Ningbo Shanshan Co., Ltd.
First Quarterly Report 2023

Important Notes:

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

Person in Charge of the Company, the Chief Financial Officer and the Person in Charge of the Accounting Authority

	Reporting Period	previous year	the end of the Reporting Period as compared with the previous year-end (%)
Total assets	46,884,343,539.90	44,925,491,219.31	4.36
Owners' equity attributable to shareholders of the listed company	23,563,404,503.44	23,053,341,900.80	2.21

(II) Non-recurring profit and loss items and amounts

Unit: Yuan Currency: RMB

Items	Amounts of the Reporting Period	Explanation
Profit and loss on disposal of non-current assets	290,357,144.59	Mainly attributable to the corresponding investment income from the Company's sale of partial equity of Shanshan Advanced Materials (Quzhou) Co., Ltd. during the reporting period.
Government grants included in the current profit and loss, except those closely related to the Company’s normal operations, conforming to the State policies and regulations and enjoyed persistently in line with certain standard ratings or rations	162,368,194.03	
Non-operating income and expenses other than those mentioned above	3,862,978.71	
Less: Amount affected by income tax	34,854,078.61	
Affected amount of non-controlling interest (after tax)	15,572,059.15	
Total	406,162,179.57	

Explanation of non-recurring profit and loss items listed in the “Explanatory Announcement No. 1 on Information Disclosure by Companies Offering Their Securities to the Public – Non-recurring Profit and Loss” (1 ——) being defined as recurring profit and loss items

□Applicable √Not Applicable

(III) Changes of key accounting data and financial indicators and reasons

√ Applicable □Not applicable

Items	Change ratio (%)	Main reasons
Net profit attributable to shareholders of the listed	-72.94	During the reporting period, the market competitiveness of the Company's core business of

company after deducting non-recurring profit and loss		polarizers and anode materials continued to improve, and sales volume achieved growth which compared to same period of last year. However, due to changes in the industry environment, the net profit of BASF Shanshan Battery Materials Co., Ltd. accounted by the equity method declined significantly compared with the same period of last year. Also, the profit space of lithium battery materials and polarizer industry faced periodic challenges, and the profit level has narrowed.
Net cash flow from operating activities	-1,334.73	During the reporting period, the production line of the anode factory in Sichuan was gradually adjusted and operated, and the stocking demand for various raw and auxiliary materials increased.

II. Information of Shareholders

(I) Table of total number of ordinary shareholders, the number of shareholders of preferred shares with recovered voting rights and shareholdings of the top ten shareholders

Unit: Share

Total number of ordinary shareholders at the end of the Reporting Period	207,564	Total number of shareholders of preferred shares with recovered voting rights at the end of the Reporting Period (if any)			Not Applicable	
Shareholdings of the top ten shareholders						
Name of shareholders	Type of shareholders	The number of shares held	Percentage of shareholding (%)	Number of restricted tradable shares held	Number of shares pledged, marked or frozen	
					Status of shares	Number
Shanshan Group Co., Ltd.	Domestic non state-owned legal person	782,222,036	34.55	205,264,756	Frozen	40,441,711
					Pledged	538,743,870
Ningbo Pengze Trading Co., Ltd.	Domestic non-state-owned legal person	205,264,756	9.07	205,264,756	Pledged	78,420,000
Ningbo Yinzhou Jielun Investment Co., Ltd.	Domestic non-state-owned legal person	77,873,254	3.44	77,873,254	Pledged	29,580,000

Shanshan Holdings Co., Ltd.	Domestic non-state-owned legal person	72,212,189	3.19		Frozen	63,391,443
Tian An Property Insurance Co., Ltd. – Baoying No. 1 (1)	Domestic non-state-owned legal person	54,450,098	2.41		None	
Hong Kong Securities Clearing Company Limited	Overseas legal person	44,478,552	1.96		None	
Bailian Group Co., Ltd.	State-owned legal person	30,743,625	1.36		None	
Postal Savings Bank of China Co., Ltd. – Eastern Growth Small and Medium Hybrid Open-ended Securities Investment Fund ( )	Others	18,186,435	0.80		None	
Citibank, National Association	Overseas legal person	12,112,000	0.53		None	
Industrial and Commercial Bank of China Limited- Huitianfu China Securities New Energy Vehicle Industry Index Initiated Securities Investment Fund (LOF) (LOF)	Others	7,952,580	0.35		None	

