our opinion, the enclosed financial statements were prepared in accordance with the Accounting Standards for Business Enterprises in all material aspects and fairly reflected the Energy Technology’s consolidated and the parent company’s financial positions as of December 31, 2025 as well as the consolidated and the parent company’s operation results and cash flow for 2025.

#### II. Basis for Audit Opinions

We carried out the audit work according to the Auditing Standards for Chinese CPA. Our responsibilities under the Standards are further described under the section titled “responsibilities of CPA for auditing financial statements” in this audit report. We are independent from Energy Technology and have complied with the independence requirements applicable to the audit of financial statements of public interest entities and fulfilled the obligations in terms of professional ethics according to the *Standards on Independence for Certified Public Accountants No. 1 – Independence Requirements for Financial Statement Audit and Review Engagements* and Code of Professional Ethics Conduct for Chinese CPAs. We believe that the evidences we obtained are adequate and proper, and lay a solid foundation for the audit opinion.

#### III. Key Audit Matters

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

We have identified the following matters as key audit matters to be communicated in the auditor’s report.

1. Revenue recognition
2. Provision for impairment of accounts receivable
3. Provision for inventory write-down

##### (I) Revenue recognition matters

1. Description of matters

Please refer to Note III-(35) “Revenue recognition principles and measurement methods” and Note V-45 “Operating revenue and operating costs” of the financial statements for the relevant information disclosure.

The operating revenue of Energy Technology in 2025 amounted to RMB13,632,727,100, which was the main source of its profit and affected its key performance indicators. In addition, according to the industry practice, after signing the sales order with customer, Energy Technology arranges production based on customer’s requirements, delivers it to customers pursuant to the agreed delivery method, obtains the customer’s evidence on the transfer of the ownership of goods, and then recognizes the sales revenue. Since the time of revenue recognition is later than the product delivery, and the delivery time and delivery document recognition are all dependent on the customer, there may be significant risk of misstatement if the sales revenue is fully included in the appropriate accounting period. Therefore, we recognize revenue as a key audit matter.

2. Audit Response

Our key audit procedures for revenue recognition include:

- (1) Understand and evaluate the design of internal control of revenue recognition by the management, and test the effectiveness of key control implementation;
- (2) Obtain a major business contract, identify terms and conditions related to the transfer of commodity ownership, and assess whether the income recognition policy of Energy Technology is in line with the relevant provisions of the enterprise accounting standards;
- (3) Perform analytical review procedures on revenue and gross profit based on the product types and customer conditions of Energy Technology, and determine the reasonableness of the changes in sales revenue and gross profit margin;
- (4) Understand the background and basic information of the main customers, identify whether they are related parties, and confirm the accounts receivable balance and sales amount of the main customers by confirmation letters;
- (5) Select samples from the sales revenue ledger, check the relevant documents such as contracts (orders), invoices, delivery documents, pay attention to the delivery time, and check the revenue recognition time point;
- (6) Check the sales revenue recognized before and after the balance sheet date with supporting documents of sales revenue recognition, and implement the cut-off test and subsequent inspection procedures for revenue recognition;
- (7) Assess whether the management’s disclosure of income statement is appropriate.

##### (II) Provision for bad debts of accounts receivable

1. Description of matters

Please refer to Note III-(11) “Financial instruments”, (13) “Accounts receivable” and Note V-3 “Accounts receivable” of the financial statements for the relevant information disclosure.

On December 31, 2025, the original book value of accounts receivable of Energy Technology was RMB7,545,033,400, the bad debt provision was RMB133,496,500 and the net value was RMB7,411,536,900, accounting for 15.20% of the total assets at the end of the period.

Based on the financial situation of the counterparty, the management evaluates the guarantee obtained to the accounts receivable, the aging of the accounts receivable, the credit rating and historical repayment record of the counterparty, and with reference to the historical credit loss

experience, combined with the current situation and the forecast of the future economic situation, the management considers to accrue bad debt for the accounts receivable according to the expected credit loss in the whole duration. As the determination of the amount of bad debt provision requires the management to use significant accounting estimates and judgments, and accounts receivable is important to the financial statements, therefore, we regard the bad debt provision of accounts receivable as a key audit matter.

## 2. Audit response

Our key audit procedures for the bad debt provision include:

- (1) Understand and evaluate the management's key internal control over the daily management and provision for accounts receivable, and carry out the corresponding walk-through test;
- (2) For accounts receivable with significant single amount and credit impairment occurred after initial recognition, the bases for the management's assessment of the expected future available cash flow shall be reviewed to analyze whether it is reasonable;
- (3) For the accounts receivable of bad debt provision withdrawn by the management according to the combination of credit risk characteristics, combined with the credit risk characteristics, the impact of migration rate and aging analysis, evaluate the rationality of the withdrawal of bad debt provision by the management;
- (4) Evaluated the adequacy of the management's provision for bad debt in combination with the check of payment collection after the period;
- (5) Assess whether the management's disclosure of accounts receivable financial statements is appropriate.

### (III) Provision for inventory impairment

#### 1. Description of matters

Please refer to Note III-(16) "Inventories" and Note V-7 "Inventories" of the financial statements for the relevant information disclosure.

As of December 31, 2025, the carrying amount of inventory was RMB2,900,946,544.50, with a provision for inventory impairment of RMB621,264,583.33, resulting in a net carrying value of RMB2,279,681,961.17, accounting for 4.68% of the total assets at the end of the period.

The recognition of inventory impairment provision depends on the estimation of the net realizable value (NRV) of inventory, which is determined as the estimated selling price less estimated selling expenses and related taxes. In assessing NRV, management must consider the actual condition of inventory, aging, market value (or comparable market data), and reasonably estimate selling expenses and taxes required to realize the sale. These assessments involve significant management judgment and estimation. Therefore, we identified the inventory impairment provision as a key audit matter.

#### 2. Audit Response

Our key audit procedures for the inventory impairment provision include:

- (1) Evaluate and test the design and operating effectiveness of internal controls related to inventory impairment recognition;
- (2) Perform physical inventory observation at the Company's production bases to verify year-end inventory quantities; inspect inventory conditions and examine aged inventory items;
- (3) Obtain inventory aging reports and impairment calculation worksheets to verify compliance with accounting policies and analyzing changes in prior-year provisions to assess adequacy;
- (4) Recalculate NRV by comparing management's estimated selling prices against actual transaction prices, considering market demand/supply and industry trends, and benchmarking estimated selling expenses/taxes against historical data;
- (5) Evaluate the appropriateness of financial statement disclosures about inventory.

### IV. Other Information

Energy Technology's management is responsible for the other information. The other information comprises all of the information included in the annual report other than the financial statements and our auditor's report thereon.

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

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

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

### V. Responsibilities of Management and Those Charged with Governance for Financial Statements

Energy Technology's management is responsible for the preparation of the financial statements that give a fair view in accordance with CAS, and for designing, implementing and maintaining such internal control as the management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Those charged with governance are responsible for overseeing Energy Technology's financial reporting process.

### VI. Responsibilities of CPA for Auditing Financial Statements

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

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

1. Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
2. Obtain an understanding of internal control relevant to the audit To design audit procedures that are appropriate in the circumstances.
3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.
4. Conclude on the appropriateness of the management's use of the going concern basis of accounting. Based on the audit evidence obtained, conclude on whether a material uncertainty exists related to events or conditions that may cast significant doubt on Energy Technology's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required by CAS to draw users' attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause Energy Technology to cease to continue as a going concern.
5. Evaluate the overall presentation, structure and content of the financial statements, and whether the financial statements represent the

underlying transactions and events in a manner that achieves fair presentation.

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

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

We have also provided a statement to those charged with governance regarding compliance with the provisions of *Chinese Independence Standard for Certified Public Accountants No. 1 — Independence Requirements for Financial Statement Audit and Review Engagements*, and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

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

## II. Financial Statements

The unit of notes to financial statements is: RMB

### 1. Consolidated balance sheet

Prepared by: Yunnan Energy New Material (Group) Co., Ltd.

December 31, 2025

Item	Closing balance	Opening balance
Unit: RMB		
Current assets:		
Monetary funds	2,909,444,845.80	2,574,141,019.53
Settlement reserves		
Loans to banks and other financial institutions		
Held-for-trading financial assets		
Derivative financial assets		
Notes receivable	704,206,557.87	370,653,110.87
Accounts receivable	7,411,536,913.76	6,102,048,232.51
Receivable financing	1,213,767,926.87	408,092,531.80
Prepayments	161,187,270.70	160,423,760.33
Premiums receivable		
Reinsurance premium receivable		
Reinsurance contract provision receivable		
Other receivables	31,987,776.97	28,221,493.60
Including: Interest receivable		
Dividends receivable		1,347,859.55
Financial assets held under resale agreements		
Inventories	2,279,681,961.17	2,963,026,794.82
Including: Data resources		
Contractual assets		
Held-for-sales assets		
Non-current assets due within one year	53,345,618.06	215,940,873.29
Other current assets	513,955,313.47	1,001,879,072.11
Total current assets	15,279,114,184.67	13,824,426,888.86
Non-current assets:		
Loans and advances to customers		
Debt investment		
Other debt investment		
Long-term receivables	4,457,531.97	
Long-term equity investments	14,100,157.24	
Investments in other equity instruments	73,000,000.00	78,000,000.00
Other non-current financial assets		
Investment properties	8,439,623.86	9,051,579.82
Fixed assets	28,257,962,277.25	22,928,507,627.21
Construction in progress	1,530,563,029.64	5,863,245,023.13

Productive biological assets		
Oil and gas assets		
Right-of-use assets	481,651.57	1,752,245.09
Intangible assets	1,129,342,622.28	1,130,776,649.65
Including: Data resources		
Development expenditures		
Including: Data resources		
Goodwill	519,105,553.36	519,105,553.36
Long-term unamortized expenses	3,752.82	1,280,992.77
Deferred income tax assets	617,230,519.38	632,495,685.27
Other non-current assets	1,313,435,841.33	2,210,995,255.06
Total non-current assets	33,468,122,560.70	33,375,210,611.36
Total assets	48,747,236,745.37	47,199,637,500.22
Current liabilities:		
Short-term borrowings	7,913,611,937.50	8,136,897,962.50
Borrowings from the central bank		
Placements from banks and other financial institutions		
Held-for-trading financial liabilities		
Derivative financial liabilities		
Notes payable	766,213,912.36	514,689,404.62
Accounts payable	2,310,176,867.17	2,009,858,521.55
Advances from customers		
Contractual liabilities	49,593,104.39	45,640,854.47
Financial assets sold under repurchase agreements		
Customer bank deposits and due to banks and other financial institutions		
Customer brokerage deposits		
Securities underwriting brokerage deposits		
Employee benefits payable	108,107,139.24	88,966,332.21
Taxes payable	146,345,287.75	116,901,868.52
Other payables	202,661,162.23	212,623,069.42
Including: Interest payable		
Dividends payable	9,778,239.09	9,778,239.09
Fees and commissions payable		
Reinsurance amounts payable		
Held-for-sale liabilities		
Non-current liabilities due within one year	2,195,475,127.69	1,781,854,472.71
Other current liabilities	802,265,358.18	736,298,107.85
Total current liabilities	14,494,449,896.51	13,643,730,593.85
Non-current liabilities:		
Insurance contract reserves		
Long-term borrowings	4,992,559,411.66	5,070,029,111.30
Bonds payable		440,251,699.82
Including: Preferred shares		
Perpetual bonds		
Lease liabilities		
Long-term payables	384,054,475.96	172,792,328.77
Long-term payroll payable		
Estimated liabilities		
Deferred income	1,560,932,525.15	1,382,766,781.07
Deferred income tax liabilities	54,516,722.08	22,264,253.52
Other non-current liabilities	44,800,000.00	262,804,248.10
Total non-current liabilities	7,036,863,134.85	7,350,908,422.58
Total liabilities	21,531,313,031.36	20,994,639,016.43

Owners' equity:		
Share capital	982,220,137.00	971,279,156.00
Other equity instruments		50,222,020.25
Including: Preferred shares		
Perpetual bonds		
Capital reserve	15,092,205,964.08	14,596,889,137.16
Less: treasury stock	251,416,856.93	337,939,102.37
Other comprehensive income	212,614,276.27	-97,799,317.85
Special reserve		
Surplus reserve	439,767,694.05	421,806,734.33
General risk provision		
Undistributed profits	8,991,358,307.73	8,866,770,927.54
Total owners' equity attributable to parent company	25,466,749,522.20	24,471,229,555.06
Minority interests	1,749,174,191.81	1,733,768,928.73
Total owners' equity	27,215,923,714.01	26,204,998,483.79
Total liabilities and owners' equity	48,747,236,745.37	47,199,637,500.22

Legal Representative: Paul Xiaoming Lee

Chief Financial Officer: Li Xianglin

Financial Manager: Deng Jinhuan

## 2. Balance sheet of the parent company

Unit: RMB

Item	Closing balance	Opening balance
Current assets:		
Monetary funds	8,761,775.59	82,426,833.46
Held-for-trading financial assets		
Derivative financial assets		
Notes receivable		
Accounts receivable	1,860,284.42	
Receivable financing		
Prepayments		200,000.00
Other receivables	14,383,072,876.64	13,698,147,397.56
Including: Interest receivable		
Dividends receivable	781,539,232.73	786,539,232.73
Inventories	3,558,054.82	3,428,717.82
Including: Data resources		
Contractual assets		
Held-for-sales assets		
Non-current assets due within one year		
Other current assets		252,775,000.00
Total current assets	14,397,252,991.47	14,036,977,948.84
Non-current assets:		
Debt investment		
Other debt investment		
Long-term receivables		
Long-term equity investments	4,836,309,722.90	4,971,553,501.90
Investments in other equity instruments	67,000,000.00	72,000,000.00
Other non-current financial assets		
Investment properties		
Fixed assets	36,681,844.65	15,676,027.90
Construction in progress	441,037.74	38,178,294.59
Productive biological assets		
Oil and gas assets		
Right-of-use assets		
Intangible assets	20,085,014.13	35,933,713.42
Including: Data resources		
Development expenditures		
Including: Data resources		
Goodwill		

Long-term unamortized expenses		
Deferred income tax assets	10,857,706.78	9,542,089.43
Other non-current assets		
Total non-current assets	4,971,375,326.20	5,142,883,627.24
Total assets	19,368,628,317.67	19,179,861,576.08
Current liabilities:		
Short-term borrowings	134,894,981.89	103,633,690.22
Held-for-trading financial liabilities		
Derivative financial liabilities		
Notes payable		
Accounts payable	15,633,070.00	11,036,560.48
Advances from customers		
Contractual liabilities		
Employee benefits payable	124,583.62	113,900.14
Taxes payable	20,215,162.89	14,543,612.91
Other payables	407,497,057.76	530,573,265.87
Including: Interest payable		
Dividends payable		
Held-for-sale liabilities		
Non-current liabilities due within one year		7,403,847.66
Other current liabilities		
Total current liabilities	578,364,856.16	667,304,877.28
Non-current liabilities:		
Long-term borrowings		
Bonds payable		440,251,699.82
Including: Preferred shares		
Perpetual bonds		
Lease liabilities		
Long-term payables		
Long-term payroll payable		
Estimated liabilities		
Deferred income		
Deferred income tax liabilities		
Other non-current liabilities		
Total non-current liabilities		440,251,699.82
Total liabilities	578,364,856.16	1,107,556,577.10
Owners' equity:		
Share capital	982,220,137.00	971,279,156.00
Other equity instruments		50,222,020.25
Including: Preferred shares		
Perpetual bonds		
Capital reserve	17,145,715,715.77	16,650,858,056.65
Less: treasury stock	251,416,856.93	337,939,102.37
Other comprehensive income	-32,250,000.00	-28,500,000.00
Special reserve		
Surplus reserve	412,015,183.06	394,054,223.34
Undistributed profits	533,979,282.61	372,330,645.11
Total owners' equity	18,790,263,461.51	18,072,304,998.98
Total liabilities and owners' equity	19,368,628,317.67	19,179,861,576.08

## 3. Consolidated income statement

Unit: RMB

Item	2025	2024
I. Total operating revenue	13,632,727,136.01	10,163,655,793.70
Including: Operating revenue	13,632,727,136.01	10,163,655,793.70
Interest income		
Earned premium		
Fee and commission incomes		
II. Total operating cost	13,117,079,162.76	10,857,553,669.18
Including: operating cost	11,073,555,705.48	9,038,746,050.98
Interest expense		
Fee and commissions expenses		
Cash surrender amount		
Net payments for insurance claims		
Net provision for insurance liability contract reserves		
Policy dividend expenses		
Reinsurance expenses		
Taxes and surcharges	129,801,082.17	96,272,479.22
Selling expenses	147,404,516.19	145,263,407.26
Administrative expenses	756,451,722.60	600,164,938.14
R&D expenses	689,619,013.14	662,843,179.69
Financial expenses	320,247,123.18	314,263,613.89
Including: Interest expense	341,745,309.21	353,090,934.03
Interest income	45,913,869.63	61,700,514.83
Add: Other income	277,632,423.11	306,039,826.91
Investment income (loss is indicated with “-”)	-8,853,490.56	1,412,808.29
Including: Income from investment in associates and joint ventures	-2,147,342.85	1,347,859.55
Derecognized financial assets measured by amortized cost	-20,942,756.34	-13,173,229.23
Exchange gain (loss is indicated with “-”)		
Net exposure hedging income (loss is indicated with “-”)		
Income from changes in fair value (loss is indicated with “-”)		
Credit impairment losses (loss is indicated with “-”)	29,813,021.03	7,366,782.82
Asset impairment losses (loss is indicated with “-”)	-298,705,532.41	-462,221,619.95
Income from disposal of assets (loss is indicated with “-”)	-1,900,407.49	2,755,562.94
III. Operating profit (loss is indicated with “-”)	454,007,944.87	-838,544,514.47
Add: Non-operating revenue	32,688,163.83	5,473,245.96
Less: Non-operating expenses	49,148,177.89	11,730,389.99
IV. Total profit (total loss is indicated with “-”)	437,547,930.81	-844,801,658.50
Less: Income tax expense	296,644,888.37	-184,904,499.33
V. Net profit (net loss is indicated with “-”)	140,903,042.44	-659,897,159.17
(I) Classified according to operating continuity		
1. Net profit from continuing operations (net loss is indicated with “-”)	140,903,042.44	-659,897,159.17
2. Net profit from discontinuing operations (net loss is indicated with “-”)		
(II) Classified according to attribution of the ownership		
1. Net profit attributable to shareholders of the parent company	142,548,339.91	-556,317,501.09
2. Profit or loss of minority interest	-1,645,297.47	-103,579,658.08
VI. Other comprehensive income, net of tax	326,201,950.68	-178,927,768.79
Other comprehensive income attributable to owners of parent company, net of tax	310,413,594.12	-187,710,715.88
(I) Other comprehensive income that cannot be reclassified to profit or loss	-3,750,000.00	-12,750,000.00

1. Changes arising from re-measurement of the defined benefit plan		
2. Other comprehensive income that cannot be reclassified into profit or loss under the equity method		
3. Changes in fair value of other equity instrument investments	-3,750,000.00	-12,750,000.00
4. Changes in fair value of the enterprise's credit risk		
5. Others		
(II) Other comprehensive income that will be reclassified subsequently to profit or loss	314,163,594.12	-174,960,715.88
1. Other comprehensive income that can be reclassified into profit or loss under the equity method		
2. Changes in fair value of other debt investments		
3. Amount of the financial asset reclassified into other comprehensive income		
4. Provision for credit impairment of other debt investment		
5. Cash flow hedging reserve		
6. Exchange differences from translation of statements denominated in foreign currencies	314,163,594.12	-174,960,715.88
7. Others		
Other comprehensive income attributable to minority interests, net of tax	15,788,356.56	8,782,947.09
VII. Total comprehensive income	467,104,993.12	-838,824,927.96
Total comprehensive income attributable to owners of parent company	452,961,934.03	-744,028,216.97
Total comprehensive income attributable to minority interests	14,143,059.09	-94,796,710.99
VIII. Earnings per share:		
(I) Basic earnings per share	0.15	-0.57
(II) Diluted earnings per share	0.15	-0.87

Legal Representative: Paul Xiaoming Lee

Chief Financial Officer: Li Xianglin

Financial Manager: Deng Jinhuan

#### 4. Income statement of parent company

Item	2025	2024
I. Operating revenue	3,897,523.84	4,921,856.56
Less: Operating cost	5,389,637.82	3,817,079.74
Taxes and surcharges	3,523,289.72	2,641,575.31
Selling expenses		4,300.56
Administrative expenses	74,884,882.73	109,229,825.51
R&D expenses		
Financial expenses	-321,562,669.87	-350,793,346.89
Including: Interest expense	23,216,718.32	29,724,498.01
Interest income	344,780,908.01	380,539,036.00
Add: Other income	242,494.29	653,663.13
Investment income (loss is indicated with "-")	34,816,119.69	47,775,000.00
Including: Income from investment in associates and joint ventures		
Derecognized financial assets measured by amortized cost (loss is indicated with "-")		
Net exposure hedging income (loss is indicated with "-")		
Income from changes in fair value (loss is indicated with "-")		
Credit impairment losses (loss is indicated with "-")	-262,469.40	90,215.80
Asset impairment losses (loss is indicated with "-")		
Income from disposal of assets (loss is indicated with "-")	-3,504,711.76	-98,230.98
II. Operating profit (loss is indicated with "-")	272,953,816.26	288,443,070.28
Add: Non-operating revenue	0.33	950,479.05
Less: Non-operating expenses	11,753,835.49	76,623.88
III. Total profit (total loss is indicated with "-")	261,199,981.10	289,316,925.45
Less: Income tax expense	81,590,383.88	61,397,612.07
IV. Net profit (net loss is indicated with "-")	179,609,597.22	227,919,313.38
(I) Net profit from continuing operations (net loss is	179,609,597.22	227,919,313.38

indicated with “-”)		
(II) Net profit from discontinuing operations (net loss is indicated with “-”)		
V. Other comprehensive income, net of tax	-3,750,000.00	-12,750,000.00
(I) Other comprehensive income that cannot be reclassified to profit or loss	-3,750,000.00	-12,750,000.00
1. Changes arising from re-measurement of the defined benefit plan		
2. Other comprehensive income that cannot be reclassified into profit or loss under the equity method		
3. Changes in fair value of other equity instrument investments	-3,750,000.00	-12,750,000.00
4. Changes in fair value of the enterprise’s credit risk		
5. Others		
(II) Other comprehensive income that will be reclassified subsequently to profit or loss		
1. Other comprehensive income that can be reclassified into profit or loss under the equity method		
2. Changes in fair value of other debt investments		
3. Amount of the financial asset reclassified into other comprehensive income		
4. Provision for credit impairment of other debt investment		
5. Cash flow hedging reserve		
6. Exchange differences from translation of statements denominated in foreign currencies		
7. Others		
VI. Total comprehensive income	175,859,597.22	215,169,313.38
VII. Earnings per share:		
(I) Basic earnings per share		
(II) Diluted earnings per share		

## 5. Consolidated cash flow statement

Unit: RMB

Item	2025	2024
I. Cash flows from operating activities:		
Cash received from the sale of goods or rendering of services	9,249,369,738.17	8,385,508,715.46
Net increase in deposits from customers and placements from corporations in the same industry		
Net increase in borrowings from the central bank		
Net increase in placements from other financial institutions		
Cash received from premium of original insurance		
Net cash received from reinsurance business		
Net increase in deposits of the insured and investment		
Cash received from interests, fees and commissions		
Net increase in placements from banks and other financial institutions		
Net increase in repurchasing		
Net cash received from agency sale of securities		
Receipts of tax refunds	434,003,373.44	325,570,298.59
Other cash receipts related to operating activities	273,762,537.74	533,881,000.81
Subtotal of cash inflows from operating activities	9,957,135,649.35	9,244,960,014.86
Cash payments for goods purchased and services received	5,762,908,405.15	5,239,581,120.39
Net increase in loans and advances		
Net increase in deposits in the Central Bank and other financial institutions		
Cash paid for claim settlements on original insurance		
Net increase in placements to banks and other financial institutions		
Cash paid for interests, fees and commissions		
Cash paid for policy dividends		
Cash paid to and on behalf of employees	1,637,732,344.62	1,458,936,664.56
Payments of all types of taxes	772,815,815.17	730,297,460.12
Other cash payments relating to operating activities	640,041,276.44	657,895,714.69
Subtotal of cash outflows due to operating activities	8,813,497,841.38	8,086,710,959.76

Net cash flows from operating activities	1,143,637,807.97	1,158,249,055.10
II. Cash flows from investment activities:		
Cash received from disposal of investments	685,000,000.00	1,271,927,500.00
Cash received from procuring investment income	31,526,844.21	69,705,379.85
Net amount of cash received from disposal of fixed assets, intangible assets and other long-term assets	20,392,170.81	37,456,266.24
Net cash received from disposals of subsidiaries and other business units	1,799,150.00	
Other cash received relating to investment activities		
Subtotal of cash inflows from investment activities	738,718,165.02	1,379,089,146.09
Cash paid for acquisition of fixed assets, intangible assets and other long-term assets	1,734,935,342.20	2,858,791,026.20
Cash paid for acquisition of investments	311,970,269.41	1,107,449,569.44
Net increase in pledge loans		
Net cash payments for acquisitions of subsidiaries and other business units		
Other cash paid relating to investment activities	44,925,000.00	45,163,817.42
Subtotal of cash outflows due to investment activities	2,091,830,611.61	4,011,404,413.06
Net cash flows from investment activities	-1,353,112,446.59	-2,632,315,266.97
III. Cash flows from financing activities:		
Cash received from absorbing investment	101,128,824.21	200,628,666.09
Including: Cash received from subsidiaries' absorbing minority shareholder investment	1,100,000.00	91,912,750.86
Cash received from borrowings	12,321,623,205.87	13,731,686,695.68
Other cash received relating to financing activities	440,259,811.11	160,000,000.00
Subtotal of cash inflows from financing activities	12,863,011,841.19	14,092,315,361.77
Cash paid for debt repayment	11,122,360,329.71	10,856,843,142.85
Cash paid for distributing dividends and profits or paying interests	334,648,985.85	1,911,093,566.49
Including: Dividends and profits paid to minority shareholders by subsidiaries		
Cash payments relating to other financing activities	673,672,797.11	910,705,730.64
Subtotal of cash outflows from financing activities	12,130,682,112.67	13,678,642,439.98
Net cash flows from financing activities	732,329,728.52	413,672,921.79
IV. Effect of changes in exchange rate on cash and cash equivalents	-	4,819,771.37
V. Net increase in cash and cash equivalents	504,687,432.26	-1,055,573,518.71
Add: Opening balance of cash and cash equivalents	1,733,460,483.14	2,789,034,001.85
VI. Closing balance of cash and cash equivalents	2,238,147,915.40	1,733,460,483.14

## 6. Cash flow statement of parent company

Unit: RMB

Item	2025	2024
I. Cash flows from operating activities:		
Cash received from the sale of goods or rendering of services	6,685,739.89	20,018,970.93
Receipts of tax refunds		127,596.89
Other cash receipts related to operating activities	9,717,429.33	57,140,549.04
Subtotal of cash inflows from operating activities	16,403,169.22	77,287,116.86
Cash payments for goods purchased and services received	1,617,095.57	15,328,134.69
Cash paid to and on behalf of employees	2,696,392.58	4,642,314.82
Payments of all types of taxes	98,593,394.78	96,043,205.00
Other cash activities	40,493,405.73	160,138,345.40
Subtotal of cash outflows due to operating activities	143,400,288.66	276,151,999.91
Net cash flows from operating activities	-126,997,119.44	-198,864,883.05
II. Cash flows from investment activities:		
Cash received from disposal of investments	250,000,000.00	
Cash received from procuring investment income	10,214,053.13	1,269,500,767.27
Net amount of cash received from disposal of fixed assets, intangible assets and other long-term assets	66,654,311.43	34,862.09
Net cash received from disposals of subsidiaries and other	11,928,284.33	

business units		
Other cash activities	201,233,143.28	729,915,831.56
Subtotal activities	540,029,792.17	1,999,451,460.92
Cash paid for acquisition of fixed assets, intangible assets and other long-term assets	41,319,945.90	1,626,660.66
Cash paid for acquisition of investments	31,247,500.00	299,235,709.57
Net cash payments for acquisitions of subsidiaries and other business units		
Other cash paid relating to investment activities	568,310,055.44	1,186,964,114.48
Subtotal of cash outflows due to investment activities	640,877,501.34	1,487,826,484.71
Net cash flows from investment activities	-100,847,709.17	511,624,976.21
III. Cash flows from financing activities:		
Cash received from absorbing investment	100,028,824.21	140,029,540.01
Cash received from borrowings	134,800,000.00	103,500,000.00
Other cash activities	273,759,811.11	196,000,000.00
Subtotal of cash inflows from financing activities	508,588,635.32	439,529,540.01
Cash paid for debt repayment	105,916,300.00	59,500,000.00
Cash paid for distributing dividends and profits or paying interests	11,046,701.52	1,509,256,418.75
Cash payments relating to other financing activities	232,743,652.49	488,785,366.91
Subtotal of cash outflows from financing activities	349,706,654.01	2,057,541,785.66
Net cash flows from financing activities	158,881,981.31	-1,618,012,245.65
IV. Effect of changes in exchange rate on cash and cash equivalents	-195.19	
V. Net increase in cash and cash equivalents	-68,963,042.49	-1,305,252,152.49
Add: Opening balance of cash and cash equivalents	76,622,554.85	1,381,874,707.34
VI. Closing balance of cash and cash equivalents	7,659,512.36	76,622,554.85

## 7. Consolidated statement of changes in owners' equity

Amount of current period

Unit: RMB

Item	2025													Minority interests	Total owners' equity
	Owners' equity attributable to parent company											Subtotal			
	Share capital	Other equity instruments			Capital reserve	Less: treasury stock	Other comprehensive income	Special reserve	Surplus reserve	General risk provision	Undistributed profits		Others		
	Preferred stock	Perpetual bonds	Others												
I. Closing balance of the previous year	971,279,156.00			50,222,020.25	14,596,889,137.16	337,939,102.37	-97,799,317.85		421,806,734.33		8,866,770,927.54		24,471,229,555.06	1,733,768,928.73	26,204,998,483.79
Add: Effects of changes in accounting policies															
Effects of correction of prior year errors															
Others															
II. Opening balance of the current year	971,279,156.00			50,222,020.25	14,596,889,137.16	337,939,102.37	-97,799,317.85		421,806,734.33		8,866,770,927.54		24,471,229,555.06	1,733,768,928.73	26,204,998,483.79
III. Increase/decrease for the period (decrease is indicated with "-")	10,940,981.00			-50,222,020.25	495,316,826.92	-86,522,245.44	310,413,594.12		17,960,959.72		124,587,380.19		995,519,967.14	15,405,263.08	1,010,925,230.22
(I) Total comprehensive income							310,413,594.12				142,548,339.91		452,961,934.03	14,143,059.09	467,104,993.12
(II) Contribution and withdrawal of capital by owners	10,940,981.00			-50,222,020.25	495,316,826.92	-86,522,245.44							542,558,033.11	1,262,203.99	543,820,237.10
1. Common shares invested by owner					100,157,698.10								100,157,698.10	1,137,748.15	101,295,446.25
2. Capital invested by other equity instrument holders	14,072,680.00			-49,954,083.51	482,438,552.86								446,557,149.35		446,557,149.35
3. Amount of share payment credited to owners' equity	-3,131,699.00				-87,279,424.04	-86,522,245.44							-3,888,877.60	124,455.84	-3,764,421.76

4. Others				-267,936.74									-267,936.74		-267,936.74
(III) Profit distributed									17,960,959.72		-17,960,959.72				
1. Withdrawal of surplus									17,960,959.72		-17,960,959.72				
2. Provision for general															
3. Distribution to owners (or shareholders)															
4. Others															
(IV) Internal carry-forward of owners'															
1. Conversion of capital reserve into capital (or															
2. Conversion of surplus reserve into capital (or															
3. Making good of loss with surplus reserve															
4. Carry-forward of changes in the defined benefit plan for retained															
5. Carry-forward of other comprehensive income for															
6. Others															
(V) Special															
1. Amount withdrawn in the period															
(VI). Others															
IV. Closing balance for the	982,220,137.00				15,092,205,964.08	251,416,856.93	212,614,276.27		439,767,694.05		8,991,358,307.73		25,466,749,522.20	1,749,174,191.81	27,215,923,714.01

Amount of previous period

Unit: RMB

Item	2024														
	Owners' equity attributable to parent company														
	Share capital	Other equity instruments													
Preferred stock		Perpetual bonds	Others												
I. Closing balance of the previous year	977,754,217.00			50,242,778.32	15,070,954,107.76	607,261,671.95	89,911,398.03		399,014,802.99	10,945,879,862.09	26,926,495,494.24	1,755,739,643.48	28,682,235,137.72		
Add: Effects of changes in accounting policies															
Effects of correction of prior year errors															
Others															
II. Opening balance of the current year	977,754,217.00			50,242,778.32	15,070,954,107.76	607,261,671.95	89,911,398.03		399,014,802.99	10,945,879,862.09	26,926,495,494.24	1,755,739,643.48	28,682,235,137.72		
III. Increase/decrease for the period (decrease is in parentheses)	-6,475,061.00			-20,758.07	-474,064,970.60	269,322,569.58	187,710,715.88		22,791,931.34	2,079,108,934.55	2,455,265,939.18	-21,970,714.75	2,477,236,653.93		
(I) Total comprehensive income							187,710,715.88			-556,317,501.09	-744,028,216.97	-94,796,710.99	-838,824,927.96		
(II) Contribution and withdrawal of capital by owners	-6,475,061.00			-20,758.07	-474,064,970.60	269,322,569.58					-211,238,220.09	72,825,996.24	-138,412,223.85		
1. Common shares invested by owner					3,584,059.30						3,584,059.30	74,459,563.62	78,043,622.92		
2. Capital invested by other equity instrument holders	2,791.00			-20,758.07	202,223.94						184,256.87		184,256.87		

3. Amount of share payment credited to owners' equity	-572,755.00				-278,551,196.83	269,322,569.58							-9,801,382.25	-1,633,567.38	-11,434,949.63
4. Others	-5,905,097.00				-199,300,057.01								-205,205,154.01		-205,205,154.01
(III) Profit distribution								22,791,931.34		1,522,791,433.46			1,499,999,502.12		1,499,999,502.12
1. Withdrawal of surplus reserve								22,791,931.34		-22,791,931.34			0.00		
2. Provision for general risk															
3. Distribution to owners (or shareholders)										1,499,999,502.12			1,499,999,502.12		1,499,999,502.12
4. Others													0.00		
(IV) Internal carry-forward of owners' equity															
1. Conversion of capital reserve into capital (or shares)															
2. Conversion of surplus reserve into capital (or shares)															
3. Making good of loss with surplus reserve															
4. Carry-forward of changes in the defined benefit plan for retained earnings															

5. Carry-forward of other comprehensive income for retained earnings															
6. Others															
(V) Special reserve															
1. Amount withdrawn in the period															
2. Amount utilized in the period															
(VI) Others															
IV. Closing balance for the period	971,279,156.00			50,222,020.25	14,596,889,137.16	337,939,102.37	-97,799,317.85		421,806,734.33		8,866,770,927.54		24,471,229,555.06	1,733,768,928.73	26,204,998,483.79

## 8. Statement of changes in owners' equity of parent company

Amount of current period

Unit: RMB

Item	2025											
	Share capital	Preferred stock	Other equity instruments		Capital reserve	Less: treasury stock	Other comprehensive income	Special reserve	Surplus reserve	Undistributed profits	Others	Total owners' equity
			Perpetual bonds	Others								
I. Closing balance of the previous year	971,279,156.00			50,222,020.25	16,650,858,056.65	337,939,102.37	-28,500,000.00		394,054,223.34	372,330,645.11		18,072,304,998.98
Add: Effects of changes in accounting policies												
Effects of correction of prior year errors												
Others												
II. Opening balance of the current year	971,279,156.00			50,222,020.25	16,650,858,056.65	337,939,102.37	-28,500,000.00		394,054,223.34	372,330,645.11		18,072,304,998.98
III. Increase/decrease for the period (decrease is indicated with "-")	10,940,981.00			-50,222,020.25	494,857,659.12	-86,522,245.44	-3,750,000.00		17,960,959.72	161,648,637.50		717,958,462.53
(I) Total comprehensive income							-3,750,000.00			179,609,597.22		175,859,597.22
(II) Contribution and withdrawal of capital by owners	10,940,981.00			-50,222,020.25	494,857,659.12	-86,522,245.44						542,098,865.31
1. Common shares invested by owner					100,157,698.10							100,157,698.10
2. Capital invested by other equity instrument holders	14,072,680.00			-49,954,083.51	482,438,552.86							446,557,149.35
3. Amount of share payment credited to owners' equity	-3,131,699.00				-87,738,591.84	-86,522,245.44						-4,348,045.40
4. Others				-267,936.74								-267,936.74
(III) Profit distribution									17,960,959.72	-17,960,959.72		
1. Withdrawal of surplus reserve								17,960,959.72	-17,960,959.72			
2. Distribution to owners (or shareholders)												
3. Others												
(IV) Internal carry-forward of owners' equity												

1. Conversion of capital reserve into capital (or shares)														
2. Conversion of surplus reserve into capital (or shares)														
3. Making good of loss with surplus reserve														
4. Carry-forward of changes in the defined benefit plan for retained earnings														
5. Carry-forward of other comprehensive income for retained earnings														
6. Others														
(V) Special reserve														
1. Amount withdrawn in the period														
2. Amount utilized in the period														
(VI) Others														
IV. Closing balance for the period	982,220,137.00				17,145,715,715.77	251,416,856.93	-32,250,000.00		412,015,183.06	533,979,282.61				18,790,263,461.51

Amount of previous period

Unit: RMB

Item	2024											
	Share capital	Other equity instruments			Capital reserve	Less: treasury stock	Other comprehensive income	Special reserve	Surplus reserve	Undistributed profits	Others	Total owners' equity
		Preferred stock	Perpetual bonds	Others								
I. Closing balance of the previous year	977,754,217.00			50,242,778.32	17,125,627,483.84	607,261,671.95	-15,750,000.00		371,262,292.00	1,667,202,765.19		19,569,077,864.40
Add: Effects of changes in accounting policies												

Effects of correction of prior year errors												
Others												
II. Opening balance of the current year	977,754,217.00			50,242,778.32	17,125,627,483.84	607,261,671.95	-15,750,000.00		371,262,292.00	1,667,202,765.19		19,569,077,864.40
III. Increase/decrease for the period (decrease is indicated with "-")	-6,475,061.00			-20,758.07	-474,769,427.19	-269,322,569.58	-12,750,000.00		22,791,931.34	-1,294,872,120.08		-1,496,772,865.42
(I) Total							-12,750,000.00			227,919,313.38		215,169,313.38

comprehensive income												
(II) Contribution and withdrawal of capital by owners	-6,475,061.00			-20,758.07	-474,769,427.19	-269,322,569.58						-211,942,676.68
1. Common shares invested by owner												
2. Capital invested by other equity instrument holders	2,791.00			-20,758.07	202,223.94							184,256.87
3. Amount of share payment credited to owners' equity	-572,755.00				-280,879,494.58	-269,322,569.58						-12,129,680.00
4. Others	-5,905,097.00				-194,092,156.55							-199,997,253.55
(III) Profit distribution								22,791,931.34	-1,522,791,433.46			-1,499,999,502.12
1. Withdrawal of surplus reserve								22,791,931.34	-22,791,931.34			
2. Distribution to owners (or shareholders)									-1,499,999,502.12			-1,499,999,502.12
3. Others												
(IV) Internal carry-forward of owners' equity												
1. Conversion of capital reserve into capital (or shares)												
2. Conversion of surplus reserve into capital (or shares)												
3. Making good of loss with surplus reserve												
4. Carry-forward of changes in the defined benefit plan for retained earnings												
5. Carry-forward of other comprehensive income for retained earnings												
6. Others												
(V) Special reserve												
1. Amount withdrawn in the period												
2. Amount utilized in the period												
(VI) Others												
IV. Closing balance for the period	971,279,156.00			50,222,020.25	16,650,858,056.65	337,939,102.37	-28,500,000.00		394,054,223.34	372,330,645.11		18,072,304,998.98

### III. Corporate Information

#### 1. Registered Place, Organizational Form and Headquarters Address of the Company

Yunnan Energy New Material (Group) Co., Ltd. (hereinafter referred to as the “Company” or “our Company”) was formerly Yunnan Yuxi Innovation Color Printing Co., Ltd. With the approval of Department of Commerce of Yunnan Province document YSZ [2011] No.50, the shareholders of the Company signed the sponsor agreement on March 28, 2011, unanimously agreed to change the Company as a whole into a company limited by shares, and obtained the business license of enterprise legal person No.530400400000009 issued by Yunnan Provincial Administration for Industry and Commerce, which is now changed to the unified social credit code 91530000727317703K. In accordance with the *Approval of Initial Public Offering of Shares of Yunnan Innovative New Materials Co., Ltd.* (Zheng Jian Xu Ke [2016] No. 1886) issued by China Securities Regulatory Commission, the Company issued RMB-denominated ordinary shares (A shares) of 33,480,000 to the public. It was priced and issued to the public investors on September 6, 2016, with a par value of RMB1.00 per share, a subscription price of RMB23.41 per share, and the actual net amount of raised funds is RMB747,767,000.00. The shares of the Company were listed on Shenzhen Stock Exchange on September 14, 2016.

After several changes and capital increases, the Company’s current total registered capital is RMB982,220,137.00. The headquarters is located at No.125, Fuxian Road, High-tech Zone, Yuxi City, Yunnan Province. The Company’s legal representative is PAUL XIAOMING LEE. The actual controller of the Company is the Li Xiaoming family.

On January 6, 2026, the Company’s name was changed from “Yunnan Energy New Material Co., Ltd.” to “Yunnan Energy New Material (Group) Co., Ltd.”.

#### 2. Business Nature and Principal Business Activities of the Company

The Company belongs to the rubber and plastic products industry, with its main products and services divided into three categories: (1) film products, mainly including lithium-ion separator, BOPP film and specialty paper. Lithium-ion separator products include base film and coating film, and BOPP film products include smoke film and flat film; (2) packaging and printing products, mainly including cigarette label and aseptic packaging; (3) paper products packaging, mainly including specialty paper products, holographic anti-counterfeiting electrified aluminum, transfer film and other products. Specialty paper products include laser transfer anti-counterfeiting paper, direct plating paper and coated paper.

#### 3. Scope of Consolidated Financial Statements

A total of 40 subsidiaries of the Company is included in the consolidation scope for the current period, see Note X –Interests in Other Entities for details. Compared with the previous period, 2 entities have been added and 1 entity has been removed from the scope of consolidated financial statements in the current period. For specific information on entities with changes in the consolidation scope, see Note IX –Changes in the Consolidation Scope.

#### 4. Approval Date of Financial Statements

These financial statements were approved for issuance by the Company’s Board of Directors on April 22, 2026.

### IV. Basis for Preparation of Financial Statements

#### 1. Basis for preparation

The Company recognizes and measures items based on actual transactions and events in accordance with the *Enterprise Accounting Standards – Basic Standard*, specific enterprise accounting standards, application guides to enterprise accounting standards, interpretations of enterprise accounting standards and other relevant provisions issued by the Ministry of Finance (hereinafter collectively referred to as the “enterprise accounting standards”). On this basis, the financial statements have been prepared in accordance with the provisions of the *Compilation Rule for Information Disclosure by Companies Offering Securities to the Public No. 15 - General Provisions on Financial Reports (2023 revised)* issued by the China Securities Regulatory Commission.

#### 2. Going concern basis

The Company has evaluated the ability to continue as a going concern for 12 months from the end of the Reporting Period and has not identified any events or circumstances that would impact its ability to continue as a going concern. Therefore, these financial statements are prepared on the going concern basis.

#### 3. Bookkeeping Basis and Measurement Principle

The Company adopts the accrual basis for accounting. Except for certain financial instruments measured at fair value, the financial statements adopt historical cost as the measurement basis. Where any asset is impaired, corresponding impairment provisions shall be made in accordance with relevant provisions.

### V. Significant Accounting Policies and Accounting Estimates

#### 1. Statement of compliance with the accounting standards for business enterprises

The financial statements are in compliance with the requirements of accounting standards for business enterprises, and truly and completely reflect the financial status, operating results, cash flow and other relevant information of the Company during the Reporting Period.

#### 2. Accounting period

The accounting year starts on January 1 and ends on December 31.

