

SUNGROW

Sungrow Power Supply Co., Ltd.

2021 Annual Report

(Concise Version in English)

Section I Important Notes, Contents and Definitions

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

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

Director(s) who did not attend the board meeting in person	Position	Reason	Delegate
Liu Zhen	Director	Personal	No

For detailed reasons of performance decline and the Company's countermeasures for improving profitability, please refer to "Overview" of IV. Core Business Analysis and "(2) Operating Plan" of XI. Prospects of the Company's Future Development in Section III Management's Discussion and Analysis.

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

(1) Policy-related risks

Although technologies related to renewable energy power generation are still evolving and grid parity has been achieved in most regions around the world, there are still a few regions where the power generation cost or the on-grid electricity price is higher than that of fossil energy, and the unit electricity cost per kilowatt-hour from wind-solar storage applications maintains relatively high. In addition, considering the various constraints including grid consumption, intermittent fluctuations in new energy availability, as well as land and taxation, policy support and encouragement from governments are still necessary. Since the supportive policies are formulated by the governments of various countries, while the global trend of energy conservation and emission reduction remains unchanged, major changes in the macro economies of major markets or relevant supportive policies will affect the growth pace of the industry and the Company's profitability to a certain extent. To this end, on the basis of maintaining the leading position in the domestic market, the Company makes market explorations overseas, and strives to achieve a global footprint to minimize the impact of policy fluctuations within a single country. Apart from the PV inverter business and the PV power station investment and development business, the Company makes active attempts in other business growth points, such as energy storage converters, electric vehicle motor controllers and other new energy oriented applications based on power electronics technologies, as well as in new business sections such as energy storage system integration and wind farm development, to dilute the impact of single-industry (such as PV) policies.

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

As the world's largest PV inverter manufacturer, the Company's core product, PV inverters, enjoys an

obvious market advantage. However, the huge potential of domestic and foreign markets has also attracted fierce market competition. If the Company fails to maintain the leading edge in technological innovation, new product development, and cost control, the products will face the risk of gross margin declination. As such, the Company needs to further accelerate new product upgrade and product differentiation through R&D innovation and increasing R&D investment, so as to provide customers with value-added services, constantly introduce new products that create greater values for customers, and consolidate product advantages in the market.

(3) Risk of collecting accounts receivables

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

(4) Risk of international trade frictions and the epidemic impact

Under the negative impact of intensified international trade frictions and the continuation of the COVID-19 epidemic, the global economy is under huge pressure of inclination, and governments are launching monetary policies and other economic stimulation policies. While boosting the economy, such policies may cause supply chain fluctuation, logistic efficiency reduction, and cost increase. The PV industry where the Company is in also faces short-term pressures due to changes in demand tempo. The Company has formulated a series of defensive measures and lean production plans to actively respond to the global epidemic and expand the global market on the premise of ensuring the safety and health of employees. By strengthening the global supply chain layout, improving supply chain management capabilities, the Company makes every effort to reduce trade frictions and the epidemic impact, ensuring that the annual tasks are completed on time.

(5) Risk of exchange rate fluctuation

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

(6) Risks in the supply chain of semiconductor components

Semiconductors used in the Company's power electronic devices mainly include power semiconductors and chips that are mostly sourced from overseas since there are limited local supply and the performance of local components are yet to be improved. With the rapid growth of new energy vehicles, renewable energy power generation, 5G use cases, and charging infrastructure, plus the epidemic impact on the production capacity of the above-mentioned manufacturers, semiconductors are facing certain risks of short supply and price fluctuation. To this end, the Company has made plans in anticipation, established long-term strategic

partnerships with suppliers, and locked orders in advance, so as to get hold of the industry supply dynamics and secure the supply chain to the maximum extent.

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

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

(8) Risk of module price increase

Module price increase may lead to a certain degree of delay in the installation of PV power stations the Company invested and developed, thereby affecting the revenue and gross profit of the Company's power station investment and development business. In view of the overall supply and demand of the industry, as the upstream production capacity is gradually released, the supply shortage will be further alleviated, the module price will gradually fall back to a reasonable level, and the increase in global installed capacity will be resumed.

The board meeting has deliberated and approved the following profit distribution proposal: Based on a base quantity of 1,485,215,984 shares, a cash dividend of RMB 1.10 per 10 shares (tax inclusive) will be distributed to all shareholders, no bonus share (tax inclusive) will be distributed, and no share distribution from capital reserve.

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Documents for Future Reference

1. Accounting statements signed and stamped by the Legal Representative, the Chief Accountant, and the head of the accounting department (accounting supervisor) of the Company.
2. The original Audit Report signed and stamped by the certified public accountant and stamped by the accounting firm.
3. The originals of company documents and announcements publicly disclosed on websites designated by China Securities Regulatory Commission during the reporting period.
4. Other relevant documents.

Definitions

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

UL		One of the globally renowned testing and certification bodies and standard development bodies
TüV		A safety certification mark granted by the TüV Group to products, which is widely recognized around the world
CE		A certification that must be obtained by products entering the European market
Enel-GUIDA		A standard developed by the Italian State Power Board (Enel), which is widely recognized in Italy
AS4777		An Australian standard. PV modules and inverters must comply with this standard in order to be used in the design and installation of PV systems in Australia
CEC		Abbreviation of the California Energy Commission. External power supplies exported to California must obtain this certification
CSA		Canadian Standards Association, the largest non-profit organization for defining industrial standards in Canada
VDE		One of the most experienced certification bodies in Europe with a high reputation in the world that is directly involved in developing the German national standards
IPD		Integrated product development management process
Watt (W), Kilowatt (kW), Megawatt (MW), Gigawatt (GW)		The unit of measure for power of electricity, in specific, 1 GW = 1,000 MW = 1,000,000 kW = 1,000,000,000 W
RMB, 10K RMB, 100 million RMB		Renminbi yuan, renminbi 10,000 yuan, renminbi 100 million yuan
Reporting period, current reporting period, this period		January 1, 2021 to December 31, 2021

Section II Company Profile & Key Financial Indicators

I. Company Profile

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

II. Contacts and Contact Information

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

III. Information Disclosure and Place of the Report

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

IV. Other Relevant Information

Accounting firm engaged by the Company

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

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

Applicable Not Applicable

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

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

Applicable Not Applicable

V. Key Accounting Data and Financial Indicators

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

Yes No

	2021	2020	YOY Change	2019
Operating income (RMB)	24,136,598,726.55	19,285,641,347.02	25.15%	13,003,331,783.65
Net profit attributable to shareholders of the Company (RMB)	1,582,707,374.76	1,954,308,244.82	-19.01%	892,552,821.20
Net profit attributable to shareholders of the Company after deducting non-recurring gains and losses (RMB)	1,334,589,366.45	1,846,326,102.70	-27.72%	905,373,089.13
Net cash flows from operating activities (RMB)	-1,638,632,122.77	3,088,658,224.59	-153.05%	2,480,423,195.18
Basic earnings per share (RMB/share)	1.08	1.34	-19.40%	0.61
Diluted earnings per share (RMB/share)	1.08	1.34	-19.40%	0.61
Weighted average return on equity	13.05%	20.36%	-7.31%	10.93%

	As at Dec. 31 2021	As at Dec. 31 2020	YOY Change	As at Dec. 31 2019
Total assets (RMB)	42,840,130,915.46	28,002,933,994.86	52.98%	22,819,128,262.19
Net assets attributable to shareholders of the Company (RMB)	15,655,063,485.71	10,455,904,743.14	49.72%	8,594,198,036.97

The lower of the Company's net profit including extraordinary and net profit excluding extraordinary is negative in the last three fiscal years, and the audit report for the last year shows that uncertainties exist in the Company's business continuity

Yes No

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

Yes No

VI. Key Financial Indicators by Quarter

(in RMB)

	Quarter 1	Quarter 2	Quarter 3	Quarter 4
Operating income	3,346,740,239.11	4,863,465,081.98	7,163,450,542.91	8,762,942,862.55
Net profit attributable to shareholders of the Company	386,719,538.98	370,258,817.97	747,796,288.80	77,932,729.01
Net profit attributable to shareholders of the Company after deducting non-recurring gains and losses	377,919,781.81	341,797,919.45	732,240,888.13	-117,369,222.94
Net cash flows from operating activities	-2,483,141,097.98	-646,758,724.60	-724,891,299.90	2,216,158,999.71

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

Yes No

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

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

Applicable Not Applicable

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

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

Applicable Not Applicable

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

VIII. Non-recurring Items and Their Gains/Losses

Applicable Not Applicable

(in RMB)

Item	Amount in 2021	Amount in 2020	Amount in 2019	Remarks
Gains or losses from disposal of non-current assets (including the write-off accrued for impairment of assets)	198,734,481.06	255,099.07	-5,796,490.26	
Government grants accounted for, in the Gains or losses for the current period (except for those closely related to the Company's normal business operation, compliant with national policies and regulations, and granted to a certain standard or at a fixed amount)	110,269,947.66	103,595,912.36	77,034,220.05	
Gains entitled to the Company when the investment cost of acquiring subsidiaries, associates or joint ventures is less than the fair value of identifiable net assets of invested unit at the time of investment	266,221.04		1,120,717.01	
Gains or losses from debt restructuring	8,019,908.32			
Gains or losses from changes in fair value arising from holding trading financial assets and trading financial liabilities, as well as investment gains from disposal of trading financial assets, trading financial liabilities, and salable financial assets, except for the effective hedging business associated with the Company's normal business operation	12,598,837.40	15,060,054.04	-64,832,822.84	
Reversal of impairment provisions for accounts receivable which are separately tested for impairment	2,883,005.14			
Other non-operational income and expenditure in addition to the items listed above	-198,891.28	11,538,157.44	-11,885,512.74	
Less: Income tax impact	42,695,728.48	19,730,145.34	6,863,960.83	
Minority shareholders' equity impact (after tax)	41,759,772.55	2,736,935.45	1,596,418.32	
Total	248,118,008.31	107,982,142.12	-12,820,267.93	--

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

Applicable Not Applicable

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

Explanation on defining the extraordinary items listed in the Explanatory Announcement No. 1 on Information Disclosure for

Companies Publicly Offering Securities - Extraordinary Items as recurring gains or losses

Applicable Not Applicable

Item	Amount (RMB)	Reason
Equity gains from transfer of power station projects	31,546,616.20	Equity transfer of power station projects is one of the Company's day-to-day businesses
Gains from changes in fair value of power station projects in possession	65,706,834.00	Equity transfer of power station projects is one of the Company's day-to-day businesses

Section III Management's Discussion and Analysis

I. Discussion and analysis of business situation

In the reporting period, due to unbalanced supply and demand in the upstream and downstream of the industrial chain, the long lead-time of upstream capacity expansion, and the high installed capacity expected in the PV industry, the price of silicon materials rose sharply, causing different price increases across the entire PV industry chain, including silicon wafers, cells, and modules. According to data from the China Photovoltaic Industry Association, China's initial investment cost of PV systems in 2021 increased by 4% year-on-year, marked the first increase in many years. Due to the price increase, installation schedules were postponed. The National Energy Administration's data shows that, in 2021, China's newly installed PV capacity was 54.88 GW, a year-on-year increase of 13.9%. According to the data of the International Renewable Energy Agency (IRENA), the global PV installed capacity in 2021 was 133 GW, a very small year-on-year increase of 5.5% only.

In the context of global warming, green and low carbon has become a global consensus. Governments around the world have actively released policies to promote the development and utilization of renewable energy. More than 170 countries around the world have put forth Zero Carbon or Carbon Neutrality targets, and the development of renewable energy such as PV and wind power has been globally acknowledged. In 2022, as the silicon material production capacity is gradually released, the supply shortage will be alleviated, the market price of silicon material is expected to drop, and PV power generation will become the most competitive power supply in more and more countries. Driven by the carbon neutrality goals, the clean energy transformation and green resurrection across many countries, a rapid growth is expected in the average annual installed capacity of global PV during China's 14th Five-Year Plan period.

II. Business Scope in the Reporting Period

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

1. PV inverters

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

Connecting PV arrays to the grid, PV inverter is one of the main components in a PV power generation system, and plays a critical role in ensuring the long-term and reliable operation of PV power stations and improving the project investment return. The Company abides by the principle of "design and adjust to the local condition", and makes rational select of inverter types according to the scale, the terrain and building attachments of PV power stations, in order to maximize the value of PV power stations in the full life cycle.

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

Centralized PV inverters feature high conversion efficiency, safety and reliability, are highly grid-friendly and cost effective. They can cope with various environments such as extremely low temperature and high altitude, and are widely used in large and

medium-sized PV power generation systems in deserts, plateaus, and on commercial roofs.

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

Inverter integration solutions consist of PV inverters, AC/DC power distribution modules (optional), medium voltage transformers, ring main units, system monitoring modules, fire alarm modules, environmental monitoring modules (optional) and other functional modules, as well as AC cables integrated in advance, thereby reducing the loss and work intensity in the field, realizing fast installation, and creating higher economic benefits for customers. These solutions can cope with extremely low temperature and high altitude, and are widely used in large and medium PV power generation systems in deserts, plateaus, and on commercial roofs.

Smart energy management platform leverages the Internet of Things, artificial intelligence, and big data analysis technologies to help group customers achieve centralized operation and maintenance management of PV, energy storage and other energies, and build a smart energy brain. The platform can meet customers' management needs at different stages in the full life cycle of multiple energies, and realize four core values including steadily increasing investment return, ensuring asset security, standardizing operation management, and assisting group decision-making.

Sungrow's PV inverters cover the power range of 3 to 8800 kW, which consist of household inverters, medium-power string inverters, and large-scale centralized inverters. Being exported to more than 150 countries around the world, they topped the list of global shipments for four consecutive years, and scored 100% in BloombergNEF's inverter bankability surveys for three consecutive years. As of December 2021, Sungrow has cumulatively installed over 224 GW of inverter equipment in the global market.

2. Power station investment and development

In recent years, Sungrow Renewables, as the Company's new energy project development and investment platform, has been pioneering the exploration of a new pattern of green and ecological development featuring multiple-energy complement and industrial collaboration. In the areas of agriculture-PV complementary development, fishery-PV complementary development, floating power station, solar-wind-storage complementary development and comprehensive utilization of land, the Company has established an innovative "New Energy +" value chain and delivered a number of industry-leading demonstration projects, achieving breakthroughs in industrial and commercial PV, household PV, energy storage, hydrogen production from renewable energy, and comprehensive energy services. Under the dual action of technology and market, Sungrow Renewables makes active attempts in domestic and international markets, and has built a diversified and collaborative industrial layout with China as the base and the overseas market as the growth point. As of December 2021, the Company has developed and built PV and wind power projects with a cumulative capacity of more than 25 million kilowatts.

Large-scale ground PV power station solutions: Sungrow's large-scale ground PV power station projects cover various application scenarios, which rely on the Company's technical research and development capabilities, abundant system integration experience and the well-established smart operation and maintenance system to greatly improve the return on investment of PV power stations and create greater values for customers. In addition, a number of comprehensive utilization forms such as comprehensive land reclamation, agriculture-PV complementary development, floating power station, and forest-PV complementary development have created more opportunities for comprehensive environmental governance and new energy industry applications.

Distributed energy solutions: In response to the diversified and personalized energy needs, the Company leverages the world-leading system integration technology strength and comprehensive energy service system to provide enterprises with distributed PV and energy storage system consultancy, development, investment, delivery, operation and maintenance, as well as other full life cycle solutions for clean energy, thereby enabling enterprises to achieve independent management of energy consumption, maintain and increase the value of diversified assets, and push enterprises into the era of zero emission.

Household PV solutions: Sungrow's household PV takes "generating more power" as its core value, and is a uniquely designed and integrated end-to-end smart household PV system on the foundation of intelligence and digitization. The full range of smart products

are exclusively customized and intelligently connected to a cloud platform. Thanks to the fine-granular smart operation and maintenance, it has become the world's first household-oriented brand with a TÜV certification.

Wind power station solutions: The companies wind farms cover different operating environments such as high and low temperatures, high altitude, low wind speed, and coastal areas. With a benign ecosystem and a development pattern including wind power on plains, wind power on mountains, offshore wind power, and wind-solar complement, the Company provides solutions that meet the diverse needs of customers and maximize customers' value.

3. Wind power converters

The Company's wind power converter products are transmission frequency conversion devices that integrate power electronics, modern transmission control theory and new energy application technologies. Covering a power range from 2 MW to 15 MW and a voltage range of 690V, 900V, 1140V, and 3300V, the portfolio consists of full-power wind power converters and double-fed wind power converters that are fully compatible with mainstream wind turbine models in China, and can be used in various wind farm environments such as salt haze, extremely low temperature, plateaus, coastal areas, and high humidity. As wind power generation goes into the era of parity, the industry needs to work together to further innovate and optimize the component performance as well as achieve cost reduction and efficiency improvement across the entire industry chain. Dedicated in the power electronics industry for more than 20 years, Sungrow has recently developed high-power double-fed air-cooled main control integrated converters, 3 MW to 15 MW three-level converters and other new products to supply mainstream wind turbine manufactures in China. In the future, Sungrow will stick to the low-cost innovation and development strategy, accelerate the system cost reduction of wind turbines, and contribute added values to customers.

4. Energy storage system (ESS)

Sungrow's energy storage business relies on the world-leading new energy power conversion technology and the cutting-edge ESS integration technology. With a focus on the R&D, production, sales, and service of lithium battery ESS, the Company can provide energy storage converters, lithium batteries, energy storage management system and other core equipment for energy, deliver a range of energy storage system solutions for auxiliary new energy grid connection, power frequency and peak regulation, demand side response, micro-grid, and household scenarios, and is known as a world-class supplier of energy storage equipment and system solutions.

As one of companies that made the earliest attempts in the field of energy storage in China, Sungrow has been supplying ESS to customers in China, US, UK, Canada, Germany, Japan, Australia, India and etc.

5. New energy vehicle drive system

With the profound accumulation of clean power conversion technology and R&D advantages, Sungrow has extended the inverter application into the electric vehicle industry, providing new energy vehicles with quality drive systems.

Sungrow's new energy vehicle drive system is suitable for pure electric commercial vehicles of large, medium and small sizes, passenger cars, logistics vehicles, etc. Featuring a modular design and complete functions, the products have low energy consumption, long driving range, and high reliability, with the maximum efficiency reaching 99%. Since the launch, new energy vehicles built with Sungrow's motor controllers have been running smoothly in Beijing, Shenzhen, Xiamen, Hefei, Nanchang, Dalian, and Hangzhou, receiving a good reputation from customers because of the smooth and efficient operation and strong power.

Since setting foot in the electric vehicle industry, the Company has received various honors, such as the Red Star Design Award, the 2015 Electric Vehicle Technology Excellence Award, and the Red Dot: Best of the Best Award (one of the three major design awards in the world). The Company has also won a number of awards in the new energy vehicle TOP50 selections, such as the Innovative Component Award, the Outstanding Enterprise of New Energy Core Components, and the Best Company of Innovative New Energy Bus Power Drive.

6. Floating PV system

Relying on the Company's technology R&D and production experience in the PV industry of more than 20 years, Sungrow Floating Modules (Sungrow FM) has set up an R&D team for floating modules consisting of industry experts and doctors. Sungrow FM has made more than 100 patent applications in the fields of advanced floating bodies, matrix anchorage, inverter booster floating

platforms, system operation and maintenance, led and participated in the formulation of multiple standards related to floating body technology, and is committed to becoming a reliable provider for PV floating modules and solutions. As of December 2021, the cumulative application of the Company's floating modules has exceeded 1.7 GW worldwide, leading the global market share for four consecutive years.

7. Charging equipment

Rooted in Sungrow's profound technological background, Sungrow Lechong shares the design and application experience of outdoor power supply products with long service life and high reliability, builds product lines of EV charging equipment based on the core principles of "Reliable, Efficient, and Intelligent", and is committed to providing smart integrated charging solutions.

Charging + mode: Sungrow Lechong has established an ecological connection with Sungrow's PV and energy storage products to provide an integrated PV-Storage-Charging solution for charging infrastructure, thereby allowing vehicle owners and operators to benefit from the charging technology.

8. Smart operation and maintenance

Relying on the Company's 25 years of power electronic conversion technology and power station integration practice, the operation and maintenance business adheres to the service concept of "Secure with technology, reliable and trustworthy" to provide standard all-round services for new energy assets, and continues to ensure customers' stable return and asset safety with advanced technology.

As of December 31, 2021, Sungrow Zhiwei has contracted new energy power station operation and maintenance projects with a total capacity exceeding 10 GW, accumulated rich experiences in PV power station, wind farm, and energy storage operation and maintenance, and is capable of customizing proven and effective operation and maintenance solutions for different types of power stations. The Company has established the first independent R&D team in the industry that developed the SolarEye smart energy operation and maintenance platform to enable digitalization and visualization of field operation data as well as the operation and maintenance work. In the process of field operation and maintenance, the Company leverages drone-patrolling, component hot spot/EL detection, intelligent cleaning analysis and other advanced technologies to ensure the operation and maintenance quality and efficiency.

9. Hydrogen energy

As the very first new energy company that set foot in the field of hydrogen energy in China, the Company is committed to providing efficient, intelligent and safe green power hydrogen production systems and solutions, and has identified two technical routes — alkaline water electrolysis for hydrogen production (ALK) and proton exchange membrane (PEM) pure water electrolysis for hydrogen production — together with the supporting MW-level hydrogen production rectifier power supply and smart hydrogen energy management system. At present, the Company has established China's first PV off-grid hydrogen production and hydrogen energy storage and power generation demonstration platform, and set up a joint laboratory of PEM electrolysis for hydrogen production technology with the Chinese Academy of Sciences. The Company's green power hydrogen production system is widely used in hydrogen projects in Jilin, Ningxia, Inner Mongolia and other provinces.

In the reporting period, Sungrow Hydrogen Energy Technology Co., Ltd. was registered and established, and a hydrogen production equipment plant with an annual capacity of GW was built in Hefei High-Tech Zone to address the R&D and manufacturing needs of hydrogen production power supplies, ALK/PEM hydrogen production facilities, and smart hydrogen energy management systems. The 1000 Nm³/h alkaline electrolyzed water hydrogen production was successfully delivered to Baicheng of Jilin Province, enabling the establishment of the North China Hydrogen Valley.

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

1. PV inverters' conversion efficiency

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

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

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

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

Through constant technological innovation and system optimization, the Company reduces investment cost and increases system power generation, thereby reducing the cost of energy per kilowatt-hour and improving customers' return on investment. By increasing the unit power of inverters, less inverters are required for power stations to reach the same capacity, and the cable cost is also reduced. By forming inverters into power units of larger capacity, a maximum sub-array of 12.5 MW can be supported, which further saves the cost of transformers and reduces the initial investment by RMB 0.1 per watt. Highly integrated inverters and solutions will be widely used. For example, the box-type medium-voltage inverter not only has the inverter, transformer, power distribution, communication, and smoke detection functions integrated, but also is built with a PID control box and communication power supply interfaces for the tracking system. By improving the level of integration, the system cost across its life cycle, including cable cost, construction cost, project management cost, post-operation and maintenance cost, can be reduced; systems are strongly coupled, which improves reliability and increases power generation of the power station.

3. PV system's grid friendliness

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

Sungrow inverters are built with low-voltage ride-through, zero-voltage ride-through, and high-voltage ride-through capabilities, which can cope with the voltage changes of power grid in the case of power grid problems, hence to ensure that PV systems will not be disconnected from the grid on a large scale, resulting in the escalation of incident. Moreover, inverters are built-in with fast power control modules to enable quick scheduling in less than 30 ms for reactive power response and support stronger reactive power. They also support the virtual synchronous power generation (VSG) technology to realize proactive support for the power grid. Inverters have the DC energy storage interface integrated, hence to eliminate transformation afterwards. In addition, they support reverse charging and take advantages of the energy storage equipment. The power generation side is a multi-energy complementary platform that allows PV power station peak regulation, smooth PV power station output, and grid stability; the power consumption side is an intelligent PV-storage micro-grid platform, which enables peak-trough balance through energy storage, improves PV consumption, and achieves precise energy supply.

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

Due to wide range of the Company's PV inverters and different power ratings, the unit production cost varies from RMB 0.1 to RMB 0.15 per watt at the moment.

III. Analysis of Core Competitiveness

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

1. Brand Advantages

As the first enterprise engaged in the R&D and production of inverter products in China, the Company has secured a solid leading

position. In 2015, the Company for the first time outperformed the European Company that had been the world leader in terms of shipment for many years, and shipped the most PV inverters in the world. In 2021, the Company's shipment accounted for more than 30% of the global market, and the products were sold to more than 150 countries including Germany, Italy, Australia, the United States, Japan, and India. By the end of 2021, the Company has cumulatively installed more than 224 GW of inverter equipment worldwide. The Company's brand and reputation are highly acknowledged in the industry and continually improving. The Company has successively received the honors of China Industry Awards, Demonstration Enterprise of National Individual Champion in Manufacturing, Most Innovative Companies in China, National Intellectual Property Demonstration Enterprise, Global Top 500 New Energy Enterprises, Best Companies to Work For in Asia, and etc. Boasting a state-level post-doctoral research workstation, a national high-tech industrialization demonstration base, a national recognized enterprise technology center, a national industrial design center, and a national green plant, the Company is one of the first tier in the global new energy power generation industry in terms of comprehensive strength.

2. R&D Innovation Capability

Since the establishment in 1997, the Company has been concentrating on the field of new energy power generation, adhering to market demand orientation, and taking technological innovation as the propellant for development. The Company has fostered a professional R&D team with solid R&D experiences and strong innovation capabilities. With R&D professionals accounting for more than 40% of the total headcount, this team has successively undertaken more than 20 national key science and technology programs, and led the drafting of multiple national standards. As one of the few companies in the industry that has mastered a range of core technologies with independent intellectual property rights, the Company has acquired a total of 1,952 patents, including 812 inventions, 977 utility models, and 163 exterior designs as of December 2021. Relying on the industry-leading technological reserve, the Company actively promotes the formulation and optimization of relevant standards in the industry, and has organized the drafting of multiple Chinese national standards.

The Company has introduced the integrated product development (IPD) process to guide the technological reserve and product development efforts according to the customer demand analysis, the technological development analysis, and the competitive strategy analysis. From concept, planning, development, verification, trial production to mass production, staged quality indicators are set for each step of new product development to ensure the quality of products. The Company has invested in a world-leading electromagnetic compatibility laboratory that is equipped with high-performance large-capacity low-voltage ride-through facilities with a variety of power supplies and power grid simulators, and is capable of providing the most demanding test condition. The Company continues to establish and optimize the ISO9001:2008, ISO14001, OHSAS18001 management systems, and strictly promote the integrated quality, environment, occupational health and safety management system. The Company's products have passed a number of authoritative international certifications including UL, TÜV, CE, Enel-GUIDA, AS4777, CEC, CSA, and VDE.

3. Global Marketing, Channels and Service Network

Since its establishment, the Company has identified a global development strategy. While the production base in India expanded its production capacity to 10 GW, another 10 GW plant was put into operation in Thailand in the reporting period. At present, the Company has set up 20+ overseas subsidiaries, 5 global service regions, 60+ global service centers, 180+ authorized service providers, and a number of important channel partners. The products have been sold to more than 150 countries around the world. In the future, the Company will continue to explore the global market, orderly promote the global deployment of inverters, energy storage, charging, power stations, and floating modules, prioritize the improvement of global marketing, service, financing, and other key capabilities, thereby reinforcing the global support capability system and strengthen the global influence.

IV. Core Business Analysis

1. Overview

A. Overview of core business analysis

In 2021, facing the challenges of the worldwide COVID-19 epidemic and supply chain shortages, Sungrow firmly stucked to the new

energy sections including solar energy, wind energy, energy storage, new energy electronic control, charging, and hydrogen energy, continuously enforced technological innovation and accelerated the global strategic deployment. As such, the Company's brand influence was further enhanced, and the leading position of the core business in the global market further consolidated.

B. Overview of core business in the reporting period

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

(1) Business development

PV inverters

In the reporting period, the Company continued to focus on technology research and development and promote innovations in PV-storage integration. By vigorously advancing the global brand strategy, deeply exploring key market segments, and fully leveraging the advantages of global marketing, service and supply chain, the Company's global competitiveness and influence continued to grow. The Company's global PV inverter shipment reached 47 GW, including 18 GW in China and 29 GW overseas, accounting for more than 30% of the global market. As of December 2021, the Company has cumulatively installed more than 224 GW of inverter equipment worldwide.

In the reporting period, the Company reinforced and expanded its marketing footprint in Europe, America and China, seized many opportunities in emerging markets, and further improved its sales and service network. At present, the Company has set up 20+ overseas subsidiaries, 5 global service regions, and 240+ service outlets. The Company successfully established collaboration with a number of major customers and entered into several sales orders for GW-level inverters, leaving other major PV investment players far behind. The Company firmly secured the first place in global mainstream market share, and gained significant performance growth in Japan, Europe, and China's distributed market. In 2021, the Company's global shipment of inverters exceeded 500,000.

In the reporting period, the Company further strengthened investment in R&D and innovation as an acknowledged leader in clean power conversion technology. The Company set up the Nanjing R&D Center, and planned to grow it as the largest R&D base second only to the Hefei Center. With commitments in technological innovation and growth of digitalized talents, the Company joined forces with leading scientific research institutions, universities, and innovation platforms to promote the industry-university-research collaboration.

In the reporting period, the Company introduced the high-power string inverter SG320HX that refreshed the 300 kW+ string technology with a maximum output power of 352 kW. The Company's "1+X" modular inverters marked a major renovation of traditional inverters and created a new category in the industry. Featuring the advantages of both centralized inverters and string inverters, they not only operate at an affordable cost of energy per kilowatt-hour as traditional centralized inverters, their modules are separately designed MPPT that operate independently, contributing to a higher tracking accuracy and simplified plug-and-play operation and maintenance. The release of SG30/40CX, a new distributed product, further enriched the portfolio of medium and small power inverters and enabled full coverage of distributed application scenarios.

In the reporting period, the Company released full-scenario solutions in response to the national strategy of advancing distributed PV county-wise, and prospectively introduced the "PV-Storage-Charging Integration" model. In addition, the Company further strengthened the sales and post-sales network for the distributed market, and fully engaged in the construction of quality distributed PV power stations to support the promotion of distributed PV across counties.