Shareholdings of top ten shareholders not subject to trading restrictions			
Name of shareholders	Number of tradable shares not subject to trading restrictions	Type and Number	
		Type	Number
Shanshan Group Co., Ltd.	576,957,280	RMB ordinary shares	576,957,280
Shanshan Holdings Co., Ltd.	72,212,189	RMB ordinary shares	72,212,189
Tian An Property Insurance Co., Ltd. – Baoying No. 1 (1)	54,450,098	RMB ordinary shares	54,450,098
Hong Kong Securities Clearing Company Limited	44,478,552	RMB ordinary shares	44,478,552
Bailian Group Co., Ltd.	30,743,625	RMB ordinary shares	30,743,625

Postal Savings Bank of China Co., Ltd. – Eastern Growth Small and Medium Hybrid Open-ended Securities Investment Fund ( )	18,186,435	RMB ordinary shares	18,186,435
Citibank, National Association	12,112,000	RMB ordinary shares	12,112,000
Industrial and Commercial Bank of China Limited- Huitianfu China Securities New Energy Vehicle Industry Index Initiated Securities Investment Fund (LOF) (LOF)	7,952,580	RMB ordinary shares	7,952,580
Bank of China Limited – Huaxia China Securities New Energy Vehicle Trading Open Index Securities Investment Fund ( )	7,726,144	RMB ordinary shares	7,726,144
Xingzheng Global Fund - China Life Insurance Co., Ltd. - Dividend Insurance - Xingzheng Global Fund Guoshou Equilibrium Stock Portfolio Single Asset Management Plan ( )	6,463,316	RMB ordinary shares	6,463,316
Explanation on related party or concert party relationship among the above shareholders	Shanshan Holdings Co., Ltd. is the controlling shareholder of Shanshan Group Co., Ltd. Ningbo Pengze Trading Co., Ltd. is a wholly-owned subsidiary of Shanshan Group Co., Ltd. Ningbo Yinzhou Jielun Investment Co., Ltd. is a wholly-owned subsidiary of Shanshan Holdings Co., Ltd. In addition, the Company does not know whether there is any other related relationship between the above shareholders or whether they are acting in concert.		

Description on engagement in securities margin trading and financing business by the top ten shareholders and the top ten shareholders not subject to trading restrictions (if any)	Shanshan Group Co., Ltd. holds a total of 782,222,036 shares of the Company, including 378,580,000 shares of the Company under the designated pledge account for the convertible corporate bonds, 355,482,036 shares of the Company under ordinary securities account and 48,160,000 shares of the Company under credit securities account.

Note: As of March 31, 2023, Ningbo Shanshan Co., Ltd. held 26,125,467 shares of the Company in the special securities repurchase account, accounting for 1.15% of the Company's total share capital, which is not listed in the above shareholders' holdings.

III. Other Reminders

Other important information about the operation of the Company during the Reporting Period that needs to be reminded of investors

□ Applicable √Not applicable

IV. Quarterly Financial Statements

(I) Type of audit opinion

□Applicable √Not Applicable

(II) Financial statement

Consolidated Balance Sheet

31 March 2023

Prepared by: Ningbo Shanshan Co., Ltd.