#### 3. Operating cycle

Operating cycle refers to the period from the purchase of assets for processing to the realization of cash or cash equivalents. The Company takes 12 months as its operating cycle, and uses this as the criterion for classifying assets and liabilities as current or non-current.

#### 4. Functional currency

Renminbi (RMB) is adopted as the functional currency.

Overseas subsidiaries take the currency in the main economic environment in which they operate as the functional currency. When preparing the financial statements, the amounts are translated into Renminbi (RMB).

## 5. Methods for determination and basis for selection of the materiality criteria

Applicable Not applicable

Items	Materiality Criteria
Significant receivables for allowance for bad debts provided on individual basis	≥RMB1 million
Significant receivables written off	≥RMB1 million
Significant other receivables written off	≥RMB1 million
Significant construction in progress	Top 10 engineering projects in book value of construction in progress
Significant payables ageing over 1 year	≥RMB5 million
Significant other payables ageing over 1 year or overdue	≥RMB5 million
Significant other gains	≥RMB5 million

## 6. Accounting treatments for business combination under common control and not under common control

(1) Where the terms, conditions and economic effects of the transactions in the process of achieving a business combination in stages meet one or more of the following circumstances, the multiple transactions shall be accounted for as a package transaction:

- ① these transactions are entered into simultaneously or with consideration of their mutual effects;
- ② these transactions can achieve a complete commercial result only when considered as a whole;
- ③ the occurrence of one transaction depends on the occurrence of at least one other transaction;
- ④ one transaction is not economical when considered separately, but is economical when considered together with other transactions.

### (2) Business combination under common control

A business combination involving entities under common control is a business combination in which all of the combining entities are ultimately controlled by the same party or parties both before and after the combination, and that control is not transitory.

The assets and liabilities acquired by the Company in a business combination are measured at the carrying amounts of the assets and liabilities of the acquired company on the combination date, including goodwill arising from the acquisition of the acquired company by the ultimate controlling party, in the consolidated financial statements of the ultimate controlling party. Any difference between the carrying amount of the net assets acquired in the combination and the carrying amount of the combination consideration paid, or the total nominal value of the shares issued, is adjusted against the share premium in capital reserve. If the share premium in capital reserve is insufficient to offset the difference, retained earnings are adjusted.

If contingent consideration exists and a provision or asset needs to be recognised, the difference between the amount of such provision or asset and the subsequent settlement amount of the contingent consideration is adjusted against the capital reserve (capital premium or share premium). If the capital reserve is insufficient, retained earnings are adjusted.

In case multiple transactions for the business combination are considered as a package transaction, these transactions shall be regarded as a transaction for the acquisition of control for accounting treatment; if they are not considered as a package transaction, the difference between the initial investment cost of long-term equity investment at the date when the control is acquired and the sum of carrying amount of the long-term equity investment before the combination and the carrying amount of the consideration paid at the combination date for further acquisition of shares shall be used to adjust capital reserve; if the capital reserve is insufficient for offset, the retained earnings shall be adjusted. The equity investment held prior to the combination date and recognized as other comprehensive income due to calculation by equity method or calculation as per recognition and measurement criteria of financial instruments will not be subject to accounting treatment temporarily and will be subject to accounting treatment on the same basis as that adopted by the investee for direct disposal of related assets or liabilities at the time of disposal. If it is recognized as other changes in owner's equity (excluding net profit/ loss, other comprehensive income and profit distribution) in the net assets of the investee due to calculation by equity method, it will not be subject to accounting treatment temporarily and will be transferred to current profits and losses at the time of disposal.

### (3) Business combination not under common control

A business combination involving enterprises not under common control refers to a business combination in which the enterprises participating in the combination are not ultimately controlled by the same party or the same group of parties both before and after the combination.

The Company measures the assets paid, and liabilities incurred or assumed, as consideration for a business combination at fair value on the purchase date, and the difference between the fair value and the carrying amount is recognized in profit or loss for the current period.

The Company recognizes as goodwill the excess of the combination cost over the share of the fair value of the identifiable net assets of the acquiree obtained in the combination. Where the combination cost is less than the share of the fair value of the identifiable net assets of the acquiree obtained in the combination, the measurement of the fair value of the identifiable assets, liabilities and contingent liabilities of the acquiree obtained and the combination cost is first reviewed. If, after the review, the combination cost is still less than the share of the fair value of the identifiable net assets of the acquiree obtained in the combination, the difference is recognized in profit or loss for the current period.

For a business combination not under common control achieved in stages through multiple exchange transactions, if it is a package transaction, each transaction is accounted for as a single transaction to obtain control. If it is not a package transaction, where the equity investment held before the combination date was accounted for using the equity method, the sum of the carrying amount of the equity investment in the acquiree held before the purchase date and the cost of the additional investment on the purchase date is taken as the initial investment cost of such investment. Other comprehensive income recognized in respect of the equity investment held before the purchase date as a result of applying the equity method is accounted for on the same basis as that adopted by the investee for the direct disposal of the relevant assets or liabilities when such investment is disposed of. Where the equity investment held before the combination date was accounted for in accordance with the standards on recognition and measurement of financial instruments, the sum of the fair value of such equity investment on the combination date and the cost of the additional

investment is taken as the initial investment cost on the combination date. The difference between the fair value and the carrying amount of the originally held equity interest and the accumulated changes in fair value previously included in other comprehensive income shall all be transferred to investment income for the current period of the combination date.

#### (4) Relevant expenses incurred for a combination

The audit, legal services, valuation and consulting and other intermediary fees, as well as other directly related expenses incurred for a business combination, are recognized in profit or loss for the current period when incurred. Transaction costs of equity securities issued for a business combination that are directly attributable to equity transactions are deducted from equity.

### 7. Criteria for judgement of control and methods for preparation of the consolidated financial statements

#### (1) Criteria for judgement of control

Control refers to the investor's power over the investee, the variable returns it can obtain through participation in the investee's relevant activities, and the ability to use its power over the investee to affect the amount of returns.

The Company makes a judgment on whether to control the investee based on comprehensive consideration of all relevant facts and circumstances. The Company will reassess once the relevant facts and circumstances change, which leads to changes in the relevant elements involved in the definition of control. The relevant facts and circumstances mainly include:

- ① Purpose of establishment of the investee.
- ② Relevant activities of the investee and how to make decisions on relevant activities.
- ③ Whether the rights enjoyed by the investor currently enable it to dominate the relevant activities of the investee.
- ④ Whether the investor enjoys variable returns by participating in the investee's activities.
- ⑤ Whether the investor has the ability to use its power over the investee to affect the amount of its return.
- ⑥ Relationship of the investor with other parties.

#### (2) Consolidation scope

The consolidation scope of the Company's consolidated financial statements is determined on the basis of control, and all subsidiaries (including individual entity controlled by the Company) are included in the consolidated financial statements.

#### (3) Consolidation procedure

The Company prepares consolidated financial statements based on the financial statements of itself and its subsidiaries and other relevant information. While preparing consolidated financial statements, the Company treats the entire enterprise group as an accounting entity, and in accordance with the requirements for confirmation, measurement and presentation of relevant enterprise accounting standards, and based on unified accounting policies, reflects the overall financial status, operating results and cash flow of the enterprise group.

All the subsidiaries within the consolidation scope of consolidated financial statements shall adopt the same accounting policies and accounting periods as those of the Company. If the accounting policies or accounting periods of a subsidiary are different from those of the Company, the consolidated financial statements of the subsidiary, upon preparation of consolidated financial statements, shall be adjusted according to the accounting policies and accounting periods of the Company.

When consolidating financial statements, the impact of internal transactions between the Company and subsidiaries and between subsidiaries on the consolidated balance sheet, consolidated income statement, consolidated cash flow statement and consolidated statement of changes in shareholders' equity shall be offset. If the recognition of the same transaction from the perspective of the consolidated financial statements of the enterprise group is different from that of the Company or the subsidiary as the accounting subject, the transaction shall be adjusted from the perspective of the enterprise group.

The owner's equity, current net profit or loss and share attributable to minority shareholders in current comprehensive income of subsidiaries shall be separately presented under the owner's equity in the consolidated balance sheet, net profit and total comprehensive income in the consolidated income statement. The balance resulting from the excess of the minority shareholders' share of the current loss of a subsidiary over the minority's share of the subsidiary's owners' equity at the beginning of the period is eliminated to reduce the minority equity.

For subsidiaries acquired from business combination under the same control, adjustments shall be made to the financial statements based on the book value of its assets and liabilities (including the goodwill formed by the acquisition of the subsidiary by the ultimate controller) in the financial statements of the ultimate controller.

For subsidiaries acquired from business combinations not under common control, the financial statements will be adjusted on the basis of the fair value of the identifiable net assets on the purchase date.

#### ① Increase in subsidiary or business

During the Reporting Period, if there is a new subsidiary or business due to the business combination under the same control, the opening balances of the consolidated balance sheet shall be adjusted; the revenue, expenses, and profits of the subsidiary or business from the beginning of the period to the end of the Reporting Period shall be included in the consolidated income statement; the cash flows of the subsidiary or business from the beginning of the period to the end of the Reporting Period shall be included in the consolidated cash flow statement. Also, adjust the relevant items of the comparative financial statements, treating the combined reporting entity as if it has existed since the point when the ultimate controlling party started controlling.

Where the Company can exercise control over the investee under common control due to additional investment or other reasons, adjustments shall be made as if all parties involved in the combination exist at the beginning of the control by the ultimate controller. For equity investments held by the parent company before the acquisition of control, all relevant profits and losses, other comprehensive income, and other changes in net assets that have been recognized from the date the parent and the subsidiary were under common control until the consolidation date shall be adjusted in the opening retained earnings for the comparative period or profits and losses for the current period.

During the Reporting Period, if there is a new subsidiary or business due to business combination not under the same control, the opening balances of the consolidated balance sheet will not be adjusted. The revenue, expenses and profits of the subsidiary or business from the purchase date to the end of the Reporting Period shall be included in the consolidated income statement. The cash flow of the subsidiaries or business from the purchase date to the end of the Reporting Period shall be included in the consolidated cash flow statement.

Where the Company can exercise control over the investee not under common control due to additional investment or other reasons, the Company shall re-measure the equity of the acquiree held before the purchase date at the fair value of the equity on the purchase date, and the difference between the fair value and the book value shall be included in the current investment income. If the equity of the acquiree held before the purchase date involves the other comprehensive income under the accounting by equity method and changes in owners' equity other than net profit or loss, other comprehensive income and profit distribution, other comprehensive income and other changes in owners' equity shall be transferred to the investment income of the period to which the purchase date belongs, except for other comprehensive income arising from the investee's re-measurement of changes in net liabilities or net assets under defined benefit plans.

## ② Disposal of subsidiary or business

## A. General method of disposal

During the Reporting Period, if the Company disposes of subsidiaries or business, the revenues, expenses and profits of such subsidiaries or business shall be included in the consolidated income statement from the beginning of the period to the disposal date. The cash flow from the beginning period of the subsidiaries or business to the disposal date shall be included in the consolidated cash flow statement.

When the Company loses the right of control over the investee due to disposal of part of the equity investments or other reasons, the remaining equity after disposal shall be remeasured by the Company at its fair value on the date of loss of control. The difference between the disposal consideration and the fair value of the remaining equity, minus the net asset portion and goodwill from the original subsidiary, shall be recognized as investment income in the period of losing control. Other comprehensive incomes related to the original equity investments in subsidiaries or changes in owner's equity other than net profit or loss, other comprehensive income and profit distribution are transferred to the current investment income at loss of control, except for other comprehensive income arising from the investee's re-measurement of changes in net liabilities or net assets under defined benefit plans

## B. Dispose of subsidiary step by step

Where the equity investments in subsidiaries are disposed of step by step through multiple transactions until the loss of control, and the terms, conditions and economic impact of the disposal on various transactions of the equity investments in subsidiaries meet one or more of the following circumstances, it generally indicates that multiple transactions shall be taken as a package of transactions for accounting treatment:

- (a). The transactions are entered into simultaneously or with consideration of each other's impact;
- (b). The transactions as a whole are aimed at achieving a complete business result;
- (c). The occurrence of one transaction depends on the occurrence of at least one other transaction;
- (d). A single transaction is uneconomical on its own, but it is economical when considered with other transactions.

If the disposal of equity investments in subsidiaries until the loss of control belongs to a package of transactions, the company will treat each transaction as a disposal of subsidiaries and the loss of control transaction for accounting treatment; however, before loss of control, the difference between each disposal price and the share of the subsidiary's net assets corresponding to the disposal investment is recognized as other comprehensive income in consolidated financial statements, and is transferred into the current profit or loss on the loss of control.

Where the disposal of various transactions from the equity investments in subsidiaries until the loss of control are not a package of transactions, before the loss of control, accounting treatment shall be carried out according to the relevant policies on partial disposal of equity investments of subsidiaries without loss of control; when loss of control, the accounting treatment shall be carried out in accordance with the general treatment of the disposal of subsidiaries.

## ③ Purchase of minority interests in subsidiaries

The equity premium in the capital reserves in the consolidated balance sheet shall be adjusted at the difference between the long-term equity investments acquired by the Company for the purchase of minority interests and the share of net assets of the subsidiaries calculated continuously from the purchase date (or combination date) according to the newly increased shareholding ratio; if the equity premium in the capital reserves is insufficient to be offset, the retained earnings shall be adjusted.

## ④ Partial disposal of equity investments to the subsidiaries without loss of control

The equity premium in the capital reserves in the consolidated balance sheet will be adjusted at the difference between the disposal price obtained from partial disposal of long-term equity investments to the subsidiaries without loss of control and the share of net assets of the subsidiaries calculated continuously from the purchase date or combination date corresponding to the disposal of the long-term equity investments; if the equity premium in the capital reserves is insufficient to be offset, the retained earnings will be adjusted.

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

## (1) . Classification of joint venture arrangements

The Company classifies joint venture arrangements into joint operations and joint ventures based on the structure and legal form of the joint venture arrangements, the terms agreed in the joint venture arrangements, other relevant facts and circumstances. Joint operation refers to a joint arrangement in which the joint venturer enjoys the relevant assets of the arrangement and assumes the relevant liabilities of the joint venture arrangements. Joint venture refers to the joint venture arrangements in which the joint venturer only has rights to the net assets of the arrangement.

## (2) . Accounting treatment methods of joint operation

The Company recognizes the following items related to the share of interests in joint operations and makes accounting treatment according to the relevant ASBE:

- ①Recognizes the assets held separately, and the assets held jointly according to its proportion;
- ②Recognizes the liabilities assumed separately, and the liabilities assumed jointly according to its proportion;
- ③Recognizes the income from the sales of its share in the outputs of joint operation;
- ④Recognizes the income from the sales of the outputs of joint operation according to its proportion;
- ⑤Recognizes the expenses incurred separately, and recognize the expenses incurred jointly according to its proportion.

**9. Determination standards for cash and cash equivalents**

For the purpose of preparing the statement of cash flows, the Company's on-hand cash and deposits that can be used for payment at any time are recognized as cash. Cash equivalents refer to investments that are of short duration (generally those due within three months from the date of purchase), highly liquid, easily convertible into known amounts of cash, and with minimal risk of value fluctuation.

**10. Foreign currency business and foreign currency statement translation**

## (1) . Foreign currency business

At the initial recognition of foreign currency transactions, the spot exchange rate on the date of transaction is used as the conversion exchange rate to convert it into RMB for bookkeeping.

On the balance sheet date, the foreign currency monetary item shall be converted according to the spot exchange rate on the balance sheet date, and the exchange differences arising therefrom shall be included in the current profit or loss, except that the exchange differences arising from the special foreign currency borrowings related to the acquisition and construction of assets eligible for capitalization shall be treated according to the principle of capitalization of borrowing costs. Foreign currency non-monetary items measured at historical cost shall still be translated at the spot exchange rate on the date when the transaction occurs, and the amount in recording currency shall remain unchanged.

Foreign currency non-monetary items measured at fair value shall be translated at the spot exchange rate on the date when the fair value is determined. The difference between the amount in recording currency after translation and the amount in recording currency before translation shall be treated as profit or loss from changes in fair value (including fluctuation in exchange rate), and shall be included in the current profit or loss or recognized as other comprehensive income.

## (2) .Foreign currency statement translation

The assets and liabilities items in the balance sheet shall be treated at the spot exchange rate on the balance sheet date. Except for the "undistributed

profit” items, other owners’ equity items shall be translated at the spot exchange rate at the time of occurrence. The income and expense items in the income statement shall be translated using the spot exchange rate at the transaction date. The difference arising from the translation of foreign-currency financial statements arising from the above translation shall be included in other comprehensive income.

When disposing of overseas operation, the difference arising from the translation of foreign-currency financial statements listed in other comprehensive income items in the balance sheet and related to the overseas operation shall be transferred from other comprehensive income items to the current profit or loss on disposal; when the proportion of the overseas operation interests held decreases due to the partial disposal of equity investments or for other reasons, without the loss of control over the overseas operation, the translation differences of foreign currency statements related to the disposal of the overseas operation shall be attributable to minority interests and shall not be transferred to the current profit or loss. Where the Company disposes of part of the equity of an overseas operation as associates or joint ventures, the translation differences of foreign currency statements related to the overseas operation shall be transferred to the current profit or loss at the proportion of disposal of the overseas operation.

## 11. Financial instruments

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

Effective interest method refers to the method of calculating the amortized costs of financial assets or financial liabilities and allocating interest income or interest expenses to each accounting period.

Effective interest rate refers to the interest rate used to discount the estimated future cash flows of a financial asset or financial liabilities during its expected duration to the book balance of the financial assets or the amortized costs of the financial liabilities. In determining the effective interest rate, the estimated cash flows are based on consideration of all contract terms of the financial assets or financial liabilities (e.g. prepayment, extension, call option or other similar options) but not expected credit loss.

The amortized costs of a financial asset or financial liability is the initial recognition amount of the financial asset or financial liability less the principal repaid, plus or minus the accumulated amortization formed by using the effective interest method to amortize the difference between the initial recognition amount and the amount at maturity, and then less the accumulated loss provision (only applicable to financial assets).

### (1) Classification, recognition and measurement of financial assets

The Company classifies financial assets into the following three categories based on the business model of the financial assets under management and the contractual cash flows characteristics of the financial assets:

- ① Financial assets measured by amortized costs.
- ② Financial assets measured at fair value through other comprehensive income.
- ③ Financial assets measured at fair value with changes recognized in current profit or loss.

Financial assets are measured at fair value at initial recognition, but if accounts receivable or notes receivable arising from the sale of goods or the provision of services do not contain a significant financing component or do not take into account a financing component of less than one year, they are initially measured at transaction prices.

For financial assets measured at fair value with changes recognized in profit or loss, the related transaction costs are directly included in the current profit or loss. For other categories of financial assets, transaction costs are included in the initial recognition amount.

Subsequent measurement of financial assets depends on their classification, and all affected related financial assets are reclassified only when and if the Company changes the business model of managing financial assets.

#### ① Financial assets classified as those measured at amortized costs

The contract terms of the financial assets provide that the cash flows generated on a specific date are only the payment of the principal and interest based on the outstanding principal amount, and the business model for managing the financial assets is aimed at collecting contractual cash flows, then the Company classifies the financial assets as financial assets measured at amortized costs. Financial assets classified by the Company as those measured at amortized costs include monetary funds, certain notes receivable measured at amortized costs and accounts receivable, other receivables, etc.

The Company recognizes interest income of such financial assets by effective interest method, and subsequently measures them at amortized costs. Gains or losses arising from impairment or derecognition or modification are included in the current profit or loss. Except for the following circumstances, the Company determines the interest income based on the book balance of the financial assets multiplied by the effective interest rate:

A. For purchased or originated financial assets with credit impairment, the Company shall, from the initial recognition, calculate and determine the interest income according to the amortized costs and credit-adjusted effective interest rate of the financial assets.

B. For purchased or originated financial assets that have not experienced credit impairment but become credit impairment in subsequent periods, the Company shall calculate and determine their interest income in subsequent periods according to the amortized costs and effective interest rate of the financial assets. If the financial instruments no longer have credit impairment due to the improvement of its credit risk in subsequent periods, the Company shall calculate and determine the interest income by multiplying the effective interest rate by the book balance of the financial assets.

#### ② Financial assets classified as measured at fair value with changes recognized in other comprehensive income

If the contract terms of the financial assets stipulate that the cash flow generated on a specific date is only the payment of the principal and the interest based on the outstanding principal amount, and the business model of managing the financial assets aims at both collecting contractual cash flows and selling the financial assets, the Company classifies the financial assets as the financial assets measured at fair value with changes recognized in other comprehensive income.

The Company recognizes interest income on such financial assets using the effective interest method. Except for interest income, impairment losses and exchange differences recognized as current profit or loss, other changes in fair value are included in other comprehensive income. When the financial assets are derecognized, the accumulated gains or losses previously included in the other comprehensive income shall be transferred from other comprehensive income and included in the current profit or loss.

Notes receivable and accounts receivable measured at fair value through other comprehensive income are presented as receivables financing, and other such financial assets are presented as other debt investments, of which: other debt investments maturing within one year from the balance sheet date are presented as non-current assets maturing within one year, and other debt investments with original maturity date within one year are presented as other current assets.

#### ③ Financial assets designated to be measured at fair value with changes recognized in other comprehensive income

At the time of initial recognition, the Company may irrevocably designate non-trading equity instruments investments as financial assets measured at fair value with changes recognized in other comprehensive income on an individual financial asset basis

Changes in the fair value of such financial assets are included in other comprehensive income without provision for impairment. When the financial assets are derecognized, the accumulated gains or losses previously included in other comprehensive income are transferred from other comprehensive income to retained earnings. During the period when the Company holds the investments in equity instruments, when the Company’s right to receive dividends has been established, the economic benefits related to the dividends are likely to flow into the Company, and the amount of the dividends

can be measured reliably, the dividend revenue is recognized and included in the current profit or loss. The Company lists such financial assets in the investments in other equity instruments.

If the investments in equity instruments meets one of the following conditions, they belong to the financial assets measured at fair value with changes recognized in current profit or loss: the purpose of obtaining the financial assets is mainly for sale in the near future; it is part of the portfolio of identifiable financial assets instruments under centralized management at the time of initial recognition, and there is objective evidence that a short-term profit model actually exists in the near future; they belong to derivative instruments (except for derivative instruments that meet the definition of financial guarantee contract and are designated as effective hedging instruments).

④ Financial assets classified as measured at fair value with changes recognized in current profit or loss

Financial assets that do not meet the conditions for classification as amortized costs measured or measured at fair value with changes recognized in other comprehensive income, and are not designated as financial assets measured at fair value with changes recognized in other comprehensive income, are classified as financial assets measured at fair value with changes recognized in current profit or loss.

The Company adopts fair value for subsequent measurement of such financial assets, and includes the gains or losses arising from changes in fair value and the dividends and interest income related to such financial assets into the current profit or loss.

The Company presents such financial assets in the items of financial assets held for trading and other non-current financial assets according to their liquidity.

⑤ Financial assets designated to be measured at fair value with changes recognized in current profit or loss

At the time of initial recognition, in order to eliminate or significantly reduce the accounting mismatch, the Company may irrevocably designate the financial assets as the financial assets measured at fair value with changes recognized in current profit or loss on an individual financial asset basis.

If a mixed contract contains one or more embedded derivative instruments and its master contract does not belong to the above financial assets, the Company may designate it as a financial instrument measured at fair value with changes recognized in current profit or loss. However, the following conditions are excluded:

A. Embedded derivative instrument does not significantly change the cash flow of the mixed contract.

B. When initially determining whether similar mixed contracts need to be split, it is almost clear that the embedded derivative instruments contained therein should not be split without analysis. For example, the embedded prepayment right allows the holder to prepay the loan in an amount close to the amortized costs. The prepayment right does not need to be split.

The Company adopts fair value for subsequent measurement of such financial assets, and includes the gains or losses arising from changes in fair value and the dividends and interest income related to such financial assets into the current profit or loss.

The Company presents such financial assets in the items of financial assets held for trading and other non-current financial assets according to their liquidity.

(2) Classification, recognition and measurement of financial liabilities

The Company classifies the financial instrument or its components as financial liabilities or equity instruments at initial recognition based on the contract terms of the financial instruments issued and the economic substance reflected therein, rather than solely in legal form, in combination with the definitions of financial liabilities and equity instruments. Financial liabilities are classified at initial recognition as: financial liabilities measured at fair value with changes recognized in current profit or loss, other financial liabilities, and derivative instruments designated as effective hedging instruments.

Financial liabilities are measured at fair value at initial recognition. For financial liabilities measured at fair value with changes recognized in current profit or loss, the relevant transaction costs are directly included in the current profit or loss; for other types of financial liabilities, the relevant transaction costs are included in the initial recognition amount.

The subsequent measurement of financial liabilities depends on their classification:

① Financial liabilities measured at fair value with changes recognized in current profit or loss

This type of financial liability includes trading financial liabilities (including derivative instruments that are financial liabilities) and financial liabilities designated at fair value through profit or loss at initial recognition.

Trading financial liabilities are those that meet one of the following conditions: the purpose of assuming the relevant financial liabilities is mainly to sell or repurchase in the near future; they belong to the part of the portfolio of identifiable financial instruments under centralized management, and there is objective evidence that the enterprise has recently adopted a short-term profit model; they belong to derivative instrument, except for derivative instrument designated as effective hedging instrument and derivative instrument in compliance with financial guarantee contract. Trading financial liabilities (including derivative instruments belonging to financial liabilities) shall be subsequently measured at fair value. Except for those related to hedge accounting, changes in fair value shall be included in the current profit or loss.

At the time of initial recognition, in order to provide more relevant accounting information, the Company irrevocably designates the financial liabilities meeting one of the following conditions as the financial liabilities measured at fair value with changes recognized in current profit or loss:

A. Eliminate or significantly reduce accounting mismatch.

B. According to the enterprise risk management or investment strategies stated in formal written documents, the Company manages and evaluates the performance of the financial liabilities portfolio or the portfolio of financial assets and financial liabilities on the basis of the fair value, and reports to the key officers within the enterprise on this basis.

The Company adopts fair value for subsequent measurement of such financial liabilities. Except for the changes in fair value caused by the Company's own changes in credit risk, which are included in other comprehensive income, other changes in fair value are included in the current profit or loss. Unless the inclusion of fair value changes caused by the Company's own credit risk changes in other comprehensive income would cause or enlarge the accounting mismatch in the profit or loss, the Company will include all fair value changes (including the amount affected by its own credit risk changes) in the current profit or loss.

② Other financial liabilities

Except for the following items, the Company classifies financial liabilities as financial liabilities measured at amortized costs. For such financial liabilities, the effective interest method is adopted, and subsequent measurement is carried out according to the amortized costs. Gains or losses arising from derecognition or amortization are included in the current profit or loss:

A. Financial liabilities measured at fair value through current profit or loss.

B. The transfer of financial assets does not meet the conditions for derecognition or continues to be involved in the financial liabilities formed by the transferred financial assets.

C. Financial guarantee contracts that do not fall under the first two categories of this article, and loan commitments that do not fall under 1) category of this article and have loans at below-market interest rates.

A financial guarantee contract refers to a contract where, in the event that a specific debtor fails to repay the debt according to the original or modified terms of the debt instrument, the issuer is required to compensate the contract holder for a specific amount of loss. Financial guarantee contracts not belonging to the financial liabilities designated to be measured by fair value through the current profit or loss shall be measured at the amount of loss provision or the balance of the initial recognition amount deducting the accumulated amortization amount within the guarantee period after initial recognition, whichever is higher.

(3) Derecognition of financial assets and financial liabilities

① If a financial asset meets one of the following conditions, the financial asset shall be derecognized, that is, it shall be written off from its account and balance sheet:

A. The contractual right to receive the cash flows of the financial assets is terminated.

B. The financial assets have been transferred and the transfer meets the requirements for derecognition of the financial assets.

② Derecognition criteria of financial liabilities

If the present obligations of the financial liabilities (or part thereof) have been discharged, the financial liabilities (or part thereof) shall be derecognized.

If the Company enters into an agreement with the lender to replace the original financial liabilities by assuming new financial liabilities, and the contract terms of the new financial liabilities are substantially different from those of the original financial liabilities, or the contract terms of the original financial liabilities (or part thereof) are substantially modified, the original financial liabilities shall be derecognized and a new financial liability shall be recognized at the same time. The difference between the book value and the consideration paid (including non-cash assets transferred out or liabilities assumed) shall be included in the current profit or loss.

If the Company repurchases part of the financial liabilities, the book value of the financial liabilities as a whole shall be allocated according to the proportion of the fair value of the continuously recognized part and the derecognized part on the repurchase date to the overall fair value. The difference between the book value allocated to the derecognized part and the consideration paid (including non-cash assets transferred out or liabilities assumed) shall be included in the current profit or loss.

#### (4). Recognition basis and measurement method of transfer of financial assets

When a financial asset is transferred, the Company assesses the extent of the risks and rewards associated with the ownership of the financial assets it retains, and deals with them according to the following circumstances:

① Where the Company transfers substantially all the risks and rewards related to the ownership of a financial assets, the financial assets shall be derecognized, and the rights and obligations arising from or retained in the transfer shall be separately recognized as assets or liabilities.

② If the Company retains nearly all the risks and rewards related to the ownership of the financial assets, the financial assets shall continue to be recognized.

③ Neither transfer nor retain substantially all the risks and rewards of ownership of the financial assets (i.e. circumstances other than ① and ② of this article), it shall be handled according to the following circumstances based on whether it retains the control over the financial assets:

A. If the Company doesn't retain the control over the financial assets, the financial assets shall be derecognized, and the rights and obligations arising from or retained in the transfer shall be separately recognized as assets or liabilities.

B. If the Company retains the control over the financial assets, it shall continue to recognize the relevant financial assets according to the extent of its continuous involvement in the transferred financial assets, and recognize the relevant liabilities accordingly. The degree of continuous involvement in the transferred financial assets refers to the degree of the risk or reward of changes in the value of transferred financial assets undertaken by the Company.

The principle of substance over form shall be adopted when judging whether the transfer of financial assets satisfies the above-mentioned derecognition criteria of financial assets. The Company divides the transfer of financial assets into the overall transfer and the partial transfer of financial assets.

① If the overall transfer of the financial assets meets the derecognition criteria, the difference between the following two amounts shall be included in the current profit or loss:

A. The book value of the transferred financial assets on the derecognition date.

B. The sum of the consideration received from the transfer of financial assets and the amount corresponding to the derecognized part of the accumulated amount of changes in fair value originally and directly included in the other comprehensive income (the financial assets involved in the transfer are classified as the financial assets measured at fair value through the other comprehensive income).

② If the financial assets are partially transferred and the transferred portion satisfies the derecognition criteria as a whole, the entire book value of the financial assets before the transfer shall be amortized between the derecognized portion and the continuously recognized portion (in this case, the retained service assets shall be deemed as part of the continuously recognized financial assets) according to their respective relative fair values on the transfer date, and the underrecognized part according to their respective relative fair values on the transfer date, and then the difference between the following two amounts shall be recorded into the current profit or loss:

A. The book value of the derecognized part on the derecognition date.

B. The sum of the consideration received from the derecognized part and the corresponding amount of derecognized part in the accumulated amount of changes in fair value originally included in the other comprehensive income (the financial assets involved in the transfer are classified as the financial asset measured at fair value through other comprehensive income).

If the transfer of financial assets does not satisfy the derecognition criteria, the financial assets shall continue to be recognized, and the consideration received shall be recognized as a financial liabilities.

#### (5). Determination method of fair value of financial assets and financial liabilities

The fair value of financial assets or financial liabilities with an active market is determined by the quoted price of the active market, unless there is a restricted period for the asset itself. For financial assets with restricted sales for the asset itself, the compensation amount required by the market participant for bearing the risk of not being able to sell the financial assets in the open market within the specified period shall be deducted from the quoted price in the active market. Quotations in active markets include quotations for the relevant assets or liabilities that are readily and regularly available from exchanges, traders, brokers, industry groups, pricing agencies or regulatory authorities, and represent actual and frequent market transactions on an arm's length basis.

The fair value of financial assets initially acquired or derived or financial liabilities assumed shall be determined on the basis of market transaction prices.

For financial assets or financial liabilities without active market, the fair value shall be determined by valuation techniques. In the valuation, the Company adopts the valuation techniques that are applicable in the current situation and supported by sufficient available data and other information, selects the inputs that are consistent with the characteristics of the assets or liabilities considered by market participants in the transaction of the relevant assets or liabilities, and gives priority to the use of relevant observable inputs as much as possible. When relevant observable inputs cannot be obtained or are impracticable to obtain, unobservable inputs are used.

#### (6). Impairment of financial instruments

The Company shall conduct impairment accounting and recognize loss provisions on the basis of expected credit losses for financial assets measured at amortized costs, financial assets classified as measured at fair value through other comprehensive income.

Expected credit loss refers to the weighted average of the credit losses of financial instruments weighted by the risk of default. Credit loss refers to the difference between all contractual cash flows discounted at the original effective interest rate and receivable according to the contract and all cash flows expected to be collected of the Company, i.e. the present value of all cash shortfalls. Among them, credit-impaired purchased or originated financial assets of the Company shall be discounted at the credit-adjusted effective interest rate of such financial assets.

The Company measures the loss provision for all contract assets, notes receivable and accounts receivable arising from transactions regulated by the revenue standards at an amount equivalent to the expected credit loss during the entire duration.

For financial assets purchased or originated that have incurred credit impairment, only the cumulative change in expected credit loss during the entire duration since initial recognition is recognized as loss provision on the balance sheet date. On each balance sheet date, the amount of changes in expected credit loss during the entire duration is included in the current profit or loss as an impairment loss or gain. The favorable change in expected credit loss is recognized as impairment gain even if the expected credit loss during the entire duration determined on the balance sheet date is less than the expected credit loss reflected in the estimated cash flows at the time of initial recognition.

For financial assets other than those subject to simplified measurement and purchased or originated that have suffered from credit impairment, the Company assesses whether the credit risk of the relevant financial instruments has increased significantly since initial recognition on each balance sheet date, and measures its loss provisions, recognizes expected credit losses and their changes respectively according to the following circumstances:

① If the credit risk of the financial instruments has not increased significantly since the initial recognition and is in the first stage, the loss provision is measured at an amount equal to the expected credit loss of the financial instruments over the next 12 months, and the interest income is calculated based on the book balance and effective interest rate.

② If the credit risk of the financial instruments has increased significantly since the initial recognition but has suffered from credit impairment, it is in the second stage, and its loss provision is measured at an amount equivalent to the expected credit loss of the financial instruments during the entire duration and the interest income is calculated according to the book balance and the effective interest rate.

③ If the financial instruments have suffered from credit impairment since its initial recognition, which is in the third stage, the Company measures its loss provision at an amount equal to the expected credit loss of the financial instruments during the entire duration, and calculates interest income based on amortized costs and effective interest rate.

The increase or reversal of the provision for credit loss of financial instruments shall be included in the current profit or loss as impairment loss or gain. Except for financial assets classified as measured at fair value through other comprehensive income, the provision for credit loss offsets the book balance of financial assets. For financial assets classified as measured at fair value through other comprehensive income, the Company recognizes the provision for credit loss in other comprehensive income without reducing the book value of the financial assets presented in the balance sheet.

In the previous accounting period, the Company has measured the loss provision according to the amount equivalent to the expected credit loss of the financial instruments during the entire duration. However, on the current balance sheet date, the financial instruments no longer belong to the situation where the credit risk has increased significantly since the initial recognition. On the current balance sheet date, the Company measures the loss provision of the financial instruments according to the amount equivalent to the expected credit loss in the next 12 months, and the reversal amount of the resulting loss provision is included in the current profit or loss as impairment gains.

#### ① Significant increase of credit risk

The Company uses reasonable and well-founded forward-looking information available to determine whether the credit risk of the financial instruments has increased significantly since initial recognition by comparing the risk of default on the balance sheet date with the risk of default on the initial recognition date. For financial guarantee contracts, the Company applies the impairment of financial instruments regulations, and the date on which the Company becomes a party to the irrevocable commitment is the initial recognition date.

The Company will consider the following factors when assessing whether the credit risk has increased significantly:

- A. Whether the actual or expected operating results of the debtor have changed significantly;
- B. Whether the regulatory, economic or technological environment of the debtor has undergone significant adverse changes;
- C. Whether the following items have changed significantly: the value of collateral as debt mortgage, or the guarantee provided by a third party, or the quality of credit enhancement; these changes will reduce the debtor's economic motivation to repay the loan within the time limit stipulated in the contract or impact the probability of default;
- D. Whether the debtor's expected performance and repayment behavior have changed significantly;
- E. Whether there is any change in the Company's credit management method for financial instruments, etc.

On the balance sheet date, if the Company judges that the financial instruments only have low credit risk, the Company assumes that the credit risk of the financial instruments has not increased significantly since the initial recognition. If the default risk of the financial instruments is low, the borrower's ability to fulfill its contractual cash flow obligation in the short term is strong, and even if there are adverse changes in the economic situation and operating environment in a longer period of time, it may not necessarily reduce the borrower's ability to fulfill its contractual cash flow obligation, then the financial instruments is considered to have a low credit risk.

#### ② Financial assets with credit impairment

If one or more events have adverse effects on the expected future cash flow of a financial asset, the financial asset will become a financial asset that has suffered credit impairment. The following observable information can be regarded as evidence of credit impairment of financial assets:

- A. The issuer or debtor is in serious financial difficulties;
  - B. The debtor breaches the contract, such as default or overdue payment of interest or principal, etc.;
  - C. The creditor gives concessions to the debtor due to economic or contractual considerations related to the debtor's financial difficulties; the concessions will not be made under any other circumstances;
  - D. There is a great possibility of bankruptcy or other financial restructuring of the debtor;
  - E. The financial difficulties of the issuer or debtor cause the disappearance of the active market for the financial asset;
  - F. The purchase or origin of a financial asset at a substantial discount that reflects the fact that a credit loss has occurred.
- The credit impairment of financial assets may be caused by the joint action of multiple events, not necessarily by separately identifiable events.

#### ③ Determination of expected credit loss

The Company assesses the expected credit loss of financial instruments based on individual and portfolio, and considers reasonable and well-founded information about past events, current conditions and future economic conditions when assessing the expected credit loss.

The Company divides financial instruments into different portfolios based on common credit risk characteristics. The common credit risk characteristics adopted by the Company include: type of financial instruments, credit risk rating, aging portfolio, contract settlement cycle, debtor's industry, etc. The individual assessment criteria and portfolio credit risk characteristics of the relevant financial instruments are detailed in the accounting policies of the relevant financial instruments.

The Company determines the expected credit loss of the relevant financial instruments according to the following methods:

- A. For financial assets, the credit loss is the present value of the difference between the contractual cash flows receivable by the Company and the cash flows expected to be received.
- B. For lease accounts receivable, the credit loss is the present value of the difference between the contractual cash flows receivable by the Company and the cash flows expected to be received.
- C. For financial guarantee contracts, the credit loss is the present value of the difference between the expected payment to be made by the Company to the holder of such contract for credit losses incurred by the holder of such contract, less the amount the Company expects to collect from the holder of such contract, the debtor or any other party.
- D. For financial assets that have incurred credit impairment on the balance sheet date but not those purchased or originated that have incurred credit impairment, the credit loss is the difference between the book balance of the financial assets and the present value of the estimated future cash flows discounted at the original effective interest rate.

The method of measuring the expected credit loss of financial instruments of the Company reflects the following factors: the weighted average amount of unbiased probability determined by evaluating a series of possible results; time value of money; reasonable and well-founded information about past events, current conditions and projections of future economic conditions that can be obtained without unnecessary additional cost or effort on the balance sheet date.

#### ④ Write-down of financial assets

When the Company no longer reasonably expects that the contractual cash flows of the financial assets can be recovered in whole or in part, the book balance of the financial assets shall be directly written down. Such write-downs constitute the derecognition of the relevant financial assets.

#### (7) . Offset of financial assets and financial liabilities

In the balance sheet, financial assets and financial liabilities are shown separately without offsetting each other. However, if the following conditions are met at the same time, the net amount after offset will be listed in the balance sheet:

- ① The Company has the legal right, which is currently enforceable, to offset the confirmed amount;
- ② The Company plans to settle on a net basis, or realize the financial assets and settle the financial liabilities at the same time.

## 12. Notes receivable

For the determination method of expected credit losses on notes receivable and accounting treatment method please refer to Note 11(6) "Impairment of Financial Instruments" herein.

When it is not possible to obtain sufficient evidence to estimate expected credit losses at a reasonable cost on an individual instrument basis, the Company refers to historical credit loss experience, combined with current conditions and forecasts of future economic conditions, and classifies notes receivable into several portfolios based on credit risk characteristics, and calculates expected credit losses on a portfolio basis. The basis for the Portfolio is as follows:

Portfolio Name	Basis for Portfolio	Measurement Method
Bank Acceptance Bill Portfolio	Type of notes	Referring to historical credit loss experience, measures expected credit losses in light of current conditions and expectations for future economic conditions.
Commercial Acceptance Bill Portfolio	Type of notes	Referring to historical credit loss experience, combined with current conditions and forecasts of future economic conditions, prepares an aging schedule matched with expected credit loss rates based on lifetime expected credit losses, and calculates expected credit losses on this basis.

### 13. Accounts receivable

For the determination method of expected credit losses on accounts receivable and accounting treatment method please refer to Note 11(6) "Impairment of Financial Instruments" herein.

For accounts receivable whose credit risk is significantly different from that of the portfolio, the Company recognizes expected credit losses on an individual basis. The Company separately determines credit losses for accounts receivable that are individually significant and have experienced credit impairment since initial recognition.

When it is not possible to obtain sufficient evidence to estimate expected credit losses at a reasonable cost on an individual instrument basis, the Company refers to historical credit loss experience, combined with current conditions and forecasts of future economic conditions, and classifies accounts receivable into several portfolios based on credit risk characteristics, and calculates expected credit losses on a portfolio basis. The basis for the portfolio is as follows:

Portfolio Name	Basis for Portfolio	Measurement Method
Related Party within Consolidation Scope Portfolio	Accounts receivable from companies within the consolidation scope	No expected credit losses are accrued with reference to historical credit loss experience.
Aging Portfolio	Accounts receivable with similar credit risk characteristics classified by aging	Referring to historical credit loss experience, combined with current conditions and forecasts of future economic conditions, prepares an aging schedule matched with expected credit loss rates based on lifetime expected credit losses, and calculates expected credit losses on this basis.

### 14. Accounts receivable financing

Notes receivable classified as measured at fair value through other comprehensive income, with maturity within one year (including one year) from initial recognition, are presented as accounts receivable financings; those with maturity over one year from initial recognition are presented as other debt investments, the relevant accounting policies are detailed in Note 18.

For the determination method of expected credit losses on accounts receivable financings and accounting treatment method please refer to Note 11(6) "Impairment of Financial Instruments" herein.

For accounts receivable financings whose credit risk is significantly different from that of the portfolio, the Company recognizes expected credit losses on an individual basis. The Company separately determines credit losses for accounts receivable financings for which sufficient evidence to estimate expected credit losses can be obtained at a reasonable cost on an individual instrument basis.

When it is not possible to obtain sufficient evidence to estimate expected credit losses at a reasonable cost on an individual instrument basis, the Company refers to historical credit loss experience, combined with current conditions and forecasts of future economic conditions, and classifies accounts receivable financings into several portfolios based on credit risk characteristics, and calculates expected credit losses on a portfolio basis. The basis for the portfolio is as follows:

Portfolio Name	Basis for Portfolio	Measurement Method
Bank Acceptance Bill Portfolio	Type of notes	Referring to historical credit loss experience, measures expected credit losses in light of current conditions and expectations for future economic conditions.

### 15. Other Receivables

For the determination method of expected credit losses on other receivables and accounting treatment method please refer to Note 11(6) "Impairment of Financial Instruments" herein.

For other receivables whose credit risk is significantly different from that of the portfolio, the Company recognizes expected credit losses on an individual basis. The Company separately determines credit losses for other receivables for which sufficient evidence to estimate expected credit losses can be obtained at a reasonable cost on an individual instrument basis.

When it is not possible to obtain sufficient evidence to estimate expected credit losses at a reasonable cost on an individual instrument basis, the Company refers to historical credit loss experience, combined with current conditions and forecasts of future economic conditions, and classifies other receivables into several portfolios based on credit risk characteristics, and calculates expected credit losses on a portfolio basis. The basis for the portfolio is as follows:

Portfolio Name	Basis for Portfolio	Measurement Method
Related Party within Consolidation Scope Portfolio	Other receivables from companies within the consolidation scope	No expected credit losses are accrued with reference to historical credit loss experience.
Aging Portfolio	Other receivables with similar credit risk characteristics classified by aging	With reference to historical credit loss experience, combined with current conditions and forecasts of future economic conditions, the expected credit loss is calculated based on the exposure at default and the credit loss rate for the next 12 months or the entire lifetime.