At the same time, in response to the escalating demand of overseas markets, the Company released a number of new products in a targeted manner, covering household, industrial and commercial, large-scale ground power stations and other markets. The products were used in many projects and were highly acknowledged by customers.

Wind power converters

In the reporting period, the Company continued to increase strategic investment in the wind energy business, insisted on R&D innovation, and maintained a technological leadership in wind power converters. The Company kept on developing wind storage and wind power aftermarket business to enhance Sungrow's brand influence in the wind power industry, promote the quality development of the industry, and contribute to make the zero-carbon society an early reality in the context of delivering the dual-carbon goal.

In 2021, the Company shipped wind power converters with a total capacity of more than 15 GW and 400+ wind farms, achieving a

major breakthrough in offshore wind power and overseas market. Among them, the high-power air-cooled converters and three-level 1000 Vac (900 - 1140V) converters were industry-leading products. Through the deep integration of wind power and storage applications, the Company released the integrated wind power-storage converter in October 2021.

Energy storage

In the reporting period, the Company's energy storage business grew rapidly. With a significant cost reduction and efficiency increase, the 1500 V full-scenario energy storage system solution was recognized as the key supporting technology for the large-scale development of new energy + energy storage under the challenging reality of PV energy storage parity. In 2021, the Company's energy storage system shipments grew exponentially, with the total global shipment hitting 3 GWh.

In the reporting period, Sungrow introduced the liquid-cooled energy storage system in overseas markets. The product was built with better temperature uniformity and lower power consumption thanks to the liquid cooling, and innovatively leveraged the Cluster-Level Manager to address the "cask effect" of batteries. In the meanwhile, it supported the mixed use of new and old batteries to further drive the LCOS down. In view of the pressure brought by the growing household and distributed PV to the power grid in the future, the Company concentrated on household and industrial and commercial energy storage systems, launched the 5 to 10 kW/9.6 to 102.4 kWh household energy storage systems and 50 kW to 1 MW/2 to 5 h distributed energy storage systems that have been widely used in the global market.

At present, the Company's energy storage systems are widely used in mature power markets such as the United States, the United Kingdom, and Germany, continually benefiting the in-depth integration of wind power, PV, and energy storage. All of the energy storage projects the Company involved in have not experienced any safety accident, and the Company has accumulated extensive application experience in frequency and peak regulation, auxiliary renewable energy grid connection, micro-grid, and industrial/commercial/household energy storage. In the reporting period, the Company provided integrated solutions for many projects around the world, such as the Three Gorges Ulanqab Source-Grid-Load-Storage Integration Demonstration Project, the largest (136.24 MWh) PV-storage integration power station in Southeast Asia, and the largest (430 MWh) energy storage project in Israel, with the largest individual project reaching a capacity of 900 MWh.

In the reporting period, China Energy Storage Alliance officially released the *2021 Energy Storage Industry White Paper*, according to which, Sungrow's energy storage system shipments ranked first for five consecutive years. As a leader in clean power conversion technology, Sungrow will continually take advantages of the collaborative wind-PV-storage innovation to ensure the safe, stable and efficient operation of new energy, energy storage, and power grids, thereby promoting the top-level design of the industry and contributing to building a new power system highlighting new energies.

Power station investment and development

In the reporting period, Sungrow Renewables continued to promote the business principle of being pragmatic and detail-oriented, comprehensively upgraded the vision, strategic positioning, and value proposition of the company, and identified the updated vision as "becoming the global leader in new energy power generation technology, the brand-new value proposition as "more power generation, more friendly", and the new strategic positioning as "a recognized leader in new energy system technology and a new energy developer with advanced system technology", hence to further clarify the strategic direction for the next step. By the end of the reporting period, Sungrow Renewables' business had covered 30 provinces, autonomous regions and municipalities in the country, as well as countries and regions along the Belt and Road, cumulatively developed and built PV and wind power projects with a total capacity of more than 25 million kilowatts, topping the list of global PV developers.

Leveraging system technology innovation to secure the differentiated competitiveness, Sungrow Renewables continually increases technological innovation and industrial application of new energy systems. In the reporting period, the company upgraded the PowMart smart energy solution portfolio, increased R&D investment around the three core technology systems of "high-efficiency power generation, system integration, and power station life cycle optimization", released the world's first iSolarTool new energy system optimization software and the iBlock flat roof distributed PV solution. In 2021, Sungrow Renewables led the establishment of China's first new energy system innovation technology committee, organized and sponsored the 2021 China PV Market Development Forum, the 2021 New Energy System Innovation Technology Forum, the PV Station Equivalent Power Generation Hours Evaluation

Seminar, the 17th CSPV PV System Innovation Technology Sub-Forum in 2021 and other major industry events, in order to enable technology exchange and innovation sharing, and promote the technological progress and upgrade of the new energy industry.

Focusing on the new energy development sections and guided by the value proposition of "more power generation, more friendly", Sungrow Renewables actively engages in major national energy strategies such as the construction of national large-scale wind power-PV bases and the county-wise promotion of distributed PV pilot projects. The company continually optimizes the development system, reinforces the project reserve and resource transformation, and has won leading number of projects in Shandong, Anhui, and Jiangxi. In the overseas market, Sungrow Renewables also expands the project resource reserve and accelerates the transformation, hence to maintain a steady growth momentum. In the distributed business, by prioritizing two major business patterns of Key Account Development and Channel Expansion, Sungrow Renewables has established cooperative partnership with a large number of quality customers including PetroChina, Sinopec, NIO, Mengniu, and Danone.

Taking the opportunity of rapid growth in the household market, Sungrow Household PV accelerated deployment in key markets, optimizes channel development, and improves service efficiency. In collaboration with central enterprises and state-owned enterprises, Sungrow Household PV innovatively launched the Sungrow Home business mode to advance the development of distributed PV power station projects on residential roofs. Relying on comprehensive advantages in brand, product, channel, and service, Sungrow Household PV realized coordinated development of multiple business modes including full payment, financed, and joint construction. In view of the market demand, Sungrow Household PV accelerated upgrading of iRoof home power stations, iGarden colorful PV wind gardens and other products, to ensure efficient power generation of the power stations and sustainable benefits to users. The company provided all-around supports to customers, including continuous technical instruction, financial support and training, and improved user experience with brand service actions such as the Quality Excellence Initiative. In 2021, Sungrow Household PV's installed capacity increased by more than 500% year-on-year, ranking top in the household PV sector.

Facing the brand-new competition, Sungrow Renewables stuck to the parallel development of technology and market, innovated application patterns, and accelerated implementation of agriculture-PV complementary development, fishery-PV complementary development, desert regulation and control, salt-PV integration and other scene integration projects. Sungrow Renewables developed and built a large number of community-friendly, grid-friendly, and environment-friendly power stations with high power generation efficiency, contributing to power generation efficiency improvement and cost of energy reduction, and setting examples in leading the new energy industry transforming towards high quality.

(2) Operation management and others

Non-public offering

In the reporting period, the Company successfully completed the non-public offering for year 2021, and raised RMB 3.623 billion by privately issuing 28,418,634 A-shares to 18 selected objects. The fund was intended for the Company's 100 GW new energy power generation equipment manufacturing base project, the R&D innovation center expansion project, the global marketing service system project, as well as working capital supplement. With the fundraising projects put into production in the future, the Company's production capacity will be further upscaled. While addressing the growing needs in PV, wind power, and energy storage industries, the Company improves the utilization of production resources, enhances the scale effect, and reinforces the competitive advantage, thereby further expanding its market share and consolidating the leading position in the industry.

Corporate culture

Throughout decades of growth, Sungrow has shaped a unique corporate culture. We always adhere to the mission of "Clean power for all" and practice the core values of "Sincere & pragmatic, precise & open, customer oriented", contributing wisdom and power to a green future. In 2021, the Sungrow culture continued to make a difference: the cultural stories conveyed positive energy of front-line employees, and the Cultural Salon promoted sharing and interaction of cross-cultural teams. A number of themed cultural activities were carried out: the Global Trailwalk attracted nearly 5,000 employees from all over the world as well as external fans participants both online and offline, with the cumulative distance hitting nearly 100,000 kilometers, advocating the green and low-carbon Sungrow Lifestyle. The Company invited more than 100 juveniles to the Sungrow Green Technology Tours and shared new energy knowledge with them. The Donation with Love activity won the title of Exemplary Enterprise in Environmental

Protection, motivating the Company to make more contributions to the society and promote environmental protection efforts. In terms of employer branding, we work together to improve employees' sense of happiness at work, create an appealing atmosphere of "joyful work and healthy life", extend internal and external training to fully empower employees, and energize employees with diversified incentives and benefits. Polo shirts at summer time and new office outfits complement the appearance of Sungrow people; the second Sungrow University Innovation Competition attracted more than 100 undergraduates as well as master and doctoral candidates from key universities in the country; Open Day activities, campus workshops, winter campus and etc. bridged the gap between Sungrow and students on campus, allowing the Sungrow employer brand to reach the campus. The Company further strengthens care for relocated employees and consolidate the brand image as an overseas employer by creating a diversified and inclusive workplace. With a total of 634 foreign employees and a local employee ratio of 96.6% in overseas subsidiaries, Sungrow has been awarded the Best Companies to Work for in Asia for three consecutive years, as well as the Forbes China Most Sustainable Employer of the Year and the Best Happy Enterprise.

Social responsibilities

In 2021, Sungrow achieved breakthroughs in business revenues, gained increasing trust from the society and the market, and topped the list of China's Top 500 Enterprises with ESG Excellence. The Company maintained two consecutive AA ratings in the world-renowned MSCI ESG Ratings, and was included in the Hang Seng Corporate Sustainability Benchmark Index. The Company's current moves and long-term plans for sustainable development were further clarified.

Being a strong supporter and an active doer in responding to global climate change, Sungrow always adhered to the mission of "Clean power for all", and continued to advance the deep integration of business and sustainability. By strengthening the development and utilization of renewable energy and improving energy efficiency, the Company vigorously contributed to global pollution reduction and carbon reduction. By focusing on new energy sections including solar energy, wind energy, energy storage, electricity, and hydrogen energy, the Company achieved a cumulative installed capacity of 224 GW+ of inverter equipment, generated 315.2 billion kWh of clean power throughout the year, and reduced carbon dioxide emissions by more than 250 million tons per annum. By sticking to technological innovation and continuous investment, the Company was quickly approaching the goal of 100% renewable electricity. In 2021, the Company's green electricity consumption accounted for 35% of the total. The Company comprehensively reviewed and reduced the greenhouse gas emissions, actively promoted the green supply chain with partners, and continued to enable the low-carbon operation across the entire industry chain.

In 2021, Sungrow joined the United Nations Global Compact to respond to the global sustainability initiative and incorporate the concept of sustainability into the Company manifesto. The Company upheld operation transparency and standardization, and delivered greater customer values by continuously promoting technological progress and product innovation. The Company was awarded the Best Companies to Work for in Asia for the third year in a row, providing an equal, diverse, secure and respected working environment for employees around the world, and setting up a sophisticated empowerment system to accelerate employees' career development. The Company made plans for the global public welfare strategy, and accumulatively donated RMB 5,262,000 in five areas including ecological environment protection; poverty alleviation; supporting science and technology innovation, education and talents; community development; and disaster recovery assistance, responding to the care and support of the society with practical actions.

R&D, intellectual property

In the reporting period, the Company continued to increase R&D investment and actively advanced the consolidation of independent intellectual properties and patent application. In 2021, the Company was granted 498 new patents, all of which were original patents, including 40 overseas patents, 161 domestic inventions, 258 utility models, and 39 exterior design patents. The Company has also submitted 1,149 new patent applications, including 157 overseas patents, 538 domestic inventions, 410 utility models, and 44 exterior designs, which contribute to the Company's further improvement of independent innovation capabilities and core competitiveness.

As of December 2021, the Company has cumulatively acquired a total of 1,952 patents, including 812 inventions, 977 utility models, and 163 exterior designs. Relying on the industry-leading technological reserve, the Company actively promotes the formulation and

optimization of relevant standards in the industry, and has organized the drafting of multiple Chinese national standards.

Honors and awards received in the reporting period

Honors and Awards	Awarded by
2021 Industry Best Practices of China Digital Economy Top 50	APEC China Business Council
China Photovoltaic Industry Association 2021 Outstanding Contribution Award	China Photovoltaic Industry Association
2021 China ESG Golden Award	Sina Finance
Jinglun Awards - Company of the Year with the Most Investment Value	China Fund, Jihuibao
Jinglun Awards - The Listed Company Most Favored by Private Funds	China Fund, Jihuibao
2021 Top 500 China ESG Excellence Enterprises (No. 1)	Sina Finance ESG Rating Center, CCTV-1 The Great Brands
The Influential PV Inverter Brand in 2021	Polaris Solar PV Network
China's Top 500 Most Valuable Brands (with a brand value of RMB 43.896 billion)	World Brand Lab
The Influential PV-Storage Integration Solution Provider in 2021	Polaris Solar PV Network
President of the Yangtze River Delta (Xuancheng) PV-Storage Industry Alliance	Yangtze River Delta (Xuancheng) PV-Storage Industry Alliance
Red Dot Award 2021 (SolarEye)	Red Dot Award Selection Committee
Top 50 GEM-Listed Companies in China in the 15th China Listed Company Value Selection	Securities Times
Top 500 Private Manufacturing Enterprises in China (No. 323)	All-China Federation of Industry and Commerce
Top 500 Global New Energy Enterprises (No. 48)	China Energy News, China Energy Economic Research Institute
Top 10 Influential Brands in China's Charging and Battery Swapping Industry	Chongdian360.cn
IF Awards 2021 (SG20RT)	iF Industrie Forum Design
SNEC Top Ten Highlights - Diamond Award of TW-Level	SNEC 2021 Organizing Committee, Shanghai New Energy Industry Association
SNEC Top Ten Highlights - Gold Award of GW-Level	SNEC 2021 Organizing Committee, Shanghai New Energy Industry Association
Vice President of China Power Supply Society	China Power Supply Society
Top 10 Energy Storage Application Innovation Models in 2021	China Energy Storage Alliance
President of China Photovoltaic Industry Association	China Photovoltaic Industry Association
Pathfinder of China's PV Development in the World	China New Energy Overseas Development Alliance
2021 Best Companies to Work For In Asia	HR Asia

2. Income and Cost Analysis

(1) Composition of operating income

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

Overview of operating income

(in RMB)

	2021		2020		YoY Change
	Amount	% of Operating Income	Amount	% of Operating Income	
Total operating income	24,136,598,726.55	100%	19,285,641,347.02	100%	25.15%
By sector					
PV	18,931,185,451.66	78.43%	16,023,640,408.32	83.09%	18.15%
Energy storage	3,137,622,772.49	13.00%	1,168,513,044.05	6.06%	168.51%
Other	2,067,790,502.40	8.57%	2,093,487,894.65	10.86%	-1.23%
By product					
PV inverters and other power conversion devices	9,050,773,565.63	37.50%	7,514,803,699.19	38.97%	20.44%
Power station investment and development	9,678,744,379.61	40.10%	8,226,945,937.60	42.66%	17.65%
Energy storage systems	3,137,622,772.49	13.00%	1,168,513,044.05	6.06%	168.51%
Wind power converters	1,177,080,263.56	4.88%	1,414,611,002.95	7.34%	-16.79%
PV power generation	485,629,355.11	2.01%	374,147,482.00	1.94%	29.80%
Other	606,748,390.15	2.51%	586,620,181.23	3.04%	3.43%
By geography					
Mainland China (not including Hong Kong, Macau and Taiwan)	14,959,211,117.66	61.98%	12,684,121,715.13	65.77%	17.94%
Overseas (including Hong Kong, Macao and Taiwan)	9,177,387,608.89	38.02%	6,601,519,631.89	34.23%	39.02%

Sales to major revenue-contributing countries

(in RMB)

Major revenue-contributing countries	Sales volume	Sales revenue	Significant adverse changes in local PV industrial policies or trade policies and their impacts on the Company's current and future operating results
China	Not Applicable	14,959,211,117.66	Not Applicable

Basic situation of PV power stations

Since there are a large number of PV power station projects in the reporting period, the basic information of the top ten PV power

stations by revenue is disclosed here item by item, and the rest power stations are listed as a whole by business pattern.

No.	Project Name	BT/EPC	Capacity (MW/MWH)	Status	Source of PV inverters/wind power converters
1	Jingcheng Guazhou Anbei 100 MW Wind Power Project	BT	100.00	Full capacity grid connection	Self-supplied
2	Susong Suyang Huikou Town 150 MW Project	BT	151.25	Full capacity grid connection	Self-supplied
3	Qiqihar Rize Longjiang County 100 MW Project	BT	100.00	Full capacity grid connection	Self-supplied
4	Huoqiu Huaqin Fengjing Town 108 MW Project	BT	107.86	Full capacity grid connection	Self-supplied
5	Dongxing City 150 MW Fishery-PV Complementary Tourism Demonstration Project	BT	150.20	Full capacity grid connection	Self-supplied
6	Suzhou Jidian New Energy Co., Ltd. 70 MW Sungrow Household PV Power Station Project	BT	112.39	Full capacity grid connection	Self-supplied
7	Shangshui County Jiaoyang 42 MW Distributed Wind Power Project - New Energy	BT	42.00	Full capacity grid connection	Self-supplied
8	Xian County Yangzhao New Energy 100 MW Sungrow Household PV Power Station Project	BT	105.53	Full capacity grid connection	Self-supplied
9	Yangjiang Yangchun 120MW Agriculture-PV Complementary Project	BT	120.03	Full capacity grid connection	Self-supplied
10	Hainan Chunjie Qinghai Gonghe 100 MW Project	BT	110.00	Full capacity grid connection	Self-supplied
Other BT power station projects			3,066.02	-	-
Other EPC power station projects			859.18	-	-
Accounting treatment for BT and EPC models			<p>The construction contract between the Company and the customer includes the performance obligation of power station construction. Since the customer can control the construction-in-progress during the contract performance, the Company considers it as a performance obligation within a certain period of time, and recognizes revenue according to the progress of performance, unless the progress of performance cannot be reasonably determined. The Company determines the performance progress of service provision according to the percentage of investment. The performance progress is the ratio of the actual cost incurred for the performance of the contract versus the estimated cost of the contract. The Company re-estimates the progress of completion or the</p>		

	labor service provided on the date of the balance sheet, so that it can reflect changes in the contract performance.
--	--

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

Applicable Not Applicable

(in RMB)

	Operating income	Operating cost	Gross margin	YoY changes in operating income	YoY changes in operating cost	YoY changes in gross margin
By sector						
PV	18,931,185,451.66	14,500,901,449.36	23.40%	18.15%	16.97%	0.77%
Energy storage	3,137,622,772.49	2,695,021,137.94	14.11%	168.51%	195.55%	-7.86%
By product						
PV inverters and other power conversion devices	9,050,773,565.63	5,991,308,013.70	33.80%	20.44%	22.72%	-1.23%
Power station investment and development	9,678,744,379.61	8,526,446,450.57	11.91%	17.65%	14.50%	2.42%
Energy storage systems	3,137,622,772.49	2,695,021,137.94	14.11%	168.51%	195.55%	-7.86%
By geography						
Mainland China (not including Hong Kong, Macau and Taiwan)	14,959,211,117.66	12,106,755,867.92	19.07%	17.94%	14.69%	2.29%
Overseas (including Hong Kong, Macao and Taiwan)	9,177,387,608.89	6,658,478,873.16	27.45%	39.02%	55.54%	-7.71%

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

Applicable Not Applicable

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

Yes No

Sector	Item	UoM	2021	2020	YoY Change
PV inverters	Sales	GW	47	35	34.29%
	Production	GW	56	36	55.56%
	Inventory	GW	18	9	100.00%

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

Applicable Not Applicable

In the reporting period, the newly installed capacity of the global PV market continued to grow, the Company's global market position further improved, and the production volume and shipment volume increased year-on-year. In order to secure the supply to overseas markets, product inventory was built in advance.

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

Applicable Not Applicable

(5) Composition of operating cost

By industry

(in RMB)

Industry	Item	2021		2020		YoY Change
		Amount	% of Operating Income	Amount	% of Operating Income	
PV	Raw materials	11,648,179,923.82	80.33%	8,840,913,753.98	71.32%	31.75%

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

Yes No

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

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

Applicable Not Applicable

(8) Major Customers and Major Suppliers

Major customers

Total amount of sales to top five customers (RMB)	2,230,143,897.90
Proportion of total sales amount to top five customers in the annual total sales	9.24%
Proportion of related party sales to top five customers in the annual total sales	0.00%

Sales to top 5 customers

No.	Customer Name	Sales (RMB)	% of Total Annual Sales
1	Customer 1	536,356,418.52	2.22%
2	Customer 2	501,990,419.56	2.08%

3	Customer 3	433,101,088.69	1.79%
4	Customer 4	385,153,319.91	1.60%
5	Customer 5	373,542,651.22	1.55%
Total	--	2,230,143,897.90	9.24%

Other information about major customers

Applicable Not Applicable

Major suppliers

Total amount of purchase from top five suppliers (RMB)	5,004,117,657.91
Proportion of total purchase amount from top five suppliers in the annual purchase amount	21.40%
Proportion of related party purchase from top five suppliers in the annual purchase amount	0.00%

Purchase from top 5 suppliers

No.	Supplier Name	Purchase Amount (RMB)	% of Total Annual Purchase Amount
1	Supplier 1	1,315,122,615.33	5.62%
2	Supplier 2	1,043,880,170.84	4.46%
3	Supplier 3	996,846,181.74	4.26%
4	Supplier 4	832,367,154.11	3.56%
5	Supplier 5	815,901,535.89	3.49%
Total	--	5,004,117,657.91	21.40%

Other information about major suppliers

Applicable Not Applicable

3. Expenses

(in RMB)

	2021	2020	YOY Change	Notes on Major Changes
Selling expenses	1,582,578,297.46	973,407,951.35	62.58%	Mainly due to the large increase in the salaries of sales staff and the post-sales maintenance fee accrued for the increased sales revenue in the current period.
Management expenses	491,053,482.80	396,100,336.53	23.97%	
Financial expenses	283,256,851.58	261,228,514.51	8.43%	
R&D expenses	1,161,389,788.60	806,352,266.48	44.03%	Mainly due to the large increase in the salaries of R&D staff and the use of raw materials for the expanded R&D investment in the current period.

4. R&D Investment

√ Applicable □ Not Applicable

Major R&D Projects	Purpose	Progress	Objective	Impacts Expected on the Company's Growth
The Logger4000 with supporting box EMU200 project	Quickly launch the Logger4000 product and supporting communication box to enable fast scheduling and platformization.	Ready for volume shipment	It should support 30 ms fast scheduling, AC PID acquisition and energy management equipment. With the AC insulation impedance detection (AC ISO) and local wireless operation and maintenance functions integrated, it should support data acquisition, networking, and energy management solutions of ground power stations, thereby addressing customers' needs for a systematic solution in this power station. It should deliver an internal circulation time of 1 ms, a communication time from master PLC to slave PLC (including time for modulation, sending and receiving) of 9 ms, and an action time of 20 ms for inverters to go up to 90%. In addition to the 30 ms fast regulation, it should also deliver the basic functions of SG320HX, including data display, parameter setting, software upgrade, IV scanning, grid scheduling, data forwarding (IEC104), and AC PID setting.	Fast scheduling gets increasingly important, and has become an entry-level consideration for bid evaluation of ground power stations. The supporting model SG320HX is equipped with the 30 ms scheduling feature to corner a market.
SG8800UD Series of products	Modular design reduces power generation loss in case of faults; optimized system design improves	Ready for volume shipment	Designed on the mature modular platform in the industry, the inverter unit is built into modules of 1 MW.	In the next three years, the ground power station market is expected to be stably growing. The new generation

	<p>equipment utilization; enhanced smart operation and maintenance reduces maintenance costs.</p>		<p>An 8.8 MW series integrated MV system can be accommodated in a 40-foot container, and a 4.4 MW system in a 20-foot container. The supporting 210-component combiner box and intelligent night-time cut-off device further enhances the competitiveness of the system.</p> <p>The new product has inherited the control algorithm, the regional standard requirements and main functions from the SG3125HV series, and works with the 182 and 210 series of components available in the market to further reduce the LCOE of power stations by reducing the system cost, the equipment cost per watt and the maintenance cost.</p> <p>Built with IP65 protection, it is safe and reliable, and supports real-time monitoring of DC parallel arcing. Being the only product that has passed the CEI testing, it can operate stably on weak power grids with an SCR of 1.02. Its reactive power response is less than 20 ms, which is the only one that outperforms the national standard. With a lower LCOE, it can operate at 1.1 MW independently. Its faults are independent from each other, contributing to reducing the power generation loss by 95%.</p>	<p>of centralized products will be built into modules, so as to solve the problem of large power generation loss in the case of failure suffered by the previous generation of products, and drastically reduce the cost. The new product is expected to gradually replace the SG3125HV series and become a mainstream product in the centralized solution for ground power stations. We expect to increase the market share of our products with better quality.</p>
<p>SG125CX three-phase string</p>	<p>The main purpose is cost reduction; therefore, a</p>	<p>Ready for volume shipment</p>	<p>Minimal installation: compact size and light weight,</p>	<p>Reduce cost and improve the competitiveness of our</p>

PV inverter	single-tube solution is used for BOOST, the input current is increased from 26A to 30A. It can work with the 182/210 components, and the AC side wiring is optimized for better heat dissipation and noise reduction, thereby improving user and installation experience.		standalone IP66 enclosure, communication plug & Play, and tool-free installation. Ultimate safety: detects and extinguishes arcs in 2 seconds, precisely identifies 17 types of component exceptions. Intelligent operation and maintenance copes with different application scenarios flexibly, enabling an optimal system solution.	products in domestic and overseas markets.
The ST2752UX energy storage battery system project	The global energy storage market is growing rapidly. In order to enhance product competitiveness, new energy storage products need to be developed to cope with the market demand.	Ready for volume shipment	By introducing liquid cooling, modular pre-installation, cluster-level DC/DC, BMS battery health management functions and the liquid cooling + horizontal RACK design, the ESS integration level is improved, the power cables between packs are shortened, and the CAPEX is reduced; The supporting liquid cooling features small thermal resistance, the operational time of chiller units can be flexibly controlled, the grid-connection voltage can be raised, so as to improve system efficiency and reduce OPEX; Liquid cooling improves temperature uniformity, and cluster-level DC/DC reduces the number of cells in a battery system, thereby minimizing the cask effect of the batteries and reducing OPEX; The strong correlation between cluster-level DC/DC	In the next three to four years, three major energy storage markets overseas (Europe, North America, Asia-Pacific) are expected to grow steadily and rapidly under the policy actions of the respective countries. Take the North America market as an example. The large-scale ground energy storage market size in North America is 2.07 GWh in 2020, which is expected to reach 9.254 GWh in 2024. This product can help the Company to secure a solid position in the energy storage market in the future.

			<p>decoupling voltage and capacity enables flexible initial configuration and convenient addition at a later stage;</p> <p>Modular pre-installation eliminates field installation and reduces CAPEX. It also shortens the lead time to grid connection, lowers risk in the field and enhances customer experience;</p> <p>BMS enhances battery health management functions and improves customer experience.</p>	
--	--	--	--	--

Statement of R&D staff

	2021	2020	% of Change
Total R&D Staff	2,734	1,824	49.89%
R&D Staff in Total HC	40.65%	40.61%	0.04%
Educational Background of R&D Staff			
Bachelor	1,350	841	60.52%
Master	994	666	49.25%
Doctor	31	23	34.78%
College Graduate	359	294	22.11%
Age Structure of R&D Staff			
Below 30	1,031	655	57.40%
30 to 40	1,529	1,051	45.48%
Above 40	174	118	47.46%

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

	2021	2020	2019
R&D investment (RMB)	1,161,389,788.60	806,352,266.48	635,873,987.32
Percentage of R&D investment in operating proceeds	4.81%	4.18%	4.89%
Capitalized R&D expenditure (RMB)	0.00	0.00	0.00
Capitalized R&D expenditure	0.00%	0.00%	0.00%

as a percentage of R&D investment			
Capitalized R&D expenditure as a percentage of net profit in the period	0.00%	0.00%	0.00%

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

Applicable Not Applicable

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

Applicable Not Applicable

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

Applicable Not Applicable

5. Cash Flows

(in RMB)

Item	2021	2020	YoY Change (%)
Cash inflow from operating activities	24,052,818,855.57	20,231,423,522.03	18.89%
Cash outflow from operating activities	25,691,450,978.34	17,142,765,297.44	49.87%
Net cash flow from operating activities	-1,638,632,122.77	3,088,658,224.59	-153.05%
Cash inflow from investment activities	4,557,428,471.65	1,167,140,332.14	290.48%
Cash outflow from investment activities	8,270,637,807.44	1,280,963,652.80	545.66%
Net cash flow from investment activities	-3,713,209,335.79	-113,823,320.66	-3,162.26%
Cash inflow from financing activities	6,979,881,183.93	954,745,847.07	631.07%
Cash outflow from financing activities	1,801,225,561.76	1,148,060,804.43	56.89%
Net cash flow from financing activities	5,178,655,622.17	-193,314,957.36	2,778.87%
Net increase in cash and cash equivalents	-192,686,945.97	2,712,192,572.33	-107.10%

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

Applicable Not Applicable

1. Net cash flow from operating activities decreased by 153.05% YoY, which was mainly due to the large increase in cash payment for commodities and cash receipts for labor services in the current period;

2. Cash inflow from investment activities increased by 290.48% YoY, which was mainly due to the increase in cash from the recovery of project investment and investment returns of financial products in the current period;
3. Cash outflow from investment activities increased by 545.66% YoY, which was mainly due to the increase in cash paid for investment in projects and financial products in the current period;
4. Net cash flow from investing activities decreased by 3,162.26% YoY, which was mainly due to the large increase in cash outflow from investing activities in the current period;
5. Cash inflow from financing activities increased by 631.07% YoY, which was mainly due to the large increase in cash received from investment and new borrowings in the current period;
6. Cash outflow from financing activities increased by 56.89% YoY, which was mainly due to the large increase in cash paid for borrowings in the current period;
7. Net cash flow from financing activities increased by 2,778.87% YoY, which was mainly due to the large increase in cash received from investment and new borrowings in the current period;
8. Net increase in cash and cash equivalents decreased by 107.10% YoY, which was mainly due to the large increase in cash payment for commodities and investments, as well as cash receipts for labor services.