Unit: Yuan Currency: RMB

Type of Audit: Unaudited

Item	31 March 2023	31 December 2022
Current assets:		
Cash at bank and on hand	4,352,850,543.08	4,742,265,435.59
Deposit reservation for balance		
Lending funds		
Held-for-trading financial assets		
Derivative financial assets		
Notes receivable	228,325,658.51	227,833,088.02
Accounts receivable	4,300,130,845.34	4,694,974,423.38
Accounts receivable financing	720,109,866.44	512,249,842.96
Prepayments	1,359,309,691.46	1,391,716,499.58
Premium receivable		
Reinsurance receivables		
Reinsurance contract reserves receivable		
Other receivables	741,542,065.27	497,273,632.21

Of which: Interest receivable	187,376.32	7,195.74
Dividend receivable	4,992,116.13	4,992,116.13
Purchase of resale financial assets		
Inventories	6,039,168,763.69	5,029,844,227.43
Contract assets		
Assets held for sales	218,267,300.62	1,316,864,410.82
Non-current assets due within one year	46,632,199.70	46,632,199.70
Other current assets	649,727,073.33	483,327,024.12
Total current assets	18,656,064,007.44	18,942,980,783.81
Non-current assets:		
Borrowings and advances issued		
Debt investment		
Other debt investments		
Long-term receivables		
Long-term equity investment	7,195,722,854.11	6,917,108,693.60
Investment in other equity instruments	957,296,339.92	749,414,590.01
Other non-current financial assets	198,154,599.78	198,154,599.78
Investment properties		
Fixed assets	8,188,521,621.46	8,351,151,772.77
Construction in progress	6,075,890,845.51	4,947,187,407.85
Productive biological assets		
Oil and gas assets		
Right-of-use assets	1,726,465,113.78	1,624,854,551.62
Intangible assets	1,738,488,132.65	1,757,936,375.32
Development costs		
Goodwill	1,007,279,852.19	1,007,279,852.19
Long-term deferred expense	153,914,999.03	133,384,511.46
Deferred income tax assets	147,098,226.42	134,942,699.34
Other non-current assets	839,446,947.61	161,095,381.56
Total non-current assets	28,228,279,532.46	25,982,510,435.50
Total assets	46,884,343,539.90	44,925,491,219.31
Current liabilities:		
Short-term borrowings	4,971,448,336.14	3,928,471,986.16
Borrowings from the Central Bank		
Borrowings from other banks and other financial institutions		
Held-for-trading financial liabilities		
Derivative financial liabilities		
Notes payable	1,875,607,609.57	2,039,758,654.61
Accounts payable	2,786,913,627.41	3,149,272,023.43
Advances from customers	949,682.02	100,196,289.48
Contract liabilities	63,846,572.56	60,815,111.78
Financial assets sold for repurchase		

Deposits from customers and interbanks		
Receiving from vicariously traded securities		
Receiving from vicariously sold securities		
Employee benefits payable	45,510,799.65	153,368,165.73
Tax payable	364,426,730.91	296,418,740.29
Other payables	909,436,729.87	753,001,487.50
Including: Interest payable		
Dividend payable	701,360.00	701,360.00
Handling charges and commissions payable		
Dividend payable for reinsurance		
Liabilities held for sale	26,887,635.51	400,317,405.67
Non-current liabilities due within one year	1,139,514,966.28	1,904,053,155.76
Other current liabilities	117,870,770.43	113,769,719.27
Total current liabilities	12,302,413,460.35	12,899,442,739.68
Non-current liabilities:		
Reserve fund for insurance contracts		
Long-term borrowings	6,299,810,072.33	4,176,085,647.01
Bonds payable		
Of which: Preferred shares		
Perpetual bonds		
Lease liabilities	1,200,939,748.02	1,136,932,323.59
Long-term payables	1,701,156,058.68	1,816,108,761.30
Long-term employee benefits payable		
Estimated liabilities	54,941,349.57	62,706,582.21
Deferred revenue	369,258,620.63	366,776,419.53
Deferred income tax liabilities	419,742,288.68	337,324,202.09
Other non-current liabilities		
Total non-current liabilities	10,045,848,137.91	7,895,933,935.73
Total liabilities	22,348,261,598.26	20,795,376,675.41
Owners' equity (or shareholders' equity):		
Paid-in capital (or share capital)	2,263,973,358.00	2,263,973,358.00
Other equity instruments		
Of which: Preferred shares		
Perpetual bonds		
Capital reserve	9,142,182,401.39	9,131,320,581.39
Less: Treasury shares	745,427,227.00	514,721,346.78
Other comprehensive income	6,575,870.41	-150,819,889.21
Special reserves	2,051,504.16	2,140,946.80
Surplus reserves	292,801,918.55	292,801,918.55
General risk provision		
Retained earnings	12,601,246,677.93	12,028,646,332.05
Total owners' equity (or shareholders' equity) attributable to	23,563,404,503.44	23,053,341,900.80