### 16. Inventories

(I) Inventory categories, valuation method for inventory issuance, inventory system, amortization method for low-value consumables and packaging materials

(1) Inventory classification

Inventories refer to finished products or goods held by the Company for sale as part of its daily operations, work-in-progress items in various stages of production, as well as materials and supplies used in manufacturing or providing labor services. They mainly include raw materials, turnover materials, work-in-progress items, self-produced finished products, finished goods (inventory stock), goods in transit and others.

(2) Pricing method for inventory issuance

Inventories are initially measured at cost upon acquisition, including procurement cost, processing cost and other costs. Inventories issued are valued using the month-end weighted average method.

(3) Inventory management system

The Company adopts the perpetual inventory management system.

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

- 1) Low-value consumables are amortized using the one-off write-off method;
- 2) Packaging materials are amortized using the one-off write-off method;
- 3) Other turnover materials are amortized using the one-off write-off method.

(II) Standards for recognizing and calculating the provision for inventory impairment

After a comprehensive inventory inspection at the end of the period, inventory write-down provisions are accrued or adjusted on the lower of cost or net realizable value basis. For merchandise inventory directly held for sale such as finished goods, inventory stock and materials for sale, the net realizable value is determined as the estimated selling price minus estimated selling expenses and relevant taxes and fees in the normal business operation. For raw materials requiring further processing, the net realizable value is determined as the estimated selling price of the finished products to be produced, minus the estimated costs to completion, estimated selling expenses and relevant taxes and fees. For inventories held to fulfill sales contracts or service contracts, their net realizable value is calculated based on the contract price. If the quantity of inventory held exceeds the contracted quantity under sales contracts, the net realizable value of the excess portion is determined based on the general market selling price.

Inventory write-down provisions are accrued on an individual item basis at the end of the period. For inventories with large quantity and low unit price, provisions are accrued by inventory category. For inventories associated with product lines produced and sold in the same region, with identical or similar end use or purpose and incapable of separate measurement, inventory write-down provisions are accrued on a combined basis.

If the factors that previously caused inventory impairment cease to exist, the impaired amount shall be reversed within the scope of the originally accrued inventory write-down provision, and the reversed amount shall be recognized in current profit or loss.

## 17. Debt investments

Please refer to Note 11 (6) “Impairment of Financial Instruments” for the determination method and accounting treatment of expected credit losses on debt investments of the Company.

## 18. Other Debt Investments

Please refer to Note 11 (6) “Impairment of Financial Instruments” for the determination method and accounting treatment of expected credit losses on other debt investments of the Company.

## 19. Long-term Receivables

Please refer to Note 11 (6) “Impairment of Financial Instruments” for the determination method and accounting treatment of expected credit losses on long-term receivables of the Company.

The Company separately assesses and recognizes credit losses for long-term receivables for which sufficient evidence of expected credit loss can be evaluated at a reasonable cost on an individual instrument basis.

When sufficient evidence of expected credit loss cannot be evaluated at a reasonable cost on an individual instrument basis, the Company refers to historical credit loss experience, combines current conditions and judgments on future economic conditions, classifies long-term receivables into several portfolios based on credit risk characteristics, and calculates expected credit losses on a portfolio basis.

## 20. Long-term Equity Investments

### I. Determination of Initial Investment Cost

#### (1) Long-term equity investments arising from business combinations

Please refer to Note (VI) “Accounting treatments for business combination under common control and not under common control”.

#### (2) Long-term equity investments acquired by other means

Long-term equity investments acquired by cash payment are measured at the actual purchase price paid as the initial investment cost, including expenses, taxes and other necessary expenditures directly attributable to the acquisition.

Long-term equity investments acquired by issuing equity securities are measured at the fair value of the issued equity securities as the initial investment cost. Transaction costs incurred in issuing or acquiring own equity instruments that are directly attributable to equity transactions are deducted from equity.

Under the premise that a non-monetary asset exchange has commercial substance and the fair value of either the assets received or assets given up can be reliably measured, the initial cost of the long-term equity investment obtained is determined based on the fair value of the assets given up, unless conclusive evidence indicates that the fair value of the assets received is more reliable. If the above premise is not satisfied, the initial investment cost is determined based on the carrying amount of the assets given up plus relevant taxes payable.

The initial investment cost of long-term equity investments obtained through debt restructuring is determined based on fair value.

### II. Subsequent measurement and profit or loss recognition

#### (1) Cost Method

For long-term equity investments over which the Company is able to exercise control over the investee, the cost method is adopted. Such investments are measured at initial investment cost, and the cost of long-term equity investments is adjusted for additional investments or recoveries of investments.

Except for cash dividends or profits that have been declared but not yet distributed and are included in the actual consideration paid or the consideration transferred at the time of investment, the Company recognizes the cash dividends or profits declared and distributed by the investee in proportion to its share as investment income in the current period.

#### (2) Equity Method

The Company accounts for long-term equity investments in associates and joint ventures under the equity method. For equity interests in associates indirectly held through venture capital institutions, mutual funds, trust companies or similar entities including investment-linked insurance funds, such investments are measured at fair value with changes recognized in profit or loss.

If the initial investment cost of a long-term equity investment is greater than the Company's share of the fair value of the investee's identifiable net assets at the acquisition date, no adjustment is made to the initial investment cost. If the initial investment cost is less than the Company's share of the fair value of the investee's identifiable net assets at the acquisition date, the difference is recognized in current profit or loss.

After acquiring the long-term equity investment, the Company recognizes investment income and other comprehensive income respectively in proportion to its share of the investee's net profit or loss and other comprehensive income, and adjusts the carrying amount of the long-term equity investment accordingly. The carrying amount is reduced in proportion to the dividends or profit distributions declared by the investee. For other changes in the investee's owner's equity excluding net profit or loss, other comprehensive income and profit distribution, the Company adjusts the carrying amount of long-term equity investments and recognizes the amount in owner's equity.

When recognizing its share of the investee's net profit or loss, the Company adjusts the investee's net profit based on the fair value of the investee's identifiable assets and liabilities at the acquisition date. Unrealized gains and losses from internal transactions between the Company and its associates and joint ventures are eliminated to the extent of the Company's share, and investment profit or loss is recognized on this basis.

When recognizing its share of losses incurred by the investee, the Company proceeds in the following order: first, reduce the carrying amount of the long-term equity investment. Second, if the carrying amount of the long-term equity investment is insufficient to absorb the share of losses, continue to recognize investment losses up to the carrying amount of other long-term interests that substantially constitute net investment in the investee, and reduce the carrying amount of long-term receivables accordingly. Finally, if the Company still assumes additional obligations under investment contracts or agreements after the above treatments, a provision is recognized for the estimated obligations and charged to current investment losses.

If the investee achieves profits in subsequent periods, the Company reverses the above processing in reverse order after deducting unrecognized share of losses: write down the carrying amount of estimated provisions, restore other long-term interests and long-term equity investments that substantially constitute net investment, and then recognize investment income.

### 3. Conversion of Accounting Methods for Long-term Equity Investments

#### (1) Change from fair value measurement to equity method

Where the Company originally holds an equity investment in an investee over which it has no control, joint control or significant influence and which is accounted for under the financial instrument recognition and measurement standards, and subsequently, due to additional investment or other reasons, it is able to exercise significant influence or joint control over the investee but does not constitute control, the sum of the fair value of the originally held equity investment determined in accordance with *Accounting Standards for Business Enterprises No. 22 - Recognition and Measurement of Financial Instruments* and the cost of the additional investment shall be taken as the initial investment cost for the equity method accounting.

If the initial investment cost under the equity method is less than the Company's share of the fair value of the investee's identifiable net assets on the date of additional investment, calculated based on the new shareholding ratio after the additional investment, the difference shall be adjusted against the carrying amount of the long-term equity investment and recognized in current profit or loss as non-operating income.

#### (2) Change from fair value measurement or equity method to cost method

Where the Company originally holds an equity investment in an investee over which it has no control, joint control or significant influence and which is accounted for under the financial instrument recognition and measurement standards, or originally holds a long-term equity investment in an associate or a joint venture, and subsequently, due to additional investment or other reasons, it obtains control over the investee (not under common control), the sum of the carrying amount of the originally held equity investment and the cost of the additional investment shall be taken as the initial investment cost under the cost method in preparing the individual financial statements.

Other comprehensive income recognized before the acquisition date in respect of the originally held equity investment accounted for using the equity method shall be accounted for, upon disposal of that investment, based on the same basis as if the investee had directly disposed of the related assets or liabilities.

Where the originally held equity investment before the acquisition date was accounted for in accordance with *Accounting Standards for Business Enterprises No. 22 - Recognition and Measurement of Financial Instruments*, the cumulative fair value changes previously recognized in other comprehensive income shall be reclassified to profit or loss when changing to the cost method.

#### (3) Change from Equity Method to Fair Value Measurement

If the Company loses joint control or significant influence over an investee due to partial disposal of an equity investment or other reasons, the remaining equity investment after disposal shall be accounted for under *Accounting Standards for Business Enterprises No. 22 - Recognition and Measurement of Financial Instruments*. The difference between the fair value of the remaining investment on the date of losing joint control or significant influence and its carrying amount shall be recognized in current profit or loss.

Other comprehensive income previously recognized in respect of the original equity investment accounted for using the equity method shall, upon termination of the equity method, be accounted for based on the same basis as if the investee had directly disposed of the related assets or liabilities.

#### (4) Change from cost method to equity method

If the Company loses control over an investee due to partial disposal of an equity investment or other reasons, and the remaining equity investment after disposal is able to exercise joint control or significant influence over the investee, the Company shall change to the equity method in preparing the individual financial statements. The remaining equity investment shall be adjusted as if the equity method had been applied from the date of its initial acquisition.

**(5) Change from cost method to fair value measurement**

If the Company loses control over an investee due to partial disposal of an equity investment or other reasons, and the remaining equity investment after disposal does not enable the Company to exercise joint control or significant influence over the investee, the Company shall account for the remaining investment in accordance with *Accounting Standards for Business Enterprises No. 22 - Recognition and Measurement of Financial Instruments* in preparing the individual financial statements. The difference between the fair value of the remaining investment on the date of losing control and its carrying amount shall be recognized in current profit or loss.

**4. Disposal of long-term equity investments**

Upon disposal of long-term equity investments, the difference between the carrying amount and actual disposal proceeds is recognized in current profit or loss. For long-term equity investments accounted for under the equity method, the portion originally recognized in other comprehensive income shall be reclassified to profit or loss proportionately on the same basis as if the relevant assets or liabilities were directly disposed of by the investee.

Transactions involving disposal of equity interests in subsidiaries are accounted for as a basket transaction if one or more of the following conditions are met:

- (1) The transactions are entered into simultaneously or with mutual consideration;
- (2) The transactions as a whole achieve a complete commercial outcome;
- (3) The occurrence of one transaction depends on the occurrence of at least one other transaction;
- (4) A single transaction is uneconomical on its own but economical when combined with others.

If loss of control over an existing subsidiary arises from partial disposal of equity investment and the transactions are not basket transactions, accounting treatment shall be made separately in the separate financial statements and consolidated financial statements:

(1) In the separate financial statements, the difference between the carrying amount of the disposed equity interest and the actual consideration received is recognized in profit or loss for the current period. Where the remaining equity interest after disposal enables the Company to exercise joint control or significant influence over the investee, such remaining interest shall be subsequently accounted for under the equity method and adjusted as if the equity method had been applied since the initial acquisition. Where the remaining equity interest after disposal does not enable the Company to exercise joint control or significant influence over the investee, it shall be accounted for in accordance with *Accounting Standards for Business Enterprises No. 22 - Recognition and Measurement of Financial Instruments*. The difference between its fair value and carrying amount at the date of loss of control is recognized in profit or loss for the current period.

(2) In the consolidated financial statements, for transactions occurring prior to the loss of control over a subsidiary, the difference between the disposal consideration and the Company's corresponding share of the subsidiary's net assets continuously calculated from the acquisition date or combination date shall be adjusted against capital reserve (share premium); where the capital reserve is insufficient to offset the difference, retained earnings shall be adjusted accordingly. Upon loss of control over the subsidiary, the remaining equity interest shall be remeasured at its fair value on the date when control is lost. The difference between the sum of the consideration received for the disposed equity interest plus the fair value of the remaining equity interest, and the Company's original share of the net assets of the former subsidiary continuously calculated from the acquisition date based on the original shareholding ratio, shall be recognized as investment income in the period when control is lost, and goodwill shall be written down simultaneously. Other comprehensive income arising from the original equity investment in the subsidiary shall be reclassified to investment income in the period when control is lost.

Where a series of transactions involving the disposal of equity interests in a subsidiary result in the loss of control, and such transactions constitute a basket transaction, the transactions shall be accounted for as a single transaction that results in the disposal of the subsidiary and loss of control, with separate accounting treatment applied in the separate financial statements and consolidated financial statements respectively:

- (1) In the separate financial statements, the difference between the disposal consideration and the carrying amount of the long-term equity investment attributable to the disposed equity interest in each transaction prior to the loss of control shall be recognized in other comprehensive income, and shall be reclassified in full to profit or loss in the period when control is lost.
- (2) In the consolidated financial statements, the difference between the disposal consideration in each transaction prior to the loss of control and the Company's share of the subsidiary's net assets attributable to the disposed investment shall be recognized in other comprehensive income, and shall be reclassified in full to profit or loss in the period when control is lost.

**5. Judgment criteria for joint control and significant influence**

The Company is deemed to jointly control an arrangement with other parties if the arrangement is collectively controlled by the Company and other parties in accordance with agreements, and decisions on activities that significantly affect the returns of the arrangement require unanimous consent of the parties sharing control. Such arrangement is a joint arrangement.

Where a joint arrangement is structured through a separate vehicle, the separate vehicle shall be classified as a joint venture and accounted for using the equity method if the Company has rights to the net assets of the separate vehicle in accordance with the relevant agreements. If the Company is not entitled to the net assets of the separate vehicle under the relevant agreements, the separate vehicle shall be classified as a joint operation. The Company shall recognize its share of assets, liabilities, revenue and expenses arising from the joint operation and conduct accounting treatment in accordance with the provisions of the relevant enterprises accounting standards.

Significant influence means the investor has the power to participate in the financial and operating policy decisions of the investee, but cannot control or jointly control such policies with other parties. The Company judges the existence of significant influence by considering one or more of the following circumstances together with all relevant facts: (1) Appointing representatives to the board of directors or similar governing body of the investee; (2) Participating in the formulation of the investee's financial and operating policies; (3) Conducting material transactions with the investee; (4) Sending management personnel to the investee; (5) Providing key technical information to the investee.

**21. Investment Property**

Measurement Model of Investment Property

Measured under the cost model

Depreciation and amortization method

Investment properties refer to land use rights leased out, land use rights held for capital appreciation, and buildings leased out, held to earn rental income, capital appreciation, or both. In addition, vacant buildings held for operating lease are classified as investment properties if the board of directors has made a written resolution confirming the intention to lease for operating purposes with no short-term change in holding intention.

Investment properties are initially measured at cost. The cost of purchased investment properties includes purchase price, relevant taxes and other expenditures directly attributable to the asset. The cost of self-constructed investment properties consists of necessary expenditures incurred until the asset reaches its intended usable condition.

The Company adopts the cost model for subsequent measurement of investment properties. Buildings and land use rights are depreciated or amortized based on estimated useful life and net residual value rate. The estimated useful life, net residual value rate and annual depreciation (amortization) rate are as follows:

Category	Estimated Useful Life (Year)	Estimated Net Residual Value Rate (%)	Annual Depreciation (Amortization) Rate (%)
Land Use Right	Legal usable life of land right		1/ Legal usable life*100
Buildings	20	5-10	4.50-4.75

For impairment test and provision method of investment properties, please refer to Note 27 Impairment of Long-term Assets.

When an investment property is reclassified for owner-occupation, the Company shall transfer such investment property to property, plant and equipment or intangible assets as from the date of change. When an owner-occupied property is reclassified to generate rental income or capital appreciation, the Company shall transfer the relevant property, plant and equipment or intangible assets to investment property as from the date of change. Upon reclassification, the carrying amount immediately before the transfer is taken as the carrying amount after conversion.

An investment property shall be derecognized when it is disposed of, or permanently withdrawn from use and no future economic benefits are expected to arise from its disposal. The amount derived from the disposal proceeds of investment properties through sale, transfer, retirement or damage, after deducting their carrying amounts and relevant taxes and fees, shall be recognized in the current profit or loss.

## 22. Fixed assets

### (1) Recognition Criteria

Fixed assets represent tangible assets held for the production of goods, provision of services, rental or administrative purposes, with a useful life exceeding one accounting year. Fixed assets shall be recognized when all the following conditions are satisfied simultaneously:

- ① It is probable that future economic benefits associated with the item will flow to the Company;
- ② The cost of the item can be measured reliably.

### (2) Initial Measurement

The Company initially measures fixed assets at cost.

- ① The cost of purchased fixed assets includes the purchase price, import duties and other relevant taxes and fees, as well as other expenditures directly attributable to bringing the asset to its intended usable condition.
- ② The cost of self-constructed fixed assets consists of all necessary expenditures incurred until the asset reaches its intended usable condition.
- ③ Fixed assets contributed by investors are carrying amount stipulated in the investment contract or agreement; where the contractual or agreed value is not fair, the assets shall be measured at fair value.
- ④ Where payment for the purchase of property, plant and equipment is deferred beyond normal credit terms and the arrangement is essentially of a financing nature, the cost of the asset is determined based on the present value of the total purchase consideration. The difference between the total amount paid and the present value of the purchase consideration, except for the portion eligible for capitalization, shall be recognized in profit or loss over the credit period.

### (3) Subsequent Measurement and Disposal

#### ① Depreciation of Fixed Assets

Depreciation of fixed assets is calculated based on their carrying amount minus estimated net residual value over their estimated useful lives. For fixed assets with impairment provisions recognized, depreciation expense for future periods is determined according to the carrying amount after deducting impairment provisions and the remaining useful life. Fixed assets that have been fully depreciated but are still in use shall not be subject to further depreciation.

The Company determines the useful lives and estimated net residual values of fixed assets based on their nature and usage. At the end of each year, the useful lives, estimated net residual values, and depreciation methods of fixed assets are reviewed. If any changes from previous estimates are identified, appropriate adjustments are made.

The depreciation methods, useful lives, and annual depreciation rates for various categories of fixed assets are as follows:

Category	Depreciation method	Depreciation period (Years)	Residual value rate (%)	Annual depreciation rate (%)
Buildings and structures	Straight-line method	20	5-10	4.50-4.75
Machinery and equipment	Straight-line method	6-13	5-10	6.92-15.83
Transportation equipment	Straight-line method	5	5-10	18.00-19.00
Electronic equipment	Straight-line method	5	5-10	18.00-19.00
Office equipment	Straight-line method	5	5-10	18.00-19.00
Other equipment	Straight-line method	5	5-10	18.00-19.00

#### ② Subsequent Expenditures of Fixed Assets

Subsequent expenditures related to fixed assets that meet the recognition criteria for fixed assets are included in the cost of the fixed assets; those that do not meet the recognition criteria are recognized in profit or loss as incurred.

#### ③ Impairment of Fixed Assets

For the impairment testing method and provision accrual method of fixed assets, please refer to Note 27 Impairment of Long-term Assets.

#### ④ Disposal of Fixed Assets

A fixed asset shall be derecognized when it is disposed of, or when no future economic benefits are expected to be generated from its use or disposal. The amount of disposal proceeds from the sale, transfer, retirement, or damage of a fixed asset, after deducting its carrying amount and related taxes and expenses, is recognized in profit or loss.

## 23. Construction in progress

The Company shall comply with the disclosure requirements in the chemical industry set forth in the Self-Regulatory Guidelines No. 3 for Companies Listed on the Shenzhen Stock Exchange – Industry Information Disclosure.

Construction in progress carried out by the Company is measured at actual cost. The actual cost consists of all necessary expenditures incurred before the asset is ready for its intended use, including costs of construction materials, labor costs, relevant taxes and fees paid, borrowing costs eligible for capitalization, and allocable indirect expenses.

For a construction in progress project, the total expenditures incurred before the asset is ready for its intended use are recognized as the initial carrying value of the related fixed asset. Where a self-constructed project under construction is ready for its intended use but the final settlement has not yet been

completed, it shall be transferred to fixed assets at an estimated value based on project budget, construction cost or actual project cost starting from the date when it is ready for its intended use, and depreciation shall be provided in accordance with the Company's fixed asset depreciation policy. After the completion of final settlement, the original estimated value shall be adjusted according to the actual cost, while the depreciation already accrued shall not be adjusted.

For the impairment testing method and provision accrual method of construction in progress, please refer to Note 27 Impairment of Long-term Assets.

## 24. Borrowing Costs

(1) Recognition principle for capitalization of borrowing costs

Borrowing costs incurred by the Company that are directly attributable to the acquisition, construction or production of assets meeting capitalization conditions shall be capitalized and included in the cost of the relevant asset. All other borrowing costs shall be recognized as expenses in profit or loss for the period in which they are incurred.

An asset meeting capitalization conditions refers to a fixed asset, investment property, inventory and other assets that necessarily take a substantial period of time to get ready for their intended use or sale through acquisition, construction or production activities.

Capitalization of borrowing costs shall commence when all the following conditions are satisfied simultaneously:

① Asset expenditure has been incurred, including expenditures for the acquisition, construction or production of an asset meeting capitalization conditions in the form of cash payment, transfer of non-monetary assets or incurrence of interest-bearing liabilities;

② Borrowing costs have been incurred;

③ Necessary acquisition, construction or production activities to prepare the asset for its intended use or sale have commenced.

(2) Capitalization period of borrowing costs

The capitalization period refers to the period from the commencement date to the cessation date of borrowing cost capitalization, excluding any period during which capitalization is suspended.

When the purchase, construction or production of assets meeting capitalization conditions reaches the intended usable or saleable state, capitalization of borrowing expenses shall cease.

When partial items of assets under purchase, construction or production that meet capitalization conditions are completed separately and can be used independently, capitalization of borrowing expenses for such partial assets shall cease.

If each part of the purchased, constructed or produced asset is completed separately but can only be used or sold externally after the overall completion, capitalization of borrowing expenses shall cease upon the overall completion of the asset.

(3) Suspension period of capitalization

If an abnormal interruption occurs during the purchase, construction or production of assets meeting capitalization conditions and the interruption lasts for more than 3 consecutive months, capitalization of borrowing expenses shall be suspended; if such interruption is a necessary procedure for the purchased, constructed or produced assets meeting capitalization conditions to reach the intended usable or saleable state, capitalization of borrowing expenses shall continue. Borrowing expenses incurred during the interruption period shall be recognized as current profit and loss, and capitalization of borrowing expenses shall resume until the purchase, construction or production activities of the asset restart.

(4) Calculation method for capitalized amount of borrowing expenses

Interest expenses of special borrowings (deducting interest income obtained from depositing unused borrowing funds in banks or investment income obtained from temporary investment) and their auxiliary expenses shall be capitalized before the purchased, constructed or produced assets meeting capitalization conditions reach the intended usable or saleable state.

The interest amount to be capitalized for general borrowings is determined by multiplying the weighted average of asset expenditures exceeding special borrowings by the capitalization rate of occupied general borrowings. The capitalization rate is determined based on the weighted average interest rate of general borrowings.

If there is discount or premium on borrowings, the amount of discount or premium to be amortized in each accounting period shall be determined in accordance with the effective interest rate method to adjust the interest amount of each period.

## 25. Right-of-Use Assets

The Company initially measures right-of-use assets at cost, and such cost includes:

① The initial measurement amount of lease liabilities;

② Lease payments paid on or before the commencement date of the lease; if there are lease incentives, deduct the relevant amount of lease incentives already enjoyed;

③ Initial direct expenses incurred by the Company;

④ Costs expected to be incurred by the Company for dismantling and removing the leased asset, restoring the site where the leased asset is located, or restoring the leased asset to the state agreed in the lease terms (excluding costs incurred for the production of inventories).

After the commencement date of the lease, the Company adopts the cost model for subsequent measurement of right-of-use assets.

If it can be reasonably determined that ownership of the leased asset will be obtained upon the expiration of the lease term, the Company shall accrue depreciation within the remaining useful life of the leased asset. If it cannot be reasonably determined that ownership of the leased asset will be obtained upon the expiration of the lease term, the Company shall accrue depreciation within the shorter period of the lease term and the remaining useful life of the leased asset. For right-of-use assets for which impairment provisions have been accrued, depreciation shall be accrued in future periods with reference to the above principles based on the carrying value after deducting impairment provisions.

The Company determines whether impairment has occurred to right-of-use assets in accordance with the provisions of *Accounting Standards for Business Enterprises No. 8 – Asset Impairment*, and conducts accounting treatment for identified impairment losses. For details, please refer to Note (27)

Impairment of Long-term Assets.

## 26. Intangible Assets

### (1) Initial Measurement

Intangible assets refer to identifiable non-monetary assets without physical substance owned or controlled by the Company, including land use rights, patents and non-patented technologies.

The cost of externally purchased intangible assets includes the purchase price, relevant taxes and fees, and other expenditures directly attributable to bringing the asset to its intended use. If the payment for intangible assets is deferred beyond normal credit terms and is essentially of a financing nature, the cost of the intangible asset is determined based on the present value of the purchase price.

Intangible assets obtained through debt restructuring from the debtor for debt settlement shall be measured at fair value for initial recognition; the difference between the carrying value of the restructured debt and the fair value of the intangible asset used for debt settlement shall be included in current profit and loss.

Under the premise that the non-monetary asset exchange has commercial substance and the fair value of the asset exchanged in or the asset exchanged out can be reliably measured, the intangible asset acquired in the non-monetary asset exchange is based on the fair value of the asset exchanged out to determine its recorded value, unless there is conclusive evidence that the fair value of the asset exchanged in is more reliable; for a non-monetary asset exchange that does not satisfy the above premise, the carrying amount of the asset exchanged out and the relevant taxes payable are used as the cost of the intangible asset exchanged in, and no gain or loss is recognized.

Intangible assets obtained through business merger under the same control shall be recognized at the carrying value of the merged party. Intangible assets obtained through business merger under different controls shall be recognized at fair value.

The cost of internally self-developed intangible assets includes: materials consumed in developing the intangible asset, labor costs, registration fees, amortization of other patents and franchises used in the development process, interest expenses meeting capitalization conditions, and other direct expenses incurred before bringing the intangible asset to its intended use.

## (2) Subsequent Measurement

The Company analyzes and judges the useful life when acquiring intangible assets, and classifies them into intangible assets with finite useful life and intangible assets with indefinite useful life.

### ① Intangible assets with finite useful life

For intangible assets with finite useful life, they shall be amortized by the straight-line method within the period of bringing economic benefits to the enterprise. The estimated useful life and basis of intangible assets with finite useful life are as follows:

Item	Expected useful life	Basis
Software	10 years	Determine the service life based on the period during which it provides economic benefits to the Company
Land use rights	50 years	Legal use period
Patent rights	10 years	Determine the service life based on the period during which it provides economic benefits to the Company
Non-proprietary technology	10 years	Determine the service life based on the period during which it provides economic benefits to the Company

At the end of the period, the useful life and amortization method of intangible assets with finite useful life shall be reviewed and adjusted when necessary.

### ② Intangible assets with indefinite useful life

If the period during which intangible assets bring economic benefits to the enterprise cannot be foreseen, they shall be regarded as intangible assets with indefinite useful life.

At the end of the period, the useful life of intangible assets with indefinite useful life shall be reviewed. If there is evidence showing that the period for such intangible assets to bring economic benefits to the enterprise is foreseeable, its useful life shall be estimated and amortized in accordance with the amortization policy for intangible assets with finite useful life.

For the impairment test method and impairment provision accrual method of intangible assets, please refer to Note 27 Long-term Asset Impairment.

## (3) Specific Criteria for Dividing the Research Stage and Development Stage of Internal Research and Development Projects of the Company

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

Development Stage: The stage of applying research achievements or other knowledge to a certain plan or design before commercial production or use, so as to produce new or substantially improved materials, devices and products.

Expenditures in the research stage of internal research and development projects shall be included in current profit and loss when incurred.

## (4) Specific Criteria for Capitalization of Expenditures in the Development Stage

Expenditures in the development stage of internal research and development projects shall be recognized as intangible assets when all of the following conditions are simultaneously met:

- ① It is technically feasible to develop the intangible asset to the point where it can be used or sold;
- ② It aims to complete the intangible asset for use or sale;
- ③ The manner in which the intangible asset generates economic benefits, including demonstrating the existence of a market for the products created using the asset or for the asset itself. It also involves confirming that the intangible asset will be used internally and providing evidence of its usefulness;
- ④ It possesses adequate technical, financial, and other resources to complete the development of the intangible assets and has the capacity to effectively utilize or sell them;
- ⑤ The costs associated with the development stage of the intangible asset can be reliably determined.

Expenditures in the development stage that do not meet the above conditions shall be included in current profit and loss when incurred. If research stage expenditures and development stage expenditures cannot be distinguished, all incurred research and development expenditures shall be included in current profit and loss. The cost of intangible assets formed by internal development activities only includes the total expenditures incurred from the time of meeting capitalization conditions to the time before the intangible asset reaches its intended use. The expenditures of the same intangible asset that have been expensed and included in profit and loss before meeting capitalization conditions during the development process shall not be adjusted again.

## 27. Impairment of long-term assets

The Company checks at each balance sheet date whether there are signs of possible impairment on long-term equity investment, investment property measured by cost method, fixed assets, construction in progress, intangible assets with definite useful life and other assets. If there are impairment signs on long-term assets, the recoverable amount shall be estimated on the basis of individual asset; if it is difficult to estimate the recoverable amount of a single asset, the recoverable amount of the asset group shall be determined on the basis of the asset group to which the asset belongs.

The estimation of the asset recoverable amount is determined based on the higher of the net fair value minus disposal costs and the present value of the asset's estimated future cash flows.

If the measurement result of the recoverable amount indicates that the recoverable amount of a long-term asset is lower than its carrying value, the carrying value of the long-term asset shall be written down to the recoverable amount. The written-down amount shall be recognized as asset impairment loss and included in current profit and loss, and the corresponding asset impairment provision shall be accrued at the same time. Once an asset impairment loss is recognized, it shall not be reversed in subsequent accounting periods.

After the recognition of asset impairment loss, the depreciation or amortization expense of the impaired asset shall be adjusted accordingly in future periods, so that the adjusted carrying value of the asset (less estimated net residual value) can be systematically allocated within the remaining useful life of the asset.

Goodwill arising from business combination and intangible assets with indefinite useful life shall be subject to impairment test every year regardless of whether there are impairment signs.

When conducting impairment test on goodwill, the carrying value of goodwill shall be allocated to the asset group or combination of asset groups expected to benefit from the synergy effect of business combination. When conducting impairment test on the relevant asset group or combination of asset groups containing goodwill, if there are impairment signs on the asset group or combination of asset groups related to goodwill, firstly conduct impairment test on the asset group or combination of asset groups without goodwill, calculate the recoverable amount, compare it with the relevant carrying value, and confirm the corresponding impairment loss. Then conduct impairment test on the asset group or combination of asset groups containing goodwill, compare the carrying value of these relevant asset groups or combination of asset groups (including the allocated carrying value of goodwill) with their recoverable

amount. If the recoverable amount of the relevant asset group or combination of asset groups is lower than its carrying value, the impairment loss of goodwill shall be confirmed.

## 28. Long-term deferred expenses

### (1) Amortization method

Long-term deferred expenses refer to various expenses incurred by the Company but to be borne by the current period and subsequent periods with an amortization period of more than one year. Long-term deferred expenses shall be amortized in installments by the straight-line method within the benefit period.

### (2) Amortization period

Item	Amortization period	Remark
Technical services fee	Agreed in the contract	
Renovation fee	3 to 5 years	
Power grid access fee	10 years	
Software system implementation fee	5 years	

## 29. Contract liabilities

The Company recognizes the obligation to transfer goods to customers for the consideration received or receivable from customers as contract liabilities.

## 30. Employee compensation

### (1) Accounting treatment method of short-term compensation

Employee compensation refers to all forms of remuneration the Company provides in exchange for employees' services or upon the termination of employment. This includes short-term compensation, post-employment benefits, termination benefits, and other long-term employee benefits.

Short-term compensation refers to employee compensation that the Company needs to pay in full within twelve months after the end of the annual reporting period in which employees provide relevant services, excluding post-employment benefits and termination benefits. The Company recognizes the payable short-term benefits as liabilities in the accounting period when employees provide services, and includes them in the cost of relevant assets and expenses according to the beneficiary objects of the services provided by employees.

### (2) Accounting treatment method of post-employment benefits

Post-employment benefits refer to various forms of remuneration and benefits provided by the Company after employees retire or terminate labor relations with the enterprise for obtaining services provided by employees, excluding short-term benefits and termination benefits.

All post-employment benefit plans of the Company are defined contribution plans.

The post-employment benefit defined contribution plans mainly include participation in basic endowment insurance, unemployment insurance and other social insurance organized and implemented by local labor and social security institutions. In the accounting period when employees provide services for the Company, the payable contribution amount calculated according to the defined contribution plan shall be recognized as liabilities and included in current profit and loss or the cost of relevant assets.

After the Company regularly pays the above amounts in accordance with national prescribed standards and annuity plans, there shall be no other payment obligations.

### (3) Accounting treatment for termination benefits

Termination benefits refer to the compensation granted by the Company to employees when the Company terminates the labor relationship with employees before the expiration of their labor contracts, or encourages employees to voluntarily accept redundancy. The liability arising from the compensation for termination of labor relationships with employees shall be recognized at the earlier of the date when the Company can no longer unilaterally withdraw the labor relationship termination plan or redundancy proposal, and the date when the costs and expenses related to the restructuring involving the payment of termination benefits are recognized, and shall be included in the current profit or loss simultaneously.

The Company provides early retirement benefits to employees who accept the internal retirement arrangement. Early retirement benefits refer to salaries paid and social insurance premiums contributed by the Company to employees who have not reached the statutory retirement age and voluntarily leave their posts upon approval by the Company's management. The Company shall pay internal retirement benefits to eligible employees from the commencement date of the internal retirement arrangement until the employees reach the normal retirement age. For early retirement benefits, the Company shall apply accounting treatment by reference to termination benefits. When the relevant recognition conditions for termination benefits are satisfied, the estimated salaries to be paid and social insurance premiums to be contributed for early retirement employees from the date when employees cease to provide services to the date of normal retirement shall be recognized as liabilities and included in the current profit or loss in a lump sum. Differences arising from changes in actuarial assumptions and adjustments to benefit standards of early retirement benefits shall be included in the current profit or loss when incurred.

### (4) Accounting treatment for other long-term employee benefits

Other long-term employee benefits refer to all employee benefits other than short-term employee benefits, post-employment benefits and termination benefits.

For other long-term employee benefits that meet the conditions of defined contribution plans, the amount payable shall be recognized as a liability and included in the current profit or loss or the cost of related assets during the accounting period in which employees render services to the Company. For other long-term employee benefits other than the above circumstances, an independent actuary shall conduct actuarial valuation using the projected unit credit method at the balance sheet date. The benefit obligations arising from defined benefit plans shall be attributed to the periods during which employees render services, and shall be included in the current profit or loss or the cost of related assets.

## 31. Estimated Liabilities

### (1) Recognition criteria of estimated liabilities

When an obligation arising from contingent events such as product quality guarantees is a present obligation of the Company, it is probable that an outflow of economic benefits will be required to settle the obligation, and the amount of the obligation can be reliably measured, such obligation shall be recognized as a provision.

### (2) Measurement of estimated liabilities

The Company initially measures provisions at the best estimate of the expenditure required to settle the relevant present obligations.

When determining the best estimate, the Company comprehensively takes into account factors such as risks, uncertainties and the time value of money associated with contingent events. Where the impact of the time value of money is material, the best estimate is determined by discounting the relevant future cash outflows.

The best estimate shall be dealt with in accordance with the following circumstances:

If the required expenditure falls within a continuous range (or interval) and all possible outcomes within such range are equally probable, the best estimate shall be determined as the midpoint of the range, namely the average amount of the upper and lower limits.

If the required expenditure does not fall within a continuous range (or interval), or falls within a continuous range but the probabilities of various outcomes within such range are not identical: where the contingent event involves a single item, the best estimate shall be determined based on the most probable

amount; where the contingent event involves multiple items, the best estimate shall be determined by reference to all possible outcomes and their relevant probabilities.

Where all or part of the expenditure required to settle a provision is expected to be reimbursed by a third party, the reimbursement is recognized as a separate asset when it is virtually certain to be received. The amount recognized for the reimbursement shall not exceed the carrying amount of the provision.

### 32. Lease liabilities

The Company initially measures lease liabilities at the present value of the unpaid lease payments at the commencement date of the lease. When calculating the present value of lease payments, the Company adopts the interest rate implicit in the lease as the discount rate; if the interest rate implicit in the lease cannot be determined, the Company adopts its incremental borrowing rate as the discount rate. Lease payments include:

- ① Fixed payments and in-substance fixed payments, less the amount of lease incentives;
- ② Variable lease payments that are dependent on an index or a rate;
- ③ The exercise price of the purchase option, where the Company is reasonably certain to exercise such option;
- ④ Where the lease term reflects that the Company will exercise a termination option, the lease payments include the payments required to exercise the termination option;
- ⑤ Amounts expected to be paid based on the residual value guaranteed by the Company.

The Company calculates the interest expense on the lease liability for each period during the lease term using a fixed discount rate, and recognizes it in profit or loss for the current period or as part of the cost of the relevant asset.

Variable lease payments not included in the measurement of the lease liability shall be recognized in profit or loss for the current period or as part of the cost of the relevant asset when they actually occur.

### 33. Share-based payments

#### (1) Categories of share-based payments

The Company classifies share-based payments into equity-settled share-based payments and cash-settled share-based payments.

#### (2) Method for determining the fair value of equity instruments

For options and other equity instruments granted that have an active market, their fair value is determined based on the quoted price in the active market. For options and other equity instruments granted that do not have an active market, their fair value is determined using an option pricing model, etc. The selected option pricing model takes into account the following factors: ① exercise price of the option; ② term of the option; ③ current price of the underlying shares; ④ expected volatility of the share price; ⑤ expected dividends on the shares; ⑥ risk-free interest rate during the term of the option.

When determining the fair value of equity instruments at the grant date, the Company considers the impact of market conditions and non-vesting conditions among the vesting conditions stipulated in the share-based payment agreements. Where non-vesting conditions exist for share-based payments, the corresponding costs and expenses for services received shall be recognized as long as employees or other parties satisfy all non-market conditions (such as service periods) among the vesting conditions.

#### (3) Basis for determining the best estimate of exercisable equity instruments

On each balance sheet date during the vesting period, the Company shall make the best estimate and revise the estimated number of exercisable equity instruments based on the latest subsequent information such as changes in the number of eligible employees. On the exercisable date, the final estimated number of exercisable equity instruments shall be consistent with the actual exercisable quantity.

#### (4) Accounting treatment methods

##### ① Accounting treatment of share-based payments settled by equity and settled by cash

A share-based payment settled by equity instruments shall be measured at the fair value of the equity instruments granted to employees. If the equity instruments are immediately exercisable upon grant, the fair value of the equity instruments shall be recognized into relevant costs or expenses on the grant date, with a corresponding increase in capital reserve. If the equity instruments can only be exercised upon completion of services within the vesting period or satisfaction of specified performance conditions, on each balance sheet date during the vesting period, based on the best estimate of the number of exercisable equity instruments and at the fair value of the equity instruments on the grant date, the services obtained in the current period shall be recognized into relevant costs or expenses and capital reserve. No further adjustment shall be made to the recognized relevant costs or expenses and the total owner's equity after the exercisable date.

A share-based payment settled in cash shall be measured at the fair value of the liabilities borne by the Company, which are determined on the basis of shares or other equity instruments. If the share-based payment is immediately exercisable upon grant, the fair value of the liabilities borne by the Company shall be recognized into relevant costs or expenses on the grant date, with a corresponding increase in liabilities. For cash-settled share-based payment that can only be exercised after completion of services within the vesting period or satisfaction of specified performance conditions, on each balance sheet date during the vesting period, based on the best estimate of the exercisable status and at the fair value amount of the liabilities borne by the Company, the services obtained in the current period shall be recognized into costs or expenses and corresponding liabilities. The fair value of the liabilities shall be remeasured on each balance sheet date prior to settlement of relevant liabilities and on the settlement date, and the changes therein shall be recognized in current profit or loss.

##### ② Accounting treatment for modifications to terms and conditions of share-based payment

For adverse modifications, the Company shall treat such changes as never occurred and continue the accounting treatment for the acquired services.

For favorable modifications, the Company shall conduct accounting treatment in accordance with the following provisions: If the modification increases the fair value of the granted equity instruments, the enterprise shall recognize the increase in acquired services corresponding to the increase in fair value of the equity instruments. If the modification occurs during the vesting period, when recognizing the fair value of services obtained from the modification date to the modified exercisable date, it shall include both the service amount determined based on the fair value of the original equity instruments on the grant date within the remaining original vesting period and the increase in fair value of the equity instruments. If the modification occurs after the exercisable date, the increase in fair value of the equity instruments shall be recognized immediately. If the share-based payment agreement requires employees to complete a longer period of service to obtain the modified equity instruments, the enterprise shall recognize the increase in fair value of the equity instruments throughout the vesting period.

If the modification increases the number of granted equity instruments, the enterprise shall recognize the fair value of the increased equity instruments as a corresponding increase in acquired services. If the modification occurs during the vesting period, when recognizing the fair value of services obtained from the modification date to the vesting date of the increased equity instruments, it shall include both the service amount determined based on the fair value of the original equity instruments on the grant date within the remaining original vesting period and the increase in fair value of the equity instruments.

If the enterprise modifies the vesting conditions in a manner favorable to employees, such as shortening the vesting period, changing or canceling performance conditions (excluding market conditions), the enterprise shall adopt the modified vesting conditions in handling vesting conditions.

##### ③ Accounting Treatment for Cancellation of Share-based Payment

If the granted equity instruments are cancelled during the vesting period, the Company shall treat the cancellation of the granted equity instruments as accelerated vesting, immediately recognize the amount to be confirmed in the remaining vesting period into current profit or loss, and recognize capital reserve simultaneously. Where employees or other parties can choose to satisfy non-vesting conditions but fail to satisfy them during the vesting period, the Company shall treat such circumstances as cancellation of granted equity instruments.

### 34. Other financial instruments such as preferred shares and perpetual bonds

In accordance with the provisions of the Financial Instruments Standards, the Company classifies the issued financial instruments or their components as financial liabilities or equity instruments upon initial recognition based on the contractual terms of financial instruments such as preferred shares and

perpetual bonds issued, as well as the economic substance reflected thereby rather than merely the legal form, in combination with the definitions of financial liabilities and equity instruments:

(1) The issued financial instruments shall be classified as financial liabilities if any of the following conditions is met:

- ① A contractual obligation to deliver cash or other financial assets to another party;
- ② A contractual obligation to exchange financial assets or financial liabilities with another party under potentially unfavorable conditions;
- ③ A non-derivative instrument contract that will or may be settled in the entity's own equity instruments in the future, under which the entity will deliver a variable number of its own equity instruments;
- ④ A derivative instrument contract that will or may be settled in the entity's own equity instruments in the future, excluding a derivative instrument contract settled by exchanging a fixed number of the entity's own equity instruments for a fixed amount of cash or other financial assets.

(2) The issued financial instruments shall be classified as equity instruments if all of the following conditions are satisfied simultaneously:

- ① The financial instrument does not contain any contractual obligation to deliver cash or other financial assets to another party, or to exchange financial assets or financial liabilities with another party under potentially unfavorable conditions;
- ② Where the financial instrument will or may be settled with the entity's own equity instruments in the future: if the financial instrument is a non-derivative instrument, it does not contain a contractual obligation to settle by delivering a variable number of the entity's own equity instruments; if it is a derivative instrument, the entity shall settle the financial instrument only by exchanging a fixed number of its own equity instruments for a fixed amount of cash or other financial assets.

(3) Accounting treatment methods

For financial instruments classified as equity instruments, interest expenses or dividend distributions thereof shall be treated as profit distribution of the issuing entity; repurchase, cancellation and other transactions thereof shall be treated as changes in equity; transaction costs such as handling fees and commissions shall be deducted from equity;

For financial instruments classified as financial liabilities, interest expenses or dividend distributions thereof shall in principle be accounted for as borrowing costs; gains or losses arising from repurchase or redemption thereof shall be recognized in profit or loss for the current period; transaction costs such as handling fees and commissions shall be included in the initial measurement amount of the issued instruments.