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

Applicable Not Applicable

V. Status of Non-Core Business

Applicable Not Applicable

VI. Analysis of Assets and Liabilities

1. Significant changes in asset composition

(in RMB)

	End of Year 2021		Beginning of Year 2021		Change	Notes on Major Variations
	Amount	% of Total Assets	Amount	% of Total Assets		
Money funds	7,790,144,016.01	18.18%	7,417,442,785.55	26.28%	-8.10%	
Accounts receivable	8,748,141,497.54	20.42%	6,585,489,222.22	23.33%	-2.91%	
Contract assets	1,364,393,136.40	3.18%	972,128,094.97	3.44%	-0.26%	
Inventory	10,767,519,365.64	25.13%	3,873,426,789.49	13.72%	11.41%	
Long-term equity investment	115,159,366.42	0.27%	406,420,414.50	1.44%	-1.17%	
Fixed assets	4,245,993,353.02	9.91%	3,240,954,477.91	11.48%	-1.57%	
Construction-in-progress	424,310,899.34	0.99%	211,746,133.58	0.75%	0.24%	
Right-of-use asset	344,386,440.69	0.80%	234,062,622.80	0.82%	-0.02%	
Short-term loan	1,524,580,849.05	3.56%	135,125,000.00	0.48%	3.08%	
Contract liabilities	1,713,946,572.46	4.00%	1,408,025,979.44	4.99%	-0.99%	

Long-term loan	1,891,445,000.00	4.42%	1,781,240,000.00	6.31%	-1.89%	
Lease liability	283,789,579.70	0.66%	198,773,077.53	0.70%	-0.04%	

High percentage of overseas assets

Applicable Not Applicable

2. Assets and liabilities measured at fair value

Applicable Not Applicable

(in RMB)

Item	Beginning Amount	Gains/losses from changes at fair value in the period	Cumulative changes at fair value included in equity	Impairment accrued for the period	Amount of procurement in the period	Amount of sales in the period	Other changes	Closing amount
Financial Assets								
1. Trading financial assets (excl. derivative financial assets)	671,605,158.47	66,430,233.46			5,000,000,000.00	3,152,064,030.05	1,216,917,364.15	3,802,888,726.03
2. Derivative financial assets	1,444,500.00	8,062.95			10,000,000.00	1,444,500.00		10,008,062.95
3. Other investments in debts	1,429,890,903.46				3,228,762,477.07	3,895,937,473.91		762,715,906.62
4. Investment in other equity instruments	146,361,887.62				1,581,936,542.24	546,955,469.94	-1,141,334,432.33	40,008,527.59
Subtotal of financial assets	2,249,302,449.55	66,438,296.41			9,820,699,019.31	7,596,401,473.90	75,582,931.82	4,615,621,223.19
Sum	2,249,302,449.55	66,438,296.41			9,820,699,019.31	7,596,401,473.90	75,582,931.82	4,615,621,223.19
Financial liabilities	0.00							0.00

Other changes

None

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

Yes No

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

Item	Book Value as at Dec. 31, 2021	Reasons for Restriction
Cash in bank	10,841,361.00	Judicial freeze
Other monetary assets	1,219,302,862.25	Bank acceptance, letter of guarantee, letter of credit and PV loan deposit
Notes receivable	228,672,750.00	Long-term loan pledge, short-term loan pledge, bills payable pledge
Receivables financing	136,816,862.19	Long-term loan pledge, short-term loan pledge, bills payable pledge
Fixed assets	766,420,510.53	Long-term loan collateral
Accounts receivable	581,076,901.71	Long-term loan pledge
Other debtors	27,708,495.80	Long-term loan pledge

VII. Investment Analysis

1. Overview

Applicable Not Applicable

Investment in the reporting period (RMB)	Investment in the same period last year (RMB)	Change
2,674,922,334.76	1,038,654,106.28	157.54%

2. Significant equity investment received in the reporting period

Applicable Not Applicable

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

Applicable Not Applicable

4. Financial assets measured at fair value

Applicable Not Applicable

5. Use of funds raised

Applicable Not Applicable

(1) General use of funds raised

√ Applicable □ Not Applicable

(in 10K RMB)

Year of fundraising	Fundraising mode	Total funds raised	Total amount of funds raised in this period	Cumulative amount of raised funds used	Total amount of raised funds with changed use in the reporting period	Cumulative amount of raised funds with changed use	Percentage of cumulative amount of raised funds with changed use	Total funds raised but not used	Purpose and whereabouts of unused funds raised	Amount of raised funds that have been idle for more than two years
2021	Non-public offering	362,314.61	84,624.67	84,624.67	0	0	0.00%	278,351.53	RMB 283,515,300 in the special account for funds raised, RMB 2,500,000,000 used on undue financial products.	0
Total	--	362,314.61	84,624.67	84,624.67	0	0	0.00%	278,351.53	--	0

Description of the general use of funds raised

(1) Before the above-mentioned funds raised were in place, the Company had accumulatively invested RMB 243,141,600 in fund-raising projects with self-raised funds as of October 11, 2021. After the funds raised were in place, the Company replaced the self-raised funds of RMB 243,141,600 with the funds raised for the specific projects.

(2) An amount of RMB 603,105,100 was directly invested in fund-raising projects. In 2021, the Company accumulatively used RMB 846,246,700 of funds raised, gained returns and interests amounting to RMB 740,480 from financial products bought with the temporarily idle funds raised, and gained an interest of RMB 5,871,000 after deducting service charges from the special account for funds raised. The balance of funds raised as of December 31, 2021 was RMB 2,783,515,300.

(2) Projects commitments of raised funds

√ Applicable □ Not Applicable

(in 10K RMB)

Investment projects committed and target of over-raised funds	Changes in projects (including partial changes)	Total investment amount committed by raised funds	Total investment after adjustment (1)	Amount invested in the reporting period	Cumulative amount of investment by the end of the period (2)	Investment progress by the end of the period (3)=(2)/(1)	Date of projects reaching scheduled availability	Benefit realized in the reporting period	Cumulative benefit realized by the end of the reporting period	Achieved the expected benefits	Substantial changes in the project feasibility
Investment Project Commitments											
1. The New Energy Power Generation Equipment Manufacturing Base Project with an annual output of 100GW	No	241,787	240,343.09	25,034.06	25,034.06	10.42%	Apr. 1, 2024	0	0	No	No
2. The R&D Innovation Center Expansion Project	No	63,970	63,970	14,464.04	14,464.04	22.61%	Mar. 1, 2024	0	0	No	No
3. The Global Marketing Service System Project	No	49,835	49,835	36,960.04	36,960.04	74.16%	Mar. 1, 2023	0	0	No	No
4. The Supplementary Working Capital Project	No	8,166.52	8,166.52	8,166.52	8,166.52	100.00%		0	0	No	No
Subtotal of committed investment projects	--	363,758.52	362,314.61	84,624.67	84,624.67	--	--	0	0	--	--
Target of over-raised funds											
-											
Total	--	363,758.52	362,314.61	84,624.67	84,624.67	--	--	0	0	--	--

Description of projects behind planned schedule or failing to gain expected returns and the reasons (by project)	Not Applicable
Description of material changes in project feasibility	Not Applicable
Amount, purpose, and progress of use of over-raised funds	Not Applicable
Changes in implementation locations of projects invested with funds raised	Not Applicable
Changes in implementation modes of projects invested with funds raised	Not Applicable
Preliminary investment and replacement in projects invested with funds raised	Applicable
Changes in implementation modes of projects invested with funds raised	Not Applicable
Preliminary investment and replacement in projects invested with funds raised	<p>Applicable</p> <p>As of October 11, 2021, the Company had invested RMB 243,141,600 in fund-raising projects with self-raised funds, of which RMB 143,827,900 was for the new energy power generation equipment manufacturing base with an annual output of 100GW, RMB 94,743,100 for the expansion of R&D Innovation Center, and RMB 4,570,600 for the global marketing service system project. At the 12th meeting of the fourth Board of Directors, the Proposal on Replacing Self-Raised Funds Previously Used in Fund-Raising Projects was reviewed and approved, and it was agreed that the Company should replace RMB 243,141,600 of self-raised funds previously used in fund-raising projects with the funds raised. RSM China (Special General Partnership) verified the</p>

	advanced investment in the above-mentioned fundraising projects, and issued the Assurance Report on the Advance Input in Fund-Raising Projects made by Sungrow Power Supply Co., Ltd. with Self-Raised Funds (RSM [2021] No. 230Z2674) on October 12, 2021.
Description of temporarily replenishing working capital with idle funds raised	Not Applicable
Amount of surplus raised fund in project implementation and reasons behind	Not Applicable
Purpose and whereabouts of unused funds raised	As of December 31, 2021, the unused funds raised amounted to RMB 2,783,515,300, of which RMB 283,515,300 was deposited in the special account for funds raised, and RMB 2,500,000,000 was used on undue financial products.
Problems or other situations in the use and disclosure of funds raised	<p>On April 16, 2021, the Company held the first extraordinary general meeting in 2021, at which the <i>Proposal on Requesting the Shareholders' Meeting to Authorize the Board of Directors to Proceed with the Issuance to Specific Objects</i> was reviewed and approved. The Board of Directors was authorized to handle all matters related to the issuance of shares to specific objects in 2021, including but not limited to determining the specific arrangements for the use of the funds raised for this issuance to specific objects.</p> <p>On October 21, 2021, Company held the 12th meeting of the fourth Board of Directors and the 11th meeting of the fourth Board of Supervisors, at which the <i>Proposal on Paying the Fund-Raising Investment Projects with Bank Acceptances and Replacing Them Equally with Funds Raised</i> was reviewed and approved. It was agreed that during the implementation of the fund-raising investment project, the Company could use bank acceptances for payments involved in the project, and regularly transfer the same amount from the special account of funds raised to the Company's general settlement account. The Board of Supervisors, independent directors and sponsors expressed their consent. As of December 31, 2021, the Company had accumulatively made investment project-related payments with RMB 43.148 million of bank acceptances, and the same amount had been replaced with funds raised.</p>

(3) Projects with changes in funds raised

Applicable Not Applicable

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

VIII. Sale of Major Assets or Equity

1. Sale of major assets

Applicable Not Applicable

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

2. Sale of major equity

Applicable Not Applicable

IX. Analysis of Major Controlling and Holding Companies

Applicable Not Applicable

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

(in 10KRMB)

Company Name	Type	Main Business	Registered Capital	Total Assets	Net Assets	Operating Income	Operating Profit	Net Profit
Sungrow Renewables Development Co., Ltd.	Subsidiary	Power station investment and development	142,053.44	1,720,068.87	513,486.36	1,072,313.02	70,631.69	55,422.6

Subsidiaries acquired or disposed in the reporting period

Applicable Not Applicable

Description of major controlling and holding companies

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

X. Structured Entities Controlled by the Company

Applicable Not Applicable

XI. Prospects of the Company's Future Development

(1) Planned Prospects

By thoroughly implementing the overall strategic guideline of "Focusing on the field of clean power, promoting related diversification in an innovative manner at low-cost, striving to improve the market, technology and synergy capabilities, and achieving rapid and sustainable growth", the Company shall seize the historical opportunity of the rapid development of green energies worldwide, focus on the main sections including solar energy, wind energy, energy storage, electricity and hydrogen energy, make in-depth strategic exploration, and continue to expand the global leading edge.

(2) Operating Plan

2022 will be a year of accelerated development for green energies worldwide. In China, solar-wind energy base projects rapidly move forward with county-wide deployments blooming, the new energy storage market is expected to rise, and the development momentum of new energy vehicles and charging piles continues. Outside China, the growth trend in clean energy continues in the

United States, the process of energy transition and independence is accelerating in Europe, and renewable energies are expected to grow rapidly in India, Brazil and other regions.

In 2022, the Company will seize the historical opportunity of the rapid development of green energies worldwide, focus on the core business, lead and empower the industry to further strengthen technological innovation, deepen global strategic deployment, and reinforce the supply chain assurance capabilities, so as to comprehensively upscale the brand power, product power and marketing power, widen the leading edge of the core business, and achieve rapid and sustainable growth.

In order to achieve the annual operating objectives, the Company plans to take the following key actions:

1. Strengthen technological innovation and consolidate the leading position of products; improve insights on customer demand and product definition; fully leverage the scientific research capabilities and advantages of R&D bases in Hefei, Nanjing, and Shenzhen to continuously promote product upgrading; strengthen school-enterprise cooperation to improve the scientific research strength, and reinforce the reserve of key technologies and future technologies.
2. Strengthen supply chain collaboration and consolidate global delivery capabilities. Strengthen global procurement capabilities, and consolidate strategic partnerships with suppliers, so as to improve the supply chain assurance capabilities. Establish a global production and delivery system, accelerate the Industrial Park Stage III Project and the energy storage expansion project, thereby improving production and delivery capabilities.
3. Deepen global strategic deployment and enhance global influence. Adhere to the strategy of serving the world with a worldwide footprint, continue to improve localization, and strive to improve the global brand, marketing and service capabilities with a focus on reinforcing the global channel system.
4. Improve the refined management level of power stations, energy storage and other projects to mitigate project operation risks. Strengthen the pre-judgment of project economics, and use comprehensive information technology to improve process management and control, thereby enabling refined management across the full-cycle of projects from development, construction to handover, improving project profitability, and avoiding project operation risks.
5. Continuously improve organizational capabilities and activate development momentum. Optimize the closed-loop organizational capability improvement system with innovation, speed, efficiency, and human capital in the center. Further enhance organizational vitality and execution through a range of measures such as culture shaping, development traction, motivation, strategy communication, and strategy tracking, hence to ensure the efficient implementation of strategies.
6. Reinforce the prevention of the COVID-19 epidemic, minimize the epidemic impact on employees' health and the Company's production and operation, ensure that annual tasks are completed on schedule.

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

√ Applicable □ Not Applicable

Date	Venue	Type of Visit	Type of Visitors	Visitors	Main Contents of the Discussion and Information Provided	Disclosure of Basic Research Data
January 7, 2021	Sungrow No. 5 Conference Room	Field Research	Institution	24 institutions including CITIC Securities, UBS Securities, Changjiang Securities, and Boyuan Funds	Production schedule and profitability of the Company's inverter products, sales coverage and	www.cninfo.com.cn

					prospects of products, and the future pattern of the energy storage business	
March 26, 2021	Sungrow No. 11 Conference Room	Field Research	Institution	30 institutions including CITIC Securities, Essence Securities, Junxi Capital, Dingfeng Asset, Tongben Invest, China Asset Management, Orient Jiafu, Horizon Asset, Nord Fund, GF Qianhe, Guotai Junan, CICC, and Yichuan Investment	The Company's development priorities in 2021, the Company's competitiveness in the inverter field, the impact of upstream price increases in the PV industry on the Company	www.cninfo.com.cn
May 6, 2021	Online interaction platform of Shenzhen Securities Information Co., Ltd. (http://rs.p5w.net)	Other	Other	Investors participating in the performance briefing via the online interaction platform	Overall operation in 2020	www.cninfo.com.cn
November 02, 2021	Sungrow No. 11 Conference Room	Field Research	Institution	14 institutions including Zhongtai Securities, Broad Fund, Chaser Asset, Zhengyuan Investment, and CIB Fund	Inverter market dynamics, development of the energy storage business, and plans of power station investment and development	www.cninfo.com.cn
November 12, 2021	SSE's Getting to Know Listed Companies Issue	Other	Other	Investors participating in the activity via	Status quo of the new energy power supply	www.p5w.net

	No. 306 - Sungrow Online Event			the online interaction platform	equipment industry, competitions, and prospects	
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Section IV Corporate Governance

I. Basic Situation of Corporate Governance

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

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

a. About shareholders and the Shareholders' Meeting

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

b. About the Company and the controlling shareholder

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

c. About directors and the Board of Directors.

The Board of Directors is composed of 8 directors, including 3 independent directors. The number of directors and the composition of the Board of Directors are in line with the relevant laws, regulations and the *Articles of Association*. Directors perform their duties in accordance with the *Rules of Procedure for the Board of Directors*, the *Rules for Independent Director*, and the *Shenzhen Stock Exchange's Regulatory Guidelines for GEM-Listed Companies*, attend board meetings and shareholders' meetings, diligently assume their job responsibilities and obligations, and actively participate in relevant training to get familiar with the relevant laws and regulations.

d. About supervisors and the Board of Supervisors

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

e. About performance evaluation and the incentive and restraint mechanism

The Remuneration and Evaluation Committee is set up under the Board of Directors, which has formulated the *Working Rules of the Remuneration and Evaluation Committee*, established and implemented the performance evaluation system, and defined a scientific system of indicators. The various centers, product lines, and departments make full use of the performance management tools to

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

f. About information disclosure and transparency

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

g. About stakeholders

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

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

Yes No

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

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

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

III. Horizontal competition

Applicable Not Applicable

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

1. The shareholders' meeting in the reporting period

Session	Type	Investor Participation %	Date of Meeting	Date of Disclosure	Resolution(s)
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The First Extraordinary General Meeting in 2021	Extraordinary General Meeting	44.50%	Apr. 16, 2021	Apr. 16, 2021	No. 202-020 Announcement on the Resolutions of the First Extraordinary General Meeting in 2021 on http://www.cninfo.com.cn
2020 Annual Shareholders' Meeting	Annual Shareholders' Meeting	37.63%	May 18, 2021	May 18, 2021	No. 202-041 Announcement on the Resolutions of the 2020 Annual Shareholders' Meeting in 2021 on http://www.cninfo.com.cn
The Second Extraordinary General Meeting in 2021	Extraordinary General Meeting	37.67%	Aug. 20, 2021	Aug. 20, 2021	No. 202-063 Announcement on the Resolutions of the Second Extraordinary General Meeting in 2021 on http://www.cninfo.com.cn
The Third Extraordinary General Meeting in 2021	Extraordinary General Meeting	46.52%	Dec. 20, 2021	Dec. 20, 2021	No. 202-095 Announcement on the Resolutions of the Third Extraordinary General Meeting in 2021 on http://www.cninfo.com.cn

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

Applicable Not Applicable

V. The Company's voting rights difference arrangement

Applicable Not Applicable

VI. Corporate governance with the red-chip architecture

Applicable Not Applicable

VII. Directors, Supervisors and Executives

1. Basic Situation

Name	Title	Status	Gender	Age	Office starts on	Office ends on	Shares held at the beginning of the period	Shares increased during the period	Shares decreased during the period	Other changes (shares)	Shares held at the end of the period	Reason for changes in shares
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Cao Renxian	Chairman and President	Incumbent	Male	54	Dec. 8, 2016	May 19, 2023	451,008,000				451,008,000	-
Zhang Xucheng	Vice Chairman	Incumbent	Male	50	May 19, 2020	May 19, 2023	200,000		50,000		150,000	Sell
Zheng Guibiao	Director, SVP	Incumbent	Male	54	Dec. 8, 2016	May 19, 2023	13,076,360		1,100,000		11,976,360	Sell
Zhao Wei	Director, SVP	Incumbent	Male	49	Dec. 8, 2016	May 19, 2023	8,076,000		1,000,000		7,076,000	Sell
Liu Zhen	Director	Incumbent	Male	46	Dec. 8, 2016	May 19, 2023						-
Li Mingfa	Ind. Director	Incumbent	Male	59	May 19, 2020	May 19, 2023						-
Li Baoshan	Ind. Director	Incumbent	Male	69	Dec. 8, 2016	May 19, 2023						-
Gu Guang	Ind. Director	Incumbent	Female	59	May 19, 2020	May 19, 2023						-
Tao Gaozhou	Chairman of the Board of Supervisors	Incumbent	Male	51	Dec. 8, 2016	May 19, 2023						-
He Wei	Employee Supervisor	Incumbent	Male	47	Dec. 8, 2016	May 19, 2023						-
Li Xiaomei	Employee Supervisor	Incumbent	Female	54	Dec. 8, 2016	May 19, 2023						-
Gu Yilei	SVP	Incumbent	Male	44	Dec. 11, 2018	May 19, 2023	600,000		150,000		450,000	Sell
Zhang Youquan	VP	Incumbent	Male	55	Dec. 8, 2016	May 19, 2023	300,000		75,000		225,000	Sell
Chen Zhiqiang	VP	Incumbent	Male	42	Dec. 8, 2016	May 19, 2023	500,000		125,000		375,000	Sell
Wu Jiamao	VP	Incumbent	Male	50	Dec. 8, 2016	May 19, 2023	500,000		125,000		375,000	Sell
Cheng	VP	Incumbent	Male	42	Dec. 8,	May 19,	500,000		125,000		375,000	Sell

Cheng		nt			2016	2023						
Xie Xiaoyong	VP	Incumbent	Male	46	Aug. 14, 2017	May 19, 2023	400,000		100,000		300,000	Sell
Deng Dejun	VP	Incumbent	Male	46	Dec. 11, 2018	May 19, 2023	492,905		123,226		369,679	Sell
Li Guojun	Finance Director	Incumbent	Male	47	Dec. 8, 2016	May 19, 2023	1,480,000		280,000		1,200,000	Sell
Li Shun	VP	Incumbent	Male	45	Oct. 29, 2020	May 19, 2023	25,000				25,000	-
Peng Chaocai	VP	Incumbent	Male	45	Oct. 29, 2020	May 19, 2023	105,000		26,250		78,750	Sell
Lu Yang	VP, Board Secretary	Incumbent	Male	40	Oct. 21, 2021	May 19, 2023						-
Total	--	--	--	--	--	--	477,263,265	0	3,279,476		473,983,789	--

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

Yes No

Changes in directors, supervisors and executives of the Company

Applicable Not Applicable

Name	Position	Type	Date	Reason
Xie xiaoyong	Board Secretary	Departure	Oct. 21, 2021	In order to implement the Company's strategy, Mr. Xie Xiaoyong resigned from the position of Board Secretary and continued to serve as the Vice President.
Lu Yang	VP, Board Secretary	Appointment	Oct. 21, 2021	Appointment

2. Incumbents Overview

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

(1) Directors

Mr. Cao Renxian, Chinese national with no permanent residency overseas, born in July 1968, master degree, and researcher, is currently a delegate of the 13th National People's Congress and the chairman of the China Photovoltaic Industry Association. Mr. Cao Renxian was one of the faculty of Hefei University of Technology from June 1993 to 1998, and worked in Sungrow Power Supply Co., Ltd. from July 1998 to July 2001. He served the role of Executive Director and General Manager of Sungrow Power Supply Co., Ltd. from July 2001 to August 2007, followed by the role of Chairman and General Manager from August 2007 to date. He is the current Chairman and President of Sungrow.

Mr. Zhang Xucheng, Chinese national with no permanent residency overseas, born in June 1972, master degree. He served the roles

of Vice Procurement Manager, Logistics Manager, Human Resources Manager and Senior Vice President of Sungrow. He is currently the Vice Chairman of Sungrow, and the Executive Director and President of Sungrow Renewables Development Co., Ltd.

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

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

Mr. Liu Zhen, Chinese national with no permanent residency overseas, born in September 1976, master degree. He was the Director of the General Manager's Office of Anhui Guofeng Group Co., Ltd., the Board Secretary, Vice General Manager, Director and General Manager of Anhui Guotong High-Tech Pipes Industry Co., Ltd., Vice General Manager of Anhui Xinhua Group Investment Co., Ltd. and Executive Director of Beijing Huadi Investment Co., Ltd., Executive President of Anhui Nanxiang Wanshang Logistics Industry Co., Ltd., Director and General Manager of Anhui Zhiying Investment Co., Ltd. He is currently a director of Sungrow and the Chairman of Anhui Anyuan Investment Fund Management Co., Ltd.

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

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

Ms. Gu Guang, Chinese national with no permanent residency overseas, born in July 1963, master degree, a certified public accountant of China (non-practicing member). She graduated from the Department of Economics of Anhui University in 1986, and has been teaching at the university ever since. She was the Vice Director and Director of the Accounting Department of Anhui University's Business School, and the Director of the Financial Management Department, and is currently an associate professor of Anhui University Business School, an MPAcc advisor and the Director of the MPAcc Education Center. She is also an independent director of Anhui Shanhe Pharmaceutical Excipients Co., Ltd., Anhui Antai Technology Co., Ltd., Anhui Taida New Materials Co., Ltd., Anhui Wanken Seeds Industry Co., Ltd., Anhui Hongyu Wuzhou Medical Manufacturer Co., Ltd., and an independent director of Sungrow.

(2) Supervisors

Mr. Tao Gaozhou, Chinese national with no permanent residency overseas, born in March 1971, master degree, and senior engineer. He was the Manager of Structure Department and Supervisor of Sungrow, and is currently Chairman of Sungrow's Supervisory Committee and Director of the Industrial Design Center.

Mr. He Wei, Chinese national with no permanent residency overseas, born in October 1975, master degree. He was the Business Planning Manager and Logistics Assurance Manager of Sungrow. He is currently the Employee Representative Supervisor of Sungrow and the General Manager of the Administrative Center.

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

Supervisor of Sungrow and a Senior SQE Engineer of the Supply Chain Quality Technology Department.

(3) Executives

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

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

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

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

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

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

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

Mr. Cheng Cheng, Chinese national with no permanent residency overseas, born in October 1980, master degree. He worked for Shanghai Haihong Industrial (Group) Chaohu Jinchun Pharmaceutical Co., Ltd. previously, and joined Sungrow in November 2005. He successively served the roles of Manager of Sungrow’s Northwest Region, General Manager of Domestic PV Sales Division, and is currently the Vice President of Sungrow and the President of the Hydrogen Energy Division.

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

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

Mr. Li Guojun, with no permanent residency overseas, born in November 1975, Ph.D., member of the first Business Accounting Standards Advisory Committee of the Ministry of Finance, and a member of the third Management Accounting Advisory Panel of the Ministry of Finance. He worked for Zhejiang Chint Electric Co., Ltd. previously as the General Manager of Finance Center, and is currently the Finance Director of Sungrow.

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

Mr. Peng Chaocai, Chinese national with no permanent residency overseas, born in December 1977, master degree. He worked for

Shangqiu Experimental Middle School, Sinoma Technology Wind Power Blade Co., Ltd., and Delta Electronics (Shanghai) Co., Ltd. before joining Sungrow as President of the Wind Energy Division. He is currently the Vice President of Sungrow and President of the Wind Energy Division.