parent company		
Minority interests	972,677,438.20	1,076,772,643.10
Total owners' equity (or shareholders' equity)	24,536,081,941.64	24,130,114,543.90
Total liabilities and owners' equity (or shareholders' equity)	46,884,343,539.90	44,925,491,219.31

Person in charge of the Company: Zheng Ju Person in charge of accounting: You Hai Person in charge of the accounting authority: Li Keqin

Consolidated Income Statement

January-March 2023

Prepared by: Ningbo Shanshan Co., Ltd.

Unit: Yuan Currency: RMB

Type of Audit: Unaudited

Item	First Quarter of 2023	First Quarter of 2022
I. Total operating revenue	4,449,437,921.75	5,029,500,864.87
Including: Operating income	4,449,437,921.75	5,029,500,864.87
Interest income		
Earned premium		
Fee and commission incomes		
II. Total operating cost	4,221,458,365.77	4,392,257,942.29
Including: Operating cost	3,720,281,094.33	3,745,017,668.41
Interest expenses		
Fee and commissions expenses		
Cash surrender amount		
Net payments for insurance claims		
Net provision for insurance liability reserves		
Policy dividend expenses		
Reinsurance expenses		
Tax and surcharge	18,465,583.15	12,952,092.55
Sales expenses	55,093,139.37	96,533,568.83
Administrative expenses	162,003,567.00	210,182,399.38
R&D expenses	170,218,858.78	174,788,511.01

investments		
(5) Cash flow hedging reserve		

(6) Exchange differences from translation of financial

Net increase in deposits in the Central Bank and other financial institutions		
Cash paid for claim settlements on original insurance contract		
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 for employees	367,454,009.35	316,873,848.66
Payments of all types of taxes	441,994,796.74	454,341,444.89
Other cash paid relating to operating activities	381,943,055.26	371,320,485.43
Subtotal of cash outflows from operating activities	5,767,508,548.84	4,507,366,826.59
Net cash flow from operating activities	-1,325,600,692.98	107,359,328.32
II. Cash flows from investment activities:		
Cash received from the recovery of investments	20,000,000.00	251,000,000.00
Cash received from acquisition of investment income	130,002,184.81	6,538,661.68
Net amount of cash received from disposal of fixed assets, intangible assets and other long-term assets	8,499,889.39	19,001,352.45
Net cash received from disposal of subsidiaries and other business units	228,434,209.35	5,737,700.00
Other cash received relating to investment activities		
Subtotal of cash inflows from investing activities	386,936,283.55	282,277,714.13
Cash paid for acquisition of fixed assets, intangible assets and other long-term assets	1,658,687,151.93	1,763,211,685.13
Cash paid for investments	795,652,031.29	57,500,000.00
Net increase in pledge loans	[redacted]	
Net cash paid for acquisition of subsidiaries and other business units		
Other cash paid relating to investment activities		973,294,843.08

IV. Effect of changes in exchange rate on cash and cash equivalents	-9,108,665.77	5,064,441.55
V. Net increase in cash and cash equivalents	-640,671,843.03	-4,047,110,971.68
Add: Opening balance of cash and cash equivalents	3,911,177,960.18	8,678,782,091.61
VI. Ending balance of cash and cash equivalents	3,270,506,117.15	4,631,671,119.93

Person in charge of the Company: Zheng Ju Person in charge of accounting: You Hai Person in charge of the accounting authority: Li Keqin

(III) Information about the adjustments to the opening balances of financial statements for the first year of implementation due to new accounting standards or standard interpretations firstly implemented in 2023

✓Not applicable

Board of Directors
Ningbo Shanshan Co., Ltd.
27 April 2023