## 35. Revenue

Disclose the accounting policies adopted for revenue recognition and measurement by business type.

(1) General principles of revenue recognition

The Company recognizes revenue at the transaction price allocated to the performance obligation when it satisfies the performance obligation under the contract, i.e., when the customer obtains control of the relevant goods or services. A performance obligation refers to a promise in a contract for the Company to transfer distinct goods or services to a customer. Obtaining control of relevant goods means having the ability to direct the use of the goods and obtain substantially all economic benefits therefrom.

The Company assesses a contract at contract inception, identifies each separate performance obligation contained in the contract, and determines whether each separate performance obligation is satisfied over time or at a point in time. A performance obligation shall be regarded as satisfied over time if any of the following conditions is met, and the Company recognizes revenue over time based on the progress of performance: ① The customer simultaneously obtains and consumes the economic benefits derived from the Company's performance as the Company performs; ② The customer can control the goods in the course of the Company's performance; ③ The goods produced by the Company in the course of performance have no alternative use to the Company, and the Company has an enforceable right to receive payment for performance completed to date throughout the contract period. Otherwise, the Company recognizes revenue at the point in time when the customer obtains control of the relevant goods or services.

For performance obligations satisfied over time, the Company adopts the input method to determine the appropriate progress of performance according to the nature of goods and services. The output method determines the progress of performance based on the value of goods transferred to the customer.

When the progress of performance cannot be reasonably determined, if the incurred costs are expected to be recoverable, the Company recognizes revenue at the amount of costs incurred until the progress of performance can be reasonably determined.

(2) Specific Methods of Revenue Recognition

Domestic Sales: The specific revenue recognition methods of the Company are as follows: ① BOPP tobacco film, tobacco label and sterile packaging products: Revenue is recognized when goods are delivered to the designated delivery location of the customer, delivery is completed and evidence of transfer of control of goods to the customer is obtained. ② BOPP plain film and lithium battery separator products: Except for consignment mode, revenue is recognized when goods are delivered in the manner agreed with the customer and evidence of transfer of control of goods from the customer or the carrier designated by the customer is obtained. Under consignment mode, after the Company delivers goods to the warehouse designated by the customer, revenue is recognized at the time when the customer issues collection and settlement documents as the point of control transfer. ③ Specialty paper products: Revenue is recognized when goods are delivered to the designated delivery location of the customer, delivery is completed and relevant evidence confirming that the goods meet the customer's usage requirements is obtained.

Overseas Sales: After completing export customs declaration procedures and shipping products offshore, the Company recognizes revenue at the time of obtaining customs declaration forms and other relevant export documents as the point of control transfer.

Circumstances where similar businesses adopt different business models involving different revenue recognition methods and measurement methods

The Company shall comply with the disclosure requirements for the chemical industry specified in the *Guideline for Self-Regulation and Supervision of Listed Companies of Shenzhen Stock Exchange No.3 — Industry Information Disclosure*.

## 36. Contract Cost

(1) Contract performance cost

The company recognizes as an asset the cost of performing a contract that it incurs to perform the contract that is outside the scope of accounting standards for enterprises other than revenue standards and that simultaneously meets the following conditions:

- ① The cost is directly related to a current or expected contract, including direct labor, direct materials, manufacturing costs (or similar), costs that are clearly attributable to the customer, and other costs that are incurred solely as a result of the contract;
- ② The cost increases the resources that the enterprise will use to fulfill its performance obligations in the future;
- ③ The cost is expected to be recovered.

The asset is presented in inventory or other non-current assets based on whether the amortization period at initial recognition exceeds a normal operating cycle.

(2) Contract acquisition cost

Incremental costs incurred by the company in obtaining a contract that are expected to be recovered are recognized as contract acquisition costs as an asset. Incremental costs are costs that the company would not have incurred without obtaining a contract, such as sales commissions. Where the amortization period does not exceed one year, it is included in the current profit or loss when incurred.

(3) Amortization of contract costs

The above assets relating to contract costs are amortized at the point in time when the performance obligation is satisfied or in accordance with the progress of the performance obligation, on the same basis as the recognition of income from goods or services relating to the asset, and are included in the

profit or loss of the current period.

#### (4) Impairment of contract costs

Where the carrying value of the above assets relating to contract costs is higher than the difference between the remaining consideration expected to be obtained by the Company from the transfer of the commodities related to the assets and the cost estimated to be incurred for the transfer of the related commodities, the excess shall be provided for impairment and recognized as an asset impairment loss.

After the provision for impairment is made, if the difference between the above two items is higher than the carrying amount of the asset due to changes in the factors of impairment in previous periods, the original provision for impairment of the asset is reversed and included in the current profit or loss, but the carrying amount of the asset after the reversal does not exceed the carrying amount of the asset on the reversal date assuming no provision for impairment is made.

## 37. Government subsidies

### (1) Classification

Government subsidies refer to monetary and non-monetary asset received from the government without compensation. Government subsidies are divided into subsidies related to assets and subsidies related to revenue.

According to the subsidy object stipulated in the documents of relevant government, government subsidies are divided into subsidies related to assets and subsidies related to revenue. Government subsidies obtained by the Company for the acquisition, construction or other formation of long-term assets are defined as government subsidies related to assets; all other government subsidies are defined as government subsidies related to income. If the government document does not clearly specify the grant object, the grant funds shall be classified into government subsidies related to income and government subsidies related to assets in the following manners: ① If the government document specifies a specific project targeted by the subsidies, classification shall be made according to the relative proportion of expenditure amount forming assets and expenditure amount charged to expenses in the budget of the specific project; such classification proportion shall be reviewed at each balance sheet date and revised when necessary; ② If the government document only gives a general description of the purpose without specifying a specific project, the subsidies shall be regarded as government subsidies related to income.

### (2) Recognition of government subsidies

Where evidence shows that the company complies with relevant conditions of policies for financial supports and are expected to receive funds at the end of the period, the amount receivable is recognized as the government subsidies. Otherwise, the government subsidy is recognized upon receipt.

Government subsidies in the form of monetary assets are stated at the amount received or receivable. Government subsidies in the form of non-monetary assets are measured at fair value; if fair value cannot be reliably obtained, a nominal amount (RMB1) is used. Government subsidies that are measured at nominal amount shall be recognized in profit or loss for the period directly.

### (3) Accounting treatment

The Company determines whether a class of government subsidy business should be accounted for using the gross method or the net method based on the substance of the economic business. Generally, the company selects only one approach for same or similar government-subsidized business and applies that approach consistently to that business.

Government subsidies related to assets should be written down against the carrying amount of the related assets or recognized as deferred income.

Government subsidies relating to assets that are recognized as deferred income are credited to profit or loss in a reasonable and systematic manner over the useful lives of the assets constructed or purchased.

Government subsidies related to revenue aimed at compensating for relevant expenses or losses to be incurred by the enterprise in subsequent periods are recognized as deferred income once received, and are recognized in the current profit or loss or offset against related costs in the periods when relevant expenses or losses are recognized. Government subsidies aimed at compensating for relevant expenses or losses the enterprise that are already incurred are directly included in the current profit or loss or offset against related costs once received.

Government subsidies related to daily activities of enterprises are included in other income or offset against related costs and expenses; government subsidies that are not related to daily activities of enterprises are included in non-operating income and expenditure.

The government subsidy related to the discount interest received from policy-related preferential loans offsets the relevant borrowing costs; if the policy-based preferential interest rate loan provided by the lending bank is obtained, the borrowing amount actually received shall be taken as the recording value of the borrowings, and borrowing cost should be calculated using the preferential interest rate according to the loan principal and the policy.

When it is required to return recognized government subsidy, the carrying amount of the relevant assets is written down on initial recognition, and the carrying amount of the assets is adjusted. If there is relevant balance of deferred income, it shall be written down to relevant book value of relevant deferred income, and the excess is included in current profit or loss; where there is no relevant deferred income, it shall be directly included in current profit or loss.

## 38. Deferred income tax assets / deferred income tax liabilities

Deferred income tax assets and deferred income tax liabilities are measured and recognized based on the difference (temporary difference) between the taxable base of assets and liabilities and book value. On the balance sheet date, the deferred income tax assets and deferred income tax liabilities are measured at the applicable tax rate during the period, when it is expected to recover such assets or repay such liabilities.

### (1) Criteria for recognition of deferred income tax assets

The company recognizes deferred income tax assets arising from deductible temporary difference to the extent it is probably that future taxable amount will be available against which the deductible temporary difference can be utilized, and deductible losses and taxes can be carried forward to subsequent years. However, the deferred income tax assets arising from the initial recognition of assets or liabilities in transactions with the following features are not recognized: ① the transaction is not a business combination; ② neither the accounting profit or the taxable income or deductible losses is affected when the transaction occurs.

For deductible temporary difference in relation to investment in the associates, corresponding deferred income tax assets are recognized in the following conditions: the temporary difference is probably reversed in a foreseeable future and it is likely that taxable income is obtained for deduction of the deductible temporary difference in the future.

### (2) Criteria for recognition of deferred income tax liabilities

The company recognizes deferred income tax liabilities on the temporary difference between the taxable but not yet paid taxation in the current and previous periods, excluding:

① temporary difference arising from the initial recognition of goodwill;

② transactions or events arising from no business combination, and neither the accounting profit or the taxable income (or deductible losses) is affected when the transaction or event occurs;

③ for taxable temporary difference in relation to investment in subsidiaries or associates, the time for reversal of the difference can be controlled and the difference is probably not reversed in a foreseeable future.

(3) Deferred income tax assets and deferred income tax liabilities are presented net of offset when the following conditions are met:

① The enterprise has the legal right to settle the current income tax assets and current income tax liabilities on a net basis;

② Deferred income tax assets and deferred income tax liabilities are related to income taxes levied by the same tax administration department on the same

taxable entity or different taxable entities, however, in the future period when each significant deferred income tax asset and deferred income tax liability are transferred back, the taxable entities involved intend to settle the current income tax assets and current income tax liabilities on a net basis or acquire assets and settle debts simultaneously.

## 39. Leasing

### (1) Separation of lease contracts

At inception of a contract, the company assesses whether the contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset or group of identified assets for a period of time in exchange for consideration.

For a contract that contains multiple separate lease components, the company separates the components of the contract and accounts for each separate lease component.

### (2) Consolidation of lease contracts

Two or more contracts containing leases signed by the Company and the same counterparty or its related parties at the same or similar times are combined into one contract for accounting purposes when one of the following conditions is met:

- ① The two or more contracts are signed based on an overall business purpose and constitute a package transaction, the overall business purpose of which cannot be understood if not considered as a whole.
- ② The amount of consideration for one of the two or more contracts depends on the pricing or performance of the other contracts
- ③ The rights to use the assets transferred by the two or more contracts, taken together, constitute a single lease

### (3) Accounting treatment of the Company as a lessee

At the commencement date of the lease term, the Company recognizes right-of-use assets and lease liabilities for leases, except for short-term leases and low-value asset leases to which simplified treatment is applied.

#### ① Short-term leases and leases of low-value assets

Short-term leases are leases that do not contain purchase options and have a lease term less than 12 months. Low-value asset leases are leases with a lower value when the individual leased asset is a brand-new asset.

- ② The accounting policies for right-of-use assets and lease liabilities are detailed in notes 25 and 32.

### (4) Accounting treatment of the Company as a lessor

#### ① Classification of leases

The Company classifies leases as finance leases and operating leases at the commencement date of the lease. A finance lease is a lease that transfers substantially all the risks and rewards associated with the ownership of the leased asset, and the ownership of which may or may not be transferred eventually. Operating leases refer to leases other than finance leases.

A lease is usually classified as a finance lease by the Company if one or more of the following circumstances exist:

- A. At the expiration of the lease term, ownership of the leased asset is transferred to the lessee.
- B. The lessee has an option to purchase the leased asset and the purchase price agreed is sufficiently low compared with the fair value of the leased asset at the time the option is expected to be exercised so that it is reasonably certain that the lessee will exercise the option at the inception date of the lease.
- C. Although ownership of the asset does not pass, the lease term represents most of the useful life of the leased asset.
- D. At the lease commencement date, the present value of the lease receipt amount is almost equal to the fair value of the leased asset.
- E. The leased asset is special in nature and can only be used by the lessee if no major alterations are made.

A lease may also be classified as a finance lease by the Company if one or more of the following indications exist:

- A. If the lessee revokes the lease, the loss to the lessor caused by the revocation is borne by the lessee.
- B. Gains or losses arising from fluctuations in the fair value of the residual value of the asset are attributed to the lessee.
- C. The lessee has the ability to continue the lease to the next period at a rent much lower than the market level.

#### ② Accounting for finance leases

At the commencement date of the lease term, the Company recognizes finance lease receivables for finance leases and derecognizes assets that will be leased.

When the finance lease receivable is initially measured, the sum of the unguaranteed residual value and the present value of the outstanding amount of lease receipts at the commencement date, discounted at the interest rate embedded in the lease as the recorded value of the finance lease receivable. The amount of lease receipts includes:

- A. fixed payments deduct amounts related to lease incentives and in-substance fixed payments;
- B. variable lease payments that depend on an index or rate;
- C. the amount of lease receipts including the exercise price of the purchase option if it is reasonably certain that the lessee will exercise the purchase option;
- D. where the lease term reflects that the lessee will exercise the option to terminate the lease, the lease receipt amount includes the amount to be paid by the lessee to exercise the option to terminate the lease; and
- E. the residual value of the guarantee provided to the lessor by the lessee, a party related to the lessee, and an independent third party with the financial ability to meet the guaranteed obligation.

The Company calculates and recognizes interest income for each period of the lease term at a fixed interest rate embedded in the lease. Variable lease payments received that are not included in the amount of net lease investment are recognized in profit or loss when they are actually incurred.

#### ③ Accounting for operating leases

The Company recognizes lease receipts from operating leases as rental income using the straight-line method or other systematic and reasonable method in each period of the lease term; the initial direct costs incurred in connection with operating leases are capitalized and amortized over the lease term on the same basis as rental income is recognized, recognized in profit or loss in the current period; variable lease payments received in connection with operating leases that are not included in the lease receipts are recognized in profit or loss in the current period when they are actually incurred.

## 40. Discontinued operations

The Company recognizes the component that meets one of the following conditions and has been disposed of or classified as held for sale and can be separately distinguished as the component of discontinued operations:

- (1) The component represents an independent major business or a separate major operating area.
- (2) The component is a part of an associated plan to dispose of an independent major business or a separate major business area.
- (3) The component is a subsidiary acquired for resale.

Operating profit or loss such as impairment loss and reversal amount of discontinued operations and disposal profit or loss are presented in the income statement as gain or loss from discontinued operations.

The Company lists the assets in the non-current assets held for sale or the disposal group held for sale separately from other assets in the balance sheet, and the liabilities in the disposal group held for sale separately from other liabilities. The assets in the non-current assets held for sale or the disposal group held for sale shall not be offset against the liabilities in the disposal group held for sale, and shall be presented as current asset and current liabilities respectively. The Company presents the profit or loss from continued operations and the profit or loss from discontinued operations in the income

statement separately. For the discontinued operations presented in the current period, the Company will re-present the information originally presented as profit or loss from continued operation in the current financial statements as profit or loss from discontinued operations in the comparable accounting period. If the discontinued operations no longer meet the conditions for classification as held for sale, the Company will re-present the information originally presented as profit or loss from discontinued operations as profit or loss from continued operation in the comparable accounting period in the current financial statements.

#### 41. Hedge accounting

According to the hedging relationship, the company divides hedging into fair value hedging, cash flow hedging and hedging of net investments in foreign operations.

(1) The hedge accounting method is applied for hedging instruments that meet the following conditions at the same time

①The hedging relationship consists only of qualified hedging instruments and hedged items.

②At the beginning of hedging, the company officially designated the hedging instrument and the hedged item, and prepared written documents on the hedging relationship, the risk management strategy and objectives of the hedging.

③The hedging relationship meets the requirements for hedging effectiveness.

If the hedging meets the following conditions at the same time, the hedging relationship is deemed to meet the requirements of hedging effectiveness:

A. There is an economic relationship between the hedged item and the hedging instrument. The economic relationship makes changes in the opposite direction in the value of the hedging instrument and the hedged item due to their exposure to the same hedged risk.

B. The effect of credit risk does not dominate the value changes arising from the economic relationship between the hedged item and the hedging instrument.

C. The hedge ratio of the hedging relationship is equal to the ratio of the quantity of hedged items actually hedged by the company to the actual quantity of hedging instruments used to hedge them, which however does not reflect an imbalance in the relative weights of hedging items and hedging instruments, which will lead to ineffective hedging and may produce accounting results that are inconsistent with the objectives of hedge accounting.

(2) Fair value hedge accounting

①Gain or loss from hedging instruments is included in profit and loss for the period. If the hedging instrument is used to hedge a non-trading equity instrument investment (or its component) that is measured at fair value through other comprehensive income, the gain or loss arising from the hedging instrument is included in other comprehensive income.

②The gain or loss of the hedged item due to the hedged risk exposure is included in profit or loss for the period, and the carrying amount of the recognized hedged item that is not measured at fair value is adjusted at the same time. If the hedged item is a financial asset (or its component) measured at fair value through other comprehensive income, the gain or loss arising from the hedged risk exposure is included in profit or loss for the period, and its carrying amount has been measured at fair value and no adjustment is required. If the hedged item is a non-trading equity instrument investment (or its component) that the company chooses to measure at fair value through other comprehensive income, the gain or loss arising from the hedged risk exposure is included in other comprehensive income, and its carrying amount has been measured at fair value and no adjustment is required.

If the hedged item is an unrecognized firm commitment (or its component), the cumulative changes in fair value caused by the hedged risk exposure after the hedging relationship is designated is recognized as an asset or liability, and the related gain or loss is included in profit or loss for each respective period. When an asset is acquired or a liability is assumed for the performance of the firm commitment, the initially recognized amount of the asset or liability is adjusted to include the accumulated changes in the fair value of the hedged item that has been recognized.

③If the hedged item is a financial instrument (or its component) measured at amortized cost, the adjustment to the carrying amount of the hedged item shall be amortized according to the actual interest rate recalculated on the date when the amortization starts, and included in profit or loss for the period. The amortization can start from the adjustment date, but not later than the time point of termination of the adjustment to hedging gain and loss on the hedged item. If the hedged item is a financial asset (or its component) measured at fair value through other comprehensive income, the accumulated hedging gain or loss recognized shall be amortized in the same way and included in profit or loss for the period, but the carrying amount of the financial asset (or its component) will not be adjusted.

(3) Cash flow hedge accounting

①The part of gain or loss generated by the hedging instrument that is effective in hedging is included in other comprehensive income as the cash flow hedging reserve. The amount of cash flow hedging reserve shall be determined at the lower of absolute amounts of the following:

A. The cumulative gain or loss of the hedging instrument since the beginning of hedging;

B. The cumulative changes in the present value of estimated future cash flow of the hedged item since the beginning of hedging. The amount of cash flow hedge reserve included in other comprehensive income in each period is the change in cash flow hedging reserve for the period.

②The part of the gain or loss generated by the hedging instrument that is ineffective in hedging (that is, other gain or loss after deducting other comprehensive income) shall be included in profit or loss for the period.

③The amount of cash flow hedging reserve shall be accounted for in accordance with the following requirements:

A. The hedged item is an expected transaction, and the expected transaction causes the company to subsequently recognize a non-financial asset or non-financial liability, or the expected transaction of a non-financial asset or a non-financial liability forms a firm commitment applicable to fair value hedge accounting, the cash flow hedging reserve amount originally recognized in other comprehensive income shall be transferred out and included in the initially recognized amount of the asset or liability.

B. For cash flow hedges that are not involved in the previous requirement, during the same period when the hedged expected cash flow affects profit and loss, the cash flow hedging reserve amount originally recognized in other comprehensive income is transferred out and included in profit and loss for the period.

C. If the cash flow hedging reserve amount recognized in other comprehensive income is a loss, and all or part of the loss is not expected to be covered in future accounting periods, in such case, the part that is not expected to be covered will be transferred out from other comprehensive income and included in profit and loss for the period.

(4) Hedging of net investments in foreign operations

Hedging of a net investment in a foreign operation, including a hedge of a monetary item that is accounted for as part of the net investment, shall be accounted for similarly to cash flow hedges:

①The portion of the gain or loss on the hedging instrument that is determined to be an effective hedge shall be recognized in other comprehensive income. The gain or loss of the hedging instrument in other comprehensive income shall be reclassified to profit or loss on the disposal or partial disposal of the foreign operation.

②The ineffective portion shall be recognized in profit or loss.

(5) Termination of hedge accounting

In case of any of the following circumstances, the application of hedge accounting shall be terminated:

①The management objective has changed, and the hedging relationship no longer meets the risk management objective;

②The hedging instrument or instruments have expired, sold or terminated or executed;

③There is no longer an economic relationship between the hedged item and the hedging instrument, or the effect of credit risk starts to dominate the value changes that result from that economic relationship;

④The hedging relationship does not satisfy other conditions of undertaking hedge accounting. If rebalancing of the hedging relationship applies, the Company shall consider the rebalancing the hedging relationship first and subsequently assess whether the hedging relationship satisfies the conditions of undertaking hedge accounting.

The termination of hedge accounting may affect the hedging relationship or part of it, if only part of it is affected, hedge accounting still applies to the

remaining.

(6) Option to designate a credit exposure as measured at fair value

When the credit risk exposure of a financial instrument (or its components) is managed by using a credit derivative instrument measured at fair value through current profit and loss, the financial instrument (or its components) can be designated as a financial instrument measured at fair value with its changes included in the current profit and loss at, before or after the time of initial recognition, and written records shall be kept at the same time while the following conditions shall be met simultaneously:

①The subject of the financial instrument's credit exposure (for example, the borrower, or the holder of a loan commitment) matches the subject of the credit derivative;

②The repayment level of financial instruments is consistent with the repayment level of the instruments to be delivered according to the terms of credit derivatives.

## 42. Repurchase of shares

For capital reduction by means of repurchase of the shares of the Company under statutory approval, the capital is reduced by the total nominal value of the shares cancelled. The difference between the consideration paid for the repurchase of shares (including the transaction costs) and the nominal value of the shares is adjusted in the shareholders' equity. The excess of consideration paid over the total nominal value is adjusted in the capital reserve (share premium), surplus reserve and retained profits in sequence. The shortfall from the total nominal value is credited to capital reserve (share premium). Prior to cancellation or transfer of shares repurchased, the Company recognizes all expenditures arising from share repurchase as cost of treasury shares in the treasury share account.

Upon the transfer of treasury shares, the excess of proceeds from the transfer over the cost of treasury shares is credited to capital reserve (share premium); whereas the shortfall from the cost of treasury shares is adjusted in the capital reserve (share premium), surplus reserve and retained profits in sequence.

When a company repurchases its ordinary shares to form treasury stock, such treasury stock shall not participate in the company's profit distribution, and the company shall present it as a contra-equity item under shareholders' equity in the balance sheet.

## 43. Debt restructuring

(1) Recording debt restructuring obligations as a creditor

A debt restructuring in which the debt is settled by assets is derecognized when the relevant assets and the settled debt meet the conditions for derecognition, and the difference between the book value of the settled debt and the book value of the transferred assets is recognized in the current profits and losses

A debt restructuring that converts a debt into an equity instrument is derecognized when the settled debt meets the conditions for derecognition. The equity instrument is measured by the Company at its fair value upon initial recognition, and if the fair value cannot be reliably measured, it is measured at the fair value of the settled debt. The difference between the book value of the settled debt and the amount recognized for the equity instrument is recognized in the current profits and losses.

For a debt restructuring in the form of modifying other terms, the restructured debt shall be recognized and measured by the Company in accordance with the *Accounting Standards for Business Enterprises No. 22 – Recognition and Measurement of Financial Instruments and Accounting Standards for Business Enterprises No. 37 – Presentation of Financial Instruments*.

If a debt restructuring is carried out by using multiple assets to pay off debts or by means of a combination, equity instruments and restructured debts shall be recognized and measured according to the above-mentioned methods. The difference between the book value of the settled debts and the book value of the transferred assets and the sum of the recognized amounts of the equity instruments and restructured debts shall be included in the current profits and losses.

(2) Recording debt restructuring obligations as a creditor

For a debt restructuring in which assets are used to pay off debts, assets other than the transferred financial assets are initially recognized at cost. The cost of inventory includes the fair value of the abandoned creditors' rights and other costs directly attributable to the assets, such as taxes, transportation costs, handling charges, insurance premiums, etc., incurred to enable the assets to reach their current position and state. The cost of an investment in an associate or joint venture includes the fair value of the abandoned creditors' rights and other costs directly attributable to the asset, such as taxes. The cost of investment properties includes the fair value of the abandoned creditor's rights and other costs such as taxes that are directly attributable to the assets. The cost of a fixed asset includes the fair value of the abandoned creditors' rights and other costs directly attributable to the asset, such as taxes, transportation costs, handling charges, installation costs, and professional services fees, incurred before making the asset available for the intended use. The cost of an intangible asset includes the fair value of the abandoned creditors' rights and other costs that are directly attributable to the asset such as taxes, incurred before making the asset available for the intended use. The difference between the fair value and the book value of the abandoned creditors' rights should be recognized in the current profits and losses

When a debt restructuring that converts debt into an equity instrument results in the Company converting creditors' rights into an equity investment in an associate or joint venture, the Company measures the cost of its initial investment at the fair value of the abandoned creditors' rights and other costs directly attributable to the asset, such as taxes. The difference between the fair value and the book value of the abandoned creditors' rights is recognized in the current profits and losses.

For a debt restructuring in the form of modifying other terms, the creditor's rights restructured shall be recognized and measured by the Company in accordance with the *Accounting Standards for Business Enterprises No. 22 – Recognition and Measurement of Financial Instruments*.

If a debt restructuring is carried out by using multiple assets to pay off debts or by means of a combination, firstly, the transferred financial assets and creditor's rights restructured are recognized and measured in accordance with the *Accounting Standards for Business Enterprises No. 22 – Recognition and Measurement of Financial Instruments*, and then the net amount of the fair value of the abandoned creditors' rights after deducting the recognized amounts of the transferred financial assets and the creditor's rights restructured are allocated in proportion to the fair value of each asset other than the transferred financial assets, and on this basis, the cost of each asset is determined separately in accordance with the above method. The difference between the fair value and the book value of the abandoned creditors' rights is recognized in the current profits and losses.

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

(1) Changes in critical accounting policies

Applicable  Not applicable

The Company has implemented the *Notice on Issues related to Financial Handling after the Implementation of the Company Law and the Law on Foreign Investment* with effect from June 27, 2025. The implementation of this Notice has no material impact on the financial statements for the Reporting Period.

(2) Changes in critical accounting estimates

Applicable  Not applicable

## VI. Taxation

### 1. Main Tax Types and Tax Rates

Tax type	Taxation basis	Tax rate
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Value added tax ("VAT")	Sales of goods, taxable sales, service income, intangible assets or real estate	13%, 9%, 6%
City maintenance and construction tax	Amount of VAT paid	7%, 5%, 1%
Corporate income tax	Taxable Income	25%, 15%, 16.5%, 9%, 20%
Property tax	Based on 70% of the original value of the property (or rental income) as the tax benchmark	1.2%, 12%

## Explanation of disclosure for taxpayers with different corporate income tax rates

Taxpayer	Income tax rate
The Company	25%
Yunnan Dexin Paper Co., Ltd.(Cancellation of this Period)	25%
Yunnan Jiechen Packaging Materials Co., Ltd.	15%
Yunnan Hongchuang Packaging Co., Ltd.	15%
Yunnan Hongta Plastic Co., Ltd.	15%
Hongta Plastic (Chengdu) Co., Ltd.	15%
Yuxi Feiermu Trading Co., Ltd.	25%
Shanghai Energy New Material Technology Co., Ltd.	15%
Zhuhai Energy New Material Technology Co., Ltd.	15%
Wuxi Energy New Material Technology Co., Ltd.	15%
Jiangxi Tonry New Energy Technology Development Co., Ltd.	15%
Jiangsu Ruijie New Material Technology Co., Ltd.	25%
Jiangxi Ruijie New Material Technology Co., Ltd.	15%
Suzhou GreenPower New Energy Materials Co., Ltd.	15%
Chongqing Energy Newmi Technological Co., Ltd.	15%
Jiangxi Enpo New Material Technology Co., Ltd.	15%
Jiangxi Energy New Material Technology Co., Ltd.	25%
Jiangsu Energy New Material Technology Co., Ltd.	15%
Hunan Energy Frontier New Material Technology Co., Ltd.	25%
Yuxi Energy Frontier New Materials Co., Ltd.	25%
Ningbo Energy New Material Co., Ltd.	25%
Xiamen Energy New Material Co., Ltd.	25%
Chongqing Energy New Material Technology Co., Ltd.	15%
Hubei Energy New Material Technology Co., Ltd.	15%
Jiangsu Sanhe Battery Material Technology Co., Ltd.	25%
Hongchuang Packaging (Anhui) Co., Ltd.	25%
Shanghai Energy New Materials Research Co., Ltd.	25%
Zhuhai Economic and Technological Development Zone Energy Technology Co., Ltd.	25%
Yuxi Energy New Material Co., Ltd.	25%
Shanghai Energy Trading Co., Ltd.	25%
Jiangsu Energy New Materials Research Co., Ltd.	25%
Shanghai Jiezhiyuan New Material Technology Co., Ltd.	25%
Shanghai Hengjieyuan New Material Technology Co., Ltd.	25%
Hainan Energy Investment Co., Ltd.	25%
Chuangxin New Material (Hong Kong) Co., Ltd.	16.5%
SEMCORPGlobalHoldingsKft.	9%
SEMCORPHungaryKft.	9%
SEMCORP Properties Kft.	9%
SEMCORP America Inc.	20%
SEMCORP Manufacturing USA LLC	20%
HONGCHUANGPACKAGINGMALAYSIASDN.BHD	24.00%

## 2. Preferential tax treatment

In accordance with the *Announcement on Enterprise Income Tax Issues Related to the In-depth Implementation of the Western Development Strategy (Announcement No. 12, 2012 of the State Taxation Administration)*, the subsidiary Yunnan Jiechen Packaging Materials Co., Ltd., the subsidiary Yunnan Hongchuang Packaging Co., Ltd., the subsidiary Yunnan Hongta Plastic Co., Ltd., the sub-subsidiary Hongta Plastic (Chengdu) Co., Ltd., and the sub-subsidiary Chongqing Energy New Material Technology Co., Ltd. continue to enjoy the preferential tax policies for the western development during this period. The enterprise income tax shall be paid at the reduced tax rate of 15%.

According to the *Enterprise Income Tax Law of the People's Republic of China (2018 Amendment)* and the *Notice of the Ministry of Science and Technology, the Ministry of Finance, the State Taxation Administration on the Revision and Printing of the Administrative Measures for the Recognition of High and New Technology Enterprises (Guo Ke Fa Huo [2016] No. 32)*, the subsidiary Shanghai Energy New Material Technology Co., Ltd., the sub-subsidiary Zhuhai Energy New Material Technology Co., Ltd., the sub-subsidiary Jiangxi Tonry New Energy Technology Development Co., Ltd., the sub-subsidiary Jiangxi Enpo New Materials Co., Ltd., the sub-subsidiary Jiangsu Energy New Material Technology Co., Ltd., the sub-subsidiary Wuxi Energy New Material Technology Co., Ltd., the sub-subsidiary Suzhou GreenPower New Energy Materials Co., Ltd., the sub-subsidiary Chongqing Energy Newmi Technological Co., Ltd., the sub-subsidiary Hubei Energy New Material Technology Co., Ltd., and the four tier subsidiary Jiangxi Ruijie New Material Technology Co., Ltd. are recognized as high-tech enterprises upon application, and the preferential tax rate for high-tech enterprises shall be 15%.

According to the *Notice of the Ministry of Finance and the State Taxation Administration on the Policies of Value added Tax and Consumption Tax on Exported Goods and Services*, the Company benefits from tax exemption, offset, and refund for its self-operated export goods, and the tax refund rate is mainly 13% depending on specific products. The subsidiary Yunnan Hongchuang Packaging Co., Ltd., the subsidiary Yunnan Hongta Plastic Co., Ltd., the subsidiary Shanghai Energy New Material Technology Co., Ltd., the sub-subsidiary Zhuhai Energy New Material Technology Co., Ltd., and the sub-subsidiary Suzhou GreenPower New Energy Materials Co., Ltd. benefit from tax exemption, offset, and refund for their self-operated export goods. Their tax refund rate is 13%.

According to the *Announcement on the Ministry of Finance and the State Taxation Administration on the Policy of Value added Tax Deduction for Advanced Manufacturing Enterprises (Announcement No. 43, 2023 of the Ministry of Finance and the State Taxation Administration)*, the subsidiary Yunnan Hongchuang Packaging Co., Ltd., the subsidiary Yunnan Jiechen Packaging Materials Co., Ltd., the subsidiary Yunnan Hongta Plastic Co., Ltd., the subsidiary Yunnan Dexin Paper Co., Ltd., the sub-subsidiary Hongta Plastic (Chengdu) Co., Ltd., the subsidiary Shanghai Energy New Material Technology Co., Ltd., the sub-subsidiary Zhuhai Energy New Material Technology Co., Ltd., the sub-subsidiary Jiangxi Tonry New Energy Technology Development Co., Ltd., the sub-subsidiary Jiangsu Energy New Material Technology Co., Ltd., the sub-subsidiary Jiangxi Enpo New Materials Co., Ltd., the fourth tier subsidiary Jiangxi Ruijie New Material Technology Co., Ltd., the sub-subsidiary Wuxi Energy New Material Technology Co., Ltd., the sub-subsidiary Suzhou GreenPower New Energy Materials Co., Ltd., the sub-subsidiary Chongqing Energy Newmi Technological Co., Ltd. and the sub-subsidiary Chongqing Energy New Material Technology Co., Ltd. enjoy the policy of additional tax deduction, and their current additional tax deduction amount is calculated at 5% of the deductible input tax for the current period.

According to the *Announcement of the Ministry of Finance, the State Taxation Administration, and the Department of Veterans Affairs on Further Supporting the Entrepreneurship and Employment of Find-Jobs-on-Their-Own Retired Soldiers (Announcement No. 14, 2023 of the Ministry of Finance, the State Taxation Administration, and the Department of Veterans Affairs)*, in the event that an enterprise recruits *find-jobs-on-their-own* retired soldiers, signs a labor contract with them for more than one year and pays social insurance premiums in accordance with the applicable laws, its value-added tax, urban maintenance and construction tax, education surcharge, local education surcharge, and corporate income tax will be deducted in three years from the month of signing the labor contract and paying for social insurance, in a fixed amount based on the actual number of recruits and calculated with RMB6,000 per person per year, which may be increased by up to 50%.

According to the *Announcement of the Ministry of Finance, the State Taxation Administration, the Ministry of Human Resources and Social Security, the Ministry of Agriculture and Rural Affairs on Taxation Policies concerning Further Supporting Key Groups' Entrepreneurship and Employment (Announcement No. 15, 2023 of the Ministry of Finance, the State Taxation Administration, the Ministry of Human Resources and Social Security, the Ministry of Agriculture and Rural Affairs)*, in the event that an enterprise recruits impoverished individuals who have been registered as unemployed for more than six months at a public employment service agency under the Ministry of Human Resources and Social Security and hold an Employment and Entrepreneurship Certificate or an Employment and Unemployment Registration Certificate (indicating "tax incentives for employment"), and signs a labor contract with them for a period of more than one year and pays social insurance premiums in accordance with the applicable laws, its value-added tax, urban maintenance and construction tax, education surcharge, local education surcharge, and corporate income tax will be deducted in three years from the month of signing the labor contract and paying for social insurance, in a fixed amount based on the actual number of recruits and calculated with RMB6,000 per person per year, which may be increased by up to 30% as determined by the people's governments of provinces, autonomous regions and municipalities directly under the central government based on their actual situations. The tax basis for urban maintenance and construction tax, education surcharge, and local education surcharge is the value-added tax payable prior to this tax incentive.

## VII. Notes to Items in Consolidated Financial Statements

### 1. Monetary funds

Unit: RMB

Item	Closing balance	Opening balance
Cash on hand	66,061.33	92,218.87
Bank deposit	2,238,081,854.07	1,733,368,264.27
Other monetary funds	667,132,525.30	838,743,097.78
Interest receivable that has not yet matured	4,164,405.10	1,937,438.61
Total	2,909,444,845.80	2,574,141,019.53
Including: total amount of funds deposited abroad	79,090,541.97	348,118,411.02

Other explanations:

The details of restricted monetary funds are as follows:

Item	Closing balance	Opening balance
Bank acceptance bill deposits	508,005,332.89	750,566,249.46
Letter of credit deposits	153,607,576.45	71,506,746.02
Letter of guarantee deposits	2,889,237.64	15,995,560.96
Deposits in bank regulated accounts	2,630,378.32	674,541.34
Total	667,132,525.30	838,743,097.78

### 2. Notes receivable

#### (1) Notes receivable by types

Unit: RMB

Item	Closing balance	Opening balance
Bank acceptance	561,756,073.37	221,135,947.50
Commercial acceptance	142,450,484.50	149,517,163.37
Total	704,206,557.87	370,653,110.87

**(2) Disclosure by bad debt provision methods**

Unit: RMB

Type	Closing balance					Opening balance				
	Book balance		Provision for bad debts		Book value	Book balance		Provision for bad debts		Book value
	Amount	Proportion	Amount	Provision proportion		Amount	Proportion	Amount	Provision proportion	
Including:										
Notes receivable with bad debt reserve withdrawn as per the portfolio of credit risk characteristics	704,678,410.14	100.00%	471,852.27	0.07%	704,206,557.87	373,581,947.50	100.00%	2,928,836.63	0.78%	370,653,110.87
Including:										
Bank acceptance bill portfolio	561,756,073.37	79.72%			561,756,073.37	221,135,947.50	59.19%			221,135,947.50
Commercial acceptance bill portfolio	142,922,336.77	20.28%	471,852.27	0.33%	142,450,484.50	152,446,000.00	40.81%	2,928,836.63	1.92%	149,517,163.37
Total	704,678,410.14	100.00%	471,852.27	0.07%	704,206,557.87	373,581,947.50	100.00%	2,928,836.63	0.78%	370,653,110.87

Provision for bad debts by portfolio:

Unit: RMB

Description	Closing balance		
	Book balance	Provision for bad debts	Provision proportion
Commercial acceptance bill portfolio	142,922,336.77	471,852.27	0.33%
Total	142,922,336.77	471,852.27	

Note: As at 31 December 2025, the Company measured the loss allowance for notes receivable at an amount equal to lifetime expected credit losses. The Company considers that the bank acceptance bills held do not have significant credit risk and will not result in material losses due to bank defaults.

If provision was made for bad debts of notes receivable in accordance with the general expected credit loss model:

Applicable  Not applicable

**(3) Provision for bad debts accrued, recovered or reversed during the Reporting Period**

Provision for bad debts during the Reporting Period:

Unit: RMB

Type	Opening balance	Changes in amount for the period				Closing balance
		Provision	Recovery or reversal	Write-offs	Others	
Bad debt provision made on individual basis						
Provision for bad debts made on a portfolio basis	2,928,836.63	-2,456,984.36				471,852.27
Total	2,928,836.63	-2,456,984.36				471,852.27

Among them, the important amount of recovery or reverse of bad debt provision for the period:

Applicable  Not applicable

**(4) Notes receivable endorsed or discounted by the Company, which were not yet due on the balance sheet date as at the end of the Reporting Period**

Unit: RMB

Item	Derecognized amount at the end of the Reporting Period	Recognized amount at the end of the Reporting Period
Bank acceptance notes		313,018,938.93
Total		313,018,938.93

### 3. Accounts receivable

#### (1) Disclosure by aging

Unit: RMB

Aging	Book balance at the end of the Reporting Period	Book balance at the beginning of the Reporting Period
Less than 1 year (inclusive)	6,878,364,682.14	5,116,313,235.17
1-2 years	416,390,211.38	898,186,547.87
2-3 years	145,322,062.30	101,598,939.51
Over 3 years	104,956,439.87	112,499,022.11
3-4 years	19,211,162.85	10,249,434.69
4-5 years	9,718,698.70	5,706,159.68
Over 5 years	76,026,578.32	96,543,427.74
Total	7,545,033,395.69	6,228,597,744.66

#### (2) Disclosure by bad debt provision methods

Unit: RMB

Type	Closing balance					Opening balance				
	Book balance		Provision for bad debts		Book value	Book balance		Provision for bad debts		Book value
	Amount	Proportion	Amount	Provision proportion		Amount	Proportion	Amount	Provision proportion	
Provision for bad debts by individuals	100,978,151.42	1.34%	100,978,151.42	100.00%		97,797,292.18	1.57%	97,797,292.18	100.00%	
Including:										
Provision for bad debts by portfolio	7,444,055,244.27	98.66%	32,518,330.51	0.44%	7,411,536,913.76	6,130,800,452.48	98.43%	28,752,219.97	0.47%	6,102,048,232.51
Including:										
Companies outside consolidation	7,444,055,244.27	98.66%	32,518,330.51	0.44%	7,411,536,913.76	6,130,800,452.48	98.43%	28,752,219.97	0.47%	6,102,048,232.51
Total	7,545,033,395.69	100.00%	133,496,481.93	1.77%	7,411,536,913.76	6,228,597,744.66	100.00%	126,549,512.15	2.03%	6,102,048,232.51

Provision for bad debts by individuals:

Unit: RMB

Name	Opening balance		Closing balance			
	Book balance	Provision for bad debts	Book balance	Provision for bad debts	Provision proportion	Provision reason
OptimumNano Energy Co., Ltd.	32,249,003.26	32,249,003.26	32,249,003.26	32,249,003.26	100.00%	Estimated to be uncollectible
eTrust Power Group Ltd.	17,481,429.49	17,481,429.49	17,481,429.49	17,481,429.49	100.00%	Estimated to be uncollectible
Shaanxi OptimumNano New Energy Co., Ltd.	14,847,098.36	14,847,098.36	14,847,098.36	14,847,098.36	100.00%	Estimated to be uncollectible
Jiangsu Jeve Power Industry Co., Ltd.	5,100,387.08	5,100,387.08	5,100,387.08	5,100,387.08	100.00%	Estimated to be uncollectible
E-power Tech Co., Ltd.	3,058,731.42	3,058,731.42	3,058,731.42	3,058,731.42	100.00%	Estimated to be uncollectible
Xinyu Eternal ENERGY Co., Ltd.	2,802,263.94	2,802,263.94	2,802,263.94	2,802,263.94	100.00%	Estimated to be uncollectible

Huaibei Jiaheyuan Technology Co., Ltd.	2,530,770.94	2,530,770.94	2,530,770.94	2,530,770.94	100.00%	Estimated to be uncollectible
Hubei Yu Long New Energy Co., Ltd.	2,177,165.60	2,177,165.60	2,177,165.60	2,177,165.60	100.00%	Estimated to be uncollectible
Northvolt	1,540,340.80	1,540,340.80	1,505,951.49	1,505,951.49	100.00%	Estimated to be uncollectible
Jiangxi Far East Battery Co., Ltd.	1,515,182.03	1,515,182.03			100.00%	Estimated to be uncollectible
AnHui Teamsky New Energy Technology Co., Ltd.	1,477,646.78	1,477,646.78	1,477,646.78	1,477,646.78	100.00%	Estimated to be uncollectible
Shenzhen Teamingiant New Energy Technology Co., Ltd.	1,470,081.04	1,470,081.04	1,470,081.04	1,470,081.04	100.00%	Estimated to be uncollectible
Jingzhou OptimumNano Co., Ltd.	1,175,130.00	1,175,130.00	1,175,130.00	1,175,130.00	100.00%	Estimated to be uncollectible
Shenzhen Vision Lithium Battery Co., Ltd.	1,062,626.69	1,062,626.69	879,800.08	879,800.08	100.00%	Estimated to be uncollectible
Shenzhen GRAND Power source Group Co., Ltd.	1,004,401.76	1,004,401.76	1,004,401.76	1,004,401.76	100.00%	Estimated to be uncollectible
Shenzhen Lukewan Technology Co., Ltd.	1,000,000.00	1,000,000.00	1,000,000.00	1,000,000.00	100.00%	Estimated to be uncollectible
Henan Ningfu Juwan New Energy Technology Co., Ltd.			3,170,193.98	3,170,193.98	100.00%	Estimated to be uncollectible
Gansu Jintuo Lithium Battery New Energy Co., Ltd.			1,565,504.00	1,565,504.00	100.00%	Estimated to be uncollectible
Sub-total of less than RMB1 million	7,305,032.99	7,305,032.99	7,482,592.20	7,482,592.20	100.00%	Estimated to be uncollectible
Total	97,797,292.18	97,797,292.18	100,978,151.42	100,978,151.42		

Provision for bad debts by portfolio: aging combination

Unit: RMB

Name	Closing balance		
	Book balance	Provision for bad debts	Provision proportion
Less than 1 year	6,877,412,291.18	8,409,004.98	0.12%
1-2 years	412,367,663.51	2,837,759.28	0.69%
2-3 years	136,279,935.46	6,792,497.79	4.98%
3-4 years	16,584,407.99	13,068,572.33	78.80%
4-5 years	1,102,663.10	1,102,213.10	99.96%
Over 5 years	308,283.03	308,283.03	100.00%
Total	7,444,055,244.27	32,518,330.51	

If provision was made for bad debts of accounts receivable in accordance with the general expected credit loss model:

 Applicable  Not applicable

### (3) Provision for bad debts accrued, recovered or reversed during the Reporting Period

Provision for bad debts during the Reporting Period:

Unit: RMB

Type	Opening balance	Changes in amount for the period				Closing balance
		Provision	Recovery or reversal	Write-offs	Others	
Bad debt provision made on an individual basis	97,797,292.18	5,883,312.11	1,844,977.96	857,541.29	66.38	100,978,151.42
Bad debt provision made on a collective basis	28,752,219.97	28,032,900.36		24,240,588.14	-26,201.68	32,518,330.51

Total	126,549,512.15	33,916,212.47	1,844,977.96	25,098,129.43	-26,135.30	133,496,481.93
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**(4) Actual write-off of accounts receivable for the period**

Unit: RMB

Item	Amount of write-off
Actual write-off of accounts receivable	25,098,129.43

Significant write-off of accounts receivable:

Unit: RMB

Company name	Nature of account receivable	Write-off amount	Reason of write-off	Write-off procedure performed	Generated from associated transaction or not
Henan Jinhong Printing Co., Ltd.	Payment for goods	23,980,581.38	Uncollectible	Resolution of the Board	No
Total		23,980,581.38			

Explanations about the write-off of accounts receivable: In respect of the trade receivable from Henan Jinhong Printing Co., Ltd., a provision for bad debt of RMB23,726,629.84 had already been made in prior years, and a provision for the period of RMB253,951.54 was made, with the impact on the current period's profit or loss amounting to RMB253,951.54.