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

Positions in organizations as a shareholder

Applicable Not Applicable

Positions in other organizations

Applicable Not Applicable

Name	Organization	Position	Office starts on	Office ends on	Paid by the Organization
Cao Renxian	Hefei Renshang Enterprise Management Co., Ltd.	Supervisor			No
Liu Zhen	Anhui Anyuan Investment Fund Management Co., Ltd.	Chairman			Yes
Liu Zhen	Lu'an Anyuan Investment Fund Co., Ltd.	Chairman			No
Liu Zhen	Fuyang Anyuan Investment Fund Co., Ltd.	Chairman			No
Liu Zhen	Xuancheng Anyuan Innovation Venture Capital Fund Co., Ltd.	Chairman			No
Liu Zhen	Suzhou Anyuan Innovation Venture Capital Fund Co., Ltd.	Chairman			No
Liu Zhen	Chuzhou Anyuan Investment Fund Co., Ltd.	Chairman			No
Liu Zhen	Huangshan Anyuan Modern Service Industry Investment Fund Co., Ltd.	Chairman			No
Liu Zhen	Tongling Anyuan Investment Fund Co., Ltd.	Chairman			No
Liu Zhen	Anhui Anyuan Innovation Wanbei Venture Capital Fund Co., Ltd.	Chairman			No
Liu Zhen	Anqing Anyuan Investment Fund Co., Ltd.	Chairman			No
Liu Zhen	Huaibei Anyuan Investment Fund Co., Ltd.	Chairman			No
Liu Zhen	Anhui Anyuan Innovation Venture Capital Fund Co., Ltd.	Director, GM			No
Li Mingfa	Anhui Wantong Technology Co., Ltd.	Ind. Director			Yes
Li Mingfa	Anhui Estone Material Technology Co., Ltd.	Ind. Director			Yes
Li Mingfa	Wuhu Sanlian Forging Co., Ltd.	Ind. Director			Yes
Li Mingfa	Tongling Jingqiang Electronic Technology Co., Ltd.	Ind. Director			Yes

Li Baoshan	China Renewable Energy Society	Vice Chairman, Secretary			Yes
Li Baoshan	Titan Wind Energy (Suzhou) Co., Ltd.	Ind. Director			Yes
Li Baoshan	CECEP Wind Power Co., Ltd.	Ind. Director			Yes
Gu Guang	Anhui Shanhe Pharmaceutical Excipients Co., Ltd.	Ind. Director			Yes
Gu Guang	Anhui Antai Technology Co., Ltd.	Ind. Director			Yes
Gu Guang	Anhui Taida New Materials Co., Ltd.	Ind. Director			Yes
Gu Guang	Anhui Wanken Seeds Industry Co., Ltd.	Ind. Director			Yes
Gu Guang	Anhui Hongyu Wuzhou Medical Manufacturer Co., Ltd.	Ind. Director			Yes
Xie Xiaoyong	Hefei Shangneng Enterprise Management Co., Ltd.	Exe. Director, GM			No
Zhang Xucheng	Xuzhou Chuneng New Energy Engineering Co., Ltd.	Exe. Director			No

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

Applicable Not Applicable

3. Remuneration of Directors, Supervisors and Executives

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

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

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

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

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

(in KRMB)

Name	Position	Gender	Age	Status	Total remuneration before tax	Paid by related party of the Company
Cao Renxian	Chairman, President	Male	54	Incumbent	2800	No

Zhang Xucheng	Vice Chairman	Male	50	Incumbent	2250	No
Zheng Guibiao	Director, SVP	Male	54	Incumbent	1800	No
Zhao Wei	Director, SVP	Male	49	Incumbent	2200	No
Liu Zhen	Director	Male	46	Incumbent		No
Li Mingfa	Ind. Director	Male	59	Incumbent	80	No
Li Baoshan	Ind. Director	Male	69	Incumbent	80	No
Gu Guang	Ind. Director	Female	59	Incumbent	80	No
Tao Gaozhou	Chairman of the Board of Supervisors	Male	51	Incumbent	800	No
He Wei	Employee Supervisor	Male	47	Incumbent	800	No
Li Xiaomei	Employee Supervisor	Female	54	Incumbent	500	No
Gu Yilei	SVP	Male	44	Incumbent	6000	No
Zhang Youquan	VP	Male	55	Incumbent	1300	No
Chen Zhiqiang	VP	Male	42	Incumbent	1600	No
Wu Jiamao	VP	Male	50	Incumbent	5000	No
Cheng Cheng	VP	Male	42	Incumbent	1200	No
Xie Xiaoyong	VP	Male	46	Incumbent	1640	No
Deng Dejun	VP	Male	46	Incumbent	1500	No
Li Guojun	Finance Director	Male	47	Incumbent	1300	No
Li Shun	VP	Male	45	Incumbent	2800	No
Peng Chaocai	VP	Male	45	Incumbent	2000	No
Lu Yang	VP, Board Secretary	Male	40	Incumbent	1200	No
Total	--	--	--	--	36,930	--

VIII. Directors' Performance of Duties During the Reporting Period

1. Board meetings during the reporting period

Session	Date of Meeting	Date of Disclosure	Resolution(s)
The 6th meeting of the fourth Board of Directors	February 2, 2021	February 3, 2021	No. 2021-004 Announcement on Resolutions of the Sixth Meeting of the Fourth Board of Directors on http://www.cninfo.com.cn
The 7th meeting of the fourth	March 31, 2021	April 1, 2021	No. 2021-015 Announcement on Resolutions of the

Board of Directors			Seventh Meeting of the Fourth Board of Directors on http://www.cninfo.com.cn
The 8th meeting of the fourth Board of Directors	April 26, 2021	April 27, 2021	No. 2021-023 Announcement on Resolutions of the Eighth Meeting of the Fourth Board of Directors on http://www.cninfo.com.cn
The 9th meeting of the fourth Board of Directors	April 28, 2021	April 29, 2021	The 2021 First Quarter Report on http://www.cninfo.com.cn
The 9th meeting of the fourth Board of Directors	June 15, 2021	June 16, 2021	No. 2021-046 Announcement on Resolutions of the Ninth Meeting of the Fourth Board of Directors on http://www.cninfo.com.cn
The 10th meeting of the fourth Board of Directors	August 4, 2021	August 5, 2021	No. 2021-056 Announcement on Resolutions of the Tenth Meeting of the Fourth Board of Directors on http://www.cninfo.com.cn
The 11th meeting of the fourth Board of Directors	August 27, 2021	August 28, 2021	No. 2021-067 Announcement on Resolutions of the Eleventh Meeting of the Fourth Board of Directors on http://www.cninfo.com.cn
The 12th meeting of the fourth Board of Directors	October 21, 2021	October 21, 2021	No. 2021-074 Announcement on Resolutions of the Twelfth Meeting of the Fourth Board of Directors on http://www.cninfo.com.cn
The 13th meeting of the fourth Board of Directors	October 28, 2021	October 29, 2021	No. 2021-082 The 2021 Third Quarter Report on http://www.cninfo.com.cn
The 13th meeting of the fourth Board of Directors	December 03, 2021	December 04, 2021	No. 2021-087 Announcement on Resolutions of the Thirteenth Meeting of the Fourth Board of Directors on http://www.cninfo.com.cn

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

Directors' presence at Board Meetings and Shareholders' Meetings							
Director	Board meetings to be attended in the period	In-person presence at board meetings	Audio/Video presence at board meetings	Delegate presence at board meetings	Absence from board meetings	Failed in-person presence at two consecutive board meetings	Presence at shareholders' meetings
Cao Renxian	8	0	8	0	0	No	4
Zhang Xucheng	8	0	8	0	0	No	4
Zheng Guibiao	8	0	8	0	0	No	4
Zhao Wei	8	0	8	0	0	No	4
Liu Zhen	8	0	8	0	0	No	4

Li Baoshan	8	0	8	0	0	No	4
Gu Guang	8	0	8	0	0	No	4
Li Mingfa	8	0	8	0	0	No	4

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

No directors failed in-person presence at two consecutive board meetings during the reporting period.

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

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

Yes No

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

4. Other explanations on directors' performance of duties

Whether suggestions made by directors were accepted

Yes No

Explanation on accepting or rejecting suggestions made by directors

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

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

Committee	Members	Meetings	Date of Meetings	Content of Meeting	Important comments and suggestions made	Performance of other duties	Specific circumstances of objection (if any)
The Strategy Committee	Cao Renxian, Zhang Xucheng, Zheng Guibiao	1	April 14, 2021	Deliberation of the 2020 Work Report of the Board of Directors and the 2020 Work Report of the General Manager	Approved the proposal, and agree to submit the proposal for deliberation by the Board of Directors	None	None

The Nomination Committee	Li Mingfa, Gu Guang, Cao Renxian	1	October 15, 2021	Deliberation of the Proposal on the Appointment of the Vice President and Board Secretary	Unanimously agreed to appoint Mr. Lu Yang as the Company's Vice President and Board Secretary, and submit the proposal for deliberation by the Board of Directors	None	None
The Remuneration and Evaluation Committee	Li Baoshan, Li Mingfa, Zhang Xucheng	1	April 14, 2021	Deliberation of the Proposal on the 2020 Remuneration of Directors, Supervisors and Executives	Approved the proposal, and agree to submit the proposal for deliberation by the Board of Directors	None	None
The Audit Committee	Gu Guang, Li Baoshan, Zheng Guibiao	4	April 14, 2021	1. Deliberation of the Proposal on the Company's 2020 Annual Report and its Abstract; 2. Deliberation of the Proposal on Re-Engaging the Auditing Office in 2021	Approved the proposal, and agree to submit the proposal for deliberation by the Board of Directors	None	None
			April 16, 2021	Deliberation of the Proposal on the Company's 2021 First Quarter Report	Approved the proposal, and agree to submit the proposal for deliberation by the Board of Directors	None	None
			August 13, 2021	Deliberation of the Proposal on the Company's 2021 Half Year	Approved the proposal, and agree to submit the proposal for	None	None

				Report	deliberation by the Board of Directors		
			October 15, 2021	Deliberation of the Proposal on the Company's 2021 Third Quarter Report	Approved the proposal, and agree to submit the proposal for deliberation by the Board of Directors	None	None

X. Operation of the Board of Supervisors

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

Yes No

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

XI: Employees

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

Incumbent employees of the parent company at the end of the period	3,502
Incumbent employees of major subsidiaries at the end of the period	3,224
Total incumbent employees at the end of the period	6,726
Total number of employees receiving remuneration in the current period	6,726
Retirees to be financially supported by the parent company and major subsidiaries	0
Professional Background	
Profession Split	Head Count
Production	1,809
Sales	1,334
Technical	2,734
Financial	107
Administration	742
Total	6,726
Educational Background	
Education Level	Head Count
Doctor	45
Master	1,496

Bachelor	3,089
College Graduate and below	2,096
Total	6,726

2. Remuneration policy

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

3. Training plan

The Company attached great importance to employee development, paid attention to growing employees' technical skills and comprehensive competency, and therefore established a robust training system. The Company clarified the annual training needs in combination with the corporate development objectives and the work targets of each department, formulated a complete annual training plan, and established a hierarchical curriculum design. Induction training helped new employees quickly blend in, new manager training helped managers get hold of basic management skills, and strategic leadership training helped middle- and high-level managers build strategic thinking and improve their management level. While engaging external trainers, the Company also set up an internal trainers' team and trained a number of excellent internal trainers, so that employees' skills and competencies could be improved through the combination of internal and external training, a learning map could be created, and a learning organization could be established to better serve the business growth.

4. Labor outsourcing

Applicable Not Applicable

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

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

Applicable Not Applicable

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

Special Explanation on the Cash Dividend Policy	
Whether it complied with the provisions in the Articles of Association or the requirements in the	Yes

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

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

Yes No Not Applicable

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

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

Number of bonus shares for every 10 shares	0
Dividend (in RMB) per 10 shares (tax inclusive)	1.10
Number of shares transferred per 10 shares	0
Equity base of the distribution plan (in shares)	1,485,215,984
Cash dividend (in RMB) (tax inclusive)	163,373,758.24
Cash dividend in other ways (such as share buyback) (in RMB)	0.00
Total cash dividend (including those distributed in other ways) (in RMB)	163,373,758.24
Distributable profit (in RMB)	5,654,051,628.97
Total cash dividend (including those distributed in other ways) in total profit distribution	100.00%

Overview of this Cash Dividend

Other

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

As audited and confirmed by RSM China (Special General Partnership), the net profit realized by the parent company in 2021 was RMB 1,227,313,062.34. After setting aside statutory reserves of RMB 122,731,306.23 at 10% of the net profit realized, the undistributed profit amounted to RMB 1,104,581,756.11. Adding up the undistributed profit of RMB 4,753,441,381.86 from the previous year and deducting the 2020 cash dividend of RMB 203,971,509 already distributed, the distributable profit of the parent company as of December 31, 2021 was RMB 5,654,051,628.97.

According to the *Company Law*, the *No. 3 Regulatory Guidelines for Listed Companies — Cash Dividends* and the *Articles of Association*, and after comprehensive consideration of the Company's financial status, business development needs in the future and return to shareholders, the Company made the following profit distribution plan for 2021:

Based on the current total share capital of 1,485,215,984 shares, the Company plans to distribute a cash dividend of RMB 1.1 (tax inclusive) for every 10 shares to all shareholders, with the total cash dividend amounting to RMB 163,373,758.24 (tax inclusive).

The remaining undistributed profit will carry forward next year. No share capital was increased, and no bonus shares was issued this year. In the event that the Company's total share capital changes prior to the execution of the distribution plan due to the

conversion of convertible bonds, share buyback, exercise of equity incentives, and listing of new shares from refinancing, the Company will adjust the distribution ratio while maintaining the total amount of distribution unchanged.

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

Applicable Not Applicable

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

Applicable Not Applicable

a. Equity Incentives

The 2017 Restricted Stock Incentive Plan:

1. On March 17, 2017, the Company held the 2nd meeting of the third Board of Directors, at which the *2017 Restricted Stock Incentive Plan (Draft)* and its abstract, the *Assessment Measures for the Implementation of the 2017 Restricted Stock Incentive Plan*, and the *Proposal on Requesting the Shareholders' Meeting to Authorize the Board of Directors to Proceed with the Equity Incentive Related Initiatives* were reviewed and approved. On the same day, independent directors expressed independent views on the incentive object's qualification and the specific contents of the restricted stock incentive plan, as well as on whether it contributed to the sustainable development of the Company and whether there were any signs of compromising the benefits of the Company and all shareholders.
2. On April 5, 2017, the Company held the first extraordinary general meeting in 2017, at which the *2017 Restricted Stock Incentive Plan (Draft)* and its abstract, the *Assessment Measures for the Implementation of the Restricted Stock Incentive Plan*, and the *Proposal on Requesting the Shareholders' Meeting to Authorize the Board of Directors to Proceed with the Equity Incentive Related Initiatives* were reviewed and approved. The Board of Directors was authorized to deal with the changes and terminations of the Plan according to the provisions in the Company's 2017 Restricted Stock Incentive Plan, including but not limited to revoking the incentive object's qualifications for unlocking restricted shares, buying back and cancelling restricted shares held by incentive objects that have not been unlock.
3. On May 23, 2017, the Company held the 4th meeting of the third Board of Directors, at which the *Proposal on Adjusting the Incentive Objects of the 2017 Restricted Stock Incentive Plan and the Granting Quantity*, and the *Proposal on Granting Restricted Stock to Incentive Objects* were reviewed and approved. Since 21 of the Company's original incentive objects, including Sun Zhonghe and Liu Xueliang, resigned and were no longer eligible for incentive granting as per the Restricted Stock Incentive Plan, the Company cancelled a total of 1.54 million restricted shares that were not granted to those 21 former employees yet. After the adjustment, the number of incentive objects qualifying the first grant of Company's Restricted Stock Incentive Plan changed from 518 to 497, and the number of restricted shares granted changed from 36 million to 34.46 million. In addition, the Company also decided to take May 23, 2017 as the granting date and grant 34.46 million restricted shares to 497 incentive objects. Independent directors expressed independent views on the adjustment of the incentive plan and the granting of restricted shares, agreed that the Board of Directors should adjust the restricted stock incentive objects and the number of grants, and agreed to take May 23, 2017 as the first granting date to grant restricted shares to incentive objects according to the Restricted Stock Incentive Plan.
4. On August 14, 2017, the Company held the 6th meeting of the third Board of Directors, at which the *Proposal on Adjusting the Buyback Price of Restricted Shares and the Buyback and Cancelling of Some Restricted Shares* was reviewed and approved.

Since the Company's 2016 benefits distribution and incentive objects Xiao Yongli, Sun Wei, and Wang Guowei resigned, the Company's restricted share buyback price was adjusted to RMB 5.2112 per share, a total of 310,000 restricted shares granted to Xiao Yongli, Sun Wei, and Wang Guowei but not unlocked were bought back and cancelled. Independent directors expressed independent views on the above matters and agreed to buy back and cancel the restricted shares granted to Xiao Yongli, Sun Wei, and Wang Guowei but not unlocked.

5. On December 28, 2017, the Company held the 8th meeting of the third Board of Directors, at which the *Proposal on the Buyback and Cancelling of Some Restricted Shares* was reviewed and approved. Since the incentive objects Zhou Chao, Feng Hongyan, Qian Jing resigned, a total of 180,000 restricted shares granted to Zhou Chao, Feng Hongyan, Qian Jing but not unlocked were bought back at the buyback price of RMB 5.2112 per share and cancelled. Independent directors expressed independent views on the above matters and agreed to buy back and cancel the restricted shares granted to Zhou Chao, Feng Hongyan, Qian Jing but not unlocked.
6. On March 21, 2018, the Company held the 10th meeting of the third Board of Directors, at which the *Proposal on Granting the Reserved Part of the 2017 Restricted Stock Incentive Plan* was reviewed and approved. The Company decided to take March 21, 2018 as the granting date and granted 4 million reserved restricted shares to 108 incentive objects. Independent directors expressed independent views on the proposal, agreed that the method used to confirm incentive object's qualification for the reserved part was legitimate and effective, and the granting date decided was in line with the relevant regulations.
7. On April 23, 2018, the Company held the 11th meeting of the third Board of Directors, at which the *Proposal on Adjusting the Incentive Objects and Granting Quantity for the Reserved Part of the 2017 Restricted Stock Incentive Plan* was reviewed and approved. The Board of Directors decided to make the following adjustments to the incentive objects involved and the granting quantity for the reserved part of the 2017 Restricted Stock Incentive Plan: the number of incentive objects for the reserved part of the restricted stock plan changed from 108 to 107, and the first granting quantity changed from 4 million shares to 3.98 million shares. On the same day, the 9th meeting of the third Board of Supervisors was held to verify the list of incentive objects to be granted. Independent directors expressed independent views on the proposal.
8. On May 30, 2018, the Company held the 12th meeting of the third Board of Directors, at which the *Proposal on the Achievement of Unlocking Conditions for Stage I of the First Batch of Restricted Shares Granted in 2017* was reviewed and approved. It was agreed that the unlocking of the Stage I restricted shares in the first batch granted in 2017 should be proceeded with according to the relevant provisions of the *2017 Restricted Stock Incentive Plan*. A total of 491 incentive objects were eligible for this unlocking, and the number of restricted shares that could be unlocked was 8,482,500, accounting for 0.58% of the Company's total share capital at present.
9. On August 14, 2018, the Company held the 14th meeting of the third Board of Directors, at which the *Proposal on Adjusting the Buyback Price of Restricted Shares and the Buyback and Cancelling of Some Restricted Shares* was reviewed and approved. Since the original incentive objects Ling Chengxuan, Gao Chunying, Ning Jian, Zheng Chunguo, Ni Shenggen, Sun Wei, Chen Shengjun, Dong Yi, Kong Shuang, Jiang Liquan, He Changqing, Zhao Mingjian, Zhang Yong, Xu Chuanfu, Liu Meng, and Fang Ying resigned, according to the relevant provisions of the Company's equity incentive plan, all the restricted shares that were granted to them but not unlocked should be bought back and cancelled by the Company. The buyback quantity was 745,000 shares, and the buyback price was RMB 5.1314 and RMB 8.8002 per share according to the respective time of granting.
10. On December 11, 2018, the Company held the 16th meeting of the third Board of Directors, at which the *Proposal on the Buyback and Cancelling of Some Restricted Shares* was reviewed and approved. Since the original incentive objects Xie Mingfeng, Tang Yongming, Wang Baochen, Deng Jun, Huang Yulong, GUo Zhengbin, Zhang Haiming, Yao Jun, Feng ZHONGXIAN, Ning Desheng, Zhang Bo, Dai Changshun, Li Huaxiang, Yao Pengfei, and Zhou Hao resigned, according to the relevant provisions of the Company's equity incentive plan, all the restricted shares that were granted to them but not unlocked

should be bought back and cancelled by the Company. The buyback quantity was 715,000 shares, and the buyback price was RMB 5.1314 and RMB 8.8002 per share according to the respective time of granting.

11. On March 28, 2019, the Company held the 18th meeting of the third Board of Directors, at which the *Proposal on the Buyback and Cancelling of Some Restricted Shares* was reviewed and approved. Since the original incentive objects Wang Qizhi, Lu Xinghu, Zhou Long, Sun Lei, Di Jie, Zhao Fei, and Liu Tao resigned, according to the relevant provisions of the Company's equity incentive plan, all the restricted shares that were granted to them but not unlocked should be bought back and cancelled by the Company. The buyback quantity was 265,000 shares, and the buyback price for the first grant was RMB 5.1314 per share and that for the reserved grant was RMB 8.8002 per share.
12. On May 9, 2019, the Company held the 20th meeting of the third Board of Directors, at which the *Proposal on the Buyback and Cancellation of Some Restricted Shares* was reviewed and approved. Since some of the Company's original incentive objects, Wei Yongzhen, Zhang Daqiang, Ai Shaowei, Cheng Zheng, Zeng Jin, and Wang Qigang, resigned, according to the relevant provisions of the Company's equity incentive plan, all the restricted shares that were granted to them but not unlocked should be bought back and cancelled by the Company. Since the individual annual performance of the Company's original incentive objects, Li Bing, accounted for an unlocking percentage of 50%, according to the relevant provisions of the Company's equity incentive plan, some of the restricted shares that were granted to them but not unlocked should be bought back and cancelled by the Company, with the total buyback quantity amounting to 268,750 shares. The buyback price was RMB 5.1314 per share for restricted shares in the first grant in 2017 and RMB 8.8002 per share for the reserved grant in 2017, and that for restricted shares in the first grant in 2018 was RMB 4.66 per share.

On May 9, 2019, the Company held the 20th meeting of the third Board of Directors, at which the *Proposal on the Achievement of Unlocking Conditions for Stage II of the First Batch of Restricted Shares and Stage I for the Reserved Part Granted in 2017* was reviewed and approved. It was agreed that the unlocking of the Stage II restricted shares in the first batch granted and Stage I restricted shares in the reserved part granted in 2017 should be proceeded with according to the relevant provisions of the 2017 Restricted Stock Incentive Plan. A total of 463 incentive objects were eligible for the Stage II unlock. Except for Li Bing who's eligible for an unlocking percentage of 50% due to the individual annual performance, an unlocking percentage of 100% applied to the rest 462 incentive objects. The total number of restricted shares that could be unlocked was 8,003,750, accounting for 0.5489% of the Company's total share capital at present. A total of 92 incentive objects were eligible for the Stage I unlock of the reserved part, and the total number of restricted shares that could be unlocked was 1,050,000, accounting for 0.0720% of the Company's total share capital at present.

13. On May 24, 2019, the Stage I unlocked restricted shares from the reserved part of the 2017 Restricted Stock Incentive Plan were listed for circulation. The number of restricted shares unlocked this time was 1,050,000, accounting for 0.0720% of the Company's total share capital at present; the actual number of restricted shares that could be listed for circulation was 1,040,000, accounting for 0.0713% of the Company's total share capital at present.
14. On June 20, 2019, the Stage II unlocked restricted shares from the first grant of the 2017 Restricted Stock Incentive Plan were listed for circulation. The number of restricted shares unlocked this time was 8,003,750, accounting for 0.5489% of the Company's total share capital at present; the actual number of restricted shares that could be listed for circulation was 7,553,750, accounting for 0.5180% of the Company's total share capital at present.
15. On August 14, 2019, the Company held the 21th meeting of the third Board of Directors and the 18th meeting of the third Board of Supervisors, at which the *Proposal on the Buyback and Cancellation of Some Restricted Shares* was reviewed and approved. Since some of the Company's original incentive objects, Li Chen, Meng Wei, Hu Weichao, Li Guo, Jiang Lihui, Cao Zhi, Geng Anran, Yu Guoqiang, Lin Li, Lai Chengzhi, Li Guoqing, Yang Mei, Zuo Yalian, Lu Tao, and Ma Xiangyun, resigned, according to the relevant provisions of the Company's equity incentive plan, all the restricted shares that were granted to them but not

unlocked should be bought back and cancelled by the Company, with the total buyback quantity amounting to 528,000 shares. The buyback price was RMB 5.0714 per share for restricted shares in the first grant in 2017 and RMB 8.7402 per share for the reserved grant in 2017, and that for restricted shares in the first grant in 2018 was RMB 4.6 per share.

16. On October 25, 2019, the Company held the 22th meeting of the third Board of Directors and the 19th meeting of the third Board of Supervisors, at which the *Proposal on the Buyback and Cancellation of Some Restricted Shares* was reviewed and approved. Since some of the Company's original incentive objects, Sun Hongfei, Ji Ruifei, Huang Yong, Yin Zufu, Tu Chao, Chen Yadong, Dong Bincheng, Wang Huichao, and Han Gao, resigned, according to the relevant provisions of the Company's equity incentive plan, all the restricted shares that were granted to them but not unlocked should be bought back and cancelled by the Company, with the total buyback quantity amounting to 274,000 shares. The buyback price was RMB 5.0714 per share for restricted shares in the first grant in 2017 and RMB 8.7402 per share for the reserved grant in 2017, and that for restricted shares in the first grant in 2018 was RMB 4.6 per share.
17. On April 23, 2020, the Company held the 24th meeting of the third Board of Directors, at which the *Proposal on the Achievement of Unlocking Conditions for Stage III of the First Batch and Stage II of the Reserved Part of Restricted Shares Granted in 2017 and Stage I of the First Batch Granted in 2018* was reviewed and approved. It was agreed that the unlocking of the Stage III restricted shares in the first batch and Stage II restricted shares in the reserved part granted in 2017 should be proceeded with according to the relevant provisions of the 2017 Restricted Stock Incentive Plan. A total of 440 incentive objects were eligible for the Stage III unlock of the first batch granted in 2017, and the total number of restricted shares that could be unlocked was 7,600,000, accounting for 0.5217% of the Company's total share capital at present. A total of 80 incentive objects were eligible for the Stage II unlock of the reserved part granted in 2017, and the total number of restricted shares that could be unlocked was 894,000, accounting for 0.0614% of the Company's total share capital at present.
18. On April 23, 2020, the Company held the 24th meeting of the third Board of Directors and the 21st meeting of the third Board of Supervisors, at which the *Proposal on the Buyback and Cancellation of Some Restricted Shares* was reviewed and approved. Since some of the Company's original incentive objects, Lu Chunguang, Xiao Fuqin, Wu Changhong, Zhang Changxin, Zhang Lei, Wang Xiaofei, Yu Hong, Zhang Yingfan, Xie Jiehua, Liu Ziyu, Liu Dawei, Chen Qiang, Gao Yu, Jiao Xiangbo, Xu Zhongren, Zhang Jiannan, Qu Rao, and Li Gaoshan, resigned, according to the relevant provisions of the Company's equity incentive plan, all the restricted shares that were granted to them but not unlocked should be bought back and cancelled by the Company. Since the individual annual performance of the Company's original incentive objects, Yang Li, accounted for an unlocking percentage of 50%, according to the relevant provisions of the Company's equity incentive plan, some of the restricted shares that were granted to them but not unlocked should be bought back and cancelled by the Company, with the total buyback quantity amounting to 522,000 shares. The buyback price was RMB 5.0714 per share for restricted shares in the first grant in 2017 and RMB 8.7402 per share for the reserved grant in 2017, and that for restricted shares in the first grant in 2018 was RMB 4.6 per share.
19. On May 14, 2020, the Stage II unlocked restricted shares from the reserved part of the 2017 Restricted Stock Incentive Plan were listed for circulation. The number of restricted shares unlocked this time was 894,000, accounting for 0.0614% of the Company's total share capital at present; the actual number of restricted shares that could be listed for circulation was 834,000, accounting for 0.0572% of the Company's total share capital at present.
20. On June 23, 2020, the Stage III unlocked restricted shares from the first grant of the 2017 Restricted Stock Incentive Plan were listed for circulation. The number of restricted shares unlocked this time was 7,550,000, accounting for 0.5183% of the Company's total share capital at present; the actual number of restricted shares that could be listed for circulation was 7,150,000, accounting for 0.4908% of the Company's total share capital at present.
21. On July 13, 2020, the Company held the 2nd meeting of the fourth Board of Directors and the 2nd meeting of the fourth Board of

Supervisors, at which the *Proposal on the Buyback and Cancellation of Some Restricted Shares* was reviewed and approved. Since some of the Company's original incentive objects, Yao Shaohua, Wu Zongjian, Zhang Fenggang, Liu Lei, Wang Rui, Tian Geng, Wang Baoping, Wu Jie, Tang Jie, Yan Shichao, Wu Bin, Cheng Qi, Yang Gangxin, Shen Tan, Song Zijian, Lin Guangyi, and Chen Chao, resigned, according to the relevant provisions of the Company's equity incentive plan, all the restricted shares that were granted to them but not unlocked should be bought back and cancelled by the Company, with the total buyback quantity amounting to 504,000 shares. The buyback price was RMB 5.0014 per share for restricted shares in the first grant in 2017 and RMB 8.6702 for the reserved grant in 2017, and that for restricted shares in the first grant in 2018 was RMB 4.5300 per share.

22. On October 29, 2020, the Company held the 4th meeting of the fourth Board of Directors and the 4th meeting of the fourth Board of Supervisors, at which the *Proposal on the Buyback and Cancellation of Some Restricted Shares* was reviewed and approved. Since some of the Company's original incentive objects, Zhu Hui, Yang Guoqiang, Zhang Tao, Wang Xinzong, Dong Yugang, Liu Ming, Yu Chuandian, Xing Zhen, Tian Hao, Hu Di, Tu Fang, WARDZACHARIAH HUSSEIN, and KIM MYUNGKWAN, resigned, according to the relevant provisions of the Company's equity incentive plan, all the restricted shares that were granted to them but not unlocked should be bought back and cancelled by the Company, with the total buyback quantity amounting to 297,500 shares. The buyback price for restricted shares in the first grant in 2017 was RMB 4.5300 per share and that for restricted shares in the first grant in 2018 was RMB 5.3000 per share.

23. On April 26, 2021, the Company held the 8th meeting of the fourth Board of Directors and the 7th meeting of the fourth Board of Supervisors, at which the *Proposal on the Buyback and Cancellation of Some Restricted Shares* was reviewed and approved. Since some of the Company's original incentive objects, Wan Rubin, Zhou Ping, Zhan Zhihai, Zhang Jianzhou, Jiang Wenjun, Xie Feng, and Yao Li, resigned, according to the relevant provisions of the Company's equity incentive plan, all the restricted shares that were granted to them but not unlocked should be bought back and cancelled by the Company. Since the individual annual performance of the Company's original incentive objects, Li Tao and Shang Xiaozhong, accounted for an unlocking percentage of 50%, according to the relevant provisions of the Company's equity incentive plan, some of the restricted shares that were granted to them but not unlocked should be bought back and cancelled by the Company, with the total buyback quantity amounting to 142,000 shares. The buyback price for restricted shares in the first grant in 2017 was RMB 5.0014 per share and that for restricted shares in the first grant in 2018 was RMB 4.5300 per share.

On April 26, 2021, the Company held the 8th meeting of the fourth Board of Directors and the 7th meeting of the fourth Board of Supervisors, at which the *Proposal on the Achievement of Unlocking Conditions for Stage IV of the First Batch and Stage III of the Reserved Part of Restricted Shares Granted in 2017 and Stage II of the First Batch Granted in 2018* was reviewed and approved. It was agreed that the unlocking of the Stage IV restricted shares in the first batch and Stage III restricted shares in the reserved part granted in 2017 should be proceeded with according to the relevant provisions of the 2017 Restricted Stock Incentive Plan. A total of 423 incentive objects were eligible for the Stage IV unlock of the first batch granted in 2017, and the total number of restricted shares that could be unlocked was 7,237,500, accounting for 0.4968% of the Company's total share capital at present. A total of 77 incentive objects were eligible for the Stage III unlock of the reserved part granted in 2017, and the total number of restricted shares that could be unlocked was 1,132,000, accounting for 0.0777% of the Company's total share capital at present.

24. On May 17, 2021, the Stage III unlocked restricted shares from the reserved part of the 2017 Restricted Stock Incentive Plan were listed for circulation. The number of restricted shares unlocked this time was 1,132,000, accounting for 0.0777% of the Company's total share capital at present; the actual number of restricted shares that could be listed for circulation was 1,052,000, accounting for 0.0722% of the Company's total share capital at present.

25. On June 21, 2021, the Stage IV unlocked restricted shares from the reserved part of the 2017 Restricted Stock Incentive Plan were listed for circulation. The number of restricted shares unlocked this time was 7,237,500, accounting for 0.4968% of the

Company's total share capital at present; the actual number of restricted shares that could be listed for circulation was 6,818,750, accounting for 0.4680% of the Company's total share capital at present.

The 2018 Restricted Stock Incentive Plan

1. On December 11, 2018, the Company held the 16th meeting of the third Board of Directors, at which the *2018 Restricted Stock Incentive Plan (Draft)* and its abstract, the *Assessment Measures for the Implementation of the 2018 Restricted Stock Incentive Plan*, and the *Proposal on Requesting the Shareholders' Meeting to Authorize the Board of Directors to Proceed with the 2018 Restricted Stock Incentive Plan Related Initiatives* were reviewed and approved. On the same day, independent directors expressed independent views on the incentive object's qualification and the specific contents of the restricted stock incentive plan, as well as on whether it contributed to the sustainable development of the Company and whether there were any signs of compromising the benefits of the Company and all shareholders.
2. On December 28, 2018, the Company held the fourth extraordinary general meeting in 2018, at which the *2018 Restricted Stock Incentive Plan (Draft)* and its abstract, the *Assessment Measures for the Implementation of the 2018 Restricted Stock Incentive Plan*, and the *Proposal on Requesting the Shareholders' Meeting to Authorize the Board of Directors to Proceed with the 2018 Restricted Stock Incentive Plan Related Initiatives* were reviewed and approved. The Board of Directors was authorized to deal with the changes and terminations of the Plan according to the provisions in the Company's 2018 Restricted Stock Incentive Plan, including but not limited to revoking the incentive object's qualifications for unlocking restricted shares, buying back and cancelling restricted shares held by incentive objects that have not been unlock.
3. On January 9, 2019, the Company held the 17th meeting of the third Board of Directors, at which the *Proposal on Granting Restricted Shares to Incentive Objects for the First Time* was reviewed and approved. The Company decided to take January 9, 2019 as the granting date, and granted 7.5 million restricted shares to 142 incentive objects of the first grant in 2018 at the granting price of RMB 4.66 per share.

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

4. On May 9, 2019, the Company held the 20th meeting of the third Board of Directors, at which the *Proposal on the Buyback and Cancellation of Some Restricted Shares* was reviewed and approved. Since some of the Company's original incentive objects, Wei Yongzhen, Zhang Daqiang, Ai Shaowei, Cheng Zheng, Zeng Jin, and Wang Qigang, resigned, according to the relevant provisions of the Company's equity incentive plan, all the restricted shares that were granted to them but not unlocked should be bought back and cancelled by the Company. Since the individual annual performance of the Company's original incentive objects, Li Bing, accounted for an unlocking percentage of 50%, according to the relevant provisions of the Company's equity incentive plan, some of the restricted shares that were granted to them but not unlocked should be bought back and cancelled by the Company, with the total buyback quantity amounting to 268,750 shares. The buyback price was RMB 5.1314 per share for restricted shares in the first grant in 2017 and RMB 8.8002 per share for the reserved grant in 2017, and that for restricted shares in the first grant in 2018 was RMB 4.66 per share.
5. On August 14, 2019, the Company held the 21th meeting of the third Board of Directors and the 18th meeting of the third Board of Supervisors, at which the *Proposal on the Buyback and Cancellation of Some Restricted Shares* was reviewed and approved. Since some of the Company's original incentive objects, Li Chen, Meng Wei, Hu Weichao, Li Guo, Jiang Lihui, Cao Zhi, Geng

Anran, Yu Guoqiang, Lin Li, Lai Chengzhi, Li Guoqing, Yang Mei, Zuo Yalian, Lu Tao, and Ma Xiangyun, resigned, according to the relevant provisions of the Company's equity incentive plan, all the restricted shares that were granted to them but not unlocked should be bought back and cancelled by the Company, with the total buyback quantity amounting to 528,000 shares. The buyback price was RMB 5.0714 per share for restricted shares in the first grant in 2017 and RMB 8.7402 per share for the reserved grant in 2017, and that for restricted shares in the first grant in 2018 was RMB 4.6 per share.

6. On October 25, 2019, the Company held the 22th meeting of the third Board of Directors and the 19th meeting of the third Board of Supervisors, at which the *Proposal on the Buyback and Cancellation of Some Restricted Shares* was reviewed and approved. Since some of the Company's original incentive objects, Sun Hongfei, Ji Ruifei, Huang Yong, Yin Zufu, Tu Chao, Chen Yadong, Dong Bincheng, Wang Huichao, and Han Gao, resigned, according to the relevant provisions of the Company's equity incentive plan, all the restricted shares that were granted to them but not unlocked should be bought back and cancelled by the Company, with the total buyback quantity amounting to 274,000 shares. The buyback price was RMB 5.0714 per share for restricted shares in the first grant in 2017 and RMB 8.7402 per share for the reserved grant in 2017, and that for restricted shares in the first grant in 2018 was RMB 4.6 per share.
7. On December 26, 2019, the Company held the 23rd meeting of the third Board of Directors and the 20th meeting of the third Board of Supervisors, at which the *Proposal on Granting the Reserved Part of Restricted Shares to Incentive Objects* was reviewed and approved. The Company decided to take December 26, 2019 as the granting date and granted 1.5 million restricted shares from the reserved part of 2018 to 38 incentive objects.
8. On April 23, 2020, the Company held the 24th meeting of the third Board of Directors, at which the *Proposal on the Achievement of Unlocking Conditions for Stage III of the First Batch and Stage II of the Reserved Part of Restricted Shares Granted in 2017 and Stage I of the First Batch Granted in 2018* was reviewed and approved. It was agreed that the unlocking of the Stage I restricted shares in the first grant in 2018 should be proceeded with according to the relevant provisions of the 2018 Restricted Stock Incentive Plan. A total of 131 incentive objects were eligible for the Stage II unlock of the first batch granted in 2018, and the total number of restricted shares that could be unlocked was 2,145,000, accounting for 0.1472% of the Company's total share capital at present.
9. On April 23, 2020, the Company held the 24th meeting of the third Board of Directors and the 21st meeting of the third Board of Supervisors, at which the *Proposal on the Buyback and Cancellation of Some Restricted Shares* was reviewed and approved. Since some of the Company's original incentive objects, Lu Chunguang, Xiao Fuqin, Wu Changhong, Zhang Changxin, Zhang Lei, Wang Xiaofei, Yu Hong, Zhang Yingfan, Xie Jiehua, Liu Ziyu, Liu Dawei, Chen Qiang, Gao Yu, Jiao Xiangbo, Xu Zhongren, Zhang Jiannan, Qu Rao, and Li Gaoshan, resigned, according to the relevant provisions of the Company's equity incentive plan, all the restricted shares that were granted to them but not unlocked should be bought back and cancelled by the Company. Since the individual annual performance of the Company's original incentive objects, Yang Li, accounted for an unlocking percentage of 50%, according to the relevant provisions of the Company's equity incentive plan, some of the restricted shares that were granted to them but not unlocked should be bought back and cancelled by the Company, with the total buyback quantity amounting to 522,000 shares. The buyback price was RMB 5.0714 per share for restricted shares in the first grant in 2017 and RMB 8.7402 per share for the reserved grant in 2017, and that for restricted shares in the first grant in 2018 was RMB 4.6 per share.
10. On May 14, 2020, the Stage I unlocked restricted shares from the first grant of the 2018 Restricted Stock Incentive Plan were listed for circulation. The number of restricted shares unlocked this time was 2,145,000, accounting for 0.1472% of the Company's total share capital at present; the actual number of restricted shares that could be listed for circulation was 1,895,000, accounting for 0.1301% of the Company's total share capital at present.
11. On July 13, 2020, the Company held the second meeting of the fourth Board of Directors and the second meeting of the fourth

Board of Supervisors, at which the *Proposal on the Buyback and Cancellation of Some Restricted Shares* was reviewed and approved. Since some of the Company's original incentive objects, Yao Shaohua, Wu Zongjian, Zhang Fenggang, Liu Lei, Wang Rui, Tian Geng, Wang Baoping, Wu Jie, Tang Jie, Yan Shichao, Wu Bin, Cheng Qi, Yang Gangxin, Shen Tan, Song Zijian, Lin Guangyi, and Chen Chao, resigned, according to the relevant provisions of the Company's equity incentive plan, all the restricted shares that were granted to them but not unlocked should be bought back and cancelled by the Company, with the total buyback quantity amounting to 504,000 shares. The buyback price was RMB 5.0014 per share for restricted shares in the first grant in 2017 and RMB 8.6702 per share for the reserved grant in 2017, and that for restricted shares in the first grant in 2018 was RMB 4.5300 per share.

12. On August 28, 2020, the Company made the *Announcement on the Completion of the Reserved Grant Registration for the 2018 Restricted Stock Incentive Plan*, and shares granted this time were listed on September 1, 2020. A large number of incentive objects for this grant were foreign employees working outside China. Due to the global epidemic impact, it was very challenging for employees to pay and verify their capital, and the share-granting progress fell behind. The original plan was to grant a total of 1.5 million restricted shares to 38 eligible incentive objects. In the subsequent payment and capital verification process, the original incentive objects Xu Youbin and CARDOSOROBERTOMIGUEL voluntarily waived, therefore, 36 incentive objects were actually granted this time, and the actual quantity granted was 1,450,000 shares.
13. On October 29, 2020, the Company held the fourth meeting of the fourth Board of Directors and the fourth meeting of the fourth Board of Supervisors, at which the *Proposal on the Buyback and Cancellation of Some Restricted Shares* was reviewed and approved. Since some of the Company's original incentive objects, Zhu Hui, Yang Guoqiang, Zhang Tao, Wang Xinzong, Dong Yugang, Liu Ming, Yu Chuandian, Xing Zhen, Tian Hao, Hu Di, Tu Fang, WARDZACHARIAH HUSSEIN, and KIM MYUNGKWAN, resigned, according to the relevant provisions of the Company's equity incentive plan, all the restricted shares that were granted to them but not unlocked should be bought back and cancelled by the Company, with the total buyback quantity amounting to 297,500 shares. The buyback price was RMB 5.0014 per share for restricted shares in the first grant in 2017 and RMB 8.6702 per share for the reserved grant in 2017, and the buyback price was RMB 4.5300 per share for restricted shares granted in the first grant in 2018 and RMB 5.3000 per share for the reserved grant in 2018.
14. On April 26, 2021, the Company held the 8th meeting of the fourth Board of Directors and the 7th meeting of the fourth Board of Supervisors, at which the *Proposal on the Buyback and Cancellation of Some Restricted Shares* was reviewed and approved. Since some of the Company's original incentive objects, Wan Rubin, Zhou Ping, Zhan Zhihai, Zhang Jianzhou, Jiang Wenjun, Xie Feng, and Yao Li, resigned, according to the relevant provisions of the Company's equity incentive plan, all the restricted shares that were granted to them but not unlocked should be bought back and cancelled by the Company. Since the individual annual performance of the Company's original incentive objects, Li Tao and Shang Xiaozhong, accounted for an unlocking percentage of 50%, according to the relevant provisions of the Company's equity incentive plan, some of the restricted shares that were granted to them but not unlocked should be bought back and cancelled by the Company, with the total buyback quantity amounting to 142,000 shares. The buyback price for restricted shares in the first grant in 2017 was RMB 5.0014 per share and that for restricted shares in the first grant in 2018 was RMB 4.5300 per share.
15. On April 26, 2021, the Company held the 8th meeting of the fourth Board of Directors and the 7th meeting of the fourth Board of Supervisors, at which the *Proposal on the Achievement of Unlocking Conditions for Stage IV of the First Batch and Stage III of the Reserved Part of Restricted Shares Granted in 2017 and Stage II of the First Batch Granted in 2018* was reviewed and approved. It was agreed that the unlocking of the Stage II restricted shares in the first grant in 2018 should be proceeded with according to the relevant provisions of the 2018 Restricted Stock Incentive Plan. A total of 116 incentive objects were eligible for the Stage II unlock of the first batch granted in 2018, and the total number of restricted shares that could be unlocked was 1,986,000, accounting for 0.1363% of the Company's total share capital at present.
16. On May 12, 2021, the Stage II unlocked restricted shares from the first grant of the 2018 Restricted Stock Incentive Plan were

listed for circulation. The number of restricted shares unlocked this time was 1,986,000, accounting for 0.1363% of the Company's total share capital at present; the actual number of restricted shares that could be listed for circulation was 1,326,000, accounting for 0.0910% of the Company's total share capital at present.

17. On September 8, 2021, the Stage I unlocked restricted shares from the reserved part of the 2018 Restricted Stock Incentive Plan were listed for circulation. The number of restricted shares unlocked this time was 680,000, accounting for 0.0467% of the Company's total share capital at present; the actual number of restricted shares that could be listed for circulation was 680,000, accounting for 0.0467% of the Company's total share capital at present.

Equity incentives granted to directors and executives

√ Applicable □ Not Applicable

(in Shares)

Name	Title	Stock options held at the beginning of the period	Stock options granted in the period	Shares exercisable in the period	Shares exercised in the period	Exercise price of shares exercised in the period (RMB/share)	Stock options held at the end of the period	Market price at the end of the period (RMB/share)	Restricted shares held at the beginning of the period	Restricted shares granted in the period	Granting price of restricted shares (RMB/share)	Shares unlocked in the period	Restricted shares held at the end of the period
Zheng Guibiao	Director, Senior VP	0	0	0	0		0		210,000	0		90,000	120,000
Zhao Wei	Director, Senior VP	0	0	0	0		0		210,000	0		90,000	120,000
Li Guojun	Finance Director	0	0	0	0		0		190,000	0		110,000	80,000
Gu Yilei	Senior VP	0	0	0	0		0		285,000	0		165,000	120,000
Zhang Xucheng	Vice Chairman	0	0	0	0		0		50,000	0		50,000	
Chen Zhiqiang	VP	0	0	0	0		0		260,000	0		140,000	120,000
Wu Jiamao	VP	0	0	0	0		0		260,000	0		140,000	120,000
Cheng Cheng	VP	0	0	0	0		0		260,000	0		140,000	120,000
Xie Xiaoyong	VP	0	0	0	0		0		235,000	0		115,000	120,000
Deng Dejun	VP	0	0	0	0		0		220,000	0		140,000	80,000
Zhang Youquan	VP	0	0	0	0		0		210,000	0		90,000	120,000
Li Shun	VP	0	0	0	0		0		25,000	0		25,000	

Peng Chaocai	VP	0	0	0	0		0		105,000	0		45,000	60,000
Total	--	0	0	0	0	--	0	--	2,520,000	0	--	1,340,000	1,180,000

The Company has established a complete performance evaluation system and remuneration system for executives. Based on the delivery status of the Company's annual business objectives and the job performance of executives, the Remuneration and Evaluation Committee of the Board of Directors carries out annual performance evaluation of executives and supervises the implementation of the remuneration system. Rewards and punishments will be applied correspondingly according to the performance evaluation results.

b. Implementation of the Employee Stock Ownership Plan

Applicable Not Applicable

c. Other Employee Incentive Measures

Applicable Not Applicable

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

1. Establishment and Implementation of Internal Control

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

Subject to the Basic Internal Control Standards and the supporting guidelines as well as other internal control regulations, the Company established internal control systems and evaluation mechanisms. Following the principle of risk orientation, such systems and mechanisms were constantly optimized on the basis of routine supervision and special supervision of internal control, so as to cope with the ever-changing external environment and internal management requirements. During the reporting period, the development and implementation of the Company's internal

control system complied with the Basic Internal Control Standards and the relevant laws and regulations, and ensured effective internal control in all major aspects related to the business operation and management of the Company. There were no critical internal control deficiencies in financial reporting or non-financial reporting.

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

Yes No

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

Company Name	Integration Plan	Integration Progress	Problems during Integration	Resolutions Taken	Resolution Progress	Action Plan
Sungrow Renewables Development Co., Ltd.	In order to optimize the asset-liability structure of the Company's holding subsidiary, Sungrow Renewables Development Co., Ltd. and improve its financing capability, so as to meet its operating capital needs and ensure the smooth deployment of various businesses, the Company planned to increase Sungrow Renewables' capital by RMB 1,971.2 million via the debt-for-equity swap, of which RMB 338,694,158 was used as share capital and RMB 1,632,505,842 as capital reserve. At the same time, Sungrow Renewables planned to grant equity incentives to executives Gu Yilei, Wu Jiamao, and Li Shun through capital increase and share expansion.	The Company held the thirteenth meeting of the fourth Board of Directors on December 3, 2021, and the third extraordinary general meeting in 2021 on December 20, 2021, at which the Proposal on Increasing the Holding Subsidiary's Capital via the Debt-for-Equity Swap and Implementing Equity Incentives and Related Party Transactions for the Holding Subsidiary. On December 23, 2021, Sungrow Renewables obtained the latest business license.	Not Applicable	Not Applicable	Not Applicable	Not Applicable

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

1. Internal Control Self-Assessment Report

The full text of the internal control assessment report was disclosed on	April 20, 2022	
The full text of the internal control assessment report was disclosed at	www.cninfo.com.cn	
The ratio of the total assets of organizations included in the assessment to the total assets of the Company's consolidated financial statements		100.00%
The ratio of the operating income of organizations included in the assessment to the Company's total operating income in the consolidated financial statements		100.00%
Criteria of Deficiencies		
Category	Financial Reports	Non-Financial Reports
Qualitative Criteria	Each of the following is considered a critical deficiency by the Company: Fraudulence of the Company's directors, supervisors and executives; corrections to financial statements disclosed; mistakes or omissions of major data in the current financial statements discovered by certified public accountant but ignored by the internal audit department during the control operation.	<p>Deficiencies with the following characteristics are considered as critical deficiencies in the internal control of non-financial reports:</p> <ol style="list-style-type: none"> 1) No scientific basis for the decision-making procedures, resulting in major mistakes; 2) High turnover of key positions, professionals and technical personnel; 3) Internal control assessment results, especially the critical deficiencies, are not rectified; 4) Other situations that may have a significant negative impact on the Company. <p>Other situations are categorized as critical deficiencies or minor deficiencies according to the level of impact.</p>
Quantitative Criteria	<p>The quantitative criteria for determining the significance of mistakes (including omissions) in the Company's consolidated financial statements by benchmarking the data from previous annual financial statements:</p> <p>Critical deficiency: mistakes \geq 5% of total profit</p>	The quantitative criteria for determining internal control deficiencies in non-financial reports shall refer to the quantitative criteria for determining internal control deficiencies in financial reports.

	Major deficiency: 2% of total profits \leq mistakes \leq 5% of total profit Minor deficiency: mistakes \leq 2% of total profit	
Number of critical deficiencies in financial reports		0
Number of critical deficiencies in non-financial reports		0
Number of major deficiencies in financial reports		0
Number of major deficiencies in non-financial reports		0

2. Internal Control Audit Report or Assurance Report

Not Applicable

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

According to the relevant requirements of regulators, the Company carried out dedicated self-examination initiatives on corporate governance during the reporting period. In strict accordance with the checklist, the Company carefully reviewed the ownership structure, the structure of directors, supervisors and executives, and the respective incumbents, the internal policies and regulations, the information disclosure system and other aspects. The Company also modified the subject for soliciting voting rights in the Articles of Association according to the latest requirements of the Securities Law.

The dedicated self-examination initiatives on corporate governance enabled the Company to further clarify the job responsibilities and legal accountabilities of various functions and management personnel of the Company. At the same time, the Company continued to promote the legitimate, compliant and efficient operation of the shareholders' meeting, the Board of Directors and the Board of Supervisors, give full play to their decision-making and supervisory roles, and improve the scientific nature of the Company's decision-making. In the next step, the Company will continue to strengthen internal supervision and management in accordance with the requirements of relevant regulations, constantly optimize the governance systems, motivate the various departments and relevant personnel to keep on learning, and effectively improve the Company's standard operation level and corporate governance effectiveness, thereby safeguarding the interests of the majority of investors.

Section V Environment and Social Responsibilities

I. Major Environmental Issues

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

Yes No

Administrative penalties for environmental issues during the reporting period

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

Refer to other environmental information disclosed by key pollutant discharge units

Not Applicable

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

Applicable Not Applicable

The Company actively rolled out carbon inventory and carbon footprint standards, provided transparent and science-based verification procedures for low-carbon development, and assumed corporate responsibilities. The verification for 2020 and 2021 has been completed so far, and the following data is correlated to the Company's risk identification and analysis results. Carbon inventory enables the Company to get insights on the carbon emission of each operation process, and provides fundamental data support for addressing climate-related risks, reducing carbon emission, and improving the Company's competitiveness and stability.

The Company's carbon emission in 2021 as verified by a third-party institution is as follows: Scope 1 (2,323.46 tons of CO₂ equivalent/year) Scope 2 (35911.00 tons of CO₂ equivalent/year). In 2021, the Company avoided 7,975.21 tons of carbon emission by directly purchasing green power and generating power with rooftop PV power stations, and offset 8,175.00 tons of carbon emission by purchasing I-REC, making significant emission reduction achievements.

Reasons for not disclosing other environmental information

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

II. Social Responsibilities

For details, please refer to the 2021 Sustainability Report of Sungrow Power Supply disclosed by the Company on www.cninfo.com.cn.

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

In the process of business operation throughout 2021, the Company cautiously protected local natural resources and community resources, maximized business advantages, and benefited the community as much as possible.

In the process of developing and building power stations, the Company made every effort to enable parallel growth with local communities, actively helped them improve the quality of life, offered employment opportunities, and provided convenience for the community. Since most of the power stations were located in remote areas difficult to access, Sungrow Renewables took the community's requirements into consideration when building the power stations. In 2021, the Company built concrete-pavement roads for Tushan Town of Laizhou City, and repaired the village-level roads for Binhu Town of Tengzhou City.

In the process of developing and constructing the power station project, the Company strives to achieve common development with the local community, actively helps the community to improve the quality of life, provides some jobs, and provides convenience for the life of the community residents. Since most of the power station projects are located in remote areas with inconvenient transportation, Sungrow Renewables will also consider the requirements of community residents when building the power station. In 2021, cement roads will be built in Tushan Town, Laizhou City, and village-level roads will be repaired in Binhu Town, Tengzhou City. In terms of supporting science and technology innovation, education and talents, the Company donated to the Dalateqi People's Education Foundation of Inner Mongolia for education assistance, teachers training, performance rewarding, and infrastructure improvement.

The Company actively participated in epidemic prevention and control and flood relief in various places. In view of the resurface of the epidemic in multiple cities, the Company donated epidemic prevention supplies to Gansu, Guangxi and other provinces. When Henan and Shanxi were stricken by flood, the Company made a donation of RMB 3 million to the Henan Charity Federation, and a donation of RMB 500,000 in cash and RMB 100,000 of emergency supplies to the Red Cross Society of Jiakou County, for flood control, disaster relief and post-disaster reconstruction in Henan, Shanxi and other places.

Section VI Significant Events

I. Fulfillment of Undertakings

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

√ Applicable □ Not Applicable

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

		<p>directly or indirectly operated any business that competes or may compete with those operated by the joint-stock company; have not invested in any other enterprise that competes or may compete with the joint-stock company in terms of products or business; 2. As of the date of signing this Letter of Undertaking, I or the companies I have interests in, will not produce or develop any product that competes or may compete with those produced by the joint-stock company; will not directly or indirectly operate any business that competes or may compete with those operated by the joint-stock company; will not invest in any other enterprise that competes or may compete with the joint-stock company in terms of products or business; 3. As of the date of signing this Letter of Undertaking if the joint-stock company further expands its products and business scope, I or the companies I have interests in, will not compete with the joint-stock company in terms of the expanded products or business. In the event of competition with the expanded products or business of the joint-stock company, I or the companies I have interests in, will stop producing the competing product or operating the competing business, or incorporate the competing business into the joint-stock company, or transfer the competing business to an unrelated third party, in order to avoid horizontal competition; 4. If this Letter of Undertaking is proven to be untrue or not complied with, the undertaker will indemnify the joint-stock company for any and all direct and indirect losses.</p>			
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	<p>Luzhou Huizhuo Enterprise Management Partnership (Limited Partnership) (formerly Xinjiang Shangge Equity Investment Partnership (Limited Partnership))</p>	<p>Undertaking on horizontal competition</p>	<p>1. On the date of signing this Letter of Undertaking, the undertaker or the company controlled by the undertaker, has not produced or developed any product that competes or may compete with those produced by the joint-stock company; has not directly or indirectly operated any business that competes or may compete with those operated by the joint-stock company; has not invested in any other enterprise that competes or may compete with the joint-stock company in terms of products or business; 2. Whenever the undertaker still holds 5% or more of the joint-stock company's shares, the undertaker or the company controlled by the undertaker will not produce or develop any product that competes or may compete with those produced by the joint-stock company; will not directly or indirectly operate any business that competes or may compete with those operated by the joint-stock company; will not control any other enterprise that competes or may compete with the joint-stock company in terms of products or business; 3. If this Letter of Undertaking is proven to be untrue or not complied with, the undertaker will indemnify the joint-stock company for any and all direct and indirect losses.</p>	<p>Jan. 31, 2011</p>	<p>Long-term</p>	<p>The undertaking is being fulfilled with no signs of breaching</p>
	<p>Shanghai Greenwoods Asset Management Co. Ltd. - Greenwoods Jingtai Fenshou Private Securities Investment Fund, Shanghai Greenwoods Asset Management Co. Ltd. - Fengshou No. 3 Private Equity Fund, Huatai</p>	<p>Undertaking on no trading by subscribers of non-public offering shares</p>	<p>The shares granted this time will be locked up and not transferred in six months from the closing date of the issuance. If the lock-up period is otherwise stipulated in laws or regulations, such a lock-up period shall prevail. Derivative shares obtained by the subscriber of this issuance due to the distribution of stock dividends or the transfer of capital reserve shall also abide by the lock-up</p>	<p>Oct. 22, 2021</p>	<p>6 months</p>	<p>The undertaking is being fulfilled with no signs of breaching</p>

	<p>Financial Holdings (Hong Kong) Limited, JPMorgan Chase Bank, National Association, Dajia Asset Management Co., Ltd. - Dajia Asset-ICBC-DaJia Asset-Blue Chip Selected No. 5 Collective Asset Management Product, Yunnan Energy Investment Co., Ltd., Goldman Sachs & Co. LLC, The Hongkong and Shanghai Banking Corporation Limited, UBS AG, J.P.Morgan Securities PLC, Gao Jinhua, Beijing XHTH Asset Management (Limited Partnership) - Xinhong Xinghong No. 2 Private Securities Investment Fund, WT Asset Management Limited, Runhui Investment Management Hong Kong Co., Ltd., Jinan Jiangshan Investment Partnership (Limited Partnership), Caitong Fund Management Co., Ltd., Zhong Ge, Lord Abbett China Asset Management Co., Ltd.</p>		<p>arrangement.</p>			
<p>Undertaking on equity incentive</p>						
<p>Other undertakings made to the Company's minority shareholders</p>						

Undertaking is fulfilled on time	Yes
If the undertaking is expired and not fulfilled, specify the detailed reasons for failure to fulfill and subsequent action plans	Not Applicable

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

Applicable Not Applicable

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

Applicable Not Applicable

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

III. Illegal External Guarantees

Applicable Not Applicable

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

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

Applicable Not Applicable

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

Applicable Not Applicable

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

Applicable Not Applicable

1. Changes in major accounting policies

Implementation of the new lease standards

On December 7, 2018, the Ministry of Finance issued the *Accounting Standards for Business Enterprises No. 21 - Leases* (hereinafter referred to as the *Lease Standards*). The Company started implementing the *Lease Standards* as of January 1, 2021, and made relevant adjustments to accounting policies. Refer to Note III. 29 for details.

For contracts in existence before the first day of implementation, the Company chose not to re-evaluate whether they were leases or containing leases on the first day of implementation.

For contracts signed or modified after the first day of implementation, the Company evaluated whether they were leases or containing leases according to the definition of lease in the *Lease Standards*.

(1) The Company as the lessee

The Company chose to adjust the retained earnings and other related items in the financial statements at the beginning of the year for the first implementation (i.e. January 1, 2021) with the cumulative impact of the first implementation of the *Lease Standards*, and left the information for the comparable period as it was:

A. For financial leases before the first day of implementation the Company calculated the right-of-use asset and lease liability separately on the date of initial application according to the original book value of the financial lease asset and the financial lease payable;

B. For operating leases before the first day of implementation the Company calculated the lease liability on the date of initial application based on the present value of the balance lease payment discounted at the lessee's incremental borrowing rate on the first day of implementation and calculated the right-of-use asset after making necessary adjustments to the amount equivalent to the lease liability and the prepaid rent of each lease;

C. On the first day of implementation, the Company conducted an impairment test on the right-of-use asset and applied appropriate accounting treatment in accordance with Note III. 21.

For low-value operating leases before the first day of implementation, a simplified treatment was applied and the right-of-use asset and lease liability were not recognized. In addition, for operating leases before the first day of implementation, one or more of the following simplified treatments were applied:

- Leases ending in 12 months from the first day of implementation were treated as short-term leases;

- When calculating lease liabilities, the same discount rate was applied for leases with similar characteristics;
- The calculation of the right-of-use asset did to include initial direct costs;
- Where a renewal option or a termination option existed, the Company determined the term of lease according to the actual exercise of options and other updates before the first day of implementation.
- As an alternative to the right-of-use asset impairment test, the Company determined whether a contract involving a lease was in deficit before the date of initial application in accordance with the *Accounting Standards for Business Enterprises No. 13 - Contingencies*, and adjusted the right-of-use asset by the amount of the loss provision included it in the balance sheet before the first day of implementation.
- Where there was a change in lease before the first day of implementation, accounting treatments were applied according to the final arrangement of the lease.

(2) The Company as the lessor

For subleases classified as operating leases before the first day of implementation and sustained after that, the Company, as the sublease lessor, made re-evaluation and classification based on the remaining term and the provisions of the original lease contract and the sublease contract on the first day of implementation. In addition, the Company made no adjustment to leases with the Company as a lessor according to the transition regulations, instead, accounting treatments were applied in accordance with the Lease Standards as of the first day of implementation.

(3) Leaseback transactions

For leaseback transactions that existed before the first day of implementation, the Company did not re-evaluate on the first day of implementation whether the asset transfer complied with the provisions of Note III. 26 for accounting treatment as sales. For leaseback transactions that should be treated in accounting as sales and financial leases before the first day of implementation, accounting treatment was applied to the leaseback in the same way as other financial leases by the Company as the seller (lessee), and the deferred gain or loss was amortized over the term of lease. For leaseback transactions that should be treated in accounting as sales and operating leases before the first day of implementation, accounting treatment was applied to the leaseback in the same way as other operating leases by the Company as the seller (lessee), and adjustment was made to the right-of-use asset according to the deferred gain or loss included in the balance sheet before the first day of implementation.