**(5) Accounts receivable and contract assets of top five closing balances by debtors**

Unit: RMB

Company name	Closing balance of accounts receivable	Closing balance of contract assets	Closing balance of accounts receivable and contract assets	Percentage of total of closing balance of accounts receivable and contract assets	Closing balance of bad debt provision for accounts receivable and impairment provision for contract assets
Company 1	1,298,520,511.92		1,298,520,511.92	17.21%	1,168,621.50
Company 2	871,680,188.16		871,680,188.16	11.55%	6,850,153.06
Company 3	387,736,254.47		387,736,254.47	5.14%	454,442.21
Company 4	240,953,195.57		240,953,195.57	3.19%	216,857.88
Company 5	202,833,954.36		202,833,954.36	2.69%	1,399,554.29
Total	3,001,724,104.48		3,001,724,104.48	39.78%	10,089,628.94

**4. Accounts receivable financing****(1) Accounts receivable financing by type**

Unit: RMB

Item	Closing balance	Opening balance
Bank acceptance bills	1,213,767,926.87	408,092,531.80
Total	1,213,767,926.87	408,092,531.80

**(2) Accounts receivable financing endorsed or discounted by the Company, which were not yet due on the balance sheet date as at the end of the Reporting Period**

Unit: RMB

Item	Derecognized amount at the end of the Reporting Period	Recognized amount at the end of the Reporting Period
Bank acceptance bills	2,316,719,605.26	
Total	2,316,719,605.26	

**5. Other receivables**

Unit: RMB

Item	Closing balance	Opening balance
Dividends receivable		1,347,859.55
Other receivables	31,987,776.97	26,873,634.05

Total	31,987,776.97	28,221,493.60
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**(1) Dividends receivable****1) Classification of dividends receivable**

Unit: RMB

Item (or investee)	Closing balance	Opening balance
Yuxi Kunshasi Plastic Masterbatch Co., Ltd.		1,347,859.55
Total		1,347,859.55

**(2) Other receivables****1) Other receivables by nature**

Unit: RMB

Nature of amount	Book balance at the end of the Reporting Period	Book balance at the beginning of the Reporting Period
Equity acquisition funds		1,799,150.09
Guarantees and deposits	6,619,053.19	12,608,454.57
Reserve fund	1,249,802.75	1,913,150.52
Substitute advance	6,012,532.25	5,628,114.10
Insurance Custody Fund	14,999,941.75	
Others	4,913,387.47	6,532,918.46
Total	33,794,717.41	28,481,787.74

**2) Disclosure by aging**

Unit: RMB

Aging	Book balance at the end of the Reporting Period	Book balance at the beginning of the Reporting Period
Less than 1 year (inclusive)	26,865,837.61	13,413,350.75
1-2 years	830,511.96	5,551,295.87
2-3 years	3,786,447.62	8,319,139.32
Over 3 years	2,311,920.22	1,198,001.80
3-4 years	1,491,065.10	186,620.90
4-5 years	62,474.22	308,000.00
Over 5 years	758,380.90	703,380.90
Total	33,794,717.41	28,481,787.74

**3) Disclosure by bad debt provision methods** Applicable  Not applicable

Unit: RMB

Type	Closing balance					Opening balance				
	Book balance		Provision for bad debts		Book value	Book balance		Provision for bad debts		Book value
	Amount	Proportion	Amount	Provision proportion		Amount	Proportion	Amount	Provision proportion	
Bad debt provision made on individual basis	110,940.90	0.33%	110,940.90	100.00%		110,940.90	0.39%	110,940.90	100.00%	
Bad debt provision made on a collective basis	33,683,776.51	99.67%	1,695,999.54	5.04%	31,987,776.97	28,370,846.84	99.61%	1,497,212.79	5.28%	26,873,634.05
Including:										
Aging combination	33,683,776.51	99.67%	1,695,999.54	5.04%	31,987,776.97	28,370,846.84	99.61%	1,497,212.79	5.28%	26,873,634.05
Total	33,794,717.41	100.00%	1,806,940.44	5.35%	31,987,776.97	28,481,787.74	100.00%	1,608,153.69	5.65%	26,873,634.05

## Provision for bad debts by portfolio: aging combination

Unit: RMB

Description	Closing balance		
	Book balance	Provision for bad debts	Provision proportion
Aged less than 1 year	26,865,837.61	1,135,982.19	4.23%
Aged 1-2 years	830,511.96	36,127.26	4.35%
Aged 2-3 years	3,786,447.62	164,710.47	4.35%
Aged 3-4 years	1,491,065.10	64,861.33	4.35%
Aged 4-5 years	62,474.22	2,717.63	4.35%
Aged over 5 years	647,440.00	291,600.66	45.04%
<b>Total</b>	<b>33,683,776.51</b>	<b>1,695,999.54</b>	

Bad debt provision assessed based on ECL model:

Unit: RMB

Provision for bad debts	Stage I	Stage II	Stage III	Total
	12-month ECL	Lifetime ECL (not credit-impaired)	Lifetime ECL (credit-impaired)	
Balance of January 1, 2025	1,209,062.79	288,150.00	110,940.90	1,608,153.69
Balance of January 1, 2025 for the period				
Provision for the period	198,380.88	390.00		198,770.88
Other changes	15.87			15.87
Balance of December 31, 2025	1,407,459.54	288,540.00	110,940.90	1,806,940.44

Changes in book balance with significant changes in loss reserves for the period

 Applicable  Not applicable**4) Provision for bad debts accrued, recovered or reversed during the Reporting Period**

Provision for bad debts during the Reporting Period:

Unit: RMB

Type	Opening balance	Changes in amount for the period				Closing balance
		Provision	Recovery or reversal	Write-offs	Others	
Bad debt provision made on individual basis	110,940.90					110,940.90
Bad debt provision made on a collective basis	1,497,212.79	198,770.88			15.87	1,695,999.54
<b>Total</b>	<b>1,608,153.69</b>	<b>198,770.88</b>			<b>15.87</b>	<b>1,806,940.44</b>

**5) Top five customers with closing balance of other receivables collected by arrear party**

Unit: RMB

Company name	Nature of other receivable	Closing balance	Aging	Percentage of total of closing balance of other receivables	Closing balance of bad debt provision
Ping An Health Insurance Company Ltd.	Insurance Custody Fund	14,999,941.75	Less than 1 year	44.39%	652,497.47
Pension Insurance	Advance payment on behalf of others	2,603,145.43	Less than 1 year	7.70%	113,236.83
Housing Provident Fund	Advance payment on behalf of others	1,776,039.39	Less than 1 year	5.26%	77,177.46

Special Account of Government Non-Tax Revenue, Jintan District Finance Bureau, Changzhou	Deposit and security deposit	1,297,600.00	Over 3 years	3.84%	56,445.60
Anhui Public Resources Trading Group Project Management Co., Ltd.	Deposit and security deposit	1,000,000.00	Less than 1 year	2.96%	43,500.00
Total		21,676,726.57		64.14%	942,857.36

## 6. Prepayment

### (1) Prepayments by aging

Unit: RMB

Aging	Closing balance		Opening balance	
	Amount	Proportion	Amount	Proportion
Less than 1 year (inclusive)	155,017,515.66	96.17%	151,744,967.81	94.59%
1-2 years	5,918,796.22	3.67%	8,594,878.20	5.36%
2-3 years	242,578.62	0.15%		
Over 3 years	8,380.20	0.01%	83,914.32	0.05%
Total	161,187,270.70		160,423,760.33	

Notes to reasons of significant prepayments over 1 year and not settled in time:

Company name	Closing balance	Aging	Reasons of not settled in time
Guohong Xinye (Beijing) Information Consulting Co., Ltd.	5,660,377.20	1-2 years	Services Not Yet Completed
Total	5,660,377.20		

### (2) Top five suppliers with closing balance of prepayment collected by prepaid entity

Company name	Closing balance	Proportion (%) of the total amount of prepayments	Prepayment date	Reasons of not settled
Company 1	13,338,872.10	8.28	Less than 1 year	unused
Company 2	13,128,064.64	8.14	Less than 1 year	unused
Company 3	9,457,330.66	5.87	Less than 1 year	unused
Company 4	8,001,204.30	4.96	Less than 1 year	unused
Company 5	6,300,474.07	3.91	Less than 1 year	unsettled
Total	50,225,945.77	31.16		

## 7. Inventories

Did the Company need to comply with the disclosure requirements of the real estate industry

Yes

### (1) Classification of inventories

The Company shall comply with the disclosure requirements for the real estate industry as set out in the Shenzhen Stock Exchange Self-regulatory Supervision Guidelines for Listed Companies No. 3 – Industry Information Disclosure.

Classified by nature:

Unit: RMB

Item	Closing balance			Opening balance		
	Book balance	Inventory provision reserve or contract performance cost depreciation reserve	Book value	Book balance	Inventory provision reserve or contract performance cost depreciation reserve	Book value
Raw materials	537,983,064.72	18,689,545.15	519,293,519.57	546,202,730.19	27,199,840.67	519,002,889.52
Goods in process	464,629.29		464,629.29	5,199,678.09		5,199,678.09
Finished goods	1,753,187,232.73	579,061,547.98	1,174,125,684.75	2,513,508,258.64	598,721,761.77	1,914,786,496.87
Turnover materials	150,668,772.01		150,668,772.01	179,451,015.62		179,451,015.62
Consumable biological assets						
Contract performance costs						
Goods in transit	265,416,096.28	4,531,479.84	260,884,616.44	257,753,391.64	2,496,390.10	255,257,001.54
Consigned processing material	1,756,624.05		1,756,624.05	1,758,679.73		1,758,679.73

Semi-finished goods	146,891,000.81	18,982,010.36	127,908,990.45	52,932,171.59	9,589,965.09	43,342,206.50
Materials in transit	44,579,124.61		44,579,124.61	44,228,826.95		44,228,826.95
Total	2,900,946,544.50	621,264,583.33	2,279,681,961.17	3,601,034,752.45	638,007,957.63	2,963,026,794.82

## (2) Inventory provision reserve and contract performance cost depreciation reserve

The provision for inventory impairment is disclosed in the following format:

Classified by nature:

Unit: RMB

Item	Opening balance	Increase for the period		Decrease for the period		Closing balance
		Provision	Others	Recovery or reversal	Others	
				reversal		
Raw materials	27,199,840.67	15,782,839.84		24,293,135.36		18,689,545.15
Finished goods	598,721,761.77	264,122,258.76		283,693,975.10	88,497.45	579,061,547.98
Goods in transit	2,496,390.10	4,203,934.97		2,168,845.23		4,531,479.84
Semi-finished goods	9,589,965.09	14,596,498.84		5,204,453.57		18,982,010.36
Total	638,007,957.63	298,705,532.41		315,360,409.26	88,497.45	621,264,583.33

## 8. Non-current assets due within one year

Unit: RMB

Item	Closing balance	Opening balance
Large deposit certificate	50,000,000.00	200,000,000.00
Undue interest receivable	3,345,618.06	15,940,873.29
Total	53,345,618.06	215,940,873.29

## 9. Other current assets

Unit: RMB

Item	Closing balance	Opening balance
Prepayment of tax	10,105,483.22	6,594,972.18
Input tax to be deducted	443,658,858.01	692,330,332.81
Time deposit	60,190,972.24	302,953,767.12
Total	513,955,313.47	1,001,879,072.11

## 10. Other equity instrument investment

Unit: RMB

Item	Closing balance	Opening balance	Profit recognized in other comprehensive income for the period	Loss charged to other comprehensive income for the period	Accumulated profit in other comprehensive income at the end of the period	Accumulated losses in other comprehensive income at the end of the period	Dividend income recognized during the period	Reason for designating as a financial asset measured at fair value and its changes are included in other comprehensive income
Suzhou Jiesheng Technology Co., Ltd.	67,000,000.00	72,000,000.00		5,000,000.00		-43,000,000.00		
Zhuhai Chenyu New Material Technology Co., Ltd.	6,000,000.00	6,000,000.00						
<b>Total</b>	<b>73,000,000.00</b>	<b>78,000,000.00</b>		<b>5,000,000.00</b>		<b>-43,000,000.00</b>		

Other explanations:

Note 1: According to the evaluation by Shanghai Zhonghua Asset Appraisal Co., Ltd., as of December 31, 2025, the overall equity value of Suzhou Jiesheng Technology Co., Ltd. is RMB670,000,000.00, and the Company holds 10% equity of Suzhou Jiesheng Technology Co., Ltd., corresponding to a fair value of RMB67,000,000.00.

Note 2: This period saw the Company's subsidiary Shanghai Energy New Material Technology Co., Ltd. holding 8% of the equity of Zhuhai Chenyu New Material Technology Co., Ltd.. The fair value at the end of the period was close to the book value.

## 11. Long-term receivables

### (1) Details of Long-term receivables

Unit: RMB

Item	Closing balance			Opening balance			Discount rate range
	Book balance	Provision for bad debts	Book value	Book balance	Provision for bad debts	Book value	
Finance lease receivables	4,457,531.97		4,457,531.97				
Including: Unearned finance income	-542,468.03		-542,468.03				
<b>Total</b>	<b>4,457,531.97</b>		<b>4,457,531.97</b>				

## 12. Long-term equity investment

Unit: RMB

Investees	Opening balance (book value)	Opening balance of provision for impairment	Increase / decrease for the period							Closing balance (book value)	Closing balance of provision for impairment		
			Increase in investment	Decrease in investment	Investment profit or loss recognized under equity method	Adjustments to other comprehensive income	Other changes in equity	Cash dividends or profit declared	Provision for impairment			Others	
<b>I. Joint ventures</b>													
<b>II. Associates</b>													
Shanghai Taolin Packaging Technology Co., Ltd.			16,000,000.00		-1,899,842.76							14,100,157.24	

Yunnan Yijie Lithium Co., Ltd.			247,500.00		-247,500.00							
Subtotal			16,247,500.00		-2,147,342.76						14,100,157.24	
Total			16,247,500.00		-2,147,342.76						14,100,157.24	

The recoverable amount is determined based on the net amount after deducting disposal expenses from fair value:

Applicable  Not applicable

The recoverable amount is determined based on the present value of expected future cash flows:

Applicable  Not applicable

### 13. Investment properties

#### (1) Adoption of the cost measurement mode for investment properties

Applicable  Not applicable

Unit: RMB

Item	Buildings and structures	Total
<b>I. Original book value</b>		
1. Opening balance	13,599,021.41	13,599,021.41
2. Increase for the period		
(1) External purchase		
(2) Transfer of inventory/fixed assets/construction in progress		
(3) Increase in business combination		
3. Decrease for the period		
(1) Disposal		
(2) Other transferred out		
4. Closing balance	13,599,021.41	13,599,021.41
<b>II. Accumulative depreciation and amortization</b>		
1. Opening balance	4,547,441.59	4,547,441.59
2. Increase for the period	611,955.96	611,955.96
(1) Provision or amortization	611,955.96	611,955.96
3. Decrease for the period		
(1) Disposal		
(2) Other transferred out		
4. Closing balance	5,159,397.55	5,159,397.55
<b>III. Provision for impairment</b>		
1. Opening balance		
2. Increase for the period		
(1) Provision		
3. Decrease for the period		
(1) Disposal		
(2) Other transferred out		
4. Closing balance		
<b>IV. Book value</b>		
1. Closing book value	8,439,623.86	8,439,623.86
2. Opening book value	9,051,579.82	9,051,579.82

The recoverable amount is determined based on the net amount after deducting disposal expenses from fair value

Applicable  Not applicable

The recoverable amount is determined based on the present value of expected future cash flows

Applicable  Not applicable

(2) Investment properties with pending title certificates

Unit: RMB

Item	Book value	Reasons for Not Obtaining the Title Certificates
Buildings and structures	6,796,607.18	delay in processing

## 14. Fixed assets

Unit: RMB

Item	Closing balance	Opening balance
Fixed assets	28,257,962,277.25	22,928,507,627.21
Fixed assets pending for disposal		
Total	28,257,962,277.25	22,928,507,627.21

### (1) Fixed assets

Unit: RMB

Item	Buildings and structures	Machinery and equipment	Transportation equipment	Electronic devices and others	Total
<b>I. Original book value</b>					
1. Opening balance	5,798,391,927.77	24,045,250,821.53	55,891,074.35	850,039,590.97	30,749,573,414.62
2. Increase for the period	2,983,317,666.73	4,241,507,945.75	6,770,766.96	255,046,383.01	7,486,642,762.45
(1) Purchase	14,345,959.50	49,707,442.42	4,479,626.78	226,032,529.41	294,565,558.11
(2) Transfer of construction in progress	2,971,121,930.17	4,223,551,180.41	2,323,083.54	44,269,551.09	7,241,265,745.21
(3) Increase in business combination					
(4) Converted difference in foreign currency statements	-2,150,222.94	-31,750,677.08	-31,943.36	-15,255,697.49	-49,188,540.87
3. Decrease for the period	4,475,300.58	34,416,536.35	1,675,261.16	4,790,754.54	45,357,852.63
(1) Disposal or scrapping	8,256.88	32,667,346.95	1,675,261.16	3,797,469.66	38,148,334.65
(2) Other decreases	4,467,043.70	1,749,189.40		993,284.88	7,209,517.98
4. Closing balance	8,777,234,293.92	28,252,342,230.93	60,986,580.15	1,100,295,219.44	38,190,858,324.44
<b>II. Accumulative depreciation</b>					
1. Opening balance	890,146,250.24	6,372,341,605.83	30,816,020.19	236,396,393.11	7,529,700,269.37
2. Increase for the period	321,864,817.53	1,736,278,781.46	6,499,473.89	68,919,800.15	2,133,562,873.03
(1) Provision	322,863,214.30	1,737,556,687.23	6,508,333.55	69,060,401.45	2,135,988,636.53
(2) Converted difference in foreign currency statements	-998,396.77	-1,277,905.77	-8,859.66	-140,601.30	-2,425,763.50
3. Decrease for the period	101,036.62	16,736,011.52	1,521,116.48	3,154,935.30	21,513,099.92
(1) Disposal or scrapping	1,640.88	16,670,650.56	1,521,116.48	3,154,935.30	21,348,343.22
(2) Other decreases	99,395.74	65,360.96			164,756.70
4. Closing balance	1,211,910,031.15	8,091,884,375.77	35,794,377.60	302,161,257.96	9,641,750,042.48
<b>III. Provision for impairment</b>					
1. Opening balance		291,340,736.78	15,759.89	9,021.37	291,365,518.04
2. Increase for the period					
(1) Provision					
3. Decrease for the period		219,513.33			219,513.33
(1) Disposal or scrapping		219,513.33			219,513.33
4. Closing balance		291,121,223.45	15,759.89	9,021.37	291,146,004.71
<b>IV. Book value</b>					
1. Closing book value	7,565,324,262.77	19,869,336,631.71	25,176,442.66	798,124,940.11	28,257,962,277.25
2. Opening book value	4,908,245,677.53	17,381,568,478.92	25,059,294.27	613,634,176.49	22,928,507,627.21

**(2) Fixed assets in temporary idle**

Unit: RMB

Item	Original book value	Accumulative depreciation	Provision for impairment	Book value	Remarks
Buildings and structures	2,105,695.50	1,250,844.34		854,851.16	
Machinery and equipment	9,135,247.28	8,221,722.55		913,524.73	
Total	11,240,942.78	9,472,566.89		1,768,375.89	

**(3) Fixed assets not obtaining the title certificate**

Unit: RMB

Item	Book value	Reason
Buildings and structures	2,626,863,827.22	Preconditions for title Certificate not fulfilled
Total	2,626,863,827.22	

Other explanations:

**15. Construction in progress**

Unit: RMB

Item	Closing balance	Opening balance
Construction in progress	1,525,364,867.85	5,852,662,936.95
Engineering materials	5,198,161.79	10,582,086.18
Total	1,530,563,029.64	5,863,245,023.13

**(1) Construction in progress**

Unit: RMB

Item	Closing balance			Opening balance		
	Book balance	Provision for impairment	Book value	Book balance	Provision for impairment	Book value
Hungarian factory				3,173,726,601.84		3,173,726,601.84
American factory	241,401,384.42		241,401,384.42	33,021,712.10		33,021,712.10
Jiangxi Enpo New Material Co., Ltd. Lithium-ion Battery Dry Process Separator Film Construction Project	218,125,812.12		218,125,812.12	587,916,982.98		587,916,982.98
Jiangxi Energy SRS Project	5,046,005.89		5,046,005.89	23,069,781.38		23,069,781.38
Microporous Membrane Project of High-performance Lithium-ion Battery of Chongqing Energy (Phase II)	8,807,138.67		8,807,138.67	297,650,631.72		297,650,631.72
Jiangsu Energy EV Lithium Battery Separator Industrialization Project	55,429,327.45		55,429,327.45	44,626,237.64		44,626,237.64
Jiangsu Ruijie EV Lithium Battery Aluminum Laminated Film Industrialization Project	3,763,808.99		3,763,808.99	42,381,128.27		42,381,128.27
Hubei Energy EV Lithium Battery Separator Industrialization Project	51,490,370.48		51,490,370.48	66,260,050.24		66,260,050.24
Yuxi Energy 1.6 Billion m <sup>2</sup> /a Lithium Battery Project	666,185,634.40		666,185,634.40	1,005,383,793.90		1,005,383,793.90
Jinqiao Guopei Plot R&D Project – Jinqiao Building B (Floors 5–12)						
Anhui Hongchuang Project for Annual Production of 12 billion Liquid Beverage Cartons	32,445,087.86		32,445,087.86	334,535,052.66		334,535,052.66
Others	246,899,828.24	4,229,530.67	242,670,297.57	248,320,494.89	4,229,530.67	244,090,964.22
Total	1,529,594,398.52	4,229,530.67	1,525,364,867.85	5,856,892,467.62	4,229,530.67	5,852,662,936.95

**(2) Changes in important projects in progress for the period**

Unit: RMB

Item	Budget (in RMB10, 000)	Opening balance	Increase for the period	Transfer to fixed assets for the period	Decrease in other amounts for the period	Closing balance	Proportion of total project investment in budget	Progress of the project (%)	Capitalized accumulated amount of interest	Including: Capitalized amount of interest for the period	Capitaliz ation rate of interest for the period	Source of capit al
Hungarian factory	353,828.14	3,173,726,601.84	385,365,592.20	3,538,281,378.77	20,810,815.27		100.00%	100%				Self-owned and self-raised funds
American factory	193,994.88	33,021,712.10	212,467,610.02		4,087,937.70	241,401,384.42	44.07%	44.07%				Self-owned and self-raised funds
Jiangxi Enpo New Material Co., Ltd. Lithium-ion Battery Dry Process Separator Film Construction Project	200,000.00	587,916,982.98	71,102,675.97	440,893,846.83		218,125,812.12	61.00%	80.00%	49,015,299.62	22,293,524.53	3.30%	Self-owned and self-raised funds
Jiangxi Energy SRS Project	95,000.00	23,069,781.38	1,862,370.60	19,886,146.09		5,046,005.89	75.00%	100.00%				Self-owned and self-raised funds
Microporous Membrane Project of High-performance Lithium-ion Battery of Chongqing Energy (Phase II)	300,000.00	297,650,631.72	69,526,677.47	358,370,170.52		8,807,138.67	95.00%	95.00%	22,974,425.44	299,229.47	2.65%	Raised funds, Self-owned and self-raised funds
Jiangsu Energy EV Lithium Battery Separator Industrialization Project	520,000.00	44,626,237.64	55,645,305.39	44,842,215.58		55,429,327.45	78.00%	100.00%	23,598,457.77			Raised funds, Self-owned and self-raised funds
Jiangsu Ruijie EV Lithium Battery Aluminum Laminated Film Industrialization Project	160,000.00	42,381,128.27	34,899,398.23	73,516,717.51		3,763,808.99	47.00%	52.00%	8,040,159.55			Raised funds, Self-owned and self-raised funds
Hubei Energy EV Lithium Battery Separator Industrialization Project	520,000.00	66,260,050.24	136,663,802.50	151,433,482.26		51,490,370.48	100.00%	98.26%	11,978,144.46			Self-owned and self-raised funds
Yuxi Energy 1.6 Billion m <sup>2</sup> /a Lithium Battery Project	4450,000.00	1,005,383,793.90	997,361,839.01	1,336,559,998.51		666,185,634.40	41.65%	54.73%	21,347,406.14	18,297,751.95	1.88%	Self-owned and self-raised funds
Jinqiao Guopei Plot R&D Project – Jinqiao Building B (Floors 5–12)	60,106.86		601,068,591.45	601,068,591.45			100.00%	100.00%	34,759,931.00	9,538,610.30	2.05%	Self-owned and self-raised funds
Anhui Hongchuang Project for Annual Production of 12 Billion Liquid Beverage Cartons	70,000.00	334,535,052.66	141,018,853.24	443,108,818.04		32,445,087.86	80.17%	80.17%	2,181,589.72	1,388,311.32	2.38%	Self-owned and self-raised funds
Others		248,320,494.89	232,765,907.75	233,304,379.65	882,194.75	246,899,828.24			52,698,210.97			
Total	2,922,929.88	5,856,892,467.62	2,939,748,623.83	7,241,265,745.21	25,780,947.72	1,529,594,398.52			226,593,624.67	51,817,427.57		

**(3) Provision for impairment of construction in progress in this period**

Unit: RMB

Item	Opening balance	Increase for the period	Decrease for the period	Closing balance	Reason for provision
Jiangxi Tonry Lithium Battery Membrane Project (Phase I Expansion)	4,229,530.67			4,229,530.67	Idle equipment, expected to be unusable

Total	4,229,530.67			4,229,530.67	--
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#### (4) Impairment testing of construction in progress

Applicable  Not applicable

#### (5) Engineering materials

Unit: RMB

Item	Closing balance			Opening balance		
	Book balance	Provision for impairment	Book value	Book balance	Provision for impairment	Book value
Equipment not installed	5,198,161.79		5,198,161.79	10,582,086.18		10,582,086.18
Total	5,198,161.79		5,198,161.79	10,582,086.18		10,582,086.18

### 16. Right-of-use assets

#### (1) Right-of-use assets

Unit: RMB

Item	Buildings and structures	Others	Total
I. Original book value			
1. Opening balance	1,990,728.20	1,376,146.80	3,366,875.00
2. Increase for the period			
3. Decrease for the period	1,990,728.20		1,990,728.20
Lease expiry	1,990,728.20		1,990,728.20
4. Closing balance		1,376,146.80	1,376,146.80
II. Accumulative depreciation			
1. Opening balance	995,364.12	619,265.79	1,614,629.91
2. Increase for the period	995,364.08	275,229.44	1,270,593.52
(1) Provision	995,364.08	275,229.44	1,270,593.52
3. Decrease for the period	1,990,728.20		1,990,728.20
(1) Disposal			
(2) Lease expiry	1,990,728.20		1,990,728.20
4. Closing balance		894,495.23	894,495.23
III. Provision for impairment			
1. Opening balance			
2. Increase for the period			
(1) Provision			
3. Decrease for the period			
(1) Disposal			
4. Closing balance			
IV. Book value			
1. Closing book value		481,651.57	481,651.57
2. Opening book value	995,364.08	756,881.01	1,752,245.09

### 17. Intangible assets

#### (1) Intangible assets

Unit: RMB

Item	Land use rights	Patent rights	Non-patent technology	Software	Total
I. Original book value					
1. Opening balance	1,159,484,344.46	67,751,860.27	23,338,200.00	66,292,226.13	1,316,866,630.86
2. Increase for the period	1,795,648.56	16,034,829.29		25,225,686.94	43,056,164.79
(1) Purchase	1,795,648.56	16,459,389.77		24,995,629.90	43,250,668.23
(2) Internal R&D					
(3) Increase in business combination					
(4) Converted difference in foreign currency statements		-424,560.48		-364,282.59	-788,843.07
(5) Transfer of construction in progress				594,339.63	594,339.63
3. Decrease for the period				87,176.07	87,176.07
(1) Disposal				87,176.07	87,176.07
4. Closing balance	1,161,279,993.02	83,786,689.56	23,338,200.00	91,430,737.00	1,359,835,619.58
II. Accumulative amortization					
1. Opening balance	124,379,795.82	18,868,972.57	21,603,753.11	20,033,961.26	184,886,482.76
2. Increase for the period	23,558,686.62	8,166,957.19	189,262.56	12,575,285.79	44,490,192.16
(1) Provision	23,558,686.62	8,196,421.05	189,262.56	12,689,783.34	44,634,153.57
(2) Converted difference in foreign currency		-29,463.86		-114,497.55	-143,961.41

statements					
3. Decrease for the period				87,176.07	87,176.07
(1) Disposal				87,176.07	87,176.07
4. Closing balance	147,938,482.44	27,035,929.78	21,793,015.67	32,522,070.96	229,289,498.85
III. Provision for impairment					
1. Opening balance			1,203,498.45		1,203,498.45
2. Increase for the period					
(1) Provision					
3. Decrease for the period					
(1) Disposal					
4. Closing balance			1,203,498.45		1,203,498.45
IV. Book value					
1. Closing book value	1,013,341,510.58	56,750,759.78	341,685.88	58,908,666.04	1,129,342,622.28
2. Opening book value	1,035,104,548.64	48,882,887.70	530,948.44	46,258,264.87	1,130,776,649.65

## 18. Goodwill

### (1) Original book value of goodwill

Unit: RMB

Events that may generate goodwill through investee names	Opening balance	Increase for the period		Decrease for the period		Closing balance
		Generated by business combination	Others	Disposal	Others	
Jiangxi Tonry New Energy Technology Development Co., Ltd.	34,483,188.64					34,483,188.64
Chongqing Energy Newmi Technological Co., Ltd.	15,589,757.32					15,589,757.32
Suzhou GreenPower New Energy Materials Co., Ltd.	470,157,733.69					470,157,733.69
Total	520,230,679.65					520,230,679.65

### (2) Provision for impairment of goodwill

Unit: RMB

Events that may generate goodwill through investee names	Opening balance	Increase for the period		Decrease for the period		Closing balance
		Provision		Disposal		
Jiangxi Tonry New Energy Technology Development Co., Ltd.						
Chongqing Energy Newmi Technological Co., Ltd.	1,125,126.29					1,125,126.29
Suzhou GreenPower New Energy Materials Co., Ltd.						
Total	1,125,126.29					1,125,126.29

### (3) Method for determining the recoverable amount

① Jiangxi Tonry New Energy Technology Development Co., Ltd.

The recoverable amount of goodwill is calculated based on the present value of expected future cash flows, which is derived from the Company's approved 5-year cash flow forecasts. The cash flow forecasts apply a discount rate of 12.36%, and cash flows beyond the forecast period are assumed to remain stable at the level for the final year. This growth rate is broadly consistent with the long-term average growth rate of the lithium battery industry.

Company name	Key parameters				
	Forecast period	Growth rate for the forecast period	Growth rate for the stable period	Profit margin	Discount rate (pre-tax weighted average cost of capital, WACC)
Jiangxi Tonry	Indefinite: 2026-2030 (followed by a stable period)	Note 1	Flat	Based on estimated revenues, costs, expenses, etc.	12.36%

Note 1: Based on executed contracts and agreements, the Company's development plans, historical operational trends, and comprehensive analysis of market competition factors, combined with the asset group's condition as of the valuation date, cash flows for the asset group over the next five years were forecasted.

According to the valuation results in the *Asset Appraisal Report on the Recoverable Amount of the Asset Group Related to Jiangxi Tonry New Energy Technology Development Co., Ltd. for Goodwill Impairment Testing Purposes of Yunnan Energy New Material (Group) Co., Ltd. (for Financial Reporting)*

(Report No.: Hu Zhong Ping Bao Zi [2026] No. 0192) issued by Shanghai Zhonghua Asset Appraisal Co., Ltd. engaged by the Company, the recoverable amount of the asset group (including goodwill) was determined to be RMB921 million, and its carrying amount was RMB899,455,900 indicating no need for goodwill impairment provision.

② Chongqing Energy Newmi Technological Co., Ltd.

The recoverable amount of goodwill is calculated based on the present value of expected future cash flows, which is derived from the Company's approved 5-year cash flow forecasts. The cash flow forecasts apply a discount rate of 12.34%, and cash flows beyond the forecast period are assumed to remain stable at the level for the final year. This growth rate is broadly consistent with the long-term average growth rate of the lithium battery industry.

Company name	Key parameters				
	Forecast period	Growth rate for the forecast period	Growth rate for the stable period	Profit margin	Discount rate (pre-tax weighted average cost of capital, WACC)
Newmi Tech	Indefinite: 2026-2030 (followed by a stable period)	Note 1	Flat	Based on estimated revenues, costs, expenses, etc.	12.34%

Note 1: Based on executed contracts and agreements, the Company's development plans, historical operational trends, and comprehensive analysis of market competition factors, combined with the asset group's condition as of the valuation date, cash flows for the asset group over the next five years were forecasted.

According to the valuation results in the *Asset Appraisal Report on the Recoverable Amount of the Asset Group Related to Chongqing Energy Newmi Technological Co., Ltd. for Goodwill Impairment Testing Purposes of Yunnan Energy New Material Co., Ltd. (for Financial Reporting)* (Report No.: Hu Zhong Ping Bao Zi [2026] No. 0485) issued by Shanghai Zhonghua Asset Appraisal Co., Ltd. engaged by the Company, the recoverable amount of the asset group (including goodwill) was determined to be RMB576 million, the carrying amount of the asset group (including goodwill) was RMB573,747,400, indicating no need for a goodwill impairment provision.

③ Suzhou GreenPower New Energy Material Co., Ltd.

The recoverable amount of goodwill is calculated based on the present value of expected future cash flows, which is derived from the Company's approved 5-year cash flow forecasts. The cash flow forecasts apply a discount rate of 12.92%, and cash flows beyond the forecast period are assumed to remain stable at the level for the final year. This growth rate is broadly consistent with the long-term average growth rate of the lithium battery industry.

Company name	Key parameters				
	Forecast period	Growth rate for the forecast period	Growth rate for the stable period	Profit margin	Discount rate (pre-tax weighted average cost of capital, WACC)
Suzhou GreenPower	Indefinite: 2026-2030 (followed by a stable period)	Note 1	Flat	Based on estimated revenues, costs, expenses, etc.	12.92%

Note 1: Based on executed contracts and agreements, the Company's development plans, historical operational trends, and comprehensive analysis of market competition factors, combined with the asset group's condition as of the valuation date, cash flows for the asset group over the next five years were forecasted.

According to the appraisal results of the *Asset Appraisal Report on the Recoverable Amount of the Asset Group Related to Suzhou GreenPower New Energy Material Co., Ltd. for Goodwill Impairment Testing Purposes of Yunnan Energy New Material (Group) Co., Ltd. (for Financial Reporting)* (Report No.: Hu Zhong Ping Bao Zi [2026] No. 0319) issued by Shanghai Zhonghua Asset Appraisal Co., Ltd. engaged by the Company, the recoverable amount of the asset group (including goodwill) was RMB1,703 million, and its carrying amount was RMB783,383,000, and no goodwill impairment provision was required.

## 19. Long-term unamortized expenses

Unit: RMB

Item	Opening balance	Increase for the period	Amortized amount for the period	Decrease in other amounts	Closing balance
Renovation cost	1,231,011.		1,231,011.		
Software system implementation fee	34,968.51		34,968.51		
Power grid access fee	15,012.6		11,259.8		3,752.82
Total	1,280,992.		1,277,239.		3,752.82

## 20. Deferred income tax assets/Deferred income tax liabilities

### (1) Deferred income tax assets before offset

Unit: RMB

Item	Closing balance		Opening balance	
	Deductible temporary difference	Deferred income tax assets	Deductible temporary difference	Deferred income tax assets
Asset impairment provision	1,047,636,359.10	159,298,062.33	1,063,839,230.22	162,284,314.81
Unrealized profit of internal transaction	362,813,022.58	71,629,477.47	422,444,452.67	72,300,918.97
Deductible losses	3,057,189,475.84	473,276,837.39	3,296,761,130.39	515,190,751.08

Government subsidy	1,383,095,922.14	220,212,897.91	1,410,310,952.03	221,155,547.01
Stock incentive	11,996,278.65	1,799,715.01	16,104,459.29	2,415,964.22
Changes in fair value of other equity instrument investments	43,000,000.00	10,750,000.00	38,000,000.00	9,500,000.00
Provision for sales rebates	17,546,046.39	2,631,906.96	15,464,691.47	2,319,703.72
Others	19,073,181.01	3,002,081.08	37,895,959.39	7,091,331.93
<b>Total</b>	<b>5,942,350,285.71</b>	<b>942,600,978.15</b>	<b>6,300,820,875.46</b>	<b>992,258,531.74</b>

**(2) Deferred income tax liabilities before offset**

Unit: RMB

Item	Closing balance		Opening balance	
	Taxable temporary difference	Deferred income tax liabilities	Taxable temporary difference	Deferred income tax liabilities
Appraisal and appreciation of assets in mergers of companies not under common control	46,033,303.60	6,904,995.54	54,932,224.18	8,239,833.62
Pre-tax deduction of equipment and instruments at one time Note 1 and 2	2,369,513,388.59	372,982,185.31	2,381,107,385.93	371,117,097.18
Others			17,801,127.89	2,670,169.19
<b>Total</b>	<b>2,415,546,692.19</b>	<b>379,887,180.85</b>	<b>2,453,840,738.00</b>	<b>382,027,099.99</b>

**(3) Net amount of offset deferred income tax assets or liabilities**

Unit: RMB

Item	Offsetting amount of deferred income tax assets and deferred income tax liabilities at the end of the Reporting Period	Closing balance of deferred income tax assets or liabilities after offset	Offsetting amount of deferred income tax assets and deferred income tax liabilities at the beginning of the Reporting Period	Opening balance of deferred income tax assets or liabilities after offset
Deferred income tax assets	325,370,458.77	617,230,519.38	359,762,846.47	632,495,685.27
Deferred income tax liabilities	325,370,458.77	54,516,722.08	359,762,846.47	22,264,253.52

**(4) Details of unrecognized deferred income tax assets**

Unit: RMB

Item	Closing balance	Opening balance
Deductible temporary differences	463,362.12	2,053,777.04
Deductible loss	910,055,021.50	108,096,935.27
<b>Total</b>	<b>910,518,383.62</b>	<b>110,150,712.31</b>

**(5) Deductible losses for which deferred income tax assets were unrecognized will expire in the following years**

Unit: RMB

Year	Closing amount	Opening amount	Remarks
2026	571,908.69	571,908.69	
2027	13,040,659.48	13,040,659.48	
2028	21,681,654.67	11,255,602.35	
2029	98,287,592.80	14,165,911.37	
2030	176,020,899.52		
2031			
2032			
2033			
2034			
2035	562,964,001.34		
No legal term	37,488,305.0	69,062,853.38	
<b>Total</b>	<b>910,055,021.5</b>	<b>108,096,935.27</b>	

## 21. Other non-current assets

Unit: RMB

Item	Closing balance			Opening balance		
	Book balance	Provision for impairment	Book value	Book balance	Provision for impairment	Book value
Advance payment for project and equipment	430,265,101.47		430,265,101.47	720,594,841.55		720,594,841.55
Quality guarantee (Note 1)	1,350,000.00		1,350,000.00	1,350,000.00		1,350,000.00
Installment for sale of equipment	32,746,160.80		32,746,160.80	44,219,610.90		44,219,610.90
Advance payment for house and land	590,113,073.39		590,113,073.39	1,139,646,320.70		1,139,646,320.70
Time deposits	312,307,123.73		312,307,123.73	521,125,355.20		521,125,355.20
Less: Other non-current assets due within one	53,345,618.06		53,345,618.06	215,940,873.29		215,940,873.29
<b>Total</b>	<b>1,313,435,841.33</b>		<b>1,313,435,841.33</b>	<b>2,210,995,255.06</b>		<b>2,210,995,255.06</b>

Other explanations:

Note 1: Guizhou Haoyiduo Dairy Co., Ltd. signed an agreement with the Company, and the two parties entered into a long-term strategic partnership. The Company provided Guizhou Haoyiduo Dairy Co., Ltd. with the above money as its quality guarantee. Guizhou Haoyiduo Dairy Co., Ltd. promised to purchase no less than 13 million packaging boxes of products from the Company every year, and return the above money after the termination of the partnership. As long as the cooperation relationship is not terminated, the agreement will automatically continue after expiration. During the Reporting Period, Guizhou Haoyiduo Dairy Co., Ltd. has a good cooperation relationship with the Company, and the annual order quantity to the Company exceeds the agreed quantity in the above agreement. The Company expects that the above agreement will continue.

Note 2: The Company purchases filling machines and auxiliary equipment and sells them to customers by installment sales. The price of the equipment shall be paid together with the payment for the Company's products purchased by customers. Until the appointed time, all the payments for equipment shall be recovered, invoices shall be issued and the property rights of the equipment shall be transferred to customers.

## 22. Assets with restricted ownership or use

Unit: RMB

Item	Beginning of the period				End of the period			
	Book balance	Book value	Restriction type	Restriction	Book balance	Book value	Restriction type	Restriction
Monetary funds	667,132,525.30	667,132,525.30	Pledged	Margin, and account deposits under bank regulation	838,743,097.78	838,743,097.78	Pledged, regulation	Margin, bank-controlled account deposits
Fixed assets	2,302,569,908.75	1,876,316,484.36	Mortgaged	Mortgaged Loan, mortgage-backed government subsidy	1,305,145,941.74	1,155,206,200.49	Mortgaged	Mortgaged loan
Intangible assets	161,789,525.59	149,203,471.43	Mortgaged	Mortgaged loan	140,710,834.33	130,345,642.47	Mortgaged	Mortgaged loan
Account receivable	964,697.30	964,697.30	Pledged	Pledged loan				
Construction in progress					244,204,248.10	244,204,248.10	Mortgaged	Mortgage-backed government subsidy

Other current assets	50,149,722.24	50,149,722.24	Pledged	Margin	50,178,767.12	50,178,767.12	Pledged	Margin
Total	3,182,606,379.18	2,743,766,900.63			2,578,982,889.07	2,418,677,955.96		

Other explanations: In addition to the items presented in the above table, the Company's subsidiary Shanghai Energy New Material Technology Co., Ltd. has pledged its 100% equity interest in Suzhou GreenPower New Energy Material Co., Ltd. as collateral for bank borrowings. As a result, the aforementioned equity interest is classified as a restricted asset.