Refer to Note 32 (3) for the impact of implementing the Lease Standards on the consolidated financial statements and the parent company's financial statements.

Implementation of the provisions on the Related Presentation of Centralized Fund Management in the *No. 15 Interpretation of Accounting Standards for Business Enterprises*

On December 30, 2021, the Ministry of Finance issued the *No. 15 Interpretation of Accounting Standards for Business Enterprises* (MOF-Acc-[2021] No. 35) (hereinafter referred to as the Interpretation No. 15"), in which the provisions on the Related Presentation of Centralized Fund Management came into force on the date of issuance. The Company started implementing the provisions as of December 30, 2021. For data in the financial statements that were not presented according to the Related Presentation of Centralized Fund Management prior to the release of Interpretation No. 15, the Company made corresponding adjustments for the comparable periods as per the provisions.

Implementing the provisions of Interpretation No. 15 on the related presentation of centralized fund management had no impact on the Company's consolidated financial statements and the parent company's financial statements.

2. Changes in significant accounting estimates

There were no changes in significant accounting estimates in the reporting period.

3. Adjustment of relevant items in the financial statements at the beginning of the year for the initial implementation of the Lease Standards

Consolidated Balance Sheet

Item	Dec. 31, 2020	Jan. 1, 2021	Adjusted Amount
Right-of-use assets	—	234,062,622.80	234,062,622.80
Long-term prepaid expenses	33,776,287.75	25,956,513.31	-7,819,774.44
Adjusted total assets	33,776,287.75	260,019,136.11	226,242,848.36
Non-current liabilities due within one year	260,700,564.28	288,170,335.11	27,469,770.83
Lease liability	—	198,773,077.53	198,773,077.53
Adjusted total liabilities	260,700,564.28	486,943,412.64	226,242,848.36

Parent Company's Balance Sheet

Item	Dec. 31, 2020	Jan. 1, 2021	Adjusted Amount
Right-of-use assets	—	4,411,949.44	4,411,949.44
Long-term prepaid expenses	16,015,819.79	16,015,819.79	—
Adjusted total assets	16,015,819.79	20,427,769.23	4,411,949.44
Non-current liabilities due within one year	136,743,233.13	139,327,874.96	2,584,641.83
Lease liability	—	1,827,307.61	1,827,307.61
Adjusted total liabilities	136,743,233.13	141,155,182.57	4,411,949.44

Statement on adjustments made to each item: On January 1, 2021, for operating leases before the first day of implementation, the Company used the discounted present value of the incremental borrowing rate before the first day of implementation to calculate the lease liability, which was at RMB 226,242,848.36, of which RMB 27,469,770.83 that was due within one year was recategorized to non-current liabilities due within one year. Based on an amount equal to the lease liability, the Company calculated the right-of-use assets after making necessary adjustments to the prepaid rent, which was at RMB 234,062,622.80. Meanwhile, the long-term prepaid expenses decreased by RMB 7,819,774.44.

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

√ Applicable □ Not Applicable

1. Consolidation of businesses not under the same control

(1) Consolidation of businesses not under the same control in the reporting period

Acquiree	Date of equity acquisition	Cost of equity	Equity ratio (%)	Equity acquisition mode
Gansu Tongfei Sungrow Energy Co., Ltd.	Jul. 31, 2021	5,100,000.00	51.00	Cash acquisition

(continued)

Acquiree	Date of acquisition	Basis for determining the date of acquisition	Acquiree's income from the date of acquisition to the end of the period	Acquiree's net profit from the date of acquisition to the end of the period
Gansu Tongfei Sungrow Energy Co., Ltd.	Jul. 31, 2021	Date of gaining control	—	1,700,331.63

(2) Consolidated cost and goodwill

Consolidated cost	Gansu Tongfei Sungrow Energy Co., Ltd.
- cash	5,100,000.00
- fair value of non-cash assets	—
- fair value of debts issued or assumed	—
- fair value of equity securities issued	—
- fair value of contingent consideration	—
- fair value of equity already in possession on the date of acquisition	4,900,000.00
Total consolidated cost	10,000,000.00
Less: Fair value of shares of identifiable net assets acquired	10,266,221.04
Amount difference when consolidated cost is less than the fair value of shares of identifiable net assets acquired	-266,221.04

Statement on determining the fair value of consolidated cost: The fair value of identifiable net assets of the acquiree, Gansu Tongfei Sungrow Energy Co., Ltd., has been confirmed by Zhongshuizhiyuan Assets Appraisal Co., Ltd. (refer to Asset Appraisal Report ZSZY [2021] No. 020820). The difference between the consolidated cost on the date of acquisition and the fair value of the identifiable assets and liabilities of the acquiree was recognized as non-operating income.

(3) Identifiable assets and liabilities of the acquiree on the date of acquisition

Item	Gansu Tongfei Sungrow Energy Co., Ltd.	
	Fair Value on the day of Acquisition	Book Value on the day of Acquisition
Assets		
Monetary funds	53,694.23	53,694.23
Other receivables	26,451.83	26,451.83
Inventory	905,385.40	905,385.40
Fixed assets	9,385,627.31	9,385,627.31
Intangible assets	3,811,000.00	2,765,765.64
Liabilities:		
Accounts payable	299,259.12	299,259.12
Advance payment	75,000.00	75,000.00
Salaries payable	1,000.00	1,000.00

Taxes payable	1,551,272.75	1,551,272.75
Other payables	1,728,097.27	1,728,097.27
Deferred tax liabilities	261,308.59	—
Net assets	10,266,221.04	9,482,295.27
Less: minority's interests	—	—
Net assets acquired	10,266,221.04	9,482,295.27

(4) Gains or losses arising from recalculating equities being held before the date of acquisition at fair value

Acquiree	Acquiree Book value of equity originally held on the date of acquisition	Fair value of equity originally held on the date of acquisition	Gains or losses arising from the re-calculation of equity originally held at fair value	Ways to determine the fair value of equity originally held and main assumptions on the date of acquisition	Amount of other comprehensive income related to equity originally held that is converted to investment income
Gansu Tongfei Sungrow Energy Co., Ltd.	4,646,324.68	5,030,448.31	384,123.63	Assets Appraisal Report	—

2. Changes in the scope of consolidation for other reasons

(1) Newly established subsidiaries

In this period, the Company newly established 6 wholly-owned subsidiaries, namely Hefei Sungrow Zero Carbon Technology Co., Ltd., Sungrow Lechong Technology Co., Ltd., Sungrow Hydrogen Energy Technology Co., Ltd., Hefei Hengjun Testing Technology Co., Ltd., Sungrow Power (Nanjing) Co., Ltd., and Sungrow Smart Renewables Co., Ltd; the Company's holding subsidiary, Sungrow Renewables Development Co., Ltd., newly established 450 subsidiaries for power station projects; other holding subsidiaries of the Company newly established 19 subsidiaries, and none of the subsidiaries newly established in this period is an important one.

(2) Consolidated project companies in this period

In this period, the Company's holding subsidiary, Sungrow Renewables Development Co., Ltd., acquired 5 domestic project companies and 82 overseas ones for the purpose of developing power station business. None of the project companies newly included in the scope of consolidated statements for this period is an important one.

(3) Disposal of subsidiaries

In this period, the Company disposed of 100% equity of Sungrow Smart Renewables Co., Ltd.; the Company's holding subsidiary, Sungrow Renewables Development Co., Ltd., disposed of 9 subsidiaries that were not in actual business. These subsidiaries are no longer included in the scope of the consolidated statements.

(4) Cancellation of subsidiaries

According to the Company's business needs, the Company cancelled 7 subsidiaries, namely Sungrow Canada Inc., Sungrow Power (Hong Kong) Company Limited Thai Representative Office, Zhouze (Shanghai) New Energy Co., Ltd., Sungrow-Samsung (Nanjing) New Energy Co., Ltd., Water Power (Shanghai) Hydrogen Energy Technology Co., Ltd., Nanjing Sungrow Wanrui Energy

Technology Co., Ltd., and Samsung SDI-Sungrow Energy Storage Battery Co., Ltd.; the Company's holding subsidiary, Sungrow Renewables Development Co., Ltd. canceled 25 companies that were not in actual business.

(5) Transfer to other non-current financial assets for accounting

A. In 2021, the Company entered into an agreement with a third party to transfer the subsidiary's equity to the third party upon the completion of power station system integration projects invested and constructed by the project company. After signing the agreement, the Company transferred the project company investment to other non-current financial assets/trading financial assets. The details of the transfer are as follows:

No.	Project Company	Equity ratio (%)	Subscribed capital contribution (10K RMB)
1	Hefei Yanchen New Energy Technology Co., Ltd.	100.00	100.00
	Xiayi Hengsheng New Energy Technology Co., Ltd.	100.00	100.00
2	Hancheng Runyang New Energy Co., Ltd.	100.00	7,220.00
3	Fuxin Fuguang New Energy Power Generation Co., Ltd.	100.00	10,870.00
4	Hefei Shuchen New Energy Technology Co., Ltd.	100.00	100.00
	Shangshui Jiaoyang New Energy Technology Co., Ltd.	100.00	100.00
5	Lu'an Huaqin New Energy Co., Ltd.	100.00	8,514.00
	Huoqiu Huaqin New Energy Co., Ltd.	100.00	8,514.00
6	Hefei Haopeng New Energy Technology Co., Ltd.	100.00	8,600.00
	Hainan Chunjie New Energy Co., Ltd.	100.00	8,600.00
7	Hefei Xuzun New Energy Technology Co., Ltd.	100.00	15000,00
	Gaoan Fuyang New Energy Co., Ltd.	100.00	15000,00

B. For the following project companies, the agreement was signed with the respective third parties in 2020, and the equity transfer was completed before December 31, 2021: Tengzhou Qingyang New Energy Technology Co., Ltd., Hefei Yanghan New Energy Technology Co., Ltd., Hunyuan Yuanyang New Energy Power Generation Co., Ltd., Dongxing Haoyang New Energy Co., Ltd., Fuxin Xinyang Power New Energy Co., Ltd., Hefei Tiyang New Energy Technology Co., Ltd., Longjiang Rize New Energy Technology Co., Ltd., Hefei Ruoyang New Energy Technology Co., Ltd., Chizhou Jiuyang New Energy Power Generation Co., Ltd., Hefei Juanyang New Energy Technology Co., Ltd., and Susong Suyang New Energy Co., Ltd.

C. For the following project companies, the agreement was signed with the respective third parties in 2021, and the equity transfer was completed before December 31, 2021: a total of 21 project companies consisting of Hefei Jizhao New Energy Co., Ltd. and its subsidiaries, Parque Photovoltaic Santa Rita Solar SpA, Sanbar Solar SpA.

VIII. Engagement and Disengagement of Accounting Firms

Accounting firm currently engaged

Name of accounting firm in China	RSM China (Special General Partnership)
Compensation for accounting firm in China (RMB 10K)	180
Years of continuous auditing service provided by the accounting firm in China	15
Name of CPAs of the accounting firm in China	Wan Yunlong, Jiang Wei, Yao Na
Years of continuous auditing service provided by the CPAs of the firm	2 years, 2 years, 2 years

Whether to replace the accounting firm or not

Yes No

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

Applicable Not Applicable

IX. Statement on Delisting after the Disclosure of Annual Report

Applicable Not Applicable

X. Matters Related to Bankruptcy Reorganization

Applicable Not Applicable

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

XI. Major Litigations and Arbitrations

Applicable Not Applicable

Date of Disclosure: September 5, 2019

Announcement No.: 2019-057

Disclosed at: www.cninfo.com.cn

<http://www.cninfo.com.cn/new/disclosure/detail?plate=szse&orgId=9900021300&stockCode=300274&announcementId=1206903792&announcementTime=2019-09-05%2015:52>

Plaintiff or Applicant	Defendant or Respondent	Basic information of litigation (arbitration)	Amount involved (10KRMB)	An estimated liability Y/N	Progress of litigation (arbitration)	Result and impacts of litigation (arbitration)	Execution of litigation (arbitration) judgment	Case Closed Y/N
Sungrow Power Supply Co., Ltd.	Jiangsu Yinjia New Energy Technology Co., Ltd.	A case was filed against the customer because they failed to make the payment as agreed in the contract, and the customer was demanded to pay RMB 2,521,550 together with an interest for the overdue. The customer defended on the grounds of product failure, and requested a quality appraisal of the product. The case has been settled after mediation.	313.98	No	Mediated in the first instance	Mediated at the People's Court of Hefei High-Tech Industrial Development Zone	Two parties reached a settlement, and the judgment debtor has performed the settlement agreement	Yes
Sungrow Power Supply Co., Ltd.	Jingjiang Changrunfenghe New Energy Technology Co., Ltd.	A case was filed against the customer because they failed to make the payment as agreed in the contract. We applied for enforcement to the court, and the case is under enforcement at the moment.	141.15	No	Judgment made in the first instance	Judgment made by the People's Court of Hefei High-Tech Industrial Development Zone	Enforcement in process. Application has been filed to the court to list the respondent as a defaulter and limit his/her high-end consumption. The Company is actively pursuing clues of respondent's property at the moment	No
Sungrow Power Supply Co., Ltd.	Guangdong Shengpa New Energy Development	A case was filed against the customer because they failed to make the payment as agreed in the contract. The two parties reached a mediation in the second instance, but the defendant failed to perform as per	134.44	No	Judgment made in the first instance, mediated in the second	Judgment made by the People's Court of Hefei High-Tech Industrial	Enforcement in process. Application has been filed to the court to list the respondent as a defaulter and limit his/her high-end	No

	Co., Ltd.	the mediation. Therefore, we applied for enforcement to the court, and the case is under enforcement at the moment.			instance	Development Zone, and mediated at the Intermediate People's Court of Hefei City	consumption. We have identified that some accounts receivable may be generated to this company from related lawsuits, and have requested the court to issue a notice of assistance in execution	
Sungrow Power Supply Co., Ltd.	Inner Mongolia Geoho Energy Equipment Co., Ltd.	The customer is a subsidiary of Zhejiang Dunan Group. Affected by the overall operation of Dunan Group, the customer failed to pay as agreed in the contract. Although a lawsuit was brought to the court, they failed to perform; therefore, we applied for enforcement.	1,856.40	Yes	Judgment made in the first instance	Judgment made by the Intermediate People's Court of Hangzhou City	The case has been filed at the Intermediate People's Court of Hangzhou City. We are also informed that the People's Court of Dongsheng District, Ordos City, Inner Mongolia has accepted the bankruptcy application of this company. We have declared creditor's claims and are expecting further advice from the bankruptcy administrator	No
Sungrow Power Supply Co., Ltd.	Inner Mongolia Geoho Energy Equipment Co., Ltd.	Same as above	448.85	Yes	Judgment made in the first instance	Judgment made by the Intermediate People's Court of Hangzhou City	The case has been filed at the Intermediate People's Court of Hangzhou City. We are also informed that the People's Court of Dongsheng District, Ordos	No

							City, Inner Mongolia has accepted the bankruptcy application of this company. We have declared creditor's claims and are expecting further advice from the bankruptcy administrator	
Sungrow Power Supply Co., Ltd.	Inner Mongolia Geoho Energy Equipment Co., Ltd.	Same as above	562.15	Yes	Judgment made in the first instance	Judgment made by the Intermediate People's Court of Hangzhou City	The case has been filed at the Intermediate People's Court of Hangzhou City. We are also informed that the People's Court of Dongsheng District, Ordos City, Inner Mongolia has accepted the bankruptcy application of this company. We have declared creditor's claims and are expecting further advice from the bankruptcy administrator	No
Sungrow Power Supply Co., Ltd.	Wuhan Suotai Green Energy Environmental Technology Co., Ltd.	A case was filed at the court because the customer failed to make the payment as agreed in the contract. After the judgment was made, we applied for enforcement	103.11	No	Judgment made in the first instance	Judgment made by the People's Court of Hefei High-Tech Industrial Development Zone	Enforcement in process. Application has been filed to the court to list the respondent as a defaulter and limit his/her high-end consumption. We have filed an application to the	No

							Intermediate People's Court of Wuhan City for bankruptcy of this company, and the application is being reviewed by the court	
Sungrow-Samsung SDI Energy Storage Power Supply Co., Ltd.	Jiangsu FGY Energy Storage Technology Research Institute Co., Ltd.	A case was filed at the court because the customer failed to make the payment as agreed in the contract. After the judgment was made, we applied for enforcement	28.16	Yes	Judgment made in the first instance	Judgment made by the People's Court of Hefei High-Tech Industrial Development Zone	This company is currently undergoing bankruptcy and reorganization. We have declared creditor's claims and are expecting further advice from the administrator	No
Hefei Sungrow Power Technology Co., Ltd.	Zotye New Energy Vehicle Co., Ltd. Changsha Branch	A case was filed by a subsidiary of the Company at the court because Zotye Auto failed to make the payment as agreed in the contract. We have requested Zotye to pay the overdue and compensate for the loss of stocking. After the judgment was made, we applied for enforcement	1,847.85	Yes	Judgment made in the first instance	Judgment by the People's Court of Changsha County, Hunan Province	This company has completed bankruptcy and liquidation, and the bankruptcy administrator has paid the corresponding creditor's claims to us according to the bankruptcy distribution plan. The case is closed	Yes
Sungrow Power Supply Co., Ltd.	Shandong Yuhui New Energy Co., Ltd.	A case was filed by a subsidiary of the Company at the court because Zotye Auto failed to make the payment as agreed in the contract. We have requested Zotye to pay the overdue and compensate for the loss of stocking. After the judgment was made, we applied for enforcement	36.06	No	Judgment made in the first instance	Judgment made by the People's Court of Hefei High-Tech Industrial Development Zone	Enforcement in process. Application has been filed to the court to list the respondent as a defaulter and limit his/her high-end consumption. The Company is actively	No

							pursuing clues of respondent's property at the moment	
Sungrow Power Supply Co., Ltd.	Hefei Sanchuan Automatic Control Engineering Co., Ltd.	A case was filed at the court because the customer failed to make the payment as agreed in the contract. After the judgment was made, we applied for enforcement	148.06	No	Judgment made in the first instance	Judgment made by the People's Court of Hefei High-Tech Industrial Development Zone	The Company has filed an application to Hefei Railway Transportation Court for bankruptcy liquidation of the customer, and is expecting the administrator's notice on the declaration of creditor's claims	No
Sungrow-Samsung SDI Energy Storage Power Supply Co., Ltd.	Chaoyang Systems Co., Ltd.	A case was filed at the court because the customer failed to make the payment as agreed in the contract. After the judgment was made, we applied for enforcement	299.28	No	Judgment made in the first instance	Judgment made by the People's Court of Hefei High-Tech Industrial Development Zone	According to the feedback from lawyers in Taiwan, the customer has completed bankruptcy and liquidation in Taiwan. Based on this, the Company has terminated the execution	Yes
Sungrow Power Supply Co., Ltd.	Huaxia Juguang (Inner Mongolia) PV Power Co., Ltd.	A case was filed at the court because the customer failed to make the payment as agreed in the contract. After the judgment was made, we applied for enforcement	249.82	No	Judgment made in the first instance	Judgment made by the People's Court of Hefei High-Tech Industrial Development Zone	Enforcement in process. Application has been filed to the court to list the respondent as a defaulter and limit his/her high-end consumption. The Company is actively pursuing clues of respondent's property at	No

							the moment	
Sungrow Power Supply Co., Ltd.	Kelin Environmental Protection Equipment Co., Ltd.	A case was filed at the court because the customer failed to make the payment as agreed in the contract. After the judgment was made, we applied for enforcement	182.77	No	Judgment made in the first instance	Judgment made by the People's Court of Hefei High-Tech Industrial Development Zone	Enforcement in process. Application has been filed to the court to list the respondent as a defaulter and limit his/her high-end consumption. The Company is actively pursuing clues of respondent's property at the moment	No
Huainan Sungrow Floating Module Sci. & Tech. Co., Ltd.	Huainan Haifeng Plastic Products Co., Ltd.	A case was filed at the court because the customer failed to make the payment as agreed in the contract. After the judgment was made, we applied for enforcement	1,092.58	No	Judgment made in the first instance	Mediated at the People's Court of Hefei High-Tech Industrial Development Zone	Enforcement in process. Application has been filed to the court to list the respondent as a defaulter and limit his/her high-end consumption. The payment has been partially recovered from the enforcement, and the Company is actively pursuing clues of respondent's property at the moment in order to recover the outstanding	No
Sungrow Power Supply Co., Ltd.	Sichuan Yuanzhongyuan Electric Power Engineering	A case was filed at the court because the customer failed to make the payment as agreed in the contract. After the judgment was made, we applied for enforcement	94.65	No	Judgment made in the first instance	Judgment made by the People's Court of Hefei High-Tech	Enforcement in process. Application has been filed to the court to list the respondent as a defaulter	No

	Design Co., Ltd.					Industrial Development Zone	and limit his/her high-end consumption. The Company is actively pursuing clues of respondent's property at the moment	
Sungrow Power Supply Co., Ltd.	Huludao Hongxisheng New Energy Development Co., Ltd.	A case was filed at the court because the customer failed to make the payment as agreed in the contract. After the judgment was made, we applied for enforcement	143.96	No	Judgment made in the first instance	Judgment made by the People's Court of Hefei High-Tech Industrial Development Zone	Enforcement in process. Application has been filed to the court to list the respondent as a defaulter and limit his/her high-end consumption. The Company is actively pursuing clues of respondent's property at the moment	No
Sungrow Power Supply Co., Ltd.	Zhejiang Yuhui Lighting Energy Saving Technology Co., Ltd.	A case was filed at the court because the customer failed to make the payment as agreed in the contract	47.79	Yes	Lawsuit withdrawn in the first instance	The lawsuit was withdrawn upon ruling of the People's Court of Hefei High-Tech Industrial Development	The customer has gone bankrupt, the Company has declared creditor's claims to the bankruptcy administrator, and the bankruptcy administrator has paid the corresponding creditor's claims to the Company. The case is closed	Yes
Sungrow Power Supply Co., Ltd.	Qinghai Zhuma Sapphire Crystal Co., Ltd.	A case was filed at the court because the defendant, Qinghai Zhuma, refused to refund the bid security. We requested	355.57	No	Application for court enforcement	Application for court enforcement	Qinghai Zhuma Sapphire Crystal Co., Ltd. and He Kangyu were listed as	No

		Qinghai Zhuma and the guarantor He Kangyu to assume the repayment obligations. After the case came into effect, we applied for enforcement to the court, and the enforcement is in process at the moment.			filed	filed at the People's Court of Hefei High-Tech Zone	defaulters by the court. No money or assets have been collected from the execution	
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XII. Punishments and Rectification

Applicable Not Applicable

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

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

Applicable Not Applicable

In the reporting period, the Company, its controlling shareholder and actual controller were in good faith, and there were no situations such as failure to perform the effective judgment of the court or failure to repay large amount of overdue debt.

XIV. Significant Related-Party Transactions

1. Related-party transactions involving daily operations

Applicable Not Applicable

The Company did not make any related-party transactions involving daily operations in the reporting period.

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

Applicable Not Applicable

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

3. Related-party transactions of joint outbound investment

Applicable Not Applicable

Co-Investors	Relationship	Name of investee	Main business of investee	Registered capital of investee	Total assets of investee (10KRMB)	Net assets of investee (10KRMB)	Net profit of investee (10KRMB)
Gu Yilei, Wu Jiamao, Li Shun	Executives of the Company	Sungrow Renewables Development Co., Ltd.	Production, manufacture and design of PV new energy power station equipment; R&D, design, development, investment, construction, operation and service of new energy power generation systems and projects; electricity sales; integrated mechanical and electrical equipment sales; export of goods or technologies (except for those that are prohibited by the state or those involving administrative approvals). (For projects subject to approval according to laws, business activities can only be carried out after approval is received from the relevant departments)	RMB 1,420.5344 million	1,720,068.87	513,486.36	55,422.6
Progress of investee's major projects under construction (if any)		This capital increase has been completed, and Sungrow Renewables has obtained the updated business license on December 23, 2021.					

4. Related Credits and Liabilities

Applicable Not Applicable

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

5. Transactions with Related Financial Companies

Applicable Not Applicable

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

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

Applicable Not Applicable

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

7. Other Significant Related-Party Transactions

Applicable Not Applicable

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

XV: Major Contracts and the Contract Performance

1. Trusteeship, Contracting and Leasing

(1) Trusteeship

Applicable Not Applicable

There was no trusteeship in the reporting period.

(2) Contracting

Applicable Not Applicable

There was no contracting in the reporting period.

(3) Leasing

Applicable Not Applicable

There was no leasing in the reporting period.

2. Major Guarantees

Applicable Not Applicable

(in 10KRMB)

Outbound Guarantees of the Company and its Subsidiaries (Excl. Guarantees for Subsidiaries)										
Guarantee Object	Date of Disclosure of Announcements Related to the Amount Guaranteed	Amount Guaranteed	Actual Date of Guarantee	Actual Amount of Guarantee	Type of Guarantee	Collateral (if any)	Counter-Guarantee (if any)	Guarantee Period	Fulfilled Y/N	Guarantee for Related Party Y/N
Users of the Company's household PV products, owners of industrial and commercial distributed projects (loan application)	January 26, 2018; May 18, 2018; April 1, 2021	80,478.17	January 26, 2018	50,640.00	Joint and several liability guarantee			From the date of loan origination to the date of loan payoff	No	No

from collaborating banks)										
Home PV users eligible for financing	August 5, 2021	50,000.00	August 6, 2021	16,316.00	Joint and several liability guarantee			From the date of loan origination to the date of loan pay off		
Hefei Zhongnan Sungrow New Energy Industry Investment Partnership (Limited Partnership)	December 27, 2018; April 1, 2021	55,807.46	December 27, 2018	55,807.46	Joint and several liability guarantee			Less than 10 years	No	No
The Company's Guarantee for Subsidiaries										
Guarantee Object	Date of Disclosure of Announcements Related to the Amount Guaranteed	Amount Guaranteed	Actual Date of Guarantee	Actual Amount of Guarantee	Type of Guarantee	Collateral (if any)	Counter-Guarantee (if any)	Guarantee Period	Fulfilled Y/N	Guarantee for Related Party Y/N
Sungrow Power (Hong Kong) Co., Ltd.	May 19, 2020	14,181.00	May 20, 2020	3,187.85	Joint and several liability guarantee			Less than 3 years	No	No
Sungrow USA corporation	Nov. 17, 2020	91,106.73	Nov. 20, 2020	91,106.73	Joint and several liability guarantee			Less than 2 years	No	No
Sungrow Japan K.K.	Nov. 17, 2020	3,231.65	Nov. 30, 2020	3,231.65	Joint and several liability guarantee			Less than 2 years	No	No
SUNGROW POWER UK LIMITED	Apr. 16, 2021	60,000.00	Nov. 11, 2021	40,075.14	Joint and several liability			Less than 10 years	No	No

					guarantee					
Sungrow Ibérica S.A.U.	May 18, 2021	15,000.00							No	No
Sungrow Deutschland GmbH	May 18, 2021	20,000.00							No	No
Sungrow Middle East DMCC	May 18, 2021	1,500.00							No	No
SUNGROW POWER UK LIMITED	May 18, 2021	1,200.00							No	No
Sungrow Japan K.K.	May 18, 2021	5,000.00							No	No
Sungrow USA Corporation	May 18, 2021	150,000.00	Dec. 4, 2021	54,229.36	Joint and several liability guarantee				No	No
SUNGROW AUSTRALIA GROUP PTY LTD	May 18, 2021	5,000.00							No	No
Sungrow Power Korea Limited	May 18, 2021	3,000.00							No	No
Sungrow Energy Storage Technology Co., Ltd.	May 18, 2021	100,000.00	May 19, 2021	96,872.80	Joint and several liability guarantee				No	No
Zuoyun Mingyang New Energy Power Generation Co., Ltd.	May 5, 2016; Apr. 1, 2021	19,400.00	May 10, 2016	16,400.00	Joint and several liability guarantee			Less than 15 years	No	No
Lingbi Qingyang New Energy Power Generation Co., Ltd.	Jul. 24, 2017; Apr. 1, 2021	17,307.00	Mar. 15, 2018	15,186.00	Joint and several liability guarantee			Less than 15 years	No	No
Xiao County Yiguang New	Apr. 23, 2018; Apr. 1, 2021	8,052.00	Jun. 26, 2018	7,378.00	Joint and several			Less than 15 years	No	No

Energy Power Generation Co., Ltd.					liability guarantee					
Weishan Guoyang New Energy Power Generation Co., Ltd.	Nov. 22, 2019; Apr. 1, 2021	27,500.00	Sep. 28, 2019	27,000.00	Joint and several liability guarantee			Less than 15 years	No	No
Tuanfeng Shengyang New Energy Power Generation Co., Ltd.	Nov. 17, 2020	55,000.00	Jun. 11, 2021	51,134.00	Joint and several liability guarantee			Less than 15 years	No	No
Shenmu Yuanhang New Energy Development Co., Ltd.	Nov. 17, 2020	12,000.00	Apr. 17, 2021	9,583.00	Joint and several liability guarantee			Less than 15 years	No	No
Sungrow Renewables Development Co., Ltd.	Nov. 17, 2020	120,000.00	May 31, 2021	120,000.00	Joint and several liability guarantee			Less than 2 years	No	No
Sungrow Renewables Development Co., Ltd.	April 16, 2021	150,000.00	Jul. 29, 2021	121,000.00	Joint and several liability guarantee			Less than 2 years	No	No
Sungrow Renewables Development Co., Ltd.	May 18, 2021	250,000.00						Less than 2 years	No	No
Zongyang Chenyang New Energy Power Generation Co., Ltd.	May 18, 2021	16,200.00	Jun. 30, 2021	16,200.00	Joint and several liability guarantee			Less than 15 years	No	No
SUNGROW POWER (VIETNAM) LIMITED COMPANY	Aug. 20, 2020	21,005.31								

Subsidiary's Guarantee for Subsidiaries										
Guarantee Object	Date of Disclosure of Announcements Related to the Amount Guaranteed	Amount Guaranteed	Actual Date of Guarantee	Actual Amount of Guarantee	Type of Guarantee	Collateral (if any)	Counter-Guarantee (if any)	Guarantee Period	Fulfilled Y/N	Guarantee for Related Party Y/N
Sungrow USA Corporation	Apr. 24, 2020	15,445.9	Apr. 25, 2020	15,445.9	General guarantee	Less than 5 years			No	No
SUNGROW DO BRASIL REPRESENTAÇÃO COMERCIAL, INSTALAÇÃO E MANUTENÇÃO DE EQUIPAMENTOS LTDA	Mar. 31, 2021	8,449.79	Apr. 1, 2021	8,449.79	Joint and several liability guarantee	Less than 7 years			No	No
Five projects in Australia owned by Sungrow Investment & Holdings Pte. Ltd	September 29, 2021	9,365.2	September 30, 2021	9,365.2	General guarantee	Before December 31, 2022			No	No
Sungrow Power Australia Pty Ltd	December 01, 2021	14,714.05	December 02, 2021	14,714.05	General guarantee	Less than two years from the effective date of the Letter of Commitment			No	No
Sungrow Ibérica S.A.U.	December 01, 2021	3,309.16	December 02, 2021	3,309.16	Joint and several liability guarantee	Five years from the date of the Letter of Guarantee			No	No

3. Cash Assets Management Entrusted to Others

(1) Entrusted financial management

Applicable Not Applicable

Overview of entrusted financial management in the reporting period

(in 10KRMB)

Type	Source of funds for entrusted financial management	Amount of entrusted financial management	Undue balance	Overdue amount to be collected	Impairment provision for overdue amount to be collected
Financial products issued by banks	Funds raised	250,000	250,000	0	0
Financial products issued by banks	Funds owned by the Company	497,500	0	0	0
Financial products issued by securities traders	Funds owned by the Company	6,000	3,000	0	0
Financial products issued by trust companies	Funds owned by the Company	1,048	0	0	0
Total		754,548	253,000	0	0

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

Applicable Not Applicable

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

Applicable Not Applicable

(2) Entrusted loans

Applicable Not Applicable

There were no entrusted loans in the reporting period.