## 23. Short-term loans

### (1) Classification of short-term borrowings

Unit: RMB

Item	Closing balance	Opening balance
Pledged loan	50,878,697.30	49,875,000.00
Guaranteed loan	7,697,944,877.07	7,873,958,503.74
Credit loan	152,781,917.24	192,500,000.00
Undue interest payables	12,006,445.89	20,564,458.76
Total	7,913,611,937.50	8,136,897,962.50

Explanations for classification of short-term borrowings:

Note 1: the subsidiary Shanghai Energy New Material Technology Co., Ltd. obtained a loan of RMB49,914,000.00 by pledging its own certificate of deposit amounting to RMB50,149,722.24 as collateral; the subsidiary Yunnan Hongchuang Packaging Co., Ltd. pledged accounts receivable of RMB964,697.30 to obtain borrowings of RMB964,697.30. See Note V-22 "Assets with restricted ownership" in this Section for details of pledge.

Note 2: Loans obtained through guarantees provided by the Company's ultimate controlling shareholder, the Company and its subsidiaries. For details, please refer to: Note XII of this Section "Related parties and related party transactions" (five). Related party transactions 3 Related party guarantees.

## 24. Notes payable

Unit: RMB

Type	Closing balance	Opening balance
Commercial acceptance bills	3,011,635.55	5,969,550.46
Bank acceptance bills	763,202,276.81	508,719,854.16
Total	766,213,912.36	514,689,404.62

## 25. Accounts payable

### (1) Accounts payable

Unit: RMB

Item	Closing balance	Opening balance
Materials payable	1,175,811,711.47	717,111,406.43
Engineering equipment payable	750,524,687.45	959,748,795.64
Accessories and spare parts payable	97,679,486.22	68,189,620.27
Transportation fee payable	68,040,001.04	61,583,428.05
Other payable	218,120,980.99	203,225,271.16
Total	2,310,176,867.17	2,009,858,521.55

### (2) Major accounts payable aged over one year

Unit: RMB

Item	Closing balance	Reasons for outstanding or carry-over
Changzhou No. 1 Construction Group Co., Ltd.	44,506,069.28	Not mature
Qingdao Huashijie New Material Technology Group Co., Ltd.	29,553,508.10	Not mature
Dalian Shengyu Air Conditioning and Purification Equipment Engineering Co., Ltd.	11,831,231.17	Not mature
Nanjing LiBu Machinery Co., Ltd.	11,676,097.73	Not mature
Yunnan Futong Air Conditioning & Purification Engineering Co., Ltd.	11,113,610.85	Not mature
Fuji Iron Works Co., Ltd.	11,058,559.20	Not mature
Nanjing LiBu Machinery Co., Ltd.	10,902,654.83	Not mature
Jintan Branch of Jiangxi Ruizhou Construction Group Co., Ltd.	5,965,203.30	Not mature
Suzhou RS Technology Co., Ltd.	5,457,676.00	Not mature
Nantong Runyuan Structural Parts Co., Ltd.	5,150,710.60	Not mature
Total	147,215,321.06	

(3) **Whether there were overdue payments to small and medium-sized enterprises (SMEs)**

Whether the Company is a large enterprise:  Yes No  
 Whether there were overdue payments to SMEs: Yes  No

**26. Other payables**

Unit: RMB

Item	Closing balance	Opening balance
Dividends payable	9,778,239.09	9,778,239.09
Other payables	192,882,923.14	202,844,830.33
Total	202,661,162.23	212,623,069.42

**(1) Dividends payable**

Unit: RMB

Item	Closing balance	Opening balance
Common share dividends	9,778,239.09	9,778,239.09
Total	9,778,239.09	9,778,239.09

**(2) Other payables****1) Other payables listed by nature of payment**

Unit: RMB

Item	Closing balance	Opening balance
Restricted stock repurchases obligations	51,344,699.54	135,645,573.37
Equity acquisition	42,736,010.00	42,736,010.00
Deposits and guarantees	12,403,739.75	15,651,753.56
Withholding employees' social insurance	641,332.78	2,431,817.90
Finance lease receivables	74,535,297.07	
Reimbursement	3,534,276.62	2,046,262.01
Others	7,687,567.38	4,333,413.49
Total	192,882,923.14	202,844,830.33

**2) Major other payables aged over one year or due**

Unit: RMB

Item	Closing balance	Reasons for outstanding or carry-over
Gao'an Kewei investment partnership (limited partnership)	22,380,000.00	Payment terms not been met
DENCOLIMITED	20,356,010.00	Payment terms not been met
Total	42,736,010.00	

**27. Contractual liabilities**

Unit: RMB

Item	Closing balance	Opening balance
Advance receivable for goods	32,047,058.00	30,176,163.00
Rebate	17,546,046.39	15,464,691.47
Total	49,593,104.39	45,640,854.47

**28. Employee benefits payable****(1) Employee benefits payable**

Unit: RMB

Item	Opening balance	Increase for the period	Decrease for the period	Closing balance
I. Short-term remuneration	85,709,641.07	1,536,026,587.01	1,521,885,864.79	99,850,363.29

II. Retirement pension program- defined	3,256,691.14	123,506,707.03	118,506,622.22	8,256,775.95
III. Termination benefits		4,785,020.90	4,785,020.90	
Total	88,966,332.21	1,664,318,314.94	1,645,177,507.91	108,107,139.24

**(2) Short-term benefits**

Unit: RMB

Item	Opening balance	Increase for the period	Decrease for the period	Closing balance
1. Wage, bonus, allowance and subsidies	81,122,275.33	1,312,275,935.55	1,300,162,557.25	93,235,653.63
2. Employee welfare		73,979,358.68	73,979,358.68	
3. Social insurance	1,754,255.54	91,924,531.64	90,227,200.60	3,451,586.58
Including: Medical insurance	1,652,473.63	54,951,208.28	55,241,107.09	1,362,574.82
Labor injury insurance	48,176.05	5,123,039.85	4,885,904.52	285,311.38
Maternity insurance premium	53,605.86	2,719,271.06	2,772,223.37	653.55
Supplementary medical insurance		1,702,621.94	1,702,621.94	
4. Housing fund	1,741,323.00	50,916,819.40	51,048,218.05	1,609,924.35
5. Labor union budget and staff education fund	1,091,787.20	6,929,941.74	6,468,530.21	1,553,198.73
Total	85,709,641.07	1,536,026,587.01	1,521,885,864.79	99,850,363.29

**(3) Defined contribution plans**

Unit: RMB

Item	Opening balance	Increase for the period	Decrease for the period	Closing balance
1. Basic pension	3,157,909.96	119,403,160.14	114,578,930.91	7,982,139.19
2. Unemployment insurance	98,781.18	4,103,546.89	3,927,691.31	274,636.76
Total	3,256,691.14	123,506,707.03	118,506,622.22	8,256,775.95

**29. Taxes payable**

Unit: RMB

Item	Closing balance	Opening balance
VAT	16,152,293.61	19,826,033.7
Corporate income tax	95,352,572.17	70,548,724.88
Personal income tax	8,046,119.10	6,300,491.3
City maintenance and construction tax	2,254,800.75	963,296.29
Property tax	14,326,042.75	9,776,242.18
Land using tax	3,087,167.31	3,050,650.0
Education surtax	1,729,362.46	926,425.35
Stamp duty	4,085,521.80	5,346,531.9
Others	1,311,407.80	163,472.85
Total	146,345,287.75	116,901,868.5

Other explanations: In the above table, "Other payables" refers to other payables after deducting interest payable and dividends payable.

**30. Non-current liabilities due within one year**

Unit: RMB

Item	Closing balance	Opening balance
Long-term loans due within 1 year	1,960,866,458.28	1,663,741,019.86
Bonds payable due within 1 year		7,403,847.66
Long-term payables due within 1 year	112,908,669.41	
Lease liabilities due within 1 year		1,009,605.19
R&D project subsidy for lithium battery separator	700,000.00	700,000.00
Project subsidy for high-safety & high-reliability lithium batteries and high-strength separators for energy electronics applications	22,000,000.00	22,000,000.00
Lithium battery separator project investment funds	99,000,000.00	87,000,000.00

Total	2,195,475,127.69	1,781,854,472.71
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### 31. Other current liabilities

Unit: RMB

Item	Closing balance	Opening balance
Output value-added tax payable	3,292,321.38	1,775,714.63
Endorsement of bank acceptance bill not derecognized	313,018,938.93	208,570,048.67
Endorsement for transfer of supply chain voucher not derecognized	485,954,097.87	525,952,344.5
Total	802,265,358.18	736,298,107.85

### 32. Long-term borrowings

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

Unit: RMB

Item	Closing balance	Opening balance
Pledged loan (Note 1)	366,000,000.00	516,000,000.00
Mortgaged loan (Note 2)	1,036,135,806.91	1,241,029,140.62
Guaranteed loan (Note 3, Note 4)	4,766,943,337.22	4,622,089,982.32
Credit loan (Note 4)	601,977,288.90	349,000,000.00
Undue interest payables	4,946,469.22	5,651,008.22
Pledged + Guaranteed loan	177,422,967.69	
Less: Long-term loans due within 1 year	1,960,866,458.28	1,663,741,019.86
Total	4,992,559,411.66	5,070,029,111.30

Description for long-term borrowings by type:

Description for long-term borrowings:

Note 1: the subsidiary Shanghai Energy New Material Technology Co., Ltd. will pledge its 100% equity in Suzhou GreenPower New Energy Materials Co., Ltd. to obtain a loan of RMB366,000,000.00.

Note 2: the subsidiary Yunnan Hongta Plastic Co., Ltd., the sub-subsidiaries Zhuhai Energy New Material Technology Co., Ltd., Wuxi Energy New Material Technology Co., Ltd., Hubei Energy New Material Technology Co., Ltd., Jiangsu Energy New Material Technology Co., Ltd., Chongqing Energy New Material Technology Co., Ltd. obtained a loan of RMB1,036,135,806.91 by pledging their own fixed assets and intangible assets. See Note V-22 "Assets with restricted ownership" in this Section for details of pledge.

Note 3: the sub-subsidiaries Hongchuang Packaging (Anhui) Co., Ltd. obtained fixed-asset syndicated loan borrowings of RMB177,422,967.69, which were guaranteed by the Company and secured by a mortgage over its own real estate property. For details of the collateral, please refer to Note 22 "Assets with restricted ownership" in Section V of the Notes.

Note 4: For details of loans obtained through the guarantee provided by actual controllers of the Company, the Company and its subsidiaries, please refer to "Note XIV Related parties and related party transactions - 5. Related parties and related party transactions - 4(3). Related party guarantees" in this Section.

### 33. Bonds payable

#### (1) Bonds payable

Unit: RMB

Item	Closing balance	Opening balance
Convertible corporate bonds		447,655,547.48
Less: Bonds payable due within one year		7,403,847.66
Total		440,251,699.82

**(2) Changes in bonds payable: (excluding preferred shares classified as financial liabilities, perpetual bonds and other financial instruments)**

Unit: RMB

Name of bond	Par value	Coupon rate	Issue date	Term	Issue size	Opening balance	Issued in current	Interest provisioned by par value	Amortization of discounts and	Paid in the current period	Shares converted in the current period	Closing balance	Default or not
Convertible corporate bonds of Yunnan	1,600,000,000.0	0.40%	February 11, 2020	6 years	1,600,000,000.00	440,251,699.82			12,659,200.18	2,416,300.00	450,494,600.00		No
Total					1,600,000,000.00	440,251,699.82			12,659,200.18	2,416,300.00	450,494,600.00		

**(3) Explanation on convertible corporate bonds**

According to the *Rules Governing the Listing of Stocks on the Shenzhen Stock Exchange* and the *Prospectus of Yunnan Energy New Material Co., Ltd. on the Public Issuance of Convertible Corporate Bonds*, the debt and share conversion period of Yunnan Energy commences from the first trading day in the six months after the end of the issuance to the maturity date of the convertible corporate bonds, that is, from August 17, 2020 to February 11, 2026, and the initial conversion price is RMB64.61 per share.

On May 21, 2020, according to the *Announcement on the Adjustment of the Conversion Price of Convertible Corporate Bonds*, as the Company implements the 2019 annual equity distribution plan, the conversion price of debts and shares of Yunnan Energy is adjusted from RMB64.61 per share to RMB64.49 per share.

On September 3, 2020, according to the *Announcement on the Adjustment of the Conversion Price of Convertible Corporate Bonds*, as the Company adopts the non-public issuance of new shares, the conversion price of debts and shares of Yunnan Energy is adjusted to RMB65.09 per share.

As at September 28, 2020, in accordance with the *Announcement on the Non-adjustment of Convertible Corporate Bond Conversion Price for the Repurchase and Cancellation of Some Restricted Shares*, the Company repurchased and cancelled the Company's restricted shares held by the four incentive recipients because the personal assessment grade of the four incentive recipients was "good" when the Company's 2017 Restricted Stock Incentive Plan was unlocked for the third time. Due to the small proportion of the repurchased and cancelled shares in the Company's total share capital, after the repurchase and cancellation, the conversion price of debts and shares of Yunnan Energy remained unchanged at RMB65.09 per share.

On April 30, 2021, according to the *Announcement on the Adjustment of the Conversion Price of Convertible Corporate Bonds*, as the Company implements the 2020 annual equity distribution plan, the conversion price of debts and shares of Yunnan Energy is adjusted to RMB64.92 per share.

On May 16, 2022, according to the *Announcement on the Adjustment of the Conversion Price of Convertible Corporate Bonds*, as the Company implemented the 2021 annual equity allocation plan, the conversion price of debts and shares of Yunnan Energy is adjusted to RMB64.62 per share.

On June 20, 2023, according to the *Announcement on the Adjustment of the Conversion Price of Convertible Corporate Bonds*, as the Company implemented non-public issuance of Renminbi ordinary shares, the conversion price of debts and shares of Yunnan Energy is adjusted to RMB66.64 per share.

On July 20, 2023, according to the *Announcement on the Non-adjustment of Convertible Corporate Bond Conversion Price for the Repurchase and Cancellation of Some Restricted Shares*, the Company repurchased and cancelled the Company's certain restricted shares held by 2022 Stock Options and Restricted Stock Incentive Plan, the conversion price of debts and shares of Yunnan Energy is adjusted to RMB64.64 per share.

On August 21, 2023, according to the *Announcement on the Adjustment of the Conversion Price of Convertible Corporate Bonds*, as the Company implements the 2022 annual equity distribution plan, the conversion price of debts and shares of Yunnan Energy is adjusted to RMB64.46 per share.

On September 21, 2023, according to the *Announcement on the Adjustment of the Conversion Price of Convertible Corporate Bonds*, as the Company implements the 2023 semi-annual equity distribution plan, the conversion price of debts and shares of Yunnan Energy is adjusted to RMB66.26 per share.

On June 3, 2024, according to the *Announcement on the Adjustment of the Conversion Price of Convertible Corporate Bonds*, as the Company implements the 2023 annual equity distribution plan, the conversion price of debts and shares of Yunnan Energy is adjusted to RMB64.73 per share.

On June 6, 2024, according to the *Announcement on the Non-adjustment of Convertible Corporate Bond Conversion Price for the Repurchase and Cancellation of Some Restricted Shares*, the conversion price of debts and shares of Yunnan Energy remained unchanged at RMB64.73 per share, due to the Company's repurchase and cancellation of restricted shares.

On November 6, 2024, according to the *Announcement on the Adjustment of the Conversion Price of Convertible Corporate Bonds*, as the Company implements the repurchase and cancellation of shares, the conversion price of debts and shares of Yunnan Energy was adjusted to RMB64.92 per share.

On February 10, 2025, the Company completed the downward revision procedures for the conversion price of the debts and shares of Yunnan Energy. As from February 11, 2025, the conversion price of the debts and shares of Yunnan Energy was revised downward from RMB64.92 per share to RMB32.00 per share.

On March 21, 2025, the Company completed the repurchase and cancellation of an aggregate of 35,835 restricted shares held by 50 incentive recipients under the 2022 Stock Option and Restricted Stock Incentive Plan and an aggregate of 1,735,482 restricted shares held by 20 incentive recipients under the first grant of the 2024 Restricted Stock Incentive Plan. Pursuant to the relevant provisions on the adjustment of the conversion price of convertible corporate bonds, the Company made a corresponding adjustment to the conversion price of the debts and shares of Yunnan Energy. As from March 24, 2025, the conversion price of the debts and shares of Yunnan Energy was adjusted from RMB32.00 per share to RMB32.01 per share.

On August 1, 2025, the Company completed the repurchase and cancellation of an aggregate of 330,036 restricted shares held by 624 incentive recipients under the 2022 Stock Option and Restricted Stock Incentive Plan, an aggregate of 580,946 restricted shares held by 115 incentive recipients under the first grant of the 2024 Restricted Stock Incentive Plan, an aggregate of 341,400 restricted shares held by 14 incentive recipients, and an

aggregate of 108,000 restricted shares held by 4 incentive recipients. As the repurchased and cancelled shares accounted for a small proportion of the Company's total share capital, the conversion price of the debts and shares of Yunnan Energy remained unchanged at RMB32.01 per share.

During the period from September 10, 2025 to October 9, 2025, the closing price of the Company's stock was not lower than 130% of the then-current conversion price of the debts and shares of Yunnan Energy (i.e., RMB32.01 per share) (i.e., RMB41.61 per share) for fifteen trading days. According to the terms of the *Prospectus*, the conditional redemption clause for the debts and shares of Yunnan Energy was triggered. The conditional redemption clause for the debts and shares of Yunnan Energy was triggered on October 9, 2025. As of the close of trading on the redemption record date (October 30, 2025), there were 24,163 bonds of the debts and shares of Yunnan Energy still unconverted, and the number of the debts and shares of Yunnan Energy redeemed this time was 24,163 bonds. As from November 10, 2025, the debts and shares of Yunnan Energy issued by the Company were delisted from the Shenzhen Stock Exchange.

### 34. Lease liabilities

Unit: RMB

Item	Closing balance	Opening balance
Lease payments		1,028,571.48
Less: Unrecognized financing expenses		18,966.29
Less: Lease liabilities due within one year		1,009,605.19
Total		0.00

### 35. Long-term payables

Unit: RMB

Item	Closing balance	Opening balance
Long-term payables	384,054,475.96	172,792,328.77
Total	384,054,475.96	172,792,328.77

#### a) Long-term payables by nature of the amount

Unit: RMB

Item	Closing balance	Opening balance
Finance lease payables	309,770,816.60	
Equity repurchase obligation	187,192,328.77	172,792,328.77
Less: Long-term payables due within 1 year	112,908,669.41	
Total	384,054,475.96	172,792,328.77

### 36. Deferred income

Unit: RMB

Item	Opening balance	Increase for the period	Decrease for the period	Closing balance	Reason
Government subsidies related to assets	1,367,166,321.73	308,060,488.10	130,645,511.52	1,544,581,298.31	Details of the Company's government subsidies are set out in Note 9 – “Government Subsidies”, (II) Liabilities related to government subsidies
Government subsidies related to income	315,355.87	940,000.00	315,355.87	940,000.00	Details of the Company's government subsidies are set out in Note 9 – “Government Subsidies”, (II) Liabilities related to government subsidies
VAT deduction	15,285,103.47	51,649,687.10	51,523,563.73	15,411,226.84	
Total	1,382,766,781.07	360,650,175.20	182,484,431.12	1,560,932,525.15	--

### 37. Other non-current liabilities

Unit: RMB

Item	Closing balance	Opening balance
Investment subsidy for aseptic packaging production project (Note 1)	44,800,000.00	18,600,000.00

Investment subsidy for the Hungarian factory (Note 2)		244,204,248.10
Total	44,800,000.00	262,804,248.10

Other explanations:

Note 1: Hongchuang Packaging (Anhui) Co., Ltd., a third-level subsidiary of the Company, constructed the Hongchuang aseptic packaging production base project in Ma An Shan City, Anhui Province, with policy support from the local government. According to the relevant provisions of the investment agreement, the government disburses conditional fixed asset investment subsidies in advance, and after the commitments under the investment agreement are fulfilled, the subsidy shall be recognized in accordance with the government subsidy accounting standards.

Note 2: SEMCORP Hungary Kft., a third-level subsidiary of the Company, has built a factory in Hungary, with policy support from the local government. An initial subsidy for the factory investment is provided by the government in the form of a grant.

### 38. Share capital

Unit: RMB

	Opening balance	Increase or decrease (+, -)					Closing balance
		New issues	Bonus issuance	Conversion of reserve into share	Others	Subtotal	
Total amount of shares	971,279,156.00	14,072,680.00			-3,131,699.00	10,940,981.00	982,220,137.00

Description of changes in share capital:

1. The convertible bonds publicly issued by the Company entered the share transfer period on August 17, 2020. As of December 31, 2025, the Company's share capital increased by RMB14,072,680.00 due to the share transfer.

2. The Company repurchased and cancelled the restricted shares resulting in a decrease of share capital by RMB3,131,699.00 during the current period.

### 39. Other equity instruments

#### (1) Outstanding preferred shares, perpetual bonds and other financial instruments as at the end of the Reporting Period

Under the *Approval of the Issuance of Convertible Corporate Bonds by Yunnan Energy New Material Co., Ltd.* (Zheng Jian Xu Ke [2019] No. 2701) issued by the China Securities Regulatory Commission, the Company publicly issued 16 million convertible corporate bonds on February 11, 2020, which was calculated as the value of the debt instruments of the convertible corporate bonds was RMB1,408,703,126.08, and the value of the equity instruments was RMB177,419,515.43 by referring to the interest rates of the credit bonds of similar enterprises with AA credit rating and similar maturities in the market and deducting the bond issuance expenses.

#### (2) Table of changes in outstanding preferred shares, perpetual bonds and other financial instruments as at the end of the Reporting Period

Unit: RMB

Outstanding financial instruments	At the beginning of the period		Increase for the period		Decrease for the period		At the end of the period	
	Number of shares	Book value	Number of shares	Book value	Number of shares	Book value	Number of shares	Book value
Equity instrument of convertible corporate bonds	4,529,109.00	50,222,020.25			4,529,109.00	50,222,020.25		
Total	4,529,109.00	50,222,020.25			4,529,109.00	50,222,020.25		

Explanations on changes in other financial instruments and reasons thereof as at the end of the Reporting Period, and the basis for related accounting treatment

In 2025, the Company's "Energy Convertible Bonds" decreased by RMB450,494,600.00 (4,504,946.00 bonds) due to the transfer of 14,072,680 shares and reduced the other equity instrument by RMB49,954,083.51; the early redemption of convertible bonds decreased by RMB2,416,300.00 (24,163 bonds redeemed), and reduced other equity instruments by RMB267,936.74.

**40. Capital reserve**

Unit: RMB

Item	Opening balance	Increase for the period	Decrease for the period	Closing balance
Capital premium (capital stock premium)	14,508,514,000.17	582,816,606.05	84,266,539.38	15,007,064,066.84
Other capital reserve	88,375,136.99	621,173.46	3,854,413.21	85,141,897.24
Total	14,596,889,137.16	583,437,779.51	88,120,952.59	15,092,205,964.08

Other explanations, including changes and reasons thereof as at the end of the Reporting Period:

Description of Capital reserve:

1. The capital premium (capital stock premium) increased by RMB582,816,606.05 for the period, mainly because:
  - (1) The convertible bonds publicly issued by the Company entered the share transfer period on August 17, 2020. The Company's capital reserve increased by RMB482,567,426.75 due to the share transfer.
  - (2) The receipt of capital contributions from shareholders by the Company resulted in an increase in capital reserve by RMB100,157,698.10.
  - (3) The subsidiary Shanghai Energy New Material Technology Co., Ltd. repurchased minority shareholders' shares of Chongqing Newmi, resulting in an increase in capital reserve by RMB91,481.20.
2. The capital premium (capital stock premium) decreased by RMB84,266,539.38 for the period, mainly because:
  - (1) The change in the shareholding ratio of the subsidiary Yunnan Hongchuang Packaging Co., Ltd. resulted in a decrease in capital reserve by RMB456,358.76.
  - (2) The repurchase and cancellation of restricted shares by the Company resulted in a decrease in capital reserve by RMB83,681,306.73.
  - (3) The full redemption of convertible bonds and the payment of zero bond proceeds to investors resulted in a decrease in capital reserve by RMB128,873.89.
3. The increase of other capital reserves was RMB621,173.46 for the period, mainly because:
  - (1) The subsidiary Yunnan Hongchuang Packaging Co., Ltd. implemented stock incentive for employees and recognized related expenses for share-based payments, resulting in an increase of RMB621,173.46 in other capital reserves.
4. The decrease of other capital reserves was RMB3,854,413.21 for the period, mainly because the Company recalculated and recognized share-based payment expenses for the employee equity incentive due to the performance targets not being met, resulting in a decrease of RMB3,854,413.21 in other capital reserves.

**41. Treasury stock**

Unit: RMB

Item	Opening balance	Increase for the period	Decrease for the period	Closing balance
Equity incentive repurchases	200,072,157.39			200,072,157.39
Restricted share-based payment	137,866,944.98		86,522,245.44	51,344,699.54
Total	337,939,102.37		86,522,245.44	251,416,856.93

Other explanations: Due to the repurchase and cancellation of restricted shares by the Company, treasury shares decreased by RMB86,522,245.44.

**42. Other comprehensive income**

Unit: RMB

Item	Opening balance	Amount for the current period						Closing balance
		Amount incurred before the income tax in the current period	Less: Amount included into other comprehensive income in the prior period and transferred into the profit and loss in the current period	Less: Amount included into other comprehensive income in the prior period and transferred into the retained earnings in the current period	Less: Income tax expense	After-tax amount attributable to the parent company	After-tax amount attributable to minority shareholders	

I. Other comprehensive income that cannot be reclassified subsequently to profit or loss	-28,500,000.00	-5,000,000.00			-1,250,000.00	-3,750,000.00		-32,250,000.00
Changes in fair value of other equity instrument investments	-28,500,000.00	-5,000,000.00			-1,250,000.00	-3,750,000.00		-32,250,000.00
II. Other comprehensive income that will be reclassified subsequently to profit or loss	-69,299,317.85	329,933,455.55				314,163,594.12	15,769,861.43	244,864,276.27
Exchange differences from translation of statements denominated in foreign currencies	-69,299,317.85	329,933,455.55				314,163,594.12	15,769,861.43	244,864,276.27
Total other comprehensive income	-97,799,317.85	324,933,455.55			-1,250,000.00	310,413,594.12	15,769,861.43	212,614,276.27

### 43. Surplus reserve

Unit: RMB

Item	Opening balance	Increase for the period	Decrease for the period	Closing balance
Statutory surplus reserve	399,236,371.96	17,960,959.72		417,197,331.68
Reserve fund	21,153,681.64			21,153,681.64
Enterprise development fund	1,416,680.73			1,416,680.73
Total	421,806,734.33	17,960,959.72		439,767,694.05

Explanations on surplus reserve: The statutory surplus reserve is provided at 10% of the net profit of the Company in accordance with the Company Law and the Company's Articles of Association.

### 44. Undistributed profit

Unit: RMB

Item	Current period	Previous period
Undistributed profit before adjustments at the end of the prior period	8,866,770,927.54	10,945,879,862.09
Undistributed profit adjusted at the beginning of the period	8,866,770,927.54	10,945,879,862.09
Add: Net profit attributable to owners of parent company in the current period	142,548,339.91	-556,317,501.09
Less: Withdrawal of statutory surplus reserve	17,960,959.72	22,791,931.34
Common share dividends payable		1,499,999,502.12
Undistributed profits at the end of the period	8,991,358,307.73	8,866,770,927.54

### 45. Operating income and operating cost

Unit: RMB

Item	Amount for the current period		Amount for the previous period	
	Income	cost	Income	cost
Main businesses	13,274,496,027.30	10,926,185,433.75	9,815,794,907.87	8,976,180,560.42
Other businesses	358,231,108.71	147,370,271.73	347,860,885.83	62,565,490.56
Total	13,632,727,136.01	11,073,555,705.48	10,163,655,793.70	9,038,746,050.98

Whether the lowest of the audited total profit, net profit and net profit after deducting non-recurring gains or losses for the Reporting Period is negative: Yes  No

Breakdown information of operating income and operating cost:

Unit: RMB

Contract category	Segment 1		Total	
	Operating income	Operating cost	Operating income	Operating cost
Business type	13,274,496,027.30	10,926,185,433.75	13,274,496,027.30	10,926,185,433.75
Including:				
Film products	12,206,226,126.86	10,051,303,105.58	12,206,226,126.86	10,051,303,105.58
Cigarette labels	2,018,322.00	2,803,145.61	2,018,322.00	2,803,145.61
Aseptic packaging	968,736,188.13	750,605,568.94	968,736,188.13	750,605,568.94
Specialty paper	30,342,231.61	27,339,467.89	30,342,231.61	27,339,467.89
Other products	67,173,158.70	94,134,145.73	67,173,158.70	94,134,145.73
By business region	13,274,496,027.30	10,926,185,433.75	13,274,496,027.30	10,926,185,433.75
Including:				
Southwest China	3,178,356,929.02	2,667,462,030.74	3,178,356,929.02	2,667,462,030.74
East China	5,449,700,634.73	4,639,717,853.19	5,449,700,634.73	4,639,717,853.19
North China	324,403,382.67	280,018,509.11	324,403,382.67	280,018,509.11
Southcentral China	1,848,042,903.20	1,695,212,064.03	1,848,042,903.20	1,695,212,064.03
Northwest China	174,149,259.60	148,760,614.04	174,149,259.60	148,760,614.04
Northeast China	19,183,282.73	15,502,342.41	19,183,282.73	15,502,342.41
Overseas region	2,280,659,635.35	1,479,512,020.23	2,280,659,635.35	1,479,512,020.23

#### 46. Taxes and surcharges

Unit: RMB

Item	Amount for current period	Amount for previous period
City maintenance and construction tax	19,072,454.33	12,061,643.77
Education surcharge	14,801,927.39	10,823,595.22
Resource tax	3,163,024.87	
Property tax	58,097,101.34	44,807,551.79
Land using tax	11,409,209.27	14,868,310.83
Vehicle and vessel usage tax	37,291.40	10,451.71
Stamp duty	20,993,254.37	13,134,014.58
Land appreciation tax	1,442,404.83	
Others	784,414.37	566,911.32
Total	129,801,082.17	96,272,479.22

Other explanations:

#### 47. Administrative expenses

Unit: RMB

Item	Amount for current period	Amount for previous period
Employee compensation	406,062,547.46	280,348,818.55
Share-based payment	-3,512,533.25	-13,025,775.09
Depreciation and amortization	113,953,477.02	88,583,836.72
Agencies	104,419,384.65	138,290,456.03
Maintenance costs	8,871,746.39	5,630,388.12
Office expense	21,597,699.88	10,720,736.92
Travel expense	17,381,597.91	8,597,919.45
Entertainment expense	5,513,699.09	4,950,886.73

Environmental protection fee	26,238,273.21	18,650,827.87
Others	55,925,830.24	57,416,842.84
<b>Total</b>	<b>756,451,722.60</b>	<b>600,164,938.14</b>

**48. Selling expense**

Unit: RMB

Item	Amount for current period	Amount for previous period
Employee compensation	42,376,659.83	31,752,574.37
Sales agency expense	61,038,798.02	75,057,202.88
Depreciation and amortization	10,857,584.30	10,969,864.76
Entertainment expense	7,492,938.84	7,380,162.90
Travel expense	5,527,763.21	4,788,870.86
Share-based payment	806,782.93	1,618,519.39
Others	19,303,989.06	13,696,212.10
<b>Total</b>	<b>147,404,516.19</b>	<b>145,263,407.26</b>

**49. R&D expenses**

Unit: RMB

Item	Amount for current period	Amount for previous period
Material costs	190,657,127.08	212,097,316.60
Employee compensation	266,236,108.99	271,854,330.56
Depreciation and amortization	86,154,672.82	56,020,419.29
Energy consumption costs	102,658,484.61	80,684,132.22
Others	43,912,619.64	42,186,981.02
<b>Total</b>	<b>689,619,013.14</b>	<b>662,843,179.69</b>

**50. Financial expenses**

Unit: RMB

Item	Amount for current period	Amount for previous period
Interest expenses	341,745,309.21	353,090,934.03
Less: Interest income	45,913,869.63	61,700,514.83
Net exchange gains or losses	16,384,941.09	15,310,920.82
Bank charges	8,030,742.51	7,562,273.87
<b>Total</b>	<b>320,247,123.18</b>	<b>314,263,613.89</b>

**51. Other income**

Unit: RMB

Sources of other income	Amount for current period	Amount for previous period
Government subsidy	208,948,295.38	221,599,426.46
Personal income tax withholding fee	1,129,596.00	461,445.22
Additional deduction of input tax	64,804,478.86	83,034,083.97
Tax incentives for independent entrepreneurship	2,750,052.87	944,871.26
<b>Total</b>	<b>277,632,423.11</b>	<b>306,039,826.91</b>

**52. Investment income**

Unit: RMB

Item	Amount for current period	Amount for previous period
Gain from long-term equity investments under the equity method	-2,147,342.85	1,347,859.55
Investment income from disposal of long-term equity investments		-59,743.89
Investment income from trading financial assets during the holding period		-15,436,640.64
Investment income from derecognition of financial assets at amortized cost	-20,942,756.34	-13,173,229.23
Investment income from disposal of financial assets at amortized cost through the current profits or losses		1,324,200.00

Proceeds from wealth management products	14,236,608.63	27,410,362.50
Total	-8,853,490.56	1,412,808.29

### 53. Credit impairment losses

Unit: RMB

Item	Amount for current period	Amount for previous period
Bad debt losses on notes receivable	2,456,984.36	6,124,630.20
Bad debt losses on accounts receivable	-32,071,234.51	1,256,441.23
Bad debt losses on other receivables	-198,770.88	-14,288.61
Total	-29,813,021.03	7,366,782.82

Other explanations: In the above table, losses are presented with a “-” sign.

### 54. Asset impairment losses

Unit: RMB

Item	Amount for current period	Amount for previous period
I. Inventory depreciation losses and contract performance cost impairment losses	-298,705,532.41	-456,866,962.99
VI. Construction in progress impairment losses		-4,229,530.67
X. Goodwill impairment losses		-1,125,126.29
Total	-298,705,532.41	-462,221,619.95

Other explanations: In the above table, losses are presented with a “-” sign.

### 55. Gains on disposal of assets

Unit: RMB

Source	Amount for current period	Amount for previous period
Gains or losses from disposal of fixed assets	-1,900,407.49	2,755,562.94
Total	-1,900,407.49	2,755,562.94

### 56. Non-operating income

Unit: RMB

Item	Amount for current period	Amount for previous period	Amount of non-recurring gain or loss included in the current period
Accepting donations	87,105.25	52,000.00	87,105.25
Default compensation receipt	28,918,806.80	719,483.46	28,918,806.80
Payments that do not need to be made upon approval	1.13	1,492,605.45	1.13
Abandonment gains or losses of non-current assets	61,946.90		61,946.90
Others	3,620,303.75	3,209,157.05	3,620,303.75
Total	32,688,163.83	5,473,245.96	32,688,163.83

### 57. Non-operating expenses

Unit: RMB

Item	Amount for current period	Amount for previous period	Amount of non-recurring gain or loss included in the current period
Donation	452,095.13	843,660.42	452,095.13
Abandonment losses of non-current assets	6,365,224.37	3,332,501.62	6,365,224.37
Expenses on compensation and fines	37,418,039.06	6,346,398.59	29,458,311.05
Others	4,912,819.33	1,207,829.36	12,872,547.34
Total	49,148,177.89	11,730,389.99	49,148,177.89

**58. Income tax expense****(1) Table of income tax expenses**

Unit: RMB

Item	Amount for current period	Amount for previous period
Current income tax expenses	248,159,825.94	296,309,291.77
Deferred income tax expenses	48,485,062.43	-481,213,791.10
Total	296,644,888.37	-184,904,499.33

**(2) Adjustment process of accounting profit and income tax expense**

Unit: RMB

Item	Amount for current period
Total profit	437,547,930.81
Income tax expenses calculated based on the statutory/applicable tax rates	109,348,992.05
Impact of different tax rates applied to subsidiaries	-29,914,256.12
Impact of adjusting income tax in previous periods	124,490,145.22
Impact of non-taxable revenue	-14,007,255.04
Impact of non-deductible cost, expense and loss	28,588,695.61
Impact of deductible temporary differences or deductible losses of the deferred income tax assets not recognized in the current period	167,094,603.12
R&D expenses plus deduction	-87,902,861.23
Allowed credit for investment in special equipment	-492,089.01
Deduction for wages of disabled employees	-583,111.11
Others	22,024.88
Income tax expenses	296,644,888.37

**59. Items of cash flow statement****(1) Cash receipts related to operating activities**

Other cash receipts related to operating activities

Unit: RMB

Item	Amount for current period	Amount for previous period
Interest income	46,449,698.02	60,737,542.17
Subsidy income	160,245,331.95	434,555,563.04
Recovered deposit	25,876,491.89	32,336,723.67
Petty cash receipts	1,965,097.14	1,164,957.00
Other accounts current	6,286,417.18	1,105,574.42
Income from penalty and liquidated damages	28,918,806.80	719,483.46
Others	4,020,694.76	3,261,157.05
Total	273,762,537.74	533,881,000.81

Other cash payments related to operating activities

Unit: RMB

Item	Amount for current period	Amount for previous period
Deposit payment	135,009,142.29	171,384,771.65
Payments for other accounts current	19,563,100.26	15,886,246.40
Administrative expenses and R&D expenses	370,127,283.45	357,674,317.95

Operating expenses	87,079,419.02	96,576,091.88
Service charge	8,030,742.51	7,562,273.87
Penalty expenditure	18,905,443.47	6,197,090.59
Donation expenditure	452,095.13	843,660.42
Petty cash payments	124,062.99	414,124.58
Others	749,987.32	1,357,137.35
<b>Total</b>	<b>640,041,276.44</b>	<b>657,895,714.69</b>

## (2) Cash related to investment activities

Cash received from disposal of investments

Unit: RMB

Item	Amount for current period	Amount for previous period
Redemption of wealth management products	685,000,000.00	1,271,927,500.00
<b>Total</b>	<b>685,000,000.00</b>	<b>1,271,927,500.00</b>

Cash paid for investments

Unit: RMB

Item	Amount for current period	Amount for previous period
Purchase of wealth management products	295,000,000.00	1,101,449,569.44
Investments in associates	16,247,500.00	
Purchase of minority equity in Chongqing Newmi	722,769.41	
Payments for investments in other equity instruments		6,000,000.00
<b>Total</b>	<b>311,970,269.41</b>	<b>1,107,449,569.44</b>

Other cash payments related to investment activities

Unit: RMB

Item	Amount for current period	Amount for previous period
Deposit for letter of credit and bill	30,000,000.00	24,857,122.38
Loss on foreign exchange locking		20,306,695.04
Ping An insurance custody fund	14,925,000.00	
<b>Total</b>	<b>44,925,000.00</b>	<b>45,163,817.42</b>

## (3) Cash related to financing activities

Other cash receipts related to financing activities

Unit: RMB

Item	Amount for current period	Amount for previous period
Fund investment receipts		160,000,000.00
Finance lease receivables	440,259,811.11	
<b>Total</b>	<b>440,259,811.11</b>	<b>160,000,000.00</b>

## Other cash payments related to financing activities

Unit: RMB

Item	Amount for current period	Amount for previous period
Forfeiting business deposit	525,147,861.40	672,587,862.20
Property lease payment	1,028,571.48	1,601,902.98
Share repurchase		199,997,253.55
Restricted stock repurchases	84,591,634.12	36,518,711.91
Finance lease payment	62,904,730.11	
<b>Total</b>	<b>673,672,797.11</b>	<b>910,705,730.64</b>

## Changes in liabilities arising from financing activities

 Applicable  Not applicable

Unit: RMB

Item	Opening balance	Increase for the period		Decrease for the period		Closing balance
		Cash movements	Non-cash movements	Cash movements	Non-cash movements	
Short-term borrowings	8,136,897,962.50	10,492,447,391.03	145,079,188.41	9,664,841,401.30	1,195,971,203.14	7,913,611,937.50
Long-term borrowings	6,733,770,131.16	1,829,175,814.84	181,281,712.45	1,790,801,788.50		6,953,425,869.95
Bonds payable	447,655,547.48		9,368,424.72	10,603,490.92	446,420,481.28	
Long-term accounts payable	172,792,328.77	310,000,000.00	20,170,816.60	6,000,000.00		496,963,145.37
Lease liabilities	1,009,605.19		18,966.29	1,028,571.48		
<b>Total</b>	<b>15,492,125,575.10</b>	<b>12,631,623,205.87</b>	<b>355,919,108.47</b>	<b>11,473,275,252.20</b>	<b>1,642,391,684.42</b>	<b>15,364,000,952.82</b>

**60. Supplementary information of cashflow statement****(1) Supplementary information of cash flow statement**

Unit: RMB

Supplementary information	Amount for the current period	Amount for the previous period
1. Reconciliation of net profit to cash flows from operating activities		
Net profit	140,903,042.44	-659,897,159.17
Add: Provision of impairment of assets	298,705,532.41	462,221,619.95
Losses of credit impairment	29,813,021.03	-7,366,782.82
Depreciation of fixed assets, depreciation of oil and gas assets, and depreciation of productive biological assets	2,136,600,592.49	1,761,236,323.30
Depreciation of right-of-use assets	1,270,593.52	1,618,716.33
Amortization of intangible assets	44,634,153.57	32,270,899.40
Amortization of long-term deferred expenses	1,277,239.95	1,090,006.19
Losses from disposal of fixed assets, intangible assets, and other long-term assets (gain is indicated with "-")	1,900,407.49	-2,755,562.94
Losses from scrapping of fixed assets (gain is indicated with "-")	6,303,277.47	3,332,501.62
Losses from change of fair value (gain is indicated with "-")		
Financial expenses (gain is indicated with "-")	341,745,309.21	387,091,376.86
Investment losses (gain is indicated with "-")	8,853,490.56	-1,412,808.29
Decrease in deferred income tax assets (increase is indicated with "-")	16,797,737.90	-199,626,820.57
Increase in deferred income tax liabilities (decrease is indicated with "-")	32,252,468.56	-281,817,774.64

Decrease in inventory (increase is indicated with “-”)	384,639,301.24	-419,334,904.17
Decrease in operating receivables (increase is indicated with “-”)	-3,416,383,584.83	-1,008,250,349.46
Increase in operating payables (decrease is indicated with “-”)	1,117,434,008.87	1,110,332,472.51
Others	-3,108,783.91	-20,482,699.00
Net cash flows from operating activities	1,143,637,807.97	1,158,249,055.10
2. Significant investment and financing activities not involving cash receipts and payments		
Conversion of debt into capital		
Convertible corporate bonds due within one year		
Fixed assets acquired under finance leases		
3. Net changes in cash and cash equivalents:		
Closing balance of cash	2,238,147,915.40	1,733,460,483.14
Less: Opening balance of cash	1,733,460,483.14	2,789,034,001.85
Add: Closing balance of cash equivalents		
Less: Opening balance of cash equivalents		
Net increase in cash and cash equivalents	504,687,432.26	-1,055,573,518.71

**(2) Lease related total cash outflows**

Lease related total cash outflows for the current period were RMB1,028,571.48 (previous period: RMB1,601,902.98).

**(3) Composition of cash and cash equivalents**

Unit: RMB

Item	Closing balance	Opening balance
I. Cash	2,238,147,915.40	1,733,460,483.14
Including: Cash on hand	66,061.33	92,218.87
Cash at bank that can be readily drawn on demand	2,238,081,854.07	1,733,368,264.27
III. Closing balance of the cash and cash equivalents	2,238,147,915.40	1,733,460,483.14

**(4) Monetary funds not included in the cash and cash equivalents**

Unit: RMB

Item	Amount for the current period	Amount for the previous period	Reason for it not to be included in the cash and cash equivalents
Monetary funds	4,164,405.10	1,937,438.61	Interest receivable not due
Other monetary funds	667,132,525.30	838,743,097.78	Restricted
Total	671,296,930.40	840,680,536.39	

Other explanations:

**61. Monetary items denominated in foreign currencies****(1) Monetary items denominated in foreign currencies**

Unit: RMB

Item	Closing balance of foreign currency	Exchange rate	Closing balance of converted RMB
Monetary funds			561,660,440.21
Including: USD	73,372,882.42	7.0288	515,723,295.00
Euro	911,563.55	8.2355	7,507,181.61
HKD	11.50	0.9035	10.39
JPY	566,182,364.44	0.0448	25,365,095.09
HUF	567,330,248.98	0.0213	12,106,118.65
MYR	553,576.69	1.7319	958,739.47
Accounts receivable			381,656,568.76
Including: USD	48,536,382.17	7.0288	341,152,523.23

Euro			
HKD			
JPY	904,168,706.17	0.0448	40,504,045.53
Other receivables			14,894.34
Including: MYR	8,600.00	1.7319	14,894.34
Accounts payable			425,852,244.84
Including: USD	57,298,338.03	7.0288	402,738,558.46
JPY	497,836,177.62	0.0448	22,301,567.25
Euro	98,612.00	8.2355	812,119.13

**(2) Notes to overseas business entity including disclosures of significant principal place of business, functional currency and basis for determining the functional currency as well as reasons for changes in functional currency for those significant overseas business entity**

Applicable  Not applicable

**62. Lease**

**(1) The Company as the lessor**

Applicable  Not applicable

The variable lease payments that are not included in the measurement of the lease liabilities

Applicable  Not applicable

The lease expense of the short-term leases and low-value assets that are simplified in accounting treatment:  Applicable  Not applicable

Lease related total cash outflows: RMB1,028,571.48

**VIII. R&D Expenses**

Unit: RMB

Item	Amount for current period	Amount for previous period
Material costs	190,657,127.08	212,097,316.60
Employee compensation	266,236,108.99	271,854,330.56
Depreciation and amortization	86,154,672.82	56,020,419.29
Energy consumption costs	102,658,484.61	80,684,132.22
Others	43,912,619.64	42,186,981.02
Total	689,619,013.14	662,843,179.69
Including: Expensed R&D expenditure	689,619,013.14	662,843,179.69

**IX. Changes in the Consolidation Scope**

**1. Changes in the consolidation scope for other reasons**

Explain the changes in the scope of consolidation caused by other reasons (such as the establishment of new subsidiaries, liquidation of subsidiaries, etc.) and relevant information:

Subsidiaries newly included in the consolidation scope in the current period:

Company name	Reason for change
HONGCHUANG PACKAGING MALAYSIA SDN. BHD	New investment
Yuxi Energy Frontier New Materials Co., Ltd.	New investment

Subsidiary not included in the consolidation scope in the current period:

Company name	Reason for change
Yunnan Dexin Paper Co., Ltd.	Cancellation

**X. Interests in Other Entities**

**1. Interests in subsidiaries**

**(1) Constitution of the enterprise group**

Unit: RMB

Name of subsidiaries	Registered capital	Principal place of business	Place of registration	Nature of business	Shareholding proportion		Method of acquisition
					Direct	Indirect	
Yunnan Jiechen Packaging Materials Co., Ltd.	150,000,000.00	Yuxi, Yunnan	Yuxi, Yunnan	Production and sales of packaging materials	100.00%		Newly established
Yunnan Hongchuang Packaging Co., Ltd.	153,356,819.00	Yuxi, Yunnan	Yuxi, Yunnan	Production and sales of aseptic packaging box	52.17%		Newly established
Hongchuang Packaging	300,000,000.00	Ma An Shan,	Ma An Shan,	Production and sales		100.00%	Newly established

(Anhui) Co., Ltd.		Anhui	Anhui	of aseptic packaging box			
HONGCHUANG PACKAGING MALAYSIA SDN. BHD		Malaysia	Malaysia	Production and sales of aseptic packaging box		52.00%	Newly established
Yunnan Hongta Plastic Co., Ltd.	330,723,617.77	Yuxi, Yunnan	Yuxi, Yunnan	BOPP film production and sales	100.00%		Newly established
Hongta Plastic (Chengdu) Co., Ltd.	172,581,213.03	Chengdu, Sichuan	Chengdu, Sichuan	BOPP film production and sales		100.00%	Newly established
Yuxi Feiermu Trading Co., Ltd.	39,907,500.00	Yuxi, Yunnan	Yuxi, Yunnan	Trading		100.00%	Newly established
Ningbo Energy New Material Co., Ltd.	10,000,000.00	Ningbo, Zhejiang	Ningbo, Zhejiang	Trading	100.00%		Newly established
Xiamen Energy New Materials Co., Ltd.	1,600,000,000.00	Xiamen, Fujian	Xiamen, Fujian	Production and sales of new materials		100.00%	Newly established
Shanghai Energy New Material Research Co., Ltd.	100,000,000.00	Shanghai	Shanghai	Technical services	100.00%		Newly established
Shanghai Energy New Material Technology Co., Ltd.	389,210,834.00	Shanghai	Shanghai	Production and sales of lithium battery separator		95.22%	Merger of enterprises under common control
Zhuhai Energy New Material Technology Co., Ltd.	1,600,000,000.00	Zhuhai, Guangdong	Zhuhai, Guangdong	Production and sales of lithium battery separator		100.00%	Newly established
Wuxi Energy New Material Technology Co., Ltd.	1,600,000,000.00	Wuxi, Jiangsu	Wuxi, Jiangsu	Production and sales of lithium battery separator		100.00%	Newly established
Jiangxi Tonry New Energy Technology Development Co., Ltd.	1,200,000,000.00	Yichun, Jiangxi	Yichun, Jiangxi	Production and sales of lithium battery separator		100.00%	Business combination not under the common control
Jiangxi Ruijie New Material Technology Co., Ltd.	8,000,000.00	Yichun, Jiangxi	Yichun, Jiangxi	Production and sales of packaging materials		82.00%	Business combination not under the common
Suzhou GreenPower New Energy Materials Co., Ltd.	421,741,780.69	Suzhou, Jiangsu	Suzhou, Jiangsu	Production and sales of lithium battery separator		100.00%	Business combination not under the common
Chongqing Energy Newmi Technological Co., Ltd.	291,000,000.00	Chongqing	Chongqing	Production and sales of lithium battery separator		76.36%	Business combination not under the common
Jiangxi Enpo New Material Co., Ltd.	600,000,000.00	Yichun, Jiangxi	Yichun, Jiangxi	Production and sales of lithium battery separator		51.00%	Newly established
Jiangxi Energy New Material Technology Co., Ltd.	100,000,000.00	Yichun, Jiangxi	Yichun, Jiangxi	Production and sales of lithium battery separator		100.00%	Newly established
Chongqing Energy New Material Technology Co., Ltd.	1,600,000,000.00	Chongqing	Chongqing	Production and sales of lithium battery separator		100.00%	Newly established
Hainan Energy Investment Co., Ltd.	390,000,000.00	Chengmai County, Hainan Province	Chengmai County, Hainan Province	Investment and technology service		100.00%	Newly established
Chuangxin New Material(Hong Kong) Co., Ltd.		Hong Kong	Hong Kong	Trading		100.00%	Newly established
SEMCORP Global Holdings Kft.		Hungary	Hungary	Investment and technology service		100.00%	Newly established
SEMCORP Hungary Kft.		Hungary	Hungary	Production and sales of lithium battery separator		100.00%	Newly established
SEMCORP Properties Kft.		Hungary	Hungary	Sales of self-owned real estate		100.00%	Newly established
SEMCORP America Inc.		USA	USA	Investment and technology services		100.00%	Newly established
SEMCORP Manufacturing USA LLC		USA	USA	Production and sales of lithium battery separator		100.00%	Newly established
SEMCO MALAYSIA SDN. BHD.		Malaysia	Malaysia	Production and sales of lithium battery separator		100.00%	Newly established
Jiangsu Energy New Material Technology Co., Ltd.	550,000,000.00	Changzhou, Jiangsu	Changzhou, Jiangsu	Production and sales of lithium battery separator		100.00%	Newly established
Jiangsu Ruijie New Material Technology Co., Ltd.	200,000,000.00	Changzhou, Jiangsu	Changzhou, Jiangsu	Production and sales of packaging materials		100.00%	Newly established
Hunan Energy Frontier New Material Technology Co., Ltd.	25,000,000.00	Changsha, Hunan	Changsha, Hunan	Production and sales of new materials		52.00%	Newly established

Yuxi Energy Frontier New Materials Co., Ltd.	20,000,000.00	Yuxi, Yunnan	Yuxi, Yunnan	Technology promotion and application services		100.00%	Newly established
Hubei Energy New Material Technology Co., Ltd.	1,600,000,000.00	Jingmen, Hubei	Jingmen, Hubei	Production and sales of new materials		55.00%	Newly established
Jiangsu Sanhe Battery Material Technology Co., Ltd.	100,000,000.00	Liyang, Jiangsu	Liyang, Jiangsu	Production and sales of new materials		51.00%	Newly established
Energy (Zhuhai Economic and Technological Development Zone) New Material Technology Co., Ltd.	5,000,000.00	Zhuhai, Guangdong	Zhuhai, Guangdong	Trading		100.00%	Newly established
Yuxi Energy New Materials Co., Ltd.	500,000,000.00	Yuxi, Yunnan	Yuxi, Yunnan	Production and sales of new materials		100.00%	Newly established
Shanghai Energy Trading Co., Ltd.	30,000,000.00	Shanghai	Shanghai	Trading		100.00%	Newly established
Jiangsu Energy New Material Research Co., Ltd.	200,000,000.00	Changzhou, Jiangsu	Changzhou, Jiangsu	Trading/technology services		100.00%	Newly established
Shanghai Jiezhijuan New Material Technology Co., Ltd.	20,000,000.00	Shanghai	Shanghai	Trading		100.00%	Newly established
Shanghai Hengjieyuan New Material Technology Co., Ltd.	5,000,000.00	Shanghai	Shanghai	Trading		100.00%	Newly established

Explanation of the difference between shareholding ratio in subsidiaries and voting right ratio:

Basis for holding half or less of the voting rights but still controlling the investee, and for holding more than half of the voting rights but not controlling the investee:

For significant structured entities included in the consolidation scope, the basis of control:

Basis for identifying whether the Company is the agent or the trustee:

Other explanation:

## (2) Key non-wholly owned subsidiaries

Unit: RMB

Name of subsidiaries	Percentage of shares held by minority shareholders	Profit or loss attributable to minority shareholders in the current period	Dividends declared to minority shareholders in the current period	Closing balance of minority interests
Shanghai Energy New Material Technology Co., Ltd.	4.78%	-2,206,801.28		506,724,924.74

## (3) Main financial information of key non-wholly owned subsidiaries

Unit: RMB

Name of subsidiaries	Closing balance						Opening balance					
	Current assets	Non-current assets	Total assets	Current liabilities	Non-current liabilities	Total liabilities	Current assets	Non-current assets	Total assets	Current liabilities	Non-current liabilities	Total liabilities
Shanghai Energy New Material Technology Co., Ltd.	14,043,225,374.81	31,655,481,291.34	45,698,706,666.15	27,605,845,747.51	6,625,533,550.94	34,231,379,298.45	12,218,748,855.22	31,724,330,678.36	43,943,079,533.58	26,077,750,162.33	6,642,836,623.86	32,720,586,786.19

Unit: RMB

Name of subsidiaries	Amount for current period				Amount for previous period			
	Operating income	Net profit	Total comprehensive income	Cash flow from operating activities	Operating income	Net profit	Total comprehensive income	Cash flow from operating activities
Shanghai Energy New Material Technology Co., Ltd.	12,013,331,066.70	-80,248,451.46	249,664,967.69	1,039,909,485.45	8,616,878,965.47	-976,813,990.69	-1,160,557,653.66	1,143,914,431.56

## XI. Government grants

### 1. Government subsidies recognised at the end of the reporting period at receivable amounts

Applicable Not applicable

**2. Liability items relating to government grants**

Applicable  Not applicable

Unit: RMB

Item related to accounting	Opening balance	Amount of new grants for the period	Amount recognized in non-operating income for the period	Amount transferred to other income for the period	Other changes for the period	Closing balance	Relation with assets/revenue
Deferred income	1,367,481,677.60	309,000,488.10		152,828,799.43	21,867,932.04	1,545,521,298.31	Related to assets
High-performance lithium-ion battery separator project with an output of 90 million square meters	5,442,278.64			2,696,405.76		2,745,872.88	Related to assets
Technological transformation project of the production line of lithium-ion battery separator	5,844,463.78			1,080,781.56		4,763,682.22	Related to assets
Technological transformation project of the second batch of industrial transformation in 2020	4,650,000.00			900,000.00		3,750,000.00	Related to assets
Municipal technological transformation project for high-quality development	6,656,250.00			1,125,000.00		5,531,250.00	Related to assets
Boiler upgrading and reconstruction projects	1,771,477.12			196,830.72		1,574,646.40	Related to assets
Support subsidies of cleaner production	1,375,000.00			1,375,000.00			Related to assets
Talent leading	519,148.93			51,063.84		468,085.09	Related to assets
National-level subsidy for new energy projects	152,741.60			12,907.80		139,833.80	Related to assets
Industrial Foundation Strengthening Project		1,392,040.00				1,392,040.00	Related to assets
Subsidy for Smart Factory		1,000,000.00				1,000,000.00	Related to assets
Subsidies from the special fund for high-quality economic development (advanced equipment manufacturing industry)	119,562,448.82			14,308,295.40		105,254,153.42	Related to assets
Provincial Enterprise Technology – Industrial Innovation Capacity Building		500,000.00		8,351.82		491,648.18	Related to assets
Provincial-level special funds for high quality development of manufacturing industry in 2023		592,200.00		5,434.50		586,765.50	Related to assets
Subsidy from the Bureau of Industry and Information Technology of Zhuhai City for the Technological Transformation Project of the Lithium- ion Battery Separator Coating Production Line		1,739,900.00		136,620.40		1,603,279.60	Related to assets
Equipment Renewal and Technical Transformation in Key Industrial Sectors		14,190,000.00		474,861.10		13,715,138.90	Related to assets
Subsidies for equipment of Wuxi Energy	252,250,352.02			26,628,197.50		225,622,154.52	Related to assets
National import discount for Wuxi Energy	14,369,341.30			1,420,703.10		12,948,638.20	Related to assets
Special funds for the development of provincial strategic emerging industries	21,923,076.96			2,307,692.31		19,615,384.65	Related to assets
Core technical know-how for industrialization	891,332.35	1,000,000.00		163,225.00		1,728,107.35	Related to assets
Fund for the development of digital economy and digital transformation	2,717,391.30			260,869.57		2,456,521.73	Related to assets
Technical transformation guidance funds	584,615.26			61,538.47		523,076.79	Related to assets
Subsidies for infrastructure construction	20,109,000.40			1,340,599.92		18,768,400.48	Related to assets
Subsidies for equipment of Jiangxi Tonry	609,489,610.07			66,291,525.00		543,198,085.07	Related to assets
Special funds for basic projects	2,467,948.03			307,692.48		2,160,255.55	Related to assets
Special funds for basic projects	615,385.40			76,922.88		538,462.52	Related to assets

						2	
Funds for the preparation	233,066.53			14,720.04		218,346.49	Related to assets
National import discount for Jiangxi Tonry	17,677,762.00			1,744,839.48		15,932,922.52	Related to assets
Special fund for the development of small and medium-sized enterprises at the provincial level	2,821,932.90	500,000.00		275,711.94		3,046,220.96	Related to assets
Technical transformation funds	5,315,935.36	2,400,000.00		755,603.06		6,960,332.30	Related to assets
Special fund for the industrial development at the provincial level	3,816,497.95	1,600,000.00		300,557.07		5,115,940.88	Related to assets
Enterprise support funds	13,797,273.16			815,097.96		12,982,175.20	Related to assets
Fund for the development of digital economy and digital transformation		600,000.00		4,667.34		595,332.66	Related to assets
Low-nitrogen transformation project subsidy	614,672.56			128,442.48		486,230.08	Related to assets
Enterprise development support funds allocated by Gao'an Industrial Park Management Committee – Land Subsidy	9,481,234.85			200,494.68		9,280,740.17	Related to assets
Subsidies for infrastructure construction	4,769,563.53			264,975.72		4,504,587.81	Related to assets
National import discount for Jiangxi Energy	1,488,703.31			136,981.56		1,351,721.75	Related to assets
Special fund for the industrial development at the provincial level	1,986,224.06			165,311.28		1,820,912.78	Related to assets
National import discount for Chongqing Energy	6,892,793.40			667,044.48		6,225,748.92	Related to assets
Investment subsidies for high-performance lithium-ion battery microporous separator key project (Phase I)	932,735.50			53,811.60		878,923.90	Related to assets
Special financial subsidy for the lithium-ion battery microporous separator production digitalized workshop B	6,697,846.09			373,833.24		6,324,012.85	Related to assets
Ultra-long-term Special Government Bonds for Equipment Renewal Projects		16,590,000.00		98,388.01		16,491,611.99	Related to assets
Affordable Housing Subsidy		490,000.00		16,028.04		473,971.96	Related to assets
Subsidies for equipment of Jiangsu Energy	13,836,120.15			1,178,719.92		12,657,400.23	Related to assets
Special funds for the development of provincial strategic emerging industries	11,011,620.21			929,097.00		10,082,523.21	Related to assets
Subsidies for buildings	67,652,101.57			3,608,112.12		64,043,989.45	Related to assets
Land subsidy	3,525,496.32			74,503.68		3,450,992.64	Related to assets
Subsidies for equipment of Jiangsu Ruijie	34,649,372.77			2,765,321.40		31,884,051.37	Related to assets
Support fund for imported equipment industry of Gao'an Municipal People's Government	15,017,548.35			1,545,796.08		13,471,752.27	Related to assets
Reward for Suzhou to build an intelligent demonstration workshop of advanced manufacturing base in 2020	197,802.20			65,934.12		131,868.08	Related to assets
Key industrial technology innovation project funds of Suzhou	700,000.00					700,000.00	Related to assets
National import discount for Suzhou GreenPower – RMB322,100	265,242.53			40,159.39		225,083.14	Related to assets
National import discount for Suzhou GreenPower – RMB1,614,800	1,480,233.34			124,215.38		1,356,017.96	Related to assets
Financial rewards for effective investment by industrial enterprises – RMB8,000,000	7,418,853.59			645,799.99		6,773,053.60	Related to assets
Strategic Emerging Industry Cluster Demonstration	8,425,284.96			650,684.65		7,774,600.31	Related to assets
Industrial High-quality Development Policy Project - 5G Construction and Application Project	415,298.36			66,746.83		348,551.53	Related to assets
Diaphragm Intelligent Manufacturing	424,909.15			69,358.75		355,550.40	Related to assets

Project Based on “5G+Industrial Internet”					0	
Highly Environmentally Adaptable Sulfide Electrolyte Materials and Electrolyte Membrane Research	600,000.00				600,000.00	Related to assets
District-level administrative approval pre-intermediary service project	432,827.90		22,196.28		410,631.62	Related to assets
Provincial-level special funds for high quality development of manufacturing industry	3,358,968.95	6,350,000.00	608,753.84		9,100,215.11	Related to assets
Financial rewards for promoting scientific and technological innovation and development		200,000.00			200,000.00	Related to assets
Fixed asset investment subsidies		4,000,000.00	130,112.47		3,869,887.53	Related to assets
Land subsidy	14,311,329.82		299,713.68		14,011,616.14	Related to assets
Subsidies for equipment of Jiangsu Sanhe	2,356,975.89		233,476.40		2,123,499.49	Related to assets
Subsidies for buildings	17,326,872.50		1,443,906.00		15,882,966.50	Related to assets
Subsidy under the Special Fund for High-Quality Economic Development (Development of Advanced Equipment Manufacturing Industry) Project		10,000,000.00	192,307.68		9,807,692.32	Related to assets
Hungarian Government Subsidy		244,204,248.10	8,741,103.29	21,867,932.04	257,331,076.85	Related to assets
35kV Cable trench subsidy	1,501,667.25		339,999.96		1,161,667.29	Related to assets
Special government appropriation (Project with annual output of 70,000 tons)	4,239,999.97		530,000.00		3,709,999.97	Related to assets
Subsidies for the renovation of power supporting projects	66,666.33		50,000.04		16,666.29	Related to assets
Special funds for the construction of municipal industrial park	399,327.20		34,977.60		364,349.60	Related to assets
Subsidies of finance for the first major technical equipment	188,679.44		113,207.52		75,471.92	Related to assets
Subsidy for the annual Production of 1 Billion liquid packaging boxes project	6,618,051.65		485,008.44		6,133,043.21	Related to assets
Special fund for the development of small and medium-sized enterprises at the provincial level	1,953,903.79		142,728.72		1,811,175.07	Related to assets
VOCs subsidies for project governance	873,064.36		120,422.76		752,641.60	Related to assets
Application development of asymmetric bonded separators for safe fast-charging lithium batteries		712,100.00	14,052.46		698,047.54	Related to assets
<b>2. Related to income</b>						
National-level subsidy for new energy projects	315,355.87		315,355.87			Related to income
Subsidy for the joint enterprise scientific and technological breakthrough action 促进科技创新发展奖励		200,000.00			200,000.00	Related to income
Financial rewards for promoting scientific and technological innovation and development		300,000.00			300,000.00	Related to income
Research on Preparation Technology of Polymer Composite Electrolyte Membranes and Electrode Solidification		440,000.00			440,000.00	Related to income

**3. Government grants recognized in profit or loss for the period**

Applicable  Not applicable

Unit: RMB

Item related to accounting	Amount incurred in the current period	Amount incurred in the previous period
Other income	71,923,269.83	71,436,581.31
Other income	26,628,197.50	26,432,286.25
Other income	14,308,295.40	14,308,295.40

Other income	5,802,187.32	5,802,187.32
Other income	8,741,103.29	
Other income		13,000,000.00
Other income		12,300,000.00
Other income	3,886,708.00	10,595,080.00
Other income	20,000,000.00	10,000,000.00
Other income		8,566,400.00
Other income		5,330,000.00
Other income		5,058,500.00
Other income	5,640,000.00	
Other income/financial expenses	65,381,656.89	41,882,008.46
Total	222,311,418.23	224,711,338.74

Other explanations:

#### 4. Government grants to offset cost expenses

Item related to accounting	Amount incurred in the current period	Amount incurred in the previous period	Cost expense items offset
Loan Interest Subsidy	7,492,508.87	3,111,912.28	Financial Expenses - Interest Expense
Loan Interest Subsidy	5,870,613.98		Construction in progress
Total	13,363,122.85	3,111,912.28	

## XII. Risks Related to Financial Instruments

### (1). Categories of risks arising from financial instruments

The Company's major financial instruments include monetary funds, notes receivable, accounts receivable, accounts payable, and convertible bonds., etc. Exposure to various financial instruments in daily activities, mainly including credit risk, liquidity risk and market risk. The risks associated with these financial instruments and the Company's risk management policies to mitigate these risks are described below:

The Board is responsible for planning and establishing the Company's risk management structure, formulating the Company's risk management policies and relevant guidelines and overseeing the implementation of risk management measures. The Company has formulated risk management policies to identify and analyze the risks faced by the Company. These risk management policies specify specific risks and cover various aspects such as market risk, credit risk and liquidity risk management. The Company regularly assesses changes in the market environment and the Company's operating activities to determine whether to update its risk management policies and systems. The Company's risk management is carried out by the Investment Department in accordance with policies approved by the Board of Directors. The Investment Department identifies, evaluates and mitigates related risks through close cooperation with other business units of the Company. The Company's internal audit department conducts regular audit on the risk management control and procedures and reports the audit results to the Company's audit Committee. The Company diversified its exposure to financial instruments through an appropriate mix of diversified investments and businesses and reduced its exposure to a single industry, specific region or specific counterparty by developing appropriate risk management policies.

#### 1. Credit risk

Credit risk is the risk that the Company will incur financial losses as a result of a counterparty's failure to meet its contractual obligations, the management has established appropriate credit policies and continuously monitors exposure to credit risk.

The Company has adopted a policy of dealing only with creditworthy counterparties. In addition, the Company assesses the customer's credit worthiness and sets a corresponding credit period based on the customer's financial position, the likelihood of obtaining a guarantee from a third party, credit history and other factors such as current market conditions. The Company monitors bills receivable, balances of accounts receivable and collection status on an on-going basis. For customers with poor credit records, the Company applies written reminders, shortens the credit period or cancels the credit period to ensure that the Company does not face significant credit losses. In addition, the Company reviews the recovery of financial assets at each balance sheet date to ensure that adequate provision for expected credit losses is made for the relevant financial assets.

The Company's other financial assets include monetary funds, notes receivable, accounts receivable, etc. The credit risk of these financial assets arises from the default of the counterparty and the maximum credit risk exposure is the carrying amount of each financial asset in the balance sheet. Except for the financial guarantees provided by the Company as described in Note 12/(v)/5, the Company does not provide any other guarantees that may expose the Company to credit risk.

The monetary funds held by the Company are mainly deposited in financial institutions such as state-owned holding banks and other large and medium-sized commercial banks. The management believes that these commercial banks have high reputation and asset status, do not have significant credit risk, and will not cause any significant loss due to the default of the counterparty. The Company's policy is to limit the amount of credit risk to any individual financial institution by controlling the amount of deposits placed with each reputable financial institution based on its market reputation, scale of operations and financial background.

As part of the Company's credit risk asset management, the Company assesses impairment losses on accounts receivable and other receivables based on aging analysis. The Company's accounts receivable and other receivables involve a large number of customers whose aging information reflects their solvency and bad debt risk on accounts receivable and other receivables. The Company calculated the historical actual bad debt rates for different aging periods based on historical data, and adjusted the expected loss rate by taking into account the forecast of current and future economic conditions, such as the national GDP growth rate, total infrastructure investment, national monetary policy and other forward-looking information. For long-term receivables, the Company makes a reasonable assessment of the ECL after adjusting for the settlement period, contractual payment period, the financial position of the debtor and the economic situation of the industry in which the debtor is located, taking into account the above forward-looking information.

As of 31 December 2025, the carrying amounts and expected credit impairment losses of the relevant assets are as follows:

Item	Book balance	Impairment allowance
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Notes receivable	704,678,410.14	471,852.27
Accounts receivable	7,545,033,395.69	133,496,481.93
Other receivables	33,794,717.41	1,806,940.44
Receivable financing	1,213,767,926.87	
Long-term receivables	4,457,531.97	
Total	9,501,731,982.08	135,775,274.64

The Company's principal customers have reliable and good reputation and therefore, the Company does not consider these customers to have significant credit risk. There is no significant concentration of credit risk as the Company has a wide range of customers.

As of December 31, 2025, 39.78% of the Company's accounts receivable (December 31, 2024: 42.93%) were attributable to the top five customers by balance, as the Company's accounts receivable risks are spread across multiple business partners and customers. Therefore, the Company does not have any significant concentration of credit risk.

The Company's maximum credit risk exposure is the carrying amount of each financial asset on the balance sheet.

## 2. Liquidity risk

Liquidity risk refers to the risk of a shortage of funds when the Company fulfills its obligation to settle by delivering cash or other financial assets. The member enterprises under the Company are responsible for their own cash flows forecast. The financial department under the Company continuously monitors the short-term and long-term capital requirements of the Company at the company level based on the cash flow forecast results of each member enterprise to ensure that sufficient cash reserves are maintained; at the same time, it has continuously monitored whether the provisions of the borrowing agreement are met, and obtain commitments from major financial institutions to provide sufficient standby funds to meet the needs of short-term and long-term funding. In addition, the Company enters into a credit line facility agreement with its principal correspondent bank to support the Company's performance of its obligations in relation to commercial paper.

As of December 31, 2025, the Company's financial liabilities and off-balance sheet guarantee items are presented by remaining contract period based on undiscounted contractual cash flows as follows:

Item	Closing balance		
	Less than 1 year	1-5 years	Total
Non-derivative financial liabilities			
Short-term borrowings	7,913,611,937.50		7,913,611,937.50
Notes payable	766,213,912.36		766,213,912.36
Accounts payable	2,310,176,867.17		2,310,176,867.17
Other payables	192,882,923.14		192,882,923.14
Long-term borrowings		4,992,559,411.66	4,992,559,411.66
Long-term payables		384,054,475.96	384,054,475.96
Non-current liabilities due within one year	2,195,475,127.69		2,195,475,127.69
Subtotal of non-derivative financial liabilities	13,378,360,767.86	5,376,613,887.62	18,754,974,655.48
Derivative financial liabilities			-
Total	13,378,360,767.86	5,376,613,887.62	18,754,974,655.48

## 3. Market risk

### (1) Foreign exchange risk

The principal operations of the Company are located in the PRC and the principal operations are settled in RMB. However, foreign currency assets and liabilities recognised by the Company and future foreign currency transactions in which the currencies of valuation of foreign currency assets and liabilities and foreign currency transactions are mainly HKD, JPY, USD, EUR, RMB, or HUF remain subject to exchange rate risk. The financial department of the Company is responsible for monitoring the scale of the Company's foreign currency transactions and foreign currency assets and liabilities to minimise the exposure to foreign exchange risk; To this end, the Company will sign forward foreign exchange contracts or currency swap contracts to avoid exchange rate risk.

- 1) As of 31 December 2025, the amounts of foreign currency financial assets and foreign currency financial liabilities held by the Company translated into RMB are as follows:

Item	Closing balance					
	USD	JPY	EUR	HUF	Other	Total
Foreign currency financial assets:						
Monetary funds	515,723,295.00	25,365,095.09	7,507,181.61	12,106,118.65	958,749.86	561,660,440.21
Accounts receivable	341,152,523.23	40,504,045.53				381,656,568.76
Other receivables					14,894.34	14,894.34
Subtotal	856,875,818.23	65,869,140.62	7,507,181.61	12,106,118.65	973,644.20	943,331,903.31
Foreign currency financial liabilities:						

Accounts payable	402,738,558.46	22,301,567.25	812,119.13		425,852,244.84
Subtotal	402,738,558.46	22,301,567.25	812,119.13		425,852,244.84

2) Sensitivity analysis:

As of 31 December 2025, the Company would decrease or increase net profit by approximately RMB43.9858 million (approximately RMB65.8987 million for 2024) for various types of foreign currency financial assets and foreign currency financial liabilities of the Company if RMB appreciated or depreciated by 10% against foreign currencies with other factors held constant.

(2) Interest rate risk

The Company's interest rate risk mainly arises from bank loans. Financial liabilities with floating interest rates expose the Company to cash flow interest rate risk, while financial liabilities with fixed interest rates expose the Company to fair value interest rate risk. The Company determines the relative proportion of fixed rate and floating rate contracts based on the current market environment.

The finance department of the Company continuously monitors the level of interest rate. The increase in interest rates will increase the cost of new interest-bearing debts and the interest expenses of the Company's interest-bearing debts with floating interest rates that have not been fully paid, and will have a significant adverse impact on its financial performance, so the management will make timely adjustments based on the latest market conditions.

As of December 31, 2025, if the loan interest rate calculated based on floating rates increases or decreases by 50 basis points with other factors remaining constant, the net profit of the Company for that year will decrease or increase by RMB41.2688 million (approximately RMB53.6756 million for 2024).

The sensitivity analysis described above assumes that interest rate changes have occurred as of the balance sheet date and have been applied to all of the Company's borrowings with floating interest rates.

(3) Price risk

Price risk represents the risk of fluctuations in market prices other than exchange rate risk and interest rate risk arising primarily from changes in commodity prices, stock market indices, equity instrument prices and other risk variables.

### XIII. Disclosure of Fair Value

#### 1. Fair value of assets and liabilities measured at fair value at the end of the period

Unit: RMB

Item	Closing fair value			
	Fair value measured at the first level	Fair value measured at the second level	Fair value measured at the third level	Total
I. Continuous fair value measurement	--	--	--	--
(I). Receivables financing			1,213,767,926.87	1,213,767,926.87
(III) Investments in other equity instruments			73,000,000.00	73,000,000.00
Total assets measured at fair value on a continuous basis			1,286,767,926.87	1,286,767,926.87
II. Non-continuous fair value measurement	--	--	--	--

2. Determination basis of the market price of the item measured using the first-level continuous and non-continuous fair value measurement: None

3. Valuation techniques and qualitative and quantitative information on important parameters adopted for the second-level continuous and non-continuous fair value measurement: None

4. Valuation techniques and qualitative and quantitative information on important parameters adopted for the third-level continuous and non-continuous fair value measurement

The receivables financing held by the Company were the bank acceptance bills held by the Company, whose remaining life is short and book value is close to their fair value.

The non-trading equity instruments at fair value through other comprehensive income held by the Company, whose fair value is measured at the third level, are mainly the equity investment projects that are not available for verification by data in observable active markets, for which the financial forecast is made using their own information.

5. Continuous third-level fair value measurement items, adjustment information between the opening and closing book values and sensitivity analysis of unobservable parameters

Item	Opening balance	Transfer into Level 3	Transfer out of Level 3	Total gains or losses for the period		Purchases, issues, sales and settlements				Closing balance	Changes in unrealized gains or losses for the period included in profit or loss for assets held
				Charged to profit or loss	Charged to other comprehensive income	Purchase	Issue	Sales	Settlement		

											at the end of the Reporting Period
Receivables financing	408,092,531.80					1,213,767,926.87			408,092,531.80	1,213,767,926.87	
Investments in other equity instruments	78,000,000.00				-5,000,000.00					73,000,000.00	
Total	486,092,531.80				-5,000,000.00	1,213,767,926.87			408,092,531.80	1,286,767,926.87	

**6. For the continuous fair value measurement items, if there is a conversion between levels in the current period, describe the reason for the conversion and the policy for determining the time point of the conversion**

The fair value measurement of the Company's aforesaid items on a continuing basis has not undergone any transfer between levels during the year.

**7. Changes in valuation techniques and the cause of changes in the current period**

The fair value valuation techniques of the Company's financial instruments have not changed during this year.

**8. Fair value of financial assets and financial liabilities that are not measured at fair value**

The Company's financial assets and liabilities not measured at fair value mainly include: monetary funds, notes receivable, accounts receivable, other receivables, short-term borrowings, notes payable, accounts payable, other payables, long-term borrowings due within one year, long-term borrowings, and bonds payable.

The carrying amounts of the aforesaid financial assets and liabilities not measured at fair value do not differ significantly from their fair values.

## XIV. Related Parties and Related Party Transactions

### 1. Actual controller of the Company

**The actual controller of the Company was the Paul Xiaoming Lee family.**

As of December 31, 2025, the actual controller of the Company was the Paul Xiaoming Lee family. The Paul Xiaoming Lee family held 42.22% of the Company's shares directly and indirectly. The shareholding of the Paul Xiaoming Lee's family is as follows: family member Paul Xiaoming Lee holds 13.08% of the shares directly, family member Li Xiaohua holds 8.22% of the shares directly, family member Sherry Lee holds 7.26% of the shares directly, and family member Jerry Yang Li holds 1.50% of the shares directly. The family members indirectly hold 12.16% equity of the Company through Yuxi Heyi Investment Co., Ltd.

### 2. Subsidiaries of the Company

Please refer to Note X-(1). "Interest in subsidiaries" for details about the subsidiaries of the Company.

### 3 Joint ventures and associates of the Company

The Company's significant joint ventures and associates are detailed in the notes.

Information on other associates or joint ventures which have related-party transactions with the Company in the current period or whose related-party transactions with the Company produced balance in previous years is as follows:

Name of joint venture or associate	Relationship with the Company
Yuxi Kunshasi Plastic Masterbatch Co., Ltd.	An associate of the Company for the previous period

### 4. Other related parties

Name of other related party	Relationship with the Company
Yuxi Heli Investment Co., Ltd.	Shareholder
Yuxi Heyi Investment Co., Ltd.	A company controlled by the actual controller
Zhuhai Chenyu New Material Technology Co., Ltd.	A company controlled by the actual controller
Zhuhai Hanchen New Materials Technology Co., Ltd.	A company controlled by the actual controller
Suzhou Jiasheng Technology Co., Ltd.	A company controlled by the actual controller
Suzhou Fuqiang Technology Co., Ltd.	A company controlled by the actual controller
Suzhou Fuqiang Jianeng Machinery Co., Ltd.	A company controlled by the actual controller
Changshu Juxing Machinery Co., Ltd.	A company controlled by the actual controller
Paul Xiaoming Lee	A main member of the actual controller's family
Li Xiaohua	A main member of the actual controller's family
Yan Ma	A main member of the actual controller's family
Yan Yang Hui	A main member of the actual controller's family
Sherry Lee	A main member of the actual controller's family
Jerry Yang Li	A main member of the actual controller's family

Other explanations: In addition to the related parties listed in the table above, other related parties of the Company include: the Company's employee stock ownership platform; other directors, supervisors, senior executives of the Company and their close relatives; as well as enterprises controlled by them or where they serve as directors or senior executives. Other related parties have not engaged in related party transactions with the Company during the year.

### 5. Related party transactions

#### (1) Related party transactions on purchase and sales of goods and rendering and receiving of services

Statement of purchase of goods/acceptance of services

Unit: RMB

Related party	Particulars of related party transaction	Amount for the current period	Approved transaction limit	Whether exceeding the transaction limit	Amount for the previous period
Yuxi Kunshasi Plastic Masterbatch Co., Ltd.	Purchase of additives	26,931,637.17	20,000,000.00-35,000,000.00	No	27,786,128.30
Zhuhai Chenyu New Material Technology Co., Ltd.	Procurement of materials	117,770,528.24	No more than 235,000,000.00	No	94,070,099.94
Suzhou Jiasheng	Purchase of	292,764,410.58	No more than	No	430,180,054.32

Technology Co., Ltd. and its subsidiaries	equipment and spare parts		608,800,500.00		
Total		437,466,575.99			552,036,282.56

Statement of sales of goods / rendering of services

Unit: RMB

Related party	Particulars of related party transactions	Amount for the current period	Amount for the previous period
Yuxi Kunshasi Plastic Masterbatch Co., Ltd.	Sales of raw materials, Plastic products	45,055,700.13	9,520,584.86
Zhuhai Chenyu New Material Technology Co., Ltd.	Sales of packaging materials	66,345.13	104,867.27
Total		45,122,045.26	9,625,452.13

**(2) Leases with related parties**

The Company as the lessor:

Unit: RMB

Lessee's name	Type of leased assets	Rental income recognized for the current period	Rental income recognized for the previous period
Yuxi Heli Investment Co., Ltd.	Office	2,285.74	2,285.72
Yuxi Heyi Investment Co., Ltd.	Office	3,027.50	3,027.52
Yuxi Kunshasi Plastic Masterbatch Co., Ltd.	Workshop	91,743.13	22,018.34
Total		97,056.37	27,331.58

**(3) Related party guarantees**

1) The Company as the guarantor-guarantees provided by the parent company for its subsidiaries.