4. Other major contracts

Applicable Not Applicable

There were no other major contracts in the reporting period.

XVI. Explanation on Other Significant Matters

Applicable Not Applicable

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

XVII. Significant Matters of the Company's Subsidiaries

Applicable Not Applicable

Section VII Changes in Shares and Information about Shareholders

I. Changes in Share Capital

1. Changes in Shares

(in Shares)

	Before the change		Changes in the period (+, -)					After the change	
	Quantity	Percentage	New issuance	Bonus	Capitalized from common reserve	Others	Sub-total	Quantity	Percentage
I. Shares subject to conditional restriction(s)	372,041,949	25.53%	28,418,634			-11,387,000	17,031,634	389,073,583	26.20%
1. Shares held by the State									
2. Shares held by state-owned corporation	0	0.00%	1,171,875				1,171,875	1,171,875	0.08%
3. Shares held by other domestic shareholders	372,041,949	25.53%	12,632,812			-11,387,000	1,245,812	373,287,761	25.13%
Incl. shares held by domestic enterprise	0	0.00%	9,585,937				9,585,937	9,585,937	0.65%
Shares held by domestic natural person	372,041,949	25.53%	3,046,875			-11,387,000	-8,340,125	363,701,824	24.49%
4. Shares held by foreign capital	0	0.00%	14,613,947				14,613,947	14,613,947	0.98%
Incl. shares held by overseas enterprise	0	0.00%	14,613,947				14,613,947	14,613,947	0.98%
Shares held by overseas natural person									
II. Shares subject to no restrictions	1,085,194,901	74.47%				10,947,500	10,947,500	1,096,142,401	73.80%
1. A-shares	1,085,194,901	74.47%				10,947,500	10,947,500	1,096,142,401	73.80%
2. B-shares									

3. H-shares									
4. Others									
III. Total	1,457,236,850	100.00%	28,418,634			-439,500	27,979,134	1,485,215,984	100.00%

Reasons for share changes

Applicable Not Applicable

1). On October 29, 2020, the Company held the fourth meeting of the fourth Board of Directors and the fourth meeting of the fourth Board of Supervisors, at which the *Proposal on the Buyback and Cancellation of Some Restricted Shares* was reviewed and approved. Since some of the Company's original incentive objects, Zhu Hui, Yang Guoqiang, Zhang Tao, Wang Xinzong, Dong Yugang, Liu Ming, Yu Chuandian, Xing Zhen, Tian Hao, Hu Di, Tu Fang, WARDZACHARIAH HUSSEIN, and KIM MYUNGKWAN, resigned, according to the relevant provisions of the Company's equity incentive plan, all the restricted shares that were granted to them but not unlocked should be bought back and cancelled by the Company, with the total buyback quantity amounting to 297,500 shares. The Company completed the buyback and cancellation at the Shenzhen Branch of China Securities Depository and Clearing Corporation Limited on January 19, 2021, and the Company's total share capital changed from 1,457,236,850 shares to 1,456,939,350 shares.

2). On April 26, 2021, the Company held the eighth meeting of the fourth Board of Directors and the seventh meeting of the fourth Board of Supervisors, at which the *Proposal on the Buyback and Cancellation of Some Restricted Shares* was reviewed and approved. Since some of the Company's original incentive objects, Wan Rubin, Zhou Ping, Zhan Zhihai, Zhang Jianzhou, Jiang Wenjun, Xie Feng, and Yao Li, resigned, according to the relevant provisions of the Company's equity incentive plan, all the restricted shares that were granted to them but not unlocked should be bought back and cancelled by the Company. Since the individual annual performance of the Company's original incentive objects, Li Tao and Shang Xiaozhong, accounted for an unlocking percentage of 50%, according to the relevant provisions of the Company's equity incentive plan, some of the restricted shares that were granted to them but not unlocked should be bought back and cancelled by the Company, with the total buyback quantity amounting to 142,000 shares. The Company completed the buyback and cancellation at the Shenzhen Branch of China Securities Depository and Clearing Corporation Limited on July 27, 2021, and the Company's total share capital changed from 1,456,939,350 shares to 1,456,797,350 shares.

3). Subject to the *Approval on the Registration of Sungrow Power Supply Co., Ltd. to Issue Shares to Specific Objects* (CSRC-XK [2021] No. 2734) by the China Securities Regulatory Commission, the Company made non-public A-share offering of 28,418,634 shares to 18 specific objects in 2021, and completed the listing on October 22, 2021. The Company's total share capital changed from 1,456,797,350 shares to 1,485,215,984 shares.

Approvals for share changes

Applicable Not Applicable

Subject to the *Approval on the Registration of Sungrow Power Supply Co., Ltd. to Issue Shares to Specific Objects* (CSRC-XK [2021] No. 2734) by the China Securities Regulatory Commission, the Company made non-public A-share offering of 28,418,634 shares to 18 specific objects in 2021, and completed the listing on October 22, 2021. This issuance increased the registered capital by RMB 28,418,634 with an increase of 28,418,634 shares. The Company's total share capital changed from 1,456,797,350 shares to 1,485,215,984 shares.

Share transfers

Applicable Not Applicable

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

Applicable Not Applicable

During the reporting period, due to the completion of the Company's non-public offering project in 2021, the total share capital increased, resulting in further dilution of the Company's earnings per share, net assets per share attributable to common shareholders and other financial indicators.

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

Applicable Not Applicable

2. Changes in Restricted Shares

Applicable Not Applicable

(in Shares)

Shareholder	Opening restricted shares	Increased in current period	Unlocked in current period	Closing restricted shares	Reason for restriction	Estimated date of unlocking
Cao Renxian	338,256,000			338,256,000	Lock-up of executives' shares	25% of lock-up shares at the end of last year is released every year
Zheng Guibiao	10,932,270		1,125,000	9,807,270	Lock-up of executives' shares, equity incentive restriction	25% of lock-up shares at the end of last year is released every year
Zhao Wei	6,057,000	90,000	90,000	6,057,000	Lock-up of executives' shares, equity incentive restriction	25% of lock-up shares at the end of last year is released every year
Li Guojun	1,110,000	110,000	110,000	1,110,000	Lock-up of executives' shares, equity incentive restriction	25% of lock-up shares at the end of last year is released every year
Gu Yilei	450,000	165,000	165,000	450,000	Lock-up of executives' shares, equity incentive restriction	25% of lock-up shares at the end of last year is released every year
Zhang Xucheng	150,000	50,000	50,000	150,000	Lock-up of executives' shares	25% of lock-up shares at the end of last year is released every

						year
Chen Zhiqiang	375,000	140,000	140,000	375,000	Lock-up of executives' shares, equity incentive restriction	25% of lock-up shares at the end of last year is released every year
Wu Jiamao	375,000	140,000	140,000	375,000	Lock-up of executives' shares, equity incentive restriction	25% of lock-up shares at the end of last year is released every year
Cheng Cheng	375,000	140,000	140,000	375,000	Lock-up of executives' shares, equity incentive restriction	25% of lock-up shares at the end of last year is released every year
Xie Xiaoyong	300,000	115,000	115,000	300,000	Lock-up of executives' shares, equity incentive restriction	25% of lock-up shares at the end of last year is released every year
Deng Dejun	369,679	140,000	140,000	369,679	Lock-up of executives' shares, equity incentive restriction	25% of lock-up shares at the end of last year is released every year
Zhang Youquan	225,000	90,000	90,000	225,000	Lock-up of executives' shares, equity incentive restriction	25% of lock-up shares at the end of last year is released every year
Li Shun	25,000	18,750	25,000	18,750	Lock-up of executives' shares	25% of lock-up shares at the end of last year is released every year
Peng Chaocai	105,000	18,750	45,000	78,750	Lock-up of executives' shares, equity incentive restriction	25% of lock-up shares at the end of last year is released every year

Other incentive objects	12,937,000		10,229,500	2,707,500	Equity incentive restriction	September 2022
Shanghai Greenwoods Asset Management Co. Ltd. - Greenwoods Jingtai Fenshou Private Securities Investment Fund		937,500		937,500	Non-public offering of shares with a commitment to lock for 6 months	April 22, 2022
Shanghai Greenwoods Asset Management Co. Ltd. - Fengshou No. 3 Private Equity Fund		937,500		937,500	Non-public offering of shares with a commitment to lock for 6 months	April 22, 2022
Huatai Financial Holdings (Hong Kong) Limited		937,500		937,500	Non-public offering of shares with a commitment to lock for 6 months	April 22, 2022
JPMorgan Chase Bank, National Association		1,171,875		1,171,875	Non-public offering of shares with a commitment to lock for 6 months	April 22, 2022
Dajia Asset Management Co., Ltd. - Dajia Asset-ICBC-DaJia Asset-Blue Chip Selected No. 5 Collective Asset Management Product		1,562,500		1,562,500	Non-public offering of shares with a commitment to lock for 6 months	April 22, 2022
Yunnan Energy Investment Co., Ltd.		1,171,875		1,171,875	Non-public offering of shares with a commitment to lock for 6 months	April 22, 2022
Goldman Sachs&Co.LLC		1,234,375		1,234,375	Non-public offering of shares with a commitment to lock for 6 months	April 22, 2022
The Hongkong and Shanghai Banking Corporation Limited		937,500		937,500	Non-public offering of shares with a commitment to lock for 6 months	April 22, 2022
UBS AG		6,738,948		6,738,948	Non-public offering of shares with a commitment to lock for 6 months	April 22, 2022
J.P.Morgan Securities PLC		1,054,687		1,054,687	Non-public offering of shares with a	April 22, 2022

					commitment to lock for 6 months	
Gao Jinhua		1,171,875		1,171,875	Non-public offering of shares with a commitment to lock for 6 months	April 22, 2022
Beijing XHTH Asset Management (Limited Partnership) - Xinhong Xinghong No. 2 Private Securities Investment Fund		937,500		937,500	Non-public offering of shares with a commitment to lock for 6 months	April 22, 2022
WT Asset Management Limited		1,562,500		1,562,500	Non-public offering of shares with a commitment to lock for 6 months	April 22, 2022
Runhui Investment Management Hong Kong Co., Ltd.		976,562		976,562	Non-public offering of shares with a commitment to lock for 6 months	April 22, 2022
Jinan Jiangshan Investment Partnership (Limited Partnership)		1,953,125		1,953,125	Non-public offering of shares with a commitment to lock for 6 months	April 22, 2022
Caitong Fund Management Co., Ltd.		960,937		960,937	Non-public offering of shares with a commitment to lock for 6 months	April 22, 2022
Zhong Ge		1,875,000		1,875,000	Non-public offering of shares with a commitment to lock for 6 months	April 22, 2022
Lord Abbett China Asset Management Co., Ltd.		2,296,875		2,296,875	Non-public offering of shares with a commitment to lock for 6 months	April 22, 2022
Total	372,041,949	29,636,134	12,604,500	389,073,583	--	--

II. Issuance and Listing of Securities

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

√ Applicable □ Not Applicable

Shares and derivative securities	Date of issuance	Issue price (or interest rate)	Issuance amount	Date of listing	Amount approved for listing	Due date of transaction	Disclosure reference	Date of disclosure
Shares								
Non-public offering	October 13, 2021	128.00	28,418,634	October 22, 2021	28,418,634		www.cninfo.com.cn	October 19, 2021
Convertible corporate bonds, convertible corporate bonds with warrants, corporate bonds								
Other derivative securities								

Notes on the issuance of securities (excluding preference shares) in the reporting period

Subject to the Approval on the Registration of Sungrow Power Supply Co., Ltd. to Issue Shares to Specific Objects (CSRC-XK [2021] No. 2734) by the China Securities Regulatory Commission, the Company made non-public A-share offering of 28,418,634 shares to 18 specific objects in 2021, and completed the listing on October 22, 2021. This issuance increased the registered capital by RMB 28,418,634 with an increase of 28,418,634 shares. The Company's total share capital changed from 1,456,797,350 shares to 1,485,215,984 shares.

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

√ Applicable □ Not Applicable

1). On October 29, 2020, the Company held the fourth meeting of the fourth Board of Directors and the fourth meeting of the fourth Board of Supervisors, at which the Proposal on the Buyback and Cancellation of Some Restricted Shares was reviewed and approved. Since some of the Company's original incentive objects, Zhu Hui, Yang Guoqiang, Zhang Tao, Wang Xinzong, Dong Yugang, Liu Ming, Yu Chuandian, Xing Zhen, Tian Hao, Hu Di, Tu Fang, WARDZACHARIAH HUSSEIN, and KIM MYUNGKWAN, resigned, according to the relevant provisions of the Company's equity incentive plan, all the restricted shares that were granted to them but not unlocked should be bought back and cancelled by the Company, with the total buyback quantity amounting to 297,500 shares. The Company completed the buyback and cancellation at the Shenzhen Branch of China Securities Depository and Clearing Corporation Limited on January 19, 2021, and the Company's total share capital changed from 1,457,236,850 shares to 1,456,939,350 shares.

2). On April 26, 2021, the Company held the eighth meeting of the fourth Board of Directors and the seventh meeting of the fourth Board of Supervisors, at which the Proposal on the Buyback and Cancellation of Some Restricted Shares was reviewed and approved. Since some of the Company's original incentive objects, Wan Rubin, Zhou Ping, Zhan Zhihai, Zhang Jianzhou, Jiang Wenjun, Xie Feng, and Yao Li, resigned, according to the relevant provisions of the Company's equity incentive plan, all the restricted shares that were granted to them but not unlocked should be bought back and cancelled by the Company. Since the individual annual performance of the Company's original incentive objects, Li Tao and Shang Xiaozhong, accounted for an unlocking percentage of 50%, according to the relevant provisions of the Company's equity incentive plan, some of the restricted shares that were granted to them but not unlocked should be bought back and cancelled by the Company, with the total buyback quantity amounting to 142,000 shares. The Company completed the buyback and cancellation at the Shenzhen Branch of China Securities Depository and Clearing Corporation Limited on July 27, 2021, and the Company's total share capital changed from 1,456,939,350 shares to 1,456,797,350 shares.

3). Subject to the Approval on the Registration of Sungrow Power Supply Co., Ltd. to Issue Shares to Specific Objects (CSRC-XK [2021] No. 2734) by the China Securities Regulatory Commission, the Company made non-public A-share offering of 28,418,634 shares to 18 specific objects in 2021, and completed the listing on October 22, 2021. The Company's total share capital changed from 1,456,797,350 shares to 1,485,215,984 shares.

3. Existing employees' shares

Applicable Not Applicable

III. Shareholders and Actual Controllers

1. Total number of shareholders and share holdings

(in Shares)

Total number of ordinary shareholders at the end of the reporting period	134,932	Total number of ordinary shareholders at the end of the previous month before the disclosure date of the annual report	140,181	Total number of preference shareholders with restored voting rights at the end of the reporting period (if any) (see Note 9)	0	Total number of preference shareholders with restored voting rights at the end of the previous month before the disclosure date of the annual report (if any) (see Note 9)	0	Total number of shareholders holding special voting shares (if any)	0
Shareholders with a shareholding of over 5% or shareholdings of the top ten shareholders									
Name of shareholder	Nature of shareholder	Percentage	Total shares held at the end of the reporting period	Changes in the reporting period	Non-tradable shares held	Tradable shares held	Pledged, marked, or frozen		
							Share status	Quantity	
Cao Renxian	Domestic natural person	30.37%	451,008,000		338,256,000	112,752,000	Pledged	9,340,000	
Hong Kong Securities Clearing Company Limited	Overseas legal person	10.92%	162,246,873		0	162,246,873			
Luzhou Huizhuo Enterprise Management Partnership (Limited Partnership)	Domestic non-state-owned legal person	3.69%	54,866,201		0	54,866,201			
Shanghai Pudong Development Bank Co., Ltd. - GF High-End Manufacturing Equity Sponsored Securities Investment Fund	Other	0.83%	12,369,049		0	12,369,049			

China Construction Bank Corporation - GF Technology Pioneer Hybrid Securities Investment Fund	Other	0.82%	12,158,710		0	12,158,710		
Zheng Guibiao	Domestic natural person	0.81%	11,976,360		9,807,270	2,169,090		
Chinalink Asia Holdings Limited		0.79%	11,707,305		0	11,707,305		
National Social Security Fund Portfolio 416	Other	0.72%	10,673,733		0	10,673,733		
China Minsheng Bank Co., Ltd. - GF Industry Selected Three-Year Hybrid Securities Investment Fund	Other	0.67%	9,995,202		0	9,995,202		
Industrial and Commercial Bank of China Limited - GF Double Engine Upgraded Hybrid Securities Investment Fund	Other	0.64%	9,434,499		0	9,434,499		
Strategic investors or general legal persons becoming the top 10 shareholders due to placement of new shares (if any) (refer to Note 4)								
Relations between the above-mentioned shareholders or actions in concert	Mr. Cao Renxian, the controlling shareholder and actual controller of the Company, holds 10.44% equity of Luzhou Huizhuo Enterprise Management Partnership (Limited Partnership). Apart from the shareholders' relations specified as above, the Company is not aware of any other relations between shareholders, and does not know whether they are persons acting in concert as stipulated in the Administrative Measures for the Acquisition of Listed Companies.							
Notes on above shareholders who are involved in delegating/delegated voting rights and waiving of voting rights								
Special notes on dedicated buy-back								

accounts held by top 10 shareholders (if any) (refer to Note 10)			
Shares held by top 10 shareholders subject to no restrictions on trading			
Shareholder	Unrestricted shares held at the end of the reporting period	Share Details	
		Type	Quantity
Hong Kong Securities Clearing Company Limited	162,246,873	A-share	162,246,873
Cao Renxian	112,752,000	A-share	112,752,000
Luzhou Huizhuo Enterprise Management Partnership (Limited Partnership)	54,866,201	A-share	54,866,201
Shanghai Pudong Development Bank Co., Ltd. - GF High-End Manufacturing Equity Sponsored Securities Investment Fund	12,369,049	A-share	12,369,049
China Construction Bank Corporation - GF Technology Pioneer Hybrid Securities Investment Fund	12,158,710	A-share	12,158,710
Chinalink Asia Holdings Limited	11,707,305	A-share	11,707,305
National Social Security Fund Portfolio 416	10,673,733	A-share	10,673,733
China Minsheng Bank Co., Ltd. - GF Industry Selected Three-Year Hybrid Securities Investment Fund	9,995,202	A-share	9,995,202
Industrial and Commercial Bank of China Limited - GF Double Engine Upgraded Hybrid Securities Investment Fund	9,434,499	A-share	9,434,499
Bank of China Co., Ltd. - Huatai-PineBridge CSI PV Industry Open-Ended Index Securities Investment Fund	8,722,380	A-share	8,722,380
Relations between top 10 shareholders of unrestricted circulating shares, relations between top 10 shareholders of unrestricted circulating shares and top 10 shareholders, or actions in concert	Mr. Cao Renxian, the controlling shareholder and actual controller of the Company, holds 10.44% equity of Luzhou Huizhuo Enterprise Management Partnership (Limited Partnership). Apart from the shareholders' relations specified as above, the Company is not aware of any other relations between shareholders, and does not know whether they are persons acting in concert as stipulated in the Administrative Measures for the Acquisition of Listed Companies.		

Whether the Company has made arrangements for different voting rights

Applicable Not Applicable

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

Yes No

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

2. Controlling Shareholders of the Company

Nature of controlling shareholder: Natural person

Type of controlling shareholder: Natural person

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

Changes of controlling shareholder during the reporting period

Applicable Not Applicable

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

3. Actual Controllers and Persons Acting In Concert

Nature of actual controller: Domestic natural person

Type of actual controller: Natural person

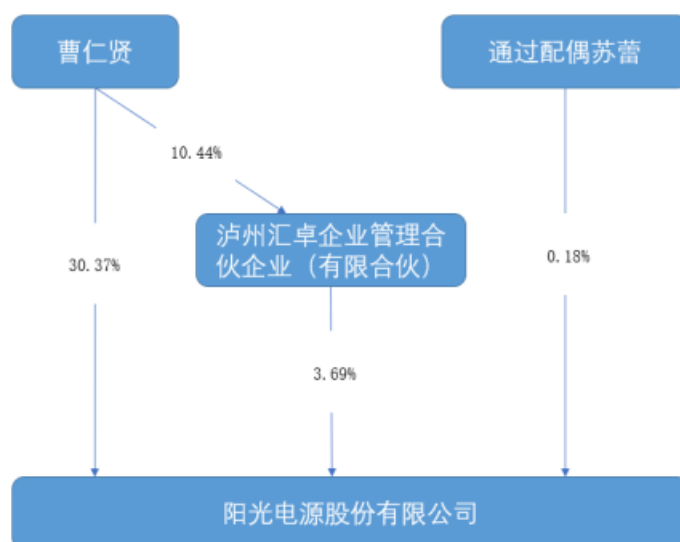
Name of actual controller	Relationship with actual controller	Nationality	In possession of right of abode in other countries
Cao Renxian	Himself	Chinese	No
Main occupation and title	Mr. Cao Renxian has been the Chairman and President of the Company for the past 5 years		
Domestic/overseas listed companies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

Change of actual controller during the reporting period

Applicable Not Applicable

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

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



中文	English
曹仁贤	Cao Renxian
通过配偶苏蕾	Via spouse Su Lei
泸州汇卓企业管理合伙企业（有限合伙）	Luzhou Huizhuo Enterprise Management Partnership (Limited Partnership)
阳光电源股份有限公司	Sungrow Power Supply Co., Ltd.

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

Applicable Not Applicable

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

Applicable Not Applicable

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

Applicable Not Applicable

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

Applicable Not Applicable

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

Progress of share buy-back

Applicable Not Applicable

Progress of buy-back share reduction via centralized bidding

Applicable Not Applicable

Section VIII Preference shares

Applicable Not Applicable

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

Section IX Bonds

Applicable Not Applicable

Section X Financial Reports

I. Audit Report

Type of Audit Opinion	Standard unqualified opinion
Audit Report Signed on	April 20, 2022
Auditing Firm	RSM China (Special General Partnership)
Audit Report Number	RSM-AR [022] No. 230Z0700
Name of CPAs	Wan Yunlong, Jiang Wei, Yao Na

Audit Report

I. Audit Opinion

We have audited the financial statements of Sungrow Power Supply Co., Ltd. (hereinafter referred to as Sungrow), including the Consolidated Balance Sheet and Balance Sheet of Parent Company as at December 31, 2021, the Consolidated Income Statement and Income Statement of Parent Company in 2021, and the Consolidated Statement of Cash Flows and Statement of Cash Flows of Parent Company, Consolidated Statement of Changes in Equity and Statement of Changes in Equity of Parent Company, as well as Notes to the relevant financial statements.

In our opinion, the financial statements as attached were prepared in accordance with the Accounting Standards for Business Enterprises in all material aspects, which fairly reflect the consolidated financial position of Sungrow and the parent company as at December 31, 2021, as well as the consolidated operating results and cash flows of Sungrow and the parent company in 2021.

II. Ground for the Audit Opinion

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

III. Key Audit Matters

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

A. Recoverability of accounts receivable

1. Description of the matter

As stated in Notes "III. 10 Financial Instruments" and "V. 4 Accounts Receivable", the book value of accounts receivable in Sungrow's consolidated financial statements was RMB 8,748 million, of which bad debt provision was RMB 941 million. The Company determined the bad debt provision according to the recoverability of accounts receivable. To determine the book value of the accounts receivable at the end of the period, the Sungrow management team (hereinafter referred to as the Management) needs to identify the items that have been impaired and the objective evidences, and evaluate the cash flows that are expected in the future and determine their present value, which involves the Management's use of significant accounting estimates and judgments. Moreover,

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

2. Audit response

The procedures we performed mainly include the following:

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

B. Revenue recognition

As stated in Notes "3. 26 Principles and Measurements for Revenue Recognition" and "V. 43 Operating Income and Operating Costs", Sungrow recognized an operating revenue of RMB 24.137 billion, of which the revenue from power station construction business accounted for about 40.10% of the total.

Revenue from the Company's power station construction contracts were recognized according to the performance progress, except those for which the performance progress couldn't be reasonably determined. The performance progress was determined based on the ratio of the contract cost actually incurred in the estimated total contract cost, and was continuously evaluated and revised during the contract execution. Since operating income is one of the Company's key metrics, there might be an inherent risk that the Management manipulate revenue recognition in order to achieve specific goals or expectations; therefore, we have identified revenue recognition as a key audit matter.

2. Audit response

The procedures we used mainly include the following:

- (1) Evaluate and test the design and operational effectiveness of internal controls related to Sungrow's revenue from product sales and power station construction.
- (2) Verify revenue growth and changes in gross profit in an analytic way.
- (3) For revenue from product sales, inspect samples of sales contracts, sales invoices, logistics documents, customer receipts, customs declarations and other relevant materials to evaluate the authenticity of revenue recognition; for sales revenue recognized around the date of the balance sheet, run cut-off test and verify supporting documents such as customer receipts, thereby evaluating the completeness of revenue recognition.
- (4) For revenue from power station construction, compare and analyze the actual total cost of the completed project samples and the total contract cost estimated by the Management before project completion, and evaluate the Management's experience and capacity

in making the accounting estimation; obtain contracts of major construction projects to verify the total contract revenue, review key contract terms, and confirm the correctness of contract. For major contracts containing power generation commitments, review the basis for determining the power generation estimation and the accuracy of revenue recognition. For the actual cost of major projects, check the supporting documents such as contracts, invoices, equipment receipts, progress confirmation documents, and analyze the gross profit rate of the project, thereby evaluating the authenticity and accuracy of the actual cost accounting. Pick several projects and visit the project sites to determine whether the site status matches the progress recorded.

IV. Other information

Sungrow's management team is responsible for other information. Other information includes those covered in Sungrow's 2021 annual report, but does not include the financial statements and our audit report.

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

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

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

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

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

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

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

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

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

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

1. Identify and evaluate the risk of material misstatement due to fraud or error, design and implement auditing procedures to address the risk, and obtain sufficient and appropriate audit evidence as the ground for our audit opinion. Since fraud may involve collusion, forgery, intentional omission, misrepresentation or override of internal control, the risk of failure to detect material misstatements due to fraud is higher than the risk of failure to detect material misstatements due to error.
2. Understand the audit-related internal controls in order to design appropriate auditing procedures, but the purpose here is not to issue any opinion on the effectiveness of the internal controls.
3. Evaluate the appropriateness of accounting policies selected by the management team and the rationality of accounting

estimates and related disclosures.

4. Conclude on the appropriateness of the going concern assumptions used by the management team. Based on the audit evidence obtained, draw conclusions on whether there are significant uncertainties in matters or situations that are likely to impair Sungrow's ability to continue as a going concern. Should the conclusions considered significant uncertainties, we are required by the auditing standards to remind users of the financial statements to the relevant disclosures in the financial statements; if the disclosures were insufficient, we should not issue our opinion as non-qualified. Our conclusions are based on information available as of the date of the audit report. However, matters or circumstances in the future may still cause Sungrow to cease to operate as a going concern.
5. Evaluate the overall presentation, structure and content of the financial statements, and evaluate whether the financial statements fairly reflect the relevant transactions and matters.
6. Obtain sufficient and appropriate audit evidence on the financial information of Sungrow's entities or business activities, so as to issue the audit opinions on the financial statements. We are responsible for directing, supervising and performing the group audit, and are solely responsible for the audit opinion we make.

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

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

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

II. Financial Statements

All numbers in the financial statements are in RMB.

1. Consolidated Balance Sheet

Prepared by: Sungrow Power Supply Co., Ltd.