Secured party	Guarantee amount	Commencement date of guarantee	Expiry date of guarantee	Whether the guarantee has been fully fulfilled
Yunnan Hongta Plastic Co., Ltd.	44,000,000.00	June 11, 2024	Indefinite period	No
Yunnan Hongta Plastic Co., Ltd.	129,000,000.00	July 7, 2023	April 6, 2026	No
Yunnan Hongta Plastic Co., Ltd.	70,000,000.00	January 2, 2024	January 2, 2027	No
Yunnan Hongta Plastic Co., Ltd.	50,000,000.00	January 27, 2025	January 27, 2026	No
Yunnan Hongta Plastic Co., Ltd.	50,000,000.00	March 10, 2025	March 9, 2026	No
Yunnan Hongta Plastic Co., Ltd.	60,000,000.00	April 9, 2025	April 8, 2029	No
Yunnan Hongta Plastic Co., Ltd.	100,000,000.00	April 8, 2025	April 8, 2026	No
Yunnan Hongta Plastic Co., Ltd.	60,000,000.00	July 25, 2025	July 25, 2030	No
Yunnan Hongta Plastic Co., Ltd.	50,000,000.00	November 18, 2025	November 2, 2026	No
Yunnan Hongta Plastic Co., Ltd.	41,000,000.00	December 23, 2025	December 22, 2028	No
Yunnan Hongchuang Packaging Co., Ltd.	66,000,000.00	June 11, 2024	Indefinite period	No
Yunnan Hongchuang Packaging Co., Ltd.	60,000,000.00	September 22, 2023	September 22, 2026	No
Yunnan Hongchuang Packaging Co., Ltd.	90,000,000.00	January 2, 2024	January 2, 2027	No
Yunnan Hongchuang Packaging Co., Ltd.	20,000,000.00	January 29, 2024	January 29, 2027	No
Yunnan Hongchuang Packaging Co., Ltd.	100,000,000.00	December 26, 2024	December 26, 2027	No
Yunnan Hongchuang Packaging Co., Ltd.	162,000,000.00	March 25, 2025	March 24, 2028	No
Yunnan Hongchuang Packaging Co., Ltd.	150,000,000.00	April 24, 2025	April 24, 2026	No
Yunnan Hongchuang Packaging Co., Ltd.	50,000,000.00	May 9, 2025	May 8, 2026	No
Yunnan Hongchuang Packaging Co., Ltd.	100,000,000.00	March 20, 2025	March 19, 2026	No
Yunnan Hongchuang Packaging Co., Ltd.	50,000,000.00	November 18, 2025	November 6, 2026	No
Hongta Plastic (Chengdu) Co., Ltd.	10,000,000.00	April 9, 2025	April 8, 2029	No
Hongta Plastic (Chengdu) Co., Ltd.	75,000,000.00	May 20, 2025	May 19, 2026	No
Shanghai Energy New Material Technology Co., Ltd.	856,000,000.00	September 28, 2020	September 27, 2027	No
Shanghai Energy New Material Technology Co., Ltd.	660,000,000.00	February 7, 2022	February 7, 2027	No
Shanghai Energy New Material Technology Co., Ltd.	240,000,000.00	June 5, 2022	June 4, 2025	Yes
Shanghai Energy New Material Technology Co., Ltd.	46,225,860.00	June 10, 2022	June 10, 2027	No

Shanghai Energy New Material Technology Co., Ltd.	300,000,000.00	August 18, 2022	August 18, 2027	No
Shanghai Energy New Material Technology Co., Ltd.	1,200,000,000.00	August 1, 2023	August 1, 2038	No
Shanghai Energy New Material Technology Co., Ltd.	213,084,000.00	April 16, 2024	April 16, 2027	No
Shanghai Energy New Material Technology Co., Ltd.	213,584,910.00	June 24, 2024	Indefinite period	No
Shanghai Energy New Material Technology Co., Ltd.	900,000,000.00	February 25, 2025	August 8, 2027	No
Shanghai Energy New Material Technology Co., Ltd.	250,000,000.00	March 11, 2025	February 25, 2026	No
Shanghai Energy New Material Technology Co., Ltd.	200,000,000.00	May 8, 2025	May 7, 2026	No
Shanghai Energy New Material Technology Co., Ltd.	250,000,000.00	June 12, 2025	Indefinite period	No
Shanghai Energy New Material Technology Co., Ltd.	625,000,000.00	July 30, 2025	July 28, 2026	No
Shanghai Energy New Material Technology Co., Ltd.	196,000,000.00	August 14, 2025	July 25, 2026	No
Shanghai Energy New Material Technology Co., Ltd.	500,000,000.00	August 28, 2025	August 27, 2026	No
Shanghai Energy New Material Technology Co., Ltd.	209,000,000.00	September 9, 2025	January 16, 2026	No
Shanghai Energy New Material Technology Co., Ltd.	100,000,000.00	September 10, 2025	September 9, 2029	No
Shanghai Energy New Material Technology Co., Ltd.	200,000,000.00	September 12, 2025	September 10, 2026	No
Shanghai Energy New Material Technology Co., Ltd.	200,000,000.00	November 5, 2025	November 4, 2026	No
Shanghai Energy New Material Technology Co., Ltd.	546,000,000.00	November 14, 2025	October 21, 2026	No
Shanghai Energy New Material Technology Co., Ltd.	200,000,000.00	December 24, 2025	December 23, 2026	No
Shanghai Energy New Material Technology Co., Ltd.	500,000,000.00	December 24, 2025	September 24, 2026	No
Zhuhai Energy New Material Technology Co., Ltd.	150,000,000.00	May 29, 2023	May 29, 2026	No
Zhuhai Energy New Material Technology Co., Ltd.	220,000,000.00	December 1, 2023	December 31, 2027	No
Zhuhai Energy New Material Technology Co., Ltd.	32,000,000.00	March 1, 2024	March 1, 2027	No
Zhuhai Energy New Material Technology Co., Ltd.	270,967,000.00	April 12, 2024	March 31, 2026	No
Zhuhai Energy New Material Technology Co., Ltd.	356,820,000.00	July 30, 2024	Indefinite period	No
Zhuhai Energy New Material Technology Co., Ltd.	270,000,000.00	January 3, 2025	January 2, 2028	No
Zhuhai Energy New Material Technology Co., Ltd.	400,000,000.00	April 17, 2025	April 17, 2030	No
Zhuhai Energy New Material Technology Co., Ltd.	300,000,000.00	May 8, 2025	May 7, 2026	No
Zhuhai Energy New Material Technology Co., Ltd.	200,000,000.00	April 12, 2024	May 11, 2026	No
Zhuhai Energy New Material Technology Co., Ltd.	200,000,000.00	August 19, 2024	August 19, 2025	Yes
Zhuhai Energy New Material Technology Co., Ltd.	200,000,000.00	July 9, 2025	July 9, 2030	No
Zhuhai Energy New Material Technology Co., Ltd.	300,000,000.00	July 16, 2025	July 16, 2026	No
Zhuhai Energy New Material Technology Co., Ltd.	442,000,000.00	October 23, 2025	October 22, 2035	No
Zhuhai Energy New Material Technology Co., Ltd.	220,000,000.00	December 22, 2025	December 8, 2027	No
Zhuhai Energy New Material Technology Co., Ltd.	200,000,000.00	December 1, 2025	November 30, 2027	No
Wuxi Energy New Material Technology Co., Ltd.	1,160,000,000.00	December 1, 2020	December 1, 2029	No
Wuxi Energy New Material Technology Co., Ltd.	100,000,000.00	September 24, 2024	September 24, 2029	No
Wuxi Energy New Material Technology Co., Ltd.	200,000,000.00	September 2, 2024	September 1, 2025	Yes
Wuxi Energy New Material Technology Co., Ltd.	100,000,000.00	March 24, 2025	March 23, 2026	No
Wuxi Energy New Material Technology Co., Ltd.	120,000,000.00	October 20, 2025	September 10, 2026	No
Jiangxi Tonry New Energy Technology Development Co., Ltd.	250,000,000.00	June 25, 2024	June 20, 2026	No
Jiangxi Tonry New Energy Technology Development Co., Ltd.	50,000,000.00	June 25, 2024	June 20, 2026	No

Jiangxi Tonry New Energy Technology Development Co., Ltd.	10,000,000.00	October 9, 2024	September 21, 2026	No
Jiangxi Tonry New Energy Technology Development Co., Ltd.	40,000,000.00	October 9, 2024	September 21, 2026	No
Jiangxi Tonry New Energy Technology Development Co., Ltd.	135,000,000.00	October 31, 2024	October 30, 2027	No
Jiangxi Tonry New Energy Technology Development Co., Ltd.	100,000,000.00	February 12, 2025	February 11, 2026	No
Jiangxi Tonry New Energy Technology Development Co., Ltd.	280,000,000.00	March 27, 2025	March 27, 2028	No
Jiangxi Tonry New Energy Technology Development Co., Ltd.	100,000,000.00	October 13, 2025	October 13, 2026	No
Jiangxi Tonry New Energy Technology Development Co., Ltd.	150,000,000.00	November 12, 2025	November 11, 2026	No
Suzhou GreenPower New Energy Materials Co., Ltd.	550,000,000.00	May 23, 2022	May 23, 2027	No
Suzhou GreenPower New Energy Materials Co., Ltd.	104,000,000.00	March 9, 2022	March 9, 2027	No
Suzhou GreenPower New Energy Materials Co., Ltd.	180,000,000.00	January 9, 2024	January 8, 2029	No
Suzhou GreenPower New Energy Materials Co., Ltd.	140,000,000.00	March 5, 2024	March 5, 2027	No
Suzhou GreenPower New Energy Materials Co., Ltd.	200,000,000.00	November 14, 2024	November 13, 2025	Yes
Suzhou GreenPower New Energy Materials Co., Ltd.	100,000,000.00	December 10, 2024	December 10, 2029	No
Suzhou GreenPower New Energy Materials Co., Ltd.	50,000,000.00	September 15, 2025	September 15, 2028	No
Suzhou GreenPower New Energy Materials Co., Ltd.	100,000,000.00	September 23, 2025	September 22, 2026	No
Suzhou GreenPower New Energy Materials Co., Ltd.	100,000,000.00	November 27, 2025	November 27, 2030	No
Chongqing Energy New Material Technology Co., Ltd.	1,600,000,000.00	April 26, 2022	May 10, 2028	No
Chongqing Energy New Material Technology Co., Ltd.	100,000,000.00	February 23, 2024	February 22, 2027	No
Chongqing Energy New Material Technology Co., Ltd.	80,000,000.00	August 26, 2025	August 25, 2026	No
Chongqing Energy New Material Technology Co., Ltd.	50,000,000.00	September 22, 2025	September 21, 2026	No
Chongqing Energy New Material Technology Co., Ltd.	300,000,000.00	November 28, 2025	November 27, 2026	No
Jiangxi Ruijie New Material Technology Co., Ltd.	400,000,000.00	April 12, 2023	April 12, 2030	No
Jiangsu Energy New Material Technology Co., Ltd.	200,000,000.00	November 18, 2024	March 25, 2026	No
Jiangsu Energy New Material Technology Co., Ltd.	300,000,000.00	February 8, 2025	February 8, 2026	No
Jiangsu Energy New Material Technology Co., Ltd.	100,000,000.00	October 23, 2025	August 13, 2026	No
Jiangsu Energy New Material Technology Co., Ltd.	200,000,000.00	November 27, 2025	November 27, 2028	No
Jiangxi Enpo New Materials Co., Ltd.	433,500,000.00	April 28, 2024	April 27, 2032	No
Hubei Energy New Material Technology Co., Ltd.	495,000,000.00	May 24, 2023	May 23, 2028	No
Hubei Energy New Material Technology Co., Ltd.	1,650,000,000.00	May 24, 2023	November 21, 2029	No
Hubei Energy New Material Technology Co., Ltd.	200,000,000.00	March 17, 2025	March 31, 2028	No
Yuxi Energy New Materials Co., Ltd.	1,000,000,000.00	March 1, 2023	December 31, 2026	No
Yuxi Energy New Materials Co., Ltd.	700,000,000.00	April 10, 2024	April 10, 2027	No
Yuxi Energy New Materials Co., Ltd.	1,000,000,000.00	July 16, 2024	October 30, 2034	No
Yuxi Energy New Materials Co., Ltd.	3,500,000,000.00	March 4, 2025	October 19, 2034	No
Yuxi Energy New Materials Co., Ltd.	30,000,000.00	October 15, 2025	October 14, 2029	No
Chongqing Energy Newmi Technological Co., Ltd.	100,000,000.00	August 13, 2024	August 12, 2027	No
Chongqing Energy Newmi Technological Co., Ltd.	35,000,000.00	October 24, 2024	February 9, 2026	No
Shanghai Energy Trading Co., Ltd.	10,000,000.00	February 25, 2025	September 19, 2027	No
Shanghai Energy Trading Co., Ltd.	10,000,000.00	March 19, 2025	October 18, 2025	Yes
Shanghai Energy Trading Co., Ltd.	10,000,000.00	June 26, 2025	June 26, 2030	No
Shanghai Energy Trading Co., Ltd.	10,000,000.00	September 18, 2025	September 17, 2026	No
Hongchuang Packaging (Anhui) Co., Ltd.	550,000,000.00	July 23, 2024	February 1, 2029	No
Hongchuang Packaging (Anhui) Co., Ltd.	20,000,000.00	May 30, 2025	May 30, 2028	No
Hongchuang Packaging (Anhui) Co., Ltd.	29,000,000.00	September 25, 2025	September 24, 2027	No
Hongchuang Packaging (Anhui) Co., Ltd.	50,000,000.00	December 18,	December 18,	No

		2025	2028	
Chuangxin New Material (Hong Kong) Co., Ltd.	101,600,070.00	February 1, 2024	Indefinite period	No
Chuangxin New Material (Hong Kong) Co., Ltd.	1,206,439,000.00	April 12, 2024	Indefinite period	No
Yunnan Jiechen Packaging Materials Co., Ltd.	20,000,000.00	January 2, 2025	January 2, 2028	No
Yunnan Jiechen Packaging Materials Co., Ltd.	10,000,000.00	May 28, 2025	May 27, 2026	No
Wuxi Energy New Material Technology Co., Ltd.	700,000,000.00	May 6, 2022	April 10, 2026	No
Jiangxi Tonry New Energy Technology Development Co., Ltd.		May 6, 2022	April 10, 2026	No
Suzhou GreenPower New Energy Materials Co., Ltd.		May 6, 2022	April 10, 2026	No
Chongqing Energy New Material Technology Co., Ltd.		May 6, 2022	April 10, 2026	No
Jiangxi Ruijie New Material Technology Co., Ltd.		May 6, 2022	April 10, 2026	No
Jiangsu Energy New Material Technology Co., Ltd.		May 6, 2022	April 10, 2026	No
Jiangsu Ruijie New Material Technology Co., Ltd.		May 6, 2022	April 10, 2026	No
Jiangxi Enpo New Materials Co., Ltd.		May 6, 2022	April 10, 2026	No
Hubei Energy New Material Technology Co., Ltd.		May 6, 2022	April 10, 2026	No
Jiangsu Sanhe Battery Material Technology Co., Ltd.		May 6, 2022	April 10, 2026	No
Yuxi Energy New Materials Co., Ltd.		May 6, 2022	April 10, 2026	No
Yunnan Hongchuang Packaging Co., Ltd.		392,249,000.00	November 30, 2020	May 30, 2028
Shanghai Energy New Material Technology Co., Ltd.	November 30, 2020		May 30, 2028	No
Wuxi Energy New Material Technology Co., Ltd.	November 30, 2020		May 30, 2028	No
Jiangsu Energy New Material Technology Co., Ltd.	November 30, 2020		May 30, 2028	No
Wuxi Energy New Material Technology Co., Ltd.	1,500,000,000.00	April 10, 2024	April 10, 2027	No
Jiangxi Tonry New Energy Technology Development Co., Ltd.		April 10, 2024	April 10, 2027	No
Suzhou GreenPower New Energy Materials Co., Ltd.		April 10, 2024	April 10, 2027	No
Chongqing Energy New Material Technology Co., Ltd.		April 10, 2024	April 10, 2027	No
Jiangxi Ruijie New Material Technology Co., Ltd.		April 10, 2024	April 10, 2027	No
Jiangsu Energy New Material Technology Co., Ltd.		April 10, 2024	April 10, 2027	No
Jiangsu Ruijie New Material Technology Co., Ltd.		April 10, 2024	April 10, 2027	No
Jiangxi Enpo New Materials Co., Ltd.		April 10, 2024	April 10, 2027	No
Hubei Energy New Material Technology Co., Ltd.		April 10, 2024	April 10, 2027	No
Yuxi Energy New Materials Co., Ltd.		April 10, 2024	April 10, 2027	No
Xiamen Energy New Material Co., Ltd.		April 10, 2024	April 10, 2027	No
Jiangxi Energy New Material Technology Co., Ltd.		April 10, 2024	April 10, 2027	No
Hongchuang Packaging (Anhui) Co., Ltd.		April 10, 2024	April 10, 2027	No
Wuxi Energy New Material Technology Co., Ltd.		1,500,000,000.00	April 11, 2022	April 11, 2025
Jiangxi Tonry New Energy Technology Development Co., Ltd.	April 11, 2022		April 11, 2025	Yes
Suzhou GreenPower New Energy Materials Co., Ltd.	April 11, 2022		April 11, 2025	Yes
Chongqing Energy New Material Technology Co., Ltd.	April 11, 2022		April 11, 2025	Yes
Jiangxi Ruijie New Material Technology Co., Ltd.	April 11, 2022		April 11, 2025	Yes
Jiangsu Energy New Material Technology Co., Ltd.	April 11, 2022		April 11, 2025	Yes
Jiangsu Ruijie New Material Technology Co., Ltd.	April 11, 2022		April 11, 2025	Yes
Jiangxi Enpo New Materials Co., Ltd.	April 11, 2022		April 11, 2025	Yes
Hubei Energy New Material Technology Co., Ltd.	April 11, 2022		April 11, 2025	Yes
Jiangsu Sanhe Battery Material Technology Co., Ltd.	April 11, 2022		April 11, 2025	Yes
Yuxi Energy New Materials Co., Ltd.	April 11, 2022		April 11, 2025	Yes
Xiamen Energy New Material Co., Ltd.	April 11, 2022		April 11, 2025	Yes

Jiangxi Energy New Material Technology Co., Ltd.		April 11, 2022	April 11, 2025	Yes
Wuxi Energy New Material Technology Co., Ltd.	2,000,000,000.00	March 1, 2024	December 31, 2025	Yes
Jiangxi Tonry New Energy Technology Development Co., Ltd.		March 1, 2024	December 31, 2025	Yes
Suzhou GreenPower New Energy Materials Co., Ltd.		March 1, 2024	December 31, 2025	Yes
Chongqing Energy New Material Technology Co., Ltd.		March 1, 2024	December 31, 2025	Yes
Jiangxi Ruijie New Material Technology Co., Ltd.		March 1, 2024	December 31, 2025	Yes
Jiangsu Energy New Material Technology Co., Ltd.		March 1, 2024	December 31, 2025	Yes
Jiangsu Ruijie New Material Technology Co., Ltd.		March 1, 2024	December 31, 2025	Yes
Jiangxi Enpo New Materials Co., Ltd.		March 1, 2024	December 31, 2025	Yes
Hubei Energy New Material Technology Co., Ltd.		March 1, 2024	December 31, 2025	Yes
Jiangsu Sanhe Battery Material Technology Co., Ltd.		March 1, 2024	December 31, 2025	Yes
Yuxi Energy New Materials Co., Ltd.		March 1, 2024	December 31, 2025	Yes
Xiamen Energy New Material Co., Ltd.		March 1, 2024	December 31, 2025	Yes
Jiangxi Energy New Material Technology Co., Ltd.		March 1, 2024	December 31, 2025	Yes
Zhuhai Energy New Material Technology Co., Ltd.		356,820,000.00	July 30, 2024	Indefinite period
Shanghai Energy New Material Technology Co., Ltd.	July 30, 2024		July 30, 2025	Yes
Jiangxi Tonry New Energy Technology Development Co., Ltd.	250,000,000.00	December 23, 2025	December 31, 2029	No
Jiangxi Energy New Material Technology Co., Ltd.		December 23, 2025	December 31, 2029	No
Zhuhai Energy New Material Technology Co., Ltd.	200,000,000.00	February 21, 2023	February 21, 2028	Yes
Zhuhai Energy New Material Technology Co., Ltd.	270,000,000.00	February 7, 2022	February 6, 2025	Yes
Zhuhai Energy New Material Technology Co., Ltd.	300,000,000.00	July 13, 2023	July 14, 2025	Yes
Zhuhai Energy New Material Technology Co., Ltd.	300,000,000.00	January 15, 2024	July 15, 2025	Yes
Zhuhai Energy New Material Technology Co., Ltd.	200,000,000.00	April 12, 2024	April 11, 2025	Yes
Zhuhai Energy New Material Technology Co., Ltd.	200,000,000.00	April 24, 2024	April 23, 2029	Yes
Zhuhai Energy New Material Technology Co., Ltd.	300,000,000.00	April 25, 2024	April 24, 2025	Yes
Chongqing Energy New Material Technology Co., Ltd.	80,000,000.00	August 2, 2024	August 1, 2025	Yes
Chongqing Energy New Material Technology Co., Ltd.	300,000,000.00	November 8, 2024	October 29, 2025	Yes
Yunnan Hongta Plastic Co., Ltd.	40,000,000.00	November 9, 2020	October 23, 2025	Yes
Yunnan Hongta Plastic Co., Ltd.	51,650,000.00	May 5, 2022	May 4, 2025	Yes
Yunnan Hongta Plastic Co., Ltd.	60,000,000.00	July 15, 2023	July 15, 2025	Yes
Yunnan Hongta Plastic Co., Ltd.	80,000,000.00	January 12, 2024	January 11, 2028	Yes
Yunnan Hongta Plastic Co., Ltd.	100,000,000.00	April 19, 2024	April 19, 2025	Yes
Yunnan Hongta Plastic Co., Ltd.	50,000,000.00	November 15, 2024	May 15, 2026	Yes
Yunnan Hongchuang Packaging Co., Ltd.	50,000,000.00	February 23, 2022	February 23, 2027	Yes
Yunnan Hongchuang Packaging Co., Ltd.	162,000,000.00	March 21, 2022	March 20, 2025	Yes
Yunnan Hongchuang Packaging Co., Ltd.	120,000,000.00	January 15, 2024	January 14, 2025	Yes
Yunnan Hongchuang Packaging Co., Ltd.	7,258,788.30	March 29, 2024	March 28, 2025	Yes
Yunnan Hongchuang Packaging Co., Ltd.	130,000,000.00	April 26, 2024	April 26, 2025	Yes
Yunnan Hongchuang Packaging Co., Ltd.	40,000,000.00	April 30, 2024	April 2, 2025	Yes
Yunnan Hongchuang Packaging Co., Ltd.	13,667,784.90	August 21, 2024	August 20, 2025	Yes
Yunnan Hongchuang Packaging Co., Ltd.	40,000,000.00	September 29, 2024	September 17, 2025	Yes
Yunnan Hongchuang Packaging Co., Ltd.	100,000,000.00	November 13, 2024	November 13, 2025	Yes
Yunnan Dexin Paper Co., Ltd.	20,000,000.00	January 2, 2024	January 2, 2027	Yes
Yunnan Dexin Paper Co., Ltd.	10,000,000.00	January 12, 2024	January 11, 2028	Yes
Yuxi Energy New Materials Co., Ltd.	800,000,000.00	October 26, 2023	October 25, 2032	Yes
Wuxi Energy New Material Technology Co., Ltd.	100,000,000.00	January 5, 2024	January 4, 2028	Yes

Wuxi Energy New Material Technology Co., Ltd.	100,000,000.00	July 12, 2024	June 16, 2025	Yes
Wuxi Energy New Material Technology Co., Ltd.	150,000,000.00	August 21, 2024	August 4, 2025	Yes
Shanghai Energy New Material Technology Co., Ltd.	165,000,000.00	October 27, 2023	October 26, 2025	Yes
Shanghai Energy New Material Technology Co., Ltd.	500,000,000.00	December 22, 2023	December 21, 2027	Yes
Shanghai Energy New Material Technology Co., Ltd.	800,000,000.00	March 20, 2024	August 25, 2025	Yes
Shanghai Energy New Material Technology Co., Ltd.	200,000,000.00	April 18, 2024	April 17, 2025	Yes
Shanghai Energy New Material Technology Co., Ltd.	200,000,000.00	April 24, 2024	April 23, 2025	Yes
Shanghai Energy New Material Technology Co., Ltd.	200,000,000.00	June 17, 2024	June 16, 2025	Yes
Shanghai Energy New Material Technology Co., Ltd.	900,000,000.00	August 9, 2024	August 8, 2027	Yes
Shanghai Energy New Material Technology Co., Ltd.	196,000,000.00	August 20, 2024	July 22, 2025	Yes
Shanghai Energy New Material Technology Co., Ltd.	500,000,000.00	August 22, 2024	August 21, 2025	Yes
Shanghai Energy New Material Technology Co., Ltd.	875,000,000.00	August 27, 2024	July 22, 2025	Yes
Shanghai Energy New Material Technology Co., Ltd.	209,000,000.00	September 2, 2024	May 31, 2025	Yes
Shanghai Energy New Material Technology Co., Ltd.	150,000,000.00	September 6, 2024	September 6, 2027	Yes
Shanghai Energy New Material Technology Co., Ltd.	200,000,000.00	September 11, 2024	September 9, 2025	Yes
Shanghai Energy New Material Technology Co., Ltd.	546,000,000.00	December 3, 2024	September 22, 2025	Yes
Shanghai Energy New Material Technology Co., Ltd.	50,000,000.00	December 30, 2024	December 30, 2025	Yes
Shanghai Energy Trading Co., Ltd.	10,000,000.00	September 20, 2024	September 19, 2027	Yes
Jiangxi Tonry New Energy Technology Development Co., Ltd.	200,000,000.00	October 8, 2024	October 7, 2025	Yes
Jiangxi Tonry New Energy Technology Development Co., Ltd.	100,000,000.00	November 11, 2024	November 11, 2025	Yes
Jiangxi Tonry New Energy Technology Development Co., Ltd.	200,000,000.00	December 2, 2024	December 2, 2025	Yes
Hongta Plastic (Chengdu) Co., Ltd.	30,000,000.00	January 12, 2024	January 11, 2028	No
Hongchuang Packaging (Anhui) Co., Ltd.	210,000,000.00	November 15, 2023	February 1, 2025	Yes
Total	50,287,866,413.20			

## 2) The Company as the guarantor – guarantees provided by a subsidiary for another subsidiary

Guarantor	Secured party	Guarantee amount	Commencement date of guarantee	Expiry date of guarantee	Whether the guarantee has been fully fulfilled
Shanghai Energy New Material Technology Co., Ltd.	Wuxi Energy New Material Technology Co., Ltd.	1,160,000,000.00	December 1, 2020	December 1, 2029	No
Shanghai Energy New Material Technology Co., Ltd.	Suzhou GreenPower New Energy Materials Co., Ltd.	550,000,000.00	May 24, 2022	May 24, 2027	No
Shanghai Energy New Material Technology Co., Ltd.	Chongqing Energy New Material Technology Co., Ltd.	1,600,000,000.00	April 26, 2022	May 10, 2028	No
Shanghai Energy New Material Technology Co., Ltd.	SEMCORP Hungary Korlátolt Felelősségű Társaság (Hungary)	6,566,240.00	November 28, 2025	November 28, 2028	No
Shanghai Energy New Material Technology Co., Ltd.	Jiangsu Ruijie New Material Technology Co., Ltd.	700,000,000.00	May 9, 2024	November 8, 2032	No
Shanghai Energy New Material Technology Co., Ltd.	Jiangsu Energy New Material Technology Co., Ltd.	1,600,000,000.00	June 30, 2022	June 29, 2025	Yes
Total		5,616,566,240.00			

## 3) The Company as the guarantor – guarantees provided jointly with subsidiaries.

Guarantor	Secured party	Guarantee amount	Commencement date of guarantee	Expiry date of guarantee	Whether the guarantee has been fully fulfilled
Yunnan Energy New Material Co., Ltd.,	Zhuhai Energy New Material Technology	200,000,000.00	September 6, 2023	September 6, 2026	Yes

Shanghai Energy New Material Technology Co., Ltd.	Co., Ltd.				
Yunnan Energy New Material Co., Ltd., Shanghai Energy New Material Technology Co., Ltd.	Suzhou GreenPower New Energy Materials Co., Ltd.	550,000,000.00	May 24, 2022	May 24, 2027	No
Yunnan Energy New Material Co., Ltd., Shanghai Energy New Material Technology Co., Ltd.	Zhuhai Energy New Material Technology Co., Ltd.	750,000,000.00	August 1, 2019	August 1, 2025	Yes
Yunnan Energy New Material Co., Ltd., Shanghai Energy New Material Technology Co., Ltd.	Chongqing Energy New Material Technology Co., Ltd.	1,600,000,000.00	April 26, 2022	May 10, 2028	No
Yunnan Energy New Material Co., Ltd., Shanghai Energy New Material Technology Co., Ltd.	Wuxi Energy New Material Technology Co., Ltd.	1,160,000,000.00	December 1, 2020	December 1, 2029	No
Total		4,260,000,000.00			

**(4) Remuneration for key management**

Unit: RMB

Item	Amount for the current period	Amount for the previous period
Remuneration for key management personnel	9,445,670.17	7,417,913.45

**6. Amounts due to and due from related parties**

**(1) Receivables**

Unit: RMB

Item	Related party	Closing balance		Opening balance	
		Book balance	Provision for bad debt	Book balance	Provision for bad debt
Other non-current assets					
	Changshu Juxing Machinery Co., Ltd.			4,266,962.20	
	Suzhou Fuqiang Jianeng Machinery Co., Ltd.	8,325,353.98		6,331,858.41	
	Suzhou Jiesheng Technology Co., Ltd.			94,546,169.67	
Dividends receivable					
	Yuxi Kunshasi Plastic Masterbatch Co., Ltd.			1,347,859.55	

**(2) Payables**

Unit: RMB

Item	Related party	Book balance at the end of the Reporting Period	Book balance at the beginning of the Reporting Period
Accounts payable			
	Chenyu (Zhuhai Hengqin) New Material Technology Co., Ltd.		17,700.00
	Suzhou Fuqiang Technology Co., Ltd.	8,409,189.23	2,136,686.00

	Changshu Juxing Machinery Co., Ltd.	341,600.00	
	Suzhou Jiasheng Technology Co., Ltd.	16,795,909.26	
	Yuxi Kunshasi Plastic Masterbatch Co., Ltd.		2,401,471.87
	Zhuhai Chenyu New Material Technology Co., Ltd.		27,429,230.36

**XV. Share-based Payment**

**1. General information about share-based payment**

Applicable Not applicable

Unit: RMB

Category of grantee	Grant for the period		Exercise for the period		Unlock for the period		Lapse for the period	
	Number	Amount	Number	Amount	Number	Amount	Number	Amount
Sales	90,000.00	495,000.00					188,600.00	4,637,674.00
Management	280,000.00	1,544,500.00					2,284,626.00	53,506,353.34
R&D							360.00	8,852.40
Production							504,882.00	11,846,848.38
Total	370,000.00	2,039,500.00					2,978,468.00	69,999,728.12

Options or other equity instruments outstanding at the end of the period

Applicable Not applicable

Other explanations:

**2. Information on equity-settled share-based payment**

Applicable Not applicable

Unit: RMB

Determination method of the fair value of equity instruments on the grant date	(1) The fair value of restricted shares is recognized at the closing price on the grant date; (2) The fair value of stock options is recognized by Black-Scholes model
Important parameters of fair value of equity instruments on the grant date	Historical volatility, risk-free return rate, dividend yield
Basis for determining the number of vested equity Instruments	On each balance sheet date of lock-up periods, the estimation shall be made according to the latest number of people whose stock options are vested, performance indicators and other follow-up information
Reasons for significant differences between the current estimates and the previous estimates	Nil
Accumulated amount of equity-settled share-based payment included in capital reserve	88,375,137.00
Total expenses recognized for equity-settled share-based payment in the current period	-3,108,783.91

**3. Information on cash-settled share-based payment**

Applicable Not applicable

**4. Share-based payment for the period**

Applicable Not applicable

Unit: RMB

Category of grantee	Information on equity-settled share-based payment	Information on cash-settled share-based payment
Sales personnel	806,782.93	
Management personnel	-3,511,930.59	

R&D personnel	-602.66	
Production personnel	-403,033.59	
Total	-3,108,783.91	

## XVI. Commitments and Contingencies

### 1 Significant commitments

Significant commitments on the balance sheet date

#### (1) Mortgage of assets

As of December 31, 2025, the Company has obtained a bank comprehensive credit line of RMB2.2201552 billion with the mortgage of buildings and machinery and equipment under fixed assets, land use right under intangible assets, and construction in progress. See Note V 22 for details.

#### (2) Pledge of assets

As of December 31, 2025, the Company obtained a bank loan of RMB416.8787 million by pledging certificate of deposit, and 100% equity interest in its sub-subsidiary Suzhou GreenPower New Energy Materials Co., Ltd. See Notes V 22, 23 and 32 for details.

#### (3) Signed M&A Agreements Being Performed or to Be Performed

On December 13, 2025, the Company disclosed the “Proposal for Purchase of Assets through Issuance of Shares and Raising of Matching Funds”, under which it intends to acquire 100% equity interest in Qingdao Zhongkehualian New Material Co., Ltd. by means of share issuance. As of the date of this report, the transaction is still in progress, and the relevant audit and valuation work has not yet been completed. This transaction is subject to the approval of the Company’s General Meeting and registration with the China Securities Regulatory Commission, and there exist uncertainties.

Except for the above commitments, as of December 31, 2025, the Company has no other significant commitments that should be disclosed but have not been disclosed.

### 2. Contingencies

#### (1) Significant contingencies on the balance sheet date

The Company had no important contingencies to disclose.

#### (2) If the Company had no important contingencies to disclose, it is also required to specify it

The Company had no important contingencies to disclose.

## XVII. Events Subsequent to the Balance Sheet Date

### 1. Details of other events subsequent to the balance sheet date

As at the date of approval of the financial statements, the Company had no other significant events subsequent to the balance sheet date that should be disclosed but have not been disclosed.

## XVIII. Other Significant Events

### 1. Segment information

#### (1) Determination basis and accounting policy of reporting segments

The Company classifies its businesses into two reporting segments based on its internal organizational structure, management requirements and internal reporting system. These reporting segments are determined based on the financial information as required under the Company’s daily internal management. The Company’s management level regularly evaluates these reporting segments in terms of their operating results, in order to decide the resources to allocate to them and evaluate their performance.

The Company’s reporting segments include:

①Lithium battery separator business segment: It is responsible for production and sale of lithium battery separator, which product is mainly used for EV battery and 3C product battery production;

②BOPP film business segment: This product is mainly used for outer packaging for cigarette box, food and other products.

The segment reporting information should be disclosed in line with the accounting policies and measurement standards used by respective segment for reporting to the management. These accounting policies and measurement basis should be consistent with those used for preparing the financial statements

**(2) Financial Information of Reportable Segments**

Unit: RMB

Item	Lithium battery separation film business segment	BOPP film business segment	Others	Elimination	Total
I. Operating income	1,201,333.11	58,691.99	109,663.29	-6,415.68	1,363,272.72
Including: Income from external trade	1,201,333.11	58,673.20	103,266.40		1,363,272.72
Income from inter-segment trade		18.79	6,396.89	-6,415.68	
II. Operating cost	975,515.04	52,436.86	85,803.22	-6,399.55	1,107,355.57
III. Operating expense	10,414.07	889.39	3,436.99		14,740.45
IV. Total profits	10,888.26	1,474.87	35,570.49	-4,178.82	43,754.79
V. Total assets	4,569,870.67	93,849.30	2,174,570.66	-1,963,566.95	4,874,723.67
VI. Total liabilities	3,423,137.93	35,764.93	151,935.77	-1,457,707.33	2,153,131.30

**XIX. Notes to Major Items of Financial Statements of the Parent Company**

**1. Accounts receivable**

**(1) Disclosure by aging**

Unit: RMB

Aging	Closing book balance	Opening book balance
1-2 years	129,425.40	
2-3 years	2,014,295.99	
Total	2,143,721.39	0.00

**(2) Disclosure by provision for bad debt**

Unit: RMB

Category	Closing balance					Opening balance				
	Book balance		Provision for bad debts		Book value	Book balance		Provision for bad debts		Book value
	Amount	Percentage	Amount	Proportion		Amount	Percentage	Amount	Proportion	
Including:										
Accounts receivable subject to provision for bad debt made on a portfolio basis	2,143,721.39	100.00%	283,436.97	13.22%	1,860,284.42					
Including:										
Aging portfolio	2,143,721.39	100.00%	283,436.97	13.22%	1,860,284.42					
Total	2,143,721.39	100.00%	283,436.97	13.22%	1,860,284.42	0.00				

Provision for bad debt made on a portfolio basis: aging portfolio

Unit: RMB

Name	Closing balance		
	Proportion	Provision for bad debt	Proportion

1-2 years	129,425.40	6,471.27	5.00%
2-3 years	2,014,295.99	276,965.70	13.75%
<b>Total</b>	<b>2,143,721.39</b>	<b>283,436.97</b>	

Explanation of the basis for determining this portfolio:

If provision was made for bad debts of accounts receivable in accordance with the general expected credit loss model:

Applicable Not applicable

### (3) Provision for bad debts accrued, recovered or reversed during the Reporting Period

Provision for bad debts during the Reporting Period:

Unit: RMB

Type	Opening balance	Changes in amount for the period				Closing balance
		Provision	Recovery or reversal	Write-offs	Others	
Provision for bad debt made on a portfolio basis		283,436.97				283,436.97
<b>Total</b>		<b>283,436.97</b>				<b>283,436.97</b>

### (4) Top five customers with closing balance of accounts receivable and contract assets collected by arrear party

Unit: RMB

Company name	Closing balance of accounts receivable	Closing balance of contract assets	Closing balance of accounts receivable and contract assets	Percentage of the total closing balance of accounts receivable and contract assets	Closing balance of provision for bad debts of accounts receivable and Closing balance of provision for impairment of contract assets
Yunnan Jiake Packaging Technology Co., Ltd.	2,143,721.39		2,143,721.39	100.00%	283,436.97
<b>Total</b>	<b>2,143,721.39</b>		<b>2,143,721.39</b>	<b>100.00%</b>	<b>283,436.97</b>

## 2. Other receivables

Unit: RMB

Item	Closing balance	Opening balance
Dividends receivable	781,539,232.73	786,539,232.73
Other receivables	13,601,533,643.91	12,911,608,164.83
<b>Total</b>	<b>14,383,072,876.64</b>	<b>13,698,147,397.56</b>

### (1) Dividends receivable

#### 1) Category of dividends receivable

Unit: RMB

Item (investee)	Closing balance	Opening balance
Shanghai Energy New Material Technology Co., Ltd.	666,539,232.73	666,539,232.73
Yunnan Hongta Plastic Co., Ltd.	115,000,000.00	120,000,000.00
<b>Total</b>	<b>781,539,232.73</b>	<b>786,539,232.73</b>

#### 2) Disclosure by provision for bad debt

Applicable  Not applicable

(2) Other receivables

1) Other receivables by nature

Unit: RMB

Nature of amount	Closing book balance	Opening book balance
Capital lending	13,598,292,754.74	12,907,906,230.22
Other	3,388,279.32	3,870,292.33
Total	13,601,681,034.06	12,911,776,522.55

2) Disclosure by aging

Unit: RMB

Aging	Closing book balance	Opening book balance
1 year or below	936,016,102.71	1,563,908,800.83
1-2 years	1,563,868,917.35	5,851,547,826.80
2-3 years	5,643,240,607.41	382,813,869.07
Over 3 years	5,458,555,406.59	5,113,506,025.85
3-4 years	382,813,869.07	5,113,506,025.85
4-5 years	5,075,741,537.52	
Total	13,601,681,034.06	12,911,776,522.55

3) Disclosure by provision for bad debt

Unit: RMB

Type	Closing balance					Opening balance				
	Book balance		Provision for bad debts		Book value	Book balance		Provision for bad debts		Book value
	Amount	Percentage	Amount	Provision percentage		Amount	Percentage	Amount	Provision percentage	
Including:										
Provision for bad debts made on a portfolio basis	13,601,681,034.06	100.00%	147,390.15	0.00%	13,601,533,643.91	12,911,776,522.55	100.00%	168,357.72	0.00%	12,911,608,164.83
Including:										
Aging portfolio	3,388,279.32	0.02%	147,390.15	4.35%	3,240,889.17	3,870,292.33	0.03%	168,357.72	4.35%	3,701,934.61
Portfolio of related parties included in the consolidated scope	13,598,292,754.74	99.98%			13,598,292,754.74	12,907,906,230.22	99.97%			12,907,906,230.22
Total	13,601,681,034.06	100.00%	147,390.15	0.00%	13,601,533,643.91	12,911,776,522.55	100.00%	168,357.72	0.00%	12,911,608,164.83

Provision for bad debt made on a portfolio basis: aging portfolio

Unit: RMB

Name	Closing balance		
	Book balance	Provision for bad debts	Provision percentage
Less than 1 year	6,666.67	290.00	4.35%
1-2 years	77,435.57	3,368.45	4.35%
2-3 years	3,304,177.08	143,731.70	4.35%
3-4 years			
4-5 years			
Above 5 years			
Total	3,388,279.32	147,390.15	

Provision for bad debts made on a portfolio basis: Portfolio of related parties included in the consolidated scope

Unit: RMB

Name	Closing balance		
	Book balance	Provision for bad debts	Provision percentage
Less than 1 year	936,009,436.04		
1-2 years	1,563,791,481.78		
2-3 years	5,639,936,430.33		
3-4 years	382,813,869.07		
4-5 years	5,075,741,537.52		
Total	13,598,292,754.74		

If provision was made for bad debts in accordance with the general expected credit loss model:

Unit: RMB

Provision for bad debts	Stage I	Stage II	Stage III	Total
	12-month ECL	Lifetime ECL (not credit-impaired)	Lifetime ECL (credit-impaired)	
Balance on January 1, 2025	168,357.72			168,357.72
Balance on January 1, 2025 for the current period				
Provision for the period	-20,967.57			-20,967.57
Balance on December 31, 2025	147,390.15			147,390.15

Movement of book balance of significant change in provision for loss for the period

Applicable Not applicable

#### 4) Provision for bad debts accrued, recovered or reversed during the period

Provision for bad debts during the period:

Unit: RMB

Type	Opening balance	Changes in amount for the period				Closing balance
		Provision	Recovery or reversal	Transfer or write-off	Others	
Provision for bad debts made on an individual basis						
Provision for bad debts made on a portfolio basis						
Including: ageing portfolio	168,357.72	-20,967.57				147,390.15
Portfolio of related parties included in the consolidated scope						
Total	168,357.72	-20,967.57				147,390.15

#### 5) Top five customers with closing balance of other receivables collected by arrear party

Unit: RMB

Company name	Nature of amount	Closing balance	Aging	As a percentage of total closing balance of	Closing balance of provision
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				other receivables	for bad debts
Shanghai Energy New Material Technology Co., Ltd.	Capital lending	5,604,708,048.18	Less than 1 year, 1-2years、 2-3years	41.21%	
Wuxi Energy New Material Technology Co., Ltd.	Capital lending	3,622,495,053.70	Less than 1 year, 1-2years、 2-3years, 3-4years, 4-5years	26.63%	
Jiangxi Tonry New Energy Technology Development Co., Ltd.	Capital lending	2,384,661,661.23	Less than 1 year, 1-2years, 2-3years, 3-4years, 4- 5years	17.53%	
Jiangsu Energy New Material Technology Co., Ltd.	Capital lending	1,520,084,311.35	Less than 1 year, 1-2years, 2-3years	11.18%	
Jiangsu Ruijie New Material Technology Co., Ltd.	Capital lending	375,006,342.31	Less than 1 year, 1-2years	2.76%	
Total		13,506,955,416.77		99.31%	

### 3. Long-term equity investment

Unit: RMB

Item	Closing balance			Opening balance		
	Book balance	Provision for impairment	Book value	Book balance	Provision for impairment	Book value
Investment in subsidiaries	4,836,309,722.90		4,836,309,722.90	4,971,553,501.90		4,971,553,501.90
Total	4,836,309,722.90		4,836,309,722.90	4,971,553,501.90		4,971,553,501.90

#### (1) Investments in subsidiaries

Unit: RMB

Name of investee	Opening balance (book value)	Opening balance of provision for impairment	Increase/Decrease for the period				Closing balance (book value)	Closing balance of provision for impairment
			Increase in investment	Decrease in investment	Provision for impairment	Others		
Yunnan Dexin Paper Co., Ltd.	162,135,598.40			162,135,598.40				
Yunnan Hongta Plastic Co., Ltd.	418,898,313.03					418,898,313.03		
Yunnan Hongchuang Packaging Co., Ltd.	441,809,808.43					441,809,808.43		
Shanghai Energy New Material Technology Co., Ltd.	3,680,815,466.35			4,410,588.64		3,676,404,877.71		
Zhuhai Energy New Material Technology Co., Ltd.	7,011,885.18			44,552.80		6,967,332.38		
Jiangxi Tonry New Energy Technology Development Co., Ltd.	6,753,997.03		64,001.09			6,817,998.12		
Jiangxi Enpo New Materials Co., Ltd.	183,394.49					183,394.49		
Energy (Zhuhai Economic and Technological Development Zone) New Material Technology Co., Ltd.	5,012,050.32					5,012,050.32		
Jiangxi Ruijie New Material Technology Co., Ltd.	2,226,992.08					2,226,992.08		
Suzhou GreenPower	7,941,842.27		103,190.62			8,045,032.89		

New Energy Materials Co., Ltd.												
Wuxi Energy New Material Technology Co., Ltd.	11,094,566.01		68,889.74								11,163,455.75	
Chongqing Energy Newmi Technological Co., Ltd.	7,853,923.24					77,682.75					7,776,240.49	
Chongqing Energy New Material Technology Co., Ltd.	49,518.03		6,361.94								55,879.97	
Jiangsu Energy New Material Technology Co., Ltd.	697,240.65		156,846.17								854,086.82	
Shanghai Energy New Materials Research Co., Ltd.	100,001,968.75					602.66					100,001,366.09	
Yunnan Jiechen Packaging Materials Co., Ltd.	119,000,000.00		31,000,000.00								150,000,000.00	
Hubei Energy New Material Technology Co., Ltd.	65,953.26		25,574.98								91,528.24	
Jiangsu Ruijie New Material Technology Co., Ltd.	656.25		254.48								910.73	
Shanghai Energy Trading Co., Ltd.	328.13		127.23								455.36	
<b>Total</b>	<b>4,971,553,501.90</b>		<b>31,425,246.25</b>			<b>166,669,025.25</b>					<b>4,836,309,722.90</b>	

**(2) Investment in associates and joint ventures**

Unit: RMB

Name of investee	Opening balance (book value)	Opening balance of provision for impairment	Increase/Decrease for the period								Closing balance (book value)	Closing balance of provision for impairment
			Increase in investment	Decrease in investment	Share of profit or loss recognized under the equity method	Adjustment of other comprehensive income under the equity method	Other changes in equity	Cash dividends or profits declared	Provision for impairment	Others		
<b>I. Joint ventures</b>												
<b>II. Associates</b>												
Yunnan Yijie Lithium Industry Co., Ltd.			247,500.00		-247,500.00							
Sub-total			247,500.00		-247,500.00							
Total			247,500.00		-247,500.00							

Recoverable amount determined based on fair value less costs of disposal

Applicable Not applicable

Recoverable amount determined based on the present value of expected future cash flows

Applicable Not applicable

**4. Operating income and operating cost**

Unit: RMB

Item	Amount for the current period		Amount for the previous period	
	Income	Cost	Income	Cost

Main businesses			1,257,706.70	1,666,195.21
Other businesses	3,897,523.84	5,389,637.82	3,664,149.86	2,150,884.53
Total	3,897,523.84	5,389,637.82	4,921,856.56	3,817,079.74

## 5. Investment income

Unit: RMB

Item	Amount for the current period	Amount for the previous period
Gain from long-term equity investment under the cost method		45,000,000.00
Gain from long-term equity investment under the equity method	-247,500.00	
Gain from disposal of long-term equity investments	32,624,566.56	
Gain from wealth management products	2,439,053.13	2,775,000.00
Total	34,816,119.69	47,775,000.00

## XX. Supplementary Information

### 1. Breakdown of non-recurring gain or loss for the current period

Applicable Not applicable

Unit: RMB

Item	Amount	Remarks
Gains and losses from the disposal of non-current assets	-8,203,684.96	
Government subsidies recognized in current profit or loss (except for those closely related to the Company's normal business and are in line with national policies and in accordance with defined criteria that have a continuing impact on the Company's profit or loss)	63,927,360.69	
Gains and losses from the entrusted investment or management of assets	-6,706,147.71	
Reversal of the provisions for impairment of receivables subject to separate impairment test	1,844,977.96	
Non-operating income and expenses other than above-mentioned items	-10,156,736.59	
Other items within the definition of non-recurring gains or losses	1,129,596.00	
Less: Effect of the income tax	4,979,244.69	
Effect of minority equities (after tax)	5,110,210.60	
Total	31,745,910.10	--

Details of other profit or loss items that fall within the meaning of non-recurring gain or loss: Applicable Not Applicable

Mainly attributable to the refund of individual income tax handling fees.

The reason for the Company to define the non-recurring profit or loss items illustrated in the *Information Disclosure and Presentation Rules for Companies Making Public Offering of Securities No. 1 – Non-recurring Profit or Loss* as recurring profit or loss items.

Applicable Not applicable

### 2. Return on equity and earnings per share

Profit during the Reporting Period	Weighted average return on equity	Earnings per share	
		Basic earnings per share (RMB/share)	Diluted earnings per share (RMB/share)
Net profits attributable to common stockholders of the Company	0.58%	0.15	0.15
Net profits attributable to common stockholders of the Company after the deduction of non-recurring gains and losses	0.45%	0.12	0.12

**3. Accounting data differences under Chinese and overseas accounting standards**

**(1) Difference between the net profit and net assets of the financial report disclosed in accordance with the international accounting standards and the Chinese accounting standards**

Applicable Not applicable

**(2) Difference between the net profit and net assets of the financial report disclosed in accordance with the overseas accounting standards and the Chinese accounting standards**

Applicable Not applicable

**(3) Specifications of the reason for the accounting data difference under Chinese and overseas accounting standards. In the case of any difference adjustment made to any data audited by overseas auditor, the name of this overseas auditor should be specified.**