April 20, 2022

(in RMB)

Item	December 31, 2021	December 31, 2020
Current Assets:		
Cash and cash equivalents	7,790,144,016.01	7,417,442,785.55
Settlements Provision		
Loans to banks and other financial institutions		
Financial assets held for trading	3,812,896,788.98	673,049,658.47

Derivative financial assets		
Notes receivable	784,339,002.72	815,028,079.65
Accounts receivable	8,748,141,497.54	6,585,489,222.22
Financing receivables	762,715,906.62	1,429,890,903.46
Prepayments	359,819,409.47	307,052,233.06
Insurance premium receivable		
Due from reinsurers		
Reinsurance contract reserves receivable		
Other receivables	946,579,893.54	799,333,709.75
Including: Interest receivable		
Dividends receivable		
Financial assets purchased under agreements to resell		
Inventories	10,767,519,365.64	3,873,426,789.49
Contract assets	1,364,393,136.40	972,128,094.97
Assets classified as held for sale		
Non-current assets due in one year	75,528,337.39	78,828,840.73
Other current assets	895,355,467.22	301,371,301.95
Total current assets	36,307,432,821.53	23,253,041,619.30
Non-current assets:		
Loans and advances		
Debt investment		
Other debt investments		
Long-term receivables	213,044,303.38	210,769,637.34
Long-term equity investments	115,159,366.42	406,420,414.50
Other equity instruments investments		
Other non-current financial assets	40,008,527.59	146,361,887.62
Investment properties		
Fixed assets	4,245,993,353.02	3,240,954,477.91
Construction in progress	424,310,899.34	211,746,133.58
Productive biological assets		
Oil and gas assets		
Right-of-use asset	344,386,440.69	
Intangible assets	174,385,023.72	128,954,193.08
Development expenditures		

Goodwill		
Long-term prepaid expenses	23,696,359.28	33,776,287.75
Deferred tax assets	638,432,375.29	359,483,164.54
Other non-current assets	313,281,445.20	11,426,179.24
Total non-current assets	6,532,698,093.93	4,749,892,375.56
Total assets	42,840,130,915.46	28,002,933,994.86
Current liabilities:		
Short-term borrowings	1,524,580,849.05	135,125,000.00
Borrowing from the central bank		
Deposits and balances from banks and other financial institutions		
Financial liabilities held for trading		
Derivative financial liabilities		
Notes payable	7,939,950,795.46	5,386,302,627.48
Accounts payable	9,824,886,816.58	6,705,666,304.17
Receipts in advance		
Contract liabilities	1,713,946,572.46	1,408,025,979.44
Financial assets sold under agreements to buy		
Customer deposits and balances from banks and other financial institutions		
Customer brokerage deposits		
Securities underwriting brokerage deposits		
Payroll and employee benefits payable	380,993,966.96	259,993,897.26
Taxes payable	508,768,582.40	325,839,651.74
Other payables	500,890,674.53	233,730,526.78
Including: Interest payable		
Dividend payable		
Fees and commission payable		
Payable reinsurance		
Liabilities classified as held for sale		
Non-current liabilities due in one year	205,372,932.33	260,700,564.28
Other current liabilities	907,970,842.58	312,007,129.23
Total current liabilities	23,507,362,032.35	15,027,391,680.38
Non-current liabilities:		
Insurance reserves		

Long-term borrowings	1,891,445,000.00	1,781,240,000.00
Bonds payable		
Including: Preference shares		
Perpetual debt		
Lease liabilities	283,789,579.70	
Long-term Payable	56,156,864.10	59,426,474.10
Long-term payroll and employee benefits payable		
Provisions	242,096,475.53	119,551,329.18
Deferred income	141,475,530.69	135,948,241.48
Deferred tax liabilities	14,127,384.33	14,679,154.69
Other non-current liabilities		
Total non-current liabilities	2,629,090,834.35	2,110,845,199.45
Total liabilities	26,136,452,866.70	17,138,236,879.83
Owners' equity:		
Paid-in capital	1,485,215,984.00	1,457,236,850.00
Other equity instruments		
Including: Preference share		
Perpetual debt		
Capital reserve	6,959,695,649.18	3,218,415,694.87
Less: treasury shares	15,133,520.00	76,130,653.30
Other comprehensive income	-24,221,290.12	-14,387,945.32
Special reserve		
Surplus reserve	716,612,746.04	593,881,439.81
General risk reserve		
Retained earnings	6,532,893,916.61	5,276,889,357.08
Equity attributable to owners of the parent	15,655,063,485.71	10,455,904,743.14
Non-controlling interests	1,048,614,563.05	408,792,371.89
Total owners' equity	16,703,678,048.76	10,864,697,115.03
Total liabilities and owners' equity	42,840,130,915.46	28,002,933,994.86

Legal Representative: Cao Renxian Chief Accountant: Li Guojun Head of Accounting Department: Li Guojun

2. Balance Sheet of Parent Company

(in RMB)

Item	December 31, 2021	December 31, 2020
Current Assets:		
Cash and cash equivalents	4,686,803,427.38	4,997,150,662.71
Financial assets held for trading	2,655,239,184.22	19,141,500.01
Derivative financial assets		
Notes receivable	460,268,788.01	710,276,647.61
Accounts receivable	6,633,778,001.81	7,394,390,133.73
Financing receivables	477,280,432.91	1,225,757,149.76
Prepayments	54,560,360.00	66,038,894.63
Other receivables	729,294,428.68	2,803,126,883.05
Including: Interest receivable		
Dividends receivable		166,700,000.00
Inventories	3,571,281,925.32	1,950,703,206.36
Contract assets	400,767,894.33	772,799,205.27
Assets classified as held for sale		
Non-current assets due in one year	75,528,337.39	78,828,840.73
Other current assets	179,708,891.30	40,532,570.21
Total current assets	19,924,511,671.35	20,058,745,694.07
Non-current assets:		
Debt investment		
Other debt investments		
Long-term receivables	213,044,303.38	210,769,637.34
Long-term equity investments	4,645,754,539.19	2,188,977,924.09
Other equity instruments investments		
Other non-current financial assets		102,639,882.00
Investment properties		
Fixed assets	1,276,995,771.25	646,102,911.42
Construction in progress	240,635,749.42	14,787,249.53
Productive biological assets		
Oil and gas assets		
Right-of-use asset	42,607,365.77	
Intangible assets	122,705,732.83	91,701,589.67

Development expenditures		
Goodwill		
Long-term prepaid expenses	17,802,929.79	16,015,819.79
Deferred tax assets	348,201,521.51	296,895,987.78
Other non-current assets	171,253,899.20	
Total non-current assets	7,079,001,812.34	3,567,891,001.62
Total assets	27,003,513,483.69	23,626,636,695.69
Current liabilities:		
Short-term borrowings	566,025,816.24	40,125,000.00
Financial liabilities held for trading		
Derivative financial liabilities		
Notes payable	3,859,144,185.00	5,124,808,158.00
Accounts payable	6,093,277,528.94	5,745,123,101.80
Receipts in advance		
Contract liabilities	695,217,795.44	781,147,009.22
Payroll and employee benefits payable	166,713,271.18	170,702,097.78
Taxes payable	139,986,244.97	207,542,675.50
Other payables	273,839,838.70	498,255,075.51
Including: Interest payable		
Dividend payable		
Liabilities classified as held for sale		
Non-current liabilities due in one year	23,520,306.60	136,743,233.13
Other current liabilities	91,452,860.84	241,300,012.36
Total current liabilities	11,909,177,847.91	12,945,746,363.30
Non-current liabilities:		
Long-term borrowings	10,500,000.00	452,500,000.00
Bonds payable		
Including: Preference shares		
Perpetual debt		
Lease liabilities	28,185,840.68	
Long-term Payable		
Long-term payroll and employee benefits payable		
Provisions	14,629,180.74	23,852,046.47
Deferred income	125,720,570.24	120,437,512.85

Deferred tax liabilities		
Other non-current liabilities		
Total non-current liabilities	179,035,591.66	596,789,559.32
Total liabilities	12,088,213,439.57	13,542,535,922.62
Owners' equity:		
Paid-in capital	1,485,215,984.00	1,457,236,850.00
Other equity instruments		
Including: Preference share		
Perpetual debt		
Capital reserve	7,074,553,205.11	3,355,671,754.70
Less: treasury shares	15,133,520.00	76,130,653.30
Other comprehensive income		
Special reserve		
Surplus reserve	716,612,746.04	593,881,439.81
Retained earnings	5,654,051,628.97	4,753,441,381.86
Total owners' equity	14,915,300,044.12	10,084,100,773.07
Total liabilities and owners' equity	27,003,513,483.69	23,626,636,695.69

3. Consolidated Income Statement

(in RMB)

Item	2021	2020
I. Total revenue	24,136,598,726.55	19,285,641,347.02
Including: Operating proceeds	24,136,598,726.55	19,285,641,347.02
Interest income		
Net earned premiums		
Net fee and commission revenue		
II. Total operating costs	22,365,999,105.36	17,336,765,749.84
Including: Operating costs	18,765,234,741.08	14,836,768,931.09
Interest expenses		
Fees and commission expenses		
Surrenders		
Net payments for insurance claims		
Net provision of insurance reserve		
Policyholder dividends		

Reinsurance expenses		
Taxes and surcharges	82,485,943.84	62,907,749.88
Selling expenses	1,582,578,297.46	973,407,951.35
General and administrative expenses	491,053,482.80	396,100,336.53
R&D expenses	1,161,389,788.60	806,352,266.48
Financial expenses	283,256,851.58	261,228,514.51
Including: Interest expense	124,111,368.70	97,625,042.31
Interest income	62,999,892.35	68,528,386.63
Add: Other income	186,298,661.20	157,857,240.56
Investment gains (or losses)	354,966,135.62	135,582,350.39
Including: Share of gains of associates and joint ventures	9,335,376.24	1,588,439.28
Gains from derecognition of financial assets measured at amortized cost		
Exchange gains (or losses)		
Net exposure hedging gains (or losses)		
Gains (or losses) on the changes in fair value	66,438,296.41	1,909,098.00
Credit impairment losses	-207,580,392.56	-47,538,604.72
Assets impairment losses	-273,593,601.70	-28,599,493.19
Gain (or losses) from disposal of assets	448,633.20	255,099.07
III. Operating profit (or loss)	1,897,577,353.36	2,168,341,287.29
Add: Non-operating income	17,119,329.76	35,623,699.15
Less: Non-operating costs	22,024,546.89	22,423,101.69
IV. Profit (or loss) before tax	1,892,672,136.23	2,181,541,884.75
Less: Income tax expense	188,677,565.32	206,026,555.86
V. Net profit (or loss)	1,703,994,570.91	1,975,515,328.89
(1) Categorized by operation continuity		
1. Net profit (or loss) from continuing operations	1,703,994,570.91	1,975,515,328.89
2. Net profit (or loss) from discontinuing operations		
(2) Categorized by ownership		
1. Net profit attributable to shareholders of parent company	1,582,707,374.76	1,954,308,244.82
2. Net profit attributable to non-controlling interests	121,287,196.15	21,207,084.07
VI. Other comprehensive income, net of tax	-9,833,344.80	-6,663,138.05
Other comprehensive income, net of tax, attributable to	-9,833,344.80	-6,663,138.05

shareholders of parent company		
a. Other comprehensive income not be reclassified as profit or loss		
1. Remeasurement gains or losses of a defined benefit plan		
2. Other comprehensive income not to be reclassified as profit or loss using the equity method		
3. Changes in fair value of other equity instrument investments		
4. Changes in fair value of enterprise's own credit risk		
5. Others		
b. Other comprehensive income to be reclassified as profit or loss	-9,833,344.80	-6,663,138.05
1. Other comprehensive income to be reclassified as profit or loss using equity method		
2. Changes in fair value of other debt investments		
3. Amount of financial assets reclassified into other comprehensive income		
4. Provision for credit impairment of other debt investments		
5. Cash flow hedging reserves		
6. Exchange differences on translation of foreign currency financial	-9,833,344.80	-6,663,138.05
7. Others		
Other comprehensive income, net of tax, attributable to non-controlling interests		
VII. Total comprehensive income	1,694,161,226.11	1,968,852,190.84
Total comprehensive income attributable to owners of parent company	1,572,874,029.96	1,947,645,106.77
Total comprehensive income attributable to non-controlling interests	121,287,196.15	21,207,084.07
VIII. Earnings per share		
(1) Basic earnings per share	1.08	1.34
(2) Diluted earnings per share	1.08	1.34

For business combination under common control during the reporting period, the net profit realized by the merged party before the combination is RMB 0.00, the net profit realized by the merged party in the previous period is RMB 0.00.

Legal Representative: Cao Renxian Chief Accountant: Li Guojun Head of Accounting Department: Li Guojun

4. Income Statement of Parent Company

(in RMB)

Item	2021	2020
I. Operating revenue	11,679,896,018.21	16,792,982,264.79
Less: Operating costs	9,435,266,771.20	14,015,253,981.55
Taxes and surcharges	32,993,657.30	47,159,161.84
Selling expenses	466,391,969.51	531,407,863.17
General and administrative expenses	212,847,588.74	243,100,722.91
R&D expenses	791,547,101.42	593,202,939.91
Financial expenses	69,838,783.75	169,314,663.34
Including: Interest expense	15,910,260.18	27,084,851.63
Interest income	128,135,123.54	71,706,569.05
Add: Other income	78,490,900.38	86,727,000.78
Investment gains (or losses)	376,596,031.61	453,651,384.65
Including: Share of gains of associates and joint ventures		-640,697.99
Gains (or losses) from derecognition of financial assets measured at amortized cost		
Net exposure hedging gains (or losses)		
Gains (or losses) on the changes in fair value	33,457,802.21	231,500.01
Credit impairment losses	169,936,441.85	-10,851,806.27
Assets impairment losses	-37,298,170.36	-10,314,128.49
Gain (or losses) from disposal of assets	418,400.22	227,479.28
II. Operating profit (or loss)	1,292,611,552.20	1,713,214,362.03
Add: Non-operating income	10,938,246.07	27,685,065.36
Less: Non-operating costs	20,522,307.52	19,740,562.16
III. Total profit (or loss)	1,283,027,490.75	1,721,158,865.23
Less: Income tax expense	55,714,428.41	143,065,601.36
V. Net profit (or loss)	1,227,313,062.34	1,578,093,263.87
a. Net profit (or loss) from continuing operations	1,227,313,062.34	1,578,093,263.87
b. Net profit (or loss) from discontinuing operations		
V. Other comprehensive income, net of tax		
a. Other comprehensive income not to be reclassified as profit or loss		

1. Remeasurement gains or losses of a defined benefit plan		
2. Other comprehensive income not to be reclassified as profit or loss using the equity method		
3. Changes in fair value of other equity instrument investments		
4. Changes in fair value of enterprise's own credit risk		
5. Others		
b. Other comprehensive income to be reclassified as profit or loss		
1. Other comprehensive income to be reclassified as profit or loss using equity method		
2. Changes in fair value of other debt investments		
3. Amount of financial assets reclassified into other comprehensive income		
4. Provision for credit impairment of other debt investments		
5. Cash flow hedging reserves		
6. Exchange differences on translation of foreign currency financial		
7. Others		
VI. Total comprehensive income	1,227,313,062.34	1,578,093,263.87
VII. Earnings per share		
(1) Basic earnings per share		
(2) Diluted earnings per share		

5. Consolidated Statement of Cash Flows

(in RMB)

Item	2021	2020
I. Cash flows from operating activities		
Cash receipts from the sale of goods and the rendering of services	22,746,962,796.41	19,472,584,400.49
Net increase in customer bank deposits and due to banks and other financial institutions		
Net increase in loans from the central bank		
Net increase in funds borrowed from other financial		

institutions		
Cash premiums received on original insurance contracts		
Net cash received from re-insurance business		
Net increase in deposits and investments from insurers		
Cash received from interest, fees and commission		
Net increase in funds deposit		
Net increase in repurchase business funds		
Net income from securities trading brokerage business		
Tax refunds received	790,867,061.23	326,119,990.80
Cash received relating to other operating activities	514,988,997.93	432,719,130.74
Sub-total of cash inflows	24,052,818,855.57	20,231,423,522.03
Cash paid for purchase of goods and services	21,463,759,761.25	14,118,652,051.76
Net increase in loans and payments on behalf of customers		
Net increase in deposits with central bank and other financial institutions		
Payments for claims for original insurance contracts		
Net increase in funds lent		
Cash paid for interest, fees and commission		
Commissions on insurance policies paid		
Cash paid to and on behalf of employee	1,763,505,472.38	1,194,996,927.43
Cash paid for taxes	848,134,227.11	555,834,544.21
Cash paid relating to other operating activities	1,616,051,517.60	1,273,281,774.04
Sub-total of cash outflows	25,691,450,978.34	17,142,765,297.44
Net cash flows from operating activities	-1,638,632,122.77	3,088,658,224.59
II. Cash flows from investing activities:		
Cash received from disposal of investments	4,399,319,691.62	1,025,191,919.02
Cash received from investment income	142,090,826.04	133,993,911.11
Net proceeds from disposal of fixed assets, intangible assets and other long-term assets	12,149,964.76	7,954,502.01
Cash received from disposal of subsidiaries and other business units	3,814,295.00	
Cash received relating to other investing activities	53,694.23	
Sub-total of cash inflows	4,557,428,471.65	1,167,140,332.14
Cash paid for purchase/construction of fixed assets,	1,665,649,098.40	960,928,959.57

intangible assets and other non-current assets		
Cash paid for investments	6,604,988,709.04	244,850,000.00
Net increase in secured loans		
Net cash paid for acquisition of a subsidiary and other operating units		75,184,693.23
Cash paid relating to other investing activities		
Sub-total of cash outflows	8,270,637,807.44	1,280,963,652.80
Net cash flows from investing activities	-3,713,209,335.79	-113,823,320.66
III. Cash flows from financing activities:		
Cash received from investment	4,178,537,220.12	76,208,246.82
Including: Cash receipts from capital contributions from non-controlling interests of subsidiaries		68,523,246.82
Proceeds from borrowings	2,727,391,963.81	871,569,091.15
Cash receipts relating to other financing activities	73,952,000.00	6,968,509.10
Subtotal of cash inflows	6,979,881,183.93	954,745,847.07
Repayments for debts	1,357,130,322.37	937,442,746.53
Cash payments for distribution of dividends or profit and interest expenses	319,225,674.30	198,712,346.10
Including: Dividends or profit paid to non-controlling shareholders of subsidiaries		
Cash payments relating to other financing activities	124,869,565.09	11,905,711.80
Subtotal of cash outflows	1,801,225,561.76	1,148,060,804.43
Net cash flows from financing activities	5,178,655,622.17	-193,314,957.36
IV. Effect of exchange rate changes on cash and cash equivalents	-19,501,109.58	-69,327,374.24
V. Net increase in cash and cash equivalents	-192,686,945.97	2,712,192,572.33
Add: Cash and cash equivalents at beginning of the period	6,752,686,738.73	4,040,494,166.40
VI. Cash and cash equivalents at end of the period	6,559,999,792.76	6,752,686,738.73

6. Statement of Cash Flows of Parent Company

(in RMB)

Item	2021	2020
I. Cash flows from operating activities		
Cash receipts from the sale of goods and the rendering of services	13,888,228,231.73	16,283,301,660.36

Tax refunds received	573,067,985.35	278,328,165.70
Cash received relating to other operating activities	267,054,687.30	309,483,085.52
Sub-total of cash inflows	14,728,350,904.38	16,871,112,911.58
Cash paid for purchase of goods and services	12,624,409,133.49	13,112,104,404.61
Cash paid to and on behalf of employee	864,821,507.51	724,988,558.69
Cash paid for taxes	86,378,257.47	229,760,458.75
Cash paid relating to other operating activities	875,243,605.70	808,410,724.49
Sub-total of cash outflows	14,450,852,504.17	14,875,264,146.54
Net cash flows from operating activities	277,498,400.21	1,995,848,765.04
II. Cash flows from investing activities:		
Cash received from disposal of investments	2,459,948,800.00	448,893,831.63
Cash received from investment income	263,267,352.70	287,592,082.64
Net proceeds from disposal of fixed assets, intangible assets and other long-term assets	15,354,478.36	7,906,664.10
Cash received from disposal of subsidiaries and other business units		
Cash received relating to other investing activities		
Sub-total of cash inflows	2,738,570,631.06	744,392,578.37
Cash paid for purchase/construction of fixed assets, intangible assets and other non-current assets	1,060,816,972.70	424,457,087.19
Cash paid for investments	7,402,062,808.31	1,036,270,127.89
Net increase in secured loans		75,184,693.23
Net cash paid for acquisition of a subsidiary and other operating units		
Cash paid relating to other investing activities	8,462,879,781.01	1,535,911,908.31
Sub-total of cash outflows	-5,724,309,149.95	-791,519,329.94
Net cash flows from investing activities		
III. Cash flows from financing activities:	3,623,146,130.36	7,685,000.00
Cash received from investment	563,705,196.00	400,125,000.00
Cash received from borrowings	1,994,736,469.94	57,594,473.21
Cash receipts relating to other financing activities	6,181,587,796.30	465,404,473.21
Subtotal of cash inflows	606,044,522.37	307,190,774.19
Repayments for debts	222,227,003.29	123,958,370.79
Cash payments for distribution of dividends or profit and interest expenses	160,201,781.92	380,673,527.01

Cash payments relating to other financing activities	988,473,307.58	811,822,671.99
Net cash flows from financing activities	5,193,114,488.72	-346,418,198.78
IV. Effect of exchange rate changes on cash and cash equivalents	-9,667,764.78	-48,275,247.33
V. Net increase in cash and cash equivalents	-263,364,025.80	809,635,988.99
Add: Cash and cash equivalents at beginning of the period	4,390,478,261.91	3,580,842,272.92
VI. Cash and cash equivalents at end of the period	4,127,114,236.11	4,390,478,261.91

7. Consolidated Statement of Changes in Equity

Current amount

(in RMB)

Item	2021														
	Equity attributable to owners of the parent													Non-controlling interests	Total owners' equity
	Share capital	Other equity instruments			Capital reserve	Less: treasury shares	Other comprehensive income	Special reserve	Surplus reserve	General reserve	Retained earnings	Others	Subtotal		
	Preference share	Perpetual debt	Others												
I. Balance at the end of previous year	1,457,236,850.00				3,218,415,694.87	76,130,653.30	-14,387,945.32		593,881,439.81		5,276,889,357.08		10,455,904,743.14	408,792,371.89	10,864,697,115.03
Add: changes in accounting policies															
Corrections of prior period errors															
Business combination under common control															
Others															
II. Balance at	1,457,236,850.00				3,218,415,694.87	76,130,653.30	-14,387,945.32		593,881,439.81		5,276,889,357.08		10,455,904,743.14	408,792,371.89	10,864,697,115.03

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the beginning of the year	36,850.00				5,694.87	3.30			439.81		.08		,743.14	.89	115.03
III. Increase (or decrease) during the period	27,979,134.00				3,741,279,954.31	-60,997,133.30	-9,833,344.80		122,731,306.23		1,256,004,559.53		5,199,158,742.57	639,822,191.16	5,838,980,933.73
a. Total comprehensive income							-9,833,344.80				1,582,707,374.76		1,572,874,029.96	121,287,196.15	1,694,161,226.11
b. Owners' contribution and reduction	27,979,134.00				3,741,279,954.31	-60,997,133.30							3,830,256,221.61	518,534,995.01	4,348,791,216.62
1. Owners' contribution in ordinary share	27,979,134.00				3,592,820,606.46								3,620,799,740.46	491,720,977.71	4,112,520,718.17
2. Contribution from other equity instruments															
3. Amount of share-based payments recognized in equity					169,330,279.19	-60,997,133.30							230,327,412.49		230,327,412.49
4. Others					-20,870,931.34								-20,870,931.34	26,814,017.30	5,943,085.96

c. Profit distribution									122,731,306.23		-326,702,815.23		-203,971,509.00		-203,971,509.00
1. Transfer to surplus reserve									122,731,306.23		-122,731,306.23				
2. Transfer to general reserve															
3. Distribution to owner (or shareholder)											-203,971,509.00		-203,971,509.00		-203,971,509.00
4. Others															
d. Transfer within equity															
1. Capital reserves converted to share capital															
2. Surplus reserves converted to share capital															
3. Loss made up by surplus reserves															
4. Changes in the defined															

benefit plan transferred to retained earnings															
5. Other comprehensive income transferred to retained earnings															
6. Others															
e. Special reserve															
1. Additions															
2. Utilization															
f. Others															
IV. Balance at the end of the period	1,485,215,984.00				6,959,695,649.18	15,133,520.00	-24,221,290.12		716,612,746.04		6,532,893,916.61		15,655,063,485.71	1,048,614,563.05	16,703,678,048.76

Last period amount

(in RMB)

Item	2020														
	Equity attributable to owners of parent company													Non-controlling interests	Total owners' equity
	Share capital	Other equity instruments			Capital reserve	Less: treasury shares	Other comprehensive income	Special reserve	Surplus reserve	General reserve	Retained earnings	Others	Subtotal		
	Preference share	Perpetual debt	Others												

I. Balance at the end of previous year	1,457,086,850.00				3,243,323,818.35	131,893,420.60	-7,724,807.27		437,647,973.97		3,595,757,622.52		8,594,198,036.97	160,613,151.40	8,754,811,188.37
Add: changes in accounting policies									-1,575,860.55		-13,390,284.37		-14,966,144.92		-14,966,144.92
Corrections of prior period errors															
Business combination under common control															
Others															
II. Balance at the beginning of the year	1,457,086,850.00				3,243,323,818.35	131,893,420.60	-7,724,807.27		436,072,113.42		3,582,367,338.15		8,579,231,892.05	160,613,151.40	8,739,845,043.45
III. Increase (or decrease) during the period	150,000.00				-24,908,123.48	-55,762,767.30	-6,663,138.05		157,809,326.39		1,694,522,018.93		1,876,672,851.09	248,179,220.49	2,124,852,071.58
a. Total comprehensive income							-6,663,138.05				1,954,308,244.82		1,947,645,106.77	21,207,084.07	1,968,852,190.84
b. Owners' contribution and reduction	150,000.00				-24,908,123.48	-55,762,767.30							31,004,643.82	226,972,136.42	257,976,780.24

1. Owners' contribution in ordinary share	150,000.00				515,823.20							665,823.20	68,523,246.81	69,189,070.01
2. Contribution from other equity instruments														
3. Amount of share-based payments recognized in equity					136,629,348.94	-55,762,767.30						192,392,116.24		192,392,116.24
4. Others					-162,053,295.62							-162,053,295.62	158,448,889.61	-3,604,406.01
c. Profit distribution								157,809,326.39	-259,786,225.89			-101,976,899.50		-101,976,899.50
1. Transfer to surplus reserve								157,809,326.39	-157,809,326.39					
2. Transfer to general reserve														
3. Distribution to owner (or shareholder)									-101,976,899.50			-101,976,899.50		-101,976,899.50
4. Others														
d. Transfer within equity														

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

2. Utilization															
f. Others															
IV. Balance at the end of the period	1,457,236,850.00				3,218,415,694.87	76,130,653.30	-14,387,945.32		593,881,439.81		5,276,889,357.08		10,455,904,743.14	408,792,371.89	10,864,697,115.03

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

Current amount

(in RMB)

Item	2021											Total Owners' Equity
	Share capital	Other equity instruments			Capital reserve	Less: treasury shares	Other comprehensive income	Special reserve	Surplus reserve	Retained earnings	Others	
		Preference share	Perpetual debt	Others								
I. Balance at the end of previous year	1,457,236,850.00				3,355,671,754.70	76,130,653.30			593,881,439.81	4,753,441,381.86		10,084,100,773.07
Add: changes in accounting policies												
Corrections of prior period errors												
Others												
II. Balance at the beginning of the year	1,457,236,850.00				3,355,671,754.70	76,130,653.30			593,881,439.81	4,753,441,381.86		10,084,100,773.07
III. Increase (or decrease) during the period	27,979,134.00				3,718,881,450.41	-60,997,133.30			122,731,306.23	900,610,247.11		4,831,199,271.05

a. Total comprehensive income										1,227,313,062.34		1,227,313,062.34
b. Owners' contribution and reduction	27,979,134.00			3,718,881,450.41	-60,997,133.30							3,807,857,717.71
1. Owners' contribution in ordinary share	27,979,134.00			3,592,820,606.46								3,620,799,740.46
2. Contribution from other equity instruments												
3. Amount of share-based payments recognized in equity				126,060,843.95	-60,997,133.30							187,057,977.25
4. Others												
c. Profit distribution									122,731,306.23	-326,702,815.23		-203,971,509.00
1. Transfer to surplus reserve									122,731,306.23	-122,731,306.23		
2. Distribution to owner (or shareholder)										-203,971,509.00		-203,971,509.00
3. Others												
d. Transfer within equity												
1. Capital reserves converted to share capital												
2. Surplus reserves converted to share capital												

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

Previous period amount

(in RMB)

Item	2020											
	Share capital	Other equity instruments			Capital reserve	Less: treasury shares	Other comprehensive income	Special reserve	Surplus reserve	Retained earnings	Others	Total Owners' Equity
		Preference share	Perpetual debt	Others								
I. Balance at the end of previous year	1,457,086,850.00				3,241,001,230.97	131,893,420.60			437,647,973.97	3,449,317,088.80		8,453,159,723.14

Add: changes in accounting policies										-1,575,860.55	-14,182,744.92		-15,758,605.47
Corrections of prior period errors													
Others													
II. Balance at the beginning of the year	1,457,086,850.00				3,241,001,230.97	131,893,420.60				436,072,113.42	3,435,134,343.88		8,437,401,117.67
III. Increase (or decrease) during the period	150,000.00				114,670,523.73	-55,762,767.30				157,809,326.39	1,318,307,037.98		1,646,699,655.40
a. Total comprehensive income											1,578,093,263.87		1,578,093,263.87
b. Owners' contribution and reduction	150,000.00				114,670,523.73	-55,762,767.30							170,583,291.03
1. Owners' contribution in ordinary share	150,000.00				515,823.20								665,823.20
2. Contribution from other equity instruments													

3. Amount of share-based payments recognized in equity					114,154,700.53	-55,762,767.30						169,917,467.83
4. Others												
c. Profit distribution									157,809,326.39	-259,786,225.89		-101,976,899.50
1. Transfer to surplus reserve									157,809,326.39	-157,809,326.39		
2. Distribution to owner (or shareholder)										-101,976,899.50		-101,976,899.50
3. Others												
d. Transfer within equity												
1. Capital reserves converted to share capital												
2. Surplus reserves converted to share capital												
3. Loss made up by surplus reserves												

4. Changes in the defined benefit plan transferred to retained earnings												
5. Other comprehensive income transferred to retained earnings												
6. Others												
e. Special reserve												
1. Additions												
2. Utilization												
f. Others												
IV. Balance at the end of the period	1,457,236,850.00				3,355,671.754.70	76,130,653.30			593,881,439.81	4,753,441,381.86		10,084,100,773